

CABINET AGENDA

Tuesday, 22 June 2021 at 10.00 am in the Council Chamber - Civic Centre

(Please enter the Civic Centre from the car park entrance)

From the Chief Executive, Sheena Ramsey

Item	Business
1	Apologies for absence
2	Minutes (Pages 3 - 10) Cabinet is asked to approve as a correct record the minutes of the last meeting held on 25 May 2021. Key Decision
3	Contract Award for District Energy Extensions (Pages 11 - 18) Report of the Strategic Director, Economy, Innovation and Growth Recommendations to Council
4	Zero Carbon Heat Strategy (Pages 19 - 46) Report of the Strategic Director, Economy, Innovation and Growth
5	Treasury Annual Report 2020/21 (Pages 47 - 60) Report of the Strategic Director, Resources and Digital Non Key Decisions
6	Supporting Communities and Voluntary, Community and Social Enterprise (VCSE) Partners (Pages 61 - 64) Report of the Strategic Director, Children, Adults & Families and Director of Public Health
7	Surplus Declaration and Community Asset Transfer of the Training Room & Bowling Green, Saltwell Park (Pages 65 - 70) Report of the Strategic Director, Housing, Environment and Healthy Communities
8	Nomination of a Local Authority School Governor (Pages 71 - 74) Report of the Strategic Director, Children, Adults and Families

9 | **Petitions Schedule** (Pages 75 - 80)

Report of the Strategic Director, Corporate Services and Governance

10 | **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 on the grounds indicated:

Item	Paragraph of Schedule 12A to the Local Government Act 1972
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11 | **Closure of a Promoting Independence Centre** (Pages 81 - 86)

Report of the Strategic Director, Children, Adults and Families

Contact: Kevin Ingledew Email: keviningledew@gateshead.gov.uk, Tel: 0191 4332142,
Date: Monday, 14 June 2021

GATESHEAD METROPOLITAN BOROUGH COUNCIL

CABINET MEETING

Tuesday, 25 May 2021

PRESENT: Councillor M Gannon

Councillors: C Donovan, J Adams, M Brain, A Douglas,
G Haley and M McNestry

Also in attendance: Councillor JC Wallace

C1 **APOLOGIES FOR ABSENCE**

Apologies for absence have been received from Councillors L Green, J McElroy and B Oliphant.

C2 **MINUTES**

The minutes of the last meeting held on 20 April 2021 were approved as a correct record and signed by the Chair.

C3 **PROCUREMENT AND CONTRACTS REPORT**

Consideration has been given to the procurement and award of contracts.

- RESOLVED -
- (i) That the Service Director, Corporate Commissioning and Procurement be authorised to invite or negotiate tenders or conduct other procurement processes in respect of the contracts listed in appendix 2 to the report and to award the relevant contracts to the tenderers submitting the most economically advantageous tenders (or otherwise proving successful in accordance with other procurement processes) in accordance with the Contract Procedure Rules.
 - (ii) That updated reports continue to be submitted to Cabinet twice per year.

The above decisions have been made for the following reasons:

- (A) To enable the procurement of goods, works and services required for the efficient and effective delivery of services.
- (B) To enable Cabinet to be updated with progress and changes to the procurement forward plan.

C4

OUTCOME OF BID TO THE NATIONAL LOTTERY COMMUNITY FUND (PARTNERSHIPS) PROGRAMME

Consideration has been given to the acceptance of a funding offer of £499,500 from the National Lottery Community Fund (NLCF) and its associated grant terms and conditions, to support delivery of the Partnerships project “Locality Working in Gateshead: Towards Recovery and Growth”.

- RESOLVED -
- (i) That the NLCF funding offer be formally accepted by the Council, as lead partner for the project and that officers be authorised to agree to the terms and conditions of the grant offer.
 - (ii) That officers be authorised to provide NLCF with written confirmation that:
 - the matched funding is in place and ready to use for project delivery;
 - the Council will inform NLCF in writing if there are any changes to the provision of the funding; and
 - the funding will be kept in a dedicated ring-fenced budget.

The above decisions have been made for the following reasons:

- (A) To enable the NLCF funding offer to be secured on behalf of the Council and its partners.
- (B) To enable the overall project “Locality Working in Gateshead: Towards Recovery and Growth” to be delivered in full.

(Councillors J Adams and M McNestry declared personal and non pecuniary interests in the above matter because they are members of partnership organisations involved in the bid and delivery of the Partnerships project “Locality Working in Gateshead: Towards Recovery and Growth”).

C5

SUPPORTING COMMUNITIES AND VOLUNTARY, COMMUNITY AND SOCIAL ENTERPRISE (VCSE) PARTNERS

Consideration has been given to an update on national funding allocations for the COVID-19 response and in particular to set out the funding support provided to VCSE partners to enable and scale up essential activities.

- RESOLVED -
- (i) That the position in relation to the allocation of funding received from the Test and Trace Grant, the Contain Outbreak Management Fund, the Community Champion programme and the Department of Works and Pensions (DWP) winter grants funding as set out in the report be noted.

- (ii) That the allocation of the Covid Local Support Grant as set out in the report be approved.
- (iii) That the proposed small grants to VCSE partners as set out in the report be noted and the Director of Public Health be authorised to allocate the remainder of the funding available for small grants.

The above decisions have been made for the following reasons:

- (A) To enable delivery of the Ministry of Housing, Communities and Local Government Covid Champion programme.
- (B) To enable the DWP Local Support Grant to be distributed (previously known as the DWP Winter Grant programme) before the deadline of 20th June, as failure to do so will result in the clawback of the funding.

C6

COMMUNITY RENEWAL FUND

Consideration has been given to the Council, as 'lead authority' inviting, appraising and submitting bids to the Ministry of Housing, Communities and Local Government (MHCLG) for the UK Community Renewal Fund (UKCRF).

- RESOLVED -
- (i) That the Strategic Director, Economy Innovation & Growth, following consultation with the Strategic Director, Resources & Digital and Strategic Director, Corporate Services & Governance and relevant portfolio holder(s) be authorised to review and approve the submission of a shortlist of bids to the value of no more than £3 million to MHCLG.
 - (ii) That the Strategic Director, Economy Innovation & Growth, following consultation with the Strategic Director, Resources & Digital and Strategic Director, Corporate Services & Governance be authorised to agree the terms of a resulting contract with MHCLG and 'pass down' contracts with successful bidders to the Community Renewal Fund and provide an update to Cabinet on the outcome.
 - (iii) That Strategic Director, Housing, Environment & Healthy Communities following consultation with the Strategic Director, Resources & Digital and Strategic Director, Corporate Services & Governance, and the Leader or relevant portfolio holder(s) be authorised to approve Council bids for inclusion in the shortlist of bids to MHCLG.

The above decisions have been made for the following reasons:

- (A) To pursue opportunities to access monies from the Community Renewal Fund to benefit local residents and businesses.
- (B) To pursue opportunities to influence the Shared Prosperity Fund to deliver Council priorities.

- (C) To ensure that the Council is able to meet the requirements of the timetable set out by Government.

C7 **LOCAL TRANSPORT PLAN: CAPITAL PROGRAMME YEAR END REPORT (APRIL 2021)**

Consideration has been given to an update on the Local Transport Plan Capital Programme, which provides a summary of the progress that has been made in the 2020/21 financial year, as well as confirming programmes for integrated transport and maintenance schemes scheduled for 2021/22.

- RESOLVED -
- (i) That the proposed programme for integrated transport and maintenance schemes for 2021/22 as set out in appendices D and E be approved and it be noted that there may be a need to review these as the year progresses in line with available resources.
 - (ii) That the Service Director, Highways and Waste be authorised to award the relevant works under the terms of the Highways, Drainage and Street Lighting Maintenance Contract.
 - (iii) That the Service Director, Planning Policy, Climate Change and Strategic Transport be authorised to make changes to the approved programme following consultation with the Cabinet Member for Environment and Transport, as and when the need arises.

The above decisions have been made to enable the design and implementation of transport schemes in support of the North East Transport Plan and the Council's policy objectives.

C8 **CHARGING AND FINANCIAL ASSESSMENT FOR ADULT CARE AND SUPPORT SERVICES**

Consideration has been given to recommending the Council to approve changes to policy on Charging and Financial Assessment for Adult Care and Support Services and which have been the subject of consultation with stakeholders.

- RESOLVED -
- That the Council be recommended to approve the proposed policy change for Charging and Financial Assessment for Adult Care and Support Services with effect from 1 June 2021 and on the basis set out in the report.

The above decision has been made for the following reasons:

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

receiving care and support services, which is in line with the Thrive agenda and ethos.

C9

PROPOSALS FOR CORPORATE PARENTING ARRANGEMENTS

Consideration has been given to the proposal to redesign the current corporate parenting governance structure and introduce a Corporate Parenting Panel/Board with an internal and external partnership membership.

- RESOLVED -
- (i) That the proposal to redesign the current corporate parenting governance structure and introduce a Corporate Parenting Panel/Board with an internal and external partnership membership (details of membership of the Board to be agreed by Cabinet at a future meeting) be endorsed.
 - (ii) That the Council be recommended to:
 - a) Agree to dissolve the Corporate Parenting OSC Sub-Committee and for scrutiny of the Council's Corporate Parenting role to be placed specifically within the remit of the Families OSC, with agenda items relating to the Corporate Parenting role prioritised within specific meetings in its work programme.
 - b) Endorse the proposal to develop a robust relationship between the Board, Overview and Scrutiny and the Corporate Partnership group to pursue continual improvement in the delivery of the Council's Corporate Parenting Strategy, including applying the learning from other local authorities
 - c) Endorse the proposal that there should be regular mandatory training for all elected members in relation to the Council's Corporate Parenting role.

The above decisions have been made for the following reasons:

- (A) To ensure that the Council meets its statutory responsibilities.
- (B) To ensure that the Council has a robust and strong governance arrangement to scrutinise their corporate responsibilities for Looked After Children.

C10

CARE LEAVERS COVENANT

Consideration has been given to recommending the Council to agree the Care Leavers Covenant and to further develop the Council's work with Spectra First, to benefit Gateshead's Care Leavers by becoming a trailblazer organisation.

- RESOLVED -
- That the Council be recommended to:
 - (i) Endorse the Care Leavers Covenant as set out in the report.

- (ii) Agree to sign up as a trailblazer organisation.

The above decisions have been made for the following reasons:

- (A) To strengthen the Council's offer to Care Leavers.
- (B) To improve the local offer by promoting the Covenant.

C11 APPOINTMENTS TO ADVISORY GROUPS, OTHER BODIES OF THE COUNCIL, JOINT COMMITTEES AND OUTSIDE BODIES

Consideration has been given to the nominations of the Labour and Liberal Democrat Groups and the Independent Councillor to advisory groups, other bodies of the Council, joint committees and outside bodies.

RESOLVED - That the nominations of the Labour and Liberal Democrat Groups and the Independent Councillor as set out in appendices 2 to 4 of the report be approved.

The above decisions have been made for the following reasons:

- (A) To ensure that the views of the political groups are taken into account when the appointments are made.
- (B) To ensure that the most appropriate councillors are appointed to each body.

C12 EXCLUSION OF THE PRESS AND PUBLIC

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

C13 INTERMEDIATE CARE PROPOSALS

Consideration has been given to an increase in the acquisition cost of the proposed new Intermediate Care Centre (known as River View), located at Split Crow Road, Felling and a corresponding increase in the capital programme allocation.

- RESOLVED -
- (i) That the cost increase for the planned development as set out in the report be approved.
 - (ii) That the Strategic Director, Economy, Innovation & Growth, following consultation with the Strategic Directors for Corporate Services & Governance, Resources & Digital and Children, Adults & Families, be authorised to agree the final terms of the acquisition.

The above decisions have been made for the following reasons:

- (A) To enable a cost effective and efficient model of Intermediate Care, based on clinical best practice.
- (B) To ensure the Borough's Intermediate Care estate is fit for the future.

C14 **INSURANCE CLAIM SETTLEMENT - DELEGATED DECISION TAKEN BY OFFICERS**

Consideration has been given to an urgent decision taken by the Strategic Director, Corporate Services and Governance Resources, following consultation with the Insurance Manager and Corporate Finance Manager, Resources and Digital to make a payment in full and final settlement of a claim against the Council.

RESOLVED - That the decision taken by the Strategic Director, Corporate Services and Governance, following consultation with the Insurance Manager and Corporate Finance Manager, Resources and Digital, in accordance with the urgency procedure as set out in Part 3, Schedule 5 - General Delegations to Managers of the Council's Constitution, be noted.

The above decision has been made to ensure openness and transparency with the decisions made by officers.

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: 26 May 2021

Chair.....

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REPORT TO CABINET
22 June 2021

TITLE OF REPORT: Contract Awards for District Energy Extensions

REPORT OF: Peter Udall, Strategic Director, Economy, Innovation and Growth

Purpose of the report

1. To seek approval to award contracts to PPSL Ltd for the installation of the heat/power network assets and to Gateshead Energy Company Limited (GEC) for energy supply and connection agreements to four Council buildings.

Background

2. In December 2020, the Council secured a £7.5m grant from the Public Sector Decarbonisation Scheme, to fund the following works:
 - i. Installation of solar PV systems to Council buildings, and 2 urban solar parks; and
 - ii. Extension of the Gateshead District Energy Scheme, to 4 council-owned buildings – Park Road and Shearlegs Road depots, Gateshead Stadium, and Gateshead Academy of Sport.
3. Detailed design of the works has been ongoing, and the solar PV element, at ca. £3m, has been procured, with contracts awarded, as agreed by Cabinet in March 2021. Design and procurement of the heat/power network extensions has been ongoing.

Proposal

4. To deliver the heat/power network extension the Council has already commissioned network designs from Gateshead Energy Company. These designs have been used to inform the procurement of the works to install the networks as follows:
5. **Heat network / fibre network / power ducts.** The Council has issued an Invitation to Tender for works to install these assets, through the Council's Dynamic Purchasing System.
6. Two tenders were received from the following:
 - i. PPSL Ltd
 - ii. Morrisons Energy Services Ltd
7. Following a full evaluation, the tender received from PPSL Ltd scored the highest combined price / quality score, based on a 50 / 50 weighting between price and quality. It is recommended that PPSL Ltd be awarded the Contract.

8. **Power connections / heat network and customer commissioning.** As per Appendix 1, the Council has determined that GEC is the sole supplier that can provides these services.
9. It is proposed to enter into Energy Supply and Connection Agreements with GEC Ltd, for the four buildings below, so that the Council can complete and commission customer energy connections (at a cost of £0.9m), to secure long term low cost, low carbon energy supply (valued at £0.9m over 5 years) for these sites below:
- i. Shearlegs Road Depot (heat only)
 - ii. Park Road Depot (heat only)
 - iii. Gateshead Stadium (heat and power)
 - iv. Gateshead Academy of Sport (heat and power)

Recommendations

10. Cabinet is recommended to:
- i. Agree that the tender received from PPSL Ltd priced at £2.9m be accepted for the Contract for Supply and Installation of Heat Network, Ducting for Private Wire and Fibre for East Extension of Gateshead District Energy Scheme, subject to no challenge being received during the statutory standstill period;
 - ii. Authorise the Strategic Director, Economy, Innovation and Growth to agree and approve the final contract sum and the scope and terms of the contract with PPSL Ltd, in consultation with the Strategic Director, Corporate Services and Governance and the Strategic Director, Resources and Digital;
 - iii. Approve the Council entering into Energy Supply and Connection Agreements with Gateshead Energy Company Ltd, for Park Road Depot, Shearlegs Road Depot, Gateshead Stadium, Gateshead Academy of Sport with a total contract value of no greater than £1.8m (£0.9m connection cost, and £0.9m for energy supply); an
 - iv. Authorise the Strategic Director, Economy, Innovation and Growth to agree and approve the final contract values and terms with Gateshead Energy Company Ltd, in consultation with the Strategic Director, Corporate Services and Governance and the Strategic Director, Resources and Digital

For the following reasons:

- i. To support the Thrive Agenda, as outlined in Appendix 1.
- ii. To support the Council's Climate Emergency, and targets of net zero emissions by 2030
- iii. To continue to generate savings for the Council to support Council finances

CONTACT: Jim Gillon, Energy Services Manager

extension: 3923

Policy Context

1. On a local level, the scheme will directly deliver many objectives within the Thrive agenda, as follows
 - a. *Invest in our economy.* Investing in major energy infrastructure, which increases external grant spend in Gateshead, to then increase local generation and sale of energy, which can be reinvested in Gateshead.
 - b. *Opportunities for employment, innovation and growth.* To further support business case and attractiveness of new development in Gateshead Urban Core with a low carbon energy offer.
2. In addition, the scheme will contribute to other key priority areas for the Council, as follows:
 - i. Climate Emergency – the proposals seek to reduce the carbon emissions of the Gateshead District Energy Scheme, supporting the Council's ambition to work toward net zero emissions by 2030
 - ii. Air quality – the proposals seek to reduce reliance of Gateshead Energy Centre's combustion of natural gas, which will reduce emissions of air pollutants in Gateshead town centre.

Background

3. On 30 Sept 2020, the government released details of the Public Sector Decarbonisation Scheme (PSDS), a £1bn fund to help public buildings reduce carbon emissions.
4. The Council was successful in securing £7.51m grant, to fund 100% of the costs of the following.

Works to install	Sites covered	Initial Budget
Heat network connection	Park Rd, Shearlegs Rd, Gateshead Stadium, Academy of Sport,	£4.0m
Solar PV systems	Baltic Quarter solar farm (2MW), Stadium solar farm (1MW), Civic Centre car port (0.23MW)	£2.98m
Private Wire Connections	Gateshead Stadium, Academy of Sport,	£0.53m
Total Capital cost		£7.51m

5. The Council has tendered and awarded contracts for the solar PV systems, as agreed by Cabinet in March 2020. This report seeks to confirm contracting arrangements for the heat network and private wire connections.
6. In determining the procurement and contracting route for the remainder, consideration was given to the value and nature of the elements that make up the works / services, as follows:

Works / Services	Element	Value	Contracting Route
Heat supply	Civil works (trenching)	£1.7m	Competitive
	Pipe installation	£1.5m	Competitive
	Fibre comms installation	£0.2m	Competitive
	Network connection / commissioning	£0.15m	Sole supplier
	Customer connections / commissioning	£0.45m	Sole supplier
	Heat Supply	£0.066/yr	Sole supplier
Power supply	Civils works (trenching + ducting)	£0.23m	Competitive
	Customer connections / commissioning	£0.3m	Sole supplier
	Power Supply	£0.108/yr	Sole supplier

7. For items that could be competitively provided by a range of suppliers, elements were combined into an Invitation to Tender, under the Council's Dynamic Purchasing System for Construction Contractors and Sub Contractor (Lot 74f). This tender was issued on 8 April 2021.
8. Other items were deemed to be only able to be provided by GEC for the following technical reasons:
 - a. Heat network connections / commissioning. As operator of the existing DH network, connection of the newly installed pipe network to existing network, including flushing / cleaning / water treatment can only be carried out GEC , to protect existing infrastructure / water quality / pumping arrangements.
 - b. Customer connections / commissioning for heat/power. Similarly, to integrate with GEC control systems for heat/power , and to be carried out in line with GEC's operating / safety procedures for high voltage and heat networks, these can only be carried out GEC
 - c. Heat/power supply agreements. GEC is the only commercial operator with an existing energy network in the area, that can provide ongoing private energy supply agreement. No other party is in a position to provide such services.
9. Therefore, the Council proposes to directly negotiate contracts with GEC for these works / services, following Section 32 of the Public Contract Regulations 2015, relying on Section 32-2-b-ii, which states:

(2) The negotiated procedure without prior publication may be used for public works contracts, public supply contracts and public service contracts in any of the following cases:—

(b) where the works, supplies or services can be supplied only by a particular economic operator for any of the following reasons:

(ii) competition is absent for technical reasons,

10. This follows a precedent reviewed and agreed by Cabinet on two prior occasions:
 - a. Cabinet report “Award of Contracts to Gateshead Energy Company” – 23 Feb 2016
 - b. Cabinet report “Procurement of a Heat Supplier for ERDF Energy projects” – 20 Feb 2018
11. In line with procurement guidance, a Voluntary Ex Ante Transparency (VEAT) Notice would be published, to state the Council’s intention. If there is no challenge after 30 days, the Council is able to contract without risk of future challenge. This was followed for the two previous contract awards above, and no challenge from other parties was received.

Proposal 1 – contract award for Heat / fibre network and power ducts

12. The Council sought tenders for contractors to Install heat network, fibre network and power ducting, through a further competition under the Council’s Dynamic Purchasing System (DPS) for construction contractors and sub - contractors (lot 74f)
13. The invitation to tender requested supply and installation of the following works
 - Supply and install 1.25km of heat network, fibre comms and power ducting, from Shearlegs Road Depot to Gateshead Academy of Sport
 - Leak test, purge and fill with nitrogen the heat
14. The contract is for the duration of the works, which is estimated to be ca. 6 months.
15. Two tenders were received from the following,
 - 1 PPSL Ltd
 - 2 Morrisons Utilities Services Ltd
16. Following a full evaluation, the tender received from PPSL Ltd, priced at £2.9m, scored the highest combined price / quality score, based on a 50 / 50 weighting between price and quality. It is recommended that PPSL Ltd be accepted for the above Contract.
17. The final appointment of the contractor remains subject to receiving no challenge during the statutory standstill period, following notification of bidders. Final contract terms and conditions, along with the final contract scope and value, are to be agreed. It is requested that these approvals are delegated to Strategic Directors, Economy, Innovation and Growth to allow the delivery of the works not to be delayed, as the timescales for delivery are dictated by government grants.
18. It is noted that the tendered sum of £2.9m from the preferred bidder is below the budgeted amount of £3.5m, providing project contingencies going into the construction phase.

Proposal 2 – contract award for Energy Supply and Connection agreement

19. The Council requires the following services, to complete and commission the energy connections using the infrastructure installed by the contractor above and to provide an ongoing energy supply to four Council owned buildings:
- Heat network filling / cleaning / commissioning and connection to GEC's existing heat network
 - Customer heat connections and commissioning to the new network, and integration to GECs controls and alarm system, for four buildings
 - Power network connections and commissioning to GECs power network, for 2 buildings
 - Heat and power supply agreements going forward, to provide low carbon, low cost energy
20. Having been determined as the sole supplier for these services (see above), GEC has been requested to provide Connection and Energy Supply Agreements for these services.
21. The terms and conditions of the agreement are as follows:
- Heat pricing to be offered at 10% below market benchmark (both fixed and variable charges)
 - Power pricing to be offered at 5% below market benchmark (both fixed and variable charges)
 - Term of contract to be 5 year rolling period, with option to renew at end, subject to satisfactory performance (note: this is shorter than previous agreement, as the Council is funding all connection costs and network installation itself via 100% grants)
 - Connection fees are payable in full, on execution of the agreement, to cover in full all GEC's costs to connect and commission these new networks and customers
22. The costs of connection quoted are £886,359, based on GEC's specific costs per site and are broken down as follows:

Site	Heat connection	Power connection	Total
Shearlegs Rd	£124,471		£124,471
Park Rd	£189,483		£189,483
Gateshead Stadium	£142,913	£151,698	£294,611
Academy of Sport	£126,095	£151,698	£277,794
Total	£582,962	£303,397	£886,359

23. The specifications of the ongoing supply agreements are outlined in the table below, for each building, referencing the estimated contract value for services (annual, and total 5 year value, corresponding with the contract term)

BUILDING	Heat, kWh/yr	Power, kWh/yr	Heat capacity, kW	Power capacity, kW	Annual value, £m	Annual value, £m	Total contact value, £m
Shearlegs Rd Depot	499,591	n/a	800		£0.02	£0.00	£0.02
Park Rd Depot	414,983	n/a	500		£0.02	£0.00	£0.02
Gateshead International Stadium	661,741	479,656	300	240	£0.02	£0.07	£0.09
Gateshead college Academy of Sport	314,580	197,578	300	225	£0.01	£0.03	£0.04
Total	1,890,894	677,234	1,900	465	£0.07	£0.11	£0.17
5yr total					£0.33	£0.54	£0.87

24. With the terms offered, its estimated that ca. £12,000 savings against existing costs will be achieved in total across the four sites. In addition, the sites will secure low carbon energy supplies, saving 476 tonnes CO2 per annum going forward.

25. It is therefore proposed that:

- a. The Council varies the existing Energy Supply Agreement between the Council and GEC, to add relevant sites to this agreement (Shearlegs Road, Park Road, Gateshead Stadium) with the terms / costs outlined above
- b. The Council, as owner of Academy of Sport, agrees a new tri-partite Energy Supply and Connection Agreement with GEC (supplier) and Gateshead College (tenant), for Gateshead Academy of Sport site.

Consultation

26. The Leader, Deputy Leader, Cabinet members for Environment & Transport and Ward Members have been consulted

Alternative Options

27. The other options considered, and discounted, are as follows

- *Heat network tender.* The anticipated value of this contract exceeded the threshold requiring competitive tenders to be invited in accordance with the EU Public Procurement Directives; therefore, the only alternative would have been to undertake an open tender process rather than use the Council's DPS, however the DPS offered the quickest route to contracting, to meet the grant spend deadlines.
- *Supply / Connection agreements.* No other options were available, having determined GEC to be the sole supplier capable of providing these works and services.

Implications of Recommended Option

28. Resources:

- a) **Financial Implications** – The Strategic Director, Resources and Digital confirms that the Capital Programme has £4.5m allocated to support heat and power network connection, funded 100% from external grants, which is sufficient to cover the £3.8m of combined capital value of contracts awarded in this report
- b) **Human Resources Implications** – projects to be managed by existing Council staff.
- c) **Property Implications** – as described, council land and building will benefit from the infrastructure installed. Should sites be disposed of in future, the infrastructure would support energy supply to those sites under different ownership or use

29. Risk Management Implications – As with many major infrastructure schemes there are a number of significant key risks as follows:

- b. Procurement – as outlined above, both procurement approaches have risk of challenge. The negotiated contract with GEC carries the greater risk, but the Council has justified its use of this, in line with the Public Contract Regulations, and following previous decisions made in line with this approach, neither of which attracted challenge.
- c. Cost overrun – contract values are based on information / designs issued at tender / design stage. Should unknowns / abnormalities be incurred by contractors in the course of works, unless these are contractor risks, costs to the Council could increase. However, value achieved through tendering has generated contingency budgets to cover cost overruns

30. Equality and Diversity Implications – none.

31. Crime and Disorder Implications - none.

32. Climate Emergency and Sustainability Implications – the scheme directly supports the Council and GEC in achieving its objectives from the Climate Emergency, to move Council operations towards becoming Zero Carbon by 2030.

33. Human Rights Implications - There are no human rights implications

34. Ward Implications - The proposals are located in Bridges and Felling Ward

Background Information. None



REPORT TO CABINET
22 June 2021

TITLE OF REPORT: Zero Carbon Heat Strategy for Gateshead

REPORT OF: Peter Udall, Strategic Director, Economy, Innovation and Growth

Purpose of the report

1. This report presents a Strategy for Cabinet approval, to work towards reducing carbon emissions from Council homes and buildings to zero by 2030, in line with the Council's Climate Emergency declaration.

Background

2. Nationally, the UK Government is aiming that the UK achieves zero carbon emission by 2050. It recognises, in the Clean Growth Strategy, that decarbonisation of heat is essential to achieve this goal, and at present is lagging behind in efforts to decarbonise power.
3. Currently, heat is the largest component of the Council's carbon footprint, accounting for 45% of the Council's measured carbon emissions. This largely comes from using gas boilers to heat premises. In addition, ca. 17,500 Council homes still operate on gas boilers, which equates to 92% of the Council's total housing stock which is 18,995 homes.

Proposal

4. This reports sets out a Zero Carbon Heat Strategy, which aspires to achieving zero carbon heating for Council buildings and Council homes by 2030, as a key element of the council's Climate Emergency Action Plan. Where possible, the strategy also supports deployment of zero carbon heat in the wider community.
5. The strategy has three main objectives, listed in order of priority / impact up to 2030:
 - i. **Deployment of Heat Networks** – large scale deployment of heat networks, requiring up to £240m of investment, to deliver heat to up to 15,000 Council homes, and 68% of Council Buildings;
 - ii. **Decarbonising the gas grid** – strategic support for hydrogen deployment in the gas grid, with the ambition to convert the gas network to hydrogen in Gateshead by 2030; and
 - iii. **Installation of Heat Pumps** – small scale pilot installations in existing homes until impact on fuel poverty is confirmed, and support for installation in new build homes from 2025.

6. The strategy has significant outcomes and challenges beyond just delivering zero carbon heat:
- Potential to lever in significant external grant funding for locally owned infrastructure, to support community wealth building,
 - Removes gas boilers from Council homes, and their risks / maintenance / repair liability, replacing instead by “heat as a service” from heat network providers,
 - Requires new financing mechanisms, to achieve delivery of heat networks at scale, and
 - Supports local and regional economic development strategies, by creating conditions for skills / jobs growth in heat networks and hydrogen, and supporting the North East of England as the UK’s High Potential Opportunity for Heat Networks, to attract overseas investment

Recommendations

7. Cabinet is asked to:
- i. Recommend Council to adopt the Zero Carbon Heat Strategy and accept annual reports on progress within the reporting framework of the Climate Emergency Action Plan.
 - ii. Approve the continued exploration and development of zero carbon heat actions and schemes, as set out in the appendices, which would be brought forward for approval if proven viable.
 - iii. Publicise the ambitions contained within the Zero Carbon Heat Strategy, directly, and through partners, including Northern Gas Networks, North East LEP, and Department for Investment and Trade, in relation to the North East of England High Potential Opportunity for Heat Networks

For the following reasons:

- i. To support the Thrive Agenda, as outlined in Appendix 1
- ii. To support the Council’s Climate Emergency, and targets to reduce Council carbon emissions to zero by 2030, and
- iii. To reduce, or avoid increase, in energy costs and fuel poverty for Gateshead residents

CONTACT: Jim Gillon, Energy Services Manager

extension: 3923

Policy Context

1. On a local level, the strategy will directly deliver many objectives within the Thrive agenda, as follows
 - a. *Tackle inequalities / Put People and Families first.* By providing a Zero Carbon heat solution at no additional cost to all residents, not just those that can afford to, and which reduces cases of fuel poverty
 - b. *Invest in our economy.* Investing in major energy infrastructure, which increases external grant spend in Gateshead, to then increase local generation and sale of energy, which can be reinvested in Gateshead.
 - c. *Opportunities for employment, innovation and growth.* To further support business case and attractiveness of new development in Gateshead with a low carbon energy offer.
2. In addition, the scheme will contribute to other key priority areas for the Council, as follows:
 - i. Climate Emergency – the proposals seek to reduce the carbon emissions of the Gateshead District Energy Scheme, supporting the Council's ambition to work toward net zero emissions by 2030
 - ii. Air quality – the proposals seek to reduce reliance of Gateshead Energy Centre's combustion of natural gas, which will reduce emissions of air pollutants in Gateshead town centre.
 - iii. Green Economy - to stimulate growth in jobs / skills in the Green Economy, as part of Gateshead Economic Development Strategy

Background to Zero Carbon Heat

3. Nationally, the UK Government is aiming for the UK to achieve zero carbon emission by 2050. It recognises, in the Clean Growth Strategy, that decarbonisation of heat is essential to achieve this goal, and at present is lagging behind in efforts to decarbonise power.
4. Locally, the Council declared a Climate Emergency in May 2019, and earlier in 2021 published its Action Plan which aims to reduce emissions from Council operations to zero by 2030.
5. Currently heat is the largest component of the Council's carbon footprint, accounting for 45% of the Council's measured carbon emissions. This largely comes from using gas boilers to heat premises.
6. In addition, ca. 17,500 Council homes still operate on gas boilers, which equates to 92% of the Council's total housing stock which is 18,995 homes.
7. The Climate Emergency commitment also seeks to support the wider community – homes, businesses and transport - in working towards zero emissions in the same timescale. Like the Council, gas use for heat accounts

for 35% of the borough's carbon emissions. In total, ca 90% of the total stock (c 94,800), rely on gas boilers for heat, and the majority of businesses do too. It is expected that community solutions will emerge from this strategy, which currently focuses on council homes and buildings

8. It is noted that the Council continues to progress other strategies to improve energy efficiency and reduce the amount of heat used by Council buildings and homes.
 - a. The Council's Carbon Management Plan has seen gas usage drop by 44% over the past 10 years, and will continue to progress this to 2030, but at best, gas use can only be reduced by up to 50%% through energy efficiency measures.
 - b. The Council's Home Energy Conservation Act (HECA) Strategy sets out how the Council delivers energy savings in Council homes and other housing. Since 2003, the percentage of homes deemed energy efficient has increased from 14% to 55%, and the target is 100% by 2030.
9. These strategies will continue and are not considered in the Zero Carbon Heat Strategy. Rather, this report sets out the options and strategy for the Council to move away from using natural gas as the main source of heat, to low or zero carbon alternatives by 2030.

Pathways to Zero Carbon Heat

10. There are three main pathways to zero carbon heat, that are supported by national policy and these are considered in turn. The table below outlines the main pathways, and their pros and cons.

Zero Carbon Pathway	Pros	Cons
Heat networks	<ul style="list-style-type: none"> • Deliverable now • Cost neutral or income generating over lifetime • £0.6bn grant funding available to 2025 • Provides heat at lower cost than gas • Can access waste heat sources 	<ul style="list-style-type: none"> • Not suitable for all locations • High capital cost and risk to develop • Rely on available source of renewable heat
Heat pumps (Electrification of Heat)	<ul style="list-style-type: none"> • Deliverable now • Offers the greatest carbon savings now • Likely to become the norm for new housing 	<ul style="list-style-type: none"> • High cost to install • Likely to increase fuel bills and fuel poverty • Needs upgrade to internal heating systems • Refrigerants used in heat pumps have high emissions themselves
Decarbonising	<ul style="list-style-type: none"> • Simplest route, least 	<ul style="list-style-type: none"> • Will not reach net zero

the gas network - biogas and hydrogen	change to customers <ul style="list-style-type: none"> • Low cost change to gas boiler required • Option of last resort, for homes that can't use heat pumps or heat networks • First Hydrogen town planned by 2030 	until 2050 <ul style="list-style-type: none"> • Cost of hydrogen could be much higher than gas • Massive investment in gas network needed • Hydrogen production industry needs to develop
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Heat Networks

11. Heat networks form a strong element in the UK's Clean Growth Strategy. Presently, the UK Government is supporting the deployment of heat networks through the £300m Heat Network Investment Programme, which runs from 2019 – 2022. In March 2020, it was announced a new grant programme, the Green Heat Network Fund, of £260m, will follow HNIP, from 2022 – 2025.
12. Already, Gateshead is a leading authority in the delivery and operation of heat networks, running the Gateshead District Energy Network since 2018, and 3 smaller heat networks for high rise council housing, in the Gateshead HEIGHTs project, since 2019.
13. Key features of heat networks include:
 - Delivery of low-zero carbon heat at scale, at no extra cost to customers
 - Large capital investment required, but recouped in full over scheme lifetime
 - Major financial support from UK government, and
 - North East England promoted at the UK's leading region for heat network development
14. The main constraint for heat networks is that they are only viable in dense development areas, e.g. town centre, high rise housing, or dense housing (such as terraces). They can never be a total solution for all heat users. The action plan below outlines the potential areas that may benefit from a heat network in Gateshead, which could amount to 20% of the housing stock.

Electrification of heat / Heat Pumps

15. By 2030, it is forecast that 80% of the UK's electricity will be generated by renewable power, which will mean that power has up to 50% lower carbon emissions per unit than gas. For this reason, switching to efficient electric forms of heating will reduce carbon emissions now and this reduction will increase as the carbon intensity of electricity decreases.
16. For new developments, with the expected ban on gas boilers in new developments from 2025, it is expected that heat pumps will become the norm for new build.
17. However, heat pumps for existing homes / buildings have some constraints

- a. Higher installation cost, 3-4 times the cost of a gas boiler, and similar lifespans
 - b. Higher running costs - as power is ca. 5 times the cost of gas, even with greater efficiency, running costs increase, which could increase fuel poverty.
 - c. Refrigerants – domestic heat pumps have refrigerants that themselves, if leaking, have a huge impact on global warming. Proliferation of domestic heat pumps will increase the risk of emissions arising from poorly maintained refrigerant systems.
18. Many of these issues can be resolved by using larger, centralised heat pumps, in conjunction with heat networks, where different, more inert refrigerants (e.g. ammonia) can be used, and costs lowered through economies of scale.

Decarbonising the gas network

19. There are plans nationally to gradually decarbonise the natural gas network in the UK. This is from two sources:
- a. Biomethane injection – generated through anaerobic digestion of organic matter, (usually food waste or agricultural waste). However, there is a limit to how much biomethane can be generated sustainably.
 - b. Green Hydrogen production - the UK Government, supported by the gas distribution companies, are seeking to upgrade the gas network, to allow the distribution of hydrogen, in place of methane.
20. Hydrogen offers the prospect to fully decarbonise the gas network, however the current roadmap to zero carbon hydrogen will take 30 years, with the following key stages required:
- a. By 2023 – the UK regulations need to be revised, to allow 20% hydrogen into the current gas network
 - b. By 2025 – first UK pilot of 100% hydrogen supply, industry requesting that all new boilers be hydrogen ready
 - c. By 2030 – first 100% Hydrogen Town in place, and 20% hydrogen widespread across UK gas network
 - d. Between 2030 – 2050 – a new industry around green hydrogen generation and supply needs to be developed and grow
21. For these reasons, hydrogen represents a longer-term goal to the UK's 2050 target to reach zero carbon, but will have a smaller impact before 2030. However, due to the reach of the current network, hydrogen has the potential to offer a zero carbon heat source, for almost all users.

22. Taking into consideration the pros and cons of the pathways to zero carbon heat, and existing and future opportunities in Gateshead, we are proposing a Zero Carbon Heat Strategy that follows all three pathways.

23. **Objective 1. Deploy Heat networks** to their fullest extent, supported by available capital grants between 2020 – 2025. Target areas for heat networks include:

- a. Expanding existing heat networks (Gateshead District Energy Scheme, Gateshead HEIGHTs)
- b. Confirm Gateshead renewable heat resources for heat networks, including minewater and geothermal
- c. Using Government Grants, investigate the feasibility of remaining heat network opportunities in the borough by June 2022.
- d. Develop, fund and build new heat networks, targeting:
 - i. Council housing estates and high-rise block
 - ii. Clusters of Council buildings / Schools
 - iii. Areas of solid wall housing, predominantly in the urban centres
 - iv. Housing development sites, which are in proximity to the above
- e. Outcomes
 - i. Deliver large scale investment in locally owned infrastructure
 - ii. Stimulate green economy and growth in ca 200km of heat networks
 - iii. Support the NE Regions status as High Potential Opportunity for Heat Networks
 - iv. Grow the Council as a heat supplier, serving up to 20,000 domestic customers.
 - v. Create framework for further expansion of network without grant support beyond 2025.

24. **Objective 2. Continue to develop and deploy heat pumps**, where cost effective and without increasing fuel poverty. Target areas are:

- a. Pilot heat pump installations in Council-owned housing, with robust evaluation process from both the customer and HRA perspective
- b. Pilot heat pump installations in new-build Council-led developments
- c. Support new build development to install heat pumps, ahead of gas boiler ban, through pilot schemes
- d. Deploy large scale heat pumps in Heat Networks
- e. Outcomes
 - i. Develop Council experience in small scale heat pump trials
 - ii. Inform future larger scale deployment of heat pumps without impacting on fuel poverty, particularly for new build

25. **Objective 3. Support the hydrogen economy.** Target areas will be:

- a. Supporting the development of InTEGReL, a unique UK facility focusing on the decarbonisation of gas, electricity and transport, lead by Northern Gas Networks
- b. Supporting Northern Gas Network's Hydeploy2 project, which is the UK's first trial of using 20% hydrogen in a public gas network
- c. Supporting further trials of 100% hydrogen, supporting path to capitalise on early rollout of hydrogen conversion
- d. Outcomes
 - i. Placing Gateshead at the heart of growing Hydrogen for decarbonising heat and transport
 - ii. Setting conditions for green economy / skills growth around hydrogen, for Gateshead and the region
 - iii. Putting Gateshead and the wider region in position to become a primary adopter of hydrogen for heat in the UK accelerating the decarbonisation of the economy and driving new opportunities for growth, with ambitions to become a hydrogen based community by 2030

26. The potential impact of the above strategy is summarised below. This is the sum of the action plan below, assuming all opportunities are realised. It is noted that not all actions are likely to progress, investment in projects would need consideration and approval for the Capital Programme, and equally new actions may arise, that are not yet accounted for. Headline outcomes that will deliver carbon savings by 2030 are:

- a. Up to 15,000 Council homes connected to heat networks by 2030, or 85% of the total stock
- b. Up to 2,300 new build housing units connected to heat networks, 33% of total new build between 2020 – 2030
- c. Up to 68% of heat use in Council buildings provided by heat networks by 2030
- d. Up to £240m investment in ca. 200km of heat networks required, leveraging in up to £120m in capital grants, for 5-6 major heat networks, plus more smaller networks
- e. Up to 18MW of large-scale heat pumps installed in heat networks
- f. Estimated 4,000 individual heat pumps installed in new build housing, post 2025
- g. UKs First 20% and 100% hydrogen public trials in Gateshead

Zero Carbon Council homes - Heat Networks vs. Heat pumps

27. One of the largest challenges is how to fund the replacement of 17,400 gas boilers within Council homes, moving to a Zero Carbon source of heat.

28. Currently, the Housing Revenue Account replaces. ca. 1000 gas boilers per year, at a cost of £2,500 per unit, for a 15+ year working life. Up to 2030, an expected £25m will be required for works to support the provision of boiler replacements and a further £36m on heating systems, as business as usual.

29. Replacing gas boilers with individual heat pumps (at £10k per unit), the cost to the HRA would increase by a further £45m to 2030 alone, which is currently

unbudgeted for. In addition, these properties would potentially see increased fuel costs, and incidences of fuel poverty.

30. By connecting homes to Heat Networks, many of these challenges are addressed:

- a. The cost of the heat networks is also ca. £10k per property, but can be reduced through grants
- b. The remaining cost can be recovered through heat sales and standing charges.
- c. For the HRA, instead of paying for boiler replacement, servicing and gas safety check, the HRA could switch to receiving heat as a service from the heat network operator, at a cost of around £250 - £300 per home per year – which is no greater than current cost.
- d. Residents are protected from rising heat costs. The network operator would be responsible for all ongoing maintenance and replacement, further reducing the administrative burden on the HRA.
- e. Gas supplies could be fully disconnected, reducing risks and hazards to residents and the property.

31. For this reason, where technically and commercially viable, heat networks offer the most sustainable, and cost-effective means of converting Council-owned homes to zero carbon heat in the short term.

Financing options

32. The proposed strategy could require up to £240m of capital investment over 5 years. From the experience to date, and assessing national support for heat networks, a number of financing options exist.

33. *Match / grant funding* – the Council could access the following sources, to reduce the funding gap by £97 - £145m

- a. £0.5bn in capital grant support between 2020 – 2025, through the Heat Network Investment Programme to 2022, and Green Heat Network Fund thereafter. Grant funding can range from 30 – 49%, or £72 - 120m, of capital costs
- b. Diverting HRA investment. If required, an estimated £25m earmarked for 10,000 boiler replacements, could be reallocated.

34. *Capital finance* - a number of options exist to raise finance for the funding gap

- a. the Council could fund via prudential borrowing, and retain all the risk/reward for these schemes, on the basis that all schemes will seek to have returns sufficient to recover finance costs. But this large investment would be subject to affordability, at a time when major capital investment is already committed
- b. The Council could seek external debt finance – current advice indicates a maturing investment market for heat network, with funders offering debt at 3-5% interest, much lower than in recent years.
- c. The Council could seek a finance / delivery partner, to fund the balance of costs and deliver schemes. This is a lower risk approach, but loses strategic control over social and environmental objectives, including

heat pricing and carbon savings. Also higher shareholder returns for the partner, can reduce the number of schemes that can be delivered.

35. In terms of some 'middle ground' approaches, the following offer compromises of both the above:
- a. Council funds and delivers schemes one by one, to make them operational, and greatly de-risk them from an investment perspective. Once operational, schemes could be sold in full or part, to raise capital for following schemes.
 - b. The Council could package its portfolio of existing heat networks and future plans to seek a 50/50% finance/delivery partner now, or at a suitable point, to share risk / reward, but still retain strategic control over scheme development going forward.
 - c. It is worth noting that by 2022, the Gateshead District Energy Scheme will represent a £40m asset value at least, which could increase further if the Council progresses other developed schemes in the next 2 years (e.g. Chopwell, Birtley/Kibblesworth) . These could provide equity in any joint venture arrangement, to further reduce capital cost to the Council.
36. It is worth noting similar approaches from other Councils:
- a. Bristol, supported by Dept of International Trade, tendered for a 50/50 JV partner, to deliver a £1bn programme of clean growth for their Green New Deal programme. This included a package of energy assets already operated by Bristol.
 - b. Aberdeen similarly tendered for an £0.85bn investment package, and delivery partner, for hydrogen economy infrastructure, to support their transition from oil/gas industries, to low carbon employment.
37. The financial information included in the report is based on estimates and a financing strategy will need to be developed looking at funding and delivery options, informed by the emerging programme of opportunities, over the next 12 months. This would need to then be assessed against the Council's wider Investment Strategy / Delivery Plan.

Delivery and Service development

38. The Energy Services Teams will look to co-ordinate the Zero Carbon Heat Strategy, supported by relevant services where required. A significant resource requirement will arise from planning, design, delivery and operation of heat networks. For a programme of £240m of heat network schemes, delivered over 5-10 years, this has the potential to:
- a. Generate up to £19m of fees during design / construction, or £3.8m / year over 5 years, funded from capital financing of schemes. .
 - b. Support growth of traded Energy services, to manage and operate heat network, potentially funding a further 5-6FTEs through SLA income
 - c. Improve the status of Council heat supply services, through better branding, communications, marketing and online presence, to put the service on a par with market competitors.
 - d. Wider opportunities would also exist to upskill or employ staff to take on more of the regular maintenance of the heat network, and customer connections.

39. The outcome after 5 years could be an Energy Service that has doubled in size, that would manage a portfolio of assets of ca. £300m that generated income sufficient to repay financing costs, and could expand further, managing further networks, for the Council or other third parties.

Local and regional economic strategies

40. As well as the outcomes above, Zero Carbon Heat Strategy could have significant contributions to local and regional economic strategies.
41. *Gateshead Economic Development Strategy* has a strong element supporting the green economy. A strong pipeline of heat networks, and hydrogen innovation will set the conditions for supply chain growth locally and regionally, particularly in developing skills and experience within the sector and workforce, to create jobs growth, and potentially inward investment.
42. *North East England High Potential Opportunity for Heat Networks* – the Dept for International Trade, with North East and Tees Valley LEPs will launch the North East as the UK's target region for inward investment in heat networks. The HPO wishes to include Gateshead's ambitions for heat network, within a potential £500m pipeline of heat network projects in the North east.
43. *North East LEP – Heat Decarbonisation Cluster* - our strategy will support the LEPs ambition to create a region of excellence around heat decarbonisation research, development and delivery – out of which has come the recent White Paper on Mine Energy, which is lobbying for greater support to exploit both the NE and UK's heat resource in minewater
44. This report seeks approval for the Zero Carbon Heat Strategy and its ambitions to form part of the regional offer on heat networks and zero carbon heat.

Consultation

45. Cabinet members for Housing, Economy and Environment & Transport have been consulted

Alternative Options

46. The other option considered, and discounted, is as follows

To not publish a strategy at this time. The report notes the exact costs and schemes are to be confirmed, as are the financing mechanisms, and there is an option to wait for these to be confirmed. But its proposed the publishing this strategy, as an ambition, is an important element of creating the conditions to these objectives to be met

Implications of Recommended Option

47. Resources:

- a. **Financial Implications** – The Strategic Director, Resources and Digital confirms that the Strategy does not contain commitments to capital investment, and investment decisions in schemes will be subject to ongoing technical and commercial viability, for future consideration
- b. **Human Resources Implications** – none.
- c. **Property Implications** – as described, council land and building will benefit from the infrastructure installed. Should sites be disposed of in future, the infrastructure would support energy supply to those sites under different ownership or use.

48. **Risk Management Implications** – Main risk is reputational, in setting out an aspirational strategy, which is yet to be delivered, but the Council has previously set our similar energy ambitions over the past decade, and made good progress, which is expected to continue. The Strategy will act as a catalyst for the next decade of progress on decarbonising heat.

49. **Equality and Diversity Implications** – none.

50. **Crime and Disorder Implications** - none.

51. **Climate Emergency and Sustainability Implications** – the scheme directly supports the Council and GEC in achieving its objectives from the Climate Emergency, to move Council operations towards becoming Zero Carbon by 2030.

52. **Human Rights Implications** - There are no human rights implications

53. **Ward Implications** - The proposals are borough wide

Background Information. None

Appendix 2. Zero Carbon Heat Action Plan

54. We are proposing an action plan of projects, listed here, to progress the strategy above. The action plan is expected to evolve and grow, with annual updates reported back to CMT and members.

55. Key actions in the objective areas are summarised below:

Objective 1: Heat Networks

56. Please refer to Appendix 1, for summary of all current heat network opportunities, showing scale, costs and scope. Also, Appendix 5 maps these opportunities across Gateshead, to illustrate the spread of schemes

57. **H1 - Expand Gateshead District Heat Network.** This network is still only serving 30 – 40% of its total capacity. Various extensions are planned (see Appendix 2) to see this continue to grow

- a. East Extension. 5km heat network extension to Gateshead Stadium, including Freight Depot Housing. Cost - £8m, grant secured, Completion due Dec 2022,
- b. Gateshead Quays. 0.3km heat network, to be completed by Spring 2024, to serve Arena, Conference Centre and Hotel
- c. West Extension. An £9.5m extension, to connect 350 Council housing units, and Askew Rd development site. In feasibility, next step to seek agreement to submit funding application
- d. Brandling Extension. A £8.6m extension, to serve the Brandling housing site, and potentially 600 Council Homes in nearby estates.
- e. Baltic Quarter. Longer term ability to connect new development on Baltic Quarter, as it comes forward.

58. **HN2 - Expand Gateshead HEIGHTs.** This scheme comprises 3 small networks in Harlow Green, which spare capacity. Currently in feasibility, to explore extension of network to ca. 1000 low rise Council homes surrounding.

59. **HN3 – Chopwell Heat Network.** Detailed feasibility ongoing. Having discounted individual heat pumps as a viable solution, studies are showing a £28m heat network could supply 2000 homes, including all 800 solid wall homes, Chopwell Heartlands new-build site, and other Council housing from an Air Source Heat Pump energy centre, with solar PV farm and potential wind turbine (see appendix 4 for an outline network) The scheme has already bid unsuccessfully for £12m in grant / loan support from the Heat Network Investment Programme, with feedback provided to address risk in key areas, before preparing a resubmission.

60. **HN4 – suburban heat network feasibility.** The Chopwell and Birtley / Kibblesworth projects demonstrate for the first time that heat networks to low-rise housing estates are becoming viable. We have mapped existing Council housing estates, which tend to cluster around community hubs, with public buildings and schools, and identified 5-6 potential heat network clusters. We have secured £65k grant to fund feasibility on these networks, from the Heat

Network Delivery Unit (HNDU). This scope would cover 13,000 Council Homes, and up to 35 public buildings and schools. Results would be received by Dec 2021, to inform future capital grant applications.

61. **HN5 – geothermal heat sources.** The North East region has been confirmed to have some of the shallowest and highest levels of deep geothermal heat sources at around 2km depth, from boreholes drilled in Eastgate (Durham) and Science Central (Newcastle). Using HNDU grants above, and support from Newcastle University / North East LEP, we will explore commercial viability of these sources in two locations – West Gateshead (Chopwell / Rowlands Gill) and central Gateshead (Gateshead Town Centre to Metrocentre)
62. **HN6 – Birtley / Kibblesworth Heat Network.** Detailed feasibility ongoing, showing potential heat network to connect North Birtley and Kibblesworth village to a mine-water energy centre. using minewater from the existing Kibblesworth minewater pumping station – see Appendix 3 for outline network plan. Scheme could supply up to 2700 homes, both new build and Council homes. Scheme phasing is being revised, aiming to optimise a scheme around £40m cost, which could secure up to 50% grant funding to support construction between 2022 – 2025. The business case would achieve a rate of return of around 4% over 40 years.
63. **HN7 – heat network supply chain development.** If a strategic programme of heat network development is progressed, there is an opportunity to seek better value from the supply chain, to drive down development costs, whilst increasing potential for local skills and job development. We aim to progress this by:
- a. Driving cost reduction and innovation in specifications and procurement of heat network installers, supported by an ongoing Mentoring programme with the Danish Embassy and Gladsaxe (a Danish heat supplier, near Copenhagen, that serves over 6,000 customers).
 - b. Exploring larger scale, strategic contracts with installers to maximise value for money, and secure commitments around community wealth building from local skills and job creation
 - c. Developing internal services to potential support construction / installation / maintenance of heat networks.
64. **HN8 – supporting regional heat network collaboration.** The NE LEP is developing proposal for a Heat Decarbonisation Cluster around Tyne and Wear, which Gateshead is supporting. In addition, we will support proposals from Dept of Investment and Trade, which seek to establish the North East region as a “High Potential Opportunity (HPO)” for inward investment around heat networks

Objective 2. Heat Pumps

65. **HP1 – Gateshead Town Centre Minewater Heat Pump.** The Council has secured HNIP grant funding to install a 6MW ammonia heat pump, extracting heat from mineworking 140m below the surface. This aims to be operational by

Dec 2021, and will supply low carbon heat to extensions of the district energy network.

66. **HP2 – integrating heat pumps into heat networks.** Linked to heat network development, install centralised heat pumps (minewater, air source) into heat networks, such as Chopwell and Birtley / Kibblesworth, where possible supported by low carbon power generation (solar PV).
67. **HP3 – Barlow village domestic heat pump trial.** Eight (off gas) Council properties will be installed with air source heat pumps, in 2021, as well as insulation and new heating systems, (potentially solar) and monitoring systems. Customers will be offered smart meters, which provide extra income by allowing energy companies to control how/when heat pumps come on. These aim to avoid heat pumps increasing fuel costs. Learning will inform further rollouts of heat pumps.
68. **HP4 – Clasper apartment blocks.** Air Source Heat pumps have been specified for 40 apartment block units in the Clasper development, potentially with additional solar PV and private wire electricity distribution and supply, to allow additional costs to be recovered. The scheme is still subject to viability issues, but the design concept has been proven to use elsewhere.
69. **HP5 – define heat pump strategy for new-build housing sites.** Heat network feasibility will confirm areas and new build sites that are likely to be viable for heat networks. Where sites are not viable for heat networks, either due to size or phasing, these can be then designated for individual heat pump developments – e.g. Metrogreen is potential challenging for a heat network, where long development timescales for the phases would make heat network development challenging financially in the early stages.
70. **HP6 – Electrification of Heat Demonstration project.** The Council was not able to bid for this government scheme, but Newcastle City Council, in partnership with Eon, were successful in securing £3.9m of funding to install heat pumps at no cost in 250 homes in Newcastle. The Council will seek to learn from this, and 2 other national pilots, to inform technology options and benefits for the Council going forward.
71. **HP7 – National Minewater Research Hub.** The Coal Authority are seeking to install a network of minewater monitoring boreholes in and around Gateshead, to research, model and predict how minewater can be used for large scale heat pumps. The combination of Gateshead's 6MW heat pump, Lanchester Wines 2No. x 2.4MW heat pumps, plus a minewater pumping station at Kibblesworth, makes this the largest concentration of minewater heat pump schemes nationally and globally. The Council will support the CA to realise this research project.

Objective 3. Hydrogen Economy

72. **HY1 – support InTEGReL.** Provide support to steering group of Northern Gas Network and other partners (Northern Powergrid, Northumbrian Water,

Siemens, Three and Newcastle University) at this national research hub for integrating hydrogen into energy systems. The site includes many projects, including:

- a. **Customer Energy Village** - creating representative housing stock to test solutions for decarbonising heat and piloting energy system innovation. (£1.8m set aside from NELEP's allocation of £47 million – full business case development due September to begin work in early 2021
- b. **ESHIE** - Development of 4,000m² research and innovation building with world class labs and facilities at the heart of the InTEGReL site. Led by Newcastle University, this project would deliver breakthroughs in the decarbonisation of heat, energy storage and transport. Partners are seeking further funding opportunities to the tune of £18.5m
- c. **InTEGReL Business Incubator** – Council to support a project to establish a new SME (Small and Medium Enterprise) incubator ecosystem at InTREGReL, providing space for start-ups and spinouts, capitalising on the specialist research and digital connectivity, including the Internet of Things (IoT) comms

73. **HY2 – Hydeploy 2.** Council has included 650 Council homes in Northern Gas Network's Hydeploy2 project, in Winlaton, Gateshead, which in 2021 will become the first on a public UK gas network to use 20% blended hydrogen for heating and cooking. (Fully funded and in progress). Its success could stimulate roll out of blended gas supply to homes and businesses in Gateshead by the end of 2023.

74. **HY3 – 100% Hydrogen Conversion.** Northern Gas Networks are developing a strategy that would seek to convert the HyDeploy / Winlaton network to 100% hydrogen and gradually expand across Gateshead by 2030

75. **HY4 – Energy Skills Academy.** Support the North East LEP in developing a regional skills academy including education providers (e.g. Gateshead College, Newcastle College) to support skills growth in hydrogen and other energy sectors.

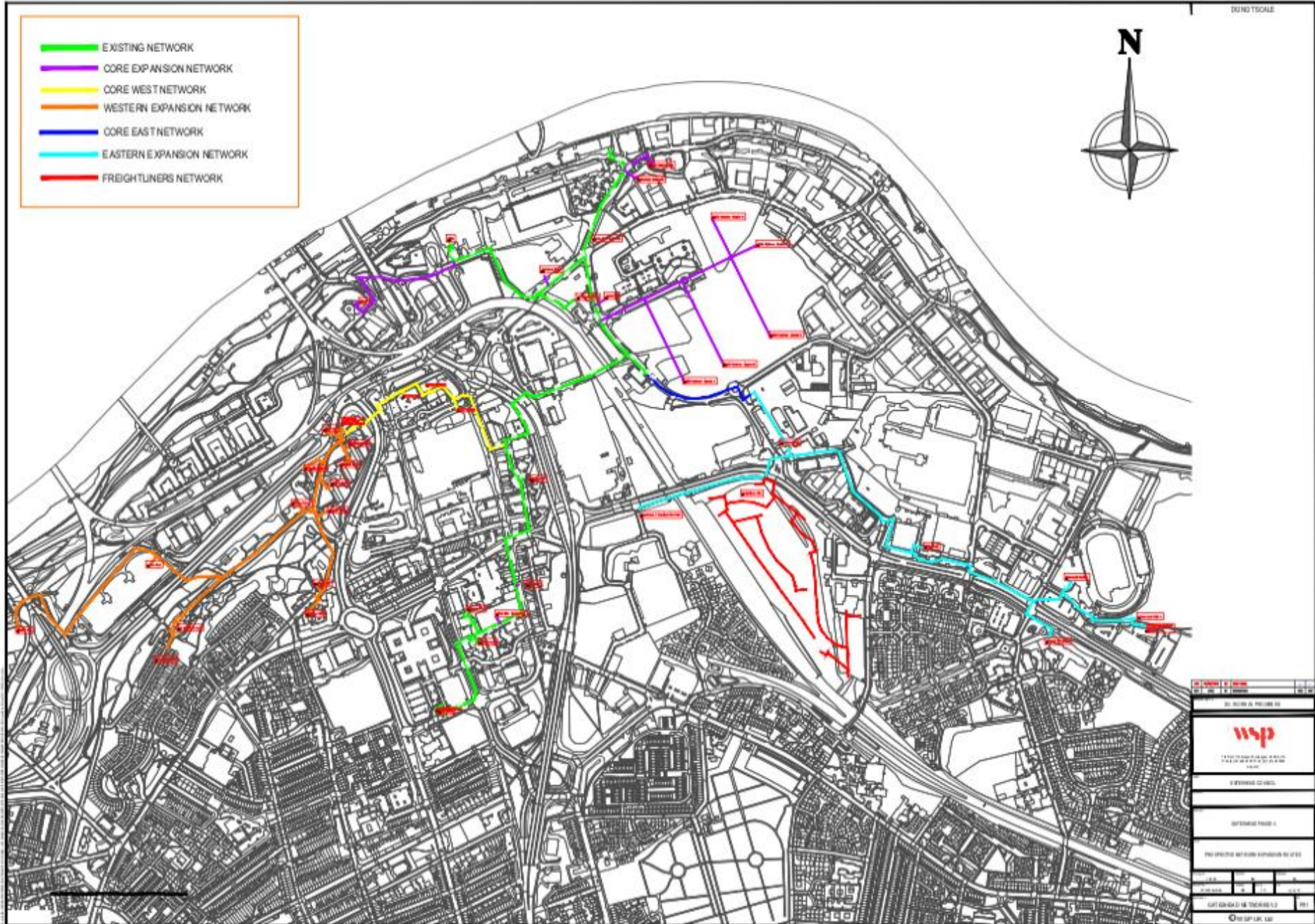
Appendix 1a – Heat Network – potential schemes – house numbers / sites

Location	Total Homes	Council homes	Private solid wall homes	New Build homes	New build sites
GDES	1,400	400	-	1,000	Freight Depot, Chandless
HEIGHTs	500	500	-	-	-
West Extension	500	300	-	200	Askew Rd
Old Fold	800	600	-	200	Brandling
Birtley / Kibblesworth	3,000	1,800	300	900	BAE, Kibblesworth, Elizabethville
Chopwell	1,500	400	800	400	Heartlands, North Chopwell
Whickham	1,500	1,500	200	-	-
Heworth	4,100	4,100	-	-	-
Wardley	1,200	1,200	-	-	-
Beacon Lough	2,800	2,800	-	-	-
Leisure Centre network	400	400	-	-	-
Bensham / Saltwell	900	900	-	-	-
Blaydon	700	700	300	-	-
Ryton / Crawcrook	1,200	1,200	-	-	-
Dunston Hill	1,900	1,300	-	600	Dunston Hill
TOTAL	22,400	18,100	1,600	3,300	-

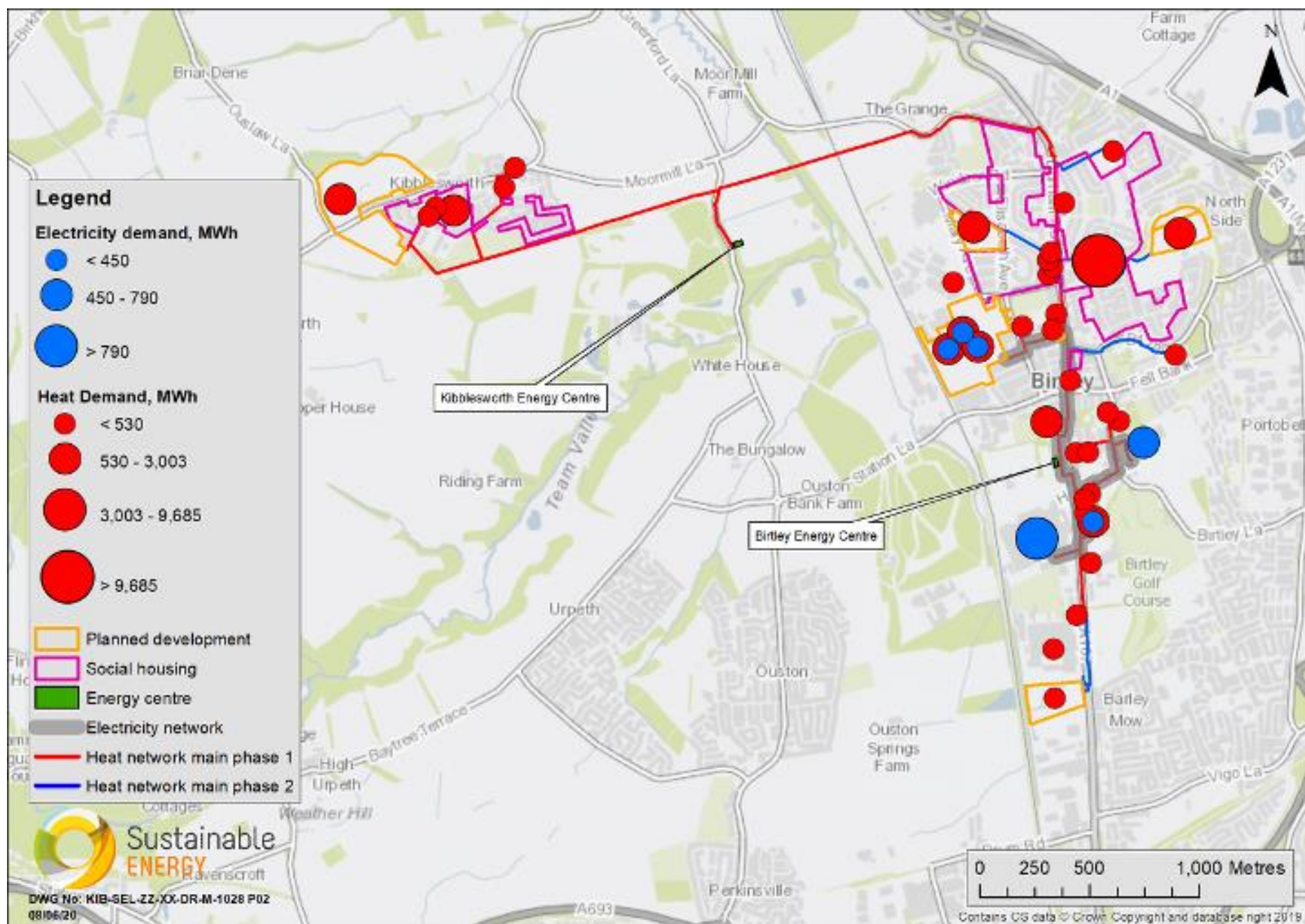
Appendix 1b – Heat Network – potential schemes continued,

Location	Total Homes	Council Buildings / schools	Heat demand, GWh/yr	Capex, £m	Capex / home, £	Heat pump capacity, MW
GDES	1,400	4	3.8	Already built	Mixed scheme	6
HEIGHTs	500	1	0.4	Already built	High Rise	1.3
West Extension	500	3	6.8	11.4	24,255 (includes High Rise)	N/A
Old Fold	800	3	3.5	9.3	12,012	N/A
Birtley / Kibblesworth	3,000	10	41.3	66.5	Mixed scheme	4.5
Chopwell	1,500	4	17.3	20.5	13,667	1
Whickham	1,500	4	11.1	15.6	10,226	0.6
Heworth	4,100	8	24.7	34.6	8,525	1.4
Wardley	1,200	3	6.9	9.6	7,728	0.4
Beacon Lough	2,800	6	16.6	23.3	8,457	1
Leisure Centre network	400	-	2.1	2.9	8,350	0.1
Bensham / Saltwell	900	3	6.3	8.8	9,852	0.4
Blaydon	700	5	6.7	9.4	13,547	0.4
Ryton / Crawcrook	1,200	4	7.7	10.8	8,880	0.4
Dunston Hill	1,900	3	12.1	17.0	8,774	0.7
Location	22,400	61	167	240		18.2

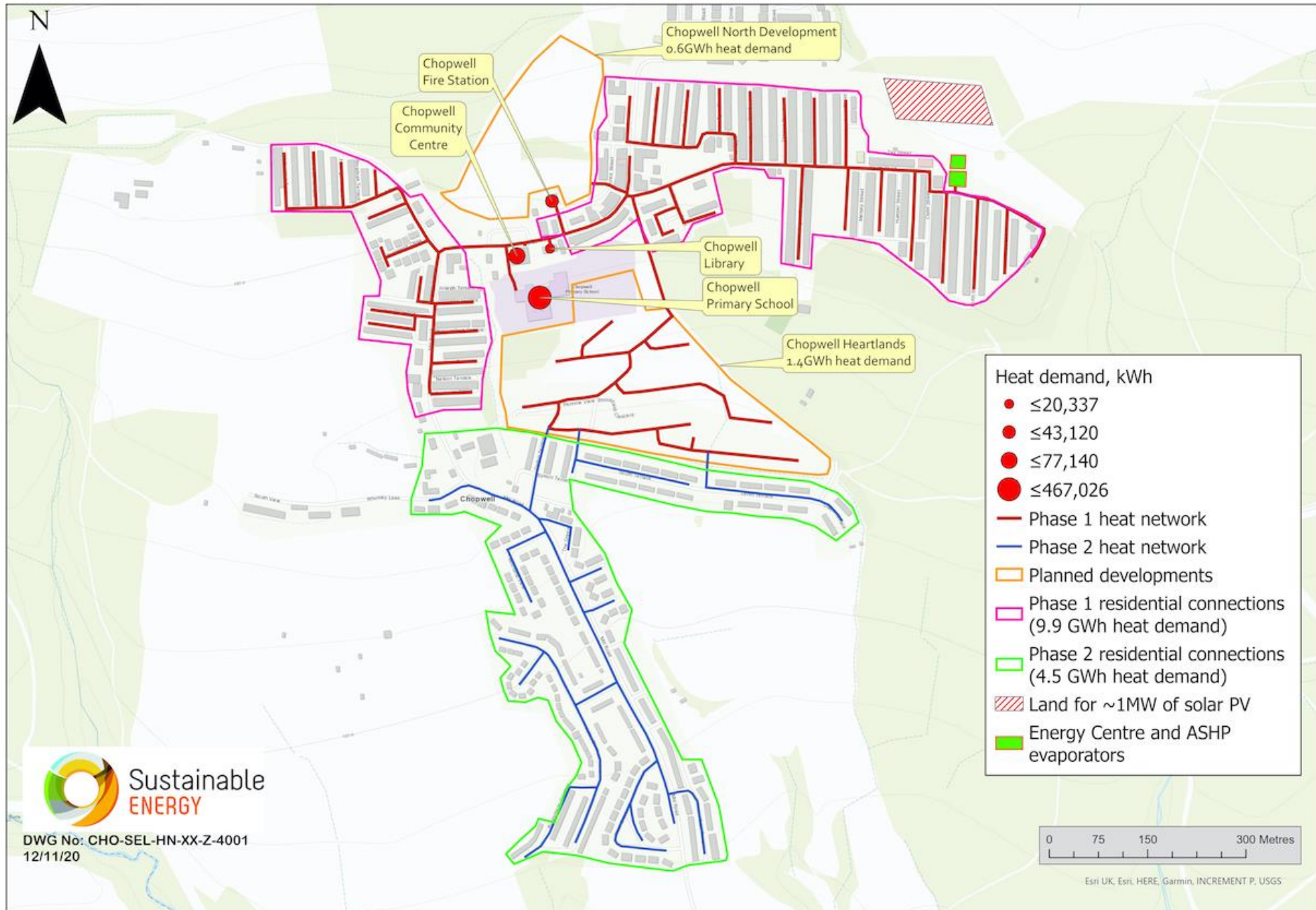
Appendix 2 – Gateshead District Energy Scheme overall network plan



Appendix 3 - Indicative heat network layout for Birtley / Kibblesworth scheme.



Appendix 4 - Indicative heat network layout for Chopwell scheme



Title of Report: Treasury Annual Report 2020/21

Report of: Darren Collins – Strategic Director, Resources & Digital

Purpose of the Report

1. Cabinet is asked to recommend to Council the attached Treasury Annual Report for 2020/21.

Background

2. In line with what the Government defines as best practice and the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management, the Council must consider a Treasury Annual Report each year.
3. The attached Treasury Annual Report has been prepared taking into account the Local Government Act 2003, Ministry of Housing, Communities and Local Government 's (MHCLG) Guidance on Local Government Investments, CIPFA's Prudential Code for Capital and CIPFA's Code of Practice on Treasury Management (2017). The document is also consistent with the Council's approved Treasury Management Policy and Strategy, which require an annual report to be presented to Council prior to the end of September each year.
4. The Audit and Standards Committee reviewed the Treasury Annual Report on 21 June 2021

Proposals

5. Cabinet is asked to review the Treasury Annual Report attached at Appendices 2, 3 and 4 to ensure that the Council fully complies with the requirements of good financial practice in Treasury Management.

Recommendation

6. Cabinet is asked to recommend the Council to approve the Treasury Annual Report for 2020/21.

For the following reason:

To ensure that the Council fully complies with the requirements of Financial Regulations and good practice as recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) in its Code of Practice on Treasury Management.

Policy Context

1. The proposals in this report are consistent with Council priorities and in particular the priority of ensuring a sustainable Gateshead through ensuring the best use of its resources. The proposals are consistent with the framework for achieving the Council's new strategic approach "Making Gateshead a Place Where Everyone Thrives". The Council recognises there are huge financial pressures on not just Council resources but those of partners, local businesses and residents.

Background

2. The Council fully complies with the requirements of good practice as recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) in its Code of Practice on Treasury Management and its Prudential Code for Capital Finance and the Ministry of Housing, Communities and Local Government (MHCLG) Guidance on Local Authority Investments, which include the:
 - Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities;
 - Creation and maintenance of Treasury Management Practice Statements which set out the manner in which the Council will seek to achieve those policies and objectives;
 - Receipt by the Council of an annual strategy report for the year ahead and an annual review report of the previous year;
 - Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions; and
 - Delegation by the Council of the role of scrutiny of treasury management strategy and policies to Audit and Standards Committee and receipt of a mid-year review report to Council.
3. Comprehensive details of procedures in place to ensure compliance with the Code are included within the Council's Treasury Management Practices and these procedures are followed without exception.
4. Treasury Management in this context is defined as:

"The management of the organisation's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
5. Taking into account the annual reporting requirements stipulated in the Code of Practice, this Annual Treasury Report covers:
 - The strategy for 2020/21 (including investment and borrowing strategies);
 - Treasury Management approach to risk;
 - Outturn 2020/21 performance measurement (including market interest rates, investment and borrowing performance and compliance with treasury limits set prior to the start of the financial year as Prudential Indicators);
 - Any restructuring and repayment; and
 - Summary of Treasury Management performance for the year 2020/21.

Consultation

6. Consultation on the production of the Treasury Annual Report has taken place with the Council's treasury advisors Link Asset Services. The outcome of the consultation process, along with guidance issued by CIPFA, has informed the format and content of the annual report.

Alternative Options

7. There are no alternative options, as the Treasury Annual Report is required in order to comply with CIPFA's Code of Practice on Treasury Management.

Implications of Recommended Option

8. Resources:

- a) **Financial Implications** - The Strategic Director, Resources & Digital confirms that there are no direct financial implications associated with this report. The Annual Report sets out a financial summary of Treasury Management activity for the 2020/21 financial year end and compares this to budget.
- 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.

9. Risk Management Implications

The Treasury Annual Report has been prepared to report on performance against the annual Treasury Policy and Strategy. These are prepared with the primary objective of safeguarding the Council's assets and a secondary objective of maximising returns on investments and minimising the costs of borrowing.

10. Equality and Diversity Implications

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

11. Crime and Disorder Implications

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

12. Climate Emergency and Sustainability Implications

There are no climate emergency or sustainability implications arising from this report.

13. Human Rights Implications

There are no human rights implications arising from this report.

14. Ward Implications

There are no direct ward implications arising from this report.

15. Background Information:

The following documents have been relied on in the preparation of the report:

- Local Government Act 2003
- MHCLG Guidance on Local Government Investments (2018)
- CIPFA's Prudential Code for Capital (2017)
- CIPFA's Code of Practice on Treasury Management (2017)
- Council's approved Treasury Policy & Strategy Statements 2020/21 to 2024/25
- Council's approved Treasury Management Practice Statements

Treasury Management Annual Report 2020/21

The Strategy for 2020/21

1. The 2020/21 to 2024/25 Treasury Management Strategy was approved by Council on 24 March 2020.
2. The formulation of the 2020/21 to 2024/25 Treasury Management Strategy involved determining the appropriate borrowing and investment decisions with the primary objective of safeguarding the Council's assets and a secondary objective of maximising returns on investments and minimising the costs of borrowing.
3. The Treasury Management Strategy fully complies with the requirements of CIPFA's Treasury Management Code of Practice and covered the following:
 - prospects for interest rates;
 - treasury limits in force including prudential indicators;
 - the borrowing strategy;
 - the extent of debt rescheduling opportunities; and
 - the investment strategy.

Investment Strategy

4. Part 1 of the Local Government Act 2003 relaxed the constraints under which local authorities can invest. These investment regulations came into force on 1 April 2004 and in conjunction with supplementary guidance are considered best practice.
5. Investments are managed in-house using counterparties listed in an approved lending list. Investments are placed over a range of periods and are dependent on the assessed security of the counterparty, the liquidity requirements of the cash flow, interest rate expectations and the interest rates actually on offer.
6. The expectation for interest rates within the Treasury Management Strategy for 2020/21 to 2024/25 anticipated interest rates to remain at 0.75% before starting to gradually increase from March 2022 onwards. In the early stages of the COVID pandemic the Bank of England's Monetary Policy Committee (MPC) reduced the base rate to 0.10% where it has remained during 2020/21. At its meeting ending on 13 May 2021 the MPC voted unanimously to maintain the Bank Rate at 0.10% and rates are expected to remain exceptionally low throughout the current financial year before slowly recovering in the second half of 2022/23.

Borrowing Strategy

7. The borrowing strategy for 2020/21 was as follows:

- When Public Works Loan Board (PWLB) rates fall back to the following target rates borrowing should be considered, 2.90% Q1, 3.00% Q2, 3.10% Q3 and 3.20% Q4. Preference is given to terms which ensure a balanced profile of debt maturity, this may include Local Infrastructure Rate borrowing. The average interest rates forecast across this financial year for various borrowing periods are as follows: -
 - 10 years – 2.58%
 - 25 years – 3.12%
 - 50 years – 3.02%
- The use of short-term borrowing (6 months to 18 months) will also be considered with the aim of minimising borrowing costs. This short-term borrowing will be replaced with longer term loans when rates are preferable.
- External borrowing rates currently far exceed the return that is available for investments, meaning savings can be achieved by borrowing internally from reserves in the short term. The current policy of internal borrowing will continue to be followed as a short-term funding option serving to minimise overall cost.
- Consideration will be given to borrowing market loans which are at least 20 basis points below the PWLB target rate.

8. Any potential opportunities for repaying debt before the maturity date to reduce borrowing costs was monitored and assessed throughout the year. However, the cost of premiums on any early repayment of debt was considered prohibitive for any debt restructuring.

Treasury Management Approach to Risk

9. The primary objective is to safeguard the Council's assets. Procedures have been put in place to ensure this takes place and these are fully documented in the Council's Treasury Management Practice Statements (TMPS), which are constantly kept under review. These procedures are followed without exception. The Internal Audit report of 24th April 2021 concluded that Treasury Management control systems and procedures are satisfactory. All funds were safeguarded in 2020/21.

Outturn 2020/21 – Performance Measurement

10. It should be noted that procedures in relation to the Prudential Code were effective from 1 April 2004 and continue to apply to this report on 2020/21 performance. The performance, against limits in respect of borrowing set prior to the start of the financial year as Prudential Indicators, will be reported to Cabinet on 22 June 2021 as part of the Capital Monitoring process. None of the approved Prudential Indicators set for 2020/21 were breached in the year. For completeness the Prudential Indicators are shown at Appendix 4.

Market Interest Rates

11. Performance must be considered in conjunction with actual rate movements over the financial year which were as follows:
- **Shorter-term interest rates** – The expectation for interest rates within the 2020/21 Treasury Management Strategy was that Bank Rate would stay at 0.75% during the financial year but the MPC suggested a rate cut was possible if a rise in domestic price inflation did not materialise. If the economic recovery continued a potential modest interest rate increase may occur. Due to COVID the actual position changed significantly, as the MPC reduced the Bank Rate twice in March 2020, from 0.75% to 0.25% and then to 0.10%.
 - **Longer-term interest rates** – Investment returns remained low during 2020/21. At its meeting ending on 13 May 2021, the MPC voted unanimously to maintain the Bank Rate at 0.10% and rates are expected to remain exceptionally throughout the current financial year before recovering in the second half of 2022/23

Investment Performance

12. There has been a continued use of a range of investment instruments in order to ensure flexibility, spread risk, maximise liquidity and obtain attractive rates. There has been an increased use of overnight deposits and money market funds with high rated banks to maintain the security of the funds and enhance the rate of return on investments. Rates remained low for the entire financial year as a result of the COVID pandemic.
13. The most significant challenges for treasury management in 2020/21 has been generating a reasonable rate of return whilst ensuring the security of investments and the COVID pandemic. Due to the difference between the cost of borrowing and potential to generate investment interest and the reduction in suitable counterparties the Council has continued to use investment balances to temporarily fund the capital programme. This has delivered a saving on borrowing costs. COVID also presented challenges for managing the Council's cashflow due to timing uncertainties of the receipts and payment of COVID grants.
14. The Council's investment policy is governed by MHCLG guidance, which has been implemented in the annual investment strategy approved by the Council on 24 March 2020. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.) The investment activity during the year conformed to the approved strategy and the Council had no liquidity difficulties.
15. A summary of the year's activity is shown at Appendix 3. The investment interest earned in the year was £0.330m (2019/20 £0.689m) with an average interest rate of 0.30% (2019/20 0.95%). Interest earned on loans to third parties, agreed as part of the capital programme, increased total interest to £2.180m which was £0.005m more than the original budget of £2.175m. This includes £0.865m accrued interest on loan notes, in respect of Newcastle International Airport.
16. The overall return for the year of 0.30% exceeds the accepted benchmark for 2020/21, which was the 3-month London Interbank Bid Rate (LIBID) of 0.02%.

17. Furthermore, the Council is a member of Link Asset Services Investment Benchmarking Group which assesses both the rate of return and the risk of the counterparty to calculate a weighted average rate of return. This is used for comparison across other local authorities who also subscribe to this service across a number of groups. The Council achieved an average return of 0.30% on its investments for Quarter 4 2020/21 which is close to the risk adjusted expectations (0.33% to 0.44%) defined in the Benchmarking Report for our group.

Borrowing Performance

18. The total external borrowing at 31 March 2021 was £658.684m, which was within the operational borrowing limit of £865.000m. This is a net decrease of £36.054m from the opening figure of £694.738m.

External Borrowing at 31 March 2020	£694.738m
Add New Borrowing	£4.500m
Less Maturity of existing borrowing	(£40.554m)
External Borrowing at 31 March 2021	£658.684m

19. Investment returns/interest rates were low during 2020/21 and were well below long term borrowing rates. Therefore, value for money considerations indicated that best value could be obtained by delaying new external borrowing by using internal cash balances to finance new capital expenditure in the short term (this is referred to as internal borrowing). At the end of the financial year 2020/21 the Council had internal borrowing of £48.303m. This comprised of £6.443m General Fund under borrowing and £41.860m HRA under borrowing. Any short-term savings gained from adopting this approach was weighed against the potential for incurring additional long-term costs by delaying new external borrowing until later years when PWLB long term rates are forecast to be higher.
20. The Council's underlying need to borrow for capital expenditure and long-term liabilities is termed the Capital Financing Requirement (CFR). The CFR arises directly from the capital activity of the Council and the resources applied to fund the capital spend, as follows:

	31 March 2020 Actual £m	31 March 2021 Actual £m
Capital Financing Requirement for General Fund excluding PFI	359.575	361.482
Capital Financing Requirement for HRA excluding PFI	345.505	345.505
Total Capital Financing Requirement excluding PFI	705.080	706.987

21. The details of the borrowing taken during 2020/21 are as follows:

Date	Term (years)	Amount £m	Interest Rate (%)	Source
31/03/2021	365 (days)	4.500	0.00	NE LEP

22. At 31 March 2021 £606.184m of the total borrowing was from the PWLB and £52.500m was in the form of market loans. The average interest rate on borrowing has decreased from 3.69% in 2019/20 to 3.60% during 2020/21 which will reduce borrowing costs.
23. There was short-term borrowing of £4.5m taken during 2020/21. No long-term borrowing was taken during 2020/21.
24. The overall revenue cost of borrowing in 2020/21 was £24.081m, as a result of the application of the Treasury Management Strategy this was £2.272m less than the budget.

Debt Restructuring & Repayment

25. Due to the reintroduction of redemption rates on the early repayment of PWLB debt it was anticipated that there would be little scope to restructure PWLB debt.
26. The rates payable on the early redemption of debt was monitored throughout the year. The cost of early repayment of PWLB loans outweighed any savings and therefore there was no early redemption of PWLB debt.

Summary of Treasury Management Performance for the Year 2020/21

27. Total interest income was £0.005m above budget, the main variances from budget were due to the reduction in interest rates and delays in dwelling sales within the Gateshead Trading Company's house building schemes.

NET INVESTMENT INTEREST MONITORING 2020/21	Base Budget	Actual March 2021	Movement	Note
	£000s	£000s	£000s	
Gross Investment Interest	-663	-329	334	Reduction in interest rates
Interest paid/(received on balances):	-2	-7	-5	
Interest due on loan balances:				
GTC	-34	-326	-292	Increase due to delay in sale of dwellings.
Others	-590	-623	-33	
Heritable Dividend	0	-30	-30	Final Dividend payment
Newcastle Airport (Loan Notes & Dividend)	-886	-865	21	
NET INVESTMENT INTEREST TOTAL	2,175	2,180	-5	

28. Borrowing costs were £2.272m less than budget due to a delay in taking borrowing and the decision to temporarily fund the capital programme through internal borrowing by utilising cash balances.

29. Overall Treasury Management performance against budget for 2020/21 generated net savings of £2.277m, this is summarised in the following table:

		2020/21		
		Budget	Actual	Saving
		£m	£m	£m
General Fund	Cost of Borrowing	12.979	11.501	-1.478
	Interest Income	1.855	2.186	-0.331
	Net Position	11.124	9.315	-1.809
HRA	Cost of Borrowing	13.373	12.580	-0.793
	Interest Income	0.320	-0.006	0.326
	Net Position	13.053	12.586	-0.467
Combined	Cost of Borrowing	26.353	24.081	-2.272
	Interest Income	2.175	2.180	-0.005
	Net Position	24.178	21.901	-2.277

Treasury Management remained challenging throughout 2020/21 with one of the lowest bank interest rates in history and continuing pressure on available counterparties. The report highlights the way in which the Council has successfully managed these challenges with its day-to-day treasury management strategy and thus delivered the savings highlighted in the table whilst keeping treasury risks to a minimum throughout.

Investment Activity

	2019/20	2020/21
Number of investments made in 2018/19 maturing in 2019/20	18	n/a
Number of investments made in 2019/20 maturing in 2019/20	14	n/a
Number of investments made in 2019/20 maturing in 2020/21	n/a	12
Number of investments made in 2020/21 maturing in 2020/21	n/a	14
Total number of investments maturing in year	32	26
Number of investments made in 2020/21 maturing in 2021/22	n/a	14
Average duration of investments (including overnight)	12 days	6 days
Average duration of investments (excluding overnight)	117 days	87 days
Non-specified investments:		
Rated non-high		
Approved limit	75%	25%
Maximum level invested	9.14%	4.83%
Not Rated		
Approved limit	0%	0%
Maximum level invested*	0.05%	0.03%
Investments greater than 364 days		
Approved limit	£15m	£15m
Maximum level Invested	£5m	£5m

*Relates to the impaired investment with Heritable Bank.

PRUDENTIAL INDICATORS 2020/21

The 2019/20 Prudential Indicators were agreed by Council on 27 February 2020 (column 1). This is now compared with the 2020/21 actual outturn position as at the 31 March 2021 (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 2020/21 have been breached.

<i>Capital Expenditure</i>		
	2020/21 £000 Reported Indicator	2020/21 £000 Actual
Non-HRA	87,254	50,086
HRA	23,221	20,732
Total	110,475	70,818
To reflect the reported capital monitoring agreed by Council during the year		

<i>Ratio of Financing Costs to Net Revenue Stream</i>		
	2020/21 Reported Indicator	2020/21 Actual
Non-HRA	17.40%	14.69%
HRA	44.25%	39.92%

<i>Capital Financing Requirement</i>		
	2020/21 £000 Reported Indicator	2020/21 £000 Actual
Non-HRA	435,607	361,482
HRA	345,505	345,505

There were no breaches to the Prudential Indicators set for 2020/21.

<i>Authorised Limit for External Debt</i>	
	2020/21 £000 Reported Indicator
Borrowing	880,000
Other Long Term Liabilities	0
Total	880,000
Maximum YTD 31/03/21 £694.738m	

<i>Operational Boundary for External Debt</i>	
	2020/21 £000 Reported Indicator
Borrowing	865,000
Other Long Term Liabilities	0
Total	865,000
Maximum YTD 31/03/21 £694.738m	

The Council's actual external debt at 31 March 2021 was £658.684m. 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				
	2020/21 £000 Reported Indicator		2020/21 £000 Actual Position	
	Upper Limit	Lower Limit	Actual Percentage	Maximum YTD
Under 12 months	30%	0%	3.43%	5.84%
12 months to 24 months	25%	0%	0.17%	3.60%
24 months to 5 years	25%	0%	7.56%	7.61%
5 years to 10 years	30%	0%	11.06%	11.14%
10 years to 20 years	30%	0%	7.37%	9.75%
20 years to 30 years	25%	0%	1.18%	1.19%
30 years to 40 years	50%	0%	32.18%	32.41%
40 years to 50 years	50%	0%	34.61%	36.36%
50 years and above	25%	0%	0.00%	0.00%
All within agreed limits.				

Upper / Lower Limits for Maturity Structure of Variable Rate Borrowing				
	2020/21 £000 Reported Indicator		2020/21 £000 Actual Position	
	Upper Limit	Lower Limit	Actual Percentage	Maximum YTD
Under 12 months	25%	0%	2.43%	2.95%
12 months to 24 months	20%	0%	0.00%	0.00%
24 months to 5 years	20%	0%	0.00%	0.00%
5 years to 10 years	20%	0%	0.00%	0.00%
10 years to 20 years	20%	0%	0.00%	0.00%
20 years to 30 years	20%	0%	0.00%	0.00%
30 years to 40 years	20%	0%	0.00%	0.00%
40 years to 50 years	20%	0%	0.00%	0.00%
50 years and above	20%	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.

Upper Limit on amounts invested beyond 364 days			
	2020/21 £000 Reported Indicator	2020/21 £000 Actual Position	2020/21 £000 Maximum YTD
Investments	15,000	5,000	5,000

TITLE OF REPORT: Supporting Communities and Voluntary, Community and Social Enterprise (VCSE) Partners**REPORT OF: Caroline O'Neill, Strategic Director, Care Wellbeing & Learning and Alice Wiseman, Director of Public Health**

Purpose of the Report

1. The purpose of this report is to provide an update on funding passed from the Gateshead Council and on to VCSE partners to enable and scale up essential activities. The report provides information on 3 new grant funded initiatives to support older people at risk of hospitalisation, people with dementia and people with significant mental health issues.

Background

2. Funding from the Newcastle Gateshead Clinical Commissioning Group was received by Gateshead Council under a section 75 Agreement. The original intention was to explore ways for the Community Hubs to deliver this activity however, upon exploration of opportunities and challenges this brought to the Community Hubs it was determined an improved outcome would be delivered by VCSE partners.
3. There are three separate and distinct funding streams:
 - a) £87,500 to be spent by 31st March 2022 to create a Hospital to Home Service. The aim is to ensure wherever possible older people can be treated at home but if they do go into hospital they are supported to do so and they are safely discharged to their homes reducing the risk of readmission. This is a one-year project, funding of £87,500 will be split with £66,500 going to Age UK Gateshead who will do the 1-2-1 support work with the residents and £21,000 going to Citizens Advice Gateshead for social welfare and community care advice.
 - b) £220,000 payable at the rate of £55,000 per annum for four years to create a dementia support service delivered by Age UK Gateshead. This service will work very closely with the Community Hubs, wherever possible co-locating within the Community Hub venues. The aim is to work with GPs, patients registered on the Dementia Register and their families to ensure their support needs are met. This is an all age service, recognising that dementia does not only affect older people, the intention is to create strong and enduring links with the Community Hubs and with Citizens Advice Gateshead.
 - c) £12,500 to be spent by 31st March 2022 support GPs to reach out to patients with significant mental health issues to encourage them to take up a health check. This project will be delivered by ReCoCo who have an established track record in providing peer to peer support for this patient group, the Community Hubs will support ReCoCo to reach out to Gateshead residents who are harder to contact.

Recommendations

11. Cabinet is requested to:

- (i) Note the allocation of funding from the Newcastle Gateshead Clinical Commissioning Group.
- (ii) Approve the grants set out in paragraph 3 above.

For the following reasons:

- (i) These services are complementary to the Community Hub services and there are benefits from co-location and cross referral.
- (ii) The VCSE are best placed to deliver these services.

Policy Context

1. The Thrive Policy Framework and the Health and Wellbeing Strategy are driving our decisions around how we work in communities.
2. The Council is committed to supporting and helping to sustain a vibrant voluntary and community sector in Gateshead, and the Council from the start of Covid-19 has worked tirelessly to enable VCSE activity and to pass funding to the VCSE wherever possible.
3. Passing on this funding from the CCG to VCSE partners seeks to ensure vulnerable residents receive vital support services, avoid food and energy insecurity, supporting them to take greater control over their health and wellbeing.

Consultation

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

Alternative Options

5. The Council could decide not to award the grants and for the Community Hub staff to deliver these services, but staffing in the hubs is already stretched as employees return to their substantive roles, particularly those involved in leisure activities. This combined with the time it would take to train and implement, it was concluded in partnership with CCG colleagues, grants to the VCSE was the most effective method of distribution both considering the time frame available and the expertise required.

Implications of Recommended Option

8. **Resources:**
 - a) **Financial Implications** – The Strategic Director, Resources and Digital confirms a cost neutral position for the Council as all monies received from the Newcastle Gateshead CCG will be passed to the VCSE.
 - b) **Human Resources Implications** – None
 - c) **Property Implications** - There are no property implications for the Council from the proposals.
9. **Risk Management Implication** - There are no risk management implications for the Council from the proposals.
10. **Equality and Diversity Implications** – These grants will help address health inequalities for some of our most vulnerable residents supporting them to access health services and to maximise their income.

11. **Crime and Disorder Implications** – There are no crime and disorder implications for the Council from the proposals.
12. **Health Implications** - The project will help address the wider determinants of health and wellbeing increasing income and access to health checks, whilst allowing older residents to remain in their homes for longer.
13. **Climate Emergency and Sustainability Implications** – There are no climate emergency and sustainability implications.
14. **Human Rights Implications** - There are no Human Rights implications for the Council from the proposals.
15. **Ward Implications** – These services will be offered Borough wide.

TITLE OF REPORT: Surplus Declaration and Community Asset Transfer of the Training Room & Bowling Green, Saltwell Park

REPORT OF: Colin Huntington, Strategic Director, Housing, Environment and Healthy Communities

Purpose of the Report

1. To seek approval to (i) declare surplus the training room and bowling green (The Property) at Saltwell Park, to the Council's requirements, and (ii) outline the future proposals for the property after it being declared surplus.

Background

2. The Property, shown edged black on the attached plan, is held for leisure purposes. The majority of the building has been underused for a number of years and the bowling club, that was previously using part of the accommodation and the bowling green, has been dissolved.
3. The Recovery College Collective (ReCoCo), a local charity which supports people with mental health issues, has applied to take a lease of the Property to use as a base for their work. Through its work, the organisation will also assist the Council with its improvement proposals for the Park.

Proposal

4. It is proposed that the Property be declared surplus to the Council's requirements and to facilitate the grant of a 25 year lease, to ReCoCo, pursuant to the Council's Community Asset Transfer policy.

Recommendations

5. It is recommended that Cabinet: -
 - (i) Declare the Property surplus to the Council's requirements; and
 - (ii) Authorise the Strategic Director, Corporate Services and Governance to grant a 25 year lease at nil rent pursuant to the Council's Community Asset Transfer policy.

For the following reasons: -

- (i) To manage resources and rationalise the Council's assets in line with the Corporate Asset Strategy and Management Plan.
- (ii) To realise savings identified through rationalisation of the bowling green portfolio.

CONTACT: Zoe Sharratt

Extension: 3503

APPENDIX 1: Training Room at Saltwell Park, Gateshead NE8 4SF

Policy Context

1. The proposed surplus declaration supports the overall vision for Making Gateshead a Place Where Everyone Thrives, in particular supporting communities to support themselves and each other.
2. The proposed declaration will also accord with the provisions of the update of the Corporate Asset Strategy and Management Plan 2015 – 2020. In particular, the rationalisation of the Councils estate.

Background

3. In 2018, ReCoCo applied to take a lease of Bill Quay Farm, but their proposals were not considered suitable for that property. However, as the purpose of the charity is to provide peer support to people with mental health issues and much of their work is based outdoors, it was suggested that they look to develop proposals for the Training Room in Saltwell Park.
4. The Property, which is shown edged black on the attached plan, is held by the Council for leisure purposes and has been underused for a number of years. The bowling club using part of the building and the adjacent green has been dissolved, with bowlers wishing to continue the sport moving to other clubs.
5. ReCoCo is able to access funding to undertake some building improvements and has been in discussions with the Council as to how their work can help implement improvement proposals the Council has for the Wildlife Garden in the park.
6. ReCoCo has requested that the building be transferred to them pursuant to the Council's Community Asset Transfer policy. Given the location of the training room and bowling green within the Park, and the need for this occupier to work closely with the Council in relation to how the use of the building develops, it is considered that a 25 year lease and partnership agreement is most appropriate in this instance.

Proposal

7. It is proposed that the Property, shown edged black on the plan be declared surplus to the Council's requirements and a 25 year lease at nil rent, be granted to the ReCoCo.

Consultation

8. In preparing this report consultations have taken place with the Leader, Deputy Leader, Communities and Volunteering Portfolio Holders and Ward Councillors for Saltwell.

Alternative Options

9. The option of not granting a lease has been discounted as maintenance of the green and pavilion had been identified as an efficiency saving. There were no alternative viable options for the use of the property.

Implications of Recommended Option

10. Resources:

- a) **Financial Implications** - The Strategic Director, Resources and Digital confirms that there are no financial implications arising from this recommendation.
- b) **Human Resources Implications** - There are no direct staffing implications arising from the recommendations in this report.
- c) **Property Implications** - The grant of a lease of this property will result in a reduction in the Council's operational costs.

11. **Risk Management Implications** - There are no risk management implications arising from this report.

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

13. **Crime and Disorder Implications** - The grant of a lease of this property will reduce opportunities for crime and disorder, especially vandalism and theft.

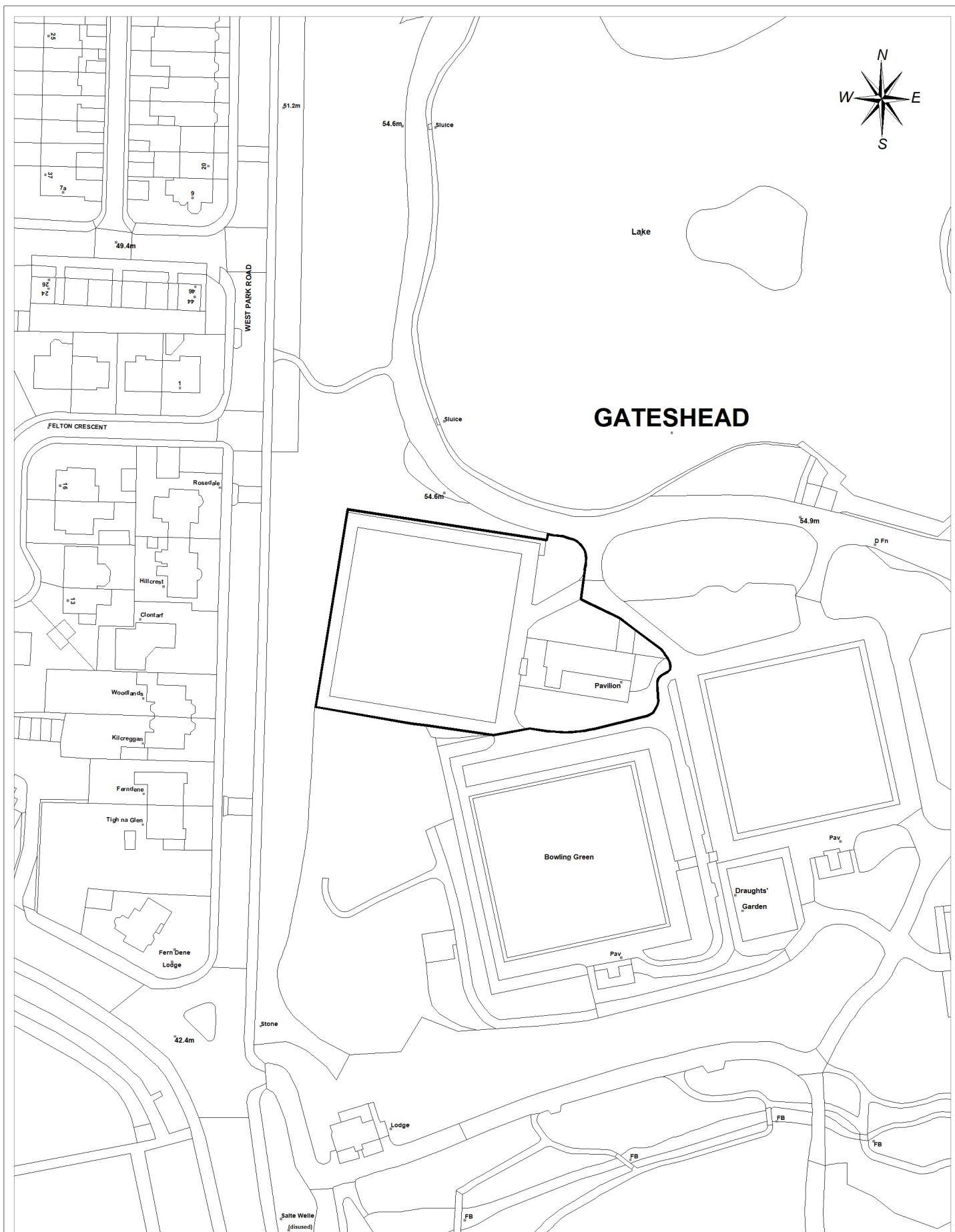
14. **Health Implications** - There are health implications arising as result of this report, as the activities provided by the tenant provide both physical and mental health benefits to people who participate in the activities delivered.

15. **Climate Emergency and Sustainability Implications** - The grant of a lease will ensure the future sustainability of the pavilion and bowling green.

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

17. **Ward Implications** – Saltwell.

18. **Background Information** – None.



Title

**Training Centre and Bowling Green
Saltwell Park, Gateshead**

Scale
1 : 1250

Date Created
19th May 2021

Drawn By
Joe Davies

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Drawing Number
Asset ID 001011

Rev
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Date Printed
19th May 2021

O/S NUMBER
NZ2561SW



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

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REPORT TO CABINET
22nd June 2021

TITLE OF REPORT: Nomination of Local Authority School Governor

REPORT OF: Caroline O'Neill, Strategic Director, Children, Adults and Families

Purpose of the Report

1. Cabinet is asked to nominate a local authority governor to a school seeking to retain their local authority governor in accordance with The School Governance (Constitution) (England) Regulations.

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.

Proposal

3. It is proposed that Cabinet approves the nomination to the school as shown in appendix 1.

Recommendations

4. It is recommended that Cabinet approves the nomination for appointment of a local authority governor as set out in appendix 1 and notes the term of office as determined by the schools' Instrument of Government.

For the following reason:

To ensure the School Governing Body has full membership.

CONTACT: John Finch

extension: **8626** (Johnfinch@gateshead.gov.uk)

Policy Context

1. 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.

Consultation

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

Alternative Options

3. The alternative option would be to make no nomination to the vacancy, leaving the governing body under strength and less likely to demonstrate the correct configuration.

Implications of Recommended Option

4. Resources:

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

b) **Human Resources Implications** – None

c) **Property Implications** - None

5. **Risk Management Implication** - None

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

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

8. **Health Implications** - None

9. **Climate Emergency and Sustainability Implications** - None

10. **Human Rights Implications** - None

11. **Ward Implications** - Winlaton and High Spen

Background Information

12. The School Governance (Constitution) (England) Regulations.

In accordance with the School Governance (Constitution) (England) Regulations 2012, the following Local Authority governors 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
High Spen Primary School	Cllr Maria Hall	20 th November 2021

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TITLE OF REPORT: **Petitions Schedule**

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

Purpose of the Report

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

Background

2. Council Procedure 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. Cabinet is asked to note the petitions received and actions taken on them.

Recommendations

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

For the following reason:

To inform the Cabinet of the progress of the petitions.

CONTACT: Mike Aynsley extension: 2128

Policy Context

1. The information is provided in accordance Council Procedure Rule 10.2 whereby progress of petitions is to be reported regularly to meetings of the Cabinet. The procedure supports the Council's 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, Resources and Digital 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. **Climate Emergency and Sustainability implications** – These will be considered by officers as part of their responses to petitioners.

11. **Human Rights Implications** - Nil

12. **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
15.03.19 Submitted to the Strategic Director, Corporate Services and Governance	04/09	Petition from residents of Rowlands Gill	Petition requesting the removal of road humps in Rowlands Gill.	Strategic Director, Housing, Environment and Healthy Communities	Some additional investigations are to be carried out in relation to the traffic calming and officers have been waiting for traffic to return to near normal levels post Covid lockdown.
27.08.20 Submitted to the Strategic Director, Housing, Environment and Healthy Communities	01/20	Petition from residents and shopkeepers of Gateshead	Petition requesting the removal of the bollards on Durham Road.	Strategic Director, Housing, Environment and Healthy Communities	The petition will be considered as part of the experimental traffic regulation order process.
2.9.20. Submitted to Service Director, Development, Transport and Public Protection	02/20	Petition via Change.org	Petition to stop the traffic changes around the Tyne Bridge	Service Director, Development, Transport and Public Protection	Consultation is ongoing whilst temporary changes are in place. The petition is being considered as part of this process.
16.11.20 Submitted to Strategic	03/20	Residents of Winlaton Mill	Petition regarding parking and traffic issues in the vicinity of the Land of Oak and Iron	Strategic Director, Housing,	Officers have responded to the lead petitioner and ward councillors advising that they will carry out surveys. However,

Director, Corporate Services and Governance via Councillor Charlton			Heritage Centre	Environment and Healthy Communities	these need to be undertaken when traffic flows and parking patterns return to near normal levels post Covid lockdown.
17.11.20 Submitted to the Gateshead Housing Company via Councillor Bradford	04/20	Residents of William Morris Avenue	Petition regarding payment for communal facilities during the pandemic.	Strategic Director, Housing, Environment and Healthy Communities	All communal lounges have been closed since 16 March 2020. Joint discussions between the Council and Gateshead Housing Company have taken place and a method of providing a compensatory payment is being considered. The lead petitioner, ward councillors and relevant Cabinet members have been updated accordingly.
03.12.20 Submitted to the Strategic Director, Corporate Services and Governance	05/20	Gateshead residents	Petition objecting to the proposed traffic regulation order for Camborne Place, Gateshead.	Strategic Director, Housing, Environment and Healthy Communities	Officers are considering the petition together with other representations received.
22.02.21 Submitted to the Strategic Director, Housing, Environment and Healthy Communities	03/21	Residents of Stephenson Way/Broom Close	Petition regarding parking concerns in Stephenson Way/Broom Close	Strategic Director, Housing, Environment and Healthy Communities	The lead petitioner has been advised that the Council protocol does not allow for the removal of grassed verge to create parking spaces. It is proposed that the petition be removed from the schedule.
27.05.21 Submitted via the Council's	04/21	Residents of the Borough	Petition regarding the proposed restructuring of Gateshead Music Service	Strategic Director, Children, Adults	The petition was the subject of a debate at Council on 27 May 2021 and was referred to officers for consideration as

Petition Portal				and Families	part of the ongoing consultation process
26 May 2021 Submitted to the Strategic Director, Corporate Services and Governance	05/21	Friends of Gateshead Leisure Centre Action Group	Petition regarding the re- opening Gateshead Leisure Centre	Director of Public Health	The lead petitioner has been sent a letter addressing the issues raised in the petition. It is proposed that the petition be removed from the schedule.

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

Document is Restricted

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