

CABINET AGENDA

Tuesday, 22 January 2019 at 10.00 am in the Blaydon Room - Civic Centre

From the Chief Executive, Sheena Ramsey

Item Business

1 **Apologies for absence**

2 **Minutes** (Pages 5 - 10)

Cabinet is asked to approve as a correct record the minutes of the last meeting held on 18 December 2018.

Key Decision

3 **Tender for the Supply of Goods and Services** (Pages 11 - 14)

Report of the Strategic Director, Corporate Services and Governance

Recommendations to Council

4 **Calendar of Meetings 2019/20 and Overview and Scrutiny Arrangements**
(Pages 15 - 34)

Report of the Strategic Director, Corporate Services and Governance

5 **Housing Revenue Account and Housing Capital Programme** (Pages 35 - 50)

Report of the Strategic Director, Corporate Resources and Acting Strategic Director, Communities and Environment

6 **Capital Programme and Prudential Indicators 2018/19 – Third Quarter Review** (Pages 51 - 68)

Report of the Strategic Director, Corporate Resources

7 **Revenue Budget Third Quarter Review 2018/19** (Pages 69 - 78)

Report of the Strategic Director, Corporate Resources

Non Key Decisions

8 **Council Tax Base and Business Rates Forecast 2019/20** (Pages 79 - 86)

Report of the Strategic Director, Corporate Resources

- 9 Making Gateshead a Place Where Everyone Thrives - six-month assessment of performance and delivery 2018/19 (Pages 87 - 106)**
Report of the Chief Executive
- 10 Responses to Consultation (Pages 107 - 126)**
Report of the Chief Executive
- 11 Post 16 SEND Provision in Gateshead Special Schools (Pages 127 - 138)**
Report of the Strategic Director, Care, Wellbeing and Learning
- 12 Gateshead Health & Care Partnership Memorandum of Understanding (MoU) (Pages 139 - 154)**
Report of the Strategic Director, Care, Wellbeing and Learning
- 13 Annual Report Service and School Performance (Learning and Schools) (Pages 155 - 172)**
Report of the Strategic Director, Care, Wellbeing and Learning
- 14 Nomination of Local Authority School Governors and Appointment of Academy Governors (Pages 173 - 176)**
Report of the Strategic Director, Care, Wellbeing and Learning
- 15 Baltic Quarter - Site Investigation works (Pages 177 - 180)**
Report of the Acting Strategic Director, Communities and Environment
- 16 Electricity Tariffs for Gateshead HEIGHTs Project (Pages 181 - 186)**
Report of the Acting Strategic Director, Communities and Environment
- 17 Cleveland Hall Community Association Leasing Arrangements (Pages 187 - 192)**
Report of the Strategic Director, Corporate Services and Governance
- 18 Petitions Schedule (Pages 193 - 196)**
Report of the Strategic Director, Corporate Services and Governance

19 Exclusion of the Press and Public

The Cabinet may wish to exclude the press and public from the meeting during consideration of the following item(s) on the grounds indicated:

Item	Paragraph of Schedule 12A to the Local Government Act 1972
20	3
21	3

Key Decisions

20 Children's Home Proposal (Pages 197 - 204)

Report of the Strategic Director, Care, Wellbeing and Learning

21 Gateshead Quays - Arena, Conference and Exhibition Centre Heads of Terms (Pages 205 - 210)

Report of the Acting Strategic Director, Communities and Environment and Strategic Director, Corporate Services and Governance

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GATESHEAD METROPOLITAN BOROUGH COUNCIL

CABINET MEETING

Tuesday, 18 December 2018

PRESENT: Councillor M Gannon

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

C99 **MINUTES**

The minutes of the last meeting held on 20 November 2018 were approved as a correct record and signed by the Chair.

C100 **MATTER ARISING FROM THE MINUTES OF THE LAST MEETING**

Pursuant to Minute C88 Budget Consultation an error was discovered in the description of one of the budget proposals in the schedule attached to the Cabinet report and hence the document that went out for consultation; specifically, the s117 accommodation proposal.

The Strategic Director, Care, Wellbeing and Learning arranged for the proposal to be amended on the Council's website, using delegated powers in accordance with the Constitution, Schedule 5 – Part 2, Paragraph 4 (e) "Where it is impracticable to obtain authorisation from the body exercising the function and subject to the action being reported (for information) to the next convenient meeting of that body, take necessary urgent action, within legal powers, in respect of matters otherwise reserved to Cabinet".

RESOLVED - That the action taken by the Strategic Director, Care, Wellbeing and Learning, as referred to above be noted, involving amending the budget proposal descriptor which previously read:

"Introducing an accommodation charge for aftercare for people kept in hospital under the Mental Health Act S117.

We would look to recover the accommodation element of the support package. The accommodation element would become chargeable but to the extent someone is able to pay and where they are unable the cost would become a social care cost. The decision would be implemented at the point of care provision for any "new" s117 clients."

to read:

"Introducing an accommodation charge (subject to an assessment) for people who are subject to s117 of the Mental Health Act 1983 (aftercare).

We would look to recover the accommodation element of the

support package, for those people in receipt of aftercare, who do not have a need for specialist enhanced accommodation that arises from, or is related to, the patient's mental disorder for which he/she was detained (under s.3/37/45A/47/48). The accommodation element would therefore become chargeable in accordance with the Care Act 2014 charging provisions and the Council's Charging Policy so that they would not be required to contribute more than they have been assessed as being able to pay. This would mean undertaking reviews/assessments for existing clients to apply the above criteria; the decision would be implemented at the point of care provision for any "new" s117 clients."

C101 **TENDER FOR THE SUPPLY OF GOODS AND SERVICES**

Consideration has been given to the tender received for the contract for a Licensed Energy Supplier and Energy Management of Void Properties.

RESOLVED - That the tender received from Emrgnt Systems Ltd (consortia bid including Robin Hood Energy) be accepted for the contract for a Licensed Energy Supplier and Energy Management of Void Properties, for a 36-month period commencing 1 March 2019, with an option to extend for a further 2 x 12 month periods.

The above decision was made because the tender passed all the required evaluation criteria and was the only tender received to deliver this contract.

C102 **ALLOTMENT PORTFOLIO - RENT REVIEW 1 APRIL 2019**

Consideration has been given to the proposed increase in allotment rents as set out in appendix 2 to the report, with effect from 1 April 2019 and to recommending the Council to agree to the inclusion of the increased rental levels in the schedule of fees and charges for 2019/20.

The alternative option to that being recommended, but which was discounted, included recommending an increase in rent levels beyond the level of inflation.

RESOLVED - That the Council be recommended to:

- (i) approve the proposed increases in allotment rents as set out in appendix 2 to the report with effect from 1 April 2019; and
- (ii) approve the inclusion of the increased allotment rent levels in the Schedule of Fees and Charges for 2019/20

The above decisions have been made to manage the Council's assets in line with the Corporate Asset Strategy and Management Plan, through reducing the current subsidy arising from the management of the allotment portfolio and increasing rents in line with the current allotment tenancy agreements.

(Councillor J McElroy declared a personal and pecuniary interest in the above matter because he is an allotment holder and withdrew from the meeting whilst the matter was under consideration).

C103 **RESPONSES TO CONSULTATIONS**

Consideration has been given to responses to recent consultations.

RESOLVED - That the responses to the following consultations be endorsed.

- Social Housing Green Paper – Ministry of Housing, Communities and Local Government (MHCLG)
- Call for evidence on Social Housing Regulation - MHCLG
- Use of receipts from Right-to-Buy sales – MCCLG
- Planning Reform on supporting the high street and increasing the delivery of new homes – MHCLG

The above decision has been made to enable the Council to contribute responses to the consultations.

C104 **PLACEMENT SUFFICIENCY AND COMMISSIONING STRATEGY FOR CHILDREN IN CARE IN GATESHEAD 2018 TO 2021**

Consideration has been given to the Placement Sufficiency and Commissioning Strategy for Children in Care in Gateshead 2018 to 2021. The strategy covers the accommodation and placement needs for Looked After Children and Care Leavers supported by the Council.

- RESOLVED -
- (i) That the draft Placement Sufficiency and Commissioning Strategy for Children in Care in Gateshead 2018-2021 be approved for further consultation with key stakeholders and partners.
 - (ii) That it be noted the strategy will be taken for information to the Gateshead Health and Wellbeing Board in January.

The above decisions have been made to enable the Council to fulfil its statutory responsibility under the Children’s Act 2014 to develop a strategy to express the Council’s vision and identifies the provision of placements and accommodation for children in its care, who are Looked After or Care Leavers.

C105 **NOMINATION OF LOCAL AUTHORITY SCHOOL GOVERNORS**

Consideration has been given to the nomination of Local Authority Governors to schools seeking to retain their Local Authority governors in accordance with the School Governance (Constitution) (England) Regulations.

RESOLVED - That the nominations of the following Local Authority governors be approved for a period of four years (as stipulated in the individual Schools Instruments of Government) with effect from the dates stated below.

School	Nomination	Date from
Chopwell Primary School	Cllr Lynne Caffrey	4 February 2019
Harlow Green Community Primary School	Cllr Keith Wood	3 April 2019
South Street Primary School	Cllr Bernadette Oliphant	22 May 2019

The above decision has been made to ensure the Governing Bodies have full membership.

C106 **THE SAGE GATESHEAD - LEASE RENEWAL**

Consideration has been given to the terms of a lease renewal of the Sage Gateshead to North Music Trust (NMT).

RESOLVED - That the terms for a lease renewal of the Sage Gateshead to North Music Trust, as set out in the report be approved and the Strategic Director, Corporate Services and Governance be authorised to agree the detailed terms.

The above decision has been made for the following reasons:

- (A) To secure the use of the building for the next 20 years.
- (B) To manage the assets of the Council's non-operational portfolio in line with the Corporate Asset Strategy and Management Plan 2015 -2020.

(Councillor Gannon declared a personal and non-pecuniary interest in the above matter because he is a Trustee of North Music Trust and withdrew from the meeting whilst the matter was under consideration. Councillor Donovan took the Chair for this item).

C107 **SURRENDER AND NEW LEASE OF HILLSIDE GRANGE, FELLING**

Consideration has been given to accepting the surrender of the current lease of Hillside Grange, Sunderland Road, from Gary Owen Lewis and MW Trustees Ltd as trustees of the Lewis SIPP ("the Tenant") and the re-granting of a 99 year lease to Gary Owen Lewis and MW Trustees Ltd as trustees of the Lewis SIPP.

RESOLVED - (i) That the surrender of the current lease of Hillside Grange, Sunderland Road, from Gary Owen Lewis and MW Trustees Ltd as trustees of the Lewis SIPP ("the Tenant") and the re-granting of a new 99 year lease to Gary Owen Lewis and MW Trustees Ltd as trustees of the Lewis SIPP, as outlined in the report be approved.

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

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

C108 **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 paragraph 4 of Schedule 12A to the Local Government Act 1972.

C109 **CHILDREN'S FAMILY SUPPORT SERVICES - CHANGE OF PROVISION OF FAMILY SUPPORT AND EARLY HELP SERVICES**

Consideration has been given to an update in relation to the review of Children's Family Support Services and the implementation of a different delivery model and implications of this.

The alternative options to that being recommended, but which were discounted are noted.

- RESOLVED -
- (i) That the contents of the report be noted.
 - (ii) That the proposal to insource the Family Support Services be approved and it be noted the consequences of the TUPE issues will be worked through.
 - (iii) That the proposal to complete a full evaluation of the Jigsaw pilot be approved.
 - (iv) That the extension of the contracted Family Support Services to the end of March 2019 be approved.

The above decisions have been made for the following reasons:

- (A) To ensure the Council continues to provide services to safeguard and promote the welfare of children in the most efficient and cost-effective way.
- (B) To ensure there is Cabinet oversight of the proposal to bring parts of the commissioned service "inhouse".

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: 19 December 2018

Chair.....

TITLE OF REPORT: Tender for the Supply of Goods and Services

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

Purpose of the Report

1. The purpose of this report is to ask Cabinet to consider the tender received for the Framework for the Hire of Light Commercial Vehicles & Vehicle Tracking System.
2. The background to this contract is contained in the attached appendix.

Proposal

3. Cabinet is asked to agree the recommendations below.

Recommendations

4. It is recommended Cabinet agree that the tender from Northgate Vehicle Hire Limited be accepted for the Framework for the Hire of Light Commercial Vehicles & Vehicle Tracking System for a 36 month period commencing 1 February 2019, with the option to extend for a further 2 x 12 month periods.

For the following reason

A comprehensive evaluation of the tenders received has been undertaken. The recommended tender is the most economically advantageous tender submitted.

CONTACT: Andrea Tickner extension: 5995

APPENDIX 1

Policy Context

1. Framework for the Hire of Light Commercial Vehicles & Vehicle Tracking System has been organised in accordance with the Council's Consolidated Procurement Policy.

Background

2. The framework is being arranged on behalf of Street Scene, Communities and Environment. The contract is for a 36 month period with the option to extend for a further 2 x 12 month periods.
3. This framework is for the supply of a wide range of vehicles on a long term or daily hire basis, including cars, LCV's, LGV's, passenger transport vehicles and specialist vehicles (up to 3.5t). It also includes the provision of a vehicle tracking system.
4. The cost to the Council is approximately £830k per annum. This is based on an estimated number of vehicles required for long term hire but does not include vehicles hired under a short term agreement.
5. Tenders were received from the following companies:

Dawsongroup Vans Ltd, Milton Keynes
Enterprise Rent-A-Car UK Ltd, Surrey
GAP Vehicle Hire Limited, Glasgow
Northgate Vehicle Hire Ltd, Darlington
Reflex Vehicle Hire Limited, Loughborough
SHB Hire Ltd, Hampshire

A comprehensive evaluation of the tenders has been undertaken against the following criteria:

- Mandatory requirements: Grounds for Exclusion, Modern Slavery Act 2015, Insurance, Compliance with Equality Legislation, Environmental Management and Health and Safety.
- Contract approach including Previous Experience, Methodology and Sustainability.
- Value for money.

Consultation

6. There has been no external consultation

Alternative Options

7. The anticipated value of this contract exceeded the threshold requiring competitive tenders to be invited in accordance with the EU Public Procurement Directives; therefore, there are no alternative options.

Implications of Recommended Option

8. Resources:

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

b) Human Resources Implications – Nil

c) Property Implications - Nil

9. Risk Management Implication – Nil

10. Equality and Diversity Implications – The recommended tenderer meets the legal obligations of the Equality Act 2010.

11. Crime and Disorder Implications – Nil

12. Health Implications - Nil

13. Sustainability Implications – Nil

14. Human Rights Implications - Nil

15. Area and Ward Implications -Nil

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TITLE OF REPORT: **Calendar of Meetings 2019/20 and Overview and Scrutiny Arrangements**

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

Purpose of the Report

1. This report sets out the proposed calendar of meetings for 2019/20. It also proposes some changes to the Council's overview and scrutiny and advisory group arrangements.

Background

2. Every year a calendar of meetings is drawn up for the Council's main decision making bodies and overview and scrutiny committees for the following municipal year. The calendar of meetings assists in the effective planning of the consideration of Council business and with the preparation of the Cabinet's schedule of decisions.
3. A draft calendar of meetings has been prepared for 2019/20 and this is attached at Appendix 2. It has been prepared on a similar basis as last year.
4. The Council has previously agreed to pilot a number of changes to the Council's overview and scrutiny arrangements. Some elements of the pilot have been reviewed and these are set out in paragraphs 11-16 of Appendix 1.

Proposal

5. It is proposed that the Cabinet recommends Council to:
 - agree the calendar of meetings 2019/20 (attached at appendix 2); and
 - the proposed changes to the Council's overview and scrutiny and advisory group arrangements outlined in paragraphs 11-16 of Appendix 1.

Recommendations

6. The Cabinet is requested to recommend Council to:
 - (i) approve the calendar of meetings 2019/20;
 - (ii) agree that, as far as possible, meetings should not be held during school holidays;

- (iii) authorise the Strategic Director, Corporate Services and Governance, following consultation with the Leader of the Council, to make any necessary amendments to the calendar of meetings; and
- (iv) agree the proposed changes to the Council's overview and scrutiny and advisory group arrangements set out in Appendix 1 and that the Council's Constitution be amended accordingly.

For the following reason:

To assist in the preparation of the Cabinet's schedule of decisions and to allow councillors and officers to plan commitments in their diaries.

CONTACT: Mike Aynsley extension 2128

Policy Context

1. Preparing a calendar of meetings for the municipal year enables effective planning of Council business and preparation of the Cabinet's schedule of decisions.

Background

2. The calendar of meetings has been prepared on the following basis:
 - As far as possible, meetings will not be held during school holidays.
 - Eight Council meetings, including the annual meeting and special meeting to consider the budget.
 - Meetings of the Cabinet to take place once a month with breaks during school holiday periods. Additional meetings of the Cabinet to be arranged, if required.
 - Meetings of the Planning and Development Committee to be held every three weeks. There will be a four week gap over the summer and Christmas holiday periods.
 - Meetings of the Regulatory Committee to be held on a monthly basis.
 - Two meetings of the Licensing Committee per annum. These will be held immediately after meetings of the Regulatory Committee. Meetings of the Licensing Sub Committee will be arranged on an ad hoc basis.
 - Three meetings of the Rights of Way Committee per annum.
 - Six meetings of the Audit and Standards Committee per annum.
 - One meeting of the Accounts Committee per annum.
 - Overview and Scrutiny Committees to be held every six weeks. Meetings of the Corporate Parenting Sub-Committees to be held quarterly.
 - Meetings of the Personnel Appeals Committee to be held on a monthly basis with breaks during school holiday periods. The Pensions and Pay Discretions Sub Committee will meet on a quarterly basis.
 - Health and Wellbeing Board to be held every six weeks.
3. The Council previously agreed to realign meetings of the Cabinet and Council so they would be held in the same week to make the Council's decision making process more effective and efficient. This meant that Cabinet meetings would continue to meet monthly but the frequency of Council meetings would be changed from every six weeks to bi-monthly. In addition to these changes, the dates of some Group meetings needed to be re-aligned. It is considered that this arrangement has worked well and that it should be continued. This is reflected in the attached calendar of meetings.

4. The Councillor Support and Development Group has previously agreed that there should be a guiding principle that the Council's committees and OSCs should have at least one evening meeting per year starting at 5.30pm and those meetings should have a suggested maximum duration of no more than two hours.
5. The calendar of meetings for 2019/20 has been prepared on a similar basis as last year.
6. Planning and Development Committee will continue to have some 6.00pm starts and the Rights of Way Committee will meet at 4.30pm.
7. Seminars and meetings of the Corporate Advisory Group will be held at either 2.00pm or 5.30pm.
8. If Chairs wish to change the date of the meetings starting at the later time to another date then this will be accommodated where possible.
9. The Council has previously agreed that meetings should not be held in school holidays, as far as possible. There are exceptions to this principle, such as Planning and Development, Regulatory, Audit and Standards and Accounts Committees. It is proposed that this principle should continue to be adopted, except for urgent meetings. The Corporate Parenting OSC will hold two meetings after school hours at 4.30pm to allow children the opportunity to attend its meetings.
10. It is proposed that the Strategic Director, Corporate Services and Governance should be authorised, following consultation with the Leader of the Council, to make any necessary amendments to the calendar of meetings.

Overview and Scrutiny

11. The Council has previously agreed to pilot a number of changes to the Council's Overview and Scrutiny arrangements. As a result of feedback from councillors some elements have been reviewed.
12. As part of the pilot changes it was agreed that policy issues previously considered by Policy Advisory Groups (eg policy consultations etc) would fall within the remits of specific OSCs and be subsumed into the work programmes for all OSCs. As a result of this change the Policy Advisory Group was disbanded. Following feedback from councillors it is considered that this change has not had the desired impact or led to the anticipated level of enhanced engagement in influencing ad hoc policy development for the following reasons:
 - limited engagement in these meetings from non OSC members due to a perception that this is now OSC business; and
 - discussions on policy issues being constrained by time limits due to other core business on OSC agendas.
13. Therefore, it is proposed that consideration of ad hoc policy issues be removed from the OSC work programmes and the Policy Advisory Group be reinstated. All members will be invited to meetings of the Advisory Group and it will meet as and when necessary.

14. An OSC work programme event was trialled last year. However, following feedback from councillors this event will no longer be held. Councillors' views will now be sought on potential work programme issues via scheduled meetings of the respective OSCs.
15. An aim of the pilot was to strengthen engagement between the Executive and OSCs and as a result a protocol was developed to facilitate Cabinet member attendance at OSCs where performance and policy issues relevant to specific Portfolio areas were being considered. Feedback has indicated that this arrangement has been positively received.
16. The Community Safety OSC was established in 2014 as a sub-committee of the Communities and Place OSC when the current OSC structure was introduced. The sub-committee meets on a quarterly basis. It is considered that the Communities and Place OSC can accommodate the current work programme of the sub-committee without affecting the effective scrutiny and challenge of community safety issues, including performance. This would streamline the OSC structure and help to reduce the demands placed on councillors' time. Therefore, it is proposed that the Community Safety OSC should be disbanded with effect from the Annual Council Meeting in May and its terms of reference be included into those for the Communities and Place OSC.

Consultation

17. The Leader of the Council has been consulted on the contents of this report, all members' views were sought on the OSC pilot and the Chair and Vice Chair of Community Safety OSC have been consulted on the future of that committee.

Alternative Options

18. No other options have been considered.

Implications of Recommended Option

19. Resources

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

20. Risk Management Implication - There are no risk management implications arising from the recommended option.

21. Equality and Diversity Implications - There are no equality and diversity implications arising from the recommended option.

22. Crime and Disorder Implications - There are no crime and disorder implications arising from the recommended option.

23. Health Implications – There are no health implications arising from the recommended option.

24. Sustainability Implications - There are no sustainability implications arising from the recommended option.

25. Human Rights Implications - There are no human rights implications arising from the recommended option.

26. Area and Ward Implications - There are no area and ward implications arising from the recommended option.

27. Background Information - The calendar of meetings approved for the current municipal year and Council minutes CL123 - 2013/14 and CL14 & CL34 - 2017/18.

Calendar of Meetings 2019/20

MAY 2019

DAY	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME
MON				6	BANK HOLIDAY		13			20	LABOUR GROUP LIB DEM GROUP	6.00 6.00	27	BANK HOLIDAY	
TUE				7			14			21	CABINET	10.00	28		
WED	1			8	ANNUAL LABOUR GROUP ANNUAL LIB DEM GROUP	6.00 6.00	15	PLANNING AND DEVELOPMENT COMMITTEE LIB DEM GROUP	10.00 6.00	22			29		
THU	2	LOCAL ELECTIONS		9	PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT	10.00	16			23	COUNCIL	2.30	30	PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT	10.00
FRI	3			10			17	ANNUAL COUNCIL	2.30	24			31		

JUNE 2019

DAY	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME
MON	3			10	COUNCILLOR SUPPORT AND DEVELOPMENT GROUP	2.00	17	CORPORATE RESOURCES OSC	10.00	24	AUDIT AND STANDARDS COMMITTEE	10.00			
											COMMUNITIES AND PLACE OSC	1.30			
											LABOUR GROUP	6.00			
TUE	4	REGULATORY COMMITTEE	1.30	11	CORPORATE ADVISORY GROUP	2.00	18			25	CABINET	10.00			
											CARE, HEALTH AND WELLBEING OSC	1.30			
WED	5	PLANNING AND DEVELOPMENT COMMITTEE	10.00	12	SEMINAR	2.00	19	SEMINAR	5.30	26	PLANNING AND DEVELOPMENT COMMITTEE	6.00			
THU	6	PERSONNEL APPEALS COMMITTEE	1.30	13	PENSIONS AND PAY SUB COMMITTEE	1.30	20	PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT	10.00	27					
								FAMILIES OSC	1.30						
FRI	7	HEALTH AND WELLBEING BOARD	10.00	14			21			28					

JULY 2019

DAY	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME
MON	1			8			15	RIGHTS OF WAY COMMITTEE LABOUR GROUP LIB DEM GROUP	4.30 6.00 6.00	22	AUDIT AND STANDARDS COMMITTEE	10.00	29		
TUE	2		1.30	9	CORPORATE ADVISORY GROUP	2.00	16	CABINET REGULATORY COMMITTEE	10.00 5.30	23			30		
WED	3			10	SEMINAR LIB DEM GROUP	2.00 6.00	17	PLANNING AND DEVELOPMENT COMMITTEE SEMINAR	10.00 2.00	24			31		
THU	4	CORPORATE PARENTING OSC	1.30	11	PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT PERSONNEL APPEALS COMMITTEE	10.00 1.30	18	COUNCIL	2.30	25					
FRI	5			12			19	HEALTH AND WELLBEING BOARD	10.00	26	ACCOUNTS COMMITTEE	10.00			

AUGUST 2019

DAY	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME
MON				5			12			19			26	BANK HOLIDAY	
TUE				6			13			20	REGULATORY COMMITTEE	1.30	27		
WED				7	PLANNING AND DEVELOPMENT COMMITTEE	10.00	14			21			28		
THU	1	PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT	10.00	8			15			22			29	PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT	10.00
FRI	2			9			16			23			30		

SEPTEMBER 2019

DAY	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME
MON	2			9	CORPORATE RESOURCES OSC	10.00	16	COMMUNITIES AND PLACE OSC LABOUR GROUP LIB DEM GROUP	1.30 6.00 6.00	23			30	AUDIT AND STANDARDS COMMITTEE	10.00
TUE	3	CORPORATE ADVISORY GROUP	5.30	10	CARE, HEALTH AND WELLBEING OSC	5.30	17	CABINET REGULATORY COMMITTEE FOLLOWED BY LICENSING COMMITTEE	10.00 1.30	24					
WED	4	PLANNING AND DEVELOPMENT COMMITTEE	10.00	11	SEMINAR LIB DEM GROUP	2.00 6.00	18	SEMINAR	2.00	25	PLANNING AND DEVELOPMENT COMMITTEE	10.00			
THU	5	PERSONNEL APPEALS COMMITTEE	1.30	12	FAMILIES OSC	1.30	19	PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT COUNCIL	10.00 2.30	26					
FRI	6	HEALTH AND WELLBEING BOARD	10.00	13			20			27					

OCTOBER 2019

DAY	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME
MON				7	COUNCILLOR SUPPORT AND DEVELOPMENT GROUP	2.00	14	CORPORATE RESOURCES OSC LABOUR GROUP	10.00 6.00	21			28	COMMUNITIES AND PLACE OSC	1.30
TUE	1	CORPORATE ADVISORY GROUP	2.00	8		1.30	15	CABINET REGULATORY COMMITTEE	10.00 1.30	22			29	CARE, HEALTH AND WELLBEING OSC	1.30
WED	2	SEMINAR	2.00	9	CORPORATE ADVISORY GROUP	5.30	16	PLANNING AND DEVELOPMENT COMMITTEE	6.00	23			30	SEMINAR	5.30
THU	3	PERSONNEL APPEALS COMMITTEE	1.30	10	PENSIONS AND PAY SUB COMMITTEE PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT	1.30 6.00	17	CORPORATE PARENTING OSC	4.30	24			31	PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT FAMILIES OSC	10.00 1.30
FRI	4			11			18	HEALTH AND WELLBEING BOARD	10.00	25					

NOVEMBER 2019

DAY	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME
MON				4			11			18	RIGHTS OF WAY COMMITTEE LABOUR GROUP LIB DEM GROUP	4.30 6.00 6.00	25		
TUE				5	CORPORATE ADVISORY GROUP	2.00	12	REGULATORY COMMITTEE	1.30	19	CABINET	10.00	26	CORPORATE ADVISORY GROUP	5.30
WED				6	PLANNING AND DEVELOPMENT COMMITTEE	10.00	13	SEMINAR LIB DEM GROUP	2.00 6.00	20	SEMINAR	5.30	27	PLANNING AND DEVELOPMENT COMMITTEE	10.00
THU				7			14	PERSONNEL APPEALS COMMITTEE	1.30	21	PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT COUNCIL	10.00 2.30	28		
FRI	1			8			15			22			29	HEALTH AND WELLBEING BOARD	10.00

DECEMBER 2019

DAY	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME
MON	2	CORPORATE RESOURCES OSC	10.00	9	COMMUNITIES AND PLACE OSC	1.30	16	LABOUR GROUP	6.00	23			30		
TUE	3			10	CARE, HEALTH AND WELLBEING OSC	1.30	17	CABINET REGULATORY COMMITTEE	10.00 1.30	24			31		
WED	4	SEMINAR	2.00	11	SEMINAR	2.00	18	PLANNING AND DEVELOPMENT COMMITTEE	10.00	25	CHRISTMAS DAY				
THU	5	FAMILIES OSC	1.30	12	PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT CORPORATE ADVISORY GROUP	1 10.00 1.30	19	PERSONNEL APPEALS COMMITTEE	1.30	26	BOXING DAY				
FRI	6			13			20			27					

JANUARY 2020

DAY	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME
MON				6			13	COUNCILLOR SUPPORT AND DEVELOPMENT GROUP	2.00	20	CORPORATE RESOURCES OSC LABOUR GROUP LIB DEM GROUP	10.00 6.00 6.00	27	AUDIT AND STANDARDS COMMITTEE COMMUNITIES AND PLACE	10.00 1.30
TUE				7			14	CORPORATE ADVISORY GROUP	2.00	21	CABINET REGULATORY COMMITTEE	10.00 1.30	28	CARE, HEALTH AND WELLBEING OSC	1.30
WED	1	NEW YEAR'S DAY		8	SEMINAR	2.00	15	PLANNING AND DEVELOPMENT COMMITTEE LIB DEM GROUP	10.00 6.00	22	SEMINAR	2.00	29	CORPORATE ADVISORY GROUP	2.00
THU	2			9	PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT PERSONNEL APPEALS COMMITTEE	10.00 1.30	16	CORPORATE PARENTING OSC	1.30	23	COUNCIL	2.30	30	PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT FAMILIES OSC	10.00 1.30
FRI	3			10			17	HEALTH AND WELLBEING BOARD	10.00	24					

FEBRUARY 2020

DAY	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME
MON	3			10	LABOUR GROUP	6.00	17	LABOUR GROUP	6.00	24	LABOUR GROUP LIB DEM GROUP	6.00 6.00			
TUE	4		1.30	11	CORPORATE ADVISORY GROUP	2.00	18			25	CABINET REGULATORY COMMITTEE	10.00 1.30			
WED	5	PLANNING AND DEVELOPMENT COMMITTEE	6.00	12	SEMINAR	5.30	19	LIB DEM GROUP	6.00	26	PLANNING AND DEVELOPMENT COMMITTEE	10.00			
THU	6	PENSIONS AND PAY SUB COMMITTEE	1.30	13	PERSONNEL APPEALS COMMITTEE	1.30	20	PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT	10.00	27	COUNCIL (BUDGET)	2.30			
FRI	7			14			21			28					

MARCH 2020

DAY	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME
MON	2	CORPORATE RESOURCES OSC AUDIT AND STANDARDS COMMITTEE	10.00 5.30	9	COMMUNITIES AND PLACE OSC	5.30	16			23	RIGHTS OF WAY COMMITTEE LABOUR GROUP LIB DEM GROUP	4.30 6.00 6.00	30	COUNCILLOR SUPPORT AND DEVELOPMENT GROUP	2.00
TUE	3	CARE, HEALTH AND WELLBEING OSC	1.30	10			17			24	CABINET REGULATORY COMMITTEE	10.00 1.30	31		
WED	4	SEMINAR	2.00	11	SEMINAR	2.00	18	PLANNING AND DEVELOPMENT COMMITTEE LIB DEM GROUP	10.00 6.00	25					
THU	5	FAMILIES OSC	1.30	12	PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT PERSONNEL APPEALS COMMITTEE	10.00 1.30	19	CORPORATE ADVISORY GROUP	5.30	26	COUNCIL	2.30			
FRI	6	HEALTH AND WELLBEING BOARD	10.00	13			20			27					

APRIL 2020

DAY	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME
MON		CORPORATE RESOURCES OSC	5.30	6			13	EASTER MONDAY		20	COMMUNITIES AND PLACE OSC	1.30	27	AUDIT AND STANDARDS COMMITTEE LABOUR GROUP	10.00 6.00
TUE			1.30	7			14			21	CARE, HEALTH AND WELLBEING OSC	1.30	28	CABINET REGULATORY COMMITTEE FOLLOWED BY LICENSING COMMITTEE	10.00 1.30
WED	1	SEMINAR	2.00	8	PLANNING AND DEVELOPMENT COMMITTEE	10.00	15			22	CORPORATE ADVISORY GROUP	2.00	29	PLANNING AND DEVELOPMENT COMMITTEE	6.00
THU	2	PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT CORPORATE PARENTING OSC	10.00 4.30	9			16			23	PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT PENSIONS AND PAY SUB COMMITTEE FAMILIES OSC	10.00 1.30 5.30	30	PERSONNEL APPEALS COMMITTEE	1.30
FRI	3			10	GOOD FRIDAY		17			24	HEALTH AND WELLBEING BOARD	10.00			

MAY 2020

DAY	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME
MON				4	BANK HOLIDAY		11			18			25	BANK HOLIDAY	
TUE				5			12			19			26		
WED				6			13	ANNUAL LABOUR GROUP	6.00	20	PLANNING AND DEVELOPMENT COMMITTEE	10.00	27		
								ANNUAL LIB DEM GROUP	6.00						
THU				7	LOCAL ELECTIONS		14	PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT	10.00	21			28		
FRI	1			8			15			22	ANNUAL COUNCIL	2.30	29		

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TITLE OF REPORT: Housing Revenue Account and Housing Capital Programme

REPORT OF: Darren Collins, Strategic Director, Corporate Resources
Anthony Alder, Acting Strategic Director, Communities and Environment

Purpose of the Report

1. Cabinet is asked to recommend that Council approve;
 - the Housing Revenue Account (HRA) budget for 2019/20, including proposed savings.
 - the proposed rent changes from 1 April 2019, in line with Government's policy on rent setting.
 - the detailed proposals for fees and charges.
 - the proposed Housing Capital Programme for the next five years (2019/20 to 2023/24).

Background

2. The Local Government and Housing Act 1989 (Part VI) states that the Council has a duty to prevent a debit balance on the Housing Revenue Account.
3. Historically the Council has followed Government formula and guidelines to set the rent level. In July 2015 the Government announced that rents in social housing would be reduced by 1% a year for 4 years of which 2019/20 is the final year. This applies to both social and affordable tenancies.
4. A detailed review of fees and charges is carried out each year to ensure the HRA recovers the full costs associated with providing services to tenants.
5. The Housing Capital Programme is a rolling programme and is funded from revenue raised from rents. The detail of the proposed programme for the next five years is included in this report. Considering the HRA and the Housing Capital Programme together allows the Council to consider the choices necessary to maintain and enhance housing stock in the future.
6. Welfare reform continues to be a significant risk to HRA sustainability since Universal Credit (UC) full service was implemented in Gateshead in October 2017.

Proposals

7. The proposed Housing Revenue Account for 2019/20 is set out in Appendix 2 which includes;
- As prescribed by Government in the Welfare Reform Act 2016 a decrease in the average rent of 1% for all housing tenancies as at 8 July 2015.
 - Savings totalling £2.170m in 2019/20 (Appendix 3)
 - A Management Fee of £15.488m for The Gateshead Housing Company to carry out its functions on behalf of the Council, including savings of £0.622m.
 - A repairs and maintenance budget of £24.928m, including savings of £0.467m.
 - The following proposals for fees and charges (details set out in Appendix 4);
 - Efficiency savings in the communal areas and reduced energy costs at the Angel Court sheltered scheme are passed onto tenants.
 - Communal area maintenance costs for Sheltered Accommodation have been reduced or minimised where applicable.
 - The maximum increase of 2.4% (CPI at Sept 2018) has only been applied to a limited number of low usage service charges.
 - No increases are proposed in relation to the gardening scheme, old furniture scheme, concessionary TV licences and kitchen appliances. This is because of either the prices being set nationally, an increase having a detrimental increase on demand, there being a fixed charge applied or continuing full cost recovery where applicable.
 - The care call service charges changed to a new charging model at April 2018 and it is proposed to increase charges by inflation for 2019/20.
 - This is the fourth year of the five year stepped changes to achieve full cost recovery where applicable in relation to multi storey flats charges, various sheltered scheme charges and communal areas charges as agreed by Cabinet in February 2016.
8. Allocation of resources from the HRA to support a Capital Programme for the next five years (2019/20 to 2023/24) is set out at Appendix 5, these proposals include;
- A Housing Capital Programme totalling £105.420m over five years of which £24.104m relates to 2019/20 which would require the use of £1m of HRA capital receipts. The Capital Programme will be kept under regular review by Cabinet to ensure that investment plans remain affordable.

Recommendations

9. Cabinet is asked to recommend to Council:
- (i) The Housing Revenue Account as set out in Appendix 2, including The Gateshead Housing Company management fee, the repairs and maintenance budget and savings as detailed in Appendix 3.
 - (ii) The 1% rent reduction from 1 April 2019.
 - (iii) The fees and charges schedule as detailed in Appendix 4.
 - (iv) The Housing Capital Programme for the five years 2019/20 to 2023/24 as set out in Appendix 5.

For the following reasons:

- (i) To set a Housing Revenue Account for 2019/20 that is not in debit as required under the Local Government and Housing Act 1989 (Part VI).
- (ii) To realise the Council's policies and objectives in relation to Housing Strategy in order to maintain and enhance Council Housing provision in Gateshead.

THE HOUSING REVENUE ACCOUNT (HRA) AND HOUSING CAPITAL PROGRAMME

Policy Context

1. The proposals within this report are consistent with Vision 2030 and they will contribute to achieving the objectives and priority outcomes set out in the Council's Thrive agenda.

Review of HRA Budget

2. In order to facilitate decision making and strategically plan for Housing in the future the Council continually updates its 30-year HRA Business plan considering the long-term future of the housing stock alongside the short-term plans. The plan includes all known income and expenditure information alongside several key assumptions in relation to the anticipated levels of voids, right to buy sales and inflation. It also includes plans for borrowing and repaying debt in the future, paying particular attention to the £61.49m worth of loans maturing in the next five years.
3. The projected variances between the estimated and expected 2018/19 figures (Appendix 2) relate to projected increased void rent loss, additional capital investment and reduced cost of borrowing due to loans being refinanced at lower interest rates. In addition the use of budgeted contingency expenditure was lower than anticipated.
4. The main variances in relation to the 2018/19 and 2019/20 budgets (also Appendix 2) are an increase to the management fee paid to TGHC and the supervision and management costs delivered by the Council, a decrease to the estimated cost of borrowing, and an increase in non-dwelling income. Capital expenditure funded from the HRA is greater than the previous year as per the 5-year capital programme agreed in 2018/19 as a result of reprofiling schemes following slippage in the previous year.
5. A minimum balance for the HRA of £3m was approved by Council in February 2012. It is projected that the HRA reserve will stand at £29.148m as at the end of March 2019. The business plan is currently projecting that the minimum balance will be reached by 2025/26.

Proposed Savings

6. Savings totalling £2.170m have been identified as a result of the 2019/20 budget setting process. Details are provided in Appendix 3. These savings have been accounted for within the HRA budget presented in Appendix 2. Where possible TGHC have met budget pressures and additional resource requirements from within current budgets.

Proposed Rent Changes

7. On 8 July 2015 the Chancellor announced that social housing rents would be reduced by 1% a year for 4 years, 2019/20 is the final year of this policy. The 2015 policy applies to all tenancies in place prior to this date and any subsequent tenancies awarded. The Government have confirmed that from April 2020 this will revert to the original policy of CPI +1% for a minimum period of five years and come under the jurisdiction of the Regulator of Social Housing.
8. The 1% rent reduction directive applies to all social and affordable rents. Applying the rent setting policy decreases average weekly rent on social tenancies by £0.81 from £78.19 to £77.38 and on affordable tenancies by £0.96 from £96.13 to £95.17 per week (all payable over 50 weeks).
9. Universal Credit continues to have a detrimental impact on rent collection and sustainability of tenancies as the natural migration of claims continues. The next stage of UC is the managed migration of any remaining claimants of Housing Benefit and other benefits onto the UC system. There will be some small-scale testing of this process starting in July 2019, with national migration due to start in November 2020 and completing in 2023/24.

As at 31 November 2018 2,706 (14.1%) of council tenants were in receipt of UC payments, this will continue to increase as new claims or change of circumstances are submitted. Rent collection rates for UC claimants is 89.67% compared to 98.99% for other tenants.

10. Every six to seven years 53 Mondays fall in a financial year and this will be the case in 2019/20. As rent debits are raised on Mondays this means that the HRA ordinarily benefits from an 'extra' week's rent when there are 53 Mondays in a year. This creates two issues to be addressed:
 - Compliance with the Welfare Reform Act 2016 to ensure 1% rent reductions. The definition within the legislation states that rent payable "in respect of that relevant year" shall be calculated on a daily basis and allows for 53 weeks to be charged as normal. The authority will decide on the rent charge once additional government guidance has been issued.
 - UC claimants will not receive additional funding to cover the additional weeks charge. This issue has been raised with the Department of Work and Pensions (DWP) to find a suitable long-term solution and the authority will make suitable arrangements once guidance has been received from the DWP.
11. The annual rent for Gateshead properties is currently charged over a 50-week period, giving tenants two rent-free weeks over the Christmas period. The weekly charging schedule is a common theme nationally and very few local authorities have moved to a monthly charging regime to match UC payment cycles. The Department for Work and Pensions (DWP) continue to develop their UC Central Payments System and intend to prompt housing providers to align rent schedules to a monthly collection cycle. Gateshead will continue to collect rents weekly and monitor income collection data, with a view to introduce optional monthly charging (including tenant consultation) when required.

12. The proposed rent reductions and changes to services charges result in an overall reduction in costs to 17,689 (92.3%) of Council tenants.

Fees and Charges

13. There are both mandatory and discretionary fees and charges in the HRA. Mandatory charges include energy costs and services, sheltered scheme officers, caretaking, cleaning and concierge. Discretionary include leased furniture packages, gardening and garages. Out of the 19,161 live dwellings 5,590 tenants are liable for mandatory service charges and 1,724 tenants take up discretionary services. The 5,590 tenants liable for mandatory service charges include 3,261 that are liable for Care Call charges, a reduction from 3,840 following the change in service provision introduced in April 2018.
14. A total of 63.4% of Council tenants receive either Housing Benefit or Universal Credit. A number of the Council charges for services are eligible for benefit; these are primarily services associated with buildings and cover charges such as cleaning, concierge, caretaking and part of the Sheltered Scheme Wardens. The majority of the proposed increases are either benefit eligible or are an optional service charge.
15. Guidance from Central Government is that fees and charges should be recovered in full where applicable. This is to protect other tenants from essentially contributing to costs that they are not responsible for. Where possible the proposed inflationary increases detailed in Appendix 4 recover the full cost of charges.
16. In February 2016 Cabinet agreed to implement stepped increases for a number of charges to allow full cost recovery to be achieved over a period of five years whilst minimising impact on tenants. The fourth year of the stepped increases has been applied for 2019/20 where applicable. There are a number of areas where full cost recovery has been implemented in 2019/20 as a result of savings. In those areas where full cost recovery will not be implemented in 2019/20 the stepped charges have been reprofiled to take account of updated savings and costs to achieve full cost recovery by 1 April 2020. This is detailed in Appendix 4.
17. During 2018/19 the council introduced the District Energy Scheme (DES) into Warwick Court and East Street Flats to help relieve fuel pressure on tenants. The proposed charges for 2019/20 are set at a revised full cost recovery and will be further reviewed in April 2020 when a full year's data is available.

Housing Capital Programme 2018/19 to 2022/23

18. Capital investment within the HRA is funded from the Major Repairs Reserve through a combination of the depreciation charged each year to the HRA and using additional voluntary HRA revenue contributions where possible to maximise the level of planned investment in the stock. The depreciation charge is met from rental income in the HRA, meaning that investment in the Housing Capital Programme is effectively funded via the rental income that is generated.
19. The following principles continue to be applied to assist in prioritising capital investment within the HRA:

- Health and safety, safeguarding and statutory requirements, including compliance;
 - Investing in identified decent homes improvements, including window replacement; and
 - Improving the sustainability and energy efficiency of the housing stock
20. Based on the existing HRA Business Plan, it is estimated that £94m of the £105m funding requirement will be available from within the Major Repairs Reserve to support capital investment within the HRA over the next five years which will be supplemented using external funding and HRA capital receipts.
21. The planned investment in the Housing Capital Programme is flexible and is subject to ongoing review which is informed by the outputs from detailed stock condition surveys. At this stage it is envisaged that over the next five years the investment will include:
- Over £60m of investment in undertaking estate based major works in accordance with the Decent Homes standard, including the replacement of kitchens, bathrooms and electrical improvements in addition to a £4.3m boiler replacement programme and £2.7m to continue window replacement programme and door entry system upgrades;
 - Over £24m of investment in general stock improvements, including the renewal/refurbishment of lifts, communal electrics and investment in external insulation to improve thermal efficiency of existing dwellings as well as the continuing provision of major and minor adaptation works to dwellings;
 - Over £7m of investment in fire safety improvements works in response to ongoing risk assessments;
 - Over £14m of investment in the new build programme including £2m for the Winlaton Assisted Living Scheme and £0.5m for the planned scheme at Seymour Street.
22. The Council continues to explore new build opportunities to develop additional dwellings within the HRA and £11m has been allocated to fund this work. In addition, the opportunity to utilise the additional borrowing powers will be considered during the year as potential schemes are identified. Any additional borrowing will need to be prudent, affordable and sustainable within the HRA in line with the Capital Strategy and Prudential Indicators.
23. Opportunities continue to be explored to attract external funding, such as Homes England grant funding, and has successfully been obtained to supplement the councils new build programme at the Winlaton Assisted Living Scheme and Seymour Street developments.
24. The proposed Housing Capital Programme for the period from 2019/20 to 2023/24 is set out in Appendix 5. The future allocations will continue to be reviewed regularly to reflect the progress on committed projects and the availability of resources within the HRA to support capital investment. The long-term investment projections from 2024/25 have also been reprofiled with some projected spikes in expenditure relating to cyclical replacement works being brought forward to avoid potential issues of deliverability or affordability in future years.

Key Outputs

Capital

25. The £24.104m investment in the 2019/20 capital programme includes the following key outputs:
- £3.322m invested into property improvements including the £1.5m for approximately 1,500 installations of aids and adaptations across the housing stock
 - £5.782m invested into the installation of fire safety doors across 1,968 council properties to make the properties compliant with statutory fire safety regulations
 - £11.7m invested into major works including £7m for maintaining decency, £1m to cover approximately 516 boiler replacements, £2m in strategic maintenance which is used to support repairs and voids works.
 - Over the next 5 years £13.8m has been earmarked for new housing developments with £3.3m in the 2019/20 capital programme. The £13.8m investment is anticipated to deliver 14 units at Winlton, 7 units at Seymour Street and a further 108 units at various sites across the borough.

Revenue

26. The 2019/20 HRA revenue budget includes £25.471m for supervision and management and £22.960m for repairs and maintenance. Some of the key outputs in these areas are as follows:
- Gas - £2.5m budget to cover approximately 14,000 gas repair jobs, 19,000 gas serving jobs and 516 boiler installations.
 - Voids - £4m to cover approximately 1,700 void jobs which are required to bring properties back to a lettable standard.
 - Repairs & Maintenance - £7.3m to cover all repairs and maintenance work which equates to approximately 70,000 repairs per annum
 - Painting - £1.352m to cover year 1 of the 12-year painting programme
 - Compliance - £4.2m to cover compliance works including 465 fire risk assessments across all blocks with communal areas, 1,175 fire safety inspections to test and maintain fire safety equipment. Within this allocation £0.444m has been assigned to cover 2684 asbestos surveys and any resultant remedial work required. £0.5m is to fund all electrical testing which is forecast to cover 3650 properties in 2019/20.
 - The Management & Supervision element includes £15.488m for TGHC including Housing Management, Housing Services and Business Development Services. The remaining £9.982m covers council delivery of various services including grounds maintenance, furniture, insurance charges, contingency funding and various other minor services.

Next Steps

27. The 30-year business plan will continue to consider factors mentioned in this report such as income from rents, decisions regarding repayment of debt, the Housing Capital Programme provision, a minimum HRA reserve of £3m and the impact of welfare reform on rent collection.
28. The Council will continue to monitor Government guidance and announcements to ensure that all initiatives are considered, with particular reference to the potential to increase borrowing capacity following the removal of the HRA debt Cap, subject to prudential borrowing regulations.

Consultation

29. Consultation has taken place with the Leader and Deputy Leader and Cabinet Members for Housing and The Gateshead Housing Company.

Alternative Options

30. There are no alternative options proposed.

Implications of Recommended Option

31. Resources

- **Financial Implications** – The Strategic Director, Corporate Resources, confirms that the financial implications are reflected in Appendices 1, 2, 3, 4 and 5.

The proposed 2019/20 HRA budget (Appendix 2) has been set at a deficit of £8.382m which includes the £2.170m of savings detailed in Appendix 3. This deficit will be funded from the £29.148m of HRA reserves. The HRA 30-year Business plan currently anticipates that the minimum reserve level of £3m will be reached by 2025/26.

Significant additional resources have been added to the 2019/20 HRA Budget in relation to essential compliance works. An additional £2.782m has been added to the Capital Programme to fit fire safety doors across 1,968 council properties which has been identified as statutory requirement. A further £1.6m has been added to the 2019/20 HRA revenue budget in relation to fire risk assessments, asbestos inspections/remedial works, electrical testing and the associated staff to deliver this work.

- **Human Resources Implications** – Nil.
 - **Property Implications** – Capital investment in HRA assets helps to improve the overall sustainability of the HRA and supports the delivery of corporate priorities under the Thrive agenda. The property implications of individual schemes will be considered and reported separately.
32. **Risk Management Implications** – The added risks arising from self-financing and welfare reform means that the Council must continue to manage and maintain its

housing stock from the rents collected. The 30-year HRA business plan is being updated to enable this to be monitored and to ensure that decisions are made, where appropriate, to ensure the housing stock is maintained in the future.

33. **Equality and Diversity Implications** – Nil
34. **Crime and Disorder Implications** – Nil
35. **Health Implications** – Nil
36. **Sustainability Implications** – The report contains a number of measures, which will help deliver a more Sustainable Gateshead and ensure sustainable use of the Council's resources in delivering corporate priorities.
37. **Human Rights Implications** – Nil
38. **Area and Ward Implications** – All wards will be affected by the proposals in this report.

Background Information

Rent Standard Guidance April 2016

The Housing Revenue Account Self Financing Determinations February 2012

Welfare Reform Act 2016

HRA Budget 2019/20			
Housing Revenue Account - Income and Expenditure Account			
	Budget	Projection	Budget
	2018/19	2018/19	2019/20
	£'000	£'000	£'000
Income			
Dwelling rents (gross)	(72,879)	(72,384)	(71,469)
Non-dwelling rents (gross)	(1,375)	(1,304)	(1,379)
Charges for services and facilities	(3,544)	(3,330)	(3,559)
Leaseholders charges	(305)	(409)	(305)
Contribution towards expenditure	(1,000)	(952)	(975)
HRA investment income	(130)	(210)	(180)
Gain on Sales of Assets			
	(79,233)	(78,590)	(77,867)
Expenditure			
Supervision and Management	24,912	24,737	25,471
Repairs and Maintenance	20,633	20,613	22,960
Interest on borrowing	15,053	13,907	13,944
Capital Programme Funding	21,572	23,340	23,104
Increased provision for bad debt	720	720	700
Amortised premiums and discounts	11	11	
Debt management expenses	70	70	70
Impairment of Fixed Assets			
	82,972	83,398	86,249
Net Operating Cost	3,738	4,808	8,382

HRA Saving Proposals 2019/20

Housing Revenue Account - Savings

	Budget 2019/20 £'000
TGHC	
Management & Supervision	107
Repairs & Maintenance	467
Housing Services	48
	<hr/> 622 <hr/>
Others	
Service Charge Income	89
Savings in borrowing costs	1,109
Interest Receivable	50
HRA Contribution to DHP	100
Central Establishment & other associated costs	200
	<hr/> 1,548 <hr/>
Total Savings	<hr/> 2,170 <hr/>

Housing Revenue Account, Fees and Charges 2019/20 Proposals					
Ref	SERVICES	VAT	2.4% CPI at Sept 2018		
			CURRENT CHARGE 2018/19	PROPOSED CHARGE 2019/20	Movement
			£ per Week	£ per Week	£ per Week
WARWICK COURT MULTI STOREY					
	<u>Gas Heating</u>				
1	Bed-sit	O/S	3.62	4.02	0.40
2	One Bed Flat	O/S	5.35	5.95	0.60
	<u>Repairs & Maintenance of Communal Areas</u>				
3&4	Bed-sit & One Bed Flat	O/S	4.39	4.39	0.00
EAST ST FLATS					
	<u>Gas Heating & Hot Water</u>				
5	Bed-sit	O/S	4.39	4.83	0.44
6	One Bed Flat	O/S	6.73	7.40	0.67
7	Two Bed Flat	O/S	8.49	9.33	0.84
8	Three Bed Flat	O/S	10.54	11.58	1.04
ANGEL COURT EXTRA CARE SCHEME					
9	Gas & Electric	O/S	13.90	14.75	0.85
	<u>Communal Facilities</u>				
10	Maintenance of Communal Areas - Flats	O/S	13.12	10.30	-2.82
11	Maintenance of Communal Areas - Bungalows	O/S	2.07	1.63	-0.44
12	Furnishings and laundry - Flats	O/S	5.66	4.25	-1.41
13	Furnishings and laundry - Bungalows	O/S	1.18	0.89	-0.29
14	Scheme manager	O/S	10.92	11.88	0.96
15	Cleaning of corridors and windows	O/S	6.99	7.58	0.59
16	Provision of domestic home support	O/S	8.71	8.89	0.18
SHELTERED ACCOMMODATION					
	<u>Gas Heating</u>				
18	Flat	O/S	9.40	8.71	-0.69
19	Sheltered Scheme Officer Properties	O/S	11.25	10.42	-0.83
20	Communal Areas	O/S	1.56	1.44	-0.12
	<u>Electricity</u>				
21	Flat	O/S	4.02	3.56	-0.46
22	Sheltered Scheme Officer Properties	O/S	8.46	4.65	-3.81
23	Communal Areas	O/S	3.70	3.18	-0.52
24	Repairs & Maintenance of Communal Areas (contained units only)	O/S	2.48	2.48	0.00
	<u>Cleaning</u>				
25	Cleaning (communal areas for contained units only)	O/S	5.41	6.19	0.78
26	Cleaning (communal lounge for separate units only)	O/S	0.71	0.71	0.00
	<u>Sheltered Scheme Officers</u>				
27/28	Sheltered Scheme Officer	O/S	12.64	13.20	0.56
29	Mobile Sheltered Scheme Officer	O/S	2.89	4.45	1.56
30	Concessionary TV Licence (£7.50 p.a per room)	E	0.15	0.15	0.00

Housing Revenue Account, Fees and Charges 2019/20 Proposals

Ref	SERVICES	VAT	2.4% CPI at Sept 2018		
			CURRENT CHARGE	PROPOSED CHARGE	Movement
			2018/19	2019/20	
			£ per Week	£ per Week	£ per Week
31	LOW RISE BLOCKS Communal Areas - Cleaning	O/S	1.42	1.76	0.34
32	MID RISE BLOCKS Communal Areas - Cleaning	O/S	3.53	4.21	0.68
33	MULTI STOREY FLATS Concierge & cleaning	O/S	11.19	10.69	-0.50
34	Caretaking & cleaning	O/S	7.68	8.08	0.40
35	REGENT COURT Maintenance of fire safety system	O/S	0.39	0.50	0.11
36	DISPERSED HOMELESS UNITS <u>Heat & light</u> Sharing Bed-sit (each)	O/S	Charges set in-line with LHA Rates		
37	Two Bed Flat	O/S			
38	Three Bed Flat	O/S			
39	<u>Furnishings</u> Sharing Bed-sit (each)	O/S			
40	Two Bed Flat	O/S			
41	Three Bed Flat	O/S			
42	Warden	O/S			
43	Laundry	O/S			
44	Cleaning	O/S			
45	OUTSIDE USE OF COMMUNAL LOUNGES Up to 1 hour	E			
46	Up to 2 hours	E	13.52	13.85	0.32
47	1 Session (2 - 4 hours)	E	20.84	21.34	0.50
48	2 Sessions	E	38.30	39.22	0.92
49	3 Sessions	E	53.11	54.38	1.27
50	USE OF GUEST ROOMS AT SHELTERED ACCOMMODATION <u>No en-suite amenities</u> Single (charge per night)	S	7.52	7.70	0.18
51	Couple (charge per night)	S	8.56	8.77	0.21
52	<u>Partial en-suite</u> Single (charge per night)	S	9.32	9.54	0.22
53	Couple (charge per night)	S	9.86	10.10	0.24
54	<u>Full en-suite</u> Single (charge per night)	S	10.62	10.88	0.25
55	Couple (charge per night)	S	11.70	11.98	0.28

Housing Revenue Account, Fees and Charges 2019/20 Proposals					
Ref	SERVICES	VAT	2.4% CPI at Sept 2018		
			CURRENT CHARGE 2018/19	PROPOSED CHARGE 2019/20	Movement
			£ per Week	£ per Week	£ per Week
	KITCHEN APPLIANCES				
56	Portobello	S	0.41	0.41	0.00
57	Cranesville	S	2.71	2.71	0.00
58	Millbrook	S	1.70	1.70	0.00
59	Norfolk Place	S	2.71	2.71	0.00
60	Hallgarth	S	1.70	1.70	0.00
	b) New tenants from April 2010 onwards				
65	Mini Package	E	10.14	10.38	0.24
66	Package Option 1	E	18.60	19.05	0.45
67	Package Option 2	E	26.38	27.01	0.63
68	Package Option 3	E	34.14	34.96	0.82
69	Package Option 4	E	41.87	42.88	1.00
70	Admin Charge	E	2.14	2.14	0.00
	GARAGES				
71	Brick Garages (Council)	O/S	5.40	5.46	0.06
72	Brick Garages (Private)	S	9.10	9.21	0.11
73	Commercial Use	S	11.91	12.05	0.14
74	Commercial Storage	S	19.90	20.14	0.24
75	Parking Bays	S	21.26	21.52	0.26
76	DIGITAL AERIAL PROVISION	S	0.22	0.22	0.00
	CARE ALARMS, LIFELINES / DISPERSED ALARMS				
77A	Sheltered Scheme	S*	3.90	3.95	0.05
77B	Bronze	S*	5.10	5.20	0.10
77C	Silver	S*	5.67	5.82	0.16
77D	Gold	S*	8.74	8.94	0.21
77E	Smoke Alarm Monitoring	S*	0.00	0.70	0.70
78	Mortgage questionnaire	S	81.30	83.25	1.95
79	Rent reference	S	40.68	41.65	0.98
80	GARDENING SCHEME	S	6.05	6.05	0.00
81	Communal TV Licence	S	0.07	0.08	0.01

Charges are 50 week charge unless otherwise stated

* Where installation of alarm is requested by tenant VAT is standard rated. If alarm is already built into property and part of rent or is part of care package VAT is outside the scope.

Tenants with disabilities VAT is zero-rated.

Capital Programme 2019/20 to 2023/24						
	2019/20	2020/21	2021/22	2022/23	2023/24	Total
	£'000	£'000	£'000	£'000	£'000	£'000
CAPITAL INVESTMENT						
HOUSING REVENUE ACCOUNT						
Improvement Works						
Lift Replacement/Refurbishment	500	500	500	500	500	2500
Replacement of Communal Electrics	260	260	260	260	260	1300
External Wall Insulation Works to Non-Traditional Properties	172	374	374	379	379	1678
T-Fall Insulation & ventilation	50	50	50	50	50	250
Warden Call Renewal	200	200	200	200	200	1000
Timber Replacements	100	100	100	100	100	500
Aids and Adaptations	1,500	1,500	1,500	1,500	1,500	7500
Multi Storey Modernisation works	100	350	2450	2450	2450	7800
Sheltered Unit modernisation works	240	240	240	240	240	1200
Neighbourhood Improvements	200	200	200	200	200	1000
Total Improvement Works	3,322	3,774	5,874	5,879	5,879	24,728
Exceptional Extensive Works						
Fire Safety Work / Compliance	5,782	380	380	100	100	6742
Total Exceptional Extensive Works	5782	380	380	100	100	6742
Major Future Works						
Decent Homes - Investment Programme	7,000	7,500	8,000	8,000	8,000	38,500
Stock Condition Surveys and Scheme Design	400	400	400	400	400	2,000
Back Boiler Renewal and Replacements	1,000	1,000	750	750	750	4,250
Programme Management	550	550	550	550	550	2,750
Strategic Maintenance	2,000	2,000	2,000	2,000	2,000	10,000
Window Replacement and Door Entry System Upgrade	750	500	500	500	400	2,650
Major Future Works	11,700	11,950	12,200	12,200	12,100	60,150
Housing Developments						
Property conversions feasibility	60	500	0	0	0	560
New Build Investment – Winlaton Assisted Living	1790	0	0	0	0	1,790
New Build Investment – Seymour Street	450	0	0	0	0	450
New Build - Various	1000	2500	2500	2500	2500	11,000
Total Housing Developments	3,300	3,000	2,500	2,500	2,500	13,800
TOTAL HRA CAPITAL INVESTMENT	24,104	19,104	20,954	20,679	20,579	105,420
Major Repairs Reserve Contribution	-23,104	-16,604	-18,454	-18,179	-18,079	-94,420
HRA Capital Receipts	-1,000	-2,500	-2,500	-2,500	-2,500	-11,000
Total Planned HRA Funding	-24,104	-19,104	-20,954	-20,679	-20,579	-105,420

TITLE OF REPORT: Capital Programme and Prudential Indicators 2018/19
– Third Quarter Review

REPORT OF: Darren Collins, Strategic Director, Corporate Resources

Purpose of the Report

1. This report sets out the latest position on the 2018/19 capital programme and Prudential Indicators at the end of the third quarter to 31 December 2018. The report assesses reasons for the variances and details the proposed financing of the capital programme. In addition, the report considers the impact of CIPFA's Prudential Code on the capital programme and the monitoring of performance against the statutory Prudential Indicators.

Background

2. The original budget for the capital programme for 2018/19, as agreed by Council on 22 February 2018, totalled £102.862m, which was revised at the second quarter review to £94.975m to reflect the scheme projections. The third quarter review of progress of schemes has resulted in a revised estimate for total capital expenditure of £87.897m.

3. The proposed reduction of the capital programme at the third quarter comprises of the following movements:

	£m
Increased borrowing/external funding/contributions	3.086
Re-profiling of capital expenditure to future years	(5.844)
Reduction of planned expenditure	(4.320)
Total Variance	<u>(7.078)</u>

4. A total of £3.086m increased capital expenditure primarily relates to the following schemes:

- The Department of Transport (DfT) announced additional highways funding to support expenditure during 2018/19 on highways including repairs to potholes and damaged road. The Council's allocation was £1.2m and additional highways schemes have been brought forward and included within the Capital Programme to ensure the in-year funding is utilised; and
- Increased costs of £0.8m in the Highrise Energy Infrastructure for Gateshead Housing Tenants (HEIGHTs) and Regent Court energy efficiency and improvement works.

5. Planned investment has been re-profiled to 2019/20 on several schemes, amounting to £5.844m reductions to reflect the progress of the projects and updated cashflow projections. This includes:

- The start date for the outdoor sports provision schemes at both Blaydon Leisure Centre and Gateshead International Stadium has been delayed to February 2019, which has resulted in £1.356m of planned expenditure being moved to 2019/20;

- A revised cashflow has resulted in a reprofiling of the Gateshead Trading Company's loan drawdown to support the Lyndhurst housing scheme, with £1m deferred until 2019/20;
 - The Gateshead Quays scheme has reduced by £0.9m in 2018/19 to reflect the revised project timelines.
6. The most significant reduction in planned expenditure, which has not been reprofiled into 2019/20, is the removal of the potential £3m loan to the NHS Trust for works at Prince Consort Road. The NHS Trust have confirmed they no longer wish to proceed with the lease and therefore the loan is not required.
 7. Within the ring-fenced Housing Revenue Account capital resources have been realigned to support in year changes, this has resulted in a combined reduction in the projected outturn from the HRA of £0.3m, with the most significant changes being a reduction in the projected expenditure on decent homes works of £0.773, offset by a £0.8m increase in the expenditure on HEIGHTs and Regent Courts improvements works.
 8. Additional grant funding totalling £1.632m has been confirmed during quarter 3, including £1.2m from the DfT, £0.182m additional Disabled Facilities Grant and £0.250m Salix funding to support additional energy efficiency schemes.

Proposal

7. The report identifies planned capital expenditure of £88.297m for the 2018/19 financial year. The expected resources required to fund the 2018/19 capital programme are as follows:

	£m
Prudential Borrowing	38.929
Capital Grants and Contributions	19.900
Major Repairs Reserve (HRA)	22.540
Right to Buy Receipts (HRA)	6.528
Total Capital Programme	<u>87.897</u>

8. It is estimated that Capital Receipts of c.£2m will be received in year, it is proposed that the option to apply the capital receipt flexibility in-year to qualifying revenue expenditure is taken. As a result of this option Capital Receipts have been removed from the capital financing forecast. If additional receipts are generated in-year or revenue expenditure outturn on qualifying expenditure is less than currently projected then any remaining capital receipts will be applied to support the capital programme. Further information, about the revenue schemes is included within the Revenue Budget – Third Quarter Review 2018/19 elsewhere in the agenda.
9. CIPFA's Prudential Code advises the regular monitoring of performance against the prudential indicators which regulate borrowing and investment. Targets and limits for the prudential indicators for 2018/19 were agreed at Council on 22 February 2018 and borrowing and investment levels have remained within these limits.

Recommendations

9. Cabinet is asked to:
 - (i) Recommend to Council that all variations to the 2018/19 Capital Programme as detailed in Appendix 2 are agreed as the revised programme.

- (ii) Recommend to Council the financing of the revised programme.
- (iii) Confirm to Council that the capital expenditure and capital financing requirement indicators have been revised in line with the revised budget and that none of the approved Prudential Indicators set for 2018/19 have been breached.

For the following reasons:

- (i) To ensure the optimum use of the Council's capital resources in 2018/19.
- (ii) To accommodate changes to the Council's in-year capital expenditure plans.
- (iii) To ensure performance has been assessed against the approved Prudential Limits.

CONTACT: Jane Wright extension 3617

Policy Context

1. The proposals within this report are consistent with the objectives contained within the Council's corporate Capital Strategy and will contribute to achieving the objectives and priority outcomes set out in Vision 2030 and the Council's Thrive Agenda.

Background

2. The original budget for the capital programme for 2018/19, as agreed by Council on 22 February 2018, totalled £102.862m. The third quarter review has reprofiled the capital programme to reflect in year progress within capital schemes, resulting in a revised estimate of £87.897m.
3. The £14.965m reduction is due to updated programme timelines for a number of schemes. All variations in the programme during the second quarter are detailed in Appendix 2.
4. Appendix 3 summarises the original budget and actual year end payments by Corporate Priority. The budget, projected year end payments and comments on the progress of each scheme are detailed in Appendix 4.
5. The Prudential Code sets out a range of Prudential Indicators that were agreed by the Council on 22 February 2018. Performance against the indicators for 2018/19 is set out in Appendix 5.

Consultation

6. The Leader of the Council has been consulted on this report.

Alternative Options

7. The proposed financing arrangements are the best available in order to ensure the optimum use of the Council's capital resources in 2018/19.

Implications of Recommended Option

8. **Resources:**
 - a) **Financial Implications** – The Strategic Director, Corporate Resources confirms that the financial implications are as set out in the report.
 - b) **Human Resources Implications** – There are no human resources implications arising from this report.
 - c) **Property Implications** - There are no direct property implications arising from this report. Capital investment optimises the use of property assets to support the delivery of corporate priorities. The property implications of individual schemes will be considered and reported separately.
9. **Risk Management Implication** - Risks are assessed as part of the process of monitoring the programme and in respect of treasury management. The Cabinet will continue to receive quarterly reports for recommendation of any issues to Council,

together with any necessary action to ensure expenditure is managed within available resources.

10. **Equality and Diversity Implications** - There are no equality and diversity implications arising from this report.
11. **Crime and Disorder Implications** - There are no direct crime and disorder implications arising from this report.
12. **Health Implications** - There are no health implications arising from this report.
13. **Sustainability Implications** - The works will help to make the environment more attractive and reduce health and safety hazards.
14. **Human Rights Implications** - There are no direct human rights implications arising from this report.
15. **Area and Ward Implications** - Capital schemes will provide improvements in wards across the borough.
16. **Background Information**
 - i. Report for Cabinet, 20 February 2018 (Council 22 February 2018) - Capital Programme 2018/19 to 2022/23;
 - ii. Report for Cabinet, 17 July 2018 (Council 19 July 2018) – Capital Programme and Prudential Indicators 2018/19 – First Quarter Review; and
 - iii. Report for Cabinet, 20 November 2018 (Council 22 November 2018) – Capital Programme and Prudential Indicators 2018/19 – Second Quarter Review.

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Reason for Movement	Portfolio	Group	Project Title	Variance (£'000)
INCREASES				
Other Increases	Communities - Culture, Sport and Leisure	CRS	Sage Gateshead - Capital Development	25
	Environment and Transport	CAE	Local Transport Plan - Planned Maintenance	1,200
	Environment and Transport	CAE	Flood Alleviation Investment	132
	Environment and Transport	CAE	Salix Energy Efficiency Works	126
	Environment and Transport	CAE	Gateshead Town Centre District Energy Network	200
	Health and Wellbeing	CWL	Disabled Facilities Grants (DFGs)	47
	Housing	CAE	HEIGHTS & Regent Court Improvement Works	800
	Housing	CAE	New Dwellings/Conversions	293
	Housing	CAE	HRA Property Acquisitions	39
	Resources, Management and Reputation	CAE	ADZ Investment – BQ Emerging Technology Centre (PROTO)	17
	Resources, Management and Reputation	CAE	Registrars Internal and External Public Spaces	4
	Resources, Management and Reputation	CAE	Non Operational Portfolio - Strategic Investment Plan	200
	Resources, Management and Reputation	CAE	Coatsworth Road Regeneration - THI	3
Total Other Increases				3,086
TOTAL INCREASES				3,086

Reason for Movement	Portfolio	Group	Project Title	Variance (£'000)
REDUCTIONS				
Other Reductions	Communities - Culture, Sport and Leisure	CRS	Replacement of Lift Gateshead Stadium	(10)
	Health and Wellbeing	CSG	Prince Consort Road	(3,000)
	Economy	CRS	Digital Gateshead	(15)
	Housing	HRA	Equality Act Works	(22)
	Housing	HRA	Decent Homes - Investment Programme	(773)
	Resources, Management and Reputation	CAE	Health & Safety	(200)
	Resources, Management and Reputation	CRS	Strategic Maintenance	(300)
Total Other Reductions				(4,320)
Re-profiling to Future Years	Communities - Culture, Sport and Leisure	CRS	Blaydon Leisure Centre Outdoor Sports Provision	(700)
	Communities - Culture, Sport and Leisure	CRS	GIS Centre Outdoor Sports Provision	(656)
	Communities - Culture, Sport and Leisure	CRS	Library Service Review	(95)
	Children and Young People	CWL	School Condition Investment	(342)
	Economy	CAE	Business Centre Portfolio	(295)
	Environment and Transport	CAE	Team Valley Flood Alleviation	(50)
	Environment and Transport	CAE	Street Lighting LED Replacement - Phase 4	(490)
	Environment and Transport	CAE	Scotswood Bridge Strategic Maintenance	(200)
	Environment and Transport	CAE	Local Transport Plan - Integrated Transport	(10)
	Housing	CAE	Loan to Gateshead Trading Company - Lyndhurst House Building	(1,000)
	Housing	CAE	New Build - Winlaton Assisted Living	(200)
	Housing	CAE	New Build - Seymour Street	(250)
	Housing	CAE	Multi Storey Service (Bensham Court Chute)	(100)
	Housing	CAE	New Build - Bute Road	(100)
	Housing	CAE	Estate Regeneration	20
	Resources, Management and Reputation	CAE	ADZ Investment - Gateshead Quays	(894)
	Resources, Management and Reputation	CAE	Baltic Quarter - Food and Beverage Café	(100)
	Resources, Management and Reputation	CAE	Follingsby	(282)
Resources, Management and Reputation	CAE	Housing JV - Brandling	(50)	
	Resources, Management and Reputation	CSG	Legal Case Management System	(50)
Total Re-profiling to Future Years				(5,844)
TOTAL REDUCTIONS				(10,164)
TOTAL VARIANCE				(7,078)

APPENDIX 3

Portfolio	Approved Budget Revised Q2 2018/19	Revised Forecast Q3 31 Dec 2018	Variance	Actual Spend at 31 Dec 2018
COMMUNITIES				
Communities and Volunteering	440	440	0	228
Culture, Sport and Leisure	1,801	365	(1,437)	174
Total Communities	2,241	805	(1,437)	402
PEOPLE				
Children and Young People	3,765	3,423	(342)	2,794
Health and Wellbeing	5,035	2,082	(2,953)	721
Total People	8,800	5,505	(3,295)	3,515
PLACE AND ECONOMY				
Economy	1,230	919	(311)	536
Environment and Transport	14,652	15,560	908	7,828
Housing	38,935	37,642	(1,293)	21,200
Total Place and Economy	54,817	54,121	(696)	29,564
RESOURCES, MANAGEMENT AND REPUTATION				
Resources, Management and Reputation	29,117	27,466	(1,651)	15,379
Total Resources, Management and Reputation	29,117	27,466	(1,651)	15,379
Total Capital Investment	94,975	87,897	(7,078)	48,860

Portfolio	Group	Project Title	Approved 2018/19 Allocation Revised Q2 £'000	Revised Q3 Allocation £'000	Comments
COMMUNITIES					
Communities and Volunteering	CAE	Bereavement Services	80	80	
	CAE	Birtley Crematorium Cremator Replacement	100	100	
	CAE	Birtley Cemetery Extension	10	10	
	CAE	Public Realm Improvement	50	50	
	CAE	Replacement Bins	125	125	
	CAE	Saltwell Cemetery Extension	1	1	
	CAE	Trade Waste Service Expansion	74	74	
Total Communities and Volunteering			440	440	
Culture, Sport and Leisure	CRS	Blaydon Leisure Centre Outdoor Sports Provision	750	50	Re-profiled to future years
	CRS	GIS Centre Outdoor Sports Provision	706	50	Re-profiled to future years
	CRS	Replacement of flooring within Gateshead Stadium Sports Hall	0	0	
	CRS	Replacement of Lift within Gateshead Stadium	63	53	Other reduction
	CRS	Replacement of Pool Filter Media at Gateshead Leisure Centre	32	32	
	CRS	OnCourse Management System	25	25	
	CRS	Library Service Review	100	5	Re-profiled to future years
	CRS	Cleveland Hall	125	125	
	CRS	Sage Gateshead - Capital Development	0	25	
Total Culture, Sport and Leisure			1,801	365	
PEOPLE					
Children and Young People	CWL	School Capacity Improvements	1,200	1,200	
	CWL	School Condition Investment	2,096	1,754	Re-profiled to future years
	CWL	Schools Healthy Pupils Capital Fund	10	10	
	CWL	Schools Devolved Formula Funding	459	459	
Total Children and Young People			3,765	3,423	
Health and Wellbeing	CS&G	Prince Consort Road	3,000	0	Other reduction
	CWL	Telecare Equipment	75	75	
	CWL	Disabled Facilities Grants (DFGs)	1,750	1,797	Other increases
	CWL	Eastwood - Centre of Excellence	100	100	
	CAE	Falls Prevention	110	110	
Total Health and Wellbeing			5,035	2,082	
PLACE AND ECONOMY					

Portfolio	Group	Project Title	Approved 2018/19 Allocation Revised Q2 £'000	Revised Q3 Allocation £'000	Comments
Economy	CRS	Digital Gateshead	531	515	Other reduction Re-profiled to future years
	CAE	Business Centre Portfolio	315	20	
	CRS	Broadband Delivery UK	345	345	
	CRS	Land of Oak & Iron	39	39	
	Total Economy			1,230	919

Portfolio	Group	Project Title	Approved 2018/19 Allocation Revised Q2 £'000	Revised Q3 Allocation £'000	Comments
Environment and Transport	CAE	Team Valley Flood Alleviation	50	0	Re-profiled to future years
	CAE	Battery Storage	63	63	
	CAE	Energy Network Extension - Gateshead Leisure Centre	381	381	
	CAE	Energy Network Extension - Trinity Square	0	0	
	CAE	Gateshead Town Centre District Energy Network	300	500	Other increases
	CAE	Gateshead Millennium Bridge Strategic Maintenance	60	60	
	CAE	Street Lighting Column Replacement	1,200	1,200	
	CAE	Street Lighting LED Replacement - Phase 4	790	300	Re-profiled to future years
	CAE	Street Lighting Phase 3 LED Lanterns	142	142	
	CAE	Environmental Enforcement Team	45	45	
	CAE	Heworth Roundabout Upgrade	3,233	3,233	
	CAE	Local Transport Plan - Planned Maintenance	3,781	4,981	Other increases
	CAE	Local Transport Plan - Integrated Transport	2,838	2,828	
	CAE	Scotswood Bridge Comb Joint Replacement	310	110	Re-profiled to future years
	CAE	Traffic Signal Renewal - Borough Wide	550	550	
	CAE	Flood Alleviation Investment	505	637	Other increases
	CAE	Chase Park Restoration	4	4	
	CAE	Salix Energy Efficiency Works	374	500	Other increases
	CAE	Crowley Dam Repair and Conservation	26	26	
Total Environment and Transport			14,652	15,560	
Housing	CAE	Empty Property Programme 2015/18	31	31	
	CAE	Loan to Keelman Homes - Bleach Green Affordable Housing	500	500	
	CAE	Loan to Keelman Homes - Lyndhurst	0	0	
	CAE	Loan to Keelman Homes -Empty Properties	1,900	1,900	
	CAE	Loan to Gateshead Trading Company - Lyndhurst House Building	3,194	2,194	Re-profiled to future years
	CAE	Loan to Gateshead Trading Company - Derwentside House Building	1,399	1,399	
	HRA	Aids and Adaptations	1,500	1,500	
	HRA	Fire Safety Works - General	100	100	
	HRA	Lift Replacement / Refurbishment	925	925	
	HRA	New Build - Winlaton Assisted Living	1,000	800	Re-profiled to future years
	HRA	New Build - Seymour Street	1,000	750	Re-profiled to future years
	HRA	Programme Management	550	550	
	HRA	Replacement of Communal Electrics	550	550	

Portfolio	Group	Project Title	Approved 2018/19 Allocation Revised Q2 £'000	Revised Q3 Allocation £'000	Comments
Page 63	HRA	Strategic Maintenance	2,000	2,000	
	HRA	Warden Call	250	250	
	HRA	Window Replacement and Door Entry System Upgrade	951	951	
	HRA	Equality Act Works	480	458	Other reduction
	HRA	External Wall Insulation Works to Non-Traditional Properties	1,020	1,020	
	HRA	T-Fall Insulation	100	100	
	HRA	Back Boiler Renewal and Replacement	1,000	1,000	
	HRA	Decent Homes - Investment Programme	6,750	5,977	Other reduction
	HRA	Timber Replacements	100	100	
	HRA	Stock Project Management	400	400	
	HRA	HEIGHTS & Regent Court Improvement Works	12,219	13,019	Other increases
	HRA	Barley Mow Village Hall	84	84	
	HRA	Fire Safety Works - Smoke Detection	400	400	
	HRA	Multi Storey Improvements	0	0	
	HRA	Multi Storey Improvements	200	100	Re-profiled to future years
	HRA	Warwick Court Water Pressure Upgrade	15	15	
	HRA	Estate Regeneration	117	137	Re-profiled from future years
	HRA	New Build - Bute Road	200	100	Re-profiled to future years
	HRA	New Dwellings/Conversions	0	293	Other increases
	HRA	HRA Property Acquisitions	0	39	Other increases
Total Housing			38,935	37,642	
RESOURCES, MANAGEMENT AND REPUTATION					
Resources, Management and Reputation	CAE	Civic Centre Workspace Strategy	200	200	
	CAE	Health & Safety	667	467	Other reduction
	CRS	Strategic Maintenance	1,084	784	Other reduction
	CAE	ADZ Investment – BQ Emerging Technology Centre (PROTO)	1,455	1,472	Other increases
	CAE	ADZ Investment – Baltic Quarter Spec Build	1,519	1,519	
	CAE	ADZ Investment - Gateshead Quays	2,194	1,300	Re-profiled to future years
	CAE	Baltic Quarter - Food and Beverage Café	280	180	Re-profiled to future years
	CAE	Follingsby	11,868	11,586	Re-profiled to future years
	CAE	GRP Public Art - Birtley	41	41	
	CAE	High Street South Regeneration	225	225	
	CAE	Housing JV - Bensham & Saltwell	0	0	

Portfolio	Group	Project Title	Approved 2018/19 Allocation Revised Q2 £'000	Revised Q3 Allocation £'000	Comments
	CAE	Housing JV - Brandling	50	0	Re-profiled to future years
	CAE	Major Projects - Project Management Costs	240	240	
	CAE	Metrogreen	160	160	
	CAE	Urban Core - Exemplar Neighbourhood	340	340	
	CS&G	Registrars Internal and External Public Spaces	55	59	Other increases
	CS&G	Non Operational Portfolio - Strategic Investment Plan	1,157	1,357	Other increases
	CS&G	Legal Case Management System	50	0	Re-profiled to future years
	CAE	Coatsworth Road Regeneration - THI	380	383	Other increases
	CRS	Technology Plan: Infrastructure	3,183	3,183	
	CRS	Technology Plan: Transformation Through Technology	441	441	
	CRS	Services To Schools - IT Solution	25	25	
	CAE	Replacement of Fleet and Horticultural Equipment	2,675	2,675	
	CAE	Development Site Preparation Works	830	830	
	Total Resources, Management and Reputation		29,118	27,466	
Total Capital Investment			94,975	87,897	

PRUDENTIAL INDICATORS 2018/19

The 2018/19 Prudential Indicators were agreed by Council on 22 February 2018 (column 1). This is now compared with the 2018/19 actual position as at the end of the third quarter, 31 December 2018 (column 2).

Certain Treasury Management indicators must be monitored throughout the year on a regular basis in order to avoid breaching agreed limits. The capital expenditure and capital financing requirement indicators have been revised in line with the revised budget and none of the other approved Prudential Indicators set for 2018/19 have been breached.

Capital Expenditure		
	2018/19 £000 Reported Indicator	2018/19 £000 Projection for the Year at Q3
Non-HRA	74,582	56,279
HRA	28,280	31,618
Total	102,862	87,897
To reflect the reported capital monitoring agreed by Council during the year		

Ratio of Financing Costs to Net Revenue Stream		
	2018/19 Reported Indicator	2018/19 Projection for the Year at Q3
Non-HRA	15.41%	N/A
HRA	45.60%	N/A

Capital Financing Requirement		
	2018/19 £000 Reported Indicator	2018/19 £000 Projection for the Year at Q3
Non-HRA	377,862	350,976
HRA	345,505	345,505

Authorised Limit for External Debt	
	2018/19 £000 Reported Indicator
Borrowing	875,000
Other Long Term Liabilities	0
Total	875,000
Maximum YTD 31/12/2018 £661.915m	

Operational Boundary for External Debt	
	2018/19 £000 Reported Indicator
Borrowing	850,000
Other Long Term Liabilities	0
Total	850,000
Maximum YTD 31/12/2018 £661.915m	

The Council's actual external debt at 31 December 2018 was £654.915m. It should be noted that actual external debt is not directly comparable to the Authorised Limit and Operational Boundary, since the actual external debt reflects the position at one point in time.

Estimated Incremental Impact on Council Tax and Housing Rents

This indicator is set at the time the Council's budget is set. Therefore, there is no requirement for this Indicator to be monitored on a quarterly or annual basis.

Adherence to CIPFA code on Treasury Management

The Council has adopted the CIPFA Code of Practice for Treasury Management in the Public Services.

Upper / Lower Limits for Maturity Structure of Fixed Rate Borrowing

	2018/19 £000 Reported Indicator		2018/19 £000 Actual Position	
	Upper Limit	Lower Limit	Actual Percentage	Maximum YTD
Under 12 months	30%	0%	5.49%	5.49%
12 months to 24 months	30%	0%	5.31%	13.14%
24 months to 5 years	40%	0%	6.91%	17.08%
5 years to 10 years	40%	0%	9.38%	9.57%
10 years to 20 years	40%	0%	10.65%	10.86%
20 years to 30 years	40%	0%	1.19%	1.21%
30 years to 40 years	50%	0%	25.25%	25.44%
40 years to 50 years	50%	0%	34.30%	37.75%
50 years and above	30%	0%	0.00%	2.31%
All within agreed limits.				

Upper / Lower Limits for Maturity Structure of Variable Rate Borrowing

	2018/19 £000 Reported Indicator		2018/19 £000 Actual Position	
	Upper Limit	Lower Limit	Actual Percentage	Maximum YTD
Under 12 months	30%	0%	1.53%	4.61%
12 months to 24 months	15%	0%	0.00%	0.00%
24 months to 5 years	15%	0%	0.00%	0.00%
5 years to 10 years	15%	0%	0.00%	0.00%
10 years to 20 years	15%	0%	0.00%	0.00%
20 years to 30 years	15%	0%	0.00%	0.00%
30 years to 40 years	15%	0%	0.00%	0.00%
40 years to 50 years	15%	0%	0.00%	0.00%
50 years and above	15%	0%	0.00%	0.00%
All within agreed limits.				

On 8 March 2007, Council agreed to the placing of investments for periods of longer than 364 days in order to maximise investment income before forecasted cuts in interest rates. An upper limit was set and agreed as a new Prudential Indicator.

<i>Upper Limit on amounts invested beyond 364 days</i>			
	2018/19 £000 Reported Indicator	2018/19 £000 Actual Position	2018/19 £000 Maximum YTD
Investments	15,000	5,000	5,000

TITLE OF REPORT: Revenue Budget - Third Quarter Review 2018/19

REPORT OF: Darren Collins, Strategic Director, Corporate Resources

Purpose of the Report

1. This report sets out the latest monitoring position on the 2018/19 revenue budget at the end of the third quarter to 31 December 2018. Cabinet is asked to note the contents of the report and recommend to Council the use of up to £2.1m capital receipts to finance the 2018/19 revenue budget.

Background

2. Cabinet receives quarterly reports on the agreed revenue budget so that any variances can be identified and addressed. This report sets out the revenue monitoring position at 31 December 2018.
3. Council agreed the original revenue budget for 2018/19 on 22 February 2018. This was set at £203.466m.
4. The projected outturn for 2018/19 at 30 September 2108 was an over spend of £5.189m. This included planned use of £4.582m of reserves, plus £1.337m from the Strategic Revenue Investment reserve and this was reported to Cabinet on 20 November 2018. The Cabinet report identified that management would continue to seek to deliver the outturn within the original estimate.
5. Following the November 2015 Spending Review, the Government announced that it would introduce additional flexibility for the period of the Spending Review to enable Local Authorities to use capital receipts from the sale of non-housing assets to fund the up-front revenue costs of service reform and transformation provided there is a clear link to the generation of future ongoing revenue savings. In February 2018 Cabinet and Council noted the ability for this additional flexibility to fund the revenue costs of transformational projects.

Proposal

6. Without any further action the projected outturn for 2018/19 at 31 December 2018 is £206.840m compared to the budget of £203.466m, this represents an overspend of £3.374m. The over spend is mitigated by additional Government funding of £2.135m resulting in an overall projected over spend of £1.239m. The projection for the year includes the planned use of £4.612m of reserves.

7. Active management by Corporate Management Team and the wider Leadership Team of the Council will aim to ensure that spending for the year remains contained within the current estimate. No change in the total revenue budget is therefore recommended in this report. The overall budget position will continue to be subject to close review as services change to deliver the Council's Thrive policy priorities.
8. In the Spending Review 2015 the Government announced that Local Authorities could use capital receipts to meet the revenue costs associated with the delivery of transformational and reform projects which deliver the key criteria of generating ongoing revenue. Throughout the year the Council has reviewed revenue schemes to identify expenditure which meets the qualifying criteria to be funded through capital receipts in year. In total £2.1m of qualifying revenue expenditure has been identified within the budget in the following areas of delivery:
 - **Digital and IT (£1.1m)**: developing new systems to streamline process to reduce demand /or generate efficiency savings
 - **Ways of Working – internal (£0.8m)**: realign business process and structures to improve ways of working to drive efficiencies and savings, reduce demand or generate additional income
 - **Ways of Working – with partners (£0.2m)**: working with partner public sector bodies to find more efficient ways of working to generate efficiencies and savings and reduce demand.
9. It is estimated that Capital Receipts of around £2m will be received in year, it is proposed that the option to apply the capital receipt flexibility in-year to qualifying revenue expenditure be approved. Cabinet is asked to recommend to Council that up to £2.1 capital receipts flexibility is utilised within 2018/19 to fund the revenue costs of transformational projects.
10. Key budget variances, although lower than in the second quarter, have continued in the third quarter in respect of Social Work – Children & Families. Action plans to address the areas of over spend will remain under review. The agreed savings for 2018/19 will continue to be actively monitored to facilitate delivery of the approved budget.
11. It is important that effective budget monitoring and action planning is in place to ensure that spending in 2018/19 is contained within approved budgets as this will contribute to a sustainable financial position for the Council. Any over spend at the end of the financial year will result in the 2018/19 funding gap being increased and reserve levels being reduced which will impact on the financial plans of the Council.

Recommendations

12. It is requested that Cabinet:
 - Notes the Council's revenue expenditure position at 31 December 2018, as set out in Appendix 1.
 - Recommends to Council the use of up to £2.1m capital receipts flexibility on the areas identified within paragraph 8 of the report to fund the revenue costs of transformational projects included within the 2018/19 budget.

For the following reason:

- To contribute to sound financial management and the long-term financial sustainability of the Council.

Policy Context

1. This report meets the standards required to comply with the Accounts and Audit Regulations 2015. It is also consistent with Vision 2030 and the Council's objectives of making Gateshead a place where everyone thrives by ensuring a sustainable long term financial position.

Background

2. The Accounts and Audit Regulations 2015, which represent financial management good practice, recommend that councillors should receive regular reports on performance against revenue and capital budgets. The frequency of the reports is determined following a risk assessment of the budget, and Cabinet currently receives a report on a quarterly basis.
3. This report sets out the latest position on the 2018/19 revenue budget as at 31 December 2018 and projects spending and income to the end of the financial year.
4. Council agrees the revenue budget and it also approves variations and revisions to the budget.
5. Council agreed the original revenue budget for 2018/19 on 22 February 2018. This was set at £203.466m.
6. The reported position includes £1.133m of additional funding that has been allocated by the Department of Health and Social Care to help councils alleviate winter pressures, £0.883m one off funding that will be re-distributed by government to the Council from the national business rate levy account surplus and £0.119m additional S31 grant in relation to business rate relief.
7. Capital receipts of £1.337m have been utilised to offset the costs of eligible projects within the financing of the budget and this has mitigated the projected use the Strategic Revenue Investment Reserve.
8. Appendix 2 details the proposed revised budget for 2018/19 compared to an assessment of the projected outturn for the year. Without any further action the projected outturn for 2018/19 results in a projected over spend of £1.239m
9. At the end of the third quarter of the year, the projected use of reserves is £4.612m.

Variations

10. The main variances on a group basis are set out below.

Care, Wellbeing and Learning

11. The projected over spend of £5.265m on Social Work - Children and Families relates mainly to placement expenditure and higher than expected employee costs. Action planning is continuing in this area.

12. The projected over spend of £0.936m on Early Help and Education relates to higher than expected direct payments, home to school/college transport costs and employee costs. There are also £0.403m of 2017/18 savings that have not been delivered. Specific action planning is continuing to address the over spend.
13. The projected under spend of £0.217m on Learning and Schools relates to an adjustment to the insurance payments for the Private Finance Initiative schools and lower than expected employee costs.
14. The projected over spend of £2.661m on Adult Social Care relates to service pressures and savings yet to be delivered which have been partially offset by the receipt of the winter pressures allocation. Action is being taken to reduce demand and package costs.

Communities and Environment

15. The projected under spend of £0.525m on Street Scene relates to an over achievement of fleet and highways income.

Corporate Resources

16. The projected under spend of £0.211m on Customer & Financial Services relates to an over achievement of income for fees and charges.
17. The projected under spend of £0.204m on IT Services relates to reduced employee costs and an under spend on general IT costs.
18. The projected over spend of £0.297m on Trading and Commercialisation relates mainly to an underachievement of income and over spends on employee costs within Leisure Services offset by various other operational areas within the service.

Other Services, Capital Financing and Trading and Investment income

19. There is a positive contribution to the reported position as a consequence of less borrowing being undertaken than estimated within original budget estimates in line with the strategy of internal borrowing.

Summary

20. The projected over spend as at 31 December 2018 of £1.239m is after the application of reserves in line with the usage agreed as part of 2018/19 budget.
21. For all projected over spends, regular monitoring will continue to take place with action plans being monitored with the aim of containing spending within the original budget. Plans will be incorporated into the internal monthly revenue monitoring timetable with regular updates to Corporate Management Team and with updates to Cabinet.

Reserves

22. The £4.612m planned use of reserves includes £2.765m of Strategic Reserves and £1.848m of Ringfenced Reserves as follows:

Strategic Reserves

- £1.114m Budget Flexibility Reserve
- £1.202m Economic Growth, Culture and Place Shaping Reserve
- £0.130m Discretionary Social Fund
- £0.069m Anti-Poverty Reserve

Ringfenced Reserves

- £0.799m Grants and Contributions Reserve
- £0.202m Developers Contributions Reserve
- £0.847m Public Health Reserve

Balance Sheet Management

23. Balance Sheet control accounts, which cover the Council's assets and liabilities, are reconciled on a quarterly basis. In addition, a number of key Balance Sheet control accounts are now reconciled on a monthly basis as part of the revenue monitoring process. This is part of a proactive approach to Balance Sheet management which should ensure the early identification of issues that may impact on the Council's financial position.
24. Key control accounts are assessed based on experience from previous years, materiality and reliance on third party data. Those key control accounts reconciled as at 31 December 2018 are operating satisfactorily.

Consultation

25. The Leader of the Council has been consulted on this report.

Alternative Options

26. There are no alternative options proposed.

Implications of Recommended Option

27. **Resources**

- a. Financial Implications** – The Strategic Director, Corporate Resources confirms these are as set out in the report and Appendix 2.
- b. Human Resource Implications** – There are no direct Human Resource implications as a consequence of this report.
- c. Property Implications** – There are no direct property implications as a consequence of this report.

28. **Risk Management Implication**

Regular budget monitoring and the associated action planning that arise from this activity assists in reducing the risk of the Council overspending its agreed budget. This enables effective financial planning which allows the Council to deploy resources in line with priorities.

29. **Equality and Diversity Implications** - Nil.
30. **Crime and Disorder Implications** - Nil.
31. **Health Implications** - Nil
32. **Sustainability Implications** – Regular budget monitoring and allocated actions contributes to the financial sustainability of the Council.
33. **Human Rights Implications** - Nil.
34. **Area and Ward Implications** - Revenue spending supports the delivery of services across the whole of Gateshead.

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Appendix 2 - Revenue Monitoring Summary 2018/19

Service	Revised Budget £'000	Projected Outturn £'000	Variance £'000
<u>Care, Wellbeing & Learning</u>			
Social Work - Children & Families	22,178	27,443	5,265
Early Help & Education	6,947	7,883	936
Commissioning & Quality Assurance	7,254	7,069	(185)
Learning & Schools	651	434	(217)
Adult Social Care	62,611	65,272	2,661
Public Health	16,516	16,516	0
<u>Communities & Environment</u>			
Housing General Fund	492	495	3
Development, Transport & Public Protection	3,751	3,571	(180)
Council Housing, Design & Technical Services	(955)	(950)	5
Commissioning & Neighbourhoods	4,946	4,974	28
Street Scene	13,770	13,245	(525)
Economic Development	883	851	(32)
<u>Office of the Chief Executive</u>			
Policy, Performance & Communications	1,900	1,814	(86)
<u>Corporate Services & Governance</u>			
Legal & Democratic Services	4,003	3,819	(184)
Property & Corporate Asset Management	(1,459)	(1,538)	(79)
Human Resources & Workforce Development	1,403	1,376	(27)
Corporate Commissioning & Procurement	203	392	189
<u>Corporate Resources</u>			
Corporate Finance	1,640	1,539	(101)
Customer & Financial Services	3,326	3,115	(211)
Housing Benefits	0	168	168
IT Services	3,149	2,945	(204)
Trading & Commercialisation	8,485	8,782	297
Other Services & Contingencies	4,194	2,237	(1,957)
Capital Financing Costs	31,518	29,768	(1,750)
Traded & Investment Income	(3,186)	(3,626)	(440)
Expenditure Passed outside the General Fund	(1,980)	(1,980)	0
Levies	11,226	11,226	0
NET BUDGET	203,466	206,840	3,374
<u>Financed By</u>			
Settlement Funding Assessment (SFA)	(75,578)	(76,461)	(883)
Other Grants	(20,208)	(21,460)	(1,252)
Public Health	(16,516)	(16,516)	0
Council Tax	(86,798)	(86,798)	0
Collection Fund (Council Tax)	(3,029)	(3,029)	0
Earmarked Reserves	(1,337)	0	1,337
Capital Receipts	0	(1,337)	(1,337)
TOTAL FUNDING	(203,466)	(205,601)	(2,135)
PROJECTED (UNDER) / OVER SPEND	0	1,239	1,239

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TITLE OF REPORT: Council Tax Base and Business Rates Forecast 2019/20

REPORT OF: Darren Collins, Strategic Director, Corporate Resources

Purpose of the Report

1. This report asks Cabinet to agree the council tax base for 2019/20 for the Parish of Lamesley and the whole of the Borough of Gateshead. Cabinet is also requested to agree a Business Rate forecast for 2019/20.

Background

2. The Council is required to calculate and set a new council tax base each year. This council tax base must be forwarded to the Police and Crime Commissioner for Northumbria and the Tyne and Wear Fire and Rescue Authority by 31 January 2019. It is also used for the Council's own purposes in the calculation of the 2019/20 council tax level.
3. The council tax base reflects the amendments contained within the Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2012. These amendments require the tax base to reflect any changes introduced from the Council's Local Council Tax Support Scheme.
4. The Business Rates retention scheme was implemented 1 April 2013, and this allows local authorities to retain 49% of the actual business rates receipts. For Enterprise Zones & New Development Deals, authorities retain 100% of growth in business rates receipts.
5. The Business Rates base for 2019/20 is required to be notified to the Ministry of Housing, Communities and Local Government using form NNDR1 and responsibility for certification of this form is delegated to the Strategic Director, Corporate Resources under the constitution of the Council (Part 3 Schedule 5) as follows:

"to manage the Gateshead Collection Fund in accordance with statutory requirements, including annual approval and certification of the NNDR1 form, prior to its submission to the Department of Communities and Local Government, setting out the local tax base for business properties for each forthcoming year".
6. Based upon the information provided by central government the business rates forecast for 2019/20 is £42.423 million. This figure will be reviewed as part of the completion of the NNDR1 form, which is due by 31 January 2019. This estimate will then be varied by the Strategic Director, Corporate Resources under the delegation contained within the Council's constitution.

Proposal

7. The factors that need to be considered in fixing the council tax base are set out in Appendix 1. The proposed council tax base for Gateshead is 52,065.6 an increase of 603 on the current base. This increase is due to an increase in the number of Band D equivalents after taking account of forecast numbers of newly built properties, demolitions, the estimated number of exemptions and discounts, the impact of reviewing entitlements to discounts and reflecting the impacts of the Local Council Tax Support Scheme. The proposed council tax base for Lamesley is 1193.5 a decrease of 18 on the current base.
8. The provisional business rates forecast for 2019/20 is £42.423 million in line with government estimates.

Recommendations

9. It is recommended that Cabinet agree:
 - (i) pursuant to this report and in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as amended by Local Authorities (Calculation of Council Tax Base) (Amendment)(England) Regulations 2012 the amount calculated by Gateshead Council as its council tax base for the year 2019/20 shall be 52065.6
 - (ii) pursuant to this report and in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as amended by Local Authorities (Calculation of Council Tax Base) (Amendment)(England) Regulations 2012 the amount calculated as being the Parish Council of Lamesley's council tax base for the year 2019/20 shall be 1193.5
 - (iii) That the business rates forecast for 2019/20 is £42.423 million

For the following reason:

- (i) To assist the Council in its financial planning and budget setting
- (ii) To set a council tax base and a business rates forecast for 2019/20 in accordance with statutory requirements

CONTACT: Patrick Scullion Ext 4779

Policy Context

1. The proposals in this report are consistent with Council priorities and in particular ensuring that effective use is made of Council resources to support the framework for “making Gateshead a place where everyone thrives”.

Background

2. The council tax base is the total number of Band D equivalent households in the Borough which will be liable to pay council tax in the forthcoming year.
3. The formal decision to fix the council tax base must be taken by 31 January each year.

Consultation

4. The Leader of the Council has been consulted in the preparation of this report

Alternative Options

5. There are no alternative options proposed.

Implications of Recommended Options

Calculation of Relevant Amount

6. There are 93,766 domestic properties in Gateshead, which have been placed in one of eight bands (from A to H, see Appendix 2) according to the price at which the property might reasonably have been sold on the open market on 1 April 1991, assuming vacant possession and in a state of reasonable repair.
7. For setting the level of council tax for 2019/20, the total number of properties must be recalculated into a common base of Band D equivalents and assumes that there are two or more liable adults living in each property. This recalculation and the adjustments set out in paragraph 7 below are then applied in accordance with the requirements of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as amended by Local Authorities (Calculation of Council Tax Base) (Amendment)(England) Regulations 2012 and the resultant figure is known as the ‘relevant amount’.
8. The adjustments that need to be considered for each band of property are: -
 - i) the anticipated number of new dwellings which will be completed during 2019/20;
 - ii) the anticipated number of dwellings to be demolished during 2019/20;
 - iii) the anticipated number of exempt dwellings during 2019/20;
 - iv) the anticipated number of dwellings where the liable person qualifies for a disabled reduction;
 - v) the anticipated number of dwellings where the liable person qualifies for a discount or exemption;

- vi) reviewing entitlement to discounts and exemptions;
 - vii) the adjustment required in respect of the impact for the Council Tax Support Scheme.
9. Applying the adjustments in paragraph 7 has the effect of reducing the total number of properties to a common base for each band, in terms of full year equivalents.
10. To arrive at a common base of Band D equivalents, i.e. the 'relevant amount', the appropriate fraction prescribed by Regulation 4 of the Local Authorities (Calculation of Council Tax Base) (Amendment)(England) Regulations 2012 is applied to each band, resulting in a Band D equivalent of 53264 for the whole of Gateshead as set out in Appendix 3.
11. The Band D equivalent calculations for Lamesley are 1,221 and are set out in Appendix 4. The figures are relevant to the additional expenditure in this area by the Parish Council.

Calculation of Council Tax Collection Rate

12. To set the council tax at a level which will realise enough income to meet the Authority's budget requirements, an appropriate percentage collection rate must be applied to the 'relevant amount' for Band D equivalent properties, in Gateshead and Lamesley respectively.
13. Despite the economic context, the Council has during 2018/19 been able to maintain positive collection rates. The projected collection to the end March 2019 therefore indicates that the in-year collection rate of 97.75%, which was applied last year, is being sustained. For the year 2019/20 it is proposed to retain this collection rate.

Calculation of Council Tax Base

14. To calculate the Authority's council tax base for both precepting purposes and council tax setting purposes, the relevant amounts as shown in Appendices 3 and 4 must be multiplied by the Authority's estimated collection rate (97.75%) which in terms of Band D equivalents equates to 52065.6 for Gateshead and 1,193.5 for Lamesley.

Business Rates Forecast

15. Gateshead receives 50% of business rates income and pays 1% of the total amount to the Tyne and Wear Fire and Rescue Authority. The Gateshead element of the estimated business rates base for 2019/20 is £42.423 million, based on central government estimates. The final business rates figure will be assessed as part of the NNDR1 form which is due to be returned by 31 January 2019.

16. **Resources:**
- a) **Financial Implications** – These are set out in this Appendix. The Strategic Director, Corporate Resources confirms that the agreed council tax base will be used when calculating the amount to be raised from council tax in 2019/20, and the business rates forecast submitted to government will be used for setting the Council's budget for 2019/20.
 - b) **Human Resource Implications** – Nil
 - c) **Property Implications** – Nil
17. **Risk Management Implications** – There is a risk that the tax base is set at a level which results in a shortfall of income when council tax rates are set, particularly in the current economic climate. However, this has been minimised through the work that has been carried out in estimating the adjustments described in paragraph 7 and the application of the collection rate described in paragraph 12, which is based on actual experience during the first three quarters of 2018/19.
18. **Equality and Diversity Implications** – Nil
19. **Crime and Disorder Implications** – Nil
20. **Sustainability Implications** – Nil
20. **Human Rights Implications** – Nil
21. **Area and Ward Implications** – The tax base covers the whole area of Gateshead. The tax base for Lamesley covers the area of the parish of Lamesley.

APPENDIX 2

STATEMENT OF NUMBERS AND BANDS OF ALL DOMESTIC PROPERTIES

SHOWN IN THE VALUATION LIST FOR GATESHEAD COUNCIL AS AT

3 DECEMBER 2018

Band	Value	Numbers
A	Up to £40,000	56,458
B	£40,001 to £52,000	12,762
C	£52,001 to £68,000	15,236
D	£68,001 to £88,000	5,664
E	£88,001 to £120,000	2,373
F	£120,001 to £160,000	850
G	£160,001 to £320,000	375
H	Over £320,000	48
		<hr/>
		93,766

APPENDIX 3

CALCULATION OF RELEVANT AMOUNT (FULL YEAR BAND D PROPERTIES)

FOR GATESHEAD COUNCIL

Band	No. of Properties	Adjustments (Para. 7)	No. of Properties	Appropriate Fraction	Band D Equivalent Properties
A (disabled reductions)	0	107	107	5/9	59
A	56,458	-21,137	35,321	6/9	23,547
B	12,762	-2,427	10,335	7/9	8,038
C	15,236	-1,750	13,486	8/9	11,987
D	5,664	-477	5,187	9/9	5,187
E	2,373	-181	2,192	11/9	2,679
F	850	-58	792	13/9	1,144
G	375	-19	356	15/9	593
H	48	-33	15	18/9	30
	<hr/> 93,766	<hr/> -25,975	<hr/> 67,791		<hr/> 53,264

Relevant Amount (Band D Equivalents) = 53,264

APPENDIX 4

CALCULATION OF RELEVANT AMOUNT (FULL YEAR BAND D PROPERTIES)

FOR LAMESLEY

Band	No. of Properties	Adjustments (Para. 7)	No. of Properties	Appropriate Fraction	Band D Equivalent Properties
A (disabled reductions)	0	2	2	5/9	1
A	830	-344	486	6/9	324
B	338	-80	258	7/9	201
C	428	-65	363	8/9	323
D	203	-13	190	9/9	190
E	84	-8	76	11/9	93
F	46	-5	41	13/9	59
G	19	-2	17	15/9	28
H	2	-1	1	18/9	2
	1,950	-516	1,434		1,221

Relevant Amount (Band D Equivalents) = 1,221

TITLE OF REPORT: **Making Gateshead a Place Where Everyone Thrives - six-month assessment of performance and delivery 2018/19**

REPORT OF: **Sheena Ramsey, Chief Executive**

Purpose of the Report

1. Cabinet is requested to approve the six-month assessment of performance and delivery report for 2018/19 in respect of the Council's Thrive agenda.

Background

2. The Council's performance is reported on a six-monthly basis and is an integral part of the Council's Performance Management Framework.
3. In March 2018, Cabinet agreed the Council's new strategic approach Making Gateshead a Place Where Everyone Thrives to ensure the organisation continued to strive to achieve the best outcomes for local people and remained a viable and sustainable organisation into the future.
4. Cabinet, at their meeting in July 2018, agreed that the suite of strategic outcome indicators that support the corporate performance management framework should be reviewed to ensure they were consistent with the Thrive agenda.

Performance Reporting

5. This composite report provides an overview of progress made in delivering the Council's Thrive agenda for the period 1 April 2018 to 30 September 2018. The six-month performance reports for this period were reported to Overview and Scrutiny Committees (OSCs) in December 2018.
6. Each OSC has considered the performance and the progress made in relation to their remit, and includes the following:
 - i. An overview of key achievements and areas for improvement;
 - ii. An outline of the six-month performance and/or direction of travel for the strategic indicators.
7. Appendices 2 and 3 provide Cabinet with a summary of performance reported to the OSCs and the extracts from the respective minutes. Full versions of the reports considered by the OSCs can be found [here](#).
8. An initial review of the strategic indicators has identified several changes which can be found at Appendix 4. Further work is required to ensure that council activity is aligned to the Thrive agenda, and that robust monitoring tools are in place and are effective in demonstrating impact and delivery in respect of the Council's Pledges.

Recommendations

9. It is recommended that Cabinet:

- (i) approves the recommendations of all the Council's Overview and Scrutiny Committees in relation to the 2018/19 six-month performance reports (Appendix 3).
- (ii) considers whether the Council has met its performance objectives and is addressing the outcomes in delivering the Council's Thrive agenda.
- (iii) approves the amendments to the corporate suite of Strategic Indicators identified in Appendix 4.
- (iv) notes that further work is required in ensuring the corporate performance management framework is appropriately aligned to support delivery of the Thrive agenda.

For the following reason:

- To ensure performance supports the delivery and achievements of Making Gateshead a Place Where Everyone Thrives.

Policy Context

1. The six-month assessment report for the delivery and performance during 2018/ 2019 illustrates how the Council is achieving against its strategic approach of Making Gateshead a Place Where Everyone Thrives, for the period 1 April 2018 to 30 September 2018.

Background

2. The Council's performance in relation to the delivery of the Thrive Agenda is reported on a six-monthly basis and is an integral part of the Council's Performance Management Framework.

Consultation

3. Each six-month report has been considered by the appropriate OSC during December 2018 and minute extracts and comments made by the committees are included at Appendix 3.
4. In line with Protocol 28, the relevant Cabinet Member was consulted in the preparation of the individual performance reports prior to OSC so that an update on their portfolio area could be given to the committee.
5. The Deputy Leader has been consulted in the preparation of this report.

Alternative Options

6. There are no alternative options regarding the report, as the recommendation supports the Council's general duty to secure continuous improvement in the way functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

Implications of Recommended Option

7. Resources

- a) **Financial Implications** – The Strategic Director, Corporate Resources confirms there are no financial implications arising directly from this report.
 - b) **Human Resource Implications** – There are no human resource implications arising directly from this report.
 - c) **Property Implications** – There are no property implications arising directly from this report.
8. **Risk Management Implications** – There are no risk management implications arising directly from this report.
 9. **Equality and Diversity Implications** – There are no direct equality and diversity implications arising from this report.
 10. **Crime and Disorder Implications** – There are no crime and disorder implications arising directly from this report.
 11. **Health Implications** – There are no health implications arising directly from this report.

12. **Sustainability Implications** - There are no direct sustainability implications arising directly from this report.
13. **Human Rights Implications** - There are no direct human rights implications arising directly from this report.
14. **Area and Ward implications** - There are no direct area and ward implications arising directly from this report.

Background Information

15. There is no background information.

MAKING GATESHEAD A PLACE WHERE EVERYONE THRIVES SIX MONTH ASSESSMENT OF PERFORMANCE AND DELIVERY 2018/19

Composite Report

Introduction

1. The composite report reflects the key issues in relation to the six-month assessment of delivery and performance for the period 1 April 2018 to 30 September 2018, which has been considered by the Overview and Scrutiny Committees at their meetings in December 2018.

Summary of Achievements and Areas for Improvement

2. Each performance report from the OSCs provides an overview of performance for the six-month period and highlight achievements and areas for improvement. Some areas to note for each OSC include:

Corporate Resources OSC

3. Seven of the ten indicators could be measured at the six-month stage and most are showing improvement at this point.

Achievements to note include:

- the [Statement of Accounts](#) was finalised in accordance with the earlier statutory deadlines of draft accounts by 31 May 2018 and audited by 31 July 2018;
- generating income by working with over 260 schools, colleges and charities, as well as partners such as NEPO and The Gateshead Housing Company in relation to the General Data Protection Regulation (GDPR);
- since the Council website site was relaunched over 4 million-page views have been recorded via Smart Phone, tablet and computer, demonstrating the importance of delivering websites that function seamlessly on mobile devices; and
- a 22% rise in card payments via the Council's website, following improvements to online payments, with £17.5m in income now processed online.

Key areas of focus over the next six months include:

- completing the implementation of a digital platform to support the delivery of the digital strategy, including the following websites and digital services;
 - an appointment booking system for the Registrars Service by January 2019;
 - online forms for social care requests that aim to reduce call level volumes for Adult Social Care Direct;
 - online forms to support landlord licensing;
 - new website for Business Gateshead;
 - a *Customer Account* so residents can log in to view payment history, track progress of completed forms, appointment bookings etc.; and
 - a consolidated online system for both Corporate Complaints and Members enquiries by April 2019.
- supporting the review of individual services to transform how services can be delivered digitally to deliver savings and efficiencies, income generation and contribute to an improved customer experience;
- the speed of processing housing benefit claims which has been largely impacted by the preparations for the rollout of Universal Credit full service in Gateshead; and
- analysing the employee health needs assessment to understand and provide support to employees to reduce the rate of sickness absence.

Families OSC

4. Of the 29 indicators with updated performance for this report, 14 have positive performance trends whilst 12 are declining compared to the same point last year with 3 indicating no change.

Achievements to note include:

- improvements in education performance with the gap between Attainment 8 and Progress 8 scores for disadvantaged pupils/peers at KS4 reducing. The Progress 8 score for children with Special Educational Needs has also improved;
- excess weight in 10/11-year olds has declined with a reduction in the percentage of children in low income families at the same time as more families engaging in the Troubled Families Programme;
- the timeliness for the completion of Education, Health & Care Plans (EHCP), meaning families will benefit from receiving support earlier. For the period January 2018 to June 2018, performance was up to 99%;
- permanent exclusions have continued to decline with a 32% reduction in exclusions overall compared to the previous period;
- the number of First Time Entrants to the youth justice system aged 10-18 is decreasing, as is the custody rates for the same age group; and
- latest data shows a reduction in the number of hospital admissions for self-harm for 10 to 24-year olds.

Some of the key areas of focus in the next six months include:

- looking to embed the '*This is Me*' tool for identifying and recording the voice of the child in casework, including the use of the on-line version of this resource, across all areas of practice where appropriate;
- reviewing the quality of EHCPs to ensure outcomes are SMART and reflect the need to better prepare children and young people for adulthood;
- developing peer mentoring with a housing pathway accompanied by a range of options for young people such as improved employment, education and training opportunities from within the council and from partners; and
- working with the Northumbria Police and Crime Commissioner who has requested support from local authorities with the development of the original Operation Encompass and would like to implement '*Domestic Abuse: A Whole System Approach*'. This aims to give staff the tools to spot signs of domestic abuse and be better equipped to support and signpost children for better help. It will also provide schools with dedicated school safeguarding liaison staff, funded by the project and employed by Northumbria Police.

Care, Health and Wellbeing OSC

5. Of the 19 strategic indicators reported to this OSC, 16 have an updated position since the last report. Of these updated indicators, performance trends are positive with 9 indicators showing an improvement, including:

- a reduction in excess weight for 10-11year olds;
- decreased rates of hospital admissions for self-harm;
- an improved average number of days for delayed transfers of care from hospital;
- an increase in the number of older people rearing at home 91 days after a hospital discharge to a reablement service;
- reduction in the number of repeat safeguarding enquiries; and

- an increase in healthy life expectancy for both males and females, or a reduction in the rate of preventable mortality and in the inequalities in life expectancy for males in Gateshead.

Indicators not improving include increases in the:

- percentage of people who are dissatisfied with life;
- prevalence of 4-5-year olds who have excess weight;
- gap in life expectancy at birth for males and females;
- inequalities in life expectancy for females; and
- rate of delayed transfers of care from hospital has increased.

One indicator has remained the same - the proportion of BME carers supported through carer specific service or have had an assessment or review.

There have been many achievements and some to note include:

- completion of a Digital Ways of Working review of Adult Social Care Direct which identified failure within processes and produced a set of recommendations for future improvements, including that of the customer journey;
- Development of two locality teams within the social work assessment function, covering the five neighbourhood areas and assessing people aged 18 and over who require support from social care;
- receiving recognition for the Harvest & Help user led enterprise for people with learning disabilities and autism, by winning the 'Making a difference award' at the National Learning Disability Awards in June 2018;
- further development of the Trusted Assessor model at Eastwood Promoting Independence Centre which is delivering 50% fewer hospital admissions post implementation versus pre-trusted assessor operations. Similar success with Discharge Liaison Nurses admitting into PRIME has led to the expansion of Trusted Assessor operations to designated clinicians on four wards at the Queen Elizabeth Hospital; and
- achieving an 'outstanding' rating by the Care Quality Commission at Blaydon Lodge for the excellence of its provision to people with complex learning disabilities and autism.

Some of the key areas of focus in the next six months include:

- reviewing Adult Social Care (ASC) procedures, policies and processes to provide a specification to go to market to procure a new case management (IT) system that will ensure the effectiveness of ASC is improved and the customer journey and experience optimised;
- extending the trusted assessor model to include therapists within the Queen Elizabeth Hospital;
- all older person care homes will have received a Quality Excellence Framework visit by the end of March 2019. These visits will assess the quality of the service and place each home into a fee band linked to the quality delivered; and
- undertaking an independent external evaluation of the MECC (Make Every Contact Count) programme in partnership with FUSE, the Centre for Translational Research in Public Health. FUSE brings together five North East Universities (Durham, Newcastle, Northumbria, Sunderland and Teesside) in a collaboration to deliver research to improve health and wellbeing and to tackle inequalities.

Communities and Place OSC

6. Where data was not available to report at year end 2017/18, updates were included in the report, along with the six-month data for 8 of the 16 strategic indicators. Of the 8, there has

been an improvement in 4 indicators, 3 showed a decline in performance and one remained the same.

There have been many achievements and some to note include:

- an ERDF application submitted by Gateshead and five other local authorities in the NECA for a Business Energy Efficiency Support Programme was approved. The £1.4m scheme will support 250 small to medium enterprise (SMEs) across the region with advice and funding to achieve reductions in energy costs and greenhouse gas emissions enabling small businesses to increase resilience and adaptive capacity;
- the award of planning consent for 100,000 sqm of the Enterprise Zone at Follingsby Park which will lead to the creation of over 1,500 new jobs in Gateshead. Funding has been secured from the NELEP and groundworks have begun which will create sites ready for new buildings;
- planning approval was granted for new Grade A office accommodation on Baltic Business Quarter by the Council. The new office building will provide space for up to 500 employees when it opens in early 2020;
- PROTO: The Emerging Technology Centre was completed and opened by HRH The Duke of Cambridge. The Centre provides businesses in the emerging technology sector with business space and access to state of the art equipment that would not otherwise be available to them. The centre is host to one of Digital Catapults four Immersive Labs. There has been strong interest from occupiers with 60% of space now occupied including seven occupiers relocating from outside of Gateshead; and
- the granting of a 250-year lease to Dinosauria to develop the world's first Unnatural History Museum in the Gateshead Old Town Hall. The developers are now working on a planning application, which will be submitted in mid-2019.

Some of the key areas of focus over the next six months include:

- development of a 10-acre site at Gateshead Quays between Sage Gateshead and BALTIC is due to commence in Summer 2020 and completed by Summer 2023. Gateshead have secured £5m from the North East Local Enterprise Partnership (NELEP) and Local Growth Fund (LGF) to support the development of the project. The key action over the next 6 months are to secure Agreement to Lease with the key tenant SMG Europe who will operate the new arena and conference centre;
- completion of a new housing development through the Trading Company, with 22 apartments for sale being developed at the former Derwentside Sheltered Scheme in Swalwell. Completion is expected by early 2019. Construction activity has also commenced on the former Lyndhurst Site in Beacon Lough. The development will see 36 new family homes being built with completion expected in summer 2019. Both developments are being progressed under the trading name *Beacon Living*; and
- progression of more council housing with work to develop a core and cluster scheme of 14 supported living homes in Winlaton. The development will see a mix of bungalows and apartments, supported by an onsite concierge providing support for clients with Learning Disabilities. The development has attracted external grant funding of over £0.5m from Homes England and completion is forecast to be early summer 2019.

Community Safety Overview and Scrutiny Sub Committee

7. Performance of crime and disorder from April to August 2018 has continued to rise with a further 9% increase on last year including notable increases in violent crime, theft of vehicles and drugs offences. In addition, acquisitive crimes (such as burglary, shoplifting and other thefts) have also seen increases in the first five months. In contrast there were reductions in shoplifting and criminal damage offences.

8. Three indicators had data available at the six-month stage. Performance improved for the number of ASB incidents reported with a 3% reduction compare to the same period in 2017/18. However, performance has declined compared to the same period in 2016/17 for the number of referrals to ARCH and the number of crimes recorded. From October 2018, the ARCH hate crime reporting system ceased to be operational, therefore the number of hate crime reports made are now collected internally by the Community Safety Team, as opposed to being recorded on an external system. These changes should not affect the number of reports made.

There have been many achievements and some to note include:

- a bespoke hate crime tracking database has been developed to identify and respond to hate crime in Gateshead and ensure an enhanced service is provided to victims;
- Home Group has worked closely with partners in Gateshead to make some significant changes to national policies and procedures leading to an increase in reports of hate crime amongst their tenants;
- a specialist children's worker is now based in the Domestic Abuse Team, ensuring continuity of support between services for the parent and the child;
- to help address youth anti-social behaviour in hotspot locations, Operation Clasper is in effect across Gateshead. The process involves taking the details of a child or young person who is believed to be involved in anti-social behaviour. Any young person repeatedly stopped will receive a home visit from police and housing officers or, if this fails to address their behaviour, more formal action will be considered; and
- a series of world café events took place to improve partnership working in Gateshead. Each of the four events held have been well attended by members of the public and partners, giving residents an opportunity to celebrate the good things about their neighbourhood, whilst also allowing partners to understand the issues that matter to residents.

Some of the key areas of focus for the next six months include:

- working with Special Branch to embed the new Prevent reporting form within referral processes which will strengthen internal data collection and identification methods to ensure that we are capturing all referrals;
- launching the new Gateshead Hate Crime reporting system to make it easier and quicker for professionals to log hate crimes and encourage increases in self-reported or witnessed incidents;
- establishing a Strategic Hate Crime Supporting Victims task and finish group to review referrals to VictimsFirst Northumbria and look at initiatives designed to increase the uptake of support services;
- consulting with members of the public on four proposed Public Space Protection Orders:
 - Pensher Street East;
 - Mill Road/Baltic Car Park area;
 - Dog Control Orders (Borough-wide);
 - School Parking; and
- continuing the development of the Integrated Offender Management to effectively and efficiently deal with complex offenders in Gateshead.

OVERVIEW AND SCRUTINY COMMITTEE MINUTES

During December 2018, the Overview and Scrutiny Committees discussed their review of performance appropriate to the remit of their committees. The relevant extracts from the minutes of those discussions are provided below:

Corporate Resources Overview and Scrutiny Committee: 3 December 2018

The Committee were provided with an update on the six-month assessment of performance and delivery for the period 1 April 2018 to 30 September 2018, in relation to the Council's Thrive agenda.

The Council's new strategic approach Making Gateshead a Place Where Everyone Thrives, was approved by Cabinet in March 2018, to ensure the Council continues to get the best outcomes for local people and remains a viable and sustainable organisation into the future. As part of the Council's performance management framework, five-year targets were replaced with a single 2020 target with strategic indicators identified as either target or tracker indicators. These targets were approved by Cabinet on 12 July 2016.

The six-month assessment of performance for 2018-19 focuses on the achievements and actions undertaken during the period 1 April 2018 – 30 September 2018. Areas for future improvement are also identified.

Some of the key achievements over the six-month period were highlighted:

- Financial Management is on track
 - Council Tax and NNDR collections are a little bit down on last year but officers are confident that the target will be met.
 - There have been improvements in the time taken to process Housing Benefit Claims with the average time to process being 9 days.
- Staff Sickness
 - Staff sickness has been reduced to 5.93 days per FTE.
- Employee Engagement
 - A recent employee survey where of 39% of employees responded, 73% of those agreed that the Council is a good place to work.
 - A corporate action plan is currently being developed.

The Committee were informed of the results of the resident's survey "You and Your Local Area Survey 2018". The survey was undertaken between June and August 2018 and completed by 910 Viewpoint Online members and 1137 members of the public.

- 64% of respondents were satisfied with their local area as place to live. This is a decrease in satisfaction level in 2016 which was 75%.
- 91% of respondents felt that people in their local area usually got on well together
- 28% of respondents said they regularly volunteer (at least once a month), 27% of respondents said they volunteered less often and 45% said they never volunteered
- 13% of respondents said they have head of the Council's Thrive agenda, however, 88% indicated they were supportive of the 5 pledges.
- 41% of respondents state that their personal financial circumstances are either only just coping or really struggling. This is particularly an issue for those of working age, with fewer (30%) of those aged 65+ experiencing difficulties.
- 42% of respondents are satisfied with the way the Council runs thing, which is 9% lower than in 2016. However, this reduction in satisfaction has not resulted in a

corresponding increase in dissatisfaction. 29% of respondents are dissatisfied (up 1% from 2016) and a further 29% are neither satisfied or dissatisfied.

- 39% of respondents are confident that the Council will provide the best possible services it can within its available budget. A further 27% neither agree or disagree.
- The main areas of importance were clean-streets, parks, crime, schools and anti-social Behaviour. Potholes also came out strongly and was consistent across the Borough.

RESOLVED - That the report be referred to Cabinet on 22 January 2019, as part of the composite report relating to the Council's overall performance.

Families Overview and Scrutiny Committee: 6 December 2018

The Committee received a report and presentation on the six-month update of performance and delivery for the period 1 April 2018 to 30 September 2018 in relation to the Council's Thrive agenda for the indicators and activity linked to children and young people.

The report provided a performance overview linked to the 29 strategic indicators for children and families which currently fall under the three pledges of *"Put people and families at the heart of everything we do"*, *"Tackle inequality so people have a fair chance"* and *"Work together and fight for a better future for Gateshead"*.

Putting people and families at the heart of everything we do

The Committee were advised that in the latest period improvements in 6 indicators have been demonstrated, 2 have remained the same and 3 have declined.

Improvements noted in the number of eligible 2-year olds accessing free early learning places, levels of development at age 5, key stage 1 & 2 attainment in reading, writing and mathematics.

Declined performance in the proportion of children offered preferred primary school place (remained the same for secondary) and attainment and progress 8 scores at key stage 4.

Achievements, Challenges and Actions were outlined as follows:

- Permanent exclusions for the 17/18 academic year have continued to decline and work continues to work effectively and in partnership with schools to implement the Behaviour Action Plan.
- Enhanced pre-diagnosis support for parents of children showing challenging behaviour, by introducing a parent/carer support pathway for those with a child undergoing assessment for ADHD and/or autism
- Plans underway to embed the 'This is Me' tool for identifying and recording the voice of the child in casework

Tackle inequality so people have a fair chance

The Committee were advised that in the latest period performance has improved for 5 indicators, 1 has remained the same and 5 have declined.

Improvements noted in the attainment 8 and progress 8 scores for disadvantaged pupils, progress 8 scores for children with SEN support, number of families engaged with Troubled Families, excess weight for 10-11year olds and the % of children low income families (in poverty).

Declined performance in progress 8 scores at key stage 4 for LAC and those subject to a EHCP, overall NEET figure for those aged 16-18 % of mother smoking at time of delivery and excess weight in 4-5year olds.

Achievements, Challenges and Actions were outlined as follows:

- Early help have introduced new Practice Standards and guidance on what 'good' looks like for CAF assessments and support plans, to improve the quality of practice and impact with families.
- Improvements have been made with timelines for the completion of Education, Health and Care plans (EHCP), meaning families will benefit from receiving support earlier. The first 6 months performance stands at 99% - a considerable improvement.
- The LAC and YP service has been restructured to improve service delivery through improved management arrangements and increased capacity within the Personal Assistant (PA) team to work directly with young people.
- Work is underway to embed the Enhanced Case Management (ECM) model and Adverse Childhood Experience (ACEs) research into every day practice in the Youth Offending Team (and the wider group).
- Focus is on improving the quality of the pathway plans for care leavers, and making all plans outcome focused, smart by working with other local authorities to assess and develop practice in this area.

Work together and fight for a better future for Gateshead

The Committee were advised that in the latest period performance has improved for 4 indicators, and 3 have declined.

Improvements were noted in the number of first time entrants to the youth justice system and use of custodial sentences for 10-18year olds. A reduction in the number of 10-24year olds admitted to hospital for self-harm. And the numbers of Care Leavers in EET.

Decline in performance noted in an increase in the number of children who are the subject of a Child Protection Plan, a slight reduction in the proportion of care leavers in suitable accommodation and the number of young carers offered support.

Achievements, Challenges and Actions were outlined as follows:

- Working with Education colleagues the pilot phase of the Team Around the School (TAS) model in Whickham School has been completed. Evaluation of outcomes has been completed and recommendations are being considered for wider rollout.
- The Domestic Abuse Team was established from 1 August 2018 following a review of previous Domestic Abuse service within the Local Authority. The outcome of the review was to bring together Domestic Abuse workers from across the Council into a cohesive team working with medium to high risk victims of domestic abuse.
- Work is now being undertaken to consider how the Domestic Abuse team can work more effectively with partner agencies to deliver the best possible outcomes for those affected by Domestic Abuse in Gateshead. With an aim to align delivery with relevant organisations to avoid duplication and maximise the impact of available resources.
- Children and Families service audited 22 children on repeat CP Plans and as a result processes and procedures were reviewed and measures taken to mitigate against repeat CP Plans. These included changes to the procedure for discontinuing CP Plans at the 4-month review and ensuring consistency of IROs when a family comes back to ICPC to avoid 'starting again', which is better for partners and families.

Achievements were outlined as follows:

- Work to embed the Early Help model and development of evidence-based interventions continue.
- Business support workflow and electronic case recording developed for Rapid Response and Child with Complex Needs teams which is helping to evidence impact and savings to the local authority.
- The Regulation 44 visit recording system is now live, and information is being reported into the Children and Families Performance Clinic.
- IRAT – Integration and interface with identified service areas has taken place. The pilot phase of the Team Around the School (TAS) model has ended and evaluation exercise completed.
- Supported accommodation for young people and care leavers new service model has been developed, commissioned and is now in place.

Ongoing work were outlined as follows:

- SEND Service review complete which has enhanced the support available to meet statutory deadlines for EHCPs. Linked to this as part of our work across the group to reconfigure the CIN offer, a review of Children with Disabilities team is now underway, to ensure a seamless support offer and achieve the best possible outcomes for this vulnerable group.

On Hold

- Committee were also advised that Alternative Education Offer – SEND and Post 16 – agreed to be put on hold and review in January 2019.

- RESOLVED -
- i) That the information be noted.
 - ii) The Committee were satisfied that the activities undertaken during April 2018 to September 2018 were achieving the desired outcomes in making Gateshead a place where everyone thrives.
 - iii) The Committee felt that the format for future reports were satisfactory and easier to consider and looked forward to receiving future reports in due course.

Communities and Place Overview and Scrutiny Committee: 10 December 2018

The Committee received a report to provide an update on the six-month assessment of performance and delivery for the period 1 April 2018 to 30 September 2018.

Performance is measured using trend analysis against the data reported last year rather than annual targets. The report also highlights key actions delivered within the last six months against the Council's Thrive agenda.

There are 8 indicators within the Strategic Outcome Indicators which can be reported on at the six-monthly stage. 4 indicators performance has improved, 3 indicators, performance has not improved from last year and 1 indicator performance has been maintained.

The Committee are asked to agree some amendments to the following indicators.

- Reported incidents of ASB
 - It is proposed this indicator is amended to incorporate other sources of reported anti-social behaviour, as well as police reported incidents, data collected would also

include anti-social behaviour reported to the Private Sector Housing team and The Gateshead Housing Company.

- Referrals to ARCH
 - The ARCH Hate Crime recording system was decommissioned in November 2018. It is proposed that this indicator is changed to reflect changes in recording. Data collected will include reports made via the Council's online reporting system and reports made to the police.
 - 2019/20 will be the baseline year for this indicator as this is a different way of recording hate incidents.
- Total recorded crime
 - It is proposed that this indicator is changes to report only on violent and serious acquisitive crime
 - Violent and serious acquisitive crime includes all violence against the person, robbery, sexual offences, burglary, theft from motor vehicle.
 - In 2017/18 violent crime accounted for 40% of all recorded crime in Gateshead. In reporting on these crime types only, partners will begin to understand the effects these crimes have on victims.
 - There will be no target set against this indicator.
- Proportion of people who agree the police and council are dealing with ASB and crime issues that matter
 - This indicator has not changed but, rather than having a numerical target for this indicator, it would be preferable to set the target as being the best performing local authority in the Northumbria Police Force area. The reason for this is that this is more of a challenge for partners and the figures reported across Northumbria for this indicator fluctuate.
- Percentage of high risk victims engaged with the Independent Domestic Violence (IDVA) Service
 - Currently, this indicator measures the engagement rate of high-risk clients. The newly-established Domestic Abuse service now works with medium-risk victims as well as high-risk victims, meaning that data collected post-October 2018 cannot be compared to previous years' data
 - Due to changes in this service, it was felt that there was a better way of capturing the effectiveness of the service and so it is proposed that this indicator will now report on the proportion of cases closed where the risk level has reduced.
- A new indicator is proposed that would seek to reducing the gap between those wards with the highest crime rates and those wards with the lowest crime rates. This would assist in measuring partners' effectiveness in supporting people to thrive.
- It is proposed that one indicator is deleted altogether. The figures for LW34, which measures the proportion of people who feel very or fairly safe in their neighbourhood, do not change significantly and have not been below 95% in the eight years the Safer Communities Survey has been surveying residents.

Some key achievements in terms of the Community Safety Portfolio are as follows:

- To help address youth anti-social behaviour in hotspot locations, Operation Clasper is in effect across the borough. The process involves taking the details of a child or young person who is believed to be involved in anti-social behaviour. Any young person repeatedly stopped will receive a home visit from police and housing officers or, if this fails to address their behaviour, more formal action will be considered.
- The use of the tools and powers that form part of the ASB, Crime and Policing Act 2014 has increased in the first six months of 2018/19. Many residents may not understand the difference the use of these powers has made but, for partners, this increased knowledge has enabled officers to address issues and problematic individuals at an early stage,

preventing escalation and therefore reducing the impact these behaviours have on the wider community.

- The first successful injunction for a person under 18 years of age was granted earlier this year, with positive requirements attached to the injunction to ensure that the young person is encouraged to change their behaviour through positive experiences.

Some areas of focus for Community Safety over the next six months include:

- Engagement and diversion of young people has been identified by partners as a gap. Partners are trying to secure funding to improve services for young people in the community.
- A review of all partnership meetings that are held to discuss complex individuals is due to take place. This will streamline the approach partners take and reduce duplication for services.
- Undertake a systems-thinking review of how we tackle ASB to ensure we have the right approach to supporting victims.

Some key achievements and areas for improvements have been identified within the Thrive agenda covering the Economy, Environment and Transport, Housing, Communities and Volunteering and Culture Sport and Leisure Portfolios.

- The Heworth maintenance work began late January 018 and was completed eight weeks ahead of schedule.
- PROTO: The emerging technology centre was completed and opened by HRH The Duke of Cambridge in September 2018. There has been strong interest from occupiers with 60% of space now occupied, this includes 7 occupiers relocating from outside of Gateshead. The Council, working in partnership with Invest North East England, has secured Dept of International Trade's resources to develop an inward investment proposition for the emerging technologies sector on behalf of the region.
- An ERDF application submitted by Gateshead and five other local authorities (excluding Durham) in the NECA for a Business Energy Efficiency Support Programme was approved.
- Planning approval was granted for new Grade A office accommodation on Baltic Business Quarter by the Council. This was in response to development market failure but also demand from potential occupiers for space.
- Gateshead has launched an enhanced, ethical recruitment service for employers obliged or willing to recruit new job entrants locally. Working with partners the service would support single to large-scale recruitment campaigns and would be for both temporary and permanent positions.
- A sector-based work inspiration programme for young people including NEETs and Looked After Children will be launched in early 2019. Working with industry, training providers and schools, the programme will deliver sector insights and inspiration into future career choices.
- A local Careers Education Information, Advice and Guidance Network for Careers Leaders from Gateshead secondary, SEND schools and Gateshead College has been established. The network which will promote sharing best practice when linking education with business and developing the Gatsby benchmarks.
- The Council successfully delivered the first concert to be held at Gateshead International Stadium since 2000, with over 23,000 people attending the 'Little Mix' concert in July.
- The Go Gateshead Sport and Leisure Website (www.gogateshead.com) was launched in March 2018 to make it easier for residents to access the service.

- Working in partnership, the Council, Keepmoat Homes the local Glenpark Medical Practice secured funding from the NHS for a new medical practice on Ravensworth Road. Construction started in 2018 and will complete in December 2018.

Some areas for improvement / actions to take forward over the next 6 months have been identified as follows:

- The Gateshead Regeneration Partnership (GRP) will provide local employment and supply chain opportunities for Gateshead businesses. In early 2019 GRP construction begins on three housing sites at Kelvin Grove, Rowlands Gill and Whitehills Drive.
- Delivery of new facilities and improved public spaces at Baltic Quarter for businesses and visitors will help to create a vibrant business destination and facilities will include a new café.
- The Council will explore opportunities to secure wider social and economic benefits for growth in the tech sector including a fairer share and distribution of wealth, and greater stability for freelance and contract employees by supporting the development of a Tech co-operative.
- An ERDF grant application was made for £8m of funding, to support a £16m scheme to deliver sustainable energy and transport improvements to Chopwell.
- Civic bus lane enforcement was expected in late 2018 with three cameras at Gateshead High Street, the A184 (West Central Route, behind the bus station) and the A184 Felling Bypass (westbound). It is anticipated that lane enforcement will lead to a reduction in road traffic and pedestrian accidents. The outcome of improved road enforcement will be known at the end of 2018/19 and continue into 2019/20.
- Council housing is progressing with work to develop a core and cluster scheme of 14 supported living homes in Winlaton. The development will see a mix of bungalows and apartments, supported by an onsite concierge providing support for clients with Learning Disabilities.
- The Housing Growth site at Clasper Village has been cleared and is ready for development of 191 homes plus a supermarket store to improve access to services for residents.
- A planning application for the housing growth site at Bleach Green in Blaydon will be submitted in January 2019 by Keepmoat Homes, for 183 homes. Funding from homes England will help provide 15% affordable homes for the area with work starting on site in March 2019 and support local first-time buyers into home ownership.
- In October 2018 the Council supported a month-long Adult Social Care recruitment campaign pilot working with the Department of Health & Social Care to promote careers in social care.

- RESOLVED - (i) That the report be referred to Cabinet on 22 January 2019 as part of the composite report relating to the Council's overall performance.
- (ii) That the Committee noted that the delivery of activities undertaken are supporting the Thrive Agenda.

Care, Health and Wellbeing Overview and Scrutiny Committee: 11 December 2018

The Committee received the six-month update of performance and delivery for the period 1 April 2018 to 30 September 2018 in relation to the Council's Thrive agenda for the indicators and activity linked to Care, Health and Wellbeing delivered and overseen by Adult Social Care and Public Health services within the Care, Wellbeing and Learning Group.

Reference was given to LW22 and LW23 – Gap in Life Expectancy at birth between each local authority and England as a whole - Male and Female. The Committee were advised that the direction of travel - performance has declined, and Gateshead is back at its joint highest gap in life expectancy.

LW24(b) - Health Inequalities - Reduce the Inequalities in Life Expectancy across Gateshead- Female. The Committee were advised that the direction of travel - performance has declined. Target is 7.3 years and most recent performance is 8.8 years.

This is the highest level of inequalities in life expectancy for females since this data became available and is part of a continuing year on year trend of increasing inequalities in life expectancy between the least and the most deprived areas of Gateshead. Gateshead is the highest deprived quintile in England for this indicator.

Strategic Outcome Indicators - Delayed Transfer of Care from Hospital – average days per day per 100,000 population. The Committee were advised that the direction of travel for performance has declined. Gateshead performance is at 8.31 is currently better than the provisional England rate for this period of 10.80 but worse than the provisional NE rate of 5.72.

Gateshead has 7th highest rate out of 16 nearest neighbour local authorities. Gateshead's target is considered particularly challenging, as it is based on best performance quarter in previous year.

LW4A - Reduce Excess Weight 4-5year olds. The Committee were advised that the direction of travel - performance has declined at 22.5%- first increase in excess weight in last 3 years of data - despite increase Gateshead is still significantly better than NE fig of 25% although worse but not significantly worse than England fig at 22.4%.

Committee were also advised of improvement in several areas in the report as well as key achievements. For example, the Harvest & Help Use led enterprise for people with learning disabilities and autism won the 'Making a difference award' at the National Learning Disability Awards in June 2018 and Blaydon Lodge has achieved an Outstanding Rating by the Care Quality Commission.

- RESOLVED -
- i) That the information be noted
 - ii) The Committee were satisfied that the activities undertaken during April 2018 to September 2018 were achieving the desired outcomes.
 - iii) The Committee agreed to review the indicators and revising the format of the report in line with the Thrive agenda.

Changes to Strategic Indicators

The following changes are being proposed to be implemented from the 2019/20 performance reporting cycle:

Corporate Resources OSC

Implementation of new strategic indicators to measure performance relating to Trading and Digital transformation.

- *Digital*

Delete current indicators due to difficulty in providing baseline data for all Council transactions by phone call, face to face and online and replace with specific measurable transactions. Replace with indicators relating to **increasing the number of online transactions for:**

- **Card payments;**
- **Fly-tipping reports;**
- **Garden waste bin subscriptions;**
- **Registrars appointment bookings;**
- **Adult social care contact forms.**

Full year data for 2018/19 is not available for all five of these indicators. Analysis of the current data available will allow for informed target setting over the coming months.

- *Trading*

Introduce two new indicators that measure the:

- **amount of traded income achieved** to spend on Council priorities
- **£ increase in new Services to Schools business**

Families OSC

The following indicator has been proposed to be monitored through Families OSC that would measure the **percentage uptake of free school meals at primary level.**

Care Health & Wellbeing OSC

The following indicator has been proposed to be monitored through this OSC that would measure the **increase in the number of people accessing the Supporting Independence Service, helping people to stay in their own homes for longer.**

Communities and Place OSC

It is proposed that a new indicator is introduced to **measure the percentage of homes free from Category 1 Hazards under the Housing Health & Safety Rating System**, which will be monitored through dwelling level stock condition modelling and physical inspections of properties.

New strategic indicators are also proposed to measure impact relating to culture and leisure including the

- **Number of visits to leisure facilities** operated by the Council.
- **Number of individuals identified as physically 'inactive'.**
- **Number of individuals attending cultural activity and events**, delivered or supported by the Council

Community Safety OSC Sub-Committee

Several amendments are proposed to the strategic indicators reported to this sub-committee, as follows:

- The ARCH hate crime recording system has now been decommissioned and this will be reflected in recording and presenting data. Data collected will include reports made via the Council's online reporting system and reports made to Northumbria Police. The 2019/20 reporting year will be the baseline year for this indicator as this is a different way of recording hate incidents. This new definition will be **Number of reports to our hate crime recording system**.
- The percentage of high-risk victims engaged with Independent Domestic Violence Advisor (IDVA) is being amended to reflect the new DV Service dealing with medium-risk clients and so will measure the proportion of cases closed, where the risk level has reduced. This indicator will be described as **The proportion of domestic abuse cases closed where risk has reduced**.
- Total recorded crime will now only report violent and serious acquisitive crime including all violence against the person, robbery, sexual offences, burglary, and thefts of and from motor vehicles. In reporting on these crime types only, partners will begin to understand the effects these crimes have on victims. This indicator will be described as **Violent and Serious Acquisitive Crime in Gateshead**.
- **Reported incidents of ASB** will be amended to incorporate other sources of reported anti-social behaviour and will include data reported to The Gateshead Housing Company and Private Sector Housing Team in addition to those reported to the police.
- Rather than having a numerical target for the indicator **The proportion of people who agree the police and council are dealing with the ASB and crime issues that matter**, it is considered preferable to set the target as being the best performing local authority in the Northumbria Police Force area. The reason being that this is more of a challenge for partners and the figures reported across Northumbria for this indicator tend to fluctuate.
- The indicator which measures the proportion of people who feel very/fairly safe in their neighbourhood, does not change significantly and has not been below 95% in the 8-years the Safer Communities Survey has been surveying residents. This is proposed to be deleted as a strategic indicator with a new indicator proposed to **measure the gap between those wards with the highest and the lowest crime rates**.

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TITLE OF REPORT: Responses to Consultation

REPORT OF: Sheena Ramsey, Chief Executive

Purpose of the Report

1. To endorse the response to the following consultations:
 - Provisional Local Government Funding Settlement - Ministry of Housing, Communities & Local Government – appendix 1
 - Making Biodiversity Net Gain Necessary for Developments when Granting Planning Permission – Department for the Environment, Food and Rural Affairs (DEFRA) – appendix 2.

Background

2. The background to the consultations and responses are set out in the attached appendices.

Proposal

3. To endorse the responses set out in the attached appendices.

Recommendation

4. It is recommended that Cabinet endorses the consultation responses set out in the attached appendices.

For the following reason:

To enable the Council to contribute responses to the consultations.

CONTACT: Kevin Ingledew extension: 2142

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Provisional Local Government Funding Settlement

Policy Context

1. The Government is consulting on the provisional Local Government Finance Settlement 2019 to 2020, the final year of a four-year settlement offer which commenced in 2016/17 based on figures arising from the Spending Review.
2. The Government announced the detailed figures behind these proposals in its July 2018 technical consultation.
3. The Ministry of Housing, Communities & Local Government issued its statutory consultation on the provisional settlement on 13 December 2018, seeking the views of local government on its proposals for 2019/20 funding. The Council responded to this consultation on 10 January 2019 (attached).

Background

4. The Government's consultation on the Provisional Local Government Finance Settlement 2019 to 2020 sets out the national funding proposals for local authorities for 2019/20 and provides an overview of the context to the proposals. The settlement is largely in line with expectations.
5. The 2019 Spending Review will confirm overall local government resourcing from 2020/21 and it is anticipated that this will significantly reform the local government finance system. However, prior to these reforms the Government have committed to testing aspects of the new system in 2019/20 and is proposing to implement a further round of business rates retention pilots in 2019/20.

Issues arising within the consultation

6. The main issues discussed within the consultation are summarised below, with the Council's full responses to the consultation questions attached:
 - This consultation forms the final year of the four-year settlement and the Council continues to be concerned that the settlement is fundamentally unfair due to its failure to acknowledge need appropriately, with the greatest funding reductions continuing to fall on the most deprived areas of the country. The Council feels strongly that this failure should be addressed in the final settlement following the outcome of this consultation process.
 - The settlement outlines that Core Spending Power is forecast to increase, yet the exemplifications assume that all councils will implement the maximum allowable council tax increases. As such, the Government is expecting this gap to be filled by local authorities increasing local taxes to residents, simply passing the burdens from local government without addressing the fundamental issue of unfair funding and the impact on council tax levels. The ability to increase council tax disproportionately benefits councils with higher tax bases, who can generate significantly more funding from any given percentage increase.
 - Cuts to Public Health funding are completely counter-productive in the longer term, as proactive preventative action now results in lower future cost pressures; reducing funding is simply creating future problems.

- New Homes Bonus baseline – the Council has long argued against the scheme due to its disproportionate negative impact on the North East and other deprived areas. The scheme itself is a major driver in embedding inequality and unfairness within the RSG methodology given the trade-off between the two systems introduced by the Government.
- The Government’s preferred method for dealing with negative RSG fundamentally undermines the principle of fair funding as the allocation benefits the wealthiest areas of the country, on top of receiving transition grant from previous years, a process which was opaque and prompted an investigation by the National Audit Office. Any available funding should be used to address the pressures faced by all authorities, on a needs basis.
- The Government propose that grant funding for concessionary travel is to be cut without reference to the mainly statutory cost of the national concessionary travel scheme. This will exacerbate funding inequalities and further embed unfairness in approach.

Consultation

7. Consultation has taken place with SIGOMA and ANEC.

Alternative Options

8. No alternative options have been considered.

Implications of Recommended Option

9. **Resources:**
 - a) **Financial Implications** – Any financial implications are subject to the outcome of the consultation.
 - b) **Human Resources Implications** - None.
 - c) **Property Implications** - None.
10. **Risk Management Implication** - None.
11. **Equality and Diversity Implications** - None.
12. **Crime and Disorder Implications** - None.
13. **Health Implications** - None.
14. **Sustainability Implications** - None.
15. **Human Rights Implications** - None.
16. **Area and Ward Implications** - None.

Local Government Finance Settlement Team
Ministry of Housing, Communities and Local
Government
2nd Floor, Fry Building
2 Marsham Street
London
SW1P 4DF

My Ref:
Your Ref:

Date: 10 January 2019

lgfsettlement@communities.gov.uk

The Provisional 2019-20 Local Government Finance Settlement Consultation

Gateshead Council welcomes the opportunity to respond to the consultation on the 2019-20 Provisional Local Government Finance Settlement.

The Council remains deeply concerned about the Government's commitment to a fair and adequate approach to local government funding. The Government interventions around the multi-year settlement appear to show a clear bias against those councils serving deprived populations compounding the shortcomings of the established approach. The key concerns are identified below:

- The Council acknowledges that this consultation forms the final year of the four-year settlement and it continues to be concerned that the settlement is fundamentally unfair due to its failure to acknowledge need appropriately, with the greatest funding reductions continuing to fall on the most deprived areas of the country. The Council feels strongly that this failure should be addressed in the final settlement following the outcome of this consultation process.
- The settlement outlines that Core Spending Power is forecast to increase, yet the exemplifications assume that all councils will implement the maximum allowable council tax increases. As such, the Government is expecting this gap to be filled by local authorities increasing local taxes to residents, simply passing the burdens from local government without addressing the fundamental issue of unfair funding and the impact on council tax levels. The ability to increase council tax disproportionately benefits councils with higher tax bases, who can generate significantly more funding from any given percentage increase.
- Cuts to Public Health funding are completely counter-productive in the longer term, as proactive preventative action now results in lower future cost pressures; reducing funding is simply creating future problems.

- New Homes Bonus baseline – the Council has long argued against the scheme due to its disproportionate negative impact on the North East and other deprived areas. The scheme itself is a major driver in embedding inequality and unfairness within the RSG methodology given the trade-off between the two systems introduced by the Government.
- The Government's preferred method for dealing with negative RSG fundamentally undermines the principle of fair funding as the allocation benefits the wealthiest areas of the country, on top of receiving transition grant from previous years, a process which was opaque and prompted an investigation by the National Audit Office. Any available funding should be used to address the pressures faced by all authorities, on a needs basis.
- The Council remains concerned at the treatment of grant funding for concessionary travel. This grant is proposed to be cut without reference to the mainly statutory cost of the national concessionary travel scheme. This will exacerbate funding inequalities and further embed unfairness in approach.

The Council is supportive of the SIGOMA and ANEC responses to the consultation.

Question 1: Do you agree with the methodology for allocating Revenue Support Grant in 2019/20?

The Council acknowledges that this consultation is the final year of the four-year settlement offer but remains concerned that funding reductions continue to fall on the most deprived areas of the country. This Council like many others is being forced into making short-term decisions that will impact detrimentally on future sustainability. Councils have received no indication of future funding beyond next year which is an abdication by Government of their responsibility to enable effective management of the resourcing of vital services.

The Government's method for dealing with negative RSG fundamentally undermines the principle of fair funding. As part of the four-year settlement, 97% of authorities signed up to the offer. The authorities affected by negative RSG are in a position where they are collecting more than they need to provide their services and receiving funding above their determined allocation. The decision by the Government runs counter to the principle of fairness and undermines the concept of equalisation, essentially renegeing on the four-year settlement and undermines the Government's own methodology for the distribution of funding. Allocating funding to the benefit of more affluent authorities who have seen lower percentage reductions in their funding, and who have lower levels of deprivation and need lacks credibility and brings the whole principle of fair funding into disrepute.

Question 2: Do you agree with the Government's proposed approach to allocating £410 million un-ringfenced funding for adults and children's social care according to existing Adults Social Care Relative Needs Formula?

This funding, although welcome, is on all measures a relatively small amount, in the context of adults and children's spending overall, and the demand pressures on these areas. It is also in the context of significant reductions in funding across other services. The fundamental issue of local term sustainability still needs to be addressed. The Council considers that the ability to raise local funding via the precept should be taken into account in the final allocations.

Question 3: Do you agree with the Government's proposal to fund the New Homes Bonus in 2019/20 with the planned £900 million from Revenue Support Grant, with any additional funding being secured from departmental budgets?

The Council reiterates its concerns raised in previous consultations that the proposals works to the disadvantage of less buoyant housing markets and as such generally boosts the incomes of the most affluent areas with the highest housing demand and property values.

Question 4: Do you agree with the Government's proposed approach to paying £81 million Rural Services Delivery Grant in 2019/20 to the upper quartile of local authorities based on the super-sparsity indicator?

The Council does not support this approach as it is not evidence based. This is an issue in which representations have been made to the joint LGA / MHCLG Technical Working Group on needs and distribution (21 September 2018) which outlined that sparsity cannot be included in formula without equal consideration of density. Again, the outcome is to disadvantage councils servicing deprived populations, as this funding could be better distributed elsewhere.

As a borough with a mix of rural and urban areas, Gateshead acknowledges that there are additional costs associated with sparsity for certain services. However, there does not appear to be any evidence for this specific adjustment, particularly when no such adjustments are being made for more significant indicators, such as social care. In fact, the Department's own research showed that on the whole rurality was more likely to lead to lower costs than higher ones in the majority of circumstances. The study found that 31% of local authority service spending negatively correlated to expenditure and whereas only 15% of service spending positively correlated to expenditure.

Question 5: The Government intends to distribute £180m of the levy account surplus. Do you agree with the proposals to make this distribution on the basis of each authority's 2013/14 Settlement Funding Assessment?

The Council supports the return of this funding but remains opposed to top-slicing of RSG.

Question 6: What are your views on the council tax referendum principles proposed by the Government for 2019/20?

The Council reiterates its view that decisions on council tax should be taken at the local level without the need for a referendum. However, the fact that the Government has assumed in the settlement that all councils will increase council tax by the maximum appears to support an attempt to shift the responsibility for funding reductions and council tax rises from the Government to local authorities. Using council tax increases to resolve funding issues will further entrench imbalances between needs and funding, unless matched by equalisation measures. In addition, the Government have yet again chosen to ignore completely the critical issue of variation in council tax bases. There is a total failure to address this fundamental inequality.

Question 7: What are your views on the Government's approach to tariffs and top-ups in 2019/20?

This issue affects those authorities participating in business rates pilots. However, the consultation states that the approach is designed to ensure that no authorities are adversely affected by these pilots. The Institute for Fiscal Studies has estimated that pilots will gain £870m as a result of retaining above the current 50%. This financial benefit represents a cost to the Government, to which this revenue would otherwise have flowed. This revenue could have been used to increase grant funding for councils on the basis of need and as such there is therefore an opportunity cost of pilots to the detriment of the sector overall.

Question 8: Do you have any comments on the impact of the 2019/20 local government finance settlement on those who share a protected characteristic, and on the draft equality statement published alongside this consultation document? Please provide supporting evidence.

As the Council has stated repeatedly, the impact of the settlement on protected groups is not specific and will depend on councils' spending priorities. While the Council will fulfil its responsibilities with regard to the Equality Act, it remains concerned that protected groups may be impacted adversely in relation to others due to the disproportionate cuts imposed on areas with high levels of deprivation.

MAKING BIODIVERSITY NET GAIN NECESSARY FOR DEVELOPMENTS WHEN GRANTING PLANNING PERMISSION

Policy Context

1. The Core Strategy and Urban Core Plan for Gateshead and Newcastle upon Tyne was adopted in March 2015. Work is progressing on the Local Plan document (detailed policies and site allocations) Making Spaces for Growing Places (MSGP) and this will be submitted for examination to the Planning Inspectorate in early 2019.
2. Nationally, the revised National Planning Policy Framework (NPPF) was published in July 2018. This sets out the need to provide net gains for biodiversity.

Background

3. It is proposed that biodiversity net gain will be delivered within the existing planning and development process. This can be summarised under three different scenarios.
4. In Scenario A, the developer is able to avoid harm and provide biodiversity enhancements on site. In Scenario B, the developer is unable to avoid mitigate and compensate all impacts on site but is able to secure local compensatory habitat creation. In Scenario C, the developer is unable to avoid, mitigate and compensate on site, and unable to find local compensatory habitat to invest in. The tariff is therefore used to fund cost-effective habitat creation projects according to local and national conservation and natural capital priorities.
5. When assessing potential development sites, habitat surveys will identify habitats and their condition as is already done for much development. This helps to identify opportunities for enhancement as part of green infrastructure as well as possible constraints.
6. The design of schemes would proceed as normal, but better informed by figures for biodiversity losses and gains. A standard biodiversity metric would be populated with habitat information from the site assessment and landscape plans. This could help demonstrate at an early stage that harm has been avoided as far as possible and that new green infrastructure will be of good environmental quality. The metric could also help to anticipate the costs of achieving net gain to factor these into land purchase where possible. The Government sets out that existing planning protection for the environment would not be weakened and the principle of avoiding harm first

(known as the “mitigation hierarchy”) will continue to ensure that preventing damage to nature will always be prioritised, wherever possible.

7. If net gain cannot be achieved on site, the metric would provide the right information to discuss habitat enhancement. The tariff rate would offer a guide for the upper limit of habitat compensation costs, alongside information from growing habitat creation markets.
8. When preparing local plans, local authorities can identify opportunities for habitat improvement that would benefit local people and support nature recovery. They would be able to choose to bring improvement sites forward themselves or work with other providers.
9. When developers and local planning authorities are consulting with the local community prior to submitting a planning application, it will be possible to use biodiversity net gain figures and habitat enhancement measures to explain the benefits and costs of a development proposal more transparently. With clearer expectations, developers will be able to submit planning applications with greater confidence that proposals can be supported on biodiversity grounds.
10. For local authorities, transparent figures for biodiversity losses and gains can be quickly checked and provide confidence that impacts will be positive. Figures will also indicate the environmental quality of green infrastructure as part of development design.
11. As part of the planning permission, developers would sign up to predictable conditions, obligations or a tariff payment to secure biodiversity net gain. The availability of a tariff would prevent planning permission from being delayed by net gain requirements, and local authorities will be able to demonstrate that positive impacts to help improve the environment for local communities have been secured.

Consultation

12. The consultation document has been examined, discussed and commented on by relevant officers in the Council. This report has been drafted in consultation with Portfolio Holders and relevant departments in the Council.

Alternative Options

13. The options around the implementation of the proposals have been considered and discussed

Implications of the recommended option

14. Resources

- a) **Financial Implications** – There are no financial implications arising from this report.
- b) **Human Resources Implications** – There are no human resource implications arising from this report.
- c) **Property Implications** - There are no property implications arising from this report.

15. **Risk Management Implication** –There are no risks associated with this report.

16. **Equality and Diversity Implications** – There are no equality and diversity implications arising from this report

17. **Crime and Disorder Implications** – There are no crime and disorder implications arising from this report.

18. **Health Implications** – There are no health implications arising from the report

19. **Sustainability Implications** – There are no sustainability implications arising from the report.

20. **Human Rights Implications** - There are no human rights implications arising from this report.

21. **Area and Ward Implications** - None

Background papers

https://consult.defra.gov.uk/land-use/net-gain/supporting_documents/netgainconsultationdocument.pdf

Annex

GATESHEAD COUNCIL RESPONSE TO CONSULTATION ON MAKING BIODIVERSITY NET GAIN NECESSARY FOR DEVELOPMENTS WHEN GRANTING PLANNING PERMISSION

1. Should biodiversity net gain be mandated for all housing, commercial and other development within the scope of the Town and County Planning Act?

This would be a good aim, although it may need to be limited to certain developments. It may be difficult to administer biodiversity net gain for small developments such as householder development and development permitted under the General Permitted Development Order.

2. What other actions could government take to support the delivery of biodiversity net gain?

Three main actions:

1. Arrangements with developers to deliver net gain outside the planning system, such as setting up a national programme which developers would sign up to.
2. Corporate offsetting: a natural capital protocol for existing businesses should set out requirements for natural capital assessments, monetary valuations and approach to delivering compensatory measures working with local authorities, wildlife trusts, catchment partnerships, Local Nature Partnerships (LNPs) and Natural England (NE) etc.
3. Requirement for all Local Planning Authorities (LPAs) to have access to an in-house ecologist.

3. Should there be any specific exemptions to any mandatory biodiversity net gain requirement (planning policies on net gain would still apply) for the following types of development? And why?

- a. House extensions
- b. Small sites
- c. All brownfield sites
- d. Some brownfield sites (e.g. those listed on brownfield, or other, land registers)

House extensions should be exempt – given the high number of applications and the relatively low impact of them on biodiversity. However, exemption from biodiversity net gain for house extensions should not affect the requirement for considering potential impacts on protected species (e.g. bats).

It would be difficult to exempt all brownfield and small sites as these often have high biodiversity value and its monetary value should be recognised and considered in a

transparent way within viability assessments, and then reflected within the eligibility criteria for regeneration funding streams. This is important to deliver sustainable brownfield regeneration with high quality green infrastructure and biodiversity net gains within the local regeneration area.

In Gateshead there are significant challenges in bringing brownfield land forward for development due to low land values and contamination of the ground from historic industry and coal mining. This can bring the viability of bringing such sites forward into question. In addition, some brownfield sites support significant ecological interest, including rare and/or threatened species (e.g. great crested newt, reptiles and priority butterflies such as dingy skipper, grayling, small heath and wall). In some instances, the cost of avoidance, mitigation and/or offsetting impacts on biodiversity can also affect the viability and deliverability of brownfield land.

Examples of development on brownfield land requiring the payment of a financial contribution for offsite ecological compensatory measures to address biodiversity losses include:

- Tor Coatings – Follingsby Park - £21,450
- Innovation Village – Marigold Avenue - £22,000
- Langley Holdings – Saltmeadows Industrial Estate - £22,335

It should be noted that in those limited instances where a developer contribution is required to achieve no-net loss of biodiversity; this must be reasonable, proportionate and follow the guidelines set out in British Standard 42020:2013 Biodiversity – Code of Practice for planning and development & the Chartered Institute for Ecology and Environmental Management – Guidelines for Ecological Impact Assess (2016).

4. Are there any other sites that should be granted exemptions, and why? For example, commercial and industrial sites.

Changes of use that involve no external works.

5. As an alternative to an exemption, should any sites instead be subject to a simplified biodiversity assessment process?

This may be a good solution for small sites that are being developed by SMEs and where the LPA ecologist has determined the site to be of negligible/very low biodiversity value.

6. Do you agree that the Defra metric should allow for adjustments to reflect important local features such as local sites? Should the Defra metric consider local designations in a different way?

Yes, the Defra metric should allow for adjustments to reflect important local features. However, Local Sites should be considered in the context of the hierarchy of designated sites as set out in the NPPF and local planning policies.

7. Should local authorities be required to adopt a robust district level licensing approach for great crested newts, where relevant, by 2020?

Yes, subject to the necessary resources being available to support the process.

8. For what species is it plausible to use district level or strategic approaches to improve conservation outcomes and streamline planning processes? Please provide evidence.

Potentially common reptile species and some priority invertebrate species e.g. dingy skipper butterfly.

9. Are there wider elements of environmental net gain that could be better incentivised? If so, please specify which, and any benefits that such incentives could provide.

- Green infrastructure provision to support: climate change mitigation and resilience (flood management through use of natural flood measures, catchment management and SuDS; carbon capture in woodland planting), health and wellbeing benefits, air quality mitigation.
- Land management to improve soil structure, flood management and biodiversity.
- Water quality improvements (chemical, biological and geomorphological) and water resource management.
- Better waste management to reduce marine pollution.

10. Is the Defra biodiversity metric an appropriate practical tool for measuring changes to biodiversity as a result of development?

In the absence of a more effective measure, yes.

11. What improvements, if any, could we most usefully make to the Defra metric?

Built in flexibility which allows for regional, sub-regional and regional circumstances/priorities to be taken in to consideration.

Allow for impacts on ecological connectivity, species/species assemblage and secondary/indirect impacts to be considered/addressed.

12. Would a mandatory 10% increase in biodiversity units be the right level of gain to be required?

Yes, with a facility for LPAs to increase this where appropriate/justifiable, for example, for development occurring within a strategic Wildlife Corridor identified within a Local Plan.

13. In clearly defined circumstances, should developers be allowed to pay through the tariff mechanism without fully exhausting on-site and local compensation opportunities?

Yes, but only where this has been identified/confirmed as being appropriate within a strategic document (e.g. Local Plan, Area Action Plan) and where supported by a robust evidence base.

14. Would this be an appropriate approach to directing the location of new habitat?

Potentially, yes. However, identifying the most appropriate location(s) for habitat creation, restoration and enhancement should be undertaken as part of the strategic planning process (not the development management process) and should be underpinned by a robust evidence base.

15. How could biodiversity assessments be made more robust without adding to burdens for developers or planning authorities?

The current system allows for the scope and method of biodiversity assessment to be determined according/appropriate to the site/proposed scale/nature of development (e.g. Preliminary Ecological Appraisal - Ecological Impact Assessment). This seems appropriate and is not considered to place an un-reasonable burden on developers. NB Inaccurate/unreliable ecological survey information produced by non-specialists could/is likely to result in lengthy/costly delays in the planning process, as well as, poor outcomes for biodiversity.

16. Should a baseline map of broad habitats be developed?

Yes. Some LPAs already have phase 1 habitat maps although in many instances these are likely to require updating and digitising (e.g. converting to GIS shapefiles). Additional resources would be required to support this.

17. Should this be applied, as a minimum baseline, to:

a. Net gain calculations for all development?

No.

b. net gain calculations in cases of suspected intentional habitat degradation?

Yes.

18. What other measures might reduce the risk of incentivising intentional habitat degradation?

Significant delays in planning process, refusal of planning permission, naming and shaming.

19. How can the risks of penalising landowners making legitimate land use change decisions before deciding to sell their land for development be mitigated?

Production of a register which requires landowners to inform the LPA/provide details/justification of proposed land use changes involving a period of consultation and requiring a written response although this would lead to increased resource requirements for LPAs.

20. The provision of compensatory habitats will need to be guided by habitat opportunity maps. At what scale should these maps be developed?

a. Locally (e.g. local authority or National Character Area)

b. Nationally (i.e. England) as a national framework to be refined, updated and amended locally.

Locally and potentially sub-regionally by the LPA/neighbouring LPAs in consultation with Wildlife Trust, etc.

21. What other measures should be considered to identify biodiversity and natural capital priorities?

- S.41 Natural Environment and Rural Communities (NERC) Act habitats and species of conservation importance lists
- Local/County Biodiversity Action Plans.
- LPA Local Plan evidence base, potentially including submissions from key partner organisations, stakeholders and special interest groups.
- Green Infrastructure Delivery Strategy and Action Plan.
- Strategic Flood Risk Assessments, Local Flood Risk Management Strategies and Lead Local Flood Authority (LLFA)/EA flood alleviation and environmental programme, Catchment Management Plans, River Basin Management Plans.
- Public health strategies.
- Air Quality Management Plans.
- Climate change resilience strategies.

In addition to the above the following issues are likely to be critical in guiding the provision of compensatory habitats:

- Land availability
- Security of deliverability
- Long-term retention of compensatory habitats/biodiversity net gain

22. Would mandating net gain through the planning system be enough to stimulate the growth of a market for biodiversity units?

Potentially – although demand may fluctuate across the country.

23. What further measures would help to ensure that the market provides:

- a. Sufficient biodiversity units for development?**
- b. Cost-effective biodiversity units?**

Support with start-up costs.
Guaranteed regular income.
Tax incentives.

24. Should there be a minimum duration for the maintenance of created or enhanced habitats?

Yes.

25. If so, what should the minimum duration be?

- a. Less than 25 years**
- b. 25 to 30 years**
- c. Longer than 25-30 years**
- d. Permanent**

Created, restored or enhanced habitats should be retained in perpetuity, although funding for their positive management could extend over a shorter period (e.g. 25 to 30 years). After this time such sites could potentially become eligible for funding through agri./environment schemes e.g. environmental stewardship.

26. Would conservation covenants be useful for securing long term benefits from biodiversity net gain or reducing process and legal costs?

Potentially. The success of them would depend on how they would be drafted and enforced and the resources to do this.

27. What safeguards might be needed in the implementation of conservation covenants?

Use of rent charges to secure funding for future maintenance.

Resources to cover the cost of monitoring by a suitably qualified independent assessor, enforcement and legal costs.

28. Does this proposed range for tariff costs fit with the principles set out in this section?

Unsure. It is not clear whether the tariff costs reflect total/real world costs required to facilitate the creation, restoration and/or enhancement of replacement habitat(s).

29. Would this proposed range for tariff costs provide opportunities for cost-effective habitat banks and compensation providers to compete?

Unsure for the reasons above.

30. Do you agree with the proposed principles for setting the tariff rate, as set out in this section? Please suggest any other factors that should be taken in to account.

Other factors that should be taken into account are project management (including planning and delivery), administration, legal fees and potential land purchase.

31. How should the tariff revenue be collected?

- a. Locally (e.g. through a local authority)
- b. Nationally (e.g. through Natural England or another national body)
- c. Other, please specify

Locally through the LPA.

32. How should the tariff revenue be spent?

- a. Locally (e.g. through a local authority)
- b. Nationally (e.g. through Natural England or another national body)
- c. Through a blended model, allowing spending at both levels
- d. Other, please specify

Locally through LPA with the facility for resources to be directed at a sub-regional level, where appropriate and where agreed by neighbouring authorities/stakeholders.

33. If tariff revenue is collected and spent nationally, should spending prioritise areas which have contributed the most through biodiversity net gain tariff payments?

No. This approach is unlikely to maximise the potential for delivering positive gains for biodiversity and is likely to result in the 'sterilisation' of high value development land.

34. What further measures will help to prevent burdens on local authorities increasing?

Allowing for the full cost to LPAs of administering/delivering mandatory net gains to be recovered through the tariff/developer contributions.

35. How could the proposals be refined to manage any negative impacts on the scale and delivery of other developer contributions (e.g. through Section 106 or Community Infrastructure Levy payments)?

Phased implementation to allow realistic land purchase prices to be negotiated/re-negotiated.

36. Would you, as a planning authority stakeholder, prefer any net gain tariff revenue to be paid through:

a. local authority administration?

b. a nationally managed funding scheme (which could then reinvest in local habitat schemes best aligned with national strategic environmental priorities)?

Local authority administration. A nationally managed funding scheme is not considered to be practicable and would likely result in a loss of biodiversity at a local, sub-regional level.

37. How could the proposed net gain process be improved for developers?

Phased implementation.

38. What other steps, considerations or processes in environmental planning could be integrated within a net gain approach?

Environmental Impact Assessment.

39. Would any particular types of development (e.g. commercial, industrial, public sector, local infrastructure) be disproportionately affected by a mandatory biodiversity net gain requirement?

Unlikely.

40. Do you agree that the proposal for staggered transitional arrangements would help to ensure smooth implementation of biodiversity net gain policy?

Yes.

41. Would the existing dispute resolution process provide the best way to overcome any disagreement over whether net gain is achieved?

Yes.

42. Would an additional arbitration or approval process be necessary? If so, please specify why.

No.

43. Are there any issues or measures, other than those outlined, that we should take into account when considering how to monitor biodiversity net gain?

It should be ensured that the monitoring is carried out independently to prevent any bias.

44. Should local authorities be required to provide information about habitat losses and gains?

Yes, although this would be an additional burden to LPAs which would require adequate resourcing.

45. What technological or other innovative mechanisms could facilitate the delivery and monitoring of biodiversity net gain?

Increased/improved use of GIS systems.
Potential role for local records centres.

TITLE OF REPORT: Post 16 SEND Provision in Gateshead Special Schools

REPORT OF: Caroline O'Neill, Strategic Director, Care, Wellbeing and Learning

Purpose of the Report

1. The purpose of this report is to update Cabinet of the review and revised funding levels for Sixth Forms attached to Gateshead Special Schools and to seek approval to consult on a change to the designated age range for Hill Top and Dryden Schools.

Background

2. The SEND Code of Practice indicates that all students aged 16-19 should follow a study programme providing stretch and progression to achieve the best outcomes in adult life. They should not be repeating programmes that they have already completed.
3. Prior to the 2014 reforms, it was normal practice for children in special schools to continue from year 12 to year 13 or year 14. Year 14 places in special schools are not recognised by the Department for Education (DfE) and can only be funded from the Dedicated Schools Grant (DSG) in very specific circumstances.
4. There has been a substantial increase in the number of Post 16 pupils remaining in Gateshead special schools over recent years. The commissioned number is 41 but in the 2017/18 academic year, 69 places were being used. When sixth form provision was established at Hill Top School in September 2013, the school anticipated continuing to commission services from Gateshead College and on average 16 students in any one year would be in the sixth form. Cedars anticipated that the numbers would be approximately 13 pupils. There are currently 21 pupils in Cedars Sixth Form.
5. Due to budget pressures, it has been necessary to review and revise commissioning levels for Post 16 provision in Special School Sixth Forms in the borough. As the high needs block of the DSG continues to be under severe pressure (overspent by £1.4m for 2017/18 and estimated overspend of £1.5m 2018/19) all areas of expenditure are under review, including post 16 provision. The DSG budget must always have a balanced budget at the end of each financial year. If the budget is overspent the DfE has tightened the Schools and Early Years Finance Regulations (England) under which local authorities must explain their plans for bringing the overall DSG back into a balanced position to DfE and to Schools Forum.

Proposal

6. Children in post 16 provision funded from the high needs block need to demonstrate that they are making educational progress to continue at school and it is no longer viewed as the norm for them to continue to year 13 or 14.

7. Discussions have taken place with the Head Teachers of Cedars Academy and Hill Top School regarding the need to reduce the number of sixth form places back to the commissioned number with effect from the academic year commencing in September 2019. This will mean that Cedars and Hill Top will generally only provide one-year Post 16 places, other than for those with severe autism attending Hill Top who may remain for two years Post 16 education.
8. It is proposed to discontinue the offer of Year 14 provision in Gateshead Special Schools, other than in exceptional circumstances and that Year 13 provision will only be offered at Dryden and Hill Top Schools for those with severe/profound and multiple learning difficulties or severe autism. Post 16 provision at Hill Top and Cedars Academy would only be commissioned for Year 12.

Recommendations

9. It is recommended that Cabinet:
 - (i) Agree the contents of the Report.
 - (ii) Note that for the 2018 sixth form intake at Dryden and for those in the Autism Provision at Hill Top, pupils have been guaranteed 2 years funding.
 - (ii) Agree that for the sixth form intake at Cedars and those in the main school at Hill Top, pupils are guaranteed one year of funding to support those pupils who are not ready to access College at the end of Year 11.
 - (iii) Agree to undertake a statutory consultation process to reflect the change in age range for Dryden and Hill Top Schools from 11 -19 to 11 -18. The outcome of the consultation will be reported back to Cabinet.

For the following reasons:

- (i) To meet the Council's statutory duty to promote high educational standards and to make effective use of resources.
- (ii) To comply with School Organisation legislation.

CONTACT: Val Hall

Extension: 2782

Policy Context

1. The Council has statutory duties to promote high educational standards; ensure fair access; promote diversity and ensure education is appropriate to meet the different age aptitudes and abilities of pupils in its area and make efficient use of its resources.
2. The proposals in this report are consistent with statutory duties set out in Part 3 of the Children and Families Act 2014, the SEND Code of Practice, Vision 2030 and the outcomes set out in Making Gateshead a Place Where Everyone Thrives.

Background

3. It has been necessary to review and revise commissioning levels for Post 16 provision in Special School Sixth Forms in the Borough.
4. This report presents summary information relating to:
 - The factors which have led to the need to review the commissioning arrangements
 - The funding model and mechanism for post 16 SEND Education provision
 - The Local Authority's (LA) responsibility for the provision of SEND Post 16 education and training
 - The implications for schools
 - The need to initiate a statutory consultation process

Factors compelling a review of the commissioning arrangements and funding

5. There are a number of factors, beyond the Council's control, which have made a review of post 16 funding in special schools essential, this includes:
 - Rising demand
 - Growth in post 16 numbers in special schools above commissioned numbers
 - Increased pressure on the High Needs Block Funding
 - The national funding model and mechanism
 - National expectations relating to post 16 programmes of study

The Policy and Funding Context

6. The Department for Education provides Local authorities with a Dedicated Schools Grant (DSG). Apart of this allocation is referred to as the High Needs Block [HNB] funding which includes funding for special schools. Local authorities commission a specific number of places in special schools to provide them with guaranteed funding. In recognition of the high needs of pupils in special schools, each place is funded at £10,000 with the expectation that most children will require additional "top up" funding to meet their needs. The pupils' needs are defined in the Education, Health and Care Plan with different elements being met through Education (HNB) Social Care or Health Services.
7. From April 2013 the DSG was split into three blocks, the Early Years Block for funding 3 and 4 year old nursery provision, based on the take up of 3 and 4 year olds of their free provision, the Schools Block, based on the number of children in mainstream schools

using the October pupil count, and the High Needs Block which was the balance of funding compared to the previous year's total DSG.

8. A new funding mechanism for SEND was introduced in April 2013 and at that point a snapshot was taken of the post 16 SEND provision that was being delivered in each area, and local authorities were required to estimate the number of places they would require from each provider. Local authorities were told at the time that numbers would be reviewed at least every two years. This did not occur until the DfE introduced further funding reforms for 2018/19 which introduced an import/export reconciliation process for out of borough high needs pupils. The DfE also introduced a mechanism for councils to work with providers (e.g. academies and further education colleges) to increase their commissioned places, but the mechanism to reduce them is very restricted and relies on the provider agreeing to any reduction in commissioned places. The DfE expected councils to manage movements between maintained settings within their overall commissioned places.
9. Places are not ring-fenced to young people in that area and may be accessed by young people from other local authority areas. Places are effectively allocated on a "first come, first served" basis and prior to 2018/19 only place funding which was above commissioned numbers could be charged, for out of borough children together with applicable top up funding.
10. Funding for high needs pupils comprises of three elements
Element 1 – Basic entitlement £4,000
Element 2 – Additional support £6,000
Element 3 – Top up – dependant on pupil need
11. The import/export reconciliation between local authorities moves the additional support element of £6,000 between local authorities, and for 2018/19 Gateshead was a net importer
12. Within the current funding process, we are allocated £4,000 under the new High Needs National Funding Formula for each pupil in special schools as per the October schools census for pre-16 pupils. Post-16 pupil numbers are taken from the individual learner records when the data becomes available. For pupils who do not belong to Gateshead, the £6,000 is received from the pupil's home local authority, for Gateshead pupils the £6,000 is funded from the high needs block.
13. There is no mechanism to transfer places between non-maintained providers where patterns of demand may alter. It is, therefore, possible for funding to be tied up in unused places. In the situation that all commissioned places are full, or if the only available places are unsuitable, the local authority's only option is to buy additional places.

Commissioned Places – Post 16

Provision	Commissioned	Number used 13-14	Number used 14-15	Number used 15-16	Number used 16-17	Number Used 17-18	Number used 18-19
Dryden School	11	12	12	19	22	21	11
Hill Top School	17	21	20	19	21	22	25
The Cedars	15	4	14	17	24	27	21
Totals	43	37	46	55	67	69	57

The Local Authority Responsibility

14. The local authority has responsibility for aspects of the education and welfare of young people who have SEND up to the age of 25. One of these responsibilities is the provision of education and training as part of the preparation for adulthood. We are reviewing the format of Education, Health and Care Plans for pupils from Year 9 to ensure there is a greater focus on the child's preparation for life which should result in them being better prepared to leave school at an earlier point.
15. The basic responsibility is to ensure young people with SEND have access to education or training opportunities for a period of two years after the statutory school age. This is contingent on evidence that the young person can continue make progress in their learning through access to the provision. Traditionally, the LA has made provision beyond this and would seek to continue to do so to the extent that resources permit it.
16. Provision has been made through School Sixth Forms with some young people electing to stay at school for three years following the end of Year 11, through attendance at a Further Education or Independent Specialist provider, or through participation in a work-related scheme such as a supported internship. Provision in Special School Sixth Forms has historically been for five days per week (c1000 hours p.a.) and the Council has funded special schools at this level. In Further Education settings, a full-time programme is typically the equivalent of three days each week (c 600 hours p.a.).
17. Rising demands on the High Needs Block Funding, including from the growth of Special School Sixth Forms, coupled with the high level of funding allocated to special schools necessitates a review of the management of the funding in its entirety. There has been an immediate need for Special Schools Sixth Form commissioning and funding to be reviewed to enable schools and the LA to work together to manage the unavoidable funding pressures.

Historical Position

18. Historically Dryden children have accessed post 16 provision which has included year 14, Hill Top historically did not have a post 16 provision, but it was found that some children with autism were not ready to leave school and access college at year 12 and the school entered into a collaborative arrangement with Gateshead College for children with an autism diagnosis for approximately six children. This relationship broke down and the

Council worked with the school to create a post 16 provision to coincide with the opening of the new school building.

19. The Hill Top post 16 provision was to help children transfer to college and for non-autistic children it was envisaged that this would be a one-year course. Children with an autism diagnosis could access up to three years post 16 education at Hill Top. The number of children accessing post 16 at Hill Top and staying past year 12 has grown over the years.
20. Historically Cedars did not have sixth form provision but again entered into an arrangement with Joseph Swan School to offer Post 16 provision for children they considered not yet ready to attend college. This relationship came to an end and the LA worked with both schools and the DfE to transfer commissioned places from Joseph Swan to Cedars Academy. Again, this was initially one-year provision to help children transition to college but more recently, the school have been offering two-year provision which has resulted in an increase in numbers remaining in school.
21. When sixth form provision was established at Hill Top School in September 2013, the school anticipated continuing to commission services from Gateshead College and that on average 16 students in any one year would be in the sixth form. Similarly, at Cedars, the numbers were originally anticipated to be 13 pupils for year 12 only.
22. As the high needs block of the DSG continues to be under severe pressure (overspent by £1.4m for 2017/18 and anticipated to be £1.5m 2018/19) all areas of expenditure are under review, including post 16 provision. Future arrangements will mean that children in post 16 provision funded from the high needs block will need to demonstrate that they are making educational progress to continue at school. It will no longer be accepted as the norm for them to continue to year 13 or 14 at schools.

Preparation for Adulthood

23. The SEND Code of Practice expects that children and young people with SEND should be prepared for adulthood. This includes support towards greater independence and employability, participating in society and being as healthy as possible in adult life. To support this, all Gateshead children with Education, Health and Care Plans will have outcomes to reflect these key areas.
24. There are a range of options available as an alternative to remaining in school that have been developed in recent years. These are outlined at Appendix 3 and include vocational courses at local colleges, apprenticeships/supported internships (either at Gateshead College or through Gateshead Learning and Skills). In addition, a range of provision is available via Adult Social Care for those young people unable to progress in education including Gates, Marquisway/Sparks.
25. Parents, understandably may have some reservations about young people moving from school to college provision. Special school sixth forms offer five full day provision, whereas full-time college courses may only offer 3-3.5 days. In such circumstances, the Council will support alternative activities such as opportunities for work experience or sports such as the Special Olympics to widen the social experience for young people with SEND.

Consultation

26. Following discussion with the Head Teachers of Gateshead Special Schools via the Special School Funding Review Group, it has been agreed not to continue to offer Year 14 provision beyond the end of this academic year, other than in exceptional circumstances. Consequently, the placement of current Y13 pupils at Dryden School has been reviewed. Of the nine pupils currently in Y13, one belongs to Northumberland and is moving to Adult Social Care Provision and another to Sunderland who is likely to be moving to an Independent College. Five of the Gateshead children are moving to Gateshead College, one to Adult Social Care provision and one to a supported internship. There are no Y14 pupils currently at either Hill Top or Cedars School, but it is recommended that no further Y14 places are offered other than in very exceptional cases.
27. Consultation will be arranged with parents/carers of children of the existing pupils in Gateshead special schools and with staff and Trade Unions and alternative local Post 16 providers to discuss the proposed new arrangements.
28. The Cabinet Members for Children and Young People have been consulted.

Alternative Options

29. Decide not to approve the proposals and continue with the current level of provision however, this would not provide the opportunity to improve outcomes in terms of Preparation for Adulthood and achieve some degree of financial saving to the Council's High Needs Budget.

Implications of Recommended Option

30. Resources:

- a) **Financial Implications** – The Strategic Director, Corporate Resources confirms the financial savings to the Council by not continuing to offer Year 14 provision at Dryden, Years 13 and 14 at Hill Top and Cedars are approximately £109,552. This assumes that all children would access at least one-year post 16 education at special school and the progress to a least a one-year placement at Gateshead College. By aligning special school post 16 provision and the offer by colleges it may be possible to double this year on year saving to £219,104 as children will spend up to 2 fewer years in education. The calculation is based on the assumptions of
 - i. schools maintaining their commissioned post 16 places,
 - ii. the calculation is based on current and 2017/18 cohort of pupils
 - iii. assumes all pupils included in the calculation would access at least 2 years post 16 education
 - iv. includes both base funding (£10,000) and top ups (variable amount depending on the needs of the child – average of approx. £4,500
 - v. pupils accessing a place at college with an average cost of £12,000

Other financial considerations include the impact on Adult Social Care budgets. There is the possibility of improved outcomes for young people who have moved on

to either employment or to live in supported accommodation once they have left education. This has led to a reduced strain on the Adult Social Care budget for these youngsters and consequent longer-term savings. Some youngsters successfully transferred from Hill Top and Dryden Schools to vocational courses and then in to employment. A brief case study is attached for information (see Appendix 2). Some young people may not have the same level of independence and may need to access some areas of adult social care up to two years earlier, however young people's needs are assessed on an individual basis for social care which does not include an education element, so it is thought that the combined outcome could be cost neutral for Adult Social Care.

b) **Human Resources Implications** – This proposal has had implications for Dryden Special School with the reduced overall budget for 2018/19 creating a redundancy situation. It may have implications going forward for Hill Top and Cedars Schools in terms of reduced budgets leading to potential redundancy situations.

c) **Property Implications** - There are no implications from this report.

21. **Risk Management Implication** - There are no implications from this report.

22. **Equality and Diversity Implications** - There are some Equality and Diversity implications arising from this report as the children attending Gateshead special schools have a disability. A stage 1 Equality Impact Needs Assessment has been completed which highlights that the proposal will have a positive impact for secondary school aged children with a disability.

23. **Crime and Disorder Implications** – no implications from this report.

24. **Health Implications** - There are no implications from this report.

25. **Sustainability Implications** - There are no implications from this report.

26. **Human Rights Implications** - There are no implications from this report.

27. **Area and Ward Implications** - no specific implications. Children attending the ARMS provision are resident across Gateshead

Pen Portraits**P's Story**

P is a young woman with Downs Syndrome. She attended Dryden School for pupils with complex needs and disabilities then progressed onto specialist college provision at Tyne Met College and Gateshead College. P had received home to school and college transport throughout her life. Gateshead Council developed a Supported Internship in 2015, a one-year work- based study programme for young people and adults with an Education, Health and Care Plan who have additional needs with the aim of achieving paid employment. P was offered a place on this programme and after her year of being an Intern was offered two days per week paid employment. P does not receive Adult Social Care support as her needs are met by her mum, employment and social opportunities this has brought. Her mum's story follows.

Margaret's Story (P's mum)

P and I were asked to attend an event in 2015 to discuss the opportunity for P to participate in an Internship and Independent Travel Training Programme. I was very uncertain about how this would work for P and came home feeling very concerned about it all. It's easy to pass on the negative vibe and after speaking to the family about my concerns they all agreed that it seemed a huge undertaking for P, the main concern being the travel training aspect.

However, after meeting a Supported Employment Worker and a Travel Trainer and hearing how the travel training programme worked and that P would be closely monitored throughout, we decided to give it a try.

The day that P came home with her uniform to start work at Shopmobility in the Metro Centre was just amazing. She was so proud of herself and embarked on this new chapter with great enthusiasm. The first few weeks travelling on the bus were a bit nerve wracking, but this process was monitored carefully, and P was shadowed until the Supported Employment Worker and Travel Trainer were confident that she was able to cope on her own. They were great at following up any concerns – on one occasion P told me about David, a man she chatted to at the bus station. After some undercover detective work by staff they discovered that David was an Inspector at the Interchange! She has made friends with people at the bus stop at home where she travels on the No.1 bus to the Interchange and then gets the X66 to the Metro Centre bus station. A situation that seemed so unlikely for P to cope with has now become her normal routine which could easily have not happened had I let my worries stand in the way.

P loves her job, and this was made permanent last summer. We are all so proud of her but the best bit of all as when she told us that 'she loved her life. There have been some teething troubles as P tried to fit into an adult world with her new-found freedom and independence. The staff at the Metro Centre have been a great support for her and she is still making progress with what is and is not acceptable to say – P is very strong willed and at times can be challenging to say the least if she thinks she is right. This experience has been invaluable to her and she continues to learn from day to day situations she comes across in her job. I picked her up from work one day and whilst I was waiting a customer came in and asked me about my recent holiday, she recognised me from the photos P had shown her!

Over the summer P broke her foot and was most upset that she was unable to go to work. She is now back at work and settled into her routine although she was most unimpressed when she found someone had taken her regular seat on the No.1 bus. P described her as 'a naughty lady who pinched my seat!'

P has been so fortunate to have been welcomed into a great team of staff who include her in their social events and keep in touch with her by text. She has attended meals out for leaving parties and other celebrations and has been involved in the training of new staff. It is a huge bonus that in addition to a wonderful job P has also made lots of great friends.

I am so pleased we did not dismiss this opportunity for P which I very nearly did. I can only say that if anyone else is in the position we were in to really think about taking this chance. By breaking down the process into manageable chunks rather than looking at the big picture anything is possible. P has proven that to us and I would like to thank all those people who have supported her on this journey as she continues to make progress and learn new things from each new day.

JB – aged 20

J attended Hilltop School, he left in Year 12 and moved to Interface Project at South Tyneside College for two years. J wanted to stay behind for a sports course one night per week, but the Council would not provide a separate taxi, so J agreed to undertake Independent Travel Training. He successfully completed this from South Shields to Birtley.

He was offered a Care Act assessment at 18 but declined, feeling that his needs were being met at college.

He progressed onto the Supported Internship which he successfully completed in July 2016 and in November 2016 he was offered 15 hours paid employment at Opportunity Café at Newburn.

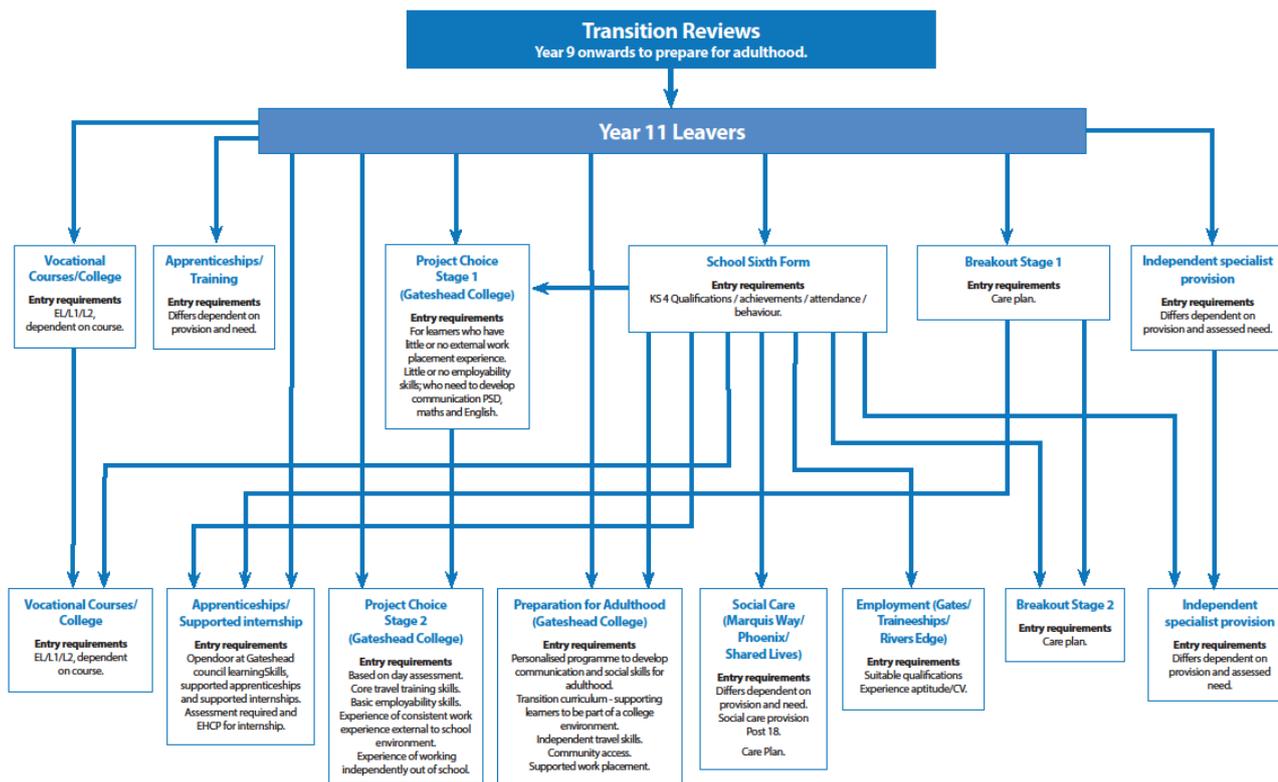
J receives ongoing support from Gateshead Access to Employment Service (GATES) who support J and the employer, every couple of months an issue arises around J' behaviour, timekeeping etc. Generally, he is doing very well and is using the tills and all other tasks within the café.

AM – 26

A remained at Dryden school until Year 14 then progressed onto the then pilot of Gateshead/Dilston College provision for two years. This gave him group work experience and a taste of accessing his local community. A progressed onto the Supported Internship for one year, he had a placement at the Sage, he was so popular they offered him paid employment.

A has also secured paid work at Covent House in Birtley, he is an independent traveller and is about to move into his own tenancy with low level social care support in Whickham with his friend.

Learning pathways: Preparing for adulthood 16+



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TITLE OF REPORT: Gateshead Health & Care Partnership Memorandum of Understanding (MoU)

REPORT OF: Caroline O'Neill, Strategic Director, Care, Wellbeing & Learning

Purpose of the Report

1. To seek the endorsement of Cabinet to a Memorandum of Understanding that has been developed for the Gateshead Health & Care Partnership.

Background

2. An update report was provided to the Health & Wellbeing Board 19th October 2018 on progress in taking forward a place-based approach to health and care integration in Gateshead. A verbal update was also provided to the HWB on 30th November 2018 and 18th January 2019.
3. One of the strands of this work has been the development of a Memorandum of Understanding (MoU) between partners relating to the establishment of a Gateshead Health & Care Partnership (working title). The MoU seeks to describe the new ways of working between partners in taking forward a joint health and care agenda for the benefit of local people. Further details are set out in Appendix 1 (paragraphs 2 to 6).

Proposal

4. It is proposed that the Council sign up to the MoU as a key local partner in taking forward a place-based approach to health and care integration in Gateshead in line with the Thrive agenda.
5. The MoU builds upon the existing Memorandum of Agreement developed in 2015 between the Council, QE and Community Based Care Health (GP Providers), which had a specific focus on the transformation and delivery of community health services.

Recommendations

6. Cabinet is asked to:
 - (i) endorse the Memorandum of Understanding for the Gateshead Health & Care Partnership as set out in Appendix 2;
 - (ii) agree to the Council signing up to the MoU as a key local partner in taking forward a place-based approach to health and care integration.

For the following reasons:

- (i) To enable the Council, working with local partners and local communities, to progress a place-based approach to the integration of health and care in Gateshead for the benefit of local people in line with the Council's Thrive agenda.
- (ii) To help ensure the local health and care system is sustainable, is fit for purpose for the future and is in a better position to influence emerging broader footprints linked to this agenda.
- (iii) To ensure the Council and local partners are in the best position to respond to demographic and funding pressures across the system.

CONTACT: John Costello (Ext 2065)

Policy Context

1. The proposed MoU for the Gateshead Health & Care Partnership supports the five pledges of the Council's Thrive agenda which has also been endorsed by local system partners.

Background

2. An update report was provided to the Health & Wellbeing Board 19th October 2018 on progress in taking forward a place-based approach to health and care integration in Gateshead. A verbal update was also provided to the HWB on 30th November 2018 and 18th January 2019.
3. One of the strands of this work has been the development of a Memorandum of Understanding (MoU) between partners relating to the establishment of a Gateshead Health & Care Partnership (working title). The MoU seeks to describe the new ways of working between partners in taking forward a joint health and care agenda for the benefit of local people.
4. The MoU builds upon the existing Memorandum of Agreement for the Gateshead Care Partnership developed in 2015 between the Council, QE and Community Based Care Health (GP Providers), which had a specific focus on the transformation and delivery of community health services. Significantly, its membership will include key commissioner and provider organisations serving the Gateshead population.
5. Development of the MoU has been led by the Council through the Thursday afternoon system group and is attached at Appendix 2. The MoU is being brought to partner organisations for consideration and endorsement with a view to it being formally signed by partners this month.
6. The MoU has already been considered by the QE and Newcastle Hospitals Boards who have endorsed it and indicated that they will be signing up to it. It is also going to other partner organisations for endorsement (see paragraph 12 below).

Issues for consideration***Aims and Objectives:***

7. The Partnership will work together to help improve the health and wellbeing outcomes of Gateshead residents, consistent with Gateshead's Thrive agenda and within the whole resources available to the local system.
8. In particular, the Partnership will work to:
 - shift the balance of services from acute hospital care and crisis interventions to community support with a focus on prevention, early help and self-help, matched by appropriate resource levels.

- support the development of integrated care and treatment for people with complicated long-term health conditions, social problems or disabilities;
 - create a joint planning and financial framework for managing the difficult decisions required to ensure effective, efficient and economically secure services during a period of continued public sector financial austerity, getting the most from the Gateshead £.
9. The Partnership will promote a Gateshead place-based approach to the integration of health and care so that planning and delivery arrangements are undertaken as close to 'place' as possible.
10. Whilst recognising the primacy of place, the Partnership will collaborate with broader footprints on behalf of the Gateshead population where this will secure health and wellbeing benefits for local people.

Key Features:

11. Key features of the MoU include:
- A partnership of commissioners and providers, reflecting a whole system approach.
 - The Partnership is committed to the collective use of resources for the benefit of local people, maximising use of the Gateshead £.
 - A statement of commitment from partnership members – to play a significant, active and ongoing contribution to enhancing the health, care and wellbeing of local people in a way that is locally sustainable.
 - It is not a legally binding document. The Partnership relies upon high levels of trust and collaborative working. This is also reflected in the set of values that have been identified (section 3.4 of the MoU at appendix 2).
 - It does not replace the legal frameworks or responsibilities of partner organisations – no new organisation is being established.
 - Nothing in the MoU will prevent organisations from meeting their statutory responsibilities and partners will support one another in meeting those responsibilities.
 - Similarly, any commitments made will remain subject to organisations' continuing ability to meet their statutory responsibilities.
 - An openness to change among partner organisations.
 - Decision making would be based upon a consensus approach, with arrangements in place to resolve differences in views where they arise. A voting arrangement would be in place as a backstop measure only ('one organisation, one vote').
 - A revolving chair annually.
 - Transparency – in decision making, financial and service planning, delivery.

Membership:

12. Proposed partners to the MoU are as follows:
- Gateshead Council
 - Blue Stone Consortium (VCS)

- Community Based Care Health Ltd
 - Gateshead Federation of GP Practices
 - Gateshead Health NHS Foundation Trust
 - NHS Newcastle Gateshead CCG
 - Northumberland, Tyne & Wear NHS Foundation Trust
 - The Newcastle upon Tyne Hospitals NHS Foundation Trust
13. Other organisations may be proposed or propose themselves for membership of the Partnership. Any new members will be accepted only if they can commit adherence to the MoU and with the unanimous agreement of current partners.
14. Ultimately, if a partner organisation no longer wishes to be a member, they can walk away at any time.

Other Points to Note:

15. Any issues or disputes which cannot be immediately resolved to all partners' satisfaction will be escalated to the Chief Executives (or equivalent) of the respective partner organisations or their nominee.
16. The MoU does not preclude individual Partner organisations from progressing programmes of work or initiatives that fall outside of Partnership business.
17. Partner organisations will be requested to reaffirm their commitment to the MoU on an annual basis.

Consultation

18. The proposal to develop a MoU along the lines set out in this report was considered by the Health & Wellbeing Board at its meeting on 19th October 2018 and verbal updates on progress have been provided to subsequent meetings of the Board. The MoU has also been considered by the Joint Adult Social Care and Health & Wellbeing Portfolio meeting on 7 January 2019.

Alternative Options

19. An alternative option would have been not to develop a MoU to underpin the Gateshead Health & Care Partnership. However, this would represent a missed opportunity both in taking forward our health and care integration agenda at a Gateshead place level and being in a better position to influence emerging broader footprints for health and care in our region.

Implications of Recommended Option

20. **Resources:**
- a) **Financial Implications** – the Strategic Director, Corporate Resources confirms that there are no resource implications arising directly from this report. One of the key aims of the Partnership is to provide a joint planning and financial framework, getting the most from the Gateshead £ (paragraph 8 of appendix 1 refers).

- b) **Human Resources Implications** – there are no human resources implications arising directly from this report.
 - c) **Property Implications** – there are no property implications arising directly from this report.
21. **Risk Management Implications** – there are no property implications arising directly from this report.
 22. **Equality and Diversity Implications** – there are no equality and diversity implications arising directly from this report.
 23. **Crime and Disorder Implications** – there are no crime and disorder implications arising directly from this report.
 24. **Health Implications** – the MoU for the Partnership is aimed at supporting the provision of more care in out-of-hospital settings, closer to peoples’ homes. It also has a particular focus on prevention, early help and self-help in ways that are sustainable for the local health and care economy.
 25. **Sustainability Implications** – there are no sustainability implications arising directly from this report.
 26. **Human Rights Implications** – there are no human rights implications arising directly from this report.
 27. **Area and Ward Implications** – all wards will be affected as the Partnership will promote a place-based approach to health and care integration.

Background Information

28. The following documents were used in the preparation of this report:
 - (i) The Memorandum of Agreement for the Gateshead Care Partnership developed in 2015 between the Council, QE and Community Based Care Health (GP Providers), which had a specific focus on the transformation and delivery of community health services.
 - (ii) The progress update report to the HWB on 19 October 2018 regarding integrating health and care in Gateshead.

Gateshead Health & Care Partnership
(this is a working title - Name of Partnership to be agreed)

Memorandum of Understanding

Author/s:	J Costello
Date written:	16 November 2018 (version 6)
Approved by:	
Date Approved:	
Revisions:	

CONTENTS

1. **PURPOSE OF THIS DOCUMENT**
2. **AIMS & OBJECTIVES**
3. **PARTNERSHIP GOVERNANCE**
 - 3.1 Partners
 - 3.2 Signatories
 - 3.3 Statement of Commitment from Partnership Members
 - 3.4 Partnership Values
 - 3.5 Accountability
 - 3.6 Voting Rights
 - 3.7 Contractual Arrangements
 - 3.8 Resource Requirements
 - 3.9 Duration of MoU
 - 3.10 Amendments
 - 3.11 Dispute Resolution
 - 3.12 Confidentiality & Data Protection
 - 3.13 Expenses & Limitation of Liability
 - 3.14 Termination/Exiting
 - 3.15 Additions to the Partnership
4. **PARTNERSHIP STRUCTURE**
 - 4.1 Structure diagram
 - 4.2 Roles & responsibilities
5. **COMMUNICATION AND ENGAGEMENT**
6. **ANNOUNCEMENTS**
7. **COMMITMENT OF UNDERTAKING**

1. PURPOSE OF THIS DOCUMENT

- 1.1 This document sets out the arrangements within which the Gateshead Health & Care Partnership (the Partnership) will work together for the benefit of people and communities within Gateshead so that their health and care needs can best be met within available resources to the local system.
- 1.2 The basis of collaboration between the organisations named in this MoU is that they will all participate within a Gateshead 'place' partnership comprising Blue Stone Consortium (BSC), Community Based Care Health Ltd (CBCH), Gateshead Council (GC), Gateshead Federation of GP Practices, Gateshead Health NHS Foundation Trust (GHNHSFT), NHS Newcastle Gateshead CCG (NGCCG), Northumberland, Tyne & Wear NHS Foundation Trust (NTW) and The Newcastle upon Tyne Hospitals NHS Foundation Trust (NUTH). Collaborative working will be managed through the Gateshead Health & Care Partnership Board (the Board), representative of partner member organisations.
- 1.3 All joint working within the Partnership will be subject to the terms of this Memorandum of Understanding (MoU). Such work will be agreed by the Board and managed jointly within the Partnership. Supporting frameworks will be developed for work programme areas as required.
- 1.4 The MoU is not a legally binding document and therefore does not replace the legal framework or responsibilities of our organisations. It sits alongside and complements those frameworks, setting out the arrangements to enable our organisations to come together to establish a Gateshead place-based approach to the integration of health and care for the benefit of local people.

2. AIMS AND OBJECTIVES

- 2.1 The Partnership will work with other partners, stakeholders and local people to improve the health and wellbeing outcomes of Gateshead residents, consistent with Gateshead's Thrive agenda and within the whole resources available to the local system. In particular, it will work to:
 - shift the balance of services from acute hospital care and crisis interventions to community support with a focus on prevention, early help and self-help, matched by appropriate resource levels.
 - support the development of integrated care and treatment for people with complicated long-term health conditions, social problems or disabilities;
 - create a joint planning and financial framework for managing the difficult decisions required to ensure effective, efficient and economically secure services during a period of continued public sector financial austerity, getting the most from the Gateshead £.
- 2.2 The Partnership will promote a Gateshead place-based approach to the integration of health and care so that planning and delivery arrangements are undertaken as close to 'place' as possible. Whilst recognising the primacy of place, the Partnership will collaborate with broader footprints on behalf of the Gateshead population where this will secure health and wellbeing benefits for local people.
- 2.3 The Partnership will promote the work of its members and take advantage of opportunities to work collaboratively to deliver high quality services for the Gateshead population.

3. PARTNERSHIP GOVERNANCE

3.1 PARTNERS

Partner organisations and the signatories to this MoU are:

- Blue Stone Consortium (BSC)
- Community Based Care Health Ltd (CBCH)
- Gateshead Council (GC)
- Gateshead Federation of GP Practices (FGFP)
- Gateshead Health NHS Foundation Trust (GHNHSFT)
- NHS Newcastle Gateshead CCG (NGCCG)
- Northumberland, Tyne & Wear NHS Foundation Trust (NTW)
- The Newcastle upon Tyne Hospitals NHS Foundation Trust (NUTH)

3.2 SIGNATORIES

MoU signatories will comprise of the Chief Executives or equivalent of the formal Partnership members.

Other relevant stakeholders and service providers may will be engaged collaboratively in the Partnership's transformation agenda through membership of appropriate groups/ workstreams, involvement in other agreed improvement work and/or attendance at other forums.

3.3 STATEMENT OF COMMITMENT FROM PARTNERSHIP MEMBERS

The Partnership relies on high levels of trust and collaborative working. The focus for all partners will be to improve individuals' wellbeing, experience of care and outcomes through an integrated approach to the strategic planning and provision of care working with local people, as well as seeking to deliver financial sustainability across a broad range of health and care initiatives in Gateshead.

The Partnership is committed to working towards the achievement of its long term strategic outcomes and individual member organisations will collaborate to play a significant, active and ongoing contribution to enhancing the health, care and wellbeing of local people in Gateshead.

The Partnership is committed to the collective use of resources for the benefit of local people, maximising use of the Gateshead £, and to developing the workforce to deliver its aims and objectives. It will work collaboratively to identify the 'gives and gets' associated with its programmes of work.

The Partnership will review, align and develop joint strategic planning and provider arrangements and consider how best services can engage and collaborate in the future. It will develop coordinated planning and operational capabilities, processes, pathways and outcomes as well as the mechanisms for monitoring and measuring the success of the Partnership. The benefits of joint working will help to overcome organisational boundaries and constraints, supporting the achievement of the Partnership's stated objectives.

Partnership members are committed to joint decision making on matters pertaining to the business of the Partnership and to abide by decisions of the Partnership in relation to these matters. This does not preclude individual Partnership member organisations from

progressing programmes of work or initiatives that fall outside of Partnership business. The Partnership will commit to ensuring the long-term sustainability of the whole system, including supporting members to meet their statutory and regulatory responsibilities.

3.4 **PARTNERSHIP VALUES**

The relationship between MoU Partners will be based on:

- Equity
- Mutual respect and trust
- Inclusiveness – in developing and shaping a Gateshead place based narrative, both with member organisations, other stakeholders and local people and communities
- A commitment to being positive and constructive
- A shared commitment to providing the best possible care working with local communities
- A desire to make the best use of available resources in meeting the aims of the Partnership and in a way that is sustainable for the local health and care system
- A willingness to work with and learn from others
- A willingness to compromise in the interest of patient benefit
- An openness to change
- Transparency – decision making, financial and service planning, delivery
- Open and transparent communications and engagement; a collective and collaborative approach to consultation and engagement

These values will be promoted and embedded across our organisations.

As well as recognising the values that bind partner organisations together, their different perspectives and what they can bring to the Partnership will be recognised and valued.

3.5 **ACCOUNTABILITY**

It is the responsibility of all members of the Board to share, inform and secure agreement within their own organisational governance arrangements for the full delivery of the MoU's aims and objectives. It will be each MoU partner's responsibility to highlight any discrepancy between their own governance arrangements and any MoU delivery requirements, as and when any discrepancy arises, so that any issues can be assessed and acted upon in a timely manner.

Nothing in this MoU is to be seen as preventing or limiting any partner's ability to discharge any of its statutory functions. All partner organisations will retain their current statutory accountabilities for health and social care and any commitments made will remain subject to organisations' continuing ability to meet these accountabilities. The Partnership will work collectively to support partner organisations in discharging their accountabilities.

3.6 **DECISION MAKING**

The Board will consist of senior representatives from each partner member organisation. Other representatives may also attend as required.

Decision making arrangements will be in accordance with the following principles:

- A consensus view on the way forward will be sought on issues coming before the Partnership.
- Where a difference of view emerges across member organisations, efforts will be made by the Partnership to reconcile those views in the first instance e.g. through further discussions by the Partnership and/or focused discussions with one or more member organisations with a view to agreeing a way forward that is at least satisfactory and acceptable to all member organisations.
- Where consensus still cannot be reached on an issue, consideration will be given to the practicality and desirability of taking forward only those elements which have broad support across the Partnership.
- Only when these avenues have been explored without success should a course of action be put to a formal vote i.e. as a backstop measure only. In such instances, each member organisation of the Partnership will have one vote i.e. a single vote will rest with each member organisation (not with each representative attending a Partnership meeting on behalf of their organisation). Where an absolute majority of member organisations (>50%) are in favour of a course of action, it will be carried by the Partnership.

3.7 **CONTRACTUAL ARRANGEMENTS**

Partners may opt to enter into formal sub-contracting or other contractual arrangements to collectively deliver aspects of Gateshead's health, community and/or social care services. Any such arrangements are outside the scope of this MoU.

3.8 **RESOURCE REQUIREMENTS**

In order to deliver the responsibilities and key accountabilities outlined in the MoU, partners will each agree to assign and make available sufficient staff with the relevant competence, knowledge, skills and capacity, and other required resources to ensure timely achievement of the Partnership's objectives.

In meeting this requirement, there will be no requirement for staff to transfer to a new employer and they will be subject to their employer's terms and conditions of employment.

3.9 **DURATION OF THE MoU**

The MoU will commence on (*Commencement date to be determined*).
Signatories will agree to work in partnership in accordance with the terms of the MoU for as long as they remain party to the MoU (see section 3.14 on termination/exiting).

Partner organisations will be requested to reaffirm their commitment to the MoU on an annual basis.

3.10 **AMENDMENTS**

Once agreed the MoU, signed by the authorised signatories of all partners, may be reviewed periodically and amended with the mutual agreement of the partners. Once approved by the Board, amendments will be appended to the original MoU.

3.11 DISPUTE RESOLUTION

Any issues or disputes which cannot be immediately resolved to all partners' satisfaction will be escalated to the Chief Executives (or equivalent) of the respective partner organisations or their nominee. Also, see section 3.6 above.

3.12 CONFIDENTIALITY & DATA PROTECTION

MoU partners agree to share information with each other and with appropriate stakeholders. MoU partners will not disclose confidential information for commercial advantage or to disadvantage or discredit other parties to the MoU or anyone else. Each partner is responsible for ensuring its own compliance with data protection legislation.

All partner organisations will be compliant with relevant legislation.

3.13 EXPENSES & LIMITATION OF LIABILITY

The Parties understand that any financial arrangements will have to be negotiated on a case by case basis and that the decision to enter into any further agreement, contract, sub-contract or Service Level Agreement or implement the terms of this MoU shall be solely at the discretion of each Party. The Parties have not come together with a view to making a profit.

Each Party will be responsible for and bear all its legitimate costs, risks and liabilities arising out of its obligations and efforts in accordance with the provisions of this MoU.

This MoU is not intended to create any obligations on or between the parties.

3.14 TERMINATION/EXITING

Should any partner wish to withdraw from the Partnership, notice must be given in writing to the other parties, with reasons for the withdrawal. This clause applies only to the partnership arrangement covered by the MoU and does not affect any commercial contracts for the supply of goods and services which may exist between the parties independent of the MoU.

At the time of any withdrawal / resignation, the remaining partners will decide whether the Partnership's aims and objectives can continue to be met. If necessary, a new memorandum of understanding may be drawn up.

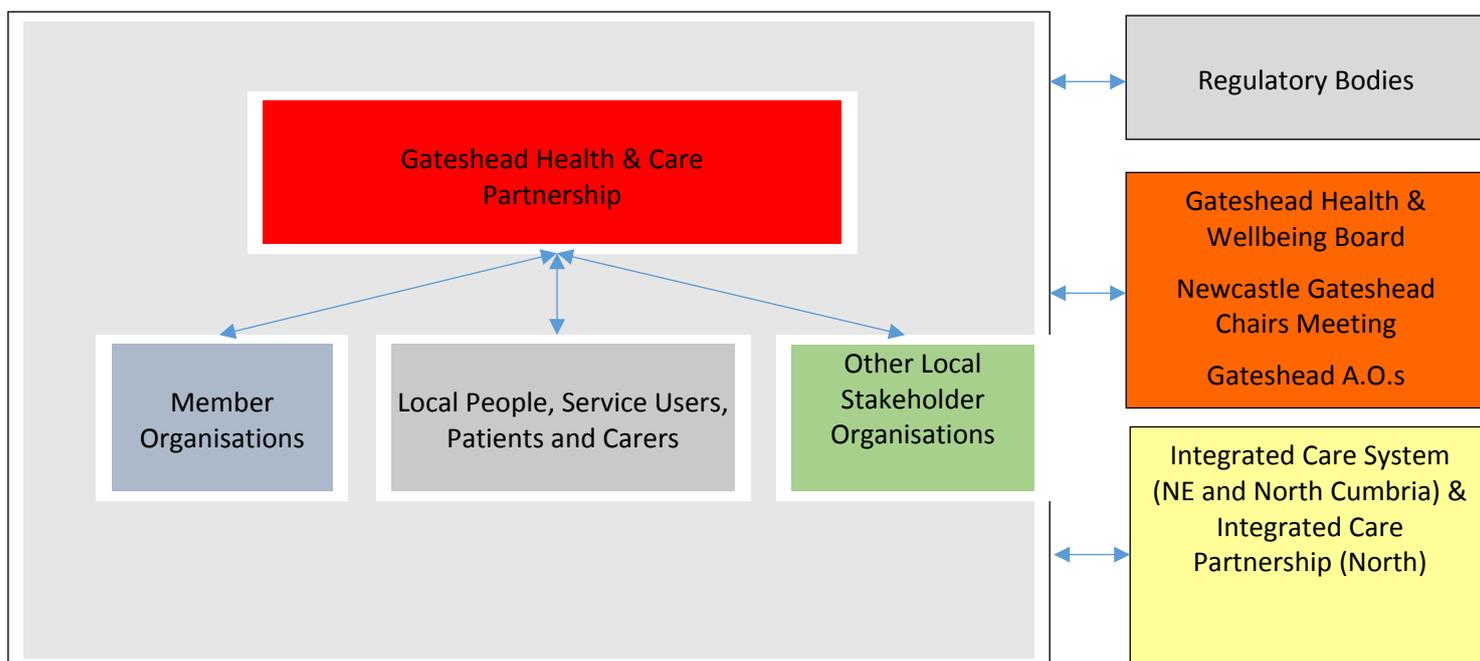
3.15 EXTENSION / ADDITION TO THE PARTNERSHIP

Other organisations may be proposed or propose themselves for membership of the Partnership. In these situations, any new members will be accepted only if they can commit to adherence with this MoU and with the unanimous agreement of the current partners. If necessary, a new memorandum of understanding may be drawn up.

4. PARTNERSHIP STRUCTURE

4.1 STRUCTURE DIAGRAM

Gateshead Health & Care Partnership & Relationships



4.2 ROLES & RESPONSIBILITIES

Chairmanship will be on a rotating basis of member organisations and will be reviewed on an annual basis.

Each member organisation will be responsible for ensuring that its representatives participate in the work of the Partnership and that the nominated Board members attend the Board on a regular basis. Existing members reserve the right to review input from partners if it is felt that they are not fulfilling their role and commitments under the MoU.

Each organisation will ensure that any representatives on the Board, or those involved in agreed work of the Partnership report back to their member organisations on a regular basis.

Any Partnership decisions that may be likely to have a financial or risk implication on member organisations should be communicated to those organisations in a timely manner.

The member organisations will agree areas of work / service where it is felt patient benefit can be delivered and will work collectively to deliver such benefit.

5. COMMUNICATION AND ENGAGEMENT

MoU partners commit to communicating openly and constructively and to sharing good practice within and beyond the Partnership. Partners agree to engage, consult and co-

operate to achieve the maximum benefits for the local community. This co-operation will include the sharing of appropriate information and maintaining effective communication, where this will inform and improve the planning and delivery of health and care services.

The partners also commit, so far as is reasonably possible, to communicating relevant information regarding progress to wider stakeholders and interested parties.

The Partnership will pursue a collective and collaborative approach to its work, focused on co-production with local people, service users and communities so that they can help shape health and care services to meet their needs.

6. ANNOUNCEMENTS

No Party shall make or permit any person to make any public announcement relating to the Partnership without the prior agreement of the other Parties except as required by law, any governmental or regulatory authority (including, without limitation, any relevant securities exchange), any court or other authority of competent jurisdiction.

7. COMMITMENT OF UNDERTAKING

We the undersigned, as authorised signatories to the MoU, have read and accepted the terms of the MoU and provide corporate assurance of our organisation’s commitment to working in partnership to deliver better health and wellbeing outcomes for the people of Gateshead:

Signatories:

Blue Stone Consortium

Signature _____

Date: ____ / ____ / 2019

Community Based Care Health Ltd

Signature _____

Date: ____ / ____ / 2019

Gateshead Council

Signature _____

Date: ____ / ____ / 2019

Gateshead Federation of GP Practices

Signature _____

Date: ____ / ____ / 2019

Gateshead Health NHS Foundation Trust

Signature _____

Date: ____ / ____ / 2019

NHS Newcastle Gateshead CCG (NGCCG)

Signature _____

Date: ____ / ____ / 2019

Northumberland, Tyne & Wear NHS Foundation Trust (NTW)

Signature _____

Date: ____ / ____ / 2019

The Newcastle upon Tyne Hospitals NHS Foundation Trust (NUTH)

Signature _____

Date: ____ / ____ / 2019

TITLE OF REPORT: Annual Report Service and School Performance (Learning and Schools)

REPORT OF: Caroline O'Neill – Strategic Director, Care, Wellbeing and Learning

Purpose of the Report

1. The report summarises the performance of Gateshead schools for the academic year 2017/18. Statutory assessments/examination performance alongside judgements from Ofsted inspections are used to give proxy indicators of the effectiveness of Gateshead's school improvement services.

In addition, the report also summaries the academic performance of Gateshead's looked after children.

Background

2. A key target for the school improvement element of the Learning and Schools Service is to ensure that schools are performing well and providing Gateshead children and young people with the best start to life and preparing them for further learning, training or employment.

Proposal

3. Available data strongly suggests that the Council's school improvement services are having a positive impact on improving the outcomes for children and young people in maintained schools. There is a weaker performance overall, and more variation in the non-maintained sector where the Council has limited influence.

Recommendations

4. It is recommended that Cabinet agrees the annual report.

For the following reason:

The Council's school improvement services are effectively supporting maintained schools in providing our children and young people with a good education resulting in strong outcomes.

CONTACT: Steve Horne

extension: 8604

APPENDIX 1

Policy Context

1. The report is consistent with the Council's School Intervention and Support Policy.

Background

2. Schools that perform well place the success of all of their children and young people at the centre of all their activity. Academisation has resulted in 9 out of 10 secondary schools no longer being maintained by the Council. Of the remaining schools in Gateshead (Nursery, Primary and Special) only 4 have decided to become academies. Therefore, in Gateshead we have a polarised system with secondary education standards and performance the responsibility of the Regional Schools Commissioner and the Council retaining the responsibility for the clear majority of primary and special schools.

Statutory pupil performance data and results from Ofsted inspections suggests

- Maintained schools, in general, are performing well.
- Academic performance by the end of primary education is very strong with Gateshead attaining a national rank of 16 and 93% of primary schools being judged to be good or better.
- The special school sector is performing well with all schools judged to be good or better.
- Pupil progress slows in the secondary sector and there is a significant variation in the quality of education on offer to pupils, as judged by Ofsted. Only 1 school in this sector is maintained by the Council.
- There are still significant challenges for the Council in accelerating the performance of vulnerable groups, such as LAC, within Gateshead.

Consultation

3. The Cabinet Members for Children and Young People have been consulted.

Alternative Options

4. There are no alternative options.

Implications of Recommended Option

5. Resources:

- a) **Financial Implications** – The Strategic Director, Corporate Resources confirms there are no financial implications as a result of this report.
- b) **Human Resources Implications** – There are no specific implications arising from this report.
- c) **Property Implications** - There are no specific implications arising from this report.

6. **Risk Management Implication** - none
7. **Equality and Diversity Implications** - none at this stage
8. **Crime and Disorder Implications** – none
9. **Health Implications** - none
10. **Sustainability Implications** - none
11. **Human Rights Implications** -
12. **Area and Ward Implications** - none

Background Information

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education**Gateshead**

Yearly Report Service and School Performance



Raising achievement for all

1. Introduction

A key target for education Gateshead is to ensure that schools are performing well and providing Gateshead children and young people with the best start to life and preparing them for further learning, training or employment. Schools that perform well place the success of their children and young people at the centre of all their activity. Academisation has resulted in 9/10 secondary schools no longer being maintained by the Council. Of the remaining schools in Gateshead (Nursery, Primary and Special) only 4 have decided to become academies. Therefore, in Gateshead we have a polarised system with secondary education standards and performance the responsibility of the Regional Schools Commissioner and the Council retaining the responsibility for the clear majority of primary and special schools.

Each term the Council's school Inspection team assesses the performance of each school against the criteria identified in the School Intervention and Support Policy (SISP).

The purpose of "SISP" is to identify issues early in schools and to take appropriate action to improve the situation. This process is well established in the service and with schools.

There are three main sources of information that feed into the SISP process when judging the performance of school.

- i. The latest Ofsted Inspection: the relevance of the inspection findings is highly dependent on the time that has passed since the inspection.
- ii. Pupil Performance Data: our young people are assessed or tested regularly throughout their school careers. All this data is captured and analysed. This assessment data is extremely important in identifying whether pupils are making good progress but needs to be balanced with an understanding of the context of each school and sometimes with the specific "story" for each child or young person. The performance of specific vulnerable groups such as CLA, pupil premium and SEND is given particular attention.
- iii. First Hand Experience: each maintained school buys into an advice and support SLA that entitles the school to visits from a link inspector. It is the link inspector's role to work alongside the school staff to identify any areas of underperformance and then support the school to take appropriate action.

Performance of educationGateshead

Although the Learning and Schools Service consists of many teams, all of them contribute, to a greater or lesser degree, to the effectiveness of our schools. This report looks at two “proxy” and broad brush indicators that provide external objective evidence on the performance of educationGateshead in working alongside schools to give pupils the best possible education.

- i. Pupil Performance Data (Exam/assessment test results) achieved by Gateshead children/young people as a whole cohort and an analysis of Looked after Children. (academy performance is included)
- ii. Ofsted Inspection Results achieved by Gateshead schools.

2. Pupil Performance Data 2018

- i Pupil Performance Data 2018 All Gateshead Pupils

Early Years Foundation Stage

Statutory Assessment completed by the end of Reception.

	2016 % pupils achieving expected learning			2017 % pupils achieving expected learning			2018 % pupils achieving expected learning		
	England	North East	LA	England	North East	LA	England	North East	LA
Good level of development	69	68	68	71	71	70	72	71	70
LA – England GLD Gap			-1			-1			-2

Summary

Over recent years there has been a concerted effort by schools and educationGateshead officers to ensure a rise in the proportion of children achieving the expected level of development in every area of learning by the end of Reception.

The percentage of pupils in Gateshead showing a good level of development at the end of the Key Stage has increased from 64% to 70% over the last 4 years. This is broadly in line with the national figure (72%) and the regional figure (71%). Whilst this figure is pleasing, it is even more impressive when the children’s levels of development on entry are considered.

Challenges

The data show that the EYFS attainment in Gateshead is much improved and now broadly in line with national averages. Our ongoing challenge, in all schools, is to ensure that our young children are making good progress from their accurately assessed starting points and greater proportions are achieving “a good level of development”. Ofsted inspections commonly judge progress in EYFS to be good or better.

Key Stage 1 SATs

Statutory assessment taken at the end of Year 2.

These assessments have radically changed in recent years and, therefore, there is little trend data available. Well established “levels” have been replaced with assessments of below or at “expected standard”. The most able pupils may achieve at “greater depth”.

Percentage of pupils achieving the “expected standard”

	Reading		Writing		Mathematics	
	2017	2018	2017	2018	2017	2018
Gateshead	77	78	70	72	76	77
National	76	75	68	70	75	76
National Rank	45	28	52	41	61	50

Summary

Key Stage 1 data indicates that attainment by the age of 7 in Gateshead is, generally, in line with the national average when considering “expected standard”. Over the last few years attainment overall has increased at a greater rate in Gateshead than nationally and in neighbouring authorities. It is particularly pleasing to see that the proportion of children achieving at a “greater depth” also continues to keep pace with regional and national figures.

Challenges

Key Stage 1 SAT results are improving and this trajectory needs to continue. While this position is not seen in all Gateshead schools it is a common position. The challenge is to ensure that every school can demonstrate that all groups of pupils make strong progress from their starting points.

This is the third year of “non-level” assessment at Key Stage 1 and the data picture continues to be positive in Gateshead.

Key Stage 2 2017 SATs

Statutory Assessment taken at the end of Year 6 (final year of primary school) These assessments radically changed in 2016 with well established “levels” being replaced with assessments of below or at “expected standard”. The most able pupils may achieve at a “higher standard”.

Percentage of pupils achieving at the expected standard in Reading, Writing and Mathematics

	Expected Standard	
	2017	2018
Gateshead	68	70
National	61	64
National Rank	19	16

Summary

Gateshead’s performance continues to be above the national and regional averages by the end of key Stage 2 on the majority of measures. The Local Authority is in a strong position when compared to regional neighbours and the national picture.

The progress scores (new measure) also show that pupils in Gateshead make very strong progress across Key Stage 2 often ranking in or near the highest performing 10% of Local Authorities.

Challenges

On the majority of performance indicators Key Stage 2 attainment and progress measures are extremely positive. However, a key remaining challenge is to address the achievement gap between more vulnerable pupils and their peers at Key Stage 2. This is addressed on a school by school basis and in most cases any underperformance can be correlated to issues with the quality of teaching or impact of leadership.

This is the third year of new “tougher” and “non- levelled” assessments. The assessments have been highly controversial and still “label” only 64% of primary aged children as achieving the expected standard nationally. A greater focus on reading, writing and mathematics to increase test scores has had an impact on the quality of the wider curriculum. A new Ofsted inspection framework that assesses the quality and impact of the broader curriculum has the potential to ensure that primary age children, nationally, may see a less

English and mathematics dominated curriculum. The school improvement team will work very closely with schools in assessing the likely impact of the new inspection framework when it is released.

Key Stage 4 (GCSE/Equivalents)

These assessments radically changed in 2016 and, therefore, there is little trend data available. Essentially, the key assessment measure of the percentage of pupils achieving 5A*-C including English and mathematics has been replaced by two measures; attainment 8 – which gives an indication of actual GCSE performance across a range of subjects and progress 8 – which gives an indication of the progress across a range of subjects the students have made from their starting points at the end of the primary schools.

The KS4 system changed again for 2017 and 2018 with English and maths GCSEs using numbers and others staying with letters to grade performance which are then converted to points in a way that ‘penalised’ lower grades. The effect of this has been to bring points down nationally so figures aren’t directly comparable pre 2016.

Average Attainment 8 & Progress 8 Score

	Attainment 8 Score		Progress 8 Score	
	2017	2018	2017	2018
Gateshead	46.8	46.0	-0.12	-0.25
National	44.6	44.3	0	0
National Rank	55	72	97	131

Summary

The figures suggest that, overall, the typical Gateshead student gets better GCSE grades than students nationally or in the North East – and based on attainment alone Gateshead is the second highest performing authority in the north east and highest performing when compared to statistical neighbours. This assertion is supported by using the “old” 5A*-C including English and mathematics measure. However, given their very strong starting points, Gateshead students did not make as much progress as students nationally.

Challenges

As stated earlier in the report the Council does not maintain this sector of education in Gateshead with responsibility for performance resting with the Regional Schools Commissioner.

Variation in performance between schools remains a significant challenge. Within schools the performance gap between those students that are disadvantaged and their more advantaged peers continues to be an ongoing and complex problem to overcome.

Post 16 Performance

Post 16 assessment has again seen a significant change in the way it is presented and because of this there is little trend data.

Average Point Score per Entry

	*APS per Entry	
	2017	2018
Gateshead	36.39	31.68
National	33.23	33.05
National Rank	19	65

*Covers students at the end of advanced level study who were entered for at least one academic qualification equal in size to at least half (0.5) an A level or an extended project (size 0.3), or applied general or tech level qualification during their 16-18 study.

Summary

2018 saw a decrease in average points per entry in Gateshead. The decrease was reflected in the fall in the national ranking. On this measure Gateshead was the fifth highest performing LA in the North East.

ii. Pupil Performance Data 2018 (**looked after children**)

The performance of all children and young people is extremely important to the Council. However, those pupils that are most vulnerable are given a particular focus as education services attempt to reduce inequalities and ensure all learners thrive in Gateshead. In particular, our looked after children are all part of a virtual school with their own headteacher and a specific team (REALAC), that provides additional educational support. It is an ongoing challenge for the headteacher of the virtual school and REALAC to provide individualised support across all Gateshead schools to each LAC pupil. Historically, the LAC cohort has higher levels of SEND than seen in the non-looked after population and so direct comparisons between the groups are often not informative. However, individual pupils are tracked and resources are targeted when needed. Below is contextual and academic performance data for Looked after Children.

Looked after Children Numbers in and out of Borough per statutory age

Current Year Group	Jul-16	Jul-17	Nov-18
Year 11	35	34	34
Year10	26	23	21
Year 9	23	29	31
Year 8	25	19	24
Year 7	12	27	22
Year6	24	23	31
Year 5	20	18	30
Year 4	14	28	24
Year 3	24	27	12
Year 2	20	15	14
Year 1	17	12	12
Reception	4	6	19
Total	244	261	274

(Figures as of November 2018)

Special Educational Needs (SEN) and LAC

The following tables provide data relating to LAC with SEN, across a number of key stages and year groups.

Year	Single Plan	SEN Support
Reception	0	1
1	2	3
2	2	5
3	0	8
4	3	8
5	7	11

6	8	10
7	9	6
8	7	8
9	8	13
10	7	4
11	2	21
Total	55	98

(Figures as of November 2018)

Key Stage 1 SATs

Gateshead Year 2 Looked after Children cohort was 13 pupils. Below is a table showing results of their end of year assessments

Number Achieving Expected Level	6	6	6
Number in Cohort	13	13	13
% Achieving Expected Level			
Writing	46		
Reading		46	
Maths			46

The cohort was 13 in 2017-18 which is less than 2016-17 when it was 15.

6 Children have special educational needs – 46% of the cohort, this is a large increase on the previous year when it was only 13%. Of the 13 children, 7 were working below the expected standard for their age on entry to reception. All those pupils working at the expected early learning goals for their age achieved standards in writing, reading or maths.

The table below shows a comparison between Looked after Children Results at Key Stage 1 for 2017-18 and 2016-17.

	2017	2018
% Achieving Expected Level	13% SEND	46% SEND
Writing	80%	46%
Reading	80%	46%
Maths	87%	46%

Key Stage 2 SATs

Gateshead Year 6 Cohort was 18 pupils.

	LAC	All Gateshead
% Achieving Expected Level	61% SEN	
Writing	33%	82%
Reading	50%	80%
Maths	50%	81%
Writing, Reading and Maths	33%	70%
Grammar, Punctuation and Spelling	50%	84%

The Cohort in 2017-18 was 18 compared to 2016/17 when it was 20.

11 of 18 children were SEN – 61% of the cohort who were working below the expected standard on entry to key stage 1 with 7 at the expected standard. However, 9 children gained the expected level in reading, maths and grammar. Only one pupil didn't make the expected standard from their starting point in writing.

For the whole Year 6 population in Gateshead results were higher than the national average in all subjects. There is not as yet the national average for looked after children to compare averages for them. The Key Stage 2 results overall for Looked after Children for 2017-18 have risen in some areas such

as Reading and Maths and also Writing/Reading/Maths combined from the previous year.

Key Stage 4

Gateshead's Looked after Children Year 11 Cohort was 30 Children. Below is a table showing Provisional Results for their GCSE/Equivalent Results.

This year's GCSE's come under the new grading system, they are marked by a number system between 9 and 1, 9 would be the equivalent of a A* while 1 would be the equivalent of a G. 4 is the classed as a C which is seen as a standard pass. These examinations are generally accepted as being of a higher standard and, therefore, it is more challenging to attain the standard pass or above.

23 Looked after Children achieved 1 x GCSE Passes at Grade 1 or above.
17 Looked after Children achieved 5 x GCSE Passes at Grade 1 or above.
6 Looked after Children achieved 5 x GCSE Passes at Grade 4 or above.
3 Looked after Children achieved 5 x GCSE Passes at Grade 4 or above including English & Maths.

Please note – 63% were SEN of which 23% of the cohort attend Special schools and were not expected to make 5 (9-4) because of SEN needs. These pupils took other qualifications such as functional skills or may not be able to gain accredited courses through exams. The cohort for this year had a higher ratio of SEN children increasing from 56% in 2017 to 63% in 2018. 13% of the cohort attend PRU's because of being at risk of permanent exclusion.

Challenges

As our LAC are spread across Gateshead schools it is a greater challenge to identify underperformance because of weaker teaching or school leadership. In addition, due to the small cohort sizes year on year academic results can vary widely. However, our ambition is to ensure that all LAC thrive in school and are given as much additional resource as possible to overcome any barriers to learning. Accurate performance tracking, deep knowledge of individual children and young people and a supportive but challenging relationship with our schools and academies are the elements that we have

established to impact on the pupil progress. However, as corporate parents the performance of our LAC will always be an ongoing priority and focus.

3. Ofsted Inspection Findings

In Gateshead (the following figures refer to the summative grade or “Overall Effectiveness” grade given to each school in its last inspection and includes both maintained schools and academies):

- 88% of all schools are either good or outstanding
- 93% of primary schools are good or outstanding
- 100% of special schools are good or outstanding
- 44% of secondary schools are good or outstanding.
- 38% of all schools are outstanding (approx. 20% nationally)
- 1 secondary academy is judged to be inadequate.
- 1 secondary academy, technically, (Heworth Grange) has no judgement grade yet

Overall Effectiveness Ofsted Judgements at 1.1.19

School Group, Type and Status	Inadequate	Satisfactory/ Requires Improvement	Good	Outstanding	Good or Better
All Schools (83 Judgements)	1%	11%	50%	38%	88%
Primary (67)	0%	7%	55%	37%	93%
Secondary (9)	11%	44%	11%	33%	44%
Special (6)	0%	0%	50%	50%	100%
Other (1)	0%	0%	0%	100%	100%

Summary

The overall data suggests that the “typical” child makes good progress in the Gateshead school system ie from relatively low starting points, below the national average, they attain GCSEs that are often above the national average.

However, this simple positive narrative masks some significant ongoing issues ie

- Pupils, in general, make more rapid progress in primary education than they do in secondary.
- Too few (44%) secondary schools/academies are judged by Ofsted to provide a good standard of education – this variation in performance between schools is also apparent in pupil progress and attainment data.
- Not all groups of pupils achieve equally well in Gateshead and while progress has been made in accelerating the progress of the most vulnerable it continues to be an issue. In particular, Looked after Children, those eligible for pupil premium and those pupils with SEND.

The Council, at this time, has the resources to address issues of underperformance in its maintained nursery, primary and special schools. The Council’s approach of intervening and targeting resource in those schools that require support has proven to be successful for several years. The system for challenging and supporting underperforming academies rests outside of the Council and, so far, has not been successful in addressing the wide variation in pupil outcomes and performance. However, the Council will continue to carry out a desk top analysis of secondary academy performance to identify strengths and weaknesses. This analysis will be shared with the academies and the Regional Schools Commissioner.

The secondary sector will continue to see significant change in the short term that is outside of the Council’s direct control.

- Joseph Swan Academy will become part of the Emmanuel Foundation Trust.
- Thomas Hepburn Academy will close at the end of the 18/19 academic year.
- Heworth Grange Academy will be inspected as a part of the Consilium Multi Academy Trust.

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TITLE OF REPORT: **Nomination of Local Authority School Governors and Appointment of Academy Governors**

REPORT OF: **Caroline O'Neill, Strategic Director Care, Wellbeing and Learning**

Purpose of the Report

1. Cabinet is asked to nominate Local Authority and appoint Academy Governors to schools seeking to retain their Local Authority governor in accordance with The School Governance (Constitution) (England) Regulations and Article 51 (Articles of Association of Academies).

Background

2. Schools - The School Governance (Constitution) (England) Regulations require all governing bodies to adopt a model for their size and membership. The regulations prescribe which categories of governor must be represented and what the level of representation is for each. The Local Authority's nomination is subject to the approval of the governing body. If approved, the nominee is appointed by the governing body.
3. Academies - Academy Articles of Association (article 51) states the local authority may appoint a local authority governor to academies. The proposed appointee has received Disclosure and Barring Service clearance for appointment in an academy.

Proposal

4. It is proposed that Cabinet approves the nominations to schools as shown in appendix 1.

Recommendations

5. It is recommended that Cabinet:
 - (i) Approves the nomination for reappointment of Local Authority Governors and appointment of an Academy Governor to ensure the School Governing Bodies have full membership.
 - (ii) Notes the term of office as determined by the Schools' Instrument of Government and the Academy's Articles of Association.

Policy Context

1. Schools

In accordance with The School Governance (Constitution) (England) Regulations, local authorities can nominate any eligible person as a Local Authority governor. Statutory guidance encourages local authorities to appoint high calibre governors with skills appropriate to the school's governance needs, who will uphold the school's ethos, and to nominate candidates irrespective of political affiliation or preferences. A person is disqualified as a Local Authority governor if they are eligible to be a Staff governor at the same school.

2. Academies - Academy Articles of Association (article 51) states the local authority may appoint a local authority governor to academies. The proposed appointee has received Disclosure and Barring Service clearance for appointment in an academy.

Consultation

3. The Cabinet Member for Children and Young People has been consulted.

Alternative Options

4. The alternative option would be not to make a nomination/appointment to the vacancies, leaving governing bodies under strength and less likely to demonstrate the correct configuration.

Implications of Recommended Option

5. Resources:

- a) **Financial Implications** - The Strategic Director, Corporate Resources confirms there are no financial implications arising from this report.
- b) **Human Resources Implications** - None
- c) **Property Implications** - None

6. **Risk Management Implication** - None

7. **Equality and Diversity Implications** - None

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

9. **Health Implications** - None

10. **Sustainability Implications** - None

11. **Human Rights Implications** - None

12. **Area and Ward Implications** - None

13. Background Information

The School Governance (Constitution) (England) Regulations.

14. Local Authority and Academy Governor Nominations

Schools

In accordance with the School Governance (Constitution) (England) Regulations 2012, the following Local Authority governors and Academy Governor are nominated for a period of four years (as stipulated in the individual Instruments of Government) with effect from the dates stated below:

School	Nomination	Date from
Birtley East Primary School	Cllr Mary Foy	13 th February 2019
Caedmon Primary School	Cllr John Adams	19 th March 2019
Falla Park Primary School	Cllr Paul McNally	12 th April 2019
Kells Lane Primary School	Mr Michael Hetherington	2 nd March 2019
Lord Lawson Academy	Sheila Gallagher (new appointment)	31 st January 2019
Winlaton West Lane Primary School	Cllr Julie Simpson	1 st July 2019

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TITLE OF REPORT: Baltic Quarter – Site Investigation works

REPORT OF: Anthony Alder, Acting Strategic Director, Communities & Environment

Purpose of the Report

1. To seek approval for the Council to enter into a contract with Perfect Circle JV Limited under the Scape Framework to provide Phase 2 Site Investigations at Baltic Quarter.

Background

2. In October 2018, the Council entered into a Delivery Agreement (Contract) with Perfect Circle JV Ltd under the Scape National Built Environment Consultancy Services Framework to provide Phase 1 Desk Top Site Investigation report for the whole of Baltic Quarter in Council ownership, at a cost of £22,053. This was to facilitate taking the land at Baltic Quarter out to the market in early 2019, by providing supporting information to potential developers regarding ground conditions and potential contamination issues at the site.
3. To facilitate the development of Gateshead Quays, supporting key strategic infrastructure is required to be brought forward on Baltic Quarter, due to its proximity to the Quays site. It is intended to progress the next stage of site investigations – Phase 2 Intrusive studies in areas on Baltic Quarter where this infrastructure is proposed to be located.
4. As Perfect Circle JV Ltd were engaged in the Phase 1 site investigations and have the previous knowledge and experience in respect to the site, costs have been obtained from Perfect Circle JV Ltd for the provision of the Phase 2 works which is in the region of £140,000. The final costs are currently being clarified with Perfect Circle JV Ltd.

Proposal

5. That the Council enter into an additional Contract via the Scape Framework with Perfect Circle JV Ltd to provide Phase 2 Site Investigations at Baltic Quarter at a cost not exceeding £150,000.
6. The Phase 2 investigation is for areas on Baltic Quarter that would house key strategic infrastructure requirements essential to support the Gateshead Quays development including a proposed new Multi Storey Car Park (MSCP) and a new North / South road to allow access/egress to the Felling by-pass. The results of the investigations will help inform detailed design for both. On completion the MSCP and the road will also facilitate the wider development of the Baltic Quarter site. These schemes will be the subject of a further report to Cabinet.

Recommendations

7. It is recommended that Cabinet;
- (i) Retrospectively approves the obtaining of a tender using the Scape Framework from Perfect Circle JV Ltd to provide Phase 2 Site Investigations at Baltic Quarter; and
 - (ii) Authorises the acceptance of the final contract price at a cost not exceeding £150,000 by the Acting Strategic Director, Communities and Environment following consultation with the Strategic Director, Corporate Resources and subject to agreeing the form of Contract for the Works with Perfect Circle JV Ltd by the Strategic Director, Corporate Services and Governance (in accordance with the Constitution),

For the following reasons:

- (i) To ensure that supporting infrastructure for Gateshead Quays is brought forward in a timely manner.
- (ii) To ensure supporting infrastructure and access requirements to facilitate the wider development of Baltic Quarter are provided.

Policy Context

1. The proposed site investigations will support the development of key development sites which is consistent with the overall vision for Gateshead as set out in Making Gateshead a Place Where Everyone Thrives.
2. The proposal will also accord with the provisions of the Corporate Asset Strategy and Management Plan 2015-2020. In particular, the use of assets to deliver economic growth.

Background

3. With over one million visitors each year, Gateshead Quays is one of the UK's most iconic waterfront locations. The area has seen huge transformation over the last 15 years and is now a thriving cultural destination, home to many world-class attractions.
4. The Council, along with its Development Partners, Ask Real Estate and Patrizia UK Limited (A&P), are bringing forward a £250m purpose-built entertainment Arena, Conference and Exhibition Centre on Gateshead Quays, which will bring huge economic benefits to the area.
5. Baltic Quarter (BQ) lies to the south of the Gateshead Quays area and is located within the Gateshead Urban Core. The site comprises almost 18 hectares (ha) of land of which around 14.5 ha are in Council ownership. Identified as Gateshead's premier office location - Baltic Quarter is part of an exciting and coherent proposition for the Gateshead Urban Core that brings together commercial, housing and regeneration activities to promote highly visible, high quality development, economic growth, business investment and jobs.
6. The area is a destination of choice for innovation clusters, high growth businesses and leading-edge institutions to locate and is the single biggest high-value jobs generator in Gateshead. A thriving urban cluster of high technology companies and their supporting cast of universities, colleges, financiers, professional services and support organisations, Baltic Quarter is the 'go to' place for demand led tech solutions.

Consultation

7. In preparing this report consultation have taken place with the Leader and Deputy Leader, Cabinet Members for Housing and Economy, and Ward Members for the Bridges Ward.

Alternative Options

8. The alternative options are:
 - i. not to agree to enter into a Contract via the Scape framework and the Council to procure the works through another means. This has been discounted. The Scape Framework is OJEU compliant and due to the value of the contract

offers competitive and fixed rates. Alternate procurement OJEU compliant procurement routes would delay the progress of the works.

- ii. not to agree to enter into a Contract and not to progress the site investigation works. This has been discounted as it could delay the progression of key strategic infrastructure required to bring forward Gateshead Quays.

Implications of Recommended Option

9. Resources

a) Financial Implications – The Strategic Director, Corporate Resources confirms that the financial resources are included within the Capital Programme.

b) Human Resources Implications – none.

c) Property Implications – none.

10. Risk Management Implication - There are no risk management implications arising from this report

11. Equality and Diversity Implications - There are no equality and diversity implications arising from this report

12. Crime and Disorder Implications – There are no crime and disorder implications arising from this report

13. Health Implications – there are no health implications arising from this report

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 - Bridges ward in the Central area.

TITLE OF REPORT: Electricity Tariffs for Gateshead HEIGHTs Project

REPORT OF: Anthony Alder, Acting Strategic Director, Communities and Environment

Purpose of the Report

1. To approve the electricity tariffs chargeable to residents of the Gateshead HEIGHTs project

Background

2. The Gateshead HEIGHTs (High Rise Energy Infrastructure for Gateshead Housing Tenants) project has installed new district heat and/or power systems to 7 High Rise Housing blocks in the Town Centre and Harlow Green.
3. Power supply to customers in Barford and Stretford Courts is due to commence early in 2019, and the starting power tariff needs to be approved.

Proposal

4. The power tariffs for Barford and Stretford Courts to 31 March 2020 have been set as follows:
 - The Council aims to provide the lowest tariff on the market for customers.
 - Power tariff for 2019/20 is proposed at 14.86 p/kWh, with a standing charge of 18.61 p/day.
 - All tariffs are inclusive of VAT

Recommendations

5. It is recommended that approval is given to agree the power tariffs for 2019/20 of 14.86 p/kWh, with a standing charge of 18.61 p/day inclusive of VAT.

For the following reasons:

- (i) To ensure cost savings are delivered to residents of the HEIGHTs scheme.
 - (ii) To ensure the HEIGHTs scheme recovers its operating and construction costs over its lifetime.
-

Contact: Anthony Alder Extension: 3402

Policy Context

1. On a local level, the proposals will contribute to the delivery of many targets within Vision 2030, strategic interventions within “Making Gateshead a Place where Everyone Thrives”, the Council’s Climate Change Strategy and other Council strategies and commitments, specifically:
 - Helping to alleviate fuel poverty for residents, by providing lower cost heat;
 - Reducing energy consumption and carbon emissions of homes and public buildings in the borough.
 - Reducing carbon emissions of homes and public buildings.
2. The proposal will also accord with the provisions of 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;

Background to Gateshead HEIGHTs

3. The Gateshead HEIGHTs project has installed low-carbon heat and power generation plant in seven high rise blocks in Gateshead, to reduce carbon emissions of those homes, and reduce energy costs for residents, as follows:
 - Regent Court – heat only supplied direct to tenants from town centre district energy scheme.
 - Ripley, Willerby, Acomb, Bedale, Angel courts – heat only, supplied from Ground Source Heat pumps.
 - Stretford, Barford – heat and power supplied direct to tenants, from combined heat and power generation plant.
4. The project was funded by the Council’s Housing Revenue Account, using £4.5m grant from the European Regional Development Fund.
5. As a result of the Council’s objectives for the project, and the terms of the funding:
 - EU funding rules mean the scheme cannot make a profit.
 - The Council wants to reduce tenants and leaseholders energy costs by at least 10%
 - The Council needs to fully recover its investment over the lifetime of the scheme
6. In February 2018, heat tariffs were set for the scheme, which estimated that in the first year, would deliver a saving of more than 10% to residents from the new heat supply alone.
7. New heating systems were installed, with heat supply to residents commencing from May 2018 and completing in December 2018. A total of 620 homes now receive heat under the Gateshead HEIGHTs scheme.

8. In addition, from early 2019, the Council will become the electricity supplier to 154 homes within Barford and Stretford Courts, which has the potential to provide further benefits to residents of these blocks. To facilitate this, the Council has contracted with Emrgnt Ltd and Robin Hood Energy, to enable the electricity supply to be managed in line with UK electricity regulations (as approved by Cabinet on 18 December 2018).

Proposed Power Tariffs

9. The Council aims to become the electricity supplier to customers in Barford and Stretford Courts, and has recently appointed contractors to provide the ancillary services (metering, billing, and compliance with electricity regulations) required to achieve this.
10. As for all Gateshead HEIGHTs sites, revenues from selling power are required to cover ongoing operation and maintenance costs, and to recover the Council's initial investment in the scheme.
11. For technical and safety reasons, the Council will migrate all customers onto its supply contract initially, to allow the new private-wire electricity distribution systems in the blocks to be commissioned, and the old systems decommissioned.
12. Unlike heat, electricity supply is regulated, and under regulations customers have the right to choose their supplier, even on private wire networks. Once the system is commissioned, customers can move away to another supplier if they so choose, therefore in setting tariffs the Council seeks to offer the lowest tariff on the market to incentivise customers to stay.
13. At the time of this report, the 5 cheapest 12-month fixed price tariffs are listed in Appendix 2 and have an average price of 15.65 pence per kilowatt hour, with a 19.6 pence per day standing charge. An average is taken, as there is variability in the tariff structures, between the unit rate and standing charge.
14. Whilst residents at these blocks have already benefited from savings of more than 10% from the new heat tariffs, the proposed power tariff for Barford and Stretford Courts is set to provide further savings for 2019/20, by being 5% lower than the average of the cheapest 5 tariffs, as follows:
 - Power tariff to 31 March 2020 is proposed at 14.86 p/kWh, with a standing charge of 18.61 p/day.
 - All tariffs are inclusive of VAT
15. As with heat tariffs, power tariffs will be revised annually on 1st April each year, in line with market variations in power prices.

Alternative Options

16. **Set lower power tariffs.** In this scenario, whilst residents would benefit from reduced bills, the Council is unlikely to recover its costs.
17. **Set higher power tariffs.** In this scenario, the Council would be able to repay the scheme costs quicker and have more financial reserves in the event that future income generation was lower than expected, but could face potential grant

clawback from ERDF. Also, savings to residents would be reduced or removed, which would severely impact on the satisfaction that residents would have for the scheme.

Consultation

18. The Cabinet Members for Environment and Transport and Ward Councillors have been consulted and support the proposals.

Implications of Recommended Option

19. Resources:

(a) **Financial Implications** – The Strategic Director, Corporate Resources, confirms that the power tariffs proposed in this report are consistent with those included within the approved business case and ensure the scheme complies with the ERDF grant funding conditions..

(b) **Human Resources Implications** – Scheme administration will be provided by existing staff within Energy Services, and specialist services have been procured.

(c) **Property Implications** - The scheme is part of a scheme to provide a modernised heating system for 7 tower blocks included in the scheme including new wet distribution systems, radiators and heat meters within resident's flats. It will also provide low carbon heat and power.

20. **Risk Management Implications** – The power tariff will determine the amount of revenue received by the Council, and the level of costs for residents. Tariffs have been set to achieve the optimal balance between the two, reducing risks of Council undercovering costs, and risk of residents choosing other suppliers.

21. **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 customer groups, including all equality and diversity groups. Customers will be allowed to register as vulnerable, to benefit from additional protection (e.g. increased emergency credit)

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

23. **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.

24. **Sustainability Implications.** - The scheme will reduce domestic carbon emissions in Gateshead by reducing energy consumption and replacing existing heating with lower carbon alternatives.

25. **Human Rights Implications** - Nil

26. **Area and Ward Implications** - The scheme is in Chowdene Ward in the South area.

Background Information

- 27. ERDF Low Carbon grant funding applications, Cabinet Report, July 2016. ERDF grant award, Nov 2016, Fabric Scheme contract award, March 2017. Heat tariff setting, Feb 2018. Licenced supplier contract award Dec 2018

Appendix 2. Power tariff tables

Available tariff, through price comparison sites as of January 2019

Supplier (12 month fixed, single rate tariff)	Standing Charge, pence per day	Tariff, pence per kWh	Annual bill (assuming 2,000 kWh/yr)
Bristol Energy	19.77	15.66	£385
Octopus	21.37	14.84	£375
PFP	18.29	15.89	£385
npower	15.54	16.49	£386
Green energy network	23.00	15.36	£391
Average Top 5	19.59	15.65	£384
Discount to apply	5%	5%	5%
Barford / Stretford tariff	18.61	14.86	£365

TITLE OF REPORT: Cleveland Hall Community Association
Lease Arrangements

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

Purpose of the Report

1. To seek approval to (i) the surrender of the existing Lease and grant of a new Lease of Land and Buildings at Cleveland Hall Community Club and (ii) termination of the Partnership Agreement.

Background

2. The property known as Land and Buildings at Cleveland Hall Community Club, shown edged black on the attached plan, is currently leased to The Trustees of Cleveland Hall Community Association (CHCA). The Lease was originally granted for a term of 25 years from 13 May 2008: this Lease was surrendered and a new 25 year Lease was granted from 6 March 2013. Under the terms of the Lease CHCA has full responsibility for repairs.
3. Alongside the original Lease, the Council and CHCA entered into a Partnership Agreement (the Agreement). The Agreement is still in place and sets out the running costs that the Council is responsible for throughout the duration of the Agreement. The costs incurred by the Council were £51,983 in 2016/17 and £25,005 in 2017/18.
4. The Agreement was subject to review on the 5th anniversary of the commencement of the agreement i.e. 13 May 2013, and annually thereafter with a view to reducing and eventually eliminating, if practicable, the revenue burden borne by the Council in relation to the property.
5. Following lengthy discussions with CHCA they have agreed to the Agreement being terminated on 31 March 2019, thus ending the Council's on-going financial support on that date. In return the Council has undertaken a range of repairs and improvements to the land and buildings at a cost of £101,996.
6. Terms have also been agreed for the surrender of the existing Lease and the grant of a new 35 year Lease. The new Lease is to commence on 1 April 2019 and will be at a peppercorn rent. Following the disposal of the adjacent site for housing the new lease also includes a small additional area of land shown hatched black on the attached plan.

Proposal

7. It is proposed that the existing Lease is surrendered and a new Lease for a term of 35 years is agreed.
8. It is also proposed that the Partnership Agreement is terminated with effect from 31 March 2019.

Recommendations

9. It is recommended that Cabinet:-
 - (i) Approves the surrender of the existing Lease and the grant of a new Lease for a term of 35 years as set out in this report.
 - (ii) Approves the Partnership Agreement being terminated with effect from 31 March 2019.

For the following reason:

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

CONTACT: Steve Hayles ext. 3466

APPENDIX: Cleveland Hall Community Association: Lease Arrangements

Policy Context

1. The proposal is consistent with the overall vision for Gateshead as set out in Making Gateshead a Place Where Everyone Thrives. In particular, using provision of community facilities to support and encourage people to improve their health and wellbeing.
2. The proposal will also accord with the provisions of the Corporate Asset Strategy and Management Plan 2015-2020. In particular, using assets for the benefit of residents and ensuring they are effectively managed.

Consultation

3. In preparing this report, consultations have taken place with the Leader, Deputy Leader and Cabinet Members for Communities and Volunteering. Ward Councillors for High Fell have also been consulted. There are no objections.

Alternative Options

4. The alternative option was to continue with the existing arrangements but to do so would mean that the opportunity would have been lost to make revenue savings and improve the facilities at the property.

Implications of Recommended Option

5. Resources:

- i. **Financial Implications** – The Strategic Director, Corporate Resources confirms that the renewal of the lease on the terms agreed will result in revenue savings of £20,127 per annum as all running costs will become the responsibility of Cleveland Hall Community Club from 1 April 2019.
- ii. **Human Resources Implications** – There are no implications arising from this recommendation.
- iii. **Property Implications** – The proposal will ensure the long term future of the building and mitigate the Council's financial liability for the property.

6. **Risk Management Implications** – There are no implications arising from this recommendation.

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

8. **Crime and Disorder Implications** – There are no implications arising from this recommendation.

9. **Health Implications** – There are no health implications arising from this recommendation.

10. **Sustainability Implications** – There are no sustainability implications arising from this recommendation.
11. **Human Rights Implications** – There are no implications arising from this recommendation.
12. **Area and Ward Implications** – High Fell in the South area.
13. **Background Information** – None.



Title

**Lease Cleveland Hall Community Association
Lyndhurst Centre, Gateshead**

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Drawing Number

Rev



Legal, Democratic and Property Services
Corporate Services and Governance
Gateshead Council

Scale

1:2500

Date Created

19th December 2018

Drawn By

Chris Aslam

Date Printed

Page 191

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REPORT TO CABINET
22 January 2019

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 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.

Proposal

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

Recommendations

4. It is recommended that Cabinet notes 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 Thrive agenda.

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

DATE RECEIVED	REF	FROM	ISSUE	FORWARDED TO	ACTION TO DATE
14.02.18 Submitted to Strategic Director, Corporate Services and Governance	01/18	Petition from GMB	Petition against the proposed parking restrictions on Shearlegs Road, Albany Road and Park Road	Strategic Director, Communities and Environment	The petition has been received in response to the Council's transport consultation on proposed waiting restrictions in the Shearlegs Road area. The petition is being considered together with other representations received.
19.07.18 Submitted to Councillor Dick	05/18	Petition from residents of Victoria Avenue, Felling	Petition requesting the enforcement of traffic calming on Victoria Avenue	Strategic Director, Communities and Environment	The lead petitioner has been advised that the area will be considered for inclusion in the next tranche of 20mph schemes. It is proposed that the petition be removed from the schedule.
20.09.18 Submitted to Councillor Dick	06/18	Petition from residents of Stoneygate Lane, Felling	Petition requesting the introduction of a residents parking scheme.	Strategic Director, Communities and Environment	Following an examination of the petitioners' request, the lead petitioner has been advised that no further action will be taken on this matter. It is proposed that the petition be removed from the schedule.
14.11.19 Submitted to Strategic Director, Corporate Services and Governance	09/18	Petition from Residents of Meadowbrook Drive, Wardley	Petition objecting to the introduction of additional road humps	Strategic Director, Communities and Environment	Through the legal process the decision has been taken to proceed with the scheme as advertised. The lead petitioner will be responded to shortly.
19.12.18 Submitted to	10/10	Petition from residents of Wardley	Petition objecting to the proposed traffic regulation	Strategic Director,	The petition is currently being considered by officers.

Strategic
Director,
Corporate
Services and
Governance

and surrounding area

order for Sunderland Road.

Communities
and
Environment

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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