

Project Summaries

Appendix B (ii)

Medium Term Financial Plan

January 2024



North
Tyneside
Council

Overview of this appendix

For each Project included in the MTFP, this appendix summarises the proposed approach on a consistent format setting out the following:

- **Issue** – an overview of the issue or challenge that the Project is aiming to address.
- **Solution** – an overview of the proposed action(s) to be taken to address the issue, driving service improvements, addressing growth requirements and/or identifying savings.
- **Financial impact** – includes both a summary statement of the key aspects of the financials related to the Project, together with a table summarising this in more detail. The financial impact includes both the growth/pressures arising from the Project, for example increased demand or cost of services based on current forecasts, as well as savings or additional income that is forecast to be delivered.

It should be noted that these Projects are not static and will continue to be developed during the current budget planning processes and into the medium-term. In particular, for years 2-4 of the MTFP, it is expected that further savings or income will be forthcoming, but as these cannot be forecast with certainty at this stage, they are not yet included. As the MTFP is developed, these financial improvements will allow the residual financial gap in the MTFP to be addressed.

P01 External Partnerships

Issue

Our two major partnership contracts (Equans and Capita) will expire in 2027.

Solution

Manage our contracts to make sure they represent good value for money and we are ready when they expire in 2027.

Financial Impact

Projected costs of c.£1.4m in 2027 relating to services delivered by Capita if no action is taken.

Savings of £0.4m are projected in 2027 relating to the services currently delivered by Equans.

		2024/25	2025/26	2026/27	2027/28
		£m	£m	£m	£m
Growth	Capita				
	Planning	0.000	0.000	0.000	0.305
	Engineering	0.000	0.000	0.000	0.655
	Property	0.000	0.000	0.000	0.460
	Equans				
	Revenues & Benefits	0.000	0.000	0.000	0.000
	Customer Services	0.000	0.000	0.000	0.000
	Savings on Contracts	0.000	0.000	0.000	(0.400)
	Total Growth	0.000	0.000	0.000	1.020
Savings	Total Savings	0.000	0.000	0.000	0.000
	Net Growth / (Savings)	0.000	0.000	0.000	1.020

P02 Buildings & Asset Management

Issue

We have a large estate which costs us more than the current budget to repair and maintain.

Solution

Assess whether we can make better use of our buildings, whether we need them all and if we can generate savings and capital receipts by selling assets we no longer need.

Financial Impact

Potential pressure of £0.5m p.a. based on existing performance and investment plans.

		2024/25	2025/26	2026/27	2027/28
		£m	£m	£m	£m
Growth	Repairs & Maintenance	0.500	0.500	0.000	0.000
	Total Growth	0.500	0.500	0.000	0.000
Savings	Use of Capital Receipts	(0.500)	0.000	0.000	0.000
	Additional Rental Income	0.000	0.000	0.000	(0.250)
	Total Savings	(0.500)	0.000	0.000	(0.250)
Net Growth / (Savings)		0.000	0.500	0.000	(0.250)

P03 Public Sector Reform

Issue

The public sector is evolving, with local devolution and national policy changes. We need to respond to change and opportunity, to ensure long-term sustainability of services and achieve better outcomes.

Solution

Work differently, including improvements to our digital and customer service, manage demand and be in a proactive position for any new funding opportunities in line with ONTP priorities.

Financial Impact

The workstream will re-focus existing resources to ensure we are well placed to respond to external funding opportunities.

		2024/25	2025/26	2026/27	2027/28
		£m	£m	£m	£m
Growth	Total Growth	0.000	0.000	0.000	0.000
Savings		0.000	0.000	0.000	0.000
	Total Savings	0.000	0.000	0.000	0.000
	Net Growth / (Savings)	0.000	0.000	0.000	0.000

P04 Inclusive Education / SEND

Issue

Despite securing £19.5m of funding, there are still pressures facing the General Fund given high numbers of Education Help and Care Plans (EHCP) and the rising cost of SEND provision.

Solution

Create a system that effectively meets need, whilst being more cost effective and managing demand.

Financial Impact

General fund base budget of £1.3m required.

Savings to the DSG of £4.9m over MTFP (£1.4m in 2024/25).

Funding of £9.8m over MTFP (£1.9m in 2024/25) if targets are met.

		2024/25	2025/26	2026/27	2027/28
		£m	£m	£m	£m
Growth	SV Programme Management	0.187	0.000	0.000	0.000
	Commissioned Services Review	0.083	0.000	0.000	0.000
	ARP Review & Whole School Audit	0.105	0.000	0.000	0.000
	Preparation for Adulthood Team	0.218	0.000	0.000	0.000
	Early Years Hub	0.490	0.000	0.000	0.000
	SEND Service	0.208	0.000	0.000	0.000
	Total Growth		1.291	0.000	0.000
		£m	£m	£m	£m
Savings	Preparation For Adulthood	(0.173)	(0.208)	(0.165)	(0.164)
	ARP Review	(0.342)	(0.386)	(0.280)	0.280)
	Early Years Assessments	(0.305)	(0.305)	(0.305)	(0.305)
	MH Support in Schools	(0.305)	(0.305)	(0.305)	(0.305)
	Commissioned Services & Other	(0.277)	(0.014)	(0.012)	(0.008)
	High Needs Block Savings	(1.402)	(1.205)	(1.137)	(1.182)
	DSG Safety Valve Funding	(1.950)	(1.950)	(1.950)	(3.900)
Net General Fund Growth		1.291	0.000	0.000	0.000

P05 Ambition For Education

Issue

There are increasing levels of maintained school deficits. Without action, there is a risk we would need to absorb this debt, which is currently in excess of £13m.

Solution

Systematically review our education system across North Tyneside so that it supports educational and financial stability.

Financial Impact

Additional funding is needed (£0.15m) for staff to drive the agreed actions and mitigate the potential significant financial risk to the General Fund.

		2024/25	2025/26	2026/27	2027/28
		£m	£m	£m	£m
Growth	Project Team	0.151	0.000	0.000	0.000
	Total Growth	0.151	0.000	0.000	0.000

P06 Home To School Transport

Issue

Increase in numbers using service, directly linked to high numbers of EHCP, and rising delivery costs.

Solution

Proposing policy changes to ensure we meet need at a statutory level.

Financial Impact

With a current budget pressure of £3m, there is a need for short-term growth to help deliver longer-term savings (potential for £1.6m over MTFP).

	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)
Growth	1.500	0.000	0.000	0.000
Savings				
Consider Post 16 Arrangements	(0.046)	(0.004)	(0.003)	0.000
Review denominational bus passes	0.000	(0.032)	(0.023)	0.000
Review Statutory eligibility Special Schools	0.000	(0.058)	(0.042)	0.000
2 X Independent Travel Trainers	(0.083)	(0.110)	(0.110)	(0.110)
Revised Travel arrangements PRU	(0.046)	0.000	0.000	0.000
School Operated Option	(0.096)	0.000	0.000	0.000
Review of 2/3 mile criteria ARPs at mainstream schools	(0.043)	(0.043)	(0.043)	(0.043)
Offer bus permits instead of taxis (SEND)	(0.061)	(0.062)	(0.061)	(0.062)
Increase no. PTB'S	(0.047)	(0.047)	(0.047)	(0.047)
Impact of DSG Management Plan	(0.029)	(0.148)	0.000	(0.063)
Total Savings	(0.451)	(0.504)	(0.329)	(0.325)
Net Growth / (Savings)	1.049	(0.504)	(0.329)	(0.325)

P07 Handling Childrens Finance

Issue

Increase in both volume and complexity of needs compared to pre-pandemic creating budgetary pressures. Cost of external provision is rising significantly.

Solution

Expanding the system to meet the expected need and complexity, by having the right size team, placement mix and focussing on future sustainability.

Financial Impact

£10m of additional growth pressures over MTFP (£6.4m in 2024/25).

Potential to deliver savings of £2.5m over MTFP (£1m in 2024/25).

		2024/25	2025/26	2026/27	2027/28
		£m	£m	£m	£m
Growth	External Inflation	1.493	1.055	1.097	1.141
	Children with Disabilities	0.500	0.000	0.000	0.000
	In-house Residential	0.500	0.000	0.000	0.000
	Children in Care (Growth)	2.688	0.176	0.138	0.047
	CwD Inhouse Respite	0.852	0.000	0.000	0.000
	Adoption & SGO's	0.400	0.000	0.000	0.000
	Total Growth	6.433	1.231	1.235	1.188
Savings	External Residential	(0.451)	(0.227)	(0.454)	0.000
	In-house Residential	(0.250)	(0.250)	0.000	0.000
	External Fostering	(0.090)	(0.090)	(0.045)	0.000
	External Supported Acc.	(0.190)	(0.280)	(0.190)	0.000
	Savings	(0.981)	(0.847)	(0.689)	0.000
Net Growth (Savings)		5.452	0.384	0.546	1.188

P08 Climate and Waste

Issue

Inflation, housing growth and sustainable waste management commitments, including the new government policy on food waste, are increasing our contracts cost and creating additional pressure during the MTFP.

Solution

Prepare for the new waste policy. Continue to work with residents on behavioural change to reduce waste and increase recycling. Introduce garden waste charges, in line with LA7, but at the lowest level.

Financial Impact

Growth of £3.8m over the MTFP, partly offset by expected Government funding.

Savings of £0.7m in 2024/25, including £0.6m from garden waste.

		2024/25	2025/26	2026/27	2027/28
		£m	£m	£m	£m
Growth	Waste Contracts	0.000	0.144	0.000	0.252
	Food Waste Collections – Implementation (Cap)	0.000	2.140	0.000	0.000
	Food Waste Collections – Implementation (Rev)	0.000	0.274	0.956	0.025
	Street Lighting PFI	0.000	0.000	0.120	0.100
	Total Growth	0.000	2.558	1.076	0.377
Savings	Food Waste – New Burdens	0.000	(1.274)	(0.956)	(0.025)
	EPR – New Income Stream	0.000	(0.100)	0.000	0.000
	Garden Waste	(0.600)	(0.075)	(0.063)	(0.042)
	Environmental Fees	(0.100)	(0.080)	(0.080)	(0.080)
	Total Savings	(0.700)	(1.529)	(1.099)	(0.147)
	Net Growth / (Savings)	(0.700)	1.029	(0.023)	0.230
	Net Growth (General Fund)	(0.700)	(0.111)	(0.023)	0.230
	Net Growth (Capital)	0.000	1.140	0.000	0.000

P09 Great Landlord & Specialist Housing

Issue

Specialist housing need is causing financial pressure (homelessness, bed and breakfast and children's residential homes).

Solution

Develop alternative delivery models, including a new extra care scheme, and exploring opportunities for the HRA & Trading Company to support our objectives.

Financial Impact

Limited growth required but potential for £1.2m savings over MTFP (£0.3m in 2024/25).

		2024/25	2025/26	2026/27	2027/28
		£m	£m	£m	£m
Growth	Project Delivery	0.050	0.000	0.000	0.000
	Total Growth	0.050	0.000	0.000	0.000
Savings	No use of B&B	(0.170)	0.170	0.000	0.000
	New extra care (40 beds)	0.000	0.000	(0.500)	0.000
	UASC Accommodation	(0.100)	(0.100)	(0.100)	(0.100)
	Other new specialist accommodation	0.000	0.000	0.000	0.000
	Total Savings	(0.270)	0.070	(0.600)	(0.100)
Net Growth / (Savings)		(0.220)	0.070	(0.600)	(0.100)

P10 Health & Social Care

Issue

Increase in both demand and complexity as well as significant inflationary pressures and recruitment challenges within the sector.

Solution

Review of discharge pathways, client contributions and developing market capacity to appropriately meet need and regular review of packages to ensure compliance with Care Act requirements.

Financial Impact

Additional growth of £23.7m over MTFP (£8.1m in 2024/25).

£7.7m of savings over MTFP (£4.7m in 2024/25).

		2024/25	2025/26	2026/27	2027/28
		£m	£m	£m	£m
Growth	Care Fee Inflation	3.646	2.796	3.096	3.296
	Older persons population increases	1.400	0.700	0.900	0.900
	Transitions and discharges from long stay NHS	1.950	1.500	0.975	1.000
	Staffing - Keeping up with demand	0.560	0.160	0.160	0.160
	Staffing - DoLs and AMHPs	0.518	0.000	0.000	0.000
	Total Growth	8.074	5.156	5.131	5.356
Savings	Client contributions policy	(0.700)	0.000	0.000	0.000
	Prevention	(1.300)	(0.500)	(0.250)	0.000
	Support planning	(1.200)	(0.500)	(0.250)	0.000
	Commissioning Changes	(1.200)	(0.500)	(0.250)	0.000
	Appropriate contributions from Health	(0.250)	(0.500)	(0.250)	0.000
	Total Savings	(4.650)	(2.000)	(1.000)	0.000
	Net Growth / (Savings)	3.424	3.156	4.131	5.356

P11 Financial Management

Issue

The financial management of our activities is appropriate and compliant with regulations, but could we support operational activity better?

Solution

Continue to regularly review the risk areas identified, and whether we are spending and saving in a way that supports our services, regulatory obligations, and ONT strategic plan best.

Financial Impact

Growth of £6.0m over MTFP (£3.0m in 2024/25).

Direct savings in 2024/25 of £2.9m with a further £8.3m of linked savings reported elsewhere in the MTFP.

		2024/25	2025/26	2026/27	2027/28
		£m	£m	£m	£m
Growth	PFI	0.500	0.750	1.000	1.268
	Historical Income Pressures	2.448	0.000	0.000	0.000
	Project Growth	2.948	0.750	1.000	1.268
Savings	Prior MTFP Savings (2022-2026)	(0.208)	(0.185)	0.000	0.000
	Investment Plan Financing	(1.600)	0.000	0.000	0.000
	Savings on Travel	(0.100)	0.000	0.000	0.000
	Remove Contingency	(1.000)	0.000	0.000	0.000
	Project Savings	(2.908)	(0.185)	0.000	0.000
	Project Net Growth / (Savings)	0.040	0.565	1.000	1.268
Other Savings/ Council-wide items	Replenishment of Strategic Reserve	(1.500)	1.500	0.000	0.000
	MRP Saving Reversal	(4.098)	0.126	0.000	0.000
	Changes to Original Growth	(5.598)	1.626	0.000	0.000
	Treasury Management Strategy	(1.000)	0.250	0.250	0.000
	Reprofiling of Energy Growth	(1.721)	0.000	0.000	0.000
	Remove Council Tax Hardship	0.000	0.000	(1.520)	0.000
	Other Corporate Savings	(2.721)	0.250	(1.270)	0.000
	Net Growth / (Savings)	(8.071)	2.626	(0.270)	1.268

P12 People & Workforce

Issue

The Authority employs a large workforce and needs to ensure we have the right people with the right skills at the right time.

Solution

Review our workforce, including targeted voluntary redundancy where it is right to do so, with recruitment and retention activity helping to ensure we have an appropriate mix of staff.

Financial Impact

Deliver £1.1m of sustainable savings in 2024/25, achieving a carried forward prior year business case.

		2024/25	2025/26	2026/27	2027/28
		£m	£m	£m	£m
Growth	Total Growth	0.000	0.000	0.000	0.000
Savings		0.000	0.000	0.000	0.000
	Total Savings	0.000	0.000	0.000	0.000
	Net Growth / (Savings)	0.000	0.000	0.000	0.000

P13 Services to Schools

Issue

National policy means our relationship with Schools is changing, therefore we need the charging policy to keep pace with that.

Solution

Adjusting the services we deliver to reflect the changing relationship, ensuring financial sustainability.

Financial Impact

Growth of £1.5m required to address residual catering pressure.

Additional income forecast to be £1.1m over MTFP (£0.4m in 2024/25).

		2024/25	2025/26	2026/27	2027/28
		£m	£m	£m	£m
Growth	Catering Service Review	1.485	0.000	0.000	0.000
	Total Growth	1.485	0.000	0.000	0.000
Savings	Restate Baseline Costs	(0.114)	0.000	0.000	0.000
	Pay Allowance Recovery	(0.172)	(0.214)	(0.230)	(0.247)
	Overhead Inclusion	(0.136)	0.000	0.000	0.000
	Total Savings	(0.422)	(0.214)	(0.230)	(0.247)
	Net Growth / (Savings)	1.063	(0.214)	(0.230)	(0.247)