

# CABINET AGENDA

Tuesday, 14 March 2017 at 10.00 am in the Blaydon Room - Civic Centre

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From the Chief Executive, Sheena Ramsey

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Item	Business
1	<b>Apologies for absence</b>
2	<b>Minutes</b> (Pages 3 - 12)  Cabinet is asked to approve the minutes of the last meeting held on  <b>Key Decision</b>
3	<b>Fabric Works and HEIGHTs Combined Delivery proposal</b> (Pages 13 - 16)  Report of the Strategic Director, Communities and Environment
4	<b>Recruitment and Retention of Social Workers, Children &amp; Families Social Work</b> (Pages 17 - 28)  Report of the Interim Strategic Director, Care, Wellbeing and Learning  <b>Recommendations to Council</b>
5	<b>Charging and Financial Assessment for Adult Care and Support Services</b> (Pages 29 - 54)  Report of the Interim Strategic Director, Care, Wellbeing and Learning
6	<b>Treasury Policy Statement and Treasury Strategy 2017/18 to 2019/20</b> (Pages 55 - 82)  Report of the Strategic Director, Corporate Resources
7	<b>Discretionary Rate Relief Policy</b> (Pages 83 - 88)  Report of the Strategic Director, Corporate Resources
8	<b>Revised Appraisal &amp; Development Framework</b> (Pages 89 - 100)  Report of the Strategic Director, Corporate Services and Governance
9	<b>Localism Act 2011 - Pay Accountability Pay Policy Statement</b> (Pages 101 - 120)  Report of the Strategic Director, Corporate Services and Governance

## **Non Key Decisions**

- 10 Home Energy Conservation Act (HECA) - Progress Report** (Pages 121 - 154)  
Report of the Strategic Director, Communities and Environment
- 11 Gateshead Fund (Capacity Building Fund)** (Pages 155 - 178)  
Report of the Strategic Director, Communities and Environment
- 12 Miscellaneous Income, Transfer of Uncollectable Amounts** (Pages 179 - 182)  
Report of the Strategic Director, Corporate Resources
- 13 Freedom of Information Annual Report** (Pages 183 - 188)  
Report of the Strategic Director, Corporate Services and Governance
- 14 Surplus Declaration of the former depot and environs, Chase Park, Whickham** (Pages 189 - 194)  
Report of the Strategic Director, Corporate Services and Governance
- 15 Grant of a Lease - 107/109 Coatsworth Road, Bensham** (Pages 195 - 200)  
Report of the Strategic Director, Corporate Services and Governance
- 16 Petitions Schedule** (Pages 201 - 208)  
Report of the Strategic Director, Corporate Services and Governance

Contact: Kevin Ingledew Email: [kevingledew@gateshead.gov.uk](mailto:kevingledew@gateshead.gov.uk), Tel: 0191 4332142,  
Date: Monday, 6 March 2017

## GATESHEAD METROPOLITAN BOROUGH COUNCIL

### CABINET MEETING

Tuesday, 21 February 2017

**PRESENT:** Councillor M Gannon

Councillors: C Donovan, M Brain, A Douglas, M Foy,  
L Green, G Haley, J McElroy, M McNestry and L Twist

#### **C182 MINUTES**

The minutes of the last meeting held on 7 February were approved as a correct record and signed by the Chair.

#### **C183 LIBRARY SERVICE REVIEW - OUTCOME OF THE REVIEW**

Consideration has been given to the implementation of the library service review, which follows an extensive public consultation.

The alternative options to that being recommended, but which were discounted included the following:

Option 1 – the library network would consist of:

Gateshead Central Library

Area Libraries: Blaydon, Birtley, Leam Lane and Whickham

Local Libraries – Chopwell, Wrekenton

Readers at Home Service – a borough wide service commissioned through RVS for Gateshead residents unable to access a local library.

New Mobile library – providing a range of library activities and interventions targeted at priority groups and communities.

Online services – a range of online services including the lending of e-books

This would include a plan for the development of volunteer managed libraries at Crawcrook, Felling, Pelaw and Rowlands Gill libraries. In addition the mobile library would stop operating as it does at present.

Option 3 – the network would consist of:

Gateshead Central Library

Area Libraries: Blaydon, Birtley, Leam Lane

Local Libraries – Chopwell, Pelaw, Rowlands Gill and Wrekenton

Readers at Home Service – a borough wide service commissioned through RVS for Gateshead residents unable to access a local library.

New Mobile library – providing a range of library activities and interventions targeted at priority groups and communities.

Online services – a range of online services including the lending of e-books

This would include a plan for the development of volunteer managed libraries at Crawcrook, Felling, and Whickham libraries. In addition the mobile library would stop operating as it does at present.

- RESOLVED - (i) That implementation of Option 2 as described below, which will result in a statutory network of eight Council operated libraries be approved:

Option 2 – the network to consist of:

Gateshead Central Library

Area Libraries: Blaydon, Birtley, Leam Lane

Local Libraries – Chopwell, Crawcrook, Pelaw and Wrekenton

Readers at Home Service – a borough wide service commissioned through RVS for Gateshead residents unable to access a local library.

New Mobile library – providing a range of library activities and interventions targeted at priority groups and communities.

Online services – a range of online services including the lending of e-books

- (ii) That the development of volunteer managed libraries at Felling, Rowlands Gill and Whickham libraries be supported and a further report on this matter be submitted if the transfer to volunteer operation is not viable.

The above decisions have been made for the following reasons:

- (A) To ensure a sustainable library service in Gateshead.  
(B) To deliver the Council's agreed vision for the library service.

## **C184 TENDERS FOR GOODS AND SERVICES**

Consideration has been given to tenders received for goods and services.

- RESOLVED - (i) That the tender from Carer's Federation Ltd be accepted for the contract for Independent NHS Complaints for a 24 month period commencing 1 April 2017 with the option to extend for a further 2 x 12 month periods.
- (ii) That the tender from Original Bakehouse Ltd be accepted for the contract for the Provision and Distribution of Bread and Bakery Products for a 24 month period commencing 7 March 2017 with the option to extend for a further 2 x 12 month periods.

The above decisions have been made because a comprehensive evaluation of the tenders received has been undertaken and the recommended tenders are the most economically advantageous tenders submitted.

## **C185 BUDGET AND COUNCIL TAX LEVEL 2017/18**

Consideration has been given to recommending to Council the proposed Budget and Council Tax Level for 2017/18 and the prudential indicators and Minimum Revenue Provision (MRP) Statement as set out in the report.

- RESOLVED - (i) That the following recommendations be made to the Council:

- (1) That Gateshead's Band D council tax for 2017/18 is increased by 4.99% (including a 3% adult social care Government charge) to £1,606.41.
- (2) That the revenue estimates of £198.883m for 2016/17 be approved.
- (3) That the indicative schools funding presented in appendix 2 to the report be agreed.
- (4) That the recommendations of the Strategic Director, Corporate Resources in respect of the robustness of estimates and adequacy of reserves identified in appendix 5 to the report be noted.
- (5) That the Prudential and Treasury Indicators set out in appendix 6 to this report be agreed.
- (6) That the method of calculating the Minimum Revenue Provision (MRP) for 2016/17 as set out in appendix 7 to the report be approved.
- (7) That the Budget proposals following the outcome of consultation as set out in appendix 2 to the report be noted.
- (8) That it be noted that at its meeting on 19 January 2016, Cabinet calculated the following amounts for the year 2016/17 in accordance with regulations made under Section 31B(3) of the Local Government Finance Act 1992 as amended by the Localism Act 2011:-
  - (a) **50,480.1** being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as its Council Tax base for the year;
  - (b) **1,186.8** for Lamesley Parish being the amount calculated by the Council, in accordance with regulation 6 of the Regulations, as the amount of its Council Tax base for the year for dwellings in those parts of its area to which special items relate.
- (9) That the following amounts be now calculated by the Council for the year 2017/18 in accordance with Sections 31A, 31B and 34 to 36 of the Local Government Finance Act 1992, as amended by the Localism Act 2011 ('the Act'): -
  - (a) **£565,059,612** being the aggregate total of the expenditure amounts, which the Council estimates for the items, set out in Section 31A(2) of the Act taking into account the precept issued by Lamesley Parish Council.

- (b) **(£483,230,191)** being the aggregate total of the income amounts, which the Council estimate for the items, set out in Section 31A(3) of the Act.
- (c) **£81,829,421** being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year including Lamesley Parish Council.
- (d) **£1,606.6028** being the amount at (c) above, all divided by the amount at (8)(a) above, calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year including Lamesley Parish Council.
- (e) **£9,769.00** being the aggregate amount of all special items (Lamesley Parish Council) referred to in Section 34(1) of the Act.
- (f) **£1,606.4110** being the amount at (d) less the result given by dividing the amount at (e) above by the amount at (8)(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item (Lamesley Parish Council) relates.
- (g) Part of the Council's area: Lamesley Parish  
**£1,614.6424** being the amounts given by adding to the amount at (f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at (8)(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items (Lamesley Parish Council) relate.

(h)

Valuation Band	Lamesley Parish £	All other parts of the Council's area £
A	5.49	1,070.94
B	6.40	1,249.43
C	7.32	1,427.92
D	8.23	1,606.41
E	10.06	1,963.39
F	11.89	2,320.37
G	13.72	2,677.35
H	16.46	3,212.82

being the amounts given by multiplying the amounts at (f) and (g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that

proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- (10) That it be noted that for the year 2017/18, the Police and Crime Commissioner for Northumbria, and Tyne and Wear Fire and Rescue Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below: -

Valuation Band	Police and Crime Commissioner for Northumbria £	Tyne and Wear Fire and Rescue Authority £
A	65.55	51.75
B	76.48	60.37
C	87.40	69.00
D	98.33	77.62
E	120.18	94.87
F	142.03	112.12
G	163.88	129.37
H	196.66	155.24

- (11) That, having calculated the aggregate in each case of the amounts at (9)(h) and (10) above, the Council in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2017/18 for each of the categories of dwellings shown below: -

Valuation Band	Lamesley Parish £	All other parts of the Council's area £
A	1,193.73	1,188.24
B	1,392.68	1,386.28
C	1,591.64	1,584.32
D	1,790.59	1,782.36
E	2,188.50	2,178.44
F	2,586.41	2,574.52
G	2,984.32	2,970.60
H	3,581.18	3,564.72

- (12) That under section 52ZB of the Local Government Finance Act 1992 (as amended by the Localism Act 2011), the Council's relevant basic amount of council tax for 2017/18 is not excessive in accordance with the principles determined under section 52ZC of the Act.
- (ii) That consideration be given, in conjunction with the Local Government Association if appropriate, to what legal recourse may be available to the Council in relation to the government's continued delay in laying before Parliament the final Local Government Settlement, which could have consequences for

councils in carrying out their obligations to set a balanced budget and Council Tax level within the legal notice requirements.

The above decisions have been made to fulfil the Council's statutory duty to set the Budget and Council Tax for 2017/18.

## **C186 CAPITAL PROGRAMME 2017/18 TO 2021/22**

Consideration has been given to recommending the Council to approve the proposed capital programme for the next five years to continue to provide significant levels of strategic investment to deliver priority outcomes within the Council Plan and to help deliver the Council's Medium Term Financial Strategy in order to maintain financial sustainability.

RESOLVED - That the Council be recommended to:

- (i) Approve the capital programme for 2017/18, and the provisional programmes for 2018/19 to 2021/22, as set out in Appendix 2 to the report, subject to external funding approvals being received.
- (ii) Note the provisional capital financing for the programme, as set out in appendix 3 to the report, and delegate authority to the Strategic Director, Corporate Resources to enter into prudential borrowing which is consistent with the requirements of the capital programme and the Council's Treasury Management Strategy.
- (iii) Note the position in relation to the additional flexibility regarding the application of capital receipts to fund the revenue costs of transformational projects outlined in appendix 4 to the report and agree to receive further updates to confirm specific investment plans as part of the capital programme monitoring reports during the year.

The above decisions have been made for the following reasons:

- (A) To continue to provide significant strategic investment to deliver priority outcomes within the Council Plan.
- (B) To realise the Council's policies and objectives in relation to maximising resources available within its capital programme.
- (C) To assist with the medium and longer term financial sustainability of the Council.

## **C187 FEES AND CHARGES 2017/18**

Consideration has been given to recommending the Council to approve the level of fees and charges for 2017/18 and to approve a delegation to allow for the approval of commercially sensitive traded fees and charges.

RESOLVED - That the Council be recommended to:

- (i) Approve the fees and charges for 2017/18 as set out in appendix 2 to the report.



- (ii) Authorise the Strategic Director, Corporate Resources to make any necessary adjustments to correct any errors in the schedule of Fees and Charges.
- (iii) Approve a delegation to the Strategic Director, Corporate Resources following consultation with the Leader and Deputy Leader of the Council to approve any traded fees and charges designated as commercially sensitive.

The above decisions have been made for the following reasons:

- (A) To ensure that Fees and Charges are set in accordance with Council priorities.
- (B) To support the delivery of the Council's budget and the achievement of Council Plan outcomes.

**C188 CHANGE PROGRAMME PROCESS REPORT - QUARTER THREE**

Consideration has been given to the activity and direction of travel of the Change Programme since October 2016.

RESOLVED - That the progress being made across the Change Programme be noted.

The above decision has been made to ensure the Cabinet is able to monitor the progress of the Change Programme and give direction in a timely manner.

**C189 SPECIAL EDUCATIONAL NEEDS AND DISABILITIES FOR ADDITIONALLY RESOURCED MAINSTREAM SCHOOLS (ARMS)**

Consideration has been given to consultation on a proposed new model of provision for Additionally Resourced Mainstream Schools (ARMS).

- RESOLVED -
- (i) That consultation be approved with current ARMS, special and mainstream schools on moving away from the current ARMS model and move towards establishing satellite provision from special schools, (based on type of need) which would be hosted in mainstream schools on the basis of a service level agreement.
  - (ii) That further financial modelling be undertaken in the light of proposed changes to High Needs Block funding.
  - (iii) That that Governors of Rowlands Gill Primary School be requested to consider whether they would wish to reflect on their request to close their ARMS provision and become a host school as part of a 'pilot' scheme on a model to evaluate.
  - (iv) That it be noted Primary schools will also be invited to host the model and Rowlands Gill will be asked to continue on the proposed new model basis for a further academic year.
  - (v) That Governors of Eslington Primary School be requested to consider forming a partnership with a mainstream primary

school to offer satellite provision for primary aged children with Social, Emotional and Mental Health difficulties.

- (vi) That consideration be given to any alternative models that may come forward during the consultation process.
- (vii) That a further report be submitted to Cabinet in the early Summer Term 2017 on the outcome of the consultations.

The above decision has been made to meet the Council's statutory duty to promote high educational standards and to make effective use of resources.

## **C190 REVIEW OF ENVIRONMENT SERVICES**

Consideration has been given to the outcome of a review of the Council's environment services.

- RESOLVED -
- (i) That the review and analysis of the evidence of impact as well as the views of councillors and residents on changes and standards for environment services be noted.
  - (ii) That the following recommendations be approved:
    - That standards for grass cutting and street cleansing are maintained recognising the role of a quality environment to health and wellbeing; in supporting economic growth; and for realising the Council's Place ambition.
    - For a feasibility study to be completed on the Council's tree stock to inform potential capital investment for a one off arboricultural programme to reduce complaints, potential incidents, claims and improve access.
    - Step up behavioural change, communication and awareness raising.
    - To place greater emphasis on environmental enforcement – a separate report to be brought in due course.
    - Explore opportunities for greater community involvement and ownership where this is appropriate.
  - (iii) That further briefings be arranged for Councillors together with a Members' Seminar in due course as the above recommendations are progressed.

The above decisions have been made for the following reasons:

- (A) To ensure that the Council is able to meet statutory duties and responsibilities.
- (B) To support delivery of environment services at a level that helps to maintain standards but which contribute to the Council Plan priorities including the contribution to economic growth through

Gateshead being an attractive place, and with greater community ownership and pride in the local area.

**C191 COMMUNITY ASSET TRANSFER - DUNSTON ACTIVITY CENTRE**

Consideration has been given to a newly formed charity proceeding with a Community Asset Transfer of Dunston Activity Centre.

RESOLVED - That the Service Director, Legal, Democratic and Property Services be authorised to proceed with a 35 year lease to the charity Dunston Activity Centre pursuant to the Council's Community Asset Transfer policy.

The above decisions have been made to manage resources and rationalise the Council's assets in line with the Corporate Asset Strategy and Management Plan.

**C192 PROPERTY TRANSACTION - SURRENDER AND NEW LEASE OF SITES 2 AND 3 NEWTOWN INDUSTRIAL ESTATE, BIRTLEY**

Consideration has been given to accepting the surrender of the current leases of Site 2 and Site 3 Newtown Industrial Estate, Birtley from R Beal and Company Limited ("the Tenant") and the re-grant of a 125 year lease to the Tenant.

RESOLVED - (i) That the surrender of the current leases of Site 2 and Site 3 Newtown Industrial Estate, Birtley from R Beal and Company Limited ("the Tenant") and the re-grant of a 125 year lease to the Tenant be approved.

(ii) That the Strategic Director, Corporate Services and Governance be authorised to agree the detailed terms

The above decisions have been made to manage resources in accordance with the provisions of the Corporate Asset Strategy and Management Plan.

**C193 PROPERTY TRANSACTION - SURRENDER AND NEW LEASE OF SITE 4 SALTMEADOWS ROAD, GATESHEAD**

Consideration has been given to accepting the surrender of the current lease of Site 4, Saltmeadows Road from J P Madden and D McLeod and (ii) for the grant of a new lease to Deal Direct Blinds for a term of 125 years.

RESOLVED - (i) That the surrender of the current lease of Site 4, Saltmeadows Road from J P Madden and D McLeod and (ii) for the grant of a new lease to Deal Direct Blinds for a term of 125 years be approved.

(ii) That the Strategic Director, Corporate Services and Governance be authorised to agree the detailed terms.

The above decisions have been made to manage resources in accordance with the provisions of the Corporate Asset Strategy and Management Plan.

**C194 EXCLUSION OF THE PRESS AND PUBLIC**

RESOLVED - That the press and public be excluded from the meeting during consideration of the remaining business in accordance with paragraphs 2 and 3 of Schedule 12A to the Local Government Act 1972.

**C195 LEISURE SERVICE REVIEW AND IMPLEMENTATION OF CHANGES IN THE SERVICE – GO GATESHEAD SPORT AND LEISURE**

Consideration has been given to the outcome of consultation and a proposed new structure for the GO Gateshead Sport and Leisure Service as set out in appendix 2 to the report.

- RESOLVED -
- (i) That the new structure for the GO Gateshead Sport and Leisure Service as set out in appendix 2 to the report be approved.
  - (ii) That a further report be submitted to Cabinet in September 2017 on the effectiveness of the new structure.

The above decisions have been made to ensure that the Service is fit for purpose and has the skills, knowledge and experience to deliver the vision for leisure.

Copies of all reports and appendices referred to in these minutes are available online and in the minute file. Please note access restrictions apply for exempt business as defined by the Access to Information Act.

The decisions referred to in these minutes will come into force and be implemented after the expiry of 3 working days after the publication date of the minutes identified below unless the matters are 'called in'.

Publication date: 22 February 2017

**Chair.....**

**TITLE OF REPORT:** Fabric Works and HEIGHTs Combined Delivery proposal

**REPORT OF:** Paul Dowling, Strategic Director, Communities and Environment

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### **Purpose of Report**

1. To seek approval for the award of a construction contract to Wilmott Dixon Construction via the SCAPE Major Works Framework, for delivery of fabric works to be undertaken alongside the High Rise Energy Infrastructure for Gateshead Housing Tenants (HEIGHTs) project:-
  - Window replacement for all Harlow Green high rise blocks
  - Façade replacement and replacement windows at Regent Court

### **Background**

2. Approval was given at Cabinet on 8 November for the acceptance of ERDF grant funding to support the delivery of the HEIGHTS project and for construction contracts to be awarded to Wilmott Dixon Construction via the SCAPE Major Works Framework to deliver the works.
3. The HEIGHTS project will install new district heat and/or power systems to 7 High Rise Housing blocks in the Town Centre and Harlow Green.
4. Since then, the Council has entered pre-construction works contracts with Wilmott Dixon Construction to proceed with the design of the scheme, and is aiming to receive planning approval, and enter into the construction contract, prior to 5 May 2017.

### **Proposal**

5. Additional improvement works to the fabric of the 7 blocks have been identified as follows:
  - Window replacements for Harlow Green and regent Court high rise blocks
  - Roof replacement for Harlow Green blocks
  - Façade replacement for Regent Court
6. Provision to fund the works has been included in the HRA Capital Programme Report that was approved by Cabinet on 24 January 2017.
7. The five year HRA Capital programme includes £11.1m, towards the part ERDF funded HEIGHTS energy efficiency scheme at Harlow Green and Regent Court, with a further £4.4m of planned window replacements to be delivered alongside these works. In addition £4m is included within the programme to replace the façade at Regent Court;

8. It is proposed that the work is combined with the HEIGHTS project and awarded to the same contractor for the following reasons:-
- To minimise costs and Health and Safety risks by having one contractor delivering all elements as works overlap on the tower blocks
  - To ensure timescales are maintained (in particular the façade at Regent Court which is in a state of disrepair)
  - Adding additional works to existing contract will minimise the overall scheme development costs
  - To minimise disruption for customers and leaseholders.
9. In order to ensure that a combined delivery programme, including the additional works, can be undertaken a pre-construction order for design works, valued at £211,000, was placed with Wilmott Dixon Construction in February, following consultation with Housing Portfolio.
10. The pre-construction order allows the scheme to progress to full delivery under the SCAPE framework, without additional delays and costs being incurred through a separate procurement exercise. The pre-construction order does not bind the Council to full construction contract, should for any as yet unforeseen reason, the works are not able to be progressed.

## **Recommendations**

11. It is recommended that:-

- (i) Approval is given to entering into a delivery agreement with Wilmott Dixon Construction via the SCAPE Major Works Framework, for combined delivery of the HEIGHTs project and associated fabric measures;
- (ii) Approval is given to delegate authority to the Strategic Director, Communities and Environment, following consultation with the Strategic Director, Corporate Resources, to agree the final terms, scope and costs of the contract awards.

For the following reasons:

- (i) To continue to deliver Council priorities around reducing fuel poverty, energy consumption and sustaining tenancies.
- (ii) To maximise efficiencies through combining fabric improvements with ERDF grant funded works that will support capital investment as part of the Council's Capital Programme.
- (iii) To improve the Council's assets and ensure that the Council's Housing stock remains fit for purpose and deliver a sustainable HRA

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**CONTACT:** Peter Udall      extension: 2901

### Policy Context

1. On a local level, the proposals will contribute to the delivery of many targets within Vision 2030, strategic interventions within the Council Plan, the Council's Climate Change Strategy and other Council strategies and commitments, specifically:
  - Improving the quality of council owned assets and improving their energy efficiency
  - Sustaining tenancies and communities through targeted improvements in line with HRA Capital investment priorities.
2. The proposal also accords with the Corporate Asset Strategy and Management Plan 2015 – 2020. In particular; ensuring that the Council's properties are fit for purpose and the continuous improvement of the sustainability of the Council's assets and HRA Business Plan.

### Background

3. The HEIGHTs project will install new district heat and/or power systems to 7 High Rise Housing blocks in the Town Centre and Harlow Green.
4. Alongside the ERDF project proposal, it is proposed to co-ordinate the following other, non-ERDF, block improvement works, to improve the sustainability of the properties, seek efficiencies in the construction phase, and minimise disruption to tenants,
  - Window replacement for all Harlow Green high rise blocks
  - Roof replacement for 6 Harlow Green Blocks
  - Façade replacement for Regent Court
5. Through increasing the scope of the delivery with the appointed contractor for the HEIGHTs infrastructure works, the following outcomes will be achieved: -
  - Costs and Health and Safety risks will be minimised through having one contractor delivering all elements.
  - Timescales linked to Capital Programme and HRA Business plan projections will be maintained.
  - Adding additional works to existing contract will minimise the overall scheme development costs.
  - Disruption for customers and leaseholders will be minimised.

### Consultation

6. The following consultation has taken place on the scheme:
  - Consultation with Cabinet Members for Housing
  - Consultation with Ward members

## Implications of Recommendation

### 7. Resources:

- a) **Financial Implications** – The Strategic Director, Corporate Resources, confirms that the capital costs of the proposed projects, estimated to be £19.5m in total, can be accommodated from within the Housing Revenue Account Capital Programme.
  - (b) **Human Resources Implications** – Existing officers within the Council and Gateshead Housing Company will be used to deliver the projects over 2 years, and the ERDF revenue grant funding for the HEIGHTS project will part cover the costs of those posts for the duration of the projects.
  - (c) **Property Implications** - The combined scheme will provide a modernised heating system for 7 tower blocks included in the scheme including new wet distribution systems, radiators and heat meters within residents' flats. It will also provide low carbon heat and power supplies to 3 Council buildings, and 1 external partner. The façade, window and roof replacement works will greatly improve the appearance of 7 blocks, address disrepair issues and contribute to the energy performance of the block.
8. **Equality and Diversity Implications** – The heat and power supplies will be offered to all tenants across the named blocks, with tenant liaison services supporting the engagement of all customers groups.
  9. **Crime and Disorder Implications** – None.
  10. **Health Implications** –The quality and standard of maintenance of the properties and the heating scheme will contribute to the health and wellbeing of the tenants in the blocks. The introduction of new windows within the blocks will improve the energy performance of the blocks and bring them up to modern standards.
  11. **Sustainability Implications.** - The scheme will reduce domestic carbon emissions in Gateshead by reducing energy consumption and replacing existing heating with lower carbon alternatives and will sustain the blocks and improve their desirability.
  12. **Human Rights Implications** - Nil
  13. **Area and Ward Implications** - The schemes are in the Bridges Ward (Regent Court,), Chowdene Ward (Harlow Green blocks) in the Central and South areas respectively..
  14. **Background Information** – The following background papers have been used in preparing this report:
    - (i) Report for Cabinet, 24 January 2017, Housing Revenue Account and Capital Programme
    - (ii) Report for Cabinet, 8 November 2016, ERDF Low Carbon Project Proposals



<b>TITLE OF REPORT:</b>	<b>Recruitment and Retention of Social Workers, Children &amp; Families Social Work</b>
<b>REPORT OF:</b>	<b>Sheila Lock, interim Strategic Director Care Wellbeing &amp; Learning</b>

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### **Purpose of the Report**

1. To agree the implementation of a recruitment and retention allowance for Social Workers.

### **Background**

2. In October 2015 Gateshead Children's Services received a 'GOOD' judgement following Ofsted's regulatory inspection. This is a noteworthy judgement and sets Gateshead amongst the top 25% of Children's Services in the Country. Shortly after the judgement a neighbouring authority that was judged inadequate began a vigorous and targeted recruitment of staff, offering amongst other things financial incentives to Social Workers. Gateshead was unable to match the financial offers and as a result lost a great deal of talented staff.
3. In response, Gateshead Children's Services have had to rely on procuring agency staff to maintain safe levels of capacity within its Social Work teams – there are currently 21 agency workers employed within the service to cover resulting vacancies, which is contributing to a £448k overspend in 2016/17.
4. The risk of this continuing remains a significant threat: Of the twelve neighbouring authorities four have yet to receive their regulatory inspection three of which are close neighbours. Two from the south of the region also received a Good judgement, a further one received an inadequate judgement and the remaining 3 were judged as requiring improvement. We know that Local Authorities respond to poor Ofsted judgements or anticipated inspections by seeking out experienced quality Social Workers.
5. Since April 2016 16 Social Workers have left the Council. A rolling programme of recruitment advertising for newly qualified and experienced staff since April 2016 has thus far successfully appointed 10 Social Workers against those vacancies. However, this has not attracted sufficient numbers of experienced Social Workers and this continues to be a challenge. Nine newly qualified Social Workers have been appointed and whilst this is helpful in terms of a longer term strategy to 'grow our own' the limits placed on newly qualified Social Workers prevent a full, caseload and the allocation of complex cases. Therefore, there is a limit to how many newly qualified Social Workers the service can manage as experienced staff are needed to maintain the safety of the service.

6. The hiatus in filling vacancies generally and specifically with experienced Social Workers within Gateshead has had a knock on effect upon the capacity for our existing Social Workers within a context of an expedient rise in caseloads over the year.
7. In addition to this national agency recruitment agencies target Social Workers both experienced and newly qualified with lucrative financial packages and guaranteed placements often providing salaries in excess of £50,000 per annum.
8. In addition to these pressures, the proposal (under the Review of Terms and Conditions) to remove the Essential Car User from Social Workers will further undermine the recruitment and retention process.
9. We know most Social Workers remain in the North East and move between the region's Local Authorities so in recruitment terms the pond we fish in is a small one.
10. Children and Families are facing unprecedented pressures with recruitment and retention of Social Work posts and in order to be able to meet our statutory requirements the appointment of agency workers is at an all-time high.
11. The proposed implementation of the Department for Education (DfE) employer practice endorsement process, assessment and accreditation and new knowledge and skills statement (KSS) (as outlined in Appendix 2) provide an opportunity for Gateshead to build on the success of the Ofsted judgement. We want to attract and retain talented Social Workers, develop our succession planning to ensure the best Social Workers stay in Gateshead and become the Practice Leaders of tomorrow. In future we will need to avoid being in a position where the retention of our Social Workers is vulnerable by having an offer sufficient to retain talented Social Workers who have been well supported and schooled in Gateshead.
12. To that end Gateshead needs to further develop an offer for current and future Social Workers- articulated in the six proposed outcomes as outlined in Appendix 3.

## Proposal

13. The proposal is concerned with the first of the six proposed outcomes as outlined in Appendix 3. In order to achieve a strong retention and recruitment, and support the employer practice endorsement, it is proposed that a recruitment and retention allowance is applied (as set out below) to ensure Gateshead has a competitive, if not higher salary offer, than our competitors (as shown in Appendix 4). This will run parallel with the review of existing Job titles and profiles to align them with the KSS titles and descriptors.

Present		Proposed	
Job Title	Salary range	Job Title	Salary range
Social Worker (Grade I/J) with Essential Car User	£29,854 - £35,093 + ECU £846 =	AYSE Child and Family Practitioner. To be appointed on	£29,854 – £32,164 / £33,772 - £36,847

	£30,700 – £35,939	Grade I. Bar point @ SCP 37. Progression to Experienced Child and Family Practitioner following competency based evidence	
Social Worker (Grade I/J) with Essential Car User	£29,854 - £35,093 + ECU £846 = £30,700 – £35,939	Experienced Child and Family Practitioner (Grade J) with a 5% recruitment & retention allowance	£33,772 - £36,847
Senior practitioners (Grade K)  (Note: it is proposed that 2 x Senior Pracs in SG&CP and 1 x Snr Prac in Fostering are redesignated & regraded to Practice Supervisor.	£35,093 - £37,858	Experienced Child and Family Practitioner and (Grade J) plus a 5% recruitment & retention allowance Protection arrangements will apply.	£33,772 - £36,847
ATMs (Grade K+1)	£36,019 - £38,789	Practice Supervisor (K+1/Grade L - bar point @ SCP43) plus 7.5% recruitment & retention allowance	£37,725 - £46,641
TMs (Grade L) + 7.5% recruitment & retention allowance	£40,697- £43,665		
Service Manager (Grade N) + 15% recruitment & retention allowance	£49,895 – £53,176	Practice Leader(Grade N) plus 15% recruitment & retention allowance (Further consideration will need to be given to this in light of future structures within CWL).	£49,895– £53,176

14. Newly qualified Social Workers who join the Council from Social Work degree courses in HEI's, or are part of the Governments 'Step up to Social Work' programme or the Frontline programme and completing their Assessed Year in Practice (ASYE) will be designated as Newly Qualified Practitioners (Grade I), and will be on a 12 month fixed term contract pending successful completion of their assessed year. The value of investing in these programmes in future years will clearly help in our succession planning and talent pool.

15. Financial cost

The proposals highlighted above will impact upon 117.23FTE staff within Social Work Children and Families and will require **£279,925** of additional funding. The table in Appendix 5 highlights a breakdown of the additional funding required between each of the grade proposals.

16. Given the scale of the issues in respect of Children's Social Work staff and the proposed options, the Adult's Social Work workforce profile has been examined. Although this work is not yet fully completed, early indications are that there is not currently an equivalent recruitment or retention issue within Adult's Social Work. The majority of people who have left the service in recent years have done so because of promotion or personal reasons, rather than moving to a similar job for higher wages. However, there are some specific recruitment and retention issues within the Approved Mental Health Practitioner workforce, which the service is exploring further; these issues are not unique to Gateshead in the region.
17. It is proposed that the review which is currently being undertaken with the Independent Reviewing Officer (IRO) service is linked to the proposed social worker framework and the outcome is integrated within the overall workforce development plan.

### **Recommendation**

18. It is recommended that the recruitment and retention allowance as set out in the report is agreed by Cabinet.

For the following reason:

In order to achieve a strong retention and recruitment, and support the employer practice endorsement,

### Policy Context

1. The Department for Education (DFE) published the knowledge and skills statements (KSS) for child and family social work practice leaders and practice supervisors in November 2015. The statements will be used together with the previously published knowledge and skills for Approved child and family practitioners, to develop a national assessment and accreditation system for child and family social workers across these three levels. A proof of concept and Pilot process has been led by the DFE.

### Background

2. The Council's approach to pay has been determined by reference to collective bargaining structures, national and local agreements, and job evaluation in the context of its recruitment markets. The pay policy statement incorporates the key principles which underpin these arrangements.
3. The Council, at its meeting on 16 September 2014, agreed to introduce measures to address low pay in its workforce by deleting the three lowest spinal column points on the pay structure with effect from 1 October 2014. The pay policy has been updated to reflect this. It has also been amended to include the revised ratio between highest paid employee and median rate of pay, which is a requirement of the Local Government Transparency Code 2014, and proposes that the issue of low pay continues to be addressed.

### Consultation

4. The Leader and Deputy Leader and Employees have been consulted on the proposals. The Council's recognised non-teaching Trade Unions have also been consulted.

### Alternative Options

5. There are no viable alternatives to the recommendations made in this report.

### Implications of Recommended Option

#### 6. Resources:

- a) **Financial Implications** – The Strategic Director, Corporate Resources confirms that the proposals highlighted will require £279,925 additional funding which has been identified through the budget process for 2017/18. The remaining funding will be identified in year from within existing resources
- b) **Human Resources Implications** – The proposal is designed to recruit, reward, motivate and retain as necessary employees with the skills and attributes required to deliver Council Children & Family Social Work services. It is part of the Council's overall human resources policy framework, through which it aims to be an exemplary employer.

The impact of any changes in the structure and salary of Children's Social Workers will need to be monitored and the messages to all Social Workers will need to be clearly managed.

The potential for pay differentials to have a negative impact for the recruitment and retention of Adult's Social Workers is noted, as is the need to monitor the wider regional position.

**c) Property Implications** – there are no property implications arising from the recommendations within this report.

7. **Risk Management Implications** – refer to Appendix 6
8. **Equality and Diversity Implications** – Fair pay and reward are fundamental to the Council's approach to employment. The Council's use of equalities-tested job evaluation schemes, Trade Union representation in collective bargaining, and application of consistent pay principles throughout the organisational structure ensure that Equality and Diversity issues are properly taken into account.
9. **Crime and Disorder Implications** – There are no crime and disorder implications.
10. **Health Implications** - There are no health implications.
11. **Sustainability Implications** - There are no sustainability implications.
12. **Human Rights Implications** - Employees have a right to representation through both individual representation and Trade Union representation.
13. **Area and Ward Implications** - There are no area and ward implications.

The Department for Education (DFE) published the knowledge and skills statements (KSS) for child and family social work practice leaders and practice supervisors in November 2015. The statements will be used together with the previously published knowledge and skills for Approved child and family practitioners, to develop a national assessment and accreditation system for child and family social workers across these three levels. A proof of concept and Pilot process has been led by the DFE.

The first stage in the new process will be the endorsement by employers that their social workers have the appropriate knowledge and skills required to be confident, high quality Frontline Practitioners and Practice Supervisors: 'this is the Gateway and a critical source of validation for the Accreditation of Social Workers in the authority'-DFE

The DFE has worked with their partners the Social Care Institute for Excellence and Research in Practice, to develop guidance for employers on the endorsement element and this is was expected in June 2016 but as yet remains unpublished.

The expectation of the DFE is that by April 2017, the process of Employer Endorsement should be largely embedded. By 2020, all organisations that employ child and family social workers in England will need to be confidently and consistently endorsing their social workers as having the appropriate knowledge and skills required to be confident, high quality Frontline Practitioners and Practice Supervisors.

Ministers say the process will give employers assurance that children's social workers have the skills they need to do the job and will also help build public confidence in the profession. The DFE also hopes the process will offer "a window into practice" and act as a learning tool for practitioners.

By 2020 all child and family social workers will have been assessed and accredited in one of three statuses:

- Accredited child and family practitioner
- Practice Supervisor
- Practice Leader

The current work force development strategy includes working proactively with the Regional Teaching Partnership to promote the recruitment of student social workers and proactively working with universities to support entry into social work by providing social work practice educators across a wide range of in house placement opportunities. Newly qualified social workers appointed to the Council are provided with additional supervision, protected caseloads and comprehensive induction training in their first year of practice.

The service has also entered into partnerships with 'step up to social work', Frontline and Firstline which are Government supported initiatives designed to attract and develop talent into Social Work. These initiatives are support by dedicated management

of student social workers in placement and succession planning for staff to develop their social work leadership skills.

In addition the Council has a comprehensive training and development programme for social workers which include post qualification opportunities.



## Appendix 3

To that end Gateshead needs to further develop an offer for current and future Social Workers- articulated in the six proposed outcomes as outlined in Appendix 3

1. A competitive, if not higher salary offer, than our competitors based on the job profiles aligned to the KSS (see Appendix 1 for salary comparators).
2. A recruitment process that is in line with the KSS and selection processes that provide a solid baseline assessment of candidates that can pull through into the employer endorsement process.
3. A clear programme of development that can demonstrably attract Social Workers, both newly qualified and experienced, to Gateshead because they will know their practice will be enhanced and developed within an organisation that is prepared to invest in their future development and achieve accreditation.
4. A clear progression structure that invests in preparing the talented to become future Practice Supervisors and Leaders,
5. Caseloads that are manageable and allow for quality Social Work, whereby risks are appropriately assessed, and proportionate responses provided; helping to manage needs “down”, and preventing them from escalating up.
6. A unique selling point that is rooted firmly in Social Work and appeals to the hearts and minds of our existing Social Workers and those who we seek to recruit.

The expectation is that the employer will not put forward an employee for accreditation until they have been endorsed and there is every confidence that they are ready for accreditation - in other words they will pass the rigours of the accreditation process. There are clear reputational risks should Social Workers sponsored by Gateshead as ready to pass accreditation in fact fail.

## Appendix 4

Local Authority	Job	Salary Scale	Other financial	Other incentives
Gateshead	Social Worker	£29,854 - £35,093		
Sunderland	Social Worker/Senior Social Worker	£28,203 - £36,019	+1 market supplement up to £36,937 depending on experience	An average of 20 caseloads per worker Laptops and mobile phone to make flexible working easier Career progression scheme Planning a Professional Leadership Programme High quality supervision Small teams of Manager, Prac and no more than 7 SWs A relocation package Salary sacrifice car lease scheme Discounted parking costs <i>Will consider 4 day working weeks</i>
Sunderland	Advanced Practitioner	£37,858 - £41,551		As above
Sunderland	Team Manager	£42,474 - £46,232		As above
Darlington	Social Worker	£25,694 - £36,019		
Newcastle	Social Worker	£27,394 - £35,093		
Newcastle	Senior Practitioner/Team Manager	£36,019 - £38,789-£46,232		
South Tyneside	Senior Practitioner	£37,858		
Stockton-on-Tees	Social Worker	£25,694 – £36,937	A golden hello of £3,000 - £5,000 Payment of £3,326 for unsocial hours	Rota basis across 7 days including over night
North Tyneside	Social Worker	£29,854 – £33,106		
Middlesbrough	Social Worker	£24,717 – £31,288		
Durham	Social Worker	£26,293 - £29,558 £30,978 – £34,746		Generous annual leave entitlement Induction programme Training and Development Flexible working hours Family friendly benefits Childcare Voucher Scheme Discount leisure facilities

## Appendix 5

A breakdown of the additional funding required between each of the grade proposals

Post	Current Grade	FTE	Current cost £	Proposed grade	FTE	Revised cost £	Additional Cost £
Social Worker	I/J plus £846 ECU	83.28	3,974,474	J plus 5% R&R	83.28	4,092,362	117,888
Senior Practitioner	K	7.95	422,391	J plus 5% R&R <b>excl protection</b>	4.95	255,551	-166,841
Assistant Team Manager	K+1	8.00	435,720	K+1/M plus 7.5% R&R (bar @43)	11.00	721,964	286,244
Team Manager	L plus 7.5% R&R	10.00	613,696	K+1/M plus 7.5% R&R (bar @43)	10.00	656,331	42,635
Service Manager	N plus 15% R&R	3.00	224,743	N plus 15% R&R	3.00	224,743	0
		<b>117.23</b>	<b>5,671,074</b>		<b>117.23</b>	<b>5,950,950</b>	<b>279,925</b>

The Risks and Implications of doing nothing

Risks to the Service.

Children's social work

1. A continued reliance on agency staff with the associated financial impact on the Council.
2. A failure to retain our experienced staff particularly in the face of existing and predicted targeted recruitment by other regional authorities prior to or subsequent to their Ofsted judgement.
3. A continued challenge in recruiting experienced Social Workers with an over reliance on newly qualified Social Workers with their professional limitations.
4. A continued erosion of Social Work capacity inevitably resulting in low morale, and Social Workers leaving the Council.
5. Children's services is experiencing 30% higher work load. Caseloads are beyond the recommended levels stated by Ofsted. This is a risk to the next Ofsted inspection.
6. Caseload and capacity that compromises the safety of children and organisational effectiveness

To the Council

Children's social work

1. The implications for the council if the service is seen not to have the staffing capacity to manage the complexity and volume of the safeguarding work would risk the next Ofsted outcome and the council be rated inadequate with regard to leadership. This is a clear reputational risk.
2. The experience of other local authorities judged to be inadequate by Ofsted has led to substantial sums of money being invested in the service which was not anticipated as part of the council's wider strategic plan and has impacted on wider services.

To Service Users

Children's social work

1. Service users will not have a timely service and may lead to critical safeguarding risks.
2. Slower pace of service users moving through the system due to lack of staff capacity which could lead to higher costs
3. Critical safeguarding risks could trigger serious case reviews open to public scrutiny and an early Ofsted inspection

**TITLE OF REPORT:** Charging and Financial Assessment for Adult Care and Support Services

**REPORT OF:** Sheila Lock, Interim Strategic Director Care, Wellbeing and Learning

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### **Purpose of the Report**

1. Cabinet is requested to recommend to Council that the policy on Charging and Financial Assessment for Adult Care and Support Services be implemented following consultation.

### **Background**

2. The Care Act 2014 and the regulations made under it provide a legal framework for charging for care and support. It enables the Council to decide whether or not to charge an adult when it is arranging to meet an adult's care and support needs or a carer's support needs.
3. The charging policy provides a transparent, consistent and fair framework for the Council to use when assessing an individual's ability to pay towards any social care services they are assessed to receive. The actual charges for Adult Social Care Services are reviewed annually and are defined in the Councils Fees and Charges Report.
4. This policy included some key changes to the current charging policy:
  - to calculate the adults contribution based on the cost of two carers (when the adult requires this) rather than on one carer in every case as at present;
  - to remove the maximum weekly amount an adult is required to pay towards their care, which is currently capped at £205. They would be required to pay their full assessed contribution. The maximum amount an adult will pay towards their care is the cost of their care package, and
  - to reduce the Disability Related Expenditure (DRE), which is to cover additional expenditure an adult may have due to their disability, e.g. speciality clothing, from £20.60 per week to £15.00.
5. Cabinet received a report on 24 May 2016 requesting approval to consult on a policy for Charging and Financial Assessment for Adult Care and Support Services. The outcome of this consultation has informed the proposed policy.

### **Proposal**

6. The proposed policy for Charging and Financial Assessment for Adult Care and Support Services is implemented with effect 1 April 2017.
7. The proposed changes are implemented as originally consulted upon.
8. Some minor amendments to the wording of the Review and Appeals section of the policy are proposed which include a 20 working days timescale for appeal and

subsequent review of the appeal. This is not considered a significant change in the policy.

## **Recommendations**

9. Cabinet is requested to recommend that Council approves the proposed policy for Charging and Financial Assessment for Adult Care and Support Services as set out in appendix 2 to this report.

For the following reasons:

- (i) To meet the statutory requirements of the Care Act 2014 and the regulations made under it.
- (ii) To provide a transparent, consistent and fair framework for the provision for charging and financial assessment for all adults receiving care and support services.

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**CONTACT:** Steph Downey

extension: 3919

### Policy Context

1. The Care Act 2014, which provides a legal framework for charging for Adult Social Care:
  - Section 14 of the Care Act provides Local Authorities with the power to ask adults to make a contribution for the cost of their social care.
  - Section 17 of the Care Act allows Local Authorities to carry out a financial assessment to determine the amount a customer can afford to contribute towards the care services they receive.
2. The policy has been designed in line with Care and Support Regulation (Statutory Instruments) and Care and Support Guidance and Annexes issued under the Care Act 2014.
3. This update on the charging regime will support the Council's aspirations set out in Vision 2030 and the direction of travel set out in the Council Plan and, in particular, shared outcomes for Live Well Gateshead.

### Background

4. The Council's, Adult Social Care provides a range of services for vulnerable people but is reliant on income from charges to help pay for them. Without this income, service levels may not be maintained.
5. The Council has decided to charge for services as, any authority which recovers less revenue than its discretionary powers allow is placing an extra burden on its population or is foregoing resources which could be used to the benefit of the service.
6. This policy aims to produce a transparent, consistent and fair framework for charging and financial assessment for all adults that receive care and support services following an assessment of their needs, and taking account of their individual financial circumstances.
7. Charges for care services are reviewed annually and are defined in the Adult Social Care Fees and Charges Schedule.
8. This policy included some key changes to the current charging policy:
  - to calculate the adults contribution based on the cost of two carers (when the adult requires this) rather than on one carer in every case as at present;
  - to remove the maximum weekly amount an adult is required to pay towards their care, which is currently capped at £205. They would be required to pay their full assessed contribution. The maximum amount an adult will pay towards their care is the cost of their care package, and
  - to reduce the Disability Related Expenditure (DRE), which is to cover additional expenditure an adult may have due to their disability, eg speciality clothing, from £20.60 per week to £15.00.
9. There are currently 1,269 adults paying for community based care provision who could be impacted by these changes.

10. There are specifically 17 adults who will be impacted by the move to charging for 2 carers. The average increase in charge would be £39 per week.
11. 33 adults who are currently assessed pay the £205 capped maximum contribution. Although this is the cohort of adults who would be impacted 3 have capital of less than £30,000 and therefore may have limited means to pay increased charges for a long period of time before depleting their capital to within the limits. There are 12 adults who have not provided financial information who have agreed to pay the maximum contribution, these adults would be eligible for a financial assessment which may limit the increase in contribution.
12. The reduction in DRE would impact on 913 adults paying for services. Whilst the proposal is to limit the set amount of DRE there remains provision in the policy for an individual assessment to be requested if there is evidence that the DRE is insufficient to cover their individual needs.
13. The amount an adult is required to contribute towards the cost of their care is based on an assessment of ability to pay and therefore any increases in contributions will be limited to their assessable amount.
14. Local benchmarking has been undertaken and highlights that there is a mixed approach to the application of a cap on the maximum contribution with 4 out of 7 councils who responded not having a cap for those with the ability to pay. All the councils that responded charge for 2 carers where this is required. There is a mixed approach to application of the DRE allowance with a number undertaking individual assessment.
15. Financial modelling suggests the changes outlined above will realise in the region of £0.350m additional income towards the cost of providing care. The actual extent of the increase in income will be determined by individual financial assessments.

## **Consultation**

16. Consultation on the policy and the proposed changes took place between 20 September 2016 and 13 December 2016.
17. There were 93 respondents to the online survey but not all respondents provided a response to each question. A summary of responses is shown in appendix 3.
18. The majority of comments received were regarding the fairness of the system with some believing contributions should be based on ability to pay and others questioning whether the amount people are left with is sufficient to meet their daily living costs. Concerns were expressed about there being another impact on the older, vulnerable and people with disabilities.
19. Whilst only 5.95% of respondents said yes to currently receiving services 43.2% responded yes to either having or living with someone who has a disability. There was a good cross section in terms of the age and employment status of those who responded. 100% of respondents live in Gateshead and the majority of respondents (96.43%) were white British.
20. A presentation on the proposed changes was given at the following stakeholder groups which highlighted the online consultation:
  - Physical Disability and Sensory Impairment Board



- Carers Partnership
- Autism Steering Group – followed up via e-mail
- Learning Disability Partnership Board – via e-mail

21. The Cabinet Members for Adult Social Care have been consulted

### **Alternative Options**

22. The alternative option would be to continue with the current charging policy and not introduce any of the proposed changes but this would not result in a Care Act 2014 compliant policy and would not bring us in line with the position applied by most other councils to assist in the ability to continue to provide services to those that need them most.

23. A cap on the weekly contribution rate at a level aligned to the residential care fee rate, as it is in some other local authorities, a rate of £500 would apply for Gateshead. Capping the weekly contribution rate to £500 would result in the Council foregoing resources which could be used to the benefit of the service by circa £54,500.

### **Implications of Recommended Option**

24. **Resources:**

a) **Financial Implications** - The Strategic Director, Corporate Resources confirms the changes proposed in the policy will result in estimated additional income of £0.350m to contribute to the delivery of the trading and income generation saving of £1m within Adult Social Care and continue to deliver services to those who need them the most.

b) **Human Resources Implications** - There are no human resource implications directly arising from this report

c) **Property Implications** - There are no property implications directly arising from this report

25. **Risk Management Implication** – Comprehensive consultation has mitigated the risk of legal challenge and the ability to adopt the policy as proposed.

26. **Equality and Diversity Implications** – An equalities impact assessment has been undertaken following the outcome of the consultation responses and is attached at appendix 4.

27. **Crime and Disorder Implications** - None

28. **Health Implications** – contributions would be based on a person’s ability to pay and are only levied following a full financial assessment. As such, charging has a limited negative effect on people’s health and well-being

29. **Sustainability Implications** - None

30. **Human Rights Implications** - None

31. **Area and Ward Implications** - the report relates to a policy which has a borough wide impact.

## 32. **Background Information**

Care Act 2014  
Equalities Impact Assessment



**GATESHEAD COUNCIL**

**ADULT SOCIAL CARE**

**CHARGING AND FINANCIAL ASSESSMENT FOR ADULT CARE  
AND SUPPORT SERVICES**

## CONTENTS

- 1 Introduction
- 2 Legal Framework
- 3 Charges for care and support
4. Support for Carers
5. Non-payment and deprivation
6. Changes in circumstances
7. Re-assessment
8. Reviews and Appeals
9. Privacy statement

## **1 Introduction**

- 1.1 Gateshead Council, Adult Social Care provides a range of services for vulnerable people but is reliant on income from charges to help pay for them. Without this income, service levels may not be maintained.
- 1.2. Gateshead Council has decided to charge for services as, any authority which recovers less revenue than its discretionary powers allow is placing an extra burden on its population or is foregoing resources which could be used to the benefit of the service.
- 1.3 This policy aims to produce a transparent, consistent and fair framework for charging and financial assessment for all adults that receive care and support services following an assessment of their needs, and taking account of their individual financial circumstances.
- 1.4 Charges for care services are reviewed annually and are defined in the Adult Social Care Fees and Charges Schedule.
- 1.5 For the purposes of this policy, an 'adult' in relation to a financial assessment carried out by the council means a person over 18 needing care and support or, as the case may be, a carer in respect of whom the council is carrying out the financial assessment.
- 1.6 For the purposes of this policy, a 'carer' is a person who proposes to provide necessary care and support for an adult.

## **2 Legal Framework**

- 2.1 The Act and guidance underpinning this policy are:
  - \* The Care Act 2014 (the Act) – in particular sections 14, 17 and 69-70
  - \* *The Care and Support (Charging and Assessment of Resources) Regulations 2014 (the Regulations) and*
  - \* *The Care and Support and Aftercare (Choice of Accommodation) Regulations 2014.*
  - \* *The Care and Support (Deferred Payment) Regulations 2014*
  - \* *The Care and Support (Personal Budget Exclusion of costs) regulations 2014*
  - \* *The Care and Support Statutory Guidance 2014 (the Guidance)*
- 2.2 The Care Act 2014 and the regulations made under it provides a legal framework for charging for care and support and it will be applied by the council as required. It enables the Council to decide whether or not to charge an adult when it is arranging to meet an adult's care and support needs or a carer's support needs.
- 2.22 Gateshead Council will apply the following principles when calculating the contribution an adult must make towards care:
  - Promote wellbeing.

- The adult will not pay more than the cost of their care package, so for example that will include the full cost of 2:1 care in the cost of care package'
- Charging will be clear and transparent so adults will know what they will be charged.
- Our policy on charging will support carers to look after their own health and wellbeing and to care effectively and safely
- Our charging rules will apply equally so those with similar needs or services are treated the same and minimise anomalies between different care settings or adults with protected characteristics.
- The contribution does not undermine the adult's independence of living by reducing their income to unsustainable levels and the amount charged will not reduce a person's disposable income below the Minimum Income Guarantee (MIG) as defined in regulations.
- The financial assessment process will include a comprehensive benefit maximisation and uptake service to ensure that an adult is in receipt of any benefits to which they are entitled
- A disability related expenditure allowance will be given to cover additional expenditure an adult may have due to their disability e.g. specialist clothing or dietary needs. Any individual who believes that their own Disability Related Expenditure averaged over a 3 month period exceeds this weekly allowance should ask for an individual assessment in this regard and provide supporting evidence of the existence, level and necessity of the expenditure.
- All adults who are assessed as being able to make a financial contribution to their care and support costs must pay the contribution. Any unpaid contribution will give rise to a debt and lawful enforcement procedures will be taken.
- Any debt will be recovered where appropriate in line with the Councils Debt Recovery protocols.
- Where the council, under this policy, makes a charge, the contribution payable is due from the start of any service or the first date of payment of a direct payment
- All customers, clients, service users and adults will be treated in a professional manner, with dignity and respect.
- This policy and provision of services reflects, and is appropriate to, the needs of the diverse communities within the Borough and is consistent with the Public Sector Equality Duty under the Equalities Act 2010.
- Will encourage and enable those who wish to stay in or take up employment, education or training or plan for the future costs of meeting their needs to do so
- Will be sustainable for the Council in the long term

- The Council will challenge and remove discrimination to ensure that those wishing to access care and support or support from the Council will not be treated any less favourably on the grounds of gender, sexual orientation, race, nationality, ethnic origin, disability, marital status, age, religion or belief, or any other conditions or requirements which cannot be shown to be justified.

### 3. **Charges for Care and Support**

#### 3.1 Services to be provided free of charge:

The council will provide the following services free of charge:

- Provision of community equipment (aids and minor adaptations a total of £1000 or less)
- Intermediate care and reablement support services (**but not including urgent response services**) up to the first 6 weeks (the council have the discretion to provide these services for longer when having regard to the guidance on preventative services) ( see Appendix 3)
- Care and support provided to adults with variant Creutzfeldt-Jakob disease
- S117 – after-care services/support provided under s117 of the Mental Health Act 1983
- Any service or part of service which the NHS is under a duty to provide including Continuing Healthcare and the NHS contribution to Registered Nursing Care.
- More broadly, any services which the council is under a duty to provide through other legislation may not be charged for under the Care Act 2014.
- A financial assessment, a needs assessment or the preparation of a care and support plan.
- Providing advice about the availability of services or assessment of need.
- Cost of putting in place arrangements to meet needs (except as detailed below)

#### 3.2 Services we will charge for:

- Any Care and support provided to meet a person's assessed needs unless specifically exempted by law or this Policy.
- Where an adult is able to meet the full cost of their care, the council will make a charge for putting in place arrangements to meet need, when requested to do so, however the council will only recover the actual costs incurred in accordance with section 18 of the Care Act.

- 3.3 Charges will be made after a full or light touch financial assessment has been undertaken to ensure the adult is not charged more than it is reasonably practicable for them to pay.
- 3.4 The amount charged for care and support in a non-residential setting will not reduce a person's disposable income below Minimum Income Guarantee amount (MIG)
- 3.5 For residents or temporary residents provided with accommodation in a care home, a weekly personal expenses allowance (PEA), set annually by the Government is allowed when the charge for care and support is calculated.
- 3.6 Short term residents  
Means a person who is provided with accommodation in a care home for a period not exceeding 8 weeks

A standard charge will be made for a short term placement and the amount of the charge is detailed in the council's Fees and Charges Booklet. The local authority has discretion to assess and charge as if the person were having needs met other than by the provision of accommodation in a care home i.e. at the same rate as if their needs were being met in the community.

#### Temporary Residents

A temporary resident is defined as a person whose need to stay in a care home is *intended* to last for a limited period of time and where there is a plan to return home. The person's stay should be unlikely to exceed 52 weeks, or in exceptional circumstances, unlikely to substantially exceed 52 weeks and this should be recognised and written into their care plan. The Council will assess and charge a temporary resident in accordance with the Regulations

- 3.7 Other services
- A reasonable flat rate fee will apply for the cost of meals.
  - A flat rate fee will be charged for transport where it is not included as part of the care and support plan.
  - An administrative charge and interest will be made for a deferred payment agreement
  - A charge will be made for arranging to meet need for self-funders.
  - A charge will be made for Car badges for disabled people
  - A charge will be made for Care Call service

Where the Council makes a charge under this section the amount of the charge will be set out in the Council's Fees and Charges Booklet and the amount of any such charge will be included in any consultation carried out for that Booklet.

## 4. **Support for Carers**

- 4.1 Where a carer has eligible support needs of their own, the Council will carry out an assessment of those needs and identify how those needs will be met.
- 4.2 Where those needs are met by providing a service directly to the carer, the council will not charge for those services.



- 4.3 Where those needs are met by providing a service directly to the cared for adult, the Council will not charge the carer for that service, however, it may result in a charge to the cared for adult.

## **5. Non-Payment and Deprivation**

- 5.1 Deprivation of income and/or capital is where the adult has spent or given away any of their capital or failed to claim an income in order to reduce the charges they would otherwise be liable to pay.

### 5.1.1 Notional Income

An adult will be treated as having income they do not have (notional income) where that income would be available on application but where the adult has not applied or deliberately deprived themselves of for the purpose of reducing the amount they are liable to pay for care and support.

### 5.1.2 Notional Capital

An adult will be treated as having capital they do not have (notional capital) where the adult has intentionally deprived or decreased their overall assets in order to reduce the amount they are charged towards their care

### 5.1.3 Diminishing notional capital

In the same way as it would be accepted that any other capital would reduce over time, the council will calculate a weekly amount by which notional capital would reduce by calculating the difference between the higher rate the adult has been assessed to pay and the rate that would have been payable had the adult not been assessed as possessing notional capital. The council will tell you when you will become eligible for funding towards your care costs

- 5.2 Where care fees remain unpaid, or deprivation has occurred, the Council will have due regard to the vulnerable nature of the client group and the Councils responsibility for meeting need when deciding on debt recovery action and the type of action to be taken.

- 5.3 The Council will take all reasonable steps and act reasonably when approaching the recovery of debts and court action will normally only be considered after all other avenues have been exhausted. The Council will take action in the County Court to recover debts due to it in accordance with section 69 of the Care Act 2014. Any interest and additional costs payable will be set by the County Court.

Where an asset or income has been transferred to a third party to avoid or reduce a charge the third party will be liable to pay the council the difference in accordance with section 70 of the Care Act 2014.

- 5.5 The Council may use the Regulation of Investigatory Powers Act 2000 to investigate allegations of deprivation.

- 5.6 The Council will always offer a Deferred Payment Agreement (DPA) as an option to repay debt where an adult is in a care home or extra care property and has sufficient equity to cover the DPA.
- 5.8 The council will seek to recover the costs incurred in recovering any amounts due to it as detailed in the council's Fees and Charges Booklet.

## **6. What Happens if an Adult's Financial Circumstances Change?**

If an adult has any change in financial circumstances they (or their legally appointed financial representative) must notify the councils Financial Assessment team who will review and revise the financial assessment as necessary.

Items that should be reported to the council immediately will include for example any additional benefits received since the initial financial assessment such as Attendance Allowance/Personal Independence Payment, an increase or reduction in capital or other income etc.

## **7. Re-Assessment**

- 7.1 The adult's contribution will be reassessed every year in April, to take account of the annual increases in benefits, private pensions and the cost of living and any changes in the Councils fees and charges.

If the adult is in receipt of Pension Credit / Income Support the Financial Assessment team will revise the charge automatically. If an adult does not receive these benefits the adult may be asked undergo a revised financial assessment.

## **8. Reviews and Appeals**

- 8.1 The council have in place a process to look again at the level of the adults assessed contribution if the adult or carer believes that it is not reasonable for them to pay the contribution for which they have been assessed to pay. The adult can ask the financial assessment team to look again at their assessment – this is called a review. Any evidence, usually in the form of documents, should be submitted when requesting a review.
- 8.2.1 The financial assessment officer will carry out a more detailed financial assessment that will take into account all disability related expenditure instead of giving a fixed rate amount.
- 8.2.2 The adult must first contact the Principal Officer – Financial Assessment Team either themselves or through their representative/advocate to explain why they feel that it is not reasonably practicable for them to pay the assessed contribution or why they think the calculation is wrong. However it would be necessary for a financial assessment to have been undertaken prior to such a review being considered.
- 8.3 The review process is detailed below:

Stage 1

- The adult will write to the financial assessment team within 20 working days of the date of the outcome letter explaining why they think the financial assessment is wrong.
- The Principal Officer – Financial Assessment Team The manager will review the financial assessment within 20 working days of receipt of the request for a review. There can only be two outcomes from stage 1:
  - I The Council will change the decision of the original financial assessment

Or

- II The Council will uphold the decision of the original financial assessment

The adult will be notified of the decision in writing.

Stage 2

- If an adult is still not happy with the decision, they have the right to appeal that decision, An appeal should be submitted within 20 working days of the date of the review outcome letter.
- Appeals will be heard by the Council's appeal panel as soon as practicably possible. The adult will be notified in writing of the outcome of the appeal.
- If the adult remains unhappy with the appeal, then they can make a complaint under the Adult Social Care's complaints procedure (visit the complaints page on the Councils website [www.gateshead.gov.uk](http://www.gateshead.gov.uk))

## 9 Privacy

Information will be collected to enable the calculation of contributions relating to services provided and assessment of welfare benefit entitlement. In accordance with the Data Protection Act 1998 this information will only be shared with other relevant people and agencies in accordance with the data protection principles or with the written consent of the individual or their legally appointed representative. The Council will use other information available to it to facilitate an accurate financial assessment only with the express permission of the adult or their legally appointed representative.

## What is enablement?

'Intermediate care and reablement support services' means care and support provided to an adult under sections 18, 19 and 20 or S2 (1) of the Care ACT 2014 which:

- a) Consists of a programme of (services, facilities or resources)
- b) Is for a specialised period of time ('the specified period'); and
- c) Has as its purpose the provision of assistance to an adult to enable the adult to maintain or regain the ability needed to live independently in their own home

Within Gateshead Council there are two types of delivery

**Enablement** – a home based service provided by domiciliary care to enable people to live independently, this is provided in a person's own home

**Intermediate care** – a bed based service for people, staying for short stay in a residential setting based at Eastwood Promoting Independence Centre. This will include

- Service users requiring a 'step down' rehabilitative approach from acute hospital wards, to encourage physical recovery, further independence, and build confidence, as a prelude to returning home
- Service user requiring a representative 'step-up' approach from community setting, receiving appropriate interventions to maximise functional ability and independence – preventing acute admission to hospital or an inappropriate long term residential care placement.
- Service users whose physical functioning; overall confidence and self-esteem can be enhanced from a multi-disciplinary approach. Consequently, reducing the level of risk posed to the individual following discharge from the centre.

Both services will assist people to accommodate their illness or condition by learning or relearning the skills necessary, this is an eligibility decision service; its purpose is to provide assistance to an adult to enable the adult to maintain or regain the ability needed to live independently in their own home. The function of the services is for a specific period of time (up to six weeks). However, both services should not have a strict time limit since the period of time for which the support is provided should depend on the needs and outcomes of the individual. In some cases for instance a period of enablement for a visual impaired person (a specific form of enablement) may be expected to last longer than six weeks.

## Charging

Both 'enablement' and 'intermediate' care services are free for up to six weeks. Gateshead Council does have the authority to charge for this where it is provided beyond six weeks, but will consider continuing to provide it free of charge beyond this time when clear preventative benefits to the individual has been identified and it has been agreed by the appropriate Service / Team Manager for a further specified period.

The service users progress is monitored on a weekly basis, if identified that long term services will be required they will be referred for an assessment, this assessment will also include a financial assessment

## **Admission criteria**

### **Enablement service (home based)**

- This service is available to Gateshead residents and support carers
- The service is an inclusive mainstream intake model being accessible to all people form 18+ (including people in transition from children's to adults services)
- People who are in need of a new, continued or increased level of services because of either changes in their personal / domestic or social activity by experiencing a deterioration in functional abilities.
- The service user must be medically stable to participate without acute health issues and have the potential and motivation to achieve identified goals within an allocated timescale, with the predominant objective to remain independent at home

### **Intermediate care services (bed based)**

- A service user who must possess motivation and commitment and have the potential to be rehabilitated (identified through assessment by a Therapist ie Physiotherapist or Occupational Therapist)
- A service user who must be medically stable and not require any further 'in patient care' – though may be requiring rehabilitation from trauma or acute exacerbation of existing illness / condition. Admission Is not for any service users with unstable acute medical conditions (e.g. requiring more than once a week medical support)
- The service user must be registered with a Gateshead GP
- The service user must not require further nursing needs, beyond that which can be met by the support / treatment provided by the District Nursing service or Community Matron
- The service user is usually aged 55 years and above
- The service user must only require support from one staff member for moving and handling tasks. Associated risk assessment must be completed prior to admission by the admitting professional
- The service users' needs can't be met within a domiciliary care setting

## **Exceptions**

A person should not receive further enablement within 3 months of a previous episode unless there has been a significant change of circumstances ie hospital admission

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## Responses to the Consultation on proposed changes to the charging and financial assessment for adult social care and support services

**Proposal 1 –** The cost of care is currently calculated at a standard rate regardless of how many carers are required. It is proposed to calculate the service user's contribution towards the cost of care based on the number of carers required. However, they will not pay more than the limit set at their personal assessment.

<b>Q. Do you agree or disagree with Proposal 1?</b>		
<b>This single response question was answered by 93 respondents.</b>		
<b>Response</b>	<b>Number of Respondents</b>	<b>Percentage of Respondents</b>
Agree	39	41.94%
Disagree	44	47.31%
Don't know	10	10.75%

**Proposal 2 –** The maximum weekly amount a service user is required to pay towards their care is currently capped at £205. It is proposed to remove this threshold. This means that the maximum a user would be required to pay is the amount identified in their personal assessment.

<b>Q. Do you agree or disagree with Proposal 2?</b>		
<b>This single response question was answered by 85 respondents.</b>		
<b>Response</b>	<b>Number of Respondents</b>	<b>Percentage of Respondents</b>
Agree	28	32.94%
Disagree	44	51.76%
Don't know	13	15.29%

**Proposal 3 –** All Service users currently receive a standard allowance of £20.60 per week to cover additional disability related costs such as speciality clothing or equipment. This is known as a Disability Related Expenditure (DRE) allowance. It is proposed to reduce the standard rate of DRE allowance to £15 per week.

<b>Q. Do you agree or disagree with Proposal 3?</b>		
<b>This single response question was answered by 86 respondents.</b>		
<b>Response</b>	<b>Number of Respondents</b>	<b>Percentage of Respondents</b>
Agree	45	52.33%
Disagree	28	32.56%
Don't know	13	15.12%

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## Full Equality Impact Assessment Pro- forma (Stage 2)

<b>Group: Care Wellbeing and Learning</b>	<b>Service: Adult Social Care and Independent Living</b>	<b>Section: Directorate</b>	<b>Officer responsible for assessment: Steph Downey</b>
<b>Support officers: Garry Haynes</b>		<b>Completion date: 03/03/2017</b>	
		<b>Review date: 01/09/2017</b>	
<b>(1) Name &amp; purpose of the policy, strategy, function or budget proposal:</b>	<p>Charging and Financial Assessment for Adult Care and Support Services.</p> <p>The Care Act 2014 provides a legal framework for charging for Adult Social Care:</p> <ul style="list-style-type: none"> <li>• Section 14 of the Care Act provides Local Authorities with the power to ask adults to make a contribution for the cost of their social care.</li> <li>• Section 17 of the Care Act allows Local Authorities to carry out a financial assessment to determine the amount a customer can afford to contribute towards the care services they receive.</li> </ul> <p>The policy has been designed in line with Care and Support Regulation (Statutory Instruments) and Care and Support Guidance and Annexes issued under the Care Act 2014.</p> <p>There are 3 proposed key changes to the policy:</p> <ul style="list-style-type: none"> <li>• to calculate the adults contribution based on the cost of two carers (when the adult requires this) rather than on one carer in every case as at present;</li> <li>• to remove the maximum weekly amount an adult is required to pay towards their care, which is currently capped at £205. They would be required to pay their full assessed contribution. The maximum amount an adult will pay towards their care is the cost of their care package, and</li> <li>• to reduce the Disability Related Expenditure (DRE), which is to cover additional expenditure an adult may have due to their disability, e.g. speciality clothing, from £20.60 per week to £15.00.</li> </ul>		
<b>(2) Is this new or existing?</b>	New		

<p><b>(3) Who are the main customer groups affected by this policy, strategy, function or budget proposal and has there been prior consultation undertaken?</b></p>	<p>Consultation on the policy and the proposed changes took place between 20 September 2016 and 13 December 2016.</p> <p>A presentation on the proposed changes was given at the following stakeholder groups which highlighted the online consultation:</p> <ul style="list-style-type: none"> <li>• Physical Disability and Sensory Impairment Board</li> <li>• Carers Partnership</li> <li>• Autism Steering Group – followed up via e-mail</li> <li>• Learning Disability Partnership Board – via e-mail</li> </ul> <p>There are currently 1,269 adults paying for community based care provision who could be impacted by these changes.</p>
<p><b>(4) What information and data has been analysed to inform this assessment?</b></p> <p><b>Have you identified any gaps?</b></p>	<p>There are currently 1,269 adults paying for community based care provision who could be impacted by these changes.</p> <p>There are specifically 17 adults who will be impacted by the move to charging for 2 carers. The average increase in charge would be £39 per week.</p> <p>33 adults are currently assessed pay the £205 capped maximum contribution. Although this is the cohort of adults who would be impacted 3 have capital of less than £30,000 and therefore may have limited means to pay increased charges for a long period of time before depleting their capital to within the limits. There are 12 adults who have not provided financial information who have agreed to pay the maximum contribution; these adults would be eligible for a financial assessment which may limit the increase in contribution.</p> <p>The reduction in DRE would impact on 913 adults paying for services. Whilst the proposal is to limit the set amount of DRE there remains provision in the policy for an individual assessment to be requested if there is evidence that the DRE is insufficient to cover their individual needs.</p> <p>The amount an adult is required to contribute towards the cost of their care is based on an</p>

assessment of ability to pay and therefore any increases in contributions will be limited to their assessable amount.

Local benchmarking has been undertaken and highlights that there is a mixed approach to the application of a cap on the maximum contribution with 4 out of 7 councils who responded not having a cap for those with the ability to pay. All of the councils that responded charge for 2 carers where this is required. There is a mixed approach to application of the DRE allowance with a number undertaking individual assessment.

**(5) Does your analysis indicate a disproportionate impact relating to:**

**a. Gender (Male/Female/Transgender)**

Please describe the nature of any disproportionate impact

The impacts of the proposal are considered to be neutral, although there may be a very small discrepant impact arising from the differing life expectancies of men and women. Any such impact would be unavoidable and would be so small as to be justified by the objectives of the proposal.

**b. Race / ethnicity**

Please describe the nature of any disproportionate impact

The impacts of the proposal are considered to be neutral

Please indicate what actions will be taken to address impact

**c. Disability**

Please describe the nature of any disproportionate impact

**People with a physical or sensory disability or mental health issues**

There may be people who access this service who have a physical or sensory disability or mental health issues. For this reason any increase to payable charges would be considered to have a negative impact.

Please indicate what actions will be taken to address impact

The amount an adult is required to contribute towards the cost of their care is based on an assessment of ability to pay and therefore any increases in contributions will be limited to their assessable amount.

The proposal is considered to represent a reasonable choice as to the allocation of scarce resources, having regard to the inbuilt protections arising from the financial assessment, notwithstanding the disproportionate impact identified.

**d. Sexual Orientation**

Please describe the nature of any disproportionate impact

The impacts of the proposal are considered to be neutral

Please indicate what actions will be taken to address impact

**e. Religion or belief**

Please describe the nature of any disproportionate impact

The impacts of the proposal are considered to be neutral

Please indicate what actions will be taken to address impact

**f. Age (People of all ages)**

Please describe the nature of any disproportionate impact

The impacts of the proposal are considered to be neutral, although there may be a very small discrepant impact arising from the differing

life expectancies of men and women. Any such impact would be unavoidable and would be so small as to be justified by the objectives of the proposal.

Please indicate what actions will be taken to address impact

The amount an adult is required to contribute towards the cost of their care is based on an assessment of ability to pay and therefore any increases in contributions will be limited to their assessable amount.

The proposal is considered to represent a reasonable choice as to the allocation of scarce resources, having regard to the inbuilt protections arising from the financial assessment, notwithstanding the disproportionate impact identified.

### **g. Marriage and Civil Partnership**

Does your analysis indicate the potential to cause discrimination in relation to marriage and civil partnership? If yes, please indicate what actions will be taken to address these.

- The impacts of the proposal are considered to be neutral

### **h. Pregnancy and Maternity**

Does your analysis indicate the potential to cause discrimination in relation to pregnancy and maternity? If yes, please indicate what actions will be taken to address these.

- The impacts of the proposal are considered to be neutral

**(6) What ongoing or future monitoring will be put in place to ensure the policy, strategy, function or budget proposal is achieving its stated aims, for all groups equally?**

The policy will be reviewed on an annual basis.

**SIGNED: Garry Haynes**  
**Completing Officer**

**SIGNED: Steph Downey**  
**Service Director**

**SIGNED: Sheila Lock**  
**Interim Strategic Director**

**Title of report: Treasury Policy Statement and Treasury Strategy 2017/18 to 2019/20**

**Report of: Darren Collins – Strategic Director, Corporate Resources**

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### **Purpose of the Report**

1. Cabinet is asked to recommend that Council approve the attached Treasury Policy Statement and Treasury Strategy for 2017/18 to 2019/20.

### **Background**

2. To provide a framework for the Strategic Director, Corporate Resources to exercise his delegated powers, the Council agrees a three year Treasury Management Policy and Treasury Strategy which is reviewed at the start of each financial year.
3. The attached Treasury Policy and Treasury Strategy have been prepared taking into account the Local Government Act 2003, Communities and Local Government's (CLG) Guidance on Local Government Investments, CIPFA's Prudential Code for Capital and CIPFA's Code of Practice on Treasury Management.
4. The Audit and Standards Committee reviewed the Treasury Policy Statement and Treasury Strategy on 6 March 2017 and raised no comments for submission to Council.

### **Proposals**

5. Cabinet is asked to recommend that Council approve the Treasury Policy and Treasury Strategy attached at appendices 2 and 3, to ensure that the Council fully complies with the requirements of good financial practice in Treasury Management.

### **Recommendation**

6. Cabinet is asked to agree the Treasury Policy Statement attached at appendix 2 of this report and the Treasury Strategy as attached at appendix 3 and recommend them for approval to Council.

For the following reasons:

- (i) To provide a framework for the Strategic Director, Corporate Resources to exercise his delegated powers.
- (ii) To ensure that the Council fully complies with the requirements of good financial practice in Treasury Management.

## **Policy Context**

1. The proposals in this report are consistent with the Council's vision and medium term priorities as set out in Vision 2030 and the Council Plan and in particular they ensure that effective use is made of the Council's resources to ensure a sustainable financial position.

## **Background**

2. Part 1 of the Local Government Act 2003 specifies the powers of a local authority to borrow for any purpose relevant to its functions under any enactment or for the purposes of the prudent management of its financial affairs. Borrowing is linked to the CIPFA Prudential Code for Capital which sets out a range of prudential and treasury indicators that must be calculated to ensure borrowing is affordable, prudent and sustainable. The Prudential Code refers to the need for a clear and integrated treasury strategy.
3. In addition, under Section 15 of the Local Government Act 2003, authorities are required to have regard to the CLG's guidance on Local Government Investments. This document stipulates the requirement for an annual investment strategy to be integrated into the Council's Treasury Strategy.
4. CIPFA has produced the Code of Practice on Treasury Management 2011 (the Code) which represents best practice. The Council fully complies with the Code and this contributes towards achieving good practice.
5. Under Part 4 of the Council's Constitution the Strategic Director, Corporate Resources will produce a Treasury Policy Statement annually, setting out the general policies and objectives of the Council's treasury management function.
6. The Council also provides a treasury management service to the Police and Crime Commissioner for Northumbria (PCC) via a Support Services Agreement and a treasury management service to the Gateshead Housing Company through a Service Level Agreement.

## **Treasury Policy**

7. The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on the risk implications for the Council.
8. The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.
9. CIPFA's Code requires the setting out of responsibilities and duties of councillors and officers to allow a framework for reporting and decision making on all aspects of treasury management. To achieve this CIPFA has recommended the adoption of 12 treasury management practices (TMPs).



10. These principles are intended to provide a working document that forms a detailed framework for treasury management activities. The policy fully encompasses CIPFA's Code of Practice. In addition the policy fully takes account of the requirements of the Prudential Code for Capital Finance in Local Authorities and the guidance issued by the CLG supporting Part 1 of the Local Government Act 2003 in respect of local authority investments. The Treasury Policy is attached at Appendix 2.

### **Treasury Strategy**

11. The Treasury Strategy for 2017/18 to 2019/20 is attached at Appendix 3. This covers the specific activities proposed for 2017/18 to 2019/20 in relation to both borrowing and investments and ensures a wide range of advice is taken to maintain and preserve all principal sums, whilst obtaining a reasonable rate of return, and that the most appropriate borrowing is undertaken. The primary objective of the investment strategy is to maintain the security of investments at all times.
12. The Council has reviewed the maximum maturity periods and amounts which can be invested with counterparties outlined in Appendix 6. In revising these limits to meet our requirements an assessment of risk has been undertaken and advice obtained from Capita Asset Management Services.
13. The Council has produced the Treasury Strategy to comply with the requirements of the Code, the Prudential Code for Capital Finance in Local Authorities and Part 1 of the Local Government Act 2003. The Council considers that compliance with the above ensures that best practice is followed.

### **Consultation**

14. Consultation on the production of the Treasury Policy Statement, including the Treasury Strategy for 2017/18 to 2019/20, has taken place with the Council's treasury advisers (Capita Asset Services, Treasury Solutions). The outcome of the consultation process, along with guidance issued by CIPFA and the CLG, has informed the format and content of the policy and strategy statements.

### **Alternative Options**

15. There are no alternative options, as the Treasury Policy and Strategy reports recommended for approval are required in order to comply with CIPFA's Code of Practice on Treasury Management.

### **Implications of recommended options**

16. **Resources:**

**a) Financial Implications** - The Strategic Director, Corporate Resources confirms that the financial implications are set out in this report. There are no additional financial implications associated with the report itself.

**b) Human Resources Implications** - There are no human resources implications arising from this report.

**c) Property Implications** – There are no property implications arising from this report.

**17. Risk Management Implications**

The Treasury Policy and Treasury Strategy which informs activity in this area were prepared with the primary aim of minimising risk to ensure that the Council's principal sums are safeguarded. Maximising income is considered secondary to this main aim.

**18. Equality and Diversity Implications**

There are no equality and diversity implications arising from this report.

**19. Crime and Disorder Implications**

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

**20. Sustainability Implications**

There are no sustainability implications arising from this report.

**21. Human Rights Implications**

There are no human rights implications arising from this report.

**22. Area and Ward Implications**

There are no direct area and ward implications arising from this report.

**23. Background Information:**

The following documents have been used in preparation of the report:

- Local Government Act 2003
- CLG Guidance on Local Government Investments
- CIPFA's Prudential Code for Capital
- CIPFA's Code of Practice on Treasury Management
- Council's approved Treasury Management Practice Statements

## Treasury Policy 2017/18 to 2019/20

### 1. Approved Activities of the Treasury Management Operation

- 1.1 CIPFA has produced the Code of Practice on Treasury Management in Public Services (the Code), which represents best practice. Treasury management activities are defined by CIPFA as:
- 1.2 “The management of the organisation’s investments and cash flows, its bankings, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.
- 1.3 Gateshead Council provides a treasury management service to the PCC via a Support Services Agreement. The necessary power for this exists within Section 113 of the Local Government Act. A separate bank account enables the PCC cash balances to be monitored daily. The risk associated with investments is carried by the PCC and interest on investments is based on actual interest earned.
- 1.4 The Council also provides a treasury management service to the Gateshead Housing Company through a Service Level Agreement. Borrowing to fund the capital programme of the Company is also carried out by the Council and is included in the overall borrowing figure.

### 2. Formulation of the Treasury Strategy

- 2.1 The formulation of a Treasury Strategy involves determining the appropriate borrowing and investment decisions with the prime objective of safeguarding the Council’s assets and secondary objectives of obtaining a reasonable rate of return on investments and minimising the costs of borrowing. Accordingly, the analysis and reporting of treasury management activities will focus on the risk implications for the Council.
- 2.2 The Treasury Strategy encompasses the requirements of CIPFA’s Treasury Management Code of Practice, Prudential Code for Capital and the CLG Guidance on Local Government Investments.
- 2.3 The Treasury Strategy covers the following:
  - a) treasury limits in force which will limit the treasury risk and activities of the Council, including prudential and treasury indicators;
  - b) prospects for interest rates;
  - c) the borrowing strategy;
  - d) debt rescheduling;
  - e) policy on borrowing in advance of need;
  - f) the investment strategy; and
  - g) the policy on the use of external service providers.

The strategy for 2017/18 to 2019/20 is attached at Appendix 3.

### 3. Prudential and Treasury Indicators

- 3.1 Under Part 1 of the Local Government Act 2003 the Council may borrow money

- (a) for any purpose relevant to its functions under any enactment, or
- (b) for the purposes of the prudent management of its financial affairs.

3.2 Under the requirements of the Prudential Code and Treasury Management Code of Practice the following indicators have been adopted:

- Compliance with the Code of Practice on Treasury Management in the public services;
- Calculations of:
  - Authorised limit;
  - Operational boundary;
  - Actual external debt;
  - Upper limit on fixed interest rate exposures;
  - Upper limit on variable interest rate exposures;
  - Maturity structure of borrowing; and
  - Upper limits for principal sums invested for periods of over 364 days.

3.3 Given the link to the budget and capital programme, these indicators were approved by the Council on 23 February 2017 as part of the Budget and Council Tax Level 2017/18 report. For completeness, the approved indicators are attached at Appendix 4.

#### **4. Annual Investment Strategy**

4.1 Part 1 of the Local Government Act 2003 relaxed the constraints under which local authorities can invest.

4.2 The CLG has issued guidance to supplement the investment regulations contained within the Local Government Act 2003. It is also referred to under Section 15 (1) of the 2003 Local Government Act which requires authorities to “have regard (a) to such guidance as the Secretary of State may issue and (b) to such other guidance as the Secretary of State may by regulations specify”. The guidance encourages authorities to invest prudently but without burdening them with the detailed prescriptive regulation of the previous regime.

4.3 Central to the guidance and the Code is the need to produce an Annual Investment Strategy. This is included as Section 6 of the Treasury Strategy in Appendix 3.

4.4 The Annual Investment Strategy document will include:

- The Council’s risk appetite in respect of security, liquidity and return;
- The definition of ‘high’ and ‘non-high’ credit quality to determine what are specified investments and non-specified investments;
- Which specified and non-specified instruments the Council will use, dealing in more detail with non-specified investments given the greater potential risk;
- The categories of counterparties that may be used during the course of the year e.g. foreign banks, nationalised/part nationalised banks, building societies;
- The types of investments that may be used during the course of the year;
- The limit to the total amount that may be held in each investment type;
- The Council’s policy on the use of credit ratings, credit rating agencies and other credit risk analysis techniques to determine creditworthy counterparties for its approved lending list and how the Council will deal with changes in ratings, rating watches and rating outlooks;
- Limits for individual counterparties, groups and countries ; and
- Guidelines for making decisions in investments and borrowing.

## **5. Policy on Interest Rates Exposure**

- 5.1 The Budget and Council Tax Level 2017/18 approved by Council on 23 February 2017, sets treasury limits for the maximum and minimum level of exposure to fixed and variable interest rates. The use of any financial instruments, such as derivatives, to mitigate interest rate risks will be considered on an individual basis and the Strategic Director, Corporate Resources will require approval from the Council prior to entering into any arrangement of this nature.

## **6. Policy on External Managers**

- 6.1 Treasury management advisers (Capita Asset Services) have been appointed to assist in achieving the objectives set out in the Treasury Policy Statement. The Strategic Director, Corporate Resources has not appointed external investment fund managers to directly invest the Council's cash. This position is based on there being adequately qualified staff within the internal Treasury Management function, supported by Capita Asset Services thereby facilitating more timely and cost effective decision making.

## **7. Policy on Delegation, Review Requirements and Reporting Arrangements**

- 7.1 It is the Council's responsibility under the Code to approve a Treasury Policy statement.
- 7.2 The Council delegates the review of the policy and monitoring of the performance of the treasury management function to Cabinet, the scrutiny of treasury management strategy and policies to the Audit and Standards Committee, and the execution and administration of treasury management decisions to the Strategic Director, Corporate Resources. Any proposals to approve, adopt or amend policy require the consent of the Council and are matters for the Council to determine.
- 7.3 Council will receive:
- a) a Treasury Policy Statement and three year Treasury Strategy report, including the annual Investment Strategy, for approval before the commencement of each financial year; and
  - b) an annual report on borrowing and investment activity by 30 September of each year.
- 7.4 The Audit and Standards Committee will receive:
- a) a Treasury Policy Statement and three year Treasury Strategy report for scrutiny; and
  - b) a mid-year report on borrowing and investment activity.

## Treasury Strategy 2017/18 to 2019/20

### 1. Introduction

- 1.1 The CIPFA Code of Practice on Treasury Management 2011 (the Code) emphasises a number of key areas including the following:
- a) All authorities must formally adopt the Code.
  - b) The strategy report will affirm that the effective management and control of risk are prime objectives of the Council's treasury management activities.
  - c) The Council's appetite for risk, including the appetite for any use of financial instruments in the prudent management of those risks, must be clearly identified within the strategy report and will affirm that priority is given to security of capital and liquidity when investing funds and explain how that will be carried out.
  - d) Responsibility for risk management and control lies within the organisation and cannot be delegated to any outside organisation.
  - e) Credit ratings should only be used as a starting point when considering risk. Use should also be made of market data and information, the quality financial press, information on government support for banks and the credit ratings of that government support.
  - f) Councils need a sound diversification policy with high credit quality counterparties and should consider setting country, sector and group limits.
  - g) Borrowing in advance of need is only to be permissible when there is a clear business case for doing so and only for the current capital programme or to finance future debt maturities.
  - h) The main annual treasury management reports must be approved by full council.
  - i) There needs to be a mid-year review of treasury management strategy and performance. This is intended to highlight any areas of concern that have arisen since the original strategy was approved.
  - j) Each council must delegate the role of scrutiny of treasury management strategy and policies to a specific named body.
  - k) Treasury management performance and policy setting should be subjected to prior scrutiny.
  - l) Councillors should be provided with access to relevant training as those charged with governance are also personally responsible for ensuring they have the necessary skills and training.
  - m) Responsibility for these activities must be clearly defined within the organisation.
  - n) Officers involved in treasury management must be explicitly required to follow treasury management policies and procedures when making investment and borrowing decisions on behalf of the Council (this will form part of the Treasury Management Practices).
- 1.2 This Strategy has been prepared in accordance with the Code.
- 1.3 The Council will adopt the following reporting arrangements in accordance with the requirements of the revised Code:

<b>Area of Responsibility</b>	<b>Council/ Committee/ Officer</b>	<b>Frequency</b>
Treasury Management Policy & Strategy / Annual Investment Strategy	Council with review delegated to Cabinet	Annually before the start of the year
Annual Report	Council with review delegated to Cabinet	Annually by 30 September after the end of the year
In year changes to agreed Treasury Management Policy & Strategy / Annual Investment Strategy / Prudential and Treasury Indicators	Cabinet	By exception
Scrutiny of treasury management performance via mid-year report	Audit and Standards Committee	Mid-Year
Scrutiny of treasury management Policy, Strategy and procedures	Audit and Standards Committee	Annually before the start of the year
Treasury Management Monitoring Reports	Strategic Director, Corporate Resources	Monthly/Weekly
Treasury Management Practices	Strategic Director, Corporate Resources	Monthly

1.4 The revised Treasury Management Code covers the following Prudential Indicators which were approved by Council on 23 February 2017:

- Authorised limit for external debt
- Operational boundary for external debt
- Actual external debt
- Upper limits on fixed and variable rate exposure
- Upper and lower limits to the maturity structure of borrowing
- Upper limits to the total principal sums invested longer than 364 days.

1.5 In addition to the above indicators, where there is a significant difference between the net and the gross borrowing position the risk and benefits associated with this strategy will be clearly stated in the annual strategy.

1.6 The strategy covers:

- a) Prospects for interest rates;
- b) Treasury limits in force which will limit the treasury risk and activities of the Council, including prudential and treasury indicators;
- c) The borrowing strategy;
- d) Sensitivity forecast;
- e) External and internal borrowing;
- f) Debt rescheduling;
- g) Policy on borrowing in advance of need;
- h) The investment strategy; and
- i) The policy on the use of external service providers.

## 2. Prospects for Interest Rates

- 2.1 The table shown below outlines the Council's view of anticipated movements in interest rates, based on guidance received from the Council's treasury management advisers Capita Asset Services as at 20 December 2016, and various brokers.

	<b>March 2017</b>	<b>June 2017</b>	<b>Sept 2017</b>	<b>Dec 2017</b>	<b>March 2018</b>	<b>March 2019</b>	<b>March 2020</b>
<b>Bank Rate</b>	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.75%
<b>5 yr PWLB*</b>	1.60%	1.60%	1.60%	1.60%	1.70%	1.80%	2.00%
<b>10 yr PWLB</b>	2.30%	2.30%	2.30%	2.30%	2.30%	2.50%	2.70%
<b>25 yr PWLB</b>	2.90%	2.90%	2.90%	3.00%	3.00%	3.20%	3.40%
<b>50 yr PWLB</b>	2.70%	2.70%	2.70%	2.80%	2.80%	3.00%	3.20%

\* Public Works Loan Board, a statutory body operating within the UK Debt Management Office, which is an executive agency of HM Treasury. The PWLB's function is to lend money to other prescribed public bodies.

### Short Term Interest Rates

- 2.2 The Council's treasury management advisers forecast that during the two-year period 2017 – 2019, when the UK is negotiating the terms for withdrawal from the EU, it is likely that the MPC will do nothing to dampen growth prospects, (i.e. by raising Bank Rate), which will already be adversely impacted by the uncertainties of what form Brexit will eventually take. Accordingly, a first increase to 0.50% is not tentatively pencilled in, until 2019, after those negotiations have been concluded, (though the period for negotiations could be extended). However, if strong domestically generated inflation, (e.g. from wage increases within the UK), were to emerge, then the pace and timing of increases in Bank Rate could be brought forward.

### Long Term Interest Rates

- 2.3 Following advice from the Council's treasury management advisers, the Council's view on longer term fixed interest rates is that there will be little difference between 25 year and 50 year rates which are expected to remain below 3.00% throughout 2017/18. It is also expected that PWLB rates on loans less than ten years in duration will be lower than longer term loans.

## 3. Treasury Limits for 2017/18 to 2019/20 including Prudential Indicators

- 3.1 It is a statutory requirement of the Local Government Finance Act 1992, for the Council to produce a balanced budget. In particular, Section 31(a), as amended by the Localism Act 2011, requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from increases in interest charges and increases in running costs from new capital projects are limited to a level, which is affordable within the projected income of the Council for the foreseeable future.
- 3.2 It is a statutory duty under Section 3 of Part 1 of the Local Government Act 2003, and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the Affordable



Borrowing Limit. The Authorised Limit represents the legislative limit specified in the Act.

- 3.3 The Prudential Code for Capital Finance in Local Authorities is a professional code that sets out a framework for self-regulation of capital spending, in effect allowing councils to invest in capital projects without any limit as long as they are affordable, prudent and sustainable.
- 3.4 The Council must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires the Council to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax and housing rent levels is affordable.
- 3.5 To facilitate the decision making process and support capital investment decisions the Prudential Code and the Treasury Management Code requires the Council to agree and monitor a minimum number of prudential indicators which were approved by Council on 23 February 2017 as attached at Appendix 4.
- 3.6 The Strategic Director, Corporate Resources will ensure systems are in place to monitor the treasury limits and will report to Council instances where limits are breached, with the exception of short-term breaches of the Operational Boundary. The Operational Boundary is set so that if breached it acts as an early warning of the potential to exceed the higher Authorised Limit and as such temporary breaches due to debt restructuring and temporary borrowing are acceptable, providing they are not sustained.

#### **4. Borrowing Strategy**

- 4.1 The Local Government Act 2003 does not prescribe approved sources of finance, only that borrowing may not, without the consent of HM Treasury, be in other than Sterling.
- 4.2 The main options available for the borrowing strategy for 2017/18 are PWLB loans, market loans and the Municipal Bond Agency. The interest rate applicable to either PWLB or markets loans can be fixed or variable.
- 4.3 Variable rate short term borrowing is expected to be cheaper than long term fixed borrowing and therefore may be considered throughout the financial year. Due to the expectation that interest rates will rise, the risk of the potential increase in interest rates will be balanced against any potential short term savings.
- 4.4 There are different types of market loans available, including variable and fixed interest rate loans and Lender Option/Borrower Option (LOBO) loans. A LOBO is a loan where the lender can exercise their right to increase the interest rate of the loan at each call date. The borrower can then choose to either accept the higher interest rate or repay the loan. These loans are usually offered at an interest rate lower than the corresponding PWLB loan rate but this option increases the risk that it may be necessary to replace a loan at a time when the interest rates are high.
- 4.5 To mitigate this risk a limit is placed on the total level of borrowing that can be taken as variable interest rate loans. To provide scope to utilise new market products should they become available as well as minimise the cost of borrowing and increase the diversification of the debt portfolio it is proposed that the limit on variable rate loans should be 40% of total borrowing for 2017/18.

- 4.6 The main strategy is therefore:
- When PWLB rates fall below the target rate for 2017/18 of 3.20% borrowing should be considered, with preference given to terms which ensure a balanced profile of debt maturity.
  - The use of short term borrowing (6 months to 18 months) will also be considered with the aim of minimising borrowing costs. This short term borrowing will be replaced with longer term loans when rates are preferable.
  - Consideration will be given to borrowing market loans which are at least 20 basis points below the PWLB target rate.

### **Sensitivity of the forecast**

- 4.7 The Council, in conjunction with Capita Asset Services, will continually monitor both the prevailing interest rates and the market forecasts, adopting the following responses to any changes. The main sensitivities of the forecast are likely to be the two scenarios below:
- *if it was felt that there was a significant risk of a sharp FALL in long and short term rates (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.*
  - *if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.*
- 4.8 Against this background, caution will be adopted in the management of the 2017/18 treasury operations. The Strategic Director, Corporate Resources will monitor the interest rate market and adopt a pragmatic approach to any changing circumstances having delegated powers to invest and manage the funds and monies of the Council.

### **External and Internal Borrowing**

- 4.9 As at 31 January 2017 the Council has net debt of £529.671m; this includes total borrowing of £584.189m and investments of £54.518m.
- 4.10 Investment returns are likely to remain relatively low during 2017/18 and beyond and interest rates are expected to be below long term borrowing rates therefore value for money considerations indicate that best value can be obtained by delaying new external borrowing and by using internal cash balances to finance new capital expenditure in the short term (this is referred to as internal borrowing). Any short term savings gained from adopting this approach will be weighed against the potential for incurring additional long term costs by delaying unavoidable new external borrowing until later years when PWLB long term rates are forecast to be higher. This position will be monitored on an ongoing basis during 2017/18 in response to any changes to interest rates and forecasts.
- 4.11 The Council has examined the potential for undertaking early repayment of some external debt to the PWLB in order to reduce the difference between its gross and

net debt positions. The significant difference between early redemption rates and interest rates payable on PWLB debt means that large premiums are likely to be incurred by such action. This situation will be monitored in case the differential is narrowed by the PWLB.

### **Borrowing in advance of need**

- 4.12 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be considered carefully to ensure that it is in line with the projected capital financing requirement and prudential indicators and that the Council can demonstrate value for money and ensure the security of the funds.
- 4.13 In determining whether borrowing will be undertaken in advance of need the Council will;
- ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need;
  - ensure the ongoing revenue liabilities created, and the implications for the future plans and budgets have been considered;
  - evaluate the economic and market factors that might influence the manner and timing of any decision to borrow; and
  - consider the alternative forms of funding.

### **Municipal Bond Agency**

- 4.14 It is likely that the Municipal Bond Agency will be offering loans to local authorities in the near future. The agency has declared itself open for business after issuing its first operating framework to councils. Once approved the agency will develop plans for its first issue of bonds. It is also hoped that the borrowing rates will be lower than those offered by the Public Works Loan Board (PWLB). The Council will consider this as an additional source of borrowing as and when appropriate.

## **5. Debt Rescheduling**

- 5.1 Any rescheduling opportunities will be considered in line with procedures approved under the Council's Treasury Management Practice Statements and will include a full cost/benefit analysis of any proposed variations. Any positions taken via rescheduling will be in accordance with the strategy position outlined in Section 4 above and will also take into account the prudential and treasury limits.
- 5.2 The reasons for any proposed rescheduling will include:
- the generation of cash savings at minimum risk; and
  - in order to amend the maturity profile and/or the balance of volatility in the Council's borrowing portfolio.
- 5.3 The Strategic Director, Corporate Resources in line with delegated powers outlined in the approved Treasury Management Practice Statement, will approve all rescheduling.
- 5.4 As short term borrowing rates are expected to be cheaper than longer term rates, there may be opportunities to generate savings by switching from long term debt to short term debt. Opportunities identified will take into consideration the likely cost of

refinancing these short term loans, once they mature, compared to the current rates of longer term debt in the existing debt portfolio.

- 5.5 Consideration will also be given to the potential for making savings by running down investment balances by repaying debt prematurely as short term rates on investments are likely to be lower than rates paid on currently held debt. However, this will need careful consideration in the light of premiums that may be incurred by such a course of action and other financial considerations.

All rescheduling will be reported to Council in the mid-year and annual reports.

## **6. Investment Strategy 2017/18 to 2019/20**

### **Introduction**

- 6.1 The Council has regard to the CLG's Guidance on Local Government Investments and CIPFA's Code of Practice. The Council must produce a strategy on an annual basis which covers the subsequent three year period.
- 6.2 This annual strategy states which investments the Council may use for the prudent management of its treasury balances during the financial year under the categories of **specified investments** and **non-specified investments**.
- 6.3 Specified investments are denominated in Sterling, are for periods of 364 days or less and do not involve the acquisition of share or loan capital in any corporate body. Such an investment will be with either:
- the UK Government or a local authority, parish or community council, precepting or levying body or
  - a body or investment scheme which has been awarded a high credit rating by a credit rating agency.
- 6.4 Non-specified investments are deemed more risky and guidance on local government investments requires more detailed procedures. Such procedures are required in order to regulate prudent use and establish maximum amounts which may be invested in each category.
- 6.5 Both specified and non-specified investment types currently utilised by the Council are detailed in Appendix 6, along with approved limits. These limits have been revised to reflect the Council's investment requirements whilst assessing risk and obtaining advice from Capita Asset Management Services.
- 6.6 In addition to these, numerous other investment options are available for use and these may be considered suitable for use in the future. Should this be the case then the option will be evaluated in line with the procedures contained within the approved Treasury Management Practice Statement.

### **Investment Objectives**

- 6.7 All investments will be in Sterling.
- 6.8 The Council's primary investment objective is the security of the capital investment. The Council will also manage the investments to meet cash flow demands and to achieve a reasonable return commensurate with the proper levels of security and

liquidity. The risk appetite of the Council is low in order to give priority to security of its investments.

- 6.9 The borrowing of monies purely to invest is unlawful and the Council will not engage in such activity.

### **Changes to the Credit Rating Methodology**

- 6.10 Continuing regulatory changes in the banking sector are designed to see greater stability, lower risk and the removal of expectations of Government financial support should an institution fail. This withdrawal of implied sovereign support is anticipated to have an effect on ratings applied to institutions.
- 6.11 The main rating agencies (Fitch, Moody's and Standard & Poor's) have, through much of the financial crisis, provided some institutions with a ratings "uplift" due to implied levels of sovereign support. Commencing in 2015, in response to the evolving regulatory regime, all three agencies have begun removing these "uplifts" with the timing of the process determined by regulatory progress at the national level. The process has been part of a wider reassessment of methodologies by each of the rating agencies. In addition to the removal of implied support, new methodologies are now taking into account additional factors, such as regulatory capital levels. In some cases, these factors have "netted" each other off, to leave underlying ratings either unchanged or little changed. A consequence of these new methodologies is that they have also lowered the importance of the (Fitch) Support and Viability ratings and have seen the (Moody's) Financial Strength rating withdrawn by the agency
- 6.12 In keeping with the agencies' new methodologies, the rating element of our own credit assessment process now focuses solely on the Short and Long Term ratings of an institution. While this is the same process that has always been used for Standard & Poor's, this has been a change in the use of Fitch and Moody's ratings. It is important to stress that the other key elements to our process, namely the assessment of Rating Watch and Outlook information as well as the Credit Default Swap (CDS) overlay have not been changed.
- 6.13 The evolving regulatory environment, in tandem with the rating agencies' new methodologies also means that sovereign ratings are now of lesser importance in the assessment process. While this authority understands the changes that have taken place it will continue to use UK banks irrespective of the UK sovereign rating and will continue to specify a minimum sovereign rating of AA+ for non-UK banks. This is in relation to the fact that the underlying domestic and where appropriate, international, economic and wider political and social background, will still have an influence on the ratings of a financial institution.
- 6.14 It is important to stress that these rating agency changes do not reflect any changes in the underlying status or credit quality of the institution. They are merely reflective of a reassessment of rating agency methodologies in light of enacted and future expected changes to the regulatory environment in which financial institutions operate. While some banks have received lower credit ratings as a result of these changes, this does not mean that they are suddenly less credit worthy than they were formerly. Rather, in the majority of cases, this mainly reflects the fact that implied sovereign government support has effectively been withdrawn from banks. They are now expected to have sufficiently strong balance sheets to be able to withstand foreseeable adverse financial circumstances without government support.

In fact, in many cases, the balance sheets of banks are now much more robust than they were before the 2008 financial crisis when they had higher ratings than now. However, this is not universally applicable, leaving some entities with modestly lower ratings than they had through much of the “support” phase of the financial crisis.

### **Creditworthiness Policy**

- 6.15 The Council uses the creditworthiness service provided by Capita Asset Services to assess the creditworthiness of counterparties. The service provided by Capita Asset Services uses a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moody’s and Standard and Poor’s, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following information as overlays which are combined in a weighted scoring system:
- Credit watches and credit outlooks from credit rating agencies;
  - Credit Default Swap spreads, financial agreements that compensate the buyer in the event of a default, which give an early warning of likely changes in credit ratings; and
  - Sovereign ratings to select counterparties from only the most creditworthy countries.
- 6.16 The end product of this modelling system is a series of colour code bands which indicate the relative creditworthiness of counterparties. These colour codes are also used by the Council to determine the duration for investments and are therefore referred to as durational bands. The Council is satisfied that this service gives the required level of security for its investments. It is also a service which the Council would not be able to replicate using in-house resources.
- 6.17 Sole reliance will not be placed on the use of this external service. In addition the Council will also use market data and information, information on government support for banks and the credit ratings of the government support.
- 6.18 Due to the changes to the Credit Rating Methodology, the Council’s Maximum Maturity Periods and Amounts criteria excluded many of the UK banks. After taking advice from Capita Asset Management Services and assessing risk the Maximum maturity periods and amounts which can be invested with counterparties have been updated as follows:
- Specified investments must now meet the minimum of Fitch rating F1 for short term and A for long term investments. Previously the long term investments rating criteria was AA- this has been reduced to A, to allow the Council additional options when placing investments with higher returns whilst minimising risk.
  - The maximum value which can be placed in non-specified investments has been increased from £5m per counterparty to £10m, allowing the Council to place larger investments with UK high street banks giving potential to access higher returns on investments, whilst minimising risk.

The Council has determined the minimum long term and short term ratings it deems to be “high” for each category of investment. These “high” ratings allow investments of 364 days or less to be classified as **specified investments**. The Council’s approved limits for this “high” credit rating for deposit takers are now proposed as follows:

<b>High Rated</b>	<b>Fitch</b>	<b>Moody's</b>	<b>Standard &amp; Poor's</b>
Short Term (ability to repay short term debt)	F1	P1	A1
Long Term (ability to repay long term debt)	A	A2	A

- 6.19 To ensure consistency in monitoring credit ratings throughout 2017/18 the Council will not use the approach suggested by CIPFA of using the lowest rating from all three rating agencies to determine creditworthy counterparties, as the credit rating agency issuing the lowest rating could change throughout the year as agencies review the ratings that they have applied to countries, financial institutions and financial products. The ratings of all three agencies will be considered, with Fitch being used as a basis for inclusion on the lending list. In addition to this the Capita Asset Services creditworthiness service will be used to determine the duration that deposits can be placed for. This service uses the ratings from all three agencies, but by using a scoring system, does not give undue consideration to just one agency's ratings.
- 6.20 The selection of counterparties with a high level of creditworthiness will be achieved by selection of institutions down to a minimum durational band within Capita Asset Services weekly credit list of worldwide potential counterparties. The maximum maturity periods and amounts to be placed in different types of investment instruments are detailed in Appendix 6.
- 6.21 UK Government nationalised/part nationalised banks will have a maximum limit of 40% or £20m of total investment, all other counterparties will not exceed a maximum limit equal to 20% of total investments or £15m. Unless there are major changes in the level of investment balances throughout the year this limit will be reviewed prior to the commencement of each financial year.
- 6.22 Where more than one counterparty from a group is included on the counterparty list the group in total will be controlled by the above limits with the maximum limit being that of the parent company. Within the group each counterparty/subsidiary will have individual limits based on their creditworthiness although the total placed with the subsidiaries will not exceed the limit of the parent company. Subsidiaries that do not satisfy the minimum credit criteria will not be included.
- 6.23 A number of counterparties are also approved by the Strategic Director, Corporate Resources for direct dealing. These counterparties are included on the approved list and dealing will be within agreed limits. Direct dealing with individual counterparties must be approved by the Strategic Director, Corporate Resources prior to investments being placed.

### **Nationalised/Part Nationalised Banks**

- 6.24 A number of banks in the UK do not conform to the credit criteria usually used to identify banks that are of high credit worthiness. In particular, as they are no longer separate institutions in their own right it is impossible for an individual rating to be assigned to them. Due to Government ownership these institutions now have the highest short-term rating possible as they effectively take on the creditworthiness of the Government and deposits placed with them are effectively with the Government. Taking this into consideration they are given the highest rating possible. As a result of

this when deposits are being considered with these counterparties the limits will be in accordance with the Capita Asset Services creditworthiness list.

- 6.25 Where the bank has not been fully nationalised but receives support from the UK Government the individual rating of the bank will not be taken into consideration and the relevant banks will be included on the Council’s lending list as prescribed by the Capita Asset Services creditworthiness list as detailed in 6.23.

### Foreign Banks

- 6.26 We will continue to use UK banks irrespective of the UK sovereign rating, however non-UK banks domiciled in countries with a minimum sovereign rating of AA+ will be considered for inclusion on the approved list, they must also meet the high rated lending criteria and have operations based in London. Limits will be prescribed by the Capita Asset Services creditworthiness list and limited to 364 days or less. Each country will be limited to the maximum investment limit of £15m or 20% of the Council’s total investments. A list of those countries with a minimum sovereign rating of AA+ are shown in Appendix 7.

### Local Authorities

- 6.27 The Council invests with other Local Authorities on an ad hoc basis; each investment is considered on an individual basis and agreed by the Strategic Director, Corporate Resources, prior to funds being placed. Limits are detailed at Appendix 6.

### Non-specified Investments

- 6.28 In addition to the above specified investments, the Council has also fully considered the increased risk of **non-specified investments** and has set appropriate limits for non-high rated deposit takers. These are as follows:

Non High Rated	Fitch	Moody’s	Standard & Poor’s
Short term	F1	P1	A1
Long term	A-	A3	A-

Limits for non-high rated counterparties and non-rated building societies are detailed at Appendix 6.

- 6.29 The credit ratings will be monitored as follows:
- All credit ratings are reviewed weekly. The Council has access to Fitch, Moody’s and Standard and Poor’s credit ratings and is alerted to changes through its use of the Capita Asset Services creditworthiness service. Ongoing monitoring of ratings also takes place in response to ad-hoc e-mail alerts from Capita Asset Services.
  - If a counterparty’s or deposit scheme’s rating is downgraded with the result that it no longer meets the Council’s minimum criteria, the further use of that counterparty/deposit scheme as a new deposit will be withdrawn immediately.
  - If a counterparty is upgraded so that it fulfils the Council’s criteria, its inclusion will be considered for approval by the Strategic Director, Corporate Resources.



- 6.30 Sole reliance will not be placed on the use of this external service. In addition the Council will also use market data and information on government support for banks and the credit ratings of government support.

### **Investment balances / Liquidity of investments**

- 6.31 The Council deposits funds beyond 364 days to a maximum of 3 years. This will continue where the counterparty is deemed to be a low credit risk to ensure a good rate of return is maintained in the current market conditions. Deposits beyond 364 days will only be considered when there is minimal risk involved. With deposits of this nature there is an increased risk in terms of liquidity and interest rate fluctuations. To mitigate these risks a limit of £15m (20% of total investments) has been set and a prudential indicator has been calculated (See Appendix 4). Such sums will only be placed with counterparties who have the highest available credit rating or other local authorities.
- 6.32 Deposits for periods longer than 364 days are classed as **non-specified investments** and this will increase the total limit of overall deposits in this classification to 75%.

### **Investments defined as capital expenditure**

- 6.33 The acquisition of share capital or loan capital in any body corporate is defined as capital expenditure under Section 16(2) of the Local Government Act 2003. Such investments will have to be funded out of capital or revenue resources and will be classified as '**non-specified investments**'.
- 6.34 A loan or grant by the Council to another body for capital expenditure by that body is also deemed by regulation to be capital expenditure by the Council. It is therefore important for the Council to clearly identify if the loan was made for policy reasons (e.g. to a registered social landlord for the construction/improvement of dwellings) or if it is an investment for treasury management purposes. The latter will be governed by the framework set by the Council for 'specified' and 'non-specified' investments.

### **Internal Investment Strategy**

- 6.35 The Strategic Director, Corporate Resources will monitor the interest rate market and react appropriately to any changing circumstances.
- 6.36 The Council takes the view that base rate will remain unchanged at 0.25% before starting to rise from quarter 1 of 2019 so short term deposits, up to 364 days, will be utilised to cover cash flow and minimise risk to the Council. Bank rate forecasts for financial year end are 2017/18 0.25%, 2018/19 0.25% and 2019/20 0.75%.
- 6.37 The overall balance of risks to these forecasts is currently to the downside (i.e. start of increases in Bank Rate occurs later). However, should the pace of growth quicken and/or forecasts for increase in inflation rise, there could be an upside risk.
- 6.38 The Council will avoid locking into longer term deals while investment rates are down at historically low levels. Long term deposits, beyond 364 days, will only be used where minimal risk is involved and the counterparties are considered to be supported by the UK Government. **Page 73**

## **Investment Risk Benchmark**

- 6.39 The Council will use an investment benchmark to assess the investment performance of its investment portfolio against the 7 day LIBID. The Council is also a member of the Capita Asset Services (CAS) investment benchmarking Group who meet semi-annually. As a member, quarterly reports on comparative performance with other members of the group and the wider CAS client base are received. The benchmark return for the group is reasonable target for the council, which allows the relative risk appetite to be considered as part of the benchmark.

## **End of year investment report**

- 6.40 By the end of September each year the Council will receive a report from Cabinet on its investment activity as part of its annual treasury report.

## **Policy on use of external service providers**

- 6.41 The Council currently uses Capita Asset Services as its external treasury management advisers.
- 6.42 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.
- 6.43 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

## **Scheme of Delegation**

- 6.44 As required by the Guidance Notes for Local Authorities the Treasury Management Scheme of Delegation is detailed below.

### **Council**

- Approve treasury management policy and strategy prior to the start of each financial year;
- Approve the annual investment strategy prior to the start of each financial year; and
- Agree the annual report.

### **Cabinet**

- Receive and review treasury management policy and strategy prior to the start of each financial year;
- Receive and review the annual investment strategy prior to the start of each financial year;
- Approve and monitor prudential and treasury indicators.
- Receive and review the annual report; and
- Approve any proposed variations in treasury management policy and strategy, annual investment strategy or prudential and treasury indicators.

### **Audit and Standards Committee**

- Scrutinise the treasury management policy, strategy and practices and make recommendations to Cabinet; and
- Agree mid-year monitoring report.

### **Role of the Section 151 Officer**

6.45 As required by the Guidance Notes for Local Authorities the role of the Section 151 Officer in relation to treasury management is detailed below.

- Recommending the Code of Practice to be applied, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- Submitting regular treasury management policy reports;
- Submitting budgets and budget variations;
- Receiving and reviewing management information reports;
- Reviewing the performance of the treasury management function;
- Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- Ensuring the adequacy of internal audit, and liaising with external audit; and
- Arranging for the appointment of external service providers.

## **7. Other Issues**

### **Heritable Bank Deposits**

7.1 When Heritable bank entered administration in October 2008 the Council had £2.8m invested which was due to mature with interest by the end of 2008/09.

7.2 To date dividends totalling £2.736m (98.00p in the £) have been received. This is an overachievement against the initial estimate of a return of 90p in the £. The most recent update from the administrators confirmed that they do not intend to make any further distributions of dividend until the resolution of the ongoing litigation of their claim with Landsbanki.

## Prudential Indicators – Treasury Management

<b>Authorised Limit For External Debt</b>			
	<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>
Borrowing	825,000	845,000	855,000

<b>Operational Boundary For External Debt</b>			
	<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>
Borrowing	800,000	820,000	830,000

## Treasury Indicators

<b>Upper Limit on Fixed and Variable Interest Rates Exposures</b>			
<b>Range</b>	<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>
<b>Fixed Rate:</b>			
<b>Upper</b>	652,940	669,218	692,138
<b>Lower</b>	424,015	421,541	380,712
<b>Variable Rate:</b>			
<b>Upper</b>	160,751	184,877	242,272
<b>Lower</b>	(15,000)	(15,000)	(15,000)

<b>Upper and Lower Limits for the Maturity Structure of Borrowings</b>		
	<b>Upper Limit</b>	<b>Lower Limit</b>
Under 12 months	25%	0%
12 months and within 24 months	25%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	50%	0%
10 years and within 20 years	50%	0%
20 years and within 30 years	50%	0%
30 years and within 40 years	50%	0%
40 years and within 50 years	60%	0%
50 years and above	30%	0%

<b>Upper Limit on Amounts Invested Beyond 364 Days</b>			
	<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>
Investments	15,000	15,000	15,000

## Specified Investments (All Sterling Denominated)

Investment type	Share/ Loan Capital	Repayable/ Redeemable within 12 months	Security / Minimum Credit Rating	Capital Expenditure	Circumstance of use	Maximum period
<b>Term deposits</b> with the UK Government or with UK local authorities (i.e. local authorities as defined under Section 23 of the 2003 Act) with maturities up to 364 days.	No	Yes	High security although LA's not credit rated. <i>See section 6.3</i>	No	In-house	364 days
<b>Term deposits</b> with credit-rated deposit takers (banks and building societies), including callable deposits with maturities up to 364 days.	No	Yes	Secure Varied minimum credit rating <i>See section 6.3</i>	No	In-house	364 days
<b>Money Market Funds (including 7 day notice account)</b> These funds are instant access and therefore do not have a maturity date.	No	Yes	Secure Varied minimum credit rating <i>See section 6.3</i>	No	In-house	The investment period is subject to liquidity and cash flow requirements. It is assumed that funds are placed overnight and will be returned and reinvested the next working day (although no actual movement of cash may take place).

**Non-Specified Investments (All Sterling Denominated)**

Investment type	(A) Why use it (B) Associated risks	Share/ Loan Capital	Repayable/ Redeemable within 12 months	Security / Minimum credit rating	Capital Expenditure	Circumstance of use	Max % of overall investments	Maximum maturity of investment
<p><b>Rated deposit takers (banks and building societies) which do not meet the Council's "high" credit rating</b></p> <p align="center">Page 79</p>	<p>(A) To improve ability to place smaller amounts</p> <p>(B) Greater risk than "high" credit rating counterparties but advance warning by rating agency of potential problems.</p> <p>The Council has fully considered this investment category and set appropriate investment and maturity limits in order to minimise risk.</p>	No	Yes	<p>Secure</p> <p>Varied minimum</p> <p>Credit rating</p> <p><i>Minimum:</i></p> <p><i>Long term</i></p> <p><i>A-</i></p> <p><i>Short term</i></p> <p><i>F1</i></p>	No	In-house	75%	6 months (but set on an individual counterparty basis)
<p><b>Term deposits with UK Government, UK Local Authorities or credit rated banks and building societies, with maturities over 1 year</b></p>	<p>A) To improve the ability to "lock in" at times of high interest rates to secure a higher return over a longer period should rates be forecast to fall.</p> <p>B) Lower liquidity and greater risk of adverse interest rate fluctuations.</p> <p>The Council has fully considered this investment category and set appropriate investment and maturity limits in order to minimise risk.</p>	No	No	<p>Secure</p> <p>Varied minimum</p> <p>credit rating</p>	No	In-house	20%	3 years

<b>Certificate of Deposits issued by banks and building Societies</b>	<p>A) Provides additional counterparties, as many banks do not want to take fixed term cash deposits.</p> <p>B) Credit risk could change but if adverse there is an option to sell onto a secondary market.</p> <p>The Council has fully considered this investment category and set appropriate investment and maturity limits in order to minimise risk.</p>	No	Yes	Secure Varied minimum Credit rating <i>Minimum:</i> <i>Fitch</i> <i>Long term</i> <i>A-</i> <i>Short term</i> <i>F1</i>	No	In-House	20%	12 months (but set on an individual counterparty basis)
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## Maximum Maturity Periods and Amounts

Organisation	Criteria	Max Amount*	Max Period
High Rated (Specified Investments – High rated and up to 364 days see Appendix 5)	Minimum Fitch rating of F1 short term and A long term.  Consideration to be given to Moody's minimum rating of P1 short term backed by Aa3 long term and S&P minimum rating of A1 short term and AA- long term.	£20m (Gov't Backed, otherwise £15m)	3 years
Foreign Banks	Must meet the minimum high rated criteria above and have a minimum sovereign rating of AA+	£15m country limit	364 Days
Non-High Rated	Minimum Fitch rating of F1 short term and A- long term.  Consideration to be given to Moody's minimum rating of P1 short term backed by A3 long term and S&P minimum rating of A1 short term and A- long term.	£10m	6 months
UK Local Authorities	(i.e. local authorities as defined under Section 23 of the 2003 Act) Each investment is considered on an individual basis	£10m	3 years
Money Market Funds	AAA long-term rating backed up with lowest volatility rating (MR1+) with assets >£1bn	£7.5m	Overnight

\* Restricted to a maximum of either 40% or 20% of total investments depending on the counterparty.

This list is based on those countries which have non-UK sovereign ratings of AA+ or higher at 16/12/2016.

AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Finland
- Hong Kong
- U.S.A.

**TITLE OF REPORT: Discretionary Rate Relief Policy**

**REPORT OF: Darren Collins, Strategic Director of Corporate Resources**

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**Purpose of the Report**

1. Cabinet is requested to recommend to Council a revised Discretionary Rate Relief policy following consultation.

**Background**

2. The provisions which allow the Council to award Discretionary Rate Relief are contained within the Local Government Finance Act 1988 (S.47) and the Localism Act 2011 (S.69). This legislation allows the award of rate relief in the following circumstances:
  - Only if it is satisfied that it would be reasonable for it to do so, having regard to the interests of persons liable to pay council tax set by it.
  - The property is occupied for the purposes of one or more institutions or other organisations:
    - None of which is established or conducted for profit, and
    - Each of whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or fine arts or
    - Is wholly used for the purposes of recreation, and
    - All or part of it is occupied for the purposes of a club, society or other organisation not established or conducted for profit.
3. A report was presented to Cabinet on 8<sup>th</sup> November 2016 recommending consultation on a revised policy. The existing policy was not considered fit for purpose in the current financial context. Consultation was supportive of undertaking a financial assessment of applicants for relief and relief to be given to organisations which provide benefits for the borough and its residents.
4. The Council is facing a number of changes with regard to the financing arrangements for business rates, in particular:
  - Revaluation of all business premises from April 2017.
  - Transitional arrangements for phasing the impacts of revaluation.
  - Introduction of a new Small Business Rate Relief scheme.
  - The future retention of all business rate income locally.

5. The proposed Discretionary Rate Relief policy seeks to balance the changing financial context, the financial consequences to the Council both now and in the future and the impact on rate paying organisations that are the recipients of relief.
6. During the Spring Budget the Chancellor set out the Governments proposals for the design of a discretionary rates support scheme, to be administered by local authorities. The Government are to make available a discretionary fund of £300 million over four years to support businesses that face the steepest increases in their business rates as a result of revaluation. This scheme will be administered separately to the discretionary rate relief policy proposed in this report.

## **Proposal**

7. The proposed Discretionary Rate Relief policy will cap the level of award and will where possible, consider entitlement to other reliefs, such as 'small business rate relief' in the first instance. The policy will be implemented with effect from 1 April 2017.
8. As part of the proposal it is considered appropriate to introduce a financial assessment for certain types of organisation which would make any award based upon ability to pay and ensure that awards are only paid where necessary.
9. The new proposal will adopt the following principles;
  - i. Discretionary Rate Relief applications will only be considered after any other relief entitlements where possible (such as Small Business Rate Relief).
  - ii. To limit the amount of Discretionary Rate Relief that can be awarded and cap the maximum award of up to 20% for all applicants.
  - iii. To award Discretionary Rate Relief to Registered Charities and Charitable Incorporated Organisations;
    - Charitable Incorporated Organisations' which have been the subject of a community asset transfer from the Council.
    - Youth and community projects / organisations working within the Borough of Gateshead.
  - iv. Membership of the organisation must be made up in the majority of residents of the Borough of Gateshead and the activities undertaken by that organisation must be for the benefit and delivered within the Borough of Gateshead
  - v. To limit the award the award of Discretionary Rate Relief to 'Social and Sports Clubs' up to a maximum of 20% and any award be based upon a financial assessment. The financial assessment will use the latest set of audited accounts, which must have been professionally certified within the last twelve months. Where any net profit, reserves, retained surplus or cash on deposit or in hand, exceeds the amount of relief being applied for then no relief will be awarded. Where said amount is less than the amount being applied for, then relief will be awarded at no more than 20% and any award would be structured around access to residents of the borough and level of membership fees.

10. There are a number of other elements to Discretionary Rate Relief which include;
- i. Rural Rate Relief – for the coming year 1<sup>st</sup> April 2017 ratepayers entitled to mandatory rural rate relief will be eligible for an increased level of relief.
  - ii. Local Newspapers will be entitled to claim £1,500 business rates discount.
    - a. In both of the above instances the amounts are to be funded through Discretionary Rate Relief but this will in turn be funded by central government through grant.
  - iii. Part Occupied Relief – the Council has discretion to award rate relief in respect of ‘partly occupied premises’ for a temporary period. Where considered appropriate the Council seek certificates from the Valuation Office Agency to award relief.
  - iv. Hardship Relief – the Council may consider reducing or remitting rate charges where it considers that ‘hardship’ would otherwise be caused to the ratepayer. In considering applications for this type of relief the Council must be satisfied that it would be reasonable for it to do so, having regard to the interests of persons liable to pay council tax set by it.
11. The award of Discretionary Rate Relief to ‘faith schools’ will end from April 2018. This will allow Direct Schools Grant to be allocated to all schools and be presented to the Schools Forum in February 2018. For 2017/18 it is proposed that there will be transitional arrangements in place and these schools will continue to receive the same level of discretionary rate relief as currently.

## **Recommendations**

12. Cabinet is requested to recommend that Council:
- (i) Approves the proposed policy set out in paragraphs 7 to 11 above.
  - (ii) Delegates powers to the Strategic Director, Corporate Resources to administer this policy.

For the following reasons;

- (i) To establish a Discretionary Rate Relief policy under the statutory provisions of Local Government Finance Act 1988 (S.47) and the Localism Act 2011 (S.69).
- (ii) To provide a policy that supports the residents of the Borough of Gateshead and is based upon ability to pay.

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**CONTACT:** John Jopling extension: 3582

### Policy Context

1. The proposal in this report will support the vision for Gateshead as outlined in the Council plan in particular the key council priority of ensuring a sustainable Gateshead through best use of resources.

### Background

2. The Local Government Finance Act 1988 (S.47) and the Localism Act 2011 (S.69) provide the statutory framework for the Council to award Discretionary Rate Relief.
3. A revised Discretionary Rate Relief policy needs to consider the financial position of the Council as well as the impact of any changes on the organisations currently in receipt of discretionary rate relief. Key considerations of a revised policy are:
  - The financial standing of organisations and their ability to pay
  - The membership profile of organisations which should be predominantly made up from Gateshead residents
  - The services provided by organisations should be delivered within the borough for the benefit of Gateshead residents
4. Under the currently policy, the Council does not award Discretionary Rate Relief to:
  - Charity shops
  - Day nurseries
  - Community Amateur Sports Clubs (CASC's)

It is proposed that a revised policy would continue to not award Discretionary Rate Relief to those organisations.

### Consultation

5. Following a report to Cabinet on 8<sup>th</sup> November consultation on a revised policy took place between 9<sup>th</sup> December 2016 and 16<sup>th</sup> January 2017 and consulted both residents and current recipients of relief.
6. There were 60 responses to the questionnaire and this reflected 88 different types of organisations. The consultation resulted in 78% of respondents agreeing that a Discretionary Rate Relief policy should be provided by the Council. It was agreed by 62% of responders that such a policy should be based upon an ability to pay and 68% agreed this should be reviewed annually. In terms of charitable incorporated organisations which have taken over the running of community assets 65% of responders agreed they should receive priority. 55% agreed relief should not be provided in respect of administrative bases for organisations. In terms of social impact 68% agreed this should be a factor taken into consideration while 55% agreed relief should only be awarded where membership is made up of residents of the Borough of Gateshead and services delivered within the borough.

7. The Leader and Deputy Leader have been consulted on the contents of this report.

### **Alternative Options**

8. Alternative options could include not having a discretionary rate relief policy and pay no relief or agree a policy which makes higher awards of rate relief at additional cost to the Council.

### **Implications of Recommended Option**

#### **9. Resources:**

- a) **Financial Implications** – The Strategic Director, Corporate Resources confirms that the implementation of the proposed policy is estimated to achieve a £70,000 budget saving.
- b) **Human Resources Implications** – There are no human resource implications directly arising from this report.
- c) **Property Implications** - There are no property implications directly arising from this report.
10. **Risk Management Implication** - Introducing this revised policy delivers support where needed and overwhelming support from the consultation exercise shows the principles being adopted are supported.
11. **Equality and Diversity Implications** - A Comprehensive Impact Assessment has been carried out following the outcome of the consultation process.
12. **Crime and Disorder Implications** – There are no crime and disorder implications.
13. **Health Implications** – There are no Health Implications.
14. **Sustainability Implications** - There are no sustainability implications arising from this report.
15. **Human Rights Implications** – There are no Human Rights implications arising from this report
16. **Area and Ward Implications** - This policy will affect all recipients of discretionary rate relief across the borough.

### **Background Information**

17. Local Government Finance Act 1988  
Localism Act 2011  
Consultation exercise  
Comprehensive Impact Assessment

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**TITLE OF REPORT:** Revised Appraisal and Development Framework

**REPORT OF:** Mike Barker, Strategic Director, Corporate Services & Governance

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### **Purpose of the Report**

1. To request Cabinet to recommend the Council to approve a revised Appraisal and Development (A&D) Framework, as set out in Appendices 2 and 3 to this report.

### **Background**

2. The Council's Workforce Strategy sets out a vision to have a workforce that is innovative, creative, diverse and inclusive. Performance management is also identified in the strategy as critical in ensuring we focus on the right things and that any issues around employee performance can quickly be addressed.
3. A&D is an established tool that can help all employees to perform at their best and access the right support and development; however, the employee survey in 2016 highlighted that only 47% of employees across the Council had an A&D review in the six months prior to the survey.
4. In addition, a number of employees highlighted through the survey that 'managers not dealing with underperformance' was an issue and it was affecting the morale of other employees. Performance management has also been identified as a gap through the Change Programme's Ways of Working workstream and through wider consultation of the workforce at Team Talk events. Having a focus on performance in A&D would help develop a strong culture of performance management across the Council.
5. As an outcome of these findings, and in order to address the need for a stronger approach to performance management of employees, the A&D process has been redesigned.
6. The revised A&D framework that includes a Performance Rating has been developed in consultation with employees, managers, senior leaders at various levels and the trade unions. This is to ensure that employees have a clear understanding of what is expected of them, are supported to be at their best, are able to meet ongoing challenges and deliver the best possible outcomes for Gateshead. Guidance for managers and employees has also been developed to support implementation of the framework.

7. The framework is designed around a set of principles and a simplified A&D review form that provides a flexible and adaptable approach to the delivery of A&Ds by enabling services to use existing review processes, such as supervision and 1-2-1s to review and evidence performance on an ongoing basis provided that the principles of A&D are met.
8. The principles of A&D are:
  - **Opportunity** - Every employee has the opportunity to meet regularly with their line manager to discuss their performance, development needs and aspirations.
  - **Performance and Competencies** - Employees are aware of what is expected of them in terms of their work priorities and targets for the coming year and the competencies they are expected to display which are set out in the Competency Framework.
  - **Development and Support** - Employees in consultation with their line manager will have the opportunity to identify their learning and development needs and any support they need to enable them to achieve their agreed work priorities, targets and competencies.
  - **Ongoing Review** - Review is ongoing throughout the year.
  - **Evaluation of Performance** - A final evaluation of employee performance will take place at the end of the year at their A&D meeting with their line manager.

## Proposal

9. It is proposed that the new A&D framework will be embedded across the organisation from April 2017. In order to achieve this implementation date, training will be delivered through the management structure from March 2017.
10. The first A&D meetings using the new framework will take place between April and July to allow for the delivery of training, and to accommodate services with large numbers of employees reporting to managers. This meeting will be to agree work priorities, targets and learning and development needs for the period to December 2017.
11. It is proposed that by December 2017 a full A&D review meeting for all employees will take place at which performance ratings will be awarded for the first time based on evidence gathered throughout the ongoing review process. Thereafter, it is proposed that A&Ds will be carried out annually by December of each year. Completion rates for A&Ds will be monitored and reported to SMG Services & Performance.

## Recommendations

12. Cabinet is asked to recommend the Council to approve:

- (i) the revised Appraisal and Development Framework is agreed by Cabinet; and
- (ii) the framework becomes operational from April 2017.

For the following reason:

To ensure the Council has a workforce which is fit for the future and can deliver the objectives of the Council Plan.

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**CONTACT:** Mike Barker

Ext 2100

### Policy Context

1. The Workforce Strategy and Plan underpin the Council's Human Resources framework and will support the Council to achieve the objectives set out in the Council Plan.

### Background

2. Effective performance management is critical to delivering high quality services, efficiencies and value for money. An effective Appraisal and Development system should be at the core of personal performance management processes to ensure employees are aware of what is expected of them and are given the development and support needed to deliver on these expectations.
3. An *Achievement* and Development scheme was first introduced in 2007 but as the title suggests its focus was more on personal development than employee performance.
4. In September 2010 following extensive consultation with management, employees and the trade unions, the scheme was revised and replaced by the Appraisal and Development scheme, commonly referred to as A&D. This scheme attempted to balance performance with development by including a section designed to enable employees to self-reflect on how they have performed over the year.
5. Recent evidence from the employee survey in 2016, in particular around the low completion rates of A&Ds, combined with the need to have a more robust performance management framework in place for employees has led to the redesign of A&D and production of the revised framework.
6. Having a focus on performance in A&D will help develop a strong culture of performance management across the Council.

### Consultation

7. Consultation on the revised A&D Framework has been extensive.
8. The Trade Unions have also been consulted on the review and redesign of the A&D process. They have concerns that some employees are being disadvantaged as A&Ds are not carried out consistently across the Council. A&Ds as such should be a mandatory element of managers' responsibilities and should therefore be a mandatory component of the competency framework.
9. GMB welcome the aspiration from the Council to ensure all employees receive a fair and supportive appraisal. However they still have concerns that there will be some managers that either will not, or cannot deliver this. Whilst acknowledging the

Council need to make headway GMB request ongoing dialogue as to the progress (or lack of) and fairness of the appraisals.

10. Unison has confirmed that the vast majority of their members would see the merits of engaging with an effective A&D framework which all employees have equal access too. However they have raised various concerns regarding its initial implementation and application. Therefore in the spirit of embedding the policy, consistency of implementation and to allow for a clearer understanding and communication of the objectives, Unison maintain at this stage that this framework is kept separate from the organisation's formal policies including capability, disciplinary and redundancy procedures.

11. All Cabinet Members have been consulted.

### **Alternative Options**

12. There is the option to carry on using the existing A&D Framework; however, this is considered no longer fit for purpose in terms of supporting the Council's strategy for performance management and workforce development.

### **Implications of Recommended Option**

13. **Resources:**

a) **Financial Implications** – There are no financial implications arising from the recommendations within this report.

b) **Human Resources Implications** – The revised A&D Framework is designed to ensure that we have employees with the right skills effectively deployed to support attainment of the objectives set out in the Council Plan. It underpins the Council's overall human resources policy framework.

c) **Property Implications** – There are no property implications arising from the recommendations within this report.

14. **Risk Management Implications** - The revised A&D Framework does not introduce any new risk. It will support the Council's Risk Management Strategy by ensuring that we have employees with the necessary skills and knowledge who are deployed effectively to deliver the best outcomes for our customers.

15. **Equality and Diversity Implications** – A&D supports the establishment of a diverse and inclusive workforce where accessibility barriers are actively challenged and addressed, and where employees are managed fairly and consistently.

16. **Crime and Disorder Implications** – There are no crime and disorder implications.

17. **Health Implications** – There are no health implications.

18. **Sustainability Implications** - There are no sustainability implications.

**19. Human Rights Implications** – There are no Human Rights implications arising from the revised framework.

**20. Area and Ward Implications** - There are no area and ward implications.

**21. Background Information**



## Appraisal and Development (A&D) Form

Employee Name:

Job Title:

Service:

Line Manager

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### PART A: My Performance - How did I do this year?

1. How did you perform against your work priorities and targets?

2. Were any work priorities or targets not met? If so, please explain

3. What learning and development opportunities did you complete?

4. How did you demonstrate the competencies expected of someone at your level?



**PART B: My performance rating**

	<b>Rating Categories</b>	<b>Employee Rating (please tick)</b>
The employee has consistently excelled in their work, exceeding the expectations of their job role and consistently demonstrated competencies expected of someone at a higher level.	Exceeded	
The employee has fulfilled the requirements of their job role by achieving their agreed work priorities and consistently demonstrated the competencies expected of someone at their level.	Achieved	
The employee has achieved some but not all of their agreed work priorities and partially demonstrated the competencies expected of someone at their level.	Partially Achieved	
The employee has consistently failed to achieve the majority of their agreed work priorities and failed to demonstrate the competencies expected of someone at their level.	Not Achieved	

**Manager's Comments**

**Employee's Comments**





**PART C: My work priorities and learning and development for the year ahead**

**5. What are your work priorities and targets for the next 12 months?**

**6. What development do you need to help you achieve your work priorities, targets and ambitions?**

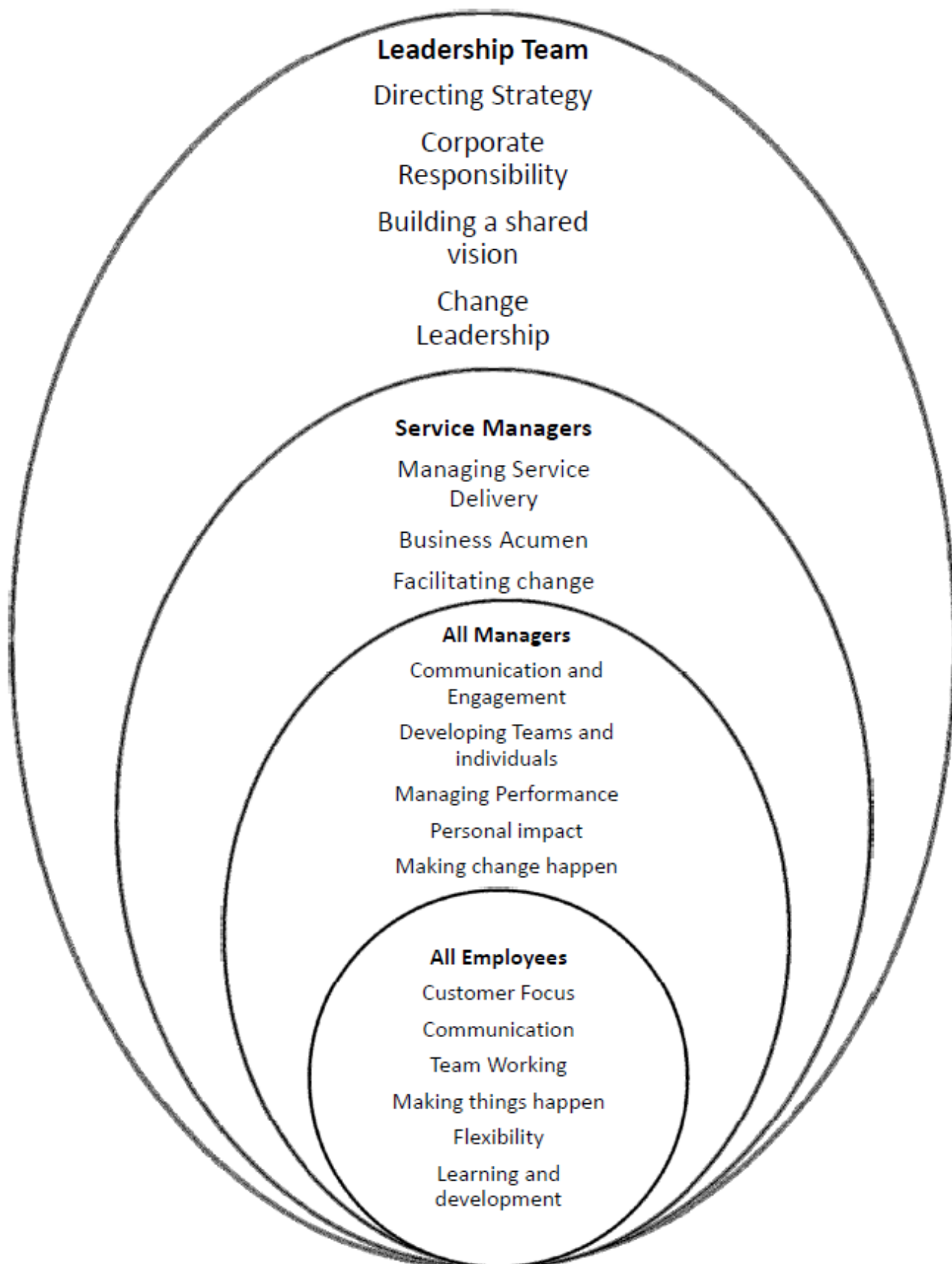
Signed (Employee)

Date:

Signed (Manager)

Countersigned

(Manager's line manager)



## Competency Framework

### All Employees

**Customer Focus** – Puts the customer first and provides excellent service to both internal and external customers

**Communication** – Uses appropriate methods to express information in a clear and concise way to make sure people understand

**Team Working** – Works with others to achieve results and develop good working relationships

**Making things happen** – Takes responsibility for personal organisation and achieving results

**Flexibility** – Adapts to change and works effectively in a variety of situations

**Learning and Development** – Actively improves by developing and applying new skills and knowledge and learns from past experiences

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### All Managers

**Communication and Engagement** – Shares and listens to information and ensures employees views are sought out; listened to and make a difference. Facilitates and empowers employees to make things happen. Treats individuals with respect and consideration

**Developing Teams and Individuals** – Promotes and supports team and individual learning and development and uses delegation to create a sense of ownership of high level organisational issues, and encouraging individuals to stretch beyond their current capabilities

**Managing Performance** – Effectively manages the performance of teams and individuals to ensure results are achieved

**Personal Impact** – Is self-aware, learns continuously and adapts behaviour in response to feedback. Makes things happen, operates with resilience, flexibility and integrity.

**Making things happen** – empowers people to initiate change. Supports innovative ideas and new ways of working

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### Service Managers

**Managing Service Delivery** – Focuses on the community and service users to develop responsive customer focused services. Promotes cooperation by working with internal and external partners to plan, develop and deliver excellent services and operates effectively within the political framework and corporate policies and guidelines.

**Business Acumen** – Understands and utilises financial and performance data to identify business strengths and weaknesses. Is quick to understand and deal with a business situation in a manner that is likely to lead to a good outcome.

**Facilitating Change** – Proactively leads and builds momentum for change and sees it through.

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## **Leadership Team –**

**Directing Strategy –** Establishes strategic direction to deliver future vision. Builds strategic relationships with internal and external partners to deliver vision. Makes effective strategic decisions to achieve positive outcomes.

**Corporate Responsibility -** Proactively promotes corporate responsibilities for self and others by ensuring adherence to corporate protocols in areas such as Member Development and Engagement Framework, Budgetary and Financial Management, Information Governance, Procurement, Safeguarding, and Health and Safety etc

**Building a Shared Vision –** Builds and communicates a collective vision of the future. Looks ahead, harnesses ideas and opportunities to achieve goals and make decisions to deliver the best outcomes for Gateshead.

**Change Leadership –** Challenges traditional thinking and ways of working. Develops new and innovative approaches to address organisational challenges and opportunities. Works at pace to deliver change initiatives and engages others in the process.



**TITLE OF REPORT:** Localism Act 2011 – Pay Accountability  
Pay Policy Statement

**REPORT OF:** Mike Barker, Strategic Director, Corporate Services &  
Governance

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### **Purpose of the Report**

1. To agree a revised pay policy statement, for approval by the Council, as set out in appendix 2 to this report.

### **Background**

2. Section 38(1) of the Localism Act 2011 requires local authorities to produce an annual pay policy statement. The policy must be approved by full Council before 31 March each year, but it may be amended by Council during the course of the year.
3. Whilst there is no set format to which the policy statement must conform, Chapter 8 of the Localism Act is prescriptive in determining the elements that must be included. It also provides for statutory guidance to be issued by the Secretary of State, to which authorities must have regard when preparing their policies.
4. The policy must be published on the Council's website, and be applied particularly when the Council sets the terms and conditions for a Chief Officer.
5. The Council's Pay Policy reflects the statutory requirements and in its development the guidance issued by the Department for Communities and Local Government under Section 40 of the Act has been duly considered. It has been reviewed and updated since first agreed by Council on 22 March 2012, with the last amendments approved on 15 March 2016.
6. Low pay continues to be a matter of focus and debate both nationally and regionally. The statutory National Living Wage (NLW) for employees aged 25 and above which was introduced on 1 April 2016 will increase to £7.50 per hour with effect from 1 April 2017. It is projected to rise to at least £9 per hour (possibly up to £9.35) by 2020. The UK Living Wage, as promoted by the Living Wage Foundation, rose to £8.45 per hour outside London with effect from November 2016.
7. The Pay Policy also sets out the Council's approach to applying market supplements to address recruitment and retention issues to ensure they are appropriate to the circumstances and their necessity is evidenced.

## **Proposal**

8. The Pay Policy as proposed in appendix 2 covers all elements of the legislation set out under main headings that are intended to demonstrate the consistency in the Council's approach to pay across the workforce and to highlight any differences. Those main headings are:

- General principles regarding employee pay
- Lowest paid employees and chief officers (and including the relationship between median pay and highest pay)
- Governance arrangements and development of pay structures
- Payment for additional duties and work outside the Council
- Termination payments

## **Recommendation**

10. It is recommended that the attached draft policy is agreed by Cabinet and referred to the Council for approval at its meeting on 16 March 2017.

For the following reason:

To comply with the requirements of the Localism Act 2011.

### Policy Context

1. The annual publication of a pay policy statement for the year 2017/18 is a requirement of Chapter 8 of the Localism Act 2011, which aims to bring greater transparency to pay in the public sector.

### Background

2. The Council's approach to pay has been determined by reference to collective bargaining structures, national and local agreements, and job evaluation in the context of its recruitment markets. The pay policy statement incorporates the key principles which underpin these arrangements.

### Consultation

3. The Council's recognised non-teaching Trade Unions have been consulted and their comments have been incorporated. The Leader has been consulted on the report.

### Alternative Options

4. The publication of a pay policy statement is a legal obligation under the Localism Act 2011.

### Implications of Recommended Option

5. **Resources:**

- a) **Financial Implications** – The Strategic Director, Corporate Resources confirms that the financial implications arising from this report have been considered and accounted for within the framework of the Medium Term Financial Strategy.
- b) **Human Resources Implications** – The Council's Pay Policy and practice is designed to recruit, reward, motivate and retain as necessary employees with the skills and attributes required to deliver Council services. It is part of the Council's overall human resources policy framework, through which it aims to be an exemplary employer.
- c) **Property Implications** – there are no property implications arising from the recommendations within this report.

6. **Risk Management Implications** - The changes in the Council's pay policy statement as recommended in the report are relatively minor and are not considered to introduce any new risk.

7. **Equality and Diversity Implications** – Fair pay and reward are fundamental to the Council's approach to employment. The Council's use of equalities-tested job evaluation schemes, Trade Union representation in collective bargaining, and

application of consistent pay principles throughout the organisational structure ensure that Equality and Diversity issues are properly taken into account.

The Council's pay structure for staff was specifically introduced to address historical pay anomalies and minimise the risk of Equal Pay claims. The pay structure has since then been amended to support the Council's aspirations to address pay issues for the lowest paid employees, who are predominantly female.

8. **Crime and Disorder Implications** – There are no crime and disorder implications.
9. **Health Implications** - There are no health implications.
10. **Sustainability Implications** - There are no sustainability implications.
11. **Human Rights Implications** - Employees have a right to representation through both individual representation and free collective bargaining, and pay & grading appeals mechanisms are in place to ensure this.
12. **Area and Ward Implications** - There are no area and ward implications.
13. **Background Information**  
Gateshead Council's pay policy 2013/14, 2014/15, 2015/16 and 2016/17.



**Gateshead Council**

**Pay Policy Statement 2017/18**

**Introduction**

1. This document sets out Gateshead Council's pay policy in relation to the remuneration of its staff in accordance with section 38(1) of the Localism Act 2011. The policy reflects the Council's consideration of the Guidance issued by the Department for Communities and Local Government under Section 40 of the Act, and is subject to review and changes approved by the Council. The policy will be published on the Council's website as soon as reasonably practicable after approval or amendment.
2. The key principles of the Council's pay policy are set out below and are effective from 1 April 2017. The policy includes commentary upon:
  - The general principles that underpin the Council's approach to its pay policy;
  - Definitions of the 'lowest paid employees' and 'chief officers' for the purposes of pay comparison;
  - The relationship between the remuneration of chief officers, average pay, and the remuneration of the lowest paid employees; and
  - The re-employment of former employees who left the Council with enhanced retirement and redundancy benefits.
3. The policy also includes discretion for the Strategic Director, Corporate Services & Governance, in the interpretation and application of nationally agreed terms and conditions of employment to Gateshead Council employees.
4. The arrangements set out within this document do not extend to those members of staff who are employed within schools, which are matters for the schools' discretion.
5. The salaries quoted in the pay policy reflect the latest pay awards which are effective from 1 April 2017 as follows:
  - For NJC Green Book the pay award for 2017 is a 1% increase of salary for scps18 and above with bottom-loading for scps 6 -17.
  - For JNC Chief Executives and Chief Officers the pay award is a 1% increase of salary.

The main NJC Green book pay scale is shown at Annexe 1.

## **General principles regarding employee pay**

6. This pay policy provides a basis on which Gateshead Council can compete in labour markets at all levels and for all roles, enabling the Council to attract, retain, and fairly reward people with the knowledge, experience, skills and attributes that are essential to the effective delivery of services to residents, businesses, and other stakeholders in Gateshead.
7. Gateshead Council is mindful of its obligations as an equal opportunities employer, and wants to ensure that people are treated fairly and with respect in all its activities and processes. The Council aims to be an organisation that recruits and retains a diverse and skilful workforce from the local community and beyond, and its approach to the pay and conditions of its workforce is intended to support this objective.
8. In supporting the aim of ensuring equality and transparency in its pay practices, the Council recognises the role of trade unions and employee representatives in consultation and negotiation within a process of free collective bargaining. It supports the national machinery for negotiation of terms and conditions of employment and applies the agreements reached in the various Joint Councils.
9. The Strategic Director, Corporate Services & Governance, following consultation with the Leader of the Council, the Strategic Director, Corporate Resources, and (if deemed appropriate by him/her) having taken advice from the LGA and/or Employers' Organisation, has the discretion to interpret and apply national agreements if the subject matter is not specifically covered by the pay policy.
10. Gateshead Council's main (NJC) pay and grading structure has been developed by creating grades around the national 'spinal column' of salary points. The grades allocated to particular posts in Gateshead Council are determined by job evaluation (JE) of the posts, with jobs of the same JE size being allocated to the same grade.
11. The Council's graded pay structures include scope for service-based incremental advancement in every case except for the Chief Executive, who is paid a spot salary of £161,490 and is not eligible for salary increments. The Council's lowest pay point, Grade A (SCP 9), is also a spot salary of £15,375. Increments are paid on 1<sup>st</sup> April each year until an employee reaches the top of their grade, subject to the following qualifications:
  - Increments may be accelerated within an employee's grade at the discretion of the authority (exercisable by the Strategic Director, Corporate Services & Governance at the request of the employee's Service or Strategic Director) on the grounds of special merit or ability, subject to the maximum of the grade not being exceeded.
  - An increment may be withheld by a Service Director following an adverse report on an employee. Any withheld increment may be paid subsequently if the employee's services become satisfactory.
  - Employees with less than six months' service in the grade by 1 April are granted their first increment six months after their appointment, promotion or re-grading: except where their salary on the 1 April would be less than one SCP in excess of the salary they would have received on that day had they remained on their previous grade, when they will be entitled to their increment on 1 April.

12. New appointments are subject to the Council's recruitment and selection policies and will generally be made at the bottom spinal column point of all pay bands unless there are special circumstances that objectively justify payment at a higher level within the grade, as determined by the Strategic Director, Corporate Services & Governance. An example would be where the appointment is made at a higher level within the grade in order to match the employee's previous salary.
13. The Council operates a recruitment and retention policy which is shown at annexe 2. This allows a market supplement to be applied on top of basic salary in order to attract applicants of the right calibre and retain employees with necessary skills and experience. A market supplement can only be approved by the Strategic Director, Corporate Services & Governance and is subject to review.
14. In the event of any employee securing a higher-graded post via internal promotion/recruitment and there being an overlap of spinal column points between their current post and bottom point of the newly secured position, then the Council will generally pay salary on the next-higher spinal column point.
15. Arrangements exist to protect for a limited period the basic pay of employees who are appointed for various reasons to posts with a lower substantive salary. These arrangements are set out in collective agreements and policies covering redundancy, re-structuring, redeployment, ill health and disability, and bullying and harassment.
16. There may from time to time be situations where employees are transferred into the Council from other organisations which have different pay and conditions. The employees' terms and conditions on transfer may be subject to protection under TUPE or TUPE-like arrangements, and as such may be outside the Council's main pay structure until such time as it is possible for them to be integrated.
17. Various pay enhancement arrangements are in place to reflect non-standard working patterns at a local operational level or in recompense for taking on additional duties and responsibilities. In order to protect employment or to win contracts, it may from time to time be appropriate and necessary to agree local variations to terms and conditions of employment in full consultation with the Trade Unions. The general objective, however, is to apply standard terms and conditions as far as possible right across the Council so that employees are paid the same enhancements or premiums for working in similar situations.
18. The Council does not operate performance bonus payment schemes at any level of the organisation.

### **National Living Wage / UK Living Wage, Lowest Paid Employees and Chief Officers**

#### ***National Living Wage / UK Living Wage:***

19. The compulsory National Living Wage (NLW) for employees aged 25 will rise to £7.50 per hour from 1 April 2017. It is projected to rise to at least £9 per hour (possibly up to £9.35) by 2020.

20. On 25 February 2016, in response to the introduction of the National Living Wage (NLW) and as part of the Council's commitment to addressing the issue of low pay and taking a further move towards the UK Living Wage, the Council agreed an amendment to the NJC pay structure that deleted the Council's lowest incremental point on the NJC spinal column and a change to the grading structure at that level. The Council remains committed to reviewing low pay and has the objective of moving towards the UK Living Wage at a pace and in steps that are affordable and minimise the risk of job loss.

The UK Living Wage outside London is currently £8.45 per hour.

***Lowest-paid employees:***

21. 'Lowest paid employees' is defined as those full-time employees in jobs paid at Grade A at spinal column point 9. It excludes apprentices, whose pay remains subject to other regulations or conditions, and has specific treatment under this policy.
22. Spinal column point 9, at £7.97 per hour from 1 April 2017, is £0.47 per hour more than the National Living Wage and £0.48 per hour less than the Living Wage (outside London).
- Annual salary at Spinal Column Point 9 is currently £15,375.
  - The mode (i.e. most frequently used) salary for full-time employees falls within Grade D, the maximum of which is £17,772.
  - The median average salary for full-time employees, excluding overtime and any other additional payments, is £23,398.

***Chief Officers:***

23. 'Chief officer' is defined in the Localism Act 2011 as:
- the head of the authority's paid service designated under section 4(1) of the Local Government and Housing Act 1989;
  - the monitoring officer designated under section 5(1) that Act;
  - any statutory chief officer mentioned in section 2(6) of that Act;
  - any non-statutory chief officer mentioned in section 2(7) of that Act; and
  - any deputy chief officer mentioned in section 2(8) of that Act.

Under the above provisions, 'statutory chief officer' includes:

- the person having responsibility, for all statutory purposes (inc. section 151 of the Local Government Act 1972), for the administration of the authority's financial affairs;
- the director of children's services appointed under section 18 of the Children Act 2004;
- the director of adult social services appointed under section 6(A1) of the Local Authority Social Services Act 1970; and

- the director of public health appointed under section 73A(1) of the National Health Service Act 2006.

‘non-statutory chief officer’ includes:

- a person for whom the head of the authority’s paid service is directly responsible;
- a person who in relation to most of their duties is required to report direct or is directly accountable to the head of paid service and any person who similarly is required to report direct or is directly accountable to the authority or its committees.

24. The Council applies the terms and conditions of the Joint Negotiating Committee (JNC) for Chief Officers to all officers included in paragraph 23, above, and has therefore determined that the following roles identified in the Council’s Constitution to be ‘chief officers’ for the purposes of this policy:

- the Chief Executive
- Strategic Directors
- the Director of Public Health
- the Deputy Strategic Director, Corporate Finance
- Service Directors
- Consultants in Public Health
- Change Programme Lead
- Digital Lead

25. The Chief Executive is paid on a fixed salary point of £161,490 p.a.

26. The current ratio of lowest paid employee to highest paid employee is therefore slightly less than 1:11.

27. Strategic Directors are all paid on the same pay band, which is:

Step1	Step 2	Step 3	Step 4	Step 5
£95,966	£100,901	£104,014	£109,367	£114,832

28. All other chief officer posts are paid on one of three pay bands which are:

	Step 1	Step 2	Step 3	Step 4	Step 5
Service Director Band 1	£77,767	£81,766	£85,974	£90,395	£95,044
Service Director Band 2	£63,929	£67,216	£70,675	£74,313	£78,134
Service Director Band 3	£56,244	£59,140	£62,184	£65,380	£68,743

29. Salaries in the pay bands at paragraphs 27 and 28 are subject to any general increase agreed at the JNC for Chief Officers, and in the case of the Chief Executive, the JNC for Chief Executives. A pay increase for the Chief Executive and Chief Officers of 1% applies from 1 April 2017. The new salaries are included in the table above.

30. General increases for other employees are mainly determined by the National Joint Council, although different national bargaining arrangements are in place for a small number of occupational groups such as craft trades, youth & community workers and educational psychologists.

31. It is a recommendation of the DCLG<sup>1</sup> that Full Council should be offered the opportunity to vote before a salary of £100,000 or more is offered in respect of a new appointment. In Gateshead, all new appointments to chief officer posts are made in accordance with the pay bands identified within this statement, which includes those in excess of £100,000. Any proposed variation to the application of this policy in this regard (or of the Recruitment and Retention Policy) will be reported to Full Council. Of those Chief Officer posts whose salary exceeds £100,000 the following arrangements apply under the Council's Constitution: the appointment of the Chief Executive is approved by Full Council, while Strategic Directors are appointed by the Council's Special Appointments Committee.

### **Apprenticeships**

32. Rate for first year of Apprenticeship:

- £4.51 per hour (£8,694 p.a.), irrespective of age

From second year of Apprenticeship:

Non-Craft Apprentices:

<sup>1</sup> Openness and accountability in local pay: Guidance under section 40 of the Localism Act (February 2012)

- 17 year olds            £4.51 per hour (£8,694 p.a.)
- 18-20 year olds        £5.60 per hour (£10,804 p.a.)
- 21-24 year olds        National Minimum Wage rate £7.05 p.h. (£13,601 p.a.)

Craft Apprentices are paid the rate linked to the respective craft rate as set out in Joint Negotiating Committee for Local Authority Craft & Associated Employees, Red Book.

Schools will be advised that this is the Council's position and they will be asked to apply these rates to school apprentices.

### **Governance Arrangements and Development of Pay Structures**

33. The current pay structure applicable to NJC employees was determined following a comprehensive job evaluation and equal pay exercise, following the provisions and processes of the national JE scheme. It was introduced in two stages, in 2005 and 2008. Separate pay structures are in place for employees covered by the following agreements:
  - JNC for Local Authority Craft and Associated employees
  - JNC for Youth and Community Workers
  - The Soulbury Committee
34. The current pay and grading structure for posts at the level of Strategic Director and above was agreed by the (then) Contracts Panel on 4 March 2005 following recommendations from an external pay and benefits consultancy. The panel also agreed the pay structure for those posts which, at that time, were designated as Head of Service. The mid-point for each of the grades was set at the market average for equivalently-sized jobs at that time.
35. The Contracts Committee subsequently replaced the Contracts Panel. It comprises a cross-party group of elected members who oversee pay and conditions issues for all posts which attract Chief Officer pay and conditions. The Chair of the Corporate Resources Overview & Scrutiny Committee has *ex officio* observer status on the Contracts Committee.
36. Contracts Committee reviewed the Chief Officer and the Head of Service pay structure in January 2007. At this meeting, the Committee decided that the 5<sup>th</sup> salary step at the top of each pay band, which had originally been set aside for performance, should be incorporated into the normal incremental progression arrangements as for other employees.
37. It had been anticipated that the pay structure would need to be reviewed after three years of operation but Contracts Committee in 2008 deferred further discussion on the pay structure and associated payment levels because the emerging financial and economic situation.
38. The general pay uplift for Chief Officers is a 1% increase in basic salary effective from 1 April 2017.

39. The NJC negotiations for 2016 - 2017 resulted in a 1% increase in basic salary for scps18 and above with bottom-loading for scps 6 -17 effective from 1 April in each year.
40. In considering pay structures and pay levels for Chief Officers, the Contracts Committee will seek external advice from an independent person or organisation with expertise in senior remuneration and benefits. It will take into account matters including:
- An assessment of the size and market value of a job by reference to an established job evaluation system that allows objective comparison to data bases of similar jobs
  - The affordability of the recommended outcome from the job evaluation and market reference exercise in the short, medium and long term
  - The prevailing markets in which the Council operates, and the risk being unable to recruit or retain senior officers with the ability to manage the Council's affairs to its best advantage
  - The relationship with the remuneration of the wider Council workforce and national negotiating frameworks
  - The Council's senior structure and planned or foreseeable future changes to these
  - The expectations of the community and stakeholders
  - The total remuneration package
41. A review of senior managers' grading took place in August 2012 alongside a reduction in organisational tiers and numbers and deleting the 'Head of Service' designation. Since 1 October 2012, all Strategic Directors and Service Directors have been employed on JNC Chief Officer terms and conditions.
42. There have been further reductions in the number of Chief Officers following the Council's Functional Review of October 2014. The top three levels of the revised organisation structure and their associated pay bands have been published on the Council's website in accordance with the requirements of the Local Government Transparency Code 2014. There is now a requirement for this information to be published no later than 2 February each year, in addition to the requirement to publish the annual pay policy by 31 March.

### **Payment for Additional Duties and Work outside the Council**

43. Contracts of employment of Chief Officers require them to be available for work on Council business outside 'normal' office hours and to work the hours and times necessary to fulfil their roles and responsibilities.
44. Chief Officers are not eligible for overtime and/or premium rates of pay for unsocial hours that apply to other groups of staff.
45. Contracts Committee will consider requests from the Chief Executive to undertake secondary employment or outside duties, whether remunerated or otherwise, to ensure there is no conflict of interest. In accordance with the Council's Code of Conduct for Employees, requests from Strategic Directors are determined by the Chief Executive. For all other employees: requests to take up remunerated



appointments are determined by the Strategic Director, Corporate Services & Governance; unpaid appointments are determined by their Strategic Director.

46. Employees may be eligible to receive payments for additional duties and responsibilities beyond their normal role with the Council subject to the approval of the Strategic Director, Corporate Services & Governance. These payments may include honoraria and acting duty pay or the use of accelerated increments. Payments may also be authorised for electoral Returning Officers or specific responsibilities where the Council is the Lead Authority and for which services are re-charged by the Council. The Contracts Committee may approve the level and payment of such allowances to Chief Officers where they are not prescribed elsewhere.

### **Termination Payments**

47. The Council operates a discretionary selective redundancy scheme which provides enhanced redundancy payments and a retirement policy that operates in accordance with the provisions of the Employment Rights Act 1996 and the Local Government Pension Scheme. The redundancy scheme implemented in January 2012 was reviewed in November 2012, and a further revised (reduced) Redundancy Payments Scheme was implemented with effect from 1 September 2013. Details of both the policy and scheme, as agreed by Full Council and varied from time to time, can be found on the Council's website.
48. Applications for voluntary redundancy from areas of the Council not 'at risk' of redundancy will only be approved in exceptional circumstances, where to do so would clearly support business planning and service delivery in the long-term, and wider strategic objectives as set out in the Council Plan. In order to reach a decision on whether or not to support an application, consideration will be given to the viability of a bumped redundancy where appropriate.
49. It is a recommendation of the DCLG<sup>2</sup> that Full Council should be offered the opportunity to vote before termination payments of £100,000 or more are offered to staff leaving the organisation. In the unlikely event that a payment (comprising salary paid in lieu, redundancy compensation, holiday pay and any fees or allowances) over this amount to an employee is proposed, a report will be taken to Full Council for consideration.
50. Whilst there is nothing to prevent former employees from working for another organisation or for themselves, it has been made clear in correspondence to applicants for voluntary redundancy that the Council's general practice is to not re-employ them. The clear intention is that individuals should not benefit from further employment with the Council when they have already been compensated for loss of their job and may be in receipt of enhanced redundancy payments or pensions in accordance with this pay policy statement and other associated policies. A similar principle applies to re-employment of employees who have previously taken early retirement with enhancements.

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<sup>2</sup> Openness and accountability in local pay: Guidance under section 40 of the Localism Act (Supplementary Guidance, February 2013)

51. There should therefore be a minimum of 12 months' break before consideration is given to their return to employment within the Council. There may, however, be occasions when labour, skills or knowledge are required, and particularly in the case of employees who were made redundant, individuals will not be barred from applying for roles such as casual workers (NOMOs) if there is no direct link with their former job and is outside of the service they were previously employed in.

### **Publication and Access to Information**

52. The Council's annual pay policy and any in-year revisions will be published in full on the Council's website. The Local Government Transparency Code 2014 also requires publication of certain organisational issues, and these overlap the pay policy in a number of respects; these will also be accessible on the Council's website.

(The following link can be used from e-versions of this document:)

**NJC Local Government Pay Scales from 1 April 2017**

Grade		SCP	Salary	Hourly Rate
			£	£
	A	9	15,375	7.97
B		10	15,613	8.09
B		11	15,807	8.19
	C	12	16,123	8.36
	C	13	16,491	8.55
		14	16,781	8.70
D		15	17,072	8.85
D		16	17,419	9.03
D		17	17,772	9.21
	E	18	18,070	9.37
	E	19	18,746	9.72
	E	20	19,430	10.07
	E	21	20,138	10.44
		22	20,661	10.71
F		23	21,268	11.02
F		24	21,962	11.38
F		25	22,658	11.74
F	G	26	23,398	12.13
	G	27	24,174	12.53
	G	28	24,964	12.94
	G	29	25,951	13.45
		30	26,822	13.90
H		31	27,668	14.34
H		32	28,485	14.76
H		33	29,323	15.20
H	I	34	30,153	15.63
	I	35	30,785	15.96
	I	36	31,601	16.38
J	I	37	32,486	16.84
J		38	33,437	17.33
J		39	34,538	17.90
J	K	40	35,444	18.37
	K	41	36,379	18.86
	K	42	37,306	19.34
L	K	43	38,237	19.82
L		44	39,177	20.31
L		45	40,057	20.76
L	M	46	41,025	21.26
	M	47	41,967	21.75
	M	48	42,899	22.24
N	M	49	43,821	22.71
N		50	44,780	23.21
N		51	45,743	23.71
N		52	46,702	24.21

## **Recruitment and Retention Policy**

### **Statement of Purpose**

#### **1. The Aim**

In order to deliver high quality services consistently, Gateshead Council has to attract and retain high quality people. Market forces in the job market may occasionally require the Council to consider exceptional payments in addition to the “rate for the job” which our internal pay structures would normally indicate. This policy outlines how the Council will assess whether a market supplement needs to be paid to attract and retain the right person for the job.

#### **2. Definition of market supplement**

A market supplement is a separately identifiable sum paid in addition to the salary for a post in recognition that current levels of pay within the wider employment market are greater than the salary determined by internal pay structures which has resulted in recruitment and or/retention difficulties.

#### **3. Who is covered by this policy**

The policy applies to all employees of the Council, (excluding employees directly employed by schools), who hold posts which have been identified by management and Human Resources as having recruitment and retention difficulties, for example due to skills shortages and/or in comparison with current levels of pay within the wider employment market.

#### **4. Additional Information**

##### **4.1 Other Council policies and procedures, which are relevant to this policy:**

- Equal Opportunities Policy

## **Recruitment and Retention Procedure**

### **5. Objective justification for payment of a market supplement**

Where a manager considers there is a case for payment of a market supplement in order to either recruit or retain employees, it will be necessary to submit a portfolio of supporting evidence to their Strategic Director. Where the Strategic Director considers that a market supplement is appropriate based on the evidence provided and that there is a clear business requirement, they will forward the portfolio to Human Resources for further consideration.

It will then be referred to the Strategic Director, Corporate Services & Governance for a final decision as to whether it can be authorised. In the case of Strategic Director and Service Director posts, any proposal to award a market supplement will be referred to Contracts Committee for a decision.

Any decision to award a market supplement must be clearly evidenced to ensure that the policy is applied fairly, consistently and is free from any bias. HR Advice will maintain a central record of any market supplements awarded and all supporting evidence.

The portfolio of evidence should include the following:

#### **5.1 In cases for recruitment**

- For all posts below Service Director level, details of previous efforts made to fill the post. This may include advertising in different publications, changing the wording of the advert, redesigning the job etc. At least two previous attempts must have been made to recruit to the post.
- Number and quality of applicants.
- Cost of recruitment where applicable.
- Details of any offers of employment made and reasons why they were rejected.
- HR Form requesting payment of market supplement.

In the case of Strategic Director and Service Director posts, the decision to award a market supplement will be determined by reference to prevailing market rates, alongside the above evidence where available.

#### **5.2 In cases for retention**

- Consideration of other issues that may not relate to pay, for example redesigning the job, job rotation and career development. This may be appropriate in cases where an employee is considering leaving the Council, for a more “challenging or interesting” role, or a role which would provide better promotional opportunities. Payment of a market supplement in these circumstances would not necessarily encourage the employee to remain with the Council. As an alternative, the service may look at ways of making their

job more interesting, such as giving them specific responsibility for a project, which would develop skills in different areas. The service may also look at opportunities for secondment or a transfer to another section or job role.

- Analysis of exit interview data.

### **5.3 In all cases**

- A copy of the job profile and structure chart
- Copies of at least five job adverts from a variety of publications over the last six months including copies of job profiles/job descriptions and person specifications.

It should be noted that production of several higher paying job adverts which may not be representative of the whole market will not warrant the approval of a supplement.

## **6. Approval of a request to pay a market supplement**

The manager will forward this portfolio to their Strategic Director who will assess the evidence to objectively justify the need for a market supplement. The Strategic Director will provide objective reasons why they support the payment of a market supplement. Any decision of the Strategic Director not to support the payment of a market supplement is final. The Strategic Director will then indicate the monetary value of the market supplement requested and forward the portfolio and their comments to Human Resources.

Human Resources will review and assess the information provided using comparative benchmark data.

Human Resources will refer the request to the Strategic Director, Corporate Services & Governance for a final decision.

### **6.1 Criteria for payment of a market supplement**

Human Resources will review the request and will undertake further research using comparative salary benchmark data to establish whether:

- a) The external employment market is paying substantially more for comparable jobs (i.e. the salary for that particular job is at least 10% less than the market median).

**AND**

- b) This causes significant recruitment and retention difficulties which are detrimental to operational activities

**AND**

- c) A market supplement would not contravene equal pay legislation and the Council's Equal Opportunities Policy.

**AND**

- d) The Service Accountant has confirmed that there is sufficient funding available to pay the market supplement.

## **6.2 Salary benchmarking**

Human Resources will undertake further research to validate the request for payment of a market supplement by using salary benchmark data for similar posts. Sources can include IDS and Local Government Employers, published pay and trend data in journals for example IRS reviews, labour force surveys and earnings surveys.

## **6.3 Value of market supplement**

If the request to pay a market supplement is approved, Human Resources would then determine the actual monetary value of the supplement using salary benchmark information and also the portfolio of evidence submitted by the service.

The market supplement will be paid at the equivalent of either the mean market salary or 15% of basic pay, whichever is lower.

## **7. Review of market supplements**

To ensure that the payment of a supplement continues to be justified, it is necessary to review the position every two years against the same criteria that was applied to the initial assessment.

For this reason, the Strategic Director, Corporate Services & Governance will only approve payment of a market supplement for an initial period of up to two years subject to review, or up to five years in recruitment cases. Human Resources will then assess the need to continue the payment using comparative benchmarking data. The decision to continue the payment rests with the Strategic Director, Corporate Services & Governance.

## **8. Conditions applicable to market supplements**

- The payment will be expressly identified as a separate pay element and will be subject to the usual deductions for tax, national insurance and superannuation.
- Employees working part time will receive any payment on a pro rata basis depending on their contracted hours.
- If a post holder in receipt of a market supplement moves to an alternative post within the Council, which does not attract a market supplement, the payment shall cease from the date on which the post holder leaves the post, which attracts the pay supplement.
- A market supplement will be adjusted in line with annual pay increases.

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**REPORT TO CABINET**

14 March 2017

**TITLE OF REPORT:** Home Energy Conservation Act – Biennial Progress Update & Revised Further Report 2015 -2017.

**REPORT OF:** Paul Dowling, Strategic Director, Communities & Environment

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**Purpose of the Report**

1. This report seeks Cabinet’s approval of the biennial progress update in relation to the Home Energy Conservation Act (1995) Further Report approved by Cabinet on 24 March 2015. (Appendix 2).
2. Cabinet is also asked to approve a revised Further Report to be implemented for 2017-2019 (Appendix 3).

**Background**

3. Improving domestic energy conservation to reduce household fuel bills, lower carbon emissions and addressing cold-related health problems continue to be a Government priority.
4. Gateshead has been delivering home energy conservation measures for over nine years, most recently through the Warm Up North Partnership and the ongoing investment in the Council’s housing stock. The Gateshead Warm Zone, the Government’s historic Warm Front scheme and private sector investment, have also seen significant works secured in the borough in previous years.
5. In July 2012 the Department of Energy & Climate Change (DECC) issued guidance to English energy conservation authorities’ pursuant to the Home Energy Conservation Act (HECA) 1995.
6. Using powers under section 5(1)(b) of the HECA, all English authorities were required to prepare Further Reports by 31 March 2013 setting out the energy conservation measures that the authority considers practicable, cost-effective and likely to result in significant improvement in the energy efficiency of residential accommodation in its area. A requirement was also made to report progress on a biennial basis. On 12 March 2013 Cabinet approved the Council’s first HECA Further Report which was submitted to the Department of Energy & Climate Change and published on the Council website. On 24 March 2015 Cabinet approved the Councils second Further Report and agreed to receive an update report in March 2017.

**Progress Update**

7. The Council, working in partnership with other organisations responsible for delivering home energy conservation work reports the following headline progress from March 2015:

- The proportion of homes rated in the highest energy efficiency bands (A-C) in Gateshead has risen from 55% to 56%.
- Over 140 properties managed by The Gateshead Housing Company have had their central heating boiler upgraded and over 940 have had their windows replaced or upgraded.
- Over 200 private rented properties achieved the Council's voluntary private rented sector accreditation standard.

Since the last Further Report was approved adverse changes to Government grants and funding streams have had a negative impact on progressing capital schemes by both the Council and The Gateshead Housing Company.

### **Proposal**

8. Over the next two years the Council and its partners propose the following primary areas of work be included in a revised Further Report 2015 - 2017:
  - Fabric and energy efficiency improvements to selected High Rise Council owned properties. (Including Gateshead HEIGHTs – see separate item on this agenda)
  - Enforcement of minimum standards in the private rented sector.
  - Continue the new build homes of Gateshead Regeneration Partnership.
  - Review the direction of travel of the Warm Up North Partnership of which Gateshead is a partner authority.

### **Recommendations**

9. It is recommended that Cabinet:
  - (i) Approves the Home Energy Conservation Act biennial update and revised Further Report.
  - (ii) Agrees to both being submitted to the Department of Business, Energy & Industrial Strategy prior to 31 March 2017.
  - (iii) Agrees to the publication of both reports on the Council's website.
  - (iv) Agrees to receive an update report in March 2019.

For the following reasons:

- (i) To meet the Council's statutory obligations under the Home Energy Conservation Act (1995)
- (ii) To continue improving the energy efficiency of both social and private housing in Gateshead Council.
- (iii) To continue reducing incidences of fuel poverty in Gateshead, in line with corporate priorities.
- (iv) To reduce CO<sub>2</sub> emissions from the domestic sector.

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**CONTACT:** Peter McDermott    extension: 3449

### Policy Context

1. The proposals contained within the prevailing Home Energy Conservation Act Further Report (Appendix 2) aim to deliver measures to improve the energy efficiency of the residential stock in the borough, reduce fuel poverty, lower carbon emissions and improve housing conditions. These directly contribute to many targets within Vision 2030, The Council Plan and other council strategies and commitments.

#### Vision 2030.

2. The delivery of projects that improve domestic energy efficiency through the installation of new efficient central heating boilers and fabric insulation saves carbon emissions, improves home health and comfort, and creates financial savings for residents. This will contribute significantly to the following objectives within Vision 2030:
  - Active and Healthy Gateshead:
    - Excess winter deaths reduced by 80% by 2015 and eliminated by 2030
  - Sustainable Gateshead Council
    - Consumption of energy by Gateshead residents falls by 20% (by 2020)
    - Gateshead is one of the first cities with 30% of energy provided by low carbon or renewable energy generated locally
    - A programme introduced to work towards Carbon Neutrality on all existing buildings (by 2020)
    - Economic performance exceeds the national average.
    - All Council homes meet Decent Homes Standard

#### The Council Plan.

- a. Actions contained within the biennial update and revised further report will help the Council realise the vision LiveWell Gateshead

#### EU Covenant of Mayors

3. As well as Vision 2030 targets and the Council Plan, the Council has made a commitment to the EU Covenant of Mayors programme, to reduce carbon emissions by at least 20% by 2020. Reducing carbon emissions of housing is also one of the key themes in Gateshead Council's Sustainable Energy Action Plan.

### Background

4. Improving home energy conservation remains a core priority of national government, and there have been many developments in recent years, which will lead to a step-change in how energy schemes are delivered from January 2013 onwards.
  - **Home Energy Conservation Act (HECA)** - Using powers under this act, all Local Authorities were required to prepare reports by 31 March 2013 setting out

the energy conservation measures that the authority considers practicable, cost-effective and likely to result in significant improvement in the energy efficiency of residential accommodation in its area.

- **Green Deal** - The Green Deal was designed to help householders and businesses increase the energy efficiency of properties across the UK, by making energy-saving improvements to your home or business without having to pay all the costs up front. Now repealed, the Green Deal Home Improvement Fund and finance to the Green Deal Finance Company are no longer in operation.
- **Energy Company Obligation (ECO) funding** - The Energy Company Obligation (ECO) began in January 2013 with subsequent revisions in December 2013. An 18 month extension to ECO from April 2017 has been announced. This funding will primarily target central heating boiler replacements. Local Authorities may have an increased role through the new “flexible eligibility” guidance.
- **Housing Act 2004** – The Council can exercise powers under the Act in specific relation to the mandatory housing standard the Housing Health and Safety Rating System. Excess Cold is one of the twenty nine hazards a property must be free from. Homeowners or landlords can be compelled to improve the property to improve thermal comfort and energy efficiency.

#### Historical Delivery 2015 - 2017 – biennial progress update

5. The Council and its partners have delivered energy efficiency improvements to both private and social housing. These include the following.
  - The Gateshead Housing company have managed the delivery of energy efficiency investment in the Council’s housing stock which has included 140 G to A rated central heating boiler upgrades, double glazing upgrades to 940 properties and external wall insulation to 366 properties. This has made dwellings more economical to heat and healthier to live in.
  - Warm Up North have secured 71 measures installed in private sector dwellings including boiler upgrades and loft insulations, helping vulnerable households and saving carbon emissions. This has levered in funding from contributions from clients and the Energy Company Obligation funding.
  - Members of the Gateshead Private Landlords Association have ensured an additional 203 properties meet the Council’s voluntary private rented sector accreditation scheme.
6. This has resulted in the following improvements in the domestic stock in Gateshead.
  - The proportion of homes rated in the highest energy efficiency bands (A-C) in Gateshead has risen from 55% in April 2015 to 56% in March 2017.
7. Significant challenges still remain to improve energy efficiency in Gateshead properties. Proposed changes to the Energy Company Obligation (ECO) and the reduction in other funding streams reduces capital investment potential. Many solid wall properties and those of non traditional construction also still remain uninsulated.
8. The full biennial progress update is attached at appendix 2.

## HECA Further Report 2017 - 2019

9. A range of initiatives are proposed in the revised Home Energy Conservation Act Further report which follows on from the outcomes achieved in the last two years. This list, which is not exhaustive is outlined below:

### **Non traditional high rise housing – The aim is to:**

- Deliver a fabric insulation improvement scheme and communal heating network (HEIGHTs) to 7 High Rise Council Tower blocks managed by The Gateshead Housing Company. The £11.6m scheme is part funded by £4.5m grant

### **All housing – Gateshead has around 95,000 residential properties. The aim is to:**

- Improve standards in the private rented sector through the utilisation of the enforcement powers under the Housing Act 2004
- Upgrade old, inefficient boilers and windows in properties managed by The Gateshead Housing Company as part of the housing capital programme.

### **Energy Generation – To increase the amount of decentralised energy**

- Connect existing Council owned properties in Gateshead Town Centre to the District Energy Scheme to provide low carbon heat.

The full revised Further Report is attached at appendix 3.

### **Consultation**

10. The revised HECA further report and biennial progress update were shared with and informed by the following partners:
- a. The Gateshead Housing Company.
  - b. Gateshead Private Landlord Association.
  - c. Warm Up North.
11. The Cabinet Members for Environment & Transport and Housing have been consulted.

### **Alternative Options**

12. The recommended option is to approve the Home Energy Conservation Act biennial progress update and the revised further report 2017-2019; approve their subsequent submission to Department for Business, Energy & Industrial Strategy and make them both available on the Council website to facilitate public access as mandated.
13. The following option has been considered, and rejected:

Not to formulate either the biennial progress update or a revised HECA Further Report. This option was discounted given that preparation of the report is a requirement under the Act following instructions from the Department of Energy and Climate Change.

## Implications of Recommended Options

### 14. Resources

- a) **Financial Implications** – The Strategic Director, Corporate Resources confirms that there are no financial implications arising directly from this report.

The Council's Capital Programme includes a number of proposed energy related schemes and the financial implications for each specific project are considered on an individual basis to ensure that the proposed investment can be accommodated from available resources prior to commencing a project.

- b) **Human Resources Implications** – None – all works to be managed within existing staffing resources within the Council and The Gateshead Housing Company.
- c) **Property Implications** – Capital works arising from the delivery of actions within the revised further report will improve the condition of Council homes managed by the Gateshead Housing Company. All other works will take place in private sector domestic properties outside Council control.

18. **Risk Management Implications** – A medium and realistic risk is that the Energy Company Obligation (ECO) funding will not be at the anticipated level or withdrawn entirely. If this occurs, the project outputs will be scaled down accordingly or if a revised business case was unviable the project would be abandoned.

19. **Equality and Diversity Implications** – None.

20. **Crime and Disorder Implications** – None.

21. **Health Implications** – The proposals will have positive health benefits, by installing modern, efficient heating systems and delivering fabric insulation improvements to homes thus reducing cold, damp conditions which can cause respiratory illnesses and excess winter deaths.

22. **Sustainability Implications** – The proposals continue to deliver environmental benefits through reduced carbon emissions, reduced demand for grid electricity, social benefits through improved home comfort and health, as well as economic benefits by passing on fuel savings.

23. **Human Rights Implications** – The proposals have no impacts on human rights.

24. **Area and Ward Implications** – The proposals will potentially benefit all wards.

**Appendix 2**

**Home Energy Conservation Act (1995) Revised Further  
Report March 2015**

**Gateshead Council**

**March 2017 Biennial Progress Update**

## **Introduction**

The Department of Energy & Climate Change (DECC), under the Home Energy Conservation Act (HECA) 1995, required all English authorities to prepare reports by 31 March 2013 setting out the home energy conservation measures that the authority considers practicable and cost-effective in its area. The first HECA further report was approved by Cabinet on 12 March 2013, submitted to DECC and published on the Council's website, along with the second HECA further report which was published in March 2015.

The information below is the second biennial progress report, approved by Gateshead Council's Cabinet in March 2017. The first biennial progress report, covering the period March 2013 to April 2015, is available on Gateshead Council's website.

*NB: All SAP\* data referred utilises the 2009 calculation methodology for consistent reporting purposes.*

\*Standard Assessment Procedure (SAP) data is a means of assessing the energy performance and efficiency of a dwelling. SAP produces a number from 1 – 100 where 1 is the worst and 100 indicates no net cost of water and heating.



ACTION	MARCH 2015 – AIMS AND OBJECTIVES	PERFORMANCE COMMENTARY – ACHIEVEMENTS TO 2017																				
<b>i) LOCAL ENERGY EFFICIENCY AMBITIONS AND PRIORITIES</b>																						
<p><b>Challenges</b></p>	<ul style="list-style-type: none"> <li>▪ The Gateshead population has reduced slightly from 200,300 to 199,998 (ONS Mid 2011 &amp; 2013 population estimates).</li> <li>▪ There has been a small net increase in residential properties from 92,100 to 92,594.</li> <li>▪ SAP ratings continue to vary by tenure and geographical locality.</li> </ul> <table border="1" data-bbox="566 722 1057 957" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Tenure</th> <th>Average SAP Rating 2015</th> </tr> </thead> <tbody> <tr> <td>Housing Association</td> <td>68</td> </tr> <tr> <td>Local Authority</td> <td>71</td> </tr> <tr> <td>Owner Occupied</td> <td>60</td> </tr> <tr> <td>Privately Rented</td> <td>61</td> </tr> </tbody> </table>	Tenure	Average SAP Rating 2015	Housing Association	68	Local Authority	71	Owner Occupied	60	Privately Rented	61	<ul style="list-style-type: none"> <li>▪ The Gateshead population has increased slightly from 199,998 to 200,996 (ONS Mid 2015 Population Estimates).</li> <li>▪ There has been a small net decrease in residential properties from 92,594 to 92,583.</li> <li>▪ SAP ratings by tenure (shown below) have remained largely unchanged, with the exception of the Privately Rented sector where average SAP ratings have increased from 61 to 62.</li> </ul> <table border="1" data-bbox="1368 722 1859 957" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Tenure</th> <th>Average SAP Rating 2017</th> </tr> </thead> <tbody> <tr> <td>Housing Association</td> <td>68</td> </tr> <tr> <td>Local Authority</td> <td>71</td> </tr> <tr> <td>Owner Occupied</td> <td>60</td> </tr> <tr> <td>Privately Rented</td> <td>62</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>▪ SAP ratings by geographical location (shown over the page) have increased by 1 in each Neighbourhood Management Area apart from the Inner West which was unchanged. The East continues to be the best performing area of the borough and the West (which is largely rural) continues to have the lowest average SAP rating.</li> </ul>	Tenure	Average SAP Rating 2017	Housing Association	68	Local Authority	71	Owner Occupied	60	Privately Rented	62
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Neighbourhood Management Areas	Average SAP Rating 2015
Central	62
East	64
Inner West	62
South	63
West	59

- By Ward, Chopwell & Rowlands Gill (58), Low Fell (57), and Saltwell (58) and exhibit the lowest SAP ratings although these are rated EPC Band D and near the Council target of >65.
- Dunston & Teams exhibits the highest SAP rating in the borough (68).
- Gateshead still has a large number of solid wall properties which are classed as “hard to treat” but this is down from 8,000 to 7,300 as a result of the implementation of estate regeneration programmes.
- The Gateshead Housing Company continues to manage around 2,200 that are of “non-traditional” construction and therefore “hard to heat”.

Neighbourhood Management Areas	Average SAP Rating 2017
Central	63
East	65
Inner West	62
South	64
West	60

- By Ward, Chopwell & Rowlands Gill (59), Low Fell (58), and Saltwell (59) continue to exhibit the lowest SAP ratings although these have all increased by 1. Dunston Hill & Whickham (59) is also in the lowest range but has not seen an increase. Although the average SAP ratings for these Wards are relatively low they are rated EPC Band D and near the Council target of >65.
- Dunston & Teams (68) remains the best performing Ward but there are 4 others that meet the >65 target: Bridges (67), Chowdene (66), Felling (67), and High Fell. Furthermore, 3 Wards are at 65: Deckham, Lamesley, and Windy Nook & Whitehills.
- Gateshead still has c.7,000 solid wall properties. This is a slight reduction due to demolition programmes.
- The Gateshead Housing Company has undertaken a comprehensive data cleansing and validation exercise which has confirmed the number of solid wall properties in their management portfolio as 2,391 (against the

		<p>2,200 previously reported).</p> <ul style="list-style-type: none"> <li>▪ Furthermore, they also manage 1,732 properties of 'non-traditional' construction, comprised of a variety of archetypes.</li> </ul>
<p><b>Ambitions &amp; Priorities</b></p>	<ul style="list-style-type: none"> <li>▪ Gateshead Council retains its public commitments to tackling climate change, some of which have specific carbon reduction targets: <ul style="list-style-type: none"> <li>○ Nottingham Declaration on Climate Change</li> <li>○ Eurocities Declaration on Climate Change</li> <li>○ Signatory of the EU Covenant of Mayors: 20% by 2020</li> <li>○ UK Low Carbon Transition Plan 34% by 2020</li> <li>○ Gateshead's Climate Change Strategy 40% by 2025</li> </ul> </li> <li>▪ Vision 2030's Strategic Indicator aims to have all homes with a SAP greater than 65 by 2030. The year-end target for 2014/15 of 43.1% has been met and exceeded (55%).</li> <li>▪ 33% of Gateshead Carbon Emissions (2012) is from homes (20% gas, 13% electricity).</li> <li>▪ Our current performance on emissions and fuel poverty is 6.6t CO<sub>2</sub> (2012) per capita. <a href="https://www.gov.uk/government/statistics/local-authority-emissions-estimates">https://www.gov.uk/government/statistics/local-authority-emissions-estimates</a></li> </ul>	<ul style="list-style-type: none"> <li>▪ Gateshead continues to work towards achieving its public commitments.</li> <li>▪ Vision 2030: Year-end 2015/16 performance was 55.42% which is slightly short against the year-end target of 56%.</li> <li>▪ There has been a reduction in the percentage of Gateshead Carbon Emissions from homes, down from 33% to 30% (11% electricity, 18% gas, 1% other). <a href="https://www.gov.uk/government/statistics/uk-local-authority-and-regional-carbon-dioxide-emissions-national-statistics-2005-2014">https://www.gov.uk/government/statistics/uk-local-authority-and-regional-carbon-dioxide-emissions-national-statistics-2005-2014</a></li> <li>▪ The previously reported figure for Gateshead Carbon Emissions per capita of 6.6t CO<sub>2</sub> included all sectors; this has reduced to 5.7t (CO<sub>2</sub>). For the Domestic sector only the per capita emissions have reduced from 2.2t (CO<sub>2</sub>) to 1.7t (CO<sub>2</sub>).</li> </ul>

	<ul style="list-style-type: none"> <li>▪ 9624, or 11% of households are defined fuel poor households utilising the Low Income High Cost Methodology <a href="https://www.gov.uk/government/collections/fuel-poverty-sub-regional-statistics">https://www.gov.uk/government/collections/fuel-poverty-sub-regional-statistics</a></li> <li>▪ We will reduce carbon emissions across the Borough by 20% on 2005 levels by 2020.</li> <li>▪ We will reduce fuel poverty by 0.5%, and have established plans to achieve this by 2016.</li> </ul>	<p><a href="https://www.gov.uk/government/statistics/uk-local-authority-and-regional-carbon-dioxide-emissions-national-statistics-2005-2014">https://www.gov.uk/government/statistics/uk-local-authority-and-regional-carbon-dioxide-emissions-national-statistics-2005-2014</a></p> <ul style="list-style-type: none"> <li>▪ There has been an increase in the number of households defined as fuel poor from 9,624 to 10,108. However, the percentage remains unchanged at 11%. <a href="https://www.gov.uk/government/statistics/2014-sub-regional-fuel-poverty-data-low-income-high-costs-indicator">https://www.gov.uk/government/statistics/2014-sub-regional-fuel-poverty-data-low-income-high-costs-indicator</a></li> <li>▪ We have already met the target for reducing carbon emissions in the Borough. In the housing sector we have achieved a 32.5% reduction since 2005. <a href="https://www.gov.uk/government/statistics/uk-local-authority-and-regional-carbon-dioxide-emissions-national-statistics-2005-2014">https://www.gov.uk/government/statistics/uk-local-authority-and-regional-carbon-dioxide-emissions-national-statistics-2005-2014</a></li> <li>▪ As reported above, we have not achieved a 0.5% reduction in fuel poverty, it remains at 11%.</li> </ul>
<p><b>ii) THE MEASURES THAT TAKE ADVANTAGE OF FINANCIAL ASSISTANCE AND OTHER BENEFITS OFFERED FROM CENTRAL GOVERNMENT INITIATIVES, TO HELP RESULT IN SIGNIFICANT ENERGY EFFICIENCY IMPROVEMENTS OF RESIDENTIAL ACCOMMODATION</b></p> <p><b>[WAS a) MEASURES WE ARE TAKING TO RESULT IN SIGNIFICANT ENERGY EFFICIENCY IMPROVEMENTS OF OUR RESIDENTIAL ACCOMMODATION – CAPITAL SCHEMES]</b></p>		
<p><b>CAPITAL SCHEMES</b></p>		
<p><b>Green Deal</b></p>	<ul style="list-style-type: none"> <li>▪ Gateshead Council will continue to “promote” the Green Deal through the Warm Up North Partnership and monitor its delivery locally.</li> <li>▪ Where appropriate the Council will work with Warm Up North to identify potential capital schemes utilising the</li> </ul>	<ul style="list-style-type: none"> <li>▪ Green Deal was promoted in Gateshead via the Warm Up North Partnership until the scheme / policy was affectively repealed in July 2015.</li> <li>▪ No further rounds of the Green Deal Home Improvements Fund Vouchers were launched following</li> </ul>

	Green Deal Home Improvement Fund vouchers if further rounds are announced by DECC.	funding withdrawal from the Green Deal finance company in July 2015.
<b><u>Energy Company Obligation (ECO)</u></b>	<p><b><u>Social Housing – TGHC Solid Wall insulation - High &amp; Low Rise Non Traditional Properties</u></b></p> <ul style="list-style-type: none"> <li>The Council is working in partnership with Warm Up North to deliver 300 solid wall insulation measures to high rise and low rise properties This scheme has been agreed in order to complete the original low rise ECO solid wall insulation scheme that was ended prematurely due to funding being withdrawn and also address three tower blocks which had previously been selected for wall and roof insulation in addition to window replacement.</li> </ul> <p><b><u>Number Homes</u></b> 300</p> <p><b><u>Scheme Cost</u></b> £2,053,000</p> <p><b><u>Council Cost</u></b> £1,600,000</p> <p><b><u>Grant Income</u></b> £453,000</p> <p><b><u>Private Sector Housing</u></b></p> <ul style="list-style-type: none"> <li>Owner Occupiers, landlords and tenants will apply direct to Warm Up North for measures funded by ECO in relation to cavity wall and loft insulation, external wall insulation and free or subsidised central heating boilers. Gateshead Council will promote the availability of this funding with its partners. New targets set are</li> </ul>	<p>These schemes are anticipated to over deliver on number of homes completed. One scheme comprising 144 properties is still on site at the time of writing. The financial information shown below represents current position as at January month end 2017. Therefore total grant income at outturn is expected to exceed the figure below, which will in turn reduce the Council cost.</p> <p><b><u>Completed Scheme:</u></b></p> <p><b><u>Number of Homes</u></b> 366</p> <p><b><u>Scheme Cost</u></b> £2,346,193</p> <p><b><u>Council Cost</u></b> £2,153,618</p> <p><b><u>Grant Income</u></b> £192,575</p> <p><b><u>Private Sector Housing</u></b></p> <ul style="list-style-type: none"> <li>Within the period Warm Up North has dealt with over 450 enquiries for Energy Efficiency measure from private sector households in Gateshead. This has resulted in 155 surveys being undertaken and 52 SEDBUK A rated boilers being installed with 8 properties being fitted with loft insulation. In addition 11</li> </ul>

	<p>based on historic delivery.</p> <p><b><u>Number Homes</u></b> 200</p> <p><b><u>Scheme Cost</u></b> £302,000</p> <p><b><u>Council Cost</u></b> £0</p> <p><b><u>Grant Income</u></b> £302,000 Completed by April 2017</p> <p><b><u>Registered Providers</u></b></p> <ul style="list-style-type: none"> <li>It is envisaged that energy company obligation funding will be utilised by registered providers in the Borough to improve their stock but an estimate of the value cannot be quantified.</li> </ul> <p>Completed by April 2017</p>	<p>properties received a SEDBUK A rated boiler under the Central Heating Fund Scheme some of which were a fuel switch from electric storage heaters or solid fuel. From October 2016 British Gas closed their ECO offer to new applicants through the Warm Up North Partnership as a result of British Gas achieving the ECO targets nationally.</p> <p><b><u>Number Homes</u></b> 71</p> <p><b><u>Scheme Cost</u></b> £168,282.56 (householder contributions: £22,359)</p> <p><b><u>Council Cost</u></b> £0</p> <p><b><u>Grant Income</u></b> £145,923.56</p> <p><b><u>Registered Providers</u></b> The Housing Association with the largest portfolio in Gateshead was approached for details of completed works but no data was forthcoming.</p>
<p><b>Town Centre District Energy Scheme</b></p>	<ul style="list-style-type: none"> <li>Contracts have been awarded to three contractors to construct a District Energy Scheme for the Town Centre and quays area of Gateshead. Construction is set to get underway in Spring 2015 with the scheme being operation in Spring 2016. It is anticipated that 384 residential units will be connected to the district</li> </ul>	<ul style="list-style-type: none"> <li>New District Heating substations have been installed at four locations: Warwick Court, Park Court, Peareth Court, and Priory Court. This will serve all 384 flats with heating from the newly created Gateshead District Energy Scheme. This heat is low carbon. Further capacity is available to serve future residential</li> </ul>

	<p>heating scheme initially across 5 blocks in the Bridges Ward in the centre of Gateshead with potential to serve more as a result of future expansions to the network. Provision has been made to connect an estimated 1,000 new build residential units, some of which will be built through Gateshead's Regeneration Partnership over the next 10 years at.</p> <p><b><u>Number Homes</u></b> 384 initially <b><u>Scheme Cost</u></b> £1,275,000 <b><u>Council Cost</u></b> £1,275,000 <b><u>Grant Income</u></b> £0 Operational by April 2016</p>	<p>properties.</p> <p><b><u>Number Homes</u></b> 384 <b><u>Scheme Cost</u></b> £ - Scheme due for delivery in Spring 2017 <b><u>Council Cost</u></b> £ - Scheme due for delivery in Spring 2017 <b><u>Grant Income</u></b> £ - Scheme due for delivery in Spring 2017</p>
<p><b>Tower Block – Retrofit Scheme</b></p> <p><b>Ground Source Heat Pumps &amp; Combined Heat &amp; Power</b></p>	<ul style="list-style-type: none"> <li>The Council in partnership with The Gateshead Housing Company continue to investigate funding opportunities to improve 25 high rise tower blocks including over 1,200 homes but this has been substantially hampered by the changes to ECO. These dwellings are in need of fabric insulation, window and central heating upgrades. Future appraisals of the stock will be informed by the stock condition information, assessing the viability of blocks based on a holistic approach to the future investment and revenue generation.</li> </ul>	<ul style="list-style-type: none"> <li>Gateshead Council has had a grant approved for European funding approved towards a project in 622 properties across 7 high-rise blocks. The feasibility studies targeted 12 blocks and resources were sufficient to progress a scheme for 7 at this stage.</li> </ul>

<p><b>Asset Management – The Gateshead Housing Company</b></p> <p><b>Boiler Replacements</b></p>	<ul style="list-style-type: none"> <li>▪ £2,300,000 will be invested over the next two years to upgrade and replace 400 “F” rated back boilers to SEDBUK “A” rated Combi Condensing boilers. This will help maintain decency of homes, and improve the average SAP by an average of 12 points and ordinarily move the property up one band on the Energy Performance Certificate.</li> <li>▪ £2,000,000 will be invested in energy efficient glazing over the next two years in 600 properties with defective or mark 1 single glazed windows in stock managed by TGHC.</li> </ul> <p><b><u>Number Homes</u></b> 1,000</p> <p><b><u>Scheme Cost</u></b> £4,300,000</p> <p><b><u>Council Cost</u></b> £4,300,000</p> <p><b><u>Grant Income</u></b> £0 April 2017</p>	<ul style="list-style-type: none"> <li>▪ £363,178 has been invested in 143 boiler installations. This improved the average SAP rating by 7.7.</li> <li>▪ All boiler replacements were installed in compliance with Building Regulations, as required.</li> <li>▪ £1,549,521 was invested in energy efficient glazing in 942 properties, 161 of which were single to double glazing upgrades. This improved the average SAP rating by 3.4.</li> </ul> <p><b><u>Number Homes</u></b> 1,085</p> <p><b><u>Scheme Cost</u></b> £1,912,699</p> <p><b><u>Council Cost</u></b> £1,912,699</p> <p><b><u>Grant Income</u></b> £0</p>
<p><b>Solar PV - The Gateshead Housing Company</b></p>	<ul style="list-style-type: none"> <li>▪ Gateshead Council in partnership with the Gateshead Housing Company, are proposing a £4.8m capital scheme to install solar PV arrays to 1000 properties over 3 years. It is envisaged this will give an annual saving on grid electricity cost to tenants of £120,000 and annual CO2 saving of 1650t* * based on EST data. <a href="http://www.energysavingtrust.org.uk/domestic/content/solar-panels">http://www.energysavingtrust.org.uk/domestic/content/solar-panels</a></li> </ul>	<ul style="list-style-type: none"> <li>▪ This scheme was not progressed, due to the government consultation regarding the future of Solar Feed in Tariffs (FITs) from September 2015. From January 2016, FITs were significantly reduced, making the case for installing solar PV less viable. In addition, the weakening strength of the pound increased the cost of some components, further worsening the business case.</li> <li>▪ At present, the Council and The Gateshead Housing</li> </ul>



	<p><b><u>Number Homes</u></b> 1000</p> <p><b><u>Scheme Cost</u></b> £4,800,000</p> <p><b><u>Council Cost</u></b> £4,800,000</p> <p><b><u>Grant Income</u></b> £0</p> <p>April 2018</p>	<p>Company continues to review the business case for installing PV panels. Whilst the case for installing PV systems on standalone buildings is current challenging, it's expected that opportunities may emerge for installing solar PV in conjunction with district energy schemes and battery storage technologies that the Council is developing elsewhere. With this in mind assets and potential target areas - taking into account roof, orientation, condition and Right to Buy issues - may be compiled.</p> <p><b><u>Number Homes</u></b> 0</p> <p><b><u>Scheme Cost</u></b> £0</p> <p><b><u>Council Cost</u></b> £0</p> <p><b><u>Grant Income</u></b> £0</p>
<p><b>Keelman Homes</b></p>	<p><b><u>Acquisition of Voids</u></b></p> <ul style="list-style-type: none"> <li>▪ Keelman Homes plans to acquire 12 ex “right to buy” properties over the next two years. These will be improved to the Gateshead Standard, which includes thermal comfort elements. Properties have been void but are being brought back into use.</li> </ul> <p><b><u>Number Homes</u></b> 12</p> <p><b><u>Scheme Cost</u></b> £960,000</p>	<ul style="list-style-type: none"> <li>▪ Keelman Homes exceeded the planned acquisition of ex “right to buy” properties completing 14. Some of these purchased were also non RTBs.</li> </ul> <p><b><u>Number Homes</u></b> 14</p> <p><b><u>Scheme Cost</u></b> £1,100,046</p> <p><b><u>Council Cost (loan finance repaid by Keelman Homes)</u></b> £833,046</p>

	<p><b><u>Council Cost</u></b> £720,000</p> <p><b><u>Grant Income</u></b> £240,000 April 2017</p>	<p><b><u>Grant Income</u></b> £267,000</p> <p><b><u>Empty Property Leasing Scheme</u></b></p> <ul style="list-style-type: none"> <li>This scheme, funded in part by the Homes &amp; Community Agency, been in place for over 3 years and in that time 39 long-term empty properties have been brought back into use and are then subsequently being managed by The Gateshead Housing Company (TGHC). All properties have been improved beyond the Decent Homes Standard and meet Gateshead's Accreditation Standard for private rented properties. This scheme allows owners of long-term empty properties to have the property refurbished (where needed) by the in-house Construction Services team with the cost for any works deducted from the rental income (along with any management costs) until the costs is repaid and the property then managed by the TGHC for a minimum period of 5 years.</li> </ul>
<b>Summary of capital schemes</b>	<p>Total outputs for all proposed capital schemes between April 2015 and March 2017:</p> <p><b><u>Number Homes</u></b> 2,896</p> <p><b><u>Scheme Cost</u></b> £13,690,000</p> <p><b><u>Council Cost</u></b> £12,695,000</p> <p><b><u>Grant Income</u></b> £995,000</p>	<p>Total outputs achieve for all capital schemes completed between April 2015 and March 2017:</p> <p><b><u>Number Homes</u></b> 1,959</p> <p><b><u>Scheme Cost</u></b> £5,527,220</p> <p><b><u>Council Cost</u></b> £4,899,363</p> <p><b><u>Grant Income</u></b> £605,498</p>

		<b>Householder Contributions</b> £22,359
<b>OTHER SUPPORT SCHEMES</b>		
<b>New Build – Gateshead Regeneration Partnership</b>	<ul style="list-style-type: none"> <li>Gateshead Regeneration Partnership will build 2400 properties across 19 sites in Gateshead. All will be built to a minimum of Code for Sustainable Homes Level 4 ensuring that they are among the best insulated and most energy-efficient homes in the UK.</li> </ul> <p>April 2025</p>	<ul style="list-style-type: none"> <li>To date, the Gateshead Regeneration Partnership has completed 123 dwellings, across 3 sites, which meet Code for Sustainable Homes Level 4.</li> </ul>
<b>New Build – Keelman Homes</b>	<ul style="list-style-type: none"> <li>Keelman Homes have a target to build 38 new build energy efficient properties over the next two years.</li> </ul> <p>April 2017</p>	Since April 2015 Keelman Homes completed 35 new build dwellings. Total scheme cost was £3,670,000 of which £363,000 was grant income. £3,307,000 was funded through loan facilities provided by Gateshead Council to Keelman Homes to facilitate the developments.
<b>Energy Consumption Reduction - The Gateshead Housing Company</b>	<ul style="list-style-type: none"> <li>Courtesy of National Energy Action and British Gas, TGHC have a supply of electricity monitors, “stand by savers”, ECO kettles and radiator reflector packs to issue to between 100 and 200 vulnerable new tenancies to help them reduce their energy consumption.</li> </ul> <p>April 2016</p>	<ul style="list-style-type: none"> <li>The Gateshead Housing Company (TGHC) Board approved a new post of Advice &amp; Support (Energy Officer) in September 2015, funded by an underspend in the department’s staff budget. An Advisor was appointed in October 2015, initially until 31/03/2016; the post was extended in February 2016 until 31/03/2017, funded by a combination of revenue generated by the Advisor and the Rent &amp; Income staffing budget.</li> <li>The purpose of the role was to assist tenants with switching energy supplier to reduce their energy costs. It was hoped that the money saved by tenants would contribute to helping them to better manage/afford their household expenditure and ultimately sustaining their</li> </ul>

		<p>tenancies. By way of added value the post-holder would become an 'energy expert' and be tasked with assisting tenants to use fuel efficiently and advise tenants with fuel debt or those with fuel supply issues (i.e. disconnections). The role meant TGHC had a dedicated contact point for any energy-related advice and support issues.</p> <ul style="list-style-type: none"> <li>▪ It was hoped that whilst supporting tenants to reduce their energy costs, sufficient revenue could be generated to help sustain a dedicated Energy Officer post. Unfortunately, this has not proven to be the case and the lack of revenue – combined with pressures on the existing staff budget – have resulted in Energy Officer role coming to an end on 31/03/2017. From April 2017, the duties associated with the post will be absorbed into the Advice &amp; Support Service/Rent &amp; Income Team.</li> <li>▪ During the period of December 2015 - January 2017 the Energy Advisor helped residents in Gateshead save £37,361, which includes 3 case studies where the customer had an individual annual saving of over £1,000. The savings were delivered through a combination of changing customers' payment method from pre-payment to direct debit, changing from a pre-payment to a Smart credit meter, helping customers secure the Warm Homes Discount, switching customers to a more cost-effective tariff (e.g. from standard to fixed), and helping customers to switch supplier.</li> <li>▪ In addition, between October 2016 and January 2017</li> </ul>
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		<p>the Energy Advisor delivered the following advice sessions:</p> <table border="1" data-bbox="1263 341 1966 754"> <thead> <tr> <th>Event</th> <th>No. of Attendees</th> </tr> </thead> <tbody> <tr> <td>function at the leisure centre , this was for the sheltered units</td> <td>80</td> </tr> <tr> <td>Older Person's Assembly</td> <td>200</td> </tr> <tr> <td>Drop-in - energy saving in the home and benefit income maximisation (11 sessions)</td> <td>196</td> </tr> <tr> <td>Energy best deal with benefit maximisation (3 sessions)</td> <td>40</td> </tr> <tr> <td>Syrian refugees – saving energy in the home</td> <td>40</td> </tr> <tr> <td>Syrian refugees EBD</td> <td>40</td> </tr> <tr> <td><b>Total:</b></td> <td><b>596</b></td> </tr> </tbody> </table>	Event	No. of Attendees	function at the leisure centre , this was for the sheltered units	80	Older Person's Assembly	200	Drop-in - energy saving in the home and benefit income maximisation (11 sessions)	196	Energy best deal with benefit maximisation (3 sessions)	40	Syrian refugees – saving energy in the home	40	Syrian refugees EBD	40	<b>Total:</b>	<b>596</b>
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<p><b>Public Health</b></p>	<ul style="list-style-type: none"> <li>▪ A discretionary top up scheme to help fund shortfalls in ECO contributions towards central heating boilers for vulnerable households is being explored with a view to undertaking a pilot scheme.</li> </ul> <p>April 2017</p>	<ul style="list-style-type: none"> <li>▪ A pilot discretionary top-up scheme was trialled utilising money from Public Health to endeavour to “move resources upstream” from critical to prevention-based initiatives. The £5,000 allocation was utilised to top-up the shortfall in ECO contributions for boiler upgrades where occupants had a health condition exacerbated by the cold.</li> <li>▪ A Green Doctors scheme was run by Groundwork North East and Cumbria and funded by the British Gas Energy Trust, with the aim of helping people save energy, money, and improve their health. Home visits were offered throughout the borough to provide free support to people over 65, families with children under 5, pregnant women, those with a respiratory illness, a mental health issue, a cardiovascular disease, or who have dementia. The offer included providing energy</li> </ul>																

		<p>saving advice and installing draught proofing, low energy light bulbs, and reflective radiator panels, if needed. A personal warmth kit was also provided, if required, along with advice on switching to cheaper domestic energy providers, energy debts, and boiler replacements. Help with health issues was also offered during the homes visits e.g. referring people to specialist providers, or coordinating in-home support.</p> <ul style="list-style-type: none"> <li>200 visits took place in Gateshead; the majority of those were in owner occupier or privately rented properties.</li> </ul>
<b>Feed in Tariffs scheme</b>	<ul style="list-style-type: none"> <li>At present Gateshead has 1,035 domestic Solar PV installations, a rate of 112 per 10,000 households and 1 Micro Wind. Private sector installations will rise further. <a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/68876/December_2012_Sub-regional_Feed-in_Tariffs_confirmed_on_the_CFR_Statistics.xls">https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/68876/December_2012_Sub-regional_Feed-in_Tariffs_confirmed_on_the_CFR_Statistics.xls</a></li> </ul> <p>April 2017</p>	<ul style="list-style-type: none"> <li>The total number of domestic Solar PV installations in Gateshead is now 1,676, which equates to a rate of 186 per 10,000 households. There is 1 Micro Wind installation.</li> </ul>
<b>Zero Carbon Homes</b>	<ul style="list-style-type: none"> <li>The Gateshead Council will actively support the national planning and building regulation guidance and notes the intention to end the Code for Sustainable Homes standard.</li> </ul> <p>April 2017</p>	<ul style="list-style-type: none"> <li>There are no records of any zero carbon homes being completed in Gateshead. With the abolition of the Code for Sustainable Homes and nothing in lieu and the absence of any “local standard” exceed Building Regulations those exceeding legal standards have been reported through Gateshead Regeneration Partnership.</li> </ul>
<b>EPCs &amp; Energy Data</b>	<ul style="list-style-type: none"> <li>The Energy Services team will continue to update the Council’s Corporate UNO Energy Efficiency database with the following energy efficiency improvement data: <ul style="list-style-type: none"> <li>Local Authority Building Control Data (Loft, Cavity</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>The Energy Services Team continues to update the Council’s Corporate UNO Energy Efficiency database with the following energy efficiency improvement data: <ul style="list-style-type: none"> <li>Local Authority Building Control Data - Boiler</li> </ul> </li> </ul>

	<p>and External Wall Insulation, Solar PV, central heating boiler upgrades, and window replacement.)</p> <ul style="list-style-type: none"> <li>○ Warm Up North insulation delivery records</li> <li>○ Surveys arising from the Council's Voluntary Private Rented Sector Accreditation Scheme</li> <li>○ Asset management data collated by The Gateshead Housing Company as part of the management of the housing capital programme.</li> </ul> <p>This is to identify eligible properties, facilitate targeting, implementation surveys and the delivery of further fabric improvements.</p> <p>April 2017</p>	<p>Upgrades, Loft, Cavity and External Wall Insulation, Window Replacements, and Solar PV Installations.</p> <ul style="list-style-type: none"> <li>○ Energy improvement measures installed by Warm up North.</li> <li>○ Energy efficiency data captured during Private Rented Accreditation Scheme Surveys.</li> <li>○ Asset Management Data captured by The Gateshead Housing Company as part of their Housing Investment Programme.</li> <li>○ New Build Housing Completions, provided by the Council's Housing Growth Unit.</li> <li>○ Property Demolitions.</li> </ul>
<b>Mandatory Housing Standard (HHSRS)</b>	<ul style="list-style-type: none"> <li>▪ The Council will utilise its enforcement powers under the Housing Act 2004 in relation to the enforcement of Housing Health and Safety Rating System.</li> <li>▪ This will focus on the removal of Category 1 Hazards in relation to Excess Cold.</li> <li>▪ Stock Condition Surveys are underway on Council owned housing managed by TGHC. Any HHSRS hazards identified will be programmed for rectification.</li> </ul> <p>April 2017</p>	<ul style="list-style-type: none"> <li>▪ Gateshead Council has continued to utilise its enforcement powers under the Housing Act 2004.</li> <li>▪ Since April 2015: <ul style="list-style-type: none"> <li>○ More than 200 Category 1 Hazards have been recorded in relation to Excess Cold by Housing Standards Officers.</li> <li>○ 15 Improvement Notices and 1 Prohibition Order have been served.</li> <li>○ No Hazard Awareness Notices were issued and no works in default were utilised in the period; the remainder were resolved through informal engagement.</li> </ul> </li> </ul>
<b>Minimum Energy Efficiency Standards in the Private</b>	<ul style="list-style-type: none"> <li>▪ In addition to exercising enforcement powers outlined above the Council will continue to facilitate the borough wide Voluntary Accreditation Scheme in the private rented sector in conjunction with Gateshead Private Landlord Associations to improve the energy efficiency</li> </ul>	<ul style="list-style-type: none"> <li>▪ Work has continued with members of Gateshead Private Landlords Association and 203 private rented properties have achieved the Council's private rented sector accreditation standard, since March 2015.</li> <li>▪ The enforcement of the minimum standards is</li> </ul>

<p><b>Rented Sector</b></p>	<p>of the private rented stock and improve the thermal comfort for tenants. 150 properties will be accredited in the next financial year. <a href="http://www.renting-in-gateshead.co.uk/">http://www.renting-in-gateshead.co.uk/</a></p> <p>April 2017</p>	<p>undertaken by Environmental Health Officers in a reactive manner to complaints from tenants and through a proactive approach where the authority has areas designated for “Selective Landlord Licensing”.</p> <ul style="list-style-type: none"> <li>▪ Work continues to raise awareness of the incoming minimum EPC banding prior to letting a property with landlords and partnership working with Gateshead Private Landlords Association which has recently been divested off by the Council into private management by its member.</li> </ul>
<p><b>Smart Meters</b></p>	<ul style="list-style-type: none"> <li>▪ Smart meter installations will begin in 2014 in line with national roll out.</li> </ul> <p>April 2017</p>	<ul style="list-style-type: none"> <li>▪ Gateshead Council is closely following the progress of the national smart meter rollout and although there are no plans at present to undertake promotion of smart meters across the borough this may be considered in the future.</li> </ul>
<p><b>iii) THE MEASURES WHICH AN AUTHORITY HAS DEVELOPED TO IMPLEMENT ENERGY EFFICIENCY IMPROVEMENTS COST-EFFECTIVELY IN RESIDENTIAL ACCOMMODATION BY USING AREA BASED/STREET BY STREET ROLL OUT INVOLVING LOCAL COMMUNITIES AND PARTNERSHIP (e.g. social housing partners, voluntary organisations and town/parish councils, wider partnerships/innovation and procurement).</b></p> <p><b>[WAS: MEASURES WE PROPOSE TO COST EFFECTIVELY DELIVER ENERGY EFFICIENCY IMPROVEMENTS IN RESIDENTIAL ACCOMMODATION BY USING AREA BASED/STREET BY STREET ROLL OUT.]</b></p>		
<ul style="list-style-type: none"> <li>▪ Identification of properties for potential area based fabric insulation treatments in partnership with Warm Up North to secure an all tenure approach for mixed housing estates.</li> <li>▪ Identification of properties purchased under “right to buy” which have not benefitted from historical ECO funding to potentially deliver a “mop up” scheme..</li> </ul>	<ul style="list-style-type: none"> <li>▪ Area based External Wall Insulation Schemes secured to properties owned by Gateshead Council and managed by The Gateshead Housing Company have been reported above. These non-traditional construction properties were identified using archetype and geographical location.</li> <li>▪ With changes to the ECO funding particularly the CERO criteria no mop up schemes were progressed.</li> </ul>	
<p><b>iv) A TIME FRAME FOR DELIVERY AND NATIONAL AND LOCAL PARTNERS – THIS INCLUDES COMBINED AUTHORITIES</b></p>		



<ul style="list-style-type: none"> <li>▪ We are working with Newcastle City Council the Lead Authority as part of “Warm Up North” along with the following partner authorities South Tyneside, Durham County Council, Darlington Council, Northumberland County Council.</li> <li>▪ Our other local partners are The Gateshead Housing Company, Registered Providers, British Gas, Age UK, Citizens Advice Bureau, National Energy Action, Gateshead Private Landlord Association.</li> <li>▪ The measures we propose are expected to require an estimated £13,690,000 of capital investment, both private and Council between April 2015 and March 2017</li> </ul>	<ul style="list-style-type: none"> <li>▪ Gateshead continues to work with Warm Up North. Post April 2017 the future of the Warm Up North Partnership is potentially under review. Gateshead and the other local authority partners will undertake an options appraisal about the future of the partnership and direction of travel. This will inform future targeting strategies.</li> <li>▪ The partners identified have been engaged during the period.</li> </ul>
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**Appendix 3**

**Home Energy Conservation Act (1995)**

**Gateshead Council**

**Revised Further Report - March 2017**

## **Introduction**

The Department of Energy & Climate Change (DECC), under the Home Energy Conservation Act (HECA) 1995, required all English authorities to prepare reports by 31 March 2013 setting out the home energy conservation measures that the authority considers practicable and cost-effective in its area. There is also a requirement to publish a biennial update showing progress achieved on planned action. The first HECA further report was approved by Cabinet on 12 March 2013, the second further report was approved on 24 March 2015, and this third report was approved in March 2017. The previous further reports are available on Gateshead Council's website.

The revised further report draws on and updates Gateshead Council's existing strategies and action plans for energy efficiency and carbon reduction (Climate Change Strategy, Sustainable Energy Action Plan) and outlines the Council's local energy efficiency ambitions and priorities.

## **Context**

This revised further report should be read and viewed in the context of and in conjunction with Vision 2030, the Council Plan, the Sustainable Energy Action Plan and the Council's prevailing Housing Strategy for complementary and related activity.

ACTION	EXAMPLE	TIMING																						
<b>i) LOCAL ENERGY EFFICIENCY CHALLENGES, AMBITIONS AND PRIORITIES</b>																								
<b>Challenges</b>	<ul style="list-style-type: none"> <li>▪ The Gateshead population has increased slightly from 199,998 to 200,996 (ONS Mid 2015 Population Estimates).</li> <li>▪ There has been a small net decrease in residential properties from 92,594 to 92,583.</li> <li>▪ SAP ratings by tenure (shown below) have remained largely unchanged, with the exception of the Privately Rented sector where average SAP ratings have increased from 61 to 62.</li> </ul> <table border="1" data-bbox="978 600 1469 831" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Tenure</th> <th>Average SAP Rating 2017</th> </tr> </thead> <tbody> <tr> <td>Housing Association</td> <td>68</td> </tr> <tr> <td>Local Authority</td> <td>71</td> </tr> <tr> <td>Owner Occupied</td> <td>60</td> </tr> <tr> <td>Privately Rented</td> <td>62</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>▪ SAP ratings by geographical location (shown over the page) have increased by 1 in each Neighbourhood Management Area apart from the Inner West which was unchanged. The East continues to be the best performing area of the borough and the West (which is largely rural) continues to have to lowest average SAP rating.</li> </ul> <table border="1" data-bbox="996 1037 1451 1335" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Neighbourhood Management Areas</th> <th>Average SAP Rating 2017</th> </tr> </thead> <tbody> <tr> <td>Central</td> <td>63</td> </tr> <tr> <td>East</td> <td>65</td> </tr> <tr> <td>Inner West</td> <td>62</td> </tr> <tr> <td>South</td> <td>64</td> </tr> <tr> <td>West</td> <td>60</td> </tr> </tbody> </table>	Tenure	Average SAP Rating 2017	Housing Association	68	Local Authority	71	Owner Occupied	60	Privately Rented	62	Neighbourhood Management Areas	Average SAP Rating 2017	Central	63	East	65	Inner West	62	South	64	West	60	
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South	64																							
West	60																							

	<ul style="list-style-type: none"> <li>▪ By Ward, Chopwell &amp; Rowlands Gill (59), Low Fell (58), and Saltwell (59) continue to exhibit the lowest SAP ratings although these have all increased by 1. Dunston Hill &amp; Whickham (59) is also in the lowest range but has not seen an increase. Although the average SAP ratings for these Wards are relatively low they are rated EPC Band D and near the Council target of &gt;65.</li> <li>▪ Dunston &amp; Teams (68) remains the best performing Ward but there are 4 others that meet the &gt;65 target: Bridges (67), Chowdene (66), Felling (67), and High Fell. Furthermore, 3 Wards are at 65: Deckham, Lamesley, and Windy Nook &amp; Whitehills.</li> <li>▪ Gateshead still has c.7,000 solid wall properties. This is a slight reduction due to demolition programmes.</li> <li>▪ The Gateshead Housing Company has undertaken a comprehensive data cleansing and validation exercise which has confirmed the number of solid wall properties in their management portfolio as 2,391 (against the 2,200 previously reported).</li> <li>▪ Furthermore, they also manage 1,732 properties of 'non-traditional' construction, comprised of a variety of archetypes.</li> <li>▪ The changing funding landscape is also detrimental to progressing capital schemes.</li> </ul>	
<b>Ambitions &amp; Priorities</b>	<ul style="list-style-type: none"> <li>▪ Gateshead continues to work towards achieving its public commitments. <ul style="list-style-type: none"> <li>○ Nottingham Declaration on Climate Change</li> <li>○ Eurocities Declaration on Climate Change</li> <li>○ Signatory of the EU Covenant of Mayors: 20% by 2020</li> <li>○ UK Low Carbon Transition Plan 34% by 2020</li> <li>○ Gateshead's Climate Change Strategy 40% by 2020</li> </ul> </li> </ul>	
<b>ii) THE MEASURES THAT TAKE ADVANTAGE OF FINANCIAL ASSISTANCE AND OTHER BENEFITS OFFERED FROM CENTRAL GOVERNMENT INITIATIVES, TO HELP RESULT IN SIGNIFICANT ENERGY EFFICIENCY IMPROVEMENTS OF RESIDENTIAL ACCOMMODATION</b>		
<b><u>The Energy Company Obligation</u></b>	<p><b><u>All Tenures</u></b></p> <p>The Council is closely following the consultation and developments in relation to the ECO transition from 1<sup>st</sup> April 2017. Of particular interest are the elements of the scheme relating to Social Housing, and the Local Authority flexible eligibility, and discussions have already started with The Gateshead Housing Company to understand how we can make best use of the data we</p>	April 2019

	<p>have (EPCs, etc.) to effectively target properties in the borough and ensure any potential ECO schemes will deliver value for money.. We await the guidance from BEIS on how to target eligible households, as this will determine the scope and scale of potential schemes.</p> <p>At a sub/regional level, the Council is awaiting the options for a prevailing Warm Up North partnership. At the time of writing, this is not known. The Council is engaged in the process and intends to participate in any similar scheme that can demonstrate it will deliver real benefits to residents in Gateshead. Any replacement scheme, or lack thereof, will have a direct impact on the ability to deliver energy efficiency measures in private sector housing and in the housing stock of other Registered Providers; as with previous years the fundamental issue is the funding of the measures which historically has been supported/driven by the availability of grant funding.</p> <p>It is not possible at this stage to outline number of properties, etc. until the full ECO guidance is published and understood.</p> <p>Where the Local Authority has influence on where funds are targeted the intention is to prioritise those who are in fuel poverty and target properties with the lowest energy efficiency first.</p>	
<p><b>Town Centre District Energy Scheme</b></p>	<ul style="list-style-type: none"> <li>▪ The District Energy Scheme which will serve the Town Centre and quays area of Gateshead has capacity to provide low carbon heat to further Council owned high rise residential properties in the town Centre. The Gateshead HEIGHTS scheme outlined below will target one block. Feasibility studies have been commissioned to investigate the business case to connect further properties to the scheme. These have utilised funds from the Heat Network Delivery Unit BEIS.</li> </ul>	<p>April 2019</p>
<p><b>Tower Block – Retrofit Schemes</b></p>	<ul style="list-style-type: none"> <li>▪ A large-scale project in development comprising 7 high-rise blocks of flats, the Gateshead HEIGHTs project is currently at the design stage and aims to deliver energy efficiency improvements in each block through a variety of measures – these vary by block/pair of blocks – including: <ul style="list-style-type: none"> <li>○ connecting to the District Energy scheme;</li> <li>○ installing a communal borehole ground source heat pump system;</li> <li>○ installing a communal combined heat and power (CHP) system; and</li> </ul> </li> </ul>	<p>April 2019</p>

	<ul style="list-style-type: none"> <li>○ Upgrades to the electricity supply network, where required, to accommodate the new heat and/or power plant.</li> </ul> <p>The scheme is estimated to cost £11.6m with £4.5m of this coming from grant income.</p>	
<b>Asset Management – The Gateshead Housing Company</b>	<ul style="list-style-type: none"> <li>▪ In 2017/18 209 Boiler replacements are planned. In 2018/19 362 have been identified. Those installed will be SEDBUK “A” rated Combi Condensing boilers. This investment will help maintain decency of homes, and improve the average SAP rating.</li> <li>▪ Housing Revenue Accounts funds will provide installation of energy efficient glazing over the next two years in 500 low rise properties.</li> </ul>	April 2019
<b>Acquisition of Voids – Keelman Homes</b>	<ul style="list-style-type: none"> <li>▪ Keelman Homes plans to acquire 26 ex “right to buy” properties over the next two years. These will be improved to the Gateshead Standard, which includes thermal comfort elements. Properties have been void but are being bought back into use.</li> </ul>	April 2019
<b>New Build – Gateshead Regeneration Partnership</b>	<ul style="list-style-type: none"> <li>▪ The 10 year aim of Gateshead Regeneration Partnership remains unchanged: to build 2,400 properties across 19 sites in Gateshead.</li> <li>▪ The progress report states that 123 properties have been completed at 3 sites. Therefore, the current target is to build another 2,277 properties by the deadline.</li> </ul>	April 2025
<b>New Build – Keelman Homes</b>	<ul style="list-style-type: none"> <li>▪ Keelman Homes have a target to build 40 new build energy efficient properties over the next two years.</li> </ul>	April 2019
<b>Feed in Tariffs Scheme</b>	<ul style="list-style-type: none"> <li>▪ The reduction in FITs has rendered all previously planned schemes not financially viable. The Council will maintain a watching brief to ensure we are aware of any changes and can re-evaluate schemes for viability; there are no changes anticipated at the time of writing.</li> </ul>	April 2019
<b>EPCs &amp; Energy Data</b>	<ul style="list-style-type: none"> <li>▪ The council continues to maintain and update its Corporate UNO Energy Efficiency database which helps us to identify eligible properties and facilitate targeting for delivery of any further fabric improvements.</li> </ul>	April 2019



<b>Mandatory Housing Standard (HHSRS)</b>	<ul style="list-style-type: none"> <li>▪ The Council will utilise its enforcement powers under the Housing Act 2004 in relation to the enforcement of Housing Health and Safety Rating System.</li> <li>▪ This will focus on the removal of Category 1 Hazards in relation to Excess Cold.</li> <li>▪ Stock Condition Surveys continue on Council owned housing managed by TGHC. Any HHSRS Category 1 hazards identified will be programmed for rectification.</li> </ul>	April 2019
<b>Minimum standards in the private rental sector</b>	<ul style="list-style-type: none"> <li>▪ The private rented sector voluntary accreditation scheme is coming to an end apart from within Selective Landlord Licensing (SLL) areas. The accreditation scheme will continue to be offered in existing, and possibly future landlord licensing areas. There is currently a proposal to re-designate a smaller area of the Central Bensham scheme (which ends in May 2017) and investigate potential designation of further areas from Summer 2018 onwards. No target has been set.</li> <li>▪ Gateshead Private Landlord Association will be raising awareness of the new minimum EPC standards required prior to letting with its members.</li> <li>▪ The Council will utilise its enforcement powers under the Housing Act 2004 in relation to the enforcement of Housing Health and Safety Rating System.</li> </ul>	April 2019
<b>Smart Meters</b>	<ul style="list-style-type: none"> <li>▪ Gateshead Council is investigating the feasibility of installing prepayment smart meters in selected properties managed by The Gateshead Housing Company but this is at the initial 'scoping' stage at the time of writing. If this passes feasibility, the smart meters would be installed as part of a wider energy efficiency programme to help residents better understand their energy use and it is hoped this would, in turn, lead to behaviour change.</li> <li>▪ Gateshead Council is closely following the progress of the national smart meter rollout and although there are no plans at present to undertake promotion of smart meters across the borough this may be considered in the future.</li> </ul>	April 2019

**iii) THE MEASURES WHICH AN AUTHORITY HAS DEVELOPED TO IMPLEMENT ENERGY EFFICIENCY IMPROVEMENTS COST-EFFECTIVELY IN RESIDENTIAL ACCOMMODATION BY USING AREA BASED/STREET BY STREET ROLL OUT INVOLVING LOCAL COMMUNITIES AND PARTNERSHIP (e.g. social housing partners, voluntary organisations and town/parish councils, wider partnerships/innovation and procurement).**

<ul style="list-style-type: none"> <li>▪ Identification of properties for potential area based fabric insulation schemes will be undertaken utilising the Councils UNO Energy Efficiency Database.</li> <li>▪ An area based and multi tenure approach has been adopted when progressing the Gateshead HEIGHTS scheme as the blocks have a mixture of Council owned properties and Right to Buys.</li> </ul>	<p>April 2019</p>
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**iv) A TIME FRAME FOR DELIVERY AND NATIONAL AND LOCAL PARTNERS – THIS INCLUDES COMBINED AUTHORITIES**

<ul style="list-style-type: none"> <li>▪ Gateshead continues to work with Warm Up North. Post April 2017 the future of the Warm Up North Partnership is potentially under review. Gateshead and the other local authority partners will undertake an options appraisal about the future of the partnership and direction of travel. This will inform future targeting strategies.</li> <li>▪ Our other local partners are The Gateshead Housing Company, Registered Providers, British Gas, Groundwork NE &amp; Cumbria, Age UK, Citizens Advice Bureau, National Energy Action, and Gateshead Private Landlord Association.</li> </ul>
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**TITLE OF REPORT:** Gateshead Fund (Capacity Building Fund)

**REPORT OF:** Paul Dowling, Strategic Director, Communities and Environment

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### **Purpose of the Report**

1. To consider the advice of Capacity Building Fund Advisory Group to Cabinet, specifically in respect of:
  - (i) Round 3 applications for capacity building funding
  - (ii) Sporting Grants to Individuals
  - (iii) The Research Project progress report designed to grow and develop the Gateshead Fund.

### **Background**

2. The Council has agreed that the purpose of the Capacity Building Fund is to support voluntary organisations and community sector groups (infrastructure and delivery) to build capacity and sustainability.
3. The fund is to increase organisations' skills / expertise to diversify their income, expand services or consider different ways of working (e.g. delivering services, collaboration and/or partnership working) so that they become more sustainable.
4. The Council has agreed that the overall aim is to achieve a thriving voluntary and community and social enterprise sector in Gateshead as a result of the following outcomes:
  - Increased capacity building and sustainability within the voluntary and community sector
  - Increased provision of services by the voluntary and community sector (commissioned by the Council and Gateshead Strategic Partnership)
  - Improved clarity and equity in commissioning processes.
  - Simplified and proportionate application and assessment processes.
5. The Council has agreed a £400,000 budget for the Gateshead Fund in 2016/17: £334,000 for the Capacity Building Fund and £66,000 for the Local Community Fund.
6. A further £100,000 from Public Health was also agreed. The primary purpose of the funding is to enable voluntary and community organisations to apply for small amounts of funding to build capacity within the Integrated Wellness model. It was agreed that the fund will be part of the Capacity Building Fund.

7. In addition Cabinet agreed Advisory Group's recommendation of 19<sup>th</sup> February 2016, that the remaining £56,267 funding from 2015/16 should be carried forward to 2016/17 which has resulted in a total budget of £490,267

## **Proposal**

8. The Council has agreed that applications to the Capacity Building Fund will be considered by the Capacity Building Fund Advisory Group who will give advice to Cabinet. This Advisory Group met on 22 June 2016 to consider the approach and principles on which allocations of the Gateshead Fund (Capacity Building Fund) for 2016/17 will be made.
9. Cabinet has agreed to continue with the same objectives and approach as 2015/16 with a few minor changes. These include; 3 new objectives:
  - Developing and mobilising volunteers
  - Supporting building relationships within communities
  - Supporting residents to build their communities and improve what is already there.
10. An agreement for the development and administration of the Gateshead Fund (Capacity Building Fund) by the Community Foundation for Tyne & Wear and Northumberland was established in August 2016. This covers administration of the Capacity Building Fund; Gateshead Volunteers Month Small Grants and Sporting Grants to Individuals together with exploring the development and growth of the Fund (Capacity Building Fund) for the next 3 years.
11. The Capacity Building Fund is an open application process for new and existing groups and organisations based or working in Gateshead. It was agreed that in 2016/17, The Capacity Building Fund will support organisations to build their capacity and sustainability as well as small grassroots community groups to help the Council achieve the following objectives:
  - Achievement of Council Plan outcomes:
    - Prosperous Gateshead
    - Live Love Gateshead
    - Live Well Gateshead
  - Developing and mobilising volunteers
  - Supporting building relationships within communities
  - Supporting residents to build their communities and improve what is already there
  - Increased capability, capacity and sustainability in the voluntary and community sector
  - Maximising the opportunities of funding - including exploration of different funding models, leverage of other funding, and collaborations.
  - Support health and wellbeing activities which improve healthy lifestyles and environments which support Public Health priorities as identified in the Health & Wellbeing Strategy.
12. The Advisory Group met on 16 February 2017 to consider the allocation of funding for the third round of applications.

13. 25 applications were received requesting a total amount of funding of £185,704. This includes 3 applications which Advisory Group recommended to be deferred from Round 2 pending further information. Out of the 25 applications, 2 applications (8%) were for small grants of less than £2,000. The Capacity Building Fund Advisory Group has ensured that all organisations recommended for funding have demonstrably evidenced need and impact.
14. The Capacity Building Fund Advisory Group recommended 15 funding applications are approved, totalling £105,337.
15. The Advisory Group recommended that 2 applications for funding should be deferred pending further information being provided.
16. The advice of the Capacity Building Fund Advisory Group for Round 3 applications is at appendix 2 paragraph 4 and appendix 3.
17. The budget for Sporting Grants to Individuals is £12,000 a year, offering support to talented individuals to compete in events such as the Olympics and Commonwealth Games and other major international events. This is in addition to the retrospective awards for individuals who compete on an individual basis or selected for a team.
18. The advice of the Capacity Building Fund Advisory Group for Sporting Grants to Individuals is at appendix 2 paragraph 4.
19. The Capacity Building Fund Advisory Group noted and approved a progress report provided by the Community Foundation for the research project designed to grow and develop the Gateshead Fund.
20. The Advisory Group considered the remaining, unallocated, Capacity Building Fund budget and indicated that they wish the remaining budget to be carried over to the 2017/18 Financial Year.
21. It was also noted that applications that were unsuccessful in securing support from Round 2 of the Capacity Building Fund were referred to other funds at the Community Foundation. To date, 6 of the applications, plus one which arrived too late for Capacity Building Fund consideration, have been supported with a total of £8,695 of funding.
22. A copy of the Community Foundation research project progress report is at appendix 4

## **Recommendations**

23. Cabinet is recommended to approve the advice of the Capacity Building Fund Advisory Group from 16 February 2017 and specifically:
  - i. The recommendations for Round 3 Capacity Building Fund as set out in appendix 2 paragraph 4 and appendix 3.
  - ii. The recommendations for Sporting Grants to Individuals as set out in appendix 2 paragraph 4.

- iii. The progress report, timeline and outcomes for the research project designed to grow and develop the Gateshead Fund as set out in appendix 2 paragraph 3 and appendix 4

For the following reasons:

- To ensure that the Gateshead Fund is used to maximise benefits to local communities and is managed effectively.
- To build capacity and sustainability in voluntary and community organisations in Gateshead.

**CONTACT: Linda Whitfield**

extension: 2836

## Policy Context

1. The Council is committed to supporting and maintaining a vibrant voluntary and community sector in the Borough. The Council funds voluntary and community sector organisations, supporting their running costs, specific activities and building their capacity. The Council asks organisations to demonstrate how activities support the Council's policies and priorities (Vision 2030 and the Council Plan).

## Background

2. The Capacity Building Fund Advisory Group met on 16 February 2017 to consider the third round of 2016/17 funding applications from voluntary and community organisations as well as Sporting Grants to Individuals and a progress report on the research project designed to grow and develop the Gateshead Fund.
3. An agreement for the development and administration of the Gateshead Fund (Capacity Building Fund) by the Community Foundation for Tyne & Wear and Northumberland was established in August 2016. This covers administration of the Capacity Building Fund; Gateshead Volunteers Month Small Grants and Sporting Grants to Individuals, together with exploring the development and growth of the Fund (Capacity Building Fund) for the next 3 years.

## Consultation

4. This report has been prepared following consultation with the Capacity Building Fund Advisory Group. The Cabinet Members for Communities and Volunteering have been consulted on this proposal.

## Alternative Options

5. The applications have been recommended based on the Gateshead Fund criteria. The Council could decide not to award any funding to voluntary and community organisations. This would prevent the Council meeting its priorities in Vision 2030 and the Council Plan.

## Implications of Recommended Option

6. **Resources:**
  - a) **Financial Implications** – These are set out in the financial summary within Appendix 2.
  - b) **Human Resources Implications** – There are no human resources implications for the Council from the proposals.
  - c) **Property Implications** - There are no property implications for the Council from the proposals.

7. **Risk Management Implication** - There are no risk management implications for the Council from the proposals.
8. **Equality and Diversity Implications** - The applications will support the voluntary and community sector to deliver services to vulnerable groups across Gateshead.
9. **Crime and Disorder Implications** – There are no crime and disorder implications for the Council from the proposals.
10. **Health Implications** - The applications will support the voluntary and community sector to deliver services and Public Health priorities to improve the health and wellbeing of vulnerable groups across Gateshead.
11. **Sustainability Implications** - The applications will support the sustainability of the voluntary and community sector based and working in Gateshead.
12. **Human Rights Implications** - There are no Human Rights implications for the Council from the proposals.
13. **Area and Ward Implications** - The applications will support all wards in the Borough as membership of some of the organisations concerned is drawn from across the Borough.

#### **Background Information**

14. The minutes and papers for the Gateshead Capacity Building Fund Advisory Group meeting held on 16<sup>th</sup> February 2017.



## APPENDIX 2

### CAPACITY BUILDING FUND (GATESHEAD FUND) ADVISORY GROUP

Thursday, 16 February 2017

#### Advice to Cabinet

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#### 1 DECLARATIONS OF INTEREST

**Councillor Hughes declared an interest in the Our Villages item and removed herself from the meeting during consideration of this item.**

**Councillor Donovan declared an interest in the Bensham and Saltwell Alive items and removed herself from the meeting during consideration of this item.**

#### 2 ADDITIONAL INFORMATION ITEM - VILLAGES

In Round 2 of the Capacity Building Fund, Our Villages was awarded £10,000 to carry out a feasibility study and community consultation on the development and renewal of Crawcrook Park. The total funding requested was £12,080, however, the group has not been able to secure the VAT associated with the feasibility study through match funding. The group is unable to meet this further cost through their current reserves meaning the feasibility study will not be carried out if the VAT component cannot be sought, placing the whole project in jeopardy.

It is recommended to the Advisory group that this additional money of £2,080 be considered for funding as an exceptional circumstance within the Fund criteria, as it is suggested that this request fulfils this part of the criteria given the importance of the feasibility study and consultation to inform the future community ownership of the Park and associated improvement to the environment.

The Advisory Group agreed to recommend to Cabinet this additional funding of £2,080 could be made to the project.

**Councillor Hughes declared an interest in the Our Villages and removed herself from the meeting during consideration of this item.**

#### 3 RESEARCH PROJECT REPORT

A report was presented to the Advisory Group on progress of the research project designed to grow and develop the Gateshead Fund.

The research has focussed on public sector opportunities and some initial conversations around business and individual engagement.

A meeting took place with officers from Gateshead Council to better understand the business sector in the borough and attempt to identify the potential opportunities for support.

Three opportunities were linked to activities overseen by Gateshead Council.

Managed Trusts – some local authorities own or manage trusts that are either dormant or perhaps not running as effectively as they could be. Combining them with the Gateshead Fund could unlock these funds making them work better for groups in Gateshead, however, following investigation by council officers it was confirmed that there were none and so this avenue will not be pursued further.

Community Infrastructure Levy (CIL) – representatives from the Foundation met with Council representatives to discuss the opportunity to support the Gateshead Fund via the Community Infrastructure Levy. Two options were discussed which officers could include in their thinking and proposals for the CIL to Cabinet. The first was a standard grant programme aligned to the Gateshead Fund but with slightly different criteria as CIL funds are geographically limited to wards linked to CIL activities. The second was an endowment fund to create a long-term grant programme. These options alongside others were to be discussed by the Council in January 2017. This could mean substantial funds would be available.

Community Led Local Development Funds (CLLD) – The CLLD has a very specific focus on organisations supporting businesses and addressing long-term unemployment. Whilst there may be an opportunity for CLLD to support organisations that have gone through The Gateshead Fund it is clear that CLLD will not be able to provide financial support to the fund directly.

Other discussions are also ongoing with Newcastle Gateshead CCG Northumbria University and local business opportunities are being identified, however, there is already work ongoing within the Council so further discussions with businesses will be pursued once the picture is clear.

Applications that were unsuccessful in securing support from the Round 2 Capacity Building Fund were referred to other funds at the Community Foundation. To date, 6 of the applications, plus one which arrived too late for Capacity Building Fund consideration, have been supported with a total of £8,695 of funding.

RESOLVED - That the progress so far be noted.

#### 4 ROUND 3 APPLICATIONS AND FUNDING RECOMMENDATIONS

##### Round 3 Applications to the Capacity Building Fund

##### Financial Summary

<b>Financial Summary – November 2016</b>	<b>Total Funding Requested</b>	<b>Total Funding Recommended</b>
Capacity Building Fund funding available to organisations after Round 2		<b>£201,633</b>
Returned 13/14 CBF award added to 16/17 budget		<b>£6,357</b>
<b>Total Remaining for organisations after Round 2 2016/17</b>		<b>£207,990</b>
<b>Funding Available to Talented Athlete/Sporting Individuals after Round 2 2016/2017</b>		<b>£3,700</b>
<b>Total Funding available</b>		<b>£211,690</b>
Round 3 – 25 Applications received	£185,704	
Round 3 – 15 Applications recommended	£108,707	£105,337
1 additional funding request tabled	£2,080	£2,080
7 Talented Athlete/Sporting Grants to Individuals	£2,500	£2,500
<b>Total funding recommended</b>		<b>£109,917</b>
<b>Remaining Funding for Organisations 2016/2017</b>		<b>£100,573</b>
<b>Withdrawn/Returned CBF Awards</b>		<b>£15,620</b>
<b>Remaining Funding for Talented Athlete/Sporting Individuals</b>		<b>£1,200</b>

**Cabinet is asked to note the following not recommended applications**

<b>Organisation</b>	<b>Amount Requested</b>	<b>Amount Recommended</b>
Mount Community Association	£9,102	£0
North Benwell Boxing Club	£10,000	£0
Ateres Parents Association	£1,800	£0
Friends of Recovery	£8,480	£0
Northern Roots	£10,000	£0
Dunston Family Church	£10,000	£0
Chopwell Drama Group	£7,215	£0
Ashreinu	£9,000	£0

**Cabinet is asked to note the following recommended applications for funding**

<b>Organisation</b>	<b>Amount Requested</b>	<b>Amount Recommended</b>
Gateshead District Scouts	£10,000	£10,000
Young Women's Outreach Project	£4,786	£4,786
Bensham & Saltwell Alive	£10,000	£10,000
Gateshead Cleveland Hall Community Association	£6,360	£6,360
Friends of Felling Park	£3,750	£3,750
Friends of Windy Nook Nature Park	£1,608	£1,608
Brighten Ryton Local Environmental Group	£9,650	£9,650
Jigsaw Recovery Project	£10,000	£10,000
The Comfrey Project	£10,000	£10,000
L'Chu Vonim Youth Centre	£10,000	£8,940
Thrive	£8,644	£7,984
Ryton Triathlon Club	£8,000	£8,000
Skills4work Gateshead	£10,000	£10,000
Men's Shed Chopwell	£2,269	£1,769
Barmoor Hub	£3,640	£2,490

The Advisory Group recommended that the following 2 applications should be deferred pending further information.

Dunston Community Centre  
North Regional Association for Sensory Support

**Councillor Donovan declared an interest in Bensham and Saltwell Alive and removed herself from the meeting during consideration of this item.**

**Cabinet is requested to note the Talented Athlete Scheme and the Individual Sporting Grant Scheme as listed below.**

Joseph Paul Gray	£1,000
Jon Moss	£400
Angela McGurk	£400
Chloe McLelland	£200
Lewis Timmins	£200
Rachel Wilson	£200
Michael Bessent	£100

The Advisory Group queried what would happen to the remaining, unallocated, Capacity Building Fund budget. Advisory Group indicated that they wish the remaining budget to be carried over to the 2017/18 Financial Year.

**5 CAPACITY BUILDING FUND PROGRESS REPORT**

The Advisory Group received an update on the progress of the Gateshead Fund so far which included details of the number of organisations recommended for funding and details of the amount of funding allocated.

The report listed case studies from groups who had been allocated funding in Rounds 1 and 2.

Advisory Group agreed that the Community Foundation would review the Capacity Building Fund documentation with officers at the Council and produce proposals for consideration by the Advisory Group prior to the launch of Round one in 2017/18.

RESOLVED - That the information in the report be noted.

**6 ANY OTHER BUSINESS**

There were no other items of business

**PRESENT:** Councillor H Haran (Chair)

**MEMBERS PRESENT:** Councillors: C Donovan, L Green, I Patterson and J Turnbull

**IN ATTENDANCE:**

Lindsay Murray	Gateshead Council
Adam Lopardo	The Community Foundaton
Mark Pierce	The Community Foundation
Nils Stronach	The Community Foundation
Sonia Stewart	Democratic Services

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### Appendix 3 – Round 3 -Table of Recommendations

Rejected / Withdrawn Applications					
Ref No	Organisation	Project	Amount Requested	Amount Recommended	Reason for Recommendation
171155	Mount Community Association	Mount Community Centre - Restructure and Redesign	£9,102	£0	<b>Reject</b> - Although the application contains some development work, funding is requested as an unrestricted funds buffer to cover core running costs, so is therefore ineligible.
171782	North Benwell Boxing Club (Fighting Chance Foundation)	Fighting Chance	£10,000	£0	<b>Reject</b> - Incorrect application form used, annual accounts and monitoring for previous grant not submitted. Some governance issues.
<b>Total Rejected / withdrawn applications</b>			<b>£19,102</b>	<b>£0</b>	
Not Recommended for Funding Applications					
Ref No	Organisation	Project	Amount Requested	Amount Recommended	Reason for Non Recommendation
171149	Ashreinu	New taster courses for young people to experience work skills	£9,000	£0	Governance issues.
171798	Ateres Parents Association ( <b>New applicant</b> )	Sewing the Future: Increasing Learning & Development of Girls	£1,800	£1,800	The project is already underway and the small capital costs requested could not be considered under the guidelines.
171798	Chopwell Drama Group ( <b>New applicant</b> )	On The Road	£7,215	£0	No evidence of need or demand for the activity. No identified social value or impact within local community.

<b>Not Recommended for Funding Applications cont.</b>					
<b>Ref No</b>	<b>Organisation</b>	<b>Project</b>	<b>Amount Requested</b>	<b>Amount Recommended</b>	<b>Reason for Non Recommendation</b>
171137	Friends of Recovery	Community Breakfast	£8,480	£0	There are governance issues which need to be resolved before funding can be considered
171777	Dunston Family Church (Dunston Activity Centre)	Provision of 'fun-fit' soft play environment	£10,000	£0	Large capital expenditure which is not considered to fall within the criteria's exceptional circumstances, therefore ineligible.
171778	Northern Roots	Freedom on the Tyne	£10,000	£0	Nor enough evidence of benefit to the local community or partnership working in the area.
<b>Total Not Recommended Applications</b>			<b>£46,495</b>	<b>£0</b>	
<b>Deferred Applications</b>					
<b>Ref No</b>	<b>Organisation</b>	<b>Project</b>	<b>Amount Requested</b>	<b>Amount Recommended</b>	<b>Reason for Deferred Recommendation</b>
171772	Dunston Community Centre	Refurbish Blue Room	£2,400	£0	<b>Defer</b> - Dunston Community Centre was awarded a grant Round 2 and is not able to report on the milestones
171570	North Regional Association for Sensory Support (NRASS)	NRASS Deaf Awareness & Budget Training Project	£9,000	£0	<b>Defer</b> – further details required about partner organisations and how they work with them.
<b>Total Deferred applications</b>			<b>£11,400</b>	<b>£0</b>	



<b>Recommended for Funding</b>					
<b>Ref No</b>	<b>Organisation</b>	<b>Project</b>	<b>Amount Requested</b>	<b>Amount Recommended</b>	<b>Reason for Recommendation</b>
171771	Gateshead District Scouts <b>(New applicant)</b>	Whickham Thorns Outdoor Activity Centre	£10,000	£10,000	To contribute towards capacity building to support the organisation with the asset transfer of Whickham Thorns Outdoor Activity Centre
171538	Young Women's Outreach Project <b>(New applicant)</b>	Gateshead Plus Group	£4,786	£4,786	There is a high level of beneficiary engagement, particularly in monitoring and reporting, which adds value to beneficiary engagement. Funding would enable the project to increase beneficiary numbers by 20%.
171645	Bensham and Saltwell Alive	Animating Assets in Bensham	£10,000	£10,000	The proposed activities will enable identification and effective linking of existing assets and need, supporting people to improve access to services and so create stronger community links.
171775	Gateshead Cleveland Hall Community Association <b>(New applicant)</b>	Cleveland Hall Volunteer Coach Education Project	£6,360	£6,360	The proposed project will increase the Association's delivery capacity and provide opportunities for local people to gain qualifications.
171779	Friends of Felling Park and Town Centre <b>(New applicant)</b>	A safe and strong Friends of Felling Park and Town	£3,750	£3,750	Funding will help to support development in terms of both their management committee's skills and organisational policies and procedures.

<b>Recommended for Funding cont.</b>					
<b>Ref No</b>	<b>Organisation</b>	<b>Project</b>	<b>Amount Requested</b>	<b>Amount Recommended</b>	<b>Reason for Recommendation</b>
171781	Friends of Windy Nook Nature Park <b>(New applicant)</b>	Equipment, Training and Development	£1,608	£1,608	The project will increase ownership in the maintenance of the Nature Park, improving the local environment to the benefit of the surrounding community and visitors from across the region.
171770	Brighten Ryton Local Environment Group <b>(New applicant)</b>	Support of volunteers to restore, maintain and manage local environment	£9,650	£9,650	The Group has already had significant impact on the local environment as well as encouraging people to volunteer. A grant will allow the start of planned work.
171730	Jigsaw Recovery Project CIC <b>(New applicant)</b>	Multiple complex needs youth support worker	£10,000	£10,000	Funding from GCBF will enable the organisation to increase the level of support work, helping to underpin project delivery, as the model is heavily dependent on the work of the post holder.
171825	The Comfrey Project	Windmill Hills Centre Community Asset Transfer	£10,000	£10,000	The services provided by the Comfrey Project tackle disadvantage and contribute to health and wellbeing support building relationships in the local community.
171780	L'Chu Vonim Youth Centre	25 Not out! - Looking to the Future	£10,000	£8,940	A further grant is recommended to support LV through an important fundraising year.

<b>Recommended for Funding cont.</b>					
<b>Ref No</b>	<b>Organisation</b>	<b>Project</b>	<b>Amount Requested</b>	<b>Amount Recommended</b>	<b>Reason for Recommendation</b>
171724	Thrive	Care2Grow Horticultural Therapy for Carers and those they care for	£8,644	£7,984	The proposed project builds on TG's previous capacity building funding, enabling further expansion of services and the creation of local partnerships and networks.
171678	Ryton Triathlon Club	Junior development	£8,000	£8,000	Funding will allow further development for volunteers and coaches as well as increasing the Club's capacity and sustainability.
171704	Skills4work Gateshead	Members Development & Parent Support Network Group	£10,000	£10,000	The project will support children and young people to achieve their potential.
171773	Men's Shed Chopwell (Formerly Winlaton Men's Shed) <b>(New applicant)</b>	Core costs and extension of workshop facilities.	£2,269	£1,769	Funding will enable the group to plan their fundraising activities.
171776	Barmoor Hub	Trained up, SkilledUp	£3,640	£2,490	The project supports community involvement and the development of volunteers.
<b>Total funding requested by recommended applicants</b>			<b>£108,707</b>		
<b>Total amount of funding recommended</b>				<b>£105,337</b>	
<b>Total amount of funding requested in Round 3</b>			<b>£185,704</b>		

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## Gateshead Fund (Capacity Building Fund) Advisory Group

16<sup>th</sup> February 2017

### Item 3: Research Project update: Report from Community Foundation Tyne & Wear and Northumberland

#### 1. Purpose of Report

To outline the progress of the research project designed to grow and develop the Gateshead Fund.

#### 2. Summary

As per the activity timeline presented at the last meeting we have focused on researching public sector opportunities and initial conversations about business and individual engagement.

#### 3. Activity to date

##### 3.1 Public sector opportunities

The first stage was to meet Gateshead Council to suggest some areas we could jointly look at as well as identify any opportunities they felt were worth pursuing.

The first three opportunities identified were linked to activities overseen by Gateshead Council.

##### *Council held/managed trusts*

We are aware that a number of local authorities own or manage trusts that are either dormant or perhaps not running as effectively as they could be. Combining them with the Gateshead Fund could unlock those funds making them work better for groups in Gateshead. Following investigation by council officers it was confirmed that there were none and so we will not pursue this further unless new information comes to light.

##### *Community Infrastructure Levy (CIL)*

We met with council representatives to discuss the opportunity to support the Gateshead Fund via the Community Infrastructure Levy. We discussed two options that officers could include in their thinking and proposals for the CIL to cabinet. The first was a standard grant programme aligned to The Gateshead Fund but with slightly different criteria as CIL funds are geographically limited to wards linked to CIL activities. The second was the suggestion to investigate the opportunity to invest the proceeds in an endowment fund to create a long-term grant programme. These options alongside others were to be discussed by the council in January 2017. This could mean substantial funds would be available. If any opportunity arises we will pursue it in the next stage of the research.

### *Community Led Local Development Funds (CLLD)*

We were introduced to Steve Reay who is working on CLLD at Gateshead Council. The CLLD has a very specific focus on organisations supporting business and addressing long-term unemployment. Whilst there may be an opportunity for CLLD to support organisations that have gone through The Gateshead Fund it is clear that CLLD will not be able to provide financial support to the fund directly. Organisations require 50% match funding to access CLLD funds and grants from The Gateshead Fund may help fulfil this criteria. The benefit to The Gateshead Fund would be in the additional money groups may be able to leverage rather than growing the fund itself. It is an interesting opportunity but more an opportunity to signpost grantees from the fund.

In addition two other public sector partners have been identified and contacted to date.

### *NewcastleGateshead CCG*

At the time of writing we have been unable to finalise a meeting with the Chair of NewcastleGateshead CCG. While trying to set up the meeting we had some informal conversations with individuals linked to the CCG who felt it was unlikely the CCG would be able to support the fund. However we will continue to pursue a formal conversation to confirm this as well as look for other ways to engage the CCG.

### *University of Northumbria*

A very early conversation with University of Northumbria focussed on specific opportunities that may be of interest to them including student support for groups in Gateshead and links to a project between Gateshead Council, Gateshead College and the University. These do not look like direct financial support for the fund but will be followed up in the next stage of the research.

Research into other public sector opportunities will continue.

## **3.2 Business engagement**

The first stage was to speak to Gateshead Council to better understand the business sector in the borough and attempt to identify the potential for support but also future opportunities via inward investment. It was quickly identified that there was no identified future inward investment opportunities and so we focussed on current opportunities. The conversation identified two core areas we could focus on, manufacturing and engineering businesses and a more generic group of the largest employers.

Manufacturing and engineering businesses are some of the biggest and longest established businesses in the borough and include; Akzo Nobel, Union Electric Steel, Komatsu as well as Kavli. Akzo Nobel already has a fund at the Community Foundation and we have spoken to some of the others in the past.

The largest employers include a range of retailers, mainly in the Metro Centre, WorldPay and Teleperformance. Whilst big employers it was recognised that most are headquartered outside the region and so may be difficult to engage.

We will pursue these conversations subject to the outcome of the bondholder network idea outlined next.

Officers shared with us initial ideas to create a Gateshead Bondholder Network along the lines of ones already established in Peterborough, Wakefield, Derby and Hull. The idea is still in the early discussion stages but could provide an opportunity or threat to engage businesses in support of The Gateshead Fund. We agreed that as we all wanted it to be the former we would hold off contacting any businesses for a few weeks while the idea was developed internally at the council. If it was then approved we will work with the Council to identify ways to involve the Gateshead Fund in the development of the network. This will be in the early part of the next stage of the research and so shouldn't delay any activities too much but as the plan develops we may need to adapt our approach to businesses and the Gateshead Fund. This could be an excellent opportunity to engage businesses directly in the fund as part of the network or to use the network as a platform.

### **3.3 Individual engagement**

We did not set any specific activities until after this reporting period other than looking at the appetite for payroll giving through public sector bodies. This has been slightly delayed.

Via our work with Newcastle city Council we are pursuing a Crowdfunding campaign and will be able to bring our learning from this into our thinking earlier than expected.

### **3.4 Other Community Foundation funds to Gateshead groups**

As outlined in our initial proposal, one of the advantages of working with the Community Foundation is groups who apply to The Gateshead fund but are unsuccessful may be taken to other funds at the Community Foundation for support. From the first round, seven applications were referred to other funds of which one has received a grant and six are awaiting decisions. (See Table below).

One group, Brundibar missed the deadline to the main fund. Following a discussion with council officers they were encouraged to put in an application to our Give2Gateshead Fund for which they were successful and allowed them to deliver their Holocaust Memorial Day project.

<b>Applicant</b>	<b>Project</b>	<b>Action</b>	<b>Outcome</b>
1 <sup>st</sup> Ryton Scout Group	Group capacity development	Referred to 1 fund	Pending decision
3 <sup>rd</sup> Gateshead Boy's Brigade	3 <sup>rd</sup> Gateshead Company Boy's Brigade	Referred to 2 funds	Pending decision
AFRIMEAD	Preventing alcohol abuse, crime, disorderliness and antisocial behaviours	Referred to 1 fund	Pending decision
Age UK Gateshead	Move to improve	No further action	Rejected
Dynamix Extreme Ltd	Dynamic Impact	No further action	Rejected
Experts by Experience	Camerados multiple and complex needs cafe	No further action	Rejected
Fighting All Cancers Together	Gateshead Healthy Lives	No further action	Rejected
Gateshead Redheugh 1957	Developing new coaches through coaching awards	Referred to 2 funds	Pending decision
Gateshead Sea Cadets (TS Flamingo)	Development of our service offering to Cadets	Referred to 1 fund	Awarded £600
GWK Woodshed CIC	Improving men's health	No further action	Rejected
Little Theatre Gateshead Ltd	New rehearsal space at Little Theatre Gateshead	No further action	Rejected
Peer Support North East CIC	Peer support for all	No further action	Rejected
Samaritans of Tyneside	Samaritans working in the Geordie community	Referred to 1 fund	Pending decision
Samosa Sisters	Gateshead BME Women's Empowerment Project	No further action	Rejected
Tyne & Wear Anti-Fascist Association	Organisational capacity development	No further action	Rejected
Washingwell FUNdraisers	Reading rooms at Washingwell	Referred to 1 fund	Pending decision
Workplace Gallery	Workplace Foundation Gallery Manager	No further action	Rejected



#### 4. Activity and timeline summary

Sector	Partner	Planned Activity and Outcome	Timeline	Activity update
Public	Gateshead Council	Determine potential public sector partners, potential dormant trusts, existing charitable promotions and opportunities arising from levies. Develop marketing pitch before approaching partners.	Activity - Nov-Dec 16 Reporting - Jan 2017  Also update activity plan	Met and discussed potentials with David Andrew. Meetings with Gateshead departments on Community Infrastructure Levy, Community Led local Development opportunities and Business Development. All present opportunities and need further development.
Public	Public Sector Organisations	Meet and market engagement opportunities. Collate list of potential supporters and their interests and those unwilling support and reasons why. Develop initial products and partnerships	Activity - Dec 16-Jan 17 Reporting - Jan 2017  Also update activity plan	Despite repeated attempts to set up a meeting with the Chair of NewcastleGateshead CCG it has not yet happened. Will keep trying but means timeline will run later than anticipated.
Business	Gateshead Council	Determine potential business supporters and networks including attending Economic, Housing and Growth business breakfasts to approach at next stage.	Activity – Nov-Dec 16 Reporting – Jan 2017  Also update activity plan	Meeting held and top companies identified. Also discussed GMBC plans to engage business through a bondholder Network.
Business	Identified Businesses	Meet and market engagement opportunities. Collate list of potential supporters and their interests and those unwilling support and reasons why. Develop products for support.	Activity – Jan-May 2017 Reporting – June/July 2017 Also update activity plan	To be planned in line with above discussions.

<b>Sector</b>	<b>Partner</b>	<b>Planned Activity and Outcome</b>	<b>Timeline</b>	<b>Activity update</b>
Individual (stage 1)	Gateshead Council and public sector partners	Identify appetite for support promoting fund and implementing payroll giving	Activity - Dec 16-Jan 17 Reporting - Jan 2017	Delayed to early 2017.
Individual (stage 1)	Gateshead Council and Community Foundation donors	Identify High Net Worth Individuals	Activity – Jan-May 17 Reporting – June/July 2017	Ongoing
Individuals (Stage 2)	Community Foundation donors	Identify donors willing to support our own Give 2 Gateshead Endowment if they will not support the Gateshead Fund	Activity – On-going Reporting - On-going	Ongoing
Individuals (Stage 2)	Gateshead Council and other partners	Identify potential partners in donation and crowdfunding platform	Activity – On-going Reporting – Jul-Sept 2017	We are currently working with Crowdfunder UK on a project with Newcastle City Council. This will provide useful insight into this area.
Individuals (Stage 2)	Donation platform partner	Identify partner and develop opportunity	Autumn 2017	Subject to above
Individuals (Stage 2)	Crowdfunding partner	Identify partner and develop opportunity	Autumn 2017	Subject to above

**Adam Lopardo**  
**Director of Partnerships**  
**Community Foundation Tyne & Wear and Northumberland**

**TITLE OF REPORT:**           **Miscellaneous Income – Transfer of Uncollectable Amounts**

**REPORT OF:**                   **Darren Collins, Strategic Director, Corporate Resources**

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### **Purpose of the Report**

1. To seek approval to transfer out of the Council's Accounts outstanding balances in excess of £500 from miscellaneous income accounts and also Housing Benefits overpayments, where all possible recovery action has been taken and the balances are now considered to be uncollectable.

### **Background**

2. Sundry debts for miscellaneous income are raised and appropriate recovery action is taken on those debts that remain unpaid within the specified time.
3. There are currently 75 accounts, amounting to a net sum of £187,132.47 where all possible recovery action has been taken and the amounts remain unpaid. These debts are now deemed uncollectable. A breakdown of the debt by age is attached as Appendix 2.
4. In addition 512 accounts with balances of up to £500, totalling £48,897.57 have been transferred under delegated powers, in accordance with Financial Regulation 8.10.
5. Housing Benefit overpayments arise where the Council has paid housing benefit over and above the amount to which a claimant was entitled. This can occur where:
  - the claimant has failed to tell the Council about a change
  - there has been an error by the Department of Works and Pensions
  - there has been a delay in dealing with a change
  - the Council has made an error in calculating the amount of benefit payable.
6. Invoices for overpayments which are recoverable from the claimant or landlord, and which remain unpaid, are subject to appropriate recovery action. Despite this action there remain some debts which are judged to be uncollectable.
7. There are currently 176 Housing Benefit overpayment invoices amounting to a sum of £270,607.57 where all possible recovery action has been taken and amounts remain unpaid.
8. In addition 1017 Housing Benefit overpayment accounts with balances of up to £500 totalling £91,633.49 have been transferred under delegated powers in accordance with Financial Regulation 8.10

## Proposal

9. It is proposed to transfer out of the Council's Accounts the balances on 75 individual sundry debtor accounts, to the value of £187,132.47. The amount of the proposed transfer represents approximately 0.2% of the value of accounts raised so far during 2016/17 of some £94 million.
10. It is proposed to transfer the balance of 176 Housing Benefit overpayment invoices to the value of £270,607.57. The amount of the proposed transfer represents 0.32% of total Housing Benefit expenditure of £83.8 million during 2016/17.

## Recommendations

11. It is recommended that Cabinet:
  - (i) Agrees to the transfer of balances on 75 sundry debtor accounts, amounting to £187,132.47 and 176 Housing Benefits overpayments accounts, totalling £270,607.57.
  - (ii) Notes the action taken under delegated powers to transfer out of the Council's accounts 512 sundry debtor balances totalling £48,897.57 and 1017 Housing Benefit overpayment balances totalling £91,633.49

For the following reasons:

- (i) To ensure the effective management of the Council's resources.
- (ii) To ensure that the Council Accounts accurately reflect the correct financial position.

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**CONTACT:** John Jopling

extension: 3582

### Policy Context

1. The proposals in this report are consistent with the Council's vision and medium term objectives as set out in Vision 2030 and the Council Plan, and in particular the key Council priority of ensuring a sustainable Gateshead through the best use of its resources.

### Background

#### Sundry Debts

2. Of the total transfer value of £187,132.47;
  - £88,412.37 relates to 24 invoices for care charges. In all cases either the debtor is deceased and no funds are available from the estate or the debts are uneconomical to pursue.
  - £55,473.07 relates to 20 invoices for occupation of council units/offices where the debtor has become bankrupt or is in liquidation or where it is considered not cost effective to continue to pursue. Where judgement has been obtained, the debts cannot be enforced any further.

The action of transferring balances out of the accounts would not prevent future recovery action being taken should this be appropriate due to circumstances changing or further information becoming available.

#### Housing Benefits

3. The transfer reflects Housing Benefit overpayment accounts where all means of recovery available have been exhausted and it is no longer cost effective to pursue the debts further.
4. Of the total transfer value of £270,607.57 the invoice balance exceeds £3,000 in 23 cases as detailed below:
  - 5 cases where the debtor is bankrupt (totalling just over £29k)
  - 6 cases where the debtor is deceased and it is not possible to recover the debt from the estate (£28.5k)
  - 7 cases where it is unfeasible to recover the debt (just under £33k). In all cases, every possible means of recovering the debt has been tried, including recovery from HB or other benefits, contact for voluntary arrangements and referral to a debt collection agency. 2 cases relate to debt over 10 years old and the remainder all relate to debt over 5 years old.
  - 5 cases where the Housing Benefit regulations do not allow recovery of the debt (£31k)

5. **Consultation**

Consultation has taken place with the Leader of the Council.

6. **Alternative Options**

No alternative options are proposed. A regular review of the debt owed to the Council is an essential part of best practice recovery and accounting procedures.

**Implications of Recommended Option**

7. **Resources:**

a) **Financial Implications**

The Strategic Director, Corporate Resources confirms that the cost of the transfer of £187,132.47 for sundry debtors and £270,607.57 for Housing Benefit overpayment can be met from the appropriate bad debt provision.

b) **Human Resources Implications – Nil**

c) **Property Implications - Nil**

8. **Risk Management Implication - The transfer mitigates the risk of entries within the Statement of Accounts being inaccurate and supports prudent financial planning.**

9. **Equality and Diversity Implications - Nil**

10. **Crime and Disorder Implications – Nil**

11. **Health Implications - Nil**

12. **Sustainability Implications - Nil**

13. **Human Rights Implications - Nil**

14. **Area and Ward Implications - All wards**

**Background Information**

15. Nil

**TITLE OF REPORT:** Freedom of Information Annual Report 2016

**REPORT OF:** Mike Barker, Strategic Director, Corporate Services and Governance

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### **Purpose of the Report**

1. The report details the number of requests received by the Council under the Freedom of Information Act 2000 for the period 1 January 2016 to 31 December 2016. The report provides an analysis of the requests received during the year and details how the Council has complied with its statutory obligations under the Act.

### **Background**

2. The Freedom of Information Act came into force on 1 January 2005. The Act places statutory obligations on local authorities to deal with requests for information within 20 working days of receipt. It provides members of the public with access to information held by public authorities, which they previously had no right of access to.

### **Proposal**

3. To agree the annual report and refer it to the Corporate Resources Overview and Scrutiny Committee on 3 April 2017 for consideration.

### **Recommendations**

4. Cabinet is asked to:
  - (i) Agree the Freedom of Information Annual Report for 2016 as set out in appendix 1
  - (ii) Agree that the report is referred to the Corporate Resources Overview and Scrutiny Committee on 3 April 2017 for consideration.

For the following reason:

To have an effective and timely system for dealing with requests for information which ensures the Council is compliant with the relevant legislation.

## Policy Context

1. The Freedom of Information Act (FOI) procedures support the principles set out in Vision 2030, the Council Plan and the Government's transparency agenda.

## Background

2. The FOI procedures were introduced in January 2005 to ensure that the Council could meet its legal obligations under the Freedom of Information Act 2000.
3. To meet our e-government targets, FOI applications can be made online and payments, where required, can also be made by a variety of methods to increase customer options and satisfaction.
4. The procedures support the Government's transparency agenda, which aims to make councils more open about activities they undertake. Regulations came into force in October 2014 which made it mandatory for local authorities to publish transparency data either quarterly or annually depending on the type of data. Each set of data has differing publication requirements. A transparency page has been established on the Council's website so that the information required to be published can be accessed by members of the public from one site.
5. To ensure that expertise in information handling is available across the Council there are 55 trained information champions. This represents a decrease of 8 from last year due to officers leaving the Council. Two more information champions are due to leave by the end of March so training is in the process of being arranged for new information champion nominees.
6. There are 20 interactive training modules available for employees to use. These modules are accessed via the intranet and provide staff with training on Freedom of Information, Data Protection, Human Rights and Records Management.
7. Training materials for information champions and a detailed guidance manual for service directors are also available on the intranet.
8. Requests for information are logged on an electronic tracking system. This provides a full auditable trail of how to deal with requests and provides information champions with standard letter templates and management reports.
9. A separate appeals process, as required by the Act, is in place. Requesters can ask in writing for a review by the Strategic Director, Corporate Services and Governance. Following internal review there is a right of appeal to the Information Commissioner.

## Number of requests for information

10. During the period 1 January 2016 to 31 December 2016, the Council received 1199 requests for information. This represents a 0.58% decrease on requests received the previous year and a 450.95% increase since the implementation of the Act in 2005.



11. The table below shows how Gateshead Council compares with other public authorities in the region.

Local Authority	2015	2016	% increase/decrease
Gateshead	1206	1200	0.58% decrease
Redcar & Cleveland	995	1459	31.8% increase
North Tyneside	1323	1251	5.44% decrease
Northumberland	1399	1397	0.14% decrease
Sunderland	1320	1420	7.58% increase
Newcastle	1371	1360	0.8% decrease
Darlington		1217	No comparative data
South Tyneside	1133	1118	1.34% decrease
Hartlepool	1084	1051	3.04% decrease
Stockton	1043	1133	8.63% increase
Newcastle University	316	373	18.4% increase

### Category of requests

12. The subject matter of requests varies considerably. Requesters often ask multiple questions which fall under more than one category of request, hence the difference in numbers of requests received and categories of request:-

Policy	29
Environmental Information Regulations	6
Personal	1
Councillor	0
Staff	113
Contracts	85
Other	1041

13. Requests are increasingly more complex with requesters often asking for a lot of information as part of a single request as well as the requesting information covering all three access to information regimes (FOI, Environmental Information Regulations [EIR] and the Data Protection). Since January 2016 a lot of requests

have been focussed on traded services, particularly ICT services, services to schools, school meal provision and trading companies. The information requested about the Council's traded services, is around unit costs and the number of employees etc. performing the contracts.

14. The volume of requests we used to get in relation to business rates have decreased significantly because we now publish that information online.

#### **Method of receipt of requests**

E- Mail	1179
Letter	20

15. Most recipients prefer responses by e-mail. The FOI tracking system caters for that by allowing documents to be imported into the system in "read only" format, so that a full record of responses can be maintained. To comply with the Government's transparency agenda responses cannot be provided in PDF format. They must be provided in an open format which allows reuse.

#### **Category of requester**

16. Our data suggests that in 2016 most requests were from individuals or companies wanting contractual information, mainly in relation to traded services; rather than from the press, interns or campaign groups. It is not, however, always possible to identify the source of a request as the requester need only give a name and a return address, which can be an e-mail address.

#### **Reviewed requests**

17. If a requester is dissatisfied with a decision in relation to a request, they have a right to an internal review by the Strategic Director, Corporate Services and Governance. Four requesters have exercised this right in 2016. The original decision maker's decision was upheld in all four cases.
18. Following the internal review, if still unhappy, the requester has a right of appeal to the Information Commissioner. Two requesters exercised that right; no decisions have been made by the Information Commissioner.

#### **Resolution of requests within target timescales**

19. The Council has a statutory target timescale of 20 working days to respond to requests for information. Of the requests received in 2016 94.25% were dealt with within the 20 day timescale. This is less than a 0.1% decrease on last year's figure of 94.84%.

#### **Actions to maintain performance**

20. Services are now proactively publishing more information on the Council's website. If the information is published on the website it is exempt from disclosure under the Act as it is "information easily accessible by other means". Information champions are only required to send a requester the web page link to where the

information is held. It is further hoped that the information on the transparency pages will decrease the volume of requests coming in.

## Consultation

21. No consultation has taken place on the preparation of this report.

## Alternative Options

22. There are no alternative options – this activity is prescribed by statute.

## Implications of the recommended options

### 23. Resources

- (a) Financial implications** – The Strategic Director, Corporate Resources confirms that the costs arising from providing responses to FOI requests is accommodated from within existing resources. Most of the costs are associated with officer time in collecting the information and co-ordinating responses. Current regulations only allow for charging for photocopying and disbursements such as postage and packing. Currently no charge is made for requests where this cost would be less than £10. Legislation does not require requests to be complied with if they exceed the cost limit of £450. In order to determine whether a request would cost more than £450 the Fees Regulations permit us to use an hourly rate of £25 per hour which equates to 18 hours of officer time. Cabinet determined in 2005 that, given the resource implications, no requests costing more than £450 would be processed. Assistance is, however, given to requesters to reformulate their request so that it falls under the costs limit.
  - (b) Human Resource Implications** – The Council must ensure that sufficient information champions are trained in each service to respond to requests within timescales. This has been achieved from within existing resources.
  - (c) Property Implications** – There are no property implications arising out of this report
24. **Risk Management Implications** – There are now 55 information champions trained to deal with requests as well as support provided centrally from the Information Rights Officer.
  25. **Equality and Diversity Implications** - The FOI procedure contributes to the implementation of the Council's Equal Opportunities Policy.
  26. **Crime and Disorder Implications** - There are no crime and disorder implications arising out of this report.
  27. **Health Implications** - There are no health implications arising out of this report.
  27. **Sustainability Implications** - There are no sustainability implications arising out of this report.

28. **Human Rights Implications** - There may be human rights implications in releasing certain information in response to requests. Therefore, having a formalised procedure for dealing with requests and comprehensive guidance manuals for employees to refer to will assist the Council to carry out its duties under the Human Rights Act 1998.
29. **Area and Ward Implications** - There are no ward implications arising out of this report.

### **Background Information**

30. Not applicable.

**TITLE OF REPORT:** Surplus Declaration of the former depot and environs, Chase Park, Wickham

**REPORT OF:** Mike Barker, Strategic Director Corporate Services and Governance

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### **Purpose of the Report**

1. To seek approval to (i) the property within Chase Park being declared surplus to the Council's requirements and (ii) the future proposal for the property after being declared surplus.

### **Background**

2. The property, which is shown hatched black on the attached plan, comprises the former grounds maintenance depot and store, a former Adult Day Care centre and old stable block formerly used as residential caretaker accommodation, is no longer required for service delivery by the Council and consideration has been given to its future use as detailed in the Appendix.

### **Proposal**

3. It is proposed that the property be declared surplus to the Council's requirements and disposed of on the open market.

### **Recommendations**

4. It is recommended that Cabinet:
  - (i) Declare the property surplus to the Council's requirements;
  - (ii) Authorise the Service Director, Legal Democratic and Property Services to dispose of the property on the open market.

For the following reason:

To manage resources and rationalise the Council's assets in line with the Corporate Asset Strategy and Management Plan.

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**CONTACT:** Lesley Pringle extension: 3490

### Policy Context

1. The proposed surplus declaration supports the overall vision for Gateshead as set out in Vision 2030 and the Council Plan. In particular, creating conditions for economic growth.
2. The proposed declaration will also accord with the provisions of the update of the Corporate Asset Strategy and Management Plan 2015 – 2020. In particular, the rationalisation of the estate through the disposal of an uneconomic asset.

### Background

3. Chase Park, which is shown outlined in black on the attached plan, was acquired and is currently held by the Council for recreational purposes pursuant to the Public Health Acts 1875 – 1925.
4. The subject property, shown hatched black on the attached plan, whilst located within the park has not been used for recreational purposes. It comprises a former grounds maintenance depot and store; a former Adult Day Care centre and a former residential caretaker flat.
5. The buildings are no longer required for service delivery and due to their deteriorating condition no alternative use has been identified. The old stable block, in particular, which was previously used as first floor caretaker accommodation, is unsafe and cannot be used.
6. Although not used for recreational use it was acquired for that purpose and as such, although the Council may dispose of such land under the provisions of Section 123 (2A) of the Local Government Act 1972, prior to doing so it must advertise the intention to dispose for two consecutive weeks in a local paper circulating in the area in which the property is situated and considers any objections which may come forward as a result of the advert.
7. The Council has developed a close relationship with the Friends of Chase Park and supported them in a Heritage Lottery Fund bid to carry out a variety of environmental improvements within the park. Any future development will take into account of character, and be sympathetic to, the heritage of the park.
8. Temporary storage has been provided for use by the Friends of Chase Park which will no longer be available once the property is sold. Discussions will be held with potential developers to include an element of added value, such as the provision of storage or community facilities, as part of the development. The outcome of such negotiations will be the subject of a further report on the disposal of the site.

### Consultation

9. In preparing this report consultations have taken place with Leader and Deputy Leader. The Ward Councillors have also been consulted on the proposals for this site.

## **Alternative Options**

10. The option of retaining the land has been discounted due to the condition of the buildings. No alternative use has been identified and if a development opportunity is not sought then the buildings would need to be demolished resulting in a cost implication for the Council.

## **Implications of Recommended Option**

### **11. Resources:**

**a) Financial Implications** - The Strategic Director, Corporate Resources confirms that the future disposal of the property is expected to generate a capital receipt for the Council.

**b) Human Resources Implications** - There are no implications arising from this recommendation.

**c) Property Implications** - The future disposal of this property will result in a reduction in the Council's overall property portfolio thus reducing operational costs.

12. **Risk Management Implication** - The future disposal of this property will remove opportunities for anti-social behaviour to vacant property.

13. **Equality and Diversity** – There are no implications arising from this recommendation.

14. **Crime and Disorder Implications** - The future disposal of this property will remove opportunities for crime and disorder.

15. **Health Implications** - There are no implications arising from this recommendation.

16. **Sustainability Implications** - The future disposal of this property will result in modern energy efficient accommodation.

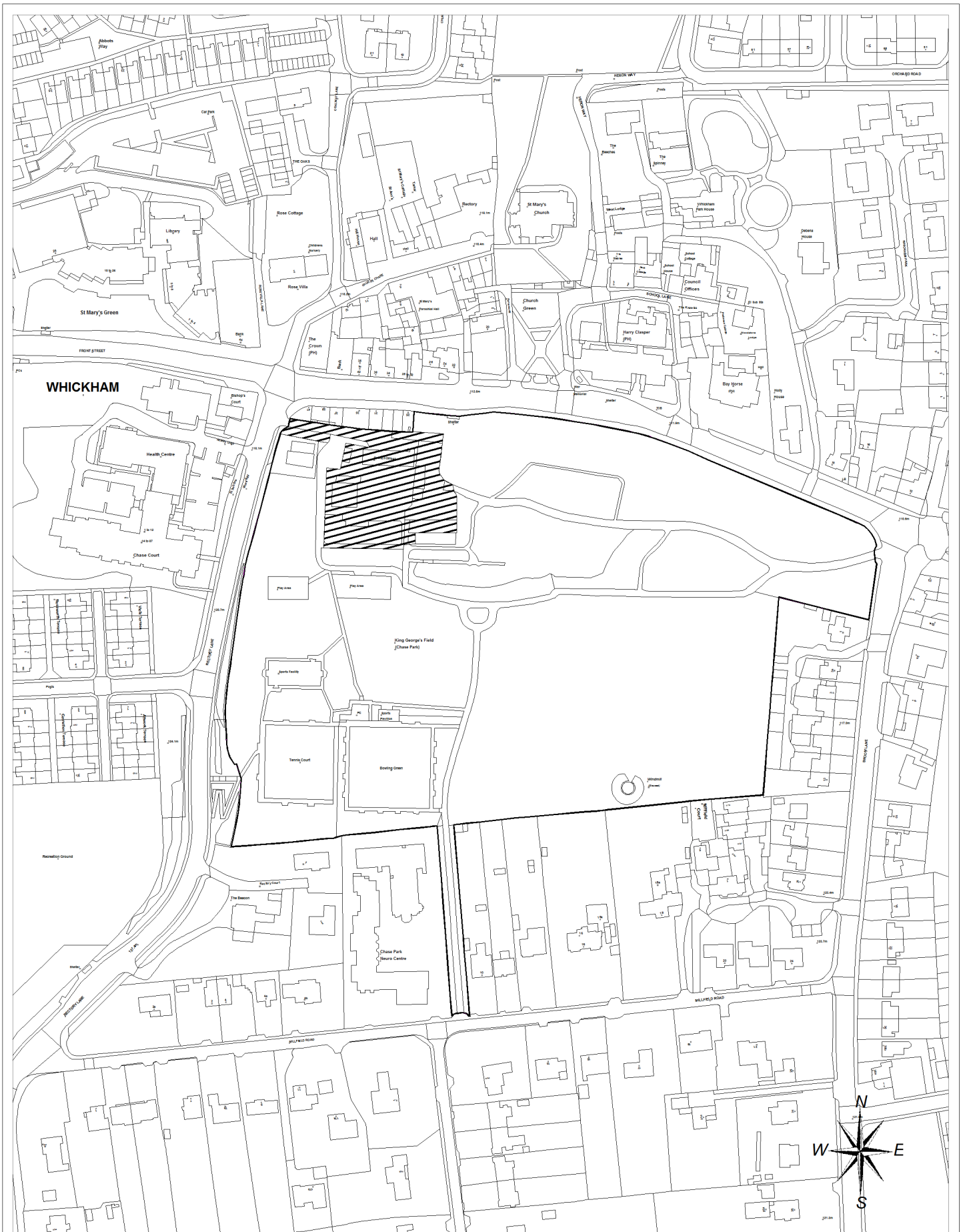
17. **Human Rights Implications** - There are no implications arising from this recommendation.


18. **Area and Ward Implications** – Dunston Hill and Whickham East; Whickham North in the Inner East area.

19. **Background Information** - None.

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<b>Title</b> <b>Chase Park</b> <b>Whickham</b>		<small>© Crown Copyright and database rights 2016. Ordnance Survey license number 100019132.</small>		
<b>Scale</b> <b>1:2500</b>	<b>Date Created</b> <b>27th February 2017</b>	<b>Drawn By</b> <b>Gillian Hall</b>	<b>Drawing Number</b> <b>Asset ID 004779 (A)</b>	
<b>Date Printed</b> <b>3rd March 2017</b>		<b>Date Printed</b> <b>3rd March 2017</b>		<b>O/S NUMBER</b> <b>NZZ061SE</b>
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Legal, Democratic and Property Services  
 Corporate Services and Governance  
 Gateshead Council

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**TITLE OF REPORT:** Grant of a Lease – 107/109 Coatsworth Road, Bensham

**REPORT OF:** Mike Barker, Strategic Director Corporate Services and Governance

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### **Purpose of the Report**

1. To seek approval to the grant of a lease in relation to 107/109 Coatsworth Road, Bensham.

### **Background**

2. At its meeting on 12 July 2016, Cabinet was advised that following the Avenues Project management committee's initial interest in seeking a Community Asset Transfer of the property, it had reluctantly made the decision to use alternative accommodation. Consequently, it was agreed to declare 107/109 Coatsworth Road surplus to Council requirements. (Min No. C52)
3. Since the property was declared surplus there has been continued interest in using the accommodation for community activities, however the organisations that originally approached the Council were not considered to provide a sufficiently sustainable community offer. Therefore, terms have been agreed with 19 Plus Community Interest Company (CIC), which has a proven track record of community engagement and delivery.
4. 19 Plus CIC want to ensure that the primary use of the property remains focussed on their core business of providing education, training and activities for people with learning disabilities, whilst encouraging community activity.

### **Proposal**

5. It is proposed that a 35 year lease be granted to 19 Plus CIC, subject to a rent of £5,250 per annum and 3 yearly rent reviews to reflect the intended use pursuant to the Council's Community Asset Transfer policy.

### **Recommendations**

6. Cabinet is asked to authorise the Strategic Director, Corporate Services and Governance to proceed with a 35 year lease to 19 Plus CIC, subject to the rental terms above, pursuant to the Council's Community Asset transfer policy.

For the following reason:-

To manage resources and rationalise the Council's assets in line with the Corporate Asset Strategy and Management Plan.

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**CONTACT:** Zoe Sharratt extension: 3503

## **Policy Context**

1. The proposed grant of a lease supports the overall vision for Gateshead as set out in Vision 2030 and the Council Plan. In particular, creating capacity for volunteering and community cohesion
2. The proposed lease will also accord with the provisions of the update of the Corporate Asset Strategy and Management Plan 2015 – 2020. In particular, the rationalisation of the estate through the disposal of an uneconomic asset

## **Background**

3. At its meeting on 12<sup>th</sup> July 2016 Cabinet was advised that the Avenues Project management committee initially proposed to submit an expression of interest and develop a business plan seeking a Community Asset Transfer of the property. However, this did not prove practicable and the committee reluctantly made the decision to use alternative accommodation.
4. Consequently, Cabinet declared 107/109 Coatsworth Road surplus to the Council's requirements (Minute No.C52).
5. Since the property was declared surplus, officers have had discussions with a number of community organisations wanting to use the building including, 22 Sheds suggesting that the property be used temporarily as part of its community engagement programme in the area and the Woodbine Terrace and Place Residents Association (WTPRA) wanting to test the level of demand for some community activities.
6. As neither of these options provide the Council with a sustainable community offer, the property was also shown to 19 Plus Community Interest Company (CIC), which provides education, training and activities to advance independent living, and employment of people with learning disabilities and has a proven track record of community engagement and delivery
7. 19 Plus CIC were granted a lease of Springwell Community Centre in April 2016, and the level of community activity taking place within that building has now increased significantly leading to the organisation having to move to alternative Council owned accommodation to deliver their education and training programmes for people with learning disabilities.
8. The organisation is keen to ensure that the primary use of the 107/109 Coatsworth Road remains focussed on their core business of providing education, training and activities for people with learning disabilities, whilst encouraging community activity. Discussions are therefore taking place with 22 Sheds and WTPRA with a view to the ground floor accommodation primarily being used for community activities and the first floor accommodation being used for 19 Plus's core business.
9. The benefit of delivering community activities from the property has been taken into account when assessing the level of rent that should be payable using the scoring matrix in the Community Asset Transfer policy.

## **Consultation**

10. In preparing this report consultations have taken place with the Leader, Deputy Leader and Ward Councillors for Lobley Hill and Bensham who have raised no objections to the proposal.

## **Alternative Options**

11. The option of disposing of the property on the open market has been discounted as a suitable sustainable community use has been identified.

## **Implications of Recommended Option**

### **12. Resources:**

- a) **Financial Implications** - The Strategic Director, Corporate Resources confirms that the grant of a lease is expected to generate revenue savings and produce an income for the Council.
- b) **Human Resources Implications** - There are no implications arising from this recommendation.
- c) **Property Implications** - The grant of a lease will generate an income and secure the future use of the property for community activities.

13. **Risk Management Implication** – The grant of a lease of this property will minimise the risk of vandalism to a vulnerable property.

14. **Equality and Diversity** - There are no implications arising from this recommendation.

15. **Crime and Disorder Implications** - The future disposal of this property will remove opportunities for crime and disorder, especially vandalism and theft.

16. **Health Implications** - There are no implications arising from this recommendation.

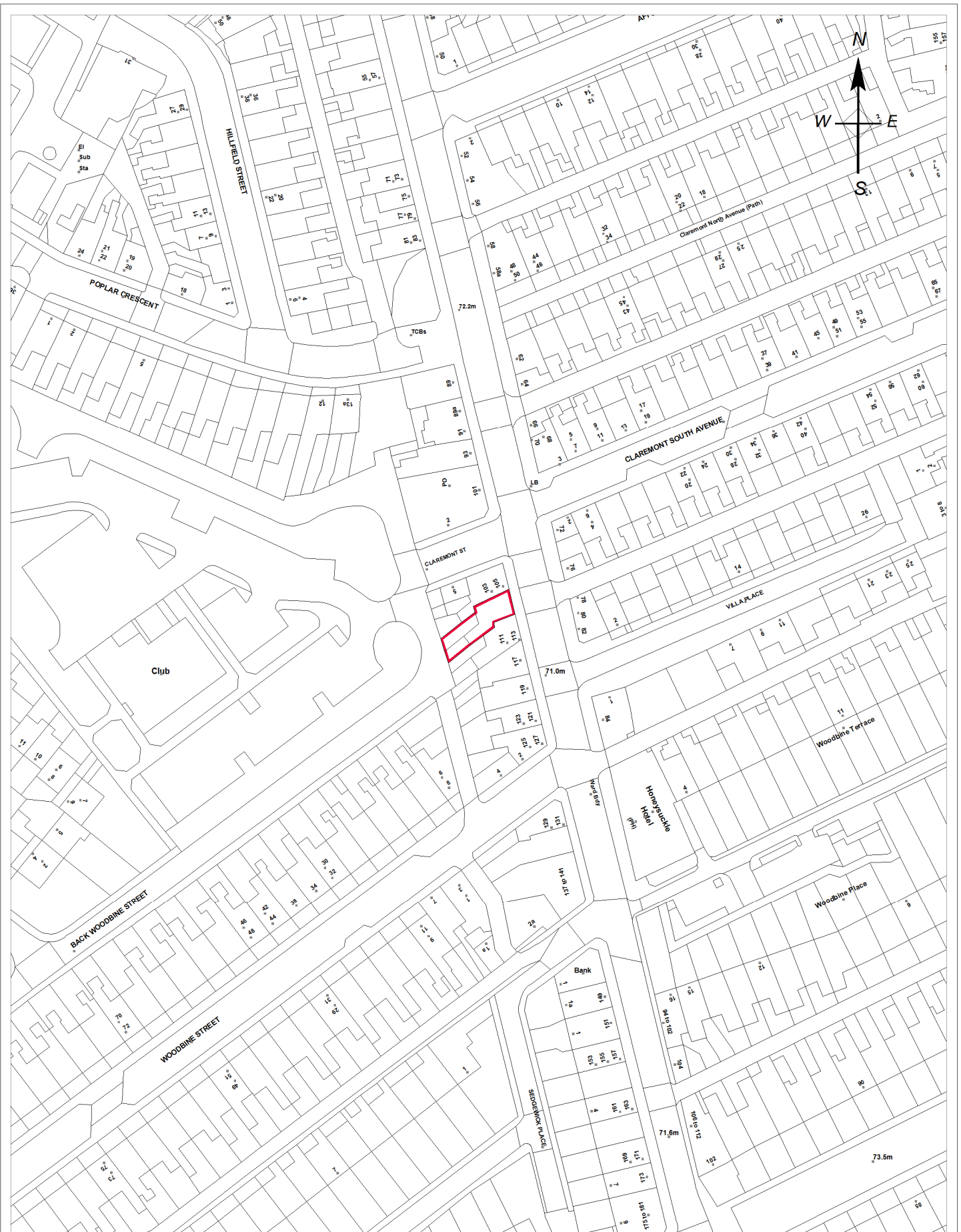
17. **Sustainability Implications** - There are no implications arising from this recommendation.


18. **Human Rights Implications** - There are no implications arising from this recommendation.

19. **Area and Ward Implications** – Lobley Hill and Bensham in the Central area

20. **Background Information** - Minute No. C52

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<b>Title</b> <b>107-109 Coatsworth Road</b> <b>Gateshead</b>		<small>© Crown Copyright and database rights 2011. Ordnance Survey license number 100019132.</small>		 <small>www.gateshead.gov.uk</small>	
<b>Scale</b> <b>1:1250</b>	<b>Date Created</b> <b>21st October 2010</b>	<b>Drawn By</b> <b>Gillian Hall</b>	<b>Drawing Number</b> <b>Asset ID 001869</b>	<b>Rev</b> <b>00</b>	<b>O/S NUMBER</b> <b>NZZ562SW</b>
			<b>Date Printed</b> <b>27th August 2015</b>	<b>Legal, Democratic and Property Services</b> <b>Corporate Services and Governance</b> <b>Gateshead Council</b>	
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**TITLE OF REPORT:**            **Petitions Schedule**

**REPORT OF:**                **Mike Barker, Strategic Director, Corporate Services and Governance**

**Purpose of the Report**

1.        To provide an update on petitions submitted to the Council and the action taken on them.

**Background**

2.        Council Procedure Role 10.1 provides that any member of the Council or resident of the borough may submit a petition to the Leader of the Council, to another member of the Council nominated by the Leader, to the Chief Executive or a Strategic Director.

**Proposal**

3.        Cabinet is asked to note the petitions received and actions taken on them.

**Recommendations**

4.        It is recommended that Cabinet note the petitions received and action taken on them.

For the following reason:

To inform the Cabinet of the progress of the petitions.

**CONTACT:** Mike Aynsley    extension: 2128

## APPENDIX 1

### Policy Context

1. The information is provided in accordance Council Procedure Rule 10.2 whereby progress of petitions is to be reported regularly to meetings of the Cabinet. The procedure supports the Council Plan.

### Background

2. Council Procedure Rule 10.1 provides that any member of the Council or resident of the borough may submit a petition to the Leader of the Council, to another member of the Council nominated by the Leader, to the Chief Executive or a Strategic Director.

### Consultation

3. This report has been prepared following consultation as set out in the schedule.

### Alternative Options

4. There are no alternative options.

### Implications of Recommended Option

#### 5. Resources:

a) **Financial Implications** – The Strategic Director, Corporate Resources confirms that there are no financial implications arising from this report.

b) **Human Resources Implications** – Nil

c) **Property Implications** - Nil

6. **Risk Management Implication** - Nil

7. **Equality and Diversity Implications** - Nil

8. **Crime and Disorder Implications** – Nil

9. **Health Implications** - Nil

10. **Sustainability Implications** - Nil

11. **Human Rights Implications** - Nil

12. **Area and Ward Implications** - Borough wide

### Background Information

13. Petitions schedule attached.

**APPENDIX 2**

**PETITIONS SUBMITTED TO GATESHEAD METROPOLITAN BOROUGH COUNCIL**

<b>DATE RECEIVED</b>	<b>REF</b>	<b>FROM</b>	<b>ISSUE</b>	<b>FORWARDED TO</b>	<b>ACTION TO DATE</b>
6.07.16 Submitted to Communities and Environment	8/16	Residents of Greenside	Petition requesting a zebra crossing on Lead Road, Greenside	Strategic Director, Communities and Environment	The content of the petition is currently being considered by officers.  The lead petitioner, ward members and the Cabinet member for Environment and Transport received an update in January 2017.
9.07.16 Submitted to Councillor Geoffrey Gaffrey	9/16	Residents of Rowlands Gill	Petition in support of Rowlands Gill Library remaining open.	Strategic Director, Communities and Environment	The Cabinet on 21 February approved the implementation of the library service review which will result in a statutory network of eight Council operated libraries. It also supported the development of volunteer managed libraries at Felling, Rowlands Gill and Whickham libraries and agreed to receive a further report on this matter if the transfer to volunteer operation was not viable.
20.08.2016 Submitted via the Council's online petition's site.	11/16	Residents of Gateshead	Petition in support of Whickham Library remaining open and requesting that the current staffing levels continue to be funded.		
25.08.2016 Submitted via the Council's online petition's site.	12/16	Residents of Gateshead	Petition stating 'no to volunteer libraries' and requesting that the Council stops entrusting the running of libraries in Gateshead to volunteers.		
04.10.16 Submitted to Communities and Environment	15/16	Petitions from Residents of Felling and local schoolchildren	Petition to Save Felling Library		The lead petitioners have been advised accordingly and it is proposed that the petitions be removed from the schedule.

07.10.16 Submitted to Councillor Wheeler	16/16	Petition from residents of Pelaw	Petition objecting to the possible closure of Pelaw Library and the option to remove staff and insert volunteers.		
10.10.16 Submitted by Councillor McCartney	17/16	Petition from residents of Crawcrook and surrounding communities	Petition requesting that Crawcrook Library remains open.		
20.02.17	03/17	Petition from residents of Whickham and surrounding area.	Petition requesting that Whickham library is saved.		
04.08.16 Submitted to The Gateshead Housing Company	13/16	Petition from residents of Ventnor Gardens	Petition complaining about the height of trees in neighbouring properties and asking for them to be cut back to a reasonable height.	Strategic Director, Communities and Environment/ The Gateshead Housing Company	The petition raised concerns about the large trees which belong to a private property.  The land owner has requested a list of approved contractors in order to obtain estimates to carry out the works. The Council's Arboricultural Officer has provided a list of approved contractors and has requested a rough timetable for the works to be completed. The Cabinet member, ward councillors and the lead petitioner will be kept advised when a timetable is received.
15.12.17 Submitted to Councillor J Graham	19/16	Petition from residents of Greenside and surrounding area.	Petition against the closure of Greenside Doctors Surgery	Director of Public Health	The petition was submitted to NHS England, NHS Newcastle Gateshead CCG and Crawcrook Medical Centre for consideration. Both the petition and issues raised by the Council's Care,

				<p>Health &amp; Wellbeing OSC were referred to within the report considered by the Primary Care Joint Committee on the future of the branch surgery. In reaching its decision, the Committee also considered the business case submitted by the practice, details of engagement undertaken on the proposals and issues raised during the engagement period.</p> <p>In light of the above, the Primary Care Joint Committee has agreed to the branch closure and the relocation of services to the main practice site. NHS England will be writing to the practice and will request that patients are notified accordingly. NHS England has also noted the request of OSC that steps are taken to ease the transition for patients affected by the closure of the branch surgery.</p> <p>In relation to the specific points raised within the petition, the following response has been provided:</p> <p><b>Concern for Greenside elderly and infirm patients</b></p> <p>Following a year's review of attendance at Greenside between 1 September 2015 and 31 August 2016, it was identified that there were only 8 patients over the age of 60 who used the branch surgery without having attended Crawcrook surgery and we will look at ways to mitigate the consequences for these patients.</p>
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				<p><b>Lack of a Doctors Surgery in a 1,000 household village</b> We are very disappointed not to be able to continue with the branch surgery. This is because from mid-January 2017, our GP resource has reduced by a total of 50% and we have been unable to recruit more GPs due to the current national shortage of GPs. This has made it impossible to sustain continued delivery of services over two sites. In order to reduce the risk for all of our patient population, we have to consolidate all of our services to the main surgery site.</p> <p><b>Concern over whether Crawcrook can take on extra capacity in light of the proposed new housing developments that are planned for the area</b> We are confident we have the capacity in Crawcrook to accommodate growth.</p> <p><b>Concern over the perceived poor appointment system</b> We agree the appointment system needs to be improved. This work is underway and is being developed and reviewed with our patient group, with a particular focus on the elderly as we know they are our most vulnerable group of patients. We will be reviewing home visits, telephone appointments and looking at new ways of supporting our patients to be seen by the appropriate member of the primary care team.</p>
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					The Cabinet member for Health and Wellbeing and ward councillors have been advised accordingly and it is proposed that this petition be removed from the schedule.
16.02.17 Submitted by Councillor Duggan	01/17	Petition from residents of Gateshead	Petition calling on the Council to scrap plans to reduce winter gritting of roads	Strategic Director, Communities and Environment	<p>The Council on 23 February considered its budget for 2017/18 and agreed that with regard to winter maintenance the saving of £52,000 would be achieved but from increased income and not a reduction in the winter maintenance service.</p> <p>The petitioner organiser has been advised accordingly and it is proposed that this petition be removed from the schedule.</p>

**The Gateshead Housing Company**

20.02.17	02/07	Petition from residents of Springwell Close and South Lea	Petition asking for the broken ground at the end of Springwell Close and South Lea to be repaired.	The Gateshead Housing Company	The content of the petition is currently being considered by officers.
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