



**North Tyneside Council**

# Cabinet

8 September 2022

**Monday, 19 September 2022** The Chamber, Quadrant, The Silverlink North, Cobalt Business Park, NE27 0BY. **commencing at 6.00 pm.**

<b>Agenda Item</b>	<b>Page(s)</b>
<b>1. Apologies for Absence</b>	
To receive apologies for absence from the meeting.	
<b>2. To Receive any Declarations of Interest and Notification of any Dispensations Granted</b>	
You are invited to <b>declare</b> any registerable and/or non-registerable interests in matters appearing on the agenda, and the nature of that interest.	
You are also invited to <b>disclose</b> 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.	
<b>3. Minutes</b>	<b>5 - 18</b>
To confirm the minutes of the meeting held on 1 August 2022.	
<b>4. Report of the Young Mayor</b>	
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.

<b>Agenda Item</b>	<b>Page(s)</b>
<p>5.     <b>Audit Committee Annual Report 2021/22</b></p> <p>To present the Annual Report of the Audit Committee covering the work performed by the committee during 2021/22.</p>	<b>19 - 32</b>
<p>6.     <b>2022/23 Financial Management Report to 31 July 2022</b></p> <p>To receive the second 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 2023.</p>	<b>33 - 86</b>
<p>7.     <b>2023- 2027 Financial Planning and Budget Process incorporating the Associated Engagement Strategy</b></p> <p>To consider a report outlining the process to be adopted for the Authority's Financial Planning and Budget process for 2023/24 as part of the proposed framework for the four years 2023/24 to 2026/27.</p>	<b>87 - 152</b>
<p>8.     <b>Our North Tyneside Plan 2021-2025 Performance Update</b></p> <p>To receive an update on progress with delivering the Our North Tyneside Plan 2021-2025, as set out in the 'Our North Tyneside Performance Report' at Appendix 1.</p>	<b>153 - 194</b>
<p>9.     <b>Adult Social Care - Fair Cost of Care Update</b></p> <p>To see approval for the submission of the fair cost of care report, provisional Market Sustainability Plan and spend report to the Department of Health and Social Care by 14 October 2022.</p>	<b>195 - 200</b>
<p>10.    <b>Wallsend Towns and High Streets Innovation Programme: North of Tyne Combined Authority Towns and High Streets Innovation Programme - Acceptance of Grant</b></p> <p>To seek approval to accept £1.94m of grant funding from the North of Tyne Combined Authority in relation to the Towns and High Streets Innovation Programme for Wallsend.</p>	<b>201 - 212</b>
<p>11.    <b>Review of the North Tyneside Statement of Licensing Policy (Sex Establishments)</b></p> <p>To seek approval to consult on the revised draft North Tyneside Council's Statement of Licensing Policy (Sex Establishments) at Appendix 1.</p>	<b>213 - 256</b>
<p>12.    <b>North Tyneside Local Plan Policy Review 2022</b></p> <p>To seek approval of the North Tyneside Local Plan Policy Review 2022 and for its publication online.</p>	<b>257 - 338</b>

<b>Agenda Item</b>	<b>Page(s)</b>
13. <b>Ambition for Education - Update</b>	<b>339 - 356</b>
To consider an update report on the Ambition for Education, and to seek approval for the work to be progressed in relation the challenges in relation to the financial sustainability of schools, and on taking the necessary steps to progress work.	
14. <b>Approval of the Better Care Fund Plan 2022/23 and Authorisation to Enter Section 75 Partnership Agreement - Better Care Fund</b>	<b>357 - 386</b>
To seek approval of the Better Care Fund Plan for 2022/23 and to enter into a partnership agreement under Section 75 of the National Service Act 2006 (“a section 75 Agreement”) following consultation.	
15. <b>Date and Time of Next Meeting</b>	
Monday 17 October 2022 at 6.00pm.	

**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.**

# Public Document Pack Agenda Item 3

## Cabinet

**Monday, 1 August 2022**

**Present:** N Redfearn (Elected Mayor) (in the Chair)  
Councillors C Johnson, K Clark, S Graham, J Harrison,  
A McMullen and M Rankin

**In Attendance:** Councillor P Oliver (Chair of Council)  
D Hodgson (Business Representative)  
R Fry (Voluntary Sector Representative)  
M Hall (Northumbria Police)  
D McNally (Age UK North Tyneside)  
R Layton (North Tyneside Joint Trades Union Committee)

**Apologies:** Councillors C Burdis, H Johnson and S Phillips, and  
Max Godfrey (Young Mayor)

### **CAB20/22 To Receive any Declarations of Interest and Notification of any Dispensations Granted**

Councillor K Clark declared a registerable personal interest in agenda Item 5: 2022-23 Financial Management Report to 31 May 2022, (CAB23/22) as she was a Director and Employee at Justice Prince CIC which had contracts with North Tyneside Council funded from the Housing Revenue Account (Working Roots).

### **CAB21/22 Minutes**

**Resolved** that the Minutes of the previous meeting held on 27 June 2022 be confirmed and signed by the Chair.

### **CAB22/22 Report of the Young Mayor**

In the absence of the Young Mayor who was unable to attend the meeting as he was away on holiday, it was agreed that a full update would be submitted to the September meeting.

### **CAB23/22 2022/23 Financial Management Report to 31 May 2022**

Cabinet considered the first monitoring report outlining the 2022/23 financial position. It provided an early indication of the potential revenue and capital financial position of the Authority as at 31 March 2023.

The report covered the forecast outturn of the Authority's General Fund and Housing Revenue Account (HRA) revenue budget including management mitigations where issues had been identified; the delivery of 2022/23 approved budget savings plans; and an update on the Capital Investment Plan, including details of variations and reprogramming, that was recommended for approval.

The Budget for 2022/23 was approved by full Council on the 17 February 2022. The net General Fund revenue budget was set at £163.512m. This included £7.257m of savings to be achieved, of which £3.113m related to new business cases included in the 2022-2026 Medium-Term Financial Plan, £1.607m of full year effect of prior year business cases and £2.537m of savings previously achieved by one-off mitigations and non-permanent solutions.

Prior to any mitigation, the Authority's approved net budget was forecast to outturn with a pressure

of £18.456m. Table 1 in the report set out the initial variation summary across the General Fund.

The Authority, as you would expect at this stage of the financial year, was taking a prudent approach to forecasting including in relation to the on-going impact of Covid-19 which currently was forecast to add pressures of £5.551m to the General Fund in 2022/23. These pressures were primarily where fees and charges income had yet to return to pre-pandemic levels, where additional fixed term staff were employed to cover increased demand or to enable front-line service provision to continue unimpacted by employees needing to self-isolate. In addition to Covid-19, global market pressures existed around the Authority's supply chain and current inflation levels, these combined added a further £5.293m to the overall pressure. The remaining £7.612m related primarily to staffing and other income related pressures across the services.

As part of the 2022-2026 Medium-Term Financial Plan (MTFP) agreed by Council in February £2.200m was set aside from the Change Reserve to support additional pressures in Home to School Transport (£1.800m), 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).

In addition to the use of the Change Reserve, £2.000m was also set aside to create a Covid-19 Reserve as part of the 2022-2026 MTFP, this included (£0.650m) to support additional caseloads within Children's Services, (£0.350m) to support Home to School Transport and (£1.000m) to support reduced fees and charges income following the pandemic. Within the 2022-2026 MTFP, £0.150m was identified as planned use of the Insurance Reserve to support additional Repairs and Maintenance costs within the Authority's Commissioning & Asset Management Service Area. The use of this funding has been included in Table 2.

Included within the position for Central Items is (£7.713m) of contingencies; of which (£3.116m) was being used to offset the pressures in Children's Social Care, (£1.301m) was supporting the under achievement of savings targets and (£2.335m) is being used to support the non-energy related inflationary pressures being faced by the Authority. Further to this balance, an additional (£3.050m) was set aside in the 2022-26 MTFP to support anticipated pressures in 2022/23. Of this (£1.300m) was being used to support energy related inflationary pressures, (£0.964m) supporting non-energy related inflationary pressures and (£0.786m) supporting pressures relation to Special Guardianship Orders (SGO) within Children's Services. With the allocation of this support, the Authority had been able to release a provision of (£0.300m) previously held on the balance sheet to support increased SGO costs.

The Authority was able to carry forward from 2021/22, £2.962m of Covid-19 related central Government grants. Of this (£1.811m) had been committed and was reflected in the £18.456m position reported in Table 1. The remaining balance of £1.151m was available to support on-going Covid-19 legacy pressures and was reflected in the revised position shown in Table 2.

With the inclusion of the planned support from the 2022-2026 MTFP, the adjusted General Fund position, as shown in Table 2, was a pressure of £9.605m. This reflected the continuing impact of Covid-19 being £2.400m over the support funding allocated. The main areas impacted were within Environment & Leisure where Sports and Leisure income from fees and charges continued to be lower than pre-pandemic levels. Initial projections suggested income would be higher than in 2021/22 but still only 80% of the income levels achieved pre-pandemic in 2019/20. Significant pressures also existed in Children's Services, where the response to the impact of Covid-19 had seen staffing levels increase to manage a significant increase caseloads and demand for services for Children. This was not unique to North Tyneside and was being seen across the region and nationally.

The Inflation Rate had recently reached 9.1% and this was much higher than when the allocations were made in the 2022-2026 MTFP. This was forecast to add a further £3.029m in respect of both

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energy and non-energy related inflationary pressures. The majority of the inflation issues being in Adults Services across the external care market and contractual costs within Commissioning & Asset Management for catering supplies and the cost of Home to School Transport.

The remaining balance of £4.176m was attributable to pressures considered to be 'Business as Usual'. Finance officers were continuing to work with Cabinet, the Senior Leadership Team and other senior officers across the Authority to review Business as Usual activity in a number of key areas: Children's Services – staffing & placements; Children's risks and the likelihood of crystallisation; SEND pressures; Adults Social Care – demand assumptions; Adults Social Care risks and the likelihood of crystallisation; Unachieved savings targets; Commissioning & Asset Management – Impact of SLA reductions; Law & Governance Structure – use of locums; and Revenues & Benefits position – overpayments. 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.

New savings of £4.720m were agreed as part of the Budget approved by Council in February 2022 so the total savings the Authority had had to find in the eleven years following the 2010 Comprehensive Spending Review (CSR) as planned to 2022/23 came to £134.268m.

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

New savings were proposed for 2022/23 of £3.113m combined with £1.607m of savings targets that were agreed in prior years budget setting processes for delivery in 2022/23. Savings targets of £2.373m within Health, Education, Care and Safeguarding (HECS) and £0.164m within Commissioning & Asset Management (C&AM) were met in 2021/22 through Covid grants, alternative management actions or through one-year funding sources. These targets still required permanent achievement increasing the total savings brought forward from prior year business cases to £4.144m. The overall target to achieve in 2022/23 was therefore £7.257m.

Within HECS, Adults Services were projecting to achieve the full £0.350m relating to business cases brought forward from prior years. Within the CYPL pressure of £14.372m, £3.223m related to the achievement of savings targets. In the previous financial year these savings had been significantly impacted by Covid-19 and as such, achievement had been supported by Central Government Covid-19 grants. With these grants not available in 2022/23 and on-going demand-led pressures already impacting the service, current projections were for all CYPL savings to remain unachieved in 2022/23.

Finance Officers continued to attend meetings with senior managers and the Head of Service across adult and children's services and individual managers had assigned responsibilities to pursue deliverability of existing schemes and to identify alternative proposals during 2022/23.

The forecast assumed that LMB would approve the 15p increase in paid school meals commencing September 2022. School meals increases had been delayed for two years so previous income targets for 2020/21 & 2021/22 were also included in these figures. If not approved by LMB the undeliverable element would increase. The schools leaving the SLA were confirmed so £0.025m of the 2022/23 savings target for paid school meals and SLA income would not be delivered. £0.030m of the cleaning savings target was forecast to be met. Of the £0.486m yet to be delivered £0.066m was undeliverable and £0.420m was yet to be identified. All savings in these services were forecasted to be achieved.

A table containing details of new Revenue Grants received during April and May 2022 was set out in

section 1.5.4 of the report.

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

The High Needs Block ended 2021/22 with a pressure of £13.512m. The initial forecast of the Budget position for 2022/23 indicated an anticipated in-year pressure of £3.413m reflecting a further rise in demand for special school places, producing a cumulative deficit balance of £16.924m.

The Housing Revenue Account (HRA) was forecast to have year-end balances at 31 March 2023 of £3.139m. These balances were £0.070m higher than budget which was set at £3.069m.

Universal Credit was fully implemented across North Tyneside on 2 May 2018. As of early June 2022, 3,809 North Tyneside Homes tenants had moved on to Universal Credit and a team was working proactively with tenants to minimise arrears. This position would be closely monitored as the year progresses to identify any adverse impacts on the Budget position.

The approved 2022-2027 Investment Plan totalled £325.029m (£114.280m 2022/23) and was detailed in table 22 of the Annex. The Annex to the report also set out in Section 6 delivery progress to date, planned delivery for 2022/23, reprogramming and other variations identified through the Investment Programme Governance process.

An officer led review of the Investment Plan had resulted in proposals for variations of £0.365m of which more details were set out in Section 6 of the Annex to the report. The revised Investment Plan stood at £114.280m for 2022/23 and to the end of May 2022 spend of £5.287m had been incurred which represented 4.64% of the revised plan.

Significant inflationary pressures were being experienced across the UK, and senior officers within the Authority had undertaken a review of inflationary impact to the Investment Programme. Supply issues and rising costs were being reviewed and to date the Authority anticipated no impact to the cost of the capital. However, there may be an impact on the delivery of some planned activity. The corporate risk register included risks for such inflationary pressures to the investment plan.

The 2021-2025 Our North Tyneside Plan (Council Plan) set out the overall vision and policy context within which the Financial Plan and Budget were set. The Council Plan had five key themes – A thriving North Tyneside; A caring North Tyneside; A secure North Tyneside; A family-friendly North Tyneside; and a green North Tyneside. For each theme there was a set of policy outcomes that the Authority was seeking to deliver, these are detailed in the Council Plan itself. The Authority had plans in place to deliver all elements of the Council Plan and performance against these plans was carefully monitored.

With regards to financial performance against the Plan, the area under most financial pressure was Health Education Care and Safeguarding. In common with most local authorities, and in line with the national picture, North Tyneside had seen costs within adult social care continue to rise. Along with the number of adults supported increasing over the last few financial years, the individual needs of those residents had increased due to people living longer with multiple complex conditions. Supporting those needs required more intensive packages of care which were more expensive to provide. In addition to older people, younger adults with learning disabilities and physical disabilities were also living longer, often with multiple complex issues.

In Children's Services, good progress continued to be made on engaging with children in the early years of life to ensure that they were ready for school. Safeguarding vulnerable children and maximising their educational attainment remained key priorities.



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Over recent years, there had been an increase nationally in demand for children's residential placements but with no corresponding increase in central government funding. As such, the levels of looked after children (LAC) and children who required supervision after leaving care continued to generate a significant financial pressure. Data for LAC levels suggested that, whilst fluctuating, there was a general trend of a steady increase in numbers but there were a wide range of levels of care provided, with more complex cases now being faced.

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

**Resolved** that (1) the forecast budget monitoring position for the General Fund, Schools' Finance and Housing Revenue Account (HRA) and as at 31 May 2022 (Annex sections 1, 2 and 3), be noted; (2) the receipt of £0.832m new revenue grants (as outlined in section 1.5.3 of the report, be approved; (3) the Authority's Investment Plan spend of £5.287m to 31 May 2022 and the financing of the Plan to the end of the year (Annex Section 4), be noted; and (4) the variations of £0.365m for 2022/23 within the 2022-2027 Investment Plan (Annex Section 4), be approved.

(Reason for decision: It was important that Cabinet continues to monitor performance against the Budget, especially given the current level of financial pressures faced by the public sector.)

### **CAB24/22 Elected Mayor's Announcement**

The Elected Mayor took this opportunity to thank Janice Gillespie, the Authority's Director of Resources, for all her hard work and support before she embarked on a secondment with the North of Tyne Combined Authority, as their Chief Finance Officer.

In her announcement the Elected Mayor expressed her gratitude to Janice as a valued member of the Senior Leadership Team, well respected by our Chief Executive, Assistant Chief Executive, Directors and Officers. She was also trusted and well respected by all Elected Members across the Council.

The Elected Mayor ended her announcement by thanking Janice for all the wonderful work she had led, and how much she had enjoyed working with her, how much she had valued her expertise, professionalism, and commitment to doing the right thing for North Tyneside Council and its residents. She has also been a key member of the Senior Leadership Team with the North of Tyne Combined Authority and wished her all the very best in her new role.

The Elected Mayor then invited the Chair of Council, Councillor Pat Oliver, to say a few words.

Councillor Oliver thanked the Elected Mayor for the opportunity to speak at Cabinet and was sure that all Councillors would want to join her, as Chair of Council, in thanking Janice for her years of dedication, loyalty and commitment to North Tyneside Council and its residents, and to wish her our very best for the future.

### **CAB25/22 North Tyneside Climate Emergency Action Plan 2022 Update**

A report was received on performance since the previous report to Cabinet in November 2021; which sought approval to an update of the Climate Emergency Plan that was produced in 2020, which included a proposal for the Action Plan to be re-titled the 'Carbon Net-Zero 2030 Action Plan' as appended to the report.

In July 2019, Full Council declared a Climate Emergency, setting a target to reduce the carbon

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footprint of the Authority and the Borough by 50% by 2023 and to become carbon neutral by 2050. Subsequently, in acknowledgement of the gravity and urgency of the climate emergency, the refreshed Our North Tyneside Council Plan 2021-25, approved by full Council in September 2021, included the following ambition;

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

During 2020, the Authority worked with industry experts ‘The Carbon Trust’ and consulted with a wide range of stakeholders in the production of the Climate Emergency Action Plan. This was presented to Cabinet in October 2020. The Authority had been delivering against the strategic actions in that plan to successfully reduce carbon emissions.

The updated Action Plan further refined and updated the initial work carried out by the Authority and representatives from all stakeholder groups in 2020 in accordance with the Plan. This further Action Plan update report was informed by evolving Government policy and strategy implemented since 2020. It also provided a more comprehensive suite of actions which would be undertaken by the Authority as an organisation, or in collaboration with others.

The significant policy shift towards net-zero 2030 necessitated the updating of the Climate Emergency Action Plan. In line with the new policy priority, it was proposed that the Action Plan should now be called the ‘Carbon Net-Zero 2030 Action Plan’.

The Carbon Net-Zero 2030 Action Plan was based on the new Our North Tyneside 2021-25 policy commitment, and addresses areas of significant change, including National policy context; Resident survey and Citizens Assembly data; Performance; Governance arrangements; and the set of actions that the Authority would take.

The Climate Change Act 2008, amended in 2019, commits the UK to a net-zero 2050 target. Throughout 2021 and 2022, and particularly in the run up to COP26 in November 2021, key Government strategies, policies, and plans had been released that set out the Government’s approach to net-zero, building on the Ten Point Plan which was published the Department of Business, Energy, and Industrial Strategy in November 2020.

The Authority had shaped the Carbon Net-Zero 2030 Action Plan around these key Government strategies, policies, and plans. This ensures that the Action Plan can realise the emerging opportunities for decarbonisation and economic growth and reflects where the differing timeline of national government targets will have an impact on the Authority’s carbon net-zero 2030 ambition. As an example, the natural gas used in homes and businesses makes up 45% of the Borough’s carbon footprint. Understanding the current and emerging alternatives to using natural gas for heat, and the key targets and milestones within the Ten Point Plan, the UK Hydrogen Strategy and the Heat and Buildings Strategy has shaped the action plan.

A summary of key Government strategies, policies, and plans was included in the Carbon Net-Zero 2030 Action Plan, which was appended to the report.

The Authority’s carbon footprint was made up of the power, heat and water used to run its buildings (not schools), electricity used to power over 31,000 streetlights, the fuel and power used to operate the Authority’s fleet of vehicles and the business miles staff travel in their own vehicles to carry out their duties. This definition of the Authority’s carbon footprint was in line with central government’s Greenhouse Gas Protocol guidance.

The Authority submits an annual performance report to the Department for Business, Energy and Industrial Strategy (BEIS) that detailed the year-on-year measurement of the Authority’s carbon

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footprint. This was published on the Authority's website and was included as a background paper. At the end of 2021/22, the Authority's carbon footprint had decreased by 53% since the baseline year of 2010/11, well in advance of the 2023 target.

The Borough's carbon footprint was made up of the power and heat used in the commercial, industrial, and domestic buildings in the Borough, emissions from road and rail transport, and land use and forestation activities.

An annual report was provided to the Authority by BEIS detailing the carbon footprint of the Borough. The most recent report showed that between the baseline year of 2005 and 2020, absolute carbon emissions had decreased by 47% and carbon emissions per head of population have decreased by 51% when accounting for population growth.

The most recent data showed that the respective carbon footprints were: Authority – 14,111 tonnes of CO<sub>2</sub>; and Borough – 767,177 tonnes of CO<sub>2</sub>.

Whilst developing the Carbon Net-Zero 2030 Action Plan, the Authority had simultaneously been delivering an ambitious programme of work. Key highlights of actions taken by the Authority included, but were not limited to, the following:

- Convened a borough-wide Climate Emergency Board with representatives from public sector organisations and commercial and industrial businesses.
- Commenced a £4.3m programme of work to convert almost 20,000 street lights to energy efficient LED. This will complete the street lighting LED programme.
- Undertaken projects which are financially supported by the Green Homes Grant Local Delivery Scheme to install low carbon heating, energy efficiency measures and renewable energy systems.
- Completed the installation of low carbon heating and energy efficiency measures in four of the Authority's most carbon intensive buildings.
- Planted almost 9,000 trees in the Borough as part of the North East Community Forest.
- Completed an independent review of the Authority's fleet and grey fleet options for decarbonisation.
- Included climate related questions in the resident's survey and used the answers to shape the Carbon Net-Zero 2030 Action Plan.
- Continued to manage the Authority's web based "Climate Hub" which contains useful climate emergency information, press releases, key documents, and grant information.
- Commissioned a heat network feasibility study for the Killingworth township area predicated on using heat from mine-water.
- Progress to the final stages of completing 9 affordable homes utilising a Modern Method of Construction (MMC) called HUSK. These homes will utilise electricity as a form of heat and build on the Authority's fabric first approach with a combination of Air Source Heat Pumps and Solar PV arrays.
- Completed Heat Decarbonisation Plans for 22 public buildings.
- Launched a 'Sustainability Incubator Programme' to support North Tyneside businesses to improve their environmental sustainability.
- Continued working with the young, elected representatives to shape the Authority's plans around climate emergency, waste, recycling and reducing single use plastics usage.
- Commenced the roll-out of Carbon Literacy training.
- Published its 2021/22 Annual Greenhouse Gas Report, detailing performance on reducing the carbon footprint of the Authority and the Borough.
- Developed a scheme to create a continuous segregated cycle lane along the length of the North Tyneside Coast between St Mary's Lighthouse and North Shields Fish Quay/Town Centre.
- Secured almost £9m funding to provide an additional 14 kilometres of cycle routes and improve active travel and public transport.
- Continued to work with the North of Tyne Combined Authority to develop low carbon investment

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opportunities.

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

**Resolved** that (1) the performance update in relation to the carbon footprint of the Authority and the carbon footprint of the Borough, be noted;  
(2) the Authority's Climate Emergency Action Plan being renamed the 'Carbon Net-Zero 2030 Action Plan', be agreed;  
(3) the Carbon Net-Zero Action Plan appended to the report, be agreed; and  
(4) an annual refresh of the Carbon Net-Zero 2030 Action Plan be received, be agreed.

(Reason for decision: It will support the delivery of the Our North Tyneside Council Plan 2021-25 carbon net-zero 2030 ambition.)

### **CAB26/22 North Tyneside Transport Strategy Annual Report**

Cabinet received the North Tyneside Transport Annual Report outlining activities and trends relating to transport in the Borough over the last year.

The Authority was responsible for managing the borough's network of highways, cycling, wheeling, and walking routes, alongside a range of other transport responsibilities. The North Tyneside Transport Strategy was originally adopted in 2017 and an updated version was approved by Cabinet on 18 October 2021. The document sets out the Authority's vision for transport in the borough.

The strategy sought to ensure that "North Tyneside will have a safe, easy to use, healthy, affordable, accessible and integrated travel and transport infrastructure that works for residents, businesses and visitors effectively and efficiently", and sets out five principles which were key to achieving this. As transport was a major contributor to carbon emissions, it had a vital part to play in the Authority's response to its declaration of a Climate Emergency.

The report outlined that North Tyneside's transport network was becoming safer, reflecting the Authority's significant and targeted investment over recent years. Cycling was becoming even more prevalent as a way of getting around North Tyneside and the Authority continued to develop the 'Go Smarter' activities delivered through schools, including road safety education and Bikeability cycling training.

The updated North Tyneside Transport Strategy was approved by Cabinet on 18 October 2021 and sets out the Authority's vision for transport in the borough. It seeks to ensure that "North Tyneside will have a safe, easy to use, healthy, affordable, accessible and integrated travel and transport infrastructure that worked for residents, businesses and visitors effectively and efficiently". It sets out five principles which were key to achieving this.

In order to provide regular information about transport in North Tyneside, the Transport Strategy contained a commitment to provide an annual information report to Cabinet.

Since the Transport Strategy was originally adopted in 2017, the following policies and strategies relating to transport in North Tyneside had been adopted; work was underway to update certain of these documents to reflect the revised Transport Strategy adopted in 2021:

- Transport and Highways Supplementary Planning Document (SPD) – adopted May 2017; updated version in preparation
- Highway Asset Management Plan (HAMP) – adopted September 2017
- North Tyneside Parking Strategy – adopted February 2018; updated version prepared

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- North Tyneside Cycling Strategy – adopted March 2018
- North Tyneside Travel Safety Strategy – adopted March 2018
- North Tyneside Network Management Plan – adopted October 2018
- North Tyneside Zero Emission Vehicles (ZEV) Strategy – adopted November 2021
- North Tyneside Hackney Carriage and Private Hire Licensing Policy – adopted February 2020
- North Tyneside Home to School/College Transport Policy – refreshed 2020

One of the Transport Strategy's key principles involved reducing carbon emissions, by encouraging modal shift and taking part in regional initiatives to encourage wider adoption of low-carbon technologies in both vehicles and transport infrastructure. The importance of this objective was emphasised when full Council formally declared a Climate Emergency at its meeting on 25 July 2019.

Transport accounted for just over a third (34% in 2019) of the UK's carbon dioxide emissions, and since 2016 transport, rather than energy supply, had been the largest source of carbon dioxide emissions in the UK. In order to deliver the Authority's carbon net-zero aims it was therefore vital that the Authority met its objectives and made transport more sustainable. The Our North Tyneside Plan commits the Authority to publishing an action plan of the steps it would take and the national investment it would seek to make North Tyneside carbon net-zero by 2030.

The annual report attached as Appendix 1, covered the period 1 April 2021 to 31 March 2022 and sets out relevant local transport data. A Transport Strategy Data Factsheet summarising the key performance data for 2021/22 was included as Appendix B to the annual information report. The Network of Strategic Cycle Routes ("Tub Map") was attached at Appendix C, and the 2019-2021 Collision Cluster Locations for the period 2019-21 at Appendix D.

The five principles of the Transport Strategy guide the Authority's actions and acted as a framework for measuring performance. The annual information report summarised the Authority's performance against each of the following principles in section 1.5.3 of the report:

1. Reduce carbon emissions from transport;
2. Improve health outcomes;
3. Support inclusive economic growth;
4. Improve connectivity; and
5. Manage demand and enable smart choices for all.

**Resolved** that the content of the North Tyneside Transport Strategy Annual Report and associated supporting information contained within Appendix 1 to the report, be noted.

### **CAB27/22 North Tyneside Parking Strategy**

Cabinet considered a report seeking approval for the revised North Tyneside Parking Strategy.

In October 2021, Cabinet approved the revised and updated North Tyneside Transport Strategy. Its vision is "Moving to a green, healthy, dynamic and thriving North Tyneside" and it sets out five key principles to achieve this.

There were a number of specific strategies and plans within the context of the North Tyneside Transport Strategy: these included the existing North Tyneside Parking Strategy, which was adopted by Cabinet in September 2017.

While North Tyneside was served by cycling and walking routes of improving quality and a comprehensive public transport network, the use of the private car or van remained a frequent choice for residents, businesses, and visitors, with growing use of zero-emission vehicles (ZEVs) in preference to petrol or diesel vehicles. Following the adoption of the updated Transport Strategy,

## Cabinet

the Cabinet Member for Environment requested that a review of the Parking Strategy, and its associated processes, should be undertaken. Officers conducted a survey and held workshops with Members to obtain their feedback and seek to identify key areas of improvement. Through this engagement, key issues for residents and Members were highlighted such as timescales, criteria, and communication.

At its June meeting, the Overview, Scrutiny and Policy Development Committee gave consideration to the Parking Strategy and noted the proposed changes to it following the review of the existing Parking Strategy.

The proposed revisions to the Parking Strategy, following the review exercise and reflecting the updated North Tyneside Transport Strategy, are set out in section 1.5.3 of the report. Following the review of the strategy, specific changes were also proposed to the internal processes relating to requests for parking restrictions and disabled parking bays, as described in section 1.5.4 of the report. These changes aimed to deliver better outcomes for the Authority's customers and give greater visibility to Members.

The proposed revised Parking Strategy, attached as Appendix 1, incorporated the following specific changes to reflect the updated North Tyneside Transport Strategy and the recent Member engagement described above:

- i. The text had been revised to reflect the updated North Tyneside Transport Strategy and the Authority's Carbon Net Zero objectives, and to make a specific link between the Parking Strategy and the recently adopted North Tyneside Zero Emission Vehicles (ZEV) Strategy.
- ii. The list of types of parking permit had been updated to reflect the current position.
- iii. Regarding requests for disabled parking bays – the relevant section (Annex 5 in the draft strategy) had been amended to support residents to use equivalent proof of disability, rather than solely requiring proof of receipt of the 'Higher Rate' mobility component of the Government's Disability Living Allowance. This is in relation to requests for disabled bays. It has also been amended to introduce greater flexibility in the case of an objection from another resident to a request for a disabled bay. Additionally, the specific needs of people with disabilities and their carers are to be carefully considered when developing a parking solution.
- iv. Regarding requests to introduce residential permit parking schemes – in the relevant section (Annex 2 in the draft strategy), the order of the criteria had been amended, so that 'at least 51% of residents in favour' becomes the first criterion which must be satisfied before others were considered.

The following specific changes were to be made to the internal processes relating to requests for parking restrictions and disabled bays:

- i. An improved interactive restriction request form that will provide a user-friendly means to submit requests. It will include a number of frequently asked questions (FAQs), tips and information on the request process for requesters to read before they progress with the submission of the form. Provision is also available for residents to attend Customer First Centres for help filling in the form, and a hard copy can also be provided.
- ii. Subject to the revised Parking Strategy being approved by Cabinet, it will need to be demonstrated that at least 51% of residents are in favour of a parking scheme before the restriction request can be considered further. This will help to make it possible to notify residents promptly if a scheme will not progress, minimising the wait for updates.
- iii. A record of parking restriction requests has been created which will include all requests received via the new online form as well as existing requests. This will be updated monthly and uploaded onto the Members' area, supporting Members to check schemes in their wards every month, receive regular updates and ultimately keep residents well informed of progress.
- iv. Previously, assessments and surveys have been completed once per year. It is intended to increase the frequency of assessments and surveys, to reduce the time taken to implement

## Cabinet

- parking schemes and reduce wait times for residents.
- v. Subject to the revised Parking Strategy being approved by Cabinet, when residents request the provision of disabled bays, equivalent proof will now be accepted by officers as described in section 1.5.3.
  - vi. Subject to the revised Parking Strategy being approved by Cabinet, greater flexibility will be introduced in the case of an objection from another resident to a request for a disabled bay.

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

**Resolved** that (1) the revised North Tyneside Parking Strategy attached as Appendix 1 to the report, be approved; and  
(2) the Director of Regeneration and Economic Development, in consultation with the Cabinet Member for Environment, be authorised to make amendments to the strategy as and when required.

(Reason for decision: to support the effective management of parking in North Tyneside.)

### **CAB28/22      Cabinet response to Economic Prosperity Sub-Committee's Report on Green Skills for Retrofit Jobs**

A report was received which sought approval to Cabinet's response to the recommendations identified in the Green Skills for Retrofit Jobs report, produced by the Green Skills Sub-Group which was appointed by the Economic Prosperity Sub-Committee of the Overview, Scrutiny and Policy Development Committee and presented to Cabinet on 23 May 2022 (Previous Minute CAB5/22).

In determining its work programme for 2021/22 the Economic Prosperity Sub-Committee agreed to appoint a Sub-Group to examine the Authority's approach to adapting to a green industrial revolution and ensuring people had the right skills for the future green jobs.

The Sub-Committee subsequently appointed the Green Skills Sub-Group, drawn from members of the Economic Prosperity Sub-Committee, Environment Sub-Committee and Children, Education and Skills Sub-Committee, to:

- a) consider the steps required to ensure residential, public, commercial, and industrial buildings in the Borough have the lowest possible carbon emissions to support the Authority's 2030 net-zero ambition.
- b) analyse the skills, qualifications, and accreditations that will need to be gained by the local workforce so that:
  - i. they are equipped to deliver energy efficient buildings;
  - ii. the need for imported skills is avoided; and
  - iii. the Borough benefits from the low carbon economic growth;
- c) identify sources of funding that could be accessed for skills and training from a variety of sources to support the local economy; and
- d) make recommendations to the Elected Mayor and Cabinet on how the Authority and its partners might stimulate the local training market so that the required skills, qualifications, and accreditations can be taught to our residents by North Tyneside based providers.

The Green Skills Sub-Group held a series of evidence gathering meetings with officers and key stakeholders during January and February 2022 and, also had regard to a wealth of policy documents and research papers which have been published in relation to decarbonising the built environment and the skills and jobs that will be required to deliver it.

Cabinet received the report of the Economic Prosperity Sub-Committee's Green Skills Sub-Group on Green Skills for Retrofit Jobs on 23 May 2022 which set out a series of recommendations for Cabinet to consider.

## Cabinet

The ten recommendations in the report were extensive and complex. At its meeting on 27 June 2022 (Previous Minute CAB18/22), Cabinet agreed to receive a further report and to provide a response to the recommendations on 1 August 2022, thus allowing additional time for the recommendations to be fully considered by Cabinet and appropriate officers.

In introducing the report, the Deputy Mayor thanked the members of the Green Skills Sub-Group who produced their detailed report and recommendations, and the officers and organisations who supported them in the development of the report.

He stated that the Elected Mayor and Cabinet recognised the importance that retrofitting of buildings had to the Authority's Carbon Net-Zero 2030 journey, including improving energy efficiency, generating renewable energy and providing low carbon heat. That was why we have supported a range of retrofitting projects to the Authority's operational buildings and housing stock, both Council and private houses. The significant investment the Authority had made in the build environment had helped to reduce the carbon footprint of the Authority by 53% and the carbon footprint of the Borough by 47%. However, more would need to be done to move us towards our Carbon Net-Zero 2030 target.

The electricity and gas that was used in homes and businesses across the Borough accounted for 62% of the Borough's carbon footprint. Gas in particular, making up 45% of the Borough's carbon footprint, was a major concern and continued to be a challenge to reduce.

The recommendations in this report had been carefully considered and where possible were proposed to be accepted by Cabinet and had been built into the Authority's Carbon Net-Zero 2030 Action Plan, which was also considered by Cabinet tonight. The recommendations were proposed to be delivered through an ambitious programme of work as set out in the Carbon Net-Zero 2030 Action Plan and, also through a significant piece of work currently being undertaken with the North of Tyne Combined Authority, which was detailed in Cabinet's response to the recommendations.

As we continued to decarbonise our homes and economy, there was a growing demand for new skills, sectors and jobs and the recommendations addressed this. It was imperative that the Authority worked collaboratively with key partners, stakeholders, and sectors to deliver on the Authority's 2030 commitments and to make sure people had the right skills and that the Authority bring more good quality jobs to North Tyneside. Decarbonising the Borough was a great challenge, but it also brought with it opportunities and the Authority was determined to be well positioned to capitalise on those opportunities.

It was proposed that all but one of the Green Skills Sub-Group recommendations be recommended for approval; on the recommendation suggesting Cabinet reject, the Authority's support for the general policy thrust of the recommendation and simply made it clear for Cabinet and the Study Group that this was something beyond the power of North Tyneside Council but well within the influence, and already in the thinking of the Mayor and Cabinet of the North of Tyneside Combined Authority.

Cabinet considered the following decision options: to accept the recommendations set out in paragraph 1.2 of the report; or, to not accept the recommendations and provide an alternative response to the report at the meeting.

**Resolved** that the response to the recommendations of the Economic Prosperity Sub-Committee's Green Skills Sub-Group report on Green Skills for Retrofit Jobs, as set out in the Appendix to the report, be agreed.

(Reason for decision: The proposed response is a proportionate and considered response to the



## Cabinet

recommendations made in the Economic Prosperity Sub-Committee's Green Skills Sub-Group report.)

### **CAB29/22      Date and Time of Next Meeting**

6.00pm on Monday 19 September 2022.

### **Minutes published on Thursday 4 August 2022.**

The decisions contained within these Minutes may be implemented (unless called in by 3 Non-Executive Members for consideration by the Overview, Scrutiny and Policy Development Committee) immediately following the expiry of the call-in period; i.e. 5.00pm on Thursday 11 August 2022.

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## North Tyneside Council Report to Cabinet Date: 19 September 2022

### Title: Audit Committee Annual Report 2021/22

<b>Portfolio(s):</b> Finance and Resources	<b>Cabinet Member(s):</b> Councillor Martin Rankin
<b>Report from Service Area:</b> Resources	
<b>Responsible Officer:</b> Jon Ritchie, Director of Resources	<b>Tel:</b> (0191) 643 5701
<b>Wards affected:</b> All	

#### PART 1

##### 1.1 Executive Summary:

The purpose of this report is to present an Annual Report to Cabinet from Audit Committee, covering the work performed by the Committee during 2021/22.

The Report explains the role of Audit Committee; summarises the outcomes of a review of the effectiveness of the Audit Committee, led by the co-opted Chair; explains the progress which has already been made in implementing the recommendations from this review; and sets out areas recommended for further development of the effectiveness of Audit Committee. The report also summarises highlights from the substantive business considered by the Committee in 2021/22.

##### 1.2 Recommendation(s):

It is recommended that Cabinet notes the Audit Committee Annual Report for 2021/22, attached as Appendix A to 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 18 August 2022.

##### 1.4 Council Plan and Policy Framework

The work of Audit Committee supports the entire framework of governance, risk management and control within the Authority, and all service responsibilities as identified within the Our North Tyneside Plan.

## 1.5 Information:

### Background

- 1.5.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) views audit committees in local government as a key component of each local authority's governance framework<sup>1</sup>. The Authority has a dedicated Audit Committee, which is independently chaired. Mr Kevin Robinson was the independent Chair but resigned in May 2022. Mr Malcolm Wilkinson is the independent Deputy Chair, and is currently acting as the Chair whilst a recruitment exercise for a new independent member takes place.
- 1.5.2 CIPFA also recommends that the Audit Committee should regularly assess its own effectiveness and has prepared guidance which Audit Committees can use for this purpose. The Authority's Audit Committee arrangements have therefore been reviewed in line with this guidance, led by the Audit Committee Chair, with actions identified to improve the arrangements continuing throughout 2021/22 to date.
- 1.5.3 An annual report from Audit Committee to Cabinet, in line with the recommendations from the review of Audit Committee Effectiveness, is attached. This report demonstrates how the Audit Committee has met its Terms of Reference during the year and summarises some of the key highlights of work undertaken in 2021/22.

## 1.6 Decision options:

The following decision options are available for consideration by Cabinet:

### Option 1

Cabinet notes the Audit Committee Annual Report 2021/22 (Appendix A).

### Option 2

Cabinet does not note the Audit Committee Annual Report 2021/22 (Appendix A).

Option 1 is the recommended option.

## 1.7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

Noting the Audit Committee Annual Report 2021/22 will demonstrate that Cabinet:

- has received and considered the outcomes of the Audit Committee's review of its own effectiveness, which is good practice recommended by CIPFA; and
- will help to ensure that Cabinet is aware of the main governance matters which have been considered by Audit Committee in 2021/22.

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• <sup>1</sup> CIPFA Position Statement on Local Authority Audit Committees, *Audit Committees – Practical Guidance for Local Authorities and Police, CIPFA 2018*

## **1.8 Appendices:**

Appendix A: Audit Committee Annual Report 2021/22.

## **1.9 Contact officers:**

Richard Dunlop, Interim Chief Internal Auditor, (0191) 643 5738

## **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:

- CIPFA Position Statement on Local Authority Audit Committees, Audit Committees – Practical Guidance for Local Authorities and Police, CIPFA 2018
- [Review of Audit Committee Effectiveness – Report to Audit Committee, 23 March 2022](#)
- [Reports to Audit Committee 2021/22](#)

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

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

Audit Committee's remit covers the Authority's entire framework of governance, risk management and control, including financial governance and control. The work of the Committee supports and promotes effective financial control throughout all parts of the organisation. There are no direct financial implications arising from the recommendations in this report. Should any financial implications associated with these risks emerge that cannot be contained within current budgets, then these will be reported to Cabinet.

### **2.2 Legal**

There are no legal implications arising from the recommendations in this Report.

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

Consultation on the analysis against CIPFA's good practice guidance, taken from the 2018 publication "Audit Committees – Practical Guidance for Local Authorities and Police", was undertaken with Audit Committee during 2019. The Chair of Audit Committee also engaged with serving elected members of Audit Committee and senior officers on an individual basis.

An updated self-assessment of Audit Committee Effectiveness, including proposals for an annual report to Cabinet from Audit Committee, was discussed with Audit Committee members at the meeting of Audit Committee on 23 March 2022.

Individual reports from Internal Audit, External Audit or the Director of Resources (referenced in the Audit Committee Annual Report 2021/22) have all been discussed with the relevant client identified for that work, at the time that this was completed.

## 2.4 Human rights

There are no human rights act implications arising from the recommendations in this Report.

## 2.5 Equalities and diversity

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

## 2.6 Risk management

There are no risk management implications arising directly from this report.

## 2.7 Crime and disorder

There are no crime and disorder implications arising directly from this report. The work of the Audit Committee in considering the arrangements in place for an effective framework of governance, risk management and control helps to mitigate against the risk of certain types of crime (e.g. fraud) towards the Authority.

## 2.8 Environment and sustainability

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

## PART 3 - SIGN OFF

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

# **Audit Committee Annual Report 2021/22**

**September 2022**



## **Introduction from Co-opted Acting Chair of Audit Committee**

Since I was appointed into the independent role on North Tyneside Council's Audit Committee, I have enjoyed learning about the Council, and comparing the challenges it faces with those which I encountered during my career in local government. The scale and breadth of what the Council does continues to impress, and the 2021/22 year has seen the continued impact of the Coronavirus pandemic on all public sector organisations. The provision of independence assurance to the Council on its changing and evolving risk profile has, arguably, never been more important. Throughout this period Internal Audit has adapted and demonstrated the need to flex service provision to meet the new challenges.

At their core, audit committees can play a vital role in supporting and maintaining a culture and environment to support the integrity of governance arrangements and the provision of information for decision making for the organisation. I found over my many years on this committee that the members have shown great interest and understanding of the role, and have asked many challenging questions. At times of uncertainty, transparency can be of heightened importance so I hope this annual report from Audit Committee on its work and how it has met its agreed Terms of Reference during 2021/22 is a useful source of assurance to Cabinet.

In addition to summarising highlights from the substantive business considered by Audit Committee in 2021/22, this report details the outcomes from reviewing our Audit Committee arrangements and its effectiveness. The report details progress we have made as a Committee, with regard to reflecting good practice recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) and further developments identified to improve Audit Committee's effectiveness further.

An annual report to Cabinet on the work of the Committee is one action identified and I am pleased to introduce this annual report to Cabinet on behalf of the Audit Committee. I hope that this report is of interest and helpful to Cabinet and any views from Cabinet can be used to help guide the work of Audit Committee to ensure we can continue to develop a vital assurance link for the organisation and in turn, residents, businesses, and all those who live or work within the borough.

**Malcolm Wilkinson**  
**Co-opted Acting Chair of Audit Committee**



## Role of Audit Committee

Audit committees in local government have grown and developed in recent years. The main professional body, the Chartered Institute of Public Finance and Accountancy (CIPFA), issues guidance regarding local government audit and financial governance matters. CIPFA has published a Position Statement on Audit Committees in Local Authorities which sets out seven main principles which should be evident in a good local authority audit committee.

The seven principles are:

- 1 **Audit committees are a key component of an authority's governance framework.** Their function is to provide an independent and high-level resource to support good governance and strong public financial management.
- 2 **The purpose of an audit committee is to provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes.** By overseeing internal and external audit it makes an important contribution to ensuring that effective assurance arrangements are in place.
- 3 **Authorities should adopt a model that establishes the committee as independent and effective.** The committee should:
  - Act as the principal non-executive, advisory function supporting those charged with governance.
  - Be independent of both the executive and the scrutiny functions and include an independent member where not already required to do so by legislation.
  - Have clear rights of access to other committees / functions, for example, scrutiny and service committees, corporate risk management boards and other strategic groups.
  - Be directly accountable to the authority's governing body.
- 4 **The core functions of an audit committee are to:**
  - Be satisfied that the authority's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it, and demonstrate how governance supports the achievements of the authority's objectives.
  - In relation to the authority's internal audit functions:
    - oversee its independence, objectivity, performance and professionalism
    - support the effectiveness of the internal audit process
    - promote the effective use of internal audit within the assurance framework.

- Consider the effectiveness of the authority's risk management arrangements and the control environment, reviewing the risk profile of the organisation and assurances that action is being taken on risk-related issues, including partnerships and collaborations with other organisations.
- Monitor the effectiveness of the control environment, including arrangements for ensuring value for money, supporting standards and ethics and for managing the authority's exposure to the risks of fraud and corruption.
- Consider the reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control.
- Support effective relationships between external audit and internal audit, inspection agencies and other relevant bodies, and encourage the active promotion of the value of the audit process.
- Review the financial statements, the external auditor's opinion and reports to members, and monitor management action in response to the issues raised by external audit.

## **5 An audit committee can also support its authority by undertaking a wider role in other areas including:**

- Considering governance, risk or control matters at the request of other committees or statutory officers.
- Working with local standards and ethics committees to support ethical values.
- Reviewing and monitoring treasury management arrangements in accordance with 'Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes' (CIPFA, 2017).
- Providing oversight of other public reports, such as the annual report.

## **6 Good audit committees are characterised by:**

- A membership that is balanced, objective, independent of mind, knowledgeable and properly trained to fulfil their role. The political balance of a formal committee of a council will reflect the political balance of the council, however, it is important to achieve the right mix of apolitical expertise.
- A membership that is supportive of good governance principles and their practical application towards the achievement of organisational objectives.
- A strong independently minded chair – displaying a depth of knowledge, skills and interest. There are many personal qualities needed to be an effective chair, but key to these are:
  - Promoting apolitical open discussion
  - Managing meetings to cover all business and encouraging a candid approach from all participants
  - An interest in and knowledge of financial and risk management, audit, accounting concepts and standards, and the regulatory regime.
- Unbiased attitudes – treating auditors, the executive and management fairly.
- The ability to challenge the executive and senior managers when required.

## **7 To discharge its responsibilities effectively the committee should:**

- Meet regularly – at least four times a year and have a clear policy on those items to be considered in private and those to be considered in public.
- Be able to meet privately and separately with the external auditor and with the head of internal audit.
- Include, as regular attendees, the Chief Finance Officer(s), the Chief Executive, the head of internal audit and the appointed external auditor. Other attendees may include the Monitoring Officer (for standards issues) and the head of resources (where such a post exists). These officers should also be able to access the committee, or the chair, as required.
- Have the right to call any other officers or agencies of the authority as required.
- Report regularly on its work to those charged with governance, and at least annually report an assessment of their performance. An annual public report should demonstrate how the committee has discharged its responsibilities.

CIPFA have recently issued a revised Position Statement on Audit Committees in Local Government. The requirements of the revised Position Statement will be assessed during 2022/23, in conjunction with anticipated guidance, to ensure that our Audit Committee continues to adhere to best practice.

## **Review of North Tyneside’s Audit Committee**

It is good practice to undertake an annual review of the effectiveness of our Audit Committee arrangements. Using CIPFA’s Position Statement as a foundation for a review of the Audit Committee, a self-assessment of our existing arrangements was considered by Audit Committee at its meeting in March 2022. The self-assessment built on previous reviews undertaken, including the Chair of Audit Committee engaging with serving elected members of Audit Committee on an individual basis, in addition to senior officers, to examine the arrangements in place for our Audit Committee. Several ideas to develop Audit Committee arrangements were discussed and agreed during that review, with progress reported to Audit Committee at its meeting in March 2022.

The self-assessment undertaken in March 2022 demonstrated that the Audit Committee arrangements once again reflected the good practice recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA). It was noted that the areas for development previously identified had been implemented during 2021/22. Audit Committee queried the small number of items in the self-assessment which had been marked as only partially met and asked what would be needed enable them to be recorded as fully compliant. It was explained that in relation to requirement for the Committee to report directly to Full Council that the Audit Committee Annual Report had been presented to Cabinet and that arrangements were in place for this to continue. It was acknowledged that whilst the role and purpose of the Audit Committee was clearly understood by the Members of the Committee this was not always the case across the Authority. The presentation of the Annual Report has gone some way towards rectifying the situation, in conjunction with training. The Chair had regular meetings with the Chief Executive

and other Senior Officers, and it was reported that further work would be undertaken to build engagement with the Senior Leadership Team.

It will be important that actions agreed to develop Audit Committee's interaction with the wider Authority are implemented to further help improve the Audit Committee's visibility, effectiveness, and usefulness within the Authority.

## **Audit Committee Substantive Business – Key Highlights**

In addition to considering how we might improve Audit Committee's delivery of its role and remit during 2021/22, the Committee's business proceeded largely as planned, and a number of interesting and important reports were received and discussed. A summary of reports received by the Committee is set out at Annex A. Key highlights from the Committee's work during the year included:

### **Internal Audit**

#### *Annual Opinion*

The Chief Internal Auditor's Annual Opinion on the Framework of Governance, Risk Management and Control for 2021/22 was reported during the year and provided a 'satisfactory overall' opinion. This is a positive outcome for the organisation, particularly given the impact of the Covid pandemic, and is testament to the management of the organisation. The opinion reflected that no 'no assurance' audit opinions, and no 'critical' audit recommendations, had been issued by Internal Audit during the year.

The opinion detailed the work undertaken by Internal Audit during the year, highlighting the main findings from their work. The report explained that a number of the organisation's fundamental financial systems, and high value / high volume transactional systems, were among those awarded a 'significant assurance' or 'full assurance' audit opinion. Attention was also drawn to 'significant assurance' opinions provided by Internal Audit in respect of the Treasury Management, Risk Management, Payment Card Industry Data Security Standards and the Accuserv System audits.

In terms of the areas where a 'limited assurance' opinion was determined, Internal Audit drew attention to their audit of Section 106 and Community Infrastructure Levy. This reflected the need to strengthen controls and procedures in some areas, including the setting and monitoring of trigger points and in the calculation of s106 amounts. Recommendations aimed at strengthening controls had been agreed and were in the process of being implemented within the Authority.

A number of matters contained within the Chief Internal Auditor's annual report were discussed in detail by Audit Committee, with a number of intelligent and probing questions asked by Audit Committee members. Internal Audit has agreed to keep these areas under review and further updates will be brought back to Committee.

Audit Committee receives regular summaries of the outcomes of Internal Audit's reports. These summaries highlight:

- the audit objectives of each audit assignment

- the number of high, medium and low priority recommendations made
- any areas of good practice in the area under audit
- key findings / issues identified from the audit, and recommendations
- a management comment on action taken in response to the audit recommendations made.

Audit Committee considered the issues contained within these reports and sought clarification and further assurance in several areas. Particular interest is paid by Audit Committee to the successful implementation of agreed recommendations following completed internal audit assignments. The format of this work and subsequent reporting to Audit Committee has been discussed with the Chief Internal Auditor with a view to developing this area of work further and providing greater assurance to Audit Committee.

During 2021/22, the Audit Committee continued to receive regular updates from Internal Audit and Risk Management, with information regarding the ongoing impact of the Coronavirus pandemic, with resulting changes to Internal Audit's Strategic Audit Plan for 2021/22 to reflect the evolving nature of risks and subsequent assurance coverage required during the year.

During 2021/22 Audit Committee also discussed the ending of the shared service agreement with Northumberland County Council. The shared service ended in April 2022.

### **External Audit**

In the Auditors Annual Report for 2020/21, the External Auditor provided an unqualified opinion on the accounts and arrangements in place to secure value for money within the Council. This is a very positive outcome and reflects well on the financial processes and financial governance procedures in place within the Authority.

Due to the Coronavirus pandemic, the Ministry of Housing, Communities and Local Government (MHCLG) made changes to the Regulations governing the statutory accounts. These national changes were made in the Accounts and Audit (Coronavirus) Amendments Regulations 2020 (SI 2020/404) and extended the statutory deadline for the 2020/21 accounts for all local authorities. The changes resulted in the deadline for the Chief Finance Officer to certify the draft accounts changing to 31 August 2021 (previously 31 May each year) and for the consideration and approval of the accounts taking place no later than 30 November 2021 (previously 31 July each year).

It was also noted that the auditor had not issued a certificate that the audit had been completed in accordance with the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office's 2020 Code of Audit Practice, as the procedures required by the National Audit Office on the Whole of Government Accounts submission had not yet been performed and guidance for 2020/21 had been delayed.

Audit Committee also considered an Audit Planning Report for 2021/22, detailing audit risk areas and methodology for undertaking of the audit of accounts for the

2021/22 financial year. During consideration of the report by Audit Committee, reference was made to the work undertaken in relation to the identification of fraud in respect of grant funding. It was explained that the Authority has processes and systems in place to deal with potentially fraudulent activity. Reference was made to the work undertaken with the Internal Audit section in relation to the checks in place for the issue of the grant funding and the significant pre and post assurance checks carried out.

## **Finance**

The Annual Statement of Accounts for 2020/21 was received by the Committee, in accordance with the updated statutory accounts deadlines resulting from the Accounts and Audit (Coronavirus) Amendments Regulations 2020 (SI 2020/404). Audit Committee members' attention was drawn the impact of changes made as a result of the Covid-19 pandemic, particularly the suspension of face-to-face Authority meetings and the sudden move to home working by over 1000 officers of the Authority.

In addition, as part of the national sector-led improvement programme, the Authority had taken part in a Local Government Association (LGA) Corporate Peer Challenge. A follow up visit, on the 29th and 30th June 2021, had been undertaken to review progress on the six corporate peer challenge recommendations and to carry out a Covid-19 recovery and renewal challenge. It was explained that the feedback from the LGA team had been extremely positive, and four recommendations had been made to support the Authority's ongoing work on Covid-19 recovery and renewal.

The Annual Governance Statement, which explained how the Council delivered good governance and reviewed the effectiveness of its arrangements, was co-ordinated by the Director of Resources and considered in detail by the Committee. Having reviewed the evidence underpinning the Annual Governance Statement, the Senior Leadership Team had taken the view that governance arrangements in operation were effective. Audit Committee considered the contents of the Annual Governance Statement in conjunction with the Authority's corporate risks which are regularly reviewed by the Committee.

## **Future Work of Audit Committee: 2022/23 and Beyond**

Building on the work already undertaken and outlined in this report, some of the tasks required of Audit Committee in the coming year are already clear.

In accordance with CIPFA's recommendation the next annual assessment of the Audit Committee's performance will be undertaken. This review will include all serving Audit Committee members and the outcomes will be reported to Audit Committee and to Cabinet in the next annual report.

Consideration remains required on how the role and remit of Audit Committee can continue to be promoted, in order that there is greater clarity for officers and those elected members who do not serve (or have not yet served) on the Committee as to its purpose and rationale. This work should be in conjunction with work underway to consider an appropriate skills development programme for Audit Committee

members, reflecting the Audit Committee's Work Programme and CIPFA's recommended 'core knowledge and skills framework for Audit Committee members.

A programme of briefings has been established and this will involve corporate risk owners from the Senior Leadership Team, attending Audit Committee to discuss the risks and controls with members.

The Audit Committee will continue to liaise with the Internal Audit and Risk Management team regarding the service, following the end of the shared Internal Audit and Risk Management service with Northumberland County Council.

Under the Public Sector Internal Audit Standards, the Internal Audit service will again need to be externally assessed during 2022/23. The form of this external assessment and its outcomes will be reported to Audit Committee and will form part of the Committee's work programme during this year.

## **Conclusion**

Audit Committee is pleased to present this annual report to Cabinet for 2021/22 and hopes that this will give an outline of some of the issues which have been considered over the last year as Audit Committee has met its Terms of Reference. The Committee looks forward to developing its work programmes in accordance with revised best practice guidance and in assuring and supporting Cabinet as the current year progresses.

**Annex A****Summary of Reports considered by Audit Committee in 2021/22**

<b>Meeting Date</b>	<b>Governance Matters Considered</b>
26 May 2021	2020/21 Provisional Audit Planning Report Update on Annual Statement of Accounts 2020/21 2020/21 Opinion on the Framework of Governance, Risk Management and Control Key Outcomes from Internal Audit Reports Issued between November 2020 and May 2021 Strategic Audit Plan 2020/21 Final Monitoring Statement
28 July 2021	2020/21 Draft Statement of Accounts Corporate Risk Management Summary Report
22 September 2021	2020/21 Annual Financial Report 2020/21 Audit Results Report 2020/21 Draft Statement of Accounts 2020/21 Draft Annual Governance Statement Conclusion of Shared Service Arrangement (Internal Audit & Risk Management)
6 October 2021	2020/21 Annual Financial Report 2020/21 Audit Results Report 2020/21 Draft Statement of Accounts 2020/21 Draft Annual Governance Statement
17 November 2021	Key Outcomes from Internal Audit Reports Issued between May and November 2021 Strategic Audit Plan 2021/22 – Interim Monitoring Statement
23 March 2022	2021/22 Provisional Audit Planning Report 2020/21 Auditor's Annual Report Accounting Policies to be used in the compilation of the 2021/22 Annual Statement of Accounts Closure of the 2021/22 Statement of Accounts Review of Audit Committee Effectiveness Proposed Audit Committee Work Programme 2022/23 Strategic Audit Plan 2022/23 Corporate Risk Management Summary Report



## North Tyneside Council Report to Cabinet 19th September 2022

**Title: 2022/23 Financial Management Report to 31 July 2022**

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

### PART 1

#### 1.1 Executive Summary:

This report is the second monitoring report to Cabinet on the 2022/23 financial position. The report brings together financial and performance information with the intention of explaining the current financial position in the context of the policy priorities in the Our North Tyneside Plan. It provides the second 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.

1.1.1 The 2021/22 financial year was highly complex for the Authority with the operational response to the pandemic requiring innovation, agility, professionalism and partnership working. Like all local authorities, North Tyneside Council is continuing to feel the legacy impact of the Covid-19 pandemic and, 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, and Catering Services.

1.1.2 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. The impact of these factors is leading to what is being termed a ‘cost of living crisis’ and are all adding significant financial strain to the Authority’s budgets. The potential impact of some of these pressures was foreseen, and a number of contingencies and reserves were set aside in the 2022-2026 Medium-Term Financial Plan to support the 2022/23 financial position. The initial review of the 2022/23 position is that these mitigations may not be sufficient, and that the Authority will have to consider further actions to bring the General Fund budget in on target.

- 1.1.3 As said previously, this report provides an early picture of the potential implications of these financial pressures and emerging risks, and has been prepared on a prudent basis. The current forecast sets out that prior to any further plans and mitigations, the Authority's approved net revenue budget of £163.512m is forecasting a pressure of £19.115m. Taking into account the planned use of reserves and contingencies the adjusted General Fund position, is a pressure of £10.963m. Further details on the General Fund position are included in section 1.5 of this report, as well as in the Annex to the report.
- 1.1.4 The Mayor and Cabinet will be aware of more recent increases in the Bank of England base rate, with an expectation that interest rates may continue to rise. In terms of the Authority's approach to Treasury Management, the rates are still historically low and currently do not represent a longer-term risk to the Authority. 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.
- 1.1.5 In terms of the Housing Revenue Account, a small overspend of £0.064m 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.
- 1.1.6 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.
- 1.1.7 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:**

It is recommended that Cabinet:

- (a) notes the forecast budget monitoring position for the General Fund, Schools' Finance and Housing Revenue Account (HRA) and as at 31 July 2022 (Annex sections 1, 2 and 3);
- (b) approves the receipt of (£1.381m) new revenue grants (as outlined in section 1.5.3 of this report);
- (c) notes the Authority's Investment Plan spend of £16.000m to 31 July 2022 and the financing of the Plan to the end of the year (Annex Section 4); and
- (d) approves variations of £4.280m for 2022/23 within the 2022-2027 Investment Plan (Annex Section 4).

## **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 17 June 2022.

## 1.4 Authority Plan and Policy Framework:

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

## 1.5 Information:

### 1.5.1 Financial Position

This report is the second 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 as at 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.

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

The Budget for 2022/23 was approved by full Council at its meeting on the 17 February 2022. The net General Fund revenue budget was set at £163.512m. This included (£7.257m) of savings to be achieved, of which (£3.113m) relates to new business cases included in the 2022-2026 Medium-Term Financial Plan, (£1.607m) of full year effect of prior year business cases and (£2.537m) of savings previously achieved by one-off mitigations and non-permanent solutions.

Prior to any mitigation, the Authority's approved net revenue budget is forecast to outturn with a pressure of £19.115m. Table 1 below sets out the initial variation summary across the General Fund.

The Authority, as would be expected at this stage of the financial year, is taking a prudent approach to forecasting including in relation to the on-going impact of Covid-19 which currently is forecast to add pressures of £4.082m to the General Fund in 2022/23. These pressures are primarily where fees and charges income has yet to return to pre-pandemic levels, where additional fixed term staff are employed to cover increased demand or to enable front-line service provision to continue unimpacted by employees needing to self-isolate. In addition to Covid-19, global market pressures exist around the Authority's supply chain and current inflation levels, these combined add a further £3.687m to the overall pressure. The remaining £11.346m relates primarily to staffing and other income related pressures across the services.

As part of the 2022-2026 Medium-Term Financial Plan (MTFP) agreed by Council in February £2.200m was set aside from the Change Reserve to support additional pressures in Home to School Transport (£1.800m), 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).

In addition to the use of the Change Reserve, £2.000m was also set aside to create a

Covid-19 Reserve as part of the 2022-2026 MTFP, this included (£0.650m) to support additional caseloads within Children's Services, (£0.350m) to support Home to School Transport and (£1.000m) to support reduced fees and charges income following the pandemic.

Within the 2022-2026 MTFP, (£0.150m) was identified as planned use of the Insurance Reserve to support additional Repairs and Maintenance costs within the Authority's Commissioning & Asset Management Service Area. The use of this funding has been included in Table 2.

Included within the position for Central Items is (£7.713m) of contingencies; of which (£3.116m) is being used to offset the pressures in Children's Social Care, (£1.301m) is supporting the under achievement of savings targets and (£3.296m) is being used to support the non-energy related inflationary pressures being faced by the Authority. Further to this balance, an additional (£2.264m) was set aside in the 2022-26 MTFP to support anticipated pressures in 2022/23. Of this (£1.300m) is being used to support energy related inflationary pressures, (£0.964m) supporting non-energy related inflationary pressures. With the allocation of this support, the Authority has been able to release a provision of (£0.300m) previously held on the balance sheet to support increased Special Guardianship Order costs.

The Authority was able to carry forward from 2021/22, (£2.962m) of Covid-19 related central Government grants. Of this (£1.724m) has been committed and is reflected in the £19.115m position reported in Table 1. The remaining balance of (£1.238m) is available to support on-going Covid-19 legacy pressures and is reflected in the revised position shown in Table 2.

With the inclusion of the planned support from the 2022-2026 MTFP, the adjusted General Fund position, as shown in Table 2, is a pressure of £10.963m. This reflects the continuing impact of Covid-19 being £0.844m over the support funding allocated. The main areas impacted are within Environment & Leisure where Sports and Leisure income from fees and charges continues to be lower than pre-pandemic levels. Initial projections suggest income will be higher than in 2021/22 but still only 80% of the income levels achieved pre-pandemic in 2019/20. Significant pressures also exist in Children's Services, where the response to the impact of Covid-19 has seen staffing levels increase to manage a significant increase caseloads and demand for services for Children. This is not unique to North Tyneside and is being seen across the region and nationally.

The Inflation Rate has recently reached 10.1% and this is much higher than when the allocations were made in the 2022-2026 MTFP. This is forecast to add a further £1.423m in respect of both energy and non-energy related inflationary pressures. The majority of the inflation issues being in Adults Services across the external care market and contractual costs within Commissioning & Asset Management for catering supplies and the cost of Home to School Transport.

The remaining balance of £8.696m is attributable to pressures considered to be 'Business as Usual'. 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 in a number of key areas:

- Children's Services – staffing & placements;
- Children's risks and the likelihood of crystallisation;
- SEND pressures;
- Adults Social Care – demand assumptions;
- Adults Social Care risks and the likelihood of crystallisation;

- Unachieved savings targets;
- Commissioning & Asset Management – Impact of SLA reductions;
- Law & Governance Structure – use of locums; and
- Revenues & Benefits position – review of the level of overpayments and subsequent recovery.

The aim of this work will be to ensure actions are in place to bring It is anticipated that 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.

**Table: 1 2022/23 General Fund Revenue Forecast Outturn as at 31 July 2022**

Services	Budget	Forecast July	Variance July	Variance May	Change since May
	£m	£m	£m	£m	£m
Health, Education, Care and Safeguarding	76.822	94.804	17.982	18.876	(0.894)
Public Health	1.925	1.925	0.000	0.000	0.000
Commissioning & Asset Management	6.918	11.714	4.796	4.383	0.413
Environment	37.034	37.993	0.959	0.601	0.358
Regeneration & Economic Development	10.221	10.653	0.432	0.329	0.103
Corporate Strategy	0.541	0.925	0.384	0.142	0.242
Chief Executive Office	(0.076)	(0.076)	0.000	0.000	0.000
Resources	2.538	3.470	0.932	0.932	0.000
Law & Governance	0.320	1.486	1.166	0.724	0.442
General Fund Housing	1.789	1.994	0.205	0.205	0.000
Central Items	(5.299)	(2.442)	(7.741)	(7.736)	(0.005)
Support Services	20.181	20.181	0.000	0.000	0.000
<b>Total Authority</b>	<b>163.512</b>	<b>182.627</b>	<b>19.115</b>	<b>18.456</b>	<b>0.659</b>

**Table: 2 2022/23 Adjusted General Fund Revenue Forecast Outturn Position as at 31 July 2022**

<b>Service</b>	<b>Covid Pressures</b>	<b>Inflationary Pressures</b>	<b>Other BAU Pressures</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Total Authority</b>	<b>4.082</b>	<b>3.687</b>	<b>11.346</b>	<b>19.115</b>
Planned use of Change Reserve	0.000	0.000	(2.200)	(2.200)
Planned use of Covid-19 Reserve	(2.000)	0.000	0.000	(2.000)
Planned use of Insurance Reserve	0.000	0.000	(0.150)	(0.150)
Planned use of Contingencies	0.000	(2.264)	0.000	(2.264)
Planned release of Provision	0.000	0.000	(0.300)	(0.300)
Planned use of Covid-19 Grants	(1.238)	0.000	0.000	(1.238)
<b>Totals</b>	<b>(3.238)</b>	<b>(2.264)</b>	<b>(2.650)</b>	<b>(8.152)</b>
<b>Revised Pressure</b>	<b>0.844</b>	<b>1.423</b>	<b>8.696</b>	<b>10.963</b>

### 1.5.3 Delivery of Budget Savings Proposals

New savings of (£4.720m) were agreed as part of the Budget approved by Council in February 2022 so the total savings the Authority has had to find in the eleven years following the 2010 Comprehensive Spending Review (CSR) as planned to 2022/23 comes to £134.268m.

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.

New savings were proposed for 2022/23 of (£3.113m) combined with (£1.607m) of savings targets that were agreed in prior year's budget setting processes for delivery in 2022/23. Savings targets of (£2.373m) within Health, Education, Care and Safeguarding (HECS) and (£0.164m) within Commissioning & Asset Management (C&AM) were met in 2021/22 through Covid grants, alternative management actions or through one-year funding sources. These targets still require permanent achievement increasing the total savings brought forward from prior year business cases to (£4.144m). The overall target to achieve in 2022/23 is therefore (£7.257m).

**Table 3 – Full Year Effect of Prior Year Business Cases**

Service	2021/22 Targets £m	Projected Delivery £m	In Year Actions £m	Yet to be achieved £m
HECS – Adults	0.350	0.350	0.000	0.000
HECS – Children's	2.923	0.048	0.000	2.875
Environment	0.520	0.520	0.000	0.000
C&AM	0.346	0.255	0.000	0.091
Central	0.005	0.005	0.000	0.000
<b>TOTAL</b>	<b>4.144</b>	<b>1.178</b>	<b>0.000</b>	<b>2.966</b>

**Table 4 – Business Cases Relating to 2022/23**

Service	2022/23 Targets £m	Projected Delivery £m	In Year Actions £m	Yet to be achieved £m
HECS – Adults	0.600	0.000	0.000	0.600
HECS – Children's	0.300	0.000	0.000	0.300
C&AM	0.400	0.000	0.000	0.400
Central	0.250	0.250	0.000	0.000
Resources	1.563	1.563	0.000	0.000
<b>TOTAL</b>	<b>3.113</b>	<b>1.813</b>	<b>0.000</b>	<b>1.300</b>

Within HECS, Adults Services are projecting to achieve the full (£0.350m) relating to business cases brought forward from prior years. Within the CYPL pressure of £12.720m, £3.175m 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 all CYPL savings to remain unachieved in 2022/23.

Finance Officers continue to attend meetings with senior managers and the Heads of Service across adult and children's services, and individual managers have been assigned responsibilities to pursue deliverability of existing schemes and to identify alternative proposals during 2022/23.

The forecast assumes that Lead Members will continue to be supportive of the planned 15p increase in paid school meals due to commence in September 2022. Due to the impact of the Pandemic school meals increases have been delayed for two years, so previous income targets for 2020/21 & 2021/22 are also included in these figures. If the price increase is not applied due to the ongoing cost of living crisis the undeliverable element of this savings target will increase.

The schools leaving the SLA are confirmed so £0.025m of the 2022/23 savings target for paid school meals and SLA income will not be delivered. £0.030m of the cleaning savings target is forecast to be met. Of the £0.491m yet to delivered £0.050m is undeliverable and £0.441m is yet to be identified.

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

#### 1.5.4 New Revenue Grants

The following revenue grants have been received during June and July 2022:

<b>Service</b>	<b>Grant Provider</b>	<b>Grant</b>	<b>Purpose</b>	<b>2022/23 value £m</b>
Commissioning and Asset Management	Department for Education	Local Service Support Grant	Extended Rights for Free Home to School Travel for 2022-23	0.037
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.	0.048
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.	0.044
Regeneration and Economic Development	Without Walls Consortium Ltd.	Touring Network Partnership 2022	Towards the cost of supporting the following artist companies, scheduled to present performances at Mouth of the Tyne Festival (The festival).	0.020
Environment, Housing & Leisure	Northumbria Police & Crime Commissioner	Violence Reduction Unit - Summertime violence fund	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.	0.016
Health, Education, Care and Safeguarding	Department of Health & Social Care	Charging Reform Implementation Support Grant 22-23	The grant provides support to local authorities in England towards expenditure lawfully incurred or to be incurred by them in funding adult social care charging reform implementation. The grant covers the planning and preparation costs associated with charging reform to recruit additional staff to manage the increased demand for assessments and the implementation of the care account module. This is a non-ringfenced contribution towards local authorities to implement charging reform.	0.097
Health, Education, Care and Safeguarding	Department of Health & Social Care	Market Sustainability & FCOC Grant	The purpose of this grant is to support local authorities to prepare their markets for reform of the adult social care system, including the further commencement of Section 18(3) of the Care Act 2014 in October 2023, and to support local authorities to move towards paying providers a fair cost of care.	0.696

Service	Grant Provider	Grant	Purpose	2022/23 value £m
Public Health	Department of Health & Social Care	Supplemental Substance Misuse Treatment and Recovery Grant	Increased drug and alcohol treatment commissioning capacity, covering adults and/or young peoples' services	0.423
<b>Total</b>				<b>1.381</b>

### 1.5.5 School Funding

Schools are required to submit their rolling three-year budget plan by 31 May each year. The total planned deficit for 2022/23 is £5.532m. 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.

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 £3.413m reflecting a further rise in demand for special school places, producing a cumulative deficit balance of £16.924m.

### 1.5.6 Housing Revenue Account (HRA)

The HRA is forecast to have year-end balances at 31 March 2023 of £3.005m. These balances are £0.064m lower than budget which was set at £3.069m.

Universal Credit was fully implemented across North Tyneside on 2 May 2018. As of early June 2022, 3,915 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

The approved 2022-2027 Investment Plan totals £325.029m (£114.280m 2022/23) and is detailed in table 22 of the Annex. The Annex to this report also sets out in Section 6 delivery progress to date, planned delivery for 2022/23, reprogramming and other variations identified through the Investment Programme Governance process.

An officer led review of the Investment Plan has resulted in proposals for variations of £4.280m of which more details are set out in Section 6 of the Annex to this report. The revised Investment Plan stands at £116.459m for 2022/23 and to the end of July 2022 spend of £16.000m had been incurred which represents 13.7% of the revised plan.

Significant inflationary pressures are being experienced across the UK, and senior officers within the Authority have undertaken a review of inflationary impact to the

Investment Programme. Supply issues and rising costs are being reviewed and to date the Authority anticipates no impact to the cost of the capital. However, there may be an impact on the delivery of some planned activity. The corporate risk register includes risks for such inflationary pressures to the investment plan.

#### 1.5.8 Performance against Council Plan

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.

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.

With regards to financial performance against the Plan, the area under most financial pressure is Health, Education, Care and Safeguarding. In common with most local authorities, and in line with the national picture, North Tyneside has seen costs within adult social care continue to rise. Along with the number of adults supported increasing over the last few financial years, the individual needs of those residents have increased due to people living longer with multiple complex conditions. Supporting those needs requires more intensive packages of care which are more expensive to provide. In addition to older people, younger adults with learning disabilities and physical disabilities are also living longer, often with multiple complex issues.

In Children’s Services, good progress continues to be made on engaging with children in the early years of life to ensure that they are ready for school. Safeguarding vulnerable children and maximising their educational attainment remain key priorities.

Over recent years, there has been an increase nationally in demand for children’s residential placements but with no corresponding increase in central government funding. As such, the levels of looked after children (LAC) and children who require supervision after leaving care continue to generate a significant financial pressure. Data for LAC levels suggest that, whilst fluctuating, there is a general trend of a steady increase in numbers (as per Section 3.2 in the Annex) but there are a wide range of levels of care provided, with more complex cases now being faced.

#### **1.6 Decision Options:**

The following decision options are available for consideration by Cabinet:

##### Option 1

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

## Options 2

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

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

Option 1 is recommended for the following reasons:

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

### **1.8 Appendices:**

Annex : Financial Management Report to 31 July 2022  
Appendix 1: 2022 – 2027 Investment Plan

### **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  
David Mason – Investment Plan matters - Tel. (0191) 643 5747  
Darrell Campbell – Housing Revenue Account matters – Tel. (0191) 643 7052

### **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:

- (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**

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 15 November 2022.

### **2.2 Legal**

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**

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

### **2.5 Equalities and Diversity**

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

### **2.6 Risk Management**

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**

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

### **2.8 Environment and Sustainability**

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

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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 early 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 Health, Education, Care & Safeguarding (HECS)**

1.2.1 HECS is showing an initial forecast variance of £17.982m against its £76.822m net controllable expenditure budget. This forecast position excludes the application of contingency budgets set aside in Central Items for pressures in Children's Services.

1.2.2 The HECS service 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 who have required new support packages to be put in place on discharge from hospital or to prevent an admission. Work is also ongoing to support social care providers to maintain their vital services. 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.

#### **1.2.3 Table 1: Forecast Variation for HECS at July 2022**

	<b>Budget £m</b>	<b>Forecast July £m</b>	<b>Variance July £m</b>	<b>Variance May £m</b>	<b>Change since May £m</b>
Corporate Parenting & Placements	15.273	25.447	10.174	11.324	(1.150)
RHELAC Service	0.010	0.000	0.000	0.000	0.000
Child Protection, Independent Assurance and Review	0.721	0.739	0.018	0.018	0.000
Early Help & Vulnerable Families	1.664	1.814	0.150	0.159	(0.009)
Employment & Skills	0.632	0.602	(0.030)	(0.038)	0.008
Integrated Disability & Additional Needs Service	2.211	4.384	2.173	2.269	(0.096)
School Improvement	0.360	0.595	0.235	0.640	(0.405)

	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>	<b>Variance</b>	<b>Change</b>
	<b>£m</b>	<b>July</b>	<b>July</b>	<b>May</b>	<b>since</b>
		<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>May</b>
					<b>£m</b>
Regional Adoption Agency	(0.168)	0.168	0.000	0.000	0.000
<b>Subtotal – Childrens' Services</b>	<b>20.703</b>	<b>33.423</b>	<b>12.720</b>	<b>14.372</b>	<b>(1.652)</b>
Central, Strategy and Transformation	1.180	1.326	0.146	(0.003)	0.149
Social Work and Associated Activity	7.384	7.780	0.396	0.365	0.031
Integrated Services	3.171	2.778	(0.393)	(0.262)	(0.131)
Business Assurance	0.304	0.332	0.028	(0.004)	0.032
<b>Sub-total Operations</b>	<b>12.039</b>	<b>12.216</b>	<b>0.177</b>	<b>0.096</b>	<b>0.081</b>
Commissioned Services – Wellbeing and Assessment	12.870	16.117	3.247	1.119	2.128
Commissioned Services – Learning Disability	26.864	27.342	0.478	1.503	(1.025)
Commissioned Services – Mental Health	3.607	4.817	1.210	1.415	(0.205)
Commissioned Services - Other	0.739	0.889	0.150	0.371	(0.221)
<b>Sub-total – Commissioned Services</b>	<b>44.080</b>	<b>49.165</b>	<b>5.085</b>	<b>4.408</b>	<b>0.677</b>
<b>Adult Services Sub-total</b>	<b>56.119</b>	<b>61.381</b>	<b>5.262</b>	<b>4.504</b>	<b>0.758</b>
<b>Total HECS</b>	<b>76.822</b>	<b>94.804</b>	<b>17.982</b>	<b>18.876</b>	<b>(0.894)</b>

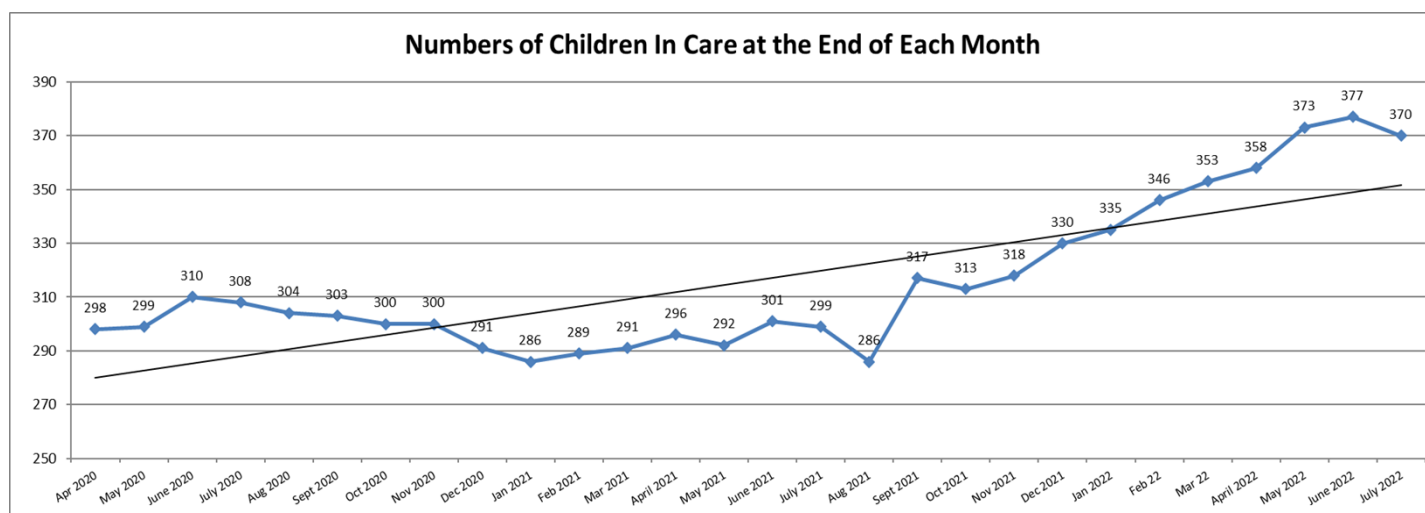
### Main budget pressures across HECS

- 1.2.4 HECS 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. Dialogue continues with care home providers around appropriate fee rates, and this will be informed by the national exercise being undertaken to establish a fair cost of care for older person's care homes and domiciliary care for all adults. Negotiations also continue around ensuring funding contributions from the NHS for clients with health needs.
- 1.2.5 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 costs and recruitment costs and a pressure resulting from savings targets not yet achieved.

1.2.6 The Children’s Services system is established to meet the statutory needs of approximately 1400 children. However, the service is currently dealing with more than 1700 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. In July 2022 the children in care numbers have decreased to 370 from a high of 377 in May 2022 but are still significantly above the levels seen in previous financial years. There were under 300 for the first half of 2021/22 rising to 353 at the end of the financial year. The number of children in care is not a static number and at the end of Quarter 1 there were 401 children in care. 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. Current numbers include 18 unaccompanied asylum seeking children, which the Authority is mandated to take. This 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.

1.2.7 **Chart 1: Children in Care at the End of Each Month**



**Children’s Services**

1.2.8 In Children’s Services the £12.720m forecast pressure relates mainly to demand pressures of £10.174m in Corporate Parenting and Placements and £2.173m in Integrated Disability and Additional Needs. There is also a forecast pressure of £0.235m in School Improvement. The pressures were foreseen by Cabinet and backed by £2.264m of centrally held contingencies which, if transferred into

Children’s Services, would reduce the forecast pressure to £10.480m. The ongoing impact of rising demand impacted by Covid and the cost of living crisis has led to additional challenges in delivering against savings targets and there are £3.2m of savings targets yet to be delivered.

### **Corporate Parenting and Placements**

1.2.9 The pressures within Corporate Parenting and Placements can be broken down as follows:

**Table 2: Analysis of Pressures in Corporate Parenting and Placements**

Type of Service	Budget £m	Forecast July £m	Variance July £m	Variance May £m	Change since May £m
Care provision – children in care	9.003	15.366	6.363	6.652	(0.289)
Care provision – other children	3.171	3.857	0.686	1.364	(0.678)
Management & Legal Fees	(1.442)	0.469	1.911	1.808	0.103
Social Work	4.494	5.704	1.210	1.496	(0.286)
Safeguarding Operations	0.047	0.051	0.004	0.004	0.000
<b>Total</b>	<b>15.273</b>	<b>25.447</b>	<b>10.174</b>	<b>11.324</b>	<b>(1.150)</b>

1.2.10 The forecast has been developed based on the children in care as at the end of July 2022. As set out in paragraph 1.2.6, the number in care at the end of July was higher than the average of 315 during 2021/22 resulting in the forecast for the total number of care nights being significantly higher for 2022/23 at 112,305 nights compared to the total number of care nights delivered in 2021/22 which was 108,745.

**1.2.11 Table 3: Forecast cost, forecast variance, average placement cost and placement mix**

Placement Type	2022/23 July Variance £m	Average Annual Placement cost £m	2022/23 Forecast Bed Nights	2021/22 Outturn Bed Nights	Placement Mix	No. of children July 22	No. of children June 22
External Residential Care	2.391	0.263	8,231	8,163	8.38%	31	32
External Fostering	0.288	0.041	9,871	12,068	6.22%	23	23
In-House Fostering Service	0.998	0.023	84,012	68,812	62.16%	230	241
External Supported Accommodation	0.845	0.093	5,807	6,170	7.30%	27	25
In-House Residential Care	1.841	0.224	4,384		4.32%	16	
Other*	0**	0**	**	13,532	11.62%	43	56
<b>Total</b>	<b>6.363</b>		<b>112,305</b>	<b>108,745</b>	<b>100%</b>	<b>370</b>	<b>377</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.

1.2.12 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**

1.2.13 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 expected to be confirmed in 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.

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

1.2.14 The pressure of £0.686m 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**

- 1.2.15 This area has a forecast pressure of £1.911m. The increase in pressure within this area is due to savings targets of £1.468m which are yet to be achieved. 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**

- 1.2.16 Within the overall pressure of £10.174m for Corporate Parenting and Placements, there are social work-related pressures of £1.214m. Of the £1.214m pressure, £1.251m relates to employee costs with a forecast underspend of (£0.037m) relating to non-pay costs. 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 by £0.062m. 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).

### **Integrated Disability and Additional Needs (IDANS)**

- 1.2.17 IDANS is forecasting a pressure of £2.173m, net of an over achievement of £0.186m 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 1102 in January 2018 to 2138 in May 2022.
- 1.2.18 Within this service area the main pressures relate to operational staffing costs within in-house residential services of £0.589m. There are also forecast staffing pressures of £0.368m in Educational Psychology relating to an increase in non-chargeable statutory work associated with increased levels of EHCPs for children with additional needs. There are pressures of £1.057m on externally commissioned short breaks and staffing pressures of £0.104m across the Statutory Assessment and Review Team and the Disability Team.
- 1.2.19 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.
- 1.2.20 The School Improvement Service is showing a forecast pressure of £0.235m driven by a number of factors:
- Staffing pressures of £0.138m;
  - Reduction to SLA income of £0.077m (partly due to the Catholic Schools that have moved to Multi Academy Trust);
  - Building cost pressures of circa £0.034m;



- Reduction to room hire income of £0.287m due to expansion of Special Schools at Langdale; and
- Reduction in Student Income for Teacher Training of £0.045m.

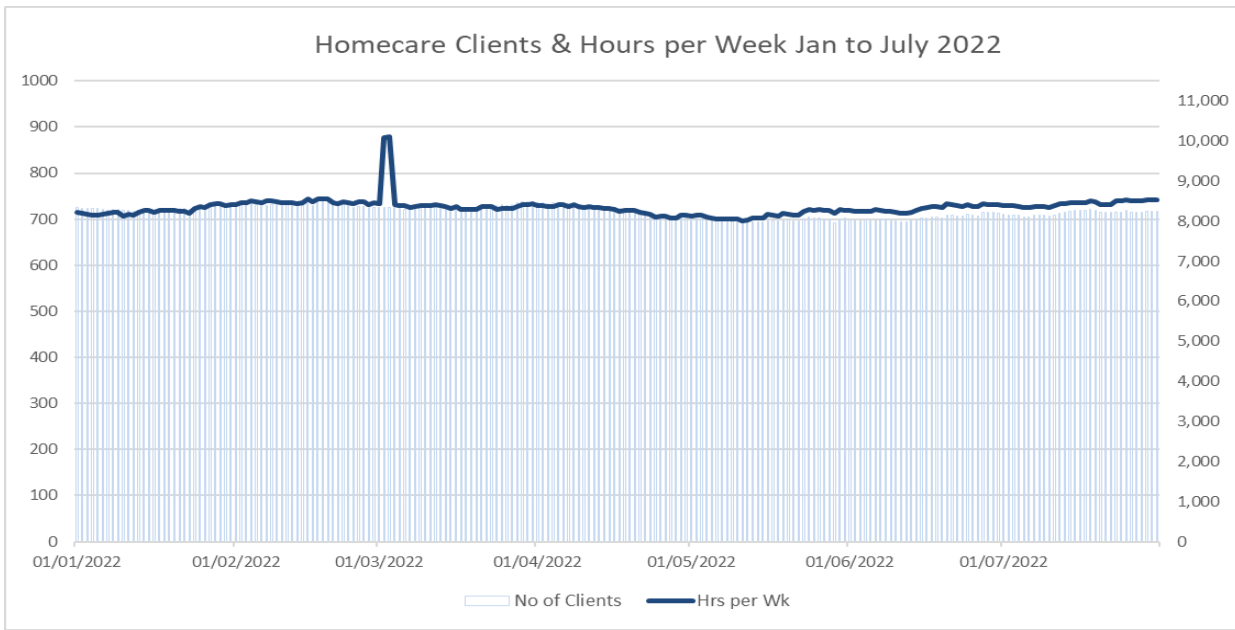
These have been partly mitigated by utilising (£0.350m) of grant funding brought forward from 21/22.

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.

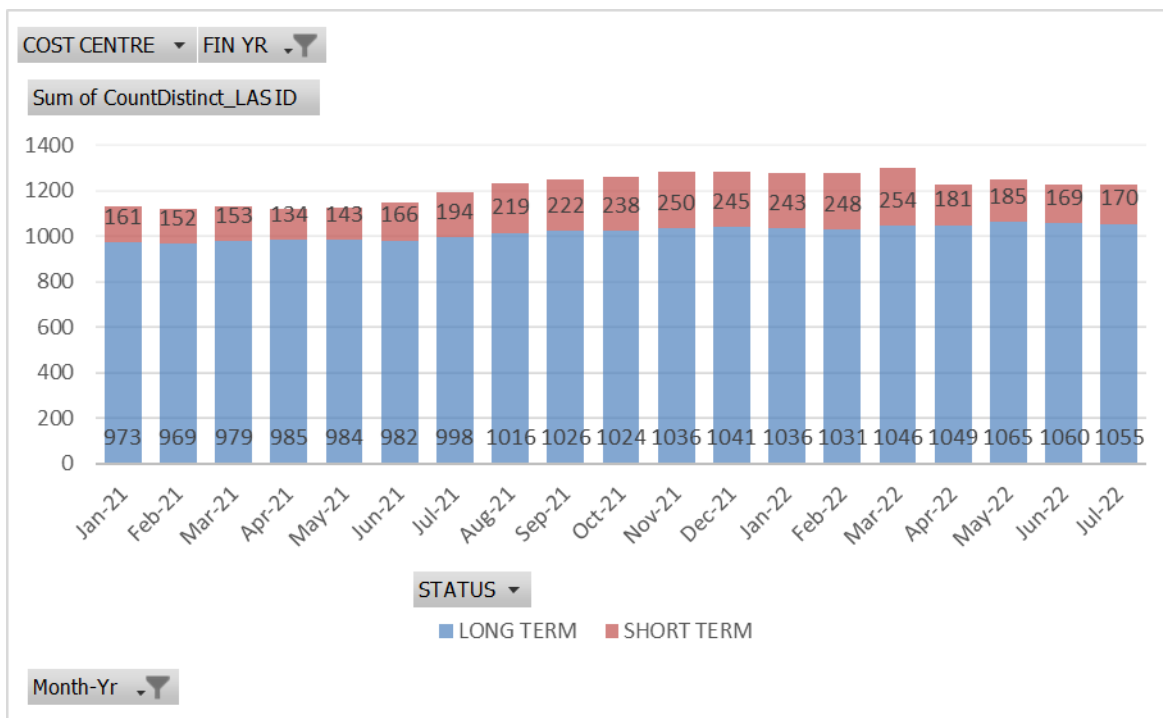
### **Adult Services**

- 1.2.21 Adult Services are forecasting an overspend of £5.262m.
- 1.2.22 The analysis of sub service areas was changed during 2021/22 to show the split between the operational aspects of the service and the externally commissioned care costs.
- 1.2.23 Forecast costs associated with the operational management of the service are showing a pressure of £0.177m. This position represents a movement of £0.081m from the previously reported position due to an increased forecast relating to move from analogue to digital signal for Telecare, a programme that is expected to last beyond this financial year.
- 1.2.24 Commissioned Services are reporting a pressure of £5.085m, an increase of £0.677m on the previous value. Of this £0.335m relates to an estimate for further potential increases to Care Home fees on top of the 7.4% already applied for 2022/23. Transition costs of £0.100m have been included to cover 2 high-cost clients in the process of being discharged from long stay hospital. The actual cost, which will be significant, of the support for these clients once in the community is expected to begin next financial year. The forecast for Homecare Services has been increased by £0.200m to reflect the upward trend in commissioned hours being observed and reported per Chart 1 below. Finally, July's position includes an increase in forecast costs of approximately £0.030m for energy costs in line with pressures being experienced nationally in this area.

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



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



**1.3 Commissioning and Asset Management**

1.3.1 Commissioning and Asset Management (C&AM) is showing a pressure of £4.796m as set out in Table 4.

1.3.2 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.

### 1.3.3 Table 4: Commissioning and Asset Management (C&AM) Forecast Variation

	<b>Budget</b>	<b>Forecast July</b>	<b>Variance July</b>	<b>Variance May</b>	<b>Change since May</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
School Funding & Statutory Staff Costs	5.561	5.466	(0.095)	(0.114)	0.019
Commissioning Service	0.439	0.538	0.099	0.101	(0.002)
Facilities & Fair Access	0.309	4.519	4.210	4.013	0.197
Community & Voluntary Sector Liaison	0.435	0.435	0.000	0.000	0.000
Strategic Property & Investment	0.915	1.281	0.366	0.167	0.199
Property	(0.711)	(0.711)	0.000	0.000	0.000
Commissioning & Asset Management & Support	0.165	0.169	0.004	0.004	0.000
Procurement	(0.195)	0.017	0.212	0.212	0.000
<b>GRAND TOTAL</b>	<b>6.918</b>	<b>11.714</b>	<b>4.796</b>	<b>4.383</b>	<b>0.413</b>

1.3.4 The main 'business as usual' budget issues relate to Facilities and Fair Access which is showing a forecast pressure of £4.210m (May, forecast pressure of £4.013m). The main pressures relate to Home to School Transport £2.047m and this accounts for the main movement of £0.215m which results from North Tyneside Council making a formal offer to Transport suppliers of a 5.5% increase in their charges for 2022/23.

1.3.5 There is also a pressure on the catering service £2.096m due to paid school meals not forecast to return to pre COVID levels of £0.917m and existing inflationary pressures of £0.174m. Current and previous years paid school meals and SLA income target savings will not now be achievable due to the number of schools that have left the SLA £0.164m. 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 £0.319m and there are additional inflationary pressures for 2022/23 of £0.522m.

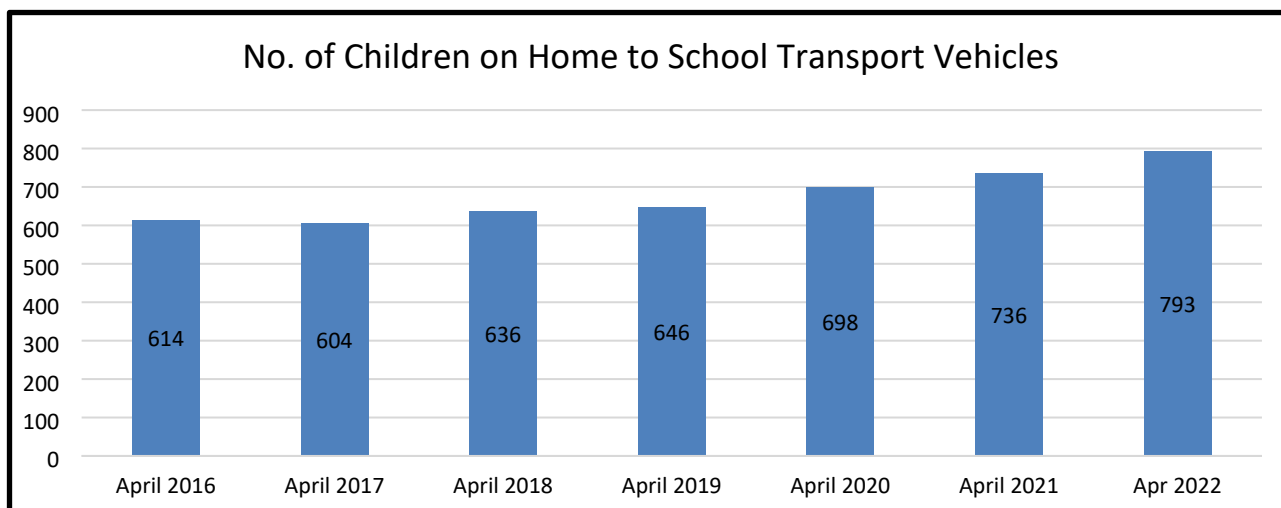
1.3.6 There is also a pressure of £0.101m on car parking income in relation to charges at Quadrant ending. The remaining main pressures relate to corporate savings targets allocated to the Commissioning & Asset Management budget which are not yet identified. These being Procurement £0.200m and Sustainability £0.100m.

1.3.7 There are also energy cost pressures on the Killingworth Site £0.385m. The energy pressures account for the movement and result from the significant recent

forecast energy price increases and are non-controllable by the service. There are also commissioning income pressures £0.099m. These are partially offset by savings on teachers early/ill health retirement costs (£0.095m) and other staffing and non-staffing savings in Strategic Property & Investment (£0.119m).

1.3.8 The Home to School Transport position, a pressure of £2.047m, relates to the sustained increase in children with complex needs attending special schools. Demand pressures in High Needs is a known national issue and is also impacting on the High Needs budget within the Dedicated Schools Grant (see paragraphs 6.12 to 6.15 for more details). 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 793 in April 2022 as shown in Chart 4 below. Work is ongoing to identify the number of children expected to use transport for the start of the Autumn term in September. Work is also continuing on route rationalisation using the new 'QRoute' system as well as looking at new options about transport delivery.

**1.3.9 Chart 3: Increase in Numbers of Children Accessing Home to School Transport**



**1.4 Environment**

1.4.1 Environment is a service, formed from some of the service areas that were previously reported as Environment, Housing & Leisure. It is forecasting a pressure of £0.959m against the £37.034m budget, as set out in Table 5 below.

1.4.2 The main cause of the pressure is the slow return of Sports & Leisure income back to pre-pandemic levels.

### 1.4.3 Table 5: Forecast Variation in Environment

Service Areas	Budget	Forecast Jul	Variance Jul	Variance May	Change since May
	£m	£m	£m	£m	£m
Fleet Management	0.991	0.965	(0.026)	(0.068)	0.042
Head of Service Environment & Leisure	0.139	0.106	(0.033)	0.014	(0.047)
Local Environmental Services	8.018	8.256	0.238	0.415	(0.177)
Sport, Leisure & Community	8.297	9.279	0.982	0.556	0.426
Street Lighting PFI	5.123	5.123	0.000	0.000	0.000
Waste Management	14.466	14.264	(0.202)	(0.316)	0.114
<b>GRAND TOTAL</b>	<b>37.034</b>	<b>37.993</b>	<b>0.959</b>	<b>0.601</b>	<b>0.358</b>

1.4.4 The following paragraphs 1.4.5 to 1.4.10 outline the pressures in each service area with details of any variances greater than £0.050m.

#### Local Environmental Services

1.4.5 Local Environmental Services includes Security, Street Environment and Bereavement teams and is predicting a net forecast pressure of 0.238m. This reflects a £0.052m pressure in Bereavement caused by lost income due to delays in cremator replacement. The cremator is expected to come back online in late July 2022.

1.4.6 Additional pressures caused by expected increased coastal patrols £0.030m and income shortfalls in security (£0.087m), along with other operational pressures of £0.069m make up the balance.

#### Waste Management including Recycling and Disposal

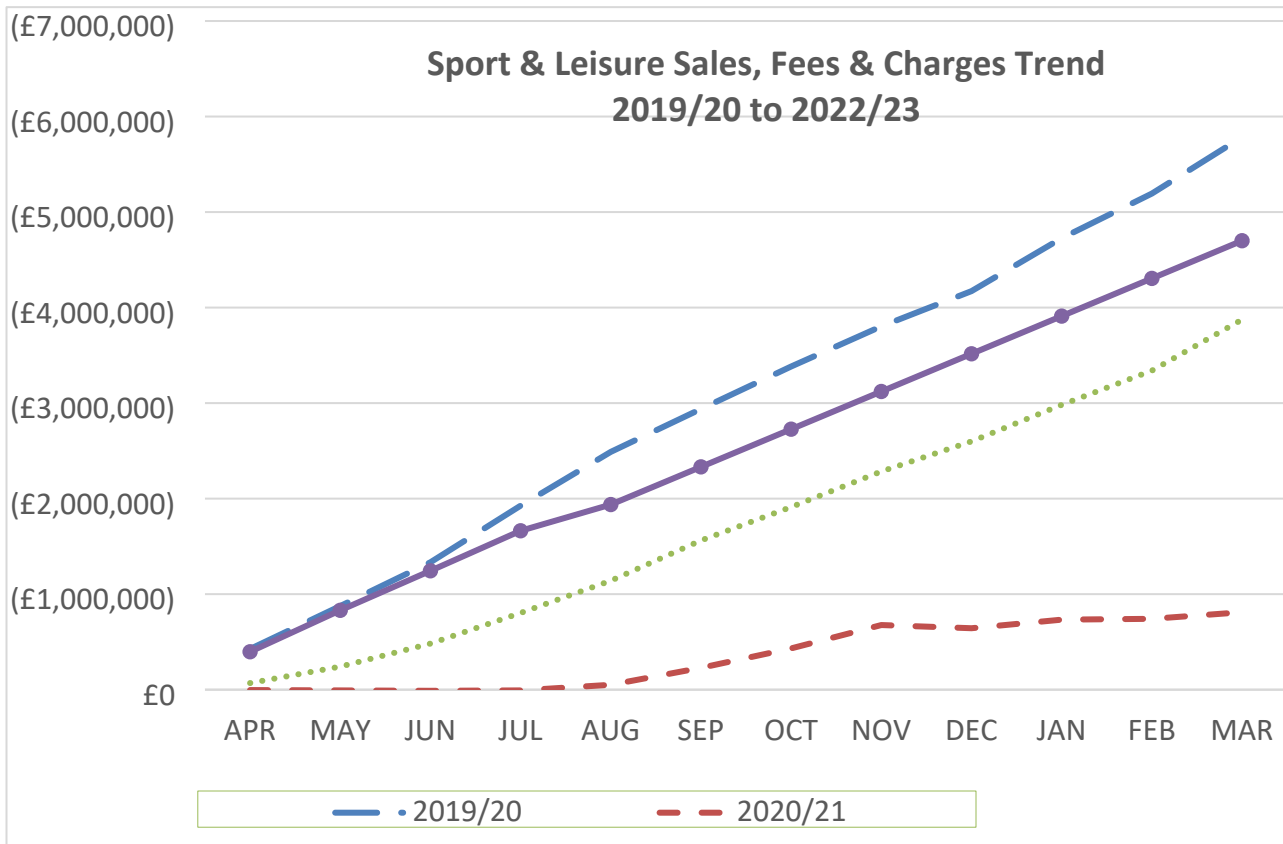
1.4.7 Last year's outturn reflected savings (£0.319m) in waste disposal costs and vacancy savings, which are not expected to continue at the same levels going forward. This year there is a forecast saving (£0.072m) in Waste Disposal Strategy costs due to vacant posts which are yet to be filled. Additional underspend savings forecast across Waste Management (£0.130m) are linked to reduced Employee & Operational expenditure. Whilst the service is currently forecasting to fill vacant posts and carry out this work this will need to be carefully monitored and any financial impact identified as it manifests.

#### Sport, Leisure & Community

1.4.8 This service is forecast to have a pressure of around £0.777m against the £5.600m income target for sports and leisure centres. Whilst this is an improvement against last year's outturn, which required a £1.724m boost from Covid grants to offset the lost income pressure, it reflects that service income is forecast to improve to around 80% of income levels pre-pandemic.

1.4.9 Energy & Premises related pressures are also identified across the service which coupled with reduced income generation is contributing to Libraries & Community Centres forecasting a £0.205m pressure.

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



**Street-Lighting PFI**

1.4.11 The Street-Lighting PFI is expected to have energy inflation pressures of £1.305m. 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.

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

**1.5 Regeneration and Economic Development**

1.5.1 Regeneration and Economic Development (R&ED) has expanded with service areas previously managed under Environment, Housing & Leisure. R&ED is forecasting a pressure of £0.432m, as shown in Table 6 below.

## 1.5.2 Table 6: Forecast Variation for Regeneration and Economic Development

Service Areas	Budget £m	Forecast July £m	Variance July £m	Variance May £m	Change since May £m
Culture	1.635	1.913	0.278	(0.029)	0.307
Business & Enterprise	0.760	0.783	0.023	0.000	0.023
Regeneration	0.416	0.667	0.251	0.318	(0.067)
Resources & Performance	0.217	0.218	0.001	0.040	(0.039)
Technical Package - Building Control	(0.429)	(0.429)	0.000	0.000	0.000
Technical Package - Planning	0.257	0.218	(0.039)	0.000	(0.039)
Technical Package - Transport & Highways	7.365	7.283	(0.082)	0.000	(0.082)
<b>GRAND TOTAL</b>	<b>10.221</b>	<b>10.653</b>	<b>0.432</b>	<b>0.329</b>	<b>0.103</b>

1.5.3 Culture is forecasting a pressure of £0.278m which is mainly due to events in the Borough (Queens Baton Relay £0.040m, Mouth of the Tyne Festival £0.076m) 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 £0.127m.

1.5.4 The forecast pressure will be 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. Two new tenants have joined recently.

### 1.6 Corporate Strategy

1.6.1 Corporate Strategy is forecasting a £0.384m pressure. The variance reflects a forecast underachievement in a cross-service income target of £0.157m, as well as higher forecast Employee resource costs as workload and service demand activities are leading to a requirement for additional staffing capacity.

## 1.6.2 Table 7: Forecast Variation Corporate Strategy

Service Areas	Budget £m	Forecast Jul £m	Variance Jul £m	Variance May £m	Change since May £m
Children's Participation & Advocacy	0.267	0.367	0.100	0.267	(0.167)
Corporate Strategy Management	(0.212)	(0.039)	0.173	0.087	0.086
Elected Mayor & Executive Support	0.022	0.036	0.014	0.033	(0.019)
Marketing	0.302	0.338	0.036	0.218	(0.182)
Policy Performance and Research	0.162	0.223	0.061	0.097	(0.036)
<b>GRAND TOTAL</b>	<b>0.541</b>	<b>0.925</b>	<b>0.384</b>	<b>0.702</b>	<b>(0.318)</b>

## 1.7 Resources and Chief Executive Office

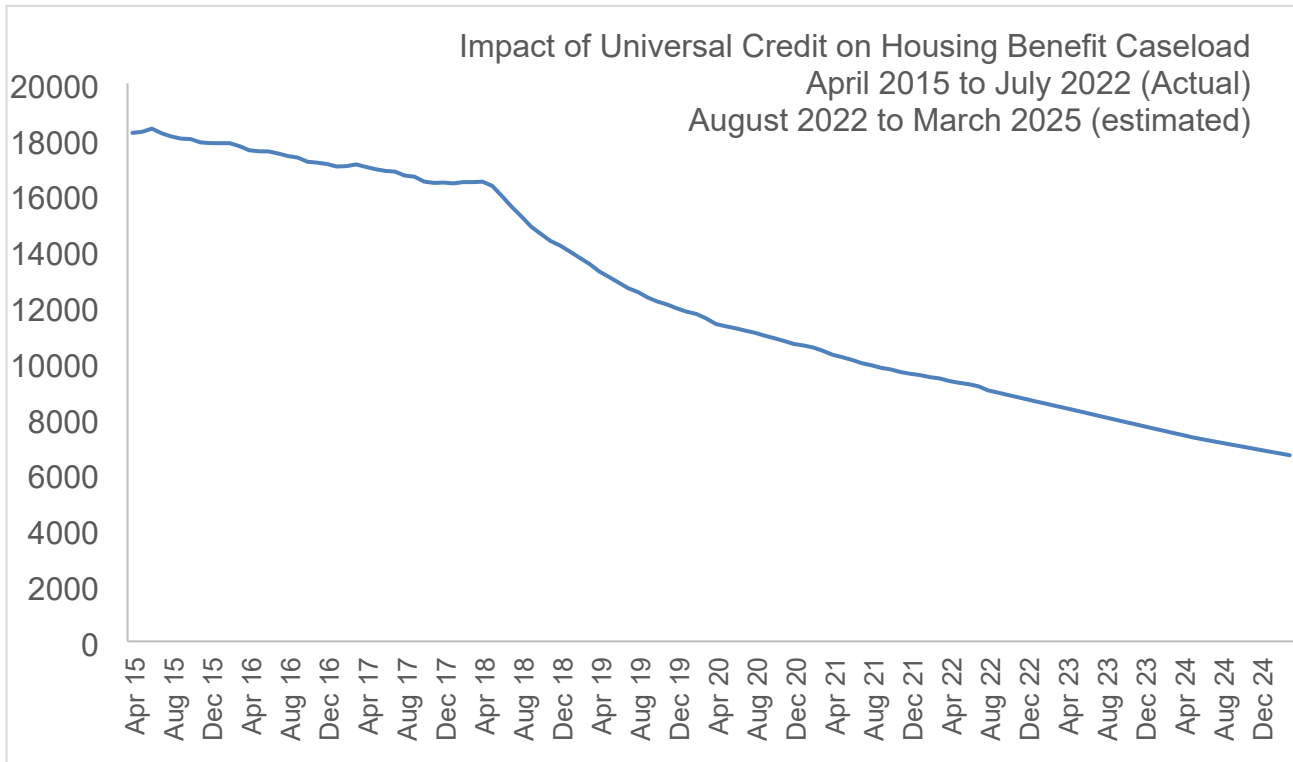
1.7.1 Overall Resources and Chief Executive Office are currently forecasting a joint pressure of £0.905m. The forecast pressure is due to the impact of reduced funding in the Revenues and Benefits service.

### 1.7.2 Table 8: Forecast Variation Resources and Chief Executive

Service Areas	Budget £m	Forecast July £m	Variance July £m	Variance May £m	Change since May £m
Chief Executive	(0.076)	(0.076)	0.000	0.000	0.000
Finance	(0.563)	(0.563)	0.000	0.000	0.000
ICT	2.456	2.456	0.000	0.000	0.000
HR & Organisational Development	(0.016)	(0.016)	0.000	0.000	0.000
Internal Audit and Risk Management	0.032	0.032	0.000	0.000	0.000
Revenues and Benefits	0.629	1.534	0.905	0.932	(0.027)
<b>GRAND TOTAL</b>	<b>2.462</b>	<b>3.367</b>	<b>0.905</b>	<b>0.932</b>	<b>(0.027)</b>



### 1.7.3 Chart 5: Impact of Universal Credit on Housing Benefit Claims



1.7.4 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.

1.7.5 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 July. 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 £0.691m against targets due the reduction in Housing Benefit claimants caused by the move to Universal Credit (UC). The service is continuing to review and refresh the profile of change that is anticipated as the roll out of UC continues.
- The overpayment income pressure is partially offset (£0.210m) 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 £0.076m, due to eligible overpayments for which the Authority only receives 40% from the Department of Work and Pensions, being below budgeted levels.

These forecasts are all based on mapping the prior year actual impact on current year forecasts and will be reviewed by the service management as more information relating to 2022/23 is made available. It is expected that these forecasts will be refined and closely managed as the year progresses.

1.7.6 The other areas are being forecast to come in on budget at this point in the year.

## 1.8 **Law and Governance**

1.8.1 Law and Governance is forecasting a £1.166m pressure. This variance reflects forecasted cost pressures in Legal Services of £1.002m relating to the employment Locums/staff costs and reduced income for legal fees. 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.

1.8.2 In addition, there is an expected £0.125m pressure to deliver North Tyneside Coroner Services. Other areas 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 result in a net £0.091m underspend. There is also an expected over-achievement in land charges income resulting in a forecast improvement of £0.043m. Other miscellaneous operational pressures reduce the mitigation to £0.050m.

### 1.8.3 Table 9: Forecast Variation for Law and Governance

Service Areas	Budget £m	Forecast July £m	Variance July £m	Variance May £m	Change since May £m
Customer, Governance and Registration	(0.066)	(0.008)	0.058	0.035	0.023
Democratic and Electoral Services	(0.002)	0.075	0.077	0.017	0.060
Information Governance	0.176	0.080	(0.096)	(0.160)	0.064
Legal Services	(0.082)	0.920	1.002	0.619	0.383
North Tyneside Coroner	0.294	0.419	0.125	0.213	(0.088)
<b>GRAND TOTAL</b>	<b>0.320</b>	<b>1.486</b>	<b>1.166</b>	<b>0.724</b>	<b>0.442</b>

### 1.9 General Fund Housing

1.9.1 General Fund Housing is reporting a forecast £0.205m pressure. This variance reflects ongoing cost pressures in for Repairs and Maintenance of £0.355m, 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.

### 1.9.2 Table 10: Forecast Variation for General Fund Housing

Service Areas	Budget £m	Forecast July £m	Variance July £m	Variance May £m	Change since May £m
GF Housing	0.609	0.609	0.000	0.000	0.000
Repairs & Maintenance	1.180	1.385	0.205	0.205	0.000
<b>GRAND TOTAL</b>	<b>1.789</b>	<b>1.994</b>	<b>0.205</b>	<b>0.205</b>	<b>0.000</b>

### 1.10 Central Items

1.10.1 Central Items is forecasted to be in surplus by (£7.741m). The surplus figure of (£7.741m) includes the contingency budgets of (£7.713m), of which (£3.116m) relates to the pressure being experienced in Children's Services. Of the remaining contingencies budget £3.639m was established in the 2022-2026 MTFP to support the likely impact of inflationary pressures in 2022/23.

**1.10.2 Table 11: Forecast Variation Central Budgets and Contingencies**

<b>Service Areas</b>	<b>Budget</b>	<b>Forecast July</b>	<b>Variance July</b>	<b>Variance May</b>	<b>Change since May</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Corporate & Democratic Core	4.788	4.769	(0.019)	0.000	(0.019)
Other Central Items	0.511	(7.211)	(7.722)	(7.736)	0.014
<b>GRAND TOTAL</b>	<b>5.299</b>	<b>(2.442)</b>	<b>(7.741)</b>	<b>(7.736)</b>	<b>(0.005)</b>

## **SECTION 2 - SCHOOLS FINANCE**

### **Update on School Budgets**

- 2.1 There is no update on school finances since the May position reported previously to Cabinet. As in previous years, the details of schools' balances have been reported to the Department for Education (DfE) through the Consistent Financial Reporting (CFR) return. A report of this update will be presented to Cabinet in September's finance report.

### **School Additional Funding – Falling Rolls and Growth**

- 2.2 Schools Forum previously set aside school funding to support schools with falling rolls or with growth in pupil numbers. The rules and procedures for allocating this funding are based on guidance from Department of Education (DfE) and are set by School Forum. Eligible schools are identified by the School Finance Service and a case requesting funding is presented to the finance sub-forum for their initial agreement before final approval at Schools Forum. This funding is not part of the Authority's general fund and is managed by Schools Forum.

### **School Additional Funding – Schools in Financial Difficulty**

- 2.3 Schools Forum also set aside school funding to support maintained Schools in Financial Difficulty. Schools qualifying for the funding are invited to submit bids for this funding to the finance sub-group of Schools Forum, who then take any approved bids to full Forum for final sign off.

### **Containment funding for Schools**

- 2.4 The Council's Recovery Coordination Group (RCG) had previously set aside £0.900m funding from the Containment Grant to assist schools with pressures on their balances from October 2020 to July 2021 due to costs of containing the spread of Covid-19 that were not met by the Department for Education. Schools had previously bid for October 2020 to March 2021, with a total pay-out of £0.808m. Schools have now submitted claims for a further £0.108m funding for the period April 2021 to July 2022, which was approved by finance management and will be paid to qualifying schools in the autumn term.

### **High Needs Block**

- 2.5 Cabinet will recall that the High Needs block ended 2021/22 with a pressure of £13.511m. Cabinet should note that the High Needs block forms part of the Dedicated Schools Grant (DSG) which is ring-fenced and does not form part of the General Fund.
- 2.6 The latest forecast for the High Needs Block at July in 2022/23 is still anticipated to be an in-year pressure of £3.413m reflecting a further rise in demand for special school places within the Authority. These additional places create pressures in relation to place funding of £10,000 per place and the associated top-up funding reflecting each child's level of need. A breakdown of the in-year pressure is shown in Table 12:

## 2.6.1 Table 12: Breakdown of High Needs Pressures at July 2022

Provision	Budget £m	Provisional July Variance £m	Comment
Special Schools and PRU	16.703	2.250	Includes £1m additional 39 places Beacon Hill from Sept and PRU Places / EHCP increases
ARPS /Mainstream Top-ups	4.706	0.634	Reflects shortfall on mainstream top-up budget allocation at initial budget setting
Out of Borough	3.316	0.484	Reflects shortfall of available budget versus new expected forecast costs
Commissioned Services	3.974	0.045	Dyslexia Service funding reconciliation included
Additional High Needs Funding	1.073	-	Assumed allocated against new spend
<b>In-Year Balance</b>	<b>29.772</b>	<b>3.413</b>	
2021/22 Balance		13.511	
<b>Cumulative Balance</b>	<b>29.772</b>	<b>16.924</b>	

### High Needs Recovery Plan

2.7 North Tyneside is an outlier in terms of the number of Education Health and Care Plans currently in use. The most recent figures suggest that the Authority are around 1% above the national average in terms of whole population. This has a significant impact on all the services that work with our children and young people with additional needs.

2.8 An informal discussion with the Education Skills and Funding Agency (ESFA) took place on 16 June 2021 where the Authority outlined its progress in relation to a recovery plan for high needs expenditure. These proposals have been shared with stakeholders including Schools Forum on 7 July. A draft DSG Management Plan was submitted to the ESFA on 22 August and the plan sought to address the High Needs deficit by 2025/26. The themes of the recovery plan link clearly to our SEND Inclusion Strategy and our Ambition for Education:

- Improved Graduated Approach to support more young people to have success in their local school;
- Review of Commissioned Services with a focus on maintaining young people in their local school;

- Annual reviews are focussed, timely and include 'value for money';
- The banding and mechanisms the Authority uses to fund schools are brought in line with our graduation aspirations;
- Use of capital funding to address issue around capacity;
- More effective place planning and projection is used to ensure that there are sufficient resources in place; and
- Ensuring that the Authority are working with our partners and stakeholders.

### **Early Years Block**

2.9 Initial discussions around the early years block of the dedicated school grant for 2022/23 show that services can be delivered within the budget available.

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

### **Forecast Outturn**

- 3.1 The forecast set out in Table 15 below is based on the results to July 2022. Currently the Housing Revenue Account (HRA) is forecasting an overspend of £0.064m. 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, increasing difficulty in recruiting certain trades and hence an increased reliance on sub-contractors allied to supply chain issues in accessing key materials are starting to bite.

**3.1.1 Table 15: 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	2.655	0.120
Management – Operations	4.958	4.839	(0.119)
Management – Strategy & Support	3.756	3.715	(0.041)
Capital Charges – Net Effect	12.484	12.484	0.000
Contingencies, Bad Debt & Transitional Protection	0.990	1.009	0.019
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)	(62.995)	(0.104)
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	13.097	0.298
<b>Total</b>	<b>0.371</b>	<b>0.435</b>	<b>0.064</b>

### **3.2 Rental Income**

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 (£0.178m). 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.

### 3.3 Management Costs

Management Costs are currently forecast to come in slightly under budget (£0.040m). 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 in negotiation will cost considerably more than the 2% that was budgeted. 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.

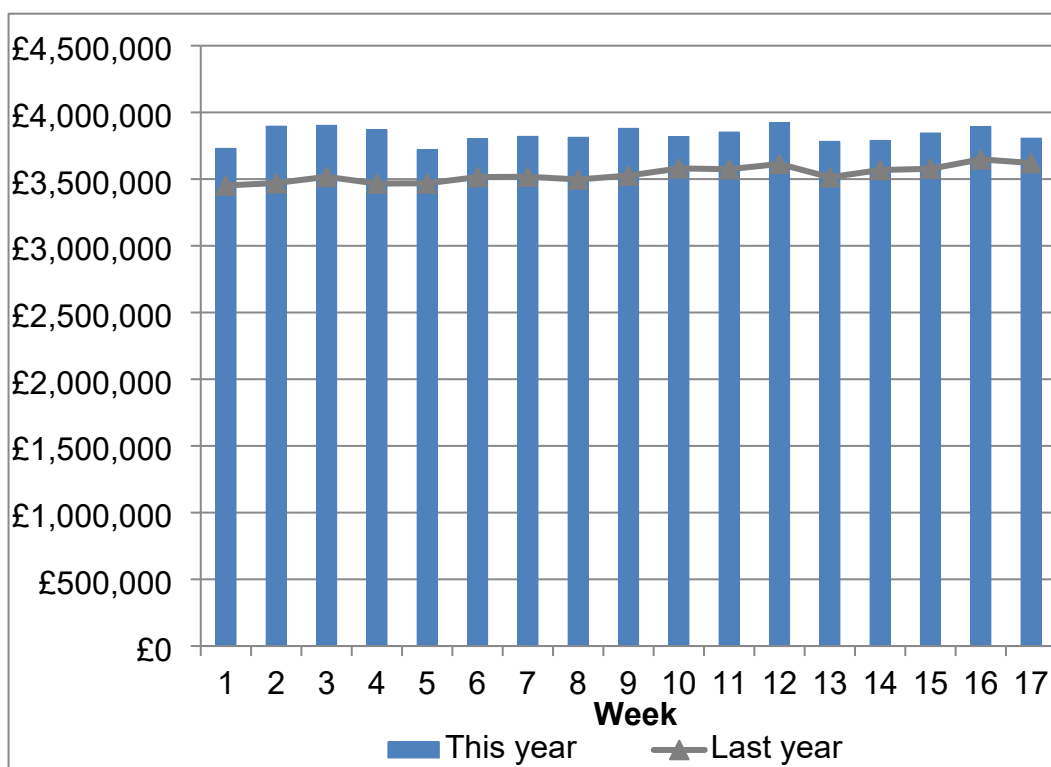
### 3.4 Repairs

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 grappling 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 our in-year contingencies are already committed to known spend. This results in a pressure on this budget for 2022-23 (£0.298m), which will be closely monitored to assess if they can be contained or will increase before year-end.

### 3.5 Rent Arrears

Current Rent Arrears have continued to rise gradually in the first three months of 2022/23 as compared to 2021/22, with an increase of £0.139m being seen in this period since the start of April 2022. Chart 6 below shows the value of current rent arrears in 2022/23 compared to the same period in 2021/22. A team is working proactively with tenants to minimise arrears, and this is being closely monitored as the year progresses to identify any adverse impacts on the budget position. Last year saw a significant under-spend against the bad debt provision for the second year in a row, which has led to a reduction in the budgeted provision made for 2022/23, so the position will need to be monitored closely to maintain confidence that the overall forecast increase in arrears can be contained within the budgeted provision made. This will also be 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.

### 3.5.1 Chart 6: Rent Arrears in Weeks 1-17 (April-July) 2022/23 compared to 2021/22

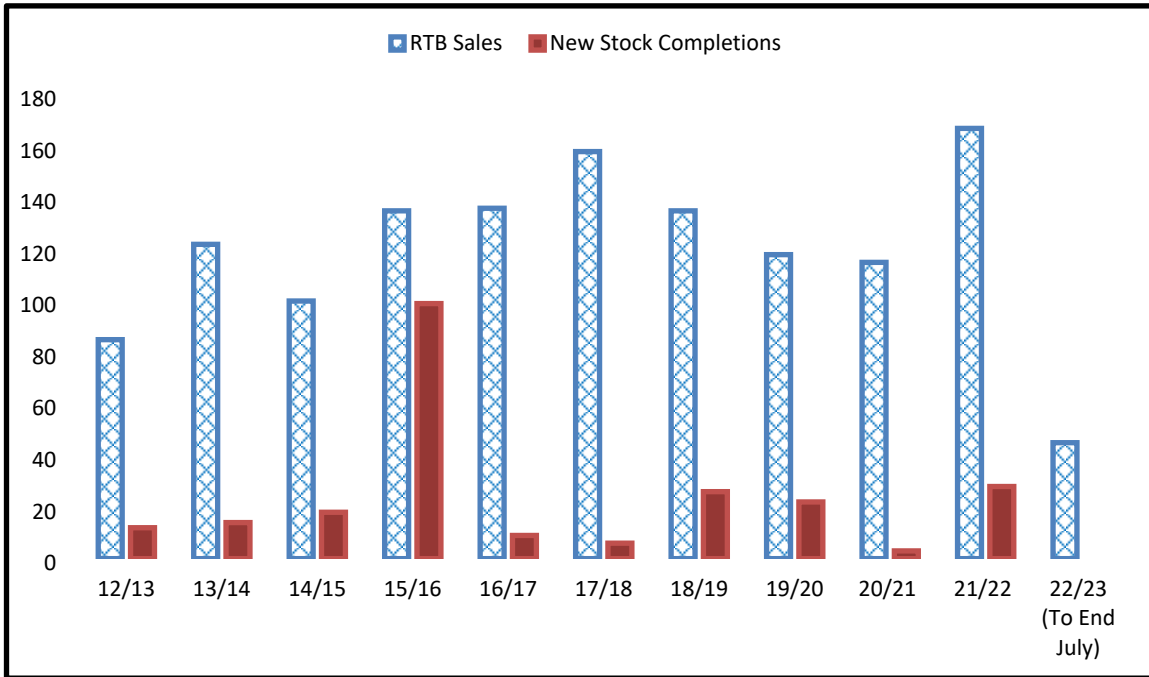


3.6 Universal Credit (UC) was fully implemented across North Tyneside on 2 May 2018. The Authority continues to work with residents to provide ICT support to help them make applications and to provide personal budget support to help residents manage their household finances. At 31 March 2022 there were 3,712 tenants of North Tyneside Homes on UC with arrears totalling £2.934m. By the end of July 2022 there were 3,915 tenants on UC (increase of 203 tenants) with related arrears of £3.071m (increase of £0.137m). For wider comparison as at beginning of 2021/22 there were 3,297 tenants on UC with arrears of £2.680m which during the year increased to the 3,712 referenced above, an increase of 415 tenants with an increase in arrears of £0.254m.

#### Right to Buy (RTB) Trends

3.7 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 5 below shows the trend in RTB sales since that time. The first three months of 2022-23 saw 45 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.

### 3.7.1 Chart 7: Yearly RTB Sales v New Stock Additions



## **SECTION 4 - INVESTMENT PLAN**

### **Review of Investment Plan**

- 4.1 The Authority's Investment Plan represents the capital investment in projects across all Service areas. Officers will continue to plan the delivery of those key projects included within the 2022/23 Investment Plan and regularly review the impact of Covid-19, inflationary cost pressures and supply issues attributable to the conflict in Ukraine.
- 4.2 There are worldwide inflationary cost pressures being seen across all industries and sectors. Although contingencies are set aside, the likely full Investment Plan impact is currently unknown. The Authority's view is to manage project expenditure within existing budgets and 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 will be reviewed on a case-by-case basis.

### **Variations to the 2022-2027 Investment Plan**

- 4.3 Variations of £4.280m to the 2022-2027 Investment Plan have been identified and are included in tables 16 and 17 below. Further details are provided in paragraph 4.4.

#### **4.3.1 Table 16: 2022 - 2027 Investment Plan changes identified**

	<b>2022/23 £m</b>	<b>2023/24 £m</b>	<b>2024/25 £m</b>	<b>2025/26 £m</b>	<b>2026/27 £m</b>	<b>Total £m</b>
<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	0.365	0.000	0.000	0.000	0.000	0.365
<b>Approved Investment Plan</b>	<b>114.280</b>	<b>60.426</b>	<b>50.900</b>	<b>47.813</b>	<b>51.610</b>	<b>325.029</b>
<b>May 22 Monitoring Variations</b>						
Variations	4.280	0.000	0.000	0.000	0.000	4.280
Reprogramming	(2.101)	2.101	0.000	0.000	0.000	0.000
<b>Total Variations</b>	<b>2.179</b>	<b>2.101</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>4.280</b>
<b>Revised Investment Plan</b>	<b>116.459</b>	<b>62.527</b>	<b>50.900</b>	<b>47.813</b>	<b>51.610</b>	<b>329.309</b>

4.4 The proposed variations to the Investment Plan are shown below:

- (a) **EV099 Transforming Cities Fund - NT10 Links to Metro £4.036m** – Additional grant funding has been included following confirmation of the £3.775m Transforming Cities Funding required to deliver the scheme. In addition, £0.286m has been re-allocated from below in EV034 Local Transport Plan (e) to utilise as match funding.
- (b) **NEW Transforming Cities Fund – Intelligent Transport Systems £0.179m** - Additional grant funding has been included following confirmation of the £0.179m Transforming Cities Fund to undertake civils works to support the delivery of Intelligent Transport Systems at key signalised junctions on the A193 and A188/A189.
- (c) **DV078 Bedford Street / Saville Street £0.155m** – Resources have been allocated from the contingency relating to a proposed strategic property acquisition.
- (d) **ED132 School Capital Allocation £0.043m** – Additional S106 funds have been allocated to support the delivery of works at Backworth Park Primary.
- (e) **EV034 Local Transport Plan £0.003m** – £0.283m of additional S106 funds have been allocated to enhance the works being undertaken at Rake Lane. In addition, £0.286m of resources have been reduced from the LTP to support the delivery of EV099 Transforming Cities Fund – NT10 Links to Metro above at (a).

4.5 The proposed reprogramming includes the following:

- (a) **EV098 Transforming Cities Fund - NT08 Four Lane Ends Bus Priority £3.083m** – Re-profiling of funding originally included in 2023/24 to reflect the revised delivery plans, with construction expected to commence in Autumn 2022.
- (b) **ED120 Basic Need (£2.000m)** – Re-profiling of £2.000m of Basic Need funding to 2023/24 to align with the work being delivered through the Education Review Team.
- (c) **DV066 Investment in North Tyneside Trading Co (£1.459m)** – Re-profiling of the proposed investment to 2023/24 to reflect delays in transferring the sites at Unicorn House and 11/12 Northumberland Square.
- (d) **HS015 Refurbishment / Decent Homes Improvements (£1.200m)** – Re-profiling of the proposed steel staircase project to 2023/24 reflecting increased lead-in times associated with the supply of steel.
- (e) **DV064 Council Property Investment (£0.300m)** – Re-profiling to 2023/24 relating to revised timings for the redevelopment of Tynemouth Library.
- (f) **EV076 Operational Depot Accommodation Review (£0.225m)** – Re-profiling of ERDF funding to 2023/24 for the battery storage and ductwork to reflect revised delivery timings.

4.6 The impact of the changes detailed above on capital financing is shown in table 17 below.

#### 4.6.1 Table 17: Impact of variations on Capital financing

	2022/23 £m	2023/24 £m	2024/25 £m	2025-27 £m	Total £m
<b>Approved Investment Plan</b>	<b>114.280</b>	<b>60.426</b>	<b>50.900</b>	<b>99.423</b>	<b>325.029</b>
Council Contribution	(1.759)	1.759	0.000	0.000	0.000
Grants and Contributions	5.138	(0.858)	0.000	0.000	4.280
HRA Capital Receipts	0.000	0.000	0.000	0.000	0.000
HRA Grants	0.000	0.000	0.000	0.000	0.000
HRA Major Repairs Reserve	(1.200)	1.200	0.000	0.000	0.000
<b>Total Financing Variations</b>	<b>2.179</b>	<b>2.101</b>	<b>0.000</b>	<b>0.000</b>	<b>4.280</b>
<b>Revised Investment Plan</b>	<b>116.459</b>	<b>62.527</b>	<b>50.900</b>	<b>99.423</b>	<b>329.309</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 £nil capital receipts have been received in 2022/23. The receipts position is shown in table 18 below.

#### 4.7.1 Table 18: Capital Receipt Requirement – General Fund

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
Requirement reported to 17 February 2022 Council	0.317	0.000	0.000	0.000	0.000
Receipts Brought Forward	(3.017)	(0.000)	(0.000)	(0.000)	(0.000)
Total Receipts received 2022/23	0.000	0.000	0.000	0.000	0.000
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>(2.700)</b>	<b>(2.700)</b>	<b>(2.700)</b>	<b>(2.700)</b>	<b>(2.700)</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 £2.394m 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 £10.382m to be carried forward to fund future years.

#### 4.8.1 Table 19: 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 August 22 Cabinet	0.000	0.000	0.000	0.000	0.000
<b>Revised Requirement</b>	<b>2.104</b>	<b>1.584</b>	<b>1.700</b>	<b>1.851</b>	<b>1.956</b>
Receipts Brought Forward	(10.094)	(10.382)	(8.798)	(7.098)	(5.247)
Receipts Received 2022/23	(2.392)	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>(10.382)</b>	<b>(8.798)</b>	<b>(7.098)</b>	<b>(5.247)</b>	<b>(3.291)</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 31 July 2022

4.9 Actual expenditure for 2022/23 in the General Ledger was £5.287m; 4.63% of the total revised Investment Plan at 31 May 2022. This is after adjusting for £0.162m accruals relating to 2021/22 expenditure.

#### 4.9.1 Table 20: Total Investment Plan Budget & Expenditure to 31 July 2022

	2022/23 Revised Investment Plan £m	Actual Spend to 31 July 2022 £m	Spend as % of revised Investment Plan %
General Fund	85.946	10.463	12.17%
Housing	30.513	5.537	18.15%
<b>TOTAL</b>	<b>116.459</b>	<b>16.000</b>	<b>13.74%</b>

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

### **Current Cash Position**

- 5.1 The Authority's current available cash balance as at the end of July 2022 is £26.689m, with £26.800m 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 21: Investment Position as at 31/07/2022**

<b>Counterparty</b>	<b>Type</b>	<b>Amount (£m)</b>	<b>Maturity</b>
DMO	Term	15.000	1 August 2022
DMO	Term	5.000	8 September 2022
Barclays	Call	1.689	n/a
Lloyds Bank	Call	5.000	n/a
Inter – LA	Fixed	20.000	16 December 2022*
Fixed Deposits	Fixed	6.800	October 2022

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

- 5.2 Following recent Bank of England Monetary Policy Committee (MPC) meetings there have been steady increases in bank base rates. Bank base rates by the end July 2022 increased by 0.25% to 1.25%. Since July month end, Bank of England raised rates again on the 4<sup>th</sup> August by 0.50% to 1.75%.
- 5.3 The impact of raising base rate had an immediate impact to the cost of borrowing. Table 22 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 22: 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	1.43%	2 years	2.76%
1 month	1.43%	5 years	2.69%
3 months	1.64%	10 years	3.00%
6 months	1.85%	20 years	3.58%
9 months	2.08%	30 years	3.52%
12 months	2.20%	50 years	3.37%

*\*Please note these levels are from 01/08/2022  
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 23 shows the Authority's current debt position, with total borrowing maturing in 2022/23 of £5.000m.

### 5.7.1 Table 23: Current Debt Position

	PWLB (£m)	LOBO (£m)	Temp (£m)	Total (£m)
Total Outstanding Borrowing Debt	377.443	20.000	0.000	397.443
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 Table 24 below shows the latest interest rate forecasts as provided by the Authority's treasury advisors Link. Rates are forecast to continue to rise over the next 2 years, appearing to peak at 3.50% for 50 year borrowing in June 2023 before tracking back to lower levels.

### 5.9.1 Table 24: Link Interest Rate Forecasts

Bank Rate	Interest Rate Forecasts							
	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24
Link	1.75%	2.25%	2.75%	2.75%	2.75%	2.75%	2.50%	2.50%
Cap Econ	1.75%	2.25%	2.50%	2.75%	3.00%	3.00%	3.00%	3.00%
<b>5Y PWLB RATE</b>								
Link	3.20%	3.30%	3.30%	3.30%	3.30%	3.20%	3.10%	3.00%
Cap Econ	2.70%	3.40%	3.30%	3.30%	3.20%	3.20%	3.10%	3.10%
<b>10Y PWLB RATE</b>								
Link	3.40%	3.50%	3.50%	3.50%	3.50%	3.40%	3.30%	3.20%
Cap Econ	2.80%	3.30%	250.80%	3.20%	3.10%	3.10%	3.10%	3.10%
<b>25Y PWLB RATE</b>								
Link	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.60%	3.50%
Cap Econ	3.20%	3.50%	3.40%	3.40%	3.40%	3.30%	3.30%	3.30%
<b>50Y PWLB RATE</b>								
Link	3.40%	3.40%	3.50%	3.50%	3.40%	3.40%	3.30%	3.20%
Cap Econ	3.10%	3.40%	3.40%	3.30%	3.30%	3.30%	3.30%	3.30%

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	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
<b>General Fund</b>						
BS026 Asset Planned Maintenance						
Council Contribution	2,012	1,900	2,000	2,000	2,000	9,912
Section 106	9	0	0	0	0	9
Contribution from Reserves (Insurance)	772	0	0	0	0	772
BS026 Asset Planned Maintenance Total	2,793	1,900	2,000	2,000	2,000	10,693
BS029 Wallsend Customer First Centre						
Council Contribution	19	0	0	0	0	19
North of Tyne Combined Authority	250	0	0	0	0	250
BS029 Wallsend Customer First Centre Total	269	0	0	0	0	269
BS030 Public Sector Decarbonisation Scheme						
Council Contribution	317	0	0	0	0	317
Low Carbon Skills Grant	444	0	0	0	0	444
BS030 Public Sector Decarbonisation Scheme Total	761	0	0	0	0	761
BS031 Childrens Home Capital Programme						
Dept for Education - Childrens Home Capital Fund	201	0	0	0	0	201
BS031 Childrens Home Capital Programme Total	201	0	0	0	0	201
BS032 Spirit of NT Commemoration Project						
Council Contribution	175	0	0	0	0	175
Section 106	25	0	0	0	0	25
BS032 Spirit of NT Commemoration Project Total	200	0	0	0	0	200
BS033 Changing Places Facilities						
Changing Places Grant MHCLG	100	0	0	0	0	100
BS033 Changing Places Facilities Total	100	0	0	0	0	100
CO079 Playsites						
Section 106	47	0	0	0	0	47
CO079 Playsites Total	47	0	0	0	0	47
CO080 Burradon Recreation Ground						
Section 106	6	0	0	0	0	6
CO080 Burradon Recreation Ground Total	6	0	0	0	0	6
CO081 Gosforth Nature Reserve Grey Squirrel Control and Enhancements						
Section 106	2	0	0	0	0	2
CO081 Gosforth Nature Reserve Grey Squirrel Control and Enhancements	2	0	0	0	0	2
CO082 Sport and Leisure Facility Improvements						
Contribution from Reserves (Leisure)	18	0	0	0	0	18
CO082 Sport and Leisure Facility Improvements Total	18	0	0	0	0	18
CO083 Whitley Bay Crematoria						
Council Contribution	613	0	0	0	0	613
CO083 Whitley Bay Crematoria Total	613	0	0	0	0	613
CO085 Northumberland Park Labyrinth						
Section 106	5	0	0	0	0	5
CO085 Northumberland Park Labyrinth Total	5	0	0	0	0	5
CO086 North West Library Improvements						
Section 106	129	0	0	0	0	129
CO086 North West Library Improvements Total	129	0	0	0	0	129
CO087 Contours Gym Improvements						
Section 106	84	0	0	0	0	84
Contribution from Reserves (Leisure)	93	0	0	0	0	93
CO087 Contours Gym Improvements Total	177	0	0	0	0	177
CO088 Gateways to the Boroughs						
Council Contribution	100	0	0	0	0	100
CO088 Gateways to the Boroughs Total	100	0	0	0	0	100
CO089 S106 Raleigh Drive Allotment Extension						
Section 106	30	0	0	0	0	30
CO089 S106 Raleigh Drive Allotment Extension Total	30	0	0	0	0	30
CO090 Wallsend Park Machinery						
Contribution From Reserves (HLF acc 128)	95	0	0	0	0	95
CO090 Wallsend Park Machinery Total	95	0	0	0	0	95

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
<b>General Fund</b>						
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	0	0	0	0	249
DV071 Section 106 Contributions to Set Up Health Facilities Total	249	0	0	0	0	249
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	228	0	0	0	0	228
DV078 Bedford Street / Saville Street Total	228	0	0	0	0	228
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	50	100	0	0	0	150
Revenue Contribution (08252)	50	56	0	0	0	106
Arts Council Grant (MEND)	200	299	0	0	0	499
DV080 Segedunum Roman Museum MEND Total	300	455	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
ED075 Devolved Formula Capital						
Education Funding Agency (Devolved)	1,373	610	610	610	610	3,813
ED075 Devolved Formula Capital Total	1,373	610	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	0	0	0	0	83
Education Funding Agency (SCA)	5,148	3,868	3,868	3,868	3,868	20,620
ED132 School Capital Allocation Total	5,231	3,868	3,868	3,868	3,868	20,703
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

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
<b>Gen</b> EV034 Local Transport Plan						
Dept for Transport LTP ITA	722	958	958	958	958	4,554
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
<b>EV034 Local Transport Plan Total</b>	<b>2,919</b>	<b>2,552</b>	<b>2,552</b>	<b>2,986</b>	<b>2,986</b>	<b>13,995</b>
EV055 Surface Water Improvements						
Environment Agency Grant	723	0	0	0	0	723
<b>EV055 Surface Water Improvements Total</b>	<b>723</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>723</b>
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	1,688	1,253	1,253	0	0	4,194
<b>EV056 Additional Highways Maintenance Total</b>	<b>3,941</b>	<b>3,253</b>	<b>3,253</b>	<b>2,000</b>	<b>2,000</b>	<b>14,447</b>
EV069 Vehicle Replacement						
Council Contribution	779	1,248	1,676	1,123	3,000	7,826
<b>EV069 Vehicle Replacement Total</b>	<b>779</b>	<b>1,248</b>	<b>1,676</b>	<b>1,123</b>	<b>3,000</b>	<b>7,826</b>
EV076 Operational Depot Accommodation Review						
Council Contribution	1,214	0	0	0	0	1,214
ERDF	1,040	225	0	0	0	1,265
<b>EV076 Operational Depot Accommodation Review Total</b>	<b>2,254</b>	<b>225</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,479</b>
EV083 Street Lighting LED						
Council Contribution	2,969	1,386	0	0	0	4,355
<b>EV083 Street Lighting LED Total</b>	<b>2,969</b>	<b>1,386</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,355</b>
EV084 A189 Improvements Haddricks Mill to West Moor						
DFT National Productivity Fund	0	0	0	0	0	0
<b>EV084 A189 Improvements Haddricks Mill to West Moor Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
EV091 Other Initiatives Climate Change						
Council Contribution	274	1,000	1,000	1,000	1,000	4,274
<b>EV091 Other Initiatives Climate Change Total</b>	<b>274</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>4,274</b>
EV094 Transforming Cities Fund - NT02 North Shields Transport Hub						
Council Contribution	376	1,000	0	0	0	1,376
Transforming Cities Fund	17,810	0	0	0	0	17,810
<b>EV094 Transforming Cities Fund - NT02 North Shields Transport Hub Total</b>	<b>18,186</b>	<b>1,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19,186</b>
EV095 Active Travel Fund 1 & 2 Rake Lane						
Dept for Transport Active Travel Fund Tranche2	962	0	0	0	0	962
<b>EV095 Active Travel Fund 1 &amp; 2 Rake Lane Total</b>	<b>962</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>962</b>
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	822	0	0	0	0	822
<b>EV096 Highway Maintenance Challenge Fund - Tanners Bank Total</b>	<b>925</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>925</b>
EV097 Weetslade & Westmoor Roundabouts, Great Lime Road (S106 Bellway Homes)						
Section 106	3,250	0	0	0	0	3,250
<b>EV097 Weetslade &amp; Westmoor Roundabouts, Great Lime Road (S106 Bell</b>	<b>3,250</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,250</b>
EV098 Transforming Cities Fund - NT08 Four Lane Ends Bus Priority						
Transforming Cities Fund	3,083	0	0	0	0	3,083
<b>EV098 Transforming Cities Fund - NT08 Four Lane Ends Bus Priority Total</b>	<b>3,083</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,083</b>
EV099 Transforming Cities Fund - NT10 Links to Metro						
Dept for Transport LTP ITA	391	0	0	0	0	391
Transforming Cities Fund	3,775	0	0	0	0	3,775
<b>EV099 Transforming Cities Fund - NT10 Links to Metro Total</b>	<b>4,166</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,166</b>
EV100 Active Travel 3 - Permenant Seafront Scheme						
Dept for Transport Active Travel Fund Tranche 3	3,231	0	0	0	0	3,231
<b>EV100 Active Travel 3 - Permenant Seafront Scheme Total</b>	<b>3,231</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,231</b>
GEN03 Contingencies						
Council Contribution	3,400	2,000	2,000	1,000	1,000	9,400
<b>GEN03 Contingencies Total</b>	<b>3,400</b>	<b>2,000</b>	<b>2,000</b>	<b>1,000</b>	<b>1,000</b>	<b>9,400</b>
GEN12 Local Infrastructure						
Council Contribution	127	100	100	100	100	527
<b>GEN12 Local Infrastructure Total</b>	<b>127</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>527</b>

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
<b>Ge</b> 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	775	0	0	0	0	775
Homes & Communities Grant	111	0	0	0	0	111
HS051 Private Sector Empty Homes Total	886	0	0	0	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
IT020 ICT Strategy Total	1,747	1,000	1,000	1,000	1,000	5,747
NEW Transforming Cities Fund – Intelligent Transport Systems						
Transforming Cities Fund	179	0	0	0	0	179
NEW Transforming Cities Fund – Intelligent Transport Systems Total	179	0	0	0	0	179
<b>General Fund Total</b>	<b>85,946</b>	<b>33,227</b>	<b>20,249</b>	<b>15,687</b>	<b>17,564</b>	<b>172,673</b>
<b>HRA</b>						
HS015 Refurbishment / Decent Homes Improvements						
See HRA Financing	23,421	23,148	22,447	23,579	24,857	117,452
HS015 Refurbishment / Decent Homes Improvements Total	23,421	23,148	22,447	23,579	24,857	117,452
HS017 Disabled Adaptations						
See HRA Financing	1,220	1,083	1,094	1,105	1,116	5,618
HS017 Disabled Adaptations Total	1,220	1,083	1,094	1,105	1,116	5,618
HS039 ICT Infrastructure Works						
See HRA Financing	746	1,109	360	112	113	2,440
HS039 ICT Infrastructure Works Total	746	1,109	360	112	113	2,440
HS044 HRA New Build						
See HRA Financing	5,126	3,960	6,750	7,330	7,960	31,126
HS044 HRA New Build Total	5,126	3,960	6,750	7,330	7,960	31,126
<b>HRA Total</b>	<b>30,513</b>	<b>29,300</b>	<b>30,651</b>	<b>32,126</b>	<b>34,046</b>	<b>156,636</b>
<b>Total £000</b>	<b>116,459</b>	<b>62,527</b>	<b>50,900</b>	<b>47,813</b>	<b>51,610</b>	<b>329,309</b>

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
<b>General Fund</b>						
Council Contribution	19,369	14,805	11,776	8,223	10,100	64,273
Council Contribution - Capital Receipts	317	0	0	0	0	317
Grants & Contributions	64,536	17,922	8,473	7,464	7,464	105,859
Revenue Contribution	746	500	0	0	0	1,246
Contribution from Reserves	978	0	0	0	0	978
<b>General Fund Total</b>	<b>85,946</b>	<b>33,227</b>	<b>20,249</b>	<b>15,687</b>	<b>17,564</b>	<b>172,673</b>
<b>HRA Financing</b>						
HRA Capital Receipts	2,104	1,584	1,700	1,851	1,956	9,195
HRA Revenue Contribution	10,281	10,185	12,632	13,160	16,092	62,350
HRA MRR	16,839	17,116	16,189	17,035	15,868	83,047
HRA Grants & Contributions	919	0	0	0	0	919
HRA Contribution from Reserves	370	415	130	80	130	1,125
<b>HRA Financing Total</b>	<b>30,513</b>	<b>29,300</b>	<b>30,651</b>	<b>32,126</b>	<b>34,046</b>	<b>156,636</b>
<b>Total £000</b>	<b>116,459</b>	<b>62,527</b>	<b>50,900</b>	<b>47,813</b>	<b>51,610</b>	<b>329,309</b>

## North Tyneside Council Report to Cabinet Date: 19 September 2022

### Title: 2023-2027 Financial Planning and Budget Process incorporating the Associated Engagement Strategy

<b>Portfolio(s):</b> Elected Mayor  Deputy Mayor  Finance and Resources  Housing	<b>Cabinet Member(s):</b> Norma Redfearn  Councillor C Johnson  Councillor M Rankin  Councillor J Harrison
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**Report from Service Area:** Finance

**Responsible Officer:** Jon Ritchie, Director of Resources      **Tel:** (0191) 643 5701

**Wards affected:** All

#### **PART 1**

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

1.1.1 This is the initial report to Cabinet outlining the process to be adopted for the Authority's Financial Planning and Budget process for 2023/24 as part of the proposed framework for the four years 2023/24 to 2026/27. Further reports will follow as part of the process of setting the Authority's Budget for the financial year 2023/24. The next report to Cabinet will be on 28 November 2022 and will outline Cabinet's initial Budget proposals.

This report sets out information in relation to the proposed 2023-2027 Financial Planning and Budget process, including key decision milestones. This will include:

- A review of the Medium-Term Financial Strategy (MTFS) and Medium-Term Financial Plan (MFTP);
- Development of the detailed General Fund and Housing Revenue Account Budgets for 2023/24;
- An update of the Investment Plan and the Treasury Management Strategy; and
- The Budget Engagement Strategy to be adopted as part of the 2023-2027 Financial Planning and Budget process.

1.1.2 While this report forms an important part of the Authority's Budget-setting process for the 2023/24 Budget, it also provides Cabinet with an overview of the potential financial implications for both the current year and for the period of the Authority's Medium-Term Financial Strategy (MTFS).

- 1.1.3 In addition, this report acknowledges the continuing exceptional circumstances in which the 2023/24 Budget will need to be prepared. The Authority is continuing to operate in a period of significant financial uncertainty brought about by a combination of the ongoing impact of the pandemic, significant high levels of inflation which is impacting energy and fuel costs and the outcome of the pay award for 2022/23 and future years. The Authority is currently assessing the impact of the financial implications of the reforms in relation to Adult Social Care, which will undoubtedly add to the financial pressure which the Authority faces in 2023/24 and future years.
- 1.1.4 All of these factors will have an impact on the organisation's ability to achieve planned Budget savings and income for 2023/24, its capacity to develop and deliver new Budget proposals for 2023/24, and on the wider Budget position, which is the subject of extremely high levels of uncertainty. The report sets out details of a proposed Budget planning process for 2023/24 but recognises that there will be a need for flexibility. In this context, the report also provides a summary of key areas of wider risk and uncertainty for Cabinet to consider.

## **1.2 Recommendations**

It is recommended that Cabinet:

- (a) notes the revised Medium-Term Financial Strategy and the proposed principles for Budget planning for 2023/24, as set out at Appendix A and section 1.5.11;
- (b) approves the proposed outline 2023-2027 Financial Planning and Budget process which incorporates the key decision milestones and dates, as set out at Appendix B;
- (c) recognises that there may be a requirement for flexibility within both the Budget-setting process and the assumptions used, as a result of future Government announcements and other developments relating to current and forecast inflation levels, the pay award and the ongoing financial impact of the pandemic;
- (d) approves the Budget Engagement Strategy as part of the 2023-2027 Financial Planning and Budget process as set out at Appendix C; and
- (e) considers the key Budget risks and uncertainties as set out in the Medium-Term Financial Strategy, including the implications of announcements made at the Spring Budget 2022 and subsequently as part of the COVID-19 response.

## **1.3 Forward Plan:**

Twenty-eight days' notice of this report has been given and it first appeared on the Forward Plan that was published on 8 July 2022.

## **1.4 Information**

### Council Plan and Policy Framework

- 1.4.1 The Budget and Policy Framework Procedure Rules are set out in Part 4.7 of the Authority's Constitution. The Budget is guided by paragraph 4.7.3 covering the process for the preparation, consideration and final approval of the Authority's Budget. The constitutional requirements for preparing, considering and approving the Budget drive the timetable for the Financial Planning and Budget process.



- 1.4.2 The development of the Budget will follow the process laid down in the Authority's Constitution. The Financial Planning and Budget process is a fundamental part of the overall governance and assurance framework of the Authority. This in turn provides assurance that the Budget is considered as part of preparing the Annual Governance Statement to Council each year.
- 1.4.3 The priorities in the Council Plan (the "Our North Tyneside Plan") provide the strategic policy framework within which Budget resources will be allocated for 2023-2027.

#### Background

- 1.4.4 The Authority is continuing to operate in a period of significant financial uncertainty brought about by a combination of the ongoing impact of the pandemic, significant high levels of inflation which is impacting energy and fuel costs and the outcome of the pay award for 2022/23 and future years. Currently there continues to be significant uncertainty in relation to funding levels for 2023/24 onwards, although the Authority is aware that a rollover settlement is likely.

Cabinet should also note that at the time the Authority's Budget and Medium-Term Financial Plan was set in February 2022 it would have been impossible to anticipate or make provision for either the economic impact of the Russian invasion of the Ukraine, or the wider cost of living crisis that has emerged in recent months. As the Budget process progresses the impact of this and other factors as described above will need to be accounted for, and therefore it remains essential for the Authority to have a robust plan in place to enable the preparation of a balanced and sustainable Budget.

This report therefore sets out the process by which the Authority will build on the 2022/23 Budget to develop the detailed financial plans for future years, which will secure the Authority's financial position and safeguard the provision of essential services into 2023/24 and beyond.

- 1.4.5 The former Chancellor of the Exchequer, Rishi Sunak, delivered the Spring 2022 Budget on 23 March 2022. There were limited announcements which will impact on the Authority's budget position directly, although there were some measures which will require administration by local authorities including an extension of the Household Support Fund from April 2022 (a further £500m nationally) and various business rates changes. Full details of the key economic forecasts and key policy announcements made in the Spring Budget are included within the Medium-Term Financial Strategy which is appended to this report.
- 1.4.6 Alongside the Spring Statement, the former Chancellor published a "Tax Plan" setting out a three-part plan to strengthen the economy over the remainder of the Parliament. It is intended to:
- help families with the cost of living;
  - support growth in the economy, and
  - ensure the proceeds of growth are shared fairly.

The Authority will need to respond to any specific consultations arising from the Tax Plan as they are published and will consider the detailed implications of the Spring Statement for the Authority's 2023/24 Budget as it is developed.

- 1.4.7 As in recent years, the Authority will not receive detailed information about funding allocations for 2023/24 until autumn 2022 at the earliest. Ongoing uncertainty continues

around local government and wider public sector finances including the need for a long-term financial settlement for local government. Spending review announcements in 2021 covered one year only and as a result there remains high uncertainty about the levels of funding for 2023/24 and beyond. For 2022/23 a new one-off “Services Grant” was announced which partially funded the additional 1.25% employers National Insurance contributions which form part of the reforms of Adult Social Care. Continuation of this grant has yet to be confirmed although the Authority’s Medium-Term Financial Plan assumes the funding will reduce by 50% in 2023/24.

1.4.8 Cabinet will be aware that it remains a major concern that the Government continues to place significant reliance and expectations on locally raised income. If this trend persists the financial pressures for 2023/24 and beyond may become unsustainable. The Government has yet to announce the Council Tax referendum limit for 2023/24 but it is expected that a general Council Tax increase of 2% will remain in place. Since 2016/17 the Government has allowed local authorities to raise additional income to support the rising costs of providing Adult Social Care by way of levying a precept for Adult Social Care, without having to hold a referendum. Following the failure of the Government to provide authorities with sustainable funding to support rising costs of supporting the Borough’s most vulnerable residents the Authority, in line with the Governments expectations, has made full use of the precept raising ability. At the time of writing this report no announcements have been made in relation to any precept levy which will be available to local government for the 2023/24 financial year.

1.4.9 Any consideration of the Authority’s Medium-Term Financial Strategy and Medium-Term Financial Plan must be undertaken in the context of the funding outlook and risks for local government and what that means for the Authority. Full details of the funding outlook for local government are included in section 3 of the Medium-Term Financial Strategy.

1.4.10 The current Medium-Term Financial Plan (MTFP) covers the period to the end of 2025/26. Whilst there continues to be a great deal of financial uncertainty, recommended practice suggests that due consideration is given not only to the short-term but to how the Authority will continue to finance its activities in the medium-term. It is therefore recommended at this stage that the MTFP covers the four-year period 2023/24 to 2026/27.

## **1.5 Policy Context**

### Council Plan 2021-2025

1.5.1 The Council Plan was refreshed following the mayoral election in May 2021. The updated Council Plan was approved by Full Council on 23 September 2021. The Council Plan reflects the current policy priorities of the Elected Mayor and Cabinet for the next four years and the future vision of North Tyneside in the following five themes:

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

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

## **A thriving North Tyneside**

- We will regenerate the high streets of North Shields and Wallsend, and in addition to the Master Plan for North Shields, we will bring forward Master Plans for Wallsend and Whitley Bay town centre areas. We will also bring investment and improvements to the North West area of the borough and ensure that regeneration delivers ambition, opportunity and benefits for all of our residents;
- We will bring more good quality jobs to North Tyneside – by helping local businesses to sustain and grow, making it attractive for new businesses to set up or relocate in the borough;
- We will invest in adult education and to support apprenticeships to make sure people have the right skills for the job;
- We will keep our libraries and leisure centres open as part of a vibrant range of cultural and sporting activities to support the health and wellbeing of our residents;
- We will continue to be the destination of choice for visitors through the promotion of North Tyneside’s award-winning parks, beaches, festivals and seasonal activities;
- We will reduce the number of derelict properties across the borough; and
- We will review how the council purchases and contracts for goods and services to maximise value for money, social value and environmental sustainability.

## **A family-friendly North Tyneside**

- We will support local schools, making sure all children have access to a high-quality education with opportunities to catch up where needed after the pandemic;
- We will provide outstanding children’s social care services, events and facilities so North Tyneside is a great place for family life; and
- We will ensure all children are ready for school and that schools have an inclusive approach so that all of our children and young people have the best start in life.

## **A caring North Tyneside**

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

## **A secure North Tyneside**

- Council wardens will work in partnership with Northumbria Police to prevent and tackle all forms of antisocial behaviour;
- We will invest an additional £2m per year on fixing our roads and pavements;

- We will maintain the Council Tax support scheme that cuts bills for thousands of low-income households across North Tyneside;
- We will tackle health and socio-economic inequalities across the borough including through our Poverty Intervention Fund to tackle food poverty; and
- We will provide 5000 affordable homes.

### **A green North Tyneside**

- We will keep increasing the amount of waste that can be recycled and introduce food waste collections and deposit return schemes;
- Council environmental hit squads will crack down on littering;
- We will secure funding to help low income households to install low-carbon heating;
- We will increase opportunities for safe walking and cycling, including providing a segregated cycleway at the coast; and
- We will publish an action plan of the steps we will take and the national investment we will seek to make North Tyneside carbon net-zero by 2030.

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

- 1.5.2 In line with the principles agreed with Cabinet for setting the annual Budget, an initial review of the Medium-Term Financial Strategy (MTFS) has been performed. The revised MTFS is included as Appendix A to this report.
- 1.5.3 The Authority's 2022/23 Budget and MTFS were agreed in February 2022. At that time, it would have been impossible for the Authority to foresee the global economic impact of the Russian invasion of the Ukraine which has had and continues to have a devastating impact on the world economy. Rising interest rates and inflation have caused a significant impact leading to a cost-of-living crisis which will see a real term reduction in living standards for families throughout the Borough. At the time of writing this report inflation has reached 10.1% and it is expected that it will rise further towards the end of the financial year. This will have a significant impact on the cost of delivering essential Services and it will increase the costs associated with delivering the Investment Plan.

The Authority's financial planning had largely assumed that COVID-19 pressures would abate in line with the withdrawal of Government support. However, as reported to Cabinet in May in the Budget Monitoring report, the Authority continues to feel the financial effects of the pandemic in relation to both the continued levels expenditure supporting post pandemic Service needs and income for some Services have yet to reach pre-pandemic levels. The Authority did carry forward COVID grants which have been used to smooth the financial position in 2022/23, however, it is anticipated that these grants will be fully utilised in the current financial year with no residual funding available to meet any ongoing costs relating to the pandemic. This poses a significant risk to the Authority's financial position for 2023/24 and future years and the Senior Leadership Team, supported by Senior Officers are already looking ways this risk can be mitigated and reduced as the Budget-setting process progresses.

- 1.5.4 As described in section 1.4.7 above, funding announcements are not expected until the Autumn 2022. Whilst a multi-year settlement is welcomed and will give local authorities some degree of certainty, until the details are released Budget planning for 2023/24 remains extremely challenging.

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

- 1.5.5 Legislation, policies and practices have all seen changes in the previous months; consolidating these and responding to further changes in future will be crucial. In addition, it is highly likely that key income sources including Council Tax, through both the Collection Fund and tax base growth, and business rates will continue to be under significant pressure in 2022/23. The current MTFs position therefore incorporates prudent assumptions about these income streams, which will need to be reviewed over the course of the Budget-setting period.
- 1.5.6 Finance officers have worked through a range of assumptions and the potential gap between available resources and anticipated expenditure for the General Fund across the next 4 years could be anywhere between £30m to £50m.
- 1.5.7 The Authority has previously agreed a set of principles as part of the process to develop the Budget. The majority of those principles remain relevant for Budget-setting for 2023/24 and for the MTFP. However, it is important that there is a clear understanding of the work that will need to be undertaken in the lead up to Cabinet presenting its initial Budget proposals in November 2022. It has therefore been necessary to revise the approach to preparing the Budget for 2023/24 and the MTFP.

Where appropriate, the principles set out below provide more detail of the how the work will be undertaken. This will give a clear focus on financial planning priorities over the coming months in order to produce a balanced Budget in 2023/24 and achieve financial balance over the medium-term.

- 1.5.8 The underlying aim is to ensure that the Authority can continue to deliver the Council Plan, and do this within the available resources:
  - 1) The overall financial strategy will be to ensure that the Authority's resources are directed to achieving the Council Plan and associated outcomes. The Authority's strategy will be reviewed on at least an annual basis;
  - 2) Overall, Authority spending should be contained within original Budget estimates. If, following monthly budget monitoring, Service budgets are projected to exceed original estimates, plans should be prepared setting out the actions required to ensure spending at the end of the year does not exceed original estimates;
  - 3) In preparation for setting the 2023/24 Budget all services will be required to take part in Budget Challenge sessions during July and August;
  - 4) In order to inform further revisions of the 2023/24 Medium-Term Financial Strategy, there will be a fundamental review of the assumptions relating to:
    - a. Council Tax and Business Rates planning;
    - b. forecast delivery of planned 2022/23 savings programmes and viability of previously planned savings;

- c. cost and income pressures, including unfunded pressures resulting from the impact of inflation and the residual impact on expenditure and income relating to COVID-19;
  - d. any further Government funding announcements for 2022/23 and future years; and
  - e. Seek to identify proposals to begin to address future years, reflecting need for longer-term planning.
- 5) Options to address any shortfall in savings to close the 2023/24 Budget gap will include:
    - a. The Government providing additional funding;
    - b. Corporate / centrally identified savings opportunities;
    - c. Services identifying further savings; and
    - d. A freeze on all non-essential expenditure and recruitment.
  - 6) The Authority will maintain its General Fund Balance at a minimum level of £7.000m at the end of each year, subject to a risk assessment as part of the annual Budget-setting process;
  - 7) The Authority will aim to balance its revenue Budget over the period of the Medium-Term Financial Plan without reliance on the use of the General Fund Balance. The MTFP will cover the period 2023/24 to 2026/27;
  - 8) The Authority will plan for any changes to specific grants/interim funding/financial settlement/legislation;
  - 9) The Authority will maintain earmarked reserves for specific purposes which are consistent with achieving its key priorities. The use and level of earmarked reserves will be reviewed at least annually;
  - 10) Opportunities for working in collaboration and partnership and for different ways of working will be identified and developed where this will support the delivery of the Authority's outcomes and improve service efficiency and delivery. This will include the use of wellbeing powers/general power of competence, development of trading opportunities and different business models, and the sourcing and securing of external funding;
  - 11) The Authority will consider the use of prudential borrowing to support capital investment to deliver the Council Plan and will ensure that the full costs of borrowing are taken into account when investment decisions are taken;
  - 12) The Authority will aim to promote and stimulate strong and sustainable economic growth leading to wellbeing and prosperity for residents and communities, supported by a planned approach to strategic investment managed through the Authority's Investment Plan. A full review of the investment plan will be undertaken to ensure all planned investment is prudent, affordable and the Authority continues to deliver value for money;
  - 13) The Authority will continue to review its strategic assets to maximise the potential to release value for strategic re-investment and to ensure that asset requirements are aligned to the delivery of services across the Borough;
  - 14) The Authority recognises the impact of increases in Council Tax levels and fees and charges on our residents, many of whom are struggling on relatively low

income and low wealth and will therefore balance the need for increases against the delivery of the Our North Tyneside Plan and demand for services. This will include the consistent application of an agreed fees and charges policy;

- 15) The Authority will continue to consider business risk in all decision-making process and, alongside this, will ensure that resources are aligned to reduce any material financial risk to the Authority; and
- 16) The Authority will continue to review its Treasury Management Strategy and the efficient management of debt on an annual basis, with an ongoing focus on delivering safe stewardship.

#### Housing Revenue Account (HRA)

- 1.5.9 As the Authority started to emerge from what has been an unprecedented time of uncertainty due to the pandemic, it has now entered into a new period of uncertainty due to inflationary pressures not experienced since the 1980s brought about by a combination of factors primarily but not solely linked to the conflict in Ukraine. This has brought with it new challenges in terms of finding it difficult to source certain materials such as steel which are key to our Construction and Repair objectives. Again, this requires us to be flexible and resourceful to ensure the Authority can deliver the levels of investment necessary to maintain the Authority's existing housing stock, and in continuing to develop plans to build new ones. These issues will be key factors which will need to be built into modelling assumptions for the refresh of the 30-year HRA Business Plan, along with any other trends nationally, as the UK struggles to avoid falling into a period of recession and stagflation.
- 1.5.10 The Authority's Housing and Property Service continues to develop and evolve and ensure it aligns to the Our North Tyneside Plan, delivering value for money to both the General Fund and the HRA and making the best use of available resources across repairs and capital works to improve and deliver the best possible services to the Authority's customers. The service continues to invest additional resources into new build housing, and to match tenant priorities within the housing repairs budget by maintaining the current focus on improving empty homes standards and carrying out property health checks. The main targets for the Service remain to ensure that the key priorities of delivering excellent, flexible and value for money services are achieved.
- 1.5.11 2022/23 saw the third year of rent increases following the end of the 4-year 1% per annum reduction enacted by Government via the Welfare Reform and Work Act 2016. From April 2020 rent policy returned to being based on increases of Consumer Prices Index (CPI) + 1% per annum for at least the next 5 years in order to try to give housing authorities greater planning certainty. This saw a rent increase of 2.7% for 2020/21, an increase of 1.5% for 2021/22, and a rent increase of 4.1% in 2022/23 as CPI started to rise in line with a new period of economic uncertainty, and a return to levels of inflation not seen for decades. This up-turn in inflation has continued apace in 2022/23 and has seen CPI inflation levels surge past 10%, with many economic experts predicting that inflation may rise further by the end of the year, particularly as there is no apparent end in sight to the conflict in Ukraine.

The long-term Government target and assumption in the Business Plan for CPI inflation remains at 2% per annum, which would bring it back to a 3% per annum rent increase. However, 2023/24 is going to be a very difficult year in terms of determining the rent increase to be applied in the current climate. Currently the pension "triple-lock" remains in place which would see pensions increase by CPI whatever that rate was, and

similarly the Authority waits to see if Universal Credit and benefits will also be linked to CPI.

Whilst this could be argued that most tenants could have the additional resources to meet the increase, that ignores the reality of the increased cost of living that most of the Authority's residents are facing, with a particular squeeze on those in work, but who are just above the benefit threshold levels or those in work and already needing welfare support.

- 1.5.12 This remains a key area for refreshing the Business Plan as we move into the next budget round, September CPI will be announced in October that is the starting point for next year's rent increase. The Government had stated that for at least 5 years from 2019/20 rents would remain based on CPI, to give authorities more certainty around longer-term financial planning, but what the Authority does not know as yet is whether the Government will feel it necessary to alter this policy again because of the current economic climate, as they did with the 4-year rent decrease. There will inevitably be an element of wait and see to some extent to see if the Government steps in to prescribe what we do in this area.
- 1.5.13 To maximise the options available to Cabinet a range of Business Plan scenario modelling will be undertaken, to try and determine an optimal path through the current situation, which will look to match aspirations in terms of levels of investment in services and assets with different outcomes in terms of the resources available to fund those aspirations.
- 1.5.14 Cabinet can continue to consider options for future HRA capital investment funded by increased borrowing in accordance with the principles of the Prudential Code. Consideration of such options available as part of the 2022/23 Budget process, determined that the existing approach to debt management and repayment should be maintained in relation to the HRA. As already alluded to above the current economic situation and cost of living crisis may necessitate further scrutiny of some of these options, and the authority's overall approach to debt management as part of the business plan refresh and Budget-setting process for 2023/24.
- 1.5.15 The impact of the changes as outlined above will need to be considered as part of the updating of the 30-year HRA Business Plan, which aims to ensure the long-term viability of the HRA in line with the policy direction of the Elected Mayor and Cabinet and the needs of tenants. Considering the significant current challenges facing the authority and the country, the options available to Cabinet will be reported as part of the HRA Budget proposals which Cabinet will receive in November. For the purposes of the current Financial Planning and Budget process, a four-year revenue plan will be updated and presented in line with the principles adopted for the General Fund.

#### Investment, Prudential Borrowing and Treasury Management

- 1.5.16 The Capital Investment Strategy is the policy framework document that sets out the principles to guide the effective allocation of capital investment across all the Authority's Services and informs decisions on capital spending priorities within the Authority's Investment Plan. Investment priorities are considered in the context of the strategic objectives of the Our North Tyneside Plan and other key strategies and plans of the Authority. The Ambition for North Tyneside report, adopted by Cabinet on 26 November 2018 and updated annually, articulates the Elected Mayor and Cabinet's ambition for North Tyneside and explains in more detail their future ambitions for each part of the Borough. Delivery of these plans sets the challenge of meeting competing priorities



against limited financial resources. It is intended that a borrowing ceiling will be applied for the Authority in terms of both borrowing requirements and revenue costs.

- 1.5.17 The Authority's capital investment plans are set out in the Investment Plan, with the latest approved programme covering the period 2022-2027. The effective use of capital resources, including asset management, is fundamental to the Authority achieving its medium and long-term strategic objectives. Capital investment has a significant impact upon the local economy and the way in which the Authority can deliver its services, helping to ensure that the Authority can continue to provide the best possible services and outcomes within North Tyneside.
- 1.5.18 Any capital investment decision will have implications for the Budget. The revenue costs over the lifetime of each proposed capital project are considered when the project is being developed to ensure that the impact can be incorporated within the Authority's financial plans and to demonstrate that the capital investment is both affordable and sustainable. Revenue implications may include the costs associated with supporting additional borrowing as well as any changes to the running costs associated with the asset or wider benefits to the Authority, such as the delivery of ongoing revenue savings or additional income through the generation of Business Rates, Council Tax or energy revenues.
- 1.5.19 The 2023-2027 Financial Planning and Budget process will include a review of the current Investment Plan and the Capital Investment Strategy, including current commitments, available resources and emerging priorities, with a view to the development of a five-year Investment Plan for the period 2023/24 to 2027/28.
- 1.5.20 The Authority is observing a number of challenges directly impacting upon the delivery of planned capital projects as a result of unprecedented economic volatility which are causing significant pressure upon the availability of some materials, particularly steel, and the associated construction cost given higher than expected levels of inflation. This may result in the re-profiling of schemes as part of developing the Investment Plan in order to maximise the impact of the Authority's investment and continue to ensure value for money.
- 1.5.21 The Authority continues to actively explore external funding possibilities and other capital resources such as Community Infrastructure Levy (CIL) income, section 106 contributions and section 278 contributions when developing capital projects in order to minimise the borrowing requirement as far as possible. Within the MTFP, assumptions have been made around the level of external funding in the future, but detailed work programmes are not committed to until the allocations have been confirmed and funding strategies have been determined. Projects and investment plans may therefore be re-prioritised depending on the availability of external funding and alignment with the policy direction of the Elected Mayor and Cabinet.
- 1.5.22 The generation of capital receipts can help to provide resources to support additional capital investment or to reduce the borrowing requirement (and therefore the associated revenue costs). The availability of capital receipts has also reduced in recent years. Currently, no new capital receipts have been included within the MTFP projections. If additional capital receipts are generated during the year, this provides the Authority with the flexibility to consider the introduction of additional projects to the Investment Plan or the ability to reduce its borrowing requirements.
- 1.5.23 The Treasury Management Strategy will be reviewed in light of the refreshed Investment Plan and the overall MTFP for both the General Fund and the HRA.

## Update on developing the 2023-2027 General Fund Financial Plan and Budget

- 1.5.24 Whilst decisions around Budget-setting are approved on an annual basis, the Authority must demonstrate robust medium-term financial and resource planning. Best practice suggests between three and five years as a reasonable financial planning period.
- 1.5.25 Despite the level of uncertainty with regard to local government funding beyond 2023/24 and the current economic uncertainty a four-year Financial Plan is in development. This reflects, as far as possible, known pressures and changes but is based on a range of assumptions in local government funding.
- 1.5.26 Local authorities are legally obliged to set a balanced Budget each year, and to ensure that they have sufficient reserves to cover any unexpected events. To legally balance the Budget, the Authority must make spending plans that match the estimated funding available over that time. The gap between available funds and planned net expenditure is referred to as the funding gap, or efficiency requirement. In essence, the funding gap is the best estimate of additional resources, be those reductions in expenditure or increases in income, needed to cover rising cost pressures and demand for services alongside a reduced amount of funding from the Government and, to a lesser extent, other external sources.

## Financial Sustainability

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

- The availability of other funds to deal with major contingencies and the adequacy of provisions; and
- The general financial and economic climate in which the Authority operates.

1.5.30 Reserves are reviewed during the financial year and table 1 below shows the estimated use, following reviews of all General Fund reserves over the period to March 2027:

**Table 1: General Fund Reserves Summary 2021/22 to 2026/27**

Reserves Summary	Closing Balance 31/03/22 £m	Net Contribution(to) / From Reserves					Total
		2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	
General Fund Balances	(7.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(7.000)
General Fund Reserves	(55.993)	10.914	1.894	1.186	0.926	6.697	(34.376)
General Fund Grants	(18.484)	12.874	4.368	0.568	0.152	0.232	(0.291)
Dedicated Schools Grant	12.851	0.393	4.674	(8.419)	(2.500)	(1.500)	5.500
<b>Total Reserves</b>	<b>(68.626)</b>	<b>24.181</b>	<b>10.936</b>	<b>(6.665)</b>	<b>(1.422)</b>	<b>5.429</b>	<b>(36.167)</b>

1.5.31 In assessing the adequacy of reserves, consideration is given to the level of un-earmarked reserves available for the management of financial risk to the Authority. The General Fund reserves total of £55.993 includes £35.545m of earmarked reserves, and £20.448m of un-earmarked reserves. The un-earmarked reserves are made up of the following:-

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

There is anticipated use of the Redundancy & Remuneration Reserve and the Support for Change Fund Programme Reserve over the period of the MTFP leaving the Strategic Reserve as the only material reserve which is un-earmarked.

1.5.32 Table 2 below sets out the level of un-earmarked General Fund reserves held at the end of the 2021/22 financial year as a proportion of the 2022/23 Gross Expenditure Budget and General Fund Net Revenue Budget.

**Table 2: Reserves comparison for 2021/22 against 2022/23 North Tyneside Gross Expenditure and Net General Fund Budget**

	<b>2021/22 Balance £m</b>
Strategic Reserve	14.426
Support Change Fund Programme	4.498
Redundancy and Remuneration Reserve	1.525
<b>Total Un-earmarked Reserves</b>	<b>20.448</b>
Gross Expenditure Budget	365.827
Reserves as a % of Gross Expenditure Budget	5.59%
General Fund Net Revenue Budget	163.512
Un-earmarked Reserves as a % of General Fund Net Revenue Budget	12.51%

1.5.33 There are many factors involved when considering appropriate levels of reserves which need to be assessed by individual local authorities. The Chief Finance Officer considers that, at this time, these reserve levels are adequate, but will continue to review this in light of the degree of uncertainty surrounding the future of local government funding, the continued cost and inflationary pressures, as well the legacy impacts of COVID-19. The Chief Finance Officer will consider the level of Strategic Reserve that should be sustained over the period of the four-year MTFP as part of the refresh of the Plan.

#### Equality and Diversity Considerations

1.5.34 The Authority has specific responsibilities under the Equality Act 2010 and Public Sector Equality Duty. Part of this is to ensure that the potential effects of decisions on those protected by equality legislation are considered prior to any decision being made. The Authority will continually monitor the effect of its Budget-setting process and decision-making by using equality impact assessments.

1.5.35 Full impact assessments will be included in all proposals for inclusion with the initial Budget proposals in November 2022 in order to be available to Cabinet when it further considers the MTFP and Budget proposals on 28 November 2022. An equality impact assessment is also carried out on the proposed Budget Engagement Strategy.

#### 2023/24 Financial Planning and Budget process - Timetable of Key Decision Milestones

1.5.36 Key aspects of the 2023/24 Financial Planning and Budget process timetable are set out at Appendix B to this report, highlighting key decision milestones in the process.

1.5.37 The Elected Mayor and Cabinet are responsible for formulating the Authority's Budget. The Cabinet Member for Finance and Resources, in close consultation with the Elected Mayor, has been nominated as the lead Cabinet Member for the overarching 2023-2027 Financial Planning and Budget process. The Director of Resources will be the project sponsor.

## The Budget Engagement Strategy

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

### **1.6 Decision options:**

- 1.6.1 The Authority's Constitution and Budget and Policy Framework Procedure Rules set out the stages to be completed in relation to agreeing the Budget of the Authority. There are no other options available in relation to this. The Budget Engagement Strategy forms part of the 2023-2027 Financial Planning and Budget process.
- 1.6.2 Cabinet is referred to the legal requirements as stated in paragraph 2.2 of this report.

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

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

### **1.8. Appendices:**

Appendix A: 2023-2027 Medium-Term Financial Strategy

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

Appendix C: 2023/24 Budget Engagement Strategy

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

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### **Background information:**

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

- (a) Authority's Constitution and Budget and Policy Framework Procedure Rules  
<https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/October%202020.pdf>
- (b) 2021-2025 Our North Tyneside Plan  
<https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/ONT%20Plan%202021-25.pdf>
- (c) Treasury Management Strategy  
<https://democracy.northtyneside.gov.uk/documents/s7277/Financial%20Management%20Report%20to%2030%20September%202021-Appendix-3.pdf>
- (d) COVID-19 – A Framework for Recovery in North Tyneside  
<https://democracy.northtyneside.gov.uk/documents/s4039/Covid-19%20-%20A%20Framework%20for%20Recovery%20in%20North%20Tyneside.pdf>
- (e) 2021/22 Provisional Finance Outturn Report  
<https://democracy.northtyneside.gov.uk/documents/s9265/2021-22%20Provisional%20Finance%20Outturn%20Main%20Report.pdf>
- (f) 2021/22 Draft Statement of Accounts  
<https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/Draft%20Statement%20of%20Accounts%202021-22%20.pdf>
- (g) North Tyneside Highway Asset Management Plan Annual Information Report 2020  
<https://democracy.northtyneside.gov.uk/documents/s4538/North%20Tyneside%20Highway%20Asset%20Management%20Plan%20Annual%20Information%20Report%202020.pdf>
- (h) An Ambition for North Tyneside Update  
<https://democracy.northtyneside.gov.uk/documents/s7901/An%20Ambition%20for%20North%20Tyneside%20-%20Update.pdf>
- (i) Ten Year Plan for Waste  
<https://democracy.northtyneside.gov.uk/documents/s1482/2%2010%20Year%20plan%20for%20Waste.pdf>
- (j) Climate Emergency Update  
<https://democracy.northtyneside.gov.uk/documents/s7231/Climate%20Emergency%20Update.pdf>
- (k) North Tyneside Homelessness Prevention and Rough Sleeping Strategy 2019-2021  
<https://democracy.northtyneside.gov.uk/documents/s1968/North%20Tyneside%20Homelessness%20Prevention%20and%20Rough%20Sleeping%20Strategy%202019%20-2021.pdf>
- (l) A Digital Strategy for North Tyneside  
<https://democracy.northtyneside.gov.uk/documents/s2638/A%20Digital%20Strategy%20for%20North%20Tyneside.pdf>
- (m) North Tyneside Trading Company - Strategic Business Plan 2020-2023  
<https://democracy.northtyneside.gov.uk/documents/s3893/North%20Tyneside%20Trading%20Company%20-%20Strategic%20Business%20Plan%202020-23.pdf>

- (n) North Tyneside Transport Strategy Annual Report  
<https://democracy.northtyneside.gov.uk/documents/s6188/North%20Tyneside%20Transport%20Strategy%20Annual%20Report%202020-21.pdf>
- (o) Workforce Development Plan

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

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

- 2.1.1 The financial implications arising from the outcomes of this report will be appraised as part of the decisions included in the Authority's 2023-2027 Medium-Term Financial Plan (MTFP), incorporating the 2023/24 Budget-setting process. Decisions on the Budget in relation to the General Fund, Housing Revenue Account, school's funding and the Investment Plan need to be made within the overall context of the resources available to the Authority and within the legal framework for setting budgets. The Authority will need to examine closely the links with key funding partners and their proposed financial plans, including an assessment of the impact of any grant fall-out over the proposed four-year resource-planning period.
- 2.1.2 Cabinet and Council need to have due regard to the Chief Finance Officer's advice in relation to the levels of reserves and balances proposed as part of the four-year MTFP for 2023-2027 in accordance with the Authority's Reserves and Balances Policy most recently agreed by Council on 17 February 2022.
- 2.1.3 The only direct financial implications arising from this report will be any residual costs arising from support for engagement activity. These costs will be met from existing budgets.
- 2.1.4 The Budget Engagement Strategy for 2023/24 will, in part, help to inform decisions about what will be included in the four-year MTFP for 2023-2027.

### **2.2 Legal**

- 2.2.1 The Local Government Finance Act 1992 requires the Authority to set a balanced budget in the context of the resources available, including Government grants, Business Rates and Council Tax income.
- 2.2.2 The Local Government Act 2003 imposes duties on local authorities in relation to budget setting. The Act requires that, when an authority is deciding its annual Budget and Council Tax level, members and officers must take into account a report from the Chief Finance Officer on the robustness of the Budget and the adequacy of the Authority's financial reserves.
- 2.2.3 The 2023-2027 Financial Planning and Budget process has been prepared to comply with the timescales required within the Budget and Policy Framework Procedure Rules contained within the Authority's Constitution.

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

- 2.3.1 Internal consultation

Consultation has been carried out with the Elected Mayor, Deputy Mayor, and the Cabinet Member for Finance and Resources, the Cabinet Member for Community

Safety and Engagement, the Chief Executive and the Senior Leadership Team. At the appropriate stage in the process, and the Budget proposals will be scrutinised as set down in the Authority's Constitution and Budget and Policy Framework Procedure Rules.

### 2.3.2 External consultation / engagement

The Budget Engagement Strategy for 2023/24 as outlined in this report sets out the process by which residents and other stakeholders will be involved in the consultation on the 2023/24 Budget as part of the 2023-2027 Financial Planning and Budget process.

## 2.4 Human rights

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

## 2.5 Equalities and diversity

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

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

- As outlined in paragraph 1.5.35, an Equality Impact Assessment will be carried out on the proposals for the Budget Engagement Strategy. The aim will be to remove or minimise any disadvantage for people wishing to take part in the engagement activity. The Authority will make direct contact with groups representing people with protected characteristics under the Equality Act 2010 to encourage participation and provide engagement in a manner that will meet their needs. Appendix C outlines the approach the Authority is taking.
- The outcome of any decisions made following engagement activity will be subject to further Equality Impact Assessment. Any EIAs undertaken prior to Cabinet in November, will be updated following the engagement activity.

## 2.6 Risk management

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

## 2.7 Crime and disorder

- 2.7.1 Individual proposals within this report do not themselves have direct implications for crime and disorder. However, ultimately decisions may be made and considered as part of the overall Financial Planning and Budget process, as set down in this report.



These will be detailed as part of reporting the Budget at the appropriate stage in the process.

- 2.7.2 Under the 1998 Crime and Disorder Act, local authorities have a statutory duty to work with partners on the reduction of crime and disorder. This is fulfilled through the Safer North Tyneside partnership within the framework of the North Tyneside Strategic Partnership.

## 2.8 Environment and sustainability

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

### PART 3 - SIGN OFF

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

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# 2023-2027 Medium-Term Financial Strategy

**Date:** 19 September 2022 **Version:** Version 1 **Author:** Jon Ritchie



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### 1. Executive Summary

- 1.1 This is an initial review of the Authority's Medium-Term Financial Strategy (MTFS). The MTFS sets the financial context for the Authority's resource allocation process and budget-setting. It is based on a financial forecast over a rolling four-year timeframe from 2023/24 to 2026/27 which will help ensure resources are aligned to the outcomes in the Our North Tyneside Plan.
- 1.2 The Authority's 2022/23 Budget and MTFS were agreed in February 2022. The Authority's 2022/23 Budget and MTFS were agreed in February 2022. At that time, it would have been impossible for the Authority to foresee the global economic impact of the Russian invasion of the Ukraine which has had and continues to have a devastating impact on the world economy. Rising interest rates and inflation have caused a significant impact leading to a cost-of-living crisis which will see a real term reduction in living standards for families throughout the Borough. At the time of writing this report inflation has reached 10.1% and it is expected that it will rise further towards the end of the financial year. This will have a significant impact on the cost of delivering essential Services and it will increase the costs associated with delivering the Investment Plan.

A number of pressures within the Authority's budget are driven by Central Government decisions, including elements of pay and price market pressures which are linked to the National Living Wage, social care reform, and pressures relating to assumed reductions in funding (for example the New Homes Bonus grant in 2023/24).

- 1.3 The Authority is still evaluating how the likely 2023/24 gap will be funded. Without an increased level of Government assistance, there are likely to be significant savings needed to deliver a balanced Budget in 2023/24 and over the medium-term to 2026/27. Initial estimates are that the budget gap for the period of the MTFS is likely to be in the region of between £30m and £50m.
- 1.4 Despite the level of uncertainty, reviewing the MTFS remains essential to ensuring the Authority's medium-term financial sustainability. The Authority will have to make very difficult choices in the years ahead about which services to prioritise. To avoid cuts to services, the Authority continues to explore alternative options of service delivery to ensure that services remain fit for purpose in the context of smaller budgets. This may mean revisiting the expectations of residents to protect services for the most vulnerable. The opportunity to work with partners and neighbouring authorities remains to maintain and improve outcomes against a backdrop of reducing public spending.
- 1.5 The Authority's financial planning had largely assumed that COVID-19 pressures would abate in line with the withdrawal of Government support. However, the Authority continues to feel the financial effects of the pandemic in relation to both the continued levels expenditure supporting post pandemic Service needs and income for some Services have yet to reach pre-pandemic levels. The Authority did carry forward COVID grants which have been used to smooth the financial position in 2022/23, however, it is anticipated that these grants will be fully utilised in the current financial year with no residual funding available to meet any ongoing costs

relating to the pandemic. This poses a significant risk to the Authority's financial position for 2023/24 and future years and the Senior Leadership Team, supported by Senior Officers are already looking ways this risk can be mitigated and reduced as the Budget-setting process progresses.

- 1.6 Over the coming months and whilst the budget activity for 2023/24 is progressing the refresh of the MTFS will determine the likely levels of resources available. There will be a focus on determining the level of spending and priority commitments arising from the significant rise in inflation which is impacting energy and fuel costs as well as increasing the cost of the Authority's supply chain across a number of Services.

The 2022/23 pay award has yet to be agreed, the current Medium-Term Financial Plan has included an assumption of a 2% increase per year to 2025/26 which, based on current information, would be insufficient to cover the anticipated increase which could be more than 6%. There will inevitably be an ongoing pressure relating to COVID-19 in relation to both additional expenditure and lost income, the Authority will aim to mitigate this as far as it possibly can.

A full assessment of the ongoing impact is currently being undertaken and the MTFS will be updated to reflect this once this has been completed. Given that there is likely to be a funding gap the refresh will also identify additional options to deliver budget reductions that can be evaluated alongside spending priorities.

### 2. Introduction

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

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

The strategy considers:

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

The strategy brings together the key issues affecting the:

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

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

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

#### The Principles of the MTFS

- 2.3 The Authority has previously agreed a set of principles as part of the process to develop the Budget. The majority of those principles remain relevant for budget-setting for 2023/24 and for the Medium-Term Financial Plan (MTFP). However, it is important that there is a clear understanding of the work that will need to be undertaken in the lead up to Cabinet presenting its initial Budget proposals in November 2022. It has therefore been necessary to revise the approach to preparing the Budget for 2023/24 and the MTFP.

Where appropriate, the principles set out below provide more detail of the how the work will be undertaken. This will give a clear focus on financial planning priorities

over the coming months in order to produce a balanced Budget in 2023/24 and achieve financial balance over the medium-term.

- 2.4 The underlying aim is to ensure that the Authority can continue to deliver the Council Plan, focus on delivering the phased approach to recovery, as set out in the Framework for Recovery report described in section 6, and do this within the available resources:
- 1) The overall financial strategy will be to ensure that the Authority's resources are directed to achieving the Council Plan and associated outcomes. The Authority's strategy will be reviewed on at least an annual basis;
  - 2) Overall, Authority spending should be contained within original Budget estimates. If, following monthly budget monitoring, Service budgets are projected to exceed original estimates, plans should be prepared setting out the actions required to ensure spending at the end of the year does not exceed original estimates;
  - 3) In preparation for setting the 2023/24 Budget all services will be required to take part in Budget Challenge sessions;
  - 4) In order to inform further revisions of the 2023/24 MTFs there will be a fundamental review of the assumptions relating to:
    - a. Council Tax and business rates planning;
    - b. forecast delivery of planned 2022/23 savings programmes and viability of previously planned savings;
    - c. cost and income pressures, including unfunded pressures resulting from the impact of inflation and the residual impact on expenditure and income relating to COVID-19;
    - d. any further Government funding announcements for 2022/23 and future years; and
    - e. seek to identify proposals to begin to address future years, reflecting need for longer term planning.
  - 5) Options to address any shortfall in savings to close the 2022/23 Budget gap will include:
    - a. Government providing additional funding;
    - b. Corporate / centrally identified savings opportunities;
    - c. Service departments identifying further savings; and
    - d. A freeze on all non-essential expenditure and recruitment.
  - 6) The Authority will maintain its General Fund Balance at a minimum level of £7.000m at the end of each year, subject to a risk assessment as part of the annual budget-setting process;
  - 7) The Authority will aim to balance its revenue Budget over the period of the Medium-Term Financial Plan without reliance on the use of the General Fund Balance. The MTFP will cover the period 2023/24 to 2026/27;



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

### 3. Financial Context

#### Financial Strategy

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

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

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

#### Factors Influencing the MTFS

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

#### Spring Budget 2022 and local government funding

3.3 The former Chancellor of the Exchequer, Rishi Sunak, delivered the Spring 2022 Budget on 23 March 2022. There were limited announcements which will impact on the Authority's budget position directly, although there were some measures which will require administration by local authorities including an extension of the Household Support Fund from April 2022 (a further £500m nationally) and various business rates changes.

The Office for Budget Responsibility assessed the Spring Statement position as follows:

*The public finances have emerged from the pandemic in better shape than expected. But Russia's invasion of the Ukraine will push inflation to a 40-year high of almost 9%, and living standards are set for a historic fall over the next 12 months. The Chancellor has used his Spring Statement to deliver rebates and tax cuts that reduce that fall by a third to just over 2% and a pair of personal tax cuts undo one-sixth of the total tax rises he has previously announced. This leaves him with £30 billion of headroom against his fiscal targets.*

3.4 The key economic forecasts from the Spring Statement were:

- GDP growth forecasts for 2022 have been reduced from 6% to 3.8%.
- CPI inflation is expected to peak in the 4th quarter of this year at around 8.7%, and is currently 6.2%. RPI is consistently higher than CPI.
- Borrowing is forecast to increase to £99bn for 2022/23, reducing to £32bn in 2026/27.

3.5 The key policy announcements made as part of the Spring Statement include:

- Fuel duty will be reduced by 5p a litre from 6pm 23 March 2022 until March 2023. This is estimated to mean a reduction of just over £3 on a standard tank of fuel;
- The National Insurance Primary Threshold and Lower Profits Limit (for employees and the self-employed respectively) will be raised by £3,000, from £9,880 to £12,570 from July 2022. This aligns the NI threshold with the threshold for income tax, meaning people must earn £12,570 per year before paying income tax or NI. This increase is forecast to benefit almost 30 million people, with a typical employee saving over £330 in the year from July. Around 70% of NICs payers will pay less NICs, even after accounting for the introduction of the Health and Social Care Levy;
- VAT will be reduced to 0% on home energy-saving measures such as insulation, solar panels and heat pumps for five years from April 2022;
- The Household Support Fund will be extended with an additional £500m from April 2022, on top of the £500m already provided since October 2021, bringing total funding to £1 billion. The fund will continue to be administered by local authorities in England;
- The former Chancellor confirmed a number of existing business rates measures and including that SMEs in the retail hospitality and leisure sectors will receive a 50% discount in business rates up to £0.110m, alongside targeted business rate exemptions to support the decarbonisation of non-domestic buildings which would be brought forward;
- A reduction in the basic rate of income tax from 20% to 19%, however this will not be implemented until April 2024; and
- Opening the second round of bidding to the £4.8 billion Levelling Up Fund.

3.6 Alongside the Spring Statement, the former Chancellor published a “Tax Plan”, setting out a three-part plan to strengthen the economy over the remainder of the Parliament. It is intended to:

- help families with the cost of living;
- support growth in the economy, and
- ensure the proceeds of growth are shared fairly.

3.7 The Authority will need to respond to any specific consultations arising from the Tax Plan as they are published and will consider the detailed implications of the Spring Statement for the Council’s 2023/24 Budget as they emerge over the coming weeks and months.

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

### **Latest Consumer Prices Index Figures**

- 3.8 The latest CPI figures were published in July 2022 by the Office for National Statistics. The CPI rose to 10.1% up by 8.1% in the 12 months since July 2021 when it was 2%. The September CPI figure is usually used to set the business rates multiplier for the coming year, and (for the 2022/23 financial year) was the inflation figure applied to authorities Settlement Funding Assessment levels. The current General Fund Medium-Term Financial Plan does not include any uplift to CPI rates to those areas which are impacted by this.

In recent webinars hosted by Pixel and SIGOMA representatives from the Local Government Association have been clear that the Government has indicated that there will be no new funding available for local government outside of that announced as part of the last spending review. Therefore, the quantum of funding available for local government in 2023/24 is not anticipated to increase. Due to the significant funding pressures that local government will face in 2023/24 and future years it is impossible to predict whether the Government will increase elements such as the business rates multiplier by the current CPI levels or whether these will be capped to keep within the current budget envelope.

### **Budget Uncertainty**

- 3.9 A number of significant uncertainties remain which could have an impact on the overall scale of the budget gap to be addressed in 2023/24, linked to ongoing uncertainty around local government (and wider public sector finances) including:
- Further "cost of living" pressures and the wider economic impacts, including the implications of the invasion of Ukraine;
  - Further cost pressures emerging to support the achievement of carbon reduction targets, above the funding provided for in the 2022/23 Budget;
  - the outcome of funding reforms (previously the Fair Funding Review) intended to be consulted on during 2022/23 and implemented for 2023/24. The short-term nature of the settlement announcement (for 2022/23 only, in spite of a multi-year Spending Review) means that risks remain around the provision of this funding in future years and therefore a material impact and potential cliff-edge may emerge in 2023/24 if these assumptions have to be subsequently reversed. The trajectory for local authority funding implied by

both the Spending Review and 2022/23 settlement is for only very limited increases in core ongoing funding in 2023/24 and beyond;

- Government decisions about the council tax referendum limit or further Adult Social Care precept flexibilities in 2023/24. Government continues to make assumptions about Council Tax increases which effectively transfer the burden of funding services to North Tyneside taxpayers;
- the need for a long-term financial settlement for local government;
- delivery of other reforms to local government funding including the details of the approach to Adult Social Care reforms to implement the cap on care costs, and changes to other funding streams including the New Homes Bonus;
- The financial impact of anticipated social care and send national reviews which are assumed will not result in further unfunded burdens; and
- progress of various elements of Government policy including levelling up and the Shared Prosperity Fund.

3.10 As set out at the time of 2022/23 budget setting, the pressures within the current budget planning position are such that the Director of Resources considers that the Authority will have very limited opportunity to vary these assumptions, and in the event that the Government offered the discretion for larger increases in Council Tax, or increases in the Adult Social Care precept for 2023/24, this would be the recommendation of the Section 151 Officer in order to ensure that the Authority's financial position remains robust and sustainable.

### 4. Local Policy Context

- 4.1 From a local policy context, in addition to the Medium-Term Financial Strategy, the Authority also has the following:
- 4.2 The Our North Tyneside Plan 2021-2025 sets out the overall vision and policy context within which the Financial Plan and Budget are set. The Council Plan was refreshed last year following the Mayoral Elections on 6 May 2021 to reflect the policy priorities of the incoming administration. Following consultation with residents and key stakeholders, Full Council agreed the refreshed Our North Tyneside Plan 2021-2025 on 23 September 2021.

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

The Council Plan has a vision of building a better North Tyneside looking to the future. Throughout all that the Authority does, there will be a clear focus on listening to and working with residents, businesses, the community and voluntary sector and all other stakeholders to ensure that things are delivered in partnership and in line with the different needs of the borough.

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

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

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

#### **A thriving North Tyneside**

- We will regenerate the high streets of North Shields and Wallsend, and in addition to the Master Plan for North Shields, we will bring forward Master Plans for Wallsend and Whitley Bay town centre areas. We will also bring investment and improvements to the North West area of the borough and ensure that regeneration delivers ambition, opportunity and benefits for all of our residents;
- We will bring more good quality jobs to North Tyneside – by helping local businesses to sustain and grow, making it attractive for new businesses to set up or relocate in the borough;
- We will invest in adult education and to support apprenticeships to make sure people have the right skills for the job;

- We will keep our libraries and leisure centres open as part of a vibrant range of cultural and sporting activities to support the health and wellbeing of our residents;
- We will continue to be the destination of choice for visitors through the promotion of North Tyneside's award-winning parks, beaches, festivals and seasonal activities;
- We will reduce the number of derelict properties across the borough; and
- We will review how the council purchases and contracts for goods and services to maximise value for money, social value and environmental sustainability.

### **A family-friendly North Tyneside**

- We will support local schools, making sure all children have access to a high-quality education with opportunities to catch up where needed after the pandemic;
- We will provide outstanding children's social care services, events and facilities so North Tyneside is a great place for family life; and
- We will ensure all children are ready for school and that schools have an inclusive approach so that all of our children and young people have the best start in life.

### **A caring North Tyneside**

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

### **A secure North Tyneside**

- Council wardens will work in partnership with Northumbria Police to prevent and tackle all forms of antisocial behaviour;
- We will invest an additional £2m per year on fixing our roads and pavements;
- We will maintain the Council Tax support scheme that cuts bills for thousands of low-income households across North Tyneside;
- We will tackle health and socio-economic inequalities across the borough including through our Poverty Intervention Fund to tackle food poverty; and
- We will provide 5000 affordable homes.

### A green North Tyneside

- We will keep increasing the amount of waste that can be recycled and introduce food waste collections and deposit return schemes;
- Council environmental hit squads will crack down on littering;
- We will secure funding to help low income households to install low-carbon heating;
- We will increase opportunities for safe walking and cycling, including providing a segregated cycleway at the coast; and
- We will publish an action plan of the steps we will take and the national investment we will seek to make North Tyneside carbon net-zero by 2030.

### Local Plan

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

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

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



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

### **Ambition for North Tyneside**

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

### 5. Approach to Balancing the Medium-Term Financial Plan

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

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

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

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

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

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

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

## 6. Key Challenges facing the Authority

- 6.1 The Authority's financial planning had largely assumed that COVID-19 pressures would abate in line with the withdrawal of Government support. However, the Authority continues to feel the financial effects of the pandemic in relation to both the continued levels expenditure supporting post pandemic Service needs and income for some Services have yet to reach pre-pandemic levels. The Authority did carry forward COVID grants which have been used to smooth the financial position in 2022/23, however, it is anticipated that these grants will be fully utilised in the current financial year with no residual funding available to meet any ongoing costs relating to the pandemic. This poses a significant risk to the Authority's financial position for 2023/24 and future years.
- 6.2 It has been highlighted previously by the Chief Finance Officer that the Authority has a relatively low level of reserves. The level of uncertainty with regard to the levels of funding for Local Government Finance beyond 2022/23 alongside the uncertain long term implications of how the Borough and indeed the country will continue to live alongside the impacts of COVID-19 is of concern when considering the financial sustainability of the Authority, particularly when taken in the context of funding reductions the Authority has managed since 2010/11.
- 6.3 Another key challenge is around inflation and the impact that will have on key expenditure around utilities, waste disposal as well as the impact it will have on the supply chain and costs of materials for Capital projects, HRA projects and general goods and services within revenue. The CPI rate in July 2021 was 2% by March 2022 this had risen to 7% and as recently reported in July 2022 the rate was 10.1%, an increase of 8.1% in just one calendar year. The impact on the cost of and access to materials is further impacted by the on-going conflict in Ukraine.
- 6.4 The ringfenced Dedicated Schools Grant (DSG) is received from the Government and administered by the Authority and is the main source of income for the schools' budget. The DSG first fell into deficit during 2017/18 and it is an important element of the financial management of the Authority that the DSG is not in a deficit position. As a result, there has been action to address the deficit working collaboratively with Schools Forum although increasing numbers of children with special needs entering the education system has offset some of the progress.

Such deficits have come under increasing scrutiny from the Department for Education (DfE) and during 2021, the Authority was required to submit a draft DSG Management Plan to the Education, Skills and Funding Agency (ESFA) as its DSG deficit was more than 1% of the total value of the DSG as at March 2021. As a consequence, since then, the Authority's DSG deficit has remained under review.

Liaising with the DfE during 2021/22 the Authority has been working to firm up plans to reduce the DSG deficit and this work is now being overseen by the Strategic Education and Inclusion Board. The Authority submitted a draft DSG Management plan to the ESFA in August 2021 which outlined the main areas of priority that focus on reducing the deficit on the High Needs block of the DSG. As of 2022/23 the Authority has been invited to be part of the ESFAs Safety Valve Intervention programme from September 2022. The Authority has had early discussions with

representatives from the ESFA and as plans are firmed up over the coming months the ESFA will continue to challenge and support the Authority through to the Safety Valve process commencing in September 2022.

For 2022/23 £150m of revenue funding is available to support the cumulative deficit position of those authorities who are part of the Safety Valve programme, however, the ESFA have been clear that access to this funding will only be agreed once a robust DSG Management Plan is in place. The current cumulative deficit position on the High Needs block of the DSG at the end of the 2021/22 financial year is £13.512m. This is an increase of £4.792m since March 2021.

- 6.5 A key risk for the Authority is that the statutory override to ring-fence DSG deficits from councils' wider financial position in their statutory accounts is due to come end after the accounts for the financial year 2022/23. At which point authorities will need to demonstrate their ability to cover DSG deficits from their available reserves. Due to the level of the deficit on the High Needs block of the DSG it is imperative that the Authority's DSG Management Plan meets the ESFA's requirements to ensure the historic deficit can be supported by funding that is available.
- 6.6 There are a number of current key risks which will impact on future HRA Business Planning, most of which are linked to the current economic climate and high rates of inflation. Inflation continues to trend upwards, having recently passed 10% and next year's rent increase will be based on the September 2022 Consumer Prices Index (CPI) rate of inflation. It is unclear at this stage if the rate was around 10% if there would be Government intervention to restrict the size of any rent increase.
- 6.7 The cost of the goods and materials needed to maintain the housing stock, and to meet Cabinet's aspirations to build new homes is rising significantly. Should resources raised through rent increases not match the rising costs, then the Authority will face more difficult choices around what can and cannot be delivered, certainly in the short to medium term.

The potential impact of the cost-of-living crisis our most vulnerable residents continues to be monitored closely to assess what the full impact of this will be on the rate of increase in the levels of arrears, which have doubled since 2015.

- 6.8 One other key factor in terms of HRA Business Planning are the number of homes that our managed and the impact of Right to Buy (RTB). Cabinet will know that Government significantly increased the discount rates attached to RTB back in 2012 to incentivize more sales, but this appeared to have steadied at between 100-120 sales per annum over the last three years. However, 2021-22 saw the largest number of sales since the changes were introduced at 167, and if this trend was to continue it would eat into the key resource base and put further pressure on our ability to tackle tenant waiting lists. This would also make it more important to add to the stock, but as set out above in a much more difficult cost environment.
- 6.9 The Bank of England as part of their monetary policy have been increasing interest rates to manage the continued rise in inflation, with interest rates forecast to rise further. However, the rise in interest rates will only partially manage inflation due to the underlying inflation being driven by international energy price increases driven

by the conflict in Ukraine and Russia. The above risks are impacting the capital investment plan from the perspective of increasing costs in relation raw material and labour costs. This is also exacerbated by increasing interest rates which will have a bearing on the cost of borrowing for the Authority going forward.

### **Social Care Services**

- 6.10 The Health, Education, Care and Safeguarding (HECS) services continue to experience significant demand-led pressures as earlier diagnosis combined with cases become more complex increase costs. These pressures are likely to be further impacted by legislative changes through central government such as the Fair Cost of Care exercise which is under way and will potentially lead to fee increases within the homecare and residential care markets. The HECS service also has challenges around recruitment and retention. It has become increasingly challenging to recruit staff into roles within the HECS service and to retain the employment of staff long-term within the profession.

COVID-19 has had a significant financial impact on social care services for both children and adults, in addition to the ongoing demand pressures in both of these areas. It is expected that there will be a lasting impact from COVID-19 on the social care finances at least in the short to medium-term, as the country continues to recover whilst still managing outbreaks of the virus.

- 6.11 There are continuing upward pressures on care providers' fees partially resulting from the National Living Wage but which have become more acute with the operational impact of COVID-19 on care homes and issues around high vacancy levels in a small number of care homes within the Borough.
- 6.12 At the end of 2021/22, all but three local authorities in the region had seen an in-year reduction in the rate of referrals to Children's Services. North Tyneside was one of the three authorities that had seen an increase, which amounted to 6.4%. Across the region, the rate of referrals and complexity around safeguarding and the nature of concerns has increased. Demand has increased across Children's Services from Early Help to Child in Need and Child Protection. Children in Care numbers, however, have remained relatively stable in North Tyneside when compared to the rest of the region. Internal sufficiency of placements has been impacted throughout Covid and the Authority, at times had to source/commission external placements because of this. It is projected that there will be increased demand for children's early help and social care due to the economic and emotional impact of COVID-19 on children and families. Other significant pressures exist around High Needs and the costs associated with the number of children with an Education Health and Care Plan.
- 6.13 The impact of COVID-19 across all services is currently under review. Any longer-term implications will need to be considered in the build up to budget-setting for 2023/24. The pressures that remain post Covid, will need to be supported by Services. The MTFs will be updated to reflect the review and as part of the approach to budget-setting this will form part of the Budget challenge sessions.

## 7. The Authority's Current Financial Position and Outlook

- 7.1 The Budget for 2021/22 was approved by full Council at its meeting of 18 February 2021. The net General Fund Budget was set at £150.154m including efficiency savings of £4.537m (£1.180m of 2021/22 impact of prior year business cases and £3.357m of prior year savings requiring a permanent solution in 2021/22). The final outturn reported to Cabinet on 27 June 2022 stated a marginal overspend on business-as-usual activities of £0.078m.

As part of a review undertaken of the Authority's Minimum Revenue Provision (MRP), a change to the methodology used to calculate the MRP resulted in a reduced MRP charge being made in 2021/22 by moving from a straight-line method to the annuity approach for unsupported borrowing. This change resulted in a lower charge of MRP being made than the Authority had budgeted for in 2021/22. This has added a further surplus of £5.893m to the General Fund outturn position. The balance of £5.893m is proposed to be transferred to a new MRP earmarked reserve as part of the final accounts process. This will be confirmed once the External Audit of the Authority's accounts has been concluded and reported to the Audit Committee in November 2022.

- 7.2 The Budget for 2022/23 was approved by full Council at its meeting on the 17 February 2022. The net General Fund revenue budget was set at £163.512m. This included (£7.257m) of savings to be achieved, of which (£3.113m) relates to new business cases included in the 2022-2026 Medium-Term Financial Plan, (£1.607m) of full year effect of prior year business cases and (£2.537m) of savings previously achieved by one-off mitigations and non-permanent solutions.

Prior to any mitigation, the Authority's approved net revenue budget is forecast to outturn with a pressure of £19.115m. The Authority, as would be expected at this stage of the financial year, is taking a prudent approach to forecasting including in relation to the on-going impact of COVID-19 which currently is forecast to add pressures of £4.082m to the General Fund in 2022/23. These pressures are primarily where fees and charges income has yet to return to pre-pandemic levels, where additional fixed term staff are employed to cover increased demand or to enable front-line service provision to continue unimpacted by employees needing to self-isolate. In addition to COVID-19, global market pressures exist around the Authority's supply chain and current inflation levels, these combined add a further £3.687m to the overall pressure. The remaining £11.346m relates primarily to staffing and other income related pressures across the services.

- 7.3 As part of the 2022-2026 Medium-Term Financial Plan (MTFP) agreed by Council in February £2.200m was set aside from the Change Reserve to support additional pressures in Home to School Transport (£1.800m), 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).

In addition to the use of the Change Reserve, £2.000m was also set aside to create a Covid-19 Reserve as part of the 2022-2026 MTFP, this included (£0.650m) to support additional caseloads within Children's Services, (£0.350m) to support Home to School Transport and (£1.000m) to support reduced fees and charges income following the pandemic.

Within the 2022-2026 MTFP, (£0.150m) was identified as planned use of the Insurance Reserve to support additional Repairs and Maintenance costs within the Authority's Commissioning & Asset Management Service Area.

- 7.4 Included within the position for Central Items is (£7.713m) of contingencies; of which (£3.116m) is being used to offset the pressures in Children's Social Care, (£1.301m) is supporting the under achievement of savings targets and (£3.296m) is being used to support the non-energy related inflationary pressures being faced by the Authority. Further to this balance, an additional (£2.264m) was set aside in the 2022-26 MTFP to support anticipated pressures in 2022/23. Of this (£1.300m) is being used to support energy related inflationary pressures, (£0.964m) supporting non-energy related inflationary pressures. With the allocation of this support, the Authority has been able to release a provision of (£0.300m) previously held on the balance sheet to support increased Special Guardianship Order costs.

The Authority was able to carry forward from 2021/22, (£2.962m) of COVID-19 related central Government grants. Of this (£1.724m) has been committed and is reflected in the £19.115m position. The remaining balance of (£1.238m) is available to support on-going COVID-19 legacy pressures.

With the inclusion of the planned support from the 2022-2026 MTFP, the adjusted General Fund position is a pressure of £10.963m. This reflects the continuing impact of COVID-19 being £0.844m over the support funding allocated. The main areas impacted are within Environment & Leisure where Sports and Leisure income from fees and charges continues to be lower than pre-pandemic levels. Initial projections suggest income will be higher than in 2021/22 but still only 80% of the income levels achieved pre-pandemic in 2019/20. Significant pressures also exist in Children's Services, where the response to the impact of COVID-19 has seen staffing levels increase to manage a significant increase caseloads and demand for services for Children. This is not unique to North Tyneside and is being seen across the region and nationally.

- 7.5 The Inflation Rate has recently reached 10.1% and this is much higher than when the allocations were made in the 2022-2026 MTFP. This is forecast to add a further £1.423m in respect of both energy and non-energy related inflationary pressures. The majority of the inflation issues being in Adults Services across the external care market and contractual costs within Commissioning & Asset Management for catering supplies and the cost of Home to School Transport.

The remaining balance of £8.696m is attributable to pressures considered to be 'Business as Usual'. 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 in a number of key areas:

- Children's Services – staffing & placements;
- Children's risks and the likelihood of crystallisation;
- SEND pressures;
- Adults Social Care – demand assumptions;
- Adults Social Care risks and the likelihood of crystallisation;
- Unachieved savings targets;
- Commissioning & Asset Management – Impact of SLA reductions;
- Law & Governance Structure – use of locums; and

- Revenues & Benefits position – review of the level of overpayments and subsequent recovery.

The aim of this work will be to ensure actions are in place to bring It is anticipated that 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.

- 7.6 Medium-term financial planning remains extremely difficult due to the impact of ongoing pressures as outlined above including but not limited to the significant increase in inflation and the ongoing impact of COVID-19, the financial impacts of which are impossible to predict accurately. The unknown impacts alongside the level of risk to finances mean that these forecasts will need to be closely monitored and refreshed more frequently than usual as consequences become clear. Staying the same is not an option the Authority is required to change to deliver its priority outcomes within the limited funding available.



## 8. Capital and Prudential Borrowing (Investment Strategy)

- 8.1 Capital investment generally relates to spending on physical assets that have a useful life of more than one year. This can be new assets, improvements to existing assets, or loans to third parties for a capital purpose.
- 8.2 Investment of this nature plays an important role in ensuring the Authority meets its health and safety responsibilities and its assets can be used to support effective service delivery. Capital investment also plays an important role in improving economic opportunities across all parts of the Borough. Whilst some investment directly contributes to economic development and regeneration, all investment has an indirect impact by providing stimulus to the economy, creating employment opportunities, supporting skills and development and increasing market confidence.
- 8.3 The Capital Investment Strategy has been developed to help support the delivery of capital investment and ensure that the investment programme builds on previous success, with a strong focus on delivery of the Our North Tyneside Plan outcomes and linking directly to the delivery of the Ambition for North Tyneside. The Strategy also provides a framework to enable projects to be developed with the aim of helping to deliver revenue savings to assist the Authority in managing the financial pressure it faces.
- 8.4 All proposals for capital investment follow a structured governance process, and are challenged by Members and senior officers, from the initial ideas stage, through the delivery stage and finally to post implementation. All proposals are considered in terms of their strategic alignment with the Our North Tyneside Plan and the Ambition for North Tyneside.
- 8.5 The revenue implications of any capital investment decision are reviewed and assessed as part of the decision to proceed with the scheme. This includes the associated capital financing costs as well as the ongoing revenue running costs. The projected revenue implications are then reflected in the Medium-Term Financial Plan and revenue Budget to ensure that the planned investment is considered to be affordable and sustainable.
- 8.6 The Investment Programme Board (IPB) meets on a monthly basis and, as part of its monthly meetings, receives an update on all ongoing projects included in the approved Investment Plan (currently 2022-2027), the resource implications and any associated delivery risks.

### Summary of the Investment Plan 2022-2027

Spend	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s	Total £000s
General Fund	82,567	32,326	20,249	15,687	17,564	168,393
Housing	31,713	28,100	30,651	32,126	34,046	156,636
<b>Total</b>	<b>114,280</b>	<b>60,426</b>	<b>50,900</b>	<b>47,813</b>	<b>51,610</b>	<b>325,029</b>

## Summary of Financing 2022-2027

Spend	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s	2026/27 £000s	Total £000s
<b>General Fund</b>						
<b>Council contributions:</b>						
Unsupported borrowing	21,128	13,046	11,776	8,223	10,100	64,273
Capital receipts	317	0	0	0	0	317
Revenue contribution	746	500	0	0	0	1,246
Use of reserves	978	0	0	0	0	978
	23,169	13,546	11,776	8,223	10,100	66,814
Grants and contributions	59,398	18,780	8,473	7,464	7,464	101,579
<b>Total General Fund Resources</b>	<b>82,567</b>	<b>32,326</b>	<b>20,249</b>	<b>15,687</b>	<b>17,564</b>	<b>168,393</b>
<b>Housing – HRA</b>						
Capital receipts	2,104	1,584	1,700	1,851	1,956	9,195
Revenue contribution	10,281	10,185	12,632	13,160	16,092	62,350
Major Repairs Reserve	18,039	15,916	16,189	17,035	15,868	83,047
Grants and contributions	919	0	0	0	0	919
Use of reserves	370	415	130	80	130	1,125
<b>Total HRA Resources</b>	<b>31,713</b>	<b>28,100</b>	<b>30,651</b>	<b>32,126</b>	<b>34,046</b>	<b>156,636</b>
<b>TOTAL RESOURCES</b>	<b>114,280</b>	<b>60,426</b>	<b>50,900</b>	<b>47,813</b>	<b>51,610</b>	<b>325,029</b>

## Capital Allocations 2023/24

- 8.7 A number of capital allocations (grants) are announced by the Government as part of the Local Government Finance Settlement. These include Education Funding (Capital Maintenance and Devolved Formula Capital) (Department for Education), the Local Transport Plan (Department for the Environment) and Disabled Facilities Grants (through the Better Care Fund). Figures for 2023/24 have not yet been announced and therefore indicative figures, based on previous allocations, will be included in the draft Investment Plan. As soon as actual allocations are announced these figures will be updated and included in subsequent reports.

### Annual Minimum Revenue Provision (MRP)

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

The MRP is the amount that is set aside to provide for the prepayment of debt (principal repayment). The regulations require the Authority determines an amount of MRP which it considers to be prudent. The broad aim of a prudent provision is to ensure that debt is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits.

The proposed 2023/24 policy is set out in full below:

- (a) Supported and Unsupported borrowing: for all assets financed by borrowing, MRP will be charged over the estimated life of the assets using an annuity basis;
- (b) Lease transactions treated as “on balance sheet”: an element of the annual charge to the Authority for the lease will be treated as repayment of capital (i.e. repayment of principal and interest). The principal element is effectively the MRP charge for the year. This MRP charge will be equal to the element of the rent/service charge that goes to write down the balance sheet liability. This approach also includes PFI arrangements; and
- (c) Loans made for capital purposes for which borrowing is taken out: MRP will be based on the actual principal repayment schedule relating to the loan provided.

### Prudential Indicators

- 8.9 The Local Government Act 2003 requires authorities to comply with the CIPFA Prudential Code for Capital Finance in Local Authorities. The Prudential Code requires authorities to develop a set of Prudential Indicators for capital as laid out in this Code. The indicators for 2023-2028 will be prepared using this guidance.
- 8.10 The Capital Investment Strategy and Investment Plan will be updated as part of the budget-setting process. The update will consider the impact of COVID-19 and how the Authority can help to support the Borough’s economic recovery and shape the delivery of the Authority’s services. In addition, the update will also consider the impact of the extreme volatility in the economy as it continues to place pressure upon both the cost and availability of materials and labour to deliver planned capital works.

### 9. Reserves

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

#### Reserves Policy

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

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

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

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

## Review of Reserves

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

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

9.5 The 2021/22 Revenue Outturn position was reported to Cabinet on 27 July 2022, showing the balance of usable reserves of £95.005m. (including ring fenced reserves and un-ringfenced), Grant Reserves of £5.669m and HRA Reserves of £29.529m. Of the above balances only £20.526m was un-ringfenced. A projection of the reserves and balances position over the MTFP is shown below.

Reserves & Balances	Projected Closing Balances				
	2022/23 £000's	2023/24 £000's	2024/25 £000's	2025/26 £000's	2026/27 £000's
<b>Reserves</b>					
General Fund Ringfenced	29.977	28.796	28.223	27.873	21.676
General Fund Unringfenced	15.102	14.389	13.776	13.200	12.700
General Fund Grants	5.611	1.243	0.675	0.523	0.291
Dedicated Schools Grant	(13.244)	(17.919)	(9.500)	(7.000)	(5.500)
HRA	15.011	14.833	14.528	14.444	14.345
<b>Reserves Sub Total</b>	<b>52.456</b>	<b>41.342</b>	<b>47.702</b>	<b>49.041</b>	<b>43.513</b>
<b>Balances</b>					
General Fund	7.000	7.000	7.000	7.000	7.000
Schools	1.898	0.398	(1.102)	(2.602)	(4.102)
HRA	3.440	3.069	2.837	2.568	2.627
<b>Balances Sub Total</b>	<b>12.338</b>	<b>10.467</b>	<b>8.735</b>	<b>6.966</b>	<b>5.525</b>
<b>Grand Total Reserves &amp; Balances</b>	<b>64.795</b>	<b>51.810</b>	<b>56.438</b>	<b>56.007</b>	<b>49.038</b>

9.6 Whilst an initial review of the reserves position for 2022/23 has taken place it will be necessary to undertake a thorough assessment of the impact on reserves over the MTFP throughout the budget-setting process. An explanation of each reserve and balances as at 31 March 2022 can be found in the Authority's draft Statement of Accounts for 2021/22.

In these unrepresented times the importance of robust financial management across the authority remains paramount. A range of tighter spending controls have been put in place to ensure no-nonessential spend is incurred during 2022/23 and to ensure any COVID-19 related expenditure is appropriately considered and approved in advance of being incurred.

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

### **Financial Assurance**

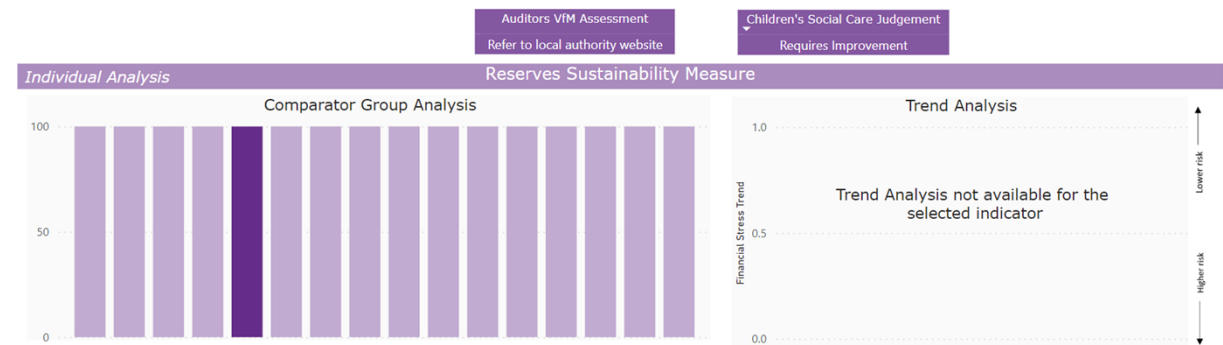
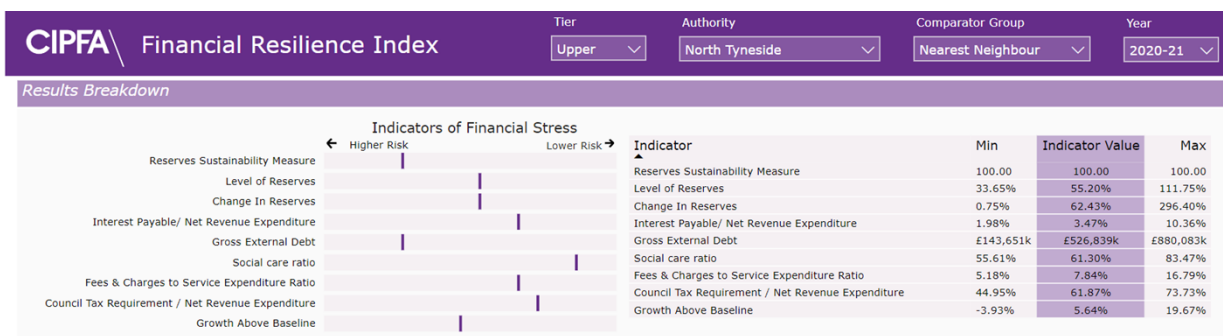
- 9.7 Each year as part of the annual accounts process the Authority must demonstrate that it is a going concern. This means it must show that it is financially sound in this time of austerity and changing local authority structures. The Authority has an Internal Audit function who continually assess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

### **Financial resilience**

- 9.8 CIPFA Financial Resilience Index

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

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



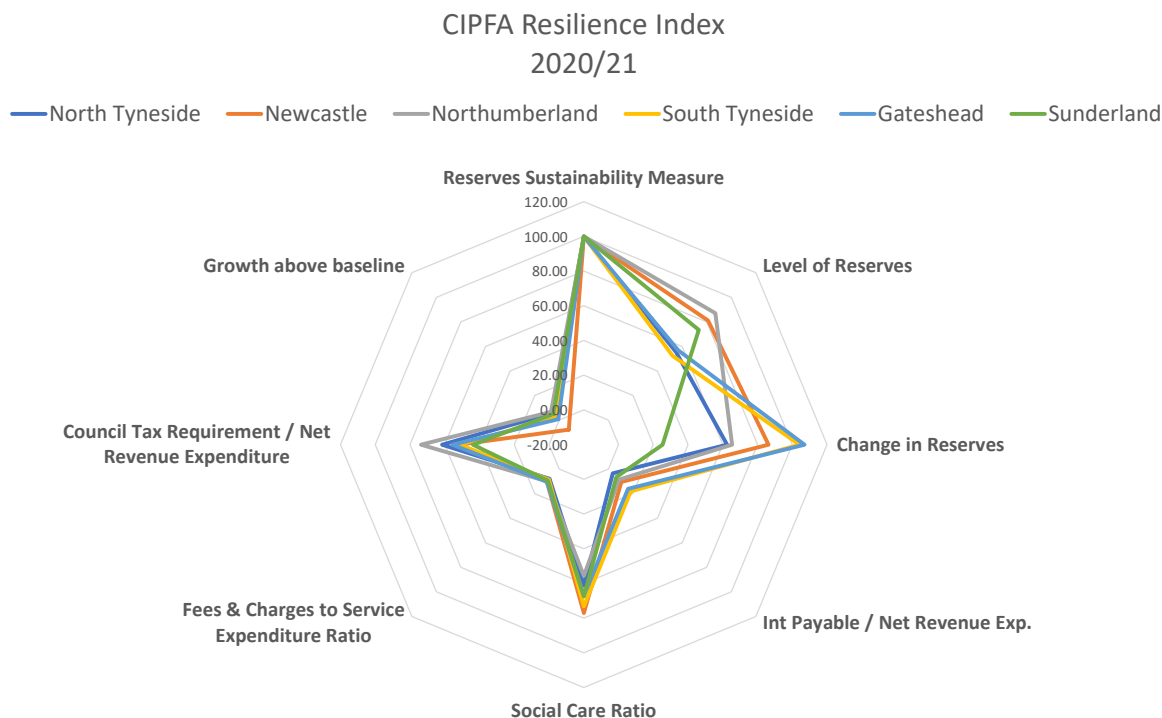
CIPFA has identified four key pillars of financial resilience:

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

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

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

Note the 2020/21 Resilience Index from CIPFA is currently the latest set of indicators.



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

**CIPFA Financial Management Code**

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

Local authorities need to ensure that their governance and financial management meets the requirements of the code. The Authority has carried out a self-assessment against the principles of the FM Code and these have been reported to the Senior Leadership Team. The Authority continues to demonstrate good practice in financial management.



## 10. Risk Assessment

### Overall Financial Risk Assessment

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

### Key Financial Risks

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

Potential Risk	Initial Response
Long Term Financial Impact of COVID: There is a risk that there may be long term impact on the ongoing income from Council Tax and business rates	Revenue monitoring to understand affected services and areas; Update financial planning assumptions; A planned use of reserves; A named finance officer to be aware of and collate impacts.
There is a risk of being unable to set a balanced budget for 2023/24 and over the period of the MTFP.	Managed during the budget setting for 2023/24 and robust budget challenge.
The significant impacts of the "cost of living" crisis, exceptional inflationary pressures and the wider impact of the Russian invasion of Ukraine on the economy have the potential to drive additional cost pressures and may lead to reductions in overall income due to the wider economic impacts. The current MTFP approved by Full Council did not provide for the current extreme levels of inflation which are expected to persist throughout the remainder of the financial year and beyond.	Close monitoring of this position during 2022/23 will be required to ensure the MTFP reflects any ongoing pressure and the impact assessment of the current economic situation.
Ongoing uncertainty around local government and wider public sector finances	The Authority will continue to take part in consultations on any funding reforms and will continue to lobby the Government for additional funding where necessary.
There is a risk that the levels of savings and income the Authority has included in the Budget proposals are not fully deliverable.	A robust challenge process will take place to ensure proposals can be delivered. All savings and income will be monitored throughout the year to identify any areas which are not

	delivering savings as planned so corrective action can be taken.
There is a risk that if the Efficiency Programme is not successfully implemented the Authority may be unable to deliver improved services and meet the increased demand for services within reducing resources. This could have the financial impact of the Authority not delivering on its Budget.	An overall Budget Proposal Document and Terms of Reference are in place for all existing and new Efficiency Programme projects. This spans all service redesign projects Monthly Updates to the Senior Leadership Team are provided as part of the in-year financial management process. The Customer Service Steering Group will be sighted on the outcomes from any Service reviews undertaken during 2023/24.
There is a risk that the assumptions that have been made based on the indicative settlement up to and including 2025/26 may be wrong, resulting in changes to the current targeted savings by 2026/27, for the General fund and for the HRA, which will be considered by Cabinet in January 2023.	Through a robust approach to financial management the Authority is in a position to respond to determine actions necessary if the assumptions that have been made prove to be incorrect. The Authority work closely with national, regional and sub-regional financial networks to help ensure that the Authority is informed and aware of any national developments. Being involved in the consultation process enables any issues or concerns specific to NTC to be highlighted before final decisions are made.
There is a risk that not all growth pressures have been identified in the 2023/24 proposed Budget.	Detailed proposals have been put forward by each Director of Service and challenged by the Senior Leadership Team, Cabinet Members and the Elected Mayor.
There is a risk that demand - led pressures exceed Budget provision.	Demand-led pressures continue in areas such as adults' and children's social care and the impact of the Living Wage on our care providers (and the price for services the Authority then has to pay) have been taken into consideration as part of these initial Budget proposals.
There is a risk that specific factors arising during 2022/23 will not been fully taken into account when preparing the 2023/24 Budget.	The 2022/23 financial position is monitored through bi-monthly reporting to Cabinet and monthly reporting to the Senior Leadership Team. This process ensures factors

	<p>arising during the year are taken into account.</p>
<p>There is a risk that the in-year pressures being reported through the 2022/23 financial management process impact on the deliverability of the 2023/24 budget.</p>	<p>As at 31 July 2022, a pressure of £19.511m (unmitigated) was reported against the 2022/23 Budget. All Services continue to develop and deliver actions to mitigate these financial pressures and expect the outturn forecast to improve through the year. In addition, non-essential spend continues to be minimised and a detailed review of demand-led projections aims to reduce over-commitments. Progress will be monitored through bi-monthly reporting to Cabinet and monthly reporting to the Senior Leadership Team.</p>
<p>There is a risk that the contingency provision included in the Financial Plan for 2022/23 is insufficient.</p>	<p>The review of the base Budget and the reflection of the 2022/23 pressures into 2023/24 will be considered.</p>
<p>There is a risk that there are insufficient levels of reserves and balances.</p>	<p>A full review of reserves and balances is undertaken on a regular basis as part of both the in-year monitoring and planning processes.</p>
<p>There is a risk that the Authority will be unable to protect its housing assets and services to tenants as a consequence of reduced income to the HRA. Government policy on welfare reform is resulting in a number of direct challenges to rent collection; the spare room subsidy and the benefit cap have already had an impact.</p>	<p>The budget-setting process incorporates a review of the HRA Business Plan to reflect the changes. The cost and quantity of work within the 30-year Investment Plan is revised annually to help mitigate the impact of changes. In addition, the Financial Inclusion Strategy sets out how the Authority and its partners will support its residents to better manage their finances and maximise their income. The HRA budget includes proposal to increase support to tenants in managing their ability to sustain their tenancies.</p> <p>The Authority has representation on the DLUHC and CIPFA HRA working groups. This enables specific issues to be raised and allows the Authority to comment and influence change on HRA regulation</p>

<p>There is a risk that there may be a significant financial impact on school resources if the number of schools requesting deficit continues to rise at its current rate. This risk is currently driven by the number of surplus places at secondary schools.</p>	<p>The school deficit has been identified as a priority for the Authority, headteachers and governing bodies. A programme of work has been identified, working with schools to improve the schools deficit position. This will highlight the work that is required and through working with the schools a number of initiatives will be identified and progressed.</p>
<p>There is a risk that the Authority may be unsuccessful in securing additional support from the ESFA to mitigate the pressures and current deficit position within the DSG</p>	<p>Internal Governance processes are being developed to ensure a robust plan is submitted and ongoing discussions are taking place with the ESFA. Schools Forum are being kept up to date with all plans that are included within the DSG Management Plan, and this will form part of budget setting for the DSG for 2023/24.</p>
<p>There is a risk that the DSG Deficit Statutory override will come to an end in 2022/23 leaving the Authority with a significant risk to its reserves if the level of deficit needs to be covered by General Fund Reserves</p>	<p>The Authority will continue to submit responses to consultations with the DfE to ensure the DfE are aware that if the Statutory override was to come to an end the Authority would be at significant risk of financial sustainability.</p>

## 11 Conclusion

- 11.1 The review of the Medium-Term Financial Strategy (MTFS) has again been undertaken against a background of significant uncertainty due to the exceptional inflationary pressures and the wider impact of the Russian invasion of Ukraine on the world economy whilst also managing the ongoing implications of the COVID-19 pandemic. At this stage in the Budget-setting process it is impossible to predict with any accuracy the financial impact the current economic situation or of the impact of the pandemic which will continue to be felt in the current financial year and over the medium-term. This will undoubtedly have implications for how the Authority delivers its services in the future and its approach to financial planning. The Authority continues to assess the financial impact and as such a further revision of the MTFS will be presented to Cabinet in November 2022.
- 11.2 The initial review of the MTFS identifies a potential financial gap of between £30m and £50m for the next four years from 2023/24 to 2026/27. The MTFS supports the requirement to continue a rolling programme of internal indicative budget-setting and efficiency plans to bridge the financial gap. This funding gap comes on top of budget savings of £127.756m that have already been taken from budgets by this Authority since 2011/12.
- 11.3 Although the financial context continues to be increasingly challenging and uncertain the Authority has a track record of identifying and delivering significant savings and achieving budget outturn under agreed budget, supported by a framework of effective financial planning. This approach will need to continue to ensure that a sustainable medium-term financial position can be maintained. The approach will need to be built upon the delivery of significant changes in service delivery arising from effective decision making at an appropriate pace.

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

### Background papers:

Local Plan  
Workforce Development Plan

### Background information:

#### Background information:

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

- (a) Authority's Constitution and Budget and Policy Framework Procedure Rules  
<https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/October%202020.pdf>
- (b) 2021-2025 Our North Tyneside Plan  
<https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/ONT%20Plan%202021-25.pdf>
- (c) Treasury Management Strategy  
<https://democracy.northtyneside.gov.uk/documents/s7277/Financial%20Management%20Report%20to%2030%20September%202021-Appendix-3.pdf>
- (d) COVID-19 – A Framework for Recovery in North Tyneside  
<https://democracy.northtyneside.gov.uk/documents/s4039/Covid-19%20-%20A%20Framework%20for%20Recovery%20in%20North%20Tyneside.pdf>
- (e) 2021/22 Provisional Finance Outturn Report  
<https://democracy.northtyneside.gov.uk/documents/s9265/2021-22%20Provisional%20Finance%20Outturn%20Main%20Report.pdf>
- (f) 2021/22 Draft Statement of Accounts  
<https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/Draft%20Statement%20of%20Accounts%202021-22%20.pdf>
- (g) North Tyneside Highway Asset Management Plan Annual Information Report 2020  
<https://democracy.northtyneside.gov.uk/documents/s4538/North%20Tyneside%20Highway%20Asset%20Management%20Plan%20Annual%20Information%20Report%202020.pdf>
- (h) An Ambition for North Tyneside Update  
<https://democracy.northtyneside.gov.uk/documents/s7901/An%20Ambition%20for%20North%20Tyneside%20-%20Update.pdf>

- (i) Ten Year Plan for Waste  
<https://democracy.northtyneside.gov.uk/documents/s1482/2%2010%20Year%20plan%20for%20Waste.pdf>
- (j) Climate Emergency Update  
<https://democracy.northtyneside.gov.uk/documents/s7231/Climate%20Emergency%20Update.pdf>
- (k) North Tyneside Homelessness Prevention and Rough Sleeping Strategy 2019-2021  
<https://democracy.northtyneside.gov.uk/documents/s1968/North%20Tyneside%20Homelessness%20Prevention%20and%20Rough%20Sleeping%20Strategy%202019%20-2021.pdf>
- (l) A Digital Strategy for North Tyneside  
<https://democracy.northtyneside.gov.uk/documents/s2638/A%20Digital%20Strategy%20for%20North%20Tyneside.pdf>
- (m) North Tyneside Trading Company - Strategic Business Plan 2020-2023  
<https://democracy.northtyneside.gov.uk/documents/s3893/North%20Tyneside%20Trading%20Company%20-%20Strategic%20Business%20Plan%202020-23.pdf>
- (n) North Tyneside Transport Strategy Annual Report  
<https://democracy.northtyneside.gov.uk/documents/s6188/North%20Tyneside%20Transport%20Strategy%20Annual%20Report%202020-21.pdf>

CIPFA Resilience Index Indicators & Interpretation

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



## Appendix A

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

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**2023-2027 Financial Planning and Budget Process**

**Timetable of Key Milestones for 2023/24**

<b>Date / Meeting</b>	<b>Detail</b>
19 September 2022 <b>Cabinet</b>	Cabinet approves the 2023-2027 Financial Planning and Budget process, incorporating the associated Engagement Strategy.
28 November 2022 <b>Cabinet</b>	Cabinet considers its 2023-2027 initial Budget proposals in relation to General Fund, Schools, Housing Revenue Account & Investment Plan for 2023-2028.
29 November 2022	Notice of Objection process for the 2023/24 Budget commences.
29 November 2022	Budget and Council Plan engagement process begins. Ends in January 2023.
30 November 2022 <b>Scrutiny Process</b>	Scrutiny of the 2023-2027 Financial Planning and Budget process.
30 November / 1 December 2022 <b>Overview, Scrutiny and Policy Development Committee</b>	Overview, Scrutiny and Policy Development Committee consider Cabinets Initial Budget Proposals for 2023-2027 Financial Planning and Budget and Council Plan process.
Mid December 2022	Estimated timing of the 2023/24 Provisional Local Government Finance Settlement.
16 January 2023 <b>Overview, Scrutiny and Policy Development Committee</b>	Overview, Scrutiny and Policy Development Committee considers the results of its review of the 2023-2027 Financial Planning and Budget and Council Plan process.
23 January 2023 <b>Cabinet</b>	2023/24 Council Tax Base agreed by Cabinet
30 January 2023 <b>Cabinet</b>	Cabinet approves the final proposals in relation to the 2023/24 Housing Revenue Account budget and associated Business Plan, including an assessment in relation to the current year's budget monitoring information (2022/23). In addition, Cabinet will agree the Annual Housing Rent policy for 2023/24.

## Appendix B

30 January 2023 <b>Cabinet</b>	Cabinet considers its Budget proposals for 2023-2027 in relation to General Fund Revenue, Schools & Investment Plan for 2023-2028, taking into account feedback received as part of Budget Engagement and any recommendations from Overview and Scrutiny and Policy Development Committee.
<b>Date / Meeting</b>	<b>Detail</b>
31 January 2023 <b>Overview, Scrutiny and Policy Development Committee</b>	Overview, Scrutiny and Policy Development Committee/Budget Study Group as appropriate considers Cabinet's final Budget proposals.
6 February 2023 <b>Cabinet</b>	Cabinet meeting to consider any recommendations of the Overview and Scrutiny Budget Study Group following its review of the Cabinets 2023/24 Budget and Council Tax proposals.
14 February 2023	4pm deadline for responses to the Authority's Notice of Objection
16 February 2023 <b>Council</b>	Cabinet submits to the Council its estimates of amounts for the 2027-2027 Financial Plan and 2023/24 Budget & Council Tax levels.
20 February 2023 (if required) <b>Cabinet</b>	<p>Cabinet Meeting to consider any objections to Cabinet's Budget and Council Plan proposals.</p> <p>The Cabinet meeting on 20 February 2023 is now a scheduled meeting with other items of business and will proceed even where no objections are approved.</p>
2 March 2023 (if required) <b>Council</b>	Council meeting to agree the Budget for 2023/24, the Council Tax level for 2023/24 and the Investment Plan for 2023-2028

## **2023/24 Budget Engagement Strategy**

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

The Authority's overall approach to engagement ensures that the public have opportunities to have their say throughout the year, through a series of different methods, including engaging with the Elected Mayor, Cabinet and ward members and through activities such as the Big Community Conversation.

In all of its engagement activity, the Authority is committed to ensuring that residents with protected characteristics, as set out in the 2010 Equality Act, can participate. In line with this an Equality Impact Assessment has been undertaken on the 2023/2024 Budget Engagement Strategy and this is available on request.

In line with the proposed 2022-2026 Financial Planning and Budget Process as set out in Appendix B, engagement on Cabinet's initial budget proposals will take place from November 2022 to January 2023. The engagement approach is set out below.

### **Target Audiences**

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

The engagement strategy also ensures targeted activity with the following specific external and internal stakeholder groups:

#### External stakeholder groups

- North Tyneside Strategic Partnership
- Businesses
- Schools and education sector
- Voluntary and community sector (including faith groups)
- Ethnic Diversity Community Task Force
- North Tyneside Council Residents Panel

#### Internal stakeholder groups:

- Elected Members
- Staff
- Strategic Partners (Equans and Capita)
- Trade Unions

### Approach

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

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

Budget engagement activity for the 2023/2024 budget will be in line with any Government advice and comprise of

- providing clear information about the Financial Planning and Budget process in the Autumn edition of the Our North Tyneside magazine. This will include information about this engagement strategy and how residents can have their say throughout the process including how to join the Residents Panel to do so.
- in November 2022, publishing information about Cabinet's initial budget proposals. This will be published online via the Council's website and at front line locations including the Community Conversation Corners in the four Customer First Centres. Feedback will be able to be provided by residents and others via a questionnaire either on-line or at these front-line locations. This will be supported by communications activity via posters in key Council facilities, the media and social media to ensure that people know how they can get involved.
- there will also be opportunities for face-to-face engagement with lead officers and Cabinet members during November/December 2022. Building on our engagement last year these face-to-face sessions will comprise

- two in-depth sessions with the Residents Panel (which any resident can join). These sessions will provide people with the opportunity to gain an understanding of the Council's budget and to be able to appraise in detail the initial budget proposals and then provide feedback and
- engagement sessions for the following internal and external stakeholder groups
  - staff
  - businesses
  - schools
  - children and young people
  - community and voluntary sector
  - Trade Unions,
  - North Tyneside Strategic Partnership
  - older people
  - carers
  - Ethnic Diversity Community Task Force
  - groups representing people with protected characteristics under the Equality Act 2010.

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## North Tyneside Council Report to Cabinet Date: 19<sup>th</sup> September 2022

### Title: Our North Tyneside Plan 2021-2025 Performance Report

<b>Portfolio(s):</b> Deputy Mayor	<b>Cabinet Member(s):</b> Councillor Carl Johnson
<b>Report from Service Area:</b> Corporate Strategy and Customer Services	
<b>Responsible Officer:</b>	Jacqueline Laughton, Assistant Chief Executive (Tel: (0191) 643 5724)
<b>Wards affected:</b>	All

#### PART 1

##### 1.1 Executive Summary:

This report provides Cabinet with an update on progress with delivering the Our North Tyneside Plan 2021-2025 as set out in the 'Our North Tyneside Performance Report' attached to this report at Appendix 1.

The Council Plan was refreshed last year following the Mayoral Elections on 6<sup>th</sup> May 2021 to reflect the policy priorities of the incoming administration. Following consultation with residents and key stakeholders, Full Council agreed the refreshed Our North Tyneside Plan 2021-2025 on 23<sup>rd</sup> September 2021.

A refreshed Our North Tyneside Plan Performance Report has been developed to monitor progress against the new priorities and objectives set out in the Council Plan.

This report when read in conjunction with Appendix 1 provides an overview of performance since the start of the plan and identifies the agreed activities that the Authority will pursue in the future. In addition, it provides comparator information, such as national or regional performance, as there are several issues where North Tyneside is facing similar challenges as other parts of the country.

Some of the highlights of the Our North Tyneside Plan Performance Report are:-

- Delivery of the Affordable Homes Programme is on track and a 10-year Delivery Plan was agreed by Cabinet in February 2022. The number of long-term vacant dwellings is currently at its lowest level in seven years.
- The council's carbon emissions reduced by 53%, well in advance of the 2023 target of 50% and in August 2022, Cabinet approved the Carbon Net-Zero 2030 Action Plan.

- £8m funding has been secured from the Green Homes Grant Local Delivery Scheme to install low carbon heating, energy efficiency measures and renewable energy systems in over 500 homes with low-household incomes. To date measures have been installed in 260 homes so far.
- Regeneration work is well underway in North Shields including public realm improvements, a new integrated transport hub, town square, planning permission has been granted for new family homes at the former Unicorn House Site, grant funding has been secured to develop a Cultural and Creative Zone and a bid has been submitted to the Levelling Up Fund for the Fish Quay.
- In Whitley Bay, improvement works to the Northern Promenade were completed and funding from the Active Travel Fund has been secured.
- In Wallsend, funding has been secured for a range of improvements at Segedunum Roman Fort and Museum. An expression of interest has been submitted to the National Heritage Lottery Fund. A bid has been made to the Levelling Up Fund to deliver public realm improvements along the High Street, transport connections, enhance Segedunum.
- Master Plans are being developed for Whitley Bay, Wallsend and the North-West area of the borough.
- Our beaches and warden managed parks continue to be recognised nationally for their high standards. Three of our beaches have retained their Blue Flags and Seaside Awards and this year seven parks were awarded Green Flag Awards after Preston Cemetery applied for the first time in 2022.
- In response to residents feeling increasingly concerned about community safety issues a multi-agency North Tyneside Anti-Social Behaviour Task Force has been established to develop and deliver a shared plan to tackle ASB as a partnership making a difference for residents, communities, visitors and businesses.
- Support is delivered to low-income households across the borough through the Council Tax Support Scheme and Hardship Support Scheme. As well as a number of initiatives including the Holiday Activities and Food Programme, Household Support Fund and Poverty Intervention Fund to address health and socio-economic inequalities.
- The education offer in the borough is strong compared to national and regional comparators, however an area of focus is to close the gap between disadvantaged and non-disadvantaged pupils.

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

It is recommended that Cabinet note the progress that has been made to deliver the updated objectives of the Our North Tyneside Plan 2021-2025.

## **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 28<sup>th</sup> July 2022.

## 1.4 Council Plan and Policy Framework

This report relates to all the priorities of the Our North Tyneside Plan 2021-2025

## 1.5 Information:

### 1.5.1 Background

1.5.2 On 23<sup>rd</sup> September 2021, the refreshed Our North Tyneside Plan 2021-2025 was agreed by Full Council following consultation with residents and other key stakeholders. The Council Plan was updated following the Mayoral Elections on 6<sup>th</sup> May 2021 to reflect the policy priorities of the incoming administration.

1.5.3 A refreshed Our North Tyneside Plan Performance Report has been developed to monitor progress against the new priorities and objectives set out in the Council Plan.

1.5.4 As Cabinet is aware the Authority manages performance at two levels;

1. Strategic objectives, as defined in the Our North Tyneside Plan, are monitored and managed twice a year through regular reports to Cabinet, Overview, Scrutiny and Policy Development Committee and the North Tyneside Strategic Partnership

This is supplemented by quarterly discussions with Lead Members, which tracks performance and the financial implications.

2. Operational performance is managed on day-to-day basis by service areas, with a regular overview on a monthly basis.

1.5.5 At a strategic level, the highlights of this report against each of the priorities are:

### **A thriving North Tyneside**

- ***We will regenerate the high streets of North Shields and Wallsend, and in addition to the Master Plan for North Shields, we will bring forward Master Plans for Wallsend and Whitley Bay town centre areas. We will also bring investment and improvements to the North West area of the borough and ensure that regeneration delivers ambition, opportunity and benefits for all of our residents;***

The Authority has been working closely with a range of partners to unlock local potential and opportunity through the delivery of projects in the three town centres:

- **North Shields:** work is underway on public realm improvements in Northumberland Square and on Howard Street was completed at the end of August 2022.

The former Co-Op building has been demolished and construction of a new integrated transport facility within North Shields Town Centre is well underway. Adjacent to the hub will be a new town square. Works are proposed to complete in summer 2023.

The former Unicorn House building was demolished in 2021 and received planning permission for 29 new family housing units due to commence on site in autumn 2022.

Both 131 Bedford Street and the former Globe Gallery will be brought back into use for cultural purposes in the coming year by the new occupiers, further adding to the vitality of the growing cultural offer. £1.7m of grant funding has been secured from the

North of Tyne Combined Authority (NTCA) to develop a Cultural and Creative Zone (CCZ), which will be known as North Shields Cultural Quarter, located in and around Howard Street and Saville Street, creating a 'cultural corridor' and stronger connections between the town centre and the Fish Quay.

Works are due to commence on the new Riverside Embankment Walkway shortly and complete in 2023/24. The walkway will provide a step-free route between the town centre and the Fish Quay.

A scheme for the relocation of the Ferry Landing to Western Quay has been submitted for funding from round 2 of the Levelling Up Fund. These works would include an extension to the protection jetty at the Fish Quay and associated public realm works to tie into the new Riverside Embankment Walkway.

A Saville Street Area Plan is currently being developed to encourage viable, valued local businesses to locate closer to the town centre to sustain a quality retail offer and repurpose residential properties to improve quality.

A bid has been submitted to the Levelling Up Fund for the Fish Quay focussing on:

- Supporting greater visitor numbers and trade enabling the local fishing industry to pivot to new/emerging markets
- Developing North Shields into a gateway to the Borough/Region through high-quality public realm and transport facilities that support visits utilising sustainable transport modes,
- Extending the high-quality offer for domestic and international visitors beyond the existing Coastal experience,
- Levelling-up the economic opportunities and encouraging reciprocal private investment into the deprived Riverside area, matching the more affluent Coastal conurbation, and
- Improving the daytime economy of the town centre by creating a cleaner, more vibrant, attractive place where people will visit more often and stay for longer.

The outcome of the bid is expected to be announced in autumn 2022.

- **Whitley Bay:** All works to the Northern Promenade have now been completed and was open to the public from the end of July.

The Authority secured funding from the Active Travel Fund (Tranche 3) and Sustrans. Further consultation on the proposed permanent coastal cycleway will be carried out this autumn and first phases of the scheme are likely to commence from January 2023.

It is proposed to undertake some master planning activity in Whitley Bay town centre in 2022. The purpose of the plan will be to improve the pedestrian, cycle, and vehicular movements within the town centre environment. Together with improvements to the public realm, this will help create a better visitor experience and provide opportunities for new investment as well as supporting existing local business.

- **Wallsend:** The Authority successfully secured funding for a host of improvements at Segedunum Roman Fort and Museum. The grant will pay for repairs to the roof, the installation of a new lift, and other improvements. An expression of interest has been submitted to the National Heritage Lottery Fund to bring the museum into the 21st century. If successful, the Authority will be invited to progress a detailed submission to

secure a multi-million-pound investment in the Museum with its partners, Tyne and Wear Museums.

Funding has been secured from the North-East Local Enterprise Partnership to prepare a Masterplan for Wallsend. Work has commenced in scoping the Masterplan. It is anticipated that a draft Masterplan will be subject to engagement by autumn/winter 2022, prior to a final version being presented to Cabinet for adoption.

A bid has been submitted to the Levelling Up Fund for Wallsend focussing on:

- the modernisation of public realm along the High Street / retail core and adjacent residential terraces to provide a large high quality and healthier space
- Creating high quality sustainable transport connections into and through the Town retail core area
- Increasing footfall and dwell time,
- Improving connection between Segedunum and the town centre, and
- Enhancing the setting of Segedunum.

The outcome of the bid is expected to be announced in autumn 2022.

Work is nearing completion on site with the landowners (New River Retail) and healthcare providers to deliver new healthcare facilities in the heart of Wallsend Town Centre as part of the regeneration of the town centre.

The Authority continues to work with Swan Hunter site owners Shepherd Offshore Ltd to identify opportunities for inward investment in the site to create new employment opportunities.

The Authority completed the second phase of the Centre for Innovation renovation in 2021 and the building is substantially occupied providing high quality office accommodation aimed at businesses in the offshore sector.

Funding has been secured from NTCA to fund project activity in and around Wallsend High Street including capital public realm work and revenue activity including events, shop front grants, business support and resource to be based within the town centre to support businesses to start-up and grow.

- ***We will bring more good quality jobs to North Tyneside – by helping local businesses to sustain and grow, making it attractive for new businesses to set up or relocate in the borough;***

The number of jobs and small business start-ups were impacted by the COVID-19 pandemic. In 2020 there were 89,000 jobs, which was a 5% decrease compared to the previous year. Prior to the pandemic, the number of jobs in the borough had shown an increase each year since 2011. During 2021/22, there were 971 small business start-ups, a 13% decrease compared to the previous year.

- ***We will invest in adult education and to support apprenticeships to make sure people have the right skills for the job;***

Ensuring that young people in North Tyneside have the right high-level skills to progress and succeed in the jobs market is key to the success of the local economy. The latest apprenticeship figures for 2021 showed the number of intermediate (level 1) apprenticeships decreased in 2021 in part due to national changes. However advanced (level 2) and higher (level 3) apprenticeship starts increased during 2021.

- ***We will keep our libraries and leisure centres open as part of a vibrant range of cultural and sporting activities to support the health and wellbeing of our residents;***

During 2020/21, libraries and leisure centres were impacted significantly by COVID-19 restrictions and were not fully operational during that period impacting on the number of visits. In 2021/22, visits to Customer First Centres and Branch Libraries have not fully recovered. Customer First Centres received 565k visits in 2021/22, which is a 55% reduction compared to pre-pandemic levels. Branch Libraries received 40k visits during 2021/22, a reduction of 59% compared to pre-pandemic. Sport and Leisure have received two thirds of usual number of visits during 2021/22 compared to the same period in 2019/20.

- ***We will continue to be the destination of choice for visitors through the promotion of North Tyneside's award-winning parks, beaches, festivals and seasonal activities;***

The number of recorded day visits and overnight stays to North Tyneside reduced to 3.23 million in 2020, compared to 7.13 million in 2019. The COVID-19 pandemic and social restrictions to manage community transmission impacted on visitor activity including restaurant bookings, hotel bookings, visitor car parking, visitor attraction numbers, events attendance, which are used to calculate tourist activity.

During 2021/22 King Edwards Bay, Tynemouth Longsands and Whitley Bay beaches have retained their Blue Flag international quality mark status by Keep Britain Tidy as well as their Seaside Awards recognising the finest beaches across the UK. These three beaches have achieved the Blue Flag standard every year since 1994 and are among a group of only 57 beaches across the country to win both a Blue Flag and Seaside award. Seven of the warden managed parks in North Tyneside have been awarded Green Flag Awards after Preston Cemetery applied for the first time in 2022. Benton Quarry Park, Killingworth Lakeside Park, Northumberland Park, Marden Quarry Park, Wallsend Parks, and the Rising Sun Country Park all retained their Green Flag Awards.

Resident satisfaction with beaches and parks and green spaces are consistent to previous years. However, satisfaction with parks and green spaces is below the Local Government Association benchmark.

- ***We will reduce the number of derelict properties across the borough; and***

The number of long-term vacant dwellings in North Tyneside has continued to show a decrease since 2018/19 to 1,027 dwellings, which is the lowest level in the last seven years.

- ***We will review how the council purchases and contracts for goods and services to maximise value for money, social value and environmental sustainability.***

The social value requirements included in the Authority's procurement and commissioning processes contribute to how the organisation maximises environmental sustainability and additional social benefits. The procurement team have worked with the voluntary sector and schools to ensure that social value commitments are aligned. Reviewing our strategic partnerships has led to the transfer of services and in-house delivery. By 2029 all our contracts will incorporate a 'greener target'. The Authority is working with its current suppliers to ensure that the most carbon friendly products are

purchased. A dashboard is being developed to track how delivery against these requirements contribute to the delivery of the Our North Tyneside Plan priorities. The dashboard will be reported on annually to Cabinet.

### **A secure North Tyneside**

- ***Council wardens will work in partnership with Northumbria Police to prevent and tackle all forms of antisocial behaviour;***

Resident's perception that anti-social behaviour and crime needs to be improved has increased significantly over time. In 2021, almost half of residents (47%) perceive anti-social and crime as an area that needs to be improved, an increase of 22 percentage points since 2016. Residents concern has impacted on the proportion of residents who feel safe outside in their local area after dark. In 2021, 45% of residents feel safe outside their local area after dark, a decrease of 8 percentage points since 2019 and is significantly lower than the Local Government Association benchmark of 71%. The proportion of residents feeling safe outside in their local area during the day remains high at 89% and is in line with the Local Government Association benchmark.

During 2022 a multi-agency North Tyneside Anti-Social Behaviour Task Force has been established to develop and deliver a shared plan to tackle ASB as a partnership making a difference for residents, communities, visitors and businesses.

- ***We will invest an additional £2m per year on fixing our roads and pavements;***

The proportion of principal and non-principal roads where maintenance should be considered surveyed under the Department for Transport Road Conditions in England (RCE) has shown a decrease year on year. Only 2% of principal roads and 2% of non-principal roads managed by the Authority should be considered for maintenance, which is significantly better than the national benchmark (4% of principal roads and 6% of non-principal roads). On an annual basis, the Authority reviews the current state of the infrastructure on the highway network as part of the Highway Asset Management Plan.

In 2021, the Highway Asset Management Plan assessed the majority of the road asset as good, with 59% assessed as good, however 34% of the network requires some form of maintenance. 8% of the borough's roads are in a condition where structural resurfacing should be considered, which has increased slightly from 5% last year. Residents satisfaction with road and pavement maintenance is consistently lower when compared to other Authority services and is identified as most in need of improvement.

- ***We will maintain the Council Tax support scheme that cuts bills for thousands of low income households across North Tyneside;***

In the 2022-2026 Financial Planning and Budget Process Proposals it was agreed to extend the Council Tax Support Scheme, allowing applicants to backdate claims up to 26 weeks, rather than 4 weeks. The Hardship Support Scheme for working age claimants with payments of £150 was also extended.

As of July 2022, there are 7,248 pensionable age and 9,133 working age claimants, which is a 6% decrease since 2019/20. At the start of the pandemic, the number of claims increased as residents were made redundant or reduced hours, but as more residents are now in work the number of claims has decreased.

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

In North Tyneside, there is a significant variance in life expectancy between areas in the most and least deprived areas. The inequality in life expectancy at birth for women is 9.9 years and 11.4 years for men. For women, this compares to a 10 year gap at a regional level and 7.9 years nationally. For men, this compares to a 12.5 year gap regionally and 9.7 years nationally.

Provisional figures for 2020/21, show that the number and proportion of children (aged under 16 years) living in relative and absolute low-income families before housing costs is continuing to increase.

- 8,990 children representing 24% of all children under the age of 16 in the borough are living in relative low- income families. This has increased by 10 percentage points since 2014/15. There is a significantly higher proportion of children living in relative low-income families in more deprived areas compared to the borough rate. 43% in Chirton ward, 37% in Howdon ward and 35% in Riverside ward.
- 8,204 children, representing 22% of all children under the age of 16 are living in absolute low-income families, which is an increase of 6 percentage points since 2014/15. There is a significantly higher proportion of children living in absolute low-income families in more deprived areas compared to the borough rate. 39% in Chirton ward, 34% in Howdon ward and 33% in Riverside ward.
- The Authority is seeking to address health and socio-economic inequalities through a number of initiatives, including projects which specifically address food poverty. These include:
  - the Holiday Activities and Food Programme which provides holiday experiences for children and young people on free school meals, by providing food, nutritional education, physical activities and enriching activities during the easter, summer and Christmas holidays. This has resulted in participants having an improved understanding of healthy food and eating more healthily during the school holidays and in parents feeling more connected to their communities.
  - Using the Household Support Fund to:
    - provide free school meal vouchers during the school holidays, inclusive of £15 per child during May half term and £90 per child over the summer holiday period.
    - £8000 given directly to schools to support to families expanding the school uniform project.
  - Using the Poverty Intervention Fund to:
    - Support every school in North Tyneside to take part in a Poverty Proofing the School Day audit carried out by Children North-East which involves engaging with every student to understand what poverty looks like from a young person's perspective and using this insight to develop an action plan.
    - Continue to finance The Bread-and-Butter Thing (TBBT) in North Tyneside. The first food pantry hub was established in March 2022, four have been established in total with plans for a fifth. The hubs enable its clients to access three bags of food each week for £7.50. Making healthy food accessible to residents living in areas where there is limited access to healthy affordable food choices.



- ***We will provide 5,000 affordable homes.***

Building on the success of the Affordable Homes Programme, a new 2-phased programme to meet the 5,000 affordable homes target was approved by Cabinet in February 2022. This includes a 10-year delivery plan for the Authority's Housing Revenue Account that will deliver at least 350 new council homes and utilise new technologies to reduce carbon emissions and support the Authorities response to the climate emergency in North Tyneside. The programme will also include opportunities to increase delivery by pursuing windfall opportunities for the Authority, exploring new delivery models and seeking to unlock to the potential of brownfield sites in the borough.

Delivery of the Affordable Homes Programme is on track to meet the ambitious 5,000 affordable homes target. The target of 266 affordable homes was met in 2021/22 and at the end of August 2022, the overall total number of homes delivered is 1,934. This includes work to deliver 9, new homes at Falmouth Road, North Shields using the HUSK modern method converted disused garages into new Authority owned bungalows. A number of long-term empty and derelict properties across the borough have also been brought back into use.

### **A family-friendly North Tyneside**

- ***We will support local schools, making sure all children have access to a high-quality education with opportunities to catch up where needed after the pandemic;***

96% of primary schools in North Tyneside are rated as good or outstanding by OFSTED, significantly higher than the national performance. 88% of secondary schools are rated as good or outstanding, which is in line with the national performance.

- ***We will provide outstanding children's social care services, events and facilities so North Tyneside is a great place for family life;***

The number of children subject to a child protection plan remains high at 257 during 2021/22. The number of children subject to a child protection plan increased during 2020/21 and demand has remained high in 2021/22. The number of contacts to Children's Safeguarding Services increased sharply in 2021/22 to 11,393 from 9,338 in 2020/21, bucking the previous trend of decreasing contacts year on year. 12.1% of children in care have experienced 3 or more placements, which is a significant increase compared to 8.3% in 2020/21, reversing the previous trend of performance improving since 2019.

- ***We will ensure all children are ready for school and that schools have an inclusive approach so that all of our children and young people have the best start in life.***

During 2021/22, 98.6% of children received a 2-2 ½ year development review and just over 84% meet the expected level in all 5 areas of the Ages and Stages Questionnaire (ASQ-3), which assesses how children are doing in relation to communication, physical ability, social skills and problem-solving skills. The ASQ-3 identifies where a child may need further support and a referral to health professionals.

Just over a third of (38%) of pupils with an education, health and care plan (EHCP) are educated in Special Schools, which is showing a decrease over time and is lower than

the proportion regionally (44%) and is only slightly higher than the proportion nationally at 35%. However, the number of EHCPs the authority maintains overall has continued to increase to over 2,000 plans and is high compared to national averages, which has led to the Authority submitting a High Needs Recovery Plan to the Department for Education (DfE) detailing how the Authority will reduce the funding deficit.

### **A caring North Tyneside**

- ***We will provide great care to all who need it, with extra support available all the way through to the end of the pandemic;***

During 2021/22, 86% people who received a short-term service during the year subsequently received either no ongoing support or support of a lower level, which is a slight improvement since 2020/21, is in line with regional performance and better than the national performance.

- ***We will work with the care provision sector to improve the working conditions of care workers;***

The Authority:

- Continued to increase fees to external social care providers that take account of the increase in the National Living Wage, this includes services such as care home, day care, supported living, outreach etc
- Recognised the additional pressures on home care and extra care services and included an added element in the fee increase calculation to allow providers to pay the Real Living Wage. This aims to support sufficiency in provision to support hospital discharge
- Continued to develop the Social Care Academy to support care providers and employees, also potential employees to get into care jobs in North Tyneside
- Recognised the work undertaken by the Home Care Study Group (a sub-group of the Adult Social Care and Health Scrutiny Sub-Committee) and endorsed the recommendations to support improvements in home care provision in North Tyneside

- ***People will be cared for, protected and supported if they become vulnerable, including if they become homeless;***

The number of residents presenting as homeless and being accepted as priority homeless is increasing. During 2021/22, 622 households presented as homeless, which is an increase of 42% compared to 2020/21. Out of those 622 households, only 32 (5%) were accepted as priority homeless during 2021/22, which is consistent to the previous year.

In North Tyneside, the rate of emergency admissions due to falls in people aged 65 and over is significantly higher than the rate across the region and nationally. 3,057 residents per 100,000 in North Tyneside compared to 2,311 across the North-East and 2,023 across England.

- ***We will support local community groups, carers and young carers and the essential work they do; and***

The Authority continues to work with VODA as the North Tyneside Infrastructure Organisation for Voluntary, Community and Social Enterprise (VCSE) sector organisations in North Tyneside. Recent cross-sector initiatives include:

- Opened the Spirit of North Tyneside hub at Wallsend Customer First Centre as an incubation hub for the VCSE sector in North Tyneside.
- The development of Living Well North Tyneside <https://www.livingwellnorthtyneside.co.uk/>- an online directory of local services, support and event, which ensures all groups can have a digital presence and residents can find out what is happening across the borough.
- Delivered a £400,000 grant fund for VCSE sector organisations working in North Tyneside, created in partnership with North Tyneside Clinical Commissioning Group (CCG). 15 organisations have been successful in securing funding on projects that will take place over the next 18 months. All projects have also helped in the development of an outcomes framework that will help to monitor this success of the various initiatives and feed this learning into the Equally Well strategy.
- Worked on the development of the “Volunteero” app to help match volunteers to the needs of local communities
- Piloted a leadership programme for VCSE sector CEOs
- Supported volunteers to take on roles welcoming Ukrainian families to the borough
- Celebrated the role of volunteers during the pandemic as part of the opening on the memorial compasses.
- Undertaken an engagement exercise with VCSE organisations across North Tyneside and their beneficiaries to help identify further actions that can be taken to realise the vision set out in the Equally Well Strategy
- Created a free online adult safeguarding training course specific to the VCSE sector

Work continues to link capacity and needs within the business and VCSE sectors via the Sector Connector project and to increase digital skills within the VCSE sector and with beneficiaries. Initiatives about to begin include:

- Looking at further ways the VCSE can support residents with the cost of living crisis
- VCSE Tour/Safari
- Democracy workshop
- Keep Warm hubs
- Developing a new Grow and Eat post to support VCSE organisations with work around food production and the use of green spaces

- ***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.***

This priority aligns with the overarching aim of the Authority’s Equality and Diversity Policy, which is to ensure ‘North Tyneside becomes a place where people feel safe and no one experiences discrimination or disadvantage because of their characteristics, background or personal circumstances’. This aim is underpinned by commitments including to:

- proactively embed equality and diversity considerations in everything we do and challenge others to do the same
- not tolerate discrimination, harassment and victimisation on any grounds, and take action against it.
- create an environment where people are confident to be themselves
- take account of, and respond to, the needs of residents and customers
- undertake Equality Impact Assessments (EIA’s) to inform decision making
- strive to make our workforce more representative of the borough’s population.

These commitments are being delivered through the Authority’s Embedding Equality Programme. Since it launched in September 2021, the programme has introduced

initiatives including: development of a new Equality Impact Assessment template and training; a stocktake of equality practice in all service areas; an update of the Authority's accessibility statement for inclusion in letters and publications; continued to update workforce policies and procedures, additional training and support on reasonable adjustments; implementation of a programme of improvements following the accessibility audits undertaken on 32 Authority buildings and planned further audits; a new Menopause Policy and training; preparation for the creation of two new changing places toilet facilities in Whitley Bay and North Shields; and engagement with hundreds of visitors to our stall at UK Pride in Newcastle.

### **A green North Tyneside**

- ***We will keep increasing the amount of waste that can be recycled and introduce food waste collections and deposit return schemes;***

The recycling rate in North Tyneside remains consistent at 38% of household waste sent for reuse, recycling and composting during 2021/22. The proportion of waste sent to landfill during 2021/22 was just above 4%. Waste management during the COVID-19 pandemic was challenging as the level of waste collected by the Authority during the period increased significantly as residents spent a lot more time at home and there was significantly less waste being generated by businesses and restaurants.

- ***Council environmental hit squads will crack down on littering;***

The Environmental Hit Squad were established in 2019 to target specific areas where litter and fly tipping were reported and due to demand the team has increased capacity. The team are used 4-5 times per day and average around 900 kg per day in uplift of fly tipping across the borough.

The number of fixed penalty notices issued for littering and fly tipping remains consistent compared to the previous year. There have been 68 fixed penalty notices issued for littering and fly tipping offences between April 2021 and January 2022, compared to 69 the previous year. More than half of all fixed penalty notices issued for environmental issues are in relation to litter and fly tipping offences.

- ***We will secure funding to help low-income households to install low-carbon heating;***

£8m funding has been secured from the Green Homes Grant Local Delivery Scheme to install low carbon heating, energy efficiency measures and renewable energy systems in over 500 homes with low-household incomes. To date measures have been installed in 260 homes so far.

- ***We will increase opportunities for safe walking and cycling, including providing a segregated cycleway at the coast; and***

72.1% of adults in North Tyneside walk or cycle at least once a week, which is showing an upward trend and is slightly higher than the proportion regionally and nationally. 13.1% of adults in North Tyneside cycle at least once a week, compared to 11.6% of adults in England and 9.8% adults in Tyne and Wear.

- ***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.***

In July 2019, Full Council declared a Climate Emergency to reduce the carbon footprint of the Authority and the Borough by 50% by 2023 and become carbon neutral by 2050. Subsequently, in acknowledgement of the gravity and urgency of the Climate Emergency, the refreshed Our North Tyneside Council Plan 2021-25, approved by full Council in September 2021, included the following ambition;

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

The carbon footprint of Authority operations has decreased by 53% against the baseline year in 2010/11, well in advance of the 2023 target of 50%.

The carbon footprint of the Borough has decreased by 47% between 2005 and 2020 and by 51% when accounting for population growth.

The most recent data shows that the respective carbon footprints are:

- Authority – 14,111 tonnes of CO2
- Borough – 767,177 tonnes of CO2

In August 2022, Cabinet approved the Carbon Net-Zero 2030 Action Plan. This was shaped by a range of consultation activities and aligned to key Government strategies, policies and plans in order to realise the emerging opportunities for decarbonisation and economic growth. A range of carbon reduction and offsetting projects are being delivered, including the installation of low carbon heating systems, energy efficiency equipment and renewable energy systems in Council buildings and residents homes, the electrification of the Council's vehicle fleet, investment in sustainable transport and the creation of a North-East Community Forest.

## **1.6 Decision options:**

Cabinet is not being asked to make a decision but rather to note the progress that has been made in delivering the updated objectives of the 'Our North Tyneside Plan 2021-2025'.

## **1.7 Appendices:**

Appendix 1: Our North Tyneside Performance Report

## **1.8 Contact officers:**

Jacqueline Laughton, Assistant Chief Executive and Director of Corporate Strategy and Customer Service, tel. (0191) 643 5724

Pam Colby, Senior Manager - Policy, Performance and Research, tel. (0191) 643 7252

David Dunford, Senior Business Partner, Strategic Finance, tel. (0191) 643 7027

## **1.9 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) [Our North Tyneside Plan 2021-2025](#)
- (2) [Council Plan Refresh - Report to Council 23 September 2021](#)
- (3) [2021 Residents Survey Report](#)

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

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

Any financial implications arising as a result of project slippage will be reported to Cabinet as part of the regular Financial Management reports to Cabinet.

### **2.2 Legal**

There are no direct legal implications arising from this report.

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

#### 2.3.1 Internal Consultation

The Deputy Mayor, as Cabinet lead for Performance, along with Cabinet colleagues and the Senior Leadership Team review the latest performance information on a monthly basis and take action as required.

#### 2.3.2 External Consultation/Engagement

The Our North Tyneside Plan was developed following extensive public engagement. The Overview, Scrutiny and Policy Development Committee and the North Tyneside Strategic Partnership were also consulted on the plan and approach for performance managing the plan.

### **2.4 Human rights**

There are no Human Rights implications arising from the report.

### **2.5 Equalities and diversity**

Where relevant, actions delivered under the Our North Tyneside Plan 2021-2025 seek to ensure that due regard is given to the requirements of the Public Sector Equality Duty under the Equality Act 2010.

### **2.6 Risk management**

The performance management report enables the Cabinet to monitor progress against the Council's ambitions so that any slippage can be identified and addressed. Individual pieces of work are managed within the Council's risk management framework.

### **2.7 Crime and disorder**

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

## 2.8 Environment and sustainability

There are no environmental and sustainability implications arising from this report, however a number of environmental and sustainability performance measures are included within the Green North Tyneside section of the performance report.

### PART 3 - SIGN OFF

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

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# Our North Tyneside Performance Report



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August 2022. Produced by Policy, Performance and Research

# **A Thriving North Tyneside**

# Regenerate High Streets

North Shields Vacancy Rate  
01/06/2022

**19%**

Wallsend Vacancy Rate  
01/06/2022

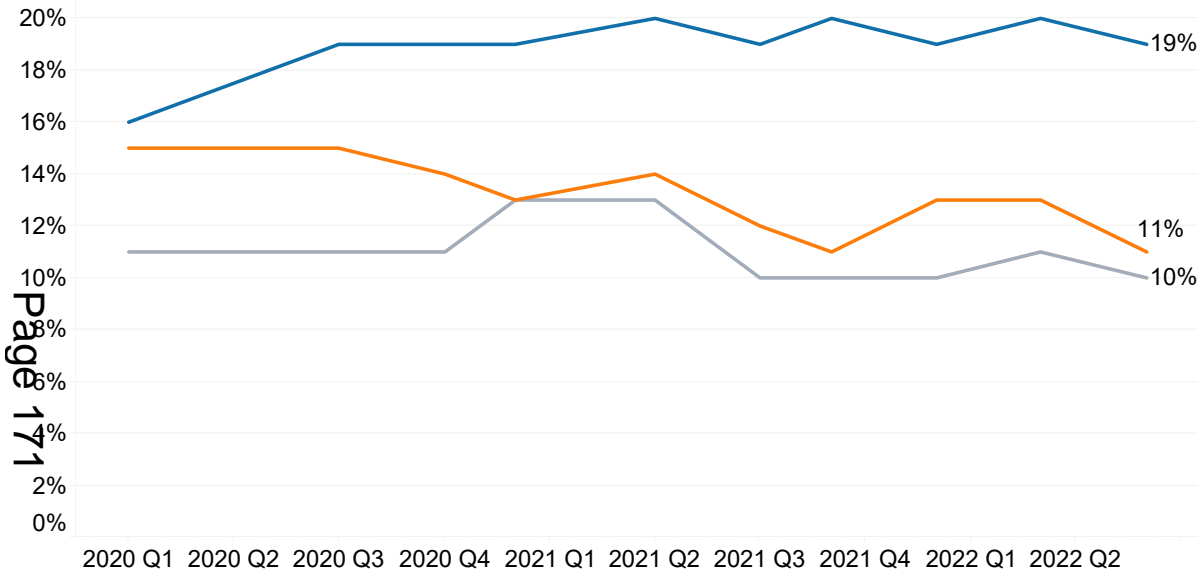
**11%**

Whitley Bay Vacancy Rate  
01/06/2022

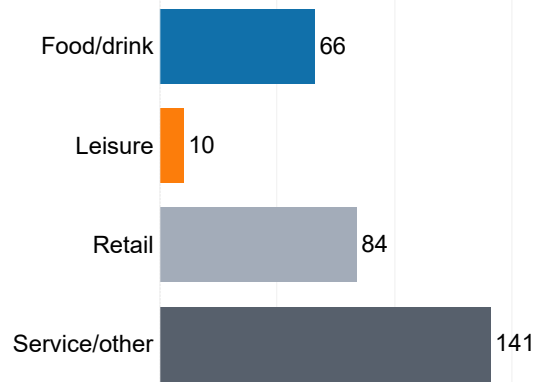
**10%**

■ North Shields    ■ Wallsend    ■ Whitley Bay

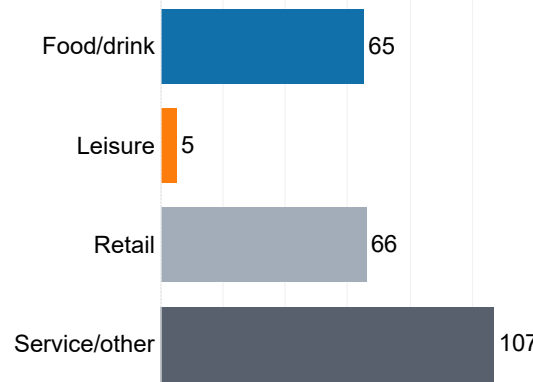
## Town Centre Vacancy Rate



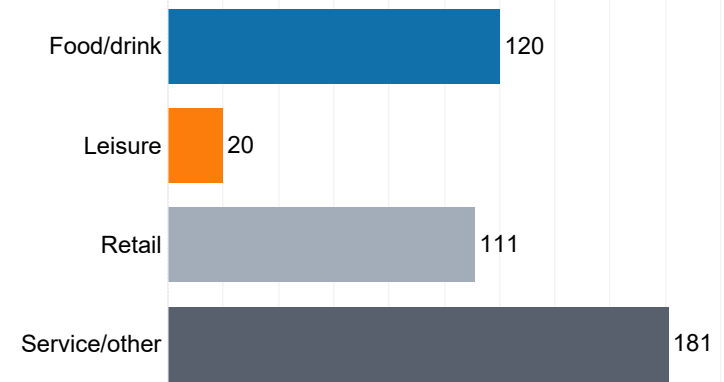
## North Shields Town Centre Businesses



## Wallsend Town Centre Businesses



## Whitley Bay Town Centre Businesses



# More good quality jobs

Total small business starts  
2021/22

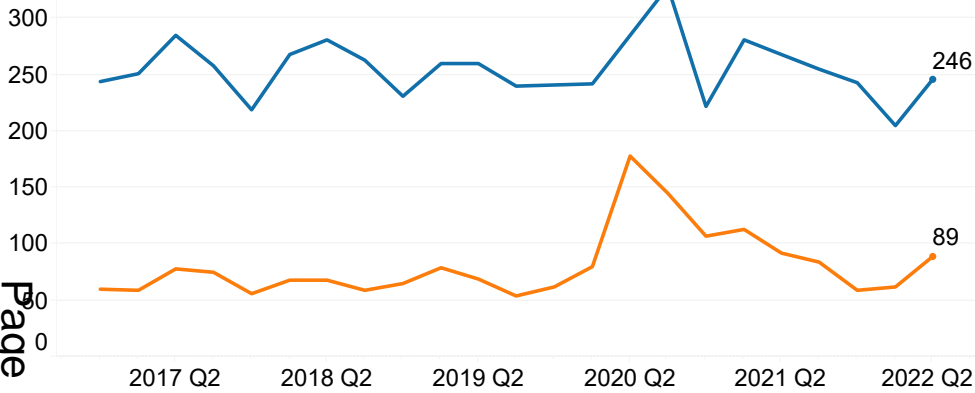
**971**

Sole trader business starts  
2021/22

**297**

Small business starts

■ total  
■ sole traders



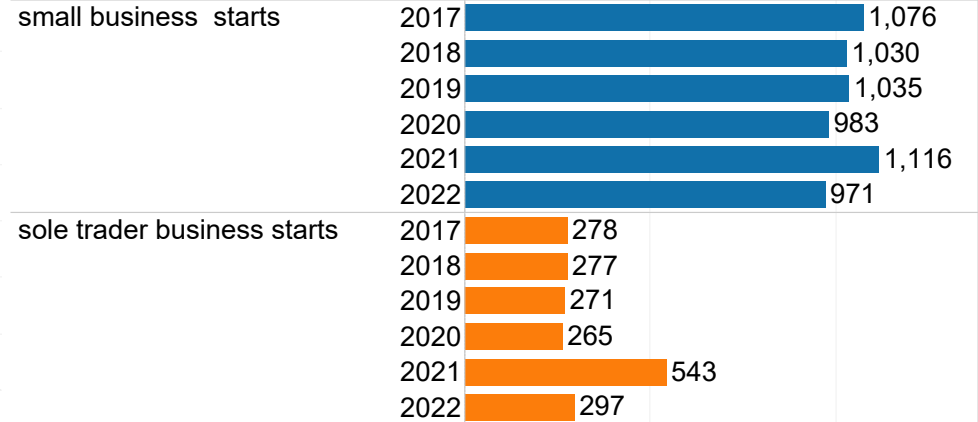
Jobs in North Tyneside  
2020

**89,000**

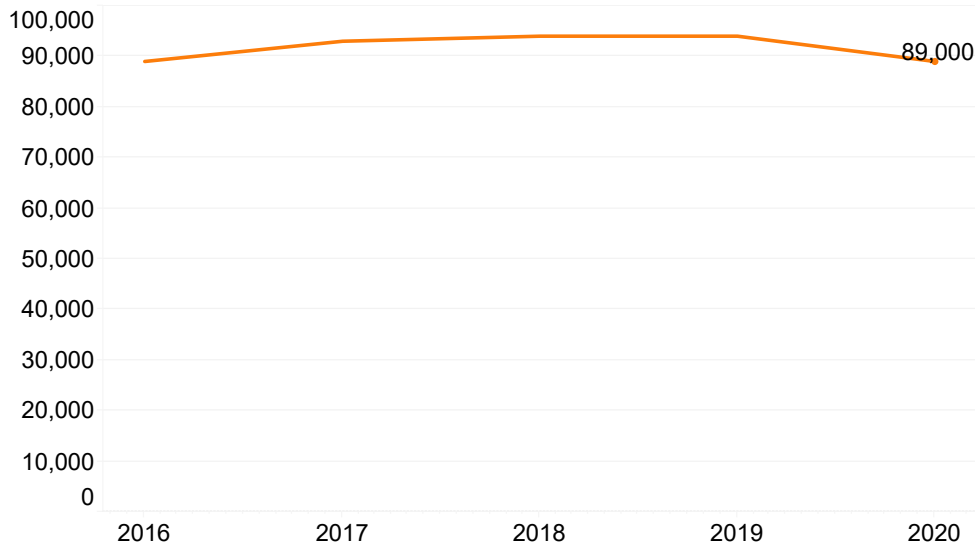
% new businesses surviving 1st year  
2020

**92%**

Small business starts - financial year end

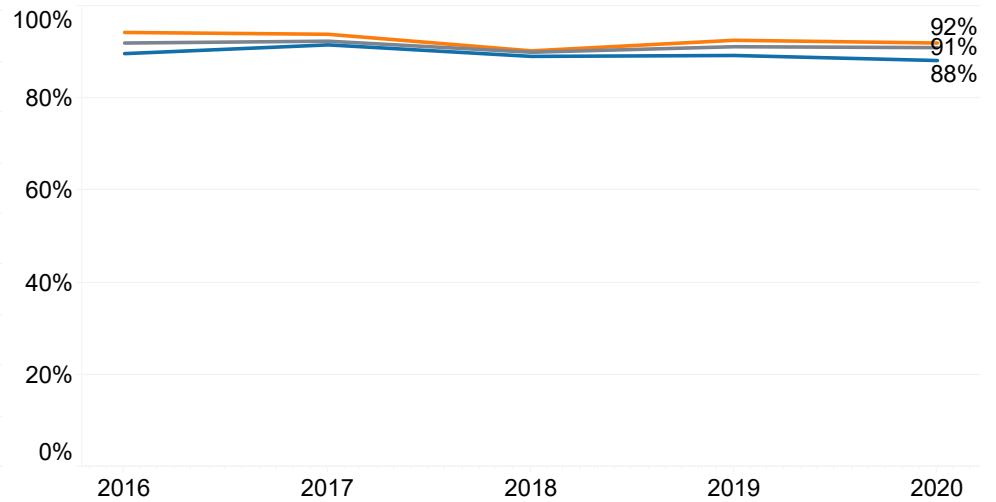


Jobs in North Tyneside



■ England    ■ North East    ■ North Tyneside

New businesses surviving for one year after being started



# Invest in Adult Education

% 16-17 year olds NEET 2022

Post KS5 (A Level) - % work, education or training 2020

Level 1 (intermediate) apprenticeships 2021

Level 2 (advanced) apprenticeships 2021

Level 3 (higher) apprenticeships 2021

Skills shortage vacancies as a % of all vacancies 2019

**4.4%**

**86.6%**

**370**

**700**

**420**

**12%**

■ England

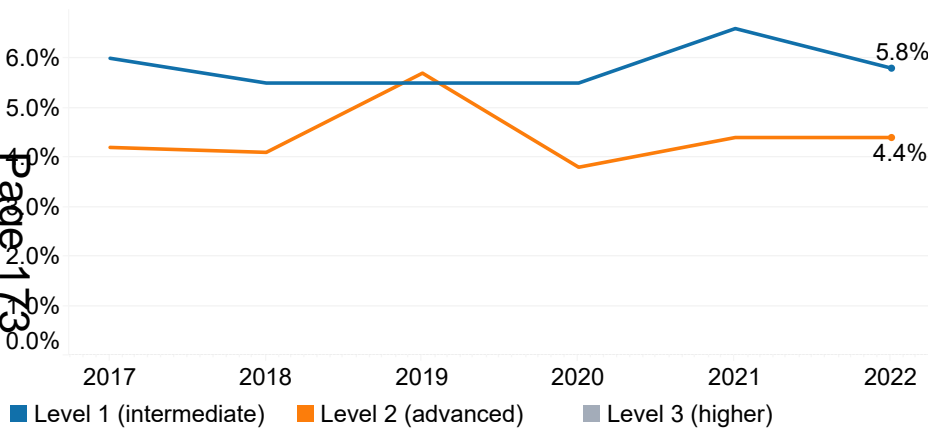
■ North Tyneside

■ England

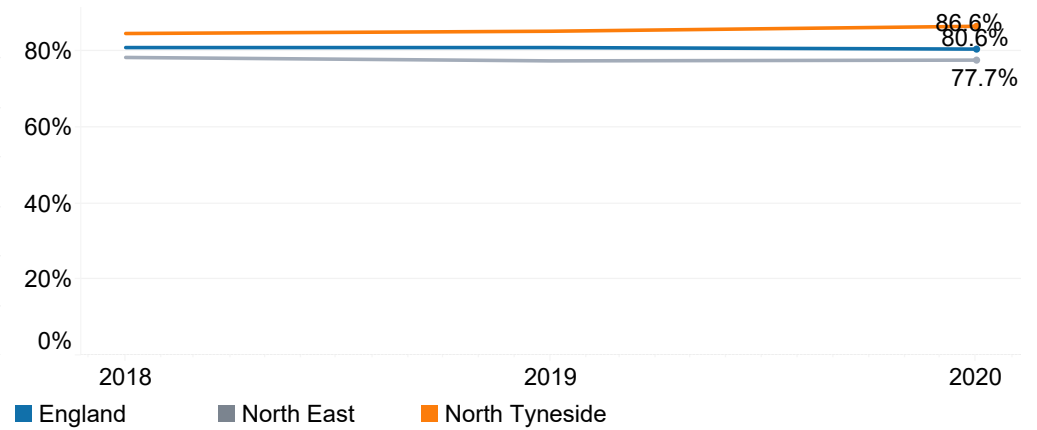
■ North East

■ North Tyneside

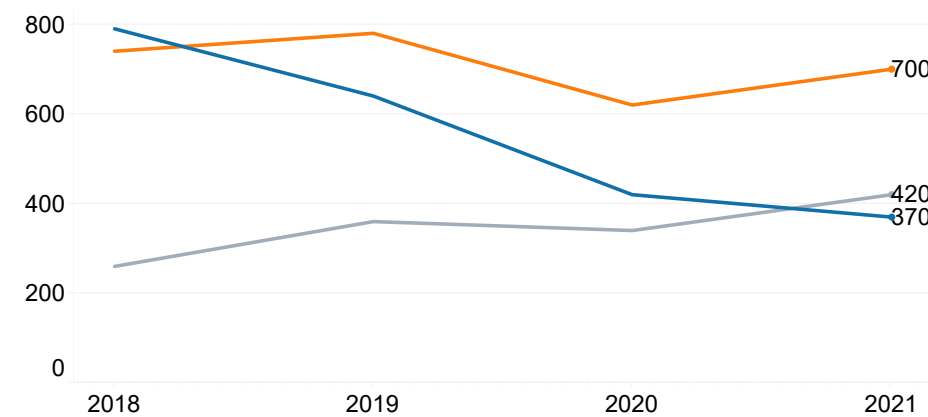
Proportion of 16-17 year olds Not in Education, Employment or Training (NEET)



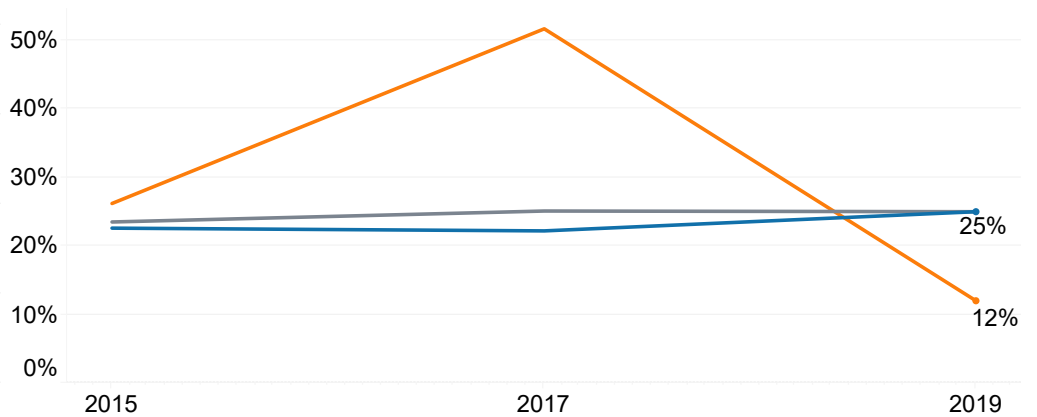
Positive destination, post Key Stage 5 (A level) - proportion in work, education or training



Number of apprenticeships starts in North Tyneside



Skills shortage vacancies as a proportion of all job vacancies



# Keep libraries and leisure centres open

Customer First Centre visits  
2021/22

**565,178**

Branch Library visits  
2021/22

**70,439**

Satisfaction with libraries  
2021

**56%**

Satisfaction with sport and leisure  
2021

**61%**

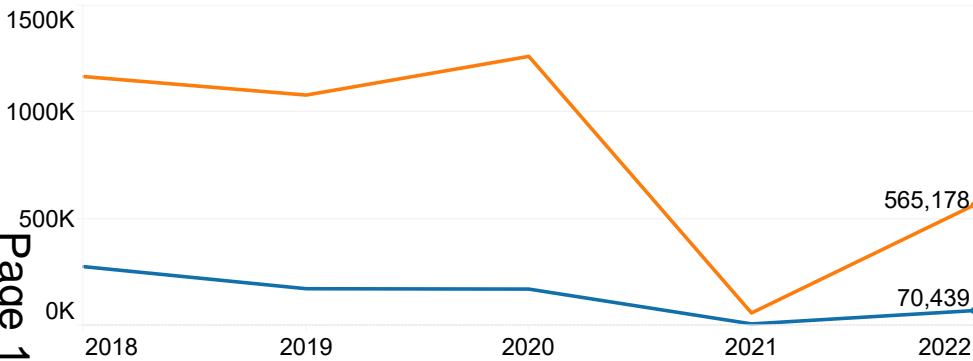
Sports and Leisure visits  
2021/22

**1,008,671**

- Branch Library Visits
- Customer First Centre Visits

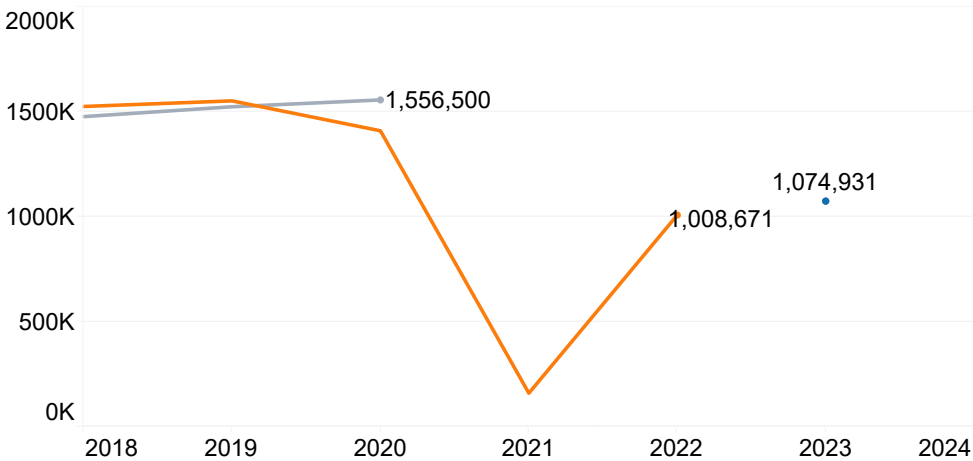
- Local Government Association benchmark
- North Tyneside

Customer First Centre and branch library visits in North Tyneside

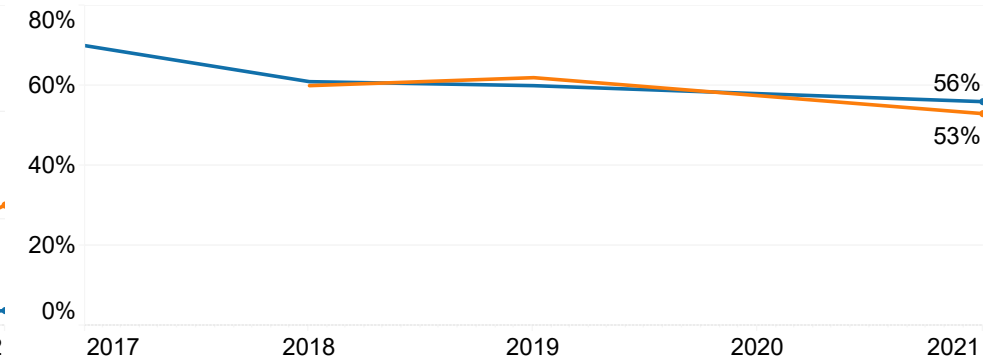


- Sport and Leisure Visits
- Sport and Leisure Visits Target
- Sport and Leisure Visits Target (pre-Covid-19)

Sports and leisure facility visits in North Tyneside

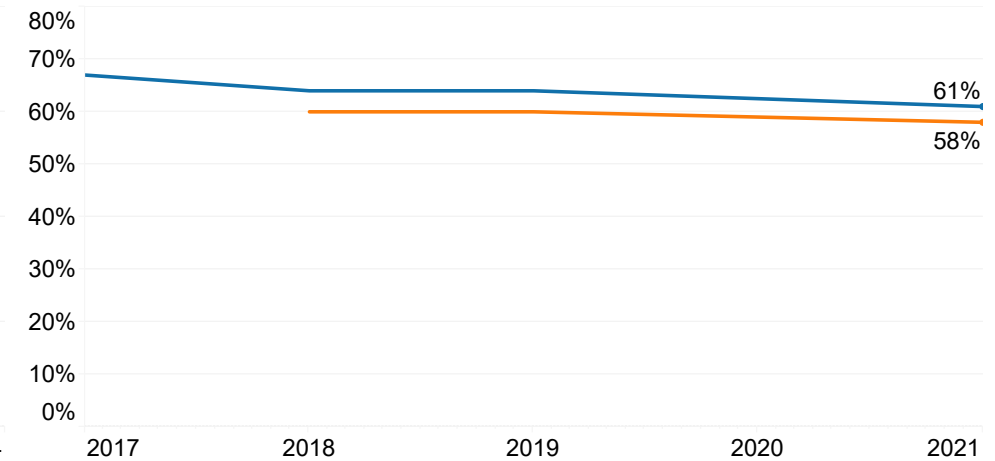


Satisfaction with library facilities



- Local Government Association benchmark
- North Tyneside

Satisfaction with sports and leisure facilities (includes swimming pools)



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# Destination of choice

Day visits and overnight stays  
2020

**3.23M**

% visitor satisfaction  
FY 2019

**95%**

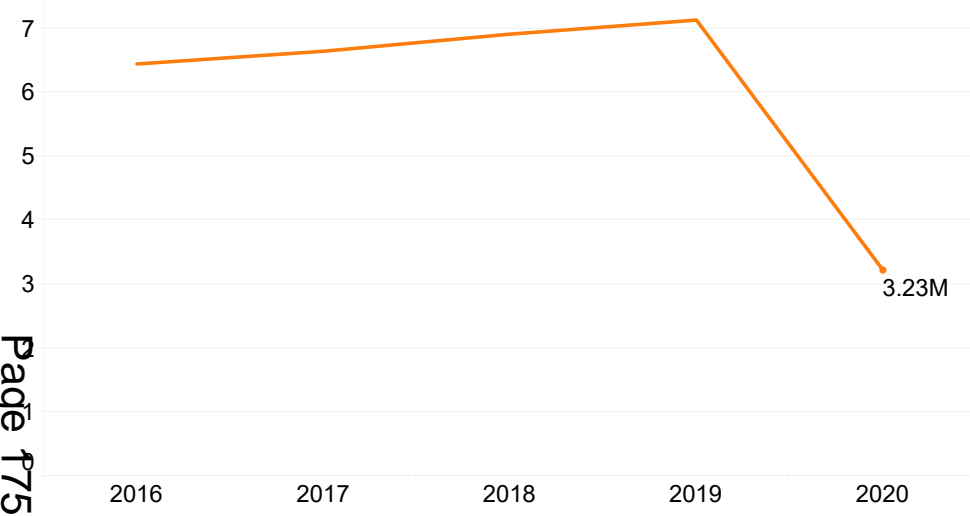
Satisfaction with beaches  
2021

**83%**

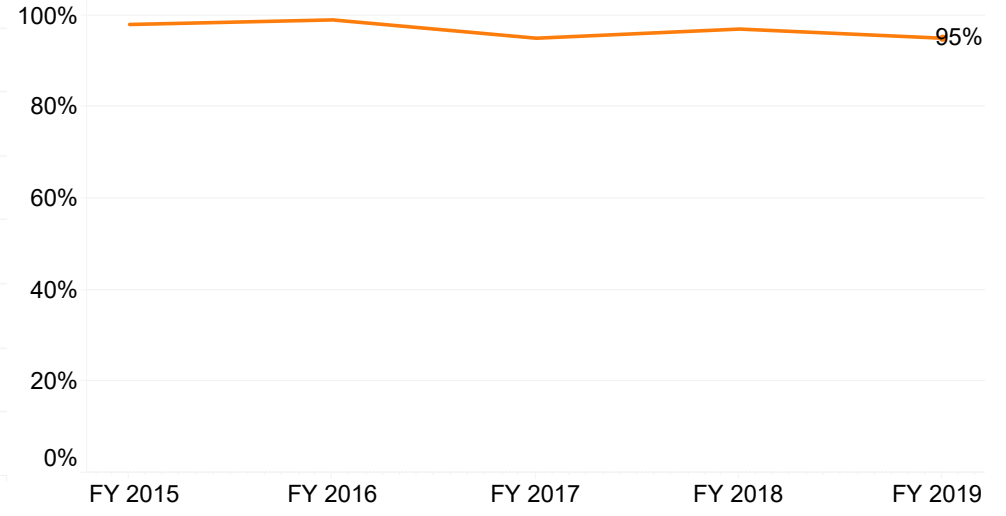
Satisfaction with parks and  
green spaces  
2021

**70%**

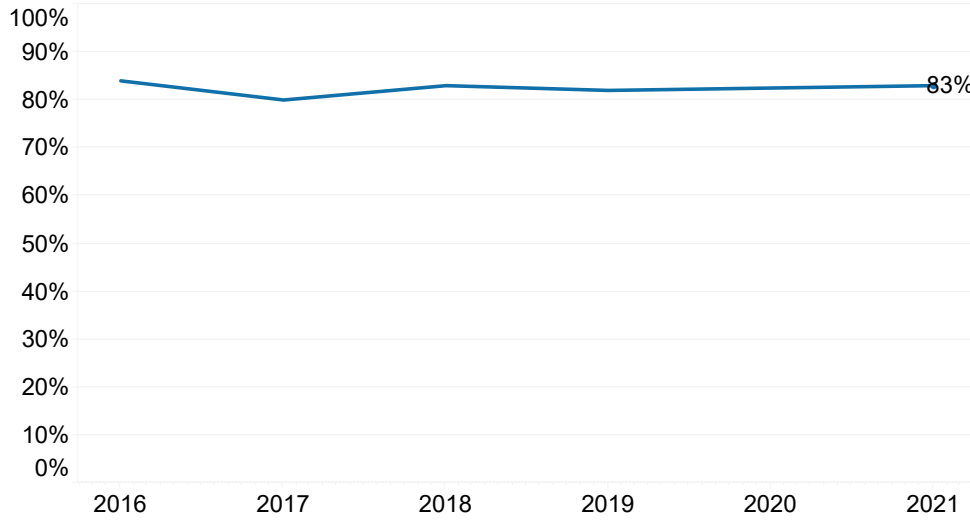
Number of day visits and overnight stays to North Tyneside (millions)



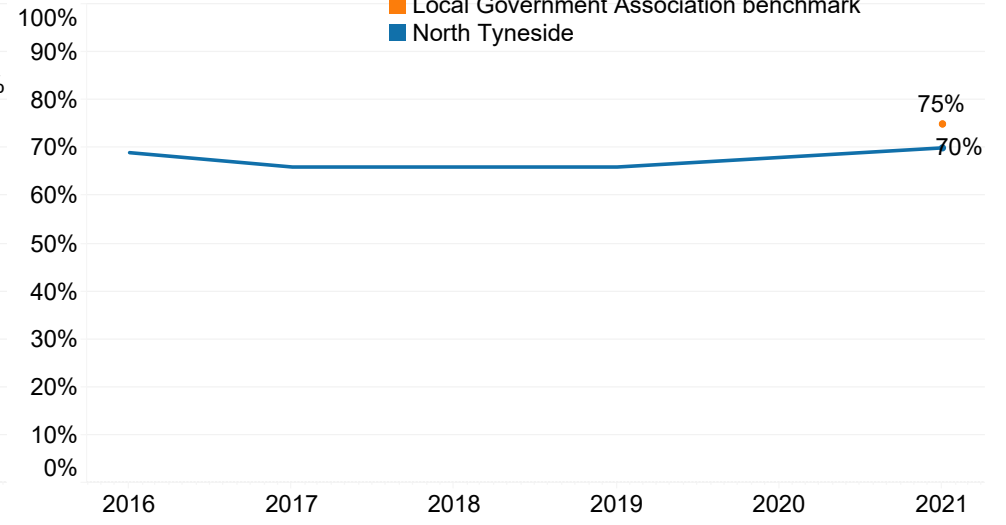
Proportion of visitors to North Tyneside who were satisfied



Satisfaction with beaches



Satisfaction with parks and green spaces

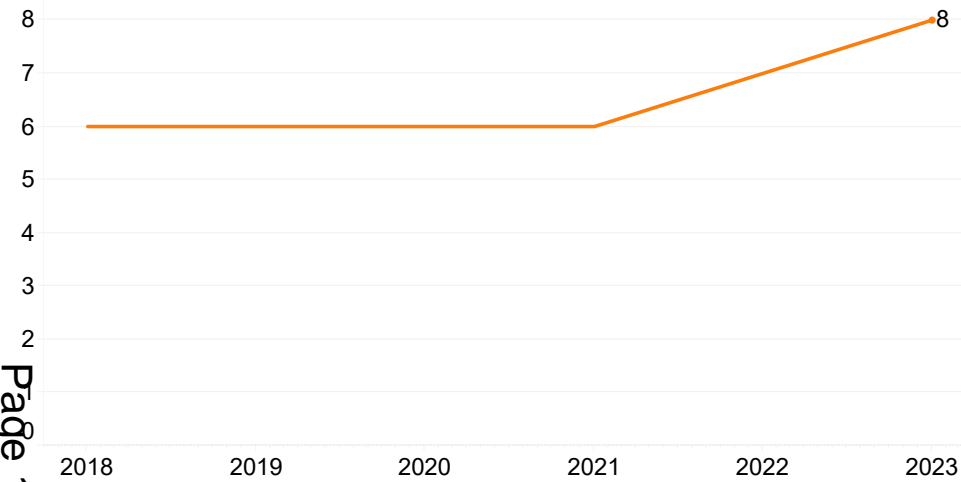


# Destination of choice & Reduce derelict properties

Green Flag Awards  
2022/23

**8**

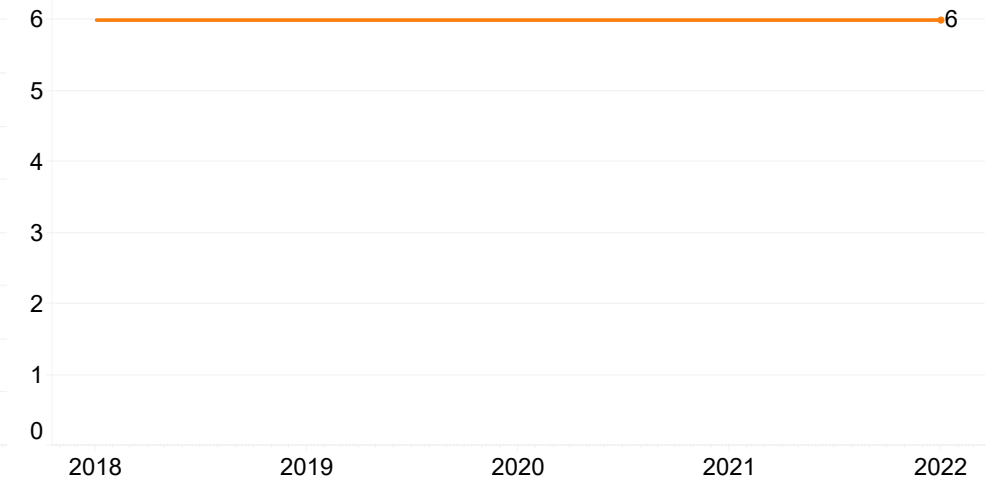
Green Flag Awards achieved



Blue Flag and Seaside Awards  
2021/22

**6**

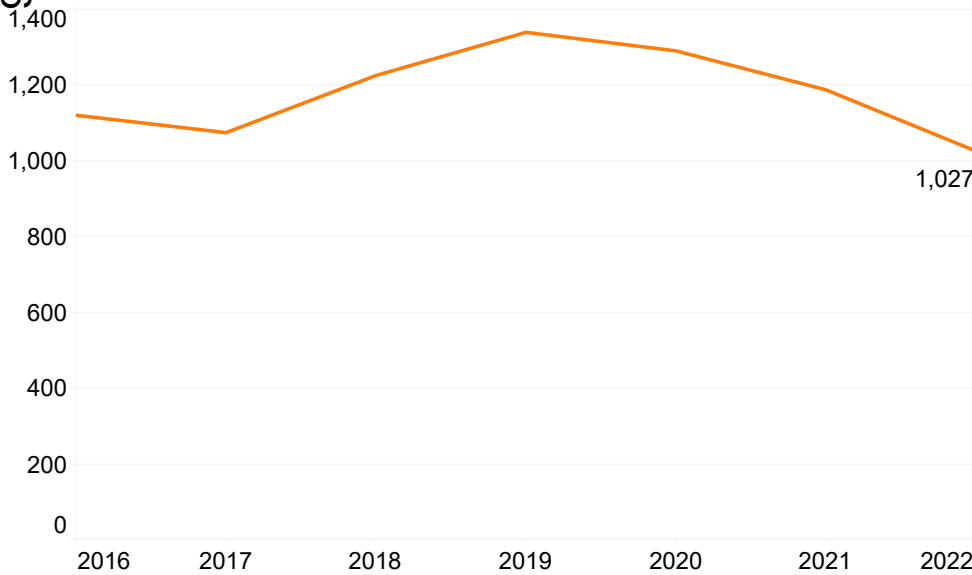
Blue Flag and Seaside Awards achieved



Long term vacant dwellings  
2021/22

**1,027**

Long term vacant dwellings in North Tyneside





# A Secure North Tyneside

# Prevent and tackle anti-social behaviour

ASB reported to Community and Public Space Protection Team  
Q1 2022

ASB reported to Northumbria Police at a rate of 1,000 population  
Q1 2022

% residents who feel safe outside during the day  
2021

% residents who feel safe after dark  
2021

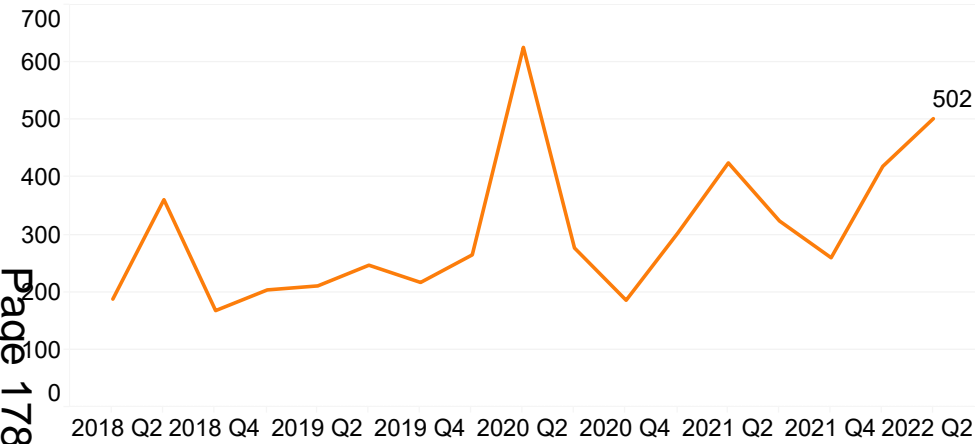
**502**

**2.635**

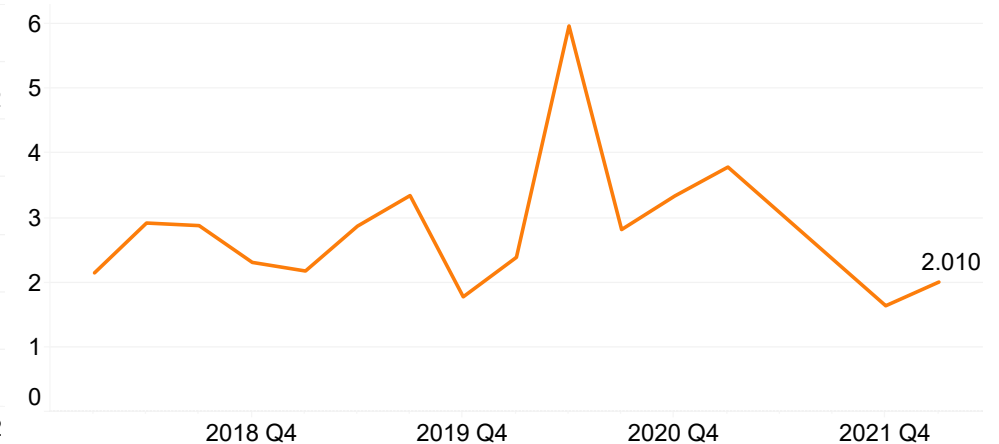
**89%**

**45%**

Anti-social behaviour incidents reported to Community and Public Space Protection Team

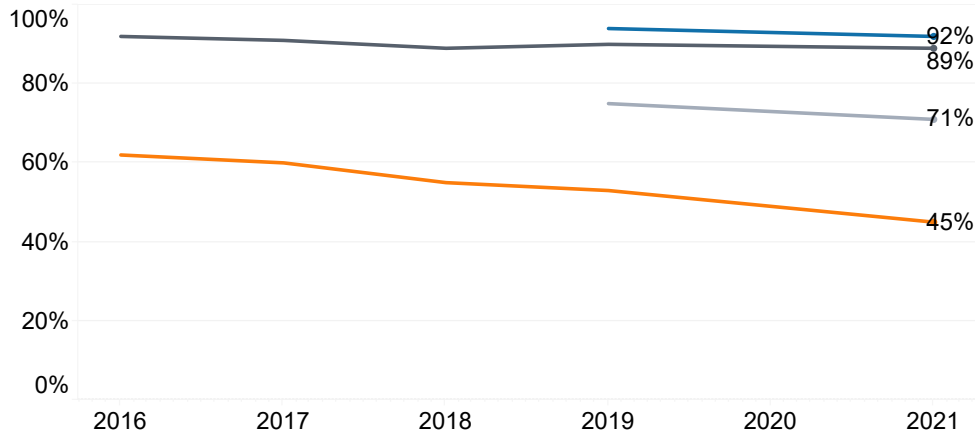


Anti-social behaviour incidents reported to Northumbria Police at a rate of 1,000 population



■ During the day - LGA benchmark    ■ After dark - LGA benchmark  
■ During the day - North Tyneside    ■ After dark - North Tyneside

Proportion of residents who feel safe outside in their local area



# Invest in roads and pavements

% principal roads where maintenance should be considered 2020/21

% non-principal roads where maintenance should be considered 2020/21

% residents satisfied with road maintenance 2021

% residents satisfied with pavement maintenance 2021

**2.0%**

**2.0%**

**28%**

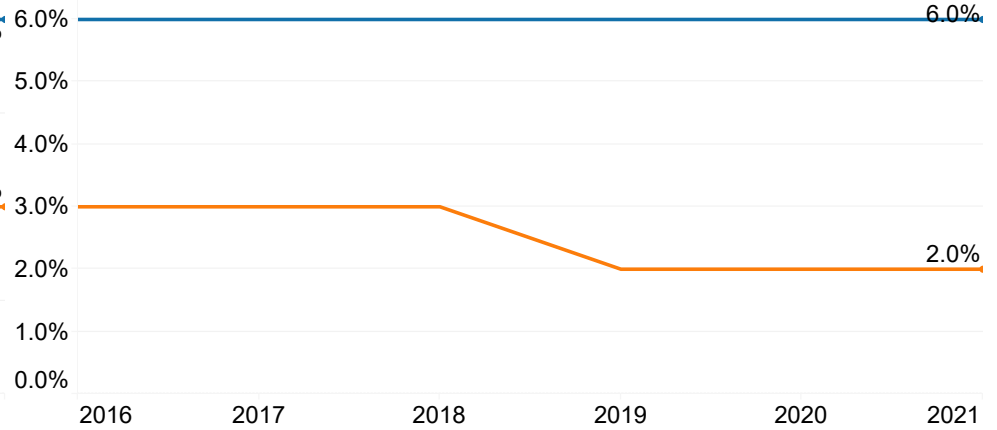
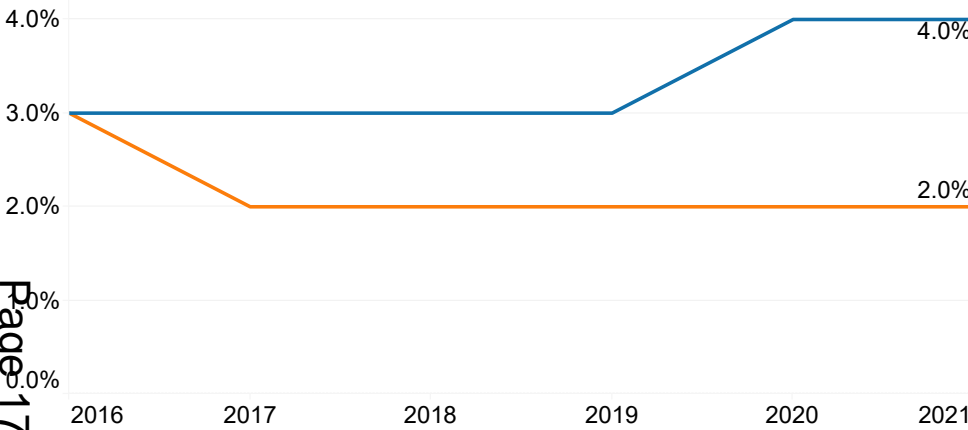
**23%**

Local authority managed classified roads where maintenance should be considered - principal

■ England ■ North Tyneside

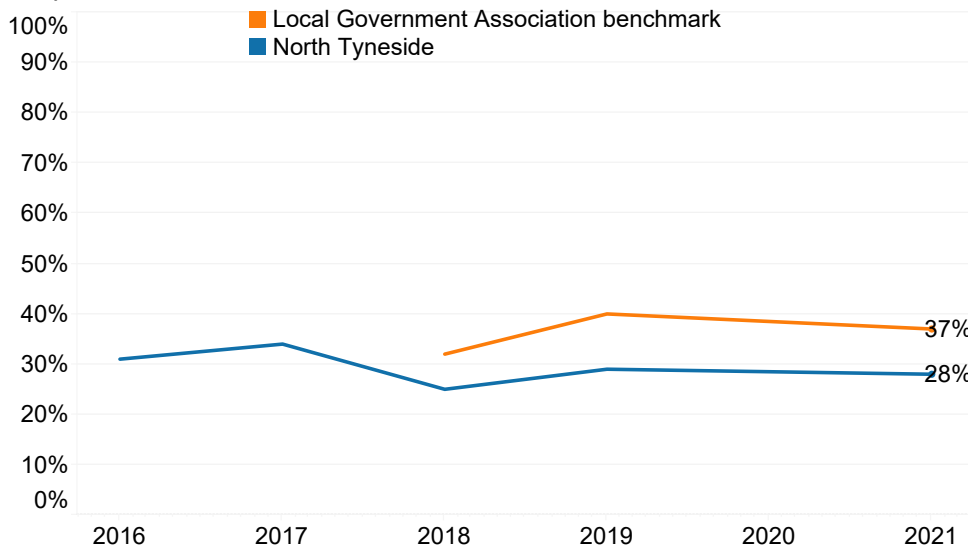
Local authority managed classified roads where maintenance should be considered - non- principal

■ England ■ North Tyneside



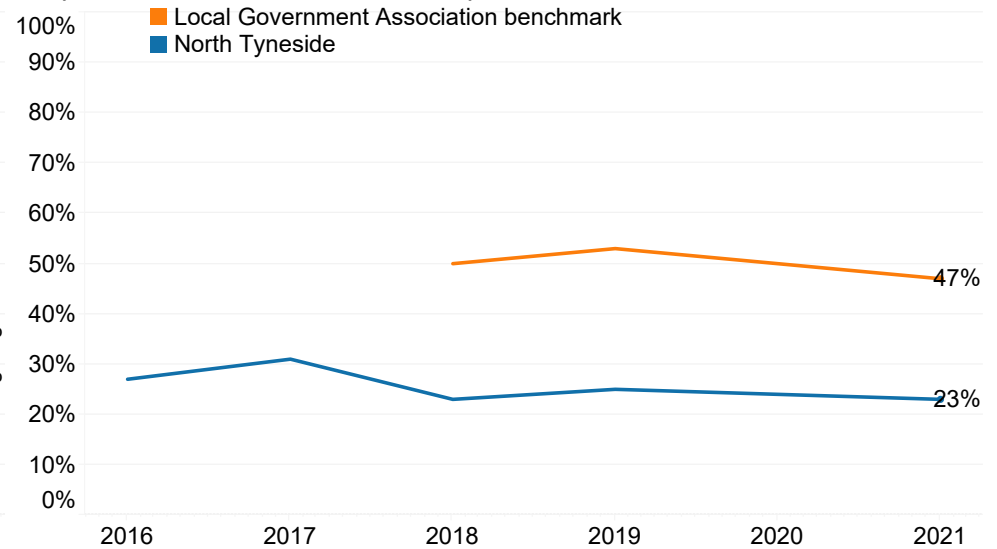
Proportion of residents satisfied with road maintenance

■ Local Government Association benchmark ■ North Tyneside



Proportion of residents satisfied with pavement maintenance

■ Local Government Association benchmark ■ North Tyneside



# Tackle health & socio-economic inequalities & Provide 5,000 affordable homes

Inequality in female life expectancy at birth (years) 2018-20

**9.9**

Inequality in male life expectancy at birth (years) 2018-20

**11.4**

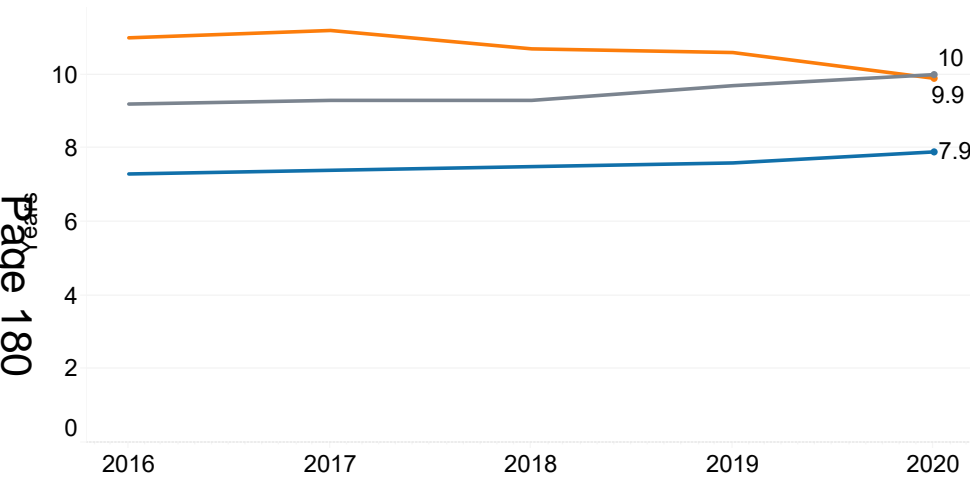
Affordable homes delivered 2022

**1,930**

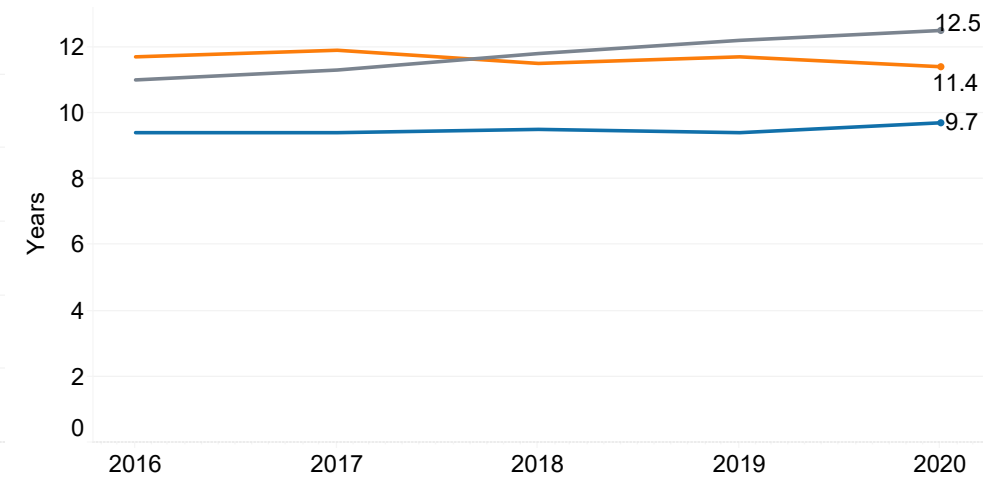
■ England ■ North East ■ North Tyneside

■ England ■ North East ■ North Tyneside

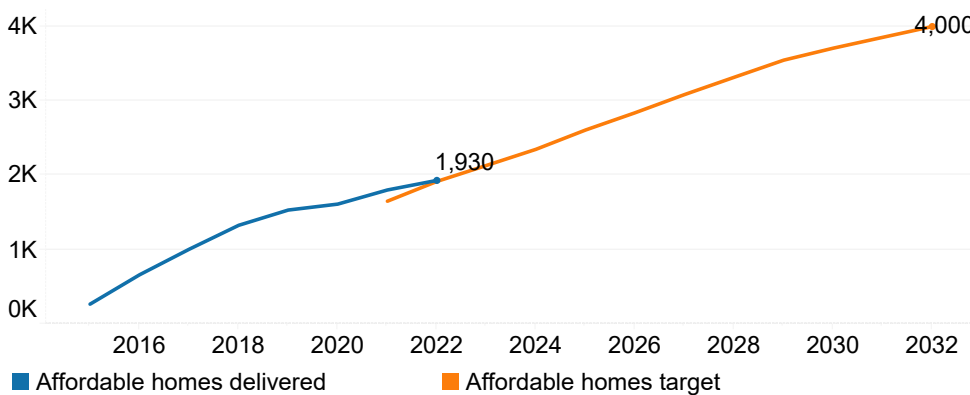
Inequality in life expectancy at birth (female)



Inequality in life expectancy at birth (male)



Affordable homes delivered (cumulative)



■ Affordable homes delivered ■ Affordable homes target

# Tackle health & socio-economic inequalities

No. of children in relative low income families financial year ending 2021

% children in relative low income families financial year ending 2021

No. of children in absolute low income families financial year ending 2021

% children in absolute low income families financial year ending 2021

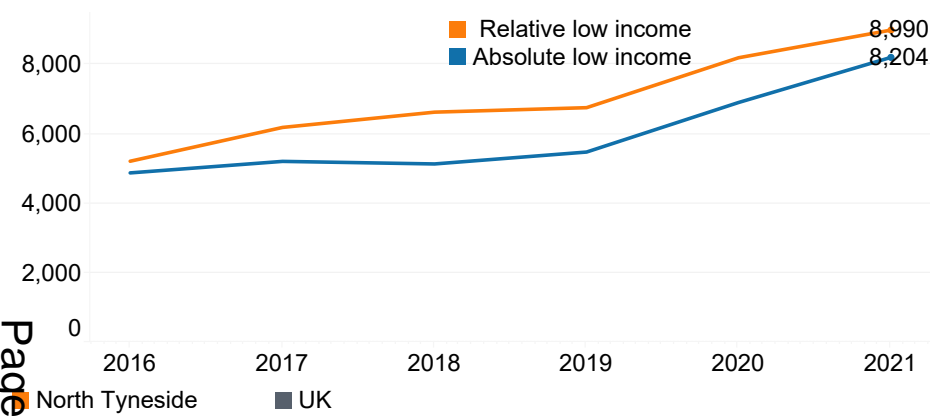
**8,990**

**23.9%**

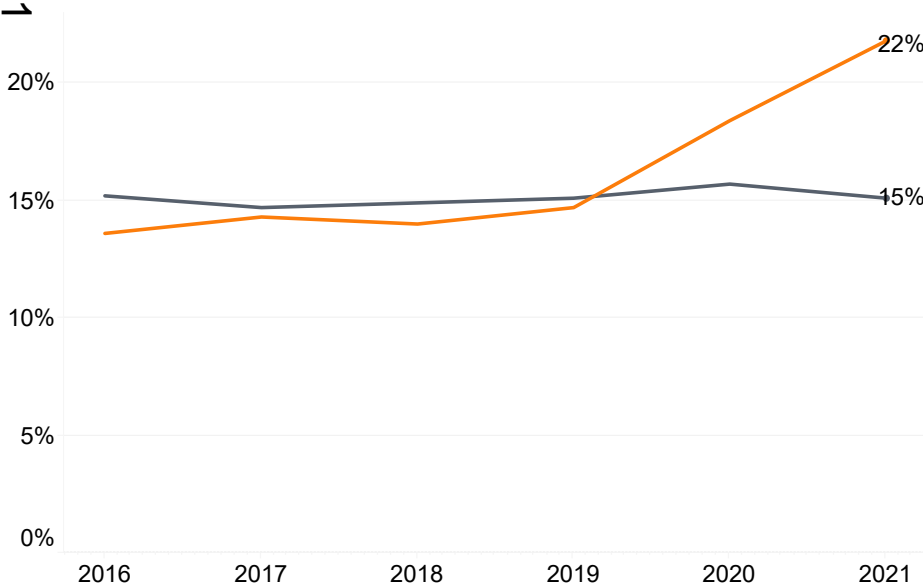
**8,204**

**21.8%**

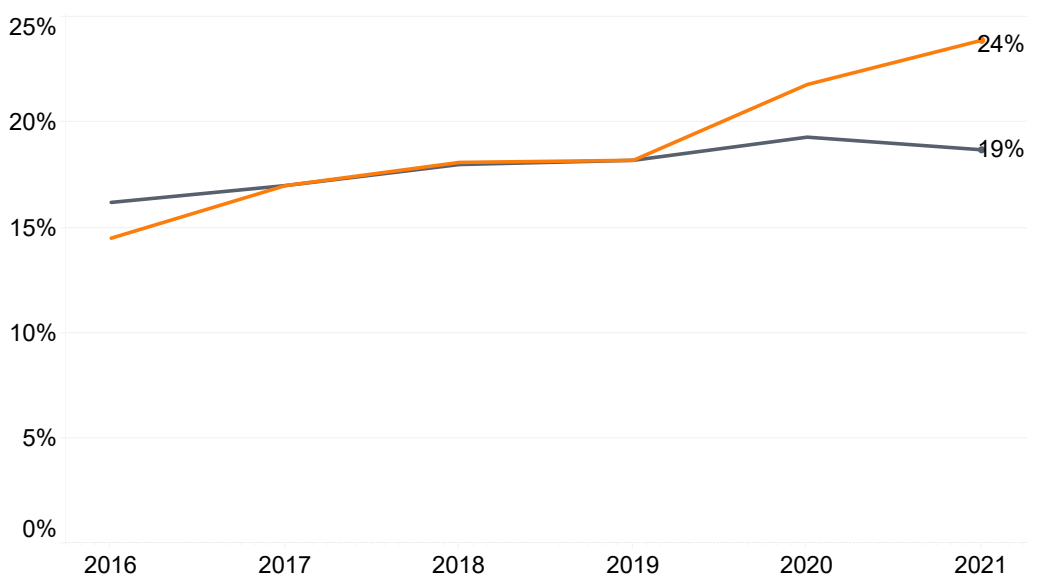
Children in families in low income



Children in families in absolute low income



Children in families in relative low income



# **A Family Friendly North Tyneside**

# Support local schools

% Primary Schools rated Good or Outstanding 2022

**96.0%**

% Secondary Schools rated Good or Outstanding 2022

**88.0%**

% pupils with an EHCP educated in Special Schools 2022

**38.3%**

KS2 Expected Level of Reading, Writing and Maths gap 2019

**-19%**

Progress 8 gap between disadvantaged pupils and peers 2019

**-0.91**

% Pupils achieving Basics in KS4 English and Maths 2019

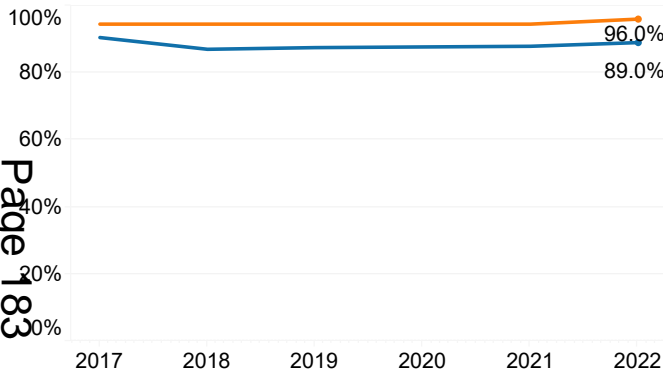
**63.0%**

■ England ■ North Tyneside

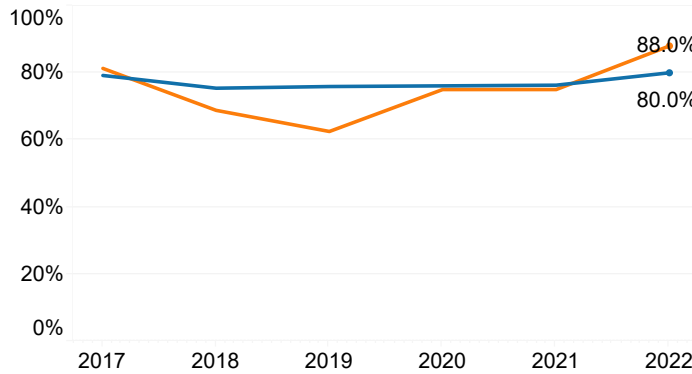
■ England ■ North Tyneside

■ England ■ North East ■ North Tyneside

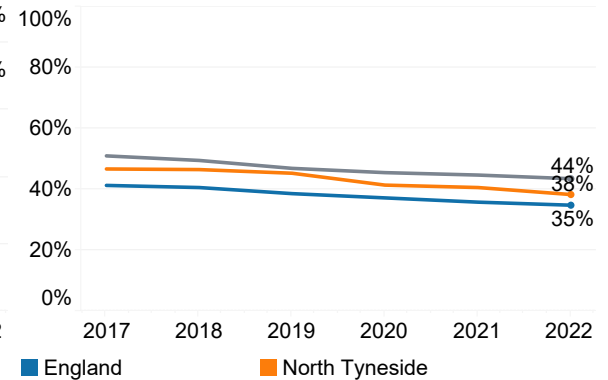
Proportion of Primary Schools rated Good or Outstanding by OFSTED



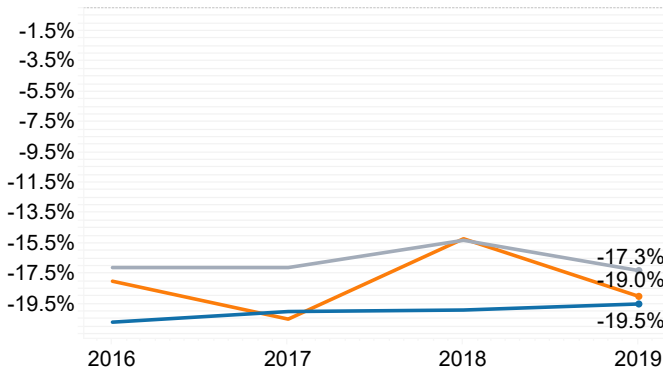
Proportion of Secondary Schools rated Good or Outstanding by OFSTED



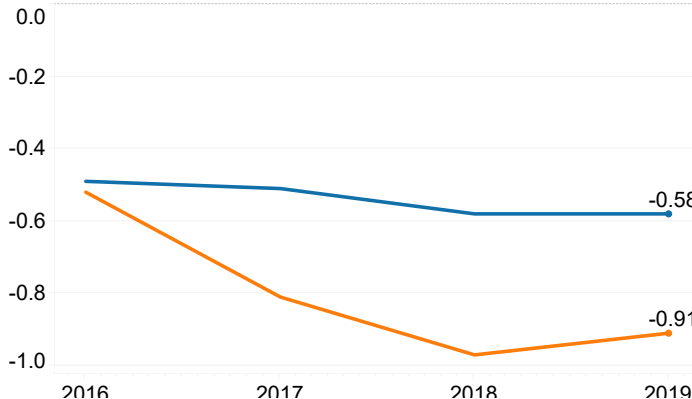
Proportion of pupils with an education, health and care plan (EHCP) educated in Special Schools



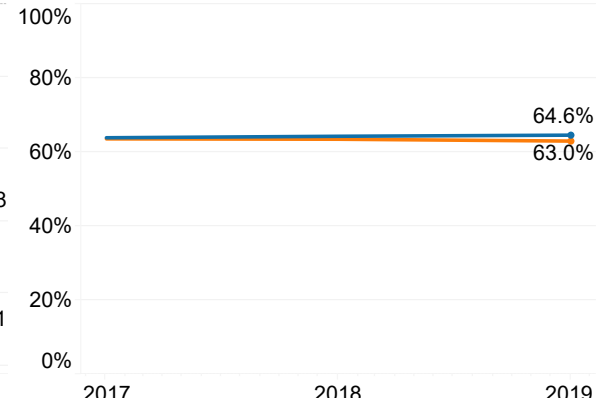
Gap between disadvantaged pupils and non-disadvantaged pupils reaching the Expected Level in Reading, Writing and Maths at Key Stage 2



Progress 8 gap between disadvantaged pupils and their peers (mean average gap)



Proportion of pupils achieving Basics (A\* to C/9 to 4) in English and Maths at Key Stage 4



# Provide outstanding children's social care

Children subject to a child protection plan  
2021/22

**257**

Children in Care Stability - 3 or more Placements  
2021/22

**12.1%**

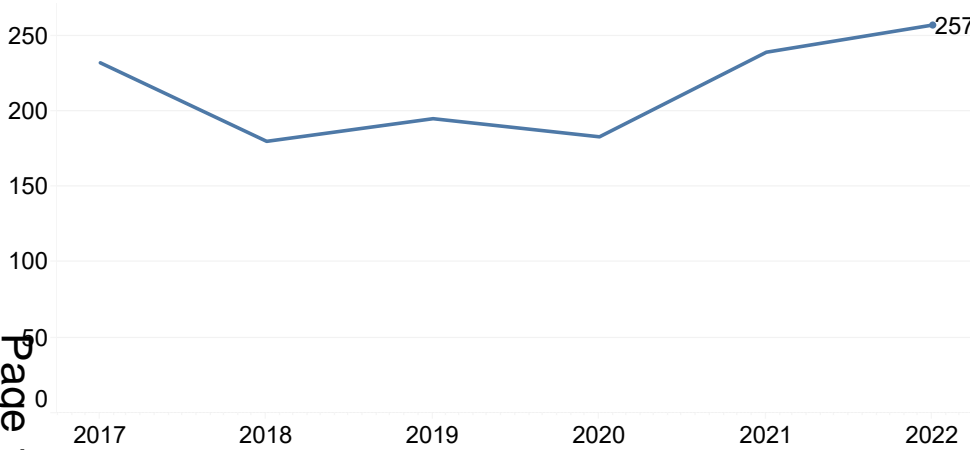
% care leavers in employment, education or training  
2021/22

**67.6%**

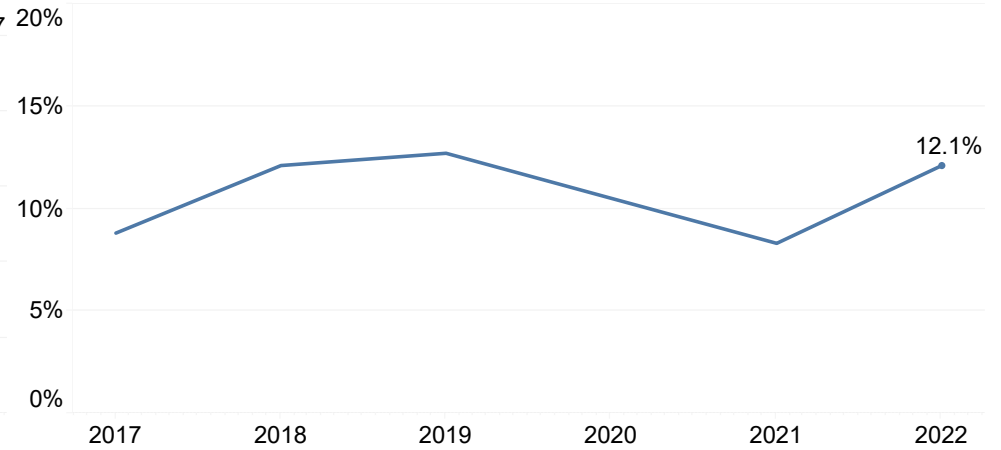
No. of children's safeguarding contacts  
2021/22

**11,393**

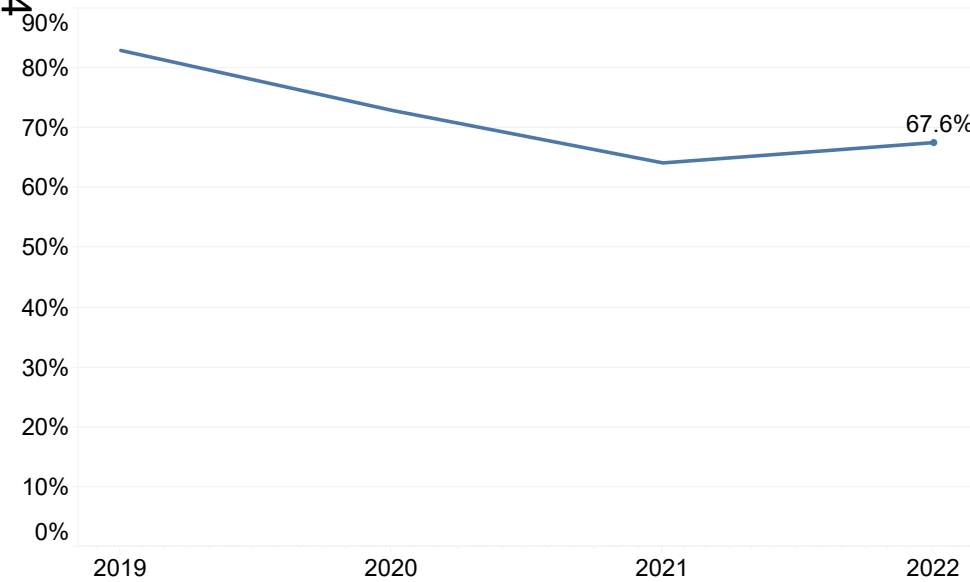
Children subject to a child protection plan during the year



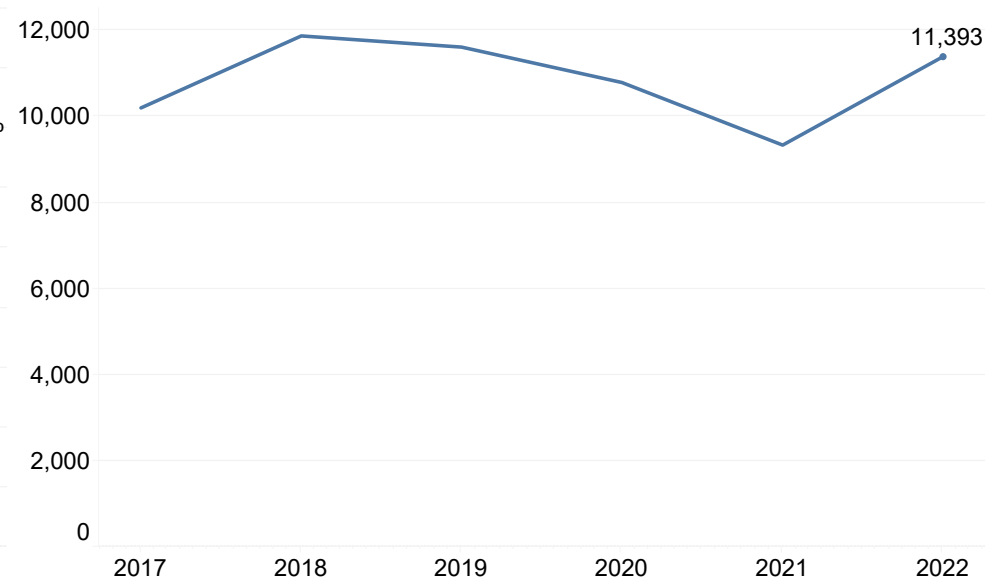
Children in Care Stability - 3 or more Placements %



Proportion of care leavers who are in education, employment or training



Number of contacts to safeguarding services - children





# All children are ready for school

% pupils reaching a Good Level of Development at Foundation Stage  
2019

Gap between disadvantaged pupils and peers reaching the expected level at foundation stage  
2019

% children who received a 2-2½ year ASQ-3 review  
31/03/2022

% children meeting the expected level in all 5 areas of the ASQ-3  
31/03/2022

**72.1%**

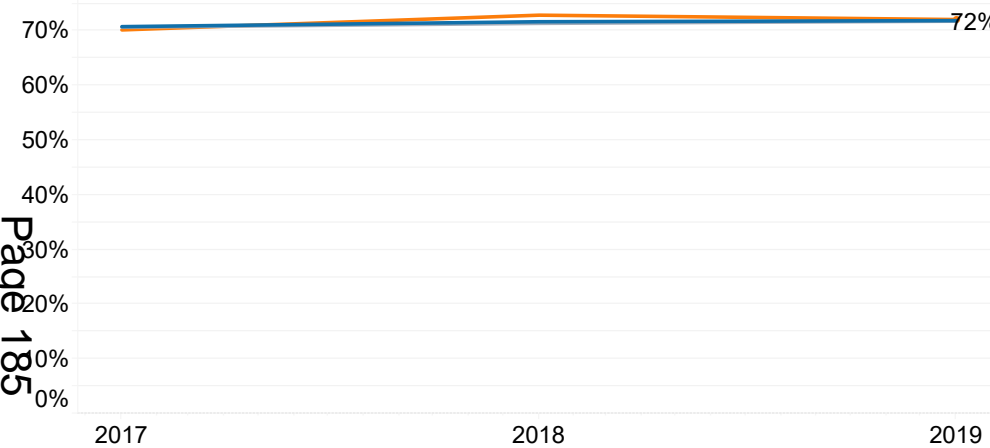
**-21.5%**

**98.6%**

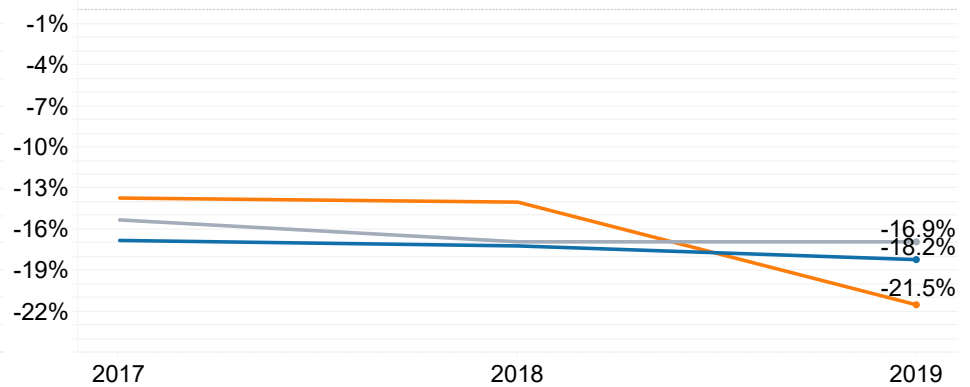
**84.4%**

■ England   ■ North East   ■ North Tyneside

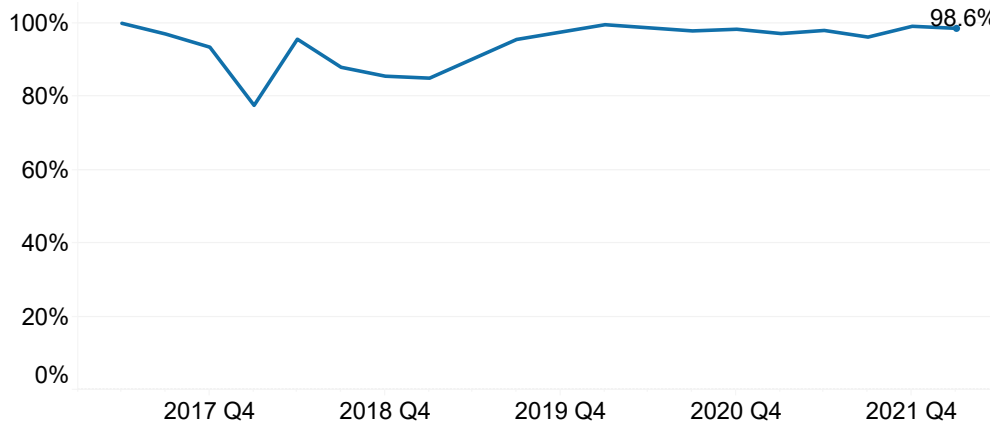
Proportion of pupils reaching a Good Level of Development at Foundation Stage



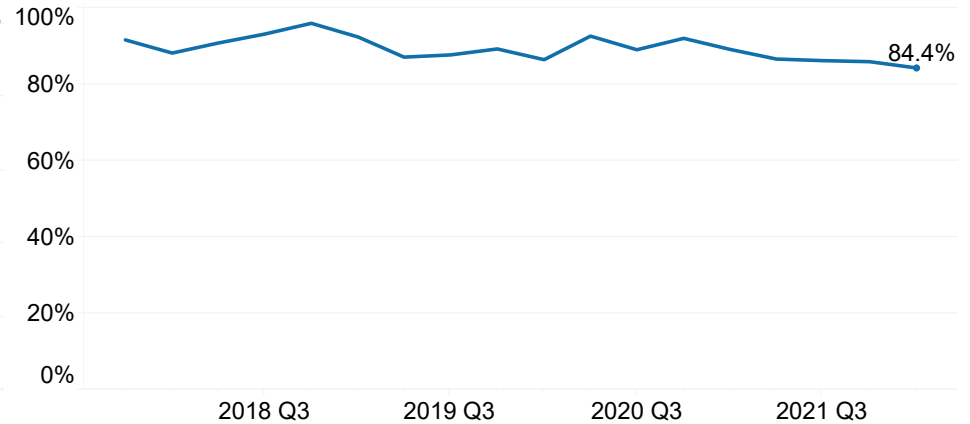
The gap between disadvantaged (free school meals) pupils and their peers reaching the expected level (Good Level of Development at foundation stage)



Proportion of children who received a 2-2½ year review using Ages and Stages Questionnaire (ASQ-3)



Proportion of children meeting the expected level in all 5 areas of the Ages and Stages Questionnaire (ASQ-3)



# A Caring North Tyneside

# Provide great care

% people with a short-term service where the sequel was no ongoing support or lower level support  
2021/22

% adult safeguarding contacts progressed to enquiry  
2021/22

% Adult Social Care users who feel safe  
2019

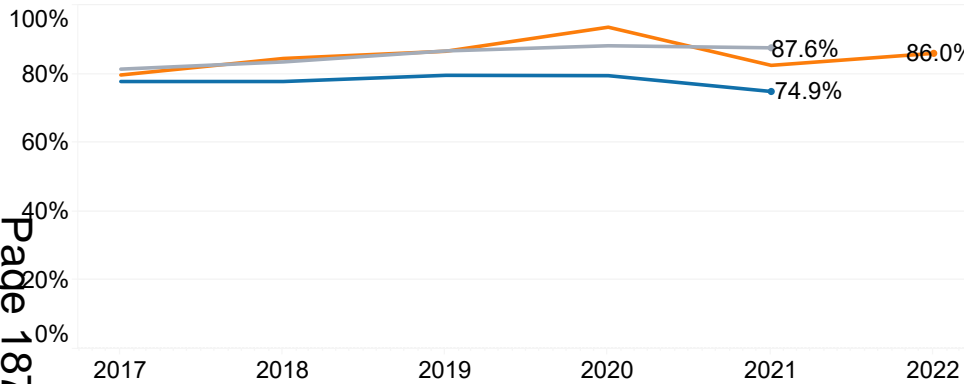
**86%**

**36%**

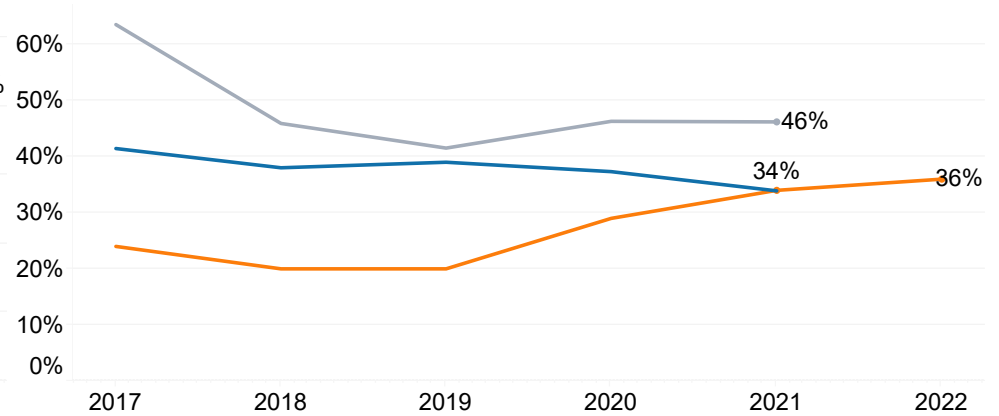
**96%**

■ England    ■ North East    ■ North Tyneside

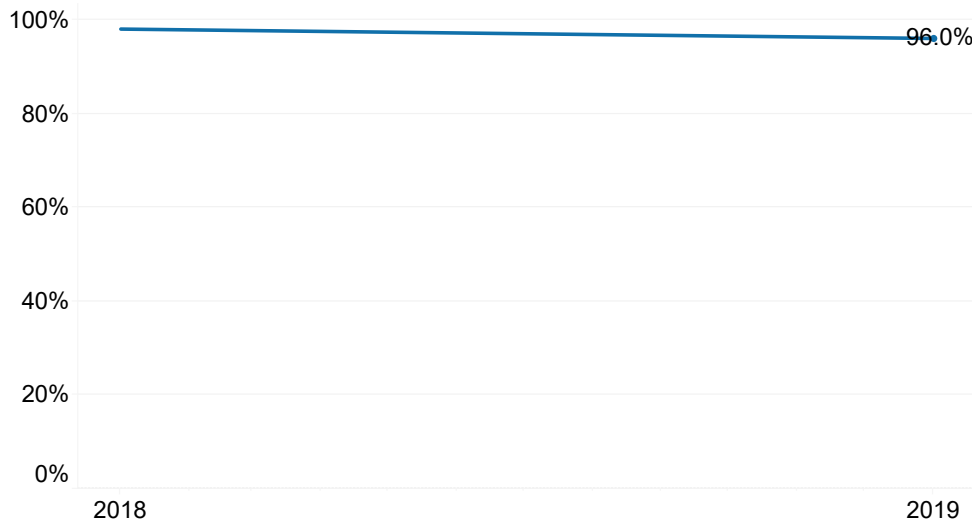
Proportion of people who received a short-term service during the year where the sequel was either no ongoing support or support of a lower level



Proportion of safeguarding contacts progressed to enquiry



Proportion of people who use Adult Social Care services who feel safe

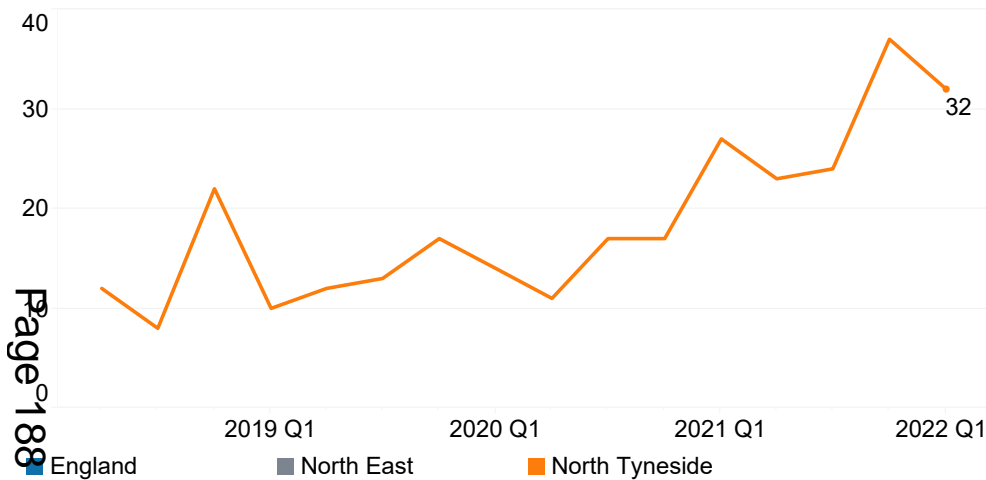


# Cared for, protected and supported

Priority homeless acceptances  
Quarter 1 2022

**32**

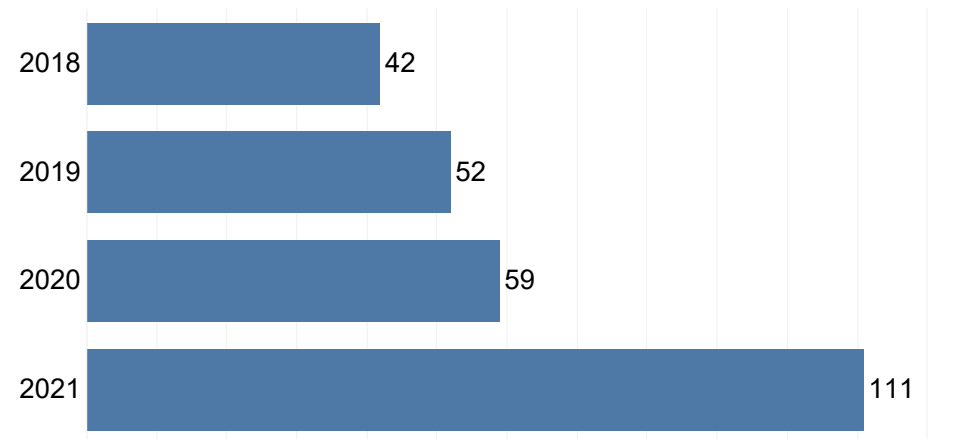
Number of homeless presentations accepted as priority homeless



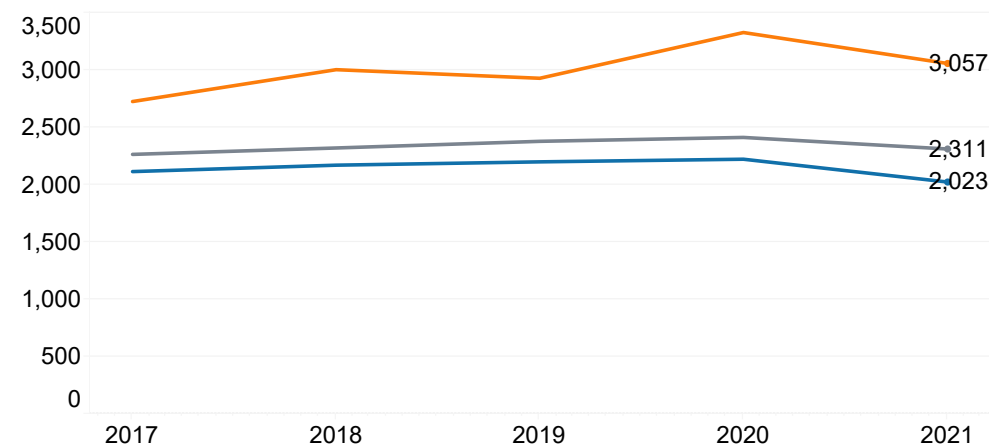
Emergency hospital admissions due to falls in people aged 65+ - rate per 100k  
2020/21

**3,057**

Number of homeless presentations accepted as priority homeless (annual)



Emergency hospital admissions due to falls in people aged 65 and over - rate per 100,000 people



# A Green North Tyneside

# Waste and recycling

% municipal waste sent to landfill  
2020/21

% household waste sent for reuse,  
recycling and composting  
2020/21

Municipal waste collected (tonnes)  
2021/22

Waste produced per household  
(Kg)  
2021/22

**4.2%**

**37.8%**

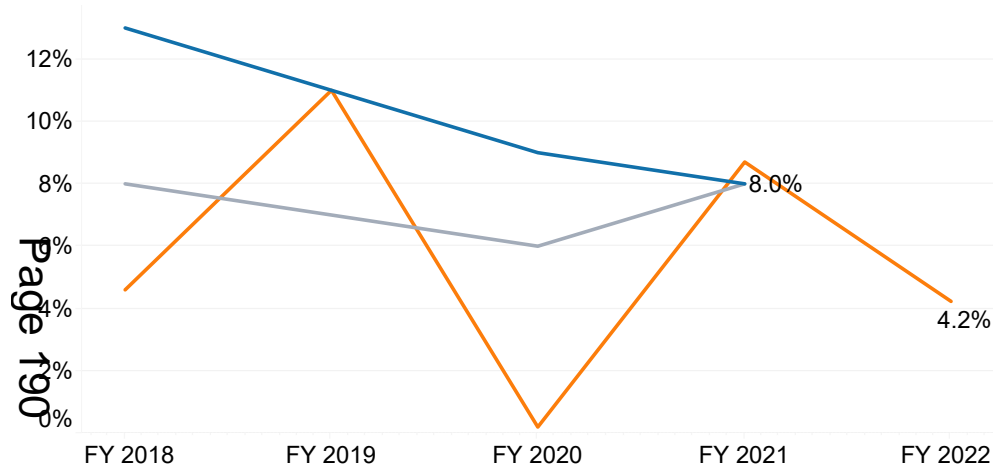
**98,742**

**919**

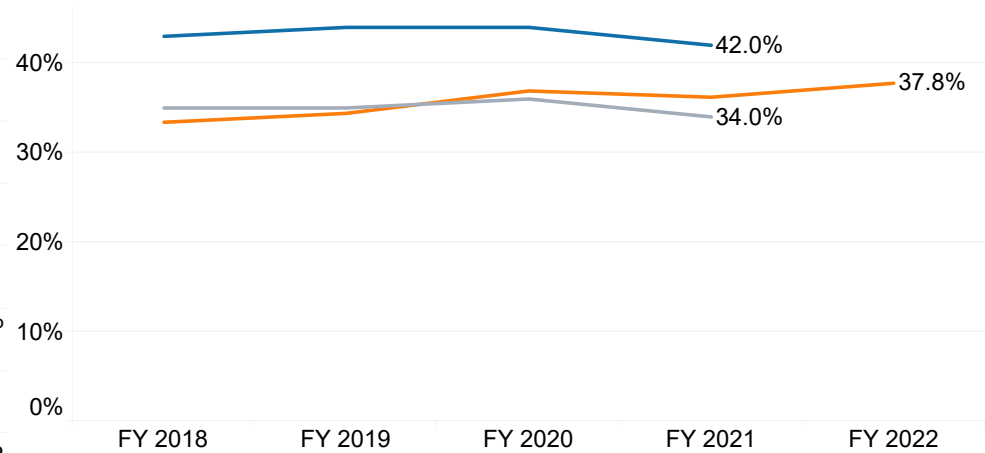
■ England   ■ North East   ■ North Tyneside

■ England   ■ North East   ■ North Tyneside

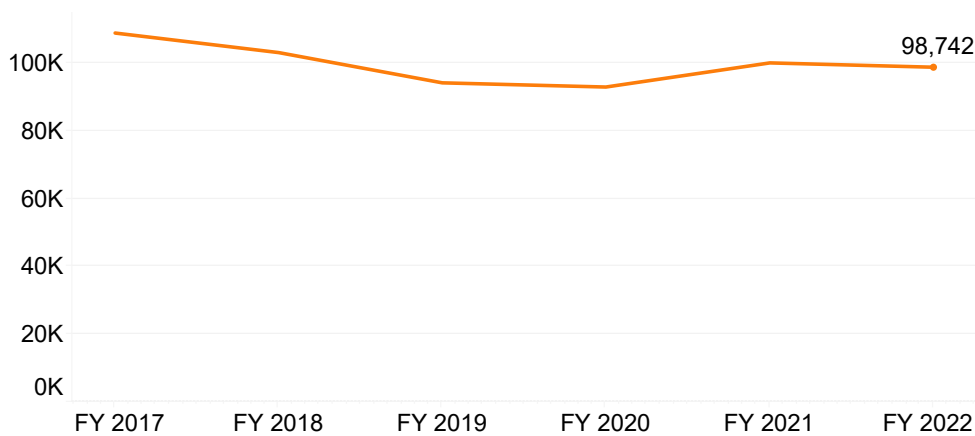
Proportion of municipal waste sent to landfill



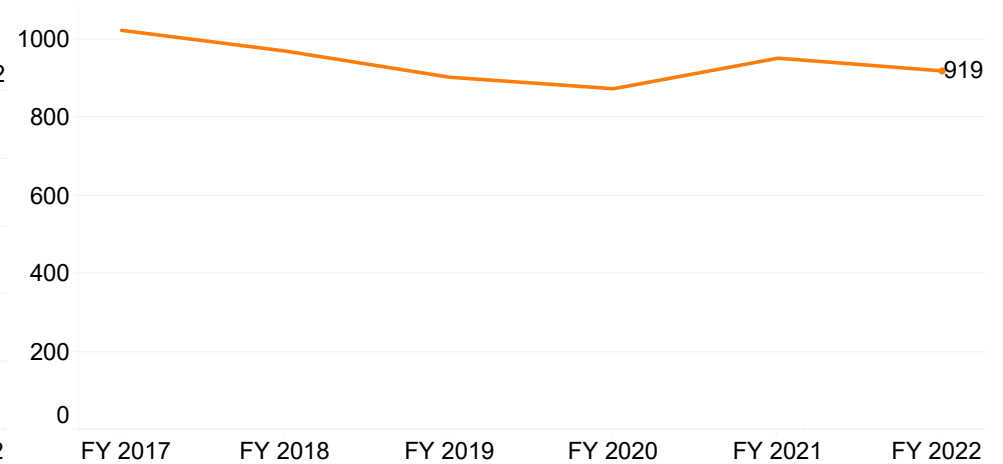
Proportion of household waste sent for reuse, recycling & composting



Total amount of municipal waste collected from households and operations (tonnes)



Total waste produced per household (Kg)



# Littering & Low Carbon Heating

FPNs issued for littering  
FY 2022

**56**

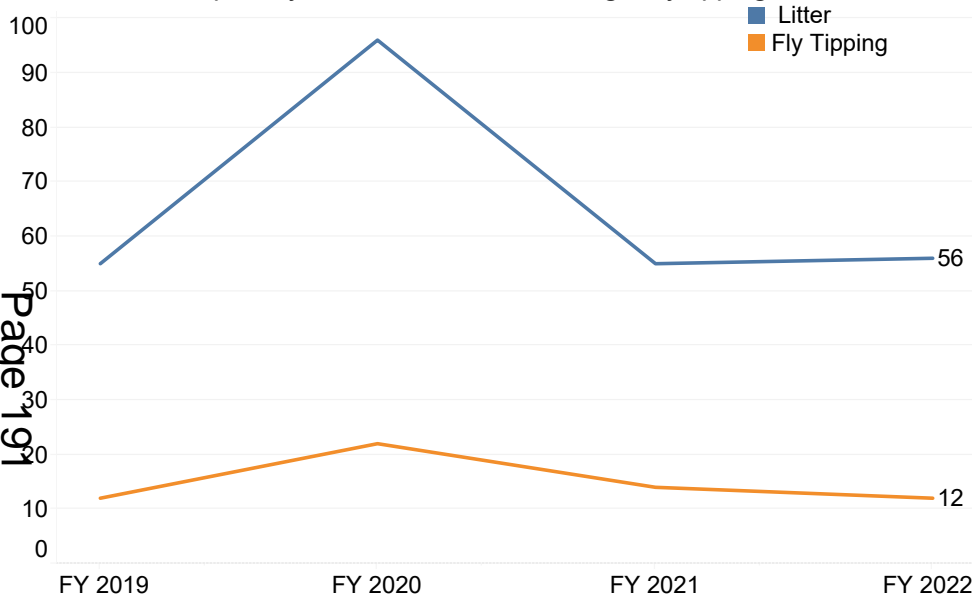
FPNs issued for fly tipping  
FY 2022

**12**

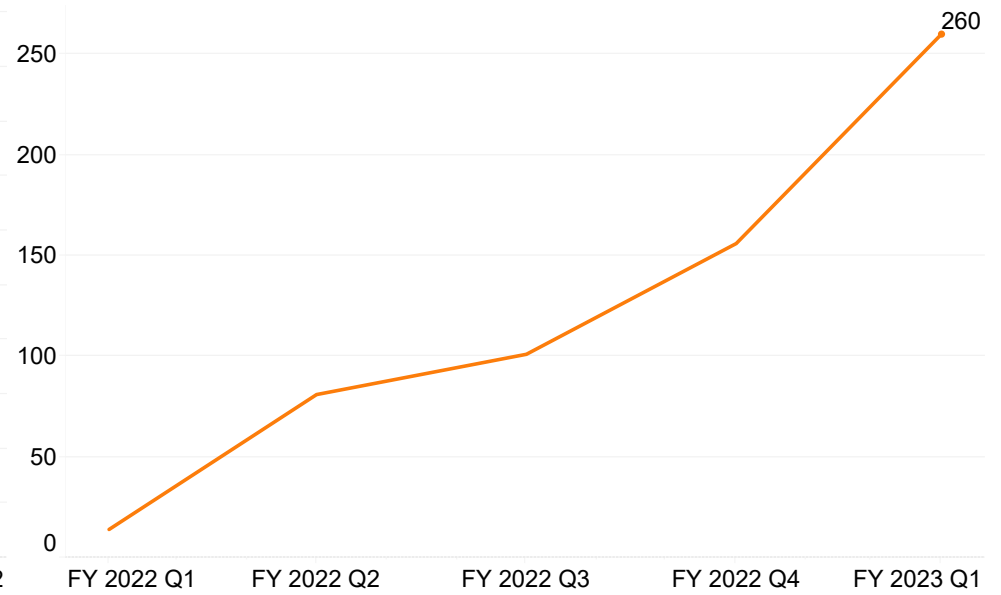
Green Home Grants - Measured Installed  
30/06/2022

**260**

Number of fixed penalty notices issued for littering & fly tipping



Green Home Grants - measures installed



# Walking and cycling

% adults who walk or cycle at least once per week  
2019/20

**72.1%**

% adults that walk at least once per week  
2019/20

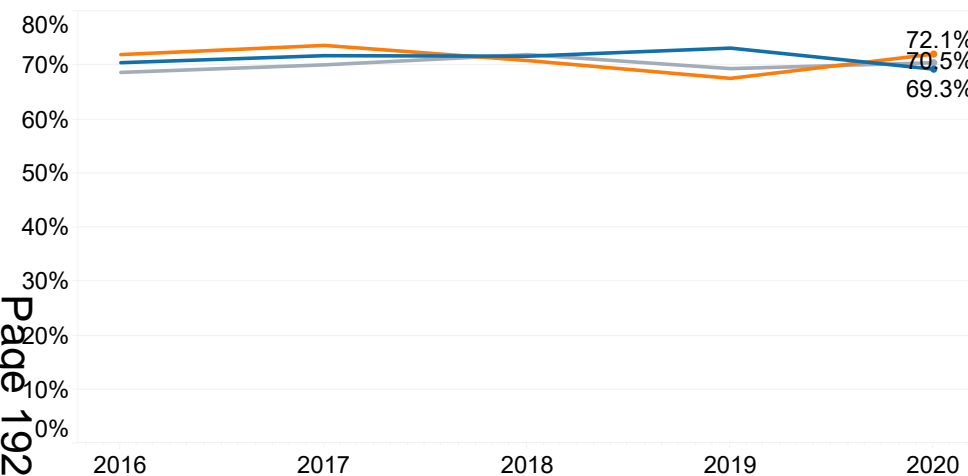
**68.8%**

% adults that cycle at least once per week  
2019/20

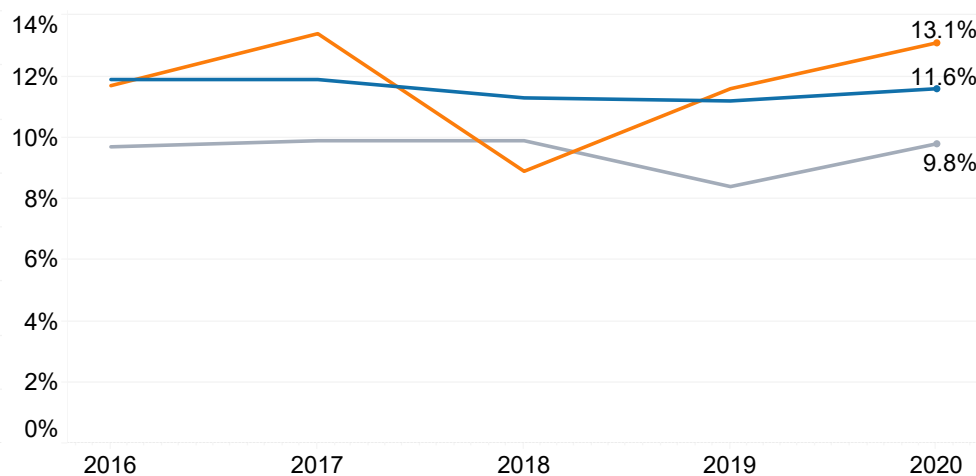
**13.1%**

■ England   ■ North Tyneside   ■ Tyne and Wear

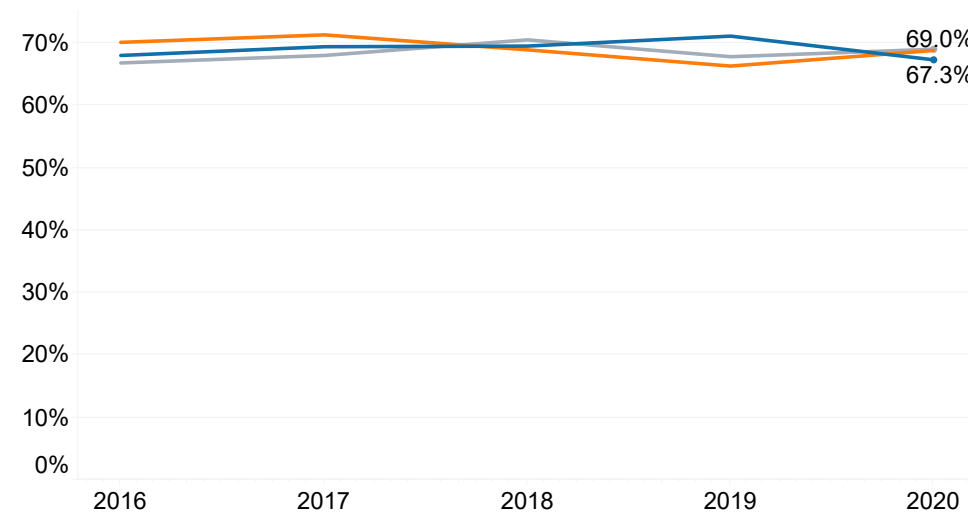
Proportion of adults who do any walking or cycling at least once per week



Proportion of adults that cycle at least once per week



Proportion of adults that walk at least once per week





# Net zero by 2030

Reduction in council operations carbon emissions 2021/22

**53%**

■ England    ■ North East    ■ North Tyneside

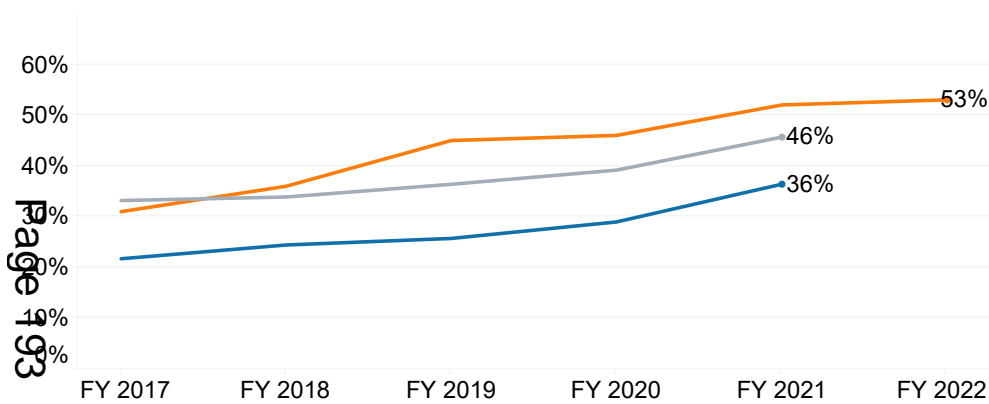
Per capita CO2 emissions (tonnes) 2020

**4**

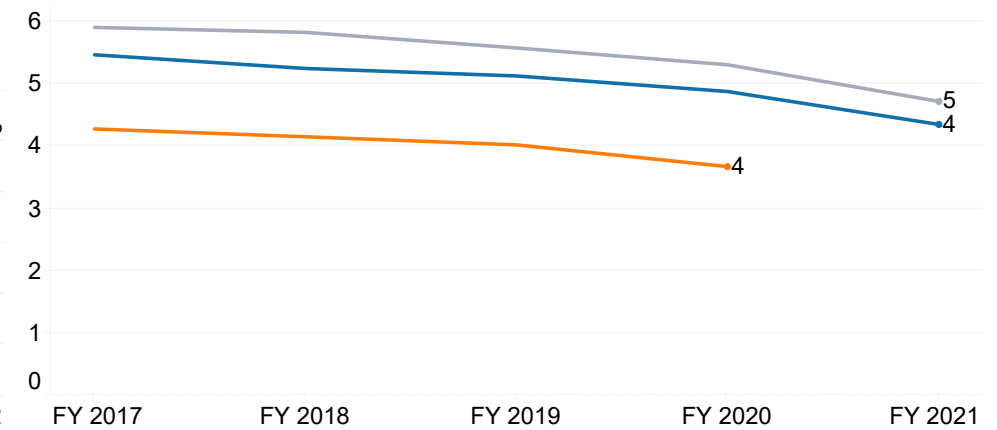
CO2 emissions for North Tyneside (kilotons CO2) 2020

**767**

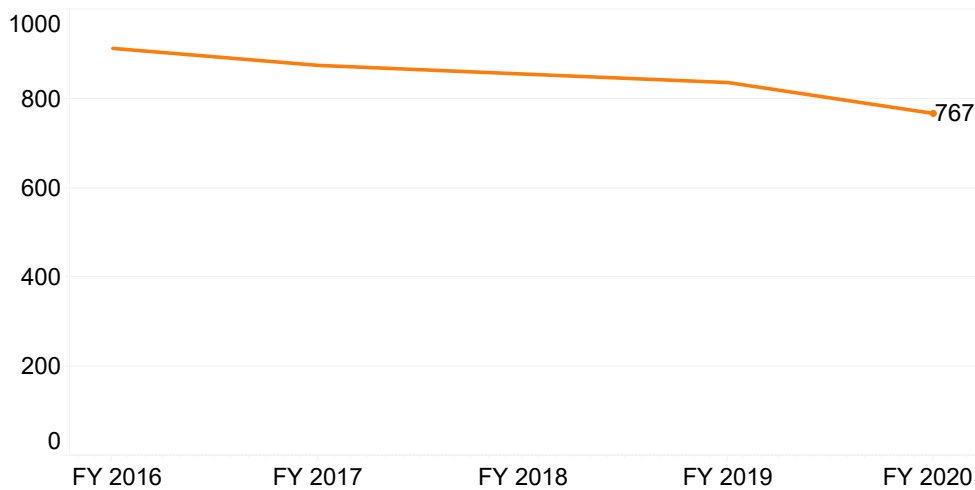
Reduction in carbon emissions in Council operations against base line year 2010/11



Per capita CO2 emissions (tonnes)



Total CO2 emissions for North Tyneside (kilotons CO2)



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## North Tyneside Council Report to Cabinet Date: 19 September 2022

### Title: Adult Social Care – Fair Cost of Care Update

<b>Portfolio(s):</b> Adult Social Care	<b>Cabinet Member(s):</b> Cllr A McMullen
<b>Report from Service Area:</b>	Adult Social Care
<b>Responsible Officer:</b>	Jacqui Old, Director of Children and Adults Services Tel: (0191) 6434063
<b>Wards affected:</b>	All

#### PART 1

##### 1.1 Executive Summary:

This report updates Cabinet on progress in relation to a nationally mandated fair cost of care exercise and seeks authorisation for the Director of Children and Adults Services in consultation with the Director of Commissioning and Asset Management, Director of Resources, the Cabinet Member for Adult Social Care and the Cabinet Member for Resources to approve the submission of the required returns outlining the results of this exercise intended to establish fair fee rates for care home fees for residents aged 65 years and over and for homecare fees for adults 18 years and over.

##### 1.2 Recommendation(s):

It is recommended that Cabinet authorise the Director of Children and Adults Services in consultation with the Director of Commissioning and Asset Management, Director of Resources, the Cabinet Member for Finance and Resources and the Cabinet Member for Adult Social Care to approve the submission of a fair cost of care report, a provisional Market Sustainability Plan and a spend report outlining the use of the Market Sustainability and Fair Cost of Care Grant to the Department of Health and Social Care.

##### 1.3 Forward Plan:

Twenty-eight days' notice of this report have been given and this item first appeared in the Forward Plan that was published on 18 August 2022.

##### 1.4 Council Plan and Policy Framework

This item relates specifically to the following theme and priorities of the Our North Tyneside Plan 2021-2025:

A caring North Tyneside

- We will provide great care to all who need it, with extra support available all the way through to the end of the pandemic.

- We will work with the care provision sector to improve the working conditions of care workers.
- People will be cared for, protected and supported if they become vulnerable, including if they become homeless

## **1.5 Information:**

### **1.5.1 Background**

The Government announced its planned implementation of the Market Sustainability and Fair Cost of Care Fund on 16 December 2021. It was part of a range of reforms outlined within the social care white paper, 'People at the Heart of Care'. The total funding outlined was as follows;

2022/23	£162m
2023/24	£600m
2024/25	£600m

To date only the allocation of the 2022/23 amounts has been announced with North Tyneside receiving £0.696m.

The purpose of the fund is to support local authorities to prepare their care markets for reform including allowing self-funders to access local authority rates for residential and nursing care (pursuant to section 18(3) of the Care Act 2014 which has been announced as coming into force in October 2023) and to support local authorities to move towards paying providers a fair cost of care. Up to 25% of allocated funding in 2022 to 2023 can be used to fund implementation activities associated with meeting the fund purpose.

### **1.5.2 Grant Conditions and Requirements**

As part of the condition of receiving grant funding in 2022/23 and future years, local authorities must evidence the work they are doing by submitting to the Department of Health and Social Care by 14 October 2022 the following;

1. The results of a cost of care exercise for 65+ care homes and 18+ homecare
2. A provisional Market Sustainability Plan (a final plan must be submitted by February 2023)
3. A spend report detailing how funding allocated for 2022/23 is being spent

The Government will assess the information submitted and will use it to review the fund distribution and conditions ahead of allocating funding for 2023/24.

Guidance states that there is no requirement for local authorities to pay the identified fair cost of care by any specific deadline but will be expected to outline in their Market Sustainability Plan how they expect to move towards the identified fair cost of care.

### **1.5.3 The Cost of Care Exercise – Progress to Date**

The Government has worked with a number of organisations to produce recommended tools and the Authority has used the recommended tool for both care home and homecare data collection. Initial engagement sessions were held with providers and two independent organisations were engaged to support with the two data collection processes. These organisations brought experience of undertaking these processes in

other areas and were able to undertake data validation in an independent and unbiased manner.

The exercise is based on collecting actual spend information for 2021/22 and actual occupancy and delivery information to calculate unit costs. Providers can also submit information on inflation to provide costs at an April 2022 price level. The Market Sustainability Plan will need to consider efficient occupancy/delivery levels, any unusual costs in the base period of 2021/22 which was impacted by Covid-19, any additional costs which may relate to health needs and the methodology to uplift the fair cost of care for inflation on an ongoing basis.

Deadlines were set for providers to submit their information by 12 August for care homes and 21 August for homecare providers. At the time of writing this report, the collection process for care homes has been completed with 26 of the 30 homes located within the borough submitting information. This is an excellent response rate of 86.7% which compares very favourably with a reported national response rate of approximately 25%.

The collection phase for homecare is still in progress and ongoing contact is being made with homecare providers to offer support and encourage participation in this process.

#### **1.5.4 Next Steps**

The next phase of the process is the checking and validation of the data collected with queries sent to providers where anomalies or incomplete data is identified.

The data is also being examined and evaluated to understand the results of the exercise and how the data can be used to inform the Authority's strategic approach to sustainability in local care markets. This will result in the development of the provisional Market Sustainability Plan (for submission by 14 October 2022) which will be further refined into a final plan as part of the budget setting process for 2023/24 as further details on the grant funding and broader financial settlement are published later in the year.

This evaluation of the results of the fair cost of care exercise includes financial modelling of the cost of options of how the Authority might move towards the identified fair cost of care.

Throughout the process, officers from North Tyneside have taken part in regional and national work to ensure consistency of approach, sharing of resources and learning from best practice. This report seeks authority to submit the fair cost of care report, provisional Market Sustainability Plan and spend report by 14 October 2022.

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

The following decision options are available for consideration by Cabinet

##### Option 1

- a) Note the progress in carrying out a fair cost of care exercise; and
- b) authorise the Director of Children and Adults Services in consultation with the Director of Commissioning and Asset Management, Director of Resources, the Cabinet Member for Finance and Resources and the Cabinet Member for Adult Social Care, to approve the submission of the fair cost of care report, provisional

## Option 2

Not agree to Option 1 and to propose an alternative approval mechanism to ensure that the terms and conditions of the Market Sustainability and Fair Cost of Care Fund can be met.

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

Option 1 is the recommended option as the Government mandated timescales for the completion of this national exercise are very tight and the Authority must allow care providers to have sufficient time to analyse, collate and submit their information as well as giving the Authority time to evaluate the results of the exercise and develop a provisional Market Sustainability Plan which ensures that sufficient, high-quality care continues to be available to support the residents of North Tyneside.

The items outlined above must be submitted to retain the funding allocated to North Tyneside in 2022/23 and future years.

### **1.8 Appendices:**

None

### **1.9 Contact officers:**

Mark Longstaff, Director of Commissioning and Asset Management, Tel (0191) 643 8091  
Jacqui Old, Director of Health, Education, Care and Safeguarding, Tel (0191) 643 4063  
Scott Woodhouse, Strategic Commissioning Manager, Adults. Tel (0191) 643 7082.  
Sarah Heslop, Strategic Manager Commercial and Procurement, Tel (0191) 643 5456  
David Dunford, Senior Business Partner, Strategic Finance, 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. [People at the Heart of Care white paper](#)
2. [Market Sustainability and Fair Cost of Care Fund Guidance](#)
3. [Equality Impact Assessment](#)

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

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

Any financial implications arising from the fair cost of care exercise will be considered as part of the 2023-2027 Medium Term Financial Plan. Any potential fee uplift will add significant pressure to a service area already under considerable financial strain as reported in the Financial Management Report to 31 July 2022 also presented to Cabinet on 19 September 2022. Whilst Government funding is expected, the value that will be awarded to North Tyneside Council is yet to be confirmed but the assumption is that this will not be sufficient to cover the increased cost. Finance officers will continue to work with Cabinet and colleagues within Adult Social Care to develop plans to mitigate this increased burden.

### **2.2 Legal**

Under section 5 of the Care Act 2014, local authorities have a 'market shaping' duty to promote the efficient and effective operation of a market in services for meeting care and support needs, with a view to ensuring (amongst other things) that services are diverse, sustainable and high quality for service users, ensuring service users are provided with sufficient information to make informed decisions.

Pursuant to section 31(4) of the Local Government Act 2003 the Minister of State for Levelling Up Communities has imposed various conditions on the payment of Market Sustainability and Fair Cost of Care Fund, including submission of the plan and reports referred to a paragraph 1.5.2 above by 14 October 2022.

The submission of the plan and reports goes towards complying with those grant conditions. The plan and reports should comply with the relevant guidance and templates published by the Government. Final spend reports must be approved by the local authority's chief executive or section 151 chief finance officer. All other conditions attached to the grant also need to be complied with. Any breach of the grant conditions, serious irregularities or inadequacy in the reporting may result in a reduction or suspension of future fund payments or require the repayment of the whole or any part of the grant monies paid, as may be determined by the Secretary of State.

There are no other known immediate legal implications arising from the submission of these reports, however, when the fees paid to care providers contracted to provide services to the Authority are increased it may be necessary to review and formally vary any contracts if they do not already contain price adjustment provisions.

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

#### **2.3.1 Internal Consultation**

There has been consultation with the Cabinet Member for Adult Social Care and the Senior Management Team on the fair costs exercise and the next steps to be taken.

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

An engagement process has been undertaken with providers of care homes and homecare within the borough to ensure that providers understand the purpose of the exercise and the opportunity to identify a fair cost of care and additional engagement and

support throughout the process has been provided by two external organisations supporting this process.

## 2.4 Human rights

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

## 2.5 Equalities and diversity

There are no new equality and diversity implications arising directly from this report. The fair cost of care exercise covers services used specifically by older and disabled persons, in accordance with their needs.

An equality impact assessment (EIA) has been completed in relation to this work and a copy of this is included in the background papers. There are no negative impacts identified that have not been able to be reduced or removed as a result of this assessment. The Authority will continue to engage with care providers as part of the process of submitting information to the Department of Health and Social Care and will continue to monitor and review any impacts of this and update the EIA as appropriate.

## 2.6 Risk management

Sustainability of the care market and levels of care fees are included on the corporate risk register.

## 2.7 Crime and disorder

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

## 2.8 Environment and sustainability

There are no environment and sustainability implications arising from this report.

## PART 3 - SIGN OFF

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



## North Tyneside Council Report to Cabinet Date: 19 September 2022

### Title: Wallsend Town and High Street Innovation Programme: North of Tyne Combined Authority Towns and High Streets Innovation Programme - Acceptance of Grant

Portfolio(s):	Deputy Mayor	Cabinet Member(s):	Councillor Carl Johnson
Report from Service Area:	Regeneration and Economic Development		
Responsible Officer:	John Sparkes, Director of Regeneration and Economic Development	Tel: (0191)643 6091	
Wards affected:	Wallsend		

#### PART 1

##### 1.1 Executive Summary:

The purpose of this report is to authorise the Director of Regeneration and Economic Development to accept £1.94m of grant funding from the North of Tyne Combined Authority's (NTCA) Towns and High Streets Innovation Programme.

On 28<sup>th</sup> March 2022 Cabinet agreed the following policy priorities for Wallsend:

*“The overall aim is to create a vision and a plan to implement it, that provides a vibrant and connected place. As part of this work, three key themes have been identified as policy priorities for inclusion within the plan: These are:*

- ***Improve the quality of the housing offer in Wallsend; in particular making the area a focus of the Mayor and Cabinet’s plans for 5000 affordable homes and tackling some of the poor quality privately rented housing in the masterplan area***
- ***Make the town centre and the nearby neighbourhoods great places to visit and live; improving the street scene, public spaces and working with partners to make sure people feel safe; and***
- ***Make sure Wallsend residents are connected to good jobs; using the full range of tools, including adult education, apprenticeships and the capabilities plus the transport infrastructure around the town to make sure people in the community, who need it, are supported to improve their life chances.***

*In addition to the above and recognising the contribution Wallsend Town Centre and its environs make to the region’s economy, the North East Local Enterprise Partnership (NELEP) and North of Tyne Combined Authority (NTCA) have both agreed to fund business case development work to inform master planning and research on the*

*economic opportunities in the area. In parallel, the Government has announced further rounds of the Levelling Up Fund which may be of benefit to Wallsend.”*

Since Cabinet approval in March 2022, work has continued to secure funding for Wallsend, as set out below;

- Officers have continued work on the draft Wallsend Masterplan, using £80,000 secured through the North East Local Enterprise Partnership Accelerator Development Fund (ADF)
- Developed and submitted a £20m Levelling Up Fund round two application to Revitalise the Heart of Wallsend, this proposal includes complementary activity around the High Street and Segedunum and adds value to the activity proposed through the Wallsend Town and High Street Innovation Programme.
- Secured £1.94m funding from North of Tyne Combined Authority (NTCA) for the Towns and High Streets Innovation Programme.

NTCA Investment Panel approved a £6m Business Case for the Towns and High Streets Innovation Programme, that incorporated the High Streets Challenge Fund and the Recovery Innovation Programme.

This programme supports the transformation of key town centres and high streets in the North of Tyne area, in response to both the pandemic and longer-term changes impacting on these local centres. It will unlock future investment, with interventions targeting the development of strategic projects (e.g. the permanent re-purposing of buildings and public spaces for new uses, such as culture, leisure, residential), as well as supporting interim uses to enliven local centres in the short-term while longer-term proposals are being developed (e.g. pop-up markets; cultural events).

The £1.94m funding secured will be used to deliver capital public realm works such as improving links between Segedunum and the town centre and public transport facilities (Metro and buses) and revenue activity including events, shop front grants, business support and resource to be based within Wallsend town centre to support businesses to start-up and grow.

The policy priorities set out above and the emerging draft masterplan have informed NTC's Delivery Plan for the Towns and High Streets Innovation Programme. The proposals identified will add value to other programmes of activity in Wallsend as well as the submitted Levelling Up Fund bid.

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

It is recommended that Cabinet:

- (1) Authorises the Director of Regeneration and Economic Development to accept the £1,940,000 grant funding from the North of Tyne Combined Authority in relation to the Towns and High Streets Innovation Programme for Wallsend;
- (2) Authorises the Director of Regeneration and Economic Development in consultation with the Assistant Chief Executive and Director of Resources to enter into the Grant Funding Agreement and any other documentation as required to facilitate recommendation (1); and

- (3) Authorises the Director of Regeneration and Economic Development to procure any goods, works or services to deliver the outcomes set out below:
- i. prepare designs up to Royal Institute of British Architects Stage 4 for public realm improvements and a new cultural, walking, cycling and wheeling route between Segedunum and Hadrian's cycleway/C2C/National Trail routes and the Metro and Wallsend High Street
  - ii. appoint a delivery partner to undertake construction work on the public realm walking and cycle route
  - iii. carry out a tender process to appoint a delivery organisation to provide bespoke business support to Wallsend businesses
- (4) Authorises the Director of Regeneration and Economic Development in consultation with the Director of Resources and the Assistant Chief Executive to take all necessary steps to enter into contracts with the successful bidders on completion of the procurement processes highlighted in 1.2 (3) (ii) and 1.2 (3) (iii)
- (5) Authorises the Director of Regeneration and Economic Development in consultation with the Director of Resources to take all necessary steps to recruit and appoint a Town Centre Advisor on an 18-month fixed term contract.

### **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 15<sup>th</sup> July 2022.

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

This report relates to the following priority in the 2021-2025 Our North Tyneside Plan:

#### **A thriving North Tyneside**

Our North Tyneside Plan outlines plans to create a thriving location to live and work. A key to delivering this vision is the regeneration of town centres such as Wallsend and North Shields and we are keen to invest here and in the surrounding areas to develop the opportunities and infrastructure along the North Bank of the Tyne. This also contributes to building a better North Tyneside and will deliver a step change providing more good quality jobs, apprenticeships, investment in roads and infrastructure and investing in our vibrant cultural offer.

We will support the regeneration of Wallsend Town Centre, by investing in activity as set out in the draft Masterplan which clearly identifies the opportunities these improvements will have on the local area. This will not only support the local economy and the visitor offer, it will encourage people to stay longer and spend more, but also improve the health and wellbeing of residents.

#### **A green North Tyneside**

The delivery plan has been developed to contribute towards our net zero target, this includes design considerations that reduce energy usage, increase energy independence, increase active travel, enhance the public transport offer and create offsetting opportunities i.e. tree planting.

## **A caring North Tyneside**

Throughout the development of the emerging draft Wallsend Masterplan we have engaged with Healthy Happy Places, funded through the Academic Health Sciences Network for the North-East and North Cumbria to support the integrated Care System mental health workstream in its aim to create healthy, sustainable places; as well as the wider public health agenda around inequalities and prevention.

The network brings together people from planning, design, health, public health, the third sector and communities to act as a connecting point to stimulate ideas; understand gaps and barriers; to celebrate and promote existing best practice and to provide a mechanism for planners, developers and designers to access expertise from mental health and wellbeing services.

Working in partnership we have explored how mental health and wellbeing can be considered at the heart of urban development to tackle challenges around inequalities. Acting as a platform for participatory, community led approaches and other methods for co-creation with communities to test tactical interventions for wellbeing. Designs seek to address some of the underlying health and accessibility challenges experienced in Wallsend.

## **“North Tyneside on the move” – The transport strategy for North Tyneside**

The North Tyneside Transport Strategy sets out the Council’s aspirations for transport in the Borough. The vision for the strategy is “Moving to a green, healthy, dynamic and thriving North Tyneside”, supported by 5 key principles:

- Reduce carbon emissions from transport; to seek to make North Tyneside carbon net-zero by 2030
- Improve health outcomes; in relation to people, communities and the local environment
- Support inclusive economic growth; through effective movement for people, businesses and goods and to support the regional aim of “more and better jobs”
- Improve connectivity; with all parts of the Borough, the region, the rest of the country and the world
- Manage demand and enable smart choices for all; ensuring a focus on demand management on transport networks and assets and addressing current and future transport challenges

## **1.5 Information:**

### **1.5.1 Background**

The Towns and High Streets Innovation Programme investment will be concentrated in a small number of town centres and high streets, with a focus on achieving lasting transformational change in each place by planning long term investment proposals and testing new approaches to high street re-purposing at scale within focused areas.

The programme has been co-designed between the North of Tyne Combined Authority (NTCA) and its Local Authority stakeholders. It draws upon the NTCA’s Covid Recovery Work and other research work which informed the development of a ‘Future High Streets Challenge’ technical capacity fund approved by NTCA’s Cabinet in November 2021.

The Programme is built upon three pillars, each of which is essential in achieving long-term transformation in high streets and town centres. It is essential that these pillars are the bedrock upon which the proposals to transform high streets are based:

- Leadership and partnership - Each target high street must develop a compelling shared vision for the future, with strong strategic leadership to make the vision a reality. This will mean establishing a focused Partnership structure in each target high street comprising the key organisations and individuals with a genuine stake in the place and the vision, powers, resources, and energy needed to develop and deliver a compelling plan for change. This is likely to include public agencies, private investors, businesses, and the local community. The Partnership will provide the essential focal point for a joined-up approach to high street transformation, harnessing all the resources and skills available towards the achievement of the shared vision.
- Investing in a model for change - The Programme will develop and test new models for high street transformation, learning from evidence of what is working in other areas, while capitalising on the distinctive strengths and opportunities of each individual high street. It is not about spending funds on small-scale, ad-hoc, or disconnected interventions that will not deliver genuine change. It is about investing in a model for long-term change that re-imagines the function and form of high streets and attracts investment in a combination of new end uses (live, work, leisure) capable of providing a sustainable future for high streets.
- Stimulating long-term investment - Transformational change in high streets requires very substantial investment, with the private and public sectors working closely in tandem to provide the resources needed to deliver the future vision in each target high street. The NTCA investment will enable high streets to develop Strategic Investment Plans to deliver the vision, create compelling new projects and investment propositions to introduce new end uses, and implement pilots to test and refine new approaches to high street transformation. These plans and propositions will prepare the ground to stimulate and attract the long-term investment needed to achieve genuine change.

The UK's high streets and town centres have undergone dramatic change over recent decades - many in line with the shifting ways in which we live, work, shop and socialise. COVID-19 has further intensified some of these trends including:

- Declining footfall and a struggling retail sector - fewer people shopping and many retail outlets struggling to survive, leading to a consequential shift in the way our high streets look and feel.
- The growth of online and 'out of town' alternatives - more people using shopping centres, online shopping (now c20% of sales) and a de-linking of 'experience' and retail.
- Shifting expectations of places through generations - such that we need and expect different things (e.g. Apple Store and 'town squares'). There is increasing emphasis on the town centre experience. Whilst centres may continue to be underpinned by a more focused or bespoke retailing offer, there is increasing customer/visitor expectation around leisure and culture uses which provide an enhanced 'experience'.
- Financial challenges for local authorities and places - which has made it difficult to improve public realm and proactively invest in transformation.
- Financial challenges for businesses - including business rates and post-pandemic trading challenges.
- COVID-19 safety and citizen wellbeing - which poses cost and adaptation challenges, but also creates a real opportunity (and is already re-shaping patterns of footfall between cities and towns).

- The increasing need to 're-think' the functionality of our towns - and to create outdoor spaces to host events and activities safely that bring variety to an expanded town centre offer but also provide the drama/theatre for the visitor experience.

Much of this emerging evidence provides opportunities for new thinking and approaches on the role of high streets in the longer term. These opportunities include:

- Leadership - strong collaboration and cross-sector partnerships to deliver change
- A rounded offer - recognising that high streets are not just about shopping; and therefore, future plans need to blend retail, community and public sector hubs, culture, leisure, digital and public realm.
- Innovation and creativity - both in 're-thinking' the meaning of high streets, but also in the development of new financial vehicles and bold investments.
- New uses for buildings and spaces - a particular focus of the Government strategy; and especially relevant to generating new footfall to support post-pandemic recovery.
- A focus on entrepreneurial thinking and working - including creating new spaces for start-ups and clusters of businesses, and new business and management models for our assets.
- Better joining up local supply with local demand across our economy - including in food and drink, hospitality, retail and leisure.
- Community ownership – communities taking on the ownership of assets and amenities to deliver services that meet their needs, creating sustainable solutions.
- Tackling the climate emergency - proactively working towards low carbon high street buildings, supply chains and transport routes, and ensuring our high streets are accessible by walking, cycling, wheeling and public transport.
- Town centre living - including the densification of town centre housing and attracting new residents to our centres where they can help support local shops and services.
- Town centre management - Establishing clear plans for the ongoing management of our places and spaces to ensure the offer remains vibrant and resonates with residents and visitors.

The Programme is a joint initiative between NTCA and its three constituent local authorities, involving an overarching framework setting out common objectives, eligible activities, and a consistent approach to management and governance. In total, circa £1.9 million will be devolved to each Local Authority subject to each Local Authority producing a Delivery Plan which is subject to external appraisal and approval by NTCA's Technical Officers Group (TOG).

£1.94 million of funding has been approved for the Authority to deliver a programme of activity that delivers against the objectives identified in the draft Wallsend Masterplan developed in partnership with CAPITA using £80,000 of the North East Local Enterprise Partnership Accelerator Development Funding.

The vision for Wallsend will be for it to be a thriving, diverse town providing a choice of good quality homes, community facilities, green spaces, retail and an evening economy that builds on the heritage, culture and unique setting of the area.

The strategy for the town must deliver and bring other workspace, employment, cultural, leisure and educational uses into the centre, celebrating and breathing new life into the historic fabric of the town and providing a diverse offer that resonates with residents and visitors alike.

Connecting it all together, will be Wallsend's network of high-quality streets and public spaces which will encourage people to walk, wheel, cycle, explore and stay longer resulting in greater spend in the local economy.

The funding from the Towns and High Streets Innovation Programme will be used to:

- Create a new active travel route incorporating artwork and installations between the town centre and Segedunum linking the World Heritage Site with the core retail and leisure offer
- Provide 1:1 support to businesses with a dedicated town centre business advisor
- Include a shop front improvement grant scheme with specific design standards to enhance the look of the High Street
- Develop and support a programme of events and festivals that will drive footfall and promote Wallsend as a destination of choice
- Create a higher profile for Segedunum by establishing a retail/exhibition offer within the town centre.

The programme duration is a maximum of two full financial years, with eligible spend starting from April 2022, and all expenditure completed by 31<sup>st</sup> March 2024, with outputs to be achieved by March 2025. The end date is fixed, regardless of when local delivery activities begin.

1.5.2 The bid for funding was based on the Cabinet's agreed policy priorities and developed by colleagues in Regeneration and Economic Development in partnership with the Head of Culture, Senior Manager Business and Enterprise and key stakeholders. The activity proposed meets the key objectives, outcomes and criteria set out in the NTCA programme framework.

1.5.3 The project is broken down into 5 work packages that fit with the following Wallsend policy priorities 'Making the town centre and nearby neighbourhoods great places to visit and live' and 'Make sure Wallsend residents are connected to good jobs' set out below:

**WP1: Bespoke Business Support for Wallsend High Street & NW Economic Area (£350,000 Revenue)** - Package of bespoke support for start-ups & SMEs including pop up shops & markets, start-up incubators, advice & signposting and digital business support; Promotion & Delivery of 3 x incubator programmes; Appoint a Town Centre Business Advisor and in Year 2 trial some of the successful activities in the shopping streets in the North West of the borough.

**WP2: Shop Front Grant Scheme (£120,000 Capital)** - A grant scheme to upgrade shop fronts, windows, shutters etc to enhance the look of the High Streets. This will include appointment of a design team to provide a suite of design options for shop fronts that are in keeping with the overall Wallsend Masterplan design standards.

**WP3: Wallsend Animation Programme (£100,000 Revenue)** - Funding to encourage movement of visitors between attractions and the high street, to encourage visitors to stay longer and spend more. Develop accessible augmented reality trails between Segedunum, the town centre and Richardson Dees Park, exploring Geo Caching activities and other events. Engage active travellers and encourage them into town from Route 72/Hadrian's Way Cycle route/Hadrian's Wall National Trail.

**WP4: Active Travel and Place Making (£1,280,000 Capital)** - Address the lack of connectivity between Segedunum and other parts of the town by creating a new route for both pedestrians, cyclists and wheelers. The position of this route is key as it enables

those using Route 72 Hadrian's Way, quick and easy access to the Metro station, the high street and links to a circular route taking in Richardson Dees Park. Route will include art works and installations commissioned with local artists, virtual reality on the route (e.g. Roman trail), geo-caching, enhanced public realm and seating areas.

**WP5: Segedunum High Street Presence (£50,000 Capital)** - Develop a retail offer specifically for Segedunum in the town centre. Providing an opportunity to showcase the events and offers at the World Heritage Site and to engage visitors and residents through a variety of exhibits, virtual reality and souvenirs. Encouraging movement between these two areas, increasing footfall and really bringing Segedunum alive in the Town Centre.

1.5.4 The programme of activity will deliver the following Specific, Measurable, Achievable, Relevant and Time-Bound (SMART) objectives;

- SO1: Grow jobs and productivity in and around Wallsend town centre, supporting businesses to grow, through investment in the area, bespoke business support and access to new businesses opportunities.
- SO2: Provide an attractive environment for businesses to thrive by investing in new workspaces and capital works in and around the high street to improve the look and feel of the area, breathing new life into the town and contributing to the transformation of Wallsend and the wider Borough of North Tyneside.
- SO3: Establish a thriving 'High Street', with a strong identity and opportunities that can kick start investment in the wider area. Using a programme of animation including 4 large-scale events to showcase products and services and attract visitors, in turn increasing footfall within the area.
- SO4: Create a strong sense of place, Segedunum, as a key part of Hadrian's Wall, is one of the UK's 31 UNESCO World Heritage Sites and yet from the town centre you would not know it was nearby. Using signage, art installations and public realm improvements we will improve the connectivity and identity of Wallsend.
- SO5: Empower local communities and businesses to re-imagine and build a long-term future for Wallsend high streets by establishing a new High Street Transformation Board.

## 1.6 Decision options:

The following decision options are available for consideration by Cabinet:

### Option 1

To approve the recommendation set out in paragraph 1.2 of this report

### Option 2

To approve and/or reject some, or all, of the recommendations set out at paragraphs 1.2 (1) (2) (3) (4) and (5) of this report.

Option 1 is the recommended option.

## 1.7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

Accepting this funding will enable the delivery of the proposed activity in Wallsend Town Centre, in line with the policy priorities enshrined in the emerging Wallsend draft Masterplan and Our North Tyneside Plan.



## 1.8 Appendices:

None.

## 1.9 Contact officers:

Paul Dowling, Head of Regeneration & Transport, Tel: 0191 643 6428  
Julie Dodds, Head of Inclusive Economy and Economic Growth, Tel: 0191 643 1441  
Graham Sword, Senior Manager - Regeneration, Tel:0191 643 6421  
Steve Bishop, Head of Culture, Tel: 0191 643 7410  
Amar Hassan, Principal Accountant, Tel: 0191 643 5747

## 1.10 Background information:

The following background papers/information have been used in the compilation of this report:

- (1) An Ambition for Wallsend, Report to Cabinet 28 March 2022, link to report and minutes:

<https://democracy.northtyneside.gov.uk/documents/s8209/An%20Ambition%20for%20Wallsend.pdf>

## PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

### 2.1 Finance and other resources

As stated in section 1.2 above, £1.94m of funding has been secured from the North of Tyne Combined Authority's Towns and High Streets Innovation Programme to support the work package activity in Wallsend Town Centre. Once the Grant Funding Agreement is signed work will begin on the work packages set out in paragraph 1.5.3 above.

Funding is a mixture of Capital and Revenue as set out below;

<b>Funding Profile</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Total</b>
NTCA Investment Fund Revenue	162,500	287,500	450,000
NTCA Investment Fund Capital	130,000	1,360,000	1,490,000
<b>Total</b>	<b>292,500</b>	<b>1,647,500</b>	<b>1,940,000</b>

There was no requirement for match funding from NTCA.

### 2.2 Legal

#### 2.2.1 Grant award to NTC

The grant from NTCA to the Authority can be viewed as public to public with no anticipation of economic activity and, as such, no subsidy arises.

### 2.2.2 Public Realm

To the extent that part of the grant will be expended for the benefit of the public in providing improved public realm areas no subsidy will arise.

### 2.2.3 Procurement

Design and Construction works will be provided through the Authority's existing Partnership contract with Capita Local Government Services (LGS).

Once the project Grant Funding Agreement is signed the revenue elements of the project will be procured through the Authority's procurement processes to ensure best value and avoid the provision of any unlawful subsidy.

### 2.2.4 Third Party Grant Funding

Funding will only be provided to third party applicants who can declare that the funding constitutes part of their special drawing rights for the preceding three-year period and, accordingly, is exempt from being considered an unlawful subsidy.

## **2.3 Consultation/community engagement**

### 2.3.1 Internal Consultation

Lead Cabinet Members have been briefed and finance, legal and procurement have provided advice on this project and the background to this report.

### 2.3.2 External Consultation/Engagement

Key stakeholders in Wallsend have been engaged in the development of the delivery plan submitted to NTCA for appraisal. Further engagement will take place over the three months as the draft Wallsend Masterplan goes out to public consultation.

## **2.4 Human rights**

2.4.1 There are no Human Rights issues arising from this report.

## **2.5 Equalities and diversity**

2.5.1 There are no direct equality and diversity issues arising from this report. As the work progresses inclusive design principles will be central to the development of the proposals. In practical terms this will mean taking into consideration the needs of all people with protected characteristics, addressing physical access where feasible and also ensuring appropriate signage is in place. This will include carrying out Equality Impact Assessments of the individual projects and work packages.

## **2.6 Risk management**

2.6.1 A risk register will be developed for each of the work packages and will be reviewed monthly by the relevant delivery teams.

## 2.7 Crime and disorder

2.7.1 There are no crime and disorder issues arising from this report. As the Wallsend work packages progresses, consideration of crime, fear of crime and anti-social behaviour will be incorporated into the development of the proposals specifically in relation to the cycle/walking route around Wallsend metro station.

## 2.8 Environment and sustainability

2.8.1 The transition to Carbon Net-Zero is a key priority and cross cutting theme for both NTCA and NTC and is embedded within all policies and programmes. As part of the development work on the project delivery plan colleagues have considered what is required to support this transition.

2.8.2 The capital elements of the project, refurbishing the vacant and underused spaces and enhancing the public realm will be carried out within the context of our Carbon Net-Zero ambition, using sustainably sourced building materials, planting and implementing improvements that place as little additional impact on the planet as possible. Reducing energy and water consumption will be a key consideration for each proposal. Where appropriate, micro-renewables, such as solar PVs will be considered.

## PART 3 - SIGN OFF

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

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## North Tyneside Council Report to Cabinet Date: 19 September 2022

### Title: Review of the North Tyneside Statement of Licensing Policy (Sex Establishments)

<b>Portfolio:</b> Community Safety and Public Protection	<b>Cabinet Member:</b> Councillor Carole Burdis
<b>Report from Service Area:</b>	Regeneration and Economic Development
<b>Responsible Officers:</b>	John Sparkes, Director of Regeneration and Economic Development <span style="float: right;">Tel: (0191) 643 1441</span>
<b>Wards affected:</b>	All

#### PART 1

##### 1.1 Executive Summary:

This report seeks Cabinet’s approval to consult on the revised draft North Tyneside Council’s Statement of Licensing Policy (Sex Establishments) attached to this report at Appendix 1. The current Policy was adopted by the Authority in 2017. A further report will be presented to Cabinet at the end of the consultation period seeking approval to the adoption of the Policy.

##### 1.2 Recommendation:

It is recommended that the Cabinet:

- (1) authorise the Director of Regeneration and Economic Development to commence public consultation on the revised draft North Tyneside Statement of Licensing Policy (Sex Establishments) 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 revised Policy.

##### 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 22 July 2022.

## 1.4 Council Plan and policy framework:

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

A thriving North Tyneside:

- We will bring more good quality jobs to North Tyneside by helping local businesses to sustain and grow, making it attractive for new businesses to set up or relocate in the borough.

A caring North Tyneside:

- People will be cared for, protected and supported if they become vulnerable, including if they become homeless.

A secure North Tyneside:

- Council wardens will work in partnership with Northumbria Police to prevent and tackle all forms of antisocial behaviour.

## 1.5 Information:

### 1.5.1 Background

The North Tyneside Council Statement of Licensing Policy (Sex Establishments) was first adopted on 20 January 2011 following the formal adoption by the Authority of Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 and the policy has been regularly reviewed thereafter.

In 2010 the Local Government (Miscellaneous Provisions) Act 1982 ('the Act') was amended to include a new category of sex establishment, namely a sexual entertainment venue. The Council adopted Schedule 3 of the 1982 Act in 2011 to enable the Authority to license sexual entertainment venues as well as the existing categories of sex establishments, namely sex shops and sex cinemas.

Although there is no statutory requirement to have a policy concerning the licensing of sex establishments, it has been long established that it is good practice for Licensing Authorities to adopt various non-statutory policies that assists in the promotion of decision making and the promotion of consistency in decision-making. It also informs the licensing trade and the public of the approach of the Licensing Authority to sex establishment licensing in its area.

The existing policy includes a numerical limit on the number of sexual entertainment venues within a specified area of Whitley Bay, namely the area bordered by Whitley Road, Park Avenue, the Promenade and the Esplanade. That limit has been set as nil. That limit does not preclude an application for a licence being made within the specified area that would take the number of licences in the area above the set limit. However, in such a situation the presumption will be to refuse such an application and the applicant will have to make their case as to why the licence should be granted in any particular location contrary to the policy which has set the limit in that area as nil.

As part of the engagement exercise the views of the public and trade will be sought in relation to whether or not this numerical limit should remain at nil, is amended or removed altogether.

There are some statutory exceptions for the need for sexual entertainment venues to be licensed. For example if sexual entertainment takes place in a premises that has the benefit of a Premises Licence issued under the Licensing Act 2003 on no more than 11 occasions in a 12 month period and no such occasion lasts for more than 24 hours, and there is a month between each occasion, no sexual entertainment licence is required by that premises.

#### 1.5.2 Existing licenses in North Tyneside

Since Schedule 3 was adopted by the Authority, there have been no applications received for a sexual entertainment venue licence. There are no licences currently issued in relation to sex shops or sex cinemas.

#### 1.5.3 Review of licensing policy and public engagement

A draft Statement of Licensing Policy has been prepared and is attached at Appendix 1. The numerical limit of nil for the specified area of Whitley Bay has been retained for the purposes of the draft policy and consultees will be specifically asked to comment on this aspect of the Policy.

An engagement period of six weeks from 10 October to 18 November 2022 will enable responses to be received from those wishing to comment on the draft Policy. The consultation responses will be reported back to Cabinet at the conclusion of the consultation exercise.

The draft Policy has been updated to include the following:

- Updated references to Council Plan
- Reference to Public Sector Equality Duty
- Need for Basic Disclosure Certificate for applicants
- Safeguarding training for applicants.

#### 1.5.4 Fees

The fees are reviewed annually against any rise or reduction in the cost of administering the licensing regime.

### 1.6 **Decision Options:**

The following decision options are available for consideration by Cabinet:

#### Option 1

Cabinet approves 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 Policy 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 ensure that the existing Policy is updated and remains transparent, accountable, proportionate and consistent.

## **1.8 Appendices:**

Appendix 1: Draft Statement of Licensing Policy (Sex Establishments)

## **1.9 Contact Officers:**

Joanne Lee, Head of Public Protection, (0191) 643 6901  
Stephanie Graham, Senior Licensing Officer, (0191) 643 6969  
John Barton, Lawyer, (0191) 643 5354  
David Dunford, Senior Business Partner, (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) [Sex establishments | North Tyneside Council](#)
- 2) [Schedule 3 Local Government \(Miscellaneous Provisions\) Act 1982](#)
- 3) [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 revised Licensing Policy and the associated consultation arrangements can be met from existing revenue budgets.

### **2.2 Legal:**

Section 27 of the Policing and Crime Act 2009 came into force on 6 April 2010. This amended Schedule 3 of the 1982 Act and created a new category of sex establishment, namely sexual entertainment venues in addition to the existing two categories of sex establishments, namely, sex shops and sex cinemas.

Whereas the actual determination of an application for a Licence under the Local Government (Miscellaneous Provisions) Act 1982 is a Council function, the function of formulating and adopting a Licensing Policy in relation to this type of licensing is a Cabinet function because neither the Act nor the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 preclude Cabinet from approving such a Policy.

The Authority has the power under the 1982 Act to prescribe standard conditions that will apply to each type of licence. It will be for the Regulation and Review Committee to



determine whether all or some of those conditions should apply to any individual application for a licence that may be received.

It is for the Authority to determine the appropriate period of time to consult on the draft Policy. A 6 week period of consultation is an appropriate period of time to consult given the limited number of proposed changes to be made to the Policy.

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

### **2.3.1 Internal Consultation**

Internal consultation will take place with the 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 the Policy to be updated. An online response form will be available for respondees to make consultation responses as well as written responses.

## **2.4 Human Rights:**

There are aspects of the administration of licences that may impact on the human rights of individuals residing in the Borough and licence holders. Article 8 of the European Convention of Human Rights entitles a person to the right to enjoy a private and family life.

Article 6 of the European Convention also entitles an individual to a fair hearing. Any individual appearing before a Regulation and Review Panel will be given an opportunity to express their views.

Article 1 of the First Protocol entitles a person to the peaceful enjoyment of his possessions. A possession may include the goodwill that such a Licence would generate. However, balanced against that is the ability of the Licensing Authority to enforce such laws under the Act as is necessary to control the use of such property, including a licence.

## **2.5 Equalities and Diversity:**

The Policy 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 the Policy and to inform the consultation process. The Assessment has been updated to assess the potential impact of the Policy. 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. Individual decisions taken under the Policy will also have to be taken having regard to the Public Sector Equality Duty.

## **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 and Regeneration and Economic Development risk arrangements.

## 2.7 Crime and Disorder:

A copy of an application for the grant, renewal or transfer of a licence under Schedule 3 of the 1982 Act has to be forwarded to the Chief Officer of Police within 7 days of the application being made. The police will therefore have the opportunity to scrutinise each application and to object if they have concerns from a crime and disorder point of view within 28 days of the application being made. All objections received by the Authority must be considered before determining an application.

## 2.8 Environment and Sustainability:

There are no environmental or sustainability issues arising directly from this report.

### 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

# **NORTH TYNESIDE COUNCIL**

## **STATEMENT OF LICENSING POLICY (SEX ESTABLISHMENTS)**



**North Tyneside Council**

## **Preface**

This Statement of Licensing Policy sets out the Authority's requirements for premises to be licensed as sex establishments within the meaning of Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 (as amended).

The Authority resolved on 20 January 2011 that Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 (as amended by the Policing and Crime Act 2009) (the "1982 Act") would apply to the Borough of North Tyneside. By adopting Schedule 3 of the 1982 Act North Tyneside Council can license SEX SHOPS, SEX CINEMAS AND SEXUAL ENTERTAINMENT VENUES in the Borough. In granting such licences, the Authority will be able to set the terms and conditions of such licences, fees for the grant, renewal, transfer or variation of such licences and the number of licences that may be issued for a particular area within the Borough.

The Authority has imposed a limitation on the number of sexual entertainment venue licences that can be issued in a specified area of Whitley Bay (see Section 10 of Part A) This will however not prevent an application being made for such a licence in that area even if that limit has been reached but there will be a presumption that no such licence will be granted. Outside of this area each application for a licence will be considered on its own merits in accordance with the 1982 Act. There may be further restrictions on the number of sex establishment licences issued in a particular area of the Borough in the future if it is considered necessary to do so. Before further restricting the number of licences to be issued or amending the current limitation, the Authority will consult on the issue before taking such a decision.

Definitions of the different types of 'sex establishment' and other important definitions as defined under the 1982 Act can be found at **Appendix B** of this policy.

This Statement of Licensing Policy for Sex Establishments sets out the requirements that will generally need to be met for premises to be licensed as a 'sex establishment' under the 1982 Act in the Borough. [The policy was adopted by the Authority on xxx following a 6 week consultation process and comes into force on xxx ].

**This document has been produced for consultation purposes. If you have any comments please forward them to the following address by xxx.**

Licensing  
Killingworth Site  
Harvey Combe  
Killingworth  
Newcastle upon Tyne  
NE12 6QQ

Liquor.licensing@northtyneside.gov.uk

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## **PART A** **GENERAL**

### **1. Introduction**

- 1.1 North Tyneside is one of five metropolitan districts that comprise the County of Tyne and Wear. It covers an area of 8,367 hectares and has a growing population of around 209,000, which is expected to increase by 4.56% by 2030. North Tyneside has a proud industrial heritage and, like many parts of the North East, was a centre of heavy industry including shipbuilding and exporting of coal. Today most of the heavy industry has ceased but the borough has seen, through a strong approach to regeneration, a diverse economy develop comprising of traditional manufacturing and engineering industries as well as a mix of exciting new sectors including digital, health and life sciences and renewable energy. There are around 100,048 households in the Borough. The total labour force of the Borough is 89,000 people working in industrial and international companies alongside the traditional industries that still exist connected with the fish quay.

The evening economy of the Borough is principally centred around Tynemouth and Whitley Bay. Activity is also centred in areas such as, North Shields and Wallsend. These activities support the cultural diversity of the Borough and contribute to its economy.

### **2. Consultation**

- 2.1 In preparing its Statement of Licensing Policy the Authority will take into account the views of:

- Northumbria Police
- Tyne and Wear Fire and Rescue Service
- Members of the trade
- Local businesses, residents and any representative bodies of these.

- 2.2 The Authority will also consult with tourism organisations, performers, unions, Planning Services, Community Safety, Tyne and Wear Passenger Transport Executive, the Local Safeguarding Children Board, Primary Care Trusts and other organisations.

A full list of those consulted in preparing this Policy is set out at **Appendix F**.

- 2.3 The views of all of these persons and bodies have and will be given appropriate weight in determining this Policy.

### **3. Administration, Exercise and Delegation of Functions**

- 3.1 Under the Act the Authority has responsibility for a wide range of licensing decisions and functions and has established a Regulation & Review Committee to administer some of them.

- 3.2 Appreciating the need to provide a speedy, efficient and cost-effective service to all parties involved in the licensing process, it is proposed that the Regulation & Review Committee will delegate certain decisions and functions and will establish a number of Panels to deal with them.

- 3.3 Further, with many of the decisions and functions being administrative in nature, it is proposed that the grant of non-contentious applications, including for example those licences where no representations have been made, are delegated to Licensing Officers.
- 3.4 The table shown at **Appendix A** sets out the current scheme of delegation of decision-making and functions to the Regulation & Review Committee, Panels and officers.
- 3.5 This form of delegation will be without prejudice to Officers referring an application to the Committee, or a Panel to the Full Committee, if considered appropriate in the circumstances of a particular case.

#### **4. Regulation & Review Committee**

- 4.1 The Council's Regulation & Review Committee is comprised of a membership of 18 Councillors. The Committee will be responsible for the discharge by the licensing authority of its licensing functions under the Act.

#### **5. Hearings**

- 5.1 A Panel of Councillors from the Regulation & Review Committee will sit to hear every application where representations have been received in relation to a particular application. Ward Councillors will not sit on a Panel involving an application in their ward. The hearings will generally be open to members of the public.
- 5.2 Where a Councillor who is a member of the Regulation & Review Committee or a Panel of the Committee is making or has made representations on behalf of an individual or business, in the interests of good governance they will disclose an interest and disqualify themselves from any involvement in the decision making process affecting the licensing application in question.

#### **6. Partnership Working**

- 6.1 The Authority will work in partnership with the following agencies and individuals
- Police authority
  - Fire authority
  - Planning authorities
  - Environmental health
  - Health authorities
  - Crime and Disorder Reduction Partnerships
  - Town centre managers
  - Local businesses
  - Agencies involved in child protection
  - Local residents
  - Local transport authorities and committees
- 6.2 The Authority will consider any relevant protocols made with the Police under the Crime and Disorder Act 1998. The Police have the right to make representations on licence applications and make reference to relevant strategies.



6.3 The Authority and partnership agencies will seek to comply with the LGR (Local Government Regulation) partnership working guidance.

## **7. Related Legislation and Strategies**

7.1 There are a number of other local and national policies, strategies, responsibilities, and guidance documents which have been taken into account in drafting this policy. The Policy reflects the aim of the current Our North Tyneside Plan. This policy will in particular contribute towards a thriving, secure and family-friendly North Tyneside.

7.2 This Policy will also be integrated with local crime prevention, planning, transport, tourism, equality and cultural strategies, and any other plans introduced for the management of the borough and night-time economy. The Authority will work in partnership with the agencies referred to in paragraph 6.1 above and through joint working and cross reporting the Authority will ensure that this Policy integrates with the policies of its partner agencies.

## **8. Interaction with Licensing Act 2003**

8.1 Schedule 7 to the Policing and Crime Act 2009 amends the Licensing Act 2003 to ensure that premises for which a sexual entertainment venue licence is held do not also require a premises licence, club premises certificate or temporary events notice in order to provide 'relevant entertainment' under Schedule 3 Local Government (Miscellaneous Provisions) Act 1982.

8.2 However, if the premises also carry on other licensable activities as defined in the Licensing Act 2003 they will continue to require a premises licence, club premises certificate or temporary events notice under the 2003 Act for those other activities.

8.3 In practice, this will mean that the vast majority of lap dancing clubs and similar venues will require both a sexual entertainment venue licence under Schedule 3 Local Government (Miscellaneous Provisions) Act 1982 for the provision of 'relevant entertainment', and a premises licence or club premises certificate for the sale of alcohol or provision of other types of regulated entertainment under the Licensing Act 2003.

## **9. Location of Licensed Premises**

9.1 The Authority acknowledges that a concentration of premises licensed under the 1982 Act in a particular area could result in a potential fear of crime, anti-social behaviour, noise pollution and general disturbance to residents. In such cases, the amenity of local residents and businesses could be adversely affected.

9.2 The Authority has imposed a limit of nil on the number of premises that may be licensed in a defined area of Whitley Bay (appendix G).

In other areas of the Borough the Authority will determine each application on its own merits and will not generally grant a licence for a premises in close proximity to:-

- (a) a predominantly residential area
- (b) a school, nursery or other premises used primarily by or for children under 16 years of age

- (c) a park or other recreational area used by or for children under 16 years of age
- (d) a church or other place of worship
- (e) a community centre, day centre or other similar buildings

## 10. Numerical Limits

- 10.1 The Authority can refuse applications for licences (whether new or renewal applications) where the number of sex establishments in the relevant locality at the time the application is made is equal to or exceeds the number which is considered appropriate for that locality.
- 10.2 The Authority recognises that different parts of North Tyneside have different characteristics. The number of sexual entertainment venues considered appropriate for a specified area of Whitley Bay is set out below:

Numerical Limits	
Location	Limit
Whitley Bay - area bordered by Whitley Road, Park Avenue, the Promenade and the Esplanade (see Appendix G)	Nil - sexual entertainment venues

- 10.3 This does not preclude an application for a licence being made within the specified area that would take the number of licences above the set limit. However, in such a situation the presumption will be to refuse such an application and the applicant will have to make their case as to why the licence should be granted in any particular location contrary to this policy.
- 10.4 Any application received outside the specified area will be considered on its own merits taking into account the particular locality and reference to the Policy.

## 11. Equality

- 11.1 As an employer and service provider the Authority is committed to ensuring equality in employment and service delivery. To achieve the above standard the Authority is aware of its duties and obligations under the following legislation:
- Human Rights Act 1998
  - Equality Act 2010

In formulating this policy, the Authority has fully considered its Public Sector Equality Duty under Section 149 of the Equality Act 2010; in particular the need to eliminate discrimination, harassment, victimisation etc. in relation to males and females engaged in performing at licensed venues and/or males and females living, working or travelling within the vicinity of such venues.

The Authority will consult on and monitor the impact of this Policy to ensure that those making applications are treated in accordance with their needs. The Authority also recognises the Public Sector Equality Duty as set out in section 149

of the Equality Act 2010 (the 2010 Act) which it must have regard to when exercising its licensing functions.

In applying this Policy, the Authority will at all times endeavour to comply with its obligations under the 2010 Act and the Human Rights Act 1998.

The Public Sector Equality Duty must be exercised with vigour, substance, and rigour and also with an open mind. We fully recognise that when applying the Duty it is necessary to formally assess to allow for fair and equal practices on all levels.

The Authority has also undertaken a detailed Equality Impact Assessment that was carefully considered at the start of the policy drafting process and was kept under review throughout.

## **PART B** **APPLICATION PROCESS**

### **1. Making an Application**

- 1.1 An application for the grant, renewal or transfer of a licence must be made in writing. Any person, corporate body or incorporated body applying for either a grant, renewal or transfer of a licence must provide all of the information requested in the blank application form at **Appendix C** of this policy.
- 1.2 An application relating to a vehicle, vessel or stall shall state where it is to be used as a sex establishment.
- 1.3 An application can be made:-
  - i) by post or personal service by forwarding the completed application form and appropriate fee to:  
  
Licensing  
North Tyneside Council  
Harvey Combe  
Killingworth  
Newcastle upon Tyne  
NE12 6QQ
  - ii) on-line by forwarding the application and appropriate fee to [www.northtyneside.gov.uk](http://www.northtyneside.gov.uk)
  - iii) by e-mail to [liquor.licensing@northtyneside.gov.uk](mailto:liquor.licensing@northtyneside.gov.uk). On receipt of the appropriate fee the application will be progressed.
- 1.4 A Basic Disclosure Certificate is to be submitted with an application for a grant, renewal or transfer for all persons named in the application form and to have been issued within 30 days of the application unless the applicant or persons named has signed up to the Update system.

- 1.5 An applicant seeking the grant, renewal or transfer of a sex establishment licence must give public notice of the application by publishing an advertisement in a local newspaper circulating within the Borough no later than 7 days after the date of the application. The notice shall identify the premises.
- 1.6 An example of a public advertisement is attached to the policy at **Appendix D**.
- 1.7 If the application relates to a premises, notice of the application must be displayed for 21 days from the date of the application on or near the premises in a place where the notice can be conveniently read by the public. The notice shall identify the premises.
- 1.8 In relation to applications posted, emailed or delivered to the Authority, the applicant will be required to provide a copy of the application to Northumbria Police within 7 days of the date of the application. The Authority will confirm with Northumbria Police that they have received a copy of the application.
- 1.9 The Authority on receipt of an application by electronic means will forward a copy of the application to Northumbria Police no later than 7 days after receipt.
- 1.10 Any person wishing to object to the grant, renewal or transfer of a licence shall give notice to the Authority in writing stating in general terms the grounds for objection no later than 28 days after the date of the application.
- 1.11 On receipt of an application, Officers will carry out an inspection of the premises.

## **2. Commenting on a licence application**

- 2.1 A wide range of people can raise objections to an application, the police being the only statutory consultee.
- 2.2 The identity of any person making an objection will not be given to the applicant without the consent of the person making the objection.
- 2.3 If a valid objection is received to the grant, renewal or transfer of a licence, the Authority will not consider the application until the applicant has been given notice in writing of the general terms of the objection received. A hearing will then be arranged before a Committee who will be provided with a report from a licensing officer concerning the application. The general terms of the objection will be made known to the Committee.
- 2.4 The applicant and objectors, or their representatives, who attend before the Committee, will be given an equal opportunity to state their case before the Committee.
- 2.5 In determining an application for the grant, renewal or transfer of a licence, the Committee will have regard to any observations made by the Chief Officer of Police in addition to what the applicant and objector has to say.
- 2.6 Before refusing to transfer a licence, the licence holder and proposed licence holder will be given an opportunity to appear before the Committee and be heard as well as any objector.
- 2.7 Clear reasons will be given for any decision made by the Committee to the parties.

### **3. Fees**

- 3.1 The fees for applying for the grant, renewal or transfer of a sex establishment licence or sexual entertainment venue are available from the Authority and at [www.northtyneside.gov.uk](http://www.northtyneside.gov.uk)
- 3.2 The fees are paid in two parts. The first fee is for the processing of the application and any associated costs of appearing before a Committee. If the application is successful, the licence holder will be required to pay an additional fee for the maintenance of the licence.
- 3.3 The fees will be reviewed annually against any rise or reduction in cost of administering the licensing regime.

### **4. Advice and Guidance**

- 4.1 The Authority will, when appropriate, liaise with applicants and if appropriate mediate between applicants and those who have made objections where resources permit.

### **5. Determining applications for grant, renewal or transfer of licences**

- 5.1 There are certain grounds on which the Authority must refuse to grant a licence under the 1982 Act. These grounds are:-
- (a) that the applicant is under 18 years of age
  - (b) that the applicant is disqualified from holding or obtaining a licence
  - (c) that the applicant is a person who has not been resident in the European Economic Area for the preceding 6 months before the application was made.
  - (d) that the applicant is a body corporate which is not incorporated in the European Economic Area
  - (e) that the applicant is a person who has within 12 months of making an application been refused the grant or renewal of a licence in respect of the premises, vehicle, vessel or stall subject to the application, unless the decisions was reversed on appeal.
- 5.2 The Authority has discretionary grounds for refusing a licence. Such grounds are:-
- (a) that the applicant is unsuitable to hold the licence by reason of having been convicted of an offence or for any other reason;
  - (b) that if the licence were granted, renewed or transferred the business to which it relates would be managed by or carried on for the benefit of a person, other than the applicant, who would be refused the grant, renewal or transfer of such a licence if he made the application himself;
  - (c) that the number of sex establishments in the relevant locality at the time of the application is equal to or exceeds the number which the Authority consider is appropriate for that locality – “nil” may be considered an appropriate number by the Authority under the 1982 Act.
  - (d) That the grant or renewal of the licence would be inappropriate having regard to:-

- the character of the relevant locality, or
- the use to which any premises in the vicinity are put
- the layout, character or condition of the premises, vehicle, vessel or stall in respect of which the application is made.

5.3 In determining an application for the grant, renewal or transfer of a licence the Authority will have regard to:-

- (a) The Local Government (Miscellaneous Provisions) Act 1982
- (b) Any Regulations or Orders arising from the 1982 Act.
- (c) The Home Office Guidance on sexual entertainment venues (or any guidance that supersedes that guidance)
- (d) This Statement of Licensing Policy
- (e) Any other legislation or guidance as considered appropriate

5.4 In granting, renewing or transferring a licence the Authority may attach such terms and conditions as considered appropriate.

5.5 The Authority in addition to specifying the terms or conditions that shall apply to a particular sex establishment licence has prescribed that there be standard conditions applicable to sex establishment licences in the Borough. Such conditions are made under Paragraph 13 of Schedule 3 of the 1982 Act and are at **Appendix E** of this policy.

5.6 On the grant, renewal or transfer of a licence, the Authority will forward to Northumbria Police a copy of such licence.

5.7 Any sex establishment licence issued by the Authority will normally remain in force for one year. The Authority do however have a discretion to issue a licence for a shorter period should this be considered appropriate.

## **6. Revocation of Licence**

6.1 A licence can be revoked by the Authority at any time on any one of the grounds set out in 5.1 (a) to (e) or any one of the grounds set out in 5.2 (a) or (b) of the policy.

6.2 The Authority will not revoke a licence without the licence holder being given an opportunity to appear before a Committee and be heard.

6.3 Where a licence is revoked, its holder will be disqualified from holding or obtaining a licence in the Borough for a period of 12 months from the date of revocation.

## **7. Cancellation of Licences**

7.1 If a licence holder dies, then the licence will be deemed to have been granted to the licence holder's personal representatives and will remain in force for three months from the date of the licence holder's death, and will then expire.

7.2 The Authority can however on the application of the licence holder's personal representatives extend the three month period if the Authority is satisfied that an extension is necessary for the purpose of winding up the late licence holder's estate. The Authority will only do so where there are no circumstances that make such an extension undesirable.

7.3 The Authority may at the written request of the licence holder cancel the licence.

## 8. Variation of Licences

8.1 A licence holder may at any time apply to vary a term, condition or restriction of a licence. On receiving such an application, the Authority can either:-

- a) make the variation as requested
- b) make such variations as it thinks fit
- c) refuse the application.

8.2 The applicant will be given an opportunity to attend before a Committee - before a decision is made to make a variation other than that being applied for or to refuse the application.

## 9. Enforcement

9.1 The Authority will seek to administer the licensing regime in a fair, open and consistent manner having regard to the Regulators' Code published by the Department for Business Innovation and Skills and will have regard to the statutory principles of good regulation as required by the Legislative and Regulatory Reform Act 2006 and The Authority's Enforcement Policy.

9.2 The Authority will act in a proportionate manner and will only intervene when necessary. Any remedies sought by the Authority will be necessary and proportionate.

9.3 The Authority would hope to work closely with its partners, businesses and public so as to ensure as far as possible that licence holders comply with the law and conditions attached to a licence. Where there is a breach of the law or breach of conditions identified then the Authority will take appropriate action which may include prosecution having regard to the facts, seriousness of the offence and Authority's enforcement protocol.

9.4 The Authority will risk-rate all premises and any inspection will be on the following basis:

Type of premises	Frequency of inspections*
High risk (e.g. sex entertainment venues)	Every 3-6 months
Medium risk (e.g. sex cinema)	Every 6-12 months
Low risk (e.g. sex shop)	Every 12 months

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

## 10. Appeals

10.1 Any decision made by the Authority can be appealed against to North Tyneside Magistrates' Court. Any such appeal must be made within 21 days of the decision of the Authority.

10.2 Those who can appeal are:-

- a) an applicant where the application for the grant, renewal or transfer of a licence is refused.
- b) an applicant for the variation of the terms, conditions or restrictions of a licence which is refused.
- c) a holder of a licence who is aggrieved by any term, condition or restriction imposed on the licence by the Authority.
- d) a holder of a licence that has been revoked.

## 11. **Safeguarding**

11.1 The licence holder will ensure that all members of management and staff attend training regarding safeguarding children, vulnerable adults and licensing.

11.2 This training is provided in partnership with the Authority and Northumbria Police. Such training is designed to support management and staff to recognise vulnerability and take appropriate safeguarding actions. This will include training to implement an age verification scheme and how to recognise and respond to vulnerable adults, as employees or customers. The training will also include a session regarding licensing law, conditions and expectations.

## **PART C** **SEX SHOPS**

### 1. **Significant Degree**

1.1 A licence for a sex shop is required when 18R films are being sold from the premises or where there is a 'significant degree' of 'sex articles' being sold from the premises.

1.2 The term 'sex article' is defined by the 1982 Act (see **Appendix B**) but the phrase 'significant degree' is not. When considering whether or not a business is selling a significant degree of sex articles and needs a licence, the Authority will have regard to:-

- The ratio of sex articles to other aspects of the business
- The absolute quantity of sales
- The character of the remainder of the business
- The nature of the displays in the business
- The turnover of the business
- Any other factors that appear to be materially relevant



## **2. Relevant Localities**

- 2.1 There are specific discretionary grounds that the Authority has for refusing to grant or renew licences including the locality of the premises as specified in paragraph 5.2. The Authority in determining an application may have regard to whether:-
- (a) the number of sex establishments in the relevant locality at the time the application is made is equal to or exceeds the number which the Authority consider appropriate for that locality
  - (b) the character of the relevant locality, or
  - (c) the use to which any premises in the vicinity are put, or
  - (d) to the layout, character or condition of the premises.
- 2.2 In considering the characteristics of a locality the Authority will have regard to the density and proximity of:-
- (a) residential accommodation
  - (b) parks and children's play areas
  - (c) other retail units (and their uses)
  - (d) schools
  - (e) religious and communal buildings
  - (f) alcohol or entertainment licensed premises

## **3. Length Of Licence**

- 3.1 Any licence will usually be granted for a year although the Authority in exceptional circumstances may grant a licence for such shorter period as considered appropriate.

## **4. Waivers**

- 4.1 The Authority do not consider that it would be appropriate to permit waivers from the requirements to hold a sex shop licence except in extreme circumstances that would be considered by the Licensing Committee.

## **5. Application Form And Notices**

See **Appendices C and D**

## **6. Licence Conditions**

See **Appendix E** for the conditions applying to a sex shop.

## **7. Fees**

- 7.1 The fees for applying for the grant, renewal or transfer of a sex shop are available from the Authority and at [www.northynteside.gov.uk](http://www.northynteside.gov.uk)
- 7.2 The fees are paid in two parts. The first fee is for the processing of the application and any associated costs of appearing before a Committee. If the application is successful the licence holder will be required to pay an additional fee for the maintenance of the licence.

- 7.3 The fees will be reviewed annually against any rise or reduction in cost of administering the licensing regime.

## **PART D** **SEXUAL ENTERTAINMENT VENUES**

### **1. Relevant Entertainment**

- 1.1 A licence for a sexual entertainment venue is required in relation to 'any premises at which relevant entertainment is provided before a live audience for the financial gain of the organiser or entertainer'.
- 1.2 'Relevant entertainment' is defined in Schedule 3 of the 1982 Act as 'any live performance or live display of nudity which is of such a nature that, ignoring financial gain, it must reasonably be assumed to be provided solely or principally for the purpose of sexually stimulating any member of an audience (whether by verbal or other means)'. An audience can consist of just one person e.g. in a private booth.
- 1.3 In deciding whether entertainment is 'relevant entertainment' the Authority will judge each case on its merits, but such entertainment will generally apply to:-
- lap dancing
  - pole dancing
  - table dancing
  - strip shows
  - peep shows
  - live sex shows

Adult entertainment that is not classed as 'relevant entertainment' under the 1982 Act may still require licensing under the Licensing Act 2003.

### **2. Relevant Localities**

- 2.1 There are specific discretionary grounds that the Authority has for refusing to grant or renew licences including the locality of the premises as specified in paragraph 5.2. The Authority in determining an application may have regard to whether:-
- (a) the number of sex establishments in the relevant locality at the time the application is made is equal to or exceeds the number which the Authority consider appropriate for that locality
  - (b) the character of the relevant locality, or
  - (c) the use to which any premises in the vicinity are put, or to the layout, character or condition of the premises
  - (d) the number of sex establishments in the relevant locality at the time the application is made is equal to or exceeds the number which the Authority consider appropriate for that locality
  - (e) the character of the relevant locality, or
  - (f) the use to which any premises in the vicinity are put, or
  - (g) to the layout, character or condition of the premises.

2.2 In considering the characteristics of a locality the Authority will have regard to the density and proximity of:-

- (a) residential accommodation
- (b) parks and children's play areas
- (c) other retail units (and their uses)
- (d) schools
- (e) religious and communal buildings
- (f) alcohol or entertainment licensed premises

### **3. Length of Licence**

Any licence will usually be granted for a year although the Authority in exceptional circumstances may grant a licence for such shorter period as considered appropriate.

### **4. Waivers**

The Authority do not consider that it would be appropriate to permit waivers from the requirements to hold a sexual entertainment venue licence, particularly as the legislation allows relevant entertainment on an infrequent basis of no more than 11 occasions within a 12-month period, providing there is at least one month between each period of entertainment which itself does not last for more than 24 hours.

### **5. Application Form And Notices**

See **Appendices C and D**

### **6. Licence Conditions**

See **Appendix E** for the conditions applying to a sexual entertainment venues

### **7. Fees**

7.1 The fees for applying for the grant, renewal or transfer of a sexual entertainment venue are available from the Authority and at [www.northtyneside.gov.uk](http://www.northtyneside.gov.uk)

7.2 The fees are paid in two parts. The first fee is for the processing of the application and any associated costs of appearing before a Committee. If the application is successful the licence holder will be required to pay an additional fee for the maintenance of the licence.

7.3 The fees will be reviewed annually against any rise or reduction in cost of administering the licensing regime.

## PART E

### SEX CINEMAS

#### 1. Significant Degree

'Sex cinema' means a premises, vehicle or vessel or stall used to a 'significant degree' for the exhibition of moving pictures, by whatever means produced which are concerned primarily with the portrayal of, or primarily deal with or relate to, or are intended to stimulate or encourage –

- (a) sexual activity; or
- (b) acts of force or restraint which are associated with sexual activity; or
- (c) are concerned primarily with the portrayal of, or primarily deal with or relate to, genital organs or urinary or excretory functions.

There is no definition of the term 'significant degree' in the 1982 Act and when considering whether or not a business or individual is exhibiting moving pictures that requires a sex cinema licence the Authority will have regard to:-

- (a) The ratio of exhibitions of moving pictures shown at the premises, vehicle, vessel or stall that portray or primarily deal with or relate to material that is designed to stimulate or encourage activity described in (a) to (c) in paragraph 1 above to the other types of moving pictures shown at that location.
- (b) The number of exhibitions of such moving pictures shown at the premises, vehicle, vessel or stall that portray or primarily deal with or relate to material that is designed to stimulate or encourage activity described in (a) to (c) in paragraph 1 above
- (c) The overall character of the business
- (d) The turnover of the business
- (e) Any other factors that appear to be materially relevant

#### 2. Relevant Localities

There are specific discretionary grounds that the Authority has for refusing to grant or renew licences including the locality of the premises as specified in paragraph 5.2 of Part B. The Authority in determining an application may have regard to whether:-

- (a) The number of sex establishments in the relevant locality at the time the application is made is equal to or exceeds the number which the Authority consider appropriate for that locality
- (b) The character of the relevant locality, or
- (c) The use to which any premises in the vicinity are put, or to the layout, character or condition of the premises
- (d) The number of sex establishments in the relevant locality at the time the application is made is equal to or exceeds the number which the Authority consider appropriate for that locality
- (e) The character of the relevant locality, or
- (f) The use to which any premises in the vicinity are put, or
- (g) To the layout, character or condition of the premises.

In considering the characteristics of a locality the Authority will have regard to the density and proximity of:-

- (a) residential accommodation
- (b) parks and children's play areas
- (c) other retail units (and their uses)
- (d) schools
- (e) religious and communal buildings
- (f) alcohol or entertainment licensed premises

### **3. Length of Licence**

Any licence will usually be granted for a year although the Authority may in exceptional circumstances grant a licence for such shorter period as considered appropriate.

### **4. Waivers**

The Authority do not consider that it would be appropriate to permit waivers from the requirements to hold a sex cinema licence, given the nature of the material contained in the exhibitions of moving pictures shown at the premises, vehicle, vessel or stall.

### **5. Application Form And Notices**

See **Appendices C and D**

### **6. Licence Conditions**

See **Appendix E** for the conditions applying to a sex cinema

### **7. Fees**

- 7.1 The fees for applying for the grant, renewal or transfer of a sex cinema are available from the Authority and at [www.northynteside.gov.uk](http://www.northynteside.gov.uk)
- 7.2 The fees are paid in two parts. The first fee is for the processing of the application and any associated costs of appearing before a Committee. If the application is successful the licence holder will be required to pay an additional fee for the maintenance of the licence.
- 7.3 The fees will be reviewed annually against any rise or reduction in cost of administering the licensing regime.

## **APPENDIX A**

### **Scheme of Delegation of decision-making and functions**

*Regulation and Review Committee is responsible for making decisions with officers having delegated powers to make some decisions. The table below describes how it is proposed licensing decisions will be made.*

<i>Matter to be dealt with:</i>	<i>Decision to be made by:</i>		
	<i>Full Committee</i>	<i>Panel of the Committee</i>	<i>Officers</i>
<i>Application for grant, renewal or transfer licence</i>		<i>If a relevant objection made</i>	<i>If no relevant objection made</i>
<i>Application to vary licence</i>		<i>If officer minded to refuse</i>	<i>If officer minded to grant</i>
<i>Possible revocation of Licence</i>		<i>If holder of licence wishes to appear before it or makes written representations</i>	<i>All other cases</i>
<i>Cancellation of Licence</i>			<i>All cases</i>
<i>Power prescribe/amend Standard Conditions</i>	<i>All cases</i>		
<i>Setting of fees</i>			<i>All cases</i>
<i>All licensing functions in connection with Schedule 3 Local Government (Miscellaneous Provisions) Act 1982 except those not capable of such delegation</i>			<i>All cases</i>

## **APPENDIX B**

### **DEFINITIONS**

of terms found within Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 and North Tyneside Council's Statement of Licensing Policy for Sex Establishments.

"Sex Establishment"	means a sex cinema, sex shop or sexual entertainment venue
"Sexual Entertainment Venue"	means any premises at which, "relevant entertainment" takes place before a live audience for the financial gain of the organiser or entertainer.
"Relevant Entertainment"	means any live performance or any display of nudity which is of a nature that ignoring financial gain, it must reasonably be assumed to be provided solely or principally for the purpose of sexually stimulating any member of the audience, whether by verbal or other means).
"Audience"	this includes an audience of one.
"Display of nudity"	means in the case of a woman, exposure of her nipples, pubic area, genitals or anus and in the case of a man exposure of his pubic area, genitals or anus.
"Organiser"	means in relation to the provision of relevant entertainment at a premises of any person who is responsible for the organisation or management of the relevant entertainment or the premises.
"Premises"	includes any vessel, vehicle or hall but does not include any private dwelling to which the public is not admitted.
"Sex Cinema"	means any premises, vehicle, vessel or stall used to a significant degree for the exhibition of moving pictures by whatever means produced and are concerned primarily with the portrayal of, or primarily deal with or relate to or are intended to stimulate or encourage sexual activity or acts of force or restraint which are associated with sexual activity or are covered primarily with the portrayal of, or primarily deal with or relate to, genital organs or urinary or excretory functions. It does not include a dwelling house to which the public is not admitted.
"Sex Shop"	means any premises, vehicle, vessel or stall used for a business which consists to a significant degree of selling, hiring, exchanging, lending, displaying or demonstrating sex articles or other things intended for use in connection with or for the purpose of stimulating or encouraging sexual activity or acts of force or restraint which are associated with sexual activity.

“Sex Article”	means anything made for use in connection with or for the purpose of stimulating or encouraging sexual activity or acts of force or restraint which are associated with sexual activity and to any article containing or embodying matter to be read or looked at or anything intended to be used either alone or of one of a set, for the reproduction or manufacture of such article and to any recording of vision or sound, connected primarily with the portrayal of, or primarily deals with or relates to, or is intended to stimulate or encourage, sexual activity or acts of force or restraint which are associated with sexual activity or is concerned primarily with the portrayal of, or primarily deals with or relates to genital organs, or urinary or excretory functions.
“Appropriate Authority”	means in relation to any area for which a resolution has been passed under Schedule 3 of the 1982 Act, the local authority who passed it.
“Chief Officer of Police”	means the Chief Officer of Police for the police area in which the locality is situated.
“Vessel”	includes any ship, boat, raft, hovercraft or other apparatus constructed or adapted for floating on water.
“Standard Conditions”	means the regulations made prescribing the standard conditions applicable to sex establishments.



**APPENDIX C**  
**APPLICATION FORM**



**North Tyneside Council**

**LOCAL GOVERNMENT  
(MISCELLANEOUS PROVISIONS) ACT 1982  
APPLICATION FOR GRANT/RENEWAL/TRANSFER  
OF LICENCE FOR (A) SEX ESTABLISHMENT  
(B) SEX SHOP  
(C) SEX CINEMA**

PLEASE COMPLETE IN BLOCK CAPITALS

**SECTION A – ABOUT THE APPLICANT**

Is the applicant:	a) An individual <input type="checkbox"/> b) A partnership or other unincorporated body <input type="checkbox"/> c) A body corporate <input type="checkbox"/>
Give the full name of the applicant(s), or body applying for the licence. If an individual or partnership, please state any previous name(s), date name changed together with date and place of birth.	
Telephone number on which the applicant can be contacted during office hours	
Address to which any Communications for the applicant are to be sent	
Applicants permanent address. If a company, please give the registered or principal address	
If the applicant is a company, please supply the following on a separate sheet in respect of each Director and persons who will manage or otherwise be involved in running the establishment or who have an interest/will benefit	Forename, Surname, Former Names (and date name changed), Permanent Address, Date of Birth, Place of Birth
What is the nature of the applicant's interest in the premises? Please state whether it is:	Freehold <input type="checkbox"/>  Leasehold <input type="checkbox"/>

<p>If the applicant's interest in the premises is leasehold, please supply the following information:</p>	<p>a) Is the lease headlease <input type="checkbox"/> underlease? <input type="checkbox"/>  b) Landlord's name and address:</p>
<p>Has the applicant been resident in the UK throughout the period of 6 months preceding the date of this application?</p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>Does the applicant or any persons named in this form have any Convictions/Cautions?</p> <p>Please include a copy of the Basix Disclosure Certificate for all persons named in this form</p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>

**SECTION B – ABOUT THE PREMISES**

<p>Trading name, address, telephone number and internet address (where applicable) of premises to be licensed</p>	<p>Name:  Address:    Tel:  e-mail/website:</p>
---	---

<p>Part of premises to be licensed (e.g. ground floor, first floor etc)</p>	
---	--

<p>Please provide details of what form of relevant entertainment will be performed on the premises</p>	
--	--

<p>If only part of the premises are to be used, to what use are the other parts of the premises put?</p>	
--	--

<p>Please state the name(s) of the person(s) responsible for running the part(s) of the premises that are <u>not</u> to be used as a sexual entertainment venue</p>	
---	--

<p>If the premises are already used</p>	
---	--

as a sexual entertainment venue, please give the name and address of the persons or body who now operate the business, and the date on which the premises were first used as a sexual entertainment venue	
Is the application in respect of a premises, vehicle or vessel?	Premises <input type="checkbox"/>
	Vehicle <input type="checkbox"/>
	Vessel/Staff <input type="checkbox"/>
If the application is in respect of a vehicle, stall or vessel, please state where it is to be used as a sexual entertainment venue	
Are the premises fitted with a CCTV system	
Please confirm the number of SIA doorstaff to be present on the premises whilst relevant entertainment is being performed	

**SECTION C – ABOUT THE LICENCE**

<b>FIRST APPLICATION</b> Choose this option if this is the first time this premises has been licensed or if the previous licence held by the premises has lapsed. You MUST provide a copy of a plan of the premises with the application to enable it to be processed	
<b>RENEWAL APPLICATION</b> Choose this option if you already hold a licence for the premises that is due to expire	
<b>VARIATION APPLICATION</b> Choose this option if you are proposing to change the hours of operation, or the premises layout etc	
<b>TRANSFER APPLICATION</b> Choose this option to transfer the licence from one licence holder to another	

**SECTION D – ABOUT THE PREMISES**

Under what name is or will the business be known?	
What means are to be taken to prevent the interior of the premises being viewed by passers by?	
	Monday
	Tuesday

State which days and hours you intend to open the premises	Wednesday	
	Thursday	
	Friday	
	Saturday	
	Sunday	

### SECTION E – OTHER PARTICULARS TO BE PROVIDED

Scale plan of the premises in respect of which the licence is sought with relevant licensed area highlighted		<input type="checkbox"/>
Copy of the newspaper in which the notice of the application has been published (this must be sent within 7 working days of making the application)		<input type="checkbox"/>

### SECTION F - DECLARATION

I/We enclose the requisite fee		<input type="checkbox"/>
I/We confirm that a copy of this application has been served on the Chief Officer of Police at Wallsend Police Station within 7 days of the application being submitted		<input type="checkbox"/>
I/We confirm that a Notice publicising this application will be displayed for 21 days beginning with the date of the application on or near the premises and in a place where it can be conveniently be read by the public		<input type="checkbox"/>
I/We confirm that a Notice of application has been given by publishing an advertisement in a Local Newspaper circulating in the local area. The publication of the Notice shall not be later than 7 days after the date of application		<input type="checkbox"/>

### DECLARATION BY APPLICANT FOR LICENCE

**I understand that any person who, in connection with an application for the grant, renewal or transfer of a licence makes a false statement which he knows to be false in any material respect, or which he does not believe to be true, shall be guilty of an offence punishable on summary conviction by a fine not exceeding £20,000.**

**I declare that the information I have given in this form is true and complete in every respect.**

**Where the application is made on behalf of a limited company, the company secretary or director(s) should sign this form, in the case of a partnership each partner should sign.**

Signed		Signed	
Name		Name	
Capacity		Capacity	
Date		Date	

**ONCE COMPLETED, THIS FORM SHOULD BE RETURNED TO:-**

Licensing, Block A, Killingworth Site, Harvey Combe, Killingworth, Newcastle upon Tyne, NE12 6QQ or emailed to [liquor.licensing@northtyneside.gov.uk](mailto:liquor.licensing@northtyneside.gov.uk).

**APPENDIX D**  
**NOTICES**

**Notice to be displayed at Premises**

**LOCAL GOVERNMENT (MISCELLANEOUS PROVISIONS)**  
**ACT 1982 (AS AMENDED)**

NOTICE OF APPLICATION FOR GRANT/RENEWAL/TRANSFER OF A LICENCE

Application today been made to North Tyneside Council in accordance with Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 (as amended) for the grant/renewal/transfer of a sexual entertainment venue/ sex shop / sex cinema licence in respect of the premises named below

Address of Premises .....

.....

Name of Applicant .....

Signature of Applicant .....

Date .....

Any objections to this application should be made not later than 28 days after the date hereon in writing stating the general terms the grounds for objection to:

**Licensing**  
**Block A**  
**North Tyneside Council**  
**Harvey Combe**  
**Killingworth**  
**Newcastle upon Tyne**  
**NE12 6QQ**

PLEASE NOTE: Objections will be sent to the applicant and will become public documents. However, personal details such as name, address and telephone number will be removed.

THIS NOTICE IS TO BE PROMINENTLY DISPLAYED ON THE OUTSIDE OF THE PREMISES FOR A PERIOD OF 21 DAYS AFTER THE DATE HEREON

Newspaper Notice

LOCAL GOVERNMENT (MISCELLANEOUS PROVISIONS)  
ACT 1982 (AS AMENDED)

NOTICE OF APPLICATION FOR GRANT/RENEWAL/TRANSFER OF A  
LICENCE

Take notice that on .....

I/We .....

Of .....

Made application to North Tyneside Council for the grant/renewal/transfer of  
a sexual entertainment venue/ sex shop / sex cinema licence at (address of  
proposed premises)

Any objections to this application should be made to:

**Licensing  
Block A  
North Tyneside Council  
Harvey Combe  
Killingworth  
Newcastle upon Tyne  
NE12 6QQ**

Within 28 days from the date of this advertisement stating in general terms  
the grounds of objection.

PLEASE NOTE: Objections will be sent to the applicant and will become public  
documents. However, personal details such as name, address and telephone number  
will be removed.

## **APPENDIX E**

### **Regulations prescribed under Regulation 13 of the Local Government (Miscellaneous Provisions) Act 1982**

In these Regulations, except when the context otherwise requires, the following expressions shall have the following meanings:

- (i) "Sex Establishment", "Sex Cinema", "Sex Shop", and "Sex Article" shall have the meanings given to them in the Third Schedule of the Local Government (Miscellaneous Provisions) Act 1982.
- (ii) "Premises" means a building or part of a building and any forecourt, yard or place of storage used in connection with a building or part of a building which is the subject of a licence for a Sex Establishment granted under the Third Schedule.
- (iii) "Approval of the Council" or "Consent of the Council" means the approval or consent of the Council in writing.
- (iv) "Approved" means approved by the Council in writing.
- (v) "The Authority" means the Council of the Borough of North Tyneside.

In the event of a conflict between these Regulations and any special conditions contained in a licence relating to a Sex Establishment the special conditions shall prevail.

The grant of a licence for a Sex Establishment shall not be deemed to convey any approval or consent which may be required under any enactment by law, order or regulation other than the Third Schedule of the Local Government (Miscellaneous Provisions) Act 1982.

#### **Sex shop – Standard Conditions**

1. All Sex Articles and other things displayed for sale, hire, exchange or loan within a Sex Shop shall be clearly marked to show to persons who are inside the Sex Shop the respective prices being charged.
2. All printed matter offered for sale, hire, exchange or loan shall be available for inspection prior to purchase, hire, exchange or loan and a notice to this effect is to be prominently displayed within the Sex Shop.
3. No film or video film shall be exhibited, sold or supplied unless it has (a) been passed by the British Board of Film Censors and bears a certificate to that effect or (b) approved by the Authority and is a reproduction authorised by the owner or the copyright of the film or video film so certified.
4. The Licensee shall without charge display and make available in the Sex Shop such free literature on counselling on matters related to sexual problems as may be published by the FPA and by such other similar organisations as may be specified by the Authority. Such literature is to be displayed in a prominent position approved by the Authority adjacent to all cash collection points in the Sex Shop.



5. No display, advertisement, word, letter, model, sign, light, placard, board, notice, device, representation, drawing, writing, or any matter or thing (whether illuminated or not) shall be exhibited so as to be visible from outside the Premises except:-
  - (a) Any notice of a size and in a form approved by the Authority which is required to be displayed so as to be visible from outside the Premises by law or by any condition of a licence granted by the Authority.
  - (b) Such display, advertisement, word, letter, model, sign, light, placard, board, notice, device, representation, drawing, writing, or any matter or thing as shall have been approved by the Authority.
6. The entrances to the Premises shall be of a material or covered with a material which will render the interior of the Premises invisible to passers by.
7. Windows and openings to the Premises other than entrances shall not be obscured otherwise than with the consent of the Authority but shall have suspended behind them, in a position and at an attitude approved by the Authority, opaque curtains of a type and size approved by the Authority. This regulation shall not be construed as lessening the obligations of the Licensee.
8. The external appearance shall be of a colour and design approved by the Authority.
9. The Premises shall be maintained in good repair and condition.
10. Lighting in all parts of the Premises as approved by the Authority shall be in operation continuously during the whole of the time that the Sex Shop is open to the public.
11. The number, size and position of all doors or openings provided for the purposes of the ingress and egress of the public shall be approved by the Authority and shall comply with the following requirements:-
  - (a) All such doors or openings approved by the Authority shall be clearly indicated on the inside by the word "exit".
  - (b) Doors and openings which lead to parts of the Premises to which the public are not permitted to have access shall have notices placed over them marked "private".
  - (c) Except in the case of emergency no access shall be permitted through the Premises to any unlicensed premises adjoining or adjacent.
12. The external doors to the Sex Shop shall be fitted with a device to provide for their automatic closure and such devices shall be maintained in good working order.
13. The Licensee shall make provision in the means of access both to and within the Sex Shop for the needs of members of the public visiting the Sex Shop who are disabled.
14. No fastenings of any description shall be fitted upon any booth or cubicle within the Sex Establishment nor shall more than one person (including any employee) be present in any such booth or cubicle at any time.

15. Alterations or additions either internal or external and whether permanent or temporary to the structure, lighting or layout of the Premises shall not be made except with the prior approval of the Authority.
16. All parts of the Premises shall be kept in a clean and wholesome condition to the satisfaction of the Authority.
17. No person under the age of 18 shall be admitted to the Premises, or employed in the business of the sex establishment. A sign shall be displayed at the entrance to the Premises stating "No admission to any persons under the age of 18 years."
18. The licensed premises shall not open or be used for which the licence is granted except between the hours of 9am and 6pm.
19. No change from a Sex Cinema to a Sex Shop or from a Sex Shop to a Sex Cinema shall be effected without the consent of the Authority.

### **Sexual Entertainment Venue – Standard Conditions**

1. A Nominated Person must remain in personal control of the Premises at all times.
2. Any individual employed on the Premises to conduct a security activity (within the meaning of section paragraph 2(1)(a) of schedule 2 to the Private Security Industry Act 2001) must be licensed by the Security Industry Authority.
3. The Licensee must ensure that a suitable number of trained staff are employed to supervise the interior of the Premises ("floor supervisors") whilst performances are being given under this licence.
4. No children under the age of 18 shall be admitted to the Premises whilst relevant entertainment is taking place. Customers who appear to be under the age of 25 must be asked to provide photographic proof of their age. The Licensee must provide prominent notices at each entrance to the Premises to this effect.
5. Performers shall be aged not less than 18 years whilst relevant entertainment is taking place. The Licensee must maintain adequate records of the names, addresses and dates of birth of performers including adequate identity checks.
6.
  - (a) The Licensee shall ensure that neither they nor any person promoting or providing entertainment on the Premises (nor any person acting on behalf of any such person) shall display advertisements promoting the entertainment on the Premises unless they are approved by the Authority.
  - (b) Where the Authority have given notice in writing to the Licensee objecting to an advertisement on the grounds that, if displayed, it would offend good taste or decency or be likely to encourage or incite to crime or to lead to disorder or to be offensive to public feeling, that advertisement shall not be displayed.
  - (c) The Licensee shall not permit the display outside of the Premises of photographs or other images which indicate or suggest that striptease or similar entertainment takes place on the premises.

- (d) The Licensee shall ensure to the Authority's satisfaction (including, where required, necessary planning or building control consents) that the entertainment area of the Premises is not visible from the outside of the Premises, and that the exterior is maintained to a satisfactory level of decorum. At no point may dancers be visible whilst performing from outside the Premises.
7. The Licensee shall ensure that no more members of the public shall be present on the Premises at any time whilst sexual entertainment takes place to which this licence relates where the Authority has specified a number in writing on the grounds of public safety (excluding fire safety), public nuisance or crime and disorder.
  8. Performers shall only perform on the stage area, to seated customers or in such other areas of the licensed premises as may be agreed in writing with the Authority.
  9. The Licensee is to implement a policy to ensure the safety of the Performers when they leave the premises after a period of work.
  10. Performers must remain clothed in public areas and all other areas except while performing in areas specified by the Authority as where sexual entertainment may be provided.
  11. Performers must dress fully at the end of each performance.
  12. Performers may not accept any telephone number, email address, address or contact information from any customer, except in the form of a business card which must be surrendered to the Licensee or their representative before leaving the premises.
  13. Performers must never be alone in the company of a customer except in an area open to the public within the premises.
  14. The Licensee is to ensure a sufficient number of SIA registered security staff are employed at the Premises whilst sexual entertainment is provided to supervise the Performers and customers.
  15. Performers must not perform a nude table dance unless in a supervised area or within five metres of a floor supervisor.
  16. Performers are never to be in the company of a customer except in an area open to the public within the Premises (excluding the toilets).
  17. The Licensee must ensure that during the performance of a table dance:
    - (1) Customers must be seated in an upright position against the back of the booth or seat with their hands by their sides before a dancer can start a table dance;
    - (2) Customers must remain seated during the entire performance of the dance;
    - (3) For the purpose of restraint only, Performers may only touch a customer above the customer's chest with their hands only;
    - (4) Performers must not sit on or straddle the customer;
    - (5) Performers must not place their feet on the seats.

18. The Licensee must ensure that during performances to which this Licence relates:
  - (1) Performers may not perform any act that clearly simulates any sexual act;
  - (2) Performers may not intentionally touch a customer any time during the performance;
  - (3) Performers may not use inappropriate, suggestive or sexually graphic language at any time;
  - (4) Performers must never intentionally touch the genitals or breasts of another dancer or to knowingly permit another dancer to intentionally touch their genitals or breasts;
  - (5) Performers must not conduct themselves in such a manner that could be deemed as acts of prostitution or solicitation, even if the Performer has no intention of carrying out the act;
  - (6) Performers may only perform nude or semi-nude dancing (of any description) within areas specified by the Authority.
  
19. The Licensee must ensure that during performances to which this Licence relates:
  - (1) Customers may not dance at any time except in areas specifically designated by the Authority as being separate from areas for sexual entertainment.
  - (2) Customers must remain appropriately clothed at all times.
  
20. The Licensee shall ensure that CCTV is installed and maintained to the satisfaction of Northumbria Police and that any images are
  - (a) retained for a period of at least 31 days and
  - (b) made available on request to a police officer or authorised officer of the Authority.
  
21. The Licensee shall provide in a timely fashion copies of any documents reasonably required by an authorised officer of the Authority in relation to compliance with this Licence.
  
22. No part of the Premises shall be used by prostitutes (male or female) for the purposes of solicitation or of otherwise exercising their calling.
  
23. Neither the Licensee, nor any employee or other person, shall seek to obtain custom for the Sex Establishment by means of personal solicitation outside or in the vicinity of the premises.
  
24. Only the performers shall provide the entertainment, no audience participation shall be permitted.
  
25. During any lap dancing performance, performers may not:
  - a) touch customers in any way;
  - b) approach closer than 30cms (12") from any part of a patron;
  - c) remove underwear or otherwise so as to expose their genitalia;
  - d) climb onto furniture provided for patrons; or,
  - e) simulate sex acts.

26. No performance shall involve the use of sex articles (as defined in the Local Government (Miscellaneous Provisions) Act 1982).
27. A copy of the Sex Establishment Licence must be kept exhibited in the public area of the premises.
28. The Licensee shall not display outside, near to, or within the premises any advertising material, sign or pictorial display referring to any sexual entertainment taking place at the licensed premises or the goods, articles or services provided at the premises, in such a position or manner that it is visible to any person using adjacent highways, streets, footpaths or forecourts except any notice displaying the name or trading title of the Licensee, any notice indicating the times of opening of the premises or for business, any notice required by statute, regulation or byelaw applicable to the premises or business carried thereon or any notice prescribed by these conditions.
29. Nudity shall only be permitted by performers and not by customers.
30. A warning notice must be displayed in a prominent place at or near to the entrance of the premises to indicate that adult entertainment is taking place.

### **Sex Cinema – Standard Conditions**

1. No change from a Sex Cinema to a Sex Shop or from a Sex Shop to a Sex Cinema shall be effected without the consent of the Authority.
2. The licensed premises shall not be open or used for the purpose for which the licence is granted except between the hours of 9am and 11pm, Monday to Saturday.
3. The licensed premises shall not be open on Sunday or any Bank Holidays or Public Holidays.
4. All parts of the Premises shall be kept in a clean and wholesome condition to the satisfaction of the Authority.
5. A copy of the licence must be kept exhibited within the premises and be clearly visible to customers in the premises at all times.
6. The names of the proprietor of the business and of any person who is in charge of day to day running thereof shall be prominently displayed within the premises throughout the period when he is responsible for its conduct, and such names should be shown alongside the licence and be clearly visible to the customer in the premises at all times.
7. The licensed premises shall be so arranged by screening or obscuring windows, doors and other openings so that the interior of the licensed premises and any displays shall not be visible to persons outside the building in a manner satisfactory to the Authority.
8. The external doors to the premises shall be fitted with a device to provide for their automatic closure and such devices shall be maintained in good working order.

The external door shall only be opened at such time or times as person(s) require access and egress to the interior of the premises.

9. There shall be provided within the entrance of the premises a partition screening the interior of the premises from passers by at all times whilst the entrance doors may be opened.
10. No fastenings of any description shall be fitted upon any booth or cubicle within the Sex Establishment, nor shall more than one person (including any employee) be present in any such booth or cubicle at any time.
11. No film or video film shall be exhibited, sold or supplied unless it has been passed by the British Board of Film Classification and bears a certificate to that effect, and is a reproduction authorized by the owner of the copyright of the film or video film so certified. Any such film or video film shall comply with the Video Recordings Act 1984.
12. The windows, doors fascia board, walls and all external parts of the premises including the roof shall not contain any form of writing, sign or display save for the following in the form approved by the Authority:-
  - a) The address of the premises
  - b) The Licensed name of the premises
  - c) A notice fixed to the entrance to the premises clearly stating "WARNING – persons passing beyond this notice will find material on display which they may consider indecent. No admittance under 18 years of age."
  - d) A notice stating the opening hours of the establishment
  - e) In the case of a licence granted to a body corporate:-
    - (i) If the licence name is not the same as the full name of the body corporate then such corporate name and;
    - (ii) If the premises are also the body's registered office for the purposes of the Companies Acts then an indication in a form acceptable to the Company that such is the case.
  - f) The wording "ADULT CINEMA" but no other indication as to the nature of the business carried on at the licensed premises.
13. Alterations or additions, either internal or external and whether permanent or temporary, to the structures, lighting or layout of the premises shall not be made except with the prior approval of the Authority.
14. The premises shall be conducted primarily for the purpose of the exhibition of moving picture.
15. The Licensee shall comply with all Statutory Provisions and any Regulations made thereunder.
16. No person under the age of 18 shall be admitted to the premises or employed in the business of the premises, and the Licensee or person in charge shall make all necessary enquiries to this end.
17. No part of the Premises shall be used by prostitutes (male or female) for the purpose of solicitation or of otherwise exercising their calling.

18. Neither the Licensee, nor any employee or other person, shall seek to obtain custom from the Sex Cinema by means of personal solicitation outside or in the vicinity of the Premises.
19. Neither sex articles nor other things intended for use in connection with, or for the purpose of simulating or encouraging sexual activity or acts of force or restraint which are associated with sexual activity shall be sold, hired, exchanged, or loaned in a Sex Cinema.

## **APPENDIX F**

### **LIST OF CONSULTEES**

Residents and businesses council website  
All licence holders within North Tyneside  
All pub watch schemes within North Tyneside  
Specialist trade organisations  
Stakeholder groups  
Councillors/MP's  
Elected Mayor of North Tyneside  
Northumbria Police  
Director of Public Health  
Tyne & Wear Fire & Rescue Service  
Relevant Council Officers



## North Tyneside Council Report to Cabinet Date: 19 September 2022

### Title: North Tyneside Local Plan Policy Review 2022

<b>Portfolio(s):</b> Deputy Mayor	<b>Cabinet Member(s):</b> Cllr Carl Johnson
<b>Report from Service Area:</b>	Planning and Strategic Transport
<b>Responsible Officer:</b>	John Sparkes <span style="float: right;">Tel: (0191) 643 6091</span>
<b>Wards affected:</b>	Wallsend

#### PART 1

##### 1.1 Executive Summary:

This report sets out the Authority’s conclusions regarding the review of the North Tyneside Local Plan as adopted in July 2017. National Planning Policy Framework and regulations require Local Authorities to undertake a review of their Local Plan policy at least every five years to establish whether they remain up to date and update the Local Plan policy as necessary. To fulfil this legal requirement, the Authority has reviewed each of the policies within the North Tyneside Local Plan.

The findings of this review established that the current Local Plan policy remains sound and is an effective tool for managing development in North Tyneside and updates are not required at this time. The Local Plan’s overall strategy remains consistent with national planning policy and continued focus upon implementation of the Plans objectives and targets, especially in relation to securing sustainable delivery of homes and necessary infrastructure for the Borough, remains the Authority’s priority at this time.

##### 1.2 Recommendation(s):

It is recommended that Cabinet:

- (1) Note and agree the findings of the North Tyneside Local Plan Policy Review 2022; and
- (2) Agree that the North Tyneside Local Plan Policy Review 2022 can be published online, accompanied by a statement outlining that a review has been undertaken that has found the North Tyneside Local Plan remains sound as an up to date strategy that is consistent with national planning policy.

##### 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 August 2022.

## 1.4 Council Plan and Policy Framework

This report relates to the following priority in the 2021-2025 Our North Tyneside Plan:

A thriving North Tyneside – In confirming the Local Plan’s strategy for town centres, growth and economic investment

A secure North Tyneside – Particularly in confirming the Local Plan’s strategy to tackle health and social inequality and delivery of affordable housing.

A family friendly North Tyneside – In confirming the Local Plan’s strategy for infrastructure provision including education, training and skills development.

A caring North Tyneside – In establishing an up to date understanding of housing needs including specialist care requirements.

A green North Tyneside – In confirming the Local Plans strategy for environmental protection, waste management, and promotion of sustainable transport.

## 1.5 Information:

### 1.5.1 Background

1.5.2 The North Tyneside Local Plan was adopted at a meeting of full Council on 20 July 2017. This final decision followed a long process of plan preparation and examination in public that incorporated wide ranging consultation with the residents of North Tyneside. This included first publication of a Local Plan Consultation Draft in November 2013, and further consultation on draft proposals in 2014 and 2015. Following submission to the Secretary of State in May 2016 an independent Planning Inspector undertook an examination in public of the Local Plan, where respondents to the Plan were given an opportunity to provide commentary and seek changes to the Plan. Following this process, the Inspector’s Report on the Examination of the Plan received in May 2017, confirming that the Local Plan had been found sound and capable of adoption.

1.5.3 The Local Plan, as adopted by full Council sets out a number of strategic priorities in line with the Council Plan, specifically aimed at enabling economic growth and regeneration, whilst providing a place where people have active healthy and quality lives. The Local Plan sets out a range of policies which, in the order they appear in the Local Plan, include:

- Climate change mitigation and adaption;
- The protection of the Green Belt within North Tyneside;
- Improving health and wellbeing, including specific policy for the assessment of health impacts of hot food takeaways;
- Creation of about 700 new jobs per year, supported by identification of strategic employment locations along the River Tyne North Bank, the A19 corridor, Weetslade (Indigo Park), Balliol East and West, Gosforth Business Park and Whitley Road;
- Identification of Wallsend, North Shields and the Coastal area as a focus for new retail, leisure, office and tourist development;
- Delivery of an average of 790 dwellings per year to meet housing needs identified in accordance with national planning policy and guidance;

- The identification of sufficient land to meet the Borough's housing needs, including the strategic housing allocations of Murton Gap and Killingworth Moor and developable brownfield land across the Borough;
- A target of 25% of new homes built to be affordable homes;
- The introduction of minimum space and accessibility standards for new housing;
- Protecting and enhancing built and natural assets such as open spaces, designated ecological sites, listed buildings and conservation areas;
- A coherent and positive strategy to manage and resolve issues of flood risk and surface water drainage issues;
- Supporting the level of growth required with the necessary infrastructure such as roads, public transport, pedestrian and cycle routes, health, education, open space, community and cultural facilities; and
- Specific strategies for the regeneration and development of North Shields, the Coast and Wallsend and also the North West Communities.

1.5.4 Since the adoption of the Local Plan there have been some notable changes in the wider social and economic context that shapes growth and development. The implications of Brexit for economic and housing growth remain uncertain as the Covid-19 pandemic has fundamentally shifted many aspects of the way individuals live and work, and has changed the perspectives of many about the environment around them. Climate change has also come into even greater focus, with North Tyneside Council recognising the importance placed on the issue with the declaration by full Council of a Climate Change Emergency in 2019. Meanwhile, National Planning Policy that sets the framework against which Local Plans must be prepared has been updated three times, and key elements of planning guidance such as the approach to calculating Local Housing Need has been updated.

1.5.5 Despite these challenges, some important developments have been permitted or commenced since the Local Plan was adopted. This includes:

- Completion of refurbishment and re-opening of Spanish City.
- Opening of a new supermarket and other retail units at The Forum, Wallsend and refurbishment and reuse of Wallsend Town Hall as a Business Centre.
- Expansion of Northumberland Park District Centre and refurbishment and public realm improvements at Forest Hall District Centre.
- Development of about 3,000 homes, including around 1,000 affordable homes.
- Major highway improvements across the Borough including completion of the A19(T) Silverlink underpass.
- North Shields Town Centre Regeneration - Howard Street and Northumberland Square

#### 1.5.6 **Conclusions of the Local Plan Review**

1.5.7 A Local Plan Review Summary Document and Policy Assessment is included at Appendix 1 of this Report. Appendix 1 considers a range of matters including:

- Changes in the national planning context,
- Changes in local circumstances and policy context,
- Development monitoring reports,
- The duty to co-operate, and
- Appeals performance.

1.5.8 The conclusions set out within the review at Appendix 1 addresses each chapter of the Local Plan, that is further summarised below.

### **1.5.9 Spatial Strategy**

1.5.10 The Spatial Strategy, including approach to the Borough's Green Belt, Local Green Space and policy regarding Health and Well Being remains fit for purpose, but the continued robustness of the spatial strategy will be dependent upon securing delivery of existing allocated sites for housing and employment.

### **1.5.11 Economy**

1.5.12 The Local Plan strategy and range of sites identified is considered to remain up to date. Key strategic corridors including the River Tyne North Bank and the A19(T) remain an important focus for investment and regeneration initiatives to drive business growth and investment. However, further evidence to update the Employment Land Review is being prepared that will add further understanding of the suitability of the current strategy.

### **1.5.13 Retail and town centres**

1.5.14 The overarching strategy for the Borough's town centres has been to provide a flexible approach to change as the retail and town centre environment faces growing challenges from on-line and out of town shopping. Review of the current Local Plan suggests policy continues to provide a suitable framework for other strategies and plans of the Authority to support investment and regeneration.

### **1.5.15 Housing**

1.5.16 The local housing requirement identified within the Local Plan remains broadly in accordance with the government's latest methodology for calculating housing needs, whilst the Authority has continued to pass the Housing Delivery Test – the governments key measure for assessing whether the number of homes built in each area is keeping pace with requirements. However, the delay in commencing development at Murton Gap and Killingworth Moor and the effects of economic uncertainty upon housing supply have meant that the Borough now does not have a five-year land supply.

1.5.17 Paragraph 11 and footnote 8 of National Planning Policy is clear that where there is no five-year land supply the policies in a Local Plan related to housing development are out of date and proposals for development would be considered against the national planning policy framework. Current guidance is clear that despite this, other policy of the Local Plan remains relevant and key issues such as protection of Green Belt retain significant weight in planning decisions. Given the specific causes for the current housing land supply issues in North Tyneside, the focus for the Authority at this time is upon securing implementation of the existing Local Plan strategy.

### **1.5.18 Natural Environment**

1.5.19 Some of the latest legislative developments including the Environment Act and emerging Levelling Up and Planning Bill will influence how Local Plan policy for the natural environment are prepared in future. However, at this time the current suite of policies continue to provide an appropriate framework within which changes can be implemented, including securing a net gain in biodiversity and consequently still provide a suitable and up to date policy framework.

## 1.5.20 Built and Historic Environment

1.5.21 There have been developments in national policy and guidance in relation to the National Design Code and preparation of Local Design Codes. However, the current policy framework would not prevent the expansion of the Authority's supporting evidence and guidance regarding design and such documents would support implementation of the existing policy. Further development includes provision for street trees as part of development. Whilst the current Local Plan does not reflect this requirement the policy approach does not give rise to any conflict that would render the Local Plan policy out-of-date.

## 1.5.22 Infrastructure

1.5.23 There are no substantial new infrastructure schemes that would require inclusion in the Local Plan to enable their delivery and broadly policy in this section remains up to date.

## 1.5.24 Area Specific Strategies

1.5.25 The Local Plan sets out specific proposals for areas of potential regeneration focus for the coast, Wallsend, North Shields and the north-west villages. These overarching, area-based frameworks, continue to provide a robust basis upon which some of the Authority's key regeneration priorities can be developed and expanded.

## 1.5.26 Status of the North Tyneside Local Plan

1.5.27 Based on the assessments undertaken, the Authority concludes that its Local Plan remains a sound Local Plan and does not propose to undertake further work to update its Local Plan at this time. The Authority remains focused upon implementation to support delivery of the North Tyneside Local Plan's objectives.

## 1.6 Decision options:

The following decision options are available for consideration by Cabinet:

### Option 1

Approve the recommendations as set out in section 1.2 of this report.

### Option 2

Not to approve the recommendations as set out in section 1.2.

Option 1 is the recommended option.

## 1.7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

The Authority has a legal duty to undertake a review of its Local Plan and is expected to publish its conclusions, and a statement regarding the status of the Plan. Failure to publish such a statement could result in the wider Local Plan being considered out of date and therefore reduce the Authority's ability to manage development in the Borough.

## 1.8 Appendices:

Appendix 1 North Tyneside Local Plan Five Year Review 2022

## 1.9 Contact officers:

Martin Craddock, Planning Policy Team Leader (07708 354066)  
Jackie Palmer, Planning Manager (07711 425574)  
David Mason, Senior Manager Capital Strategy and Planning

## 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) Report to Full Council, Adoption of the North Tyneside Local Plan, Item 8, meeting of 20 July 2020 [http://ntc-web-democratic-archive-public.s3-website.eu-west-2.amazonaws.com/Files/COU/COU-2017-07-20\\_Adoption\\_of\\_the\\_North\\_Tyneside\\_Local\\_Plan.pdf](http://ntc-web-democratic-archive-public.s3-website.eu-west-2.amazonaws.com/Files/COU/COU-2017-07-20_Adoption_of_the_North_Tyneside_Local_Plan.pdf)
- (2) North Tyneside Local Plan, 2017  
<https://my.northtyneside.gov.uk/sites/default/files/web-page-related-files/North%20Tyneside%20Local%20Plan%202017-2032.pdf>
- (3) The Town and Country Planning Act 1990  
<https://www.legislation.gov.uk/ukpga/1990/8/contents>
- (4) The Town and Country Planning (Local Planning) (England) Regulations 2012 (legislation.gov.uk) (as amended)  
<https://www.legislation.gov.uk/uksi/2012/767/contents/made> and The Town and Country Planning (Local Planning) (England) (Amendment) Regulations 2017  
<https://www.legislation.gov.uk/uksi/2017/1244/made>
- (5) National Planning Policy Framework, 2021  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1005759/NPPF\\_July\\_2021.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1005759/NPPF_July_2021.pdf)

## PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

### 2.1 Finance and other resources

There are no direct financial implications arising from this decision. The ongoing commitment to implementation of the Local Plan's strategic objectives and proposals have previously been committed as part of the Local Plan's adoption.

### 2.2 Legal

This decision will ensure the Authority fulfils its legal duty, specifically arising from Regulation 10A of the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended).

### 2.3 Consultation/community engagement

2.3.1 Internal Consultation – the assessments made through the Local Plan policy review have been informed by discussion and engagement with officers across the Authority and with Members of the Local Plan Steering Group.

2.3.2 External Consultation/Engagement – the five year review process does not require formal review but the need and extent of the emerging review has been discussed as part of the

ongoing dialogue that the Authority engages in with neighbouring Authorities in exercising its Duty to Co-operate.

## 2.4 Human rights

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

## 2.5 Equalities and diversity

There are no direct implications for Equalities and diversity arising from this decision. The adopted Local Plan was subject to Equalities Impact Assessment and that work continues to be applicable to implementation of the Local Plan.

## 2.6 Risk management

The risks associated with the implementation and review of the Local Plan have previously been assessed and are managed through the Risk Register. This decision will assist in managing the risk of the Local Plan as a whole being considered out of date.

## 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 direct implications for Environment and sustainability arising from this decision. The adopted Local Plan was subject to Sustainability Appraisal and Habitat's Regulation Assessment that considered the sustainability effects of each policy of the Local Plan.

## PART 3 - SIGN OFF

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

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# **DRAFT : Local Plan Five Year Review, 2022**

Appendix 1 Policy Assessment

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List of Policies	Key policy aim(s)	National Planning Policy Framework	Notes on implementation and monitoring	Assessment of status
<b>1. Strategy for the sustainable development of the Borough</b>				
<b>S1.1 Spatial Strategy for Sustainable Development</b>	<p>Set strategy for spatial distribution of employment, housing, retail and leisure, tourist and cultural facilities.</p> <p>Aims relate to minimising need to travel, delivery of infrastructure, responding to climate change.</p> <p>Effect of policy directs development to the urban area, town centres and locations well served by infrastructure to enable sustainable development.</p>	<p>Paragraph 20 establishes strategic policies should set overall strategy for pattern, scale and design quality of places and make sufficient provision for:</p> <p>a) Housing, employment, retail, leisure, other commercial.</p> <p>b) Infrastructure (range of items)</p> <p>c) Community facilities.</p> <p>d) Conservation and enhancement of natural, built historic environment, and measures to address climate change mitigation and adaption.</p>	<p>Policy S1.1 is primarily implemented through subsequent policy of the Local Plan including allocations, other specific proposals and development management policy.</p> <p>Overall the policy effectively guided the wider approach of the Local Plan.</p> <p>As a core strategic policy the spatial strategy proposed has generally been followed.</p> <p>There have been no substantial departures from the spatial strategy set out.</p>	<p>The Local Plan policy remains up to date and consistent with national policy.</p>
<b>S1.2 Spatial Strategy for Health and Well-being</b>	<p>To maintain and improve health and well-being of communities.</p> <p>Key actions include:</p> <ul style="list-style-type: none"> <li>Working in partnership with health authorities.</li> <li>Requiring development to contribute to an age friendly, health and equitable living</li> </ul>	<p>Paragraph 20</p> <p>c) Provision of community facilities (such as health, education and cultural infrastructure).</p> <p>Chapter 8 – Promoting healthy and safe communities</p> <p>Paragraph 92 refers to applying principles of good</p>	<p>Policy S1.2 is a strategic policy that sets out the health and well-being principles for a range of Local Plan proposals and development management policy.</p> <p>Overall the policy has been applied effectively – particularly in relation to measures such as control of unhealthy food outlets.</p>	<p>The Local Plan policy remains up to date and consistent with national policy.</p>

List of Policies	Key policy aim(s)	National Planning Policy Framework	Notes on implementation and monitoring	Assessment of status
	<p>environment. Wide ranging measures identified including safeguarding residential amenity, access to health facilities, access to green spaces, sports, play and recreation, promotion of allotments and controlling unhealthy eating outlets.</p>	<p>design to encourage pedestrians and cycling, active street frontages, create places that are safe and accessible and that enable healthy lifestyles such as through provision of green infrastructure, sports facilities, local shops, access to healthier food, allotments and encourage walking and cycling.</p>	<p>Measurable outcomes does not suggest substantial improvement in healthy weight of residents at this time.</p>	
<p><b>DM1.3 Presumption in Favour of Sustainable Development</b></p>	<p>The policy embeds the principle that the Authority will apply the presumption in favour of sustainable development. This means where policy of the development plan is silent or out of date relevant consideration will be given to policy of the NPPF but otherwise development would be permitted without delay.</p>	<p>Paragraph 11 establishes the presumption should be embedded in decision making and should be the basis upon which development plans are drafted. The paragraph sets out the circumstances in which a policy may be out of date and therefore applications should be granted permission unless in conflict with policies of the NPPF.</p> <p>Paragraph 12 to 14 go on to define the application of the presumption in favour of sustainable development.</p>	<p>A positive approach to decision making lies at the heart of the approach in North Tyneside and in general this has been applied whilst basing decisions upon the up to date policy of the Local Plan.</p> <p>Inclusion of this policy was considered to be a requirement at the time of preparation of the Local Plan. In relation to the current Local Plan the policy can be viewed in large part as a duplication of national policy and is not in itself required to establish when and how the presumption in favour of sustainable</p>	<p>The policy in effect remains up to date in that it does not conflict with national policy.</p> <p>However, a view could be taken that given NPPF is clear on application of the presumption, this policy is no longer required to secure its implementation in North Tyneside.</p>

List of Policies	Key policy aim(s)	National Planning Policy Framework	Notes on implementation and monitoring	Assessment of status
<b>S1.4 General Development Principles</b>	<p>This strategic policy establishes general principles and key objectives for decision making. Key aims include:</p> <p>Mitigation of likely effects of climate change.</p> <p>Acceptable in terms of impact upon amenity.</p> <p>Make effective and efficient use of land.</p> <p>Have regard to and address impacts upon heritage assets, built and natural environment.</p> <p>Make best use of facilities and infrastructure.</p>	<p>The policy touches on a wide range of policy sections but most notably further expands upon the provisions of Paragraph 20 from the perspective of decision making – whilst Policy S1.1 addresses the issue from the perspective of spatial strategy.</p>	<p>development would be applied in North Tyneside.</p> <p>Policy S1.4 is primarily implemented through subsequent policy of the Local Plan including allocations, other specific proposals and development management policy.</p> <p>Overall the policy effectively guides the wider approach of the Local Plan.</p> <p>As a core strategic policy the development principles proposed have generally been followed.</p> <p>There have been no substantial departures from the principles set out.</p>	<p>The policy remains broadly up to date and consistent with national policy.</p>
<b>S1.5 The Green Belt</b>	<p>The policy defines the green belt in North Tyneside as set out in the Policies Map in relation to its role in:</p> <ul style="list-style-type: none"> <li>• Checking unrestricted sprawl of the urban area.</li> <li>• Preventing settlements from merging.</li> <li>• Maintaining character of villages.</li> </ul>	<p>Chapter 13 set national policy regarding the green belt.</p> <p>Paragraph 138 defines the five purposes of the green belt.</p> <p>Paragraph 142 and 143 defines the matters to be considered when drawing up</p>	<p>Green Belt policy in North Tyneside is successfully implemented.</p> <p>The general extent and character of the green belt remains unchanged and no major planning applications for encroachment into the green belt have been received.</p>	<p>The Local Plan policy remains up to date and consistent with national policy.</p>

List of Policies	Key policy aim(s)	National Planning Policy Framework	Notes on implementation and monitoring	Assessment of status
	<ul style="list-style-type: none"> <li>Assisting the regeneration of older parts of the borough.</li> <li>Safeguarding the openness of countryside.</li> </ul>	<p>or reviewing green belt boundaries.</p>	<p>The role of the green belt as currently defined remains effective. Review would only be necessary if it became clear the development needs of the Borough could not be met from other sources. At this time there is no evidence that this is the case.</p>	
<b>DM1.6 Positive uses within the Green Belt</b>	<p>The policy defines how development that would be appropriate in the Green Belt should be assessed.</p> <p>It seeks to provide a positive framework for development that would enhance enjoyment of the Green Belt and its beneficial use for biodiversity.</p>	<p>Paragraph 144 in particular outlines that once green belt boundaries are established, LPAs should plan positively to enhance their beneficial use.</p>		
<b>S1.7 Safeguarded Land</b>	<p>To maintain areas of land that are not designated as Green Belt but also not available for development during the Plan period.</p>	<p>Paragraph 143 establishes that when defining Green Belt boundaries, plans should “make clear that the safeguarded land is not allocated for development at the present time.”</p>	<p>No applications for substantial development have been received on safeguarded land.</p> <p>The extent and role of Safeguarded Land in the Borough remains as set out at adoption of the Local Plan.</p> <p>The policy wording is such that the safeguarded land is</p>	<p>The Local Plan policy remains up to date and consistent with national policy.</p>

List of Policies	Key policy aim(s)	National Planning Policy Framework	Notes on implementation and monitoring	Assessment of status
			based on land not being required for development within this local plan period. Potential shortfalls in housing development could impact this assessment.	
<b>DM1.8 Development within the Safeguarded Land</b>	To define development management considerations for applications with the safeguarded land.	Paragraph 143 sets out that development should only be permitted for permanent development of safeguarded land following an up-date to the plan that proposes such development.	No substantial permanent development has been proposed on safeguarded land since adoption of the Local Plan.	The policy in establishing circumstance where development may be acceptable, potentially sets a more permissive approach than NPPF. Nevertheless the policy does not fundamentally conflict with national policy, remains up to date and is effective in management applications for such locations.
<b>AS1.9 Local Green Space at Killingworth Open Break</b>	Defines a specific area of Local Green Space within and adjacent to Killingworth Village conservation area protected from development as per Green Belt.	Paragraph 101 to 103 Set out the capacity for Local Plans to designate Local Green Space as part of a plan making process. It defines the policies for management development in Local Green Space should be consistent with those for Green Belt.	The Local Green Space has continued to safeguard a key area important to the setting of Killingworth Village.  Planning applications for development of homes within this area have been submitted and currently being considered.	The Local Plan policy remains up to date and consistent with national policy.

List of Policies	Key policy aim(s)	National Planning Policy Framework	Notes on implementation and monitoring	Assessment of status
<b>S1.10 Supporting Neighbourhood Planning</b>	The policy outlines the Council's commitment to support groups interested in preparation of neighbourhood plans.	Various sections throughout NPPF highlight the role and value of community based planning in preparation of Neighbourhood Plans. The Plans remain an important component of the plan making framework at this time with a statutory role for Local Planning Authorities in supporting their preparation.	There are no constituted neighbourhood plan forums in North Tyneside.  Resident's groups have sought advice and guidance about Neighbourhood Plan making and have received support from the Local Planning Authority. However, to date none have progressed substantially.	The Local Plan policy remains up to date and consistent with national policy.
<b>2. Economy</b>				
<b>S2.1 Economic Growth Strategy</b>	The policy sets out a wide ranging framework to guide economic growth and development in North Tyneside.  This includes supporting the Borough's town centres and tourism, advanced engineering across a range of sectors, office and business investment and logistics.	Chapter 6 and Paragraph 82 in particular of the NPPF highlights that planning policies should include a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration.	The strategy identified within policy S2.1 defines a long term approach to the Borough's growth and development.  Whilst developments such as Brexit and the covid-19 pandemic have greatly influenced the economy and growth, the key sectors and priorities identified remain largely relevant and important areas for growth and investment in North Tyneside. The Council working with its partners and the North of Tyne combined Authority continues to	The Local Plan policy remains up to date and consistent with national policy.



List of Policies	Key policy aim(s)	National Planning Policy Framework	Notes on implementation and monitoring	Assessment of status
<b>S2.2 Provision of Land for Employment Development</b>	The policy identifies the provision of 150ha of available employment land and allocation of employment across 31 sites, including 6 strategic sites that provide in excess of 10ha of available land.	<p>NPPF paragraph 82 confirms that Local Plan policies should identify strategic sites for local and inward investment that align with the areas economic vision and strategy. The NPPF further establishes that the provision of employment land should be flexible enough to respond to unexpected demands and respond rapidly to changes in economic circumstances.</p> <p>Meanwhile section 11 Making effective use of land establishes at paragraph 122 establishes that if evidence indicates sites are not coming forward for development, applications for alternative uses should be supported.</p>	<p>develop strategies and programmes for regeneration that align with the strategy defined in the S2.1.</p> <p>The provision of employment land in the Local Plan was acknowledged as exceeding the modelled requirement for employment land to enable a sufficient range and choice of land for businesses. The scale of provision, broadly equivalent to 10ha per year also matched long term historic trends for employment land take up.</p> <p>In five years since adoption of the Local Plan, annual take up has not yet achieved 10ha per year. However, this period has coincided with significant uncertainty in the economy. Presently recorded enquiries and understanding of demand in the authority for employment floorspace indicates significant pressures. The Council has commenced and Employment Land Review update that will further interrogate and confirm the latest demand for</p>	Whilst delivery has not yet aligned with the long term estimated rate of take up of 10ha per year, the role and purpose of the Borough's employment land supply remains appropriate. In allocating a suite of sites that provide range and choice for businesses and investment, and in the context of the additional flexibility provided by Policy S2.2 and DM2.3 below, the policy remains in accordance with national policy and up to date.

List of Policies	Key policy aim(s)	National Planning Policy Framework	Notes on implementation and monitoring	Assessment of status
<b>DM2.3 Development Affecting Employment Land and Buildings</b>	This policy sets out criteria for the support of employment development on allocated and existing employment land, and provides a flexible approach for the consideration of applications for other types of development.	NPPF 2021 sets significant weight on the need to support economic growth and ensuring a flexible approach to support economic growth and investment. At paragraph 187 it is also clear that existing businesses and facilities should not have unreasonable restrictions place on them as a result of development permitted after they were established.	employment land and suitability of the existing portfolio of sites.  The policy has most notably come into effect for applications of changes of use of existing industrial and warehouse buildings for business operators that fall outside the former traditional employment use classes. Such changes of use have enabled otherwise vacant units to be refurbished and brought in to economic use. The policy approach Since adoption of the Local Plan government changes to the use class order have substantially amended how employment uses that previously fell within B1 and other economic activities, are considered.	The Local Plan policy remains up to date and consistent with national policy.
<b>DM2.4 Employment Land Development Outside Available or Existing Employment Land</b>	The policy defines criteria for the consideration of employment uses on land not allocated for employment purposes. The aim of the policy is to establish that the Borough's approach to such economic	NPPF 2021 sets significant weight on the need to support economic growth and ensuring a flexible approach to support economic growth and investment.	Since adoption of the Local Plan no substantial proposals for employment uses on land not allocated for employment have come forward. Nevertheless the policy remains an important tool for the Local Plan should	The Local Plan policy remains up to date and consistent with national policy.

List of Policies	Key policy aim(s)	National Planning Policy Framework	Notes on implementation and monitoring	Assessment of status
	investment is flexible where proposals can demonstrate they would support the Borough's economy and avoid inappropriate harm to matters such as amenity.		any such schemes be proposed.	
<b>AS2.5 River Tyne North Bank</b>	This is an area specific policy highlighting the strategic role of the River Tyne North Bank and its importance to key economic sectors in North Tyneside that can capitalise on riverside locations. The policy outlines this strategic importance and flags specific sites including the former Swan Hunter Ship Yard and Port of Tyne that formed part of the North East Low Carbon Enterprise Zone.	The policy is a core element of the economic vision and strategy for North Tyneside and ensures appropriate protection and opportunities for investment are considered for the industrial land supply along the River Tyne. This approach remains consistent with the expectations for local planning policies set out in Paragraph 81 and 82 of the NPPF.	The nature of employment land at the River Tyne North Bank poses a range of complex challenges for implementation. Nevertheless the area has seen notable growth in key sectors linked to advanced manufacturing, marine and off-shore related industries. The Swans Centre for Innovation and the off-shore wind turbine fabrication undertaken by Smulders Projects UK illustrates the type of investment and activity the area can attract.	The Local Plan policy remains up to date and consistent with national policy.
<b>AS2.6 A19(T) Economic Corridor</b>	This is an area specific policy highlighting the strategic role of the A19(T) economic corridor. The corridor extends from the River Tyne northwards through the heart of North Tyneside. The area includes	The policy is a core element of the economic vision and strategy for North Tyneside and ensures appropriate protection and opportunities for investment are considered for the industrial and commercial land supply	The A19(T) economic corridor is an attractive location for business investment with excellent road links and access to public transport via local buses and the Tyne and Wear metro. The area	The Local Plan policy remains up to date and consistent with national policy.

List of Policies	Key policy aim(s)	National Planning Policy Framework	Notes on implementation and monitoring	Assessment of status
	<p>existing and allocated employment land over a 3.7 square kilometre area and extends to include Northumberland Park district centre and metro station and part of the Killingworth Moor strategic allocation. As a diverse area the policy supports continued road and public transport investment to support business in the area that range from major office parks, to manufacturing and distribution facilities.</p>	<p>along the A19(T) corridor. This approach remains consistent with the expectations for local planning policies set out in Paragraph 81 and 82 of the NPPF.</p>	<p>continues to see investment in major sites such as Cobalt Business Park and infrastructure developments such as the creation of a Northumberland Line station at Northumberland Park will further reinforce the attractiveness of the area as a key place of work in North Tyneside.</p>	
<b>3. Retail and town centres</b>				
<b>S3.1 Competitive Centres</b>	<p>This strategic policy defines the principles that Local Plan seeks to achieve for the Borough's defined centres. This includes ensure the centres see growth and regeneration, whilst providing a location for appropriate residential and mixed use development.</p>	<p>Chapter 7 of NPPF and paragraph 86 defines the role planning policy should have to ensure the vitality of town centres and establishes policy should take a positive approach to their growth, adaptation and management.</p>	<p>It is widely recognised that the role of town centres is changing as our shopping habitats evolve and online shopping continues to grow – a shift accelerated since 2020 by the covid-19 pandemic. Despite the pressures facing businesses within the Town Centres current monitoring has not identified a rapid decline in occupancy or investment. Key centres at Whitley Bay,</p>	<p>The Local Plan policy remains up to date and consistent with national policy.</p>

List of Policies	Key policy aim(s)	National Planning Policy Framework	Notes on implementation and monitoring	Assessment of status
			<p>North Shields, Wallsend and Killingworth continue to play vital roles for their communities and the wider economy of North Tyneside. The Council are also focused on delivering investment in these areas with wide ranging work at the coast , agreement of a North Shields masterplan and work underway to consider opportunities for Wallsend.</p>	
<b>S3.2 Hierarchy of Centres</b>	<p>This policy identifies the Borough's town centres, district centres and local centres.</p>	<p>NPPF paragraph 86.a) establishes that Local Plans should define a network and hierarchy of town centres.</p>	<p>There have been no substantial shifts in the role, scale or nature of the Borough's town centres beyond proposals identified in the Local Plan that would suggest any substantial amendment to the existing hierarchy of centres was required.</p>	<p>The Local Plan policy remains up to date and consistent with national policy.</p>
<b>S3.3 Future Retail Demand</b>	<p>The policy defines anticipated minimum retail space requirements over the period of the Local Plan to 2032 and directs supply to key sites at Northumberland Park, The Forum at Wallsend, the Boulevard at Longbenton, Tynemouth</p>	<p>NPPF paragraph 86.d) establishes that Local Plan's should allocate a range of suitable sites in town centres to meet the scale and type of development likely to be needed.</p>	<p>A number of notable retail schemes have taken place including a major expansion at Northumberland Park and at The Forum, Wallsend. Meanwhile, whilst opportunities for retail development remain at both these locations and the other</p>	<p>The current Local Plan policy is considered flexible enough to allow retail development to proceed where sought with sufficient strategic direction to ensure the importance of safeguarding the vitality of</p>

List of Policies	Key policy aim(s)	National Planning Policy Framework	Notes on implementation and monitoring	Assessment of status
	Station, Murton Gap and Killingworth Moor.		centres identified. In addition over the period of the local plan retail development – specifically new superstore’s have been permitted at a range of location’s attractive to the market in sustainable accessible locations – but outside the defined town centres.	the Borough’s existing centres.  The Local Plan policy remains up to date and consistent with national policy.
<b>DM3.4 Assessment of Town Centre Uses</b>	This policy provides a local expression of the sequential test and impact assessment for retail development. It sets out an approach to considering sequentially preferable sites. In terms of the impact assessment, based upon the Retail Needs Assessment, reflecting the scale of centres in North Tyneside, it sets a lower threshold for impact assessments of out of centre proposals.	NPPF chapter 7 does not require that Local Plans provide policy regarding sequential test and impact assessment but is clear that main town centre uses that are neither in an existing centre or in accordance with an up-to-date plan should be subject to such assessments. The Local Plan policy provides additional local considerations to ensure the sound application of these assessments in North Tyneside. As established at paragraph 90, impact assessments are required for schemes of over 2,500sqm unless a local threshold is defined in policy.	The Local Plan’s approach to impact assessment and sequential test is applied regularly where main town centre uses are proposed in out of centre locations. The policy is therefore an important tool in continuing to ensure the role and vitality of the District’s centres.	The Local Plan policy remains up to date and consistent with national policy.

List of Policies	Key policy aim(s)	National Planning Policy Framework	Notes on implementation and monitoring	Assessment of status
<b>DM3.5 Primary Shopping Area</b>	This policy defines the primary shopping area and primary and secondary shopping frontages within centres in North Tyneside. The approach set out is to ensure proposals that might harm the vitality of centres are appropriately considered.	NPPF establishes that Planning Policy should define town centres and primary shopping areas – as locations where retail development is concentrated. National policy does not define primary and secondary shopping frontages, but Planning Guidance for Town Centres and Retail – paragraph 002 identifies that such frontages can be defined where their use would support the vitality and viability of particular centres.	The definition of primary shopping areas and primary and secondary shopping frontages within the North Tyneside Local Plan continues to reflect the main shopping areas of the Borough’s town centres. Whilst there have been applications for non-retail uses within these frontages since adoption of the plan the policy framework is flexible enough to allow these to proceed where the wider vitality and viability of the centres is supported. As the role of centres continues to evolve the opportunity to review the primary shopping areas and frontages may arise but presently the approach of the Plan remains appropriate and fit for purpose.	The Local Plan policy remains up to date and consistent with national policy.
<b>DM3.6 Local Facilities</b>	This policy is intended to support the delivery of small scale retail developments and other town centre uses that help create accessible and sustainable communities. The policy sets out specific criteria to	NPPF at paragraph 130 regarding creation of well-designed places references enabling local facilities as part of new developments in creating a mix of uses to enable sustainable development. Town centre	Relatively few such applications for small scale retail developments have been received during the life of the local plan. However, schemes have come forward and could provide important additional access for	The Local Plan policy remains up to date and consistent with national policy.

List of Policies	Key policy aim(s)	National Planning Policy Framework	Notes on implementation and monitoring	Assessment of status
<b>DM3.7 Hot Food Take-aways</b>	Building upon the strategic aims of the plan to support health and well-being DM3.7 sets out a strategy to restrict new hot foot take away development – informed by evidence of the effect of concentrations of such uses upon the weight of the population.	NPPF paragraph 92 highlights that local policy should facilitate healthy, inclusive and safe places. In particular paragraph 92c) encourages healthy lifestyles including access to healthier food. The approach of DM3.7 forms part of the Council's wider strategy to deliver the outcomes sought in NPPF.	After its initial adoption a range of applications for hot food takeaway's that conflicted with the policy of the Local Plan were submitted and refused. Planning Inspector's consistently dismissed such appeals. There remain routes to creation of new hot food takeaways where planning permission has not been required. Since adoption of the Local Plan such uses have changed from an A5 planning use class to sui-generis. In terms of effects the policy is one part of population level change required to see measurable improvements in healthy weights.	Whilst the use class has changed the application of the policy to Hot Food Takeaway's remains clear and capable of implementation. Overall, the objectives established by the policy continue to align with the approach of NPPF and the policy remains up to date.
<b>4. Housing</b>				



List of Policies	Key policy aim(s)	National Planning Policy Framework	Notes on implementation and monitoring	Assessment of status
<b>S4.1 Strategic Housing</b>	This strategic policy outlines the key priorities for housing needs and delivery that the Local Plan seeks to achieve, ranging from providing sufficient new homes to delivery of brownfield land and providing a range of type of homes to meet the needs of the Borough.	<p>NPPF Chapter 5 of NPPF addresses the delivery of a sufficient supply of homes. The primary strategic requirements established through NPPF include:</p> <ul style="list-style-type: none"> <li>• Ensuring planning policies make sufficient provision of land for housing to meet evidence based local housing requirements and the needs of specific groups.</li> <li>• Guide provision of the amount and type of affordable housing required where a need is identified.</li> <li>• Identify a range and mix of sites for development.</li> <li>• Support windfall sites through policies and decisions.</li> </ul>	This strategic policy sets out a range of overarching priorities for housing delivery in North Tyneside. The specific implementation of each element of the policy is addressed in greater detail through the assessment of each housing policy. In broad terms, the range and scope of priorities identified remain relevant and appropriate objectives for the Borough.	The Local Plan policy remains up to date and consistent with national policy.
<b>S4.2(a) Housing Figures</b>	This policy defines the overall local housing requirement for North Tyneside. It is informed by specific demographic and economic evidence of the requirements for growth in the Borough over the period	NPPF 2021 sets out at paragraph 61 that strategic policy identifying the minimum number of homes needed should be informed by a local housing need assessment, conducted using the standard method –	To inform this review a new Strategic Housing Market Assessment 2021/22 has been prepared. This identified a local housing need of 799dpa based upon the standard method calculation. The 2021/22	<p>The current local housing requirement figure in S4.2(a) remains appropriate in setting a level of housing delivery that meets the Borough’s housing needs.</p> <p>As such, the Council considers its housing</p>

List of Policies	Key policy aim(s)	National Planning Policy Framework	Notes on implementation and monitoring	Assessment of status
	<p>from 2011 to 2032. This sets out a requirement for delivery of 790 dwellings per annum (dpa), as an average over the plan period. The policy further sets out that this annual average delivery will be sought in a phased approach:</p> <ul style="list-style-type: none"> <li>• 2011/12-2015/16 = 551dpa</li> <li>• 2016/17-2020/21 = 740dpa</li> <li>• 2021/22-2025/26 = 938dpa</li> <li>• 2026/27-2031/32 = 908dpa</li> </ul>	<p>unless exceptional circumstances justify an alternative approach. Paragraph 66 identifies that strategic policy-making authorities should establish a housing requirement figure for their whole area.</p> <p>NPPF also requires that Local Authorities maintain a five year supply of housing land. At paragraph 11 and footnote 8 of the NPPF, it is established that policies most important for determining applications for housing development should be considered out of date where the local planning authority cannot demonstrate a five year supply of deliverable sites.</p> <p>The current North Tyneside housing requirement is informed by the 2014/15 Strategic Housing Market Assessment as updated in 2016. It is based upon the 2014 sub-national population projection (SNPP) and takes additional account of long term migration, commuting and</p>	<p>SHMA concludes that no further local methodology is required to consider local housing needs.</p> <p>The current phased housing requirement is for 938dpa before falling to 908dpa, and the average requirement is 790dpa</p> <p>As of summer 2021, in the latest Housing Delivery Test North Tyneside achieved delivery at 107% of the identified requirement over the preceding three years. Presently therefore the Borough is not required to take any measures in relation to past housing delivery.</p> <p>However, the number of new planning permissions in the area has declined in recent years and new sites have failed to come forward. As a result, the 2021 five year housing land supply assessment determined North Tyneside has a 3.96 year supply of land.</p>	<p>requirement remains up-to-date. A review of the current figure would result in the same or a lower housing requirement than that already adopted in policy.</p> <p>Nevertheless, paragraph 11 of NPPF is clear that whilst North Tyneside does not have a five year land supply, policy regarding housing provision cannot be considered up-to-date.</p>

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<b>S4.2(b) Ensuring a Sufficient Supply of Housing Land</b>	This policy commits the Council to take appropriate measures to maintain a sufficient supply of land to meet the housing requirement set out at S4.1a), and undertake effective annual monitoring. Where delivery may not	Paragraph 74 to 77 of NPPF address requirements for maintaining supply and delivery of housing. Paragraph 76 sets out that Authorities should monitor housing delivery and prepare a housing action plan where delivery over the	The NPPF establishes that monitoring of housing delivery and the necessary actions should be applied with reference to the results of the Housing Delivery Test (HDT). To date North Tyneside has secured housing delivery in	Whilst the policy relates to housing issues, it is not considered the policy is of relevance to planning applications for housing development and in that context falls outside the provisions of paragraph 11 and footnote 8 of NPPF and

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	<p>keep up with identified requirements it identifies:</p> <ul style="list-style-type: none"> <li>• Preparation of an interim position statement, drawing on evidence from the SHLAA to identify additional housing land.</li> <li>• Preparation of new plan documents, development briefs and use of Council powers to support delivery – such as CPO.</li> <li>• A partial review of the Local Plan, including options for safeguarded land and, if exceptional circumstances prevail, consideration of a review of the green belt.</li> </ul>	<p>preceding three years, as calculated in the Housing Delivery Test, falls below 95% of the housing requirement.</p>	<p>excess of 100% of its requirement through the HDT.</p>	<p>therefore not automatically out of date where there is no five year land supply.</p> <p>This policy was prepared prior to the current requirements of NPPF in relation to the housing delivery test. But, in requiring appropriate action to be taken where monitoring identifies issues in delivery, the policy remains in alignment with national policy and up to date.</p>
<p><b>S4.3 Distribution of Housing Development Sites</b></p>	<p>This policy identifies each of the housing and mixed use allocations within the North Tyneside Local Plan. It includes 70 separate sites of which 36 are around 1ha or smaller – delivering 518 homes. This is around 5% of the total allocated supply and requirements.</p>	<p>NPPF sets out that planning policies should identify a supply of :</p> <p>Specific, deliverable sites for the first five years and develop sites or broad locations for 6-10 and 11 to 15 years.</p> <p>That small to medium sized sites should be identified with a target of 10% of the total housing requirement</p>	<p>Current development monitoring indicates that 25 of the 70 housing sites allocated have been granted planning permission, equivalent to 35% of the allocated sites. However, this has included a large number of smaller sites. As such, only 17% of the total allocated supply has so far been granted planning permission.</p>	<p>The distribution and nature of housing sites identified in the Local Plan remains appropriate. Whilst housing delivery at the strategic sites has not yet commenced delivery of brownfield development at locations such as the Fish Quay and West Chirton and ongoing development involving a wide range of housebuilders in the Borough illustrate that</p>

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		<p>met on sites of less than 1ha. It also notes the supply of a large number of new homes can often be best achieved through planning for large scale development.</p> <p>Meanwhile, section 11 Making effective use of land and Paragraph 122 establish that the Authority should take a flexible approach where development may not come forward as anticipated and would contribute to meeting an unmet need for development in the area.</p>	<p>The significance of Murton Gap and Killingworth Moor as a part of overall supply is a key factor in this, allocated for delivery of 3,000 and 2,000 dwellings respectively. Both sites have seen substantial progress with planning applications submitted for over 1,400 homes across the two sites and further applications expected in the coming 18 months.</p> <p>For a small proportion of sites that formed part of the permitted and allocated supply in 2017, challenges have arisen in securing anticipated delivery. In these instances the Council is working closely with landowners and its partners at North of Tyne Combined Authority and Homes England to assist delivery.</p>	<p>the distribution and supply of housing land is capable of meeting the Borough's needs. Nevertheless, continued proactive action on the part of the Council is required to realise delivery from key sites.</p>
<b>S4.4 (a) Murton Strategic Allocation Concept Plan</b>	This policy (split in to three parts S4.4(a), (b) and (c),	Paragraph 124 and 125 of NPPF promote a policy	Allocation of a strategic site at Murton Gap and	The Local Plan policy, and preparation of Concept

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<p><b>S4.4 (b) Killingworth Moor Strategic Allocation Concept Plan</b></p>	<p>defines the strategic policy requirements for the development of Murton Gap and Killingworth Moor. This includes the core development parameters for the site in delivery of approximately 3,000 and 2,000 homes respectively and in relation to transport and community infrastructure, the creation of open spaces and protection and enhancement of biodiversity. The policy is supported by a Concept Plan detailing the indicative approach to development at Murton Gap and Killingworth Moor.</p>	<p>approach that ensures development response to issues such as the availability and capacity of infrastructure and services, an area’s prevailing character and securing well-designed healthy places. In achieving this use of tools such as design guidance and codes and masterplans is promoted.</p> <p>Section 12 of revised NPPF has substantially strengthened reference to the role of design guides and masterplans as part of the plan process. Paragraph 128 establishes that t an early stage LPAs should provide maximum clarity about design expectations both for area wide, neighbourhood and site specific scale. This is promoted through preparation of design guides and codes prepared that are consistent with the National Design Guide and National Model Design Guide.</p>	<p>Killingworth Moor was followed by adoption of site specific masterplans for both sites in December 2017. Preparation of the masterplans included further public engagement and prepared in collaboration with the landowners and developers. The masterplans provide a framework for delivery, including: an understanding of phasing, development capacity, infrastructure provision and design principles. Development at Murton Gap and Killingworth Moor has yet to commence. However, the first planning application at Murton Gap for circa 300 homes has been approved. At Killingworth Moor, two planning applications at the site for circa 1,100 homes have been submitted to the Council. The Council continues to work with the development consortia, landowners and developers to secure development at the strategic allocations that fully accords with its policy requirements and the</p>	<p>Plans and Masterplans for the strategic allocations predates the latest government guidance and advice regarding design codes and masterplans for sites. Nevertheless, the policy and development framework established for the site is broadly in alignment with these latest national principles regarding development. In the context of overall housing supply, this policy outlines how key new sites would be delivered and is crucial in enabling sustainable housing delivery in the Borough. Consequently the requirements set out in Policy S4.4a), b) and c) remain up to date and in general conformity with national policy.</p>
<p><b>S4.4 (c) Applications for Delivery of the Strategic Allocations</b></p>				

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			<p>approach to development set out in the Concept Plan and adopted Masterplan.</p> <p>Discussions regarding the delivery of infrastructure at both sites have been ongoing since adoption of the Local Plan. As growth and demand for services across the Borough has changed (for example forecasts of pupil population growth) the scale and timing of some requirements has changed. However, the core infrastructure and design requirements set out within Policy S4.4a), b) and c) remain relevant and required as part of the development of the site.</p>	
<p><b>DM4.5 Criteria for New Housing Development</b></p>	<p>This policy sets out a positive framework for the consideration of sites for housing development that are not identified in the Local Plan as allocations. The policy aims establish the positive contribution of such sites to delivering housing</p>	<p>Paragraph 69 of NPPF establishes that policies should give support to development of windfall sites and refers to giving great weight to the benefits of using suitable sites within existing settlements for homes.</p>	<p>Since adoption of the Local Plan in July 2017</p> <ul style="list-style-type: none"> <li>• Total permitted: 2,595</li> <li>• Total delivered:1,559</li> <li>• Allocations permitted: 1,559 Allocations built: 128</li> <li>• Windfall permitted: 1,036</li> <li>• Windfall built:213</li> </ul>	<p>The Local Plan policy remains up to date and consistent with national policy.</p>



List of Policies	Key policy aim(s)	National Planning Policy Framework	Notes on implementation and monitoring	Assessment of status
	<p>needs that can help meet the Borough's needs.</p> <p>A small proportion of the Borough's housing requirement was anticipated to be met via such windfall developments and supply from this source is incorporated into the calculations regarding housing need and supply.</p>			
<b>DM4.6 Range of Housing Types and Sizes</b>	<p>The policy sets out key objectives for the provision of housing types to meet the needs of the Borough's residents. This includes:</p> <ul style="list-style-type: none"> <li>• Consideration of proposals with regard to evidence of housing need and local housing market conditions (as set out within the Borough Strategic Housing Market Assessment).</li> <li>• Definition of homes considered executive, that could address a specific identified gap in the range of provision in North Tyneside and the wider north east.</li> </ul>	<p>Paragraph 62 of NPPF establishes that planning policies should reflect assessments of the size, type and tenure of housing needed for different groups in the community. Promotion of self-build development is a specific priority for government.</p>	<p>The policy approach is designed to reflect the latest evidence of housing needs as set out in the Strategic Housing Needs Assessment (SHMA). The Council published an update to its SHMA in 2022.</p>	<p>The Local Plan policy remains up to date and consistent with national policy.</p>



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	<ul style="list-style-type: none"> <li>Support for delivery of self and custom build homes.</li> </ul>			
<b>DM4.7 Affordable Housing</b>	<p>This policy defines the Council's requirements for affordable housing provision as part of new housing development, to meet an established affordable housing shortfall of 490 dwellings per year. Informed by an assessment of need and viability, it establishes a target of 25% of schemes of 11 or more dwellings to be affordable.</p> <p>The policy also provides guidance establishing that a mix of affordable tenures would be sought (based upon the most up to date evidence). Provision is also made outlining that</p>	<p>Paragraph 62 sets out that policy should reflect the needs of those who require affordable housing. Paragraph 64 now establishes that affordable housing should not be sought from housing schemes that are not major development.</p> <p>Paragraph 65 sets out a new requirement for at least 10% of the total number of homes on major developments should be available for available home ownership.</p>	<p>Housing monitoring indicates that across all housing development over the threshold, some 23% of all permitted residential development in use class C3 have been secured as affordable. That figure rises to over 25% when self-contained C2 units providing accommodation with additional extra care support, are included. The SHMA update has reviewed annual affordable need and established an updated shortfall of 473 affordable homes per year.</p>	<p>There continues to be a need for affordable housing in North Tyneside. Evidence indicates the Council is successfully securing affordable homes as part of s106 agreements, but is also applying a flexible approach to ensure viable development can proceed. The national planning policy changes since adoption of the plan mean that the Local Plan threshold is now greater than the minimum required. This means there are some developments of 10 units where affordable housing is not being sought. However, the Council's current threshold is evidenced, and a higher threshold than national policy is not in itself a conflict. Meanwhile, the Council's Local Plan policy is flexible enough to accommodate specific requirements for affordable</p>

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<b>DM4.8 Specialist Housing</b>	This policy is directed at provision of accommodation for specific needs not met by general housing such as for the elderly, people with physical or learning disability and other vulnerable groups. The policy seeks to establish a positive framework to ensure consideration applications for such development are considered and supported where appropriate.	Paragraph 62 establishes that policy should reflect evidence of need for different types of homes included older people, students and people with disabilities.	A number of extra care and specialist developments have been consented since the Local Plan was adopted. The SHMA update identifies a continued need for such provision in the borough.	<p>provision such as the 10% affordable home ownership target. The updated SHMA has taken account of these latest requirements and consequently the Council's evidence based assessment of needs is up to date.</p> <p>Overall the policy remains up to date and in conformity with national policy.</p> <p>The Local Plan policy remains up to date and in conformity with national policy.</p>
<b>DM4.9 Housing Standards</b>	The policy establishes that optional technical standards (introduced in 2015) should be applied to housing development, setting out that:	Paragraph 130 criteria f) identifies that Local Plan policies should ensure new development provides a "high standard of amenity for existing and future users"	The Council applies conditions upon all eligible housing developments requiring conformity with the optional technical standards. Approval of house types	The Local Plan policy remains up to date and consistent with national policy.

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	<ul style="list-style-type: none"> <li>• A proportion of homes should be accessible and adaptable (referred to as M4(2)).</li> <li>• A further proportion of affordable homes should be wheelchair accessible or adaptable (referred to as M4(3)a and M4(3)b))</li> <li>• That all new build homes should comply with the Nationally Described Space Standards (NDSS).</li> </ul>	referencing footnote 49 that indicates “Planning policies should make use of the Governments option technical standards for accessible and adaptable housing and the nationally described space standard.	takes specific consideration of whether the proposals comply with the NDSS.	
<b>DM4.10 Houses in Multiple Occupation</b>	The policy seeks to control the potentially harmful effects of concentrations of Houses in Multiple Occupation (HMO) in a given area whilst providing a positive framework for their consideration, recognising the important role such accommodation can play in meeting the needs of all groups in the Borough.	Paragraph 62 establishes that policy should reflect evidence of need for different types of homes.	The SHMA update reports that at 2019/20 there were a recorded 148 homes in multiple occupation, of which 15 are licensed.	The Local Plan policy remains up to date and consistent with national policy.
<b>S4.11 Improving the Quality of Existing Housing Stock</b>	This policy recognises that most housing stock in North Tyneside already exists, and delivering improvements to	Paragraph 130 criteria f) identifies that Local Plan policies should ensure new development provides a	The Council has a range of ongoing projects focused upon improving existing neighbourhoods and	The Local Plan policy remains up to date and consistent with national policy.

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	<p>existing stock can have a significant effect on quality of life and wellbeing of residents. The policy is consequently outlining the strategic approach the Council will take to work to ensure the Borough's existing housing and residential areas remain health, safe, attractive and sustainable places.</p>	<p>"high standard of amenity for existing and future users".</p>	<p>dwellings. This has included projects assisting residents improve insulation and heating, purchase of empty homes, and area wide regeneration initiatives at the coast, Forest Hall, North Shields and the Fish Quay and Wallsend. Work is also starting to consider regeneration in the north west.</p>	
<p><b>DM4.12 Provision for Gypsies, Travellers and Travelling Showpeople</b></p>	<p>The policy provides a criteria based approach to considering applications for gypsy and traveller sites in North Tyneside.</p>	<p>Paragraph 62 includes stating that provision for travellers should be made in Local Plan policies whilst Planning Policy for Traveller Sites 2015 sets out how travellers' housing needs should be assessed.</p>	<p>There have been no applications for gypsy or traveller sites submitted since adoption of the Local Plan.</p>	<p>The Local Plan policy remains up to date and consistent with national policy.</p>
<p><b>5. The Natural Environment</b></p>				
<p><b>S5.1 Strategic Green Infrastructure</b></p>	<p>This strategic policy defines the overall approach to protection, enhancement, extension and creation of green infrastructure. The policy is supported by identification of a network of green infrastructure on the policies map including</p>	<p>Paragraph's 20 and 175 identifies that Local Plans should take a strategic approach to maintaining and enhancing networks of habitats and green infrastructure. NPPF recognises the wide range of benefits and roles for green</p>	<p>The adopted Local Plan set out a comprehensive approach to green infrastructure. New development is required to make appropriate contributions to open space and biodiversity provision and the Council requires</p>	<p>The Local Plan policy remains up to date and consistent with national policy.</p>

List of Policies	Key policy aim(s)	National Planning Policy Framework	Notes on implementation and monitoring	Assessment of status
	wildlife corridor's, open space and designated sites for biodiversity.	infrastructure including in helping in the mitigation and adaptation to climate change, improve air quality, address health and well-being needs.	integration of suitable landscaping into development.	
<b>DM5.2 Protection of Green Infrastructure</b>	This policy sets out a development management approach to ensuring applications for development can enhance the Borough's green infrastructure and that where any development that could lead to loss of green infrastructure is appropriately justified and provides adequate mitigation.	Paragraph's 20 and 175 identifies that Local Plans should take a strategic approach to maintaining and enhancing networks of habitats and green infrastructure. NPPF recognises the wide range of benefits and roles for green infrastructure including in helping in the mitigation and adaptation to climate change, improve air quality, address health and well-being needs.	New development is required to make appropriate contributions to open space and biodiversity provision and the Council requires integration of suitable landscaping into development.	The Local Plan policy remains up to date and consistent with national policy.
<b>DM5.3 Green Space Provision and Standards</b>	This policy responds to the specific role of green and open spaces as places for recreation, health and well-being for residents and references the standards in provision and accessibility that are defined within the latest Green Space Strategy. The policy is supported by identification of	Paragraph 98 establishes that access to a network of high quality open space and opportunities for sport and physical recreation is important. It establishes that policies should be based upon robust and up to date assessments of the need for open space, sport and recreation facilities.	There have been a number of developments involving the potential loss of open spaces, and also proposals that reprofile or would lead to substantial investment in open space since adoption of the Local Plan. This has included planning permission granted in 2021 for construction of a new golf	The Local Plan policy remains up to date and consistent with national policy.

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	open spaces including parks, allotments, amenity grassland, playing pitches etc... on the Policies Map.		driving range at Wallsend. In general the existing extent of open space in North Tyneside has been protected from development over the plan period.	
<b>S5.4 Biodiversity and Geodiversity</b>	This strategic policy defines the principle aims of Local Plan policy in relation to biodiversity and geodiversity establishing that the Borough's resources will be protected, created, enhanced and managed having regard to their relative significance.	Paragraph 174 establishes that planning policies should protect and enhance sites of biodiversity or geological value and soils.	No major development has been submitted in North Tyneside that would lead to direct loss of designated biodiversity or geodiversity sites. The Council's approach to considering development is shaped to ensure proposals for development make appropriate contributions to address their potential impacts.	The Local Plan policy remains up to date and consistent with national policy.
<b>DM5.5 Managing effects on Biodiversity and Geodiversity</b>	This policy outlines the particular requirements upon development in relation to its impact on local and national sites of biodiversity and geodiversity importance. It also manages the Council's approach to the impacts of development upon protected species or priorities species and habitats with reference to the Biodiversity Action Plan and most up to date	Paragraph 174 establishes that planning policies should protect and enhance sites of biodiversity or geological value and soils. This includes provision for new proposals for development to minimise impacts and provide net gains for biodiversity and establish coherent ecological networks.	No major development has been submitted in North Tyneside that would lead to direct loss of designated biodiversity or geodiversity sites. The Council's approach to considering development is shaped to ensure proposals for development make appropriate contributions to address their potential impacts.	Whilst emerging legislation will supersede some elements of local policy in relation to biodiversity net gain, the Local Plan policy remains up to date and consistent with national policy.

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	<p>Green Infrastructure Strategy. The policy includes provision for ensuring that development incorporate beneficial biodiversity features and provide net gains to biodiversity.</p> <p>The policy provides particular focus upon avoiding fragmentation of habitats and wildlife links and promotion of connections – consistent with securing coherent ecological networks.</p>	<p>Introduction of the Environment Act and forthcoming regulations will further establish a statutory requirement for development to result in a 10% net gain for biodiversity.</p> <p>Paragraph 175 identifies that policy should reflect the hierarchy of international, national and local designated sites.</p> <p>Paragraph 179 further sets out that plans should identify and map biodiversity, wildlife corridors and stepping stones and address priority species and habitats.</p>	<p>In implementing the existing policy requirement to seek a net gain for biodiversity the Council now utilise the DEFRA biodiversity metric as part of its consideration of the impact of development proposals.</p>	
<p><b>DM5.6 Management of International Sites</b></p>	<p>The policy specifically addresses the impact of development upon the internationally designated coast. Habitat's Regulation Assessment of the Local Plan established that the Northumberland Coast Special Protection Area and the Durham Coast Special Area of Conservation are both potentially impacted by recreational disturbance. The policy outlines what</p>	<p>Paragraph 174 establishes that planning policies should protect and enhance sites of biodiversity or geological value and soils. This includes provision for new proposals for development to minimise impacts and provide net gains for biodiversity and establish coherent ecological networks.</p>	<p>The Council's approach to mitigating potential impacts upon international sites has evolved and is now further supported by the Coastal Mitigation Supplementary Planning Document (SPD). This SPD has been prepared to assist development to enable appropriate pooling of mitigation when a large number of individual measures are unlikely to have the desired effect upon</p>	<p>The Local Plan policy remains up to date and consistent with national policy.</p>



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	potential mitigation could be considered by development where significant effects are identified.	Paragraph 175 identifies that policy should reflect the hierarchy of international, national and local designated sites.	mitigating the impact of increased recreation at the coast. The introduction of this SPD ensure the majority of development can be assessed to have appropriately mitigated its impacts and therefore be approved in compliance with policy DM5.6.	
<b>DM5.7 Wildlife Corridors</b>	The policy responds to identification, on the Policies Map, of a network of wildlife corridor's defining the expectations upon development that is proposed in such locations.	Paragraph 179 is clear that plans should identify and map wildlife corridor's and stepping stones.	The role of wildlife corridors in development proposals is frequently considered as part of planning proposals The establishment of key new wildlife corridors is an integral element of the proposals for the strategic allocations at Murton Gap and Killingworth Moor.	The Local Plan policy remains up to date and consistent with national policy.
<b>DM5.8 Soil and Agricultural Land Quality</b>	This policy is focused upon ensuring due consideration is given to the impact any development may have upon loss of the "best and most versatile" agricultural land.	Paragraph 174 identifies that Local Plans should protect and enhance soils and recognise the intrinsic economic and other benefits of the best and most versatile agricultural land – i.e. of Grades 1,2 and 3a) and above.	Evidence of the ALC for North Tyneside identified most of the agricultural land in the Borough as Grade 3 with evidence of some small pockets of land in Grade 3a). The economic and other benefits of agricultural land are considered when relevant planning applications are submitted.	The Local Plan policy remains up to date and consistent with national policy.



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<b>DM5.9 Trees, Woodland and Hedgerows</b>	<p>The policy seeks to protect and enhance the condition and extent of trees, woodland and hedgerows. In relation to new development it requires new tree planting and landscaping schemes and encourages new woodland tree and hedgerow planting schemes.</p> <p>The policy requires planning proposals to be accompanied by an appropriate management plan.</p>	<p>Paragraph 174 establishes that plans should recognise the intrinsic economic benefits of trees and woodland.</p> <p>Paragraph 131 establishes a new requirement for planning policies to ensure that new streets are tree lined and opportunities taken to incorporate trees elsewhere in development and that appropriate long term management is in place.</p>	<p>The protection of trees, woodland and hedgerow is a core consideration in assessing planning applications. Meanwhile new development in the Borough is expected to provide appropriate planting schemes and management plans.</p>	<p>The Local Plan policy remains up to date and consistent with national policy. The Council's approach precedes the NPPF requirement for provision of tree lined streets, but the Local Plan policy set out provides an appropriate alignment with this new requirement.</p>
<b>S5.10 Water Quality</b>	<p>The policy sets out the Council's strategic objectives to improve water quality in line with the European Water Framework Directive.</p>	<p>Paragraph 174 establishes development should help improve water quality.</p>	<p>The Council works closely with its partners Environment Agency and Northumbrian Water to manage and improve water quality.</p>	<p>The Local Plan policy remains up to date and consistent with national policy.</p>
<b>S5.11 Water Management</b>	<p>The policy sets out the Council's strategic objectives to manage water resource needs and infrastructure.</p>	<p>Paragraph 20 defines the role of strategic policy in making provision for infrastructure including water supply and wastewater. Paragraph 174 establishes development should help improve water quality.</p>	<p>The Council works closely with its partners Environment Agency and Northumbrian Water to manage and improve water quality, management of resource and water infrastructure.</p>	<p>The Local Plan policy remains up to date and consistent with national policy.</p>

List of Policies	Key policy aim(s)	National Planning Policy Framework	Notes on implementation and monitoring	Assessment of status
<b>DM5.12 Development and Flood Risk</b>	The policy requires major development to demonstrate flood risk does not increase as a result of the development. It requires new development to contribute positively to actively reducing flood risk.	Paragraph 159 to 165 establish a range of requirements for plans to consider flood risk including: avoiding inappropriate development in areas at risk of flooding, ensuring policy is informed by a strategic flood risk assessment, ensuring policy applies a sequential, risk based approach to the location of development and manage any residual risk of flooding, and application of an exception test where it is not possible to located development in areas with a lower risk of flooding.	The Council's working with its partners the Environment Agency and Northumbrian Water applies a robust approach to managing flood risk and controlling development that might be at risk or could increase risk of flooding for others. The approach to site allocation in the local plan was supported by a Strategic Flood Risk Assessment and is based upon a sequential approach to site selection.	The Local Plan policy remains up to date and consistent with national policy.
<b>DM5.13 Flood Reduction Works</b>	The policy sets out the Council's strategic objectives to manage flood risk and associated infrastructure.	Paragraph 20 defines the role of strategic policy in making provision for infrastructure including flood risk.	The Council works closely with its partners Environment Agency and Northumbrian Water to manage and improve flood risk infrastructure.	The Local Plan policy remains up to date and consistent with national policy.
<b>DM5.14 Surface Water Run off</b>	Informed by Northumbrian Water, Environment Agency and the Local Lead Flood Authority, the policy establishes the core expectations regarding	NPPF establishes that policies should reflect requirements for appropriate drainage strategies.	The Council works closely with its partners Environment Agency and Northumbrian Water to manage and improve flood risk infrastructure.	The Local Plan policy remains up to date and consistent with national policy.

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<b>DM5.15 Sustainable Drainage</b>	effectiveness of sustainable drainage systems in managing surface water run off at brownfield and greenfield locations. The approach is informed by Defra technical standards. The policy establishes as a starting point that a reduction in water run off rates will be sought for all new development.	NPPF at paragraph 160 establish identifies that plan policies should take account of advice from key stakeholders. Paragraph 169 sets out the approach to securing provision of sustainable drainage systems, specifically requiring provision from major development.	The impact of flooding from surface water drainage was a key issue for the Council as it was preparing its Local Plan with a number of locations identified as Critical Drainage Areas in the Council's Surface Water Management Plan. Reflecting this the Council evidenced that the cumulative impact arising from minor development should also be addressed where possible. The Council successfully applies its policy of securing sustainable drainage as part of development.	The Local Plan policy remains up to date and consistent with national policy.

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<b>S5.16 Coastal Erosion</b>	The policy reflects the strategy for North Tyneside's coast set out in the Shoreline Management Plan 2 (SMP2), and specifically the implications of the Coastal Change Management Areas (CCMA). The CCMA relates to policy approach to applications within three areas of coastline that will be undefended and allowed to erode over time.	Paragraph 171 establishes that Plans should avoid inappropriate development in vulnerable areas and not exacerbate the impacts of physical changes. It highlights that Local Plans should identify Coastal Change Management Areas.	Management of the coastline by the Council in partnership with Environment Agency has continued. Since adoption of the Plan there have been no submitted planning applications that would be affected by the CCMA. The 2009 SMP2 remains the most up to date Shoreline Management Plan.	The Local Plan policy remains up to date and consistent with national policy.
<b>DM5.17 Minerals</b>	The policy sets out an approach to manage and safeguard mineral resources. It provides a criteria based approach to consideration of potential applications for mineral extraction, reflects needs for aggregates in Tyne and Wear, and identifies (as shown on the policies map) minerals infrastructure and areas in need of safeguarding. For such areas, a criteria based approach to consider alternative forms of development is set out.	Paragraph 210 outlines the role of planning policies in relation to mineral extraction, supply, and in defining Mineral Safeguarding Areas and Mineral Consultation Areas.	Having identified Mineral Safeguarding Areas the Council undertakes necessary consultation with the British Geological Society and requires appropriate evidence from applicants where resources are at risk of being sterilised by development. No proposals for mineral extraction have been received by the Council.	The Local Plan policy remains up to date and consistent with national policy.

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<b>DM5.18 Contaminated and Unstable Land</b>	<p>The policy sets out a criteria based approach to ensure that development proposals do not expose future users to risk as a result of land contamination and that water quality is protected. Where potential contamination is identified it identifies the broad measures to be taken to address risk including regarding treatment, approval of mitigation measures and land stability.</p>	<p>Paragraph 183 outlines that planning policies should ensure development takes account of ground conditions relating to land instability and contamination.</p>	<p>The Council's planning and public protection team work closely to ensure adequate information is provided by applicants regarding land instability and contamination. Such measures are frequently controlled by condition to ensure appropriate mitigation is in place if development is suitable for approval.</p>	<p>The Local Plan policy remains up to date and consistent with national policy.</p>
<b>DM5.19 Pollution</b>	<p>The policy establishes that polluting development (whether of water, air or soil through noise, smell, smoke etc.) will be required to provide appropriate mitigation and will not be permitted where levels of pollution are unacceptable.</p> <p>The policy also addresses management of development sensitive to pollution that may arise from existing sources, and has specific regard to noise impacts arising from</p>	<p>Paragraph 185 states planning policies should ensure new development is appropriate to its location having regard to effects of pollution on health, living conditions and the natural environment.</p> <p>Paragraph 186 identifies that Local Plan policies should consider Air Quality Management Areas and Clean Air Zones and the cumulative impacts from individual sites.</p>	<p>There are no designated Air Quality Management Areas in North Tyneside. In 2017 an 800m kerbside stretch of the A1058 Coast Road was identified by government as exceeding Nitrogen Dioxide (NO<sub>2</sub>) levels and required to take measures to address the exceedance as quickly as possible. The Council, working with Newcastle upon Tyne has taken a range of measures, including retrofitting buses that pass through the exceedance zone to reduce NO<sub>2</sub> emissions. No clean air</p>	<p>The Local Plan policy remains up to date and consistent with national policy.</p>

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	Newcastle International Airport flight path.		zones have been identified for North Tyneside.	
<b>6. The Built and Historic Environment</b>				
<b>DM6.1 Design of Development</b>	The policy sets a clear steer that applications for development will only be permitted where they demonstrate high and consistent design standards. The policy requires an approach that is specific to the place, based on clear analysis of the characteristics of the site and its wider context. Design policy in North Tyneside is supported by a Design Quality Supplementary Planning Document that was adopted in 2018.	National policy regarding design has evolved significantly since adoption of the Local Plan. It establishes detailed policy and guidance at Section 12 Achieving well designed places whilst new guidance including the National Design Guide and National Model Design Code have established a national framework for securing design – reflecting the recommendations of the Building Better Building Beautiful Commission.	Implementation of design policy in North Tyneside is reflected through its Design Quality SPD as well as the guidance and advice given through the site specific masterplans for Murton Gap and Killingworth Moor.  For its Annual Monitoring Report the Council assesses completed housing sites using building for life criteria.	The Local Plan policy does not reflect some of the latest national policy regarding use of design guides and codes to support development. However, the Council's current policy framework does not conflict with the objectives set out in NPPF whilst the Council is considering its approach to design codes and review of its Design Quality SPD to maintain alignment with national guidance. At this time, review of Local Plan design policy is not considered to maintain conformity with the adjustments made to national policy regarding design.
<b>DM6.2 Extending Existing Buildings</b>	This policy sets out the Council's design approach to proposals that would extend existing buildings. The policy would only apply	Paragraph 120 refers to supporting opportunities for upward extension of residential and commercial buildings. However, with	The Council considers and approves a high volume of applications for extensions to residential properties and a smaller but significant	The Local Plan policy does not specifically make provision for the positive consideration of upward extensions to existing

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	to developments that require planning permission.	reference to ensuring such extensions are consistent with the prevailing height and form of neighbouring properties and the overall street scene.	number of commercial extensions. Relatively few or no applications for upward extension of buildings have been considered.	buildings. However, the approach is considered consistent with achieving good design and does not preclude the positive consideration of such applications in accordance with NPPF should they arise.
<b>DM6.3 Advertisements and Signage</b>	The policy sets out the matters to consider when applications for advertisement and signage are made.	Paragraph 136 outlines that the quality and character of places can suffer when advertisements are poorly sited and designed. It additionally sets out that advertisements should be subject to control only in the interests of amenity and public safety.	The Council continues to apply appropriate controls and management of advertisements.	The Local Plan policy remains up to date and consistent with national policy.
<b>S6.4 Improving Image</b>	This strategic policy is focused upon identifying particularly important locations where the character and design of development would have a substantial impact upon North Tyneside's image. These include: <ul style="list-style-type: none"> <li>• Key gateways to North Tyneside such as the</li> </ul>	National policy does not explicitly identify enhancing image of an area as a national priority but supports policy approaches that contribute to and enhance local character.	The Council's approach to implementing this policy is reflected through its regeneration priorities and activities including at the Coast, North Shields and Wallsend and is embedded into its adopted masterplans for Murton Gap and Killingworth Moor.	The Local Plan policy remains up to date and consistent with national policy.

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<b>S6.5 Heritage Assets</b>	<p>This strategic policy outlines the Council's key objectives to pro-actively preserve, promote and enhance its heritage assets.</p>	<p>Paragraph 190 sets out that Plans should set out a positive strategy for the conservation and enjoyment of the historic environment</p>	<p>The Council has 17 conservation areas and over 220 listed buildings and has additionally identified a number of buildings and parks on its Register of Buildings and Parks of Local Architectural and Historic Interest Supplementary Planning Document, as updated 2018. The Council has also introduced and updated since adoption of the Local Plan Article 4 directions to assist in enhancing and protecting some of its conservation areas most sensitive to cumulative change. Heritage led regeneration initiatives at locations including Whitley Bay, North Shields and the Fish Quay have helped and are expected to support important investment in the Borough.</p>	<p>The Local Plan policy remains up to date and consistent with national policy.</p>



List of Policies	Key policy aim(s)	National Planning Policy Framework	Notes on implementation and monitoring	Assessment of status
<b>DM6.6 Protection, Preservation and Enhancement of Heritage Assets</b>	The policy outlines the considerations for proposals that affect heritage assets or their settings. The policy approach provides detailed criteria against which proposals would be permitted where they sustain, conserve and where appropriate enhance the significance, appearance, character and setting of heritage assets. The policy is specifically tailored to build upon the key considerations for development affecting heritage assets set out in National Policy. It focuses upon desired outcomes for such proposals, for example regarding conservation of built fabric and architectural detailing, responding to heritage assets at risk, and requirement for preparation of heritage statements.	The national policy approach outlines detailed considerations for how Local Authorities should consider proposals for development that affect heritage assets and how the loss or harm to the significance of heritage assets should be considered.	Detailed consideration of the implications of proposals upon heritage assets of listed buildings, locally registered buildings and conservation areas takes place as an integral part of the development management process.	The Local Plan policy remains up to date and consistent with national policy.
<b>DM6.7 Archaeological Heritage</b>	The policy identifies that the Council will seek to protect, enhance and promote architectural heritage. It identifies when archaeological desk based	Paragraph 194 outlines that in determining planning applications that have the potential to include heritage assets with archaeological interest an appropriate desk	As required the Council requires appropriate evidence and mitigation from development proposals and consults the Tyne and Wear	The Local Plan policy remains up to date and consistent with national policy.

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	assessments and evaluation reports may be required and potential subsequent actions to ensure archaeological remains are protected.	based assessment should be required.	Archaeology Service for advice and comment.	
<b>7. Infrastructure</b>				
<b>S7.1 General Infrastructure and Funding</b>	The policy sets out the Council's intention to ensure new development makes provision for necessary infrastructure and set out to deliver improvements to the Borough's infrastructure, working together with its partners. The policy establishes the principle under which the Council will seek developer contributions through planning obligations and potentially Community Infrastructure Levy (CIL).	Paragraph 57 outlines the circumstances (reflecting the TCPA) in which planning obligations via section 106 agreements could be sought to make otherwise inappropriate development acceptable. Paragraph 58 goes on to establish that where up to date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. Since adoption of the Local Plan further revisions to the Community Infrastructure Levy regulations have been published (notably in September 2019) relaxing the limitations on use of planning obligations and CIL funds.	The Council adopted its Community Infrastructure Levy in November 2018 (coming into effect January 2019) and collects s106 planning obligations, and contributions to highway infrastructure. It publishes information regarding the funding secured and infrastructure delivery within its annual Infrastructure Development Statement.	The policy and legislative framework surrounding infrastructure delivery and contributions has evolved since adoption of the Local Plan. The role of this policy and the circumstances in which it identifies planning obligations would be sought remains up to date and consistent with national policy.

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<b>DM7.2 Development Viability</b>	This policy outlines the Council's commitment to enabling viable development and its approach to considering amending its requirements if clear evidence regarding the viability of development is submitted by an applicant.	National policy now considers that it is for an applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. Whilst the general assumption in national policy is that viability assessment should not be required such provision remains a component of the decision making process.	Where applicants identify a viability issue the Council has an established provides to consider the specific circumstances affecting schemes. In North Tyneside there may be a range of site constraints that make development less viable and require such assessments.	The Local Plan policy remains up to date and consistent with national policy.
<b>S7.3 Transport</b>	This strategic policy outlines the specific goals for transport associated with securing a modal shift to sustainable modes of transport i.e. public transport, walking, cycling and other non-motorised modes for journeys within the borough and beyond. The policy sets out key objectives and infrastructure priorities regarding public transport, the road network and pedestrians, cyclists and horse riders.	Paragraph 20 establishes policies should set a strategy for infrastructure including transport. Section 9 of the NPPF is focused upon promoting sustainable transport. Paragraph 104 sets out a series of objectives for transport including promotion of walking, cycling and public transport. Paragraph 105 outlines that the planning system should manage patterns of growth in support of these objectives. Key goals being to reduce congestion and emissions.	On the strategic road network a number of improvements identified in policy have been delivered including:  A19(T)/ A1058 Silverlink Interchange and outside the Borough the A19(T)/A184 Testos Roundabout.  Nexus plans for renewal of metro rolling stock is ongoing whilst the programme for introduction of passenger services on the Northumberland Line (formerly Ashington, Blyth and Tyne) is progressing.	Elements of the policy that identify projects that have now been delivered are no longer relevant. However, the overarching aims of the policy remain up to date. The key projects identified in the Policy remain relevant and cover each of the key priorities for transport infrastructure improvement in the Borough. The policy therefore remains up to date and consistent with national policy.

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	<p>This includes identifying potential new routes for metro and passenger rail connections through the borough and new metro stations.</p>	<p>Paragraph 106 identifies that planning policy should be prepared with active involvement of highways authorities and other infrastructure providers and includes reference to identifying and protecting sites and routes which could be critical in developing infrastructure to widen transport choice.</p>	<p>The Council continues to work with Nexus and development partners in relation to introduction of new metro stations associated with development of its strategic sites.</p> <p>A significant and ongoing programme of cycle way enhancement is underway with key routes delivered since adoption of the Local Plan at the A189 Salters Lane, Coast Road Cycleway Improvement, A191 improvement and various enhancements associated with new development.</p>	
<p><b>DM7.4 New Development and Transport</b></p>	<p>The policy sets out the primary development management considerations for new development to ensure its impacts for sustainable transport and highway safety are addressed. This includes reference to the Council's Transport and Highways Supplementary Development Plan with regard to transport assessments and travel</p>	<p>Paragraph 107 references the requirements for setting local parking standards whilst paragraph 110 outlines the considerations that are relevant when considering proposals for development – including promotion of sustainable transport modes, safe and suitable road access for all users, design of streets, parking areas and other transport elements reflect</p>	<p>The Council applies its requirements regarding safety of users and promotion of sustainable modes – especially walking and cycling through all major development. The Council's Transport and Highways SPD is currently being updated to ensure it reflects latest national guidance and the Council's response to such changes at a national level. The overall approach</p>	<p>The Local Plan policy remains consistent with national policy.</p>

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	plans, cycle and car parking provision and provision of electric vehicle charging points.	current national guidance and national design guide and national model design code, and impacts on the transport network or highway safety can be cost effectively mitigated.	of the Council continues to be to deliver the aims and objectives of DM7.4.	
<b>DM7.5 Employment and Skills</b>	This policy recognises the important role an adequately skilled and educated workforce can have upon the capacity for employment in the Borough and attractiveness of the area as a place to invest. It sets out based on this principle to establish a goal to include provision for training or apprenticeships either as part of the proposed development or associated with key sectors for North Tyneside linked to advanced engineering, manufacturing and off-shore / marine.	National policy recognises the importance of education and encourages policies that support education needs and to widen choice in education.	The Council works with developers and applicants to encourage local recruitment as appropriate, and provision of apprenticeships as part of development.	The Local Plan policy remains up to date and consistent with national policy.
<b>DM7.6 Renewable Energy and Low-Carbon Technologies</b>	The policy outlines support for local production of energy from renewable and low carbon sources and supports community energy schemes. Both micro and site specific energy	National policy at paragraph 155 identifies that Local Plan policies should provide a positive strategy for energy from these renewable and low carbon sources, and consider identifying suitable	It remains the case in North Tyneside that relatively few planning applications for renewable and low carbon energy generation have been submitted, reflecting the predominantly urban	The Local Plan policy remains up to date and appropriate. The extent to which national policy encourages identification of areas / sites for renewable and low carbon facilities

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	generation schemes and commercial scale renewable energy generation projects are identified as supported through the policy.	areas / sites where this would help secure their development. Paragraph 156 identifies that community led initiatives should be supported.	character of the Borough. A growing number of batter storage facilities have been proposed and considered positively whilst applications for micro generation are supported where planning permission has been required and are appropriate.	could be considered but the Local Plan approach is not inconsistent with current national policy.
<b>S7.7 Waste Management</b>	<p>The policy sets out the Council's approach to waste management consistent with the waste hierarchy that seeks prevention, re-use, recycling, recovery and disposal.</p> <p>The policy encourages on site waste management, treatment of waste as a resource and supports the Council's Waste Strategy.</p> <p>It also sets out a positive framework for consideration of waste management facilities and is supported by identification of potential suitable locations on the Policies Map.</p>	<p>Paragraph 20 identifies that Local Plan policies should set a strategy for infrastructure including waste management.</p> <p>National Planning Policy for Waste was published in 2014.</p> <p>Paragraph 3 sets out that Council's should establish the need for waste management facilities and set out a strategy to drive waste management up the waste hierarchy.</p> <p>Paragraph 4 identifies that Council's should identify in Local Plans sites or areas for new or enhanced waste management facilities.</p>	<p>There have been no major planning applications associate with waste transfer or management since adoption of the Local Plan.</p> <p>Adequate provision for supporting waste management infrastructure and collection is an integral component of the council's consideration of other development proposals where, for example the major implications for waste generation and collection arising from the strategic allocations.</p>	The Local Plan policy remains up to date and consistent with national policy.

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<b>DM7.8 Protection of Waste Facilities</b>	The policy sets out the consideration the council would give to existing waste management facilities when development is proposed that would be close to or directly affect them. The policy also outlines how proposals for extension or intensification of existing facilities that are currently having an adverse impact on its surroundings would be expected to bring about reduction in the current harm caused to be permitted.	Paragraph 8 for National Waste Management Policy identifies that the impact of non-waste development on existing facilities should be considered to ensure they are able to operate and does not prejudice implementation of the waste hierarchy.	No major applications have arisen where waste management facilities may be affected by development proposals.	The Local Plan policy remains up to date and consistent with national policy.
<b>DM7.9 New Development and Waste</b>	Establishes criteria for new development including appropriate waste management during construction, provision for waste collection and use of innovative approaches such as communal collection where appropriate.	Paragraph 8 of national waste management policy identifies that non waste development should make sufficient provision for waste management, promote good design and include adequate storage facilities. It also identifies appropriate management of waste arising as part of construction.	The Council applies these principles through its Design Quality SPD and Transport and Highways SPD and seeks to ensure development is appropriate designed to accommodate waste management and collection.	The Local Plan policy is up to date and consistent with national policy.
<b>S7.10 Community Infrastructure</b>	The policy outlines the Local Plan's strategy to ensure local provision and	Paragraph 20 identifies that Local Plan policies should establish a strategy for	Support for new community facilities is embedded in the Council's approach to	The Local Plan policy remains up to date and



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	resources for cultural and community activities are accessible to the neighbourhoods they serve. It reflects a positive framework for the delivery of community facilities, establishes that permission for re-use of buildings where the community's ability to meet its day to day needs for services is not reduced, and it sets out the role of Assets of Community Value.	community facilities such as health, education and cultural infrastructure.  In promoting healthy and safe communities' paragraph 93 identifies that Local Plan policies should plan positively for provision and use of community facilities to enhance the sustainability of communities and residential environments and guard against unnecessary loss.	considering planning applications and development. The council works closely with service providers such as NHS / CCG to understand needs and facilitate development and has identified health and community facilities as items that could potentially be funded through its CIL revenue. Amongst the most notable recent schemes are the current development of a new Health Centre at Elton Street, Wallsend.	consistent with national policy.
<b>DM7.11 Telecommunications – Broadband, mobile phone masts and equipment</b>	The policy sets a positive approach to the consideration of telecommunications. The policy encourages developers to integrate high speed broadband connectivity into development and sets a framework to consider specific proposals including equipment and installations. This includes design and visual impact considerations for stand along installations and when sited on buildings.	Paragraph 20 identifies that Local Plan policies should set an overall strategy for infrastructure including telecommunications.  Section 10 outlines national policy Supporting high quality communications. This establishes that policy should support the expansion of electronic communications networks (such as 5G)	High speed broadband internet has continued to roll out at pace across North Tyneside with expansion of networks from a range of providers both to new housing development and existing areas.	The Local Plan policy remains up to date and consistent with national policy.



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<b>8. Area Specific Strategies</b>				
<b>AS8.1 The Wallsend and Willington Quay Sub Area</b>	This policy sets the strategic approach to the Wallsend and Willington Quay sub area. It addresses a series of priorities and potential interventions for the area in relation to homes, jobs and the public realm.	Paragraph 82 establishes that Local Plans should respond to local policies for economic development and regeneration. Paragraphs 93 and 94 further outline the role of policy in supporting regeneration, and ensuring that shops, facilities and services are able to develop and modernise for the benefit of the community.	Within Wallsend key development at the town centre have taken place since adoption of the Local Plan with development of a new food store and parking provision and work underway on a new health centre. The Council' is currently developing a new masterplan for the area and has successfully been awarded funding to support regeneration.	The Local Plan policy remains up to date and consistent with national policy.
<b>AS8.2 The Forum Shopping Centre, Wallsend</b>	Specific policy for The Forum Shopping Centre identifying an ambition to enhance its role, provide new retail floorspace, improve its appearance, support community facilities for Wallsend and provide improved accessible parking.	This area specific policy is supported by the wider principles of national policy to establish strategies for retail growth and investment in town centres.	Significant investment has occurred and work is ongoing with the owners of The Forum to continue to expand and improve its offer. Adjacent to the Forum new parking and retail facilities have been delivered.	The Local Plan policy remains up to date and consistent with national policy.
<b>AS8.3 Portugal Place and High Street West, Wallsend</b>	This policy identifies the need for specific intervention at Portugal Place. A mixed use area at a key gateway to the town centre and location	This area specific policy is supported by national policy principles to provide strategies for retail growth	There have to date been no substantial developments at the Portugal place site. The ongoing medical centre development at Elton Street	The Local Plan policy remains up to date and consistent with national policy.

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	of Portugal Place Medical Centres.	and investment and support housing delivery.	is expected to see the relocation of the current facility, creating a key opportunity for redevelopment.	
<b>AS8.4 Key Green Spaces in Wallsend and Willington Quay</b>	This policy focuses on the beneficial role of Wallsend Parks, and Wallsend Dene. It addresses the spaces' important role for recreation and in providing important green infrastructure links for biodiversity.	This area specific policy is supported by national policy principles regarding management of open spaces, creation of coherent ecological networks and protection and enhancement of biodiversity value.	Wallsend's Parks have seen substantial investment and provide a valuable resource for residents in an area that includes a number of high density residential areas. Key aims identified within the policy remain goals for the Council.	The Local Plan policy remains up to date and consistent with national policy.
<b>AS8.5 Transport and Accessibility in Wallsend and Willington Quay</b>	This policy focuses on enhancing accessibility and encouraging walking, cycling and public transport in this sub-area. Particularly regarding: <ul style="list-style-type: none"> <li>• Bus services to the town centre,</li> <li>• Improving environment around the areas Metro Stations,</li> <li>• Encouraging walking and cycling between the town centre and the riverside.</li> </ul>	This area specific policy is supported by national policy principles regarding improving accessibility and promoting sustainable mode of transport.	Transport and accessibility in Wallsend remain a key priority for the Council and measures to continue improving the environment and safety for all road users are likely to form part of the Council's future regeneration aims for Wallsend.	The Local Plan policy remains up to date and consistent with national policy.

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<b>AS8.6 Improving Movement in Wallsend and Willington Quay</b>	<p>This policy focuses on potential public realm and highway improvements along a number of key roads and streets in Wallsend and Willington Quay to provide:</p> <p>Tree planting, shared surfaces, addressing conflict between road users, improving green links along waggonways.</p>	<p>This area specific policy is supported by national policy principles regarding improving accessibility and promoting sustainable mode of transport.</p>	<p>Enhancing the public realm and improving the environment and safety for all road users are likely to form part of the Council's future regeneration aims for Wallsend.</p>	<p>The Local Plan policy remains up to date and consistent with national policy.</p>
<b>AS8.7 Wallsend High Street Improvements</b>	<p>This policy focuses on potential improvements to Wallsend High Street with the objective of securing improvements for pedestrians that can help improve the retail environment and visitor experience.</p>	<p>This area specific policy is supported by national policy principles regarding enhancing character and promoting the vitality and viability of town centres and high streets.</p>	<p>Enhancing the attractiveness of High Street East and West in Wallsend for visitors remains a key priority for the Council.</p>	<p>The Local Plan policy remains up to date and consistent with national policy.</p>
<b>AS8.8 Wallsend Town Centre Public Realm and Conservation Area</b>	<p>The policy sets out a sensitive approach to managing public realm in Wallsend town centre to use good quality materials, and maintain and restore all aspects of public realm.</p>	<p>This area specific policy is supported by national policy principles regarding enhancing character and promoting the vitality and viability of town centres and high streets.</p>	<p>Enhancing the attractiveness of High Street East and West in Wallsend for visitors remains a key priority for the Council.</p>	<p>The Local Plan policy remains up to date and consistent with national policy.</p>

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<b>AS8.9 Segedunum Roman Fort and Hadrian's Wall World Heritage Site</b>	The policy reflects the special significance of Wallsend as a key location on the Hadrian's Wall World Heritage site and establishes the prominence that would be given to presence of the WHS in strategies for Wallsend.	Paragraph 206 specifically notes that Local Authorities should look for opportunities at World Heritage Sites to enhance or better reveal their significance.	The Council is working with Tyne and Wear Archives and Museums to deliver improvements to Segedunum Roman Fort and Museum and has this year secured funding for investment in the site.	The Local Plan policy remains up to date and consistent with national policy.
<b>AS8.10 Town Hall, Police Court, Fire Station and Public Baths</b>	This policy sets out a framework for bringing this important grade II listed cluster of civic buildings in Wallsend back into beneficial use.	Paragraph 190 is clear plans should set out a positive strategy for conservation and enjoyment of the historic environment.	The town hall complex has seen substantial investment with the business operating from a converted Public Baths and the Town Hall Business Centre proving successful in the rest of the complex.	The policy is largely delivered. Going forward the principles embodied by the policy remain up to date and consistent with national policy.
<b>AS8.11 The North Shields Sub Area</b>	This policy sets the strategic approach to the North Shields sub area. It addresses a series of priorities and potential interventions for the area in relation to homes, jobs and the public realm.	Paragraph 82 establishes that Local Plans should respond to local policies for economic development and regeneration. Paragraphs 93 and 94 further outline the role of policy in supporting regeneration, and ensuring that shops, facilities and services are able to develop and modernise for the benefit of the community.	Within North Shields key development at the town centre have taken place since adoption of the Local Plan with investment in Northumberland Square, continued success of the visitor economy at the Fish Quay whilst masterplan proposals for regeneration have been prepared.	The Local Plan policy remains up to date and consistent with national policy.

List of Policies	Key policy aim(s)	National Planning Policy Framework	Notes on implementation and monitoring	Assessment of status
<b>AS8.12 Fish Quay and New Quay</b>	The policy supports continued development of Fish Quay and New Quay as a characterful, vibrant mixed use area.	This area specific policy is supported by national policy principles regarding creation of mixed, vibrant communities.	The Fish Quay and New Quay continue to prove an attractive destination for visitors and as a place to live and is an area of focus for the Council to secure further improvements in the environment, public realm and sustainable accessibility – in particular improving the areas links with North Shields town centre.	The Local Plan policy remains up to date and consistent with national policy.
<b>AS8.13 The Beacon Centre and Wider Regeneration of North Shields Town Centre</b>	The policy signals the Council's support for refurbishment of the Beacon Centre and wider regeneration of North Shields town centre including, <ul style="list-style-type: none"> <li>• Enhancing pedestrian and cycle routes,</li> <li>• Broadening range and quality of retail units,</li> <li>• Enhancing appearance of the centre, at Saville Street and Bedford Street.</li> </ul>	This area specific policy is supported by national policy principles regarding enhancing character and promoting the vitality and viability of town centres and high streets.	The Council has developed a comprehensive masterplan for North Shields including a range of positive proposals for the Beacon Centre and town centre and the Council continues to work with the Beacon Centre to secure delivery.	The Local Plan policy remains up to date and consistent with national policy.
<b>AS8.14 North Shields Town Centre Public Realm</b>	This policy focuses upon addressing heritage and townscape issues in a holistic way to deliver a high	This area specific policy is supported by national policy principles regarding enhancing character and	The Council has developed a comprehensive masterplan for North Shields that sets out delivery of many of these	The Local Plan policy remains up to date and consistent with national policy.

List of Policies	Key policy aim(s)	National Planning Policy Framework	Notes on implementation and monitoring	Assessment of status
	<p>quality public realm, including:</p> <p>Use of good quality surfaces that encourage pedestrian movement,</p> <p>Co-ordinated approach to installation of street furniture,</p> <p>Restoration of historic layouts and features,</p> <p>High standards of maintenance,</p> <p>Reducing dominance of bus stops at southern end of Bedford Street.</p>	<p>promoting the vitality and viability of town centres and high streets.</p>	<p>proposals. At Northumberland Square the Council secured Heritage Action Zone funding that is helping to deliver many improvements to historic buildings and the public realm across Howard Street and Northumberland Square.</p>	
<b>AS8.15 The Coastal Sub Area</b>	<p>This strategic policy identifies the key priorities for the Coastal sub area including:</p> <ul style="list-style-type: none"> <li>• Creating a vibrant Whitley Bay town centre,</li> <li>• Extending range and provision of visitor attractions and accommodation,</li> <li>• Securing growth whilst protecting and enhancing the built and natural environment that makes the coast attractive,</li> </ul>	<p>Paragraph 82 establishes that Local Plans should respond to local policies for economic development and regeneration. Paragraphs 93 and 94 further outline the role of policy in supporting regeneration, and ensuring that shops, facilities and services are able to develop and modernise for the benefit of the community.</p>	<p>Since adoption of the Local Plan the coast has seen a range of improvements including completion of a series of residential redevelopments, refurbishment of northern and central lower promenade and reopening of Spanish City as a retail and food and beverage venue.</p>	<p>The Local Plan policy remains up to date and consistent with national policy.</p>

List of Policies	Key policy aim(s)	National Planning Policy Framework	Notes on implementation and monitoring	Assessment of status
<b>AS8.16 Tourism and Visitor Accommodation at the Coast</b>	<ul style="list-style-type: none"> <li>Promoting revitalisation of Spanish City and the seafront through high quality public realm,</li> <li>Development of sustainable transport links and encouraging public transport, cycling and walking.</li> </ul>	As tourism is a key economic sector for the coastal area national policies is supportive of strategies for its growth and development.	Development at Spanish City included the notable addition of a new hotel in 2017 and work ongoing to refurbish and extend the Park Hotel. Meanwhile, a general trend for conversion of existing hotels at the coast to residential or a more flexible range of residential uses has continued.	The Local Plan policy remains up to date and consistent with national policy.
<b>AS8.17 Visitor Attractions and Activities at the Coast</b>	<p>This policy highlights some of the key attractions that are vital to the visitor economy of the coast, and proposals for improvement – including:</p> <ul style="list-style-type: none"> <li>Restoration of Spanish City,</li> <li>Refurbishment and improved visitor facilities</li> </ul>	As tourism is a key economic sector for the coastal area national policies is supportive of strategies for its growth and development.	A number of major initiatives and regeneration proposals identified have now been completed with the Council continuing to work on projects such as refurbishment of St Mary's Lighthouse.	The Local Plan policy remains up to date and consistent with national policy.

List of Policies	Key policy aim(s)	National Planning Policy Framework	Notes on implementation and monitoring	Assessment of status
	<p>at St Mary's Lighthouse and headland,</p> <ul style="list-style-type: none"> <li>• Public realm improvements of Northern Promenade,</li> <li>• Redevelopment of High Point, The Avenue and Whiskey Bends.</li> </ul>			
<b>AS8.18 The Spanish City</b>	<p>This policy identifies the grade II Spanish City as a key site for investment to support the areas tourism offer.</p>	<p>As tourism is a key economic sector for the coastal area national policies is supportive of strategies for its growth and development.</p>	<p>The Spanish City has been successfully restored and opened to the public in summer 2018.</p>	<p>The objectives of this policy have largely been delivered. The underlying principle of support for the role of Spanish City in the areas economy and as a visitor destination remain up to date and consistent with national policy.</p>
<b>AS8.19 Whitley Bay Town Centre Public Realm</b>	<p>This policy outlined proposals to tackle townscape and heritage issues in Whitley Bay town centre in a holistic way. It includes supporting enhancements of shopfronts along Park View.</p>	<p>This area specific policy is supported by national policy principles regarding enhancing character and promoting the vitality and viability of town centres and high streets.</p>	<p>Whitley Bay and the Coast has seen substantial investment in public realm since adoption of the Local Plan whilst key streets such as Park View have been recognised as one of the best independent shopping streets.</p>	<p>The Local Plan policy remains up to date and consistent with national policy.</p>
<b>AS8.20 Coastal Evening Economy: Whitley Bay and Tynemouth</b>	<p>Recognising the importance of the evening economy this policy supports investment that grows Whitley Bay and Tynemouth particularly,</p>	<p>This area specific policy is supported by national policy principles regarding enhancing character and promoting the vitality and</p>	<p>Whitley Bay and Tynemouth continue to be popular destinations providing a range of restaurant, bar and other activities for visitors.</p>	<p>The Local Plan policy remains up to date and consistent with national policy.</p>



List of Policies	Key policy aim(s)	National Planning Policy Framework	Notes on implementation and monitoring	Assessment of status
	whilst managing crime and disorder and supporting proposals that add vitality and viability to identified areas.	viability of town centres and high streets.		
<b>AS8.21 Residential Institutions in Whitley Bay</b>	This policy responds to the prevalence of C2 residential institutions attracted to the coastal locations as a desirable location for retirement and extra care accommodation. The policy sets out a positive framework that intends to ensure additional consideration is given to the potential impacts of clustering of such uses.	National policy encourages development of mixed sustainable communities and provision of a range of house types to meet needs. This includes at paragraph 130 where it is identified that planning policies should ensure that developments sustain an appropriate amount and mix of development.	Applications for new C2 developments and conversion of existing buildings to C2 have continued to be received and permitted in Whitley Bay including at the site of the former Marine Park and Coquet First School and former Rex hotel.	The Local Plan policy remains up to date and consistent with national policy.
<b>AS8.22 Coastal Green Links</b>	This policy establishes support for improving the cycle network along the coast.	In supporting sustainable transport and promoting health and safe community national policy identifies that planning policy should include strategies for improving cycle connections and accessibility.	Following temporary cycling measures introduced to give greater space to non-car modes during the covid 19 pandemic, in 2021 the Council consulted on a Seafront Sustainable Route. This route would link North Shields Fish Quay with St Mary's Lighthouse in Whitley Bay.	The Local Plan policy remains up to date and consistent with national policy.
<b>AS8.23 Coastal Transport</b>	This policy considers a range of measures and	National policy support development of strategies	The Council continues to work with its partnership	The Local Plan policy remains up to date and

List of Policies	Key policy aim(s)	National Planning Policy Framework	Notes on implementation and monitoring	Assessment of status
	<p>objectives for sustainable transport working in partnership with transport providers, Nexus and the community. Key aims include improving the street network connecting Whitley Bay town centre and Tynemouth with the sea front, and maintaining adequate car parking provision that serves the coast with improved access for sustainable transport.</p>	<p>that encourage and provide opportunities for sustainable modes of travel.</p>	<p>across a number of projects intended to support sustainable transport access to the coast. This includes investment in metro stations, new parking provision associated with The Spanish City project, and management of bus services.</p>	<p>consistent with national policy.</p>
<p><b>AS8.24 The North West Villages Sub Area</b></p>	<p>This strategic policy outlines the range of objectives for the North West including:</p> <ul style="list-style-type: none"> <li>• Improving transport connectivity,</li> <li>• Enhancing the areas image and identity,</li> <li>• Bringing a range of potential development sites into beneficial use.</li> </ul>	<p>This area specific policy aligns with a number of national policy approaches regarding sustainable modes of transport, accessibility, and effective use of land.</p>	<p>A number of the key sites identified for redevelopment in the area have been brought forward for development or benefit from Permission in Principle. The Council continues to work with partners to support sustainable transport provision and accessibility.</p>	<p>The Local Plan policy remains up to date and consistent with national policy.</p>
<p><b>AS8.25 North West Villages Public Realm</b></p>	<p>This policy sets out potential measures to improve the north west villages public realm, including:</p> <ul style="list-style-type: none"> <li>• Use of signage welcoming visitors at entrances to the borough</li> </ul>	<p>This area specific policy is supported by national policy principles regarding positive strategies to enhancing character of the built and natural environment.</p>	<p>A range of work has been complete and is underway to improve accessibility across the North West including work underway to improve signage of the Borough's waggonway network, that</p>	<p>The Local Plan policy remains up to date and consistent with national policy.</p>

List of Policies	Key policy aim(s)	National Planning Policy Framework	Notes on implementation and monitoring	Assessment of status
	<p>and each settlement/village to strengthen each areas' identity,</p> <ul style="list-style-type: none"> <li>• Ensuring key attractions and facilities are well signposted,</li> <li>• Promoting the ecological and heritage value of the area,</li> <li>• Ensuring use of good quality street furniture and ground surfaces, and quality maintenance.</li> </ul>		<p>plays a prominent role in connecting north west settlements.</p>	
<b>AS8.26 Opportunity Sites in the North West Villages</b>	<p>The policy identifies seven specific sites across the north west where the council will work positively with the landowners to bring the land back in to beneficial use.</p>	<p>This area specific policy is supported by national policy principles regarding positive strategies to enhancing character of the built and natural environment and making effective use of land.</p>	<ul style="list-style-type: none"> <li>• Drift Inn – planning permission for 9 dwellings, permitted 2022</li> <li>• Western Terrace, Dudley – planning permission for 20 dwellings, permitted 2017</li> <li>• Land adjacent No.1 Coronation Street, Annitsford – small gap site (equivalent to a single dwelling). No update.</li> <li>• Garage Site, Annitsford Drive – no update</li> <li>• Former Dudley People's Centre – 14 dwellings permitted 2015 now complete.</li> </ul>	<p>Whilst delivered in part the Local Plan policy remains up to date and consistent with national policy.</p>

List of Policies	Key policy aim(s)	National Planning Policy Framework	Notes on implementation and monitoring	Assessment of status
<b>AS8.27 Sustainable Transport and Traffic Management for the North West Villages</b>	<p>The policy outlines the goal of improved linkages between villages in the North West and beyond with support for:</p> <ul style="list-style-type: none"> <li>• Improving bus services,</li> <li>• Protecting and enhancing waggonways,</li> <li>• Suitable road cross measures,</li> <li>• Appropriate traffic calming.</li> </ul>	<p>This area specific policy aligns with a number of national policy approaches regarding sustainable modes of transport, accessibility.</p>	<p>The Council is progressing its programme of improvements to the Waggonways. Highway works have recently commenced at Weetslade roundabout (A189/A1056 junction) providing improved highway safety for all users.</p>	<p>The Local Plan policy remains up to date and consistent with national policy.</p>
<b>AS8.28 Former Engineering Research Centre</b>	<p>This policy considers options for the use of the Grade II* listed Environment Research Station and School of Engineering Buildings at Harvey Combe, Killingworth. The policy sets out uses should have no unjustified adverse effect upon heritage significance. With uses</p>	<p>This area specific policy response to provision in NPPF for positive strategies that conserve and increase enjoyment of the historic environment.</p>	<p>Following the Council's relocation to Quadrant at Cobalt Business Park, the facility at Killingworth was vacant for a number of years. After extensive review of its estate the Council has since reinvested in the Killingworth site as an office.</p>	<p>The Local Plan policy remains up to date and consistent with national policy.</p>

List of Policies	Key policy aim(s)	National Planning Policy Framework	Notes on implementation and monitoring	Assessment of status
	identified including office, light manufacturing and retailing.		Staff began moving back into the building in late 2021.	
<b>9. Implementation and Monitoring</b>				
<b>S9.1 Local Plan Implementation and Monitoring</b>	This policy is focused upon ensuring the Council maintains an understanding of the implementation of the Local Plan policy – reported through its Authority Monitoring Report – and takes measures where any specific policies are not being implemented or identified requirements are not met.	Town and country planning (local planning) regulations set out that Councils must prepare an Authority Monitoring Report, and defines the minimum requirements for monitoring. National policy identifies at paragraph 33 that policies should be reviewed to assess whether they need updating at least once every five years.	The Council reports key findings regarding delivery and implementation of the Local Plan in its AMR, published on its website. In keeping with the provision of NPPF and updated planning regulations it has undertaken a review of the overall status of the Local Plan now that it is more than five years old.	<p>The Local Plan policy remains up to date and consistent with national policy.</p> <p>Having undertaken this assessment, the finding that housing land supply presently falls short of the Local Plan requirement is notable. The Council is consequently progressing actions to assist in bringing forward development including actioning the criteria identified in S9.1, including:</p> <ul style="list-style-type: none"> <li>• Review the delivery of site-specific allocations,</li> <li>• Reviewing mechanisms for financial contributions (in particular use of its Community Infrastructure Levy funds),</li> <li>• Re-focusing on work with partners such as Homes England and North of</li> </ul>

List of Policies	Key policy aim(s)	National Planning Policy Framework	Notes on implementation and monitoring	Assessment of status
				Tyne Combined Authority to support delivery, as well as partners such as National Highways and Nexus.

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# North Tyneside Local Plan Five Year Review 2022

## Summary Report

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## 1 Background and purpose of the review

All Local Planning Authorities are legally required to undertake a review of their Local Plans to assess whether they need updating at least once every five years. Local Plans should then be updated as necessary. The North Tyneside Local Plan was adopted in July 2017 and a review therefore needs to be completed.

The National Planning Policy Framework (NPPF) sets out the requirements for the review:

*Paragraph 33: Policies in Local Plan and spatial development strategies should be reviewed to assess whether they need updating at least once every five years from the adoption date of a plan, and should take into account changing circumstances affecting the area, or any relevant changes in national policy. Relevant strategic policies will need updating at least once every five years if their applicable local housing need figure has changed significantly; and they are likely to require earlier review if local housing need is expected to change significantly in the near future.*

Planning Practice Guidance provides advice on what authorities can consider when reviewing a plan. In addition, the Planning Advisory Service has published the Local Plan Route Mapper guidance to assist Local Planning Authorities (LPAs) in undertaking plan reviews.

North Tyneside Council (the Council) has undertaken an assessment of its Local Plan, in accordance with the above national policy, guidance and legislation, to establish whether any part of the Local Plan should be considered out of date and in need of updating through a full or partial Local Plan review.

## 2 Assessing the Local Plan

In determining whether a Local Plan needs to be updated there are several matters to be considered:

- The latest national guidance and legislative requirements for Local Plan review.
- Changes in national planning policy.
- Evidence of monitoring and implementation of policies, including the delivery of homes, employment land and retail needs.
- Any key findings or conclusions arising from new and updated evidence informing the Local Plan.
- Consider North Tyneside's planning appeals performance and whether this suggests specific policies need to be reviewed where appeals are being lost.
- Understand any new social, environmental or economic priorities that may have arisen.
- Consider cross-boundary issues with neighbouring authorities and other strategic priorities.

In order to demonstrate a consistent assessment of the Local Plan policies as a whole, an assessment of each policy is provided at Appendix 1 to this Summary Document.

This policy assessment, considers in particular:

- The intended role of each Local Plan policy
- The current national planning policy context for the policy
- Notes on the implementation and monitoring of the policy. This includes noting where new evidence may have led to an updated understanding of the matter or issue that the adopted policy seeks to address.
- A statement on whether the policy remains generally up to date and consistent with national policy.

Outside of these changes, it is noted that the national framework for planning is currently under review. The progression of the Levelling Up and Regeneration Bill through parliament may have consequences in the future for the status of the North Tyneside Local Plan. However, for this review the Authority has assessed the status of the Local Plan against the current policy and legislative framework.

### 3 National Context

The North Tyneside Local Plan was prepared in compliance with the National Planning Policy Framework (NPPF) 2012. Since adoption of the Local Plan there have been three updates to NPPF with the latest version of the framework published in July 2021. Consequently, the Council has reviewed each of the adopted Local Plan policies with reference to the National Planning Policy Framework, 2021.

Account has also been given to any changes in legislation or orders where these may have an effect on the implementation of policy.

The full assessment can be referred to at Appendix 1 of this document.

The Council's overall assessment is that whilst there are a range of changes in NPPF and other aspects of the Planning System, that the existing Local Plan does not fully reflect, the adopted policy approach of the Local Plan continues to comply with national policy. Notable changes include:

- Presumption in favour of sustainable development

The Local Plan sets out a specific model policy, DM1.3 Presumption in Favour of Sustainable Development, to ensure the presumption in favour of sustainable development is applied in North Tyneside. The NPPF 2021 provides clear guidance about this and local policy to ensure its implementation is not required. However, the role of the policy aligns with the principles of NPPF and does not give rise to a serious conflict or omission that would require review.

- Planning use class order

Since adoption of the Local Plan the government have substantially revised the Planning Use Class Order. This means a number of policies within the Local Plan refer to classes that no longer exist. Whilst this means some elements of the Local Plan are no longer as clear as originally intended, the role and purpose of those policies in managing development remains appropriate and up to date.

- Housing requirements

Since adoption of the Local Plan government have formally implemented a standard method for calculating Local Housing Need. North Tyneside's Local Plan housing requirement was arrived at through a local assessment of population and household projections and economic growth and therefore was not prepared using the latest standard methodology. The latest standard method calculation indicates the Borough's Local Housing Need is approximately 800 dwellings per annum. The total annual average housing requirement for North Tyneside is 790 dwellings per annum, with a stepped requirement that ranges from 554 dwellings per annum to 938 dwellings per annum. As such, the overall annual average requirement is broadly aligned with the current standard method.

- Affordable housing

National policy regarding the provision of affordable housing, and promotion of affordable home ownership tenures has evolved since adoption of the Local Plan. This includes requiring 10% of affordable homes to be First Homes, and initiatives such as Entry Level exception sites. For the North Tyneside Local Plan, the existing affordable housing policy outlines an overall requirement based upon securing affordable homes in accordance with the latest evidence of needs, in a manner flexible enough to support housing delivery. This policy approach is consequently flexible enough to implement latest government initiatives without the need for plan review.

- The Environment Act 2021

The Environment Act introduces new requirements regarding biodiversity net gain upon planning applications for development that exceed the existing Local Plan. The mandatory requirement for a 10% biodiversity net gain that will come into effect in 2023 is assessed as working in tandem with the Local Plan requirement for development to incorporate net gains for biodiversity. The need for further planning advice in the form of a specific supplementary planning document will be considered by the Council in due course and as further guidance and regulations on the matter are prepared. Potential consequential implications of such requirements upon deliverability and the appropriateness of the overall Local Plan strategy will be considered in future years.

- Design

Latest NPPF has increased its emphasis upon good design introduced a specific requirement for tree lined streets as a part of new development whilst government have published a National Design Guide and National Model Design Code. The existing Local Plan, whilst not prepared with this policy requirement specifically in mind can be applied appropriately alongside these new national policy requirements. Potential consequential implications of such requirements upon deliverability will be considered in future years.

## 4 Local Context

Beyond the changes to national policy and legislation, plan review should take account of key shifts in local or regional policy priorities, notable changes in the potential future growth of the area and possible implications of any planned major infrastructure programmes.

For the North Tyneside Local Plan the following matters have been considered:

- Climate Change Emergency

In 2019 North Tyneside Council declared a climate emergency and has passed a resolution committing the Borough to a zero-carbon target by 2030, in advance of the government's national targets. The North Tyneside Local Plan was prepared in advance of the declaration of a Climate Change Emergency. The existing Local Plan sets out clear advice regarding promotion of sustainable development and establishes tackling climate change as a key objective for the Borough. The overall thrust of the Local Plan therefore, is supportive of the goals of the Climate Change Emergency.

- Northumberland Line

The proposed Northumberland Line project, that would deliver new passenger rail services from South East Northumberland to Newcastle Central Station, has progressed significantly since adoption of the Local Plan. Proposals have now confirmed a platform on the new line at Northumberland Park providing an interchange with the Tyne and Wear metro in North Tyneside and additional capacity for train services to Newcastle city centre and to new employment opportunities in Northumberland. The increased accessibility afforded by the Northumberland Line is expected to increase investment in the area. At this time, despite the additional potential for growth the Authority has no evidence that would indicate the scale of change in North Tyneside for housing and employment growth could not be accommodated within the existing strategy for the Borough as defined in the North Tyneside Local Plan.

- Town centre and area-based regeneration

North Tyneside Council working particularly with the North of Tyne Combined Authority and Homes England is working on the delivery of a number of key regeneration initiatives. This includes substantial investment in key employment sites across the Borough such as Indigo Park, and ongoing projects at sites across the River Tyne North Bank, building upon the unique opportunities the commercial riverside provides. Meanwhile, town centre developments at Whitley Bay, North Shields, the Fish Quay and Wallsend are each seeking to bring about growth and investment. Work is also commencing on projects for the north-west of the Borough.

Overall, the delivery of these regeneration initiatives is helping drive growth and improve the image of the Borough in keeping with the framework outlined within the current Local Plan.

## 5 Development Monitoring Report

The Council publishes its Authority Monitoring Report (AMR), Strategic Housing Land Availability Assessment (SHLAA) and Five-Year Land Supply statement on an annual basis. These documents provide regular monitoring of the Local Plan policies and assesses their performance and delivery against a set of indicators. AMRs have been published for the North Tyneside Local Plan each year since its adoption with the most recent updates published online in early 2022.

## 6 The duty to co-operate

North Tyneside forms part of the North of Tyne Combined Authority comprising Northumberland County Council, Newcastle City Council and North Tyneside Council. It also participates in joint working with the wider North East authorities of South Tyneside, Gateshead, Sunderland and County Durham. These groupings form the overarching structure within which the duty to co-operate is exercised in the North East.

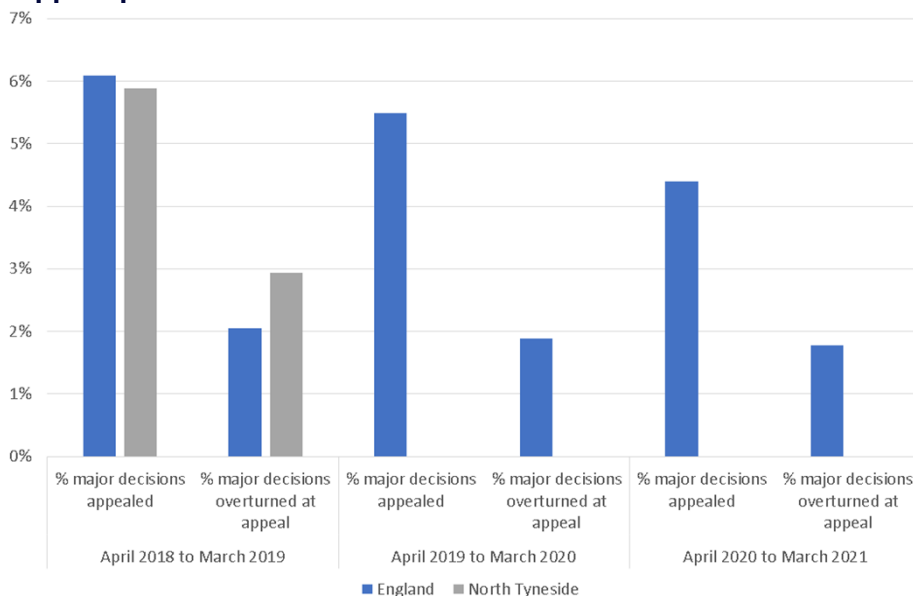
Planning Policy Duty to Co-operate (DtC) meetings involving North of Tyne authorities plus Gateshead are held on a quarterly basis with the most recent Duty to Co-operate meeting held on the 5<sup>th</sup> May 2022. Additionally, a North East Heads of Planning meeting is held regularly where key planning issues and joint working opportunities are discussed. The proposals for Local Plan review at North Tyneside have been discussed at through the DtC process and regard has been given to Plan status, key proposals and planning issues in the Authority's neighbouring North Tyneside.

The Authority also maintains ongoing working relationships with other key stakeholders including Environment Agency, Natural England, Historic England, Nation Highways and Homes England; and key service providers such as Northumbrian Water, National Grid and Northern Power.

## 7 Appeals performance

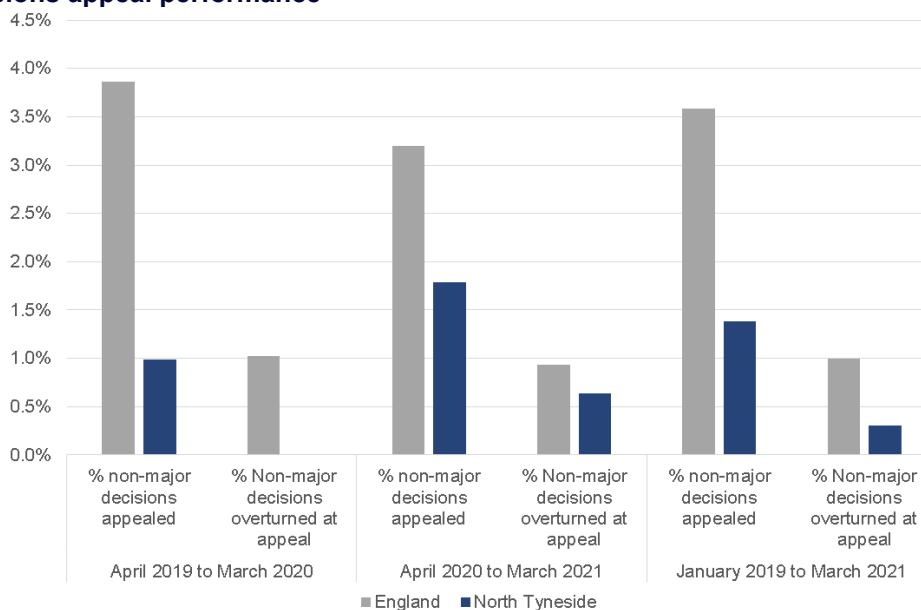
The Council has reviewed planning appeal decisions between April 2018 and March 2021, based on data available through the Planning Performance Live Tables P152a for a record of major decisions and P154 for non-major decisions. The analysis indicates that for both major and non-major decisions, fewer applications are subject to appeal than the proportion for England as a whole, whilst a lower proportion of appeal decisions in North Tyneside overturn the original decision of the Council.

### Major decisions appeal performance



Planning Live Tables P152a, DLUHC

### Non-major decisions appeal performance



Planning Live Tables 154, DLUHC

Whilst a relatively small proportion of appeals against decisions in North Tyneside are appealed, the nature of the decisions received and range of issues addressed, does not point to any specific policy or implementation issues regarding effectiveness of Local Plan policy.



## 8 Summary and conclusions

An assessment of each policy is set out at Appendix 1 of this summary report into the North Tyneside Five Year Review. The following outlines the summary findings in relation to each section of the adopted Plan.

### **Spatial Strategy**

The Local Plan's approach to providing a spatial strategy, including the Green Belt and Local Green Space, and provision of policy regarding Health and Well Being remain in keeping with National Policy. Presently the Spatial Strategy remains fit for purpose, but the continued robustness of the spatial strategy will be dependent upon securing delivery of existing allocated sites for housing and employment.

### **Economy**

The Local Plan allocated 150ha of employment land – the equivalent of enabling take up of 10ha per year. Actual take up has fallen substantially below this annual rate over the first five years of the Plan. This has been over a period of substantial economic uncertainty due to Brexit and the Covid-19 pandemic. National Policy is clear a strategy for growth sectors and a range of land to enable investment and respond flexibly to economic circumstances should be provided. Presently the Local Plan strategy and range of sites identified is considered to remain up to date. Key strategic corridors including the River Tyne North Bank and the A19(T) remain an important focus for investment and regeneration initiatives to drive business growth and investment. However, further evidence to update the ELR is being prepared that will add further understanding of the suitability of the current strategy.

### **Retail and town centres**

The Local Plan identifies a town, district and local centre hierarchy and provides for expansion of retail provision at Northumberland Park, Wallsend, Longbenton, Tynemouth, Murton Gap and Killingworth Moor. Key developments have taken place at Northumberland Park, providing a major extension of retail facilities in the Borough, and Wallsend. The overarching strategy for the Borough's town centres has been to provide a flexible approach to change as the retail and town centre environment faces growing challenges from on-line and out of town shopping. Review of the current Local Plan suggests policy continues to provide a suitable framework for other strategies and plans of the Council to support investment and regeneration.

### **Housing**

The Local Plan provides an annual average of 790 dwellings per year but set out a stepped requirement that increased from 551 homes per year between 2011/12 to 2015/16 to 938 homes per year from 2021/22. The latest calculation of housing needs based on the national Standard Methodology indicates a Local Housing Need of 800 homes per year. To date the Authority has continued to pass the Housing Delivery Test. However, the delay in commencing development at Murton Gap and Killingworth Moor and the effects of economic uncertainty upon housing supply have meant that the Borough now does not have a five-year land supply.

National Planning Policy is clear that where there is no five-year land supply the policies in a Local Plan related to housing development are out of date and the principle of sustainable development comes in to force. Current guidance is clear that despite this, other policy of the Local Plan remains relevant and key considerations such as protection of Green Belt retain significant weight in planning decisions. However, in relation to housing supply the Local Plan is not up to date.

### ***Natural Environment***

Policies for the natural environment focus upon the benefits and role of green infrastructure – including for health and well-being as well as biodiversity. Policies also give specific provision for the protection of designated assets that remain broadly in accordance with national policy. Some of the latest legislative developments including the Environment Act will influence how Local Plan policy for the natural environment are prepared in future. However, at this time the current suite of policies reflect considerations including securing a net gain in biodiversity and consequently still provide a suitable and up to date policy framework.

### ***Built and Historic Environment***

Policies for the built and historic environment relate to matters of design and layout as well as the consideration of the significance of designated and non-designated heritage assets. There have been developments in national policy and guidance in relation to the National Design Code and preparation of Local Design Codes. However, the current policy framework would not prevent the expansion of the Council's supporting evidence and guidance regarding design and such documents would support implementation of the existing policy. Further development includes provision for street trees as part of development. Whilst the current Local Plan does not reflect this requirement the policy approach does not give rise to any conflict that would render the Local Plan policy out-of-date.

### ***Infrastructure***

Policy in this section sets out how the Council will secure developer contributions, how key matters regarding transport provision would be considered for development and key infrastructure projects, including the Northumberland Line (formerly Ashington, Blyth and Tyne), creation of a new Cobalt metro link from Percy Main to Northumberland Park and various other enhancements to the Borough's infrastructure. These projects are currently being progressed or remain key aspirations for the Council and wider region. There are no substantial new infrastructure schemes that would require inclusion in the Local Plan to enable their delivery and broadly policy in this section remains up to date.

### ***Area Specific Strategies***

The Local Plan sets out specific proposals for areas of potential regeneration focus for the coast, Wallsend, North Shields and the north-west villages. These overarching, area-based frameworks, continue to provide a robust basis upon which some of the Council's key regeneration priorities can be developed and expanded.

### **Status of the North Tyneside Local Plan**

Five years after its adoption and following a range of developments at national and local level, the Council consider that at this time the adopted North Tyneside Local Plan continues to provide an effective strategy for the management of growth and development in the Borough. The Local Plan sets out a strategy for growth that continues to be an ambitious target for meeting the needs and potential of North Tyneside. It outlines an effective framework for development of a suite of housing, employment and retail sites that are capable of meeting the Borough's needs for growth.

As such, the Council concludes that its Local Plan remains a sound Local Plan and does not propose to undertake further work to update its Local Plan at this time. The Council remains focused upon implementation to support delivery of the North Tyneside Local Plan's objectives.

## North Tyneside Council Report to Cabinet Date: 19 September 2022

### Title: Ambition for Education – Update

<b>Portfolio:</b>	<b>Children, Young People and Learning</b>	<b>Cabinet Member:</b>	<b>Councillor Steven Phillips</b>
	<b>Finance and Resources</b>		<b>Councillor Martin Rankin</b>
<b>Report from Service Area:</b>	<b>Health, Education and Safeguarding</b>		
<b>Responsible Officers:</b>	<b>Jacqui Old, Director of Children and Adults</b>		<b>Tel: 0191 643 7317</b>
	<b>Mark Longstaff, Director of Commissioning and Asset Management</b>		<b>Tel: 0191 643 8089</b>
	<b>Jon Ritchie, Director of Resources</b>		<b>Tel: 0191 643 5701</b>
<b>Wards affected:</b>	<b>All</b>		

#### PART 1

##### 1.1 Executive Summary:

North Tyneside has an education system to be proud of. A strong performer regionally and nationally, this reflects the hard work of Head Teachers and their teams, governing bodies, Elected Members, Authority staff and the fantastic children and young people.

The Authority believes that education is the catalyst for social mobility and the mitigation of deprivation; championing the learner continues to sit at the heart of the Authority's decision making.

Officers continue to work with schools to tackle the priorities within the Ambition for Education document to improve outcomes for all pupils, to build on the Authority's partnerships to transform lives, uncap the potential of children and young people, and mitigate against the longer-term impact of COVID-19.

The purpose of this report is to:

- outline the key elements and ambitions in the recent White Paper 'Opportunity for all: strong schools with great teachers for your child'
- outline the key elements and ambitions in the recent Green Paper 'Special Educational Needs and Disabilities Review: Right support, Right place, Right time'
- outline the strategic challenges currently facing the education system in North Tyneside, the work already underway and the further work required to tackle these challenges in partnership with educational leaders and partners.

## 1.2 Recommendation(s):

It is recommended that Cabinet:

- (1) note the key elements and ambitions in the recent White Paper 'Opportunity for all: strong schools with great teachers for your child'
- (2) note the key elements and ambitions in the recent Green Paper 'Special Educational Needs and Disabilities (SEND) Review: Right support, Right place, Right time'
- (3) note the key strategic challenges facing the education system and SEND and the work done to date.
- (4) agree that the following work is progressed in relation to the following challenges:

### a) Financial sustainability of Schools in particular Secondary Provision

Working with Monkseaton High, and other stakeholders:

- carry out option appraisals to address the structural deficit issues,
- enter pre-publication engagement and consultation, and
- bring forward proposals to achieve educational and financial sustainability across the system.

### b) Increasing demand in relation to Children & Young People with Special Educational Needs and Disabilities and associated resource pressures.

- progress the work identified within the Dedicated School Grant Management Plan.

- (5) Authorise the Director of Commissioning and Asset Management and the Director of Children and Adults in consultation with the Cabinet Member for Children, Young People and Learning and the Cabinet Member for Finance and Resources and the Director of Resources to take all necessary steps to progress the work set out in recommendation (4) above.
- (6) agree to receive further reports as required on the progress made in relation to the challenges set out in recommendation (4) above.

## 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 August 2021.

## 1.4 Council Plan and Policy Framework

This report relates to the following themes in the Authority's updated Our North Tyneside Plan 2021-2025:

- A family friendly North Tyneside
- A thriving North Tyneside
- A caring North Tyneside

## 1.5 Information:

### 1.5.1 Background

Over time, North Tyneside has established and sustained an education system to be proud of, but the Authority is not complacent.

Historically, schools and colleges in the Borough have performed well in public examinations and against inspection frameworks with 95% judged to be good or better by Ofsted, but the Authority also recognises that for disadvantaged pupils there is more to do. At the end of the academic year 2019, performance data showed that despite pupils' overall outcomes comparing favourably with national outcomes, those of disadvantaged pupils continue to lag those of their non-disadvantaged peers and remain stubbornly below the national average. The picture is compounded further for those pupils identified as long-term disadvantaged for whom the gap between them and their peers is stark.

Indeed, gaps in disadvantaged pupils' attainment widen as they move through the education system. The abandonment of public examinations in 2020 and 2021 means the longer-term impact of COVID-19 will only begin to be seen in 2022 and beyond. This remains a continuing priority for the Authority.

Despite the many difficulties for pupils in Y11 and Y13 in 2019/2020, most of the Authority's young people accessed their first-choice destination, and the proportion of pupils deemed as not in education employment or training (NEET) remained in line with national figures at 2.6% (national 2.4%). The same is true for 2020/2021, where despite the many setbacks and repeated disruption in schools, children and young people secured qualifications enabling them to take the next steps into education, employment or training. This is testimony to the determination of both school staff and Authority Officers and their work with young people.

Central to the Authority's ambition for education is a desire to equip all students with the knowledge, skills and resilience needed to contribute to an unknown future and the world of work which may not be fully understood.

As well as the updated Council Plan Policy Framework recent key strategic documents have also been developed and approved in recent months:

- Children and Young People Plan 2021-2025
- Ambition for Education Strategy in North Tyneside 2020-2024
- Joint School improvement Strategy
- North of Tyne Education Challenge
- Special Educational Needs and Disabilities Inclusion Strategy 2021-2024
- Children and Young People's Mental Health and Emotional Wellbeing Strategy 2021-2026

*'Making North Tyneside an even greater place for children and young people to thrive; where all can access a high-class education with a culture of inclusion and achievement.'*<sup>1</sup>

Our 'Ambition for Education in North Tyneside' document sets out the priorities and targets for education from 2020 to 2024. It builds on the vision provided by 'Our North Tyneside Plan' and the 'Children's and Young People's Plan'. The Authority's targets align with the 'North of Tyne Education Challenge' and 'Joint School Improvement

Strategy' together with the Special Educational Needs and Disability (SEND) Inclusion Strategy.

## 1.5.2 What matters most to children, young people, their families and carers

Before discussing the policy and technical matters, Cabinet will wish to be assured the absolute focus of everyone involved is what matters most to children, young people, their families and carers. In particular:

### 1.5.2.1 Attainment and Progress

The following provides some current headline information around pupils' achievement, last captured in 2019, and will provide a baseline against which the Authority can begin to gain an understanding of the impact of COVID:

- Changes to statutory requirements for the end of Early Years assessment have changed markedly. There is now no formal requirement for Local Authorities to moderate submitted assessment information.
- In 2022, 75% of pupils reached the thresholds for the phonic screening check at the end of Year 1. This is in line with the national average of 75.5%, but much lower than pre-pandemic outcomes of 83% in 2019.
- In 2022, at Key Stage 1 across reading, writing, maths and the combined measure, North Tyneside has performed slightly better than that seen nationally at both the expected and at the higher level. The combined figure for reading, writing, and mathematics is 54.1% at the expected standard against 53.4% nationally. At the higher standard this is 7.6% compared with 5.9% nationally. Reading and mathematics attainment fell by 9% points compared with 2019 outcomes. Writing attainment has been hardest hit with 14% points drop.
- In 2022, at Key Stage 2, the position in North Tyneside shows performance at above the national picture with combined scores for reading, writing and mathematics at the expected standard at 60% with national equivalent outcomes at 58.7%.
- There has been a return to externally marked examinations at both Key Stage 4 and 5 this year, albeit with some exam adaptations intended to mitigate against COVID disruption. Generally, A level results in 2022 show a slight increase on 2019 outcomes and a slight decrease on the teacher assessed grades of 2021. The Authority average points for 2022 is 38.8 (33.8 2019) and an average B grade (average C grade 2019). This is very pleasing given the disproportionate impact of COVID on our students.
- At Key Stage 4, Attainment 8 scores have increased to 47.9 from 45.9 in 2019. We have seen 67.4% of our young people achieve standard Grade 4 pass in English and mathematics up 3.3 percentage points from 64.1% in 2019.
- 93% of pupils attend good or outstanding schools, compared to 87% nationally.
- 95% of parents and carers received their first-choice primary school compared to 92% nationally.

- 90% of parents and carers received their first-choice secondary school compared to 83% nationally.

### **1.5.3 Schools White Paper – Opportunity for all: strong schools with great teachers for your child**

In March 2022, the government published its White Paper. The vision within the white paper is to introduce and implement standards that will improve children’s education, deliver the right support if they fall behind and give them the tools to lead a happy, fulfilled, and successful life.

Delivery of this vision will be underpinned by the following:

#### **1.5.3.1 Excellent Teacher for every child**

By 2030:

- All teachers will have access to world-class training and professional development.
- Teaching will be an attractive, high-status profession.
- High-quality early years provision will ensure children have the best possible start to their education.

#### **1.5.3.2 Delivering high standards of curriculum, behaviour and attendance**

By 2030:

- From early years onwards, all children will be taught a broad, ambitious, knowledge-rich curriculum and have access to high-quality extra-curricular provision.
- All children will be taught in calm, orderly, safe and supportive schools with high levels of attendance.
- Children will have fair access to high-quality time in school regardless of where they live.

#### **1.5.3.3 Targeted support for every child who needs it**

By 2030:

- High-quality classroom teaching and evidence-based targeted support – including tutoring – will be made available to every child that is behind, with parents regularly updated on their child’s progress.
- Schools will be better equipped to robustly and routinely identify children who need this support and to act quickly, including for those with SEND.
- Schools will fund evidence-based, targeted activities to improve the attainment of disadvantaged children, including the most able, from their Pupil Premium funding.

#### **1.5.3.4 A stronger fairer system**

By 2030:

- All schools will provide a high quality and inclusive education within the resilient structure of a strong trust, sharing expertise, resources and support.
- The best trusts in the system will work where they are needed most, levelling up standards, and transforming previously underperforming schools.

- Every part of the system, from strong trusts to local authorities, will be held accountable to a set of clear roles and responsibilities, so that no child falls through the cracks.

#### 1.5.4 **Test and Learn Exercise**

As part of a stronger fairer system, all Local Authorities were invited to submit an expression of interest to be part of a Local Authority Multi Academy Trust (MAT) and as such be included within a Test and Learn exercise in the academic year 2022 /2023. The exercise will seek to support a small number of projects and are looking for a broad mix of high performing LAs which, together, reflect the geographic diversity of the country and mix of school types and phases.

The Test and Learn pilot is designed to allow the department to evolve its approach over time, working with Local Authorities on the development of the first new academy trusts and learn from that to inform future policy development. 10 Local Authorities will be selected from those expressing an interest.

Following consultation with Schools, a number indicated that they would like to submit an expression of interest to be part of a Local Authority MAT. An expression of interest was submitted by 31<sup>st</sup> July 2022, with a decision expected by the end of September / early October 2022.

#### 1.5.5 **A strengthened role for local authorities**

- Local authorities have crucial responsibilities for children, SEND, Children's Social Care, attendance, admissions, place planning and other key areas.
- Local authorities will remain at the heart of the new system, championing all children in their area-especially the most vulnerable-as they step back from directly maintaining schools in their new role.

#### 1.5.6 **Green Paper – SEND Review – Right Support Right Place Right Time**

The reforms to the SEND system introduced in 2014 had the right aspirations: an integrated 0-25 system spanning education, health and care, driven by high ambition and preparation for adulthood.

The system is driven by a hard-working and dedicated workforce who are committed to delivering excellent support for children and young people with SEND.

Despite examples of good practice in implementing the 2014 reforms, this is not the norm and too often the experiences and outcomes of children and young people are poor.

The government commissioned the SEND Review in 2019 in response to growing concern about the challenges facing the SEND system in England and the future of the children and young people it supports.

The SEND Review committed to examining how the system has evolved since 2014, how it can be made to work best for families and how it can ensure the effective and sustainable use of resources.

For too many children and young people, the SEND system is not working well enough:



- Children and young people with SEND and those in alternative provision have consistently poorer outcomes than their peers
- Experiences of the SEND and alternative provision system are negative
- The SEND and alternative provision system is financially unsustainable
- There is too much inconsistency across the SEND system in how and where needs are assessed and met.

Therefore, as a result, the Green paper focuses on ensuring there is a system where every child and young person can access the right support in the right place at the right time, with the following being the key areas for change:

#### **1.5.6.1 A single national SEND and Alternative provision system**

The review has concluded that there is a need for greater consistency in how needs are identified and supported. Therefore, the government's proposal is to:

- establish a new national SEND and alternative provision.
- review and update the SEND Code of Practice.
- establish new local SEND partnerships and produce a local inclusion plan.
- introduce a standardised and digitised EHCP process.
- support parents and carers to express an informed preference for a suitable placement by providing a tailored list of settings.
- streamline the redress process, making it easier to resolve disputes.

#### **1.5.6.2 Excellent provision from early years to adulthood**

The government's proposal is to:

- increase total investment in schools' budgets by £7 billion by 2024-25, compared to 2021-22.
- consult on the introduction of a new National Professional Qualification (NPQ) for school SENCOs (Special Educational Needs Co-ordinators)
- commission analysis to better understand the support that children and young people with SEND need from the health workforce.
- improve mainstream provision, building on the ambitious Schools White Paper
- fund more than 10,000 additional respite placements
- invest £2.6 billion, over the next three years, to deliver new places and improve existing provision for children and young people with SEND or who require alternative provision.
- set out a clear timeline that, by 2030, all children will benefit from being taught in a family of schools
- invest £18 million over the next three years to build capacity in the Supported Internships Programme

#### **1.5.6.3 A reformed role for alternative provision**

The government's proposal is to:

- make alternative provision an integral part of local SEND systems
- give alternative provision schools the funding stability to deliver a service focused on early intervention
- build system capacity to deliver the vision through plans for all alternative provision schools to be in a strong multi-academy trust
- develop a bespoke performance framework for alternative provision
- deliver greater oversight and transparency of pupil movements

- launch a call for evidence, before the summer, on the use of unregistered provision

#### **1.5.6.4 System roles, accountabilities and funding reform**

The government's proposal is to:

- deliver clarity in roles and responsibilities with every partner across education, health, care and local government having a clear role to play, and being equipped with the levers to fulfil their responsibilities
- equip the Department for Education's (DfE) new Regions Group to take responsibility for holding local authorities and MATs to account
- provide statutory guidance to Integrated Care Boards (ICBs) to set out clearly how statutory responsibilities for SEND should be discharged
- introduce new inclusion dashboards for 0-25 provision,
- introduce a new national framework of banding and price tariffs for funding,
- work with Ofsted/Care Quality Commission (CQC) on their plan to deliver an updated Local Area SEND Inspection Framework

#### **1.5.6.5 Delivering change for children and families**

The government's proposal is to:

- take immediate steps to stabilise local SEND systems by investing an additional £300 million through the Safety Valve Programme and £85 million in the Delivering Better Value programme
- task the SEND and Alternative Provision Directorate within DfE to work with system leaders
- support delivery through a £70 million SEND and Alternative Provision change programme
- publish a national SEND and alternative provision delivery plan
- establish, for implementation of the national delivery plan, a new National SEND Delivery Board

### **1.5.7 Key Strategic Challenges Facing Education provision in the Borough**

#### **1.5.7.1 Financial Sustainability of Schools in particular Secondary Provision**

##### **a) Current Position - Challenge**

Cabinet will be aware that school funding is a matter for the Department for Education; either by direct funding agreements with Academy Sponsors or delegated by Local Authorities to schools where budget management is the delegated responsibility of each Governing Body.

Governing Bodies, Head Teachers and their teams, the members of the Schools Forum and the Officer team have continued to work hard to handle the financial challenges. At the end of the financial year 2021/22 the position was:

- The overall level of School Balances at the end of March 2022 was £3.398m compared to £3.721m as of March 2021. This position is significantly better than the forecast at the start of the year, though it does not include commitments in the schools.

- The total initial deficit approval requested at the start of 2021/22 was £13.799m. The outturn position for those schools in deficit was £11.832m which was an improvement of £1.967m from initial forecasts; and
- Five of the six schools in deficit in 2021/22 continue to be in deficit in 2022/23.

Despite the improvement in 2021/22 the emerging position for 2022/23 is one of continued financial challenge for a number of schools, both in terms of deficit approvals and reduced surplus balances held by schools.

In 2022/23, 9 Schools (3 Secondary, 5 Primary and 1 Special) have sought deficit approval to the value of £13.971m.

The significant challenge around Secondary Schools is predominantly linked to surplus places across the Secondary estate as a result of parental choice, settlement patterns and individual school choices.

Whilst this surplus has dropped from the peak of 20% explained during the Education Review (2014) to less than 12% by 2022/23, this has caused particular challenges at Norham High School and Monkseaton High School:

### **Norham High School**

- At the last Ofsted inspection in March 2022, Norham High School was judged to be good across all judgement areas. This is a great outcome for school leaders and the community it serves. A request was made to the Secretary of State to remove the academy order which sat against the school since its previous inspection in 2015 when it was judged to be inadequate.
- The financial position for Norham High school continues to be challenging, as the Governing Body continue to manage a large deficit. However, following a staffing restructure school leaders have secured an in year balanced budget for the financial year 2023/2024 and the school is no longer considered to be in a structural deficit.
- Pupil numbers are increasing steadily as pupils' outcomes and the school's reputation improves.

### **Monkseaton High School**

- The financial position for Monkseaton High school continues to be challenging, whilst the Governing Body are managing a considerable structural deficit. The 3-year budget plan submitted by the school in May 2022 showed that the overall deficit position is projected to be in the region of £6.314m by 2024/25, rising by around £0.320m per year on average.
- Whilst officers are working with the School to manage the financial position Governors remain unable to bring about an in-year balanced budget.
- An independent review of the school's financial position indicated that the sixth form was not financially viable given its current occupancy. However, because the

school sits within the three-tier system any reduction in age range would compromise the wider educational viability of the school.

- Surplus capacity within the school is proving the most challenging aspect of setting an in year balanced budget due to significant under occupancy as a result of parental choice. Based on current pupil projections the surplus capacity at Monkseaton High school for the next 3 years is estimated to be around 45%.
- Leaders have made some attempts to reduce staffing costs at the schools, although too much of the school's budget continues to be spent on staffing.

#### **b) Work done**

There has been a significant amount of work done over a long period of time in support of all schools in managing financial challenges and in particular these two Secondary Schools. Work has included:

- Quality Assurance mechanisms have improved. Through work undertaken with colleagues from School's Forum a renewed 'Schools in financial difficulty support and challenge framework' has been implemented. This has reduced the time afforded to schools to bring about balanced budgets. Schools must now show how they can achieve balanced budgets and repay deficits within three years.
- Improved financial planning tools and use of deficit clinics is enabling schools to better identify financial pressures and begin to take action to reduce pressures earlier
- Independent financial reviews of both Norham and Monkseaton High Schools have been completed. Both schools have received detailed reports on curriculum and staffing expenditure matched against national benchmarking data.
- An officer group continues to work with both Norham and Monkseaton High School to explore options available to leaders to bring about financial improvements.

#### **c) Work to do.**

In working with the schools identified above and other stakeholders, develop and consider options to address the structural deficit issue at Monkseaton High School and bring forward proposals to achieve educational and financial sustainability.

### **1.5.7.2 Increasing demands in relation to Children and Young People with Special Educational Needs & Disabilities**

#### **a) Current Position- Challenge**

##### **National Context**

The Local Government Association (LGA) Education Funding Report (June 2019) highlighted the significant national increase since 2014 in the number of children with Education, Health and Care Plans (EHCPs) and the proportion educated in special schools. Local authorities continue to be concerned about the level of High Needs funding to meet this increasing need.

## **SEND in North Tyneside**

Partners across Education, Health and Care in North Tyneside took part in a joint five-day inspection in November 2021. Inspectors spent time speaking to children and young people with SEND, parents and carers, school and college leaders, as well as council and local NHS teams.

Inspectors found that outcomes for children and young people with special educational needs and disabilities (SEND) in North Tyneside are 'strong', noting there is a positive picture for attendance, exclusions from school and the number of young people with SEND who progress to further education, employment or training.

With a focus on strategic leadership, inspectors said that leaders of education, health and social care are 'united in their mission to improve the experience and outcomes of children and young people with SEND'. Adding, 'leaders are determined to know what is working and what needs changing and are looking at detailed information and identifying priorities that chime with the issues raised by children and young people with SEND and their families'.

Inspectors also highlighted the influential roles of the North Tyneside Parent and Carer Forum and the SEND Youth Forum, in making sure the voices of children, young people and their families are heard.

Notwithstanding the positive Ofsted report, North Tyneside, like many local authorities both regionally and nationally, is experiencing an increase in the number of children with SEND. There has been a notable increase locally in the number of children with primary needs relating to Autism Spectrum Disorder (ASD), and those with Social Emotional and Mental Health (SEMH) and Speech, Language and Communication Needs (SLCN).

The following provides an overview pertaining to the presentation of SEND in North Tyneside and the subsequent financial position of the High Needs Block within the Dedicated Schools Grant:

- In January 2022, there were 5,218 pupils in North Tyneside schools with identified special educational needs and/or disabilities; 3,769 were supported with an SEN Support Plan and 1,449 had an EHCP.
- At the same point, North Tyneside maintained a total of 2,047 EHCPs for children and young people aged 0-25.
- For children and young people with an EHCP, this figure (2,047) represents a 10.9% increase between January 2021 and January 2022, in line with national comparators. This is, however, a reduction in year-on-year increases in the Authority, which were 15% between January 2020 and January 2021 32% between January 2019 and January 2020. This reduction has been sustained; in July 2022 there were 2,128 children and young people with an EHCP, representing a 6.7% increase compared to 12 months ago.
- The Authority continues to place a higher proportion of our children and young people in special school provision than is seen nationally (38.3% compared to 34.8%).
- The most prevalent need recorded by schools for SEND pupils in North Tyneside is Speech, Language and Communication Needs (SLCN), at 32%, which is higher than the national average (30%). This is followed by Social, Emotional and Mental Health

needs (SEMH), 22%. The Authority is aware that the proportion of different primary needs is changing over time.

- Due to a number of factors, as set out below, the current high needs funding forecast deficit in North Tyneside is circa £17m.

**b) The main reasons for the overspend are rising needs and pressures on budgets, attributed to:**

- An increase in the number of requests from education settings and parents/carers for Education, Health and Care Needs Assessments (EHCNAs), which can, at their conclusion, result in an EHCP. Rising from 262 during 2018, to 410 in 2019, 353 in 2020 and 359 in 2021. Currently in 2022 there have been 280 requests and if the rate of requests continues we could expect this figure to be over 400 by the end of the 2022
- Of those requests for EHCNAs, the Authority has seen an increase in the number for children under 5 years of age; rising from 23% in 2019 and 2020 to 32% in 2021 and currently in 34% in 2022. Though this reflects the Authority's strength in identifying need early, this also may commit the Authority, where their needs do not reduce, to a spend for those children for most of their childhood, if an EHCP is agreed.
- An increase in the number of children and young people with SEND and Educational, Health, Care Plans (EHCPs). EHCPs identify educational, health and social needs and set out the additional support required in order to meet those needs. In North Tyneside, as of the end of July 2022, there are 2,128 children and young people with an EHCP, an increase of 93% since January 2018.
- The Authority and its partners are experiencing an increase in the complexity of children and young people's presentations. Compounded by Covid 19, we have observed an increase in those with needs relating to their mental health and emotional wellbeing, which has also contributed to an increase emotionally based school avoidance. Identifying education settings with the right multi-agency support framework which sits around them to meet this complexity of need has become more problematic.
- A national extension in the length a young person can have an EHCP, increased from 18 to 25-years-old, with no extra funding to support this
- Additional children and young people within specialist provision and not enough places in special schools
- Increase in the number educated in non-maintained and independent specialist placements, which cost the Authority more
- The way funding is allocated to the Authority, meaning limited flexibility to transfer money from one area to another. Previously the Authority had flexibility to determine how much money was allocated to different provision, but now there are four blocks of funding ringfenced to schools, high needs, central school services and early years. The Authority needs the permission of Schools Forum to transfer funding to high needs, limited to 0.5%.

- A large proportion of the funding allocated by DfE for high needs is based on historical spending patterns
- The cost of funding the support for those with special educational needs and disabilities is not fixed. This is a demand-led service where costs can and do change considerably depending on the specific needs of the individual.

### **c) Department for Education Safety Valve Intervention Programme**

In July 2022, the Authority was formally invited by the Department for Education (DfE) to take part in the 'safety valve' intervention programme, commencing in September 2022, with the aim of agreeing a package of reform to the Authority's high needs system that will bring our Dedicated School Grant (DSG) overspend under control.

The safety valve intervention programme commenced in 2020-21 and continued with further Authorities in 2021-22, targeting Authorities with the highest DSG deficits. The DfE signed 14 agreements during 2020-21 and 2021-22 and after the provision of an additional £300 million in the Spending Review, are expanding the programme to 20 further Authorities in 2022-23, which includes North Tyneside Council.

The programme requires the Authority to develop a Dedicated Schools Grant Management Plan which describes how the Authority will reform its high needs systems, with support and challenge from the DfE. If the Authority demonstrates sufficiently that its DSG Management Plan creates lasting sustainability and is effective for children and young people, including reaching an in-year balance as quickly as possible, then the DfE will enter into an agreement with the Authority, subject to Ministerial approval.

The Authority is undertaking significant work to develop the DSG Management Plan, setting out:

- How it will control its deficit and reach an in-year balance (as a minimum) and how quickly.
- How it will contribute to the reduction of the historic deficit through use of DSG surpluses, in addition to reaching an in-year balance.
- How it will ensure that the DSG Management Plan is deliverable, how it will be managed as it is implemented and how this plan will continue to ensure the appropriate support for children and young people with SEND. This includes agreeing who will be responsible for the ongoing monitoring of progress towards the agreement.

The Authority is required to submit to the DfE an initial proposal consisting of a DSG management plan and accompanying narrative by 13 January 2023 for review. The final submission is required by 3<sup>rd</sup> February 2023 and, if the agreement is approved by Secretary of State, the Authority will be notified by March 2023.

### **1.5.7.3 Post 16 provision across the borough**

#### **a) Context**

The overriding ambition within this review, was to ensure that children and young people have access to the best Post 16 provision that is based on the following proposed principles:

- All students, including those who are disadvantaged and with special educational needs and/or disabilities, can access well considered curriculum that are responsive to their needs and interests and those of employers;
- All students, no matter what their need are in receipt of high-quality teaching and learning experiences that build students' knowledge and skills progressively and prepare them well for the next steps in their education, employment or training;
- Students have flexibility and inclusivity of choice, with access to a broad range of academic, vocational and/or technical pathways; and
- There is longer term sustainability and suitability of any Post 16 offer.

**b) Work is progressing to:**

- Establishing a 'Post 16 Charter' and Information Hub for North Tyneside. Headteachers have met with senior officers to establish a charter and have reached an agreement to signpost post 16 offer on the corporate website to create a one stop information hub for parents and pupils.
- A dedicated officer is in post to promote schools and business/industry partnership. The Authority has established a pilot project for two school curriculum leaders to work alongside business partners from Cobalt Business Park to review schemes of work and find opportunities for greater business involvement. They are also working with the Local Enterprise Partnership to seek 45-day work placements so pupils in North Tyneside experience a strong technical offer to sit alongside academic and vocational offers.
- Strengthening the depth and consistency of careers education across all North Tyneside schools.
- Strengthening SEND pathways across North Tyneside.

**1.5.7.4 Local Plan proposals on School Places and Catchment areas.**

At the point of assessment, the detailed work suggested the need for two additional Primary Schools and an additional Secondary School over the period of the Local Plan to 2032 to accommodate the forecast increase in pupil numbers.

**a) Work is progressing to**

- Further refresh the Educational Impact Assessment as part of the review of the Local Plan.
- reviewing the assumptions made in 2016 and update against actuals over that period as well as forecasting future demands within the pupil projection model.
- consider further and future options to review Catchment area arrangements.



### 1.5.7.5 Schools rebuilding programme and Capital Investment

The School Rebuilding Programme is a 10-year programme that was announced in 2020. The programme sought to identify 50 schools in each of the 10 years for capital investment to address condition issues in school buildings.

The first wave of schools identified in 2020 included Whitley Bay High School, and work is currently on site to provide significant new accommodation for the school, including the retention of two more recent blocks. Works are due to complete in August 2023 in relation to the new buildings, moving on to demolition of redundant buildings and establishment of new external areas between Autumn 2023 and Summer 2025.

The second wave of schools were announced by the Government earlier this year, determined by the DfE, and Local Authorities and Responsible Bodies were invited to submit expressions of interest for future waves of this 10-year programme. North Tyneside submitted 12 expressions of interest for maintained schools across the borough, and in July 2022, it was confirmed that Wellfield Middle has been successful in gaining investment within wave three of the programme. Officers are now working with colleagues within the DfE to undertake feasibility studies from which a scope of works will be developed.

The Authority is aware that it is likely that the DfE will announce future wave programmes before the end of the year, and other schools within our batch of 12 schools have received requests for further surveyor visits. The outcome of those visits has not been released to date.

### 1.6 Decision options:

The following decision options are available for consideration by Cabinet:

#### Option 1

Accept the recommendations outlined in section 1.2 of this report.

#### Option 2

Not to accept the recommendations outlined in section 1.2 of the report.

Option 1 is the recommended option.

### 1.7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

It reflects the priorities agreed by the Elected Mayor, Cabinet Member, Head Teachers and Chairs of Governing Bodies.

### 1.8 Appendices:

None.

### 1.9 Contact officers:

Jacqui Old, Director of Children and Adult Services, tel. 0191 643 7006

Mark Longstaff, Director of Commissioning and Asset Management, tel. 0191 643 8089

Jon Ritchie, Director of Resources, tel. 0191 643 8109

## 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) [Review of Secondary School Provision Cabinet Report 14 October 2013](#)
- (2) [Education Review Cabinet Report 8 September 2014](#)
- (3) [Education Review – Feedback from Prepublication Cabinet Report 10 November 2014](#)
- (4) [Education Review – Feedback from Publication Consultation 12 January 2015](#)
- (5) [Education Review – Feedback from Publication Consultation Supplementary Report 12 January 2015](#)
- (6) [Education Review Update Report 13 July 2015](#)
- (7) [Education Review Cabinet Report 11 July 2016](#)
- (8) [Education for North Tyneside Cabinet Report 10 July 2017](#)
- (9) [Education for North Tyneside Cabinet Report 30 July 2018](#)
- (10) [LGA Education Funding Report, House of Commons, 4 June 2019](#)
- (11) [Education for North Tyneside Cabinet Report 29 July 2019](#)
- (12) Education Policy Institute – School Funding Review
- (13) [Ambition for Education Cabinet Report 25 January 2021](#)
- (14) [Ambition for Education Strategy 2020 - 2024](#)
- (15) [SEND Inclusion Strategy 2021 - 2024](#)
- (16) Long Term Disadvantaged Report
- (17) Post 16 Review Report
- (18) [Ambition for Education Cabinet Report 20 September 2021](#)
- (19) [North Tyneside Council Local Area SEND Ofsted Inspection](#)
- (20) [Schools White Paper - Opportunity for all: Strong schools with great teachers for your child](#)
- (21) [Green Paper – SEND Review: Right Support, Right Place, Right Time](#)

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

### **2.1 Finance and other resources Needs Refresh**

Schools continue to face financial challenges and the Authority is working with them to deal with those challenges. The Dedicated Schools Grant is ring fenced grant that reflects overall School financial position deficits as well as the financial position of the High Needs Block. As reported to cabinet High Needs is currently projecting an overall pressure of £16.924m. The Authority is currently working on a management plan with the Education and Skills Funding Agency (ESFA) to review the financial position of the High Needs Block and to draft a potential “safety valve” very high deficit intervention agreement.

Any future proposals as a result of national policy or local decisions that have financial implications will be brought to Cabinet as appropriate. The High Needs position and updates on the management plan will continue to be reported bi-monthly as part of the financial management report and longer-term impacts are being considered as part of the 2023 – 2027 medium term financial plan.

### **2.2 Legal**

There are no direct legal implications arising from this report.

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

#### **2.3.1 Internal Consultation**

- Discussions have been held with the Elected Mayor and Cabinet Members and with the senior team leading services for our schools.

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

- Discussion with all Head Teachers – Headteacher Briefings
- Discussion with Headteacher representative Groups:
  1. Education Improvement Partnership (Secondary Headteachers)
  2. Primary Learning Partnership (Primary Headteachers)
  3. Special Headteachers and Officers Group
- Consultation with Schools Forum –
- Briefings and Reports to Schools Forum
- Post 16 dialogue with key stakeholders:
  1. Young People
  2. Headteachers all phases
  3. Local Colleges including CEO & principal of Tyne Met
- SEND discussion with the Education & Skills Funding Agency (ESFA)
- SEND discussions with Strategic Partners

### **2.4 Human rights**

This report has been prepared having regard to Article 2 of the First Protocol of the Human Rights Act 1998 and a person’s right to have an effective education.

### **2.5 Equalities and diversity**

Inherent within the principles of working for the Authority’s Ambition for Education is a commitment to work with school colleagues to close the gaps in educational attainment

and progress, between the most vulnerable pupils and their peers. Any proposed changes will undergo Equality Impact Assessment during development if the potential for impact on people with protected characteristics is possible and will be reported to Cabinet.

## 2.6 Risk management

There are no risk issues arising directly from this report.

## 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 arising directly from this report.

### PART 3 - SIGN OFF

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

## North Tyneside Council Report to Cabinet Date: 19 September 2022

### Title: Approval of the Better Care Fund Plan 2022/23 and Authorisation to Enter Section 75 Partnership Agreement – Better Care Fund

<b>Portfolio(s):</b> <b>Adult Social Care</b>  <b>Public Health and Wellbeing</b>	<b>Cabinet Member(s):</b> <b>Cllr A McMullen</b>  <b>Cllr K Clark</b>
<b>Report from Service Area:</b> <b>Responsible Officer:</b>	<b>Health, Education, Care and Safeguarding</b>  <b>Jacqui Old, Director of Children and Adults Services</b>
<b>Wards affected:</b>	<b>All</b>
	<b>Tel: (0191) 6437317</b>

#### **PART 1**

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

This report seeks approval of the Better Care Fund Plan for 2022/23 and authorisation for the Director of Children and Adults Services to enter into a partnership agreement under section 75 of the National Health Service Act 2006 (“a section 75 Agreement”) following appropriate consultation.

The Authority is obliged by the “Better Care Fund planning requirements 2022/23” published by NHS England as part of the Better Care Fund planning process to enter into a section 75 Agreement. All such agreements nationally must be signed and in place by 31 December 2022.

The Authority must submit its Better Care Fund Plan (BCF Plan) to NHS England by the national deadline of 26 September 2022. The BCF Plan requires spending on all funding elements of the Plan to be jointly agreed by the Authority and the Integrated Care Board (ICB) and for such funding to be a “pooled fund” and for the fund to be governed by a section 75 Agreement.

The BCF funding that the Authority will receive is dependent on the Authority having submitted an acceptable plan and entered into a Section 75 Agreement.

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

It is recommended that Cabinet:

- a) Approve the Better Care Fund Plan for submission to the Health and Wellbeing Board for further approval prior to submission to NHS England.

- b) Authorise the Director of Children and Adults Services, in consultation with the Director of Resources, the Director of Commissioning and Asset Management, and the Assistant Chief Executive to enter into an Agreement under section 75 of the National Health Service Act 2006 and to implement the financial and administrative arrangements for the Better Care Fund.

### **1.3 Forward Plan:**

Twenty-eight day's notice of this report have been given and this item first appeared in the Forward Plan that was published on 18 August 2022.

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

This item relates specifically to the following theme and priorities of the Our North Tyneside Plan 2021-2025:

A caring North Tyneside

- We will provide great care to all who need it, with extra support available all the way through to the end of the pandemic.
- We will work with the care provision sector to improve the working conditions of care workers.
- People will be cared for, protected and supported if they become vulnerable, including if they become homeless

### **1.5 Information:**

#### **1.5.1 Background**

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

The BCF creates a pooled fund, managed jointly by the Authority and the North East and North Cumbria Integrated Care Board (the ICB). The value of contributions to the fund in 2022/23 is £30,774,007 which is an increase of 4.47% over 2021/22 BCF pooled fund (note an amount of £1,157,668 of unspent Disabled Facilities Grant carried forward from 2021/22 will be added to this amount and included within the overall total of the fund).

ICBs are required to contribute a defined amount to the fund to support adult social care. The resulting income from the NHS is £12,310,605. Together with the "Improved Better Care Fund" grant, which is paid direct by Government to the Authority, the BCF supports 20.5% of adult social care revenue expenditure within the Borough.

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

#### **1.5.2 Governance arrangements**

The detailed operations of the BCF in North Tyneside are set out in a nationally prescribed Planning Template and narrative plan, which must be approved by the local

Health and Wellbeing Board before submission to NHS England by 26 September 2022. The plan will then go through an assurance process and once approved, a Section 75 Agreement will be prepared, between the North-East and North Cumbria Integrated Care Board (the ICB). That Agreement establishes a BCF Partnership Board with representatives from the Authority and the ICB.

The Health and Wellbeing Board will consider, with a view to signing off, the BCF Plan on 22 September 2022 prior to its submission to NHS England. Regular reports on the operation and performance of the BCF are provided to the Adult Social Care, Health and Wellbeing Sub-Committee of the Overview and Scrutiny Committee and this will continue to be the case.

The BCF Policy Framework requires that BCF Plan be agreed by the appropriate governance arrangements of the ICB as well as the Health and Wellbeing Board.

### 1.5.3 The value of the Better Care Fund

The minimum value of the North Tyneside BCF is set nationally. Table 1 below shows the value in the current year, and changes from previous years.

Table 1

Income Component	2020/21	2021/22	2022/23	% change this year
Disabled Facilities Grant	1,647,220	1,869,024	1,869,024	0.00%
Minimum CCG Contribution	17,420,966	18,291,187	19,326,469	5.66%
Improved Better Care Fund	9,296,886	9,296,886	9,578,514	3.03%
<b>TOTAL before carry forward</b>	<b>28,365,072</b>	<b>29,457,097</b>	<b>30,774,007</b>	<b>4.47%</b>
Disabled Facilities Grant carried forward	0		1,157,668	
<b>Grand total</b>			<b>31,931,675</b>	

The national framework also stipulates minimum contributions to be paid by the ICB to adult social care, and minimum spend on NHS-commissioned out of hospital services

Table 2

	2020/21	2021/22	2022/23	% change this year
CCG minimum contribution to adult social care	11,096,836	11,651,150	12,310,605	5.66%
NHS commissioned out-of-hospital spend	4,950,544	5,197,836	5,492,034	5.66%

#### **1.5.4 The Schemes within the BCF Plan**

The schemes within the BCF Plan are a continuation from 2021/22. One scheme 'Falls First Responder' has been included within the scheme 'Community Based Support' as the falls first responder service is now being delivered as part of the Carecall service within community based support.

#### **1.5.5 Requirement under the Policy Guidance**

The guidance outlines minimal changes in 2022/23 compared to 2021/22.

##### National conditions

The national conditions are:

- A jointly agreed plan between local health and social care commissioners, signed off by the Health and Wellbeing Board;
- NHS contribution to adult social care to be maintained in line with the uplift to the CCG minimum contribution;
- Invest in NHS-commissioned out-of-hospital services.
- An agreed approach to implementing the BCF objectives

##### Metrics

The Policy Framework mandates minor changes to the metrics to support the national conditions.

1. Effectiveness of reablement (as in previous years)
2. Permanent admissions of older people to residential care (as in previous years)
3. Unplanned hospitalisations due to chronic ambulatory care sensitive conditions (introduced in 2021/22)
4. Hospital discharge to normal place of residence which was also introduced in 2021/22. A metric on hospital lengths of stay is no longer required.

This plan provides continuity with the previous BCF plan. The COVID-19 pandemic has accelerated the provision of hospital discharge services based on a "home-first" approach, which was already under way. Our priorities for 2022/23 and beyond are to regain progress in the establishment of the integrated frailty service, which was impacted by the pandemic, and to maintain admission avoidance and hospital discharge services, thus supporting hospital capacity.

The narrative plan includes a new section on supporting unpaid carers.

#### **1.5.6 The impact of the Better Care Fund**

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

The BCF plan has enabled us to have a single, local plan for the integration of health and social care which has improved joint working and had a positive impact on integration. This has helped to relieve pressure on the health care system, with system performance in the North East remaining relatively strong against a difficult picture nationally.



The BCF accounts for 20.5% of adult social care revenue expenditure. Hence, we would be unable to maintain the current level of services without the benefit of the Better Care Fund income.

## **1.6 Decision options:**

The following decision options are available for consideration by Cabinet

### Option 1

- a) Approve the BCF Plan for submission following consideration by the Health and Wellbeing Board
- b) Authorise the Director of Children and Adults Services, in consultation with the Director of Resources, the Director of Commissioning and Asset Management, to enter into an Agreement under section 75 of the National Health Service Act 2006 and to implement the financial and administrative arrangements for the Better Care Fund.

### Option 2

Not agree to Option 1 and to propose an alternative approval mechanism to ensure that the BCF Plan can be submitted by 26 September 2022 and an Agreement under section 75 of the National Health Service Act 2006 is entered into before 31 December 2022.

Cabinet is recommended to agree Option 1.

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

The continuation of the Better Care Fund presents an opportunity to take forward the principles of the Health and Wellbeing Strategy. If the requirement to submit a BCF Plan by 26 September 2022 and enter into a Section 75 Agreement is not met by 31 December 2022 the release of funds by NHS England could be delayed.

## **1.8 Appendices:**

Appendix 1 – The North Tyneside Better Care Fund Narrative Plan

Appendix 2 – The North Tyneside Better Care Fund Planning Template

## **1.9 Contact officers:**

Scott Woodhouse, Strategic Commissioning Manager, Adults. Tel (0191) 643 7082

Sue Graham, Health and Social Care Integration Manager. Tel (0191) 643 4036

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

## **1.10 Background information:**

The following background papers have been used in the compilation of this report:

1. 2022/23 Better Care Fund Policy Framework. Department of Health and Social Care and the Department for Levelling Up, Housing & Communities.

<https://www.gov.uk/government/publications/better-care-fund-policy-framework-2022-to-2023>

2. Better Care Fund Planning Requirements for 2022 to 2023. Department of Health and Social Care and the Department for Levelling Up, Housing & Communities.

<https://www.england.nhs.uk/publication/better-care-fund-planning-requirements-2022-23/>

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

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

The plan does not of itself create additional demands for the Authority's services above those which are created by the growth of our population and in particular the number of elderly and vulnerable people we serve.

As in previous years, the Authority is in discussion with the ICB (formerly the CCG) to create a section 75 pooled budget to operationalise the BCF.

### **2.2 Legal**

The National Health Service Act 2006 gives NHS England the powers to attach conditions to the payment of the Better Care Fund Plan. Amongst other things, the Better Care Fund planning requirements for 2022/23 published by NHS England have set a requirement that the Health and Wellbeing Board agrees the BCF plan as well as the ICB. The Health and Wellbeing Board will consider the BCF Plan on 22 September 2022. The 2022/23 Requirements also require the Authority and the ICB to enter into an Agreement under section 75 of the National Health Service Act 2006 to obtain funding through BCF. This report seeks authority for the Director of Services for Children and Adults to enter into such an Agreement on behalf of the Authority.

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

#### **2.3.1 Internal Consultation**

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

The Health and Wellbeing Board will consider the BCF Plan on 22 September 2022.

Any relevant service developments would be considered by the Future Care Programme Board, which includes representation from the ICB, the Authority, NHS providers, the GP federation, Healthwatch, the Patient Reference Group, and the community and voluntary sector. The BCF plan includes no new service developments but is a continuation of previously planned schemes. Arrangements are in hand to obtain internal ICB approval of the Plan.

### **2.4 Human rights**

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

### **2.5 Equalities and diversity**

There are no new equality and diversity implications arising directly from this report. BCF services are particularly used by older and disabled persons, in accordance with their needs.

## 2.6 Risk management

The Better Care Fund Partnership Board maintains a risk assessment for the BCF.

## 2.7 Crime and disorder

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

## 2.8 Environment and sustainability

There are no environment and sustainability implications arising from this report.

### PART 3 - SIGN OFF

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

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## North Tyneside Health and Wellbeing Board

### Better Care Fund Plan 2022-23

#### Executive Summary

The Better Care Fund (BCF) plan has evolved over a number of years as an element of the implementation of the North Tyneside Future Care strategy, shaped by the Future Care Programme Board which is our place-based planning mechanism. The Future Care Programme Board includes representatives of the local NHS providers (acute, mental health and primary care), social care, primary care networks, the Council for Voluntary Service, North Tyneside Carers Centre, and the Community and Health Care Forum.

The plan provides for a range of investments in:

- Community-based services, which includes CarePoint - our multi-agency, multi-disciplinary integrated team which delivers a home-first approach to hospital discharge and admission avoidance; reablement; immediate response and overnight home care; adaptations and loan equipment service; telecare including falls first responder service; and seven day social work.
- Intermediate Care beds, including bed-based facilities complemented by a community rehabilitation team
- Enhanced primary care in care homes
- A hospice-at-home service for end of life care
- Liaison Psychiatry for working-age adults
- Support for people with learning disabilities
- Implementation of the Care Act, support for carers, and the provision of advice and information.

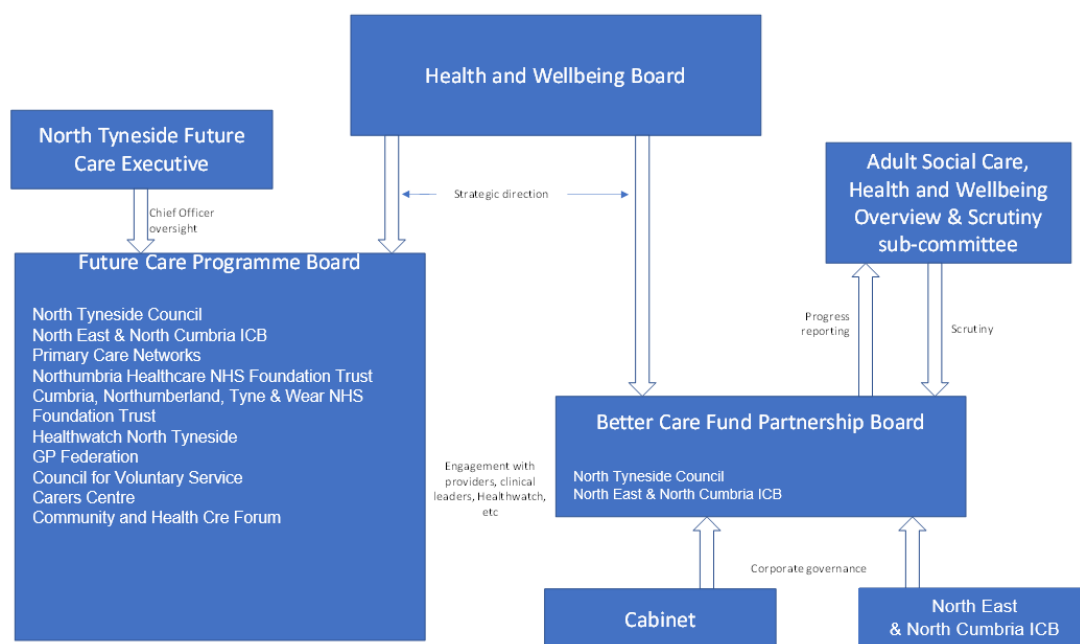
The Improved Better Care Fund element will be used to support the social care market, including meeting the costs of paying at least the Living Wage to staff in care homes and home care with movement towards paying the Real Living Wage. These investments also support hospital capacity by helping to ensure that discharge services are sufficient to meet demand.

The Disabled Facilities Grant will be used to enable people to live independently in their own home; minimise risk of injury for customer and carer ; prevent admission to hospital and long term care; reduce dependency upon high level care packages; improving quality of life and wellbeing; maintain family stability; improve social inclusion ; and enhance employment opportunities of the disabled person.

This plan provides continuity with the previous BCF plan. The COVID-19 pandemic has accelerated the provision of hospital discharge services based on a “home-first” approach, which was already under way. Our priorities for 2022/23 and beyond are to continue the progress in the establishment of the integrated frailty service, which was impacted by the Pandemic, and to maintain admission avoidance and hospital discharge services, thus supporting hospital capacity.

## Governance

The Better Care Fund (BCF) plan has evolved over a number of years as an element of the implementation of the North Tyneside Future Care strategy, shaped by the Future Care Programme Board which is our place-based planning mechanism. The Future Care Programme Board includes representatives of the local NHS providers (acute, mental health and primary care), social care, primary care networks, the Council for Voluntary Service, North Tyneside Carers Centre, and the Community and Health Care Forum. This Governance structure is expected to continue under the place based arrangements within the North East and North Cumbria Integrated Care Board (referred to as the ICB).



The Future Care Programme Board is our place-based planning mechanism which brings together stakeholders to define and implement a strategy to deliver a patient-centred sustainable health and social care system. It is supported by sub-groups including the Ageing Well Board, which is responsible for the design and delivery of the Ageing Well strategy, including development of an integrated frailty service, end of life care, mental wellbeing in later life, and falls services.

Northumbria Healthcare NHS Foundation Trust and Newcastle upon Tyne Hospital NHS Foundation Trust have been consulted on the approach to the BCF hospital discharge metrics.

The Better Care Fund Partnership Board includes senior representatives of the ICS and Local Authority. The Board defines the BCF plan based on national guidance and the place-based strategy which is driven by the Future Care Programme Board, and agrees and manages a Section 75 Agreement to give effect to the BCF plan.

The North Tyneside Health and Wellbeing Board authorises the BCF plan. It provides reports to enable scrutiny by the Adult Social Care, Health and Wellbeing sub-committee of the Overview and Scrutiny sub-committee.

## Overall approach to integration

The Future Care programme has a vision to deliver a patient centered sustainable health and social care system with a focus on:

- Self-care and preventing ill health
- Resilient communities and families
- People living longer and with better quality of life
- People staying as independent and as well as they can for as long as possible
- Those at the end of life to have support and care to enable them to live in the best way they can, taking into account their wishes, beliefs and values
- People dying with dignity in their chosen place of death
- A more resilient, responsive and financially stable health and social care system.
- High quality, fully integrated services
- High levels of people and staff satisfaction with services
- Evidence based practice and care models
- Reduced reliance on acute services
- Reduction in bed-based care.
- Right Care, Right Place and Right Time
- North Tyneside system is seen as a preferred place to work with high levels of wellbeing and satisfaction however, in line with national trends, recruitment and retention is concern.

This plan represents a natural progression from the previous plan, with some changes to take into account progress that has been made. Within the Future Care Programme, action is under way to further develop services for older people, which will lead to reconfiguration of some services included in the BCF, within the overall financial envelope set out in the BCF Plan.

The Local Authority and the ICB work collaboratively on a number of initiatives linked to ensuring there are high quality services and support arrangements in place for the people of North Tyneside. More so, since the start of the Pandemic, we have seen increasing need for collaboration, joint working and integrated services to meet the health and social care needs of the borough.

The Better Care Fund is a vehicle to support integrated work to ensure that funding put in place in social care services is also targeted at freeing up health services and ensuring there is a good flow of people either out of hospital or preventing admission in the first place. Some specific examples of this would include:

- The Local Authority leads on the commissioning of nursing placements, shared funding placements in the community and S117 mental health act funded placements for individuals following a detention for assessment and treatment in hospital under the Mental Health Act
- The Adaptation and Loan Equipment Service and the Disabled Facilities Grant (both under the Better Care Fund arrangements) put in place services and environmental changes to support people at home
- The work undertaken within the Frailty Pathway Group will deliver on a new Integrated Frailty Service for the borough with integrated provision and services

Our use of a strengths-based approach and person-centred care is shown by the development of the “Ways to Wellbeing” model within adult social care. This provides a practice model which;

- describes our approach to working with adults
- is values-based and transformative
- is responsive to challenges that our customers face
- provides consistent knowledge, tools and skills for staff
- enables great quality of practice

The underlying principles of the model are:

- Always start the conversation with the strengths of people, families and communities
- Always exhaust conversations 1 and 2 before conversation 3 (see Figure 1 below)
- Never make a long-term plan in a crisis
- Stick to people like glue during conversation 2 – support people to regain control of their life
- No hand-offs, no referrals, no waiting lists, no pending cases
- Listen to people – understand from their perspective
- Know the neighbourhoods and communities that people live in
- Work collaboratively with members of the community, networks, and support system
- Strengthen focus on maximising family support, and keeping people connected to communities
- Use **technology** wherever we can



Figure 1: The "ways to wellbeing" practice model

## Model overview

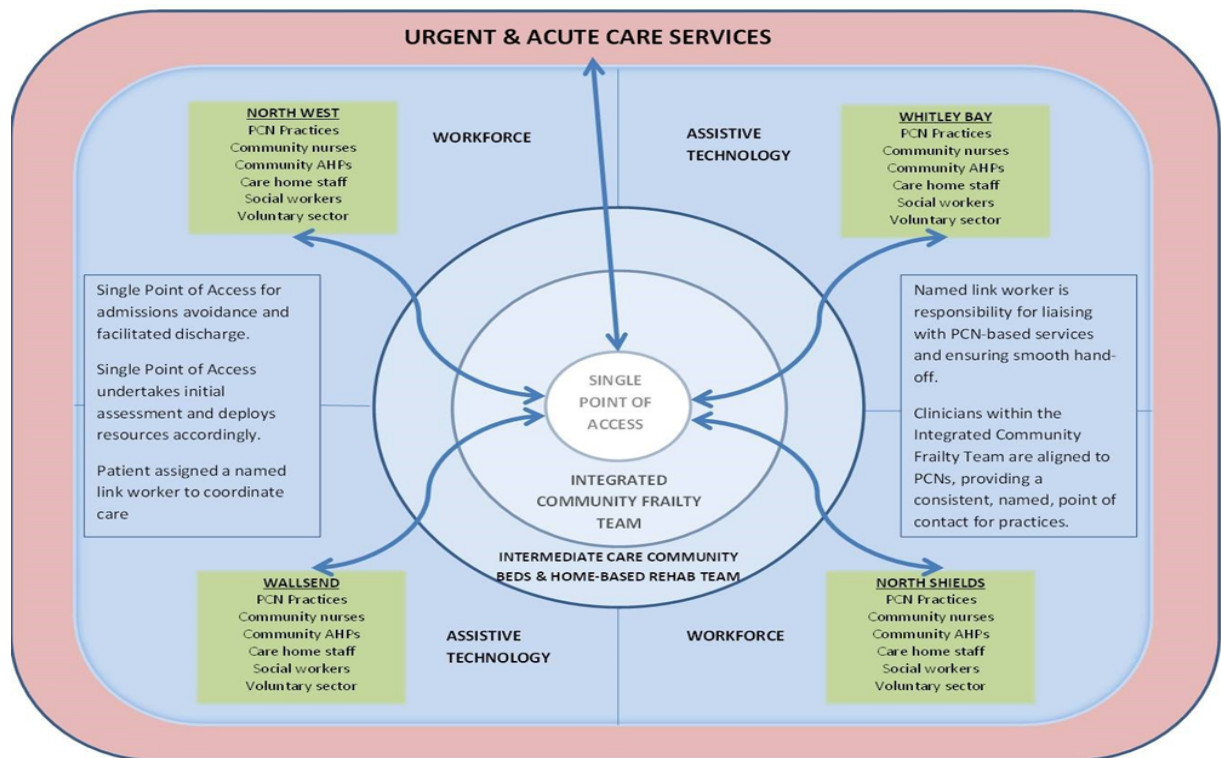


## The Integrated Frailty Service

An Integrated Community Frailty Service for North Tyneside is being created through the reconfiguration of Care Point, Care Plus, Jubilee Day Hospital and intermediate care beds.

- The development of an integrated frailty service within existing NHS and Local Authority services contracts.
- The development of a new community bed based intermediate care facility at Backworth in North Tyneside, which will also house an integrated community frailty / aging well service, bringing together Care Point, Jubilee Day Hospital, and community bed based care under a shared management structure to provide a 'one-stop-shop' for frail elderly patients. Planning permissions have been obtained and building work will commence in 2022/23 with completion in 2023/24.

Figure 2: Integrated Frailty service model



The key components of the planned model are:

- A single point of access and assessment, capable of understanding demand and deploying resources to avoid admission and facilitate rapid discharge.
- A single integrated community frailty team providing proactive and reactive, multidisciplinary assessment, interventions, rehabilitation, reablement and care planning for frail elderly patients in North Tyneside.
- All North Tyneside residents have rapid and equitable access to step-up and step-down beds, regardless of which local hospital they are accessing that care from.
- Coordination of care and closer alignment with community nursing teams, including mental health and Primary Care Networks.
- This service will consist of:
  - Single point of access
  - Integrated Community Frailty Team
  - Integrated Care community beds and reablement
  - Integration with primary care networks and community services

### Single point of access

The single point of access will:

- Act as a true single access to the Integrated Community Frailty Service. This will end the current system whereby referrals can be made via Care Point or directly into individual services themselves.

- Assess the patient's needs and deploy the resources of the Integrated Community Frailty Team accordingly. This will include the assignment of a clinical link-worker who will take responsibility for coordinating the patient's care.
- Assess patients requiring access to community step-up and step-down beds.
- Replicate the 'back of house functions' of the existing Care Point service and the admissions avoidance and discharge planning resource funded under the BCF.
- Coordinate the alignment of the clinical and social care workforce within the integrated community frailty team to the localities, ensuring that there is a consistent, named, point of contact for practices and community nursing teams seeking guidance and support.
- Use technology to manage system wide community capacity and demand in real-time

### **Integrated community frailty team**

The integrated community frailty team will bring together the teams currently delivering the following services:

- Jubilee Day Hospital
- Care Point 'front of house functions and teams'
- Enhanced CarePoint
- Community Falls Clinic (once existing contracts expire)

To provide:

- Single MDT-based assessment, diagnosis and management of frail elderly patients with the aim of enabling self-management, preventing further deterioration, avoiding admission and facilitating discharge.
- A person centred single assessment and care plan based upon CGA process
- Patients will also be assigned a clinical link worker to act as their main point of contact to ensure person centred care coordinated care delivery.
- Care will be delivered in the patient's place of residence or a community-based setting wherever possible, particularly for patients with more severe levels of frailty.
- The service will be accessed on an equitable basis which reflects the fact that approximately 40% of North Tyneside residents access acute care in Newcastle.

### **Intermediate care community beds and reablement**

More care will be delivered in a community setting, with additional investment in community services and social care provision being used to support this transition. This will include:

- Creation of a new community-based facility capable of housing the Single Point of Access and the Integrated Community Frailty Team alongside the intermediate care beds.
- Creation of step-up community bed pathways to support admission avoidance and functions of the single point of access.
- Strengthening the role of the peripatetic service.
- Enhancing the role of Personal Independence Coordinator workers and volunteers

## **Integration with Primary Care Networks and community services**

Patients and clinicians have both identified the need for a single named person to coordinate care and manage transition into and out of specialist frailty services. This ensures that patients will only have to “tell their story once” during a specific episode of care and that healthcare is delivered more efficiently by removing unnecessary duplication of assessment.

The Community Matrons that are currently deployed within Enhanced CarePoint will normally act as the named link-worker for the majority of patients referred into the Integrated Community Frailty Service. They will also act as the primary point of contact between the specialist frailty teams and the wider healthcare system, including practices, district nursing teams and hospital-based services.

In order to foster strong working relationships between the Community Matrons, GP practices and community services, the Community Matron workforce will be aligned to an existing locality of North Tyneside.

## **Other BCF services**

In addition to the Integrated Frailty Service, the BCF supports a range of other developments:

*Liaison Psychiatry for Working Age Adults* provides an interface between psychiatry and medicine focusing on providing improved management for patients with co-morbid physical and mental health conditions.

*Care Act implementation, Support for Carers, and Advice and Information* support carers to maintain their caring role through good quality assessment and planning; support prevention through access to advice and information; ensure advocacy support is available; and help to ensure there is a viable and sustainable care market.

*Enhanced Health Care in Care Homes* provides a proactive service to improve the planning, delivery, and quality of care for care home residents.

*Hospice at home* provides a rapid response end of life service to ensure all patients in non-palliative settings receive emergency palliative care trying to keep people in their place of choice, offering emotional and practical support for carers and family members as well as specialist input where needed.

*Independent support for people with a learning disability* provides support for people with a learning disability to maintain and increase their independence in the community.

Funded through the Improved Better Care Fund, are initiatives to support the social care provider market, through meeting the cost of paying the Living Wage to staff of social care providers, and of responding to increased volume and complexity of social care provision. The social care market, across the country, is facing severe workforce shortages and these provisions aim to prevent market failures which would have an impact on the ability to provide post-hospital discharge care.

## Supporting Hospital Discharge

The CarePoint service, funded through the BCF, and provided jointly by Northumbria Healthcare FT and North Tyneside Council, uses an interdisciplinary approach to achieve safe and efficient admission avoidance and discharge. The team has a holistic focus on the entire patient pathway from hospital to home. This proactive and preventative approach aims to ensure seamless transitions and help to avoid unnecessary admission and readmission to hospital. The response and care is coordinated across organisations involved; older people have a named coordinator. CarePoint has access to resource availability and has the authority to deploy accordingly based on the needs of the individuals and to ensure optimal utilisation of commissioned services. This will ensure that care and support interventions are provided at the right time; by the person with the most appropriate skills, in order to get the right care, first time, every time.

BCF also funds:

- the *Adaptations and Loan Equipment Service* to ensure that people have equipment that they need to recover at home following discharge, as well as to avoid admission.
- The *Care Call crisis response team* which provides telecare services to help avoid admission and maintain independence following hospital discharge. This service also provides a falls first responder service which diverts pressure from ambulance services.
- *Enhanced Health Care in Care Homes* helps to support patients who are discharged to a care home, including avoiding re-admission.

## Supporting Unpaid Carers

The Authority and the ICB recognise the value that unpaid carers have in supporting people to continue to live independently at home or in the community. Both organisations are also committed to ensuring that Young Carers in North Tyneside will be recognised as young people first and will be protected from undertaking inappropriate levels and types of caring; able to access the same opportunities as other young people; and their education and life-chances outcomes are supported.

The work that carers do is invaluable and often supports some complex and intensive individuals in some very difficult circumstances. Without these carers the individual may well be in hospital or in more permanent residential or nursing home care, often at a much higher cost to social care and health.

The provision of good quality advice and information and emotional support for carers is critical. Contingency planning and respite provision can be integral to enable carers, whether they care for older relatives, people with learning disabilities, people with a mental health problem, or people with physical disabilities to continue to undertake their caring roles and continue to be a valued part of their community.

The Care Act 2014 placed additional duties and responsibilities on local authorities with regard to supporting carers. The provision of advice and information which needs to be timely and in an appropriate format was given a greater focus. The Care Act placed greater responsibility on local authorities to assess a carer's own needs for support; explore the outcomes that a carer wants to achieve in their daily life; and the

impact of caring responsibilities on their desire and ability to work and to partake in education, training or recreational activities. The assessment process for carers is being refreshed to adopt the Ways to Wellbeing approach taking a strength based approach to assessing carers' needs.

The Partnership commissions North Tyneside Carers Centre to deliver services which play a vital role in supporting carers to continue their caring role. This support includes;

- Provision of general advice and support via a web offer, telephone, 121 sessions and drop in sessions across the Borough
- Statutory carers assessment on behalf on the Local Authority, in situations of complexity, conflicting needs, or where more intensive ongoing support may be required by the carer
- Light touch assessments to understand needs and offer tailored support.
- Advocacy support
- Overseeing volunteers who facilitate specialist and general peer support groups
- Links with specialist services e.g. Memory Clinic
- The delivery a programme of information and training sessions for carers in the community
- Working to develop and deliver specialist information and training sessions for carers
- Delivery of carer awareness training sessions for professionals

The service also works to raise the profile of carers through a web site, social media, local media and community events.

There is also a Young Carers Service in North Tyneside which aims is to improve and maintain the health and wellbeing of young carers by supporting improved awareness of the issues young carers and their families face and to build capacity within services across the borough to increase identification and to support the with the implementation of the young carers' statutory assessment.

During 2021/22, 6053 carers were supported by North Tyneside Carers' Centre including support for carers' vaccinations during the Covid-19 Pandemic.

#### *Respite / Short-break services*

The support many carers require involves a service delivered to the person they care for including residential short break and respite services and forms of domiciliary care and day care. Other forms of support are often provided by access to a peer support group, training or being provided with advice and information on the condition of the person being cared for. Funding from the BCF allocation is used to support the cost of these services.

There are a number of contracts in place with independent and voluntary sector providers for the provision of respite, day services and sitting services which allow carers to take a break from their caring role and put contingency arrangements in place if a carer was unable to undertake their caring role in an emergency.

## Disabled Facilities Grant (DFG)

The DFG aims to:

- Enable people to live independently in their own home
- Minimise risk of injury for customer and carer
- Prevent admission to hospital and long term care
- Reduce dependency upon high level care packages
- Improving quality of life and well being
- Maintain family stability
- Improve social inclusion
- Enhance employment opportunities of the disabled person
- Support the local economy

Cabinet agreed a new policy on the use of the Disabled Facilities Grant in March 2018, in line with the Regulatory Reform Order 2002. The revised policy contained the following significant changes:

- Any adaptation that costs less than £10,000 will not involve a means test. This represents value for the tax payer as it means that adaptations can be delivered quicker, expediting hospital discharge, reducing care package costs, and preventing admission to hospital or residential settings.
- The Grant can be used to remove a Category 1 Hazard under the Housing Health and Safety Rating System, where there is assess need. This national system for assessing risk in homes defines a Category 1 Hazard as one posing a serious threat to people living in or utilising a home (for example poor wiring or heating). In line with national best practice, local housing need and the experience of our healthy homes work, the evidence shows that this will allow improvements to poor quality owner-occupied or rented property where the resident has an assessed need to prevent escalation of that need and further care costs
- The upper ceiling of the Grant was increased from £30,000 to £40,000; the old ceiling was ruling out Grants in circumstances which would otherwise represent value for money.
- The Grant can be used in specific cases for homes out of North Tyneside, where the Council is responsible for care costs.
- The Grant will be used for equipment to meet assessed need; over time, the overlap between “equipment” and “adaptation” has become greater. The policy will allow the Grant to be used for items of equipment, where that item is specific to assessed need and can be seen to prevent additional care costs
- The Grant will allow for maintenance of the asset, for example by including maintenance arrangements in the initial price.
- The Grant will be used to support people who chose to move home in order to live independently. This use of the Grant will secure a better outcome to assess need; represents better value than adaptation; can be used when adaptation of the current home is not practical, and can avoid a more expensive care arrangement (for example, admission to residential care).

North Tyneside Council actively seeks to target the Grant in order to make the most difference:

- In terms of people; children with assessed needs, young adults with a lifelong disability, and older people seeking to continue independent living are most likely to benefit from the Grant. Particular attention will also be paid to high cost care packages.
- In terms of housing types; experience and practical delivery shows that bungalows, ground floor flats, homes with large downstairs spaces, and homes with outhouses or garages can best be adapted.
- In terms of places; this work is done with an eye to creating a longer term asset, improving poor quality housing and places with access to local amenities and public transport, which promotes independent living.

## Equality and health inequalities

The services funded through the BCF are accessed and delivered to all those who need them. Patients in older age groups, and with a disability, are more likely than average to be users of health and care services; this is appropriate to their needs.

Figure 3 below shows the age spread of clients who receive reablement.

*Figure 3: Age bands of clients receiving reablement*

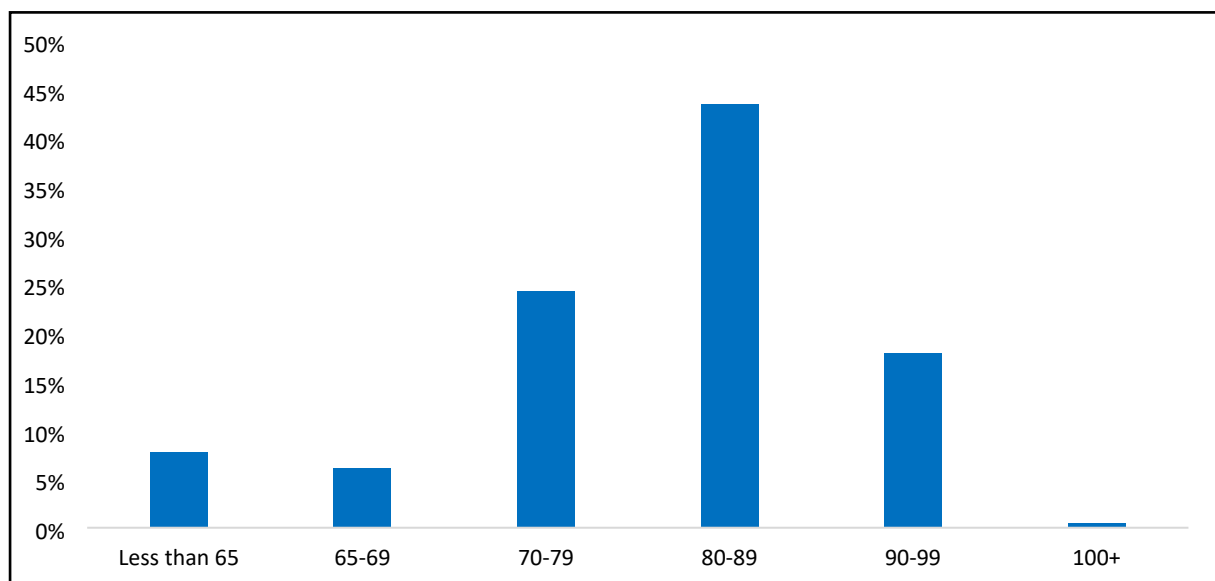


Figure 4 below shows that ethnic minority patients are very slightly more likely than white patients to be discharged from hospital to their usual place of residence. This trend has reversed compared to 2020/21



Figure 4: Percentage of hospital patients who are discharged to their usual place of residence, by ethnic origin. Source: NHS Digital BCF Data Pack v2

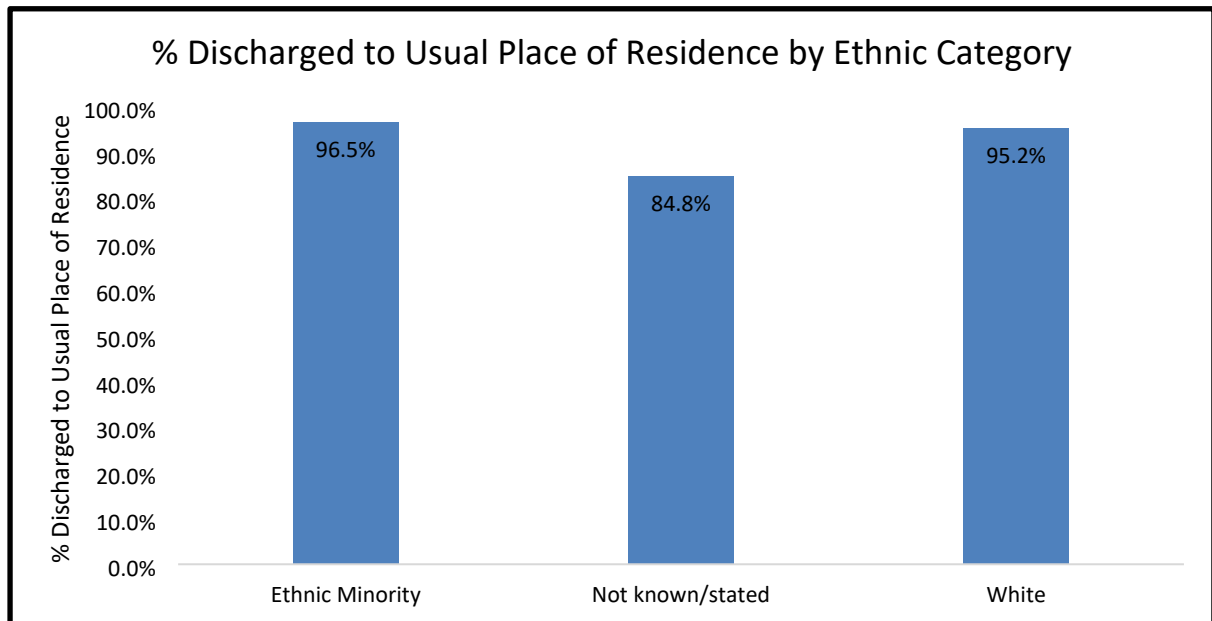
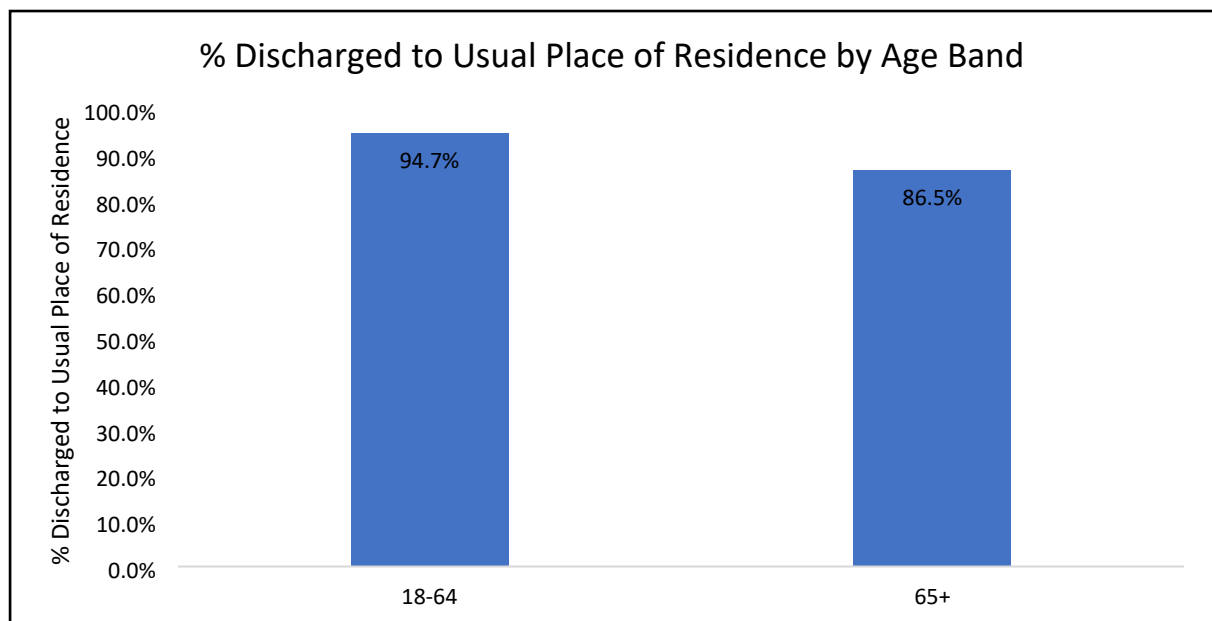


Figure 5 shows that the probability of being discharged to usual place of residence declines with age. The majority of our BCF services are focused on older people in response to the growing levels of need in the older age groups.

Figure 5: Percentage of hospital patients discharged to their usual place of residence. by age bands. Source: Secondary Uses Service



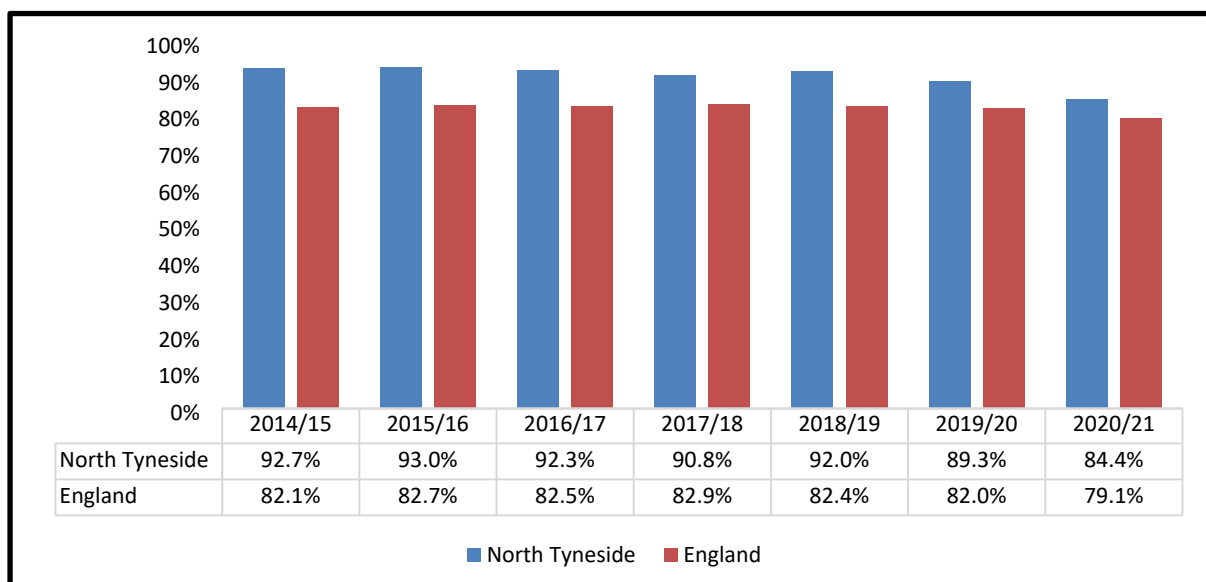
## Appendix 1 - BCF Metrics

This section outlines current performance against the national BCF metrics and explains our level of ambition.

### 1 *Effectiveness of reablement (proportion of older people still at home 91 days after discharge from hospital into reablement or rehabilitation)*

Figure 6 below shows that North Tyneside has consistently performed on this metric well above the England average. Locally and nationally, performance was impacted by the COVID-19 pandemic in 2020/21; the North Tyneside rate reduced to 84.4% but remained above the England average. Performance in 2021/22 was 90.8% returning to pre-Pandemic levels (national comparative data is not yet available for 2021/22). Due to recent issues with recruitment and retirement of experienced staff, we have set the target for 2022/23 at 90.0%. The service has undergone restructuring to provide an optimum skill mix and provide career development opportunities for staff to progress within the service and the target aims to maintain the performance from 2022/23 while new staff and the new structure bed in.

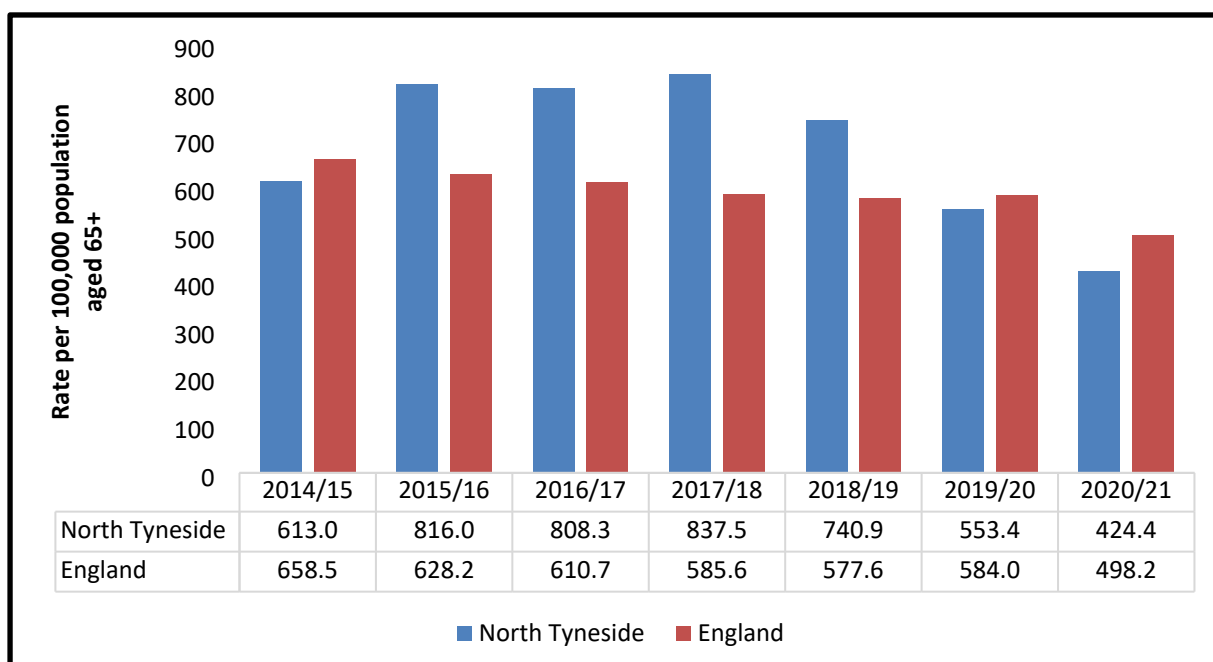
Figure 6: Effectiveness of reablement metric, time series



### 2 *Older adults whose long-term care needs are met by admission to residential or nursing care per 100,000 population.*

Figure 7 shows that North Tyneside has historically had a greater than average reliance on permanent residential care for older people but this reduced to below the England average in each of the last two financial years where national comparatives are available. In 2020/21 and 2021/22, the outturn was influenced by the COVID-19 pandemic and shortages of capacity in homecare resulting from workforce recruitment and retention issues, which led to a greater proportion of patients being discharged from hospital into short term residential care, funded for a period through the NHS post-discharge funding arrangements. The outturn for 2021/22 was 423 admissions.

Figure 7: Time series of permanent admissions to residential care for persons aged 65+, per 100,000 population aged 65+



For 2022/23 we expect the outturn to be 402.3 admissions per 100,000 people aged 65+ delivering a 5% improvement on the outturn for 2021/22 which will be challenging to deliver as capacity issues remain in the homecare market in line with national trends despite local and regional measures to improve workforce recruitment and retention.

BCF services will impact this goal through:

- The continued operation of the CarePoint service, promoting a Home First response to hospital discharges, and it's development as an element of the Integrated Frailty Service
- The provision of the Adaptations and Loan Equipment Service, which helps people to maintain their independence at home.

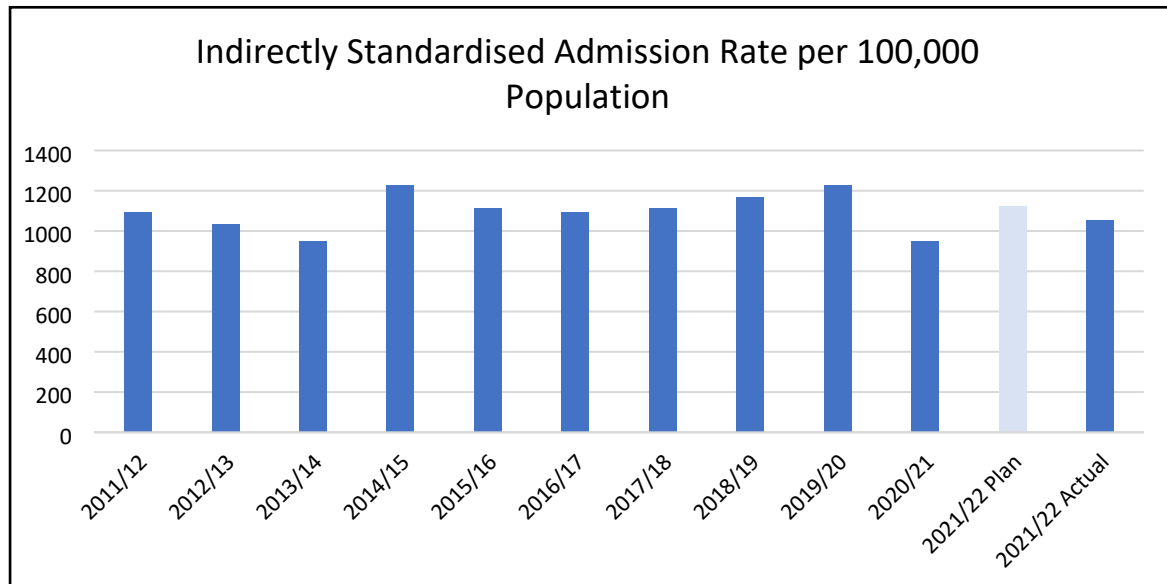
Other developments, not part of the BCF scope, will impact as follows:

- Up to 2021/22 there were nine extra care schemes across North Tyneside with 375 apartments. Most of these are rental but a small number are shared ownership. Extra care offers individuals the ability to continue to live in the community, at home and have access to on-site care and support through a 24/7 commissioned care team. All apartments are self-contained and individuals are supported to maximise the maintain their independence.
- A further two extra care schemes with 104 apartments came on stream at the end of 2021/22. One of these schemes with 40 beds is dementia specific and offers a real alternative to a placement in a care home.

3 *Avoidable admissions (unplanned hospitalisation for chronic ambulatory care sensitive conditions).*

Figure 8 below shows a time-series of unplanned hospitalisation for chronic ambulatory care sensitive conditions, expressed as an indirectly standardised rate per 100,000 people. In 2021/22 North Tyneside's actual performance of 1052.89 was within the target of 1125.

Figure 8: Standardised admission rate of chronic ambulatory care sensitive conditions



Our ambition for 2022/23 is a rate of 1044 which is the average performance in the region and would represent a modest improvement but a significant improvement against the last pre-Pandemic year's result of 1229.4

BCF services will impact this goal by:

- The Enhanced Care in Care Homes service continues to improve the planning and delivery of healthcare for care home residents, maintains and enhances the quality of care, and increases the number of healthcare interventions that are carried out in a care home setting, hence reducing the number of unplanned admissions to secondary care from nursing and residential care homes.
- The provision of support to carers reduces the number of cases where carer breakdown results in an unplanned hospital admission and the more holistic approach to carers assessment using the Ways to Wellbeing model will further strengthen this effect in 2022/23.
- The provision of high quality discharge planning by CarePoint (an element of the Ageing Well service) reduces the probability of readmission following a sub-optimal discharge.

Other developments, not part of the BCF scope, will impact as follows:

- The increasing use of a Same Day Emergency Care (SDEC) approach – also known as ambulatory care - is a key component of the approach to reducing unplanned admissions. It aims to minimise and remove delays in the patient pathway allowing services to process emergency patients within the same day as an alternative to hospital admission

- Our urgent and emergency care action plan notes that a number of projects are in place to improve hospital flow and discharge, including a review of the current Same Day Emergency Care clinical models to identify opportunities to increase or expand SDEC where appropriate.

4 Percentage of people who are discharged from acute hospital to their normal place of residence.

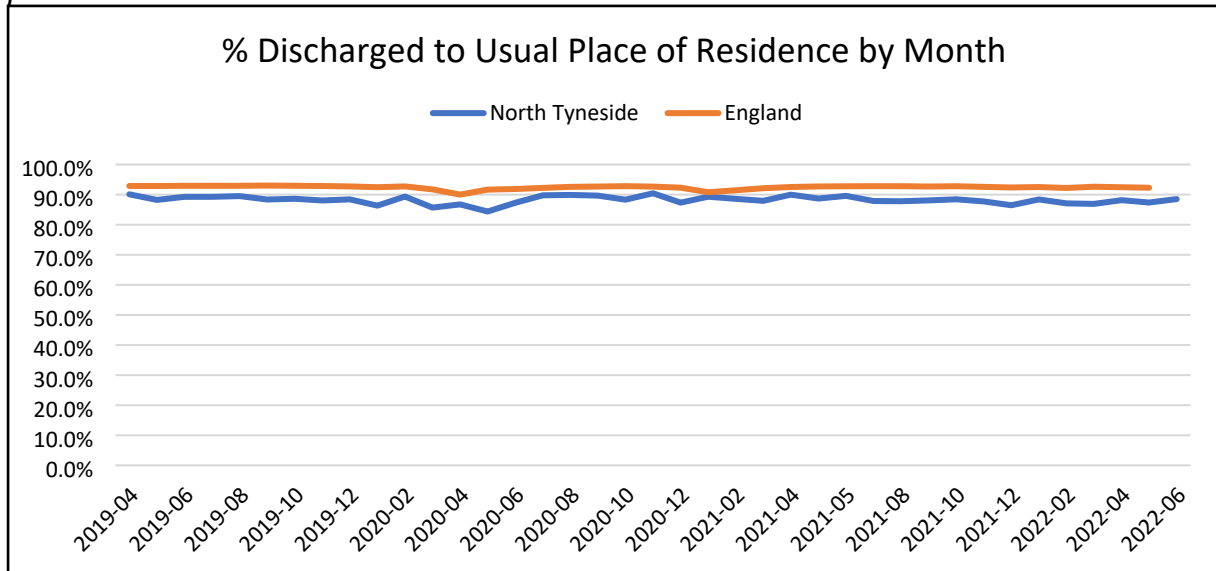
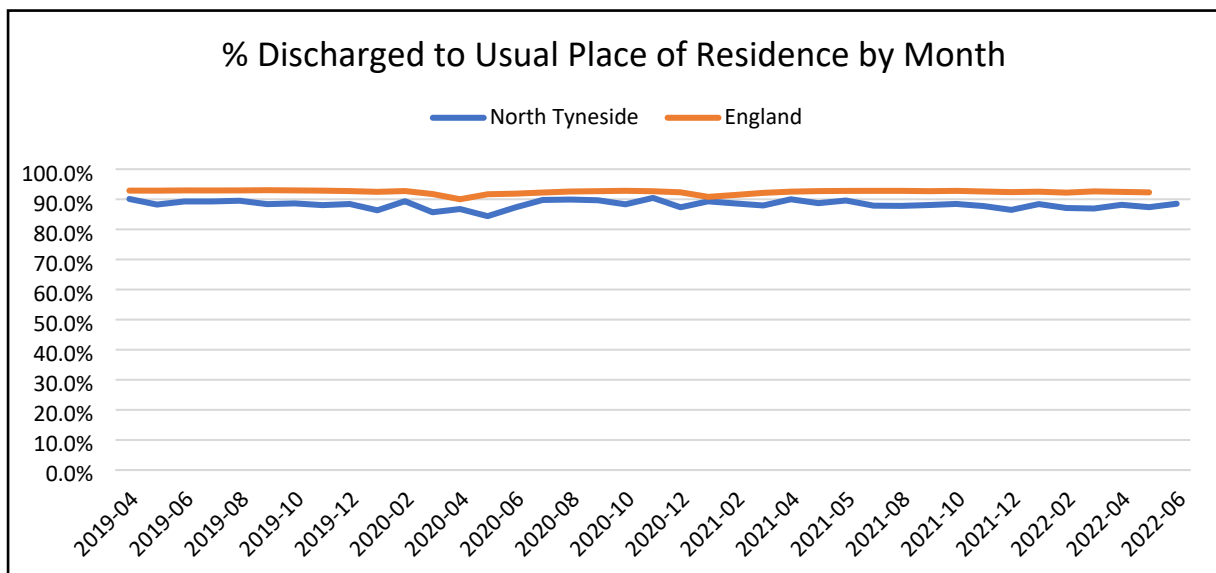


Figure 9 below shows the proportion of people discharged to their normal place of residence from April 2019 to August 2021. The rate for North Tyneside was below the England average throughout the period, by an average of approximately 4%.

Figure 9: % discharged to usual place of residence, North Tyneside compared to England



The outcome for 2021/22 was 88.1% and it is proposed that the target for 2022/23 is 89.0% representing a small improvement in line with North Tyneside's recent performance and moving closer to the England average.

BCF services will impact this goal by:

- The continued operation of the CarePoint service, promoting a Home First response to hospital discharges, and its development as an element of the Integrated Frailty Service
- The provision of the Adaptations and Loan Equipment Service, and the use of the Disabled Facilities Grant, which helps people to maintain their independence at home.

## Appendix 2 – BCF services and expenditure

Scheme ID	Scheme Name	Brief Description of Scheme	Area of Spend	Source of Funding	Expenditure (£)
1	Community--based support	Includes Carepoint; reablement; immediate response and overnight home care; adaptations and loan equipment service; CareCall/telecare including falls first responder; and seven-day social work	Social Care	Minimum CCG Contribution	9,111,037
27	Community-based support	Health contribution to CarePoint	Community Health	Minimum CCG Contribution	1,676,264
2	Intermediate Care beds	Intermediate Care	Community Health	Minimum CCG Contribution	3,153,336
3	Intermediate Care - Community Services	Community Rehabilitation Team	Social Care	Minimum CCG Contribution	911,846
4	Liaison Psychiatry - Working Age Adults	Liaison Psychiatry - Working Age Adults	Mental Health	Minimum CCG Contribution	830,870
6	Enhanced Primary Care in Care Homes	Enhanced Primary Care in Care Homes	Primary Care	Minimum CCG Contribution	1,090,729
19	End of Life Care - RAPID	End of Life Care	Community Health	Minimum CCG Contribution	264,666
8	Improving access to advice and information	MyCare and Living Well in North Tyneside digital services	Social Care	Minimum CCG Contribution	38,194
9	Care Act implementation	Care Act implementation	Social Care	Minimum CCG Contribution	780,930
10	Carers Support	Carers Support	Social Care	Minimum CCG Contribution	708,979
12	Independent Support for People with Learning Disabilities	Independent Support for People with Learning Disabilities	Social Care	Minimum CCG Contribution	759,619

<b>Scheme ID</b>	<b>Scheme Name</b>	<b>Brief Description of Scheme</b>	<b>Area of Spend</b>	<b>Source of Funding</b>	<b>Expenditure (£)</b>
13	Impact on care home fees of national living wage	Meet costs of paying living wage to staff in care homes	Social Care	iBCF	2,718,394
14	Impact on domiciliary care fees of national living wage	Meet costs of paying living wage to staff of home care providers	Social Care	iBCF	865,017
15	Impact on other increased fees (ISL, day care, direct payments, etc) of national living wage	Meet costs of paying living wage to staff of other social care providers	Social Care	iBCF	4,037,099
16	Effect of demographic growth and change in severity of need	Increased volume and complexity of social care provision	Social Care	iBCF	1,958,003
26a	Disabled Facilities Grant	Disabled Facilities Grant	Social Care	DFG	1,869,024
26b	Disabled Facilities Grant carry forward	Disabled Facilities Grant carry forward	Social Care	DFG	1,157,668
<b>TOTAL</b>					<b>31,931,675</b>



## Better Care Fund 2022-23 Template

### 6. Metrics

Selected Health and Wellbeing Board:

North Tyneside

#### 8.1 Avoidable admissions

		2021-22 Q1 Actual	2021-22 Q2 Actual	2021-22 Q3 Actual	2021-22 Q4 Actual	Rationale for how ambition was set	Local plan to meet ambition
Indirectly standardised rate (ISR) of admissions per 100,000 population  (See Guidance)	Indicator value	266.2	236.0	286.3	264.5	Last year's target was 1125 which was met with a result of 1052.9. We have set the target based on 2021/22 regional average which is 1044	Supported by the ongoing development of the Frailty Pathway and the integration of existing provision including mental health roles supporting the multi-disciplinary health and social care approach to delivery
		2022-23 Q1 Plan	2022-23 Q2 Plan	2022-23 Q3 Plan	2022-23 Q4 Plan		
	Indicator value	264	230	284	266		

>> [link to NHS Digital webpage \(for more detailed guidance\)](#)

#### 8.3 Discharge to usual place of residence

		2021-22 Q1 Actual	2021-22 Q2 Actual	2021-22 Q3 Actual	2021-22 Q4 Actual	Rationale for how ambition was set	Local plan to meet ambition
Percentage of people, resident in the HWB, who are discharged from acute hospital to their normal place of residence  (SUS data - available on the Better Care Exchange)	Quarter (%)	89.5%	88.0%	87.9%	87.7%	Set a target of 89% which is a small improvement on 2021/22. We are concerned about continuing challenges in homecare capacity because of workforce issues.	Continued development of Carepoint within the integrated frailty service implementing the 'home first' response to hospital discharges. Measures to improve workforce issues in the local care market include paying a fee increase to support the Real Living wage and use of assistive technology solutions to increase the capacity of care in a person's own home.
	Numerator	4,520	4,317	3,688	4,431		
	Denominator	5,050	4,905	4,194	5,055		
		2022-23 Q1 Plan	2022-23 Q2 Plan	2022-23 Q3 Plan	2022-23 Q4 Plan		
	Quarter (%)	89.0%	89.0%	89.0%	89.0%		
	Numerator	4,494	4,365	3,733	4,499		
	Denominator	5,050	4,905	4,194	5,055		

#### 8.4 Residential Admissions

		2020-21 Actual	2021-22 Plan	2021-22 estimated	2022-23 Plan	Rationale for how ambition was set	Local plan to meet ambition
Long-term support needs of older people (age 65 and over) met by admission to residential and nursing care homes, per 100,000 population	Annual Rate	424.4	612.3	423.6	402.3	National average rate in 2020/21 was 498.2 so the 2021/22 represented a better than average performance. Aiming for a 5% reduction in the rate of long term admissions on the basis of availability of new extra care and measures to improve	Additional extra care available (approx 100 homes), measures to improve workforce issues in local homecare market (e.g. paying a fee increase to support the Real Living Wage) and use of short term reablement flats to prevent short term
	Numerator	181	266	184	178		
	Denominator	42,649	43,442	43,442	44,249		

Long-term support needs of older people (age 65 and over) met by admission to residential and nursing care homes, per 100,000 population (aged 65+) population projections are based on a calendar year using the 2018 based Sub-National Population Projections for Local Authorities in England:

<https://www.ons.gov.uk/releases/subnationalpopulationprojectionsforengland2018based>

### 8.5 Reablement

		2020-21 Actual	2021-22 Plan	2021-22 estimated	2022-23 Plan	Rationale for how ambition was set	Local plan to meet ambition
Proportion of older people (65 and over) who were still at home 91 days after discharge from hospital into reablement / rehabilitation services	Annual (%)	84.4%	85.0%	90.8%	90.0%	Performance is significantly greater than national average. Aim to maintain this in a year when a restructure of the service is bedding in.	Careful management of skill mix within the service to maintain capacity - levels of experience and skill of staff vary due to recruitment issues and the age profile of staff. Restructuring of the service has taken place to deliver this target and to provide
	Numerator	146	153	167	180		
	Denominator	173	180	184	200		

Please note that due to the demerging of Northamptonshire, information from previous years will not reflect the present geographies.

As such, the following adjustments have been made for the pre-populated figures above:

- 2020-21 actuals (for **Residential Admissions** and **Reablement**) for North Northamptonshire and West Northamptonshire are using the Northamptonshire combined figure;
- 2021-22 and 2022-23 population projections (i.e. the denominator for **Residential Admissions**) have been calculated from a ratio based on the 2020-21 estimates.