

Cabinet

Monday, 27 November 2023

Present: Councillor C Johnson (Deputy Mayor)(in the Chair),
Councillors K Clark, P Earley, S Graham, J Harrison,
H Johnson, A McMullen and S Phillips

In Attendance: Councillor J Montague (Chair Overview, Scrutiny
Coordination and Finance Committee)
C Quinn (Young Mayor)
D Hodgson (Business Representative)
D McNally (Age UK, North Tyneside)
S Rennison (Northumbria Police)
V Smith (Voluntary Sector Representative)
R Layton (NT Joint Trades Union Committee)

Apologies: Dame N Redfearn DBE (Elected Mayor)

CAB68/23 Declarations of Interest and Dispensations

Councillor K Clark declared a registerable personal interest in agenda Item 5: 2023-24 Performance and Financial Management Report to 30 September 2023 (CAB71/23) and agenda Item 6: 2024-2028 Financial Planning and Budget Process incorporating the Associated Engagement Strategy (CAB72/23), as she was a Director and Employee at Justice Prince CIC which had contracts with North Tyneside Council funded from the Housing Revenue Account (Working Roots).

CAB69/23 Minutes

Resolved that the Minutes of the previous meetings held on 16 October (Ordinary) and 30 October 2023 (Extraordinary) be approved and signed by the Chair.

CAB70/23 Report of the Young Mayor

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

- Youth Councillors, together with four schools in the Borough had taken part in Democracy Week which included debate on topics the young councillors wanted to take forward namely – ‘Young People should be allowed to vote at 16 years old’, and ‘Public funds should be diverted from being invested in the motor industry and instead

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be invested in better public transport'; which following a vote was the topic selected. The young people also voted for the school that they thought had put forward the best argument and this year, Marden High School won the trophy. Thanks went to all of the panel members who responded to the young people at the Young Persons Question Time. The Young Mayor also thanked Deputy Mayor Carl Johnson and Councillor Peter Earley (who also co-chaired the Youth Council debate) for their support.

- A SEND event had been held for 6 to 25-year-old learner's where new members were recruited to the Equality and Diversity Committee.
- The Equality and Diversity committee had participated in a disability awareness session for youth councillors, where the young people were given temporary barriers such as things that affected their sight, hearing and mobility and which made it difficult for them to access everyday activities, which they found thought provoking.
- Youth Members had taken part in the planting of 650 Trees alongside the Coast Road, near Chollerford Avenue, North Shields, as part of the North East Community Forest Programme.
- Member of Youth Parliament Sharon had visited to the House of Commons, where she took part in a debate about food poverty, MYPs voted on a 'Food for Learning' campaign and moving forward would be around finance and funding.
- The Regional Children in Care Council Event had taken place at Sunderland University where the young people participated in workshops on mental health, the Local Offer and life skills as themes, discussions included ideas on how to overcome challenges, and a promise from professions in attendance which would be used to help plan for a full day conference in April 2024.
- A Children in Care and Care Leavers celebration event had taken place at the Linskill Centre where young people reflected on their strengths, skills and determination in a range of areas, followed by awards in categories including the Hardest Grafter, Independence award, Long term achiever, Money Management, Positivity, Progression, Team player, Jetsetter award, and two awards for life skills.
- The young people had been busy this month within this Year of the Voice of the Child and were hoping to achieve much more in the coming months.

The Deputy Mayor thanked the Young Mayor for his update and the Young People and congratulated him and all the young people for their valuable work and achievements in the borough, regionally and nationally. These accolades were echoed by the Cabinet Members present.

CAB71/23 2023-24 Performance and Financial Management Report to 30 September 2023

Cabinet received a report which provided a full overview of both the service delivery performance and budget position across the Authority as at 30 September 2023. For performance, it sets out the key areas of service delivery, including where this impacted in

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budget terms. In terms of the budget, it sets out the forecast outturn position to 31 March 2024 for both revenue and capital.

The report detailed the current position in relation to schools finance, the Authority's Investment Plan, developers' contributions and treasury management. It also provided details of additional revenue and capital grants received up until 30 September 2023.

In terms of performance, it was reported that service delivery overall across the Authority remained strong. The Authority continued to manage high levels of demand in a number of areas including Education, Health and Care Needs Plans, children in care, children in need, home care provision, residential and nursing care placements all of which had financial implications. Key areas of strength were delivery of the Our North Tyneside Plan 2021-2025 priorities such as the affordable homes programme and carbon net zero. The Ambition for North Tyneside Programme was progressing well with regeneration projects across the four areas of the borough. Capital investment continued to deliver planned improvement works helping maintain council homes at the decent homes standard. Council Tax and Business Rates collection also remained on track.

Since the last report, the number of children in care had increased from 376 in July to 385 in September, which was an additional 55 children in care compared to budgeted levels. The number of children in need had decreased from 1,664 in July to 1,617 in September, closing the gap on the 1,600 budgeted for. The result of the additional children in care compared to July combined with the current mix of placements had driven a £1.372m worsening of the Children's Services position, to a total forecasted pressure of £7.846m.

The budget's overall projection for 2023/24 was that the General Fund would outturn with a pressure of £9.648m, which was an improvement of £1.662m from the previous report, and the Housing Revenue Account would have a forecast underspend of £0.070m.

The report set out the programme of work which was in place to manage and mitigate the 2023/24 budget pressures and form part of the 2024-2028 Medium Term Financial Plan (MTFP).

Cabinet considered the following decision options: to either approve the recommendations as set out in section 1.2 of the report, or alternatively, to not approve the recommendations.

Resolved that (1) the update provided on the Performance of the Authority including updated data on the key pressures facing the Authority and progress against the Our North Tyneside Plan 2021-2025, be noted;
(2) the forecast budget monitoring position for the General Fund, Housing Revenue Account (HRA), schools finance and Treasury Management together with the service

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delivery performance position across the Authority as at 30 September 2023 (sections 1.5.1, 1.5.2, 1.5.3 and 1.5.5 of the report), be noted;

(3) the Authority's Investment Plan spend of £34.634m to 30 September 2023 and the proposed financing of the Plan to the end of the year (section 1.5.4 of the report), be noted;

(4) the variations of £0.971m within the 2023-2028 Investment Plan (section 1.5.4 of the report), be approved; and the current position with Developers' Contributions (section 1.5.6 of the report), be noted; and

(5) the receipt of £3.685m new revenue grants (as outlined in section 1.5.7 of the report), £0.152m of new capital grants and £0.201m of Section 106 Developer contributions to be applied in 2023/24 (as outlined in section 1.5.8 of the report), be approved.

(Reason for decision: 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.)

CAB72/23 2024-2028 Financial Planning and Budget Process: Cabinet's Initial Budget Proposals

Cabinet considered a report which sought approval for the Cabinet's initial budget proposals for 2023/24 in the context of the 2024-2028 Financial Planning and Budget. This report represented a key milestone in the development of the 2024/25 Budget and 2024-2028 Medium-Term Financial Plan (MTFP), as it sets out Cabinet's initial Budget proposals for the next financial year and beyond.

The report also included the Authority's approach to budget engagement and the Budget Engagement Strategy. The Our North Tyneside Plan remained the delivery focus for the Elected Mayor and Cabinet, and the Budget was driven by the Authority's key priorities that made up the Plan – a thriving, secure, family friendly, caring and green North Tyneside. Despite the economic challenges facing the country and the local government sector, the Authority continued to be ambitious to ensure anyone who needed support can access it, to continue to help the most vulnerable members of the community and to continue investment in all parts of the Borough.

Understanding the context in which any budget was set is critical, but this was even more relevant now. In many ways, 2024/25 represented the first post-covid budget, with the temporary funding to support local authorities through the pandemic now ended and activity levels stabilising towards the "new normal". However, at the same time, wider economic factors had come into play, manifesting themselves in the cost-of-living crisis for our residents, business and the wider public sector.

Local authorities across the country had experienced significant financial uncertainty for many years, but since 2018 there had been several local authorities who had issued

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notices under section 114 of the Local Government Finance Act 1988 (section 114 Notice), which was effectively a notice confirming that an authority was unable to meet its expected financial obligations. The reasons for the section 114 notices issued to date varied between each affected authority, but the current funding levels in the sector mean financial resilience had been weakened and some authorities had struggled to meet increased levels of demand within their current financial and operational arrangements.

The national and international economic position must also be recognised. As well as the increased levels of older people generally, there was a change to the proportion of over-50 year olds in work, reducing the levels of those who were economically active. Despite innovation and changing business processes, productivity in the economy has been weak in the past 10-15 years, undoubtedly impacted by the events such as the global banking crisis and the pandemic. More recently, rapidly rising inflation and the consequential increase in interest rates, following a prolonged period of historically low rates, were impacting on growth in the economy. However, there remained areas of economic resilience, with continued level of capital investment in many sectors.

Locally, this presented the Authority with challenges, which also changed at pace. Since the budget for 2023/24 was set on 16 February this year, increased demand and changing levels of risk had impacted on activity and budgets. This was covered in detail in the latest Performance and Finance report (also on the agenda for this meeting), but included: Increased levels of vulnerable children, including those accessing high needs support; National pressures on the cost of external provision for both children's and adult social care; Increasing food inflation and reducing numbers of schools buying services from the Authority, linked in part to academisation; Continued inflationary pressures, impacting on general costs but also contractual uplifts, for example waste and PFI schemes; and Recruitment and retention challenges, especially in certain shortage areas such as social care and lawyers.

In response to this, the Authority had continued to evolve and enhance its reporting mechanisms. 2023/24 had seen a new approach to the bi-monthly reporting to Cabinet and OSC&FC. This has focused more on service activity levels that drive the finances, rather than just the financial impacts, giving a much more informed and balanced set of reports to Members. It was also driving the revised approach to the MTFP set out in this report.

Despite these challenges, Cabinet was preparing its budget and MTFP proposals from a position of strength. The bi-monthly Performance and Finance reports set out some of the key achievements in year, demonstrating the support the Authority gave to its residents, business and visitors. The achievements set out in those reports, and summarised in this section, were not exhaustive but included:

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- 58% reduction in carbon emissions across Authority service operations, ensuring that the Authority is on track against its commitment to become carbon net-zero by 2030;
- The ambition to deliver 5,000 Affordable Homes is progressing well with 2,348 homes delivered at the end of quarter two;
- The Ambition for North Tyneside Programme is progressing with regeneration projects in all four areas of the borough;
- Almost £12m has been invested in delivering planned improvement works to maintain homes to the decent homes standard including kitchen and bathroom replacements, roof replacements, redecoration works, fencing replacements, heating replacement works;
- Almost £9m of improvement works have been delivered including integrated transport improvements including the North Shields Transport Hub which was opened on the 2 September 2023.
- Work continues to progress on the resurfacing programme, flood alleviation measures and on major highways improvement schemes such as the Seafront Sustainable Cycle Route, Stephenson Street junction upgrade and the next phase of the Routes to Metro Project; and
- Council Tax and Business Rates collection remains strong and compares well with national performance, ensuring that the Authority has the resources required to deliver essential services.

However, the regular monitoring reports also highlighted the on-going financial challenge. Without further intervention, there was a current forecast overspend of £9.648m this financial year which, without further improvement, would require some use of strategic reserves. Whilst this was the intended reason for holding reserves, their usage cannot continue indefinitely. In response to this, Cabinet continued to focus on a realistic programme of replenishment of reserves over the period of the MTFP.

In light of these challenges facing the sector, prioritising service levels and budgets was critical, which needed to focus on the vulnerable and those impacted most by the cost of living crisis. However, this planning continued to be undertaken with deep levels of uncertainty facing the Authority. Whilst the 2023/24 finance settlement gave an indication of the 2024/25 funding for some items through a policy statement, it was far from complete and the allocations between councils was not confirmed.

The Autumn Statement would take place on 22 November 2023, which was after the publication of this report. Whilst that would provide further information which would feed into the budget scrutiny process, the date of the provisional finance settlement (which would give further detail on the allocation of funding to individual councils) was not yet confirmed, but was unlikely to be before mid-December 2023 (it was not released until 19 December last year). As a response to this, the Authority had developed a high-level

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Financial Strategy which set the overarching principles and considerations for medium-term financial planning within North Tyneside. The diagram in section 1.5.12 sets out the components of the Strategy and each of the themes was covered in more detail within the MTFP, which was appended to this report.

The General Fund Medium-Term Financial Plan was summarised in section 1.6.1 of report and full details were included in the Annex to the report of the approach taken for Budget-setting for 2024/25.

The final 2023/24 settlement included funding allocations for 2023/24 and the policy direction for 2024/25. The MTFP, as set out to Council in February 2023, identified that the Authority, in common with other upper tier local authorities, needed to address a material budget shortfall in 2024/25 and beyond. However, there remained some uncertainty about the level of funding for 2024/25 and the potential for additional pressures to emerge during the budget setting process. At the Council meeting in February 2023, the MTFP for 2024/25 to 2026/27 set out a funding gap of £35.110m over the 4-year period, with a gap of £7.575m for 2024/25. The gap in the February Council report for 2024/25 included the future years impact of the 2023/24 increase in Council Tax (2.99%) and Adult Social Care Precept (2%), which were agreed at that meeting.

The Revenue Budget Outturn for 2022/23 was reported to the Cabinet in June 2023, and represented a net overspend on the cost of services of £6.081m. The Strategic Reserve was utilised to fund that overspend, reducing the remaining balance to £6.345m. The September 2023 Performance and Financial Management Report, which was also presented to Cabinet at this meeting, showed that without mitigation and management actions, the forecast pressure to the end of March 2023 was expected to be in the region of £9.648m.

Before looking at the new and emerging pressures since the Budget was set, Cabinet noted that the robust approach to financial planning in North Tyneside served its intended purpose. Had new pressures not arisen, many of which were outside the control of the Authority, budget monitoring analysis showed that by updating the assumptions included in February 2023, the residual MTFP gap for 2023/24 would have reduced from £7.575m to £2.265m. This would have been a manageable gap to address in the current budget round. Table 1 summarised the impact of the revised assumptions which gave the starting gap for 2024/25's budget calculations.

As part of the Authority's revised approach to setting a balanced budget for 2024/25 and a 4-year MTFP for 2024-2028, thirteen project areas had been established to tackle the highest pressures facing the Authority and to explore areas of opportunity to be more efficient or maximise resources. Since May, the Senior Leadership Team had been working to develop those projects with regular updates being received by members of Cabinet at

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Lead Member Briefings. The development of those followed the approach that was initially established with Childrens Social Care, which had been used as a blueprint for project development which form part of Cabinet's initial Budget proposals. This approach was also being incorporated into the in-year Performance and Finance reports to Cabinet and OSC&FC, recognising that service activity was driving the financial position of the Authority.

Following initial assessments of each project area, the anticipated net impact was an additional pressure of £12.209m increasing the gap for 2024/25. Full details of all the projects were included within section 6 of the MTFP appended to this report, however table 2 (section 1.6.7) provided an overview of the position by project where there was a financial impact.

Taking into account the position after the review of assumptions, summarised in table 1 (section 1.6.5), and the impact of the initial assessments of the projects above, the estimated revised gap for 2024/25 prior to any assumptions regarding additional government grants, collection fund adjustments or increases to Council Tax was £14.474m, as shown in table 3a (section 1.6.8).

As the budget plans had developed recently, further consideration had been given to potential changes to government grant funding, in particular funding elements that were influenced by the Consumer Prices Index (CPI). Initial estimates were that further funding of £4.942m could be received, which would also support the revised gap as described above. Table 3b (section 1.6.9) showed the impact of the estimated additional funding for 2024/25.

For 2023/24 and 2024/25 the Government announced that the referendum limit for increases to Council Tax would be up to 5%, which would form the basis of the Government's assumption for calculating individual councils' Core Spending Power. The MTFP approved by full Council in February 2023 included a 2.99% general increase in Council Tax and a 2% Adult Social Care Precept for 2023/24 but did not make any assumptions for future years. The general move towards raising income locally places additional burden on those residents not in receipt of Local Council Tax Support, either as part of the statutory scheme or the additional support put in place locally. The National Audit Office had calculated that between 2010/11 and 2020/21, Council Tax in North Tyneside rose by 15.8% in real terms (using 2019/20 prices). Whilst this remained a major concern, the Authority must reflect the Government's assumptions in its financial planning.

Whilst no proposal about Council Tax and/or the Adult Social Care Precept were being made in this report, it was useful to set out what this would mean for the Authority for illustrative purposes. Should Cabinet consider the increases in Council Tax, based on

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current tax base estimates, this would raise approximately £5.865m of additional funding for next year (made up of £3.513m general Council Tax (2.99%) and £2.352m from the Adult Social Care Precept (2%)). The precise final level of any change in Council Tax would be confirmed in February 2024 following a decision by full Council.

The statutory and additional local support that was in place in North Tyneside to assist residents with their Council Tax bills. In summary, it was proposed to retain the current level of support through both the statutory Local Council Tax Support Scheme, which gives up to 85% discount for eligible working age claimants (eligible pensionable age claimants can claim up to 100% of their bill). In addition, there was a local scheme where up to £150 per eligible working age claimant was available, at a cost of £1.5m annually. For a working age couple in a Band A property, this would see their annual bill reduced to £61 per annum (£8 for a single person). Further detail was included in section 5.6 of the Annex. Table 4 (section 1.6.13) summarised the revised gap for illustrative purposes taking these factors into consideration, especially recognising that any Council Tax increase proposals would follow in January and February reports to Cabinet and Council. The revised gap reflected the on-going uncertainty noted earlier in this report, especially around central government funding levels.

The Mayor and Cabinet had already made decisions in previous years which result in savings during the MTFP period, which were already included in the MTFP gap calculations used in this report. These were summarised in Table 5 (section 1.6.14).

Work would continue before January 2024 to update the revised gap to take account of the Provisional Settlement (expected in December) along with any wider Government announcements, including the impact of policy initiatives. In particular, the residual gap around adult social care (ASC) was hoped to narrow based on the realignment of the Market Sustainability and Fair Cost of Care funding into the ASC Market Sustainability and Improvement Fund. This would also take into account the latest returns to Government on the business rates position, which would not be known until January 2024. However, in the absence of any detailed information, no attempt had been made to quantify this and the full extent of the social care growth already in the MTFP assumptions had been left unchanged. In the event of the residual gap remaining after the Provisional Settlement updates were incorporated, the Authority would need to consider further usage of reserves or the application of capital receipt flexibilities, as set out elsewhere in this report.

In relation to the 2024-2028 General Fund Medium Term Plan estimates, the Authority was prudently planning on the basis that it would receive additional inflationary uplifts in Revenue Support Grants (RSG), Business Rates Top Up grants and additional social care grant in 2024/25. From 2025/26 it was likely that the Authority would only receive CPI uplifts in RSG, Business Rates and Top Up grants i.e., no increase in core grant funding were included. This prudent estimate for future years was in line with announcements by

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the Chancellor of the Exchequer in the March 2023 Budget that across the three years 2025/26 to 2027/28 the public sector would only receive a 1% real terms funding increase with Health, Education and Defence expected to receive additional protection. This position would be closely monitored as Budget-setting progresses and during the lead in time for publication of the Autumn Statement which was expected on 22 November 2023.

As in previous years, the MTFP had been reviewed and assumptions for the next 4-years had been updated to consider the impact of inflation and demand led pressures across all of the Authority's services. Full details of the impact of the revised assumptions were included within the Annex to this report. The summary position was included in table 6 (section 1.6.18). The revised assumptions had increased the overall funding gap or level of savings required to £46.3m by the end of the current MTFP in 2027/28 (assuming a balanced budget in 2024/25). However, there continued to be a high level of uncertainty on the 4-year planning horizon. Due to this as in 2023/24 a simplified approach had been taken at this stage to set out the 4-year MTFP period. The ongoing uncertainty was continuing to make financial planning extremely challenging and requires the Authority to be flexible and adaptable to the changing financial landscape. As Budget-setting progresses officers would continue to monitor economic and market updates, and where necessary would apply these to any assumptions currently estimated within the Authority's MTFP.

With regard to the review of General Fund Reserves, the Authority maintained a level of reserves to plan for and manage financial risk. It was important to remember that reserves can only be used once, and that they were maintained to provide a degree of financial resilience and flexibility for the Borough.

Reserves balances had fallen from 2022/23 primarily due to the overspend of £6.081m and the use of the Strategic Reserve to balance the General Fund in that financial year. The Authority continued to have planned use of earmarked reserves, and this will continue in the current financial year and across the MTFP. Cabinet will be aware that this unplanned use of reserves meant that the Strategic Reserve balance was now below the £10m minimum as set out in the Reserves and Balances policy. The MTFP set by full Council last year included plans to replenish the Strategic Reserve to a level above that in the Policy. However, due to additional pressures identified earlier in this report the initial review undertaken by management set out to defer the replenishment of the Strategic Reserve into 2025/26 and the remainder of the MTFP. General Fund reserves balances were forecast to fall to £37.349m by the end of 2027/28. This assumed no utilisation of the Strategic Reserves to underwrite revenue budget pressures over the MTFP.

The Authority bought forward General Fund reserves balances of £59.596m into 2023/24, based on the latest forecast of planned usage, it was anticipated £18.271m would be drawn down in 2023/24 to support service delivery. This would result in a 2024/25 balance

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bought forward for reserves of £41.325m. The planned usage did not incorporate the potential requirement of the strategic reserves to support the revenue budget pressure being forecast of £9.648m for 2023/24 as reported in the Financial Management report elsewhere on this agenda.

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

Financial Planning for the Housing Revenue Account (HRA), as with the General Fund, was driven by the Our North Tyneside Plan vision and priorities. The HRA would set a budget and updated four-year, MTFP supported by the updated 30-year HRA Business Plan, which would be agreed at the Cabinet meeting on 29 January 2024.

The Authority, in line with most Local Authority Registered Providers, followed the Government's social housing rent policy. In recent years, the increase had been calculated at the CPI rate, as at September, plus 1%. This led to a 4.1% rent increase for 2022/23. However, for 2023/24, due to the cost of living crisis and the high rates of inflation in September 2022, which stood at 10.1%, this would have led to an 11.1% increase. Following consultation, the Government capped the maximum rent increase for 2023/24 at 7%. As part of the proposals, the Government also reserved the right to apply the cap for 2024/25. In response to the level of rent being set, Cabinet would recall that a £3m fund was created to support a range of tenancy sustainment measures over the 3-year period from 2023/24.

At September 2023, the CPI rate of inflation was 6.7%, so applying the standard policy would lead to a rent increase of 7.7%. As with last year, a range of scenarios had initially been modelled within the 30-year HRA Business Plan and outlined in table 7 (section 1.7.6) pending any definitive announcements from Government. The default position for 2024/25 is based on a 7.7% increase, with scenarios setting out the implications of reduced "caps" from that point in terms of the savings that would be required to balance the plan in each circumstance.

The HRA continued to face a range of cost and supply pressures. Some of the main pressures were: Uncertainty over pay awards, for 2023/24 and future years; The outcome of the Craft Workers pay review; The implications of Grenfell Disaster which culminated in

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the passing of the Building Safety Act in 2022, placing additional responsibilities on Landlords e.g. ensuring carbon monoxide detectors in all properties, and increased level of electrical inspection; Supply chain difficulties sourcing certain materials and services, which adds to cost pressures and uncertainty; and Increased sub-contractor costs as they face many of the same issues in their supply chains and resourcing plans.

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

As stated above table 7, this provided some indicative figures of the potential impact of a cap being imposed. This showed the amount of savings that would be required at each level starting with the balanced plan at 7.7%, and working backwards towards the long-term Government target assumption that annual rent increases would average out at 3%.

The implementation of a cap would potentially lead to significant gaps in funding. If a cap was to be imposed, the Authority would need to find savings within the HRA Business Plan to close the gap. At that point there a range of options that would had to be explored to help balance the HRA and provide resources to move towards meeting Cabinet and tenants' ambitions. These would Involve the following areas:

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

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towards net carbon zero status in line with the Authority's Carbon Net-Zero 2030 Action Plan.

- h) The Business Plan also assumes that the results of the service charge review as described in Section 8 of the Annex are fully implemented from 1 April 2024, following an appropriate period of consultation with affected tenants, and that an agreed budget for transitional protection for those tenants is also put in place.

As part of the 2023/24 budget setting process, Cabinet agreed that a review of service charges would be undertaken to inform the 2024/25 budget and ensure that the proposed charges reflected the cost of delivering the relevant services. For the majority of services, the result of the review was that increasing service charges for 2024/25 in line with the proposed rent increase (7.7%) was considered to be appropriate. However, there were some specific exceptions to this where additional increases were required in order to meet the costs of service delivery, specifically relating to the North Tyneside Living schemes. Details of these were set out in section 8.4 of the Annex, including details of the elements that were eligible for benefit support. For those elements that were to be paid by existing tenants, transitional relief was being put in place to limit increases in 2024/25 to the level of overall rent increase (i.e. 7.7% under current assumptions).

The Authority's capital expenditure plans were captured within the Investment Plan which was developed in accordance with the Capital Investment Strategy. Effective capital investment played an important role in the delivery of the Authority's strategic objectives. The Investment Plan captured a range of planned improvements within the Borough, helping to shape the delivery of the Authority's services as well as undertaking regeneration and placemaking activity and encouraging economic and housing growth. The existing 2023-2028 Investment Plan totalling £312.34m was approved by full Council on 16 February 2023. The delivery of projects within the plan and progress to date was subject to ongoing review and challenge by Investment Programme Board (IPB) and had been reported to Cabinet as part of the bi-monthly Performance and Financial Management reports.

As part of the MTFP process, the existing plan had been reviewed to ensure this remained affordable and sustainable, challenging existing commitments as well as exploring opportunities for additional investment. At this stage, a schedule of the individual projects included within the draft Investment Plan was attached as Appendix B(ii), with all schemes subject to the Authority's Gateway process. The overall proposed investment was summarised at table 8 (section 1.8.4).

In addition to the agreed 2023-2028 Investment Plan, emerging proposals for the 2024-2029 Investment Plan for consideration as part of the Budget-setting process were set out below:

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- The implementation and upgrade of the Authority's Enterprise Resource Planning (ERP) system to replace the current BMS (£4m);
- Investment at the Killingworth depot, providing additional accommodation to facilitate the relocation of the Adult Loan Equipment Service (£2.8m);
- Improvements in the Authority's non-operational portfolio, improving accommodation standards, energy efficiency measures and enhancing its performance (£2.75m);
- Structural improvements works to Royal Quays Marina barrage (£1.65m);
- Investment in additional ICT infrastructure, including the delivery of upgrades to the Wide Area Network (WAN) to enhance security and connectivity (£0.95m);
- A new year 5 (2028/29) has also been added to reflect rolling programme projects such as Asset Planned Maintenance, ICT infrastructure refresh, investment in the Authority's schools and highways infrastructure.

In addition to the above, the Authority had also identified a range of opportunities to utilise the additional flexibility to apply capital receipts to help fund the costs associated with service transformation that would ordinarily be met from revenue resources. The Authority was considering options to invest in 2024/25 in projects to help deliver ongoing revenue savings and address any residual budget gap for 2024/25 once the Finance Settlement is confirmed. Further details could be found in the Authority's proposed Flexible Use of Capital Receipts Strategy in Appendix B(vi).

As part of the proposals for the North East Mayoral Combined Authority (NEMCA), a regional submission had been made for parts of the region to become an Investment Zone. In North Tyneside, this would include parts of the riverside area, including land at the Port of Tyne. These sites, along with other river locations in South Tyneside and Newcastle, would be known as a Growth Site, which could receive additional Investment Zone funding. Whilst there were no specific projects included within the draft Investment Plan at present, if the Investment Zone bid was successful, it could result in additional funding being allocated to the borough.

School funding was a matter for the Department for Education (DfE), either by direct funding agreements with academy trusts or delegated by local authorities to maintained schools where budget management is the delegated responsibility of each governing body. As in previous years, Cabinet would need to determine the local formula to distribute funding to mainstream schools and academies for the financial year 2024/25. The formula would apply directly to maintained schools for the financial year, and for academies it would form the basis for their funding, distributed by the Education, Skills and Funding Agency (ESFA), for the year starting 1 September 2024. The local formula must comply with statutory guidance, but within these confines the final decision on the formula rests with the Authority after consultation with schools and the Schools Forum. Table 9 provided Indicative Dedicated Schools Grant funding allocation 2024/25.

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The Authority's Dedicated Schools Grant funding (DSG) Management Plan, agreed in advance with parents and carers, children and young people, and partners from across education, health, and care, was submitted in February 2023. Without further action, the High Needs block cumulative deficit was forecast to be in the region of £19.500m by 2027/28. The Authority's submission was successful and the DfE agreed financial support to the Authority of £19.500m over a 5-year period, with the first payment of £7.800m paid at the end of the financial year 2022/23. In subsequent financial years, subject to compliance with the conditions set in the agreement, the DfE will release the remainder of the £19.500m.

North Tyneside Council was on track to reach a positive in year balance on its DSG High Needs Block by the year-end 2027/28. The Authority's DSG management plan forecast a 2023/24 year-end pressure of £10.474m. The outturn position for 2022/23 was healthier than forecast, however, the Authority was in active discussion at that time with its maintained special schools regarding pupil numbers and funding. These discussions were now concluded and reflected in the revised position.

The Authority's current forecast showed that the Authority remained on target to achieve the 2023/24 year-end position detailed within our DSG management plan, with a forecast pressure of £10.473m, i.e. a small improvement against the plan. The DfE announced that in June 2023, the Authority would receive in capital funding £4.681m and officers were working on detailed plans for this investment.

The Authority remained confident that governance arrangements in place provided the necessary political rigour and oversight of its Lead Members, and support and scrutiny by its Chief Executive and Senior Leadership Team. The wider SEND partnership remained locked into the deliverables set out in the DSG management plan, incorporated into the partnership's SEND improvement plan. The Authority's Safety Valve communication and engagement plan, and its wider strategic SEND Engagement Strategy, continued to provide a clear basis upon which leaders across the Authority shared information, consulted and co-produced with children and young people, parents and carers, and the wider workforce.

A key risk for the Authority was that the statutory override to ring-fence DSG deficits from councils' wider financial position in statutory accounts was due to end after the accounts for the financial year 2025/26. After this point, unless the statutory override was extended, authorities would need to demonstrate their ability to cover DSG deficits from their available reserves. Due to the level of the deficit on the High Needs block of the DSG it was imperative that the Authority's DSG Management Plan meets the ESFA's requirements to ensure the historic deficit could be supported by funding that was available.

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The Authority had specific responsibilities under the Equality Act 2010 and Public Sector Equality Duty. Full Equality Impact Assessments would be undertaken for each of the projects included within the initial Budget proposals in order for Cabinet to consider, before reaching its final decision. These would also be available for other aspects of budget engagement throughout the engagement process. An Equality Impact Assessment had also been carried out on the Budget Engagement Strategy.

The Authority was committed to being an organisation that worked better for residents and to ensure that it listened and cared. This commitment included giving residents and other key stakeholders an opportunity to be involved in the Financial Planning and Budget process. The Budget Engagement Strategy also ensured targeted activity with specific external and internal stakeholder groups. Full details of the Budget Engagement Strategy were set out at Appendix F to this report.

Key aspects of the 2023/24 Financial Planning and Budget process timetable were set out at Appendix G to this report, highlighting key decision milestones in the process. The Elected Mayor and Cabinet were responsible for formulating the Authority's Budget. The Cabinet Member for Finance and Resources, in close consultation with the Elected Mayor, had been nominated as the lead Cabinet Member for the overarching 2024-2028 Financial Planning and Budget process. The Director of Resources would be the project sponsor.

Cabinet's initial Budget proposals and next steps were based upon available information and judgements at the time of the writing of this report. As noted throughout the report, there were several assumptions and judgements built into the figures presented that were outside the control of the Authority and needed to be finalised. These initial Budget proposals were subject to further review and consultation before they could be confirmed. The information to be assessed and finalised included:

- The overall impact of the Autumn Statement due to be announced on 22 November 2023;
- The Provisional and Final Local Government Finance Settlement announcements for 2024/25, including capital announcements and specific grants, including the DSG;
- Police and Crime Commissioner for Northumbria and the Tyne and Wear Fire and Rescue Authority Precepts (due February 2024);
- Levies, including the North of Tyne element of the Newcastle upon Tyne, North Tyneside, and Northumberland Combined Authority Transport Levy (due February 2024);
- Tyne and Wear Joint Service Budgets (due January/February 2024); and
- Consideration of the impact of the economic climate on the residents of the Borough and Council Taxpayers.

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

Cabinet considered the following decision options: to either approve the recommendations as set out in section 1.2 of the report, or alternatively, to not agree the recommendations and suggest that further / different options are considered by the Senior Leadership Team and be reported back to Cabinet for its further consideration.

- Resolved** that (1) the key principles being adopted in preparing the Medium-Term Financial Plan, which is the Annex to this report, for the Authority, subject to an annual review, be agreed;
- (2) the performance of the Authority against the Our North Tyneside Plan outcomes, be noted;
- (3) the initial Budget proposals in relation to the 2024/25 General Fund Revenue Budget (Section 1.6 of the report) and Dedicated Schools Grant (Section 1.9 of the report), including the assessment in relation to the current year's Budget monitoring information, be agreed;
- (4) the proposed 2024-2029 Draft Investment Plan (Section 1.8 of the report), which had been developed in accordance with the Capital Strategy (Appendix B(v) of the report), including initial prudential indicators for 2024-2029 in accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Prudential Framework and a proposed Minimum Revenue Provision (MRP) policy in line with capital finance regulations (Appendix B(ii) & B (iii) of the report), be agreed;
- (5) all schemes within the 2024-2029 Investment Plan to be kept under corporate review by the Investment Programme Board, be noted;
- (6) the initial proposals in relation to the Treasury Management Statement, Annual Investment Strategy for 2024/25 and Treasury Management Practices (Appendix C & D of the report), be agreed;
- (7) the formal Reserves and Balances Policy for the Authority, subject to review at least annually (Appendix H of the report), be noted;
- (8) the Provisional Statement by the Chief Finance Officer (Section 11 of the Annex to the report), be noted;
- (9) the 2024/25 rent policy for housing; the initial Budget proposals in relation to the 2024-2028 Housing Revenue Account budget, and associated Business Plan, including an assessment in relation to the current year's budget monitoring information (2023/24) (Section 1.7 of the report), be agreed;
- (10) the proposed 7.7% rent increase from April 2024 (subject to any potential rent "cap" being implemented following further Government announcements) (Section 1.7 of the report), be noted;
- (11) as part of the budget-setting process for 2024/25 as agreed, a review of services

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charges had been undertaken which would require consultation with tenants prior to implementation, full details of which can be found in (Section 1.7 of the report), be noted;

(12) the initial proposals in relation to garage rents for 2024/25 as per (Section 1.7 of the report), be noted;

(13) the Governments proposed changes to all housing stock-owning local authorities in relation to retaining additional capital receipts for new build schemes, full details of which can be found in Section 8.4.14 of the Annex to the report, be noted;

(14) the Director of Resources, in consultation with the Director of Commissioning and Asset Management, the Cabinet Member for Children, Young People and Learning and the Cabinet Member for Finance and Resources, be authorised to undertake resource allocations to schools for 2024/25 in line with the school funding arrangements set out in the report (Section 1.9 of the report); and

(15) the Elected Mayor, in conjunction with the Cabinet Member for Finance and Resources, Deputy Mayor and other Cabinet Members, be authorised to work with the Senior Leadership Team to continue their joint review of these initial Budget proposals.

(Reason for decision: Due to external information still to be received, Cabinet is not able to finalise its proposed Council Tax level for 2024/25 in relation to the General Fund. This report will form the basis of Budget engagement and scrutiny over the next two months, but further work will inevitably be required before final decisions are made on the Budgets for next year, hence the authorisation recommendation referred to in section 1.10 of the report.)

CAB73/23 Report of Overview, Scrutiny Coordination and Finance Committee – Emergency Care Task and Finish Group

Cabinet received a report which presented the findings and recommendations of the Overview and Scrutiny Co-ordination and Finance Committee's Scrutiny Task and Finish Group on its study into Emergency Care in North Tyneside.

Councillor J Montague, Chair of the Overview and Scrutiny Co-ordination and Finance Committee and the Emergency Care Task and Finish Group, presented the main aspects of the report and thanked all participants for their contributions and support.

A motion was agreed by full Council on 16 March 2023 regarding emergency healthcare provision in North Tyneside. In response to that motion, the Elected Mayor requested the Chair of Overview and Scrutiny Co-ordination and Finance Committee (OSCFC) to consider establishing a Scrutiny Task and Finish Group to take forward the matters set out in that motion. This was agreed by the Chair of OSCFC.

This report sets out the findings and recommendations from the cross-party Scrutiny Task and Finish Group established in Summer 2023 to examine emergency healthcare

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provision in North Tyneside. The report also outlined the approach; the adopted methodology in respect of the agreed objectives; and key findings of the Group. The Task and Finish Group had found that:

- (a) An excellent standard of emergency care and urgent treatment is available to North Tyneside residents.
- (b) More work could be done to improve public awareness in North Tyneside on the differences between emergency care and urgent treatment – and when, how and where to access each type of care.
- (c) Public transport, particularly to the Northumbria Specialist Emergency Care Hospital (NSECH) site in Cramlington, is likely to impact upon the accessibility of that site for some North Tyneside residents when visiting the hospital for non-emergency purposes (travel for emergency care would be expected to be available by ambulance).

The cross-party Task and Finish Group had made recommendations related to these findings, for Cabinet's consideration, which were set out in the Appendix to the report. The OSFC requested that Cabinet publishes a response to the findings and recommendations of its Task and Finish Group in accordance with Section 9FE of the requirements of the Local Government Act 2000.

The Deputy Mayor thanked Councillor Montague and the Emergency Care Task and Finish Group for the report.

Cabinet considered the following decision options: to either approve the recommendations as set out in section 1.2 of the report, or alternatively, to not approve the recommendations.

Resolved that Cabinet considers and formulates a response to the findings and recommendations of the Overview and Scrutiny Co-ordination and Finance Committee's Task and Finish Group on the provision of emergency healthcare in North Tyneside as presented in the Appendix to the report.

(Reasons for decision: As the Overview and Scrutiny Co-ordination and Finance Committee has given notice that Cabinet is required to provide a response to the findings of its Task and Finish Group's report, Cabinet is obliged to accept the report and to formulate a response in accordance with requirements of the Local Government Act 2000.)

CAB74/23 Adult Social Care Charging Policy

Cabinet considered a report seeking approval to commence a 6-week public consultation on the proposed changes to the Authority's 'Contributions Policy for Adult Care and Support Services' (including the Schedule of Charges annexed to the Policy) on the proposed changes to the Policy.

The Authority's 'Contributions Policy for Adult Care and Support Services' was last updated in 2021. The Policy was developed in line with the requirements of the Care Act and outlined the principles for charging that were applied by the Authority. It was proposed that the Policy and Appendix B of the Policy, which was the Schedule of Charges, was updated to reflect the increased cost of delivering services. It was also proposed that the Schedule of Charges be amended in respect of the charging arrangements for the following services: Charges for day care; Transport charges for day care; Administration charges for people who pay the full cost of their care; Appointee and deputyship charges; Community funeral arrangements and changes; and Charges for Care Call.

The review of the Policy also indicated areas where there were anomalies in the way charges were applied. It was proposed that changes were put in place to ensure a consistent approach and that the Policy was amended to provide greater clarity. Changes to the following areas were proposed:

- Charges for additional care workers when more than one care worker is needed.
- Ending £400 capped charges
- Charging for deep cleans

Section 14 of the Care Act outlines the principle for charging people in receipt of adult social care services and section 17 of the Act outlines the process for carrying out financial assessments to determine individuals' contributions towards their care and support. The statutory guidance produced by Department of Health and Social Care states that people should not be charged more than it was reasonably practicable for them to pay, and that charging rules must be applied equally so those with similar needs or services were treated the same and anomalies between different care settings minimal. The principle of the charging process under the Care Act was that services were means tested and people should be charged according to their ability to pay, with the Authority funding the remainder of assessed social care support to meet eligible needs. These proposals did not affect that principle.

The areas for consideration and options on the proposed changes to the Authority's 'Contributions Policy for Adult Care and Support Services' (including the Schedule of Charges annexed to the Policy) were detailed in sections 5.3 to 5.10 of the report.

A summary and conclusion of proposals were set out in section 5.11 of the report.

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

Resolved that (1) Cabinet determine which of the options on the proposed changes to the Authority's 'Contributions Policy for Adult Care and Support Services' (including the Schedule of Charges annexed to the Policy) it agrees in principle;

(2) the Director of Adult Social Care, be authorised to take all necessary steps to commence a 6-week public consultation on the proposed changes to the Authority's 'Contributions Policy for Adult Care and Support Services' (including the Schedule of Charges annexed to the Policy) on the proposed changes to the Policy agreed in principle by Cabinet; and

(3) a further report be submitted at the conclusion of the public consultation so that Cabinet can determine if the proposed changes to the 'Contributions Policy for Adult Care and Support Services' (including the Schedule of Charges annexed to the Policy) should in principle be made to the Policy, be agreed.

(Reason for decision: The recommendations are intended to increase the amount of funding available in North Tyneside to provide social care services to those who cannot meet the costs of their care. The recommendations also address some aspects of inequity which have been identified which need to be addressed to ensure all people are treated the same, according to their financial assessment.)

CAB75/23 Home to School Transport

Cabinet considered a report seeking approval to commence a public consultation on the Authority's Draft Revised Transport Policy and the Draft Revised Annual Post 16 Transport Statement, including the proposed amendments to ensure the most efficient use of the public funding for the provision of home to school transport.

The Authority had a statutory duty to provide home to school transport to children and young people who met the criteria prescribed in legislation. Currently just over 1000 Children of a statutory school age were supported by home to school transport arrangements. This represented an increase of nearly 40% in the number of children who received such support when compared with 2019. This increase had placed significant pressure on the current home to school transport budget. In the current financial year, the forecasted pressure was £2.9 million. This was not a sustainable position therefore it was proposed to commence consultation on proposed changes to the current home to school transport policy.

Travel assistance was currently provided by the Authority over and above the statutory requirements placed on it. Such additional assistance consisted of: -

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- Providing fully funded travel assistance to secondary schools with a designated religious character where they had been chosen on the grounds of religion or belief: There was no requirement for the Authority to arrange travel assistance to a school with a designated religious character for a child whose parents or carers had chosen it on the grounds of their religion or belief (unless the child met other eligibility criteria for free travel to that school).
- Providing fully funded transport assistance for some young people over the age of 16 and re-imbursing 50% of transport costs for others: There was no requirement for the Authority to provide free or subsidised post 16-year-old travel. There was however a duty placed on the Authority to publish an Annual Post 16 Transport Statement specifying the arrangements for the provision of transport that the Authority considered necessary to facilitate the attendance of persons of sixth form age receiving education or training.

It was proposed to re-assess all non-statutory provision and to consult on the introduction of a standard charge as a contribution towards transport provision in line with other North East Authorities.

- Providing transport assistance for students with an Education Health and Care plan who lived more than 1 mile from their school:

Statutory Walking Distances:- A child under the age of 8 is eligible for free travel to their nearest suitable school if it was more than 2 miles from their home; A child aged 8 years or over is eligible for free travel to their nearest suitable school if it was more than 3 miles from their home.

Extended Rights;- If a family was eligible for free school meals or in receipt of maximum working tax credit, travel assistance was available if a child was:

- Aged 8 but less than 11 and lives more than 2 miles but no more than 6 miles to the nearest school (measured by road)
- Aged 11 to 16 and lives more than 2 miles but less than 6 miles if attending 1 of the nearest 3 schools (measured by road).

It was proposed to consult on the removal of the 1-mile distance and revert to statutory mileage distances: Transporting students to and from Additionally Resourced Provision (ARPs) with such transport provision accommodating individual part-time timetables.

It was proposed to consult on such transport being provided only at the start and the end of the school day for eligible students.

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It proposed that the Authority consulted on the Draft Revised Transport Policy (Appendix 1) and the Draft Revised Annual Post 16 Transport Statement (Appendix 2), including the proposed amendments set out above to ensure the most efficient use of the public funding for the provision of home to school transport.

Cabinet considered the following decision options: to either approve the recommendations as set out in section 1.2 of the report, or alternatively, to not approve the recommendations.

Resolved that (1) the Draft Revised Home to School Transport Policy at Appendix 1 and the Draft Revised Annual Post 16 Transport Statement at Appendix 2 of the report, be noted; (2) the proposal to commence public consultation on the revised Policy and Statement referred to in resolution (1) above, be approved; (3) a further report on the outcome of the public consultation be received and Cabinet to consider if the proposed changes to the Draft Revised Home to School Transport Policy and the Draft Revised Annual Post 16 Transport Statement should be made and implemented having regard to the consultation responses, be agreed; and (4) it be agreed that officers be asked to continue to work closely with Transport North East, to deliver the Bus Service Improvement Plan (BSIP) with particular regard to supporting young people in meeting their travel needs.

(Reason for decision: It is not possible to address all of the current pressure on the home to school transport budget without making appropriate changes to the current Transport Policy and Annual Post 16 Transport Statement and those potential changes require consultation. These changes will not affect our ability to meet statutory obligations in relation to home to school transport.)

CAB76/23 Annual Corporate Complaints Report 2022-23

Cabinet considered a report which detailed complaint related activity during 2022-23 and which complied with the requirement to publish a report on complaints under the relevant statutory complaints' legislation; and seeking approval for the amended Corporate Complaints Procedure, and the Annual Complaints Report for 2022-23 and its publication on the Authority's website.

Serving over 209,000 residents, the Authority delivered individual services and millions of transactions each year, including those to businesses and visitors. Any complaint received, was an opportunity to demonstrate that the Authority listened to its residents and cared about their views and concerns. The number of complaints raised each year, was a very small proportion of the overall number of services and transactions delivered.

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The Authority had reviewed and refreshed its Corporate Complaints Procedure this year so that the Complaints Procedure at Appendix 1 to the report was made easier and clearer for those customers who wished to raise complaints about the Authority's services.

The Annual Complaints Report at Appendix 2 of this report, detailed further activity from complaints in 2022-23, with data shown in Section 10 of the report.

Whilst complaints had remained almost static from the previous year, service requests administered by the Customer First Team, had decreased. This may be due to the improvements made to the Authority's website which better explains the range of ways in which customers can raise complaints, report issues, and have them resolved quickly on line. In addition, there had been an increase in the number of Elected Member enquiries received in the year, that may be helping to positively address resident issues, before they escalated to a complaint.

The data in the 2022-23 Annual Complaints Report indicated that whilst over 75% of complaints were successfully resolved at Stage One, this percentage had decreased over the previous three years.

The Local Government Ombudsman (LGSCO) had said in his national Annual Report for 2022-23, his office was less likely to carry out investigations into 'borderline' issues and were therefore finding a higher proportion at fault.

Section 12 of the Annual Corporate Complaints Report detailed how the Authority had listened to customer complaints and made changes as a result. The following highlighted some of this work; the Authority had:

- Produced new guidance to ensure the views of children and families is better captured in assessments,
- Enhanced the quality of care to vulnerable young people who may need support out of hours, following an incident of crisis,
- Increased litter bin provision, adding 100 multipurpose bins to sites across the Borough,
- Introduced 'tree calling cards', as part of the 'neat streets' campaign which are given to customers to update them following a tree inspection or any works carried out nearby,
- Worked to enhance biodiversity areas as part of the Estate Management Programme, especially on roundabouts throughout the Borough,
- Introduced new procedures, to ensure a zero-tolerance approach to damp and mould in council homes and properties, and
- Complied with new requirements from the Housing Ombudsman and its code of practice, embedding these changes into service delivery.

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The Authority had reviewed and refreshed its governance framework for complaints and in early 2024, a new complaints management IT system would be introduced which would provide improved information for service teams.

The LGSCO and Housing Ombudsman had communicated their intention to implement a Joint Complaint Handling Code in 2024. The Authority would need to consider any new guidance in the Joint Complaint Handling Code, and if applicable, make changes to its Corporate Complaints Procedure. If such a review was necessary, then subject to Cabinet's approval, the Assistant Chief Executive would undertake such a review and bring a further report to Cabinet highlighting any proposed amendments to the Complaints Procedure

Cabinet considered the following decision options: to either approve the recommendations as set out in section 1.2 of the report, or alternatively, to not approve the recommendations.

Resolved that (1) the amended Corporate Complaints Procedure attached at Appendix 1 to the report, be agreed;
(2) the Annual Complaints Report for 2022-23 attached at Appendix 2 to the report and its publication on the Authority's website, be agreed;
(3) the Local Government and Social Care Ombudsman's Annual Review of complaints concerning North Tyneside Council for 2022-23 attached at Appendix 3 to the report, be noted; and
(4) it be agreed that should the Local Government and Social Care Ombudsman and Housing Ombudsman Joint Complaint Handling Code of 2024 result in the need to review the Authority's Corporate Complaints Procedure, the Assistant Chief Executive had authority to undertake such a review and make any proposed amendments to the Procedure, and to bring a further report to Cabinet seeking its agreement to any amended Corporate Complaint's Procedure.

(Reasons for decision: All Local Authorities providing social service functions are legally required to publish an annual report on complaints received and the Local Government and Social Care Ombudsman's Annual Review of its complaints.

The recommendations ensure that the Authority has an amended Corporate Complaints Procedure as well as making provision for a potential review of the Authority's Corporate Complaints Procedure should any Joint Complaint Handling Code be issued by the LGSCO and Housing Ombudsman that requires a review and any subsequent amendment to the Complaints Procedure.)

CAB77/23 North Tyneside Highway Asset Management Plan (HAMP) Annual Report 2023

Cabinet received the North Tyneside Highway Asset Management Plan (HAMP) Annual Report 2023.

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

In presenting the HAMP 2023, this fulfilled the commitment to provide Cabinet with an annual information report outlining the highway and infrastructure work undertaken over the last 12 months. It included future planned work activities as well as other items of relevant interest. The annual information report attached to this report was the seventh annual report presented since adoption of the HAMP.

The key highlights drawn from the HAMP annual report at Appendix 1 and as outlined in section 1.5.13 of this report were:

- The highway network was the most extensive and valuable asset in the Authority’s ownership.
- The highway network was a strategically important asset and a well-maintained network was vital to support the local economy. Every day, thousands of residents were reliant on the highway network to travel to work and school. Visitors to the borough also used the network to access the Authority’s various tourist attractions which further stimulated the local economy.
- The current total value of highway assets was £1,840,000,000 (£1.84 billion) on a Gross Replacement Cost basis.
- The successful implementation of the HAMP and the adoption of asset management principles by the Authority was demonstrating that, over the years, the general condition of the road network was good – however, the Authority was now at a point where further investment should be considered if a decline in condition was to be avoided.
- Due to continued additional Authority investment over the years, the highway network was currently in a good state and adequate to perform its function.

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However, given the constraints around Government funding coupled with concerns around inflation, it would become increasingly challenging to maintain the highway in a serviceable condition.

- The report suggests that consideration should be given to reviewing investment and maintenance priorities in light of the emerging funding and inflation issues. Discussions would continue around what options might be available for the future management of the network in the most effective way.
- With regard to reactive maintenance and core services, the Technical Services Partnership continued to achieve its Key Performance Indicator targets and through its Annual Service Plan was identifying innovative ways of working and service improvements which was evident in the report.
- Customer engagement remained a prominent feature of the HAMP. Feedback received from customers on their investment priorities was used to inform forward programmes of improvement work.
- The Authority had successfully delivered all programmed highway asset improvement schemes to date.

Resolved that the content of the Highway Asset Management Plan Annual Information Report 2023 at Appendix 1 to the report, be noted.

CAB78/23 North Tyneside Council Covert Surveillance Policy Annual Report

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

The Authority's current Surveillance Policy was approved by Cabinet in November 2022 and was subject to annual review. That Policy was had been reviewed and a draft Surveillance Policy was attached at Appendix 1 to the report. The draft Policy had been considered by members of the Regulation and Review Committee who had made no recommendations for amendments to be made to the Policy, and had been referred to Cabinet for consideration and, if appropriate, approval.

No substantive changes had been proposed as the previously adopted Policy remained fit for purpose. The only amendments made to the current Policy were to reflect organisational changes and revised reporting lines which had been put in place within the organisation since the Policy was last reviewed. The report also explained that there had been no RIPA authorisations granted in the last year. The aims of the Authority's Policy were to: Set out the Authority's arrangements for complying with the Regulation of Investigatory Powers Act 2000 (RIPA); the relevant Codes of Practice and guidance issued by the Home Office; and guidance from the Investigatory Powers Commissioner's Office (IPCO); Give effect to the rights of citizens to respect for their private and family lives

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(pursuant to the Human Rights Act 1998); and Protect the Authority from legal challenge when undertaking surveillance.

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

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

Organisations using RIPA were subject to regular inspection by the Investigatory Powers Commissioner's Office (IPCO). The Authority received a virtual online inspection visit from the IPCO on 12 September 2023. The purpose of the IPCO inspection was to examine the policies, procedures, operations, and administration that the Authority had in place in relation to the use of directed surveillance and covert human intelligence sources.

The outcome of the inspection was very supportive of the Authority's actions to manage its responsibilities under RIPA. The Inspector made no recommendations in relation to the Authority's Covert Surveillance Policy and commented on the Authorities recent authorisations as "well formed". The next inspection was due September 2026.

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

Resolved that (1) the Authority's Policy on Covert Surveillance 2023-24, attached at Appendix 1 to the report, be approved;

(2) the Chief Executive and the Head of Technical & Regulatory Services, in consultation with the Elected Mayor as appropriate, be authorised to implement the policy and all ancillary matters relating to it; and

(3) an update report be received every 12 months to ensure proper oversight of the Policy.

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

CAB79/23 Chair's Announcement

The Deputy Mayor, on behalf of the Elected Mayor and Cabinet, took this opportunity to thank Mark Longstaff, the Authority's Director of Commissioning and Asset Management, for all his hard work and support he has given to the organisation and the Borough.

As a valued member of the Senior Leadership Team, Mark was well-respected by our Chief Executive, Assistant Chief Executive, Directors, Officers and by Elected Members across the Council. The Deputy Mayor wished Mark all the best on his retirement from North Tyneside Council after 28 years of service and this would be his last Cabinet meeting.

CAB80/23 Date and Time of next meetings

Monday 22 January 2024 at 6.00pm (Ordinary meeting)

Monday 29 January 2024 at 6.00pm (Extraordinary meeting)

Minutes published on 1 December 2023

The decisions contained within these Minutes may be implemented (unless called in by 3 Non-Executive Members for consideration by the Overview, Scrutiny Co-ordination and Finance Committee) immediately following the expiry of the call-in period; i.e. 5.00pm on 8 December 2023.