

Cabinet

Monday, 29 January 2024

Present: N Redfearn (Elected Mayor) (in the Chair)
Councillors C Johnson, K Clark, P Earley, S Graham,
J Harrison, Janet Hunter, H Johnson and S Phillips

In Attendance: Councillor J Montagu, Chair of Overview and
Scrutiny Co-ordination and Finance Committee
David Hodgson (Business Representative)

Apologies: Councillors A McMullen
Dawn McNally (Age UK)

CAB80/23 To Receive any Declarations of Interest and Notification of any Dispensations Granted

Councillor K Clark declared a registerable personal interest in agenda Item 3: 2024-2028 Financial Planning and Budget Process – Cabinet’s updated budget proposals, as she was a Director and Employee at Justice Prince CIC which had contracts with North Tyneside Council funded from North Tyneside Council.

Councillor P Early declared registerable personal interest in agenda Item 3: 2024-2028 Financial Planning and Budget Process – Cabinet’s updated budget proposals is a Trustee of North Tyneside Carers Centre which has a contract with the Council.

Councillor J Harrison declared registerable personal interest in agenda Item 3: 2024-2028 Financial Planning and Budget Process – Cabinet’s updated budget proposals as he is a member of Northumbria Healthcare NHS Foundation Trust and the Northumbria Regional Flood and Coastal Committee.

CAB81/23 Adult Social Care Charging Proposals – Consultation Response and Decision on Implementation of Changes

Cabinet considered a report which outlined the responses to a public consultation requested by Cabinet on the proposed changes to the Adult Social

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Care Charging Policy and to seek approval for implementation of Charges.

The purpose of the consultation was for feedback on the proposed changes to update the charges and remove charging anomalies. There were 425 responses received with an overwhelming support for the proposals with 96% of respondents confirming they received a good quality of care and service.

The provision is means tested and following assessments service users will make a financial contribution towards their care. The Council will make sure assessments are undertaken fairly and equitably.

Cabinet considered the decision options: to either approve the recommendations as set out in section 2 of the report, or alternatively, to not approve the recommendations.

Resolved that Cabinet (1) Notes the outcome of the public consultation on the proposed changes to the Authority's 'Contributions Policy for Adult Care and Support Services'; and (2) Agrees to implement the recommended changes to the Authority's Contributions Policy for Adult Care and Support Services, as outlined in this report and highlighted in the Policy which is appended to this report at Appendix 1 and authorises the Director of Adult Social Care to implement those changes; and (3) Authorises the Director of Adult Social Care in consultation with the Cabinet Member for Adult Social Care, the Director of Resources and the Head of Law to make any future amendments to the Contributions Policy for Adult Care and Support Services and to take any steps that are considered appropriate to implement such amendments.

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 to ensure all people are treated the same, according to their financial assessment.

CAB82/23 2024-2028 Financial Planning and Budget Process – Cabinet's Updated Budget Proposals

Cabinet received a report which presented the current position and a key milestone in the development of the 2024/25 budget and the 2024-2028 Medium

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Term Financial Plan (MTFP) as it set out Cabinet Budget Proposals for the next financial year and beyond. The Our North Tyneside Plan remains the delivery focus for the Mayor and Cabinet and the Budget is driven by the Authority's key priorities that make up the Plan, a Thriving, Secure, Family Friend, Caring and Green North Tyneside.

Cabinet heard from the Chair of the Overview and Scrutiny Co-ordination and Finance Committee who had chaired the budget study group. The budget study sub-group was open to all non-Executive member of the Chamber and there was cross party representation. The report of the Sub-Group was considered by the full Committee at its meeting on 15 January. This summarised the findings from the 4 meetings of the sub group which took place before Christmas, including presentations from senior officers and the Cabinet Member for Finance and Resources.

The group has met again with the Cabinet Member for the Environment and any further updates will be reported to Cabinet on 5 February following a meeting of the Overview and Scrutiny Co-ordination and Finance Committee on 31 January.

The Sub-Group agreed that the budget process was challenging once again especially in light of several key elements not being released at the time of the 27 November report.

In the conclusion section, we draw particular attention to a number of specific topics including home to school transport, highways funding, support to tenants, food waste and garden waste collections and future council tax support.

Following on from Cabinet's initial Budget Proposals report in November Councillor Johnson presented to Cabinet updated Budget proposals for onward consideration by Council next month.

Councillor Johnson advised that we want North Tyneside to be a great place to live, work, visit and raise a family. We want our residents to thrive, and to live healthy, secure and fulfilling lives. We look after our residents, we look after our environment and we look after our borough. We – the Mayor and Cabinet – have clear priorities for our borough, as set out in the Our North Tyneside Plan. Our budget supports these priorities and it will ensure we deliver our front-line services, continue investing in all parts of the borough, and help those in our

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communities who need it most. Despite thirteen years of government cuts and continued uncertainty, we are proud to have protected our vulnerable residents, secured millions in external funding to deliver ambitious regeneration projects, and built thousands of new homes.

We listened to residents and we acted on what was important to them. We kept and invested in our libraries, our leisure centres, our parks. However, we are now in even tougher times, rising inflation, energy costs and on-going global challenges are putting more pressure on us. Our Adult and Children's social care services are experiencing more demand, with cases growing in complexity. The government continues to expect local authorities to shoulder this burden of increasingly complex and costly social care, without increasing funding. We are expected to do more, with less. In November we confirmed that if Council Tax and the Adult Social Care precept are increased to 4.99%, which is what the government assumes, the in-year saving we still needed to find at that stage was £3.7m and we continued to work hard to find a solution. Councillor Johnson announced that we forecasted for many of the challenges I have outlined, and are now in a position to present a balanced budget. Our Budget Proposals have been updated to reflect the outcomes from the Provisional Local Government Settlement in December, as well as the Autumn Statement both of which have introduced additional, and unexpected, challenges for us. The scale of the issues we face are significant. Our Budget Proposals identified over £37m of pressures alone, and we have worked hard to find over £21m of savings to address these, to help bring us to this balanced position. However, looking over the next four years, up to 2028, we have a potential gap of £32.7m if we take no action which is why our approach extends beyond the coming financial year.

The Settlement has increased our Core Spending Power, which is the amount of money we have to fund our services, from government grants and assumed income from Council Tax and Business Rates retention. Our Core Spending Power has increased by more than 6.5%, at £14.6m. However, while this rise sounds significant, most of it comes through the government assumption that we will increase Council Tax by 4.99% and not through large, and much-needed, increases to social care grants to address the increasing demand that we continue to face. After publishing the Cabinet Papers, the Government has announced additional funding for local authorities of £600m. This followed lobbying by the sector on the Settlement, including by ourselves, about the significant pressures faced, especially in social care - £500m has been allocated

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for social care pressures.

Whilst additional funding is welcome towards these key pressures which are being experienced throughout the country, it is still not sufficient to meet the budget growth we need to deliver our social care services.

The Government did not confirm how this funding will be allocated, so I cannot confirm how much we expected to get – but based on previous allocations this could be between one and two million pounds. We will find out the actual figure on the Final Settlement, which is expected around 8 February. However, we are already proposing growth relating to Adults and Children's social care of almost £15m, of which only around £8m is met by government funding including the potential additional allocation, which means our budget proposals are already having to make significant local contributions to meet what is our highest demand pressure. The final allocation will be confirmed to Council at its meeting on 15 February. The amount of funding we are awarded is simply not sufficient to meet our needs and on a per dwelling basis our Core Spending Power falls below both the North East and the national average. This budget proposes to continue to help those residents who need it, including local support with council tax costs, and our £3m fund over three years to help tenants access the full support they're entitled to.

We are a supportive council, and when a resident needs help, we will help them. But we are also an ambitious council. This budget proposes to continue investing wisely, in line with our priorities. We'll continue to use external funding to the maximum effect, building on our strong track record and we'll be proactive in seeking out funding opportunities. This budget supports our ambitious target of being carbon net-zero by 2030. We will have a cleaner, greener and safer borough. Within our Investment Plan we are continuing our plans to invest over £300m in improving our Borough, improving our roads, schools, buildings and ensuring we have the infrastructure in place to deliver our services effectively and efficiently. We work hard to secure external investment, with over £55m of our investment funded by external grants and contributions. Cabinet's final proposals will be reported to Council on 15 February. This will confirm the amount of additional funding to be received in the Settlement and how we will use this. However, at this stage I can confirm our intention is to maintain our MTFP proposals as set out over the past few months. Any additional funding will be used to reduce the deferral of our Strategic Reserve replenishment, to limit the reliance on the capital receipts flexibilities and to explore options to enhance of

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Poverty Intervention Fund, to take account of the potential ending of the Household Support Fund by the Government.

Cabinet head from the Cabinet member for Housing, he advised that the report in November reiterated that our Housing Revenue Account – HRA – is facing the same external challenges as our General Fund, and high inflation is significantly increasing the cost of maintaining and improving our homes. We continue to follow our long-term plan for our HRA, seeking to invest in our homes in a responsible and sustainable way, and helping to provide much-needed additional affordable housing through our new build programme, in line with our green priorities as a council. We are proposing to increase our rents in line with government policy. This means increasing rent by CPI as of September 2023, plus one percent. CPI is the Consumer Price Index, a national measurement for changes to the price of goods and services. CPI in September 2023 was 6.7%. The recommended rent increase for 24/25, in line with government policy, is therefore 7.7%. Following a review of our service charges, we are proposing some changes, to reflect the impact of the significant financial pressures already outlined. However, as a responsible landlord, we will provide support to those tenants who need it, and are proposing to ensure that our most vulnerable tenants are protected. No existing tenant will pay more than the inflationary element to any service charge increase.

It was also noted that we will also continue with our investment in tenancy sustainment measures and support, as mentioned by Cllr Johnson. All of this has been factored in to a refreshed HRA Business plan, to ensure that the plan can be balanced, while supporting the Mayor and Cabinet's objectives. Within our plans we're expecting to invest almost £3.5 billion of revenue over the next 30 years in managing and maintaining our homes as well as almost £1.6 billion of capital investment to improve our homes and ensure they continue to meet the Decent Homes standard.

In line with our Affordable Homes plans, our long term plans include over £205m to fund the construction of additional homes. Our investment plans for the coming year include over £38m of capital investment across our portfolio, with over £8m of this supporting our immediate new build plans.

We remain committed to improving sustainability as part of our Carbon Net Zero Action Plan, aiming to install over 850 energy efficient boilers as well as external insulation measures and solar PV arrays. We will continue to deliver a range of

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lasting improvements for our tenants, from over 200 planned roof replacements, to the installation of over 700 new kitchens and bathrooms as well as boundary and public realm improvements. We're proud to continue supporting apprenticeships and our Working Roots programme, which gives young people a second chance with employment and training.

We listen to our tenants, and we are proud of the services we deliver to our tenants. Our budget proposals demonstrate our ability to respond to challenges and to continue to deliver our long-term objectives in line with the Our North Tyneside Plan.

It was noted that during the consultation process it has been suggested that there be a reduction in cycle lanes, however, it was noted that the development of cycle lanes is through government funding which is for those specific projects.

The Mayor and Cabinet members thanked officers for all of their hard work in the preparation of the proposals, it was noted that North Tyneside wants the best for residents and continues to be ambitious and work to continue to have a stable financial position, to keep services open and show the ambition for North Tyneside and support for residents. It was noted that we are in government for the benefit of the residents to make a difference to their lives and it is important that we remain ambitious for North Tyneside, we have made significant reforms in Whitley Bay and are being ambitious and trying to do the same in North Shields, Wallsend and the North West.

Cabinet considered the 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 (1) agreed 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; (2) considered and agreed proposals for the estimates of amounts for the 2024/25 setting of the Council Tax requirement, including the General Fund Revenue Budget, thereby calculating the proposed level of Council Tax to be recommended to full Council for its meeting on 15 February 2024, in accordance with the Authority's Constitution and Budget and Policy Framework Procedure Rules; (3) request that the Chief Finance Officer to prepare the appropriate

Council Tax requirement and Budget Resolution document for full Council's consideration at its meeting on 15 February 2024; (4) consider and agree proposals for the 2024-2029 Investment Plan (Appendix D (i)), including the Capital Investment Strategy (Appendix D (iv)) and Prudential Indicators for 2024-2029 (Appendix D (iii)), calculated in accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Prudential Framework and the proposed Minimum Revenue Provision (MRP) Policy in line with capital finance regulations, and note that these will be submitted to full Council for its meeting on 15 February 2024; (5) considered and agreed proposals for the flexible use of capital receipts to support investment in transformational projects linked to the Authorities Medium-Term Financial Plan and note this will be submitted to full Council for its meeting on 15 February 2024; (6) noted that all schemes within the 2024-2029 Investment Plan will be kept under corporate review by the Investment Programme Board; (7) considered and agreed proposals for the Treasury Management Statement, Annual Investment Strategy for 2024/25 and Treasury Management Practices (Appendix C & D of this report) and note these will be submitted to full Council for its meeting on 15 February 2024; (8) noted the outcomes from the engagement process on the Budget proposals (Appendix F); (9) noted the formal Reserves and Balances Policy for the Authority, subject to review at least annually (Appendix H of this report); (10) Noted the key aspects of the 2024/25 Provisional Local Government Finance Settlement announced on 18 December 2023 and how these have been incorporated into the Medium-Term Financial Plan of the Authority. In addition, Cabinet should note the outstanding information required to allow the Elected Mayor and Cabinet to finalise the proposals; (11) noted the medium-term financial challenges and financial risks facing the Authority and agree to address these issues as part of developing the Medium-Term Financial Plan for the Authority and progressing the agreed project workstreams, with progress reported to Cabinet as part of the regular Performance and Financial Management Reporting in order to deliver continued financial stability and prudent management of its financial resources; (12) noted the conclusions of the Overview, Scrutiny Co-ordination and Finance Committee's review of the 2024/25 initial Budget proposals (Appendix I) and note any impact the recommendations may have on the General Fund Budget proposals and Housing Revenue Account and note that any recommendations of the Overview, Scrutiny Co-ordination and Finance Committee in relation to Cabinet's final Budget

proposals will be considered by Cabinet on 5 February 2024; (13) noted the Provisional Statement by the Chief Finance Officer (Section 11 of the Annex to this report); (14) authorised the Mayor to make any final amendments to Cabinet's proposals in relation to any outstanding information to enable due consideration to be given to the final level of Council Tax that Cabinet proposes to full Council for approval for 2024/25; (15) considered and agreed the final proposals in relation to the 2024/25 Housing Revenue Account Budget and associated Business Plan; (16) there be an increase in individual housing rents by 7.7% as outlined in Annex 1 HRA to this report, in line with the Government's policy for social rent which involves increasing rents by the Consumer Price Index (CPI) for September + 1%; (17) considered and agreed the proposed changes to service charges which are outlined within the report, which also includes protection for existing tenants to limit any increases in line with the rent increase; and (18) increased garage rents for 2024/25 by 7.7% in line with the rent increases as per Section 1.7 of the report.

(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. However, information is suitably advanced to allow the budget proposals to be set out for the General Fund revenue and Investment Plan for consideration by Overview, Scrutiny Co-ordination and Finance Committee.

The recommendations also include the proposals to agree the final rent, service charge and other elements in relation to HRA to allow updates to tenants billing to commence in advance of the new financial year.)

CAB83/23 Date and Time of Next Meetings

Monday 5 February 2024 – Extraordinary Meeting

Monday 19 February 2024 – Ordinary Meeting

Minutes published on 31 January 2024.

The decisions contained within these Minutes may be implemented (unless called in by 3 Non-Executive Members for consideration by the Overview,

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Scrutiny and Co-ordination and Finance Committee) immediately following the expiry of the call-in period; i.e. 5.00pm on 8 February 2024.