



North Tyneside Council

# Finance Sub Committee

6 December 2022

**Monday, 12 December 2022** in Room 0.02 Quadrant, The Silverlink North, Cobalt Business Park, North Tyneside, NE27 0BY **commencing at 6.00 pm.**

| <b>Agenda Item</b>  | <b>Page</b>  |
|---|--------------|
| <b>1. Apologies for Absence</b><br>To receive any apologies for absence   |              |
| <b>2. Appointment of Substitute Members</b><br>To be notified of the appointment of any Substitute Members.   |              |
| <b>3. Declarations of Interest and Notification of any Dispensations Granted</b><br><br>You are invited to declare any registerable and/or non-registerable interests in matters appearing on the agenda, and the nature of that interest.<br><br>You are also invited to disclose any dispensation in relation to any registerable interests that have been granted to you in respect of any matters appearing on the agenda.<br><br>You are also requested to complete the Declarations of Interests card available at the meeting and return it to the Democratic Services Officer before leaving the meeting. |              |
| <b>4. Minutes</b><br><br>To confirm the minutes of the meeting held on 4 October 2022.  | <b>5 - 8</b> |

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| <b>Agenda Item</b>   | <b>Page</b>     |
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| <p>5.     <b>2022-23 Financial Management Report to 30 September 2022</b></p> <p>To scrutinise the Authority's financial management report to 30 September 2022 (reported to Cabinet on 28 November 2022) setting out the current financial position in the context of the policy priorities in the Our North Tyneside Plan, where the Authority continues to face financial pressures and its plans to address these.</p>   | <b>9 - 78</b>   |
| <p>6.     <b>Welfare Reform - Financial Update</b></p> <p>To receive an update on the three schemes that were implemented or revised as a consequence of on-going welfare reform.</p>  | <b>79 - 84</b>  |
| <p>7.     <b>Section 106 Legal Agreements - Overview and Update on Spend and Project Delivery</b></p> <p>To examine the receipt and spend of developer contributions received from Section 106 legal agreements as at 30 September 2022.</p>   | <b>85 - 96</b>  |
| <p>8.     <b>Exclusion Resolution</b></p> <p>The Sub-Committee is requested to pass the following resolution:<br/>That under Section 100A(4) of the Local Government Act 1972 (as amended) and having applied a public interest test as defined in Part 2 of Schedule 12A of the Act, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act.</p> |                 |
| <p>9.     <b>Business and Technical Partnerships Risks</b></p> <p>To consider the attached report which details the risks rated as red contained within the Strategic and Operational Risk Registers of the Business and Technical Partnerships with ENGIE and Capita.</p>   | <b>97 - 116</b> |

**Circulation overleaf ...**

## **Members of the Finance Sub Committee**

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

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

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## Finance Sub Committee

**Tuesday, 4 October 2022**

Present: Councillor D Cox (Chair)  
Councillors T Neira, B Pickard, W Samuel and  
T Mulvenna

Apologies: Councillor M Murphy

### **F9/22 Appointment of Substitute Members**

Pursuant to the Council's Constitution the appointment of the following substitute member was reported:

Councillor T Mulvenna for Councillor M Murphy

### **F10/22 Declarations of Interest and Notification of any Dispensations Granted**

There were no declarations of interest or dispensations reported.

### **F11/22 Minutes**

**Resolved** that the minutes of the previous meeting held on 13 July 2022 be confirmed and signed by the Chair.

### **F12/22 2022/23 Financial Management Report to 31 May 2022**

The sub-committee were presented with a report which had been considered by Cabinet on 1 August 2022 relating to the financial position of the Authority as 31 May 2022 in the context of its policy priorities set out in Our North Tyneside Plan.

Members of the sub-committee questioned the value of scrutinising the contents of the report when a further financial management report setting out the Authority's financial position as 31 July 2022 had been published and considered by Cabinet on 21 September 2022. The latest report included significant new information in relation to income from school meals and parking. It also indicated that the mitigating measures currently in place to address financial pressures may not be sufficient to bring the General Fund budget in on target and so the Authority would have to consider further actions. Members were of the view that such information ought to be presented to the sub-committee at the earliest opportunity.

Officers explained that this anomaly was due to the postponement of the sub-committee meeting which had originally been scheduled to have taken place on 13 September 2022. The sub-committee discussed the value of examining the report at this time and considered options for scheduling future meetings so that it would receive the most up to date information and allow effective scrutiny.

It was **agreed** that (1) the sub-committee do not examine the Financial Management Report to 31 May 2022;  
(2) the Financial Management Report to 31 July 2022 be submitted to the next meeting of the sub-committee to be held on 15 November 2022; and  
(3) the Chair and Deputy Chair of the sub-committee, in consultation with relevant officers, review and, if necessary, reschedule the dates of future meetings to ensure that it receives the Financial Management Reports as soon as is practicable.

**F13/22            Section 106 Agreements - Overview and Update on Spend and Project Delivery**

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

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

The sub-committee welcomed the report which had incorporated the details it had requested at its meeting in July 2022. It was suggested that this information ought to be shared with all members of the Council as it was likely to be of interest to them. Members also asked that further reports be submitted to each meeting of the sub-committee, that future reports include values of amounts partially committed, details of the triggers for payment of contributions and a briefing explaining the background and processes associated with Section 106 agreements.

The sub-committee concluded from the reporting that some areas of spending, for example sports facilities, were better at committing resources to specific projects than others such as transport provision. Members commented that at a time of financial pressures and limited resources it was more important than ever that income obtained from Section 106 agreements was not seen as being hoarded but used as soon as possible.

It was **agreed** that (1) that the current balances, commitments and spend in relation to Section 106 agreements be noted and circulated to all members of the Council for information;  
(2) the sub-committee receive a further update on the Section 106 agreement balances, commitments and spend at each future meeting; and  
(3) future reports include the values of amounts partially committed, details of the triggers for payment of contributions and a briefing explaining the background and processes associated with Section 106 agreements.

**F14/22 Exclusion Resolution**

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

**F15/22 Business and Technical Partnerships Risks**

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

It was **agreed** that (1) the Strategic and Operational Risk Registers of each partnership be noted; and  
(2) the Director of Resources provide members of the sub-committee with a written response to a query raised at the meeting and, if necessary, ask officers from the relevant service area to attend a future meeting to respond.

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## North Tyneside Council Report to Cabinet 28 November 2022

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

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

### PART 1

#### 1.1 Executive Summary:

This report is the third 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 third 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 due to the operational response to the pandemic and, like all local authorities, North Tyneside Council is continuing to feel the legacy impact of the Covid-19 pandemic. As such, this report sets out the potential financial impact the pandemic will have on the Authority in 2022/23. The Authority continues to see areas of pressure across Adults' and Children's Social Care, but there are also significant impacts on income particularly across Sport and Leisure Services, 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, especially in utility costs. The impact of these factors is leading to what is being termed a 'cost of living crisis' further increasing demand on the Authority's services, and all are adding significant financial strain to the Authority's budgets. The application of contingencies set aside by Cabinet of (£6.752m) results in the total pressure the Authority is facing, as of 30 September 2022, at £23.258m.
- 1.1.3 The potential impact of some of these additional pressures were foreseen by Cabinet, and a number of mitigations through the use of grants and reserves (£6.700m) were

set aside in the 2022-2026 Medium-Term Financial Plan to support the 2022/23 financial position when the current year budget was set by Full Council in February 2022. In addition to this, the Senior Leadership Team has identified a further (£2.515m) of mitigations to be applied in the remainder of the financial year and the forecasts have been updated for the removal of the additional Employer's National Insurance Contributions from 6 November 2022, an improvement of (£0.316m). This would result in a residual forecast pressure for the year of £13.727m.

- 1.1.4 If the forecast position over the remainder of the financial year does not improve, the Authority would be able to apply mitigations from the revised approach to the Minimum Revenue Provision (MRP) calculations. Cabinet will be aware that a change was made towards the end of the previous financial year, with the External Auditors having recently confirmed that there are no issues with this revised methodology, so these can now be factored into in-year budget monitoring. If required, this would release an in-year saving of (£4.927m). This would reduce the in-year pressure to £8.800m, as illustrated in Table 2 below.
- 1.1.5 Finance officers are continuing to work with Cabinet, the Senior Leadership Team and other senior officers across the Authority to challenge the projected risks facing the Authority whilst continuing to deliver planned efficiencies. The potential savings from MRP are available if required but it is expected that future actions to review activity and performance across the organisation, reducing non-essential spend and controlled vacancy management should see the pressure reduce in the coming months.
- 1.1.6 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. The Authority drew down £10m of PWLB borrowing in August 2022 whilst rates were at the lower end of the interest rate curve and prior to the more recent financial markets volatility seen during September 2022. Whilst there is no immediate need to borrow, future borrowing costs may now be higher than originally forecast. This may lead to additional Capital and Treasury financing pressures in future years. As Cabinet would expect, interest rates continue to be proactively monitored and cash flow management undertaken to secure the maximum return/minimum cost for the Authority in line with the Prudential Code.
- 1.1.7 In terms of the Housing Revenue Account, a small underspend of £0.090m is forecast. This position is likely to be impacted by the "cost of living crisis", especially on rent collection levels, and will be closely monitored during the year.
- 1.1.8 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.
- 1.1.9 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.
- 1.1.10 At the halfway point of the financial year the report also includes a look at the Collection Fund position for 2022/23 and information on Prudential Indicators.

## 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 30 September 2022 (Annex sections 1, 2 and 3);
- (b) approves the receipt of (£0.444m) new revenue grants (as outlined in section 1.5.4 of this report);
- (c) notes the Authority's Investment Plan spend of £26.751m to 30 September 2022 and the financing of the Plan to the end of the year (Annex Section 4);
- (d) approves variations of £0.347m and reprogramming of (£13.283m) for 2022/23 within the 2022-2027 Investment Plan (Annex Section 4);
- (e) Notes the information on the Collection Fund (Annex section 6); and
- (f) Notes the information on Prudential Indicators contained in Appendix 2.

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

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 £15.500m. Table 1 below sets out the initial variation summary across the General Fund.

The Authority continues to take a prudent approach to forecasting including in relation to the on-going impact of Covid-19, which currently is forecast to add pressures of £5.226m 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 £7.182m to the overall pressure. The remaining £3.092m 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 full Council in February £2.200m was set aside from the Change Reserve to support additional pressures in Home to School Transport (£0.400m), Special Educational Needs (£0.400m), additional children's social care provision (£1.200m) and for the development of the Customer Relationship Management programme (£0.200m). The (£0.400m) relating to Home to School Transport has now been allocated to Commissioning & Asset Management and is reflected in the services projected position, leaving (£1.800m) to support the overall pressure.

In addition to the use of the Change Reserve, £2.000m was also set aside to create a Covid-19 Reserve as part of the 2022-2026 MTFP, this included (£0.650m) to support additional caseloads within Children's Services, (£0.350m) to support Home to School Transport and (£1.000m) to support reduced fees and charges income following the pandemic. The (£0.350m) relating to Home to School Transport has now been allocated to Commissioning & Asset Management and is reflected in the services projected position, leaving (£1.650m) to support the overall pressure.

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

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

Further to this balance, an additional (£1.300m) was set aside in the 2022-26 MTFP to

support anticipated inflationary pressures in 2022/23. With the allocation of this support, the Authority has been able to release a provision of (£0.300m) previously held on the balance sheet to support increased Special Guardianship Order costs.

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

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

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 £8.800m. This reflects the continuing impact of Covid-19 being £2.076m over the support funding allocated. The main areas impacted are within Environment, 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 and Adults' Services, where the response to the impact of Covid-19 has seen staffing levels increase to manage a significant increase in caseloads and demand for services for both Adults and Children. This is not unique to North Tyneside and is being seen across the region and nationally.

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

The remaining balance of £0.842m 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 as well as challenging and reviewing the current projected risks the authority is facing in a number of key areas:

- Children's Services – demand and cost assumptions;
- High needs/SEND pressures;
- Adults Social Care – demand and cost assumptions;
- Unachieved savings targets;
- Commissioning & Asset Management – Impact of schools' service level agreement reductions;
- Law & Governance Structure – use of locums; and
- Revenues & Benefits position – review of the level of benefits overpayments and subsequent recovery.

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

**Table: 1 2022/23 General Fund Revenue Forecast Outturn as at 30 September 2022**

| Services                            | Budget         | Forecast Sept  | Variance Sept | Variance July | Change since July |
|-------------------------------------|----------------|----------------|---------------|---------------|-------------------|
|                                     | £m             | £m             | £m            | £m            | £m                |
| Adults Services                     | 56.120         | 61.708         | 5.588         | 5.262         | 0.326             |
| Children's Services                 | 21.489         | 34.643         | 13.154        | 12.720        | 0.434             |
| Public Health                       | 2.072          | 2.072          | 0.000         | 0.000         | 0.000             |
| Commissioning & Asset Management    | 6.733          | 11.833         | 5.100         | 4.796         | 0.304             |
| Environment                         | 37.197         | 38.864         | 1.667         | 0.959         | 0.708             |
| Regeneration & Economic Development | 10.791         | 11.169         | 0.378         | 0.432         | (0.054)           |
| Corporate Strategy                  | 0.624          | 1.086          | 0.462         | 0.384         | 0.078             |
| Chief Executive Office              | (0.076)        | (0.076)        | 0.000         | 0.000         | 0.000             |
| Resources                           | 3.365          | 5.150          | 1.785         | 2.098         | (0.313)           |
| General Fund Housing                | 1.360          | 1.710          | 0.350         | 0.205         | 0.145             |
| Central Items                       | 3.656          | (9.328)        | (12.984)      | (7.741)       | (5.243)           |
| Support Services                    | 20.181         | 20.181         | 0.000         | 0.000         | 0.000             |
| <b>Total Authority</b>              | <b>163.512</b> | <b>179.012</b> | <b>15.500</b> | <b>19.115</b> | <b>(3.615)</b>    |

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

|                                       | <b>Covid Legacy<br/>£m</b> | <b>Utility Inflation<br/>Pressures<br/>£m</b> | <b>Other Inflation<br/>Pressures<br/>£m</b> | <b>Other Pressures<br/>£m</b> | <b>Total<br/>£m</b> | <b>July<br/>£m</b> | <b>Change<br/>£m</b> |
|---------------------------------------|----------------------------|---|---|-------------------------------|---------------------|--------------------|----------------------|
| Adults Services                       | 2.378                      | 0.043   | 2.484                                       | 0.683                         | 5.588               | 5.262              | 0.326                |
| Children's Services                   | 1.561                      | 0.259   | 0.968                                       | 10.366                        | 13.154              | 12.720             | 0.434                |
| Public Health                         | 0.000                      | 0.000   | 0.000                                       | 0.000                         | 0.000               | 0.000              | 0.000                |
| Commissioning and Asset Management    | 0.851                      | 0.635   | 2.280                                       | 1.334                         | 5.100               | 4.796              | 0.304                |
| Environment                           | 0.436                      | 2.675   | 0.119                                       | (1.563)                       | 1.667               | 0.959              | 0.708                |
| Regeneration and Economic Development | 0.000                      | 0.013   | 0.000                                       | 0.365                         | 0.378               | 0.432              | (0.054)              |
| Corporate Strategy                    | 0.000                      | 0.000   | 0.002                                       | 0.460                         | 0.462               | 0.384              | 0.078                |
| Resources and Chief Executive         | 0.000                      | 0.000   | 0.000                                       | 1.785                         | 1.785               | 2.098              | (0.313)              |
| General Fund Housing                  | 0.000                      | 0.000   | 0.039                                       | 0.311                         | 0.350               | 0.205              | 0.145                |
| Central Items                         | 0.000                      | (2.325)                                       | (0.010)                                     | (10.649)                      | (12.984)            | (7.741)            | (5.243)              |
| <b>Grand Total</b>                    | <b>5.226</b>               | <b>1.300</b>                                  | <b>5.882</b>                                | <b>3.092</b>                  | <b>15.500</b>       | <b>19.115</b>      | <b>(3.615)</b>       |
|                                       |                            |   |   |                               |                     |                    |                      |
| Planned use of Change Reserve         | 0.000                      | 0.000   | 0.000                                       | (1.800)                       | (1.800)             | (2.200)            | 0.400                |
| Planned use of Covid-19 Reserve       | (1.650)                    | 0.000   | 0.000                                       | 0.000                         | (1.650)             | (2.000)            | 0.350                |
| Planned use of Insurance Reserve      | 0.000                      | 0.000   | 0.000                                       | (0.150)                       | (0.150)             | (0.150)            | 0.000                |
| Planned use of Contingencies          | 0.000                      | (1.300)                                       | 0.000                                       | 0.000                         | (1.300)             | (2.264)            | 0.964                |
| Planned release of Provision          | 0.000                      | 0.000   | 0.000                                       | (0.300)                       | (0.300)             | (0.300)            | 0.000                |
| Planned use of Covid-19 Grants        | (1.500)                    | 0.000   | 0.000                                       | 0.000                         | (1.500)             | (1.238)            | (0.262)              |
| <b>Total</b>                          | <b>(3.150)</b>             | <b>(1.300)</b>                                | <b>0.000</b>                                | <b>(2.250)</b>                | <b>(6.700)</b>      | <b>(8.152)</b>     | <b>1.452</b>         |
|                                       |                            |   |   |                               |                     |                    |                      |
| <b>Revised Pressure</b>               | <b>2.076</b>               | <b>0.000</b>                                  | <b>5.882</b>                                | <b>0.842</b>                  | <b>8.800</b>        | <b>10.963</b>      | <b>(2.163)</b>       |



### 1.5.3 Delivery of Budget Savings Proposals

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

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

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

| <b>Service</b>    | <b>B/F Balances<br/>£m</b> | <b>2022/23 Business Cases<br/>£m</b> | <b>2022/23 Target<br/>£m</b> | <b>Projected Delivery<br/>£m</b> | <b>In Year Actions<br/>£m</b> | <b>Yet to be achieved<br/>£m</b> |
|-------------------|----------------------------|--------------------------------------|------------------------------|----------------------------------|-------------------------------|----------------------------------|
| HECS – Adults     | 0.000                      | 0.950                                | 0.950                        | 0.950                            | 0.000                         | 0.000                            |
| HECS – Children’s | 2.373                      | 0.850                                | 3.223                        | 0.223                            | 0.000                         | 3.000                            |
| Environment       | 0.000                      | 0.520                                | 0.520                        | 0.520                            | 0.000                         | 0.000                            |
| C&AM              | 0.164                      | 0.582                                | 0.746                        | 0.158                            | 0.050                         | 0.538                            |
| Resources         | 0.000                      | 1.563                                | 1.563                        | 1.563                            | 0.000                         | 0.000                            |
| Central           | 0.000                      | 0.255                                | 0.255                        | 0.255                            | 0.000                         | 0.000                            |
| <b>TOTAL</b>      | <b>2.537</b>               | <b>4.720</b>                         | <b>7.257</b>                 | <b>3.669</b>                     | <b>0.050</b>                  | <b>3.538</b>                     |

Within HECS, Adults Services are projecting to achieve the full (£0.950m) relating to business cases brought forward from prior years and new business cases from 2022/23. Within the CYPL pressure of £13.154m, £3.000m relates to the non-achievement of savings targets. In the previous financial year these savings 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 Directors 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.

Within Commissioning & Asset Management, £0.400m of cross-cutting 2022/23 savings are held with £0.026m of the Procurement saving projected to be achieved to date, with work on-going across the Authority to achieve the balance by the year end. Of the savings related to prior year business cases, £0.132m is projected to be achieved with a further £0.050m available via management mitigations leaving £0.164m still to be achieved. The planned 15p increase in paid school meals in September 2022 has been implemented but this has not allowed the full savings target to be delivered. Additional catering income has been generated supplementing the

achievement by £0.050m. 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. As a number of schools have left the SLA during that time period this target is only partially deliverable, and an alternative is being explored for the shortfall of £0.089m.

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

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 August and September 2022:

| <b>Service</b>      | <b>Grant Provider</b>                                  | <b>Grant</b>   | <b>Purpose</b>  | <b>2022/23 value £m</b> |
|---------------------|--|--|---|-------------------------|
| Public Health       | Northumbria Police and Crime Commissioner              | Safer Streets Fund 4 – Womens Safety in Public Places              | To make public places across the region safer for women and girls. £0.029m received in 2022/23 and £0.006m in 2023/24.  | 0.029                   |
| Public Health       | Public Health England                                  | Inpatient Detox  | To increase capacity for residential detox for drug misusers.   | 0.195                   |
| Public Health       | Department of Health and Social Care                   | Botulin Toxin and Cosmetics Fillers Children Act                   | To prohibit the administering of botulinum toxin or a filler by way of injection for a cosmetic purpose to a person under 18.   | 0.006                   |
| Public Health       | Department for Environment, Food and Rural Affairs     | Enforcement Costs associated with Food Information                 | The enforcement of legislation relating to allergen labelling changes for prepacked for direct sale food.   | 0.005                   |
| Children's Services | Youth Custody Service / HM Prison & Probation Services | Remands to youth secure accommodation of children and young people | Transfer of responsibility to LA's for cost of remand to youth detention.   | 0.015                   |
| Children's Services | Education and Skills Funding Agency                    | Key Stage 2 Moderation and Key Stage 1 Phonics Funding             | Statutory duties for KS2 Teacher Assessment and monitoring of the phonics screening check.  | 0.010                   |
| Children's Services | North of Tyne Combined Authority                       | North of Tyne Investment Fund - Local Employment Partnerships      | The investment will fund a Local Employment Partnership Coordinator and an Employer Liaison/Engagement Lead. These posts will provide dedicated capacity to develop local employment partnerships within each Local Authority area and will work as a part of a virtual NTCA wide team – working to engage residents and businesses in employment programmes which move people into/closer to work. | 0.073                   |
| Schools             | Department for Levelling Up, Housing and Communities   | Ukrainian Families Grant   | Support for Ukrainian refugee children in schools.  | 0.111                   |
| <b>Total</b>        |  |  |   | <b>0.444</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. Finance officers are working with schools to produce an update on 2022/23 school finances position as reported previously to cabinet. A report of this update will be presented to Cabinet in the next finance report.

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 £5.111m reflecting a further rise in demand for special school places, producing a cumulative deficit balance of £18.622m.

### 1.5.6 Housing Revenue Account (HRA)

The HRA is forecast to have year-end balances at 31 March 2023 of £0.281m. These balances are £0.090m lower than budget which was set at £0.371m.

Universal Credit was fully implemented across North Tyneside on 2 May 2018. As of the end of September 2022, 3,999 North Tyneside Homes tenants 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 £329.309m (£116.459m 2022/23) and is detailed in table 19 of the Annex. The Annex to this report also sets out in Section 4 delivery progress to date, planned delivery for 2022/23, reprogramming and other variations identified through the Investment Programme Governance process.

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

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

### 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.

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

## **1.6 Decision Options:**

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 30 September 2022

Appendix 1: 2022 – 2027 Investment Plan

Appendix 2: Prudential Indicators

Appendix 3: Treasury Management mid-year review

## **1.9 Contact Officers:**

Jon Ritchie – Corporate Finance matters – Tel. (0191) 643 5701

Claire Emmerson – Corporate Finance and Schools matters – Tel. (0191) 643 8109

David Dunford – Corporate Finance and General Fund matters – Tel. (0191) 643 7027

Jane Cross – Corporate Finance and General Fund matters

David Mason – Investment Plan matters - Tel. (0191) 643 5747

Darrell Campbell – Housing Revenue Account matters – Tel. (0191) 643 7052

## 1.10 Background Information:

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 7 February 2023.

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

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# 2022/23 Financial Management Report Annex

## INDEX

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## **SECTION 1 – SERVICE COMMENTARIES**

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

### **1.2 Adults Services**

1.2.1 Adults Services is showing a forecast variance of £5.510m against its £56.120m net controllable expenditure budget.

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

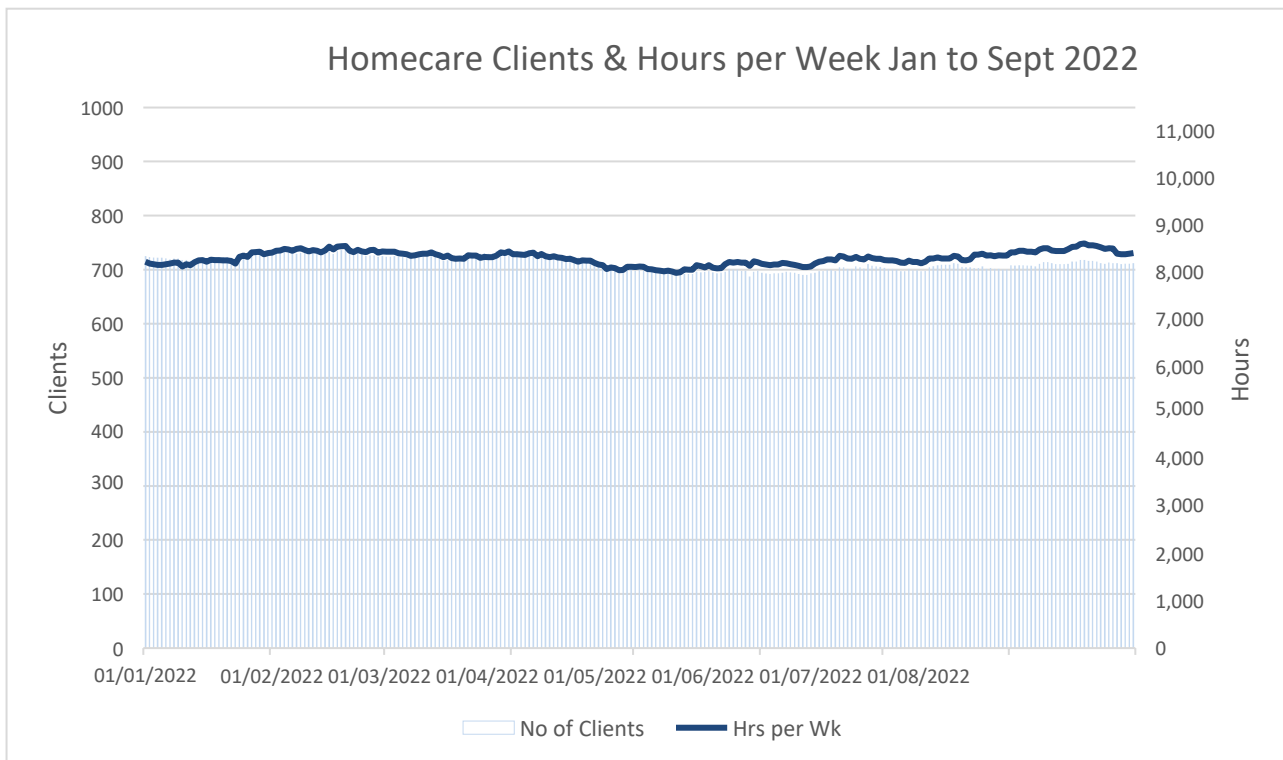
|  | <b>Budget</b> | <b>Forecast Sept</b> | <b>Variance Sept</b> | <b>Variance July</b> | <b>Change since July</b> |
|--|---------------|----------------------|----------------------|----------------------|--------------------------|
|  | <b>£m</b>     | <b>£m</b>            | <b>£m</b>            | <b>£m</b>            | <b>£m</b>                |
| Central, Strategy and Transformation             | 1.180         | 1.275                | 0.095                | 0.146                | (0.051)                  |
| Social Work and Associated Activity              | 7.384         | 7.188                | (0.196)              | 0.396                | (0.592)                  |
| Integrated Services                              | 3.171         | 2.560                | (0.611)              | (0.393)              | (0.218)                  |
| Business Assurance                               | 0.304         | 0.320                | 0.016                | 0.028                | (0.012)                  |
| <b>Sub-total Operations</b>                      | <b>12.039</b> | <b>11.343</b>        | <b>(0.696)</b>       | <b>0.177</b>         | <b>(0.873)</b>           |
| Commissioned Services – Wellbeing and Assessment | 12.870        | 16.626               | 3.756                | 3.247                | 0.509                    |
| Commissioned Services – Learning Disability      | 26.864        | 27.735               | 0.871                | 0.478                | 0.393                    |
| Commissioned Services – Mental Health            | 3.607         | 5.715                | 2.108                | 1.210                | 0.898                    |
| Commissioned Services - Other                    | 0.740         | 0.289                | (0.451)              | 0.150                | (0.601)                  |
| <b>Sub-total – Commissioned Services</b>         | <b>44.081</b> | <b>50.365</b>        | <b>6.284</b>         | <b>5.085</b>         | <b>1.199</b>             |
| <b>Total Adult Services</b>                      | <b>56.120</b> | <b>61.708</b>        | <b>5.588</b>         | <b>5.262</b>         | <b>0.326</b>             |

## Main budget pressures across Adults Services

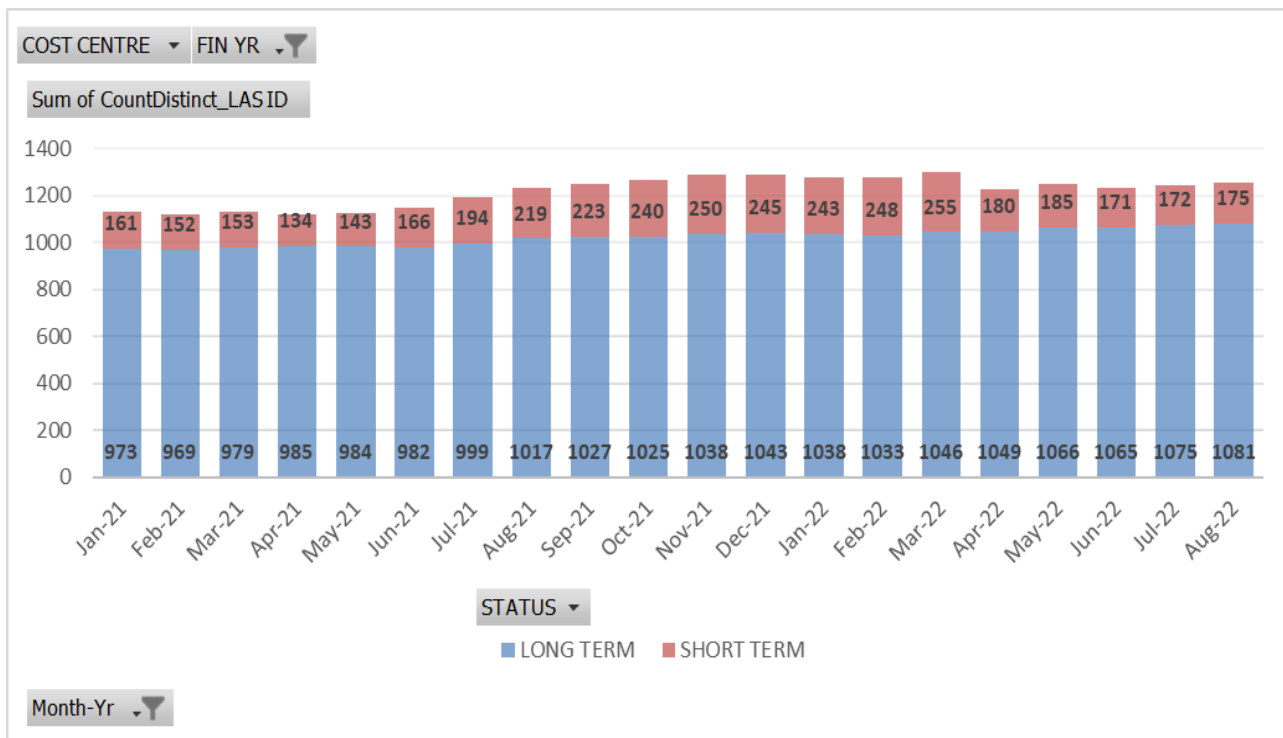
- 1.2.3 Adults Services continues to have residual impact from the Covid-19 pandemic and has put in place a range of responses to support existing clients and other residents directly affected by the virus. Support includes new packages required to be put in place on discharge from hospital as well as those to prevent hospital admission. Work is also ongoing to support social care providers to maintain their vital services.
- 1.2.4 Adults Services continues to manage a complex budget and is required to deal with a combination of funding arrangements, pressures, and national policy changes. There are continuing upward pressures on care providers' fees partially resulting from the National Living Wage but also from the cost-of-living increases currently being experienced across the country. The 2022/23 fee uplift has now been agreed with providers, but dialogue will continue to 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.
- 1.2.5 The analysis of sub service areas is reported to show the split between the operational aspects of the service and the externally commissioned care costs.
- 1.2.6 Forecast costs associated with the operational management of the service are showing an underspend of £0.696m. This position represents an improvement of £0.873m from the previously reported position and is due to an increase in vacant posts as well as delays in recruitment.
- 1.2.7 Commissioned Services are reporting a pressure of £6.284m, an increase of £1.199m on the previous reported pressure. This increase is a result of a net reduction in health income, for shared care and S256 mental health resettlement £1.012m, 2 significant Mental Health (MH) clients previously not communicated by Service Managers to Finance £0.200m and an increase in residential and nursing placements £0.500m due to the shortage of home care provision to meet demand. This is then offset against savings from an ongoing review of commissioned services.
- 1.2.8 Within the overall pressure on commissioned services, £2.484m relates to the increased agreed care fee inflation rates, reflecting pressures on energy costs as well as general inflation. It also reflects a change in demand and delivery compared to pre-covid patterns, the authority is seeing additional pressure of approx. £3.300m this is due to a shift in clients from homecare into residential care homes, including short term placement.
- 1.2.9 There has been an increased pressure around funding from the NHS for clients with shared care and mental health resettlement needs; negotiations continue around ensuring funding contributions from the NHS for clients with these health needs and will continue on an equitable basis.
- 1.2.10 Whilst the pressure within Adult Services continues, there has been on-going work around maximising resources and reducing costs. 2022/23 savings targets have been achieved with additional Extra Care placements being utilised and

reablement flats helping with the transition from hospital, allowing more clients to receive community-based care.

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



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



### 1.3 Children's Services

1.3.1 Children's Services is showing a forecast variance of £13.154m against its £21.489m net controllable expenditure budget. This forecast position excludes the application of contingency budgets £3.116m, set aside in Central Items for pressures in Children's Services. The Children's Services, Corporate Parenting & Placements budget has increased by £0.786m since the July position, to reflect the pressure for children under a Special Guardianship Order (SGO).

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

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

|  | <b>Budget</b> | <b>Forecast</b> | <b>Variance</b> | <b>Variance</b> | <b>Change</b> |
|--|---------------|-----------------|-----------------|-----------------|---------------|
|  | <b>£m</b>     | <b>Sept</b>     | <b>Sept</b>     | <b>July</b>     | <b>since</b>  |
|  | <b>£m</b>     | <b>£m</b>       | <b>£m</b>       | <b>£m</b>       | <b>July</b>   |
|  |               |                 |                 |                 | <b>£m</b>     |
| Corporate Parenting & Placements                   | 16.051        | 26.135          | 10.084          | 10.174          | (0.090)       |
| RHELAC Service                                     | 0.010         | 0.010           | 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         | 1.785           | 0.121           | 0.150           | (0.029)       |
| Employment & Skills                                | 0.632         | 0.588           | (0.044)         | (0.030)         | (0.014)       |
| Integrated Disability & Additional Needs Service   | 2.219         | 4.956           | 2.737           | 2.173           | 0.564         |
| School Improvement                                 | 0.360         | 0.598           | 0.238           | 0.235           | 0.003         |
| Regional Adoption Agency                           | (0.168)       | (0.168)         | 0.000           | 0.000           | 0.000         |
| <b>Total Children's Services</b>                   | <b>21.489</b> | <b>34.643</b>   | <b>13.154</b>   | <b>12.720</b>   | <b>0.434</b>  |

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

1.3.4 Children's Services continues to manage a complex budget and is required to deal with a combination of funding arrangements, pressures, and national policy changes. The £13.154m forecast pressure relates mainly to demand pressures of £10.084m in Corporate Parenting and Placements and £2.737m in Integrated Disability and Additional Needs. There is also a forecast pressure of £0.238m in School Improvement. The pressures were foreseen by Cabinet and backed by £3.116m of centrally held contingencies which, if transferred into Children's

Services, would reduce the forecast pressure to £10.038m. 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 £3.000m of savings targets yet to be delivered.

- 1.3.5 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 and recruitment costs and a pressure resulting from savings targets not yet achieved.
- 1.3.6 The increased pressure of £0.434m since the July position is a result of new external residential care placements, net increase £0.100m. A block arrangement of 4 residential placements started from 1 August 2022, £0.300m, as well as 5 additional external supported placements £0.635m, including unaccompanied asylum-seeking children (UASC). There has been an increase in legal fees and S117 payments to families £0.100m, additional pressure in staffing for in-house establishments £0.100m and a reduction in income received from health £0.075m. This is offset by an ongoing review of supported accommodation and forecasts have been reduced accordingly.

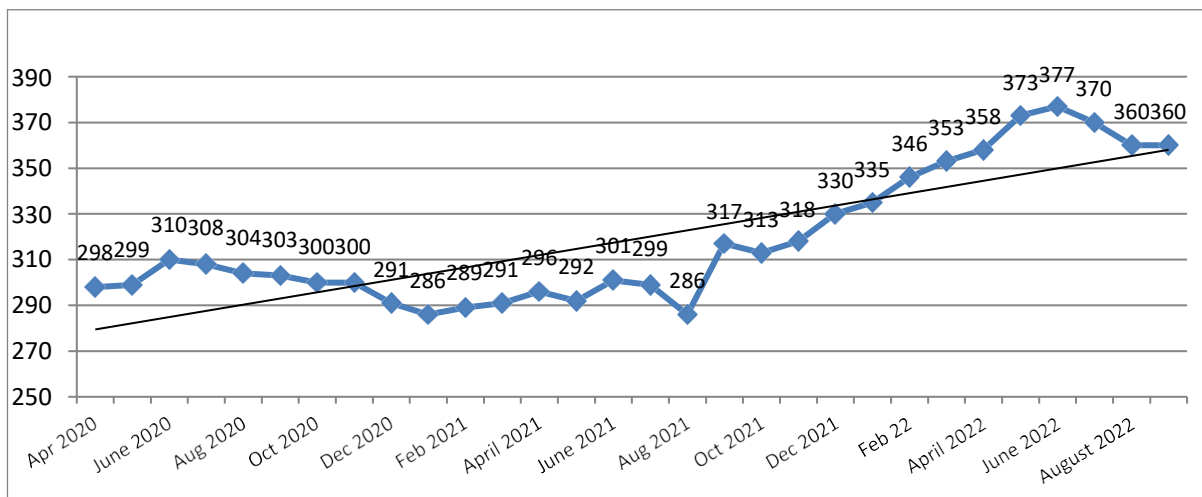
**1.3.7 Table 3: Forecast Variation for Children’s Services Split between Operational & Commissioned Care Costs**

|                                  | <b>Budget</b><br><b>£m</b> | <b>Forecast</b><br><b>Sept</b><br><b>£m</b> | <b>Variance</b><br><b>Sept</b><br><b>£m</b> | <b>Variance</b><br><b>July</b><br><b>£m</b> | <b>Change</b><br><b>since</b><br><b>July</b><br><b>£m</b> |
|----------------------------------|----------------------------|---|---|---|---|
| Externally Commissioned Services | 3.479                      | 8.065                                       | 4.586                                       | 4.582                                       | 0.004   |
| In-house Service Provision       | 9.523                      | 13.390                                      | 3.867                                       | 3.697                                       | 0.170   |
| Staffing & Operations            | 8.655                      | 13.356                                      | 4.701                                       | 4.441                                       | 0.260   |
| Regional Adoption Agency         | (0.168)                    | (0.168)                                     | 0.000                                       | 0.000                                       | 0.000   |
| <b>Total Children’s Services</b> | <b>21.489</b>              | <b>34.643</b>                               | <b>13.154</b>                               | <b>12.720</b>                               | <b>0.434</b>  |

- 1.3.8 The Children’s Services system is established to meet the statutory needs of approximately 1,400 children. However, the service is currently dealing with more than 1,700 children who reach that threshold. Referrals have increased by 25% compared to pre-Pandemic levels with the police and schools continuing to be the main sources. This level of activity is leading to a requirement for additional staff and contributes to significant pressure on budgets providing care for the children in most need.

- 1.3.9 In September 2022, the children in care numbers have remained at 360, reducing down 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 increase in demand is largely due to the impact of additional stress on family relationships during Covid lockdown restrictions leading to increase in parental mental health issues and domestic abuse but is exacerbated when combined with financial stressors caused by the cost-of-living crisis.
- 1.3.10 Current numbers include 23 UASC, an increase of 5 since the July position, which the Authority is mandated to take. The net cost to the Authority, after applying the UASC grant funding, is forecast to be £0.223m.
- 1.3.11 The overall rise in demand is a national issue, with North Tyneside seeing a rate of children in care per 10,000 of 88, which compares favourably both to the North-East average of 108 and to the average within our statistical neighbours of 103.

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



**Corporate Parenting and Placements**

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

| Type of Service                   | Budget<br>£m  | Forecast<br>Sept<br>£m | Variance<br>Sept<br>£m | Variance<br>July<br>£m | Change<br>since<br>July<br>£m |
|-----------------------------------|---------------|------------------------|------------------------|------------------------|-------------------------------|
| Care provision – children in care | 8.995         | 14.954                 | 5.959                  | 6.363                  | (0.404)                       |
| Care provision – other children   | 3.957         | 4.611                  | 0.654                  | 0.686                  | (0.032)                       |
| Management & Legal Fees           | (1.442)       | 0.574                  | 2.016                  | 1.911                  | 0.105                         |
| Social Work                       | 4.494         | 5.945                  | 1.451                  | 1.210                  | 0.241                         |
| Safeguarding Operations           | 0.047         | 0.051                  | 0.004                  | 0.004                  | 0.000                         |
| <b>Total</b>                      | <b>16.051</b> | <b>26.135</b>          | <b>10.084</b>          | <b>10.174</b>          | <b>(0.090)</b>                |



1.3.14 The forecast has been developed based on the children in care as at the end of September 2022. As set out in paragraph 1.3.7, the number in care at the end of September was higher than the average of 315 during 2021/22 resulting in the forecast for the total number of care nights also being higher for 2022/23 at 112,664 nights compared to the total number of care nights delivered in 2021/22 which was 108,745.

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

| Placement Type                   | 2022/23 Sept Variance £m | Average Annual Placement cost £m | 2022/23 Forecast Bed Nights | 2021/22 Outturn Bed Nights | Placement Mix | No. of children Sept 22 | No. of children July 22 |
|----------------------------------|--------------------------|----------------------------------|-----------------------------|----------------------------|---------------|-------------------------|-------------------------|
| External Residential Care        | 1.744                    | 0.254                            | 9,314                       | 8,163                      | 8.6%          | 31                      | 31                      |
| External Fostering               | 0.306                    | 0.041                            | 9,925                       | 12,068                     | 7.2%          | 26                      | 23                      |
| In-House Fostering Service       | 0.957                    | 0.024                            | 80,615                      | 68,812                     | 59.7%         | 215                     | 230                     |
| External Supported Accommodation | 1.480                    | 0.104                            | 8,214                       | 6,170                      | 8.9%          | 32                      | 27                      |
| In-House Residential Care        | 1.473                    | 0.161                            | 4,596                       | **                         | 4.7%          | 17                      | 16                      |
| Other*                           | 0.000                    | **                               | **                          | 13,532                     | 10.8%         | 39                      | 43                      |
| <b>Total</b>                     | <b>5.960</b>             | <b>0.584</b>                     | <b>112,664</b>              | <b>108,745</b>             | <b>100%</b>   | <b>360</b>              | <b>370</b>              |

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

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

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

### **Care Provision – Children in Care**

1.3.17 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**

- 1.3.18 The pressure of £0.654m relating to care provision for children not in the care system relates predominantly to children under a Special Guardianship Order (SGO). Cabinet will recall that the Authority's policy for supporting children in SGOs was amended in 2018 and that this brought about additional costs. The contingency budget of £3.116m established in Central Items was, in part, intended to mitigate against these costs.

### **Management and Legal Fees**

- 1.3.19 This area has a forecast pressure of £2.016m. The pressure within this area is due to savings targets of £1.468m which are yet to be achieved, the increase this month is due to increased legal fees. The service is continuing to work on the delivery of planned savings targets and continues to review all budget areas for any other mitigating savings.

### **Social Work**

- 1.3.20 Within the overall pressure of £10.084m for Corporate Parenting and Placements, there are social work-related pressures of £1.451m. There is an additional team in place of 6 posts costing circa £0.265m and the '14 Plus Team' adds a further £0.243m to the pressure. Market supplements have been superseded by the Social Worker regrading exercise contributing £0.191m to the position. There are S17 assistance costs forecast to be above budget level. Cabinet is aware of the challenges faced across the children's social care sector nationally. Caseloads per social worker have increased with increasing referrals (up 25% on pre-Pandemic levels) and are now at 28 compared to the national average of 16.3 (for 2020).

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

- 1.3.21 IDANS is forecasting a pressure of £2.737m, net of an over achievement of £0.370m Children's Health Income. There has also been a reclassification of one of the children's homes from Corporate Parenting & Placements to IDANS, bringing an additional pressure of £0.369m. Pressures within IDANS should be seen within the national and local context of increasing numbers of children with Education Health and Care Plans (EHCPs). Within North Tyneside, the number of children with an EHCP has risen from 1,102 in January 2018 to 2,138 in May 2022.
- 1.3.22 Within this service area the main pressures relate to operational staffing costs within in-house residential services of £1.311m. There are also forecast staffing pressures of £0.365m 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.

- 1.3.23 The IDANS service is continuing to carefully review planned provision to identify any areas of spend which can be reduced without adverse impacts on the children and families receiving support.
- 1.3.24 The School Improvement Service is showing a forecast pressure of £0.238m driven by staffing and energy inflation.
- 1.3.25 These have been partly mitigated by utilising (£0.350m) of grant funding brought forward from 21/22. The service is working with HR and Finance officers to review the School Improvement structure and continues to explore other income streams that may be available to help mitigate the pressure in-year.

#### 1.4 **Public Health**

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

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

|  | <b>Budget</b> | <b>Forecast</b> | <b>Variance</b> | <b>Variance</b> | <b>Change</b> |
|--|---------------|-----------------|-----------------|-----------------|---------------|
|  | <b>£m</b>     | <b>Sept</b>     | <b>Sept</b>     | <b>July</b>     | <b>since</b>  |
|  | <b>£m</b>     | <b>£m</b>       | <b>£m</b>       | <b>£m</b>       | <b>July</b>   |
|  |               |                 |                 |                 | <b>£m</b>     |
| Public Health Ring Fenced Grant        | (0.032)       | (0.032)         | 0.000           | 0.000           | 0.000         |
| 0-19 Children's Public Health Service* | 0.273         | 0.273           | 0.000           | 0.000           | 0.000         |
| Community Safety                       | 0.223         | 0.223           | 0.000           | 0.000           | 0.000         |
| Public Protection                      | 1.608         | 1.608           | 0.000           | 0.000           | 0.000         |
| <b>GRAND TOTAL</b>                     | <b>2.072</b>  | <b>2.072</b>    | <b>0.000</b>    | <b>0.000</b>    | <b>0.000</b>  |

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

- 1.4.3 The return of the Public Protection service to the Authority's management, will have no impact and for 2022/23 will be balanced, using central funding if required. This includes any pressures in Taxi Licensing, market supplement payments and any other miscellaneous costs incurred, as a result of bringing the service back in-house.
- 1.4.4 0-19 Children's Public Health Services and are funded by the Public Health Ring-Fenced Grant and any balances are carried forward and have no impact on the General Fund.

## 1.5 Commissioning and Asset Management

- 1.5.1 Commissioning and Asset Management (C&AM) is showing a pressure of £5.100m as set out in Table 7, an increase of £0.304m since the July Cabinet report.
- 1.5.2 C&AM has also been heavily impacted by the Covid-19 Pandemic, particularly in relation to supporting schools and in relation to lost income with details shown in Section 2.

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

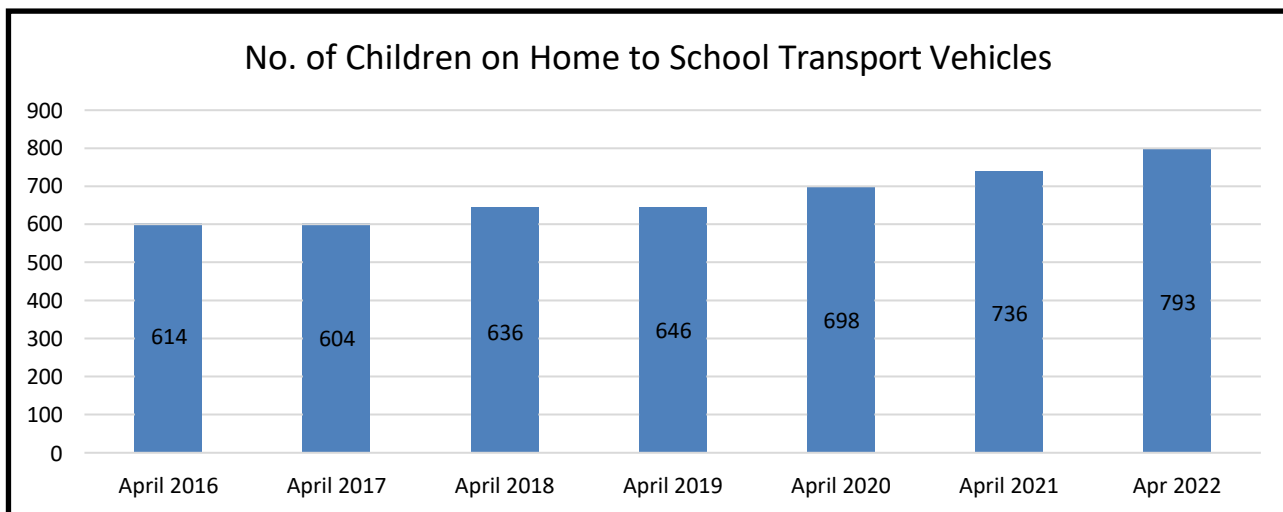
|  | <b>Budget</b> | <b>Forecast</b> | <b>Variance</b> | <b>Variance</b> | <b>Change</b> |
|--|---------------|-----------------|-----------------|-----------------|---------------|
|  | <b>£m</b>     | <b>Sept</b>     | <b>Sept</b>     | <b>July</b>     | <b>since</b>  |
|  | <b>£m</b>     | <b>£m</b>       | <b>£m</b>       | <b>£m</b>       | <b>July</b>   |
|  |               |                 |                 |                 | <b>£m</b>     |
| School Funding & Statutory Staff Costs     | 5.561         | 5.461           | (0.100)         | (0.095)         | (0.005)       |
| Commissioning Service                      | 0.439         | 0.465           | 0.026           | 0.099           | (0.073)       |
| Facilities & Fair Access                   | 0.410         | 4.688           | 4.278           | 4.109           | 0.169         |
| Community & Voluntary Sector Liaison       | 0.435         | 0.435           | 0.000           | 0.000           | 0.000         |
| Strategic Property & Investment            | 0.814         | 1.540           | 0.726           | 0.467           | 0.259         |
| Property                                   | (0.979)       | (0.979)         | 0.000           | 0.000           | 0.000         |
| Commissioning & Asset Management & Support | 0.165         | 0.169           | 0.004           | 0.004           | 0.000         |
| Procurement                                | (0.112)       | 0.054           | 0.166           | 0.212           | (0.046)       |
| <b>GRAND TOTAL</b>                         | <b>6.733</b>  | <b>11.833</b>   | <b>5.100</b>    | <b>4.796</b>    | <b>0.304</b>  |

- 1.5.4 The main 'business as usual' budget issues relate to Facilities and Fair Access which is showing a forecast pressure of £4.278m (July forecast pressure of £4.109m).
- 1.5.5 There is a pressure on the catering service of £2.900m, an increase of £0.804m since July due to more actual data now being available for 2022/23 to provide a more established accurate forecast. Further information based on the Autumn term will be updated for the next report. The pressure is due to paid school meals and other catering income not forecast to return to pre Covid levels (£0.750m) and inflationary pressures of £1.272m. There are pressures on wages of £0.378m and other operational income pressures of £0.017m. Current and previous years paid school meals and SLA income target savings will not now be achievable in their original planned way, due to the number of schools that have left the SLA adding £0.164m to the pressure. The service is currently reviewing all costs associated with SLA provision to mitigate the loss of income. The management & central

establishment element of the catering SLA cannot now be recovered from the schools that have left the SLA adding a further £0.319m to the position.

- 1.5.6 Cleaning has a pressure of £0.090m which results from inflationary pressures of £0.058m and sickness/maternity cover of £0.032m. These are partially offset by salary savings on the Access Service of (£0.056m).
- 1.5.7 There is a pressure on Strategic Property and Investment of £0.726m which relates to energy charges, of which £0.536m relates to the Killingworth site. The service has, and continues to, undertake several initiatives to minimise energy consumption and costs at the Killingworth site by the decommissioning of Block C and solar panel installations. There are pressures on the Procurement service of £0.166m due to a cross-cutting savings target of £0.174m and other operational pressures £0.042m, which is partially offset by additional income of (£0.050m) from a one off KPI failure in the Technical Partnership. The Commissioning service area is also reporting operational pressures of £0.026m. These are partially offset by savings on teachers early/ill health retirement costs of (£0.100m).
- 1.5.8 There are pressures on car parking income of £0.101m in relation to charges at Quadrant being removed and a corporate sustainability savings target of £0.100m. These are partially offset by other operational savings of £0.072m.
- 1.5.9 The Home to School Transport position, a pressure of £1.344m, relates to the sustained increase in children with complex needs attending special schools £0.356m and inflationary pressures of £0.988m. 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 2.16 to 2.20 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. Work is also continuing with route rationalisation using the new 'QRoute' system as well as looking at new options about transport delivery.

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



## 1.6 Environment

1.6.1 Environment is forecasting a pressure of £1.667m against the £37.197m budget, as set out in Table 8 below, an increase of £0.708m since the July report.

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

### 1.6.3 Table 8: Forecast Variation in Environment

| Service Areas                         | Budget<br>£m  | Forecast<br>Sept<br>£m | Variance<br>Sept<br>£m | Variance<br>July<br>£m | Change<br>since<br>July<br>£m |
|---------------------------------------|---------------|------------------------|------------------------|------------------------|-------------------------------|
| Fleet Management                      | 0.991         | 0.991                  | 0.000                  | (0.026)                | 0.026                         |
| Head of Service Environment & Leisure | 0.139         | 0.106                  | (0.033)                | (0.033)                | 0.000                         |
| Local Environmental Services          | 7.744         | 8.296                  | 0.552                  | 0.238                  | 0.314                         |
| Sport, Leisure & Community            | 8.634         | 10.381                 | 1.747                  | 0.982                  | 0.765                         |
| Street Lighting PFI                   | 5.123         | 5.123                  | 0.000                  | 0.000                  | 0.000                         |
| Waste Management                      | 14.566        | 13.967                 | (0.599)                | (0.202)                | (0.397)                       |
| <b>GRAND TOTAL</b>                    | <b>37.197</b> | <b>38.864</b>          | <b>1.667</b>           | <b>0.959</b>           | <b>0.708</b>                  |

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

#### Local Environmental Services

1.6.5 Local Environmental Services includes Security, Street Environment and Bereavement teams and is predicting a net forecast pressure of £0.552m. This is due to increased employee and operational expenditure plus higher energy and business rates costs within Bereavement of £0.120m, as well as Security income shortfalls (including the £0.050m loss of the annual Nexus contract income and

the one-off impact of a £0.075m credit note covering the cancellation of 2021/22 and 2022/23 income) together with employee and operational cost pressures amounting to a £0.194m pressure.

- 1.6.6 There are additional pressures linked to third party elements and high-profile coastal patrols across Community Protection of £0.065m. Income shortfalls and operational costs pressures (including £0.067m for higher Energy/Premises cost pressures) result in a £0.046m pressure across Parks & Horticulture. Employee and operational expenditure pressures across Environmental Protection & Street Cleansing add £0.099m to the projected position. The combined increased £0.340m variance change from the previously reported position can be attributed to; a net £0.110m adverse change linked to reduced forecast Security income, Higher Premises (including Energy and Business Rates) and operational cost pressures in Bereavement resulting in an adverse £0.099m variance change, an increase in the combined cross-service Employee, Premises and Operational expenditure plus reduced income across the rest of Street Environment.

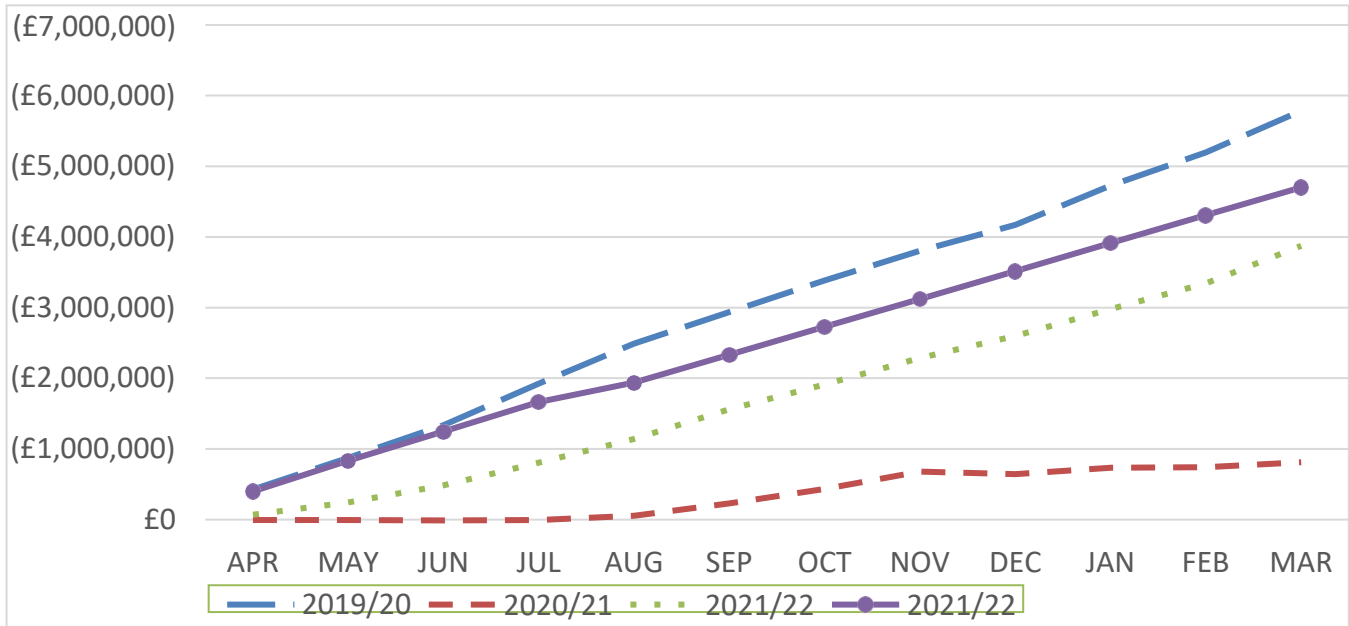
#### Waste Management including Recycling and Disposal

- 1.6.7 A combined underspend of (£0.599m) is now forecast which reflects employee savings as vacant posts are being held within Waste & Recycling Contracts. There are significant expenditure underspends compared to the July report (savings of £0.555m) which is linked to Home Recycling Disposal which are now forecast to reflect the lower global market rate on the cost per tonne. Additionally, a combined overachievement on income (of £0.149m) across Commercial Waste & Special Collections is forecast within Refuse & Waste Management. The aforementioned income overachievement fully mitigates forecast cost pressures of £0.136m associated with the Waste Disposal Contract as well as Marshalling costs at the Household Waste Recycling Centre.

#### Sport, Leisure & Community

- 1.6.8 Sports and Leisure is forecasting a pressure of £1.422m. The service is forecast to have a pressure of £0.300m against the £5.600m income target for sports and leisure centres. This pressure reflects that service income is still recovering and improving whilst looking to attain to income generation levels pre-pandemic.
- 1.6.9 Libraries & Community Centres is forecasting a £0.325m pressure, mainly linked to forecast premises costs being higher than the budget as well as reduced and unachievable income generation available around Wallsend & North Shields Customer First Centres. A change of £0.965m in the reported variance since the previously reported position across this service area is the adverse forecast costs associated with energy costs; combined cost pressures mainly around electricity and gas of £1.098m are now forecast (based on actual spend from April-June) which is partially offset by vacant posts and staff turnover within Libraries & Community Centres.

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



**Street-Lighting PFI**

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

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

**1.7 Regeneration and Economic Development**

1.7.1 Regeneration and Economic Development (R&ED) has expanded with service areas previously managed under Environment, Housing & Leisure. R&ED is forecasting a pressure of £0.378m, as shown in Table 9 below, which is an improvement of (£0.054m) since the July Cabinet report.



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

| Service Areas                               | Budget<br>£m  | Forecast<br>Sept<br>£m | Variance<br>Sept<br>£m | Variance<br>July<br>£m | Change<br>since<br>July<br>£m |
|---|---------------|------------------------|------------------------|------------------------|-------------------------------|
| Culture                                     | 1.572         | 1.736                  | 0.164                  | 0.278                  | (0.114)                       |
| Business & Enterprise                       | 0.760         | 0.742                  | (0.018)                | 0.023                  | (0.041)                       |
| Regeneration                                | 0.416         | 0.741                  | 0.325                  | 0.251                  | 0.074                         |
| Resources & Performance                     | 0.300         | 0.301                  | 0.001                  | 0.001                  | 0.000                         |
| Technical Package - Planning                | 0.296         | 0.257                  | (0.039)                | (0.039)                | 0.000                         |
| Technical Package -<br>Transport & Highways | 7.447         | 7.392                  | (0.055)                | (0.082)                | 0.027                         |
| <b>GRAND TOTAL</b>                          | <b>10.791</b> | <b>11.169</b>          | <b>0.378</b>           | <b>0.432</b>           | <b>(0.054)</b>                |

- 1.7.3 Culture is forecasting a pressure of £0.164m which is an improvement of (£0.114m) since the July Cabinet report. The movement reflects an improvement in the staffing forecast following a budget transfer from Environment as a result of the splitting of the former Environment, Housing and Leisure directorate. The remaining pressure is mainly due to events in the Borough (Queens Baton Relay, Platinum Jubilee Activities, National Festival of Archaeology) combined with a pressure at the Whitley Bay Playhouse of £0.035m due to increased fees to the external operating contractor. Culture service staffing costs and reduced forecast income across the service makes up the remaining pressure of £0.063m.
- 1.7.4 Transport and Highways is forecasting an underspend of £0.055m which is as a result of client team recharges for work on Section 38 and 278 schemes.
- 1.7.5 The small pressure on Resource and Performance has remained the same. It is anticipated that the projected cost of the proposed management structure will be funded from central funding.
- 1.7.6 The forecast pressure with Regeneration is mainly due to an ongoing issue at the former Swans site in relation to costs and income shortfalls relating to the Centre for Innovation (CFI) building which are expected to continue in 2022/23. Despite the shortfall, the service is still actively marketing vacant units and looking to attract tenants.

## 1.8 Corporate Strategy

- 1.8.1 Corporate Strategy is forecasting a £0.462m pressure, an increase of £0.078m since the July Cabinet report. The variance reflects a forecast underachievement in a cross-service income target of £0.157m within Corporate Strategy Management, as well higher forecast employee resource costs as workload and service demand activities are leading to a requirement for additional staffing capacity within Children's Participation and Advocacy.

## 1.8.2 Table 10: Forecast Variation Corporate Strategy

| <b>Service Areas</b>                | <b>Budget</b> | <b>Forecast Sept</b> | <b>Variance Sept</b> | <b>Variance July</b> | <b>Change since July</b> |
|-------------------------------------|---------------|----------------------|----------------------|----------------------|--------------------------|
|                                     | <b>£m</b>     | <b>£m</b>            | <b>£m</b>            | <b>£m</b>            | <b>£m</b>                |
| Children's Participation & Advocacy | 0.267         | 0.416                | 0.149                | 0.100                | 0.049                    |
| Corporate Strategy Management       | (0.129)       | 0.063                | 0.192                | 0.173                | 0.019                    |
| Elected Mayor & Executive Support   | 0.022         | 0.038                | 0.016                | 0.014                | 0.002                    |
| Marketing                           | 0.302         | 0.346                | 0.044                | 0.036                | 0.008                    |
| Policy Performance and Research     | 0.162         | 0.223                | 0.061                | 0.061                | 0.000                    |
| <b>GRAND TOTAL</b>                  | <b>0.624</b>  | <b>1.086</b>         | <b>0.462</b>         | <b>0.384</b>         | <b>0.078</b>             |

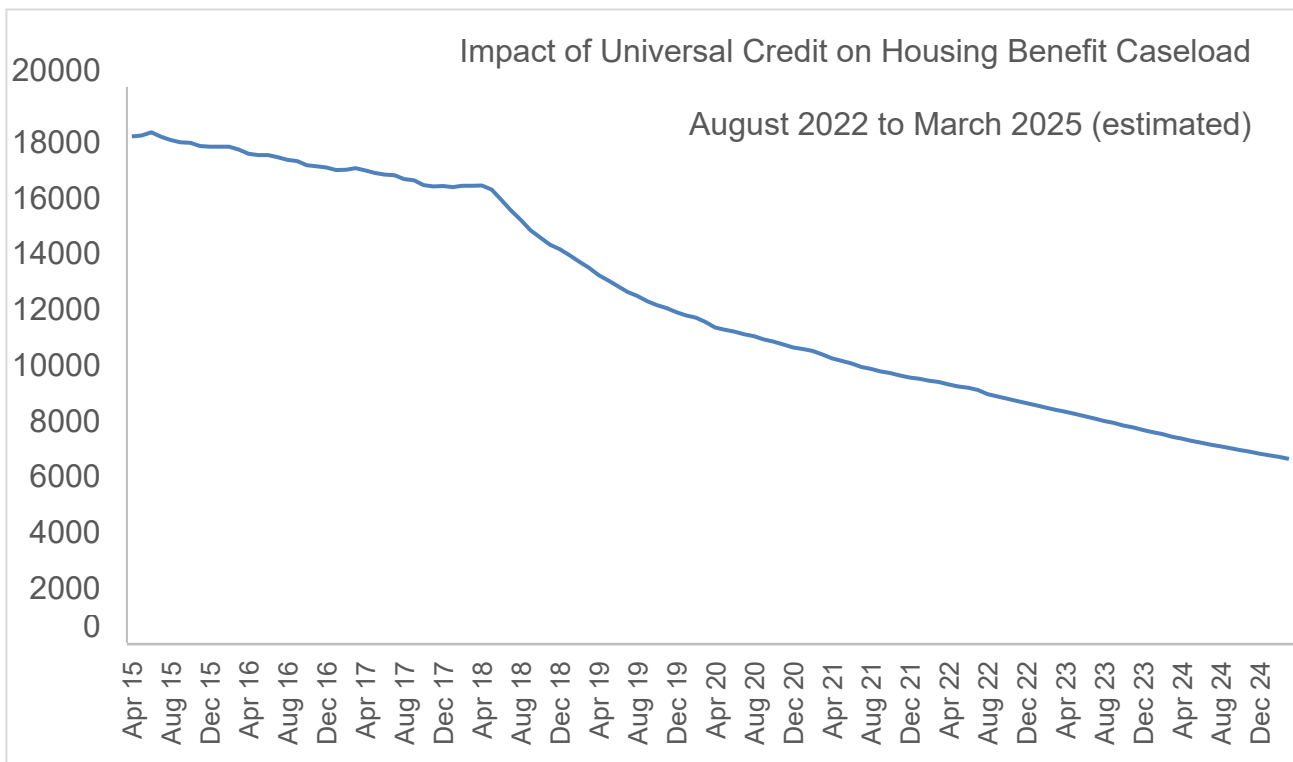
## 1.9 Resources and Chief Executive Office

- 1.9.1 Since the last Cabinet report in July, Law and Governance has moved into the Resources directorate. This report shows the forecast position for the full Resources directorate and the Chief Executive Office, which is showing a pressure of £1.785m, which is a decrease of £0.313m since the last Cabinet report in July.

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

| Service Areas                         | Budget<br>£m | Forecast<br>Sept<br>£m | Variance<br>Sept<br>£m | Variance<br>July<br>£m | Change<br>since<br>July<br>£m |
|---------------------------------------|--------------|------------------------|------------------------|------------------------|-------------------------------|
| Chief Executive                       | (0.076)      | (0.076)                | 0.000                  | 0.000                  | 0.000                         |
| Finance                               | (0.563)      | (0.724)                | (0.161)                | 0.000                  | (0.161)                       |
| ICT                                   | 2.455        | 2.455                  | 0.000                  | 0.000                  | 0.000                         |
| HR & Organisational Development       | 0.259        | 0.259                  | 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        | 1.518                  | 0.889                  | 0.932                  | (0.043)                       |
| Director of Resources                 | 0.000        | 0.000                  | 0.000                  | 0.000                  | 0.000                         |
| Customer, Governance and Registration | (0.066)      | (0.026)                | 0.040                  | 0.058                  | (0.018)                       |
| Democratic and Electoral Services     | (0.002)      | 0.076                  | 0.078                  | 0.077                  | 0.002                         |
| Information Governance                | 0.175        | 0.063                  | (0.112)                | (0.096)                | (0.017)                       |
| Legal Services                        | 0.152        | 0.988                  | 0.836                  | 1.002                  | (0.166)                       |
| North Tyneside Coroner                | 0.294        | 0.509                  | 0.215                  | 0.125                  | 0.090                         |
| <b>GRAND TOTAL</b>                    | <b>3.289</b> | <b>5.074</b>           | <b>1.785</b>           | <b>2.098</b>           | <b>(0.313)</b>                |

**1.93 Chart 6: Impact of Universal Credit on Housing Benefit Claims**



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

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

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

- Enforcement income is currently forecast to be below target by around £0.500m, based on the outturn and known position at September, which is no change from the July position. This reflects reduced court caseloads whilst the Authority supported vulnerable residents in difficult times by not adding to debt in the borough. The service will continue to work with our partners to review the impact of the service returning to normal protocols.
- Overpayment income recovery is expecting a pressure of £0.677m against targets due the reduction in Housing Benefit claimants caused by the move to Universal Credit (UC), which is down from £0.691m in the previous Cabinet report. The service is continuing to review and refresh the profile of change that is anticipated as the roll out of UC continues.
- The overpayment income pressure is partially offset (£0.261m, which is an improvement on the reported £0.210m at the last Cabinet report) by an in-year reduction in the Bad Debt Provision requirement, due to the reduction of overpayment income debt.
- The Benefits subsidy grant is expected to show a net saving of £0.027m, which is a slight worsening of the position (£0.076m) since the last report. However, the good performance overall for subsidy is masking a situation regarding lost subsidy for Housing Benefit on Bed and Breakfast accommodation for homeless persons. This area is forecast to have a pressure of £0.147m for the year due to increased demand and also due to the increased cost of Bed and Breakfast accommodation, which is above the limit subsidy can be claimed on and so therefore the Local Authority has to fund the balance. Discussions are ongoing with Housing regarding more sustainable solutions in the future, such as increased General Needs stock being available where possible.

1.9.6 Finance is showing an underspend of (£0.161m) compared to £0.000 at the last report. This is due to the allocation of new burdens funding relating to the administration of Covid 19 business grants.

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

## Law and Governance

- 1.9.8 Law and Governance is now incorporated into the Resources Directorate. The main budget issue in this area relates to Legal Services, with the variance reflecting forecasted cost pressures in Legal Services of £0.830m relating to the employment of locums and staff costs in response to staffing pressures and reduced income for legal fees. This has improved since the July Cabinet report due to additional central funding being allocated to assist the service (£0.234m). The Legal Service has had difficulty in attracting and retaining permanent staff to meet existing vacancies and additional pressures relating to increased demand for their services from other departments, which senior management in the service are actively looking to resolve.
- 1.9.9 Democratic and Electoral Services are forecasting a pressure of £0.079m due to the cost of the staffing of the 2022 Local Elections and By-Elections and also the expected cost of the canvas in the Autumn.
- 1.9.10 In addition, there is an expected £0.215m pressure to deliver North Tyneside Coroner Services, an increase of £0.090m, due to increased forecast costs from all areas of the service (NHS, Partner Local Authority, Funeral Directors, Doctors) arising from increased activity levels. Other areas within Law and Governance are forecast to mitigate these pressures. There are net savings forecast that can be attributed to an expected overachievement on Information Governance work carried out on behalf of schools under the SLA. In addition, vacant post savings result in a net £0.113m underspend.

### **1.10 General Fund Housing**

- 1.10.1 General Fund Housing is reporting a forecast £0.350m pressure which is an increase of £0.145m since the last Cabinet report in July. This change reflects ongoing increased cost pressures of materials and subcontractors of £0.500m, less 2022/23 grant funding of (£0.150m). The Repairs and Maintenance pressure is a continuation of the pressure previously identified in 2021/22 due to the impact of higher costs of raw materials required to carry out repairs on the Authority's properties. There has also been a number of one-off high costs repairs which have completed in the period.

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

| <b>Service Areas</b> | <b>Budget</b> | <b>Forecast Sept</b> | <b>Variance Sept</b> | <b>Variance July</b> | <b>Change since July</b> |
|----------------------|---------------|----------------------|----------------------|----------------------|--------------------------|
|                      | <b>£m</b>     | <b>£m</b>            | <b>£m</b>            | <b>£m</b>            | <b>£m</b>                |
| GF Housing           | 1.789         | 2.139                | 0.350                | 0.205                | 0.145                    |
| Building Control     | (0.429)       | (0.429)              | 0.000                | 0.000                | 0.000                    |
| <b>GRAND TOTAL</b>   | <b>1.360</b>  | <b>1.710</b>         | <b>0.350</b>         | <b>0.205</b>         | <b>0.145</b>             |

### **1.11 Central Items**

- 1.11.1 Central Items is forecasted to be in surplus by (£12.984m) which is an improvement of (£5.243m) since the July Cabinet report. The improvement relates

to two items; a part year reversal of the National Insurance increase (£0.316m) and the inclusion of (£4.927m) relating to Minimum Revenue Provision (MRP) savings following the review by Link Treasury Services Limited. The MRP savings from 2022/23 were allocated to a new MRP reserve but with the adverse position forecast in 2022/23 it is likely these savings will be needed to support the outturn position and is therefore available, if required.

#### 1.11.2 Table 13: Forecast Variation Central Budgets and Contingencies

| <b>Service Areas</b>        | <b>Budget</b> | <b>Forecast Sept</b> | <b>Variance Sept</b> | <b>Variance July</b> | <b>Change since July</b> |
|-----------------------------|---------------|----------------------|----------------------|----------------------|--------------------------|
|                             | <b>£m</b>     | <b>£m</b>            | <b>£m</b>            | <b>£m</b>            | <b>£m</b>                |
| Corporate & Democratic Core | 2.925         | 2.906                | (0.019)              | (0.019)              | 0.000                    |
| Other Central Items         | 0.731         | (12.234)             | (12.965)             | (7.722)              | (5.243)                  |
| <b>GRAND TOTAL</b>          | <b>3.656</b>  | <b>(9.328)</b>       | <b>(12.984)</b>      | <b>(7.741)</b>       | <b>(5.243)</b>           |

## **SECTION 2 - SCHOOLS FINANCE**

### **Update on School Budgets**

- 2.1 Finance are working with schools to produce an update on school finances on the position reported previously to cabinet. A report of this update will be presented to Cabinet in the next finance report. Table 14 below shows the current movement in budget and actual from 2021/22 to 2022/23.

**Table 14: Schools three-year budget plan summary by phase**

| <b>Phase</b>  | <b>Budget Plan<br/>2021/22<br/>£m</b> | <b>Outturn<br/>2021/22<br/>£m</b> | <b>Budget Plan<br/>2022/23<br/>£m</b> | <b>Budget<br/>Movement<br/>£m</b> |
|---------------|---------------------------------------|-----------------------------------|---------------------------------------|-----------------------------------|
| Nursery       | 0.082                                 | 0.086                             | 0.004                                 | (0.078)                           |
| First         | 0.832                                 | 1.410                             | 0.814                                 | (0.018)                           |
| Primary       | 3.061                                 | 5.816                             | 4.139                                 | 1.077                             |
| Middle        | 0.414                                 | 1.408                             | 0.716                                 | 0.303                             |
| Secondary     | (9.808)                               | (5.943)                           | (9.907)                               | (0.099)                           |
| Special / PRU | (0.574)                               | 0.621                             | (1.299)                               | (0.725)                           |
| <b>Total</b>  | <b>(5.993)</b>                        | <b>3.398</b>                      | <b>(5.532)</b>                        | <b>0.461</b>                      |

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

- 2.2 The method for allocating funding to schools is still set by a Local Funding Formula (LFF), though DfE are considering making their National Funding Formula (NFF) mandatory in the future. For 2022/23, North Tyneside have agreed with Schools Forum to adopt the NFF factors in their LFF.
- 2.3 For 2023/24 the Authority will ask Schools Forum to consider modelling a potential option to transfer the maximum funding from Schools Block to High Needs. Guidance states that a local authority can transfer up to 0.5% with agreement from the local Schools Forum. This would amount to approximately £0.730m on indicative grant values. If the Schools Forum do not agree to the transfer, the local authority can ask the Secretary of State to approve the transfer, although this is usually only agreed by exception.
- 2.4 Modelling scenarios will be presented to schools during October/November. The preferred model will then be confirmed with Schools Forum in November then taken to Cabinet for final agreement as part of the Authority's budget setting process.

### **School Deficits**

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

2.6 There were six schools identified with planned deficits in 2021/22, including two classed as structural deficits, which were supported with a total approved deficit value of £13.799m. Schools Forum and senior officers worked closely and collaboratively with these schools during the year, with all schools improving their closing position against their budgeted deficit and contributing to an improved outturn of £11.832m, a movement of £1.967m. The progress of individual schools is outlined in Table 15 below:

2.7 **Table 15: Schools in an expected deficit position 2022/23**

| <b>Deficit School Positions 2021/22</b> | <b>Outturn 2021/22<br/>£m</b> | <b>Budget Plan 2022/23<br/>£m</b> | <b>Movement<br/>£m</b> | <b>Comments</b>    |
|---|-------------------------------|-----------------------------------|------------------------|--------------------|
| Coquet Park                             | 0.036                         | (0.020)                           | (0.056)                | New Deficit        |
| Holystone                               | 0.015                         | (0.069)                           | (0.085)                | New Deficit        |
| Balliol Primary                         | 0.012                         | (0.025)                           | (0.037)                | New Deficit        |
| Wallsend St Peter's                     | 0.093                         | (0.107)                           | (0.200)                | New Deficit        |
| Monkseaton High                         | (5.328)                       | (5.799)                           | (0.471)                | Structural Deficit |
| Ivy Road Primary                        | (0.139)                       | (0.162)                           | (0.023)                | Existing Deficit   |
| Longbenton High                         | (2.095)                       | (1.863)                           | 0.231                  | Existing Deficit   |
| Norham High                             | (3.684)                       | (4.130)                           | (0.446)                | Existing Deficit   |
| Beacon Hill                             | (0.521)                       | (1.794)                           | (1.274)                | Existing Deficit   |
| <b>Total</b>                            | <b>(11.611)</b>               | <b>(13.971)</b>                   | <b>(2.360)</b>         |                    |

2.8 Nine schools are expected to request deficit approval in 2022/23.

2.9 The Education and Skills Funding Agency (ESFA) have offered support to schools in the form of School Resource Management Advisors (SRMAs). For the four schools new to deficit, along with Beaconhill and Monkseaton High School, the SRMAs will work through the schools' finances and management structure to then provide a report to these schools and the Authority in the autumn term. Initial deficit challenge sessions for these schools have taken place throughout October.

### **Falling Rolls**

2.10 Following an initial assessment there were four schools identified as being eligible for falling roll funding with a total value of £0.113m. The details of these schools and the funding identified for each school is included in Table 16. The total falling roll funding available for distribution is £0.300m (£0.050m carried forward and £0.250m in year allocation). As in previous years, a proportion of the surplus funding will be transferred back to academies, the current estimate is that this will be around £0.030m. If approved, this will leave a balance of £0.157m of which £0.107m will be transferred to the headroom fund, leaving a closing balance of £0.050m.



## 2.11 Table 16: Breakdown of Falling Rolls Eligibility

| School                     | Value<br>£m  |
|----------------------------|--------------|
| Monkseaton Middle          | 0.044        |
| St Bernadette's RC Primary | 0.025        |
| Star of the Sea RC Primary | 0.027        |
| Percy Main Primary         | 0.017        |
| <b>Total</b>               | <b>0.113</b> |

### Schools in Financial Difficulty (Headroom Funding)

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

### Growth Policy 2022/23

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

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

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

| Growth Funding | Value<br>£m  | Eligibility                                 |
|----------------|--------------|---|
| Wellfield      | 0.057        | Subject to response to request for evidence |
| Norham         | 0.058        | Subject to response to request for evidence |
| Burnside       | 0.072        | Subject to response to request for evidence |
| North Gosforth | 0.064        | Subject to response to request for evidence |
| Backworth      | 0.060        | Growing School Criteria                     |
| <b>Total</b>   | <b>0.311</b> |   |

## High Needs Block

2.16 Cabinet will recall from the previous finance report that the High Needs block of the Dedicated Schools Grant (DSG) was anticipating an in-year pressure of £3.413m in July, which would have raised the cumulative pressure on the block to £16.924m.

2.17 The forecast for the High Needs Block as at September 2022 is now an anticipated in-year pressure of £5.111m reflecting a further rise in demand for special school places within the Authority. A breakdown of the in-year pressure is shown in Table 18.

### 2.18 Table 18: Breakdown of High Needs Pressures at September 2022

| Provision                             | Budget<br>£m  | Forecast<br>Variance<br>September<br>£m | Comment   |
|---------------------------------------|---------------|---|---|
| Special schools and PRU               | 16.715        | 2.884                                   | Pressure on places for children with profound, Multiple Learning Difficulties, Social Emotional and Mental Health problems and Autism Spectrum Disorder |
| Additional Resource Provision/Top ups | 4.705         | 0.927                                   | Pressures in mainstream pre 16 top-ups  |
| Out of Borough                        | 3.316         | 1.255                                   | Increased number of children placed outside North Tyneside Schools  |
| Commissioned services                 | 3.974         | 0.045                                   |   |
| Unallocated budget                    | 1.073         | 0.000                                   | High Needs additional funding to be allocated   |
| <b>Subtotal</b>                       | <b>29.783</b> | <b>5.111</b>                            |   |
| 2021/22 Balance                       | 0.000         | 13.511                                  |   |
| <b>Total</b>                          | <b>29.783</b> | <b>18.622</b>                           |   |

## Dedicated School Grant (DSG) Management Plan

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

2.20 The Authority is undertaking engagement with partners across SEND to co-create the Dedicated School Grant Management Plan. An initial draft has been submitted to the DfE and together, with them, we will continue to refine before a final submission is made on 3 February 2023. The Secretary of State for Education will inform the Authority in March 2023 if we have been successful to enter onto the programme.

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

### **Forecast Outturn**

- 3.1 The forecast set out in Table 19 below is based on the results to September 2022. Currently the Housing Revenue Account (HRA) is forecasting an underspend of £0.090m. Throughout the year, costs will be monitored closely across all areas with additional focus on Rent Arrears and the effect this has on the bad debt provision. In addition, changes to prudent assumptions around Rental Income, Council Tax voids, Contingency and staffing vacancies will be monitored which could lead to improvements in the forecast position. The main area of pressure is in the Repairs budget where the impact of inflationary increases, higher than anticipated pay awards, increasing difficulty in recruiting certain trades and an increased reliance on sub-contractors allied to supply chain issues in accessing key materials are driving the pressure.

**3.1.1 Table 19: Forecast Variance Housing Revenue Account**

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

### **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 (£0.188m). 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 (£0.008m). However, some pressures being faced are contained within existing budgets, notably in relation to costs of energy and the pay award for 2022/23 which with a flat rate increase currently waiting to be confirmed will cost considerably more than the 2% that was budgeted for. There may still be some improvement in this position depending on levels of staff turnover, and recruitment attached to the Unified Systems project including backfilling internally seconded staff.

### **3.4 Bad Debt Provision and Contingency**

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

### **3.5 Repairs**

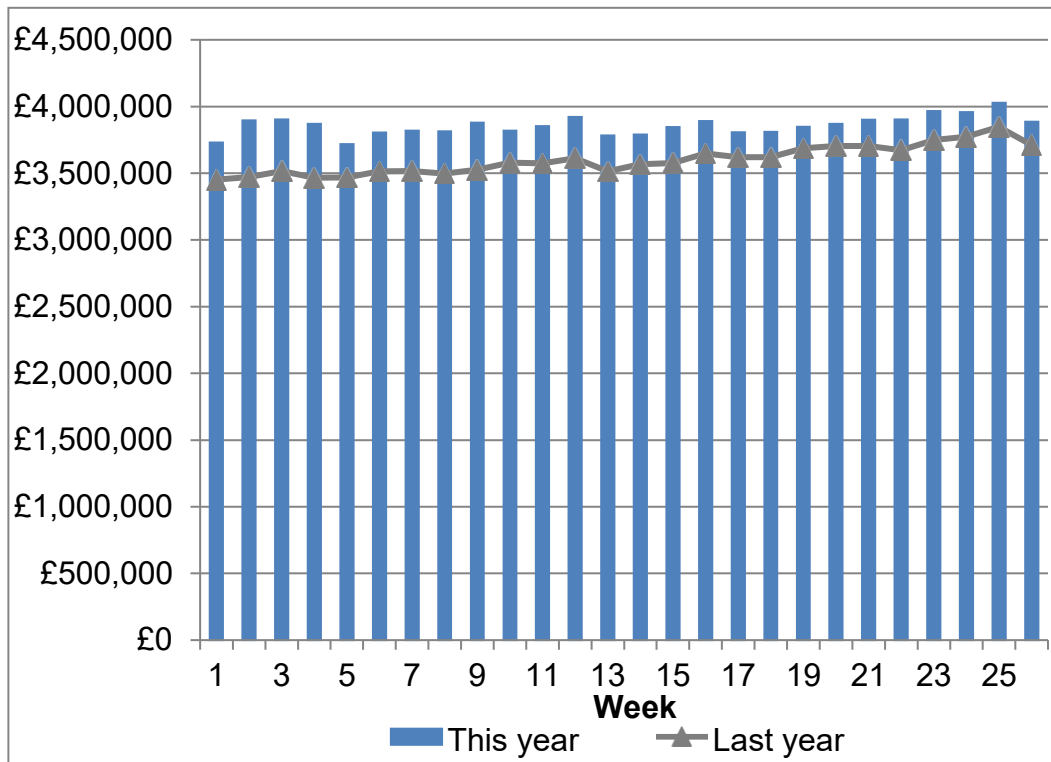
The Housing Repairs budget is starting to feel the pressure from a number of sources, mainly caused by the current economic turbulence being experienced across the world. The current rates of inflation in material and sub-contractor prices, plus difficulty even accessing certain materials and services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

### **3.6 Rent Arrears**

Current Rent Arrears have continued to rise gradually in the first six months of 2022/23 as compared to 2021/22, with an increase of £0.219m being seen in this period since the start of April 2022. Chart 7 below shows the value of current rent arrears in 2022/23 compared to the same period in 2021/22. A team is working proactively with tenants to minimise arrears, and this is being closely monitored as the year progresses to identify any adverse impacts on the budget position. Last year saw a significant under-spend against the bad debt provision for the second year in a row, which has led to a reduction in the budgeted provision made for 2022/23, so the position will need to be monitored closely to maintain confidence that the overall forecast increase in arrears can be contained within the budgeted

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

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



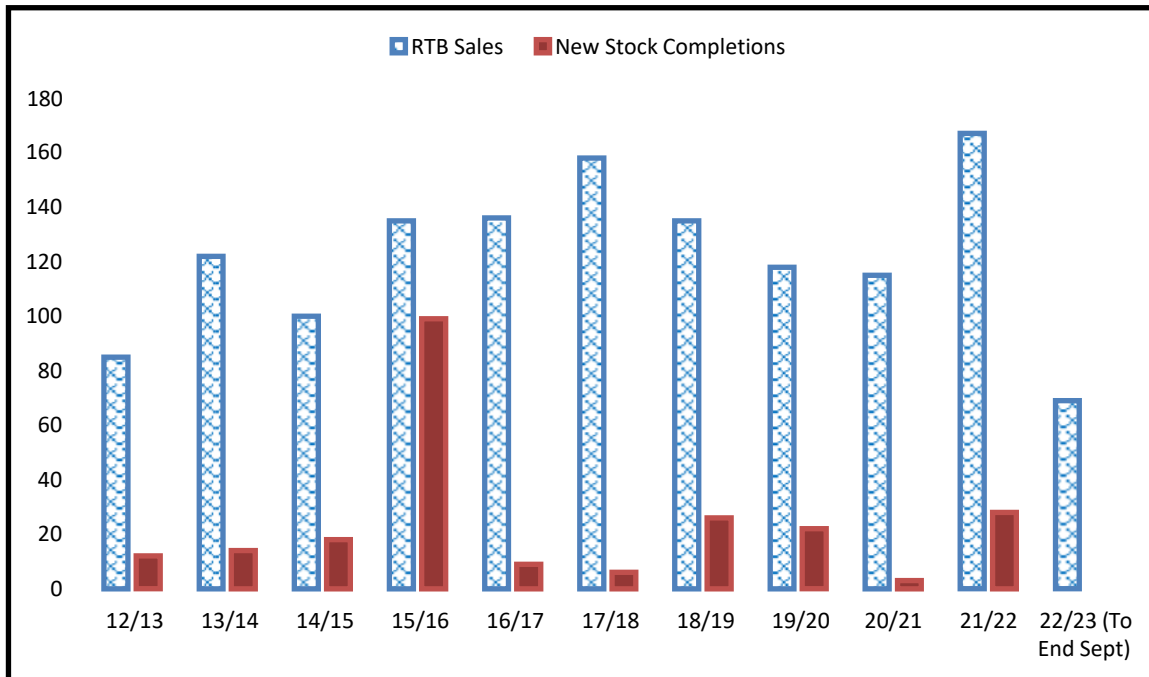
3.7 UC was fully implemented across North Tyneside on 2 May 2018. The Authority continues to work with residents to provide ICT support to help them make applications and to provide personal budget support to help residents manage their household finances. As of early June 2022, there were 3,915 tenants of North Tyneside Homes on UC, with arrears totalling £2.934m. At the end of September 2022 there were 3,999 tenants on UC (an increase of 287 tenants) with related arrears of £3.171m (an increase of £0.237m). For wider comparison, as at the beginning of 2021/22, there were 3,297 tenants on UC with arrears of £2.680m, which increased during the 2021/22 financial year to 3,712, an increase of 415 tenants with an increase in arrears of £0.254m.

### Right to Buy (RTB) Trends

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

and then subsequently annual inflation was added to the maximum. Chart 8 below shows the trend in RTB sales since that time. The first six months of 2022/23 saw 69 completed RTB sales, which continues the increased trend in 2021/22 where the Authority saw the highest number of RTB sales at 167 since the changes were introduced in 2012. These trends will need again to be closely monitored as they may impact not only on in-year forecasts, but significantly on future refreshes of the HRA 30-year Business Plan.

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



## **SECTION 4 - INVESTMENT PLAN**

### **Review of Investment Plan**

- 4.1 The Authority's Investment Plan represents the capital investment in projects across all Service areas. Officers will continue to 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 £1.972m to the 2022-2027 Investment Plan have been identified and are included in tables 20 and 21 below. Further details are provided in paragraph 4.4 and 4.5.

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

|  | <b>2022/23<br/>£m</b> | <b>2023/24<br/>£m</b> | <b>2024/25<br/>£m</b> | <b>2025/26<br/>£m</b> | <b>2026/27<br/>£m</b> | <b>Total<br/>£m</b> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|
| <b>Approved Investment Plan –<br/>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<br/>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   | 2.544                 | 2.101                 | 0.000                 | 0.000                 | 0.000                 | 0.365               |
| <b>Approved 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>      |
| <b>September 22 Monitoring<br/>Variations</b>                  |                       |                       |                       |                       |                       |                     |
| Reprogramming  | 0.347<br>(13.283)     | 1.435<br>12.046       | 0.090<br>1.031        | 0.100<br>0.206        | 0.000<br>0.000        | 1.972<br>0.000      |
| <b>Total Variations</b>  | <b>(12.936)</b>       | <b>13.481</b>         | <b>1.121</b>          | <b>0.306</b>          | <b>0.000</b>          | <b>1.972</b>        |
| <b>Revised Investment Plan</b>                                 | <b>103.523</b>        | <b>76.008</b>         | <b>52.021</b>         | <b>48.119</b>         | <b>51.610</b>         | <b>331.281</b>      |



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

- (a) **NEW The Parks Sports Centre £0.350m** – Transfer of £0.350m from contingencies to support investment in the provision of additional fencing and CCTV
- (b) **DV082 Wallsend Town and High Street Programme £0.130m** - Additional planned investment following the award of £1.490m of funding as part of the North of Tyne Combined Authority Town and High Street Innovation Programme, funding public realm, building, cycling, and walking infrastructure improvements.
- (c) **CO091 Neighbourhood Parks £0.065m** – Investment relating to the use of S106 contributions to fund improvements at the Rising Sun Country Park, Benton Quarry, and Wallsend Parks.
- (d) **IT020 ICT Strategy S31 Security Grant £0.150m** – Additional resources have been included within the Investment Plan following receipt of external funding relating to cyber security improvements.

4.5 The proposed reprogramming includes the following:

- (a) **EV094 Transforming Cities Fund North Shields Transport Hub (£8.936m)** – This reflects the latest delivery programme provided by the contractor relating primarily to the Embankment Walkway element of the scheme.
- (b) **EV100 Active Travel 3 – Permanent Seafront Scheme (£3.231m)** – Resources have been reprofiled to future years because of additional cost pressures, which have resulted in the need to reconsider the scheme scope and liaise with funders to identify additional external funding opportunities.
- (c) **HS051 Private Sector Empty Homes (£0.616m)** – Re-profiling of resources to 23/24 reflecting the delivery plans for the scheme and progress made in identifying and converting suitable properties.
- (d) **ED075 Devolved Formula Capital (£0.500m)** – Decision making regarding the use of these resources rest with Schools and their Governing Bodies, however it is proposed to re-profile resources to 23/24 following a review of the existing spend and plans for the remainder of the financial year.

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

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

|                                   | 2022/23<br>£m   | 2023/24<br>£m | 2024/25<br>£m | 2025/26<br>£m | 2026/27<br>£m | Total<br>£m    |
|-----------------------------------|-----------------|---------------|---------------|---------------|---------------|----------------|
| <b>Approved Investment Plan</b>   | <b>116.459</b>  | <b>62.527</b> | <b>50.900</b> | <b>47.813</b> | <b>51.358</b> | <b>329.309</b> |
| Council Contribution              | (0.992)         | (0.245)       | 1.031         | 0.206         | 0.000         | 0.000          |
| Grants and Contributions          | (11.944)        | 13.726        | 0.090         | 0.100         | 0.000         | 1.972          |
| HRA Capital Receipts              | 0.000           | 0.000         | 0.000         | 0.000         | 0.000         | 0.000          |
| HRA Grants                        | 0.000           | 0.000         | 0.000         | 0.000         | 0.000         | 0.000          |
| HRA Major Repairs Reserve         | 0.000           | 0.000         | 0.000         | 0.000         | 0.000         | 0.000          |
| <b>Total Financing Variations</b> | <b>(12.936)</b> | <b>13.481</b> | <b>1.121</b>  | <b>0.306</b>  | <b>0.000</b>  | <b>1.972</b>   |
| <b>Revised Investment Plan</b>    | <b>103.523</b>  | <b>76.008</b> | <b>52.021</b> | <b>48.119</b> | <b>51.610</b> | <b>331.281</b> |

## Capital Receipts – General Fund

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

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

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

## Capital receipts – Housing Revenue Account

4.8 Housing Capital Receipts brought forward at 1 April 2022 were £10.094m. The housing receipts are committed against projects included in the 2022-2027 Investment Plan. The approved Capital Receipt requirement for 2022/23 was £2.104m. To date, receipts of £3.747m 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 £11.737m to be carried forward to fund future years.

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

|   | 2022/23<br>£m   | 2023/24<br>£m   | 2024/25<br>£m  | 2025/26<br>£m  | 2026/27<br>£m  |
|---|-----------------|-----------------|----------------|----------------|----------------|
| Requirement reported to February 2022 Council   | 2.104           | 1.584           | 1.700          | 1.851          | 1.956          |
| Variations to be reported to November 22 Cabinet  | 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)        | (11.737)        | (10.153)       | (8.453)        | (6.602)        |
| Receipts Received 2022/23   | (3.747)         | 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>(11.737)</b> | <b>(10.153)</b> | <b>(8.453)</b> | <b>(6.602)</b> | <b>(4.646)</b> |

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

#### **Investment Plan Monitoring Position to 30 September 2022**

4.9 Actual expenditure for 2022/23 in the General Ledger was £26.751m; 25.84% of the total revised Investment Plan at 30 September 2022.

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

|              | <b>2022/23<br/>Revised<br/>Investment<br/>Plan<br/>£m</b> | <b>Actual Spend<br/>to 30 Sept<br/>2022<br/>£m</b> | <b>Spend as<br/>% of revised<br/>Investment<br/>Plan<br/>%</b> |
|--------------|---|--|--|
| General Fund | 73.010  | 17.020   | 23.3%  |
| Housing      | 30.513  | 9.731  | 31.9%  |
| <b>TOTAL</b> | <b>103.523</b>  | <b>26.751</b>                                      | <b>25.84%</b>  |

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

### **Current Cash Position**

5.1 The Authority's current available cash balance as at the end of September 2022 is £33.803m, with £20.000m invested externally with other UK Local Authorities or institutions. All investments are made in line with the approved Treasury Management Strategy.

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

| <b>Counterparty</b> | <b>Type</b> | <b>Amount (£m)</b> | <b>Maturity</b> |
|---------------------|-------------|--------------------|-----------------|
| DMO                 | Term        | 20.750             | 1 October 2022  |
| Barclays            | Call        | 1.253              | n/a             |
| Lloyds Bank         | Call        | 5.000              | n/a             |
| Fixed Deposits      | Fixed       | 6.800              | January 2023    |

*\*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. Since 23 September, it is now expected that the MPC will increase interest rates further and faster, from 2.25% currently to a peak of 5.00% in February 2023. The increase in November 2022 is expected to take base rate to 3.25% and 4.00% by December 2022.
- 5.3 The impact of raising base rate had an immediate impact to the cost of borrowing. Table 26 below demonstrates the increase in rates both in the temporary space and longer-term PWLB rates.
- 5.4 The Authority is currently monitoring interest rates, and whether the Authority should look to lock in rates as part of managing risk. This process considers the Authority's underlying need to borrow, Investment Plan priorities and commitments as well as the profile of existing loan arrangements.
- 5.5 Investment rates have also seen an increase in line with the increases in base rate, delivering better returns on investments.

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

| <b>Temporary Market</b> |              | <b>PWLB</b>  |              |
|-------------------------|--------------|--------------|--------------|
| <b>Tenor</b>            | <b>Level</b> | <b>Tenor</b> | <b>Level</b> |
| 1 week                  | 2.00%        | 2 years      | 2.76%        |
| 1 month                 | 2.50%        | 5 years      | 2.69%        |
| 3 months                | 3.00%        | 10 years     | 3.00%        |
| 6 months                | 3.50%        | 20 years     | 3.58%        |
| 9 months                | 3.75%        | 30 years     | 3.52%        |
| 12 months               | 4.00%        | 50 years     | 3.37%        |

*\*Please note these levels are from 21/10/2022*

*PWLB rates do not include certainty rate reductions,*

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

## Borrowing Position

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

### 5.7.1 Table 27: Current Debt Position

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

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

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

5.10 Table 28 below shows the latest interest rate forecasts as provided by the Authority's treasury advisors Link. Rates are forecast to continue to rise over the next 2 years, forecasting to peak at 4.90% for 50 year borrowing in June 2023 before tracking back to lower levels.

### 5.9.1 Table 28: Link Interest Rate Forecasts

| Interest Rate Forecasts |        |        |        |        |        |        |        |        |
|-------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Bank Rate               | Dec-22 | Mar-23 | Jun-23 | Sep-23 | Dec-23 | Mar-24 | Jun-24 | Sep-24 |
| Link                    | 4.00%  | 5.00%  | 5.00%  | 5.00%  | 4.50%  | 4.00%  | 3.75%  | 3.25%  |
| Cap Econ                | 4.25%  | 5.00%  | 5.00%  | 5.00%  | 5.00%  | 4.75%  | 4.25%  | 3.75%  |
| <b>5Y PWLB RATE</b>     |        |        |        |        |        |        |        |        |
| Link                    | 5.00%  | 4.90%  | 4.70%  | 4.50%  | 4.20%  | 3.90%  | 3.70%  | 3.50%  |
| Cap Econ                | 5.20%  | 5.00%  | 4.90%  | 4.70%  | 4.50%  | 4.30%  | 4.20%  | 4.00%  |
| <b>10Y PWLB RATE</b>    |        |        |        |        |        |        |        |        |
| Link                    | 4.90%  | 4.70%  | 4.60%  | 4.30%  | 4.10%  | 3.80%  | 3.60%  | 3.50%  |
| Cap Econ                | 5.10%  | 4.90%  | 4.80%  | 4.70%  | 4.60%  | 4.40%  | 4.20%  | 4.00%  |
| <b>25Y PWLB RATE</b>    |        |        |        |        |        |        |        |        |
| Link                    | 5.10%  | 4.90%  | 4.80%  | 4.50%  | 4.30%  | 4.10%  | 3.90%  | 3.70%  |
| Cap Econ                | 5.10%  | 5.00%  | 4.90%  | 4.90%  | 4.80%  | 4.60%  | 4.50%  | 4.30%  |
| <b>50Y PWLB RATE</b>    |        |        |        |        |        |        |        |        |
| Link                    | 4.80%  | 4.60%  | 4.50%  | 4.20%  | 4.00%  | 3.80%  | 3.60%  | 3.40%  |
| Cap Econ                | 4.90%  | 4.90%  | 4.90%  | 4.80%  | 4.80%  | 4.60%  | 4.50%  | 4.30%  |

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

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

- 6.1 The budgeted Council Tax debit for 2022/2023 is £124.729m, of which the retained share for the Authority is £109.720m. For Business Rates (NNDR) the opening net debit for 2022/2023 is £46.559m, following adjustment for the previous year's deficit position on NNDR, the budget retained share for the Authority for 2022/23 is £22.814m. Business Rates income is supplemented by a top up grant from Government of £20.505m, providing an anticipated combined budgeted income from Business Rates to the Authority of £43.319m. Tables below set out the in-year collection performance against the Council Tax and Business Rates net debit.
- 6.2 As at 30 September 2022, the actual current year Council Tax net liability has increased to £126.530m. The Authority has collected £67.191m (53.1%) compared to £63.670m (52.7%) at the same point in 2021/22. Further details are shown in table 29 below.
- 6.3 Collection is slightly ahead of 2021/22 but behind against the percentage collected pre-pandemic in 2019/20 at the same point. All working age Council Tax Support claimants received additional support of up to £150.00 again this year to help pay their Council Tax and this meant around 57% had no liability for 2022/23 to pay. This reduced the liability to collect by around £1.462m. A significant number of households are paying over 12 monthly instalments rather than 10 as households feel the challenge of meeting household bills and there are now 35,136 households (34.9%) paying over 12 months. Long-term rate of collection is expected to be maintained at the budgeted level of 98.5%.

#### **6.3.1 Table 29: Council Tax Collection as at 30 September**

|                        | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Dwellings administered | 95,874  | 96,428  | 97,123  | 98,199  | 99,315  | 99,795  | 100,245 | 100,784 |
| In year collection £m  | 44.477  | 49.574  | 52.751  | 55.923  | 59.009  | 60.867  | 63.670  | 67.191  |
| In year %              | 52.39   | 55.19   | 54.7    | 53.8    | 53.4    | 52.6    | 52.7    | 53.1    |
| Target %               | 53.19   | 52.39   | 55.0    | 55.0    | 55.0    | 55.0    | 55.0    | 55.0    |

- 6.4 In relation to Business rates, as at 30 September 2022, the Authority had collected £34.270m (57.2%) of the current net liability compared to £24.761m (47.0%) at the same point in 2021/22. Further details are shown in table 30 below.

#### 6.4.1 Table 30: Business Rates Collection as at 30 September

|                         | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|-------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Properties administered | 5,464   | 5,564   | 5,618   | 6,031   | 6,046   | 6,190   | 6,218   | 6,236   |
| In year collection £m   | 35.783  | 35.770  | 35.564  | 34.780  | 34.828  | 16.908  | 24.761  | 34.270  |
| In year %               | 59.1    | 57.0    | 58.7    | 57.4    | 57.6    | 53.0    | 47.0    | 57.2    |
| Target %                | 57.7    | 59.1    | 56.5    | 56.5    | 56.5    | 56.5    | 56.5    | 56.5    |

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| Fu<br>nd            | Proj<br>ect | Financing Type   | Year            |                 |                 |                 |                 | Total<br>£000 |
|---------------------|-------------|--|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
|                     |             |  | 2022/23<br>£000 | 2023/24<br>£000 | 2024/25<br>£000 | 2025/26<br>£000 | 2026/27<br>£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           |
|                     |             | <b>BS026 Asset Planned Maintenance Total</b>                               | <b>2,793</b>    | <b>1,900</b>    | <b>2,000</b>    | <b>2,000</b>    | <b>2,000</b>    | <b>10,693</b> |
|                     |             | BS029 Wallsend Customer First Centre                                       |                 |                 |                 |                 |                 |               |
|                     |             | Council Contribution   | 19              | 0               | 0               | 0               | 0               | 19            |
|                     |             | North of Tyne Combined Authority   | 250             | 0               | 0               | 0               | 0               | 250           |
|                     |             | <b>BS029 Wallsend Customer First Centre Total</b>                          | <b>269</b>      | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>269</b>    |
|                     |             | BS030 Public Sector Decarbonisation Scheme                                 |                 |                 |                 |                 |                 |               |
|                     |             | Council Contribution   | 317             | 0               | 0               | 0               | 0               | 317           |
|                     |             | Low Carbon Skills Grant  | 444             | 0               | 0               | 0               | 0               | 444           |
|                     |             | <b>BS030 Public Sector Decarbonisation Scheme Total</b>                    | <b>761</b>      | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>761</b>    |
|                     |             | BS031 Childrens Home Capital Programme                                     |                 |                 |                 |                 |                 |               |
|                     |             | Dept for Education - Childrens Home Capital Fund                           | 201             | 0               | 0               | 0               | 0               | 201           |
|                     |             | <b>BS031 Childrens Home Capital Programme Total</b>                        | <b>201</b>      | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>201</b>    |
|                     |             | BS032 Spirit of NT Commemoration Project                                   |                 |                 |                 |                 |                 |               |
|                     |             | Council Contribution   | 175             | 0               | 0               | 0               | 0               | 175           |
|                     |             | Section 106  | 25              | 0               | 0               | 0               | 0               | 25            |
|                     |             | <b>BS032 Spirit of NT Commemoration Project Total</b>                      | <b>200</b>      | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>200</b>    |
|                     |             | BS033 Changing Places Facilities   |                 |                 |                 |                 |                 |               |
|                     |             | Changing Places Grant MHCLG  | 100             | 0               | 0               | 0               | 0               | 100           |
|                     |             | <b>BS033 Changing Places Facilities Total</b>                              | <b>100</b>      | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>100</b>    |
|                     |             | BS034 Parks Sports Centre - Security Measures                              |                 |                 |                 |                 |                 |               |
|                     |             | Council Contribution   | 350             | 0               | 0               | 0               | 0               | 350           |
|                     |             | <b>BS034 Parks Sports Centre - Security Measures Total</b>                 | <b>350</b>      | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>350</b>    |
|                     |             | CO079 Playsites  |                 |                 |                 |                 |                 |               |
|                     |             | Section 106  | 49              | 0               | 0               | 0               | 0               | 49            |
|                     |             | <b>CO079 Playsites Total</b>   | <b>49</b>       | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>49</b>     |
|                     |             | CO080 Burradon Recreation Ground   |                 |                 |                 |                 |                 |               |
|                     |             | Section 106  | 6               | 0               | 0               | 0               | 0               | 6             |
|                     |             | <b>CO080 Burradon Recreation Ground Total</b>                              | <b>6</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>6</b>      |
|                     |             | CO081 Gosforth Nature Reserve Grey Squirrel Control and Enhancements       |                 |                 |                 |                 |                 |               |
|                     |             | Section 106  | 2               | 0               | 0               | 0               | 0               | 2             |
|                     |             | <b>CO081 Gosforth Nature Reserve Grey Squirrel Control and Enhancement</b> | <b>2</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>2</b>      |
|                     |             | CO082 Sport and Leisure Facility Improvements                              |                 |                 |                 |                 |                 |               |
|                     |             | Contribution from Reserves (Leisure)                                       | 18              | 0               | 0               | 0               | 0               | 18            |
|                     |             | <b>CO082 Sport and Leisure Facility Improvements Total</b>                 | <b>18</b>       | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>18</b>     |
|                     |             | CO083 Whitley Bay Crematoria   |                 |                 |                 |                 |                 |               |
|                     |             | Council Contribution   | 613             | 0               | 0               | 0               | 0               | 613           |
|                     |             | <b>CO083 Whitley Bay Crematoria Total</b>                                  | <b>613</b>      | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>613</b>    |
|                     |             | CO085 Northumberland Park Labyrinth  |                 |                 |                 |                 |                 |               |
|                     |             | Section 106  | 5               | 0               | 0               | 0               | 0               | 5             |
|                     |             | <b>CO085 Northumberland Park Labyrinth Total</b>                           | <b>5</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>5</b>      |
|                     |             | CO086 North West Library Improvements                                      |                 |                 |                 |                 |                 |               |
|                     |             | Section 106  | 129             | 0               | 0               | 0               | 0               | 129           |
|                     |             | <b>CO086 North West Library Improvements Total</b>                         | <b>129</b>      | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>129</b>    |
|                     |             | CO087 Contours Gym Improvements  |                 |                 |                 |                 |                 |               |
|                     |             | Section 106  | 84              | 0               | 0               | 0               | 0               | 84            |
|                     |             | Contribution from Reserves (Leisure)                                       | 93              | 0               | 0               | 0               | 0               | 93            |
|                     |             | <b>CO087 Contours Gym Improvements Total</b>                               | <b>177</b>      | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>177</b>    |
|                     |             | CO088 Gateways to the Boroughs   |                 |                 |                 |                 |                 |               |
|                     |             | Council Contribution   | 100             | 0               | 0               | 0               | 0               | 100           |
|                     |             | <b>CO088 Gateways to the Boroughs Total</b>                                | <b>100</b>      | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>100</b>    |
|                     |             | CO089 S106 Raleigh Drive Allotment Extension                               |                 |                 |                 |                 |                 |               |
|                     |             | Section 106  | 30              | 0               | 0               | 0               | 0               | 30            |
|                     |             | <b>CO089 S106 Raleigh Drive Allotment Extension Total</b>                  | <b>30</b>       | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>30</b>     |
|                     |             | CO090 Wallsend Park Machinery  |                 |                 |                 |                 |                 |               |
|                     |             | Contribution From Reserves (HLF acc 128)                                   | 95              | 0               | 0               | 0               | 0               | 95            |
|                     |             | <b>CO090 Wallsend Park Machinery Total</b>                                 | <b>95</b>       | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>95</b>     |

| Fund                | Project | Financing Type   | 2022/23<br>£000 | 2023/24<br>£000 | 2024/25<br>£000 | 2025/26<br>£000 | 2026/27<br>£000 | Total<br>£000 |
|---------------------|---------|--|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| <b>General Fund</b> |         |  |                 |                 |                 |                 |                 |               |
|                     | CO091   | Neighbourhood Parks  |                 |                 |                 |                 |                 |               |
|                     |         | Section 106  | 65              | 75              | 90              | 100             | 0               | 330           |
|                     |         | <b>CO091 Neighbourhood Parks Total</b>                                   | <b>65</b>       | <b>75</b>       | <b>90</b>       | <b>100</b>      | <b>0</b>        | <b>330</b>    |
|                     | 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           |
|                     |         | <b>DV064 Council Property Investment Total</b>                           | <b>897</b>      | <b>300</b>      | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>1,197</b>  |
|                     | 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         |
|                     |         | <b>DV066 Investment in North Tyneside Trading Co Total</b>               | <b>2,480</b>    | <b>1,459</b>    | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>3,939</b>  |
|                     | 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           |
|                     |         | <b>DV067 Northern Promenade Total</b>                                    | <b>393</b>      | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>393</b>    |
|                     | DV071   | Section 106 Contributions to Set Up Health Facilities                    |                 |                 |                 |                 |                 |               |
|                     |         | Section 106  | 249             | 0               | 0               | 0               | 0               | 249           |
|                     |         | <b>DV071 Section 106 Contributions to Set Up Health Facilities Total</b> | <b>249</b>      | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>249</b>    |
|                     | 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         |
|                     |         | <b>DV073 Ambition for North Tyneside Total</b>                           | <b>1,147</b>    | <b>1,669</b>    | <b>2,000</b>    | <b>0</b>        | <b>0</b>        | <b>4,816</b>  |
|                     | 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            |
|                     |         | <b>DV074 North Shields Heritage Action Zone (Ambition) Total</b>         | <b>423</b>      | <b>173</b>      | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>596</b>    |
|                     | DV076   | Getting Building Fund (North Shields Public Realm)                       |                 |                 |                 |                 |                 |               |
|                     |         | NELEP - Getting Building Fund  | 882             | 0               | 0               | 0               | 0               | 882           |
|                     |         | <b>DV076 Getting Building Fund (North Shields Public Realm) Total</b>    | <b>882</b>      | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>882</b>    |
|                     | DV077   | Tyne Brand Development Site  |                 |                 |                 |                 |                 |               |
|                     |         | North of Tyne Combined Authority - Brownfield Housing Fund               | 1,399           | 2,650           | 190             | 0               | 0               | 4,239         |
|                     |         | <b>DV077 Tyne Brand Development Site Total</b>                           | <b>1,399</b>    | <b>2,650</b>    | <b>190</b>      | <b>0</b>        | <b>0</b>        | <b>4,239</b>  |
|                     | DV078   | Bedford Street / Saville Street  |                 |                 |                 |                 |                 |               |
|                     |         | Council Contribution   | 228             | 0               | 0               | 0               | 0               | 228           |
|                     |         | <b>DV078 Bedford Street / Saville Street Total</b>                       | <b>228</b>      | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>228</b>    |
|                     | 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           |
|                     |         | <b>DV079 Howard Street The Exchange Total</b>                            | <b>557</b>      | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>557</b>    |
|                     | 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           |
|                     |         | <b>DV080 Segedunum Roman Museum MEND Total</b>                           | <b>300</b>      | <b>455</b>      | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>755</b>    |
|                     | 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           |
|                     |         | <b>DV081 North Shields Cultural Quarter Total</b>                        | <b>239</b>      | <b>450</b>      | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>689</b>    |
|                     | DV082   | Wallsend Town & High Street Programme                                    |                 |                 |                 |                 |                 |               |
|                     |         | Wallsend Town & High Street Fund (Notca)                                 | 130             | 1,360           | 0               | 0               | 0               | 1,490         |
|                     |         | <b>DV082 Wallsend Town &amp; High Street Programme Total</b>             | <b>130</b>      | <b>1,360</b>    | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>1,490</b>  |
|                     | ED075   | Devolved Formula Capital   |                 |                 |                 |                 |                 |               |
|                     |         | Education Funding Agency (Devolved)                                      | 873             | 1,110           | 610             | 610             | 610             | 3,813         |
|                     |         | <b>ED075 Devolved Formula Capital Total</b>                              | <b>873</b>      | <b>1,110</b>    | <b>610</b>      | <b>610</b>      | <b>610</b>      | <b>3,813</b>  |
|                     | ED120   | Basic Need   |                 |                 |                 |                 |                 |               |
|                     |         | Education Funding Agency (Basic Need)                                    | 237             | 2,000           | 0               | 0               | 0               | 2,237         |
|                     |         | <b>ED120 Basic Need Total</b>  | <b>237</b>      | <b>2,000</b>    | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>2,237</b>  |
|                     | 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        |
|                     |         | <b>ED132 School Capital Allocation Total</b>                             | <b>5,231</b>    | <b>3,868</b>    | <b>3,868</b>    | <b>3,868</b>    | <b>3,868</b>    | <b>20,703</b> |

|                     |             |  | 2022/23<br>£000 | 2023/24<br>£000 | 2024/25<br>£000 | 2025/26<br>£000 | 2026/27<br>£000 | Total<br>£000 |
|---------------------|-------------|--|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| Fu<br>nd            | Proj<br>ect | Financing Type   |                 |                 |                 |                 |                 |               |
| <b>General Fund</b> |             |  |                 |                 |                 |                 |                 |               |
|                     |             | ED190 High Needs Provision Capital Allocation                                |                 |                 |                 |                 |                 |               |
|                     |             | Education Funding Agency (High Needs)  | 2,360           | 2,060           | 0               | 0               | 0               | 4,420         |
|                     |             | ED190 High Needs Provision Capital Allocation Total                          | 2,360           | 2,060           | 0               | 0               | 0               | 4,420         |
|                     |             | EV034 Local Transport Plan   |                 |                 |                 |                 |                 |               |
|                     |             | Dept for Transport LTP ITA   | 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           |
|                     |             | EV034 Local Transport Plan Total   | 2,919           | 2,552           | 2,552           | 2,986           | 2,986           | 13,995        |
|                     |             | EV055 Surface Water Improvements   |                 |                 |                 |                 |                 |               |
|                     |             | Environment Agency Grant   | 723             | 0               | 0               | 0               | 0               | 723           |
|                     |             | EV055 Surface Water Improvements Total                                       | 723             | 0               | 0               | 0               | 0               | 723           |
|                     |             | EV056 Additional Highways Maintenance  |                 |                 |                 |                 |                 |               |
|                     |             | Council Contribution   | 2,195           | 2,000           | 2,000           | 2,000           | 2,000           | 10,195        |
|                     |             | DFT National Productivity Fund   | 58              | 0               | 0               | 0               | 0               | 58            |
|                     |             | Dft Pothole Funding  | 1,688           | 1,253           | 1,253           | 0               | 0               | 4,194         |
|                     |             | EV056 Additional Highways Maintenance Total                                  | 3,941           | 3,253           | 3,253           | 2,000           | 2,000           | 14,447        |
|                     |             | EV069 Vehicle Replacement  |                 |                 |                 |                 |                 |               |
|                     |             | Council Contribution   | 779             | 1,248           | 1,676           | 1,123           | 3,000           | 7,826         |
|                     |             | EV069 Vehicle Replacement Total  | 779             | 1,248           | 1,676           | 1,123           | 3,000           | 7,826         |
|                     |             | EV076 Operational Depot Accommodation Review                                 |                 |                 |                 |                 |                 |               |
|                     |             | Council Contribution   | 1,214           | 0               | 0               | 0               | 0               | 1,214         |
|                     |             | ERDF   | 1,040           | 225             | 0               | 0               | 0               | 1,265         |
|                     |             | EV076 Operational Depot Accommodation Review Total                           | 2,254           | 225             | 0               | 0               | 0               | 2,479         |
|                     |             | EV083 Street Lighting LED  |                 |                 |                 |                 |                 |               |
|                     |             | Council Contribution   | 2,969           | 1,386           | 0               | 0               | 0               | 4,355         |
|                     |             | EV083 Street Lighting LED Total  | 2,969           | 1,386           | 0               | 0               | 0               | 4,355         |
|                     |             | EV084 A189 Improvements Haddricks Mill to West Moor                          |                 |                 |                 |                 |                 |               |
|                     |             | DFT National Productivity Fund   | 0               | 0               | 0               | 0               | 0               | 0             |
|                     |             | EV084 A189 Improvements Haddricks Mill to West Moor Total                    | 0               | 0               | 0               | 0               | 0               | 0             |
|                     |             | EV091 Other Initiatives Climate Change                                       |                 |                 |                 |                 |                 |               |
|                     |             | Council Contribution   | 274             | 1,000           | 1,000           | 1,000           | 1,000           | 4,274         |
|                     |             | EV091 Other Initiatives Climate Change Total                                 | 274             | 1,000           | 1,000           | 1,000           | 1,000           | 4,274         |
|                     |             | EV094 Transforming Cities Fund - NT02 North Shields Transport Hub            |                 |                 |                 |                 |                 |               |
|                     |             | Council Contribution   | 0               | 550             | 826             | 0               | 0               | 1,376         |
|                     |             | Transforming Cities Fund   | 9,250           | 8,560           | 0               | 0               | 0               | 17,810        |
|                     |             | EV094 Transforming Cities Fund - NT02 North Shields Transport Hub Tot        | 9,250           | 9,110           | 826             | 0               | 0               | 19,186        |
|                     |             | EV095 Active Travel Fund 1 & 2 Rake Lane                                     |                 |                 |                 |                 |                 |               |
|                     |             | Dept for Transport Active Travel Fund Tranche2                               | 962             | 0               | 0               | 0               | 0               | 962           |
|                     |             | EV095 Active Travel Fund 1 & 2 Rake Lane Total                               | 962             | 0               | 0               | 0               | 0               | 962           |
|                     |             | EV096 Highway Maintenance Challenge Fund - Tanners Bank                      |                 |                 |                 |                 |                 |               |
|                     |             | Dept for Transport LTP Maint   | 103             | 0               | 0               | 0               | 0               | 103           |
|                     |             | Dept for Transport - Highway Maintenance Challenge Fund                      | 822             | 0               | 0               | 0               | 0               | 822           |
|                     |             | EV096 Highway Maintenance Challenge Fund - Tanners Bank Total                | 925             | 0               | 0               | 0               | 0               | 925           |
|                     |             | EV097 Weetslade & Westmoor Roundabouts, Great Lime Road (S106 Bellway Homes) |                 |                 |                 |                 |                 |               |
|                     |             | Section 106  | 3,250           | 0               | 0               | 0               | 0               | 3,250         |
|                     |             | EV097 Weetslade & Westmoor Roundabouts, Great Lime Road (S106 Bel            | 3,250           | 0               | 0               | 0               | 0               | 3,250         |
|                     |             | EV098 Transforming Cities Fund - NT08 Four Lane Ends Bus Priority            |                 |                 |                 |                 |                 |               |
|                     |             | Transforming Cities Fund   | 3,083           | 0               | 0               | 0               | 0               | 3,083         |
|                     |             | EV098 Transforming Cities Fund - NT08 Four Lane Ends Bus Priority Total      | 3,083           | 0               | 0               | 0               | 0               | 3,083         |
|                     |             | 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         |
|                     |             | EV099 Transforming Cities Fund - NT10 Links to Metro Total                   | 4,166           | 0               | 0               | 0               | 0               | 4,166         |
|                     |             | EV100 Active Travel 3 - Permanant Seafront Scheme                            |                 |                 |                 |                 |                 |               |
|                     |             | Dept for Transport Active Travel Fund Tranche 3                              | 0               | 3,231           | 0               | 0               | 0               | 3,231         |
|                     |             | EV100 Active Travel 3 - Permanant Seafront Scheme Total                      | 0               | 3,231           | 0               | 0               | 0               | 3,231         |
|                     |             | EV101 Transforming Cities Fund – Intelligent Transport Systems               |                 |                 |                 |                 |                 |               |
|                     |             | Transforming Cities Fund   | 179             | 0               | 0               | 0               | 0               | 179           |
|                     |             | EV101 Transforming Cities Fund – Intelligent Transport Systems Total         | 179             | 0               | 0               | 0               | 0               | 179           |
|                     |             | GEN03 Contingencies  |                 |                 |                 |                 |                 |               |
|                     |             | Council Contribution   | 3,050           | 2,000           | 2,000           | 1,000           | 1,000           | 9,050         |

|                    |   |  | 2022/23<br>£000 | 2023/24<br>£000 | 2024/25<br>£000 | 2025/26<br>£000 | 2026/27<br>£000 | Total<br>£000 |
|--------------------|---|--|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| Fund               | Project   | Financing Type   |                 |                 |                 |                 |                 |               |
| Ge                 | GEN03 Contingencies Total                             |  | 3,050           | 2,000           | 2,000           | 1,000           | 1,000           | 9,050         |
|                    | GEN12 Local Infrastructure                            |  |                 |                 |                 |                 |                 |               |
|                    |   | Council Contribution                                   | 127             | 100             | 100             | 100             | 100             | 527           |
|                    | GEN12 Local Infrastructure Total                      |  | 127             | 100             | 100             | 100             | 100             | 527           |
|                    | HS004 Disabled Facilities Grant                       |  |                 |                 |                 |                 |                 |               |
|                    |   | Better Care Fund                                       | 2,578           | 1,869           | 0               | 0               | 0               | 4,447         |
|                    | HS004 Disabled Facilities Grant Total                 |  | 2,578           | 1,869           | 0               | 0               | 0               | 4,447         |
|                    | HS051 Private Sector Empty Homes                      |  |                 |                 |                 |                 |                 |               |
|                    |   | Council Contribution                                   | 159             | 205             | 205             | 206             | 0               | 775           |
|                    |   | Homes & Communities Grant                              | 111             | 0               | 0               | 0               | 0               | 111           |
|                    | HS051 Private Sector Empty Homes Total                |  | 270             | 205             | 205             | 206             | 0               | 886           |
|                    | HS053 Green Homes Local Authority Delivery            |  |                 |                 |                 |                 |                 |               |
|                    |   | Green Homes Grant (LAD1b) - Dept for BEIS              | 950             | 0               | 0               | 0               | 0               | 950           |
|                    |   | Green Homes Grant (LAD2) - Dept for BEIS               | 776             | 0               | 0               | 0               | 0               | 776           |
|                    |   | Green Homes Grant (LAD3) - Dept for BEIS               | 3,700           | 0               | 0               | 0               | 0               | 3,700         |
|                    | HS053 Green Homes Local Authority Delivery Total      |  | 5,426           | 0               | 0               | 0               | 0               | 5,426         |
|                    | IT020 ICT Strategy                                    |  |                 |                 |                 |                 |                 |               |
|                    |   | Council Contribution                                   | 1,747           | 1,000           | 1,000           | 1,000           | 1,000           | 5,747         |
|                    |   | Revenue Contribution (Security Grant Reserve 9841 107) | 150             | 0               | 0               | 0               | 0               | 150           |
|                    | IT020 ICT Strategy Total                              |  | 1,897           | 1,000           | 1,000           | 1,000           | 1,000           | 5,897         |
| General Fund Total |   |  | 73,010          | 46,708          | 21,370          | 15,993          | 17,564          | 174,645       |
| HRA                |   |  |                 |                 |                 |                 |                 |               |
|                    | 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        |
| HRA Total          |   |  | 30,513          | 29,300          | 30,651          | 32,126          | 34,046          | 156,636       |
| Total £000         |   |  | 103,523         | 76,008          | 52,021          | 48,119          | 51,610          | 331,281       |

| Fund                | Category                                | Year            |                 |                 |                 |                 |               |
|---------------------|---|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
|                     |   | 2022/23<br>£000 | 2023/24<br>£000 | 2024/25<br>£000 | 2025/26<br>£000 | 2026/27<br>£000 | Total<br>£000 |
| General Fund        |   |                 |                 |                 |                 |                 |               |
|                     | Council Contribution                    | 18,377          | 14,560          | 12,807          | 8,429           | 10,100          | 64,273        |
|                     | Council Contribution - Capital Receipts | 317             | 0               | 0               | 0               | 0               | 317           |
|                     | Grants & Contributions                  | 52,442          | 31,648          | 8,563           | 7,564           | 7,464           | 107,681       |
|                     | Revenue Contribution                    | 896             | 500             | 0               | 0               | 0               | 1,396         |
|                     | Contribution from Reserves              | 978             | 0               | 0               | 0               | 0               | 978           |
| General Fund Total  |   | 73,010          | 46,708          | 21,370          | 15,993          | 17,564          | 174,645       |
| HRA Financing       |   |                 |                 |                 |                 |                 |               |
|                     | 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         |
| HRA Financing Total |   | 30,513          | 29,300          | 30,651          | 32,126          | 34,046          | 156,636       |
| Total£000           |   | 103,523         | 76,008          | 52,021          | 48,119          | 51,610          | 331,281       |

### Prudential and treasury indicators

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the half year ended 30 September 2022, the Authority has operated within the treasury and prudential indicators set out in the Authority's Treasury Management Strategy Statement for 2022. The Director of Resources reports that no difficulties are envisaged for the current or future years in complying with these indicators.

All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices.

| <b>1. PRUDENTIAL INDICATORS</b>  | <b>2022/23</b>  | <b>2022/23</b>  |
|--|-----------------|-----------------|
|  | <b>budget</b>   | <b>estimate</b> |
|  | <b>£m</b>       | <b>£m</b>       |
| <b>Capital Expenditure</b>   |                 |                 |
| Non – HRA (General Fund)   | £36.818         | £73.010         |
| HRA  | £27.814         | £30.513         |
| <b>TOTAL</b>   | <b>£64.632</b>  | <b>£103.523</b> |
| <b>Ratio of financing costs to net revenue stream</b>                          |                 |                 |
| Non – HRA (General Fund)   | 17.52%          | 11.96%          |
| HRA  | 27.03%          | 26.99%          |
| <b>Ratio of financing costs for Prudential Borrowing to net revenue stream</b> |                 |                 |
| Non – HRA (General Fund)   | 11.71%          | 6.13%           |
| <b>Gross borrowing requirement General Fund (CFR excluding PFI)</b>            |                 |                 |
| brought forward 1 April 2022   | £264.577        | £264.577        |
| carried forward 31 March 2023  | £265.110        | £275.575        |
| <b>in year borrowing requirement</b>   | <b>£0.533</b>   | <b>£10.998</b>  |
| <b>Gross borrowing requirement HRA (CFR excluding PFI)</b>                     |                 |                 |
| brought forward 1 April  | £238.803        | £238.803        |
| carried forward 31 March   | £235.303        | £231.137        |
| <b>in year borrowing requirement</b>   | <b>(£3.500)</b> | <b>(£7.666)</b> |

|  |                          |                   |
|--|--------------------------|-------------------|
| <b>Gross borrowing requirement (CFR excluding PFI)</b> | £500.413                 | £505.190          |
| <b>Capital Financing Requirement (including PFI)</b>   |                          |                   |
| Non – HRA  | £377.046                 | £308.929          |
| HRA  | £302.493                 | £300.178          |
| <b>TOTAL</b>   | <b>£679.539</b>          | <b>£609.107</b>   |
| <b>2. TREASURY MANAGEMENT INDICATORS</b>               | <b>2022/23</b>           | <b>2022/23</b>    |
|  | <b>budget</b>            | <b>estimate</b>   |
|  | <b>£m</b>                | <b>£m</b>         |
| <b>Authorised Limit for external debt -</b>            |                          |                   |
| borrowing  | £1,020.000               | £1,000.000        |
| other long term liabilities                            | £235.000                 | £235.000          |
| <b>TOTAL</b>   | <b>£1,255.000</b>        | <b>£1,235.000</b> |
| <b>Operational Boundary for external debt -</b>        |                          |                   |
| borrowing  | £510.000                 | £550.000          |
| other long term liabilities                            | £115.000                 | £185.000          |
| <b>TOTAL</b>   | <b>£695.000</b>          | <b>£735.000</b>   |
| <b>Actual external debt (including PFI)</b>            | £528.206<br>(31/03/2021) | £533.706          |

| <b>Maturity structure of fixed rate borrowing during 2020/21</b> | <b>upper limit</b> | <b>lower limit</b> |
|--|--------------------|--------------------|
| under 12 months  | 50%                | 0%                 |
| 12 months and within 24 months                                   | 50%                | 0%                 |
| 24 months and within 5 years                                     | 50%                | 0%                 |
| 5 years and within 10 years                                      | 75%                | 0%                 |
| 10 years and within 20 years                                     | 100%               | 25%                |
| 20 years and within 30 years                                     | 100%               | 25%                |
| 30 years and within 40 years                                     | 100%               | 25%                |
| 40 years and within 50 years                                     | 100%               | 25%                |

## Appendix 3

# Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Review Report 2022/23

**2022 / 23**

**Date:** October 2022

**Owner:** Strategic Finance



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## Foreword

- 1.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management stipulates that the Chief Finance Officer should set out in advance the Treasury Management Strategy for the forthcoming financial year, and subsequently report the treasury management activities during that year.
- 1.2 The primary requirements of the Code are as follows:
  - (a) forecast the likely activity for the forthcoming year (in the Annual Treasury Management Strategy Report);
  - (b) a mid-year review report; and,
  - (c) review actual activity for the preceding year, including a summary of performance.
- 1.3 This section of the document contains the required mid-year review report for 2022/23. This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:
  - An economic update for the first six months of 2022/23;
  - A review of the Treasury Management Strategy Statement and Annual Investment Strategy for 2022/23;
  - A review of the Authority's investment portfolio for 2022/23;
  - A review of the Authority's borrowing strategy for 2022/23; and,
  - A review of compliance with Treasury and Prudential Limits for 2022/23 (detailed in Reference to appendix 2).

## Economic Performance and Outlook Summary

- 2.1 Economic performance continues to be driven by rising energy prices, cost of living crisis and the conflict in Ukraine with signs of economic activity losing momentum. The Bank rate continues to rise by 100bps over the last quarter taking the rate up to 2.25% with further rises forecast. Although the UK economy grew by 0.2% in July, revisions to historic data left it below pre-pandemic levels.
- 2.2 Inflation still remains the key topic over the MTFP, inflation recently rose to 10.1%, over 7% against September 2022.
- 2.3 There are signs of higher energy prices creating more persistent downward effects in economic activity. The search for alternative providers of energy, other than Russia, will take both time and effort. In August, the Bank of England's MPC increased Bank Rate to 1.75%, and on 22nd September moved rates up even further to 2.25%

## Interest Rate Forecast

- 3.1 Link Asset services currently forecast Bank of England base rate to increase from the current 2.25% during Q3 of 2022.

**Table 1: Link Asset Services BoE base rate forecast**

| Month    | Dec-22 | Dec-23 | Dec-24 |
|----------|--------|--------|--------|
| BBR Rate | 4.00%  | 4.50%  | 3.00%  |

- 3.2 The latest forecast on 27th September 2022 sets out a view that both short and long-dated interest rates will be elevated for some little while, as the Bank of England seeks to squeeze inflation out of the economy, whilst the government is providing a package of fiscal loosening to try and protect households and businesses from the effects of ultra-high wholesale gas and electricity prices.

As indicated in table 1, one increase in Bank Rate from 2.25% to 4.00% has now been included in 2023, a second increase to 4.50% in 2023 and before reducing to 3.00% in 2024.

- 3.3 The MPC has tightened short-term interest rates with a view to trying to slow the economy sufficiently to keep the secondary effects of inflation – as measured by wage rises – under control, however has been made more difficult of recent, following the more recent political uncertainty.
- 3.4 Chancellor Kwarteng was dismissed on the 14<sup>th</sup> October 2022, followed by Liz Truss resigning on the 25<sup>th</sup> October 2022. Rishi Sunak has been appointed Prime Minister, and Jeremy Hunt as Chancellor. Markets appeared to have stabilised marginally following the change.

## Bond Yields and Increase in the cost of borrowing from the PWLB

- 4.1 Throughout 2022/23, gilt yields have been on an upward trend. The trend was exceptionally sharply at the end of September as investors demanded a higher risk premium and expected faster and higher interest rate rises to offset the government's extraordinary fiscal stimulus plans. Policies proposed by Liz Truss and Kwasi Kwarteng made a step change in government policy. The government's huge fiscal loosening from its proposed significant tax cuts added to existing domestic inflationary pressures and will potentially leave a legacy of higher interest rates and public debt.
- 4.2 The MPC has now increased interest rates seven times in as many meetings in 2022 and has raised rates to their highest level since the Global Financial Crisis. Even so, coming after the Fed and ECB raised rates in their most recent meetings, the Bank of England's hike looks relatively dovish. However, the UK's status as a large importer of commodities, which have jumped in price, means that households in the UK are now facing a much larger squeeze on their real incomes.

- 4.3 Since the Bank's announcement on 28th September, the 30-year gilt yield has fallen back from 5.10% to 3.83%. The 2-year gilt yield dropped from 4.70% to 4.30% and the 10-year yield fell back from 4.55% to 4.09%..
- 4.4 For local authorities, this means that investment interest, both short and long dated, will be elevated for some little while, as the Bank of England seeks to squeeze inflation out of the economy.
- 4.5 The labour market remained exceptionally tight. Data for July and August provided further evidence that the weaker economy is leading to a cooling in labour demand. The number of vacancies has started to level off from recent record highs but there have been few signs of a slowing in the upward momentum on wage growth. In July, the 3my/y rate of average earnings growth rose from 5.2% in June to 5.5%.
- 4.6 Whilst the government's utility price freeze, which could cost up to £150bn (5.7% of GDP) over 2 years, will reduce peak inflation from 14.5% in January next year to 10.4% in November this year, the long list of tax measures announced at the "fiscal event" adds up to a loosening in fiscal policy relative to the previous government's plans of £44.8bn (1.8% of GDP) by 2026/27.
- 4.7 The Authority has previously borrowed only from the PWLB as its main source of long-term funding; the changing market means the Authority should consider alternative sources of borrowing as necessary. At the current time, this area is still currently developing. The market has seen financial institutions entering the long-term borrowing market and make borrowing products available; however, this remains suitable for larger capital drawdowns in and around £50m+. Therefore, whilst this has limited appeal to North Tyneside Council, we continue to watch this space for future developments.

## Balance of Risk to the UK

- 5.1 The overall balance of risks to economic growth in the UK is now to the downside, due to increases in inflation, labour and supply shortages, UK / EU trade arrangements and Geopolitical risks, for example in Ukraine/Russia.
- 5.2 There is a balance of upside risks, The Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly and for a longer period within the UK economy, which then necessitates an even more rapid series of increases in Bank Rate faster than we currently expect.

## Annual Investment Strategy

- 6.1 The Treasury Management Strategy Statement (TMSS) for 2022/23, which includes the Annual Investment Strategy, was approved by the Council on 17 February 2022. There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.
- 6.2 The 17 February 2022 Council approved TMSS sets out the Council's investment priorities as being:
- Security of capital;
  - Liquidity; and
  - Yield.
- 6.3 The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity. In the current economic climate, it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in periods up to 12 months with highly credit rated financial institutions.
- 6.4 The approved limits within the Annual Investment Strategy were exceeded for 1 day on the 26 April 2022. This was due to an under investment on this day, leading to a balance larger than forecast overnight.
- 6.5 During the six months of the financial year, Treasury Management activities continue to manage the surplus cash balance whilst minimising the Authority's requirements to borrow.

**Table 2: Investment performance at 30 September 2022**

| <b>Investments</b>     | <b>30/09/2022<br/>£m</b> | <b>Average rate of<br/>Return %</b> | <b>Interest Earned<br/>period to<br/>30/09/2022</b> |
|------------------------|--------------------------|-------------------------------------|---|
| Debt Management Office | 20.750                   | 1.09%                               | £148,173  |
| Other Local Authority  | 20.000                   | 1.19%                               | £19,326   |
| Bank Deposits          | 6.800                    | 1.53%                               | £13,807   |
| Cash at Bank           | 6.253                    | 0.01%                               | £0  |

- 6.7 As shown by the interest rate forecasts in section, rates have improved dramatically during the first half of 2022/23 and are expected to improve further as Bank Rate continues to increase.

## Borrowing

- 7.1 The Authority's total capital financing requirement (CFR) including PFI for 2022/23 is £609.108m. The CFR denotes the Authority's underlying need to borrow for capital purposes. If the CFR is positive the Authority may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The summary table provided below provides the borrowing position as at 30 September 2022. Total external debt including PFI's is £504.569m.
- 7.2 In August 2022, the Authority drew down £10.000m of PWLB long term loans. This was to part fund a PWLB maturity, de-risk our borrowing position as well as take advantage of low interest rates at the time.

**Table 3: Total External Debt 30 September 2022**

| <b>Principal<br/>£m</b>            |                                       |
|------------------------------------|---------------------------------------|
| <b>External Borrowing</b>          |                                       |
| 382.443                            | Public Works Loan Board (PWLB)        |
| 20.000                             | Lender Option Borrower Option (LOBO)  |
| 0.000                              | Other Local Authorities               |
| 402.443                            | <b>Total</b>                          |
| <b>Other External Debt</b>         |                                       |
| 102.216                            | PFI & Finance Lease (as at 01 Apr 22) |
| 504.659                            | <b>Total External Debt</b>            |
| <b>Split of External Borrowing</b> |                                       |
| 244.672                            | Housing Revenue Account               |
| 157.771                            | General Fund                          |
| 402.443                            | <b>Total</b>                          |

- 7.3 Following introduction of self-financing for the Housing Revenue Account, from 1 April 2012, loans were split between General Fund and Housing. However, decisions on borrowing for both General Fund and Housing will continue to be made within the overall Treasury Management Strategy and will be reported jointly.
- 7.4 The difference between the CFR and external borrowing is known as internal borrowing. The level of internal borrowing is determined within the Treasury Management Strategy, by a number of factors including market conditions for investments and the level of the Authority's reserves and balances.
- 7.5 The Authority's borrowing strategy continues to focus on minimising the borrowing cost of carry and is doing so by use of internal borrowing. This may

pose a risk in the future when the Authority is required to materialise this by a way of external borrowing.

## Debt Rescheduling

- 8.1 Debt rescheduling opportunities have been very limited in the current economic climate and following the various increases in the margins added to gilt yields which have impacted PWLB new borrowing rates since October 2010. No debt rescheduling has therefore been undertaken to date in the current financial year.

## Compliance with Treasury and Prudential Limits

- 9.1 It is a statutory duty for the Authority to determine and keep under review the affordable borrowing limits. During the half year ended 30 September 2022, the Authority has operated within the treasury and prudential indicators set out in the Authority's Treasury Management Strategy Statement for 2022/23. All treasury management operations have also been conducted in full compliance with the Authority's Treasury Management Practices.

**Meeting: Finance Sub-Committee**

**Date: 5 December 2022**

**Title: Welfare Reform - Financial update on**

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

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**Authors: Tracy Hunter**

Tel: 0191 643 7228

**Service: Finance Service**

**Wards affected: All**

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## **1. Purpose of the Report**

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

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

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

## **2. Recommendations**

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

## **3. Detail**

### **Discretionary Housing Payment Fund**

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

place arrangements to improve their difficult financial circumstances. It is promoted well so partners are aware of this support and can quickly identify those that need it.

- 3.02 We have received notification of the final award of DHP and have been awarded £6,225, giving a total grant of £306,562 for 2022/23. As we are now managing a much smaller DWP grant, a top up to the grant of £50,000 has been made available from the additional burdens funding the authority receives direct from DWP for burdens placed on the benefits team. The additional £50,000.00 will help to stretch the fund and support residents in the current difficult financial environment that many households find themselves in. We will continue to work with Citizens Advice and signpost households to their support and advice where we feel its appropriate.

#### DHP financial details for the current financial year 2022/2023

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

Table 1 – DHP Spend to date

|                                   | Amount of grant |
|-----------------------------------|-----------------|
| Initial payment- DWP funding only | £306,562        |
| Additional Funding                | £50,000         |
| Total spend and committed         | £262,823        |
| Funding unallocated               | £93,739.04      |

- 3.04 Claimants
- 361 claimants have received support as of 01 October of this 1 claimant has custody of children and 23 claimants are living in adapted property.
- 3.05 Requested reviews
- Since April 2022 there have been 18 reviews carried out with 8 changed in favour of the customer.

#### Local Council Tax Support Scheme

- 3.06 The Council Tax Support Scheme is a means tested support which helps those on low income pay their Council Tax. Working age can receive up to 85% of their Council Tax liability and pensionable age claimants continue to receive up to 100% support.
- 3.07 As at the end September the caseload stands at 16,190 (7,216 pensionable age and 8,974 working age) which is a small reduction against the number reported in July. The cost for the scheme is currently £16,614,109.

#### **Hardship fund**

- 3.08 The hardship payment of £150.00 continues to support working age claimants, this means around 56% have a nil liability for 2022/23.



## Local Welfare Provision

Statistics for the period 1<sup>st</sup> April 2022 until 30<sup>th</sup> September 2022

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

## **Universal Credit**

- 3.17 Universal Credit (UC) replaces 5 state benefits unless the customer meets certain criteria and would still qualify for a legacy benefit. The five legacy benefits it replaces are:
- Housing Benefit (HB)
  - Income Support (IS)
  - Job Seekers Allowance Income Based (JSA)(IB)
  - Employment and Support Allowance Income Related (ESA)(IR)
  - Tax Credits (Child Tax Credits and Working Tax Credits) (CTC), (WTC)
- 3.18 There are 18,939 people claiming Universal Credit which is an increase against the number reported in July which was 18,451.
- 3.19 **Administrative Earnings Threshold (AET)**  
On 26 September, the Government raised the Administrative Earnings Threshold (AET) which will see approximately 114,000 Universal Credit Claimants move from the Light Touch regime where most claimants do not need to engage with the Jobcentre, into regular contact with a dedicated work coach. The change aims to help more low-earning households to increase their incomes and improve their pay and prospects.
- 3.20 The earnings threshold increased to £494 per calendar month for individual claimants and £782 for couples, having previously been set at £355 per calendar month for individuals and £567 for couples. Claimants who earn below the new threshold will also have access to training and skills provision. Those who are impacted will be contacted by DWP about what it means for them, at the end of their first full assessment period after 26 September. Most claimants affected by the AET rise will already be in work and some may already be working as much as they can, depending on their individual circumstances. Initial meetings with work coaches will be to discuss what is reasonable and may include work preparation, to support claimants in preparing to increase their earnings when they are able to. Claimants will be able to agree an individual claimant commitment which reflects their own circumstances.
- 3.21 **Managed move of claimants to Universal Credit**

In April 2022 the Department for Work and Pensions announced plans to resume the programme to move all benefit claimants over to Universal Credit by 2024. The expansion to the discovery phase began in Hexham, Northumberland from mid-September 2022 to residents currently claiming tax credits. During the discovery phase DWP will send a Migration Notice to claimants on legacy benefits to let them know that they need to move across to Universal Credit, explain how the process will work and what they will need to do.

Everyone moving over from legacy benefits as part of this process will have their entitlement to Universal Credit assessed against their current claims, with transitional protection provided for eligible claimants whose initial Universal Credit entitlement would have been less than their entitlement to legacy benefits at the point of moving to Universal Credit. These will continue unless their entitlement changes.

A dedicated helpline – signposted on the migration notice claimants receive – will provide support for people to make their Universal Credit claim, and guidance will also be available online including on the Understanding Universal Credit website. Those in need of further support can also visit their local jobcentre.

DWP North Tyneside Local Partnership Manager (LPM) will share updates/lessons learned etc as information becomes available.

### **Housing Department Update**

- 3.22 The impact of UC continues to be felt by our housing department and they now have 5,339 tenants on UC as of 21 September 2022. 3,907 (73.18%) of these are in arrears although it is worth noting that 82.24% of those on UC were already in arrears when they made the current claim for UC. The average increase per case since the claim for UC is now £381.66. The average arrears for all tenants have increased since last reported, those on UC is £788.47 compared to an average arrears of £590.61 for all tenants and £286.21 for those not on UC. Other housing providers continue to advise of significant arrears with tenants, including those in receipt of UC.
- 3.23 Covid-19 had a large impact on housing tenants with 1,438 of tenants reporting that they had been adversely impacted. 132 tenants (9.18%) reporting an adverse impact on more than one occasion. This had contributed to the significant increase in the number of tenants claiming UC. So far 822 tenants on UC, 80 tenants on legacy benefits and 536 self-paying tenants have been recorded as having been impacted by Covid-19. The last declaration from a tenant that Covid-19 impacted their ability to pay was received in July 2022.
- 3.24 Housing continue to make use of all available funding and services from internal and external providers to maximise tenants financial position and improve their ability to sustain their tenancy, maximising referrals through to CAB for any debt management advice, working with Employability Services to increase and support opportunities for employment, using funding from the Household Support Fund to either help with household costs or in exceptional circumstances to support the cost around rent and to refer through for the potential use of DHP (Discretionary Housing Payment), although it is to be noted that there has been a decrease on the amount of DHP funding this financial year. Of those tenants who have expressed difficulty with their finances 617 have been offered a referral to Citizens Advice and assistance has been provided to 1,148 tenants who successfully accessed Northumbria Water's support plus scheme.

## **4. Background Information**

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

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

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## Meeting: Finance Sub-Committee

**Date:** 5 December 2022

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

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**Author:** Dan Wise / Amar Hassan

Tel: 0191 643 6427 / 0191 643 5747

**Service:** Strategic Investment & Property / Strategic Finance

**Wards affected:** All

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### 1. Purpose of Report

To provide an update on the s106 position as at 30 September 2022.

### 2. Recommendations

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

### 3. Details

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

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

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

A new s106 governance flow chart has been developed by Planning in conjunction with service areas, this is due to be presented to 28th November 2022 Cabinet. Following this approval, the governance flow chart will be brought to the next Finance Sub.

Developer contributions is the term used to refer to the Community Infrastructure Levy (CIL) and planning obligations "(commonly referred to as 'Section 106' or S106 contributions after

Section 106 of the Planning Act). These are planning tools used to secure financial or non-financial contributions towards the provision of infrastructure to support and enable development and to mitigate the impact of development. CIL contributions now include secondary education, health and community facilities and other infrastructure developer contributions.

CIL continues to develop within the Authority and updates will be incorporated within this report over time and as necessary.

### **S106 monies:**

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

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

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

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

### **Spend Update:**

|   | 31 July 2022    | 30 September 2022 |
|---|-----------------|-------------------|
| Received                                  | £18.021m        | £18.822m          |
| Spend                                     | £6.271m         | £6.273m           |
| <b>Balance</b>                            | <b>£11.750m</b> | <b>£12.590m</b>   |
|   |                 |                   |
| <b>Committed (from available balance)</b> | <b>£3.157m</b>  | <b>£3.179m</b>    |

S106 allocated available monies relates to money received by the Authority through planning gain, this totals £12.590m as of 30 September 2022. In order to deliver projects within this budget, service areas are developing and completing projects based on the legal parameters set within the wording of the planning obligations, all overseen by the Investment Programme Board (IPB) group. Significant work is happening with relevant officers in developing key projects and allocating the spend within all service areas.

As at 30 September 2022, £18.822m has been received by the Authority, of which £6.273m has been expended in line with the agreement. £12.590m remains as at 30 September 2022, of which £3.179m is committed.

The 31 July 2022 balance was the previous update provided to October Finance Sub Committee (rearranged from September 2022).

## **4. Background Information**

Appendix 1 – s106 Detailed s106 Spend & Commitments

**Appendix 1 - Section 106 Spend & Commitments (30th September 2022)**

| <b>Sports Facilities (S1011) Paul Youlden</b>  |                      |                   |                      |                    |            |   |
|--|----------------------|-------------------|----------------------|--------------------|------------|---|
| Development  | Received             | Spent / Draw      | Balance              | Committed          | End Date   | Legal Agreement   |
| 13/01433/S106 - Wallsend Ward (S0062) - Land East of the Covers, Wallsend - Bellway - 13/00987/FUL   | -198,705.00          | 18,491.46         | -180,213.54          | -180,213.54        | 18.10.2021 | Towards the cost of the management/maintenance of existing sports facilities within the vicinity of the property - St Peter's - Planning now agreed   |
| 13/01901/S106 - camperdown Ward (S0055) - Land at White House Farm, Station Road, Killingworth - Bellway Homes - 11/02337/FUL                    | -585,361.00          | 403,538.00        | -181,823.00          | 0                  | 10.12.2025 | To improve and upgrade existing sports pitches and playing fields in the vicinity of the development in order to increase their capacity or to provide or contribute to the provision of an all weather pitch within the vicinity of the development  |
| 14/00242/S106 - Battle Hill Ward (S0060) - Hadrian Education Centre - Gladedale - 12/02047/FUL   | -96,924.00           | 0.00              | -96,924.00           | -96,924.00         | 08.12.2022 | To be used towards the upgrading of existing provision at St Peters Playing Fields and other suitable local alternatives  |
| 14/01941/S106 - Northumberland Ward (S0094) - Station Road East, Wallsend - Persimmon Homes - 12/02025/FUL                                       | -429,216.00          | 190,298.00        | -238,918.00          | -238,918.00        | 01.07.2024 | Pitch improvements and clubhouse at St Peters Road Playing Fields, St Peters Road, Wallsend; all weather pitch at the Lakeside Centre, George Stephenson High School, Killingworth or Amberley Playing Fields in Killingworth and resurfacing work at the indoor bowling centre at The Parks, North Shields.  |
| 15/00113/S106 & 17/01040/S106 - Valley Ward (S0091) - Land South of 81 Killingworth Avenue - Duke of Northumberland 72 Settlement - 14/01687/OUT | -610,643.00          | 308,182.00        | -302,461.00          | 0                  | 29.07.2024 | Towards improvements to Killingworth Lakeside Centre (Sports Hall Contribution)   |
| 16/00467/S106 - Benton Ward (S0100) - Darsley Park, Benton - Taylor Wimpey - 15/01144/FUL  | -74,217.00           | 24,446.00         | -49,771.00           | -49,771.00         | 07.01.2024 | Towards improvements to existing facilities in line with the Council's playing pitch strategy - St Peter's  |
| 16/01598/S106 - Weetslade Ward (S0103) - Land at Former East Wideopen Farmhouse - Bellway - 16/00848/FUL   | -2,748.00            | 2,748.00          | 0.00                 | 0                  | N/A        |   |
| 18/00087/S106 - Northumberland Ward (S0121) - Land West of Station Road, Wallsend - - 16/01885/FUL   | -136,193.24          | 0.00              | -136,193.24          | 0                  | 01.08.2027 | Towards sport and recreational facilities in the Borough, specifically pitch improvements and ancillary improvements within the vicinity of the site, improvements to the existing swimming pool and ancillary facilities at Lakeside Centre and Hadrian Leisure Centre, and improvements to the existing sports hall and ancillary facilities at Lakeside centre and Hadrian Leisure Centre. |
| 20/01140/S106 (S0125) - Moorhouses Covered Reservoir - Bellway Homes - 19/01280/FUL  | -54,085.23           | 0.00              | -54,085.23           | 0                  | 04.10.2027 | Towards improvements to existing facilities within the vicinity of the site.  |
| <b>Total</b>   | <b>-2,188,092.47</b> | <b>947,703.46</b> | <b>-1,240,389.01</b> | <b>-565,826.54</b> |            |   |

| <b>Third Party Works (S1012)</b>  |                  |              |                  |             |          |   |
|---|------------------|--------------|------------------|-------------|----------|---|
| Development   | Received         | Spent / Draw | Balance          | Committed   | End Date | Legal Agreement   |
| 13/01901/S106 - camperdown Ward (S0055) - Land at White House Farm, Station Road, Killingworth - Bellway Homes - 11/02337/FUL | -3,000.00        | 0.00         | -3,000.00        | 0           | N/A      | To pay the Council for the Council to release to the Natural History Society of Northumbria for the express purpose of procuring works for improvement/diversion of Whitercroft Stream UNLESS submitting a surface water management plan detailing the interim measures for the management of surface water drainage within the land which will mitigate and minimise the risk of an incident of contamination or pollution arising as a result of development taking place to the Gosforth Nature Reserve SSSI |
| <b>Total</b>  | <b>-3,000.00</b> | <b>0.00</b>  | <b>-3,000.00</b> | <b>0.00</b> |          |   |

| <b>Travel Provisions (S1013) Colin MacDonald</b>  |                      |                   |                      |             |            |   |
|---|----------------------|-------------------|----------------------|-------------|------------|---|
| Development   | Received             | Spent / Draw      | Balance              | Committed   | End Date   | Legal Agreement   |
| 02/03264/S106 - Chirton Ward (S0008) - Land Parcels West of First Avenue and North of Second Avenue Off Narvik Way Tyne Tunnel Trading Estate North | -7,500.00            | 0.00              | -20,858.00           | 0           | N/A        | Contribution to Nexus towards the construction and operation of the Stephenson Job Link transport facility.   |
| 11/00939/S106 - Weetslade Ward (S0036) - Land East of Great Lime Road, Wideopen - Bellway Homes - 13/00551/FUL                                      | -197,400.00          | 148,973.70        | -48,426.30           | 0           |            |   |
| 12/01166/S106 - Collingwood Ward (S0066) - North Tyneside General Hospital - - 11/00765/OUT   | -6,766.00            | -42,529.54        | -49,295.54           | 0           | N/A        | Towards sustainable transport improvements in North Tyneside  |
| 13/01282/S106 & 15/01941/S106 - Killingworth Ward (S0063) - Scaffold Hill - Bellway & Taylor Wimpey - 11/01600/FUL                                  | -414,264.00          | 360,000.00        | -54,264.00           | 0           |            |   |
| 13/01736/S106 & 15/00513/S106 & 17/01036/S106 - Valley Ward (S0069) - Shiremoor West - Hotspur Land Ltd - 14/01931/FUL                              | -26,723.00           | 0.00              | -26,723.00           | 0           | 30.10.2023 | Towards the improvement of cycle provision or other appropriate measures at Northumberland Park Interchange   |
| 13/01901/S106 - camperdown Ward (S0055) - Land at White House Farm, Station Road, Killingworth - Bellway Homes - 11/02337/FUL                       | -145,871.00          | 0.00              | -145,871.00          | 0           | 24.07.2024 | To be deposited and used in the event the targets in the Travel Plan are not achieved                         |
| 15/00113/S106 & 17/01040/S106 - Valley Ward (S0091) - Land South of 81 Killingworth Avenue - Duke of Northumberland 72 Settlement - 14/01687/OUT    | -545,349.00          | 0.00              | -545,349.00          | 0           | N/A        | To provide an extension to the bus route(s) within the vicinity of the Site to facilitate access to the Site. |
| 19/00262/S106 (S0124) - - -   | -203,341.18          | 0.00              | -203,341.18          | 0           |            | TBC   |
| <b>Total</b>  | <b>-1,547,214.18</b> | <b>466,444.16</b> | <b>-1,094,128.02</b> | <b>0.00</b> |            |   |

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| <b>Highway Works (S1009) Colin MacDonald</b>   |                      |              |                      |                    |                                       |   |
|--|----------------------|--------------|----------------------|--------------------|---------------------------------------|---|
| Development  | Received             | Spent / Draw | Balance              | Committed          | End Date                              | Legal Agreement   |
| 09/01790/S106 - Killingworth Ward (S0053) - Unit 12 Wesley Way Benton Square Industrial Estate Benton - Harrison Properties Ltd - 09/00480/FUL | -7,055.00            | 0.00         | -7,055.00            | -7,055.00          | N/A                                   | Contribution towards highway improvement works at the A191 Whitley Road / A191 Holystone Way / Whitley Road / Great Lime Road roundabout junction.  |
| 11/01867/S106 & 11/0786/S106 - Wallsend Ward (S0041) - SPORTS GROUND KINGS ROAD SOUTH WALLSEND - NTC & BELLWAY HOMES-ISOS - 11/01345/FUL       | -85,000.00           | 0.00         | -85,000.00           | -85,000.00         | N/A                                   | To pay the Council £85,000 towards the provision of traffic signalling including pedestrian crossing facilities at the Kings Road South mini roundabout   |
| 12/01166/S106 - Collingwood Ward (S0066) - North Tyneside General Hospital - - 11/00765/OUT  | -283,132.72          | 0.00         | -283,132.72          | -283,132.72        | TBC                                   | £262,500 for highway works-new eastbound filter lane at roundabout junction of Rake Lane and eastern hospital access, new verge and footpath and road marking at roundabout junction of Rake Lane, New York bypass, Billy Mill Lane and New York Road |
| 13/01614/S106 - Killingworth Ward (S0058) - The Limes Development, Palmersville - Taylor Wimpey -  | -153,000.00          | 0.00         | -153,000.00          | 0                  |                                       |   |
| 14/00242/S106 - Battle Hill Ward (S0060) - Hadrian Education Centre - Gladedale - 12/02047/FUL   | -5,500.00            | 0.00         | -5,500.00            | 0                  | 15.02.2024                            | Towards the provision of a two and a half bay bus shelter and a dropped kerb on Addington Drive   |
| 14/01941/S106 - Northumberland Ward (S0094) - Station Road East, Wallsend - Persimmon Homes - 12/02025/FUL                                     | -538,957.33          | 0.00         | -538,957.33          | 0                  | 17.05.2026                            | Towards future improvements to the A191 corridor between the junctions of Holystone and Four Lane Ends.   |
| 16/00467/S106 - Benton Ward (S0100) - Darsley Park, Benton - Taylor Wimpey - 15/01144/FUL  | -174,397.00          | 0.00         | -174,397.00          | 0                  | 07.01.2026                            | Provision of highways improvements to the existing public rights of way network to the south side of the site and for a new cycleway on the A191 Whitley Road   |
| 17/00557/S106 - Riverside Ward (S0107) - Land at Ballast Hill Road - Cussins (North East) Ltd - 16/01692/FUL                                   | -3,636.00            | 0.00         | -3,636.00            | 0                  |                                       |   |
| 20/01427/S106 (S0128) - West Chirton Industrial Estate South - Miller Homes - 14/01018/OUT   | -373,019.60          | 0.00         | -373,019.60          | 0                  | 7yrs from occupation of last dwelling | Highway improvements at Norham Road/ Norham Road North Corridor   |
| 19/00262/S106 (S0124) - - -  | -46,438.00           | 0.00         | -46,438.00           | 0                  | 06.09.2026                            | Towards improvements to the local public rights of way network serving the development and surrounding areas in order to improve connectivity to shops, schools and employment areas.   |
| <b>Total</b>   | <b>-1,670,135.65</b> | <b>0.00</b>  | <b>-1,670,135.65</b> | <b>-375,187.72</b> |                                       |   |

| <b>Allotments (S1002) Sam Dand</b>  |                    |                  |                    |                  |              |  |
|---|--------------------|------------------|--------------------|------------------|--------------|--|
| Development   | Received           | Spent / Draw     | Balance            | Committed        | End Date     | Legal Agreement  |
| 10/00793/S106 - Battle Hill Ward (S0030) - Former Battle Hill Library, Community Centre And Customer Service Centre And, 1-22 The Parade, Wallsend - Keepmoat Homes - 0 | -2,700.00          | 0.00             | -2,700.00          | -2,700.00        | N/A          | Contribution towards the provision of 2 allotment plots at Holy Cross, St Peter's Road , Wallsend  |
| 11/00939/S106 - Weetslade Ward (S0036) - Land East of Great Lime Road, Wideopen - Bellway Homes - 13/00551/FUL  | -43,726.00         | 43,726.00        | 0.00               | 0                |              |  |
| 13/00947/S106 - Weetslade Ward (S0064) - Land at East Wideopen Farm - - 13/00198/FUL  | -8,100.00          | 8,100.00         | 0.00               | 8,100.00         | 20.06.2022   | Towards the provision of allotments within the vicinity of the site.   |
| 13/01433/S106 - Wallsend Ward (S0062) - Land East of the Covers, Wallsend - Bellway - 13/00987/FUL  | -2,700.00          | 0.00             | -2,700.00          | -2,700.00        | 18.09.2024   | Towards ensuring that more Land at Redhouse can be secured for the use of allotments or to establish an allotment site in the vicinity of the development  |
| 13/01901/S106 - Camperdown Ward (S0055) - Land at White House Farm, Station Road, Killingworth - Bellway Homes - 11/02337/FUL   | -37,144.00         | 0.00             | -37,144.00         | 0                | 07.12.2025   | To improve, upgrade or extend existing allotments at Camperdown and Clousden Drive, Forest Hall or to provide  |
| 13/02005/S106 - Whitley Bay Ward (S0072) - Site Of Former, 35 Esplanade - John Spencer Harvey - 13/01526/FUL  | -2,755.00          | 0.00             | -2,755.00          | 0                |              |  |
| 14/00242/S106 - Battle Hill Ward (S0060) - Hadrian Education Centre - Gladedale - 12/02047/FUL  | -2,699.50          | 0.00             | -2,699.50          | -2,699.50        | 08.12.2022   | To be used to reclaim land to create additional allotment provision at the Wiltshire Drive site  |
| 14/01721/S106 - Northumberland Ward (S0089) - Former Parkside Special School, Wallsend - Bellway Homes - 14/00897/FUL   | -5,400.00          | 0.00             | -5,400.00          | -5,400.00        | IPB approved | Provision of two plots of allotment at Wiltshire Drive   |
| 14/01941/S106 - Northumberland Ward (S0094) - Station Road East, Wallsend - Persimmon Homes - 12/02025/FUL  | -61,954.00         | 0.00             | -61,954.00         | 0                | 16.11.2023   | Towards the provision of twenty one new allotments at Wiltshire Drive allotment.   |
| 15/00100/S106 - Killingworth Ward (S0096) - Former REME Depot, Killingworth - Diocese of Hexham - 14/00730/FUL  | -9,014.00          | 0.00             | -9,014.00          | 0                | 22.06.2022   | Contribution for the provision of allotment space at Camperdown of Clousden Hill (or other scheme with broadly equivalent amenity)   |
| 16/00467/S106 - Benton Ward (S0100) - Darsley Park, Benton - Taylor Wimpey - 15/01144/FUL   | -5,572.80          | 0.00             | -5,572.80          | 0                | 22.06.2023   | Bring back into production a minimum of two plots of allotment space at the Wiltshire Drive allotment  |
| 21/00082/S106 (S0129) - Field North of 45 Sunholme Drive, Wallsend - Persimmon Homes - 20/01047/FUL   | -3,750.83          | 0.00             | -3,750.83          | 0                | 16.12.2028   | Towards allotment provision for improvements within the south west of the borough through provision of new plots, bring plots back into use and improvements to allotment infrastructure site/access/security. |
| 18/00087/S106 - Northumberland Ward (S0121) - Land West of Station Road, Wallsend - - 16/01885/FUL  | -17,243.56         | 0.00             | -17,243.56         | 0                | 01.08.2027   | Towards allotment provision within the vicinity of the site.   |
| 20/01140/S106 (S0125) - Moorhouses Covered Reservoir - Bellway Homes - 19/01280/FUL   | -2,798.19          | 0.00             | -2,798.19          | 0                | 04.10.2027   | Towards improvements to the provision of childrens equipped play space within the vicinity of  |
| <b>Total</b>  | <b>-205,557.88</b> | <b>51,826.00</b> | <b>-153,731.88</b> | <b>-5,399.50</b> |              |  |



| <b>Cultural Facilities/Works (S1004) Paul Yolden</b>  |                   |              |                   |             |            |   |
|---|-------------------|--------------|-------------------|-------------|------------|---|
| Development   | Received          | Spent / Draw | Balance           | Committed   | End Date   | Legal Agreement   |
| 10/00793/S106 - Battle Hill Ward (S0030) - Former Battle Hill Library, Community Centre And Customer Service Centre And, 1-22 The Parade, Wallsend - Keepmoat Homes - 0 | -5,000.00         | 0.00         | -5,000.00         | 0           | N/A        | Contribution towards an art project within the Battle Hill Ward     |
| 11/00939/S106 - Weetslade Ward (S0036) - Land East of Great Lime Road, Wideopen - Bellway Homes - 13/00551/FUL  | -5,000.00         | 0.00         | -5,000.00         | 0           |            |   |
| 15/00496/S106 - Collingwood Ward (S0090) - Travelodge Hotel, Wallsend - Crown Estates - 14/01698/FUL  | -3,000.00         | 0.00         | -3,000.00         | 0           | 19.09.2021 | Towards the provision of public art within the vicinity of the site |
| 16/00274/S106 - Camperdown Ward (S0098) - Land at Former Chan Buildings, Stephenson Industrial Estate - - 15/01708/FUL  | -15,000.00        | 0.00         | -15,000.00        | 0           | 22.06.2023 | Towards the commission of public art                                |
|   | 0.00              | 0.00         | 0.00              |             |            |   |
|   | 0.00              | 0.00         | 0.00              |             |            |   |
| <b>Total</b>  | <b>-28,000.00</b> | <b>0.00</b>  | <b>-28,000.00</b> | <b>0.00</b> |            |   |

| <b>Parks (S1010) Kim Pye</b>  |                      |                  |                      |                    |            |   |
|---|----------------------|------------------|----------------------|--------------------|------------|---|
| Development   | Received             | Spent / Draw     | Balance              | Committed          | End Date   | Legal Agreement   |
| 10/02253/S106 - Chirton Ward (S0032) - Land At Former Meadowell Primary SchoolWantage AvenueNorth Shields - Ben Bailey Homes - 10/01274/FUL | -9,160.00            | 0.00             | -9,160.00            | -9,160.00          | N/A        | Contribution to works for Borough Park at Chirton Dene Park   |
| 13/01433/S106 - Wallsend Ward (S0062) - Land East of the Covers, Wallsend - Bellway - 13/00987/FUL  | -13,012.00           | 0.00             | -13,012.00           | 0                  | 16.07.2020 | Contribution towards the cost of providing/improving informal & formal outdoor recreation within catchment of Wallsend Parks  |
| 13/01736/S106 & 15/00513/S106 & 17/01036/S106 - Valley Ward (S0069) - Shiremoor West - Hotspur Land Ltd - 14/01931/FUL                      | -100,000.00          | 0.00             | -100,000.00          | 0                  |            |   |
| 13/01901/S106 - camperdown Ward (S0055) - Land at White House Farm, Station Road, Killingworth - Bellway Homes - 11/02337/FUL               | -296,279.00          | 0.00             | -296,279.00          | 0                  | 07.12.2025 | To be used towards the upkeep, maintenance and improvement of the following respective parks (a) £162,229 in relation to Killingworth Lake and Park (aka Killingworth Lakeside Park) (b) £15,000 in relation to Keegan Park, (c) £15,000 in relation to Killingworth Village Park   |
| 13/02005/S106 - Whitley Bay Ward (S0072) - Site Of Former, 35 Esplanade - John Spencer Harvey - 13/01526/FUL                                | -8,414.00            | 0.00             | -8,414.00            | 0                  | 18.09.2024 | Towards improvements within Churchill and/or Souter Parks   |
| 14/00242/S106 - Battle Hill Ward (S0060) - Hadrian Education Centre - Gladedale - 12/02047/FUL  | -31,637.50           | 22,337.00        | -9,300.50            | 0                  | 08.12.2022 | To be used towards the Northumberland Park restoration works specifically for: improvement of entrances to the Rising Sun Country Park from Hadrian Park Estate and update interpretation and signage; improvement of park furniture (benches and bins) along with infrastructure improvements to footpaths and fencing to the Rising Sun Country Park. |
| 14/01721/S106 - Northumberland Ward (S0089) - Former Parkside Special School, Wallsend - Bellway Homes - 14/00897/FUL                       | 0.00                 | -801.00          | -801.00              | 0                  |            |   |
| 14/01744/S106 - Howdon Ward (S0093) - St Marks Church, Wallsend - Marine Buildings Ltd - 13/01655/FUL                                       | -3,251.00            | 0.00             | -3,251.00            | 0                  | 21.07.2022 | Towards improvements at Howdon Park   |
| 14/01941/S106 - Northumberland Ward (S0094) - Station Road East, Wallsend - Persimmon Homes - 12/02025/FUL                                  | -61,782.22           | 14,919.25        | -602,862.97          | -602,862.97        | 17.05.2026 | Towards the provision of enhancements to the RSCP.  |
| 15/00100/S106 - Killingworth Ward (S0096) - Former REME Depot, Killingworth - Diocese of Hexham - 14/00730/FUL                              | -105,524.00          | 0.00             | -58,166.00           | 0                  |            |   |
| 16/01571/S106 - Cullercoats Ward (S0102) - 16 John Street, Cullercoats - - 16/00193/FUL   | 6,208.00             | 2,290.00         | -540.00              | 0                  | 06.12.2021 | Improvements of parks within the vicinity of the development.   |
| 14/01905/S106 (S0123) - Wallsend Community Centre 196A and 196 Vine Street - - 14/01348/FUL   | -3,363.00            | 0.00             | -3,363.00            | 0                  | 22.06.2023 | Towards improvements at Benton Quarry Park  |
| 21/00082/S106 (S0129) - Field North of 45 Sunholme Drive, Wallsend - Persimmon Homes - 20/01047/FUL   | -19,433.00           | 0.00             | -19,433.00           | 0                  |            |   |
| 16/01375/S106 & 17/0162/S106 - Camperdown Ward (S0086) - Stephenson House, Killingworth - Bellway - 16/00232/FUL                            | -21,958.00           | 0.00             | -21,958.00           | 0                  | N/A        | Neighbourhood parks   |
| 19/00262/S106 (S0124) - - -   | -67,232.24           | 0.00             | -67,232.24           | 0                  | 06.09.2026 | Towards improvements to Killingworth Lakeside Park and/or Killingworth Linear Park and/or Lockey Park and/or potentially the RSCP as the nearest destination park.  |
| 18/00087/S106 - Northumberland Ward (S0121) - Land West of Station Road, Wallsend - - 16/01885/FUL  | -131,500.08          | 0.00             | -131,500.08          |                    | 01.08.2027 | Towards upgrades and management of Rising Sun Country Park  |
| 20/01140/S106 (S0125) - Moorhouses Covered Reservoir - Bellway Homes - 19/01280/FUL   | -21,277.58           | 0.00             | -21,277.58           |                    | 04.10.2027 | Towards environmental improvements to local parks and recreational areas in the vicinity of the site and more minor improvements to the local area enabling green spaces to meet the needs of increased numbers of residents as a result of the development   |
| <b>Total</b>  | <b>-1,443,615.62</b> | <b>38,745.25</b> | <b>-1,366,550.37</b> | <b>-612,022.97</b> |            |   |

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| <b>Healthcare/ Facilities (S1008) CCG (Jamie Mitchell)</b>   |                      |                   |                      |                   |            |   |
|--|----------------------|-------------------|----------------------|-------------------|------------|---|
| Development  | Received             | Spent / Draw      | Balance              | Committed         | End Date   | Legal Agreement   |
| 11/00170/S106 - Riverside Ward (S0034) - John Lilley And GillieClive StreetNorth Shields - AWC Property Ltd - 10/01326/FUL             | -5,808.00            | 0.00              | -5,808.00            | -5,808.00         | N/A        | Contribution of £5,808 for health facilities which will serve the area of North Shields   |
| 11/00939/S106 - Weetslade Ward (S0036) - Land East of Great Lime Road, Wideopen - Bellway Homes - 13/00551/FUL                         | -166,438.00          | 201,385.69        | -23,599.00           | 0                 |            |   |
| 11/01188/S106 - Tynemouth Ward (S0038) - Land To The Rear OfLinskill ParkPreston AvenueNorth Shields - Gentoo - 11/00748/FUL           | -6,776.00            | 0.00              | -6,776.00            | 0.00              | N/A        | Towards the costs of improving health facilities within the vicinity of the property  |
| 11/01967/S106 - Riverside Ward (S0043) - Site of Unit 1, Howdon Green Industrial Estate, Norman Terrace - Bellway Homes - 11/01346/FUL | -6,776.00            | 0.00              | -6,776.00            | -6,776.00         | N/A        | Healthcare contribution of £6,776 towards the cost of improving the capacity of Bewicke Medical Centre  |
| 12/01234/S106 - St Mary's Ward (S0046) - Glebe School Site - Charles Church Ltd - 12/00896/FUL   | -6,776.00            | 0.00              | -6,776.00            | 0                 | TBC        | £6,776 to be used towards providing health facilities in the vicinity of the Site   |
| 13/01614/S106 - Killingworth Ward (S0058) - The Limes Development, Palmersville - Taylor Wimpey -                                      | -31,918.00           | 0.00              | -31,918.00           | 0                 |            |   |
| 13/01736/S106 & 15/00513/S106 & 17/01036/S106 - Valley Ward (S0069) - Shiremoor West - Hotspur Land Ltd - 14/01931/FUL                 | -401,027.00          | 0.00              | -401,027.00          | 0                 |            |   |
| 13/01901/S106 - camperdown Ward (S0055) - Land at White House Farm, Station Road, Killingworth - Bellway Homes - 11/02337/FUL          | -311,277.00          | 0.00              | -311,277.00          | 0                 | 07.12.2025 | Towards the provision of health care services from any or all of the following: Killingworth Health Centre, Woodland Park Health Centre and/or Wideopen Health Centre to meet the need arising from development |
| 14/01941/S106 - Northumberland Ward (S0094) - Station Road East, Wallsend - Persimmon Homes - 12/02025/FUL                             | -398,412.15          | 264,393.36        | -134,018.79          | 0                 | 01.07.2024 | Towards the provision of increased clinical space within the vicinity of the development.   |
| 15/00100/S106 - Killingworth Ward (S0096) - Former REME Depot, Killingworth - Diocese of Hexham - 14/00730/FUL                         | -68,404.00           | 18,222.00         | -50,182.00           | 0                 | 22.06.2022 | Contribution for provision and support of Health services - to be applied at Wellspring Medical Practice or White Swan Surgery (or other scheme with broadly equivalent amenity)                                |
| 18/00087/S106 - Northumberland Ward (S0121) - Land West of Station Road, Wallsend - - 16/01885/FUL                                     | -101,833.49          | 0.00              | -101,833.49          |                   | 01.08.2027 | Towards the improvements to health care facilities within Wallsend  |
| <b>Total</b>   | <b>-1,505,445.64</b> | <b>484,001.05</b> | <b>-1,079,991.28</b> | <b>-12,584.00</b> |            |   |

| Employment Initiatives (S1006) Mark Barrett  |                   |                 |                   |             |            |  |  |
|--|-------------------|-----------------|-------------------|-------------|------------|--|--|
| Development  | Received          | Spent / Draw    | Balance           | Committed   | End Date   | Legal Agreement  |  |
| 16/00274/S106 - Camperdown Ward (S0098) - Land at Former Chan Buildings, Stephenson Industrial Estate - - 15/01708/FUL | -14,800.00        | 3,688.66        | -11,111.34        | 0           | 22.06.2023 | Towards the provision of employment ant training within the retail sector  |  |
| 21/00082/S106 (S0129) - Field North of 45 Sunholme Drive, Wallsend - Persimmon Homes - 20/01047/FUL                    | -55,751.53        | 0.00            | -55,751.53        | 0           | 16.01.2029 | £7,000.00 towards the creation of new job opportunities for residents within the vicinity of the site, including apprenticeships |  |
| 21/00449/S106 (S0130) - Tanners Banks - Ovington Boats - 20/01044/FUL  | -2,583.84         | 0.00            | -2,583.84         | 0           | 15.12.2026 | £2,500 towards training initiatives  |  |
| 22/00498/S106 (S0133) - Former Motor Hog, Wallsend Road, North Shields - Mandale Investments - 21/02355/FUL            | -15,000.00        | 0.00            | -15,000.00        | 0           |            | To pay the £15,000 contribution prior to the commencement of the development for employment and training initiatives             |  |
| 20/01140/S106 (S0125) - Moorhouses Covered Reservoir - Bellway Homes - 19/01280/FUL                                    | -7,254.54         | 0.00            | -7,254.54         | 0           | 04.10.2027 | £14,000 towards the creation of new job opportunities for residents within the vicinity of the site, including apprenticeships.  |  |
|  | 0.00              | 0.00            |                   |             |            |  |  |
| <b>Total</b>   | <b>-95,389.91</b> | <b>3,688.66</b> | <b>-91,701.25</b> | <b>0.00</b> |            |  |  |

| Playsites (S1016) Paul Youlden   |                    |                  |                    |                   |            |  |  |
|--|--------------------|------------------|--------------------|-------------------|------------|--|--|
| Development  | Received           | Spent / Draw     | Balance            | Committed         | End Date   | Legal Agreement  |  |
| 12/01234/S106 - St Mary's Ward (S0046) - Glebe School Site - Charles Church Ltd - 12/00896/FUL   | -2,306.00          | 0.00             | -2,306.00          | -2,306.00         | TBC        | Towards the management of children's play facilities in the vicinity of the Site   |  |
| 12/01392/S106 - Collingwood Ward (S0074) - Lynn Club Cragside Avenue And Land Adjacent To 24/26 Nethernton Avenue North Shields - - 12/00699/FUL | -4,353.00          | 0.00             | -11,822.00         | -11,822.00        | 14.10.2020 | Improvement of existing play provision within the vicinity of the site   |  |
| 13/01064/S106 - Valley Ward (S0050) - St Edmunds BuildingStation RoadBackworth - Bett Homes - 13/00622/FUL                                       | -1,082.42          | 0.00             | -1,082.42          | -1,082.42         |            |  |  |
| 13/01433/S106 - Wallsend Ward (S0062) - Land East of the Covers, Wallsend - Bellway - 13/00987/FUL   | -19,961.00         | 0.00             | -19,961.00         | -19,961.00        | 16.07.2020 | Towards cost of improving equipped play facilities within Richardson Dees Park   |  |
| 13/01737/S106 - Killingworth Ward (S0061) - Land North of Forest Gate, Palmersville - Avant Homes - 13/01412/FUL                                 | -43,981.00         | 0.00             | -43,981.00         | 0                 | 01.01.2023 | Towards improvement of the existing play provision within the vicinity of the site either at Rising Sun Country Park or Bamburgh Road playsite.  |  |
| 13/01901/S106 - camperdown Ward (S0055) - Land at White House Farm, Station Road, Killingworth - Bellway Homes - 11/02337/FUL                    | -294,454.00        | 71,500.00        | -222,954.00        | 0                 | 08.11.2023 | Towards the improvement, upgrade or provision of new children's equipped play space in the vicinity of the development   |  |
| 14/01721/S106 - Northumberland Ward (S0089) - Former Parkside Special School, Wallsend - Bellway Homes - 14/00897/FUL                            | -23,425.00         | 0.00             | -23,425.00         | -23,425.00        | 03.03.2022 | Enhancement, upkeep and maintenance of Mullen Road playsite to include provision of fencing, safety surfaces and additional equipment.   |  |
| 14/01904/S106 - Longbenton Ward (S0095) - Former St Stephen's School, Longbenton - Diocese of Hexham - 14/01490/FUL                              | -27,839.00         | 22,839.00        | -5,000.00          | 0                 | 25.10.2023 | Strategic equipped areas of play at the Oxford Centre (West Farm Avenue) or elsewhere in the vicinity of the site.   |  |
| 14/01941/S106 - Northumberland Ward (S0094) - Station Road East, Wallsend - Persimmon Homes - 12/02025/FUL                                       | -218,532.00        | 0.00             | -218,532.00        | 0                 | 16.11.2023 | Towards the construction and/or improvements of children's play space facilities at Richardson Dees Skate Park, North Road, Wallsend.  |  |
| 15/01088/S106 - Benton Ward (S0097) - Former St Bartholomews Primary School, Benton - - 15/00406/FUL   | -20,971.00         | 0.00             | -20,971.00         | 0                 | 22.06.2023 | Towards improvements of existing equipment within a local playsite   |  |
| 16/00188/S106 - Weetslade Ward (S0101) - Dudley People's Centre - Tantallon Homes - 15/00949/FUL   | -8,498.00          | 0.00             | -8,498.00          | 0                 | 22.06.2023 | Towards improving existing play equipment at the John Willie Sams Centre   |  |
| 16/00467/S106 - Benton Ward (S0100) - Darsley Park, Benton - Taylor Wimpey - 15/01144/FUL  | -55,636.00         | 0.00             | -55,636.00         | 0                 | 07.01.2026 | Towards improving and maintaining children's play equipment within the vicinity of the site  |  |
| 14/01905/S106 (S0123) - Wallsend Community Centre 196A and 196 Vine Street - - 14/01348/FUL  | -4,987.00          | 0.00             | -4,987.00          | 0                 | 22.06.2023 | Towards improvements of existing equipment within a local playsite   |  |
| 16/01375/S106 & 17/0162/S106 - Camperdown Ward (S0086) - Stephenson House, Killingworth - Bellway - 16/00232/FUL                                 | -32,554.00         | 0.00             | -32,554.00         | 0                 | N/A        | Childrens play   |  |
| 19/00262/S106 (S0124) - - -  | -91,746.79         | 0.00             | -91,746.79         | 0                 | 06.09.2026 | Towards improvements to existing and/or the provision of new play equipment at Burradon Welfare and/or Killingworth Lakeside play areas.   |  |
| 20/01140/S106 (S0125) - Moorhouses Covered Reservoir - Bellway Homes - 19/01280/FUL  | -27,204.55         | 0.00             | -27,204.55         | 0                 | 04.10.2027 | Towards improvements to the provision of childrens play space within the vicinity of the site through the provision of equipment, surfaces and / or ancillaries to accommodate the increase in use associated with the development |  |
| <b>Total</b>   | <b>-877,530.76</b> | <b>94,339.00</b> | <b>-790,660.76</b> | <b>-58,596.42</b> |            |  |  |

| <b>Education (S1005) Rachael Coyne</b>   |                      |                     |                      |                      |            |  |  |
|--|----------------------|---------------------|----------------------|----------------------|------------|--|--|
| Development  | Received             | Spent / Draw        | Balance              | Committed            | End Date   | Legal Agreement  |  |
| 13/01282/S106 & 15/01941/S106 - Killingworth Ward (S0063) - Scaffold Hill - Bellway & Taylor Wimpey - 11/01600/FUL                               | -3,187,124.72        | 1,706,231.84        | -1,480,892.88        | -1,480,892.88        | N/A        | Service area states monies have been spent - TBC   |  |
| 13/01433/S106 - Wallsend Ward (S0062) - Land East of the Covers, Wallsend - Bellway - 13/00987/FUL   | -20,790.00           | 0.00                | -20,790.00           | 0                    | 16.07.2020 | Contribution to improving primary educational facilities within the vicinity of the property   |  |
| 13/01614/S106 - Killingworth Ward (S0058) - The Limes Development, Palmersville - Taylor Wimpey -  | -68,082.00           | 0.00                | -68,082.00           | -68,082.00           | TBC        | Check legal agreement  |  |
| 13/01736/S106 & 15/00513/S106 & 17/01036/S106 - Valley Ward (S0069) - Shiremoor West - Hotspur Land Ltd - 14/01931/FUL                           | -2,187,978.00        | 2,122,978.00        | -65,000.00           | 0                    |            |  |  |
| 13/01737/S106 - Killingworth Ward (S0061) - Land North of Forest Gate, Palmersville - Avant Homes - 13/01412/FUL                                 | -57,000.00           | 50,000.00           | -7,000.00            | 0                    | 01.01.2023 | Towards education.   |  |
| 13/01901/S106 - camperdown Ward (S0055) - Land at White House Farm, Station Road, Killingworth - Bellway Homes - 11/02337/FUL                    | -308,674.00          | 0.00                | -308,674.00          | 0                    | 26.06.2024 | Towards the provision of education for the benefit of the following schools:- George Stephenson High School, Moor Edge Primary School, Westmoor Primary School, Bailey Green Primary School, Amberley Primary School, St Stephens Roman Catholic Primary School, St Bartholomews Church of England Primary School and Balliol Primary School to meet the need arising from the development |  |
| 14/01721/S106 - Northumberland Ward (S0089) - Former Parkside Special School, Wallsend - Bellway Homes - 14/00897/FUL                            | -32,400.00           | 0.00                | -32,400.00           | 0                    | 03.03.2022 | Improvements to education facilities at Wallsend Jubilee Primary School, Burnside Business and Enterprise College or Churchill Community College   |  |
| 14/01941/S106 - Northumberland Ward (S0094) - Station Road East, Wallsend - Persimmon Homes - 12/02025/FUL                                       | -433,782.00          | 0.00                | -433,782.00          | 0                    | 03.12.2023 | Towards the provision and improvement of educational facilities in Wallsend Jubilee Primary School and improvements in relation to Redesdale Primary School.   |  |
| 15/00100/S106 - Killingworth Ward (S0096) - Former REME Depot, Killingworth - Diocese of Hexham - 14/00730/FUL                                   | -760,470.00          | 0.00                | -760,470.00          | 0                    | 04.07.2022 | Contribution for the provision and support of education to be applied at Ivy Road Primary School, and/or Longbenton Community College and/or George Stephenson High School (or other scheme with broadly equivalent amenity)   |  |
| 15/00113/S106 & 17/01040/S106 - Valley Ward (S0091) - Land South of 81 Killingworth Avenue - Duke of Northumberland 72 Settlement - 14/01687/OUT | -796,764.34          | 40,000.00           | -756,764.34          | 0                    | 26.01.2026 | Towards the cost of the primary school within the vicinity of the Site   |  |
| 17/00557/S106 - Riverside Ward (S0107) - Land at Ballast Hill Road - Cussins (North East) Ltd - 16/01692/FUL                                     | -73,339.00           | 0.00                | -73,339.00           | 0                    | 26.10.2025 | For primary education for additional places in existing primary schools within North Tyneside and secondary education for additional places in existing secondary schools within North Tyneside  |  |
| 14/01905/S106 (S0123) - Wallsend Community Centre 196A and 196 Vine Street - 14/01348/FUL  | -26,231.00           | 0.00                | -26,231.00           | 0                    |            |  |  |
| 21/00082/S106 (S0129) - Field North of 45 Sunholme Drive, Wallsend - Persimmon Homes - 20/01047/FUL  | -55,326.21           | 0.00                | -55,326.21           | 0                    | 16.12.2028 | Towards increasing capacity in new or existing provision within the site.  |  |
| 20/01140/S106 (S0125) - Moorhouses Covered Reservoir - Bellway Homes - 19/01280/FUL  | -166,297.35          | 0.00                | -166,297.35          | 0                    | 17.12.2027 | Towards increased capacity in new or existing provision within the area.   |  |
|  | 0.00                 | 0.00                | 0.00                 |                      |            |  |  |
|  | 0.00                 | 0.00                | 0.00                 |                      |            |  |  |
| <b>Total</b>   | <b>-8,174,258.62</b> | <b>3,919,209.84</b> | <b>-4,255,048.78</b> | <b>-1,548,974.88</b> |            |  |  |

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| <b>Affordable Housing (S1001) Roy Marsden</b>  |                    |              |                    |             |            |                                |  |
|--|--------------------|--------------|--------------------|-------------|------------|--------------------------------|--|
| Development  | Received           | Spent / Draw | Balance            | Committed   | End Date   | Legal Agreement                |  |
| 17/00557/S106 - Riverside Ward (S0107) - Land at Ballast Hill Road - Cussins (North East) Ltd - 16/01692/FUL | -107,560.00        | 0.00         | -107,560.00        | 0           | 26.10.2025 | For offsite affordable housing |  |
|  | 0.00               | 0.00         | 0.00               |             |            |                                |  |
|  | 0.00               | 0.00         | 0.00               |             |            |                                |  |
|  | 0.00               | 0.00         | 0.00               |             |            |                                |  |
|  | 0.00               | 0.00         | 0.00               |             |            |                                |  |
|  | 0.00               | 0.00         | 0.00               |             |            |                                |  |
| <b>Total</b>   | <b>-107,560.00</b> | <b>0.00</b>  | <b>-107,560.00</b> | <b>0.00</b> |            |                                |  |

| <b>Coastal Mitigation (S1017) Jackie Hunter &amp; Paul Nelson</b>  |                   |              |                   |             |                     |   |  |
|--|-------------------|--------------|-------------------|-------------|---------------------|---|--|
| Development  | Received          | Spent / Draw | Balance           | Committed   | End Date            | Legal Agreement   |  |
| 19/00058/S106 (S0122) - 26-32 South Parade, Whitley bay - 17/01777/FUL   | -7,200.00         | 0.00         | -7,200.00         | 0           | 10 yrs from receipt | Towards provision of a mitigation service to mitigate the impact of recreational activity along the coast of North Tyneside.  |  |
| 21/00082/S106 (S0129) - Field North of 45 Sunholme Drive, Wallsend - Persimmon Homes - 20/01047/FUL              | -5,462.24         | 0.00         | -5,462.24         | 0           | 05.01.2029          | £5,285.00 towards provision of a mitigation service i.e. warden provision and associated facilities to mitigate the impact of recreational activity at the coast.                             |  |
| 19/00652/S106 (S0132) - 30 - 37 Clive Street, North Shields, Tyne And Wear - UKQ Clive Street LLP - 19/00436/FUL | -10,000.00        | 0.00         | -10,000.00        | 0           |                     |   |  |
| 20/01140/S106 (S0125) - Moorhouses Covered Reservoir - Bellway Homes - 19/01280/FUL                              | -13,097.04        | 0.00         | -13,097.04        |             | 04.10.2027          | £25,275 towards the provision of a mitigation service including warden provision and associated facilities to mitigate the impact of recreational activity along the coast of North Tyneside. |  |
|  | 0.00              | 0.00         | 0.00              |             |                     |   |  |
|  | 0.00              | 0.00         | 0.00              |             |                     |   |  |
| <b>Total</b>   | <b>-35,759.28</b> | <b>0.00</b>  | <b>-35,759.28</b> | <b>0.00</b> |                     |   |  |

| Ecology (S1018) Jackie Hunter & Paul Nelson  |                    |                 |                    |             |            |  |
|--|--------------------|-----------------|--------------------|-------------|------------|--|
| Development  | Received           | Spent / Draw    | Balance            | Committed   | End Date   | Legal Agreement  |
| 00/02134/S106 - Collingwood Ward (S0056) - Plot 6, Cobalt Business Park, Silver Fox Way, Wallsend - Highbridge - 00/01360/FUL  | -21,410.00         | 0.00            | -21,410.00         | 0           |            |  |
| 06/01520/S106 - Tynemouth Ward (S0027) - Former Irvin Buildings, Union Quay, North Shields - Leftbank Developments (Hanover Square) Ltd - 05/03255/FUL               | -6,000.00          | 0.00            | -6,000.00          | 0           |            |  |
| 10/02253/S106 - Chirton Ward (S0032) - Land At Former Meadowell Primary SchoolWantage AvenueNorth Shields - Ben Bailey Homes - 10/01274/FUL                          | -3,900.00          | 0.00            | -3,900.00          | 0           |            |  |
| 11/01755/S106 - Killingworth Ward (S0039) - Land To The North OfAmberley Community Primary SchoolEast BaileyKillingworth (now Greenacres) - Persimmon - 10/02655/FUL | -19,886.00         | 0.00            | -19,886.00         | 0           | N/A        | Providing off site scrub planting to the play area and habitat enhancement at Killingworth Lake  |
| 11/01967/S106 - Riverside Ward (S0043) - Site of Unit 1, Howdon Green Industrial Estate, Norman Terrace - Bellway Homes - 11/01346/FUL                               | -1,365.00          | 0.00            | -1,365.00          | 0           |            |  |
| 13/00947/S106 - Weetslade Ward (S0064) - Land at East Wideopen Farm - - 13/00198/FUL   | -11,016.00         | 0.00            | -11,016.00         | 0           |            |  |
| 13/01571/S106 & 14/00473/S106 - Camperdown Ward (S0059) - Former Norgas House Site, Northumbrian Way - Barratts - 13/00691/FUL                                       | -20,815.00         | 0.00            | -20,815.00         | 0           |            |  |
| 13/01736/S106 & 15/00513/S106 & 17/01036/S106 - Valley Ward (S0069) - Shiremoor West - Hotspur Land Ltd - 14/01931/FUL   | -213,787.00        | 0.00            | -213,787.00        | 0           |            |  |
| 13/01901/S106 - camperdown Ward (S0055) - Land at White House Farm, Station Road, Killingworth - Bellway Homes - 11/02337/FUL  | -29,646.00         | 0.00            | -29,646.00         | 0           | 06.12.2023 | (a) grey squirrel control measures in Gosforth Park Nature Reserve at a cost of £15,000 over 15 years, (b) enhancements to Gosforth Park Nature Reserve including watercourse and fencing £35,000, (c) Provision of Education packs for new residents including a leaflet at a cost of £3,655 as to how and why to discourage grey squirrels, (d) Natural History of Northumbria Membership Fund for each new household £25.00 per dwelling (totalling £9,150) |
| 13/02005/S106 - Whitley Bay Ward (S0072) - Site Of Former, 35 Esplanade - John Spencer Harvey - 13/01526/FUL   | -3,582.00          | 1,435.00        | -2,147.00          | 0           | 18.09.2024 | Towards biodiversity improvements at Marden Quarry Local Wildlife Site.  |
| 14/00242/S106 - Battle Hill Ward (S0060) - Hadrian Education Centre - Gladedale - 12/02047/FUL   | -13,348.00         | 0.00            | -13,348.00         | 0           | 08.12.2022 | To be used to improve the existing woodlands through major thinning programmes and additional ground storey planting, wetland habitat introductions and improvements near Hadrian Pond and Wallsend Burn and new woodland plantings and improvements to the existing hedgerow network in this area of the park by laying hedges and introducing hedgerow trees along their length  |
| 14/01744/S106 - Howdon Ward (S0093) - St Marks Church, Wallsend - Marine Buildings Ltd - 13/01655/FUL  | -1,384.00          | 0.00            | -1,384.00          | 0           |            |  |
| 15/00113/S106 & 17/01040/S106 - Valley Ward (S0091) - Land South of 81 Killingworth Avenue - Duke of Northumberland 72 Settlement - 14/01687/OUT                     | -71,009.00         | 0.00            | -71,009.00         | 0           |            |  |
| 16/00467/S106 - Benton Ward (S0100) - Darsley Park, Benton - Taylor Wimpey - 15/01144/FUL  | -7,571.00          | 0.00            | -7,571.00          | 0           | 07.01.2026 | Create/enhance areas of semi improved grassland to mitigate against the loss of the site and the additional footfall from new residents to Benton Quarry Park, Station Road LWS and the public rights of way within the vicinity of the site   |
| 16/02016/S106 - Longbenton Ward (S0105) - Land North of 1 Whitecroft Road, West Moor - Bellway - 16/01316/FUL  | -2,588.00          | 0.00            | -2,588.00          | 0           | 25.10.2023 | To be used towards ecological and wildlife management objectives   |
| 17/01202/S106 - Chirton Ward (S0108) - Land Adjacent to Vroom Car Retail Park, Orion Way - Northumberland Estates Ltd - 17/00531/FUL                                 | -2,857.00          | 0.00            | -2,857.00          | 0           |            |  |
| 14/01905/S106 (S0123) - Wallsend Community Centre 196A and 196 Vine Street - - 14/01348/FUL  | -1,432.00          | 0.00            | -1,432.00          | 0           | 22.06.2023 | Towards the improvement of green space within Benton Quarry Park   |
| 21/00082/S106 (S0129) - Field North of 45 Sunholme Drive, Wallsend - Persimmon Homes - 20/01047/FUL  | -7,053.89          | 0.00            | -7,053.89          | 0           | 16.12.2028 | £6, 825.00 towards mitigating impacts against increased use associated with development through habitat creation and mitigation and improvements to footpaths within the vicinity of the site.   |
| 20/00033/S106 (S0127) - Land East Of, Salters Lane, Longbenton - Avant Homes - 16/01889/FUL  | 0.25               | 0.00            | 0.25               | 0           |            |  |
| 19/00262/S106 (S0124) - - -  | -41,668.00         | 0.00            | -41,668.00         | 0           | 06.09.2026 | Towards biodiversity improvements within Weetslade Country Park including habitat creation and enhancement projects and footpath/car park improvement works.   |
| 20/01140/S106 (S0125) - Moorhouses Covered Reservoir - Bellway Homes - 19/01280/FUL  | -7,578.41          | 0.00            | -7,578.41          | 0           | 04.10.2027 | £14,625 towards improvements to mitigate against the impacts of increased use associated with the development through habitat creation and management and improvements to footpaths within the vicinity of the site.   |
| <b>Total</b>   | <b>-487,896.05</b> | <b>1,435.00</b> | <b>-486,461.05</b> | <b>0.00</b> |            |  |

| <b>Environmental Works (S1007) Sam Dand</b>   |                    |                   |                   |             |            |   |
|---|--------------------|-------------------|-------------------|-------------|------------|---|
| Development   | Received           | Spent / Draw      | Balance           | Committed   | End Date   | Legal Agreement   |
| 13/01433/S106 - Wallsend Ward (S0062) - Land East of the Covers, Wallsend - Bellway - 13/00987/FUL                            | -11,310.00         | 0.00              | -11,310.00        | 0           | 16.07.2020 | Towards biodiversity management/enhancements within SNCI adjacent to property |
| 13/01736/S106 & 15/00513/S106 & 17/01036/S106 - Valley Ward (S0069) - Shiremoor West - Hotspur Land Ltd - 14/01931/FUL        | 0.00               | 0.00              | 0.00              | 0           |            |   |
| 13/01901/S106 - Camperdown Ward (S0055) - Land at White House Farm, Station Road, Killingworth - Bellway Homes - 11/02337/FUL | -71,500.00         | 65,000.00         | -6,500.00         | 0           |            |   |
| 14/01721/S106 - Northumberland Ward (S0089) - Former Parkside Special School, Wallsend - Bellway Homes - 14/00897/FUL         | -206,728.00        | 200,225.71        | -6,502.29         | 0           |            |   |
| <b>Total</b>  | <b>-289,538.00</b> | <b>265,225.71</b> | <b>-24,312.29</b> | <b>0.00</b> |            |   |

| <b>Open Spaces (S1014) Sam Dand</b>  |                   |              |                   |             |          |                          |
|--|-------------------|--------------|-------------------|-------------|----------|--------------------------|
| Development  | Received          | Spent / Draw | Balance           | Committed   | End Date | Legal Agreement          |
| 16/01375/S106 & 17/0162/S106 - Camperdown Ward (S0086) - Stephenson House, Killingworth - Bellway - 16/00232/FUL | -18,737.00        | 0.00         | -18,737.00        | 0           | N/A      | Semi natural green space |
|  | 0.00              | 0.00         | 0.00              |             |          |                          |
|  | 0.00              | 0.00         | 0.00              |             |          |                          |
|  | 0.00              | 0.00         | 0.00              |             |          |                          |
|  | 0.00              | 0.00         | 0.00              |             |          |                          |
|  | 0.00              | 0.00         | 0.00              |             |          |                          |
| <b>Total</b>   | <b>-18,737.00</b> | <b>0.00</b>  | <b>-18,737.00</b> | <b>0.00</b> |          |                          |

| <b>Air Quality Monitoring</b>  |                   |              |                   |             |          |                 |
|--|-------------------|--------------|-------------------|-------------|----------|-----------------|
| Development  | Received          | Spent / Draw | Balance           | Committed   | End Date | Legal Agreement |
| 13/01282/S106 & 15/01941/S106 - Killingworth Ward (S0063) - Scaffold Hill - Bellway & Taylor Wimpey - 11/01600/FUL | -11,507.00        | 0.00         | -11,507.00        | 0           |          |                 |
|  | 0.00              | 0.00         | 0.00              |             |          |                 |
|  | 0.00              | 0.00         | 0.00              |             |          |                 |
|  | 0.00              | 0.00         | 0.00              |             |          |                 |
|  | 0.00              | 0.00         | 0.00              |             |          |                 |
|  | 0.00              | 0.00         | 0.00              |             |          |                 |
| <b>Total</b>   | <b>-11,507.00</b> | <b>0.00</b>  | <b>-11,507.00</b> | <b>0.00</b> |          |                 |

| <b>Public Rights of Way</b>  |                   |              |                   |             |          |                 |
|--|-------------------|--------------|-------------------|-------------|----------|-----------------|
| Development  | Received          | Spent / Draw | Balance           | Committed   | End Date | Legal Agreement |
| 11/01867/S106 & 11/0786/S106 - Wallsend Ward (S0041) - SPORTS GROUND KINGS ROAD SOUTH WALLSEND - NTC & BELLWAY HOMES-ISOS - 11/01345/FUL | -20,000.00        | 0.00         | -20,000.00        | TBC         |          |                 |
| 19/00262/S106 (S0124) - - -  | -48,978.99        | 0.00         | -48,978.99        |             |          |                 |
|  | 0.00              | 0.00         | 0.00              |             |          |                 |
|  | 0.00              | 0.00         | 0.00              |             |          |                 |
|  | 0.00              | 0.00         | 0.00              |             |          |                 |
|  | 0.00              | 0.00         | 0.00              |             |          |                 |
| <b>Total</b>   | <b>-68,978.99</b> | <b>0.00</b>  | <b>-68,978.99</b> | <b>0.00</b> |          |                 |

| <b>Community Facilities (S1003) Steve Bishop</b>   |                   |              |                   |             |            |                 |
|--|-------------------|--------------|-------------------|-------------|------------|-----------------|
| Development  | Received          | Spent / Draw | Balance           | Committed   | End Date   | Legal Agreement |
| 18/00087/S106 - Northumberland Ward (S0121) - Land West of Station Road, Wallsend - - 16/01885/FUL | -63,865.03        | 0.00         | -63,865.03        | 0           | 01.08.2027 |                 |
|  | 0.00              | 0.00         | 0.00              |             |            |                 |
|  | 0.00              | 0.00         | 0.00              |             |            |                 |
|  | 0.00              | 0.00         | 0.00              |             |            |                 |
|  | 0.00              | 0.00         | 0.00              |             |            |                 |
|  | 0.00              | 0.00         | 0.00              |             |            |                 |
| <b>Total</b>   | <b>-63,865.03</b> | <b>0.00</b>  | <b>-63,865.03</b> | <b>0.00</b> |            |                 |

|                           |                       |                     |                       |                      |
|---------------------------|-----------------------|---------------------|-----------------------|----------------------|
| <b>Section 106 Totals</b> | <b>-18,822,082.08</b> | <b>6,272,618.13</b> | <b>-12,590,517.64</b> | <b>-3,178,592.03</b> |
|---------------------------|-----------------------|---------------------|-----------------------|----------------------|

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## Risk Scorecard

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

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

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## Risk Scorecard

| IMPACTS               |                                    |   |   |   |
|-----------------------|------------------------------------|---|---|---|
|                       | 4                                  | 3   | 2                                       | 1   |
|                       | Minor                              | Moderate  | Significant                             | Major   |
| Financial Impact      | £100K - £500K                      | £500k - £1M   | £1M - £10M                              | >£10M   |
| Service Provision     | Minor service delay                | Short term service delay                            | Service Suspended / Medium term delay   | Service Suspended Long Term<br>Statutory duties not delivered         |
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| Health & Safety       | Sticking Plaster / first aider     | Broken bones/Illness                                | Loss of Life/Major illness              | Major loss of life/Large scale major illness                          |
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|----------|---------------------------------|-------------|
| <b>A</b> | Very High / Certain             | 85% to 100% |
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| <b>D</b> | Low / Possible                  | 15% to 30%  |
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