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Gateshead Council

CABINET AGENDA

Tuesday, 19 October 2021 at 10.00 am in the Council Chamber - Civic Centre

(Please enter the building from the car park entrance)

From the Chief Executive, Sheena Ramsey

Item	Business
1	**Apologies for absence**
2	**Minutes** (Pages 5 - 14) Cabinet is asked to approve as a correct record the minutes of the last meeting held on 14 September 2021.
	Key Decisions
3	**Health and Wellbeing Group Review - Update** (Pages 15 - 32) Report of the Director of Public Health
4	**Health and Wellbeing Group Review - Library Service** (Pages 33 - 86) Report of the Director of Public Health
5	**Welcome Back Fund - Proposed Spending** (Pages 87 - 90) Report of the Strategic Director, Economy, Innovation and Growth
	Recommendations to Council
6	**Medium Term Financial Strategy 2022/23 - 2026/27** (Pages 91 - 118) Report of the Strategic Director, Resources and Digital
7	**Treasury Management - Performance to 30 September 2021** (Pages 119 - 126) Report of the Strategic Director, Resources and Digital
8	**Housing Revenue Account (HRA) 30 year Business Plan** (Pages 127 - 152) Report of the Strategic Directors Resources & Digital and Housing Environment & Healthy Communities

9 **Housing Revenue Account Asset Management Strategy** (Pages 153 - 204)

Report of the Strategic Director, Housing, Environment and Healthy Communities

10 **Apprenticeship Strategy & Delivery Plan** (Pages 205 - 242)

Report of the Strategic Director, Corporate Services and Governance

11 **Gateshead Council Speed Management Plan** (Pages 243 - 302)

Report of the Strategic Director, Economy, Innovation and Growth

Non Key Decisions

12 **Performance Management and Improvement Framework** (Pages 303 - 320)

Report of the Strategic Director, Resources and Digital

13 **Community Infrastructure Levy - Neighbourhood Fund Governance** (Pages 321 - 328)

Report of the Strategic Director, Economy, Innovation and Growth

14 **Active Through Football Project** (Pages 329 - 336)

Report of the Director of Public Health

15 **Nomination of a Local Authority School Governor** (Pages 337 - 340)

Report of the Strategic Director, Children, Adults and Families

16 **Exclusion of the Press and Public**

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

Item	Paragraph of Schedule 12A to the Local Government Act 1972
17	3
18	3
19	3

Key Decision

17 **Gateshead Quays** (Pages 341 - 366)

Report of the Chief Executive, Strategic Director, Economy, Innovation and Growth and Strategic Director, Resources and Digital

Non Key Decisions

18 **Proposed Lease Surrender - 11 Gladstone Terrace** (Pages 367 - 370)

Report of the Strategic Directors, Children, Adults and Families and Housing, Environment and Health Communities

19 **Newcastle Airport Update** (Pages 371 - 378)

Report of the Strategic Director, Resources and Digital

Contact: Kevin Ingledew Email: keviningledew@gateshead.gov.uk, Tel: 0191 4332142,
Date: Monday, 11 October 2021

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GATESHEAD METROPOLITAN BOROUGH COUNCIL

CABINET MEETING

Tuesday, 14 September 2021

PRESENT: Councillor M Gannon (Chair)

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

Also in attendance: Councillors R Beadle and JC Wallace

C48 **APOLOGIES FOR ABSENCE**

Apologies for absence have been received from Councillors G Haley and B Oliphant.

C49 **MINUTES**

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

C50 **BREATHE: THE CLEAN AIR PLAN FOR NEWCASTLE AND GATESHEAD**

Consideration has been given to recommending the Council to approve the full Business Case for a Clean Air Zone Class C and a package of mitigation and support measures, including grants for affected businesses and individuals, in advance of the formal submission to the Joint Air Quality Unit to fulfil the requirements of the Environment Act 1995 (Feasibility Study for Nitrogen Dioxide Compliance) Air Quality Direction 2017 and the Environment Act 1995 (Gateshead Council and Newcastle City Council) Air Quality Direction 2020.

The alternative option to that being recommended, but which was discounted, was a Clean Air Zone Class D.

RESOLVED - (i) That the full Business Case for a Clean Air Zone C as set out in appendix 4 to the report be noted.

(ii) That the full Business Case be recommended to Council for approval in advance of formal submission to the Joint Air Quality Unit, to fulfil the requirements of the Environment Act 1995 (Feasibility Study for Nitrogen Dioxide Compliance) Air Quality Direction 2017 and the Environment Act 1995 (Gateshead Council and Newcastle City Council) Air Quality Direction 2020.

(iii) That the Strategic Director, Economy, Innovation and Growth, following consultation with the Leader and Cabinet Member for Environment and Transport, be authorised to make any final

necessary amendments to the full Business Case prior to the formal submission to the Joint Air Quality Unit.

The above decisions have been made to improve air quality in Gateshead and Newcastle.

C51 ANNUAL REPORT OF THE AUDIT AND STANDARDS COMMITTEE 2020/21

Consideration has been given to recommending the Council to endorse the Annual Report of the Audit and Standards Committee 2020/21.

RESOLVED - That the Council be recommended to endorse the Annual Report of the Audit and Standards Committee 2020/21.

The above decision has been made to strengthen the Council's arrangements for oversight by councillors of governance, audit, risk management, the internal control framework, value for money and efficiency.

C52 REVIEW OF THE COUNCIL'S CONSTITUTION

Consideration has been given to recommending the Council to approve a number of amendments to the Constitution.

RESOLVED - That the Council be recommended to approve the proposed changes to the Council's Constitution as set out in appendices 2 – 5 to the report.

The above decision has been made to ensure that the Constitution remains fit for purpose and that its aims and principles are given effect.

C53 APPOINTMENTS TO THE CORPORATE PARENTING BOARD

Consideration has been given to the appointment of members to the Corporate Parenting Board.

RESOLVED - That the Cabinet Member for Children and Young People (Councillor G Haley) and the following members be appointed to the Corporate Parenting Board:

Councillor A Douglas
Councillor S Gallagher
Councillor F Geddes
Councillor H Weatherley
Councillor I Patterson

The above decision has been made to ensure that the Council has full representation on the Board.

C54 **GATESHEAD LOCAL PLAN - PLACEMAKING SUPPLEMENTARY PLANNING DOCUMENT (SPD)**

Consideration has been given to the updated Placemaking Supplementary Planning Document (SPD) and for it to be the subject of a six-week public and stakeholder consultation, commencing in late September/early October 2021.

RESOLVED - (i) That the Placemaking SPD update be approved for a six-week public and stakeholder consultation, including a Members' Seminar, commencing in late September/early October 2021.

(ii) That the Strategic Director, Economy, Innovation and Growth, following consultation with the Cabinet Members for Environment and Transport, Economy and Housing be authorised to publish the SPD for a further period of consultation in the event of amendments resulting from this initial consultation.

The above decisions have been made for the following reasons:

(A) To enable the Council to effectively deliver the Local Plan.

(B) To ensure full public engagement on the Placemaking Supplementary Planning Document in line with Gateshead's Statement of Community Involvement (SCI).

C55 **GATESHEAD LOCAL PLAN - SPECIALIST AND SUPPORTED ACCOMMODATION SUPPLEMENTARY PLANNING DOCUMENT (SPD)**

Consideration has been given to proceeding with a formal public consultation, commencing late September/early October 2021 on a Draft Supplementary Planning Document (SPD) relating to the development of specialist and supported accommodation, in accordance with Regulations (The Town and Country Planning (local Planning) England Regulations 2012) and the Council's Statement of Community Involvement 2020.

RESOLVED - (i) That the draft Specialist and Supported Accommodation SPD be approved for a six-week public and stakeholder consultation, including a Members' Seminar, commencing in late September/early October 2021.

(ii) That the Strategic Director, Economy, Innovation and Growth, following consultation with the Cabinet Members for Environment & Transport, Housing and Economy be authorised to publish the SPD for a further period of consultation in the event of amendments resulting from this initial consultation.

The above decisions have been made for the following reasons:

(A) To enable the Council to effectively deliver the policy objectives of the Local Plan.

(B) To allow the process of adoption to progress in the timeliest way.

C56 **GAMBLING STATEMENT OF PRINCIPLES 2022- 2025**

Consideration has been given to undertaking a public consultation on a draft Statement of Principles, by which the Council will make decisions when exercising its responsibilities under the Gambling Act 2005.

RESOLVED - (i) That the draft Statement of Principles be consulted upon for a six-week period following this meeting.

(ii) That a Policy Advisory Group be asked to consider the results of the above consultation and give their comments to Cabinet.

(iii) That following the above a further report be submitted to Cabinet recommending a final version of the Gambling Statement of Principles to go forward to Council for approval.

The above decisions have been made because there is a legal requirement to prepare and revise every three years a Statement of Principles under the Gambling Act 2005.

C57 **DECISIONS TAKEN UNDER DELEGATED POWERS DURING SUMMER RECESS 2021**

Consideration has been given to the decisions made under delegated powers during the summer recess 2021 in accordance with the authorisation given to the Strategic Director, Economy, Innovation and Growth by Cabinet on 20 July 2021 (Minute C40).

RESOLVED - That the decisions made under delegated powers during the summer recess as set out in appendix 2 to the report be noted.

The delegated decisions have been made to enable projects to progress and to avoid delay in delivery of the capital programme and its related expenditure.

C58 **ALL PARTY PARLIAMENTARY GROUP (APPG) RECOMMENDATIONS TO SUPPORT THE UPCOMING TOBACCO CONTROL PLAN 2021**

Consideration has been given to endorsing the recommendations proposed by the All Party Parliamentary Group on Smoking and Health (APPG) for the upcoming Tobacco Control Plan 2021.

RESOLVED - That Delivering a Smokefree 2030, The All Party Parliamentary Group on Smoking and Health recommendations for the Tobacco Control Plan 2021 be endorsed.

The above decision has been made for the following reasons:

(A) To support improvements in health and wellbeing and reduce inequalities in health in Gateshead.

(B) To refresh and demonstrate the Council's continued support of the Smokefree 2030 vision.

C59 **NOMINATION OF A LOCAL AUTHORITY SCHOOL GOVERNOR**

Consideration has been given to the nomination of a local authority school governor.

RESOLVED - That Councillor S Green be nominated as a local authority school governor for White Mere Community Primary School, for a period of four years, in accordance with the School's Instrument of Government, commencing 31 December 2021.

The above decision has been made to ensure the School Governing Body has full membership.

C60 **EXCLUSION OF THE PRESS AND PUBLIC**

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

C61 **DEVELOPMENT OF NEW HOMES ON THE FREIGHT DEPOT SITE BY THE GATESHEAD REGENERATION PARTNERSHIP**

Consideration has been given to the freehold transfer of the former Freight Depot site to Gateshead Regeneration Limited Liability Partnership (GRP) as shown edged red on the plan as detailed in appendix 3 to the report and to providing a total capital injection to GRP, made up of a combination of Council and Homes England funds, to overcome viability constraints and facilitate the redevelopment of this long vacant, regeneration priority site.

The alternative options to that being recommended, but which were discounted, included no financial support and retaining the site in Council ownership.

RESOLVED - (i) That the transfer of the freehold interest in the subject site in accordance with the Agreement for Sale to the GRP for the provision of new homes be approved.

(ii) That to the Strategic Director, Economy, Innovation and Growth, in consultation the Strategic Directors, Resources and Digital, and Corporate Services and Governance, be authorised to agree the Transfer Value for the site.

(iii) That the provision of a capital injection totalling the amount set out in the report for these sites (see resolution iv below) to facilitate the delivery of new homes, made up of the amounts set out in the report from Homes England and from the Council Capital Programme; and for the Council to enter into site-

specific Capital Injection Agreements with GRP in a form approved by the Strategic Director, Corporate Services and Governance in accordance with the Constitution, be approved.

(iv) That the current position with Homes England, regarding their approval of land valuation; the relationship to the Birtley Northside site; the linkage of the Homes England Accelerated Construction Funding to outputs on the Birtley Northside site and the associated risks be noted.

The above decisions have been made for the following reasons:

(A) To support the delivery of 270 homes on Freight Depot, with a start on site in October 2021.

(B) To enable income to accrue to the Council; and training, employment and socio-economic benefits for the residents and businesses of Gateshead.

(C) To bring forward a vacant Council owned site for redevelopment and remove holding costs to the Council.

(D) To utilise the Council's land and property portfolio to support the Council's policy priorities in accordance with the provisions of the Council's Corporate Asset Strategy and Management Plan 2015 – 2020 and Housing Strategy 2019-30.

C62 **HOMES ENGLAND AFFORDABLE HOMES PROGRAMME 2021-2026 - WHITLEY COURT**

Consideration has been given to the Homes England's Affordable Homes Programme 2021-2026 and to the proposed acceptance of the funding offer from Homes England in relation to the housing delivery at Whitley Court, Wrekenton.

RESOLVED - (i) That the acceptance of the grant funding award, of the amount set out in the report, from Homes England in relation to the purchase of 44 units at Whitley Court be approved.

(ii) That the Strategic Director, Corporate Services and Governance, following consultation with the Strategic Director, Housing, Environment, and Healthy Communities, be authorised to enter into the grant funding agreement with Homes England.

The above decisions have been made to contribute to the delivery of an exemplary scheme, which offers mixed tenure delivery and assists with fulfilling the supported accommodation needs in the area.

C63 **PROPOSED FUTURE MANAGEMENT FOR THE TENANTED NON RESIDENTIAL PORTFOLIO**

Consideration has been given to a change in the arrangements for the management of

the Council's Tenanted Non-Residential Portfolio ('TNRP'), currently leased to PSP Gateshead (TNRP) Limited Liability Partnership (LLP).

The alternative option to that being recommended, but which was discounted, included moving to a hybrid management option with PSP.

RESOLVED - (i) That the Council serve notice in accordance with the provisions of the Overarching Agreement to bring the Lease with the LLP to an end and bring back in-house the management of the Council's Tenanted Non-Residential Portfolio.

(ii) That Strategic Director, Corporate Services and Governance be authorised to negotiate the details of the transaction.

The above decisions have been made for the following reasons:

(A) Continuation of the current arrangements is not possible due to the inability to trade assets and generate better returns.

(B) The Council can continue to engage with PSP through the continuing partnership in respect of future asset management of the TNRP and development aspirations.

C64 **ESTABLISHING AN INDEPENDENT VOLUNTEER CENTRE IN GATESHEAD**

Consideration has been given to a partnership proposal between the Council and Connected Voice to create an independent Volunteer Centre to serve the people of Gateshead.

The alternative option to that being recommended, but which was discounted, included undertaking a competitive tendering process to develop the Volunteer Centre.

RESOLVED - (i) That the establishment of an Independent Volunteer Centre in Gateshead be approved.

(ii) That the designation of the Service Director for Voluntary and Community Sector Development as the Strategic Lead for Volunteering within Gateshead Council be approved.

(iii) That a grant to Connected Voice of the amount set out in the report, to be paid over three years to deliver the outputs listed in the report be approved.

(iv) That officers exploring, subject to identifying the correct legal process, opportunities to use the existing Council volunteering resource within the Volunteer Centre be approved.

(v) That an additional investment of the amount set out in the report, to be paid over three years, to establish the strategic role for the Volunteer Centre to support Council transformation and one Gateshead approach to volunteering be approved.

(vi) That officers exploring how the Volunteer Centre links into the

Councils employability offer be approved.

(vii) That officers exploring Council assets to find suitable premises from which to operate the Volunteer Centre and provide value for money be approved.

The above decisions have been made for the following reasons:

(A) The Volunteer Centre and volunteering is a key tool for the Council to deliver the objectives set out in the Health and Wellbeing Strategy.

(B) Volunteering is recognised as an aid to wellbeing, increasing confidence, building skills and self-esteem.

(C) Volunteering offers employability skills and is an established pathway to employment, complementing the Gateshead Council employability service.

(D) The Volunteer Centre provides an opportunity to build on the Council's declared intention to rebalance Voluntary Community and Social Enterprise relationships, using resources and assets to enable their activity and maximise the collective impact.

(E) The creation of a volunteer strategy for Gateshead will enable a Borough wide, cross sector approach to volunteering to be established.

(F) There is an existing trusted relationship with Connected Voice and a history of supporting volunteering.

C65 **VOLUNTARY COMMUNITY AND SOCIAL ENTERPRISE (VCSE) DIGITAL SUPPORT FUND**

Consideration has been given to the creation of a Voluntary and Community Enterprise (VCSE) Digital Support Fund, which will provide the opportunity for digital transformation for VCSE agencies and their beneficiaries.

RESOLVED - (i) That the creation of a VCSE Digital Support Fund for Gateshead VCSE agencies as set out in the report be approved.

(ii) That an allocation of the amount set out in the report for VCSE work force development, from which a grant of the amount set out in the report be given to Connected Voice, to create a workforce development plan and the remainder of the allocation for the procurement of training providers be approved.

The above decisions have been made for the following reasons:

(A) Gateshead has a long history of recognising the significant

contribution of the VCSE in delivering many benefits for Gateshead people; enabling VCSE activity is key to maximising the collective impact for the benefit of Gateshead residents.

(B) The digital transformation of VCSE agencies and their beneficiaries supports many of the Council's policy objectives.

(C) This proposal has been developed in consultation with Connected Voice and builds on intelligence they gathered during a recent Digital Sprint.

(D) The coronavirus pandemic has intensified the digital divide for our residents and for some of our VCSE agencies. If we do not address this there's a risk some agencies will be left behind and unable to reach their full potential both in terms of their organisational growth and sustainability but also reducing their impact in the very communities we seek to support.

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: 16 September 2021

Chair……..……..

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Gateshead Council

REPORT TO CABINET
19th October 2021

TITLE OF REPORT: Health and Wellbeing Group Review – update

REPORT OF: Alice Wiseman, Director of Public Health

Purpose of the Report

1. In February 2021, the Public Health and Wellbeing (PHWB) Group commenced a review of its services to ensure their support in delivering the Health and Wellbeing Strategy. Also, in February 2021, Council agreed its budget for 2021/22, which included a £1.2million saving to be identified within the PHWB Group. This report provides an update on progress of the ongoing PHWB Group review.

Background

2. The inequalities faced by many families and individuals in Gateshead have increased during the COVID-19 pandemic. To help meet this challenge, the PHWB Group (PHWB), is reviewing its services. The aim is to develop a health and wellbeing offer, which improves opportunities for all and helps to maximise the wellbeing of our residents. This will require a significant change of approach so that community need, and improved equity are the main focus. This approach will support the implementation of the Health and Wellbeing (HWB) Strategy, and the Council's Vision of making Gateshead a place where everyone thrives.

3. The current service operating models need to change to focus more on communities' needs, but also to make the £1.2m saving required. The review covers leisure services and the statutory library services run by Gateshead Council and will develop a health and well-being offer that ensures equity of access and opportunity.

4. This report sets out the progress to date toward identifying immediate efficiencies and planning the longer-term transformational work which will be required to deliver savings and ensure that scarce resources are directed toward those most in need.

Proposal

5. Cabinet is asked to endorse the progress to date and agree the next steps as detailed in Appendix 1.

Recommendations

6. It is recommended that Cabinet:

   i. Endorse the short-term management actions to secure efficiencies within leisure services as set out in Appendix 1.

ii. Agree to progress with the development of a 3-year transformation plan for leisure and library services as set out in Appendix 1, noting the separate paper on Library services consultation.

For the following reasons:

i. To enable officers to begin making changes within Leisure Services to align the service offer with the HWB Strategy and to begin to make efficiency savings.

ii. To develop and implement a 3-month public consultation on library services, which will be required due to the statutory nature of these services.

CONTACT: Andy Graham extension: 3066

Policy Context

1. Local authorities are statutorily required to provide Public Health programmes to improve the health of the local population, to the extent that they consider appropriate in their areas. Bringing the Leisure and Library services into the PHWB Group enabled consideration of how those services contribute to improving health and wellbeing and reducing inequalities across the Gateshead population.

2. On 19 November 2020 Council agreed the Medium-Term Financial Strategy (MTFS) which identified a financial gap of £18.6 million to be closed for 2021/22 to achieve a legally balanced budget. The MTFS also identified significant uncertainty in the future funding of the Council by Government.

3. Council, at its meeting in February 2021, agreed a revenue budget of £238.758m including budgeted use of reserves, investment growth and savings (Total £8.117m) for 2021/22. It was agreed that a saving of £1.2m was to be found in the PHWB Group, through a review of Leisure, Library and Culture services.

Background

4. The HWB Strategy requires us to take a different approach based on fairness, human rights, justice, relationships, and trust that will facilitate the circumstances that enable people to have the best opportunities in life. It requires us to focus our community development expertise to galvanise both the power and commitment of individuals, supporting communities to take greater control over what happens in their neighbourhoods, creating relationships, improving confidence and encouraging a greater sense of belonging.

5. The PHWB review provides an opportunity for us to take this different approach and to rethink why and how we engage with communities, and importantly, who we engage with. People use the places and spaces that they trust and for many that is linked to how far they can travel, what they know is available and why it might be suitable for them, what they can afford to pay for, and how that fits into busy lives. In reviewing and reshaping our PHWB services we want to ensure that people have opportunities to engage with us close to their locality, as well as by attending specialist buildings.

6. Colleagues often showcase excellent outreach activities but freely (and understandably) admit that the overarching aim of this work, beyond the immediate activity, is to bring people into buildings like leisure centres or libraries to access a range of available services and to generate income. However, a huge amount of sport and physical activity takes place in community spaces – parks and open spaces, village halls, community centres and schools. These places are a vital resource for many people who might never go to a sports club, leisure centre or private gym.

Consultation

7. Phase 1 Consultation began in March 2021 with local people being asked about their current health and wellbeing and how the Council might support them 'to be as well as they can'.

8. In the first consultation phase approximately 3000 individuals provided information through an online survey, a telephone survey and through a range of focus groups run on digital media and in person.

    - Digital Health and Wellbeing survey on Council portal – 2442 responses
    - Phone Health and Wellbeing survey council housing tenants - 462 responses
    - Focus group sessions – 100+ individuals

9. The survey gave an insight into how people have managed during the COVID-19 pandemic and associated restrictions, and how they view their wellbeing.

10. Most respondents wanted Council services to be delivered within their local area. The barriers to participation in activities such as Leisure Services were cost, motivation, confidence, caring and work commitments, lack of/ or cost of transport, disabilities and cultural concerns.

11. The majority of respondents saw their locality as very important and indicated that well-kept playgrounds, parks and open spaces, access to shops, health services and community buildings, availability of social activity and activities for teenagers and young people, were priorities for them.

12. Future consultation on the format and delivery of PHWB services will be service specific:

    - In October 2021 a public consultation on proposals to change the way that some Library buildings in Gateshead are managed
      (see separate Cabinet paper: Library Consultation 2021).

    - Any future significant changes to the Leisure service estate will be subject to public consultation.

Short term: Immediate management actions

13. In July 2021, the Council's senior management team considered a series of immediate management actions to be taken in the initial phase of the review to cut service costs and make efficiencies. These are listed in bold below with an update on current progress and timelines.

14. **Commence a management restructure in leisure Services**.
    The service review identified that a management restructure would improve lines of accountability within the Service and that this could also result in some financial savings. The formal process of consultation with services, employees/Trade Unions (TU) on the proposals is intended to be from 27th September – 26th October.

    The service review identified that the café at Gateshead leisure centre and the Gymnastics offer are not viable in their current form and that these offers should

cease. Staff consultation has commenced about possible redeployment and opportunities are being explored.

15. **Fixed Rotas**. It has been identified that further savings could be made by implementing fixed rotas within leisure services which will allow for less reliance on premium rates of pay. This is currently being explored and discussed with TUs.

16. **External advice to develop a 3-year transformation plan**.

FMG Consulting have been recruited to provide independent expert advice on proposed changes to the way the service is delivered and to provide support to the Council. The subsequent conversations have identified the need for a more wide-ranging review of the physical activity environment across the borough and the strategic planning of its sport and leisure facilities, in line with Sport England's Strategic Outcomes Planning Guidance (SOPG).

Sport England have agreed to fund FMG to carry out the SOPG and this was completed in September 2021. The report provides a set of recommendations which amount to a roadmap for the Council to develop a sustainable leisure offer as part of a wider PHWB offer.

17. **Recruit a Health and Wellbeing Director to lead the transformation of services**. A Service Director post in Public Health will be advertised externally in October 2021. This post will oversee the change process and release public health management capacity back to service.

18. **Gateshead Events functions**. It is felt that the operational events function overseen by PHWB would be better placed within the Commercialisation & Improvement function of the Council which retained the major events function when the PHWB Group was formed in 2019. This would provide continuity by ensuring all events are overseen by one Service Director. The intention is that this will be transferred with the associated staff group, budget, and savings target. The culture team will remain with Public Health as a part of the Libraries and community offer.

19. **Gateshead International Stadium** (GIS) We continue to discuss the option of transferring responsibility for GIS in the same manner as events. A proposal will be brought forward for discussion/decision in due course. As GIS staff will be subject to the same Human Resources processes as other leisure staff within the PHWB review, any proposed change could not take place until the review process is complete.

Medium term: Service transformation

Leisure Services

20. The Gateshead Physical Activity Needs Assessment 2021 has shown that the service needs to gather local insight regarding barriers and facilitators to being more physically active through qualitative methods and greater consultation with local people in the next phase of the leisure review.

21. Current strategies covering physical activity, indoor sports facilities and outdoor playing pitches need to be updated and explicitly linked to the HWB Strategy to ensure consistency and strategic direction.

22. Using the evidence base and review findings, we will develop a business case for a new operating model which will support the implementation of the HWB Strategy and provide opportunities for wider community engagement in physical activity. A strategic plan for implementation will be developed to deliver this sustainable model.

23. It is important to develop a greater understanding of the role of the voluntary and community sector and how they can help to promote active lifestyles through supporting local communities and capacity building.

24. There are opportunities to be innovative and creative in the way we engage with and take healthy activities to people in the community, and to better use community assets and non-traditional facilities or spaces. Gateshead is two thirds rural and has an abundance of green space that could be better utilised by a broader population group.

25. Physical inactivity and sedentary lifestyles should not be seen in isolation, and we must use every opportunity to make every contact count in every setting and encourage our communities to adopt this approach.

26. Efforts should focus on the early years and families to ensure that we create active lifestyles for life.

27. The ageing population, the current and future physical activity needs of the over 50s and the growing number of retired people living alone should be considered as priority groups in relation to improving mobility, core strength, mental health and wellbeing and tackling social isolation and helping people to live independently for longer. This will save costs to the Gateshead Health and Care system.

28. Areas and communities of highest need should be targeted using a proportionate universalism approach. We should also ensure more effective monitoring of residents use of facilities and uptake of opportunities, activities, and programmes to better inform on need in Gateshead and commissioning going forward.

29. We need to ensure appropriate evaluation of any commissioned activities related to physical activity, particularly with regards to reach, user profiles and accessibility. No activity should be commissioned without clear evidence that it meets the needs of the population of Gateshead.

30. There should be better linkage among opportunities taking place locally to avoid duplication, play to the strengths of each provider and ensure a diverse offer to residents. This should be reflected in more joined-up and collaborative commissioning of opportunities related to physical activity.

31. Local opportunities should link more effectively with local and national campaigns, such as Change4Life, and ensure lasting legacy. Thrive Gateshead provides a clear mechanism with which to do this.

32. While the short-term actions defined will deliver some efficiencies the service must ensure that its future offer meets the needs of local people across all demographic

groups. Work is currently ongoing to develop a 3-year plan for the transformation of leisure services in Gateshead.

33. It is important that local people are offered access to community-based activities and that we move away from a solely facilities-based model.

Library Service

34. The Gateshead Library service is delivering a comprehensive service, but it needs to innovate and transform to ensure that it is fit for purpose in the future.

35. People's experience and expectations around living, learning, shopping, leisure, and entertainment are radically different to those which existed a decade ago. Libraries must adapt accordingly by developing their offer and respond to changing needs and circumstances. There needs to be consideration of accessibility, quality, availability, sustainability.

36. The Library Service transformation will be taken forward over the next 2 years as a separate work stream. While savings will be sought through efficiencies there are no immediate plans to cut staff or close library buildings.

37. We are proposing that in the future some council library buildings will be transformed into "community spaces". A community space is a public space that brings council services, community agencies and neighbourhood groups together to offer a range of activities, programmes and services to meet the needs of local residents. The idea of a library offer being part of a community space alongside other services is not a new one. It aims to increase footfall in the building by offering a wider range of activities for local people.

38. Community spaces have an important social function bringing people together from a cross section of the community, addressing isolation, and being a safe space where anyone is welcome. Library buildings are well placed to play a role as community spaces because of their existing position of trust within local communities, the contribution they make across a range of agendas, and their ethos of partnership working.

39. This arrangement of library and partner services will vary from place to place as it will need to be driven by local circumstances – success rests on reflecting and responding to local need so every community space will be different.

40. Our vision is that some of our library buildings, currently operated by Gateshead Council, will in the future be managed day-to-day by a partner Voluntary and Community Sector (VCS) organisation. We will also continue to operate some of the library buildings directly, which will be managed and staffed by Gateshead library service.

41. Our library staff in the future will work from both council-run libraries and VCS managed community spaces, as well as delivering more library services out in the community from non-traditional library facilities.

42. We anticipate that these VCS partners will bring their expertise and specialisms to allow the offer in the VCS managed community spaces to be expanded to meet local need.

43. Transforming some of our libraries in this way will help us to sustain access to library resources and facilities in the long term and enable library staff to work differently. It will also facilitate bringing other services and organisations into local areas. A public consultation on proposals to change the way that some Library buildings in Gateshead are run and managed will begin with Cabinet approval in October 2021 (see separate Cabinet paper 19th October 2021)

Alternative Options

44. The review is considering options to deliver savings in a timely manner which will be presented to Cabinet in a future paper. A 3-year transformation plan will also be developed.

The only alternative which could deliver these savings immediately would be through the closure of buildings and release of staff.

Implications of Recommended Option

45. Resources:

a) Financial Implications – The Strategic Director, Resources and Digital confirms any savings identified from the proposals within this report will contribute to the achievement of the £1.2m PHWB saving.

b) **Human Resources Implications –** The proposals within this report will have an impact on a number of employees. The terms and conditions of staff, including the application of salary allowances and job evaluation, will be applied in accordance with existing HR policies and procedures. Employees and recognised trade unions will be consulted throughout the process.

c) **Property Implications -** There are no direct property issues resulting from this report.

46. Risk Management Implication -
There are no risk management implications resulting directly from this report. A future report will detail, if necessary

47. Equality and Diversity Implications -
Needs assessment work shows that the data quality on the protected characteristics of leisure service users is not systematically collected. Action to review data collection and GDPR aspects is ongoing. Changes in future service delivery to target those most in need and involving wider community partners has the potential to have positive equality and diversity impacts.

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

49. Health Implications –
The proposed transformation and focus on community engagement have the potential to develop new positive health outcomes.

50. Climate Emergency and Sustainability Implications -

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

51. Human Rights Implications -

There are no human rights implications arising from this report

52. Ward Implications

The views of the public and local councillors will be a part of the future transformation consultation process and will be detailed in a subsequent report.

Appendix 2

Leisure Service Review – Integrated Impact Assessment (see separate document)

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Gateshead Council

Tackle inequality so people have a fair chance

INTEGRATED IMPACT ASSESSMENT TEMPLATE

Title of proposal: **Public Health Wellbeing Review 2021**	Age	Race	Sex	Gender reassignment	Disability	Religion or Belief	Pregnancy and Maternity	Sexual Orientation	Marriage and Civil Partnership	**Description of potential mitigation**
Equality impact: (✓ all that apply. The assessment should also consider impact on council employees and carers where applicable) Description of impact: Long Term proposal to develop a transformative approach to Public Health and Wellbeing in supporting delivery of Thrive and the Health and Wellbeing strategy. The overall budget of existing group services after savings will be used to develop a Health and Wellbeing offer for local communities which reflects a place based approach. There is no direct impact on people with protected characteristics identified at this point.										Activities will be proportionately targeted to 'vulnerable' and 'just coping' communities to prevent inequality rather than 'treat' its symptoms. Propose a move away from dedicated building-based provision to the use of community and/or shared council facilities offering an 'integrated wellbeing offer' as part of the place-based working.

Short term – A full review of the current Public Health and Wellbeing offer in Gateshead will be undertaken (Libraries /Leisure/Culture/Community Safety budgets). This will also take account of the current estate, including buildings which currently require significant investment to be usable. A set of options and scenarios for 20% savings will then be identified and consulted on throughout 2021-22. This review will necessarily call for difficult decisions to make the changes necessary to move to a place-based approach and to relieve budget pressure. Update September 2021 A PHW cabinet paper outlining progress and next steps will be discussed on 19th October 2021.										

Leisure Services A review of Leisure Facilities providing universal health and wellbeing services such as gyms, swimming pools and other associated activities. Data is not routinely collected on all protected characteristics; currently it is not possible due to data limitations to	✓		✓		✓					A wider health and wellbeing offer delivered at a community level through an integrated place based approach will ensure that equality of access is preserved. We acknowledge perceptions of safety related to outside / unsupported exercise have been raised in the recent budget

identify gaps in service usage by protected characteristics, including sexual orientation, disability, religion and ethnicity.										review and this will be taken into consideration in the development of the new model. Issues relating to disabled access to swimming facilities were raised in the recent budget review. These will be taken into consideration in the development of the new model.
Library The library service is a part of the PHW Review. See separate Cabinet paper and IIA on proposed public consultation – Oct 2021	✓				✓					A wider health and wellbeing offer delivered at a community level through an integrated place based approach will ensure that access is targeted at priority communities, whilst seeking sustain basic access for all communities.
Health impact: (eg physical, mental health, wellbeing, substance misuse) The review may propose a reduction in building based activities which could reduce the access to health and wellbeing activities for some members of the public, however until the review is undertaken and options for specific buildings are identified the full impact is unknown.										A wider health and wellbeing offer delivered at a community level through an integrated place based approach will ensure that equality and equity of access is preserved.
Socio Economic impact: (eg neighbourhood, ward, area of deprivation, household group, income, wealth) The review may propose a reduction in building based activities which could likely reduce the access to health and wellbeing activities in some localities, however until the review is undertaken and options for specific buildings are identified the full impact is unknown.										A wider health and wellbeing delivered at a community level through an integrated place based approach will ensure that equality and equity of access is preserved. As the PHW review progresses and options

	are brought forward modelling will include analysis of intelligence of our service users and local neighbourhoods for any socio-economic impact.
Environmental impact: (does the proposal impact on climate change and the Council's commitment to be carbon neutral by 2030?) The outcome of the review of PHW offer may propose reduction in the operations and maintenance of buildings, including swimming pools. This could deliver positive outcomes in relation to the climate change agenda, however this could be neutralised by individuals travelling further to access such provision in other areas of the borough.	NA
Cumulative impact: (consider impact based on successive budgetary decisions relating to the proposal or is the proposal part of wider budgetary considerations that may collectively have an impact on service users, and is potentially at odds with the Thrive agenda) As the PHW review progresses cumulative impact will be identified considered as options and proposals are brought forward for consultation. This impact assessment will continue to be reviewed and updated to reflect each stage of the review. A full understanding of the proposals and services and buildings affected, and the outcome of the PHW review will be required to determine the cumulative impact, including the implications upon current policy/strategic such as Gateshead Sports Facility Strategy/Gateshead Playing Pitch Strategy.	
Summary of consultation/data/research undertaken to inform the assessment:	

(eg feedback and engagement with service users, trade unions, employees, partners, public, benchmarking, case studies)

Describe plan for consultation and engagement to take place during review

The initial proposal to review the Public Health and Wellbeing services was included in the Council Budget consultations which closed in Feb 2021. Feedback from the public indicated that the majority of respondents disagree with the proposals to reduce funding for libraries, leisure centres and the arts. Many talked about the positive physical and mental health benefits of libraries and leisure centres, and the added importance post-pandemic. Some respondents were very supportive of the focus being on vulnerable and just coping, whilst others questioned this approach. Some respondents offered up alternative operating models e.g. privatisation, leisure trust. Some recognised opportunities to shift some forms of leisure centre activities 'outdoors'. Some respondents with disabilities emphasised the importance of swimming and other controlled exercise.

Phase 1 Wellbeing Survey. 1st February – 30th March 2021
Public Consultation –brought in a wide range of comments and views from local people and organisations about their health and wellbeing.

- Council online Consultation – 2442 responses
- Phone survey to tenants – 462 conversations
- Focus groups – 100+ local people participated in online discussions

Detailed analysis of the results informed the Needs Assessments for both Physical Activity and Libraries and development of the review proposals. The survey gave an insight into how people have fared during the COVID-19 pandemic and associated restrictions, and how they view their wellbeing. Many respondents reported that they had experienced an increase in anxiety and depression, felt isolated and found it difficult to plan.

Members of leisure and library services who took part in the digital survey highlighted that they were being impacted by the lack of access to services. Most respondents wanted Council services to be delivered within their local area. The barriers to participation in activities such as Leisure Services were identified as cost, lack confidence to go to a leisure centre or class, caring responsibilities, disabilities, cost or lack of transport. For both leisure and library there were respondents who stated that they did not use and had no interest in current library or leisure offers.

Leads from PH have taken part in several staff focus groups to gather thoughts, suggestions and ideas from staff about how services might be delivered in the future. Those staff who did not wish to participate in groups were offered confidential email and 1-1 sessions with review leads if they felt more comfortable. The responses and themes identified in the public and staff consultations have been discussed with portfolio holders, cabinet members and the Council senior management team.

In the next phase of the review consultation will be service specific. In October 2021 a public consultation on Libraries will commence for 12 weeks. (see separate IIA and Cabinet paper).

The next phase of work, the future model for leisure services, has started and a 3 year transformation plan is being developed. There will be further specific targeted work with users and non users of the services to help devise the appropriate health and wellbeing offer for Gateshead in 2022.

Throughout the review / consultation process the impact of Covid-19 and its impact on inequalities and the future recovery process will be considered and taken into consideration.

Signed: (completing officer) Natalie Goodman
Date: 16 September 2021

Service Director: (approved) Andy Graham
Date: 16 September 2021

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Gateshead Council

REPORT TO CABINET
19th October 2021

TITLE OF REPORT: **Health and Wellbeing Group Review – Library Service**

REPORT OF: **Alice Wiseman, Director of Public Health**

Purpose of the Report

1. To seek approval from Cabinet to commence a public consultation on proposals to change the way that some Library buildings in Gateshead are run and managed

Background

2. In February 2021, the Public Health and Wellbeing (PHWB) Group commenced a review of its services to ensure their support in delivering the Health and Wellbeing Strategy. Also, in February 2021, Council agreed its budget for 2021/22, which included a £1.2million saving to be identified within the PHWB Group.

3. The inequalities faced by many families and individuals in Gateshead have increased during the COVID-19 pandemic. To help meet this challenge, the PHWB Group is reviewing its services. The aim is to develop a health and wellbeing offer which improves opportunities for all and helps to maximise the wellbeing of our residents. This will require a significant change of approach so that community need, and improved equity are the main focus. This approach will support the implementation of the Health and Wellbeing Strategy, and the Council's Vision of making Gateshead a place where everyone thrives.

4. The review covers leisure services and the statutory library services run by Gateshead Council and will develop a health and wellbeing offer that ensures equity of access and opportunity.

5. Public libraries remain a statutory service required by the 1964 Public Libraries and Museums Act. This legislation requires a comprehensive and efficient service to meet the needs of the local population. The requirements are broad and do not specify how the service should be delivered.

6. The Library review, as part of the wider PHWB review, has highlighted that there is a need to continue to support local library services but that the existing library service model is not reaching enough residents, and services can be further developed for those most in need.

7. The statutory duty to provide a library service remains, but there has been recognition as part of judicial reviews that the service provided by Councils can be changed as a result of severe budgetary pressures. The key challenge is to ensure that service changes are reasonable and do not disproportionately impact on a specific group of residents, especially those protected by equalities legislation. The Department for Culture, Media and Sport (DCMS) will be kept fully informed of the proposed changes.

Proposal

8. Cabinet is asked to endorse the proposal to carry out a public consultation on changing five council buildings, from which library services are delivered, into VCS managed community spaces which include library services as part of their offer. Further details are set out in appendix 1.

   The Library buildings/service that will be affected are:

   - Chopwell
   - Crawcrook
   - Leam Lane
   - Pelaw
   - Wrekenton

Recommendations

9. It is recommended that Cabinet:

   i. Approves a 12-week public consultation on changing five council library buildings into VCS run "community spaces" from which a library service will be provided.
   ii. Receives a further report following analysis of the results of the public consultation to agree the next steps of the Library Review.
   iii. Notes the Integrated Impact Assessment and Gateshead Libraries Needs Assessment as set out in appendices 2 and 3.

   For the following reason:

   To implement a 3-month public consultation on library services, which will be required due to the statutory nature of these services and will contribute to the understanding of future library service delivery models

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CONTACT: Andy Graham extension: 3066

Policy Context

1. In February 2021 Cabinet accepted a budget report for 2021/22, in which the PHWB Group was required to identify a £1.2million saving. This report provides an update on progress of the PHWB service review in respect of Libraries. The proposal supports Thrive Pledges and the Health and Wellbeing Strategy objectives.

Background

2. The inequalities faced by many families and individuals in Gateshead have increased during the COVID-19 pandemic. To help meet this challenge, the PHWB Group is reviewing its services. The aim is to develop an offer which helps our residents to be as well as they can be. This will require a different approach which helps to ensure equity of opportunity and access. It also will support the implementation of the Gateshead Health and Wellbeing Strategy, and the Council's Vision of making Gateshead a place where everyone thrives.

3. The current operating models need to change to focus more on communities' needs and to make the £1.2m saving required. The review covers all leisure services and the statutory library services run by Gateshead Council and will develop an offer that ensures equity of access and opportunity.

4. The service review began in February 2021, following agreement of the budget saving for PHWB offer by Cabinet, and there have been detailed discussions with Cabinet members and service leads over the last few months.

5. The library, arts and heritage service are developing a new model of operation that puts a greater emphasis on 'locality working', in the context of delivering the broad outcomes, and specific targets, of the Health and Well-being strategy, to 'help everyone be a well as they can be'.

6. A Libraries Needs Assessment has been carried out, this pulls together a range of information about the population, library usage, and benchmarking data. A Gateshead Libraries Needs Assessment has been developed. Both this and the Integrated Impact Assessment (appendix 2) will be further informed by the planned public consultation subject to approval of this report.

7. We are proposing that in the future some council library buildings will be transformed into "community spaces". A community space is a public space that brings council services, community agencies and neighbourhood groups together to offer a range of activities, programmes and services to meet the needs of local residents. The idea of a library offer being part of a community space alongside other services is not a new one. It aims to increase footfall in the building by offering a wider range of activities for local people.

8. Community spaces have an important social function bringing people together from a cross section of the community, addressing isolation, and being a safe

space where anyone is welcome. Libraries are well placed to play a role as community spaces because of their existing position of trust within local communities, the contribution they make across a range of agendas, and their ethos of partnership working.

9. In future, the arrangement of library and other services will vary from place to place and will be driven by local circumstances – success rests on reflecting and responding to local need so every community space will be different.

10. Our vision is that some of our library buildings, currently operated by Gateshead Council, will in the future be managed day-to-day by a partner Voluntary and Community Sector (VCS) organisation. We will also continue to operate some of the library buildings directly, which will be managed and staffed by Gateshead library service.

11. Our library staff in the future will work from both council-run libraries and VCS managed community spaces, as well as delivering more library services out in the community from non-traditional library facilities.

12. We anticipate that involvement of VCS partners in a collaborative approach will allow their expertise and specialisms to expand the offer in the managed community spaces to better involve communities and to meet local need.

13. Transforming some of our libraries in this way will help us to sustain access to library resources and facilities in the long term. It will ensure that buildings are maintained as community spaces. There is no at-risk process for staff planned at this stage.

Consultation

14. A Wellbeing Survey was conducted in February 2021 to gain an understanding of health and wellbeing needs in Gateshead. The information from this survey has informed the Libraries Needs Assessment (Appendix 3).

15. Cabinet members have been consulted

16. Unions have been consulted

17. A 12-week public consultation will launch if Cabinet agree this proposal and a full Communications plan will be developed as part of this work.

Alternative Options

18. The review is considering options to deliver savings in a timely manner which will be presented to Cabinet in a future paper. A 3-year transformation plan will also be developed.

The only alternative which could deliver these savings immediately would be through the closure of buildings and release of staff.

Implications of Recommended Option

19. Resources:

a) **Financial Implications –** The Strategic Director, Resources and Digital confirms that there are no direct financial implications resulting from this report. Any financial implications will be brought to Cabinet at a later date if necessary.

b) **Human Resources Implications –** There are no direct human resources consequences resulting from this report.

c) **Property Implications -** There are no direct property issues resulting from this report.

20. Risk Management Implication -
There are no risk management implications resulting directly from this report. A future report will detail, if necessary, options for further service review and the risk of non-compliance with statutory duties.

21. Equality and Diversity Implications -
There is evidence from previous reviews that the library service is heavily used by specific protected groups, including young people, older residents and residents with disabilities, however the change in building use, involving wider community partners has the potential to have a positive impact on equality and diversity. An Integrated impact assessment for this proposal is submitted with this report and will be revised following the results of the planned public consultation which will help us to define and understand any potential impact on service users with protected characteristics.

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

23. Health Implications –
The library service contributes to well-being. The proposed model has the potential to develop new positive health outcomes to be delivered the community spaces

24. Climate Emergency and Sustainability Implications -
There are no climate emergency or sustainability implications arising from this report

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

26. Ward Implications -
The views of the public and local councillors will be a part of the consultation process and will be detailed to Cabinet in a subsequent report.

The Library buildings / services that are affected are:

- Chopwell

- Crawcrook
- Leam Lane
- Pelaw
- Wrekenton

Ward councillors will be consulted, and public meetings held in the associated buildings as a part of the public consultation process.

Appendix 2.

Library Service Review – Integrated Impact Assessment (see separate document)

Appendix 3.

Gateshead Libraries Needs Assessment (see separate document)

Gateshead Council

Tackle inequality so people have a fair chance

INTEGRATED IMPACT ASSESSMENT TEMPLATE

Title of proposal: **Public Health Wellbeing Offer – Review** **Library transformation plan**	Age	Race	Sex	Gender reassignment	Disability	Religion or Belief	Pregnancy and Maternity	Sexual Orientation	Marriage and Civil Partnership	**Description of potential mitigation**
Equality impact: (✓ all that apply. The assessment should also consider impact on council employees and carers where applicable) Description of impact: Long Term proposal to develop a transformative approach to Public Health and Wellbeing in supporting delivery of Thrive and the Health and Wellbeing strategy. The Council has identified possible ways to reduce service costs by changing the way some of its buildings are run and by changing the way it delivers library services across the borough. This is a part of a 3-year transformation plan. The idea of a library offer being part of a community space alongside other services is not a new one.	x				x					Activities will be proportionately targeted to 'vulnerable' and 'just coping' communities to prevent inequality rather than 'treat' its symptoms. Propose a move away from dedicated building-based provision to the use of community and/or shared council facilities offering an 'integrated wellbeing offer' as part of the place-based working. We do not anticipate a negative impact on library users sharing protected characteristics. All library users could still access library services in local areas delivered in a different way. It is only the

A community space is a place that is a focal point for local activities, services, and facilities, accessible to the local community. They are multi-purpose and reflect local needs in terms of what they provide. The arrangement of libraries and other services will vary considerably from place to place and will be driven by local circumstances – success rests on reflecting and responding to local need so every community space will be different. Gateshead Council is considering entering into partnership arrangements with local voluntary sector organisations. The aim will be to change some existing library buildings into community spaces, through which library functions will still be offered but there will also be wider use of the buildings by partners. This will involve the following libraries • Crawcrook • Pelaw • Chopwell • Wrekenton • Leam Lane To inform our decision making we are conducting a 12-week public consultation. Our survey will inform us more about the protected characteristics of library users and those who do not currently use										management of some of our library buildings which could be the responsibility of a VCS partner in the future.

the existing building / service. In the future our libraries will be managed differently and involve voluntary sector partners but it is not our intention to close any libraries We know from our data on current library members from the Gateshead Library Needs Assessment that the age is a protected characteristic where there could be an equality impact. A greater proportion of our library members are children and young people of school age and over 65s compared to the wider Gateshead population. We anticipate disability is a protected characteristic shared by a number of our library members due to the age profile of service users, with approx 25% over 65, and therefore more likely to have a health limiting condition or age related frailty. Our existing data on library users does not inform us of other protected characteristics.										
Health impact: (eg physical, mental health, wellbeing, substance misuse) We know from our first phase of consultation – PHW survey Feb/Mar 2021 that many respondents feel libraries have a positive impact on mental health and wellbeing. The transformation proposal doesn't mean the withdrawal or closure of library services. We are aiming to improve the range of things that are happening in the library buildings and to encourage local people to engage and steer the conversation about what they need locally.										A wider health and wellbeing offer delivered at a community level through an integrated place based approach will ensure that equality and equity of access is preserved. This could result in a positive impact on local health and wellbeing.

The voluntary sector partners will bring their own services into the library building which will increase the opportunities for local people. This could be in the form of social support, advice services, targeted session for different age groups or just access to the building space to meet friends, in a safe space. While paid library staff may not be working from the building all of the time, access to the library will continue to be supported and visitors will still be able to borrow a book or use a computer etc during opening hours. Some library staff may work in different ways in the future and they will be able to take their services and support out into the community. This may mean running reading groups in community settings, supporting schools or other organisations with literacy or digital needs.	
Socio Economic impact: (eg neighbourhood, ward, area of deprivation, household group, income, wealth) The review will mean library staff working in deprived areas will be able to identify and develop extra service offers to target groups and communities of interest in most need. It is hoped that by bringing that offer out of the building and into the community, being more targeted in our approach, that more people will be able to gain confidence and skills which will enable them to be as well as they can be.	A wider health and wellbeing offer delivered at a community level through an integrated place based approach will ensure that equality and equity of access is preserved. As the PHW review progresses and options are brought forward modelling will include analysis of intelligence of our service users and local neighbourhoods for any socio-economic impact.
Environmental impact: (does the proposal impact on climate change and the Council's commitment to be carbon neutral by 2030?) All council buildings are monitored for their impact on the environment The building will be managed by the partner organisation but will still be owned by the council	NA

Cumulative impact: (consider impact based on successive budgetary decisions relating to the proposal or is the proposal part of wider budgetary considerations that may collectively have an impact on service users, and is potentially at odds with the Thrive agenda) As the PHW review progresses cumulative impact will be considered as options and proposals are brought forward for consultation. This impact assessment will continue to be reviewed and updated to reflect each stage of the review. We do not believe a significant cumulative impact will result from the proposed different delivery model of library services.	

Summary of consultation/data/research undertaken to inform the assessment:
(eg feedback and engagement with service users, trade unions, employees, partners, public, benchmarking, case studies)

Describe plan for consultation and engagement to take place during review

The initial proposal to review the Public Health and Wellbeing services was included in the Council Budget consultation survey which closed in Feb 2021. Feedback from the public indicated that the majority of respondents disagree with the proposals to reduce funding for libraries, leisure centres and the arts. Many talk about the positive physical and mental health benefits of libraries and leisure centres, and the added importance of these services post-pandemic. Some respondents were very supportive of the focus being on vulnerable and just coping, whilst others questioned this approach. Some respondents offered up alternative operating models e.g. privatisation, leisure trust. Some recognised opportunities to shift some forms of leisure centre activities 'outdoors'. Some respondents with disabilities emphasised the importance of swimming and other controlled exercise.

Phase 1 Wellbeing Survey. 1st February – 30th March 2021
Public Consultation –brought in a wide range of comments and views from local people and organisations about their health and wellbeing.

- Council online Consultation – 2442 responses
- Phone survey to tenants – 462 conversations
- Focus groups – 100+ local people participated in online discussions

Detailed analysis of the results informed the Library Needs Assessments and development of the review proposals.

Leads from PH have taken part in several staff focus groups to gather thoughts, suggestions and ideas from staff about how services might be delivered in the future. Those staff who did not wish to participate in groups were offered confidential email and 1-1 sessions with review leads if they felt more comfortable.

The responses and themes identified in the public and staff consultations have been discussed with portfolio holders, cabinet members and the Council senior management team.

Phase 2: Public Consultation on Library will focus on proposals to changing the way some of the library buildings are run and on changing the way it delivers library services across the borough. The consultation period will be 12 weeks – 22nd October 2021 – 14th January 2022.

Proposed Consultation timeline

Formal Libraries Public Consultation	2021
Inform DCMS	16th September
Cabinet	21st October
Consultation launch	22nd October - 14th January
Digital consultation platform	22nd October - 14th January
Paper copies in all libraries	22nd October - 14th January
Public meetings in library buildings	Dates tbc – Autumn / Winter 2021
Commissioned focus groups - non library users	22nd October - 14th January
Consultation report	Feb-22
Key points published	31.1.2022

Service users, Gateshead residents, council employees and partner organisations will have the opportunity to contribute to the public consultation on these proposals. We will gather equalities monitoring data as part of the survey to understand the impact on and analyse protected characteristics of library users to increase our knowledge and understanding.

Results of this consultation and engagement will be brought back to Cabinet in Spring 2022.
Signed: (completing officer) Stephen Walters and Natalie Goodman (reviewed) **Date: 18 January 2021 (reviewed 15th September 2021)**
Service Director: (approved) Andy Graham and Gerald Tompkins **Date: 18 January 2021 (reviewed 15th September 2021)**

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Libraries Needs Assessment – 2021

Authors:

Andy Graham, Consultant in Public Health

Natalie Goodman, Advanced Practitioner Public Health

Simon Lewthwaite, Senior Corporate GIS Officer

Ed O'Malley, Public Health Knowledge and Intelligence Lead

Version: 5.10.2021

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1. Summary

A needs assessment has been undertaken to inform the future direction of library provision in Gateshead and the need to continue to provide a service that is compliant with statutory obligations, is focused on the needs of the community and relevant demographic groups and is delivered within the budget available.

The needs assessment evidences the status of Library Service provision for Gateshead residents, highlighting how it is currently meeting its statutory duty.

It also identifies where further improvements or changes are required to ensure the Library Service is relevant, sustainable and fit for the future. It is recognised that the future of libraries is changing and transformation to meet the needs of a digital future need to be considered.

A proposal to go to public consultation on future library service models, will be presented to Cabinet in October 2021. This will be followed by a 12-week Public Consultation which will end in January 2022. The Libraries Need Assessment will be refreshed to include feedback from the public consultation.

Transformation options for libraries aspire to ensure the following design principles, identified to develop library services, are met:

- meet legal requirements
- are shaped by local needs
- focus on public benefit and deliver a high-quality user experience
- make decisions informed by evidence
- support delivery of consistent England-wide core offers
- promote partnership working, innovation and enterprise
- use public funds effectively and efficiently

Transformation options considered include:

1. Maintaining current provision
2. Rationalise the current offer by retaining Central Library and closing some branch libraries or reduce hours to achieve some savings.
3. Implementing new, community and/or Partner run libraries
4. Co-locate libraries and other council functions and or community organisations

2. Introduction

Gateshead Council is responsible for overseeing the delivery of a comprehensive and efficient library Service reflecting the changing needs of local communities.

Current structure:

- Gateshead Central Library
- Area Libraries: Blaydon, Birtley, Leam Lane
- Local Libraries – Chopwell, Crawcrook, Pelaw and Wrekenton
- Readers at Home Service – a borough wide service commissioned through RVS for Gateshead residents unable to access a local library.
- Online services – a range of online services including the lending of e-books
- Non statutory Volunteer libraries – Whickham, Low Fell, Rowlands Gill, Winlaton, Felling, Dunston
- Mobile unit – a workspace for engagement activity

The Gateshead strategic vision for the library service:

A network of Community and Council run libraries where residents can read, learn and innovate, investing in digital infrastructure, focusing on children and young people, improving well-being and supporting residents into employment

Four key objectives were also agreed by Cabinet in 2016, in line with the Council plan. These remain relevant and the focus of library service activities:

- Children's and young people's education and personal development
- Digital inclusion, adult education, skills and employability
- Health and wellbeing
- Community capacity building and inclusion

Arts and heritage are also now a part of the current service offer.

Due to continuing financial pressures, the Public Health and Wellbeing directorate have been asked to specifically review the current library model and to examine whether through transformation to meet future need, ways can be found to reduce the library budget while retaining targeted work with those most in need and delivering on our statutory duty to provide library services.

An approach to significantly transform the Library Service's delivery model will be required.

Requirements of Statutory Library Service changes.

Previous judicial challenges to transformation decisions of other local authorities indicate that major changes to an authority's Library Service delivery model must be made in the context of a strategic review that is in turn informed by a needs assessment. It is considered that only through the strategic review and needs assessment process, can an authority demonstrate that any proposal to fundamentally change the service delivery model would continue to secure the delivery of a comprehensive and efficient service.

The needs assessment sets out the current Library Service provision and service offer and considers how well it is reaching its resident population.

The needs assessment is based on desk top research.

All aspects of the Council's statutory public library service are within scope of this needs assessment.

The needs assessment derives its findings from a body of evidence that includes:

- Demographic profiles (age and socio-economic) of library active users and library catchment populations.
- Indicators of deprivation levels in library catchment populations sourced from LSOA profiles using Office for National Statistics (IMD) data.
- Distances and travel times from each library to its closest service point based on postcode of residence.
- Patterns of library activity sourced from the Library Management System, computer booking system and locally collected library data.
- Health and Wellbeing survey completed in Feb – March 2021.

Ambition for Libraries [1], whilst providing guidance, does not provide a simple formula for defining a library service. The report states that a comprehensive and efficient service should consider:

- accessibility (physical, virtual and outreach)
- quality (mapped to local needs)
- availability (including opening hours)
- sustainability (including value for money)

[1] Libraries Deliver: Ambition for Public Libraries in England 2016 to 2021 - GOV.UK (www.gov.uk)

3. National context

In 2016 the national Libraries Taskforce published Libraries Deliver: Ambition for Public Libraries in England 2016-2021[2] in which it sets out the strategic vision and commitment to public libraries in England. It recognised the challenging times that councils are facing in running Library Services and calls for radical thinking to protect frontline library services, acknowledging the need for councils to work in 'new and different ways' to 'thrive and not just survive'.

The Library Taskforce described libraries as vital community hubs - bringing people together and giving them access to the services and support they need to help them live better. The report sets out an ambition for individuals to:

- choose to use libraries, because they see clear benefits and positive outcomes from doing so.
- understand what library services offer, and how they can make the most of what's available to them.
- be introduced to new ideas and opportunities, then given confidence and quick and easy access to tools, skills and information they need to improve their quality of life.
- receive trusted guidance through the evolving information landscape and build the skills needed to thrive in a changing world.

The Society of Chief Librarians now renamed Libraries Connected and partners including The Arts Council and The Reading Agency state that they are committed to keeping library services relevant and accessible. The Universal Offers[3] cover the six key areas of service which customers and their stakeholders see as essential to a 21st century library service.

They are:

- Reading offer
- Information offer
- Digital offer
- Health offer
- Learning offer
- Culture offer

To deliver these ambitions, councils are encouraged to use seven common design principles to develop their library services which are as follows:

- meet legal requirements
- shaped by local needs
- focus on public benefit and deliver a high-quality user experience
- make decisions informed by evidence, building on success

[2] Ibid

[3] Society of Chief Librarians, Universal Offer six outcomes for a 21st Century library are available at http://goscl.com/universal-offers/.

- support delivery of consistent England-wide core offers
- promote partnership working, innovation and enterprise
- use public funds effectively and efficiently

Equalities Duties

Local Authorities have a duty when planning and delivering services to give due regard under the Equality Act 2010 to consider how different people will be affected by their activities, helping them to deliver policies and services which are efficient and effective; accessible to all, and which meet different people's needs.

Any proposals arising from this library service needs assessment will be subject to an Equalities Impact Assessment before members are asked to consider them.

4. Current service provision and service offer

The vision of Gateshead Library Service is to meet local need and strengthen local communities through the provision of resources, information and guidance that improve reading & literacy, develop skills and promote health & wellbeing in safe and welcoming community spaces that provide a platform for community participation.

Gateshead has eight council run libraries, six fully volunteer run community libraries and a range of digital and community focussed services.

The table below indicates the Gateshead Libraries, Arts and Heritage Service offer to National Libraries Taskforce outcomes and indicates potential customer impacts associated with each offer. The integrated service offer is broader than a library service only offer. The table below shows an indicative service offer.

DCMS National Libraries Taskforce Outcomes	**Council Vision**	**Service offer**	**Customer impacts**
Improved Reading & Literacy	✓ Children's and young people's education and personal development ✓ Digital inclusion, adult education, skills and employability	**Reading & Literacy** General & specialist book collections Targeted literacy programmes – including Early Words Together Readers Groups for all ages Pre and Post-natal early parenting: Book start books, bumps and babies	Improved literacy skills Increased enjoyment of reading More confident reading Speech and language development Positive parent/child engagement Read more

	✓ Community capacity building and inclusion	Rhymetimes in all libraries Reading and literacy events	
Healthier and Happier Lives	✓Health and wellbeing ✓Community capacity building and inclusion	**Health & Wellbeing** Safe & welcoming community spaces Specialist book formats Self-help book collections Readers at Home Reading Friends Social Connecting Groups - chess, film, friendship etc Participation in diverse health promotions Full engagement with MECC Dementia Friendly Libraries Autism Friendly Libraries Volunteering Opportunities Digital Support to reduce digital exclusion Programme of events co-created with young people	More connected with local community activities Increased social networks & interaction. More positive about physical and/or mental health Increased self-esteem Safe spaces for health visitors to meet patients. Reduced social isolation

DCMS National Libraries Taskforce Outcomes	**Council Vision**	**Service offer**	**Customer impacts**
Improved Digital Access & Literacy	✓Children's and young people's education and personal development ✓Digital inclusion, adult education, skills and employability ✓Community capacity building and inclusion	Learning, Skills & Employability Formal and informal digital support Public computers at no charge 3D printers, laser cutters – access to specialist kit Wi-Fi in libraries Code clubs Holiday coding sessions Digital library services: eBooks, eAudio, eMagazines	More confident to access information and support services online. More motivated & confident to learn or look for work. Engaged with technology

		Digital heritage offer including digital access to resources, genealogy workshops	
Greater Prosperity	✓Children's and young people's education and personal development ✓Digital inclusion, adult education, skills and employability	**Learning, Skills & Employability** Adult Learning Courses (Funded & Leisure Programme) Access to specialist business information Programme to mentor and develop local artists Volunteer and project management opportunities for young people Access to specialist kit in MakerPlace for new business start ups	More motivated & confident to learn or look for work. More likely to volunteer. More likely to gain employment. More confident to access information and support services online.
Cultural and Creative enrichment	✓Children's and young people's education and personal development ✓Health and wellbeing	**Culture** Art exhibitions & public programme of workshops and activities Festivals and events, e.g GIFT, Late Shows, Curious Arts Art Diamonds – workshops and creative opportunities for older people Creative writing groups Author & poet talks and events Book award events DVDs and CDs to loan Heritage events – walks, talks, workshops and national campaigns	More connected with local community activities Increased social networks & interaction More motivated & confident to learn or look for work More likely to volunteer
People achieve their full potential and stronger, more resilient communities	✓Children's and young people's education and personal development ✓Digital inclusion, adult education, skills and Employability	Children's literacy schemes, e.g. Early Words Together, Summer Reading Challenge Work with teens boosting self esteem and aspiration, e.g. Reading Hack	See above

	✓Community capacity building and inclusion	Digital skills support sessions, e.g. with jobseekers MakerPlace giving aspiration to use technology. Up skilling residents to attract prospective employers, supporting children and young people in developing tech skills for the future Heritage events giving people a sense of place; arts events giving people a voice Arts partnerships supporting the local creative sector Volunteering opportunities e.g. Friends groups	

5. Data Analysis

Library Membership

The following is an analysis of the Gateshead statutory libraries (excludes the six volunteer libraries) based on the data extract for membership use for 2019/2020.[4]

The data was extracted from Capita Libraries DB (Library use and membership), Bolinda (BorrowBox – eBooks and eAudio books), and the Libraries Domain (PC Use). Data includes postcode, age[5] and home library and transactional library.

There are circa 202,000 residents within the Gateshead Council boundaries

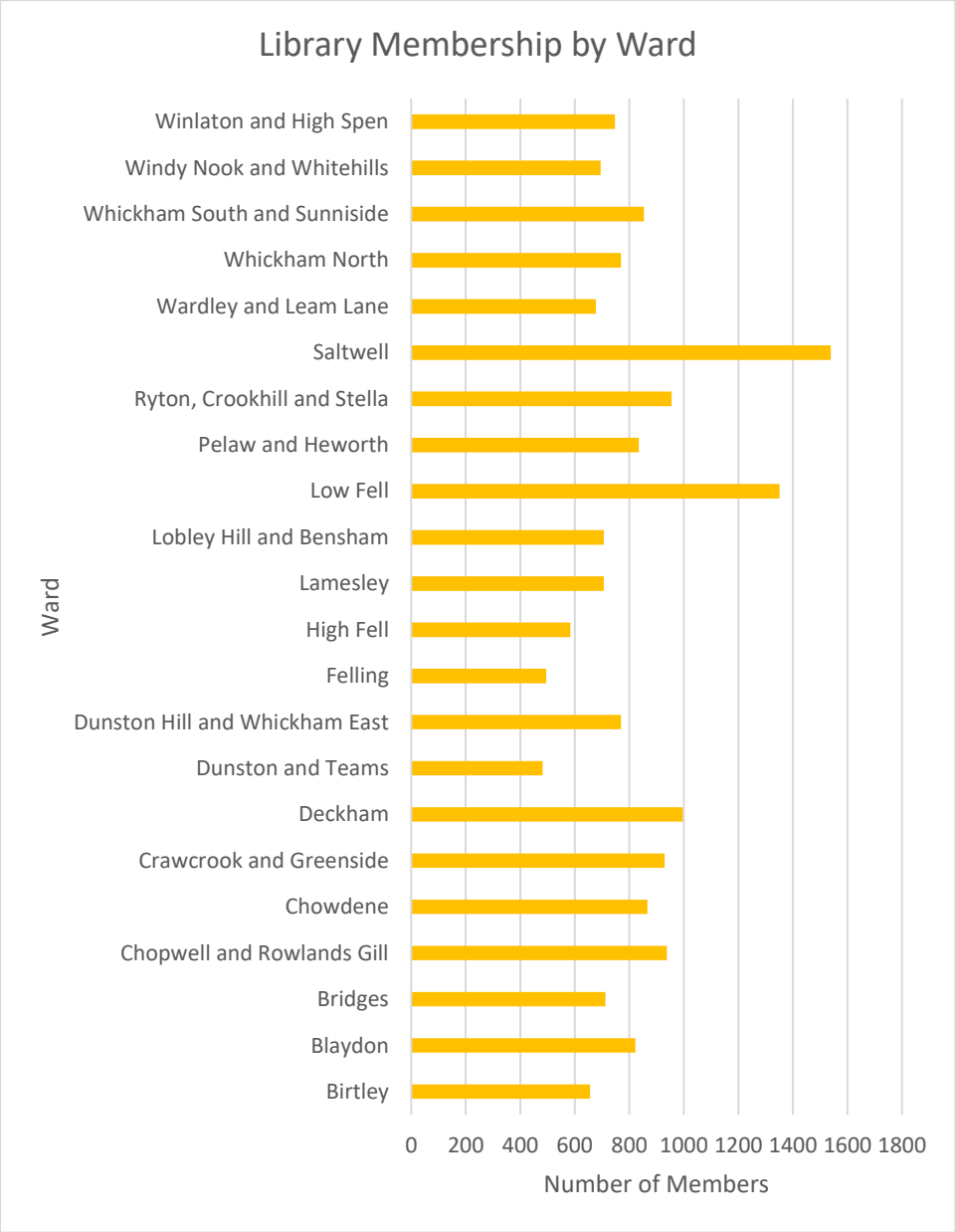
19,315 individual users (persons who used a library service at least once in 2019/20) and of these

17,979 had a correct postcode and 16,471 (93%) of these are identified as having an address in Gateshead.

[4] Gateshead voluntary libraries are not deemed to be a part of the statutory library offer.
[5] 90% of members have an age recorded, 10% do not, these users are assumed to be over 18 as of 2019/20

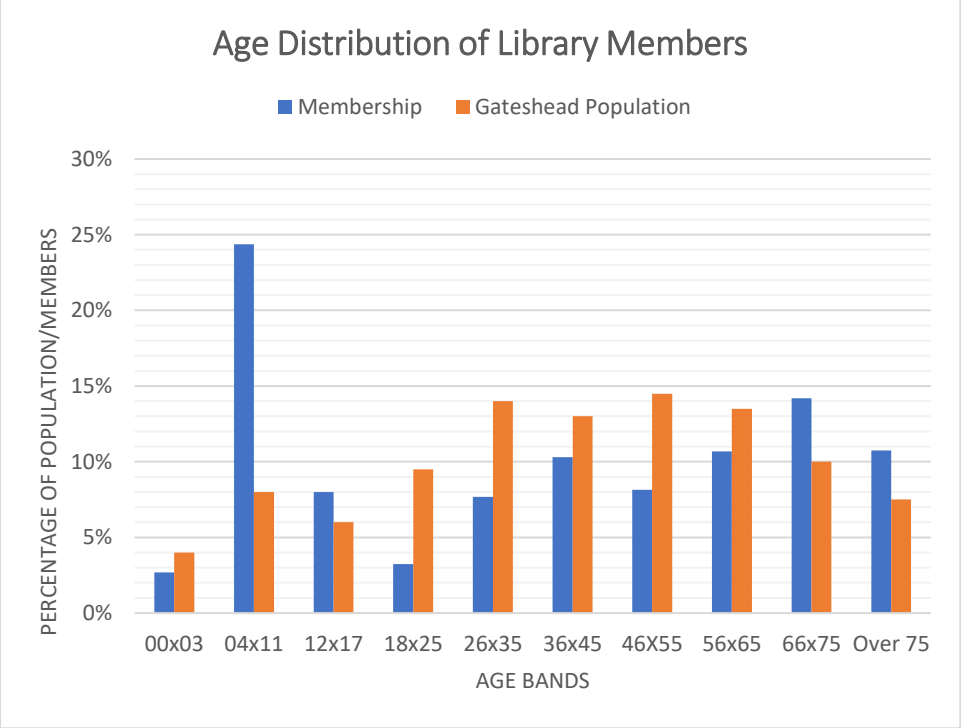
This indicates that approximately 8% of the Gateshead residents were active users of the library service in 2019/2020. The average active users in England are circa 10.7% of the total population.

This varies by area from 5% of the population in Bridges, Felling and Dunston & Teams Wards to 14% for Low Fell Ward.



Age of members

The membership according to age band varies from 2% of 18 to 25-year olds to 24% of those aged 4 to 11-years.



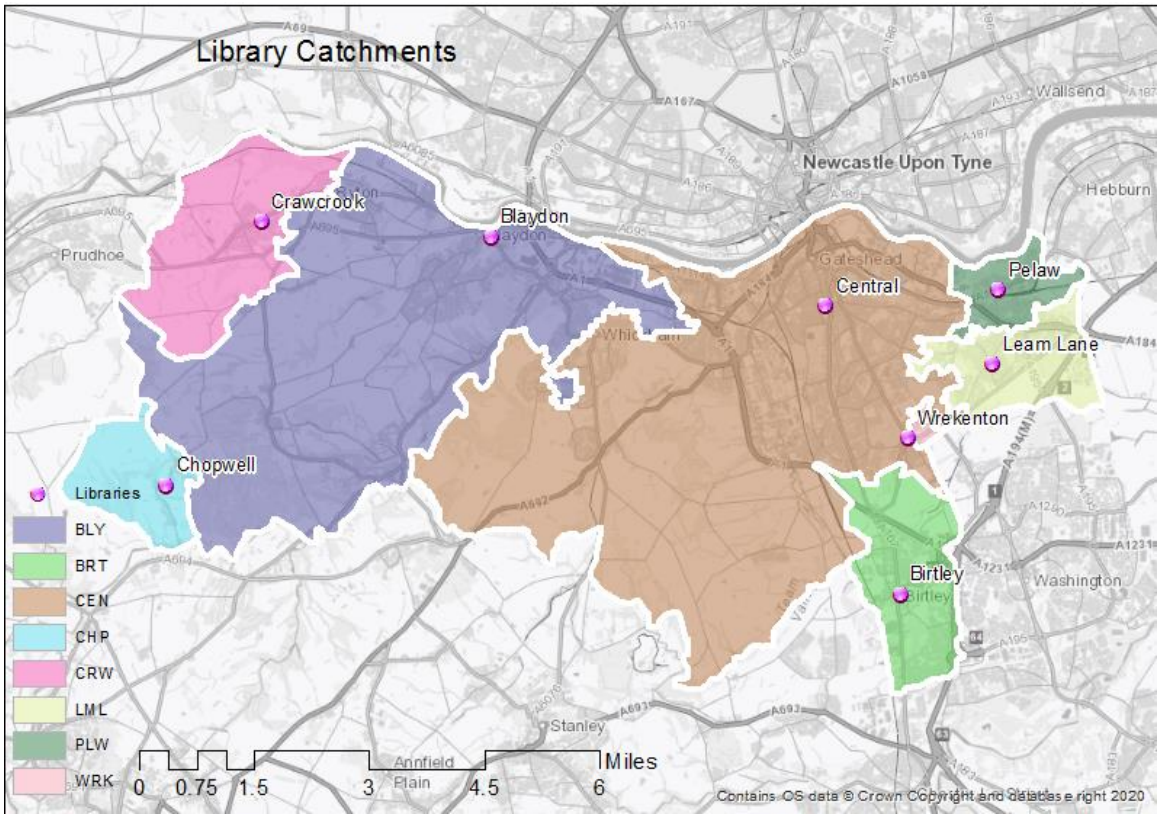
This pattern reflects national library usage patterns with higher engagement with school age individuals, this is driven by initiatives to encourage family reading and literacy.

Schools with low reading attainment rates are targeted and library staff encourage registration for every child that comes to an event or when delivering work in schools.

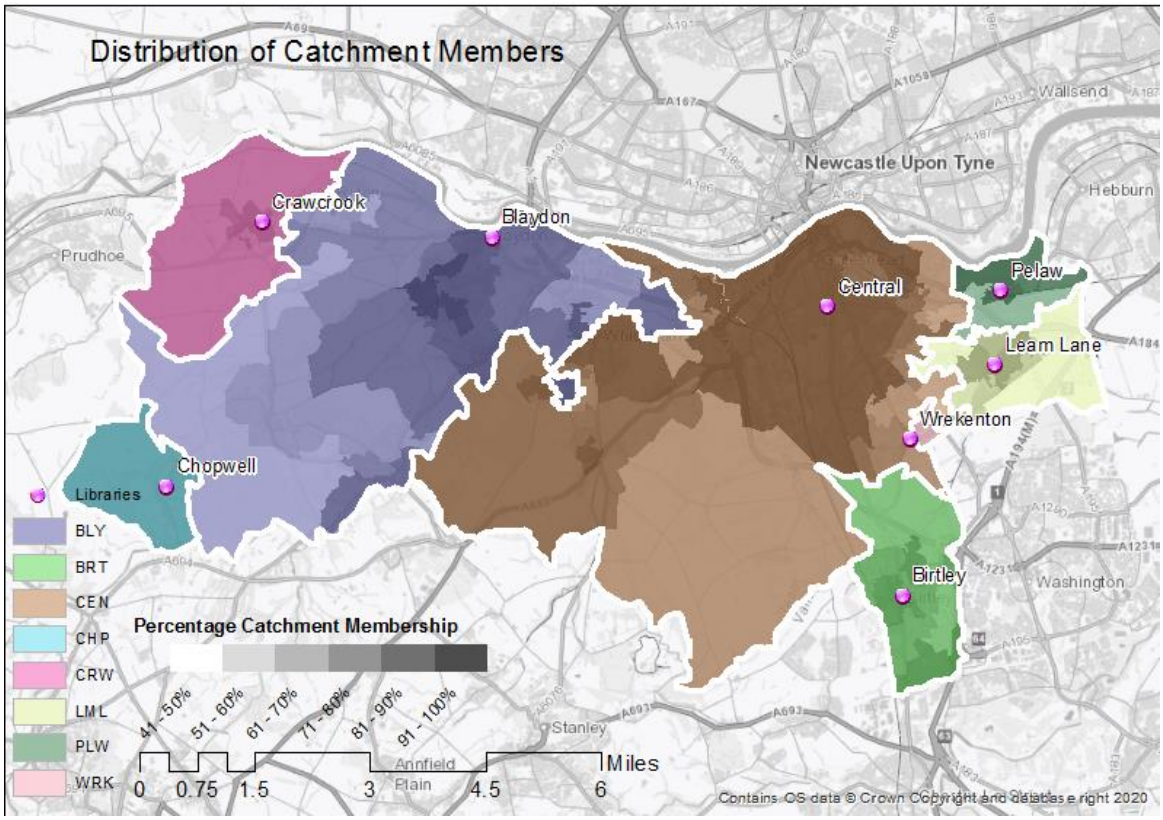
"If the school is a long distance from a library and children are less likely to visit the library then we give a temporary ticket which is exchanged for a real ticket when/if they visit the library. Sometimes we do a whole year-group sign-up eg. We signed the whole of Year 7 at an Academy at the start of the last academic year. It's very much an individual approach customised to the setting/circumstance."

Catchments

Catchments for the hub libraries were determined by Lower Super Output Area (LSOA). Each LSOA was assigned to the library with the most users residing there. In cases of equal membership, the LSOA was assigned to the largest library.

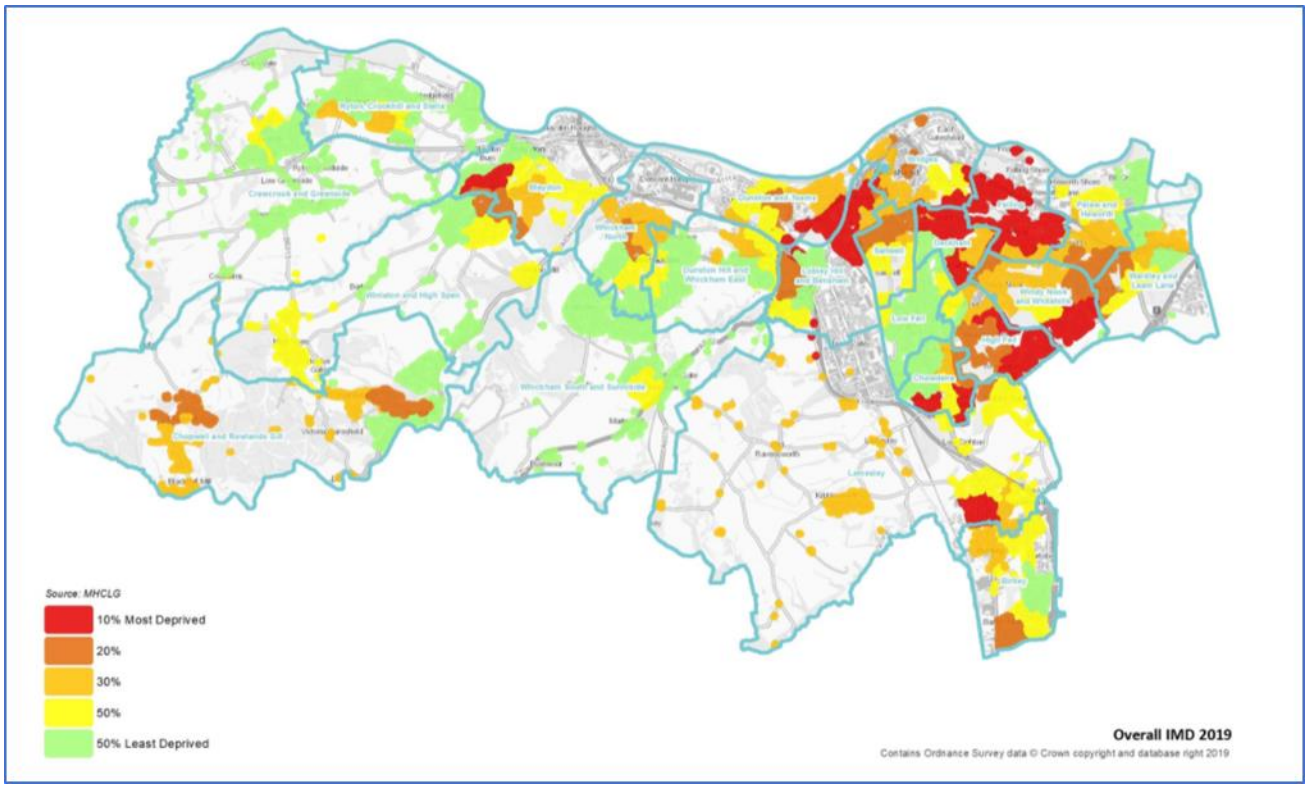


The catchments can also be graded by the percentage of users who are registered to the library. The darker the colour the larger the membership percentage. As would be expected, proximity to the library increases usage.

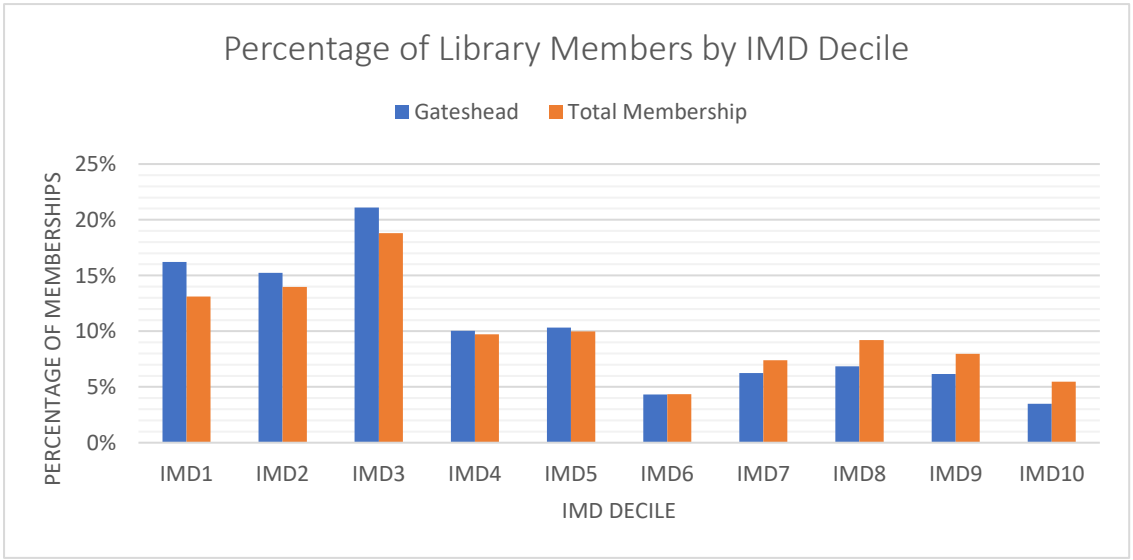


Deprivation

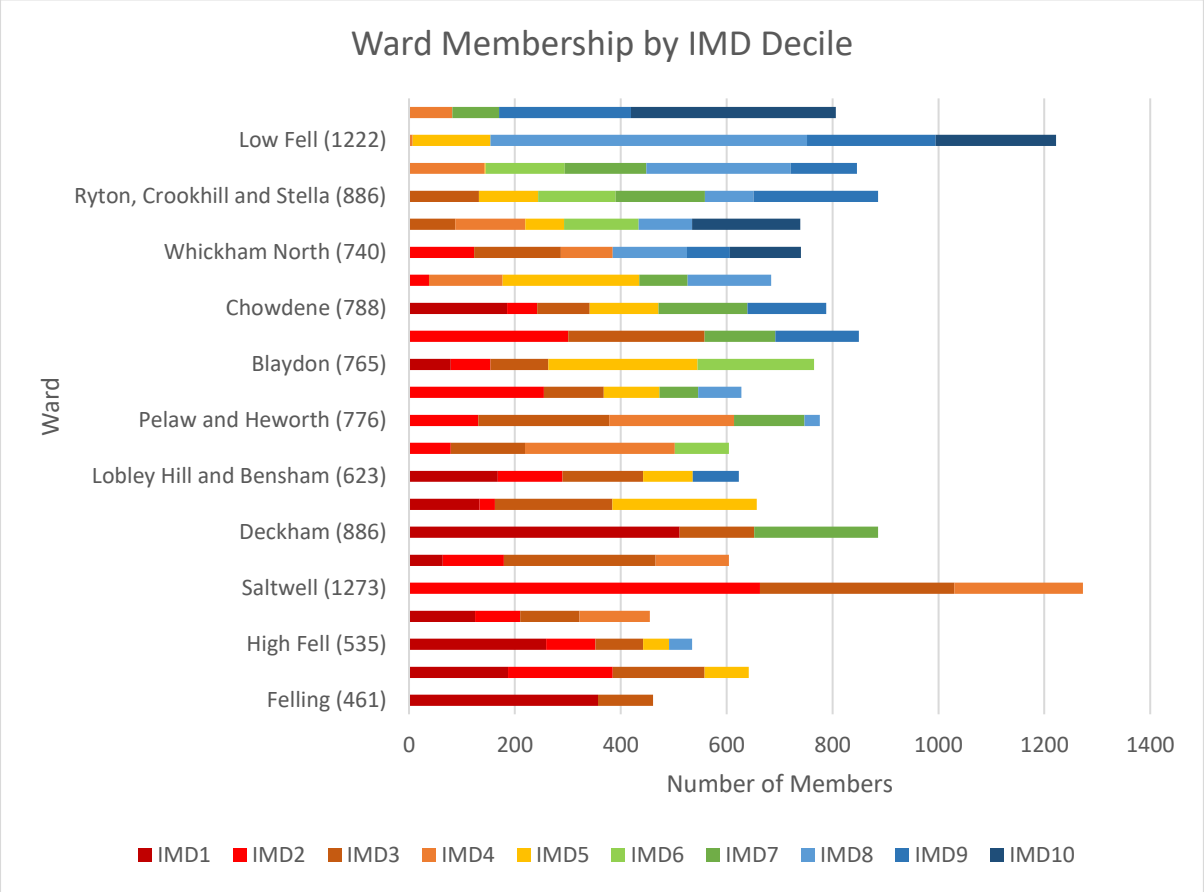
Overall, Gateshead is the 47th most deprived local authority in England, out of 317 local authorities. Around 32,700 (16%) people in Gateshead live in one of the 10% most deprived areas of England. Extending that range further, nearly 62,600 (31%) live in the 20% most deprived areas. Using the Index of Multiple Deprivation scores (2019) it is possible to estimate the population living in the different deprivation bands at ward level.



Using postcodes it is possible to map the distribution of library members by ward area, this gives an insight into the profile of library. The overall library membership IMD profile is like that of all Gateshead residents.

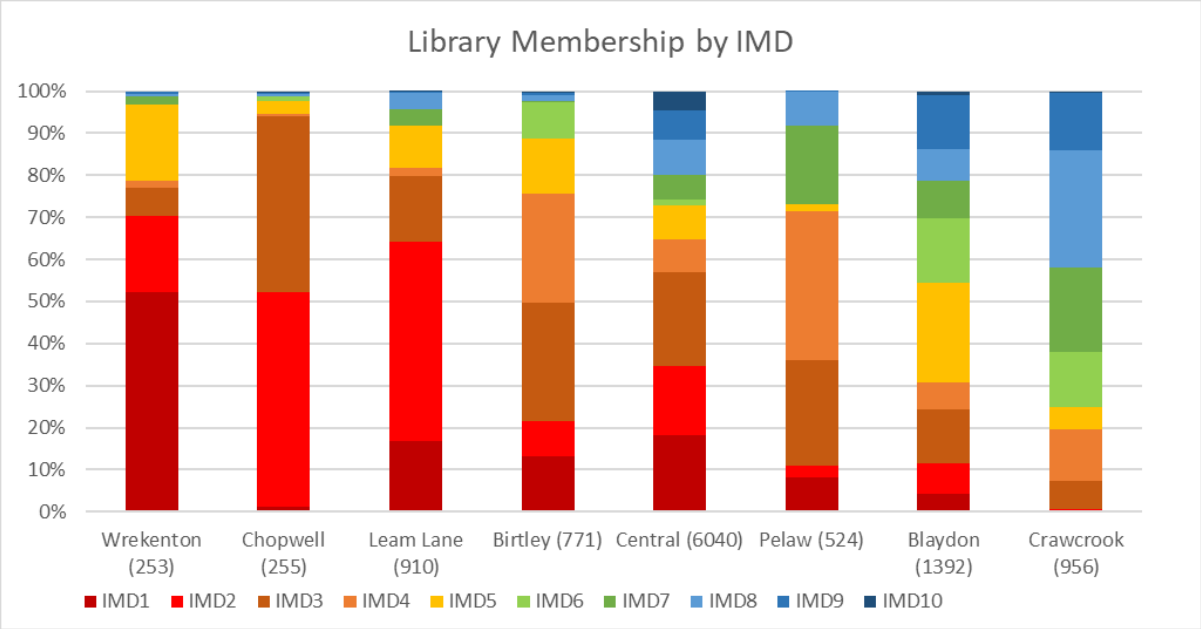


Wards such as Felling and Windynook & Whitehills have more members from deprived areas than Low Fell and Whickham South & Sunniside, this is a direct reflection of the local population profiles.

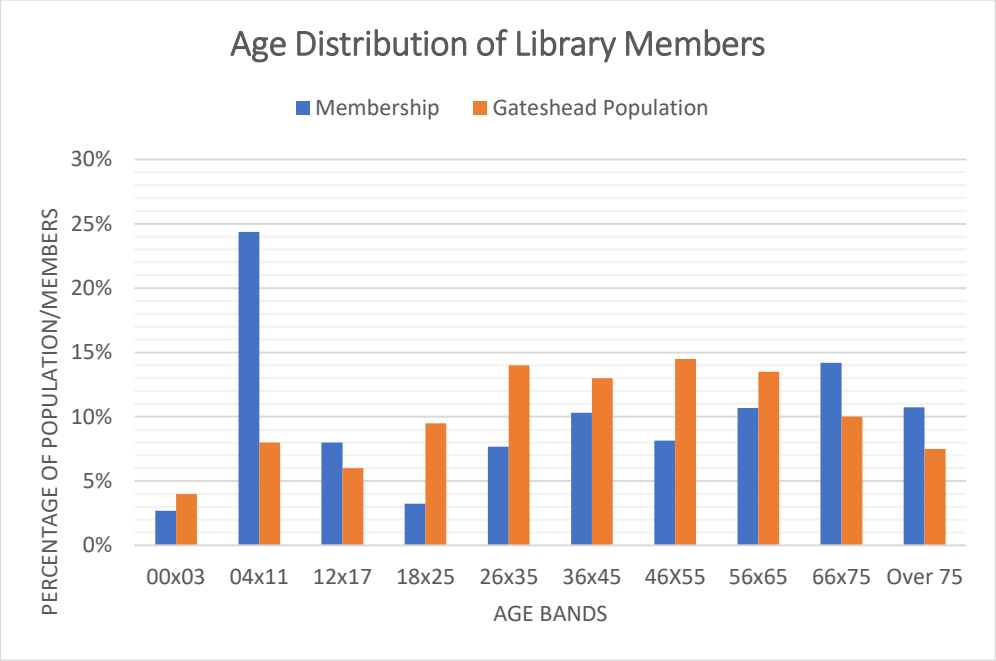


IMD by Library

There is a wide range of IMD profiles between the various libraries, with Wrekenton members coming from the most deprived areas overall, and Crawcrook the least. Members who registered with libraries currently run as volunteer/community libraries are also generally less deprived than the Gateshead population due to the localities they are in.



Just under a third (30%) of residents in Gateshead live in areas that are in the 20% most deprived areas in England. The rate of library memberships in these two deciles is slightly less than the population, at 27% overall, but there is a significant variety across library catchments.

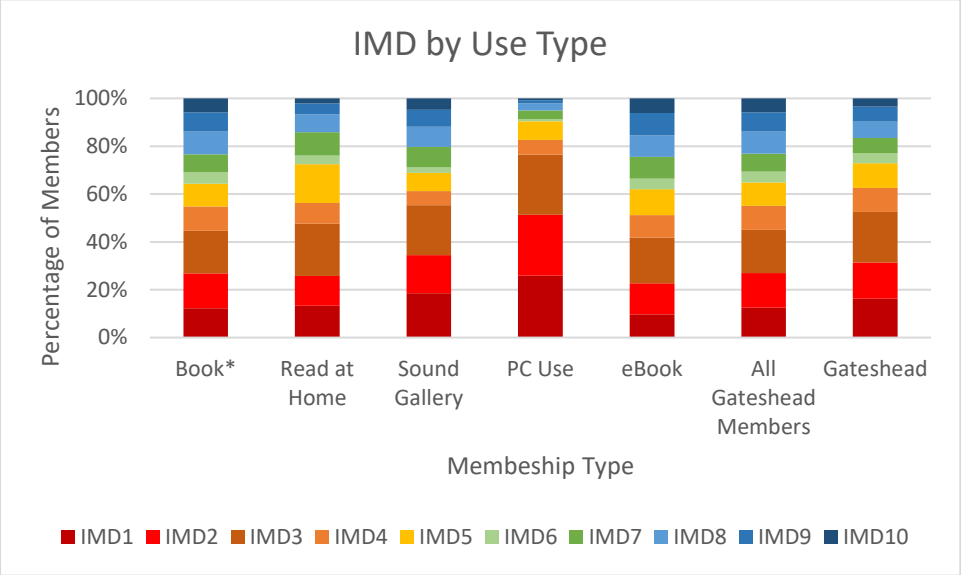


Crawcrook is used by some library members in the lower 20% coming from outside their catchment area, indicating that people from deprived areas are travelling to access services.

Library Use Profiles

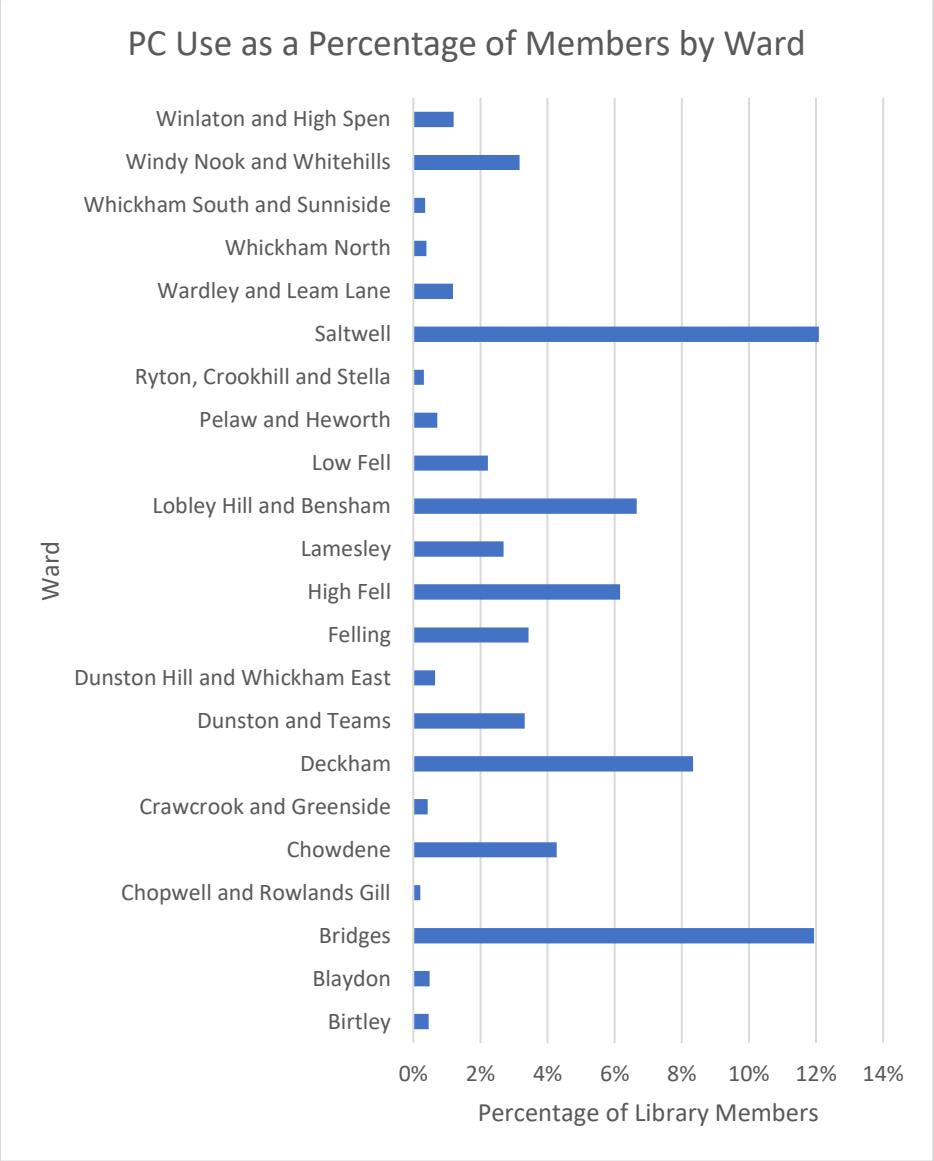
Overall library members come from slightly less deprived areas, this holds true for the various resources, book borrowing, reading at home, sound gallery and eBook/eAudiobook users. It does not hold for PC users, who are typically from more deprived areas than the

general user or typical resident. The national picture suggests that more people who are least deprived visit libraries more but the variation between deciles is relatively small with 10% fluctuation from the mean.

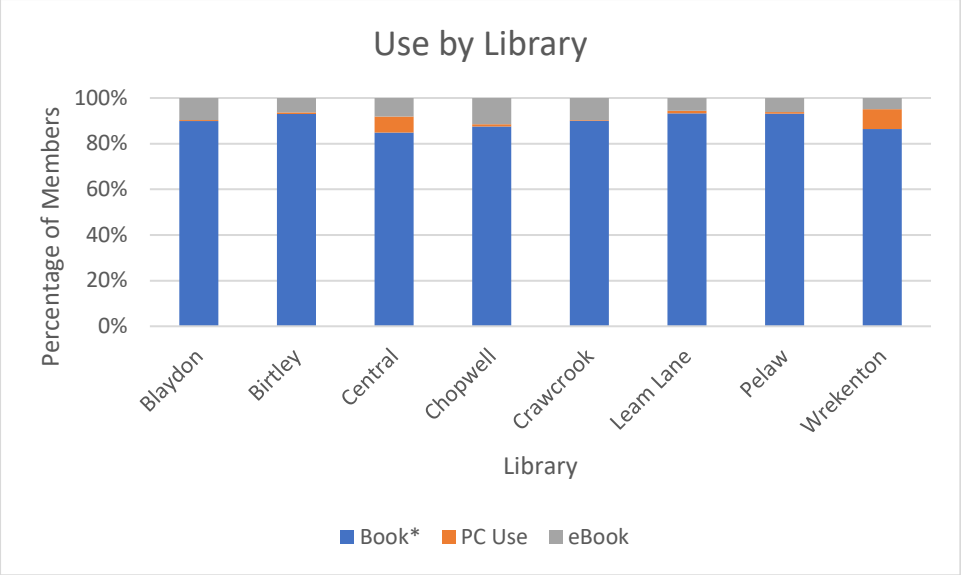


Book and eBook borrowing show a similar distribution across the council, while PC use is heavily focused with Saltwell residents who account for 30% of PC users[6] .

[6] Of the 1400 PC users, 43% could be mapped to a valid PC, this should be viewed as a partial analysis.



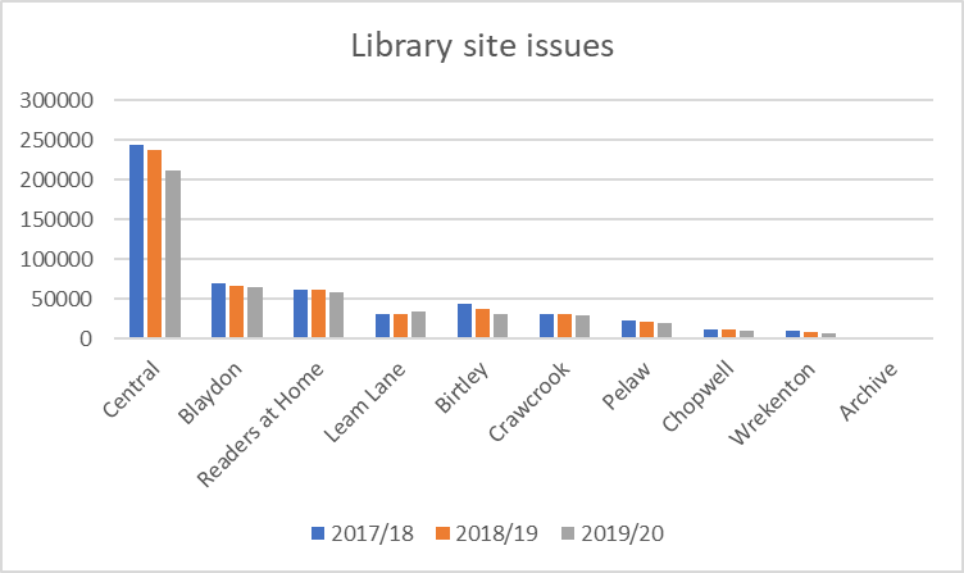
Central and Wrekenton memberships have the highest percentage of PC users per library 7% and 9% respectively.



Most PC users live in central Gateshead, while the book and eBook borrowers are more evenly distributed across the borough.

Library site issues data

Analysis of the issues data shows us that Gateshead is following the national pattern of a decreasing number of issues across all libraries, with only Leam Lane showing any increase in the last 3 years.



The issues data also highlights the dominance of the Central library within the borough.

6. Public engagement

Phase 1: Developing a Health and Wellbeing offer for Gateshead

The impact of the Covid-19 pandemic cannot be underestimated, and it has increased the inequalities faced by many families and individuals in Gateshead and it has added to the financial pressures the Council was already facing.

Consultations with local people about their current health and wellbeing and how the Council might support them 'to be as well as they can' began in March 2021. In the first consultation phase 2979 individuals provided information through an online survey, a telephone survey and through a range of focus groups run on digital media.

- Digital Health and Wellbeing survey on Council portal – 2442 responses
- Phone Health and Wellbeing survey of council housing tenants - 462 responses
- Focus group sessions – 120+ individuals

Health and Wellbeing survey

The online survey has given an insight into how people have fared during the COVID-19 pandemic and associated social restrictions, and how they view their personal wellbeing. Members of the library services who took part in the digital survey (66% of respondents) highlighted that they were being impacted by the lack of access to library buildings and services.

85% of current Library members who completed the digital survey stated that it was most important that libraries were in the local area with 49% of non-library members agreeing with that statement and 51% of non-library members believing that local library services are not important.

The range of persons who engage with digital surveys is often limited to those who have digital access or a specific interest in the topic under consideration, to mitigate that a telephone survey was commissioned. The phone survey targeted Gateshead Council Housing tenants who were randomly selected to participate. The results showed a different perception of libraries from a group of respondents who live in some of the most deprived areas of Gateshead.

In the phone survey, which engaged a random sample, a very positive 36% of participants used libraries, the majority for book borrowing or internet access.

The 64% who stated that they did not use libraries were asked a supplementary question: If you do not use libraries, why not?

Council Housing Tenants (the 64% referenced above) stated that they did not need a library or that they buy books or access them online.

Reason	% respondents
Online / Kindle	28
I buy books	22
Never needed one	21
Health / Age / access problems	7
Eyesight	6
Housebound	5
Kids grown up	4
Not much choice	3
I can't read	1
I have never used a library in my life.	1
I am Dyslexic	1
Needs books that every language can read.	1

Some of these comments could indicate that there is a lack of knowledge and understanding about what library services are available, for example there is a service for housebound customers, large print and audio books, indicating that awareness raising of changing library services may be factor to engaging residents in the future.

Library spend analysis

To meet its statutory duty the Council must deliver a comprehensive and efficient library service and will consider the cost efficiency of each library when designing its approach to transformation.

Each library's percentage share of member engagement in 2019/20 with its percentage share of total library service net expenditure 2019/20 has been calculated. The gap between the two percentages is an indicator of the value for money of each library.

The ranking reveals that Blaydon, Crawcrook and Wrekenton are the most value for money libraries when their share of total net expenditure 2019/20 is compared to their share of members accessing services (book /ebook and PC use).

Gap between % net expenditure and % member engagement numbers activity by library

Statutory Libraries	Net Expenditure %	Member activity* in 2019/20 %	Gap
Blaydon	10.5	12.5	-2.0
Crawcrook	6.7	8.6	-1.9
Wrekenton	0.3	2.3	-2.0
Chopwell	2.9	2.3	0.6
Central	55.0	54.4	0.6
Leam Lane	9.0	8.2	0.8
Birtley	8.6	6.9	1.6
Pelaw	6.5	4.7	1.7

*Members 2019/20 who used a library on at least 1 occasion – based on book / e lending & PC use

7. Conclusion

In defining its approach to further library service transformation, the Council is led by precedent, comments made by the Secretary of State and the outcome of High Court Judgements, which define a legal landscape of library change in which:

- there is no clear or absolute definition of what constitutes a, 'comprehensive and efficient' library service as described in the 1964 Public Libraries and Museums Act; nor is there an agreed mechanism for defining the need for that service;
- the only way that a library authority can demonstrate that the transformation of its library service will continue to meet its statutory duty of delivering a 'comprehensive and efficient' service, is through a strategic review of that service which is underpinned by a needs assessment.
- an authority must make the required value judgements to establish a needs assessment framework which describes the need for its library service;
- a 'comprehensive and efficient service' is not determined by the number libraries provided; but must be understood in the context of available budget.

Against this legal background, and based on findings from the need's assessment undertaken and documented in this paper, the following recommendations are put forward to shape Gateshead's approach to further library transformation:

Prioritise need

The Councils approach to transformation must prioritise resources in those areas which have the greatest need. The needs assessment has mapped current library usage against the areas with the highest deprivation scores (IMD) to indicate whether those most likely to need support are accessing libraries.

At a service-wide level, the socio-economic profile of the Gateshead population is well reflected by the make-up of library users, wards such as Felling and Windynook & Whitehills having more library members from deprived areas than Low Fell and Whickham South & Sunniside is a direct reflection of the local population profile. It is also the case that in some our most deprived areas, library use is low.

Work is needed to address under representation of individuals by socio-economic group and to understand why people are not using services.

Value for money

The needs assessment considered the value for money of each library in terms of share of member activity compared with service expenditure. The transformation must aim to reduce costs and seek to increase participation in services that libraries currently provide.

Within any transformation the service must deliver a service offer that reflects Councils objectives whilst reflecting upon national standards of delivery.

Public response to any suggestion of changes to library services and analysis of library use indicates that there is a need to continue to support a comprehensive book lending collection. Libraries are valued by those who use them, however the needs of the 92% of persons not using library services also need to be considered.

Access to free computers and internet access remains a key part of the existing library offer however it is possible that demand may have changed. This aspect of delivery should be explored and developed further as a wider digital inclusion offer in the future.

Changes in general digital use due to the Covid pandemic are hard to quantify but there is evidence to suggest that there is an increasing demand for access to eBooks and services.

Phase 1 research indicated that resident's value safe local community spaces and that access to support and information is important.

That research also indicated the difference in views between those in the community who know and use libraries (8%) and those that do not (92%). This must be considered in the design of future consultation and future delivery models.

Phase 2, the 90-day, full public and stakeholder consultation, planned for October 2021, will build on the desktop research and initial consultation. At that stage specific transformational options for libraries will be considered.

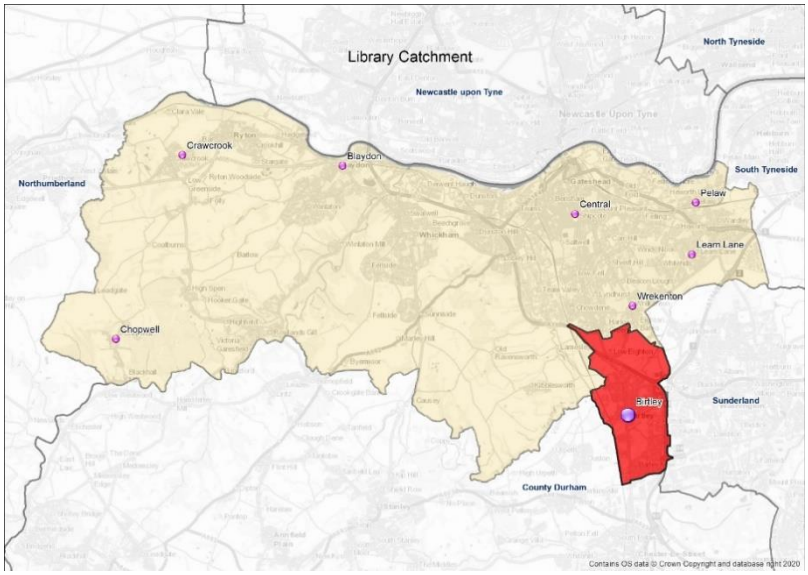
Appendix 1

Individual Library summaries

Birtley Library

Birtley Library is in Birtley Ward, there are 1051 members registered to this site[7], making this the 4th largest in terms of registrations, or 7% of registered members.

Birtley Library has a catchment that covers an area of 3 square miles with an overall residential population of 14,195 or 7% of Gateshead residents.

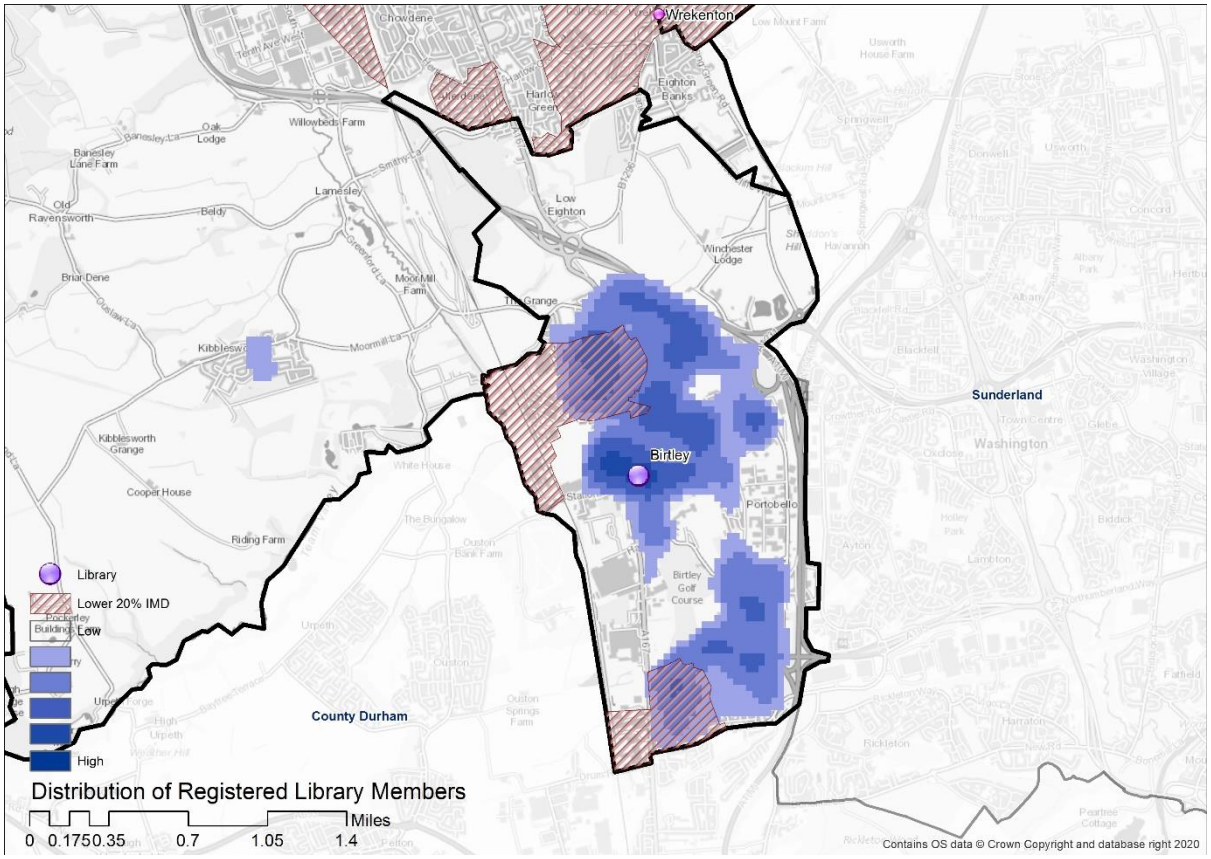


Total library membership represents 5.14% of the resident population.

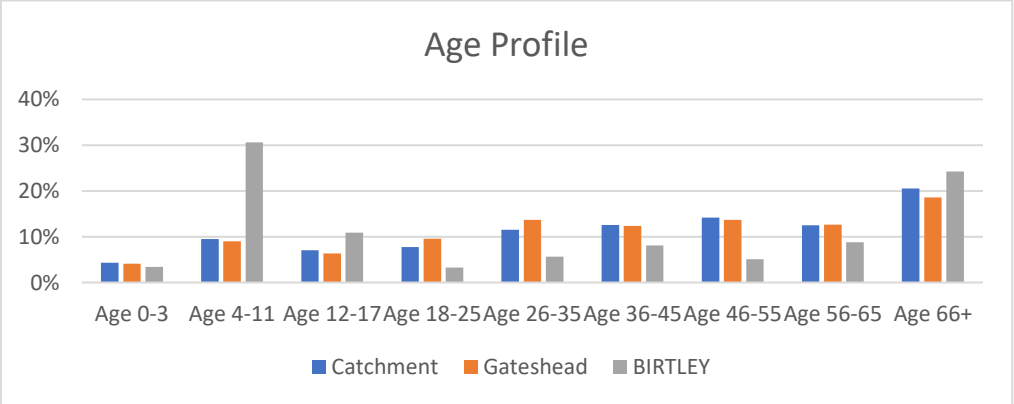
IMD profile Birtley

There are 3,202 residents living in areas that are in the 20% most deprived IMD. This is 5% of Gateshead residents living in the lowest two IMD deciles, and 23% of the catchment's population. 165 (21%) Birtley members come from the two most deprived IMD deciles.

[7] As taken from the Capital Libraries DB covering FY 2019/20.



The average age of a member of Birtley Library is 22.4 years old compared to 42.4 for the catchment and 41.5 for Gateshead as a whole. There are 317 (45%) school age members, which is more than the overall membership where 35% are school age[8].

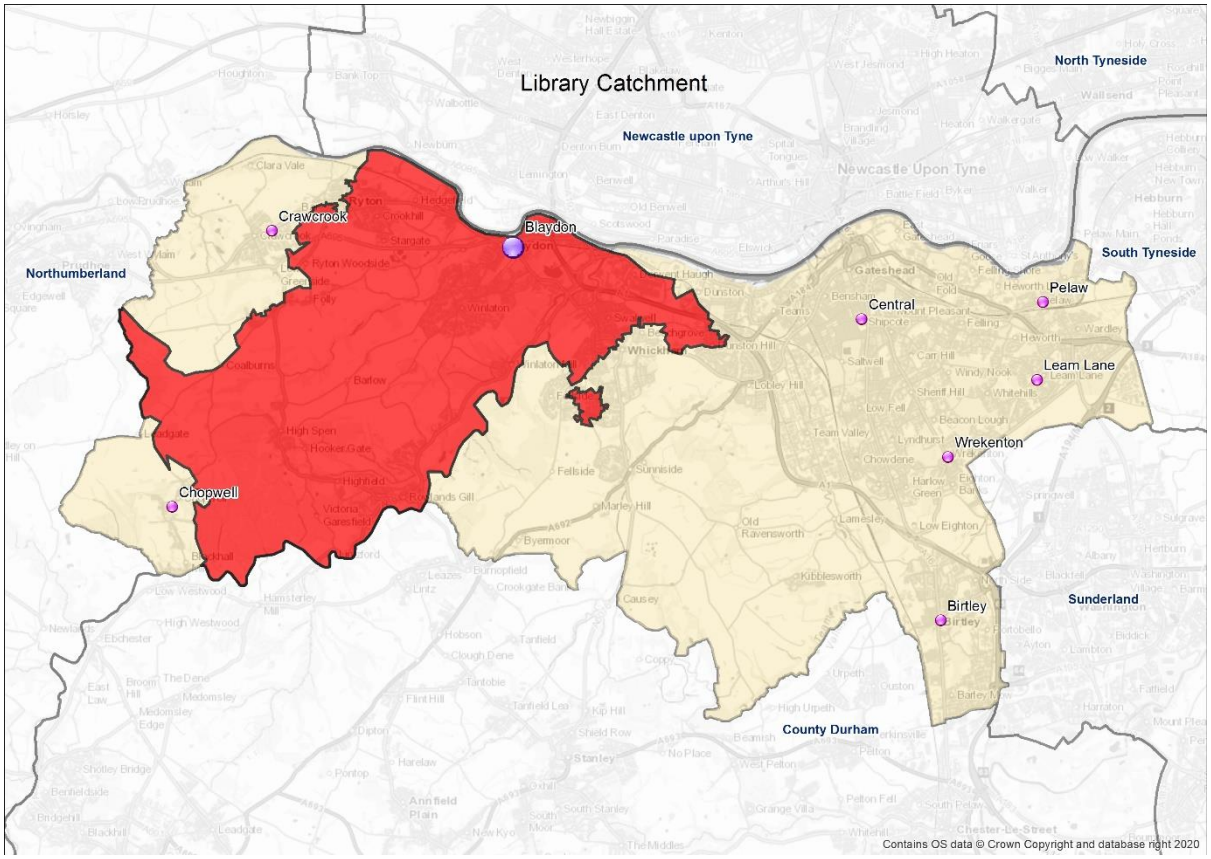


[8] Ages are based on memberships with an associated age. 10% of memberships do not record their age, these are all adults. Ages for populations are based on the ONS 2019 mid-year population estimates.

Blaydon Library

Blaydon Library is in Blaydon Ward, there are 1976 members registered to this library site[9], making this the 2nd largest in terms of member registrations, or 10% of registered members.

Blaydon Library has a catchment that covers an area of 18 square miles with an overall residential population of 41,640 or 21% of Gateshead residents. Library membership represents circa 4.8% of residents.

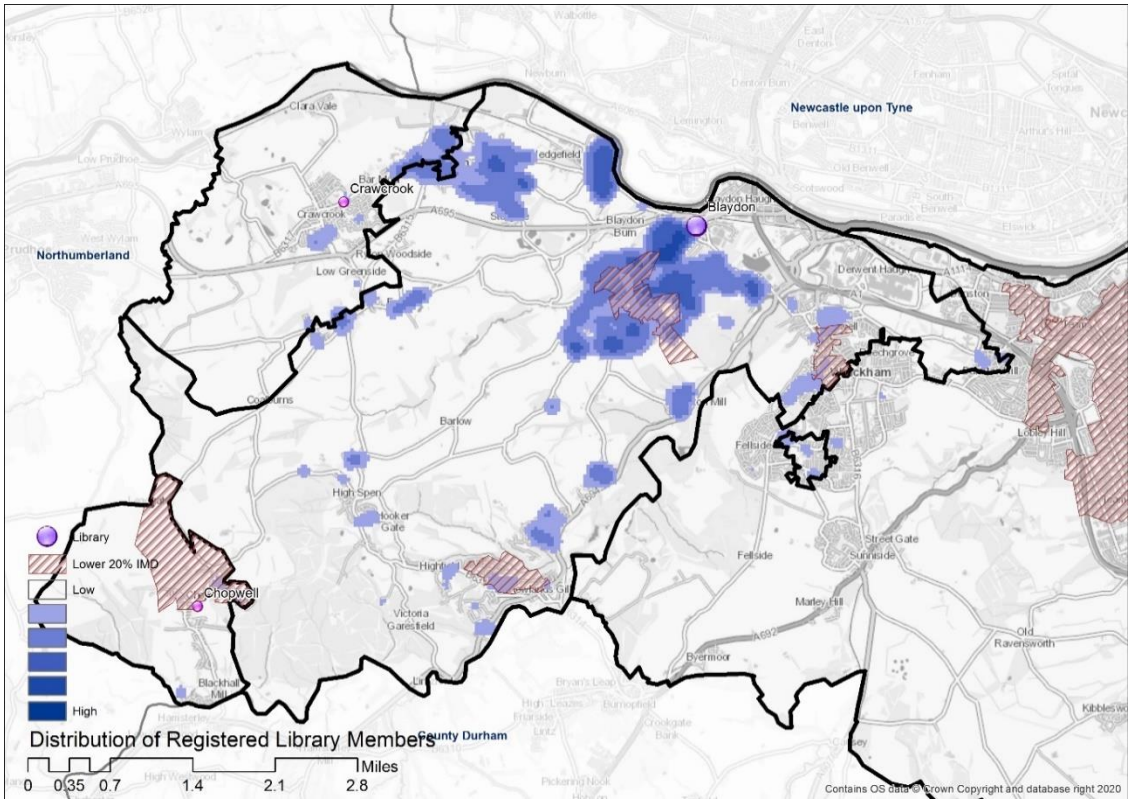


IMD profile Blaydon

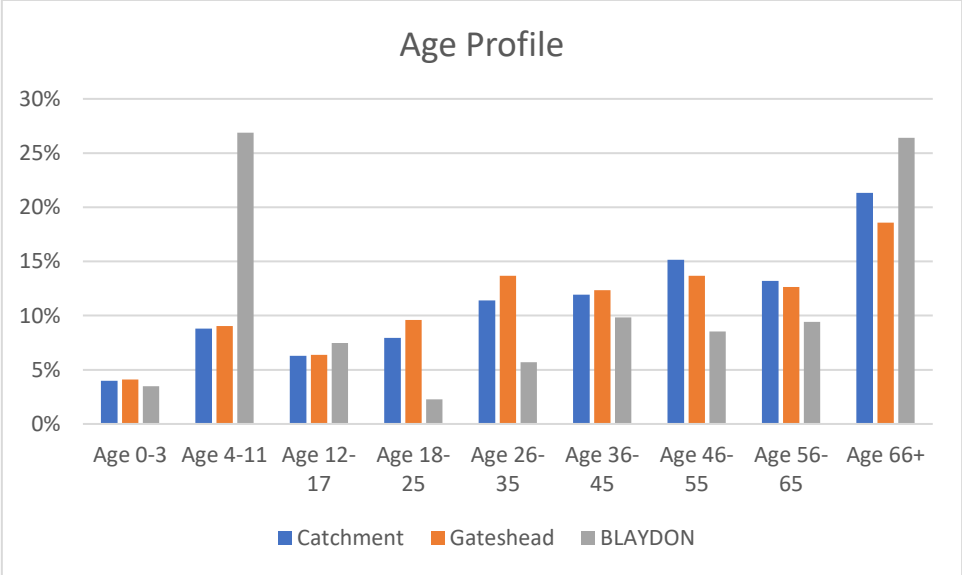
There are 5684 residents living in areas that are in the 20% most deprived IMD. This is 9% of Gateshead residents living in the lowest two IMD deciles, and 14% of the catchment's population.

160 (11%) Blaydon members coming from the two most deprived IMD deciles.

[9] As taken from the Capital Libraries DB covering FY 2019/20.



The average member of Blaydon Library is 23.1 years old compared to 43.4 for the catchment and 41.5 for Gateshead as a whole. There are 466 (38%) school age members, which is similar to the overall membership where 35% are school age[10].

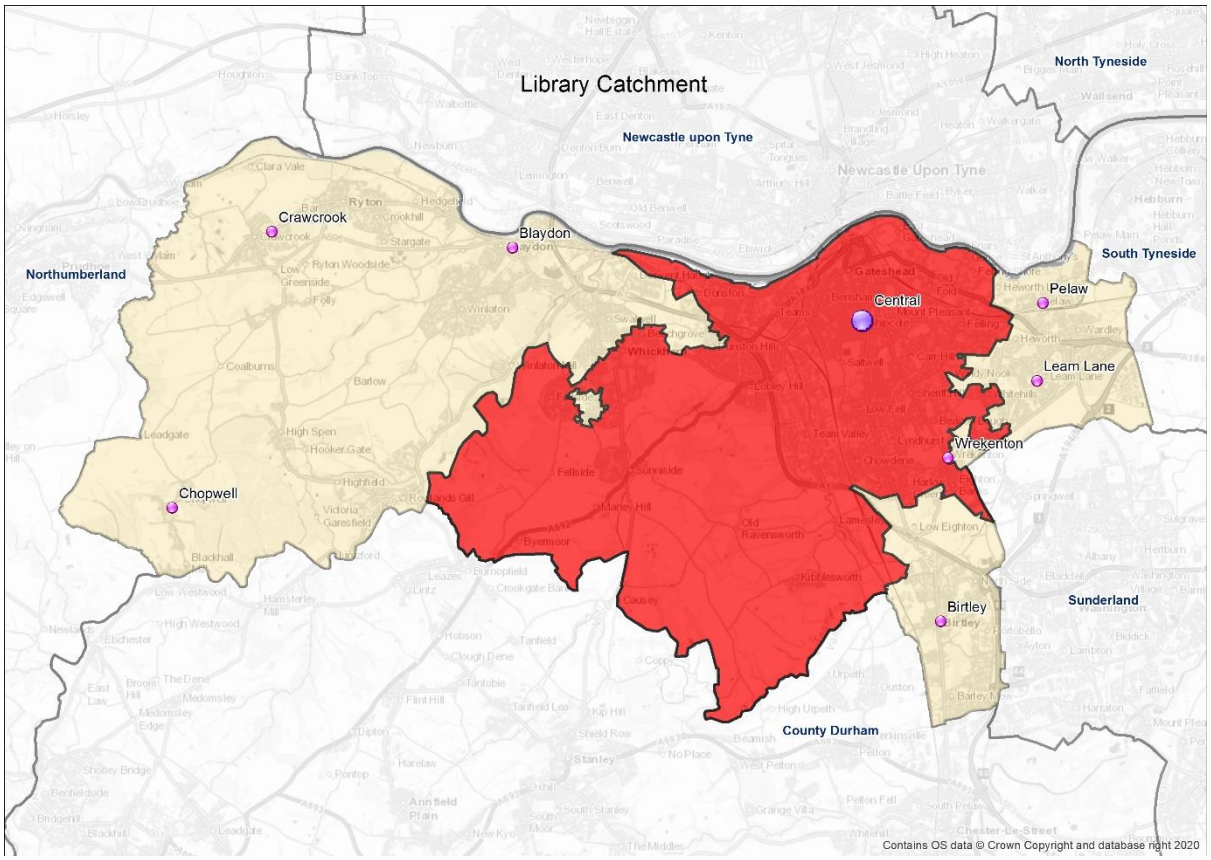


[10] Ages are based on memberships with an associated age. 10% of memberships do not record their age, these are all adults. Ages for populations are based on the ONS 2019 mid-year population estimates.

Central Library

Central Library is in Saltwell Ward, there are 6616 members registered to this site[11], making this the largest in terms of registrations, or 34% of registered members.

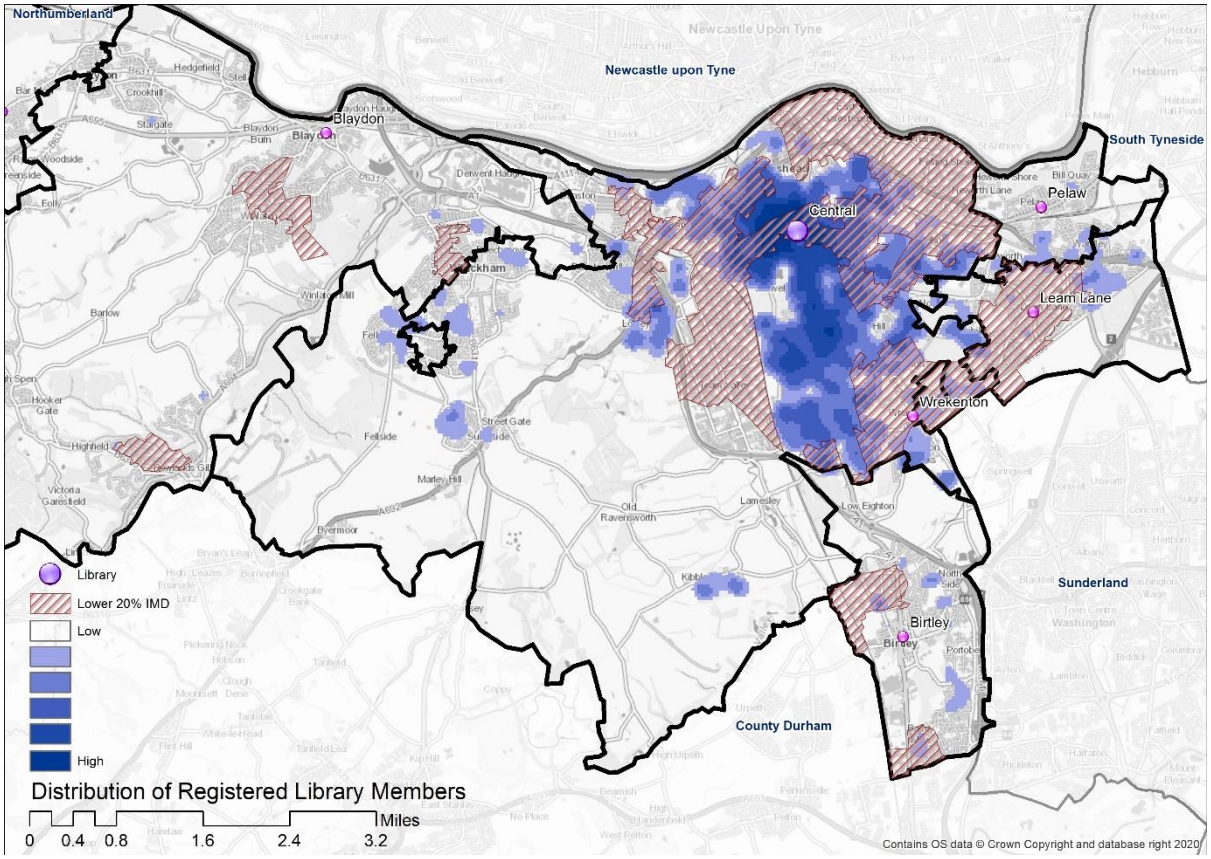
Central Library has a catchment that covers an area of 24 square miles with an overall residential population of 108,448 or 54% of Gateshead residents.



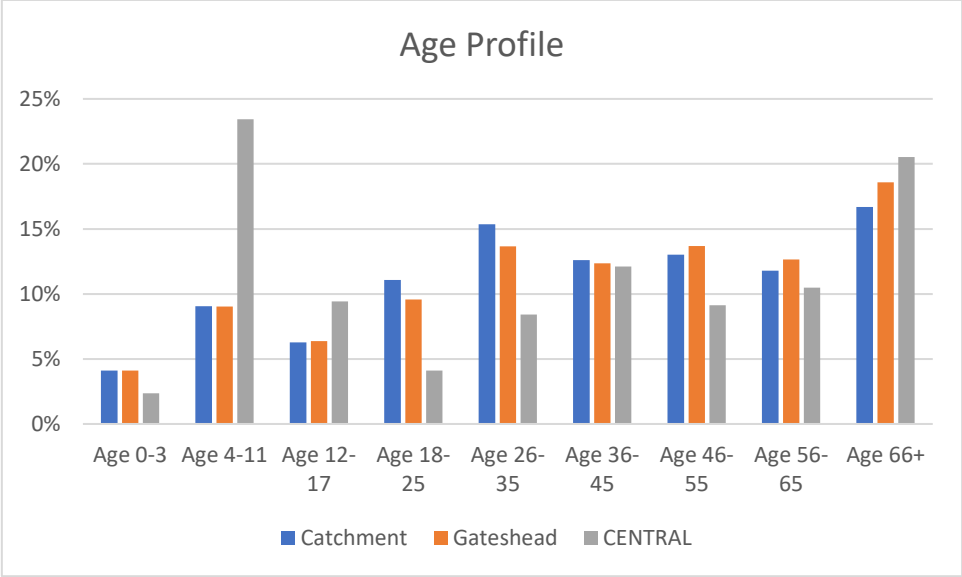
IMD profile Central

There are 40,234 residents living in areas that are in the 20% most deprived IMD. This is 66% of Gateshead residents living in the lowest two IMD deciles, and 37% of the catchment's population. 2259 (35%) of Central members come from the two most deprived IMD deciles.

[11] As taken from the Capital Libraries DB covering FY 2019/20.



The average member of Central Library is 18.5 years old compared to 40.1 for the catchment and 41.5 for Gateshead as a whole. There are 2183 (35%) school age members, which is same as the overall membership where 35% are school age[12].

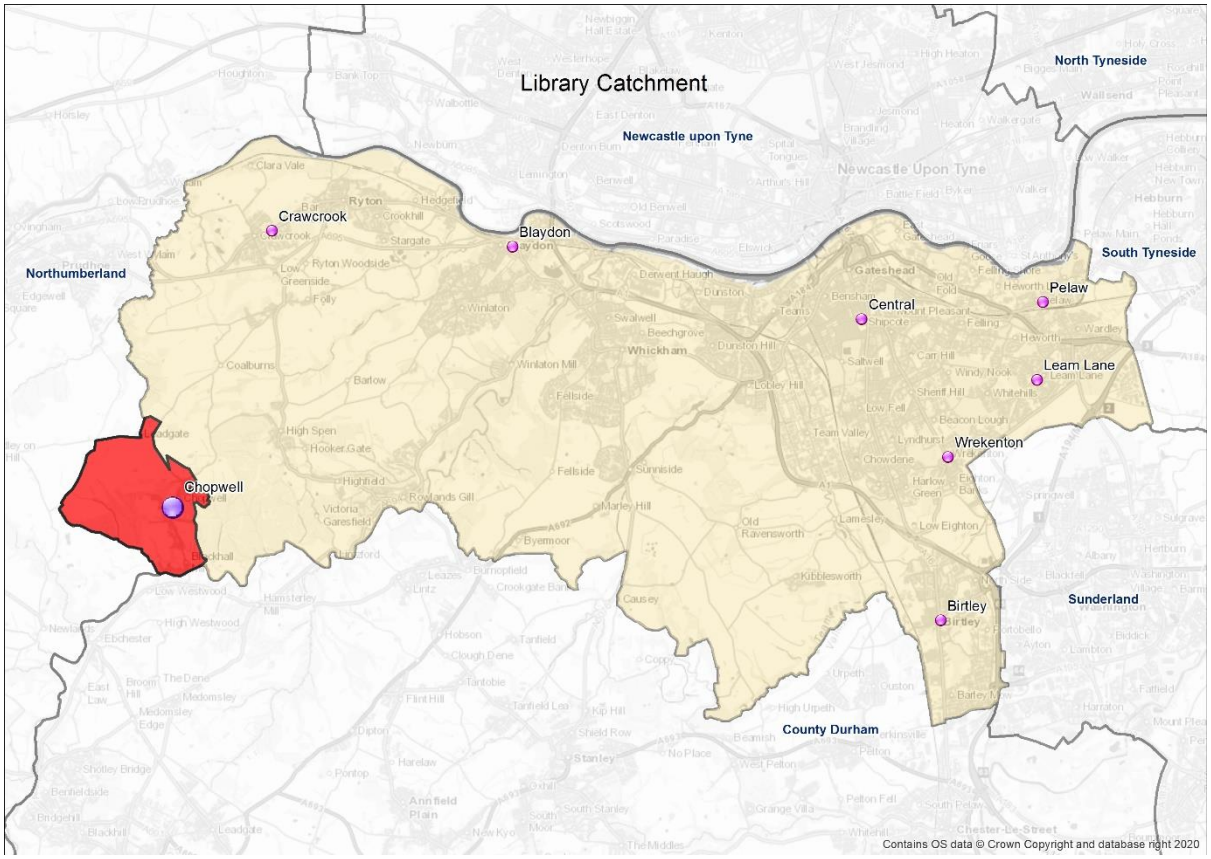


[12] Ages are based on memberships with an associated age. 10% of memberships do not record their age, these are all adults. Ages for populations are based on the ONS 2019 mid-year population estimates.

Chopwell Library

Chopwell Library is in Chopwell & Rowlands Gill Ward, there are 311 members registered to this site[13], making this the 2nd smallest in terms of registrations, or 2% of registered members.

Chopwell Library has a catchment that covers an area of 2 square miles with an overall residential population of 3482 or 2% of Gateshead residents.

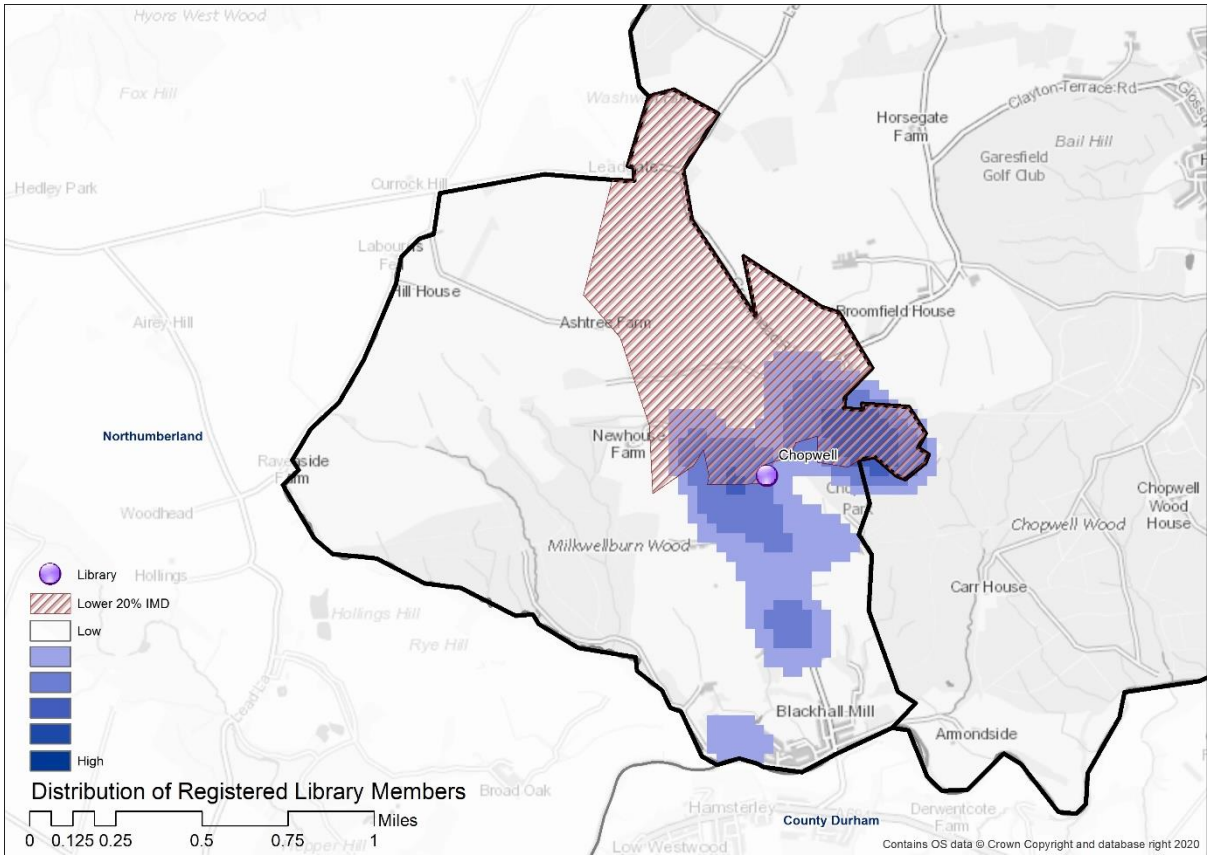


IMD profile Chopwell

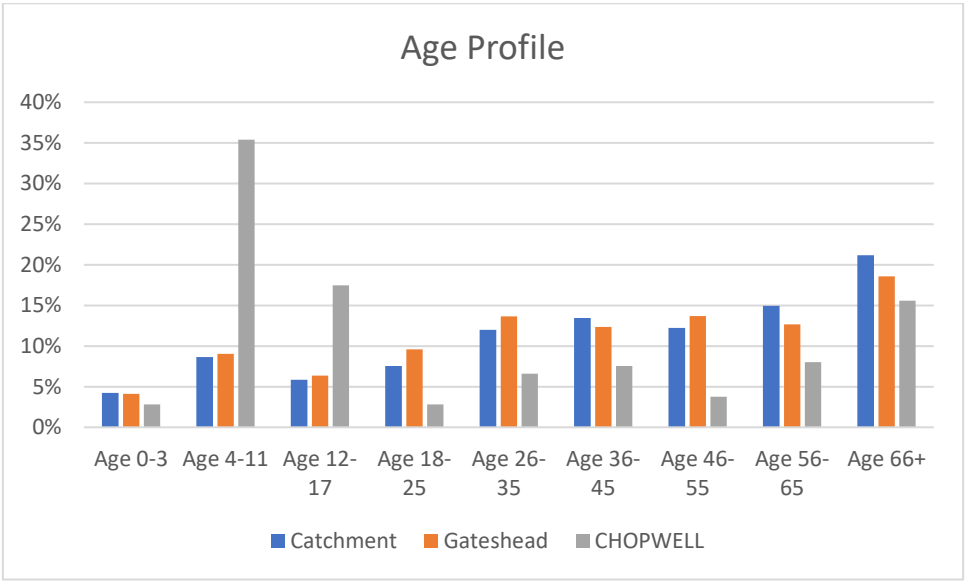
There are 1941 residents living in areas that are in the 20% most deprived IMD. This is 3% of Gateshead residents living in the lowest two IMD deciles, and 56% of the catchment's population.

133 (52%) of members come from the Chopwell catchments two most deprived IMD deciles.

[13] As taken from the Capital Libraries DB covering FY 2019/20.



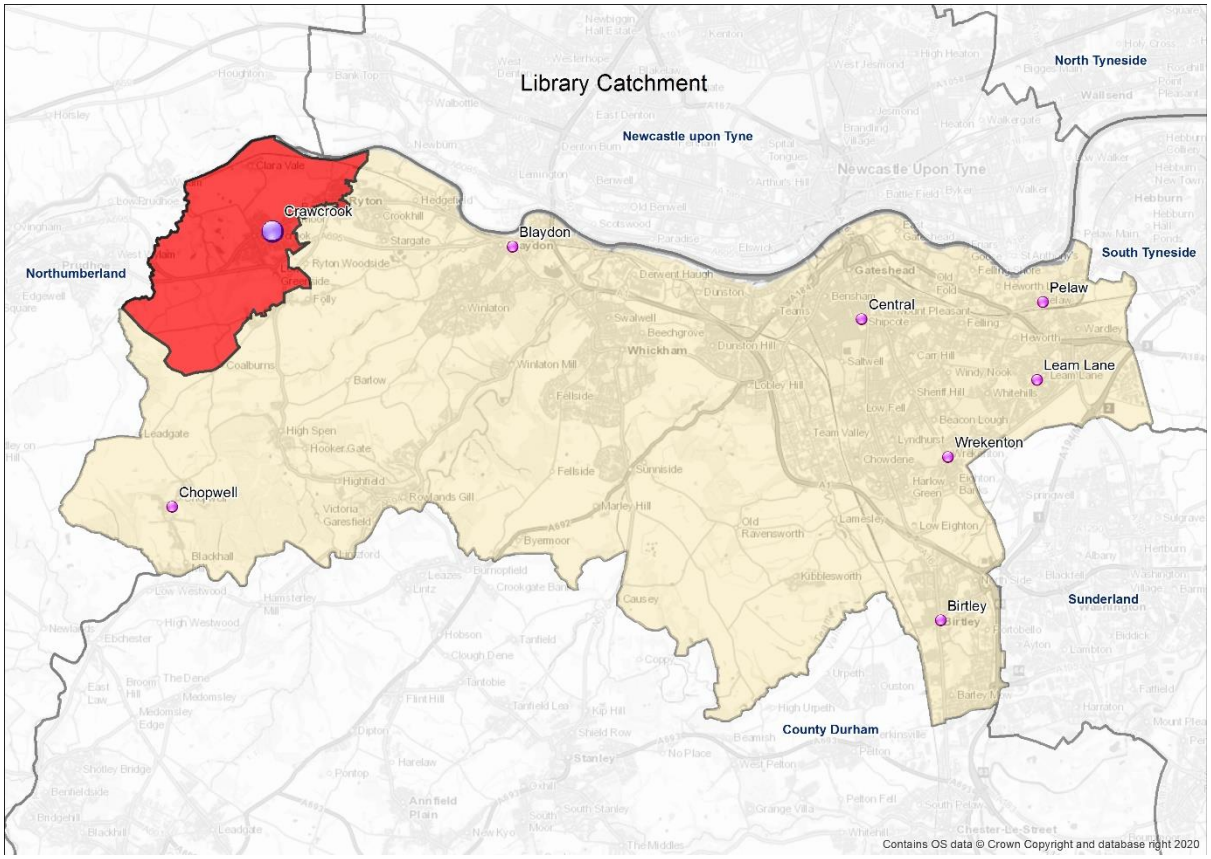
The average member of Chopwell Library is 17.6 years old compared to 43.3 for the catchment and 41.5 for Gateshead as a whole. There are 118 school age members.



Crawcrook Library

Crawcrook Library is in Crawcrook & Greenside Ward, there are 932 members registered to this site[14], making this the 5th largest in terms of registrations, or 5% of registered members.

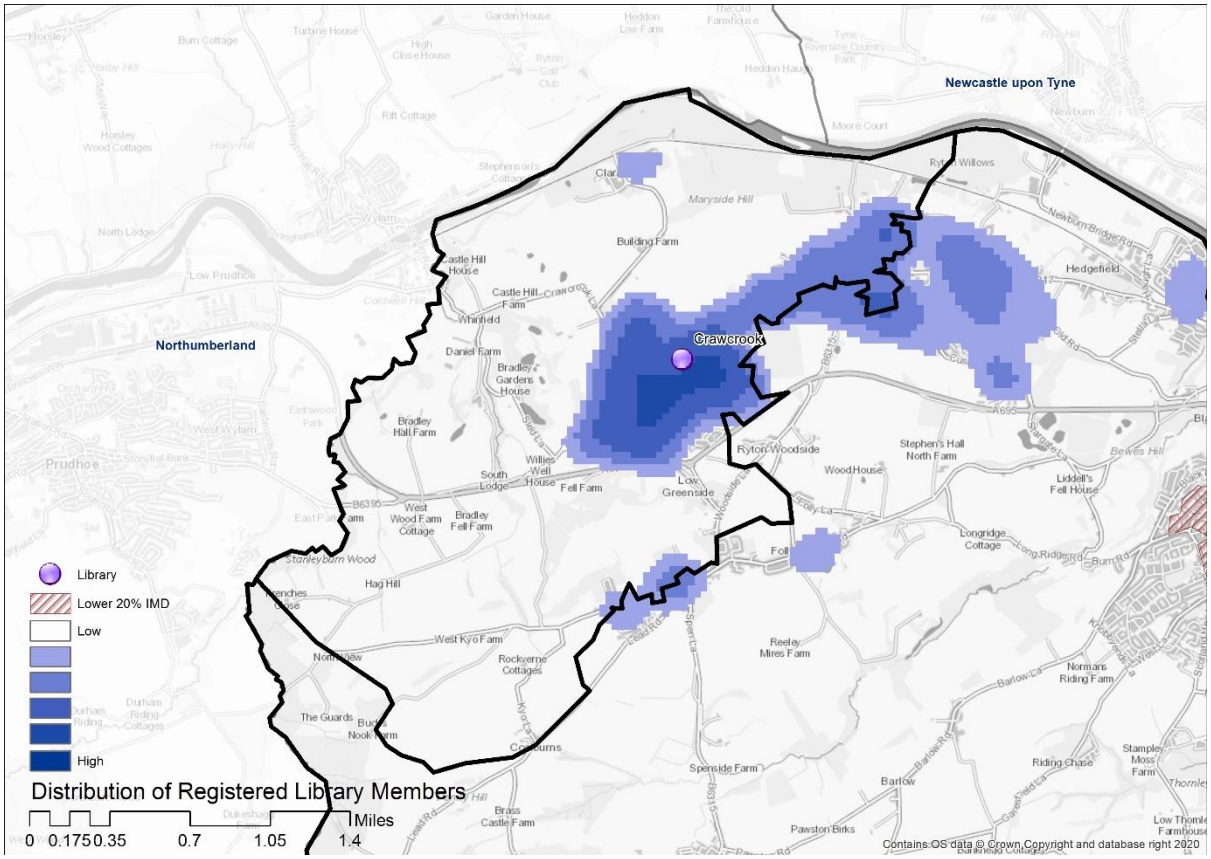
Crawcrook Library has a catchment that covers an area of 4 square miles with an overall residential population of 8433 or 4% of Gateshead residents.



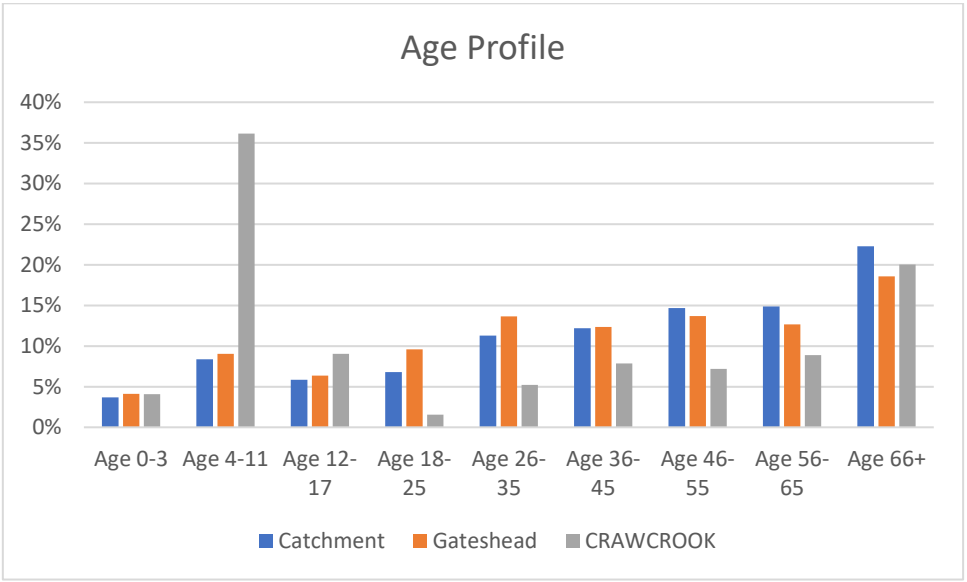
IMD profile Crawcrook

There are no residents in the Crawcrook catchment area that live in the 2 most deprived deciles of the IMD. Though 1% (n=7) of the Crawcrook membership comes from the 2 most deprived deciles but outside of the catchment. Crawcrook has the lowest percentage of members coming from the lower 2 deciles of the IMD.

[14] As taken from the Capital Libraries DB covering FY 2019/20.



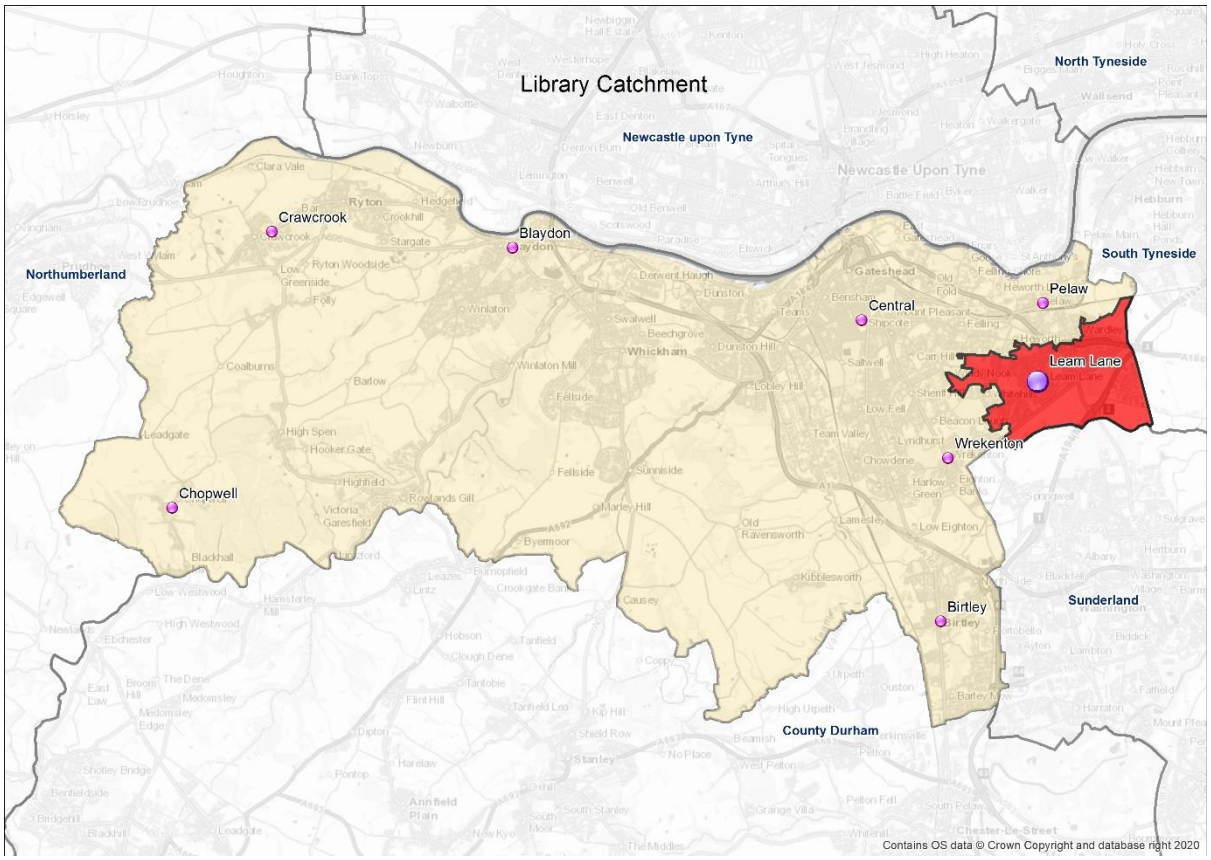
The average member of Crawcrook Library is 19.2 years old compared to 44.6 for the catchment and 41.5 for Gateshead as a whole. There are 376 school age members.



Leam Lane Library

Leam Lane Library is in Wardley & Leam Lane Ward, there are 1325 members registered to this site[15], making this the 3rd largest in terms of registrations, 7% of registered members.

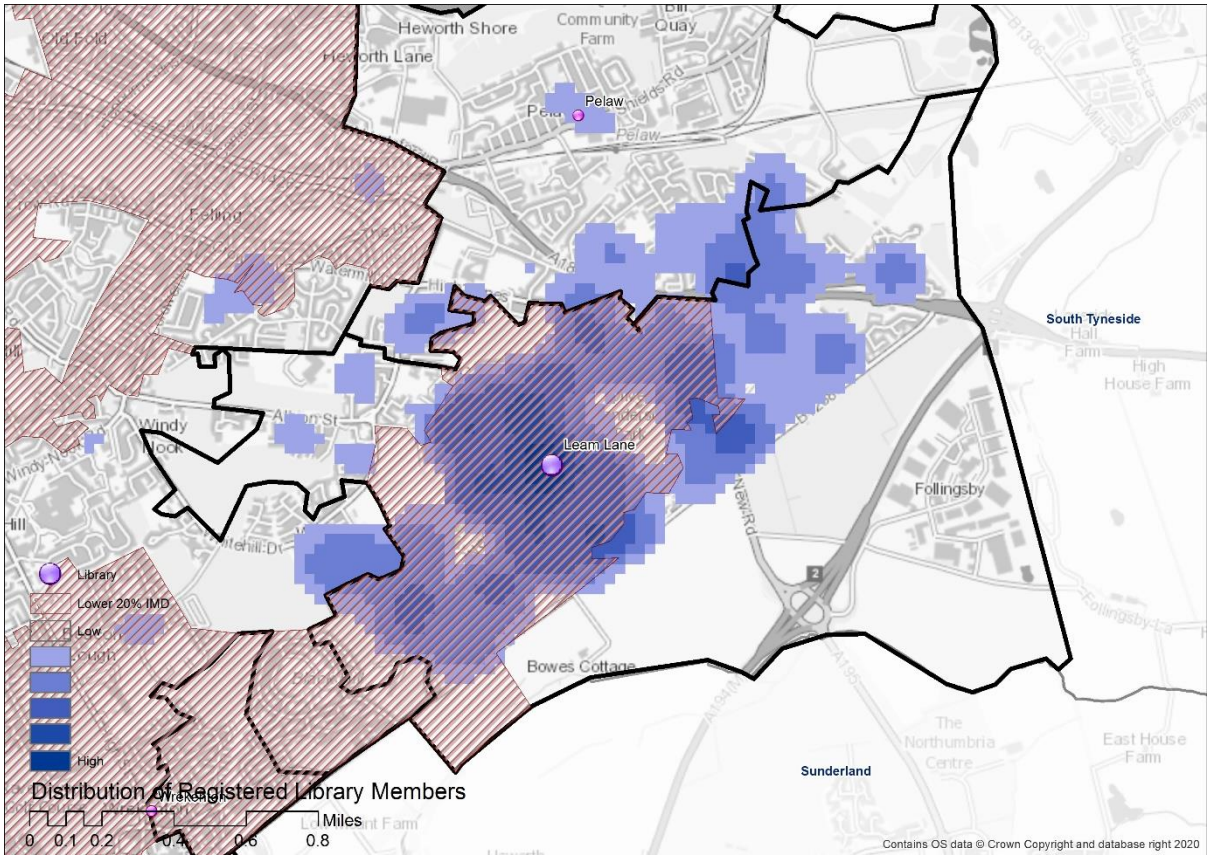
Leam Lane Library has a catchment that covers an area of 2 square miles with an overall residential population of 15,695 or 8% of Gateshead residents.



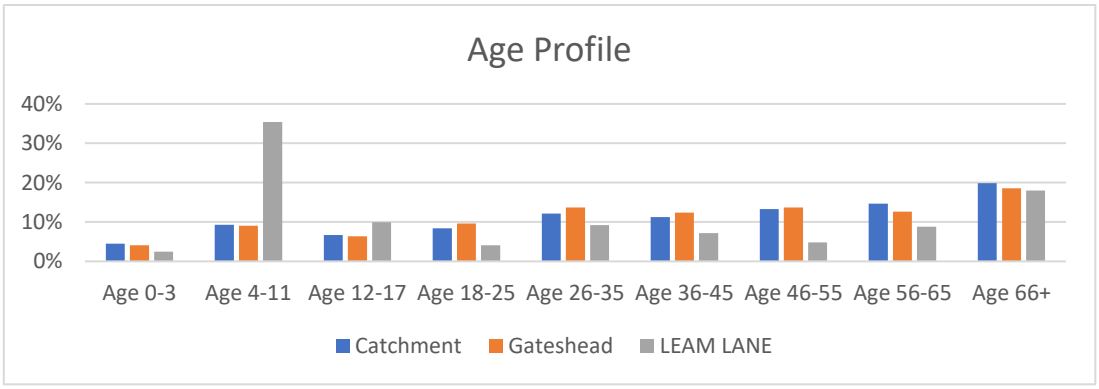
IMD profile Leam Lane

There are 8345 residents living in areas that are in the 20% most deprived IMD. This is 14% of Gateshead residents living in the lowest two IMD deciles, and 53% of the catchment's population. 583 (64%) of the Leam Lane membership come from the two most deprived IMD deciles. Leam Lane has the second highest percentage of members coming from the lower 2 deciles of the IMD

[15] As taken from the Capital Libraries DB covering FY 2019/20.



The average member of Leam Lane Library is 17.8 years old compared to 42.4 for the catchment and 41.5 for Gateshead as a whole. There are 365 (48%) school age members, which is more than the overall membership where 35% are school age.[16]

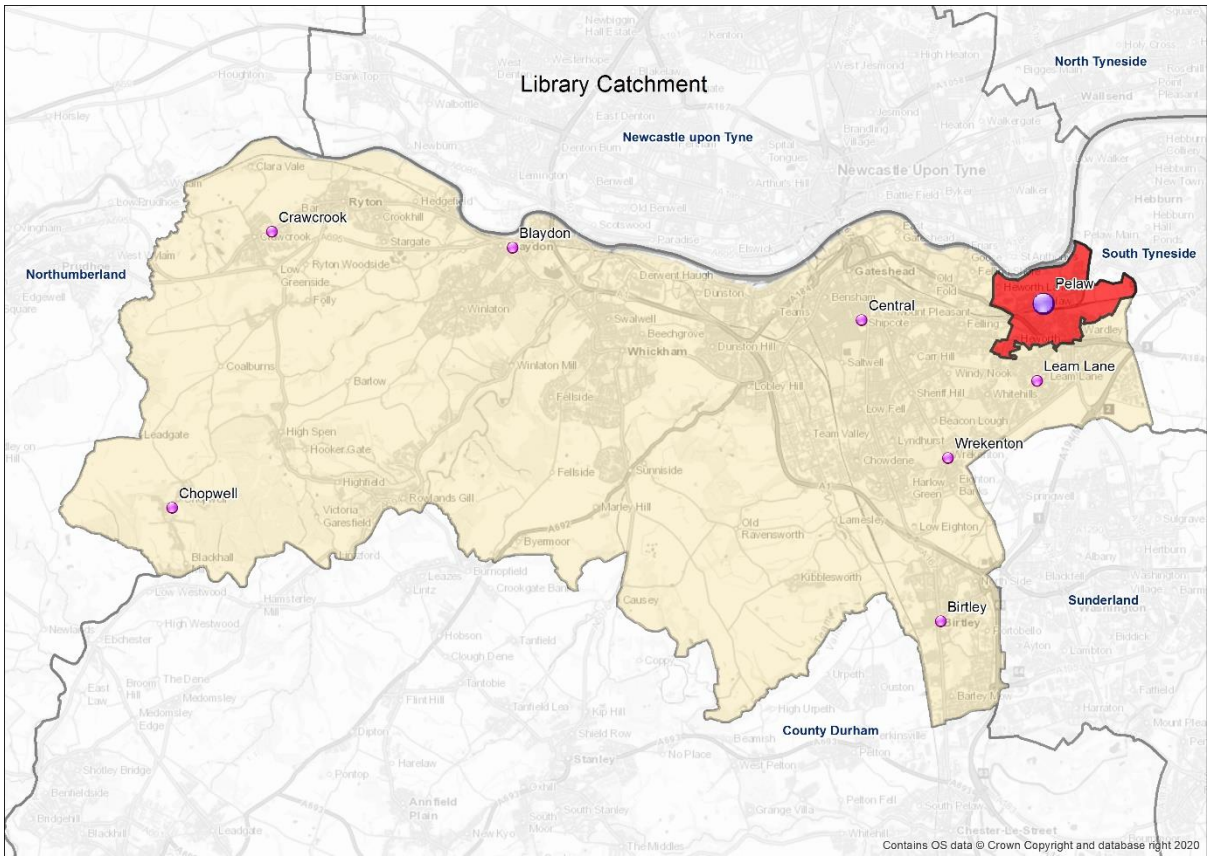


[16] Ages are based on memberships with an associated age. 10% of memberships do not record their age, these are all adults. Ages for populations are based on the ONS 2019 mid-year population estimates.

Pelaw Library

Pelaw Library is in Pelaw & Heworth Ward, there are 592 members registered to this site[17] or 3% of registered members.

Pelaw Library has a catchment that covers an area of 1 square mile with an overall residential population of 8511 or 4% of Gateshead residents.

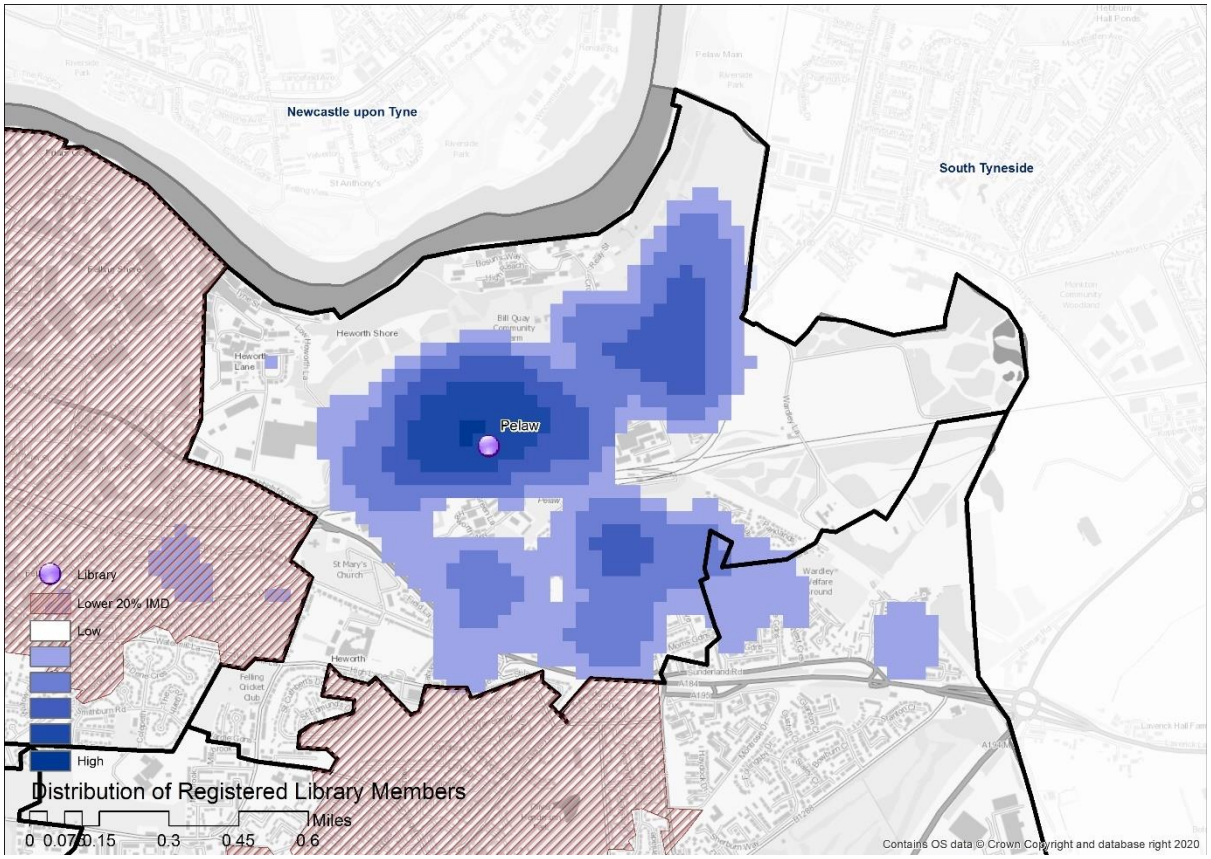


IMD profile Pelaw

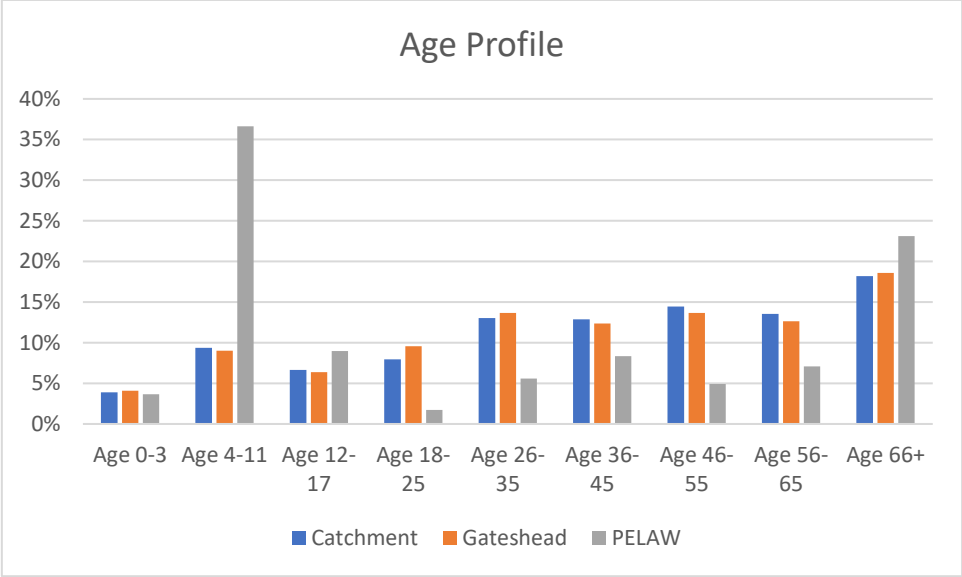
No Pelaw catchment residents come from the lower two deciles of the IMD.

57 Pelaw members come from the two most deprived IMD deciles, but from outside the catchment area.

[17] As taken from the Capital Libraries DB covering FY 2019/20.



The average member of Pelaw Library is 22 years old compared to 41.9 for the catchment and 41.5 for Gateshead as a whole. There are 200 (38%) school age members, which is more than the overall membership where 35% are school age[18].



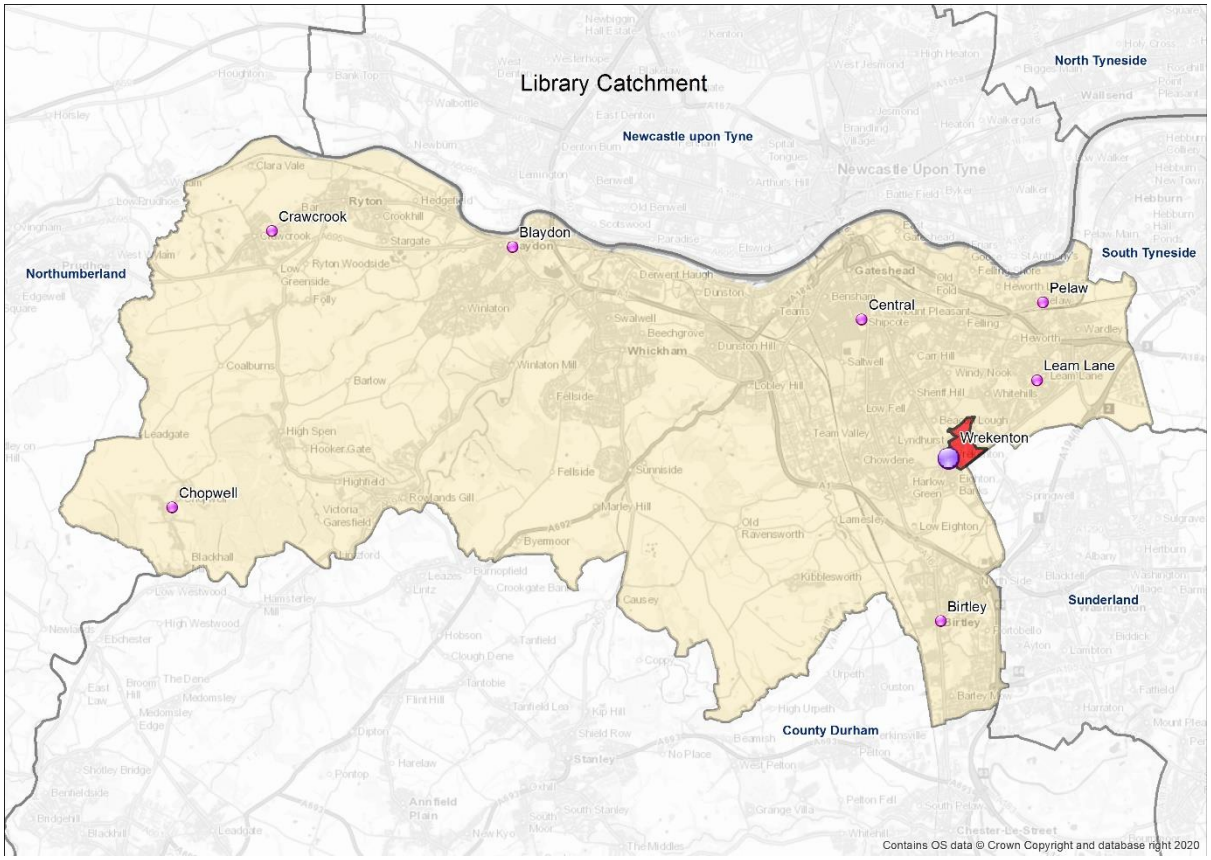
[18] Ages are based on memberships with an associated age. 10% of memberships do not record their age, these are all adults. Ages for populations are based on the ONS 2019 mid-year population estimates.

Wrekenton Library

Wrekenton library is run by staff from the Gateshead Housing Company with input from core library staff.

Wrekenton Library is in the High Fell Ward, there are 298 members registered to this site[19], making this the smallest library in terms of registrations, or 2% of registered members.

Wrekenton Library has a catchment that covers an area less than 1 square mile with an overall residential population of 1,651 or 1% of Gateshead residents.

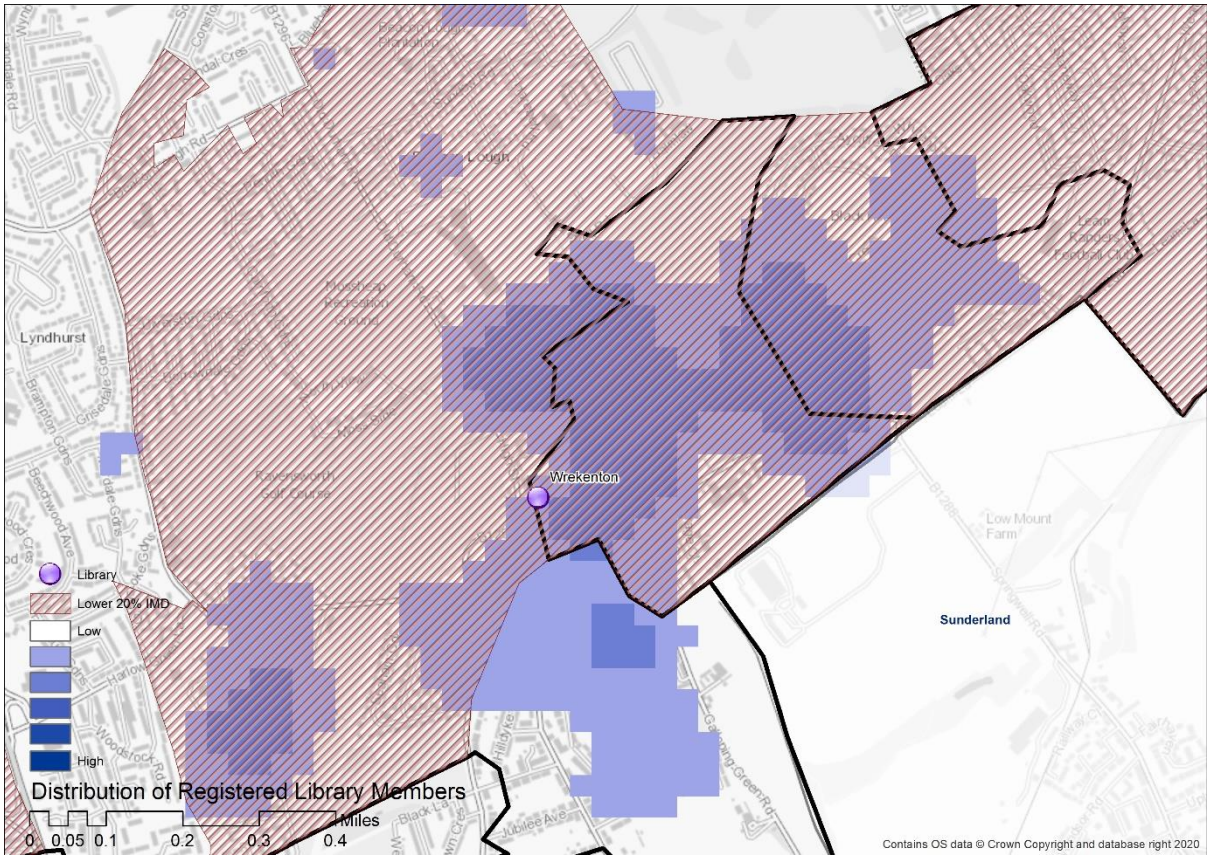


IMD profile Wrekenton

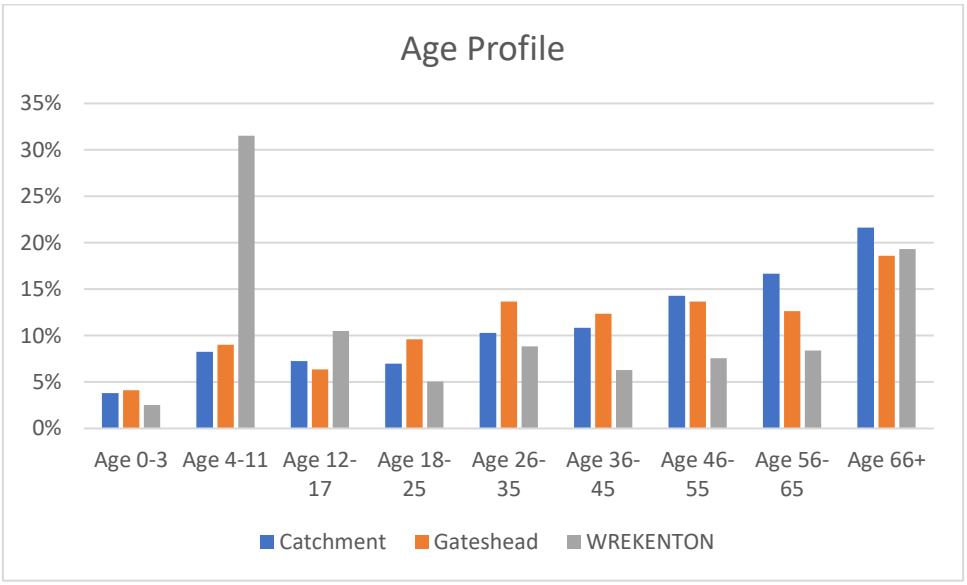
There are 1651 residents living in areas that are in the 20% most deprived IMD. This is 3% of Gateshead residents living in the lowest two IMD deciles, and 100% of the catchment's population.

There are 178 (70%) Wrekenton members coming from the two most deprived IMD deciles. Wrekenton has the highest percentage of members from the most deprived LSOAs.

[19] As taken from the Capital Libraries DB covering FY 2019/20.



The average member of Wrekenton Library is 19.3 years old compared to 44.6 for the catchment and 41.5 for Gateshead as a whole. There are 106 (45%) school age members, which is more than the overall membership where 35% are school age[20].



[20] Ages are based on memberships with an associated age. 10% of memberships do not record their age, these are all adults. Ages for populations are based on the ONS 2019 mid-year population estimates.

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Gateshead Council

REPORT TO CABINET
19 October 2021

TITLE OF REPORT: **Welcome Back Fund – Proposed Spending**

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

Purpose of the Report

1. The Council has received an allocation of £357,856 from the Welcome Back Fund. This is being provided to help local shopping centres recover from the Covid 19 pandemic. This report sets out proposals for use of the funding.

Background

2. As part of the response to the Covid 19 pandemic the Government has set up the Welcome Back Fund (WBF) for the reason set out above.

3. The WBF is funded from the European Regional Development Fund (ERDF), and as such is subject to onerous requirements, especially around procurement and publicity. In addition, there are a number of restrictions around use of the funding, including:

   - It can only be used for revenue, rather than capital funding;
   - It must provide additionality and not be work that would have been undertaken anyway;
   - It cannot be used to provide grants to specific businesses;
   - All funding must be spent by the end of March 2022.

Proposal

4. It is suggested that measures to be investigated for use of this funding should include:

   - local environmental improvements through tidying up, cleaning etc. in local shopping centres (£100,000);
   - business support to encourage collaboration between traders to help support local centres (£25,000);
   - market research to better understand who is using local centres and what they are being used for (£50,000);
   - footfall monitoring to establish the level of activity in centres (£30,000);
   - event related activity to increase visitor numbers (£25,000).

5. The funding totals outlined above are indicative and do not currently represent a commitment of the full amount. Given the tight rules and short timescales for this spend it is not known yet whether it will be possible to achieve full spend by the end of March 2022. It is proposed that the Service Director, Planning Policy, Climate

Change and Strategic Transport finalises programme spend following consultation with the Cabinet Members for Economy and Environment and Transport.

Recommendations

6. It is recommended that Cabinet:

(i) approves the proposed elements of spend from the Welcome Back Fund as outlined in paragraph 4 above;

(ii) authorises the Service Director, Planning Policy, Climate Change and Strategic Transport to finalise programme spend following consultation with the Cabinet Members for Economy and Environment and Transport.

For the following reason:

To enable the available funding to be put to best use in supporting local shopping centres recover from the Covid 19 pandemic.

CONTACT: Anneliese Hutchinson extension: 3881

APPENDIX 1

Policy Context

1. The proposed programmes support the pledges within Gateshead Council's 'Thrive Agenda'. They also support the Core Strategy and Urban Core Plan. The indicative programme utilises funding available to the Council through specific government grants.

Consultation

2. The Portfolio holders for the Economy and Environment and Transport have been consulted on the proposals and are supportive of them. Given the limited timeframe for the spend no public consultation has taken place. The Leader and Deputy Leader have also been consulted.

Alternative Options

3. Given the tight timescale for spend the scope to develop alternative options is limited. The programme has been developed with the aim of delivering action that is effective and compliant with the funding scope in the time available.

Implications of Recommended Option

4. Resources:

a) Financial Implications – The Strategic Director, Resources & Digital confirms that the programme is fully grant funded and has no financial implications for the Council.

b) Human Resources Implications – None.

c) Property Implications - None.

5. Risk Management Implication - the main risk with the spending is that failure to follow the correct processes could lead to grant having to be re-paid. This risk has been minimised by the use of ERDF compliant procurement processes.

6. Equality and Diversity Implications - Local centres provide important facilities for those people who rely more on local facilities.

7. Crime and Disorder Implications – The proposed environmental improvement activity will include removal of graffiti where possible.

8. Health Implications – Local centres provide a good basis for the provision of facilities to which people can walk or cycle.

9. Climate Emergency and Sustainability Implications - Local centres provide a good basis for the provision of facilities, which can be accessed in a sustainable manner, reducing the need to drive.

10. Human Rights Implications - None.

11. Ward Implications - activity will be targeted to support local centres at various locations boroughwide.

Background Information

12. None

Gateshead Council

REPORT TO CABINET
19 October 2021

TITLE OF REPORT: **Medium Term Financial Strategy 2022/23 – 2026/27**

REPORT OF: **Darren Collins, Strategic Director, Resources & Digital**

Purpose of the Report

1. To request Cabinet to recommend to Council the approval of the Medium-Term Financial Strategy (MTFS) 2022/23 to 2026/27 including the proposed MTFS principles and the medium-term financial context as set out in this report and appendix.

Background

2. The Medium-Term Financial Strategy (MTFS) is a key part of the Council's Budget and Policy Framework which aims to ensure that all financial resources are directed towards delivery of Council priorities. The Strategy describes the financial direction of the Council for financial planning purposes and outlines the financial pressures over a five-year period but is reviewed annually to reflect the dynamic nature of local government funding.

3. On 4 February 2021 a one-year financial settlement was received for 2021/22.

4. On 7 September 2021, the government published 'Building Back Better: Our Plan for Health and Social Care'. This represents a plan to address the backlog in the NHS resulting from the COVID-19 pandemic and the long standing systemic and funding challenges for delivering adult social care. This plan represents the first stage of information being provided around the reforms; in particular, for adult social care.

5. The 2021 Spending Review will be delivered on 27 October 2021 and it has been confirmed that this will set out funding totals for the three-year period 2022/23 to 2024/25. The Government plans to then consult on proposals for distributing the additional funding for adult social care across local government. In addition, the Government will also publish a white paper on system reform for adult social care.

6. Medium term financial planning has never been more necessary or more challenging. The continuing impact of the pandemic crisis as well as Brexit and associated volatility

on funding and demand requires the Council to establish financial plans over a longer time period. As with previous years there is no guidance from Government on future funding and financial reforms, which is a significant barrier to effective financial planning for the Council. The current context is exceptional and it will require continual monitoring, financial discipline and new and flexible approaches to financial planning and management.

Proposal

7. The MTFS is based on a 5-year planning horizon within a ten-year investment framework, including projections to 2026/27 and these estimates will be kept under regular review.

8. To assist in meeting the financial challenges ahead, the principles which underpin the MTFS have been reviewed and these are proposed as follows:

   - The overall financial strategy will be to ensure that the Council's resources are directed to the thrive agenda framework. Financial sustainability will be achieved and maintained through targeted investment, reducing costs and more efficient ways of working. The Council's MTFS will be reviewed on at least an annual basis.
   - The Council will consider a range of delivery mechanisms and funding sources to support capital investment to deliver thrive priorities, including the use of prudential borrowing, and will ensure that the full costs associated with financing the investment are considered when investment decisions are taken.
   - The Council will maintain its general reserve at a minimum of 3% of the net revenue budget to cover any major unforeseen expenditure. The Council will aim to balance its revenue budget over the period of the MTFS without reliance on the use of the general reserve.
   - The Council will maintain earmarked reserves for specific purposes which are consistent with achieving its key priorities. The use and level of earmarked reserves will be reviewed at least annually.
   - Overall Council spending should be contained within original estimates. If following monthly revenue monitoring, service budgets are projected to exceed original estimates, plans should be prepared setting out the actions required to ensure spending at the end of the year does not exceed original budget estimates.
   - The Council recognises the impact of increases in council tax levels and fees and charges in an area of relatively low income and low wealth and will therefore balance the need for increases against the delivery of the thrive framework and the need for services.
   - The Council will meet its financial obligations and maintain financial sustainability through the setting of a balanced budget and the delivery of outturn within the overall budget each year.

9. The MTFS estimates and plan for 2022/23 to 2026/27 have been reviewed and updated wherever possible. Full details are attached at Appendix 2.

10. The MTFS presents a very challenging financial position over the medium term. The outcome of the review gives an estimated revised financial gap over the five-year period of £63m including COVID impacts. This impact will be mitigated temporarily through the planned application of pandemic reserves of £18m and the plan assumes proposed use of £20m from the budget sustainability reserve over the next three financial years. Efficiencies and savings of £45m will be required over the medium term. It is essential these are delivered to ensure the financial sustainability of the Council.

11. Reserve levels are reviewed twice a year as part of budget and council tax setting and as part of the MTFS review. The outcome of the reserves review is the proposal to realign existing reserves to add funds to the budget sustainability reserve thus creating £20m of temporary funds to support a planned approach to achieve a balanced position over the next three years.

12. Further details on the changes to reserves can be found in appendix 1 and the MTFS document at appendix 2. Following review and realignment of earmarked reserves existing commitments will need to be reviewed and possibly reduced or removed**.**

13. The Council recognises that usage of reserves is one-off in nature and must be linked with expenditure and income plans to support financial sustainability in the medium term. Therefore, using reserves in this way means that it is essential to have a planned schedule of savings and efficiencies to achieve a balanced budget in future years and reinvest to achieve thrive priorities. The Investment Plan and HRA Business Plan will also be aligned and prioritised to ensure affordability and to manage risks.

Recommendations

14. Cabinet is requested to recommend to Council:

    (i) the approval of the Medium-Term Financial Strategy for 2022/23 to 2026/27 including the proposed MTFS principles and the medium-term financial context as set out in this report and appendix;

    (ii) to agree the outcome of the reserves review and approve the reserves balances as outlined in appendix 1 to the report.

    For the following reasons:

    i) To contribute to the good financial management practice of the Council;
    ii) To assist the maintaining of the financial sustainability of the Council over the medium to long term.

CONTACT: Darren Collins extension: 3582

Policy Context

1. The Medium-Term Financial Strategy (MTFS) includes financial projections analysis and context that supports the Council's new policy 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. To deliver on the new policy approach over the next five years, the Council will remain resolute in its determination to make Gateshead a place where everyone thrives. This means the Council's decision-making including resource allocation through the budget will be policy and priority led and driven.

Background

2. The MTFS establishes the best estimates of the level of revenue resources available to the Council over the medium term and estimates the financial consequences of the demand for Council services. It assists financial planning and strategic financial management through providing the financial context within which the Council budget will be set.

3. Medium term financial planning remains extremely difficult due to the exceptional circumstances currently being faced by all local authorities. There is great uncertainty in relation to the level of future funding due to the changes in the local government finance system, current and long-term pandemic impacts as well as the UK leaving the European union. The unknown impacts alongside the level of risk to finances mean that forecasts will need to be closely monitored and potentially refreshed more frequently than usual as further consequences become clear.

4. The funding estimated to be received from Government and from council tax and business rate payers over the next five years is not sufficient to cover current level of spend plus new budget pressures. Local authorities are legally obliged to set a balanced budget each year and to ensure they have sufficient reserves to cover any unexpected events. Therefore, to legally balance the budget the Council must make spending plans affordable by matching it to the estimated funding available over that time. Staying the same is not an option. The Council is required to change to deliver its priority outcomes within the limited funding available.

5. The Council will ensure that reducing resources are used to maximum effect and allow the Council to continue to deliver new and better ways of working and invest to improve the efficiency of services provided. It is evident however the continuing reductions in funding and increases in demand will have an inevitable impact on both the nature and scope of services that the Council is able to deliver. The Council will aim to manage the process of change to its services effectively.

6. The Council will continue to have significant revenue and capital budgets to invest and deliver services consistent with the delivery of key priority outcomes of "Making Gateshead a Place where Everyone Thrives". The Council will retain its vision for the future of the Borough through promoting development and economic growth and this will assist in maintaining the medium-term financial sustainability of the Council.

Reserves Review

7. The MTFS review allows for consideration of the Council's reserves policy and a review of the level of reserves to ensure there is adequate protection against unforeseen events. Following the outcome of the review of reserves the following changes are proposed;

Council General Reserve £8.0m- It is proposed that £5.9m is transferred out from the general reserve to earmarked reserves, leaving a balance of £8.0m which meets the 3% minimum principle.

Financial Risk and Resilience £9.9m- It is proposed that this reserve reduces by £4.4m following a review of earmarked risks. Projected balances are; (Insurance (£2m), grant clawback (£3m), workforce development costs (£3m), commercial risk (£1.5m) and budget flexibility (£0.4m))

A new Thrive reserve is proposed of £10.0m -This reserve will replace the two existing reserves to continue to support the delivery of Council Thrive priorities of Economic, Housing and Environmental Investment (£5m) and Poverty, Health and Equality Investment (£5m)

Budget Sustainability £20.0m- It is proposed that this reserve increases by £15.0m to provide temporary budget support over the next three financial years.

8. Using reserves in this way means that it is crucial to have a planned schedule of savings and efficiencies over the period to achieve a balanced budget that is sustainable in future years.

Consultation

9. The MTFS sets a financial context for budget consultation. The Council's budget planning framework is supported by the development of integrated impact assessments (IIAs) for draft budget proposals. These assessments include identifying possible disproportionate impact in relation to the protected characteristics as described within the Equality Act 2010 and identify potential mitigation where applicable.

10. The Council maintains its strong commitment to equality, believing that all groups and individuals within the community and its workforce have equal opportunity to benefit from the services and employment it provides. IIAs help the Council to arrive at informed decisions and to make the best judgements about how to target resources.

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

Alternative Options

12. There are no alternative options.

Implications of Recommended Option

13. Resources**:**

a) **Financial Implications –** the Strategic Director, Resources and Digital confirms that financial context is contained within the report and appendices. Any direct implications will form part of the budget planning framework and identification of budget proposals.

b) **Human Resources Implications –** The need to support Council employees as much as possible through changes is recognised. Any direct implications will form part of the budget planning framework and identification of budget proposals.

c) **Property Implications -** No direct property implications. Any direct implications will form part of the budget planning framework and identification of budget proposals.

14. **Risk Management Implication -** Risks arising from the direct impacts of this strategy will form part of the Council's approach to the budget planning framework.

15. **Equality and Diversity Implications -** An equality impact framework has been developed to assess budget proposals.

16. **Crime and Disorder Implications –** No direct crime and disorder implications. Direct implications arising from the impacts of this strategy will form part of the Council's approach to the budget planning framework and consultation process.

17. **Health Implications -** No direct health implications. Direct implications arising from the impacts of this strategy will form part of the Council's approach to the budget planning framework and consultation process.

18. **Climate Emergency and Sustainability Implications -** The MTFS provides a framework with the express objective of achieving a sustainable financial position over the medium term. Addressing climate change remains a priority of the Council and the MTFS frames the resources available.

19. **Human Rights Implications -** No direct human rights implications.

20. **Ward Implications -** All areas of the Borough are covered by the principles set out in this strategy

Background Information

21. Provisional Revenue Outturn 2020/21 - 20 July 2021

Gateshead Council

Medium Term Financial Strategy 2022/23 - 2026/27

1. The Purpose of the Medium-Term Financial Strategy (MTFS)

1.1 The MTFS is a key part of the council's Budget and Policy Framework which aims to ensure that all financial resources are directed towards delivery of Council priorities. The Strategy describes the financial direction of the council for financial planning purposes and outlines the financial pressures over a five-year period but is reviewed annually to reflect the dynamic nature of local government funding.

1.2 The MTFS establishes the likely level of revenue resources available to the Council over the medium term and estimates the financial consequences of the demand for council services. It improves financial planning and strategic financial management through providing the financial context within which the Council budget will be set.

1.3 The review also allows for consideration of the Council's reserves policy and level of reserves to ensure there is adequate protection against unforeseen events.

1.4 The objectives are to;

- Consider the scale of financial challenges over the medium term and take appropriate actions in order to achieve financial sustainability and a balanced budget year on year.
- Ensure the Council has planned adequate funding to deliver against priorities.
- Prioritise capital schemes based on deliverability of tangible outcomes whilst considering the context of the overall capital and revenue affordability.

1.5 The principles underlying the MTFS 2022/23 to 2026/27 are as follows:

1. The overall financial strategy will be to ensure that the council's resources are directed to the Thrive agenda framework. Financial sustainability will be achieved and maintained through targeted investment, reducing costs and more efficient ways of working. The council's MTFS will be reviewed on at least an annual basis.
2. The Council will consider a range of delivery mechanisms and funding sources to support capital investment to deliver thrive priorities, including the use of prudential borrowing, and will ensure that the full costs associated with financing the investment are taken into account when investment decisions are taken.
3. The Council will maintain its general reserve at a minimum of 3% of the net revenue budget to cover any major unforeseen expenditure. The Council will aim to balance its revenue budget over the period of the MTFS without reliance on the use of the general reserve.
4. The Council will maintain earmarked reserves for specific purposes which are consistent with achieving its key priorities. The use and level of earmarked reserves will be reviewed at least annually.

5. Overall Council spending should be contained within original estimates. If, following monthly revenue monitoring, service budgets are projected to exceed original estimates, plans should be prepared setting out the actions required to ensure spending at the end of the year does not exceed original estimates.

6. The Council recognises the impact of increases in council tax levels and fees and charges in an area of relatively low income and low wealth and will therefore balance the need for increases against the delivery of the thrive framework and the need for services.

7. The Council will meet its financial obligations and maintain financial sustainability through the setting of a balanced budget and the delivery of outturn within the overall budget each year.

2. Local Policy Context

2.1 The Council's strategic approach **Making Gateshead a Place Where Everyone Thrives**, provides a framework to demonstrate how the Council will work and make decisions in the future which will be policy and priority-led and help resource the impact being made on delivery of the Health and Wellbeing Strategy. It is predicated on the following Council pledges:

- **Put people and families at the heart of everything that we do**
- **Tackle inequality so people have a fair chance**
- **Support our communities to support themselves and each other**
- **Invest in our economy to provide sustainable opportunities for employment, innovation, and growth across the borough**
- **Work together and fight for a better future for Gateshead**

2.2 The Council's MTFS sets out the financial context for the Council's resource allocation process and budget setting. The Councils new Performance Management Framework supports the aims within the Strategy by aligning performance with the overall approach to the budget to support the financial sustainability for the Council ensuring that resources are deployed on the outcomes for making Gateshead a Place Where Everyone Thrives.

2.3 There are huge financial pressures on not just Council resources, but those of partners, local businesses, and residents. To deliver on the strategic approach over the next five years, the Council will need a radical rethink about how it works and key priorities, how resources are spent, how the council works with partners, organisations, businesses, trade unions, employees and the local people and communities of Gateshead.

3. External Context

3.1 The Council is facing numerous financial challenges from external factors which it needs to overcome if it is to remain on a sustainable financial footing. (Also see PESTEL analysis in supporting information)

- **Lack of Funding Reform to Address Areas with High Needs/Low Tax Bases**
  Longer-term reform of local government funding has been delayed and a structural solution is needed to meet the many statutory duties and demands placed on local authorities.

  Over the last decade, Government strategy to reduce reliance on grant and localise funding has resulted in moving ever-larger amounts of funding away from councils who have the highest need to those who can grow the most resource locally. The change of emphasis in how funding has been allocated has benefited councils with low needs, a large and growing council tax base, and a thriving business estate, by comparison to authorities like Gateshead with high needs and low council tax and business rate base.

- **Quantum of Social Care Funding**
  There are acute problems nationally. The care and support system remain under enormous pressure and the quantum of funding does not meet the increasing demands of both adults and children's social care.

  The 2021/2022 settlement allowed for the continuation of several previously one-off Social Care grants. This additional funding, whilst welcome, fails to provide both the longer-term stability and level of funding required to meet the continued pressures being experienced within Social Care, exacerbated by the current pandemic.

  The Prime Minister recently announced (7 September) an additional £12bn per year on average for health and social care across the UK over the next three years. These reforms will be funded by a new UK-wide 1.25% Health and Social Care National Insurance Levy. This will be ringfenced and invested into health and social care across the UK. Implications for local government and Gateshead are yet to be finalised, including what this means for the future of existing grants.

- **Brexit Impacts**
  The medium and long-term implications of Brexit remain unclear and are still emerging and will continue to do so for some time to come, but they can be summarised as shortage of labour, shortage of goods and materials including longer lead in times and price increases.

- **Ten Years of Austerity**
  An early consequence of a decade of funding cuts has been cuts to preventative spend. As funding fell and demand for services grew, many councils have been forced to abandon spend on preventative measures in order to fulfil their statutory duties. The cumulative impact of years of cuts has a significant impact on communities. This Council has consistently lobbied the Government over the disproportionate cuts to funding which impact unfairly on local authorities with high levels of deprivation, and low tax bases.

- **Short-term and Late Funding Settlements /One-off tranches of Funding**
  One-year local government settlements hinders councils' ability to plan over the period of the MTFS, something which is crucial to deliver investment, valued local services and support to vulnerable residents. This situation is compounded by the lateness of financial settlements in the budget setting timetable with major grant funding announcements as late as February and some made after the budget is set in February.

  Whilst additional funding is always welcome, short term annual funding leaves councils and partners unable to plan service delivery over the medium/long term. It hinders the ability to recruit and put long term stabilising measures into action. Furthermore, many of these specific grants are competitive, ringfenced, lower value which are then resource intensive to bid for and manage.

- **Continuing economic uncertainty of the pandemic**
  The pandemic has both exacerbated and magnified the precarious state and volatility of local government funding which was already under strain. Despite receiving emergency funding, it is likely that the Council will experience longer-term impacts of the pandemic, the impacts of increasing demand for services, and potential reduced Business Rates and Council Tax income. Currently, it is not clear how long government funding support will last not only to the Council directly but support to the wider businesses and residents of the borough.

- **Pressure on Reserves**
  Reliance on use of reserves for permanent budget requirements is not a prudent and sustainable approach in the long-term but can be used, where appropriate, to pump prime invest to save initiatives or in a planned approach to bring permanent budget savings. The Council's balances are at a minimum and with many competing demands these must be managed effectively.

4. Council's Current Financial Position

Revenue Outturn 2020/21

4.1 During 2020 the Council had to react to the challenges on the pandemic and lockdown restrictions. Cabinet agreed in July 2021 a net revenue budget of £221.286m. The overall outturn position for the Council resulted in a surplus of £7.908m. The positive year-end position is a testament to the collective approach taken by groups and services to identify pressures early in the financial year and ensuring that action was taken on a timely basis to ensure the threat to a balanced budget was addressed. The outturn position reflects the timing of covid funding received in advance by the Council.

Revenue Budget 2021/22

4.2 On 23 February 2021 Cabinet agreed a net revenue budget of £238.758m which included £8.117m of budget savings. The annual budget savings cycle is a continuous approach with budget developments brought to Cabinet for consideration throughout the year to allocate resources to Services and consider consultation outcomes. Complex pandemic impacts remain and therefore effective financial management will be essential.

5. Outlook Beyond 2021

5.1 Medium term financial planning remains extremely difficult due to external economic factors coupled with the delays to finance reforms. The level of funding beyond 2021 is unknown resulting in greater risks in relation to the localisation of business rates and the local council tax scheme. The unknown impacts alongside the level of risk to finances mean that these forecasts will need to be closely monitored and potentially refreshed more frequently than usual as consequences become clear. Staying the same is not an option. The Council is required to change to deliver its priority outcomes within the limited funding available.

5.2 The financial impacts of the pandemic are expected to continue this year and beyond. The Council has set aside funding from reserves to cover cost pressures and lost income and therefore these impacts are neutral early in the MTFS estimates. This will need to be kept under review. Impact on council tax and business rates funding has been included as these are being managed over three years. Impacts are kept under regular review within the revenue budget monitoring framework.

5.3 As part of the Spending Review the Chancellor announced a public sector pay freeze in 2021/2022, except for NHS workers and workers earning less than £24,000 per annum. For planning purposes provision is included for the impact of pay awards and estimated impacts of the National Living Wage which are unfunded by government.

5.4 Savings proposals will have staffing implications. These will be managed through the Council's Redundancy Policy and Procedure as necessary. At this stage it is proposed that any cost of redundancy payments and the release of pensions (if applicable) as required by the LGPS Regulations will be met from within the overall corporate resource position at outturn each year, should the position allow. This position will be kept under review and updated as part of the Budget proposals to Cabinet.

Significant Challenges in Social Care

5.5 Adult social care experience pressures year on year in relation to increasing demand for services due to the increase in population of older people and pressures due to fee increases in the commissioned sector in order to meet the fair cost of care criteria. These pressures are expected to continue for the medium to long term. In addition to these recurring pressures Adult Social Care is experiencing new and significant pressures. It is anticipated that there will be a financial impact of Covid in relation to areas such as increased demand on mental health services, increased demand due to delayed health interventions such as operations, increased requests for packages due to family being unable to support relatives, earlier admissions to care as a result of increased frailty combined with the lack of access to community support and workforce pressures.

5.6 Cost pressures are also being felt in relation to the discharge to assess model that is currently operating and how this will be funded in the longer term.

5.7 With regards children's social care, The End Child Poverty coalition reports the North East as having the second highest rate of child poverty at 37% and this has seen the steepest rise in the last 5 years. All 12 North East local authorities feature in the top 20 local authorities nationally that have seen the sharpest increase in child poverty between 2014/15 and 2019/20.

5.8 Around 16% of Gateshead residents live within the most deprived 10% of neighbourhoods in England and many of the families open to Children's Social Care and Early Help live in the most deprived areas of the borough. The research of Bywater, Featherstone and others leaves little doubt of the clear evidence linking the impact of deprivation to risk for children, and subsequently higher levels of demand for statutory social care and early help services.

5.9 Locally in Gateshead some significant activity pressures are emerging. Over the course of the pandemic since March 2020 to present there have been substantial increases in referrals and demands and for services. For too many of our families, life with a range of issues such as domestic abuse, poor mental health, the impact of trauma, coupled with significant poverty creates a complex and unequal system which leaves many families ill equipped to provide the safe nurturing environment for their children that they crave, and their children need.

5.10 More recently Gateshead Council had circa 433 looked after children (end July 21) costing on average £39,000 per child annually. This compares to 379 children on 31 March 2019. The national and local increase in safeguarding pressures is the result of a complex myriad of factors, including longer term pandemic impacts are still to be recognised. The internal residential estate in Gateshead has grown in recent years, however this has not been able to meet the increased demand seen in the system because of overall numbers of children. As of July 2021, the number of children in residential care reached 42 compared to 33 in March 2019, a 27% increase.

5.11 The outsourcing of placements comes at a higher cost, the most expensive of which costing £9,800 per week currently. This is not only occurring due to increased complexities of need for the children in the system but also due to the increased numbers of children requiring placements. Increased activity set out above has resulted in a significant impact on the social care workforce with caseloads per social worker increasing which will also need to be kept under review.

Looking Ahead Threats

- Any unachieved budget savings in the agreed savings programme leading to pressure the following financial year
- Continued growth in demand in Adult and Children's Social Care Services and funding reforms are insufficient to address this;
- Unfunded pay pressures such as public sector pay award and the Governments National Living Wage aspirations, which also impacts on negotiations with care providers and commissioning costs;
- The performance of traded and investment income linked to wider economy;
- significant uncertainties on the pandemic impact on income from business rates and council tax and fees and charges;
- The financial impacts of the UK's vote to leave the European Union (EU) and the current uncertainty which is likely lead to instability in the short to medium-term.
- Challenges in recruitment and reductions/ shift in work force from working in social care/ linked to competing industries such as retail, hospitality;
- Addressing the health, employment and poverty inequalities that the pandemic has added to;
- Increased demand for welfare, mental health services and debt advice
- Increased demand for business advice and support.

Looking Ahead Opportunities

- Review all Council services to focus resources on the delivery of priority outcomes and shaping the Council to how it needs to be in the future to withstand other pressures and delivery priorities
- Embrace and imbed new ways of working arising from the pandemic such as putting the customer first, more efficient working practices staff resilience and adaptability
- Opportunity to accelerate climate change targets through reduced building use and travel
- Accelerating and building on working with communities in hubs alongside the voluntary sector and other partners
- Embracing the move to self-service and online services to provide a quick and streamlined service
- Opportunities to rationalise council buildings and assets
- Working closer in partnership with key partners such as the voluntary sector, health partners and the Police and Crime Commissioner to help residents to thrive
- Following the housing review the ability to drive forward housing delivery and provide a good service to tenants.

6. MTFS Estimates

6.1 The MTFS has been prepared on best estimates using the current funding methods as a guide. Key risks are included in the supporting information. Following a new approach to MTFS and budget planning the table shows the financial gap expected over five years but also a proposed use of reserves. These are shown in more detail within the review of reserves section.

6.2 The budget approach will be over a three-year period 2022/23 to 2024/25. The scale of the challenge requires a radically different approach to the budget. With reducing resources, the Council cannot keep doing everything, so the approach needs to be more clearly linked to the hierarchy of delivering on thrive priorities through the Health and Wellbeing Strategy, the emerging Economic, Housing and Investment Strategies.

6.3 A review of reserves will result in the need to reconsider existing reserve commitments. Some commitments may need to reduce or not proceed. The outcome of the reserves review is to propose formation of a £20m Budget Sustainability Reserve from realigning existing reserves that it is proposed be used to support the budget approach over the next three years. Consequently, the Council's general reserve will be at 3% minimum levels.

6.4 Based on local estimates outlined in this report, this Council estimates that overall, it will need to close a financial gap of £63m in the next five years (including covid impacts). This impact will be mitigated temporarily through the proposed planned application of £20m budget sustainability reserve over the next three financial years. Efficiencies and savings of £45m will be required over the medium term.

6.5 This financial gap can be summarised as follows (there may be slight differences due to rounding's):

Indicative Budget Forecasts	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
Net Revenue Budget	**238.758**	**230.262**	**237.176**	**245.987**	**249.935**
Base Adjustments					
Removal of Reserve Funded Budgets	(2.542)	0.000	0.000	0.000	0.000
Removal of Temporary Budgets	(11.627)	0.000	(0.250)	0.000	(0.440)
Inflation - General	0.900	0.202	0.206	0.210	0.214
Inflation - Contractural	0.720	0.537	0.394	0.406	0.418
Corporate Pay pressures	2.279	4.057	7.457	2.423	2.953
Strategic Economic Investment (Capital)	1.774	2.118	1.004	0.908	(1.474)
Total Revenue Budget	**230.262**	**237.176**	**245.987**	**249.935**	**251.607**
Revenue Support Grant	(15.647)	(15.960)	(16.280)	(16.605)	(16.937)
Retained Business Rates	(43.374)	(44.231)	(46.127)	(48.061)	(49.021)
Top Up Grant/Equalisation	(15.355)	(15.355)	(15.355)	(15.355)	(15.355)
Council Tax Base	(100.675)	(103.513)	(106.073)	(108.683)	(111.346)
Council Tax Council Uplift	(2.010)	(2.060)	(2.111)	(2.163)	(2.216)
Other Grants (inc Public Health)	(49.806)	(50.368)	(50.950)	(51.565)	(52.193)
Total Funding Resources	**(226.867)**	**(231.487)**	**(236.896)**	**(242.432)**	**(247.069)**
Annual Minimum Funding Gap	**3.394**	**2.295**	**3.403**	**(1.589)**	**(2.965)**
Adult Social Care Growth	5.950	6.221	6.503	6.799	7.109
Childrens Social Care- Growth	2.660	1.309	1.409	1.518	1.636
Unfunded Council Wide growth Contingency	2.000	2.000	2.000	2.000	2.000
Possible Funding - ASC Precept (If allowable)	(2.020)	(2.070)	(2.121)	(2.174)	(2.227)
Growth Budget Required	**8.590**	**7.459**	**7.791**	**8.144**	**8.518**
Adult Social Care - COVID impact	2.000	2.000			
Childrens's Social Care - COVID Impact	1.000	1.000			
Other Council Wide Pressures - COVID impact	5.996	5.995			
Growth Budget Covid	**8.996**	**8.995**			
Total Cumulative Growth Funding Gap	**20.981**	**39.730**	**50.923**	**57.478**	**63.031**
Use of Reserves - Budget Sustainability	(10.000)	(6.000)	(4.000)		
Use of Reserves - Pandemic Service Impact	(8.996)	(8.995)			
Efficiencies & Savings	**1.985**	**13.754**	**13.194**	**10.555**	**5.553**
Total Efficiencies and Savings					**45.040**

6.6 This is an extremely challenging medium-term forecast. Using reserves in this way means that it is crucial to plan and deliver a schedule of savings, efficiencies and reinvestment to achieve a balanced budget in future years and to achieve Thrive priorities.

6.7 Capital investment must also be kept under review and clearly aligned to priorities and financial sustainability to ensure affordability and to manage risks. All budget growth (excluding social care demand or fees) must be funded through planned savings.

7. Housing

7.1 The Council's Housing Strategy recognises that the future success of Gateshead is dependent on ensuring that all its different neighbourhoods thrive and are great places to live and visit. This requires the right mix of safe and secure housing that people can afford, together with good schools, parks, sports and cultural facilities, roads and transport links, and streets and public spaces free of litter and anti-social behaviour. This will be brought together in the development of the next Gateshead Local Plan which is currently underway

7.2 The housing pipeline is continuing to deliver new homes across Gateshead, with 333 new homes completed in 2020/21. The Council recognises that the scale of new housing development needs to increase. A new Residential Growth Strategy is currently being developed that will confirm the priority actions to be undertaken over the next 5 years to maximise additional housing supply on existing and new sites, and to bring long term empty homes back into use. This strategy will also align with the Council's medium-term position and investment plan.

7.3 The recently completed Housing Review of all its housing functions and responsibilities has resulted in the re-integration of the management and maintenance of its 18,500 homes back into the Council, and the closure of its housing ALMO (The Gateshead Housing Company). A major review of the HRA Business Plan and associated Asset Management Strategy has ensured 5 and 30 year financial and investment plans moving forward. Known income and expenditure has been considered alongside key assumptions in relation to borrowing and debt repayment, right to buy receipts, operational performance, and efficiencies. The revised HRA Business Plan confirms the priority given to ensuring the Council's homes are safe and fully compliant with building legislation and regulation. It will also make a significant contribution to the Residential Growth Strategy, with a planned HRA funded development programme of 400 new homes over the next 10 years.

8. Schools

8.1 Schools are funded through ring-fenced resources (Dedicated Schools Grant DSG and several other grants including the Pupil Premium) and children's services funding is included within the core council funding known as the Settlement Funding Assessment.

8.2 The Government introduced a national funding formula (NFF) for mainstream schools from 2018/19, with some local discretion available within formula. Government have recently sought views on the approach to completing further reforms to the NFF and how to transition away most effectively from local formulae to all schools' funding allocations being determined directly by the NFF in the years ahead.

8.3 At 31 March 2021 the overall reserves balances for all maintained schools in Gateshead totalled £8.91m, an increase of £3.43m from March 2020. This increase was due to several factors many Covid related. This position masks that overall, the number of schools with projected deficits is increasing, but with the current turbulent times and the additional Covid related grants the position is difficult to estimate.

8.4 To support with the pandemic demands schools are currently getting additional grants such as Recovery Premium and National Tutoring Programme aimed at helping children recover lost income as a result of the pandemic. It is uncertain how long this funding will continue as allocations are usually single year allocations. The National Tutoring Programme funding risks claw back if schools do not spend it in line with the very specific conditions of grant.

8.5 The impact of future wage inflation and the impact of the increase in national insurance contributions is also not known. The DfE are considering that the 1.25% in national insurance contributions might be funded, however in the past the DfE have funded teachers pay and pension costs, but not those relating to non-teaching staff.

8.6 It is also thought that the full impact of the pandemic on both pupils and school employee's health has not yet reached a peak and this will have financial implications, manifesting itself in terms of increased staff absence, increased pupil absences and an increase in children being permanently excluded from school.

8.7 The number of education health and care plan (EHCP) requests continues to increase, and even with the creation of additional special school places at the new Gibside Special School, the waiting list of special school places and specialist provision continues to increase with demand outstripping supply.

9. Investment Plan

9.1 The Council's capital investment plans are set out in the capital strategy and programme, with the latest approved programme covering the period between the 2021/22 and 2025/26 financial years. The effective use of capital resources, including asset management, is fundamental to the Council achieving its medium- and long-term strategic objectives. Capital investment has a significant impact upon the local economy and helps to ensure that the Council can continue to provide the best possible services and outcomes within Gateshead.

9.2 All capital investment decisions will have implications for the revenue budget. The revenue costs over the lifetime of each proposed capital project are considered when the project is being developed to ensure that the impact can be incorporated within the council's financial plans and to demonstrate that the capital investment is affordable. Revenue implications may include the costs associated with supporting additional borrowing as well as any changes to the running costs associated with the asset or wider benefits to the council such as the delivery of ongoing revenue budget savings or additional income through the generation of business rates, council tax or energy revenues.

9.3 The Council continues to explore external funding possibilities when developing capital projects to minimise the borrowing requirement as far as possible. Within the MTFS, assumptions have been made around the level of external funding in the future, but detailed work programmes will not be committed to until the allocations have been confirmed. Projects and investment plans may therefore be re-prioritised depending on the availability of external funding.

9.4 The generation of capital receipts can help to provide resources to support additional capital investment or can help to reduce the borrowing requirement and therefore the cost to the revenue budget. The generation of capital receipts to support the capital programme has historically been challenging, representing low land values and high remedial costs due to land contamination. It is currently assumed that £1m p.a. will be achieved through capital receipts and further consideration is needed into how the few potentially higher value sites can be brought forward to achieve improved capital receipts to support the delivery of capital schemes.

9.5 Significant challenges and priorities for the Council's capital investment over the medium term that are set out in the Council's key strategies include:

- Investing in assets to enable the Council to meet its key objective of Making Gateshead a Place Where Everyone Thrives.
- Investment in housing to ensure the supply of housing best meets current and future needs and aspirations to create thriving, mixed communities throughout Gateshead.
- Investment to achieve the Council's climate change aspirations.
- Continuing to regenerate the Gateshead Quays and Baltic Business Quarter area as part of the Council's Accelerated Development Zone, working with our development partner to build upon the successful delivery of iconic projects such as the Sage Gateshead and Baltic to create a significant new mixed-use development to help unlock economic growth and generate additional business rates and raise the profile of Gateshead.
- Continuing to support the regeneration of Gateshead Urban Core to deliver a centre with the stature and vibrancy of a city and continuing to invest in improvements to local centres across Gateshead.
- Improving the council's corporate ICT infrastructure, equipment and systems to improve connectivity, security and resilience and ensure that the council remains fit for the future and can provide services as efficiently and effectively as possible.
- Investing in strategic infrastructure to support growth within Gateshead. This includes investment in areas such as transport infrastructure to provide an integrated transport system which meets demand and improves connectivity and accessibility as well as investment in the Council's schools to help increase capacity.
- Investing in the provision of energy infrastructure to support the expansion of the Town Centre District Energy network to provide lower cost, lower carbon energy to support regeneration and economic development, generate income and provide long term resilience against rising energy prices.
- Meeting essential health and safety and mandatory obligations, such as Equality Act improvements, to improve the accessibility and sustainability of council owned assets.

9.6 The financial planning framework provided by the MTFS will provide the context for a council investment plan that will inform the allocation of resources within the capital programme.

10. Reserves

10.1 Local authorities must consider the level of reserves needed to meet estimated future expenditure when calculating the budget requirement. The Strategic Director, Resources and Digital is required, as part of the budget setting process each year, to provide a statement on the adequacy of reserves that is subject to an external audit review to assess value for money and a going concern opinion.

10.2 The Council keeps a level of reserves to protect against the risk of any uncertainties or unforeseen major one-off events. This is considered best practice and demonstrates sound financial planning. The use of financial reserves will not in itself resolve a budget problem, but it can allow for smoothing of impacts or allow the Council time to address issues.

10.3 The audited statement of accounts shows all the reserves balances held by the Council, but it should be noted that not all of these can be used to support the budget. Reserves can be;

- Held for accounting purposes. These are not true cash balances and are unable to be used to support the budget and are classed as unusable in the Council's statement of accounts and therefore will not be detailed in the sections below.
- The General Fund is split between a General Reserve and reserves attributable to schools (LMS Budget Share Reserve).
- Strategic earmarked reserves the Council has chosen to hold for a specific purpose
- Ring fenced reserves which can only be used for a specific purpose and are not available to support council tax or budget setting of general Council services.

Reserves Policy

10.4 The Council's policy on reserves is as follows:

- The Council will **maintain its general reserve at a minimum of 3%** of the net revenue budget to cover any major unforeseen expenditure. The Council will aim to balance its revenue budget over the period of the MTFS without reliance on the use of the general reserve.

- The Council will maintain earmarked reserves for specific purposes which are **consistent with achieving its key priorities.** The use and level of earmarked reserves will be reviewed annually.

- The council's general reserve is available to support budget setting over the period of the MTFS and usage should be **linked to the achievement of financial sustainability over the medium term.**

Review of Reserves

10.5 A review of reserves is undertaken twice a year and covers:

- The purpose for which the reserve is held,
- An assessment of the appropriate level of the reserve to meet potential future liabilities, in line with the Council's reserves policy and aligned to the risk management framework,
- Procedures for the reserve's management and control,
- A process and timescale for future reviews to ensure continuing relevance and adequacy.

10.6 The balances as at 31 March 2021 remain subject to audit. As part of the MTFS refresh, a review of reserves has been undertaken and it is proposed that current reserves are realigned to supplement the Budget Sustainability Reserve creating £20m in funds to support a planned approach to achieve a balanced financial position over the next three years. The realignment is shown in the table below.

Review of Reserves

	Closing Balance Mar-21	Review MTFS October 2021		Proposed
	£000s	£000s	£000s	£000s
GENERAL RESERVES				
General Reserve	(13,967)	5,929		(8,038)
School Budget Share Reserve	(8,912)			(8,912)
TOTAL GENERAL RESERVE	**(22,879)**	**5,929**	**0**	**(16,950)**
STRATEGIC EARMARKED RESERVES				
Financial Risk and Resilience	**(14,329)**	**4,356**	**0**	**(9,973)**
Business Rates Reserve	(5,000)	5,000		0
Insurance Reserve	(3,000)	1,000		(2,000)
Grant Clawback	(1,000)	(2,000)		(3,000)
Workforce Development	(4,856)	1,856		(3,000)
Commercial Risk "NEW"	0	(1,500)		(1,500)
Budget Flexibility	(473)			(473)
Economic, Housing and Environmental Investment	**(7,823)**	**7,823**		**(0)**
Poverty, Health and Equality Investment	**(6,892)**	**6,892**		**0**
Thrive "New"		**(10,000)**		**(10,000)**
Economic, Housing and Environmental Investment		**(5,000)**		**(5,000)**
Poverty, Health and Equality Investment		**(5,000)**		**(5,000)**
MTFS reallocation to Thrive Priorities		(1,873)		(1,873)
Voluntary Sector Reserve		(231)		(231)
Anti Poverty Reserve		(148)		(148)
Discretionary Social Fund		(436)		(436)
Strategic Revenue Investment		(2,312)		(2,312)
Budget Sustainability	**(5,000)**		**(15,000)**	**(20,000)**
Pandemic Services Impact	**(17,991)**			**(17,991)**
Pandemic Collection Fund Impact	**(28,239)**			**(28,239)**
RINGFENCED RESERVES				
Developers' Contributions	**(2,131)**			**(2,131)**
Unapplied revenue grants	**(1,311)**			**(1,311)**
Public Health Reserve	**(1,872)**			**(1,872)**
DSG Reserve	**(2,241)**			**(2,241)**
TOTAL EARMARKED RESERVES	**(87,829)**	**9,071**	**(15,000)**	**(93,758)**
TOTAL RESERVES	**(110,708)**	**15,000**	**(15,000)**	**(110,708)**

10.7 A breakdown of each reserve following review and the reason it is needed is outlined below;

Reserve	Why Needed	Available to support council budget	Balance as at 31 March 2021
Council General Reserve	This is a statutory fund that acts as a contingency and allows the Council to meet any unforeseen costs. If the council overspends in a year this fund will meet that liability. The minimum balance on the reserve is 3% of the net revenue budget	Yes (subject to minimum levels being maintained)	£8.038m
Schools Balances	Use of this reserve is ring-fenced to schools and there is a duty to report planned use to Schools Forum. The balance is for schools collectively, but this includes both surplus and deficit balances of individual schools	No – ringfenced for to schools	£8.912m

10.8 The Strategic Director, Resources and Digital has reviewed the level of the general reserve and it is considered that a 3% minimum level should be retained given the current level of risk and uncertainty.

Reserve	Why Needed	Available to support council budget	Balance as at 31 March 2021
Financial Risk and Resilience	This reserve was created to set aside funds in respect of key financial risks identified through the risk management process and the savings required as part of the Council MTFS. Risks have been assessed and realigned as part of the review and now include Insurance (£2m), grant clawback (£3m), workforce development costs (£3m), commercial risk (£1.5m) and budget flexibility (£0.5m)	Yes	£9.973m
Thrive (New)	This reserve will replace the two reserves to continue support to council thrive priorities of Economic, Housing and Environmental Investment (£5m) and Poverty, Health and Equality Investment (£5m)	Yes	£10.000m
Budget Sustainability	This reserve was created in 2021 to help support the timings of achieving significant budget savings and Thrive outcomes whilst still dealing with pandemic impacts. Following review this reserve will increase by £15m.	Yes	£20.000m
COVID			
Pandemic Services Impact	This reserve is held to mitigate the budget impacts of the pandemic across all council services for the next two years	Yes	£17.991m
Pandemic Collection Fund Impact	Specific grants provided by government to replace lost funding to council tax and business rates	Specific support only	£28.239m

10.9 It is important to note that the position above includes significant temporary funding held to mitigate pandemic impacts. The impacts are expected to continue into this year and beyond, so the Council set aside £17.991m covid grant funding within reserves to cover cost pressures and lost income over the next two years. Grant funding of £28.239m were provided by government to specifically replace lost funding to council tax and business rates. This funding was included in financing of the 2021/22 budget to help achieve a balanced budget.

Ringfenced Reserves

10.10 Ringfenced reserves balances are shown in the table below for information.

Reserve	Why Needed	Available to support council budget	Balance as at 31 March 2021
Developer Contributions	This reserve consists of developer contributions in respect of agreed regeneration schemes following Section 38 and 106 agreements. The movement on the reserve will fluctuate depending on the use of the contributions to support regeneration schemes such as play areas in new housing developments.	No	£2.131m
Unapplied Revenue Grants	This reserve was created to comply with accounting rules where unspent grants and contributions, without grant conditions are to be used in the following years.	No	£1.311m
Public Health Reserve	The responsibility for Public Health transferred to local authorities on the 1 April 2013. The funding is for future Public Health use.	No	£1.872m
Dedicated Schools Grant Reserve	This is for schools use and cannot be used for other priorities within the Council. Use of this reserve will be agreed by Schools Forum.	No	£2.241m
Housing Revenue Account	This fund is statutory to maintain a revenue account for local authority Council housing provision. It contains the balance of income and expenditure as defined by the Act that is available to fund future expenditure in connection with the Council's landlord function or (where in deficit) that is required to be recovered from tenants in future years.	No	£30.786m
Capital Receipts Reserve	This reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end use and may be earmarked for use in the Council's capital programme.	No unless approved by governm ent for transfor mation	£11.370m
Capital Grants Unapplied	This reserve holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the funds, but which have yet to be applied to meet expenditure. The balance is restricted by grant terms.	No	£5.037m

10.11 Following review and realignment of earmarked reserves existing commitments will need to be reviewed and possibly reduced or removed.

10.12 For financial resilience the council may need to consider replenishment of the general reserve over the MTFS period.

10.13 The overall level of financial resources available to the council is finite and therefore the continued use of reserves above a certain level cannot be sustained in the longer term without placing the Council's financial position at risk. The MTFS recognises that the council's financial reserves are maintained at a prudent level to protect present and future Council services.

10.14 The Council accepts that while balancing the annual budget by drawing on general reserves can be in certain circumstances a legitimate short-term option it is not considered good financial management to finance recurrent expenditure in this way in the medium to long term. The Council recognises that usage of reserves is one-off in nature and must be linked with expenditure and income plans to support financial sustainability in the medium term.

11. Conclusion

11.1 The medium term presents an extremely challenging position for the Council and the vital services it provides. The external and local context outlined in the report show that it is vital these challenges are kept under review and managed over the period to ensure financial sustainability. The Council has a strong track record of financial performance and will continue to use resources available in the best possible way to help residents of the borough thrive.

Supporting Information

Risk Assessment of Key Threats

A comprehensive financial risk assessment is undertaken for the revenue and capital budget setting process to ensure that all risks and uncertainties affecting the Council's financial position are identified. These are reviewed each year as part of the refresh of the MTFS. The key strategic financial risks to be considered in developing the MTFS are as follows: -

Risk	Likelihood	Impact	Risk Management
1. Future available resources are less than assumed.	Possible	High	Annual review of reserves and reserves policy to identify future resources. Assumptions on funding for 2022/23 and beyond are based on best estimates at this time. A prudent approach has been adopted based on previous years' experience as well as using regional network contacts to inform modelling. Savings plans and areas are identified early.
2. Volatility of Business Rates funding given uncertainty around impact of appeals	Likely	High	Volatility of funding stream outside of council control but impact mitigated by the financial monitoring framework. Modelling of potential impacts is used to inform internal financial planning.
3. Public Health funding is insufficient to meet responsibilities	Possible	Medium	Funding confirmed for 2021/22 but not in future years. The lack of certainty of continuation of grant going forward is a significant risk of circa £16m. Public Health responsibilities will be rolled into the new system under the move to 75% rate retention. Networks and regional lobbying to ensure a sustainable transition of funding is agreed.
4. Pay Awards, fee increases and price inflation higher than assumed	Possible	Medium	Impact of potential increases mitigated by central contingency budget for pay, price increases and care fees. Where pay awards have been agreed these are factored into the estimates where affordable.
5. Future spending plans are underestimated	Possible	Medium	Service planning process identifies future budget pressures, and these have informed the indicative budget forecasts. An effective budget monitoring framework is in place to identify in year and potential future cost pressures.
6. Anticipated savings/ efficiencies are not achieved	Possible	High	Regular monitoring and reporting take place but the size of the funding cuts increase the likelihood of this risk. Non-achievement of savings requires compensating reductions in planned spending within services. Greater scrutiny of savings will take place with senior management oversight.
7. Revenue implications of capital programmes are not fully anticipated	Unlikely	Low	Capital bid approval framework identifies revenue implications and links to Council priorities. Full analysis of revenue implications assessed and considered in the MTFS projections.

Risk	Likelihood	Impact	Risk Management
8. Income targets are not achieved	Possible	Medium	Current economic climate likely to impact. This forms part of the regular monitoring and reporting that takes place. Full review of fees and charges is undertaken on an annual basis. Reduced income requires compensatory reduction in spending plans.
9. Budget monitoring not effective	Possible	High	Regular monitoring and reporting in line with corporate framework. Action plans developed to address problem areas. Regular reports to CMT and Cabinet. Track record of delivering budget.
10. Exit strategies for external funding leasing/tapering not met	Unlikely	Medium	Regular monitoring and reporting.
11. Loss of principal deposit	Unlikely	Medium	Limited by the controls in the Treasury Management Strategy which prioritise security of deposit over returns. Impact limited due to the strategy of a diverse portfolio with top rated institutions.
12. Collection rates for retained business rates and council tax lower than anticipated	Possible	High	Impact mitigated by the review of bad debt provisions. Proactive approach to stimulating economic growth. Monitoring of Collection Fund is formally incorporated into the revenue monitoring process and key performance indicators.
13. Changes to Government policy including Health and Social Care integration and Welfare Reform	Likely	Medium/ High	Best estimates of impact of government policy on funding factored into MTFS. Estimates are prudent and based on recent experience. Specific areas of uncertainty identified and subject to focussed actively, close monitoring and review. Risks of Better Care Fund are managed through the joint Council/CCG Better Care Fund Programme Board. The impacts of welfare reform continue to be planned for and monitored through the Council Scrutiny Framework.
14.Financial budget impacts of potential Brexit	Likely	Medium /High	Continue to work collaboratively with treasury advisors to assess potential budget impacts whilst the Government attempts to ensure an effective transition to a new economic relationship between the U.K. and the EU, including clarifying the procedures and broad objectives that will guide the process.
15. All MTFS risks not adequately identified	Unlikely	Low	Council's Risk Management Framework ensures all operational and strategic risks are identified as part of the annual service planning process. Regional networks such as SIGOMA provide ability to assess and compare strategies to ensure assumptions are comprehensive.

PESTEL analysis

This is a strategic tool to evaluate the external environment of an organisation by breaking down opportunities and threats into several factors. The table below highlights some considerations impacting on the Councils medium term strategy and plans

Political

- Change in Government policy direction and regulation including social care and NHS can impact on social care models and shared funding arrangements and without adequate funding can be an added pressure
- Labour laws /National Living Wage can impact on legal views and costs
- Environmental laws impact on planning, council buildings and costs
- Stability of political parties will ensure policies do not change regularly
- National infrastructure and transport links decisions can impact on local economy
- PWLB rates can have a significant impact on capital projects and affordability
- Brexit - Uncertainty of European Grants and unknown impacts on the economy
- Welfare reform/Housing demands /Universal Credit- Governments changes are likely to have an impact in relation to potential bad debt of council tax income and housing rents and the services needed by residents
- Local Government Funding Reform – the aim to making councils more self-sufficient and less reliance on grants.

Economic

- National and local economic growth rates
- Energy prices increasing or decreasing
- Price pressures/ supply chain pressures
- Labour market availability and shifts
- Exchange rates
- Inflation rates both CPI and RPI - Levels of inflation and medium-term trajectories of it have an impact on capital and revenue investment projects on rising costs and contractual commitments.
- Interest rates on investments, borrowing and debt
- National and local Unemployment rates
- The Council plays a strong role in ensuring a strong and vibrant local economy which can in turn lead to better jobs and skilled local people.
- Levels of employment influence the need for resident welfare support as well as other type of local government support.

Socio-cultural

- Local health indices
- Deprivation levels **-** Gateshead is currently ranked 47th out of 317 local authorities in England in the overall IMD 2019, where one is the most deprived (rank of average score).
- Local population demographics – having a young, healthy workforce or aging population with complex needs changes service needs
- Child poverty can influence the levels of looked after children and family support
- Health of local workforce

Technological

- Pace of change impacts on upgrades to systems and customer expectations for accessing services
- Level of digital skills locally will determine who can access online services and who need more support such as telephone or face to face service provision.
- Appetite for innovation can influence service adaptation to customer needs
- New technology improves ability to introduce/improve agile working – making workforce more flexible.

Environmental

- Weather and impacts
- Local Climate Change Agendas
- Government Climate Change Aspirations
- Local Pollution
- Aspirations to be Environmentally Friendly
- Environmental impacts ripple through everything the Council does and as such all reports to Cabinet must consider these implications

Legal

- Discrimination law
- Consumer law
- Employment law
- Health & Safety laws
- Changes in regulation and legislation in relation to local government
- Licenses and permits

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Gateshead Council

REPORT TO CABINET
19 October 2021

TITLE OF REPORT: **Treasury Management – Performance to 30 September 2021**

REPORT OF: **Darren Collins – Strategic Director, Resources and Digital**

Purpose of the Report

1. The purpose of this report is to review Treasury Management performance for the six months to 30 September 2021, covering investments and borrowing. This is consistent with approved performance management arrangements.

Background

2. Cabinet will receive half yearly performance reports on the agreed Treasury Management budget identifying any variances. This report sets out the monitoring position at 30 September 2021.

3. Council agreed the Treasury Policy Statement and Treasury Strategy 2021/22 to 2025/26 which provided a framework for the Strategic Director, Resources and Digital to exercise his delegated powers on 23 March 2021.

4. Council also agreed the original Treasury Management 2021/22 budgets on 23 February 2021 of £23.556m split £11.335m for General Fund and £12.221m for the HRA.

Proposals

5. The projected outturn for 2021/22 at 30 September 2021 for the General Fund is £10.542m compared to the budget of £11.335m, an underspend of £0.793m. The HRA projection is £12.033m compared to the budget of £12.221m, an underspend of £0.219m.

6. The Audit and Standards Committee reviewed the Treasury Management performance to 30 September 2021 on 18 October 2021 and raised no comments for submission to Council.

7. It is important that effective budget monitoring and action planning is in place to ensure that spending in 2021/22 is contained within approved budgets as this will contribute to a sustainable financial position for the Council.

Recommendation

8. Cabinet is asked to recommend that Council note the Treasury Management Performance to 30 September 2021.

For the following reason:
To contribute to sound financial management and the long-term financial sustainability of the Council.

CONTACT: John Chirnside, ext. 2713

Policy Context

1. The proposals in this report are consistent with Council priorities and in particular they ensure that effective use is made of the Council's resources to ensure a sustainable financial position and support of the framework for achieving the Council's 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. This requires the Council's decision-making to be policy and priority led and driven.

Background

2. The Prudential Code plays a key role in capital finance in local authorities. Local authorities determine their own programmes for capital investment that are central to the delivery of quality public services. The Prudential Code was developed by CIPFA, the Chartered Institute of Public Finance and Accountancy, as a professional code of practice to support local authorities in taking their decisions. Local authorities are required by regulation to have regard to the Prudential Code when carrying out their duties in England and Wales under Part 1 of the Local Government Act 2003.

3. In December 2017 CIPFA issued a revised Treasury Management Code of Practice and a revised Prudential Code (the Code) which represent best practice. The Council fully complies with the Code and this contributes towards achieving good practice.

4. Part 1 of the Local Government Act 2003 specifies the powers of a local authority to borrow for any purpose relevant to its functions under any enactment or for the purposes of the prudent management of its financial affairs. Borrowing is linked to the CIPFA Prudential Code for Capital which sets out a range of prudential and treasury indicators that must be calculated to ensure borrowing is affordable, prudent and sustainable. The Prudential Code refers to the need for a clear and integrated treasury strategy.

5. In addition, under Section 15 of the Local Government Act 2003, authorities are required to have regard to the Ministry of Housing, Communities and Local Government (MHCLG's) guidance on Local Government Investments. This document stipulates the requirement for an annual investment strategy to be integrated into the Council's Treasury Strategy.

6. Under Part 4 of the Council's Constitution the Strategic Director, Resources and Digital will produce a Treasury Policy Statement annually, setting out the general policies and objectives of the Council's treasury management function.

Treasury Management Strategy Statement

7. The Treasury Management Strategy Statement (TMSS) for 2021/22 was approved by Council on 25 March 2021. There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

Mid-Year Performance to 30 September 2021

8. This report sets out the latest position on the 2021/22 Treasury Management budget as at 30 September 2021 and projects interest on borrowing and investment income to the end of the financial year.

9. The combined General Fund and HRA projected outturn for 2021/22 at 30 September 2021 is £22.575m compared to the estimate of £23.556m, a projected under spend of £1.012m. The underspend is made up of several elements:

   a) Borrowing costs are lower than budget. Due to the council holding high levels of cash reserves and the projected stability in the low interest rates borrowing has been delayed until later in the financial year
   b) Investment interest achieved in the year to date is higher than budgeted estimates. This is as a result of higher levels of interest received on loans to third parties than was anticipated when the 2021/22 budget was set.

10. Appendix 2 details the budget for 2021/22 compared to an assessment of the projected outturn for the year.

Consultation

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

Alternative Options

12. There are no alternative options, as the Treasury Management mid-year performance report recommended for approval is required to comply with the policy on delegation, review requirements and reporting arrangements as outlined in the Treasury Policy Statement and Treasury Strategy.

Implications of Recommended Options

13. **Resources:**

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

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

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

14. **Risk Management Implications**

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

15. **Equality and Diversity Implications**

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

16. **Crime and Disorder Implications**

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

17. **Health Implications**

There are no health implications arising from this report.

18. **Climate Emergency and Sustainability Implications**

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

19. **Human Rights Implications**

There are no human rights implications arising from this report.

20. **Ward Implications**

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

Mid-Year Report - Performance to 30 September 2021

1. Investment Performance

1.1 The latest projection of gross investment income for 2021/22 based on interest earned to date and expected interest to March 2021 is £0.132m, compared to an original estimate of £0.076m.

1.2 This gross investment interest is adjusted to account for £0.041m interest payable to third parties and interest receivable of £1.401m from various third parties. This gives a projected net interest to the General Fund 2020/21 of £1.492m compared to the budget of £1.343m. The variance to budget is mainly as a result of higher levels of interest received on loans to third parties than was anticipated when the 2021/22 budget was set.

2. The Economy

2.1 The corona virus outbreak has created huge economic damage to the UK and around the world. The Bank of England took emergency action in March 2020 to cut the Bank Rate to first 01.25% then to 0.10%. The 0.10% rate continues unchanged following the Bank of England Monetary Policy Committee meeting on 5 September 2021. The forecast now includes increases in Bank Rates in quarter 2 of 2022 of 0.25%, then quarter 2 of 2023 to 0.50% and a further increase in quarter 1 of 2024 to 0.75%.

3. Rate of Return

3.1 The average rate of return is monitored for each investment type the Council enters into and these are used to calculate an average rate of return for the year to date. The current rate of return is 0.17%, which is an improvement on the original estimate of 0.07%.

3.2 The quarterly LINK Asset Services Investment Benchmarking report assesses both the rate of return and the risk of the counterparty to calculate a weighted average rate of return, which is used for comparison across Local Authorities. In the most recent report received, June 2021, the Council achieved a weighted average rate of return of 0.18% on its investments for Quarter 1 2021/22 which is in line with the risk adjusted expectations (0.12% to 0.23%) defined in the Benchmarking Report for our Group.

3.3 The rate of return would be expected to decrease during the year as investment balances reduce and deposits are replaced for shorter terms with lower yielding returns.

3.4 It is currently a difficult investment market and the council will be unable to match levels of interest rates achieved in previous financial years. The majority of available interest rates up to 12 months duration are at or below the bank rate of 0.10%. Given this risk environment and the fact that increases in Bank Rate are unlikely to occur before the end of the current financial year 31st March 2023, investment returns are expected to remain low.

4 Borrowing

4.1 The total borrowing for the Council and HRA as at 30 September 2021 was £649.151m, which was within the operational borrowing limit of £850.000m. This borrowing is made up of £596.651m Public Works Loans Board (PWLB) loans and £52.500m market loans.

4.2 The Treasury Strategy estimates for the 2021/22 financial year were based on a borrowing requirement of £107.351m with £77.602m relating to the GF and £29.749m the HRA. However due to the council holding high levels of cash reserves no borrowing has been taken in the year to date. The timing of borrowing will depend on a combination of cash flow requirements to support the capital programme and achieving preferential borrowing rates.

4.3 The current forecast for interest payable on borrowing is allocated to the General Fund and the Housing Revenue Account (HRA) as shown in the following table:

	General Fund	**HRA**
Interest Payable	£11.572m	£12.022m
Average rate of interest	3.18%	3.89%

This represents a gross saving of £0.863m on the original estimate, of which £0.644m is a saving for the General Fund and £0.219m is for the HRA.

5 PWLB Government Intervention

5.1 The Government undertook a consultation exercise on the Prudential Code for PWLB borrowing during summer 2020. This resulted in the Treasury no longer allowing local authorities to borrow money from the PWLB primarily for commercial yield

5.2 An additional consultation on the Prudential Code was announced on 24 September 2021 to further clarify and update the position on local authority commercial investment and introduce new affordability indicators.

6 Summary of Mid-Year Performance

6.1 The projected net impact of investment and borrowing activity on the revenue budget in 2021/22 is an underspend of £1.012m, comprising £0.793m General Fund and £0.219m HRA.

	General Fund			**HRA**		
	Estimate	Projected Outturn	Variance	Estimate	Projected Outturn	Variance
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Investments	(1.343)	(1.492)	(0.149)	(0.020)	(0.020)	0.000
Borrowing	12.216	11.572	(0.644)	12.241	12.022	(0.219)
Premia	0.046	0.046	0.000	0.000	0.000	0.000
Net Position	**11.335**	**10.542**	**(0.793)**	**12.221**	**12.033**	**(0.219)**

6.2 Investment returns are likely to remain relatively low during 2021/22 and beyond and interest rates are expected to be below long term borrowing rates therefore value for money considerations indicate that best value can be obtained by delaying new

external borrowing and by using internal cash balances to finance new capital expenditure in the short term (this is referred to as internal borrowing).

6.3 The current approach of borrowing internally provides benefits in terms of reduced credit risk, as the Council has less cash invested than if it had gone to the markets and borrowed externally. This means that cash balances and investment returns, are historically low resulting in reduced levels of income, which at present is outweighed by the savings achieved from avoiding external borrowing. The additional element of interest rate risk will continue to be monitored.

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Gateshead Council

REPORT TO CABINET
19 October 2021

TITLE OF REPORT: **Housing Revenue Account (HRA) 30 Year Business Plan**

REPORT OF: **Darren Collins, Strategic Director, Resources and Digital. Colin Huntington, Strategic Director, Housing, Environment and Healthy Communities.**

Purpose of the Report

1. Cabinet is asked to recommend to Council the proposed Housing Revenue Account (HRA) 30-year Business Plan 2021-2051.

Background

2. The HRA Business Plan is a key strategic document which sets out the Council's income and expenditure plans for delivering Council Housing Services in Gateshead.

3. Council agreed the Housing Revenue Account (HRA) budget for 2021/22 on 23 February 2021 which outlined draft budget estimates for the next 4 years based on the previous business plan and indicated that HRA reserves would be exhausted by 2029/30.

4. The report outlined the need for this position to be addressed to ensure a statutorily compliant business plan, and one which is viable, stress-tested and able to fully fund capital investment requirements over the short and longer term.

5. The new 30 year HRA Business Plan has been developed against a backdrop of enhanced regulation through the Charter for Social Housing Residents, changes in legislation, primarily the Fire Safety Act 2021 and a strong focus on compliance which means that having an HRA 30 Year Business Plan which is fully costed and sustainable is of paramount importance.

Proposal

6. The plan relies on a number of assumptions, and as this is a 30-year plan, assumptions become more uncertain with each year of the plan. The primary risks are in relation to future inflation and interest rates, however, the most up to date forecast information has been used in the preparation of the plan. These assumptions will be kept under review and revised annually as a minimum.

7. Overall, the revised HRA Business Plan (appendix 2) is a fully costed, sustainable plan and does not breach the minimum £3 million reserve balance during the life of the plan (30 years).

8. In order to incorporate all the cost pressures and anticipated capital investment, including new social housing stock, over the longer term borrowing will need rise

significantly above the current levels and medium term efficiency savings will be required.

9. Whilst the borrowing is affordable within this plan, debt needs to be managed in the overall context of affordability for the Council. The risks associated with borrowing will therefore need to be kept under review.

10. The plan requires as a minimum efficiency savings over the medium term of £3.350 million. It is important that the savings are underpinned by a robust delivery plan which will be developed during the budget setting process.

11. This plan incorporates the capital investment requirements of the current dwelling and non-dwelling stock including stock options in relation to high rise blocks and older persons accommodation to be explored and the outcomes delivered and should be read in conjunction with the HRA Asset Management Strategy.

12. In addition, there is also the provision to complete the demolition of Sir Godfrey Thompson Court and Crowhall Towers.

13. The plan will also support the emerging Residential Growth Strategy enabling the development of 40 units of social housing per annum over a 10-year period funded from the HRA.

Recommendations

14. Cabinet is asked to recommend Council to approve the Housing Revenue Account (HRA) 30 Year Business Plan 2021-2051 as set out in Appendix 2.

For the following reasons:

(i) To ensure the medium to long term sustainability of the Housing Revenue Account.

(ii) To realise the Council's policies and objectives in relation to the Housing Strategy in order to maintain and enhance Council Housing provision in Gateshead.

(iii) To assist in the delivery of the Council's vision for Gateshead as set out in Making Gateshead a Place where Everyone Thrives.

CONTACT:
Kristina Robson **Ext 3943**
Kevin Scarlett **Ext 5303**

Policy Context

1. The proposals support the overall vision for Gateshead as set out in Making Gateshead a Place Where Everyone Thrives including achieving the following outcomes: providing good quality housing with a mix of tenures and affordable options that meet the needs of local people including families and older people enabling them to live healthy lives and to make healthy choices, preventing ill health.

2. The Housing Strategy 2019-2030 identifies clear housing objectives and priorities, puts forward a vision for housing in Gateshead, and sets a framework for how the Council will deliver services and interventions, and work in partnership with others, in a way that will help achieve those objectives using increasingly scarce resources proportionately and effectively. It includes three overarching strategic objectives:

    - Sustainable housing and economic growth
    - Sustainable neighbourhoods
    - Improved health & wellbeing

3. In addition to these overarching objectives one of the key themes embedded in the strategy is supporting the long-term sustainability of the Council's housing stock and the Housing Revenue Account (HRA).

Background

4. The HRA Business Plan sets the Council's long-term investment strategy to maintain the quality of its housing stock. The plan is reviewed, at least, annually and uses current levels of income and expenditure information and projects this for the next 30 years applying several key assumptions in relation to the anticipated stock changes arising from right to buy sales, acquisitions and known new build and regeneration plans, the number of void properties, the policy on rent and service charge increases, repairs and maintenance and property management costs, capital investment requirements based on stock condition information and forecast borrowing costs.

5. In previous years a significant number of challenges have been placed on the HRA Business Plan because of:

    - Legislative change such as the impact of the Housing and Planning, and Welfare Reform Acts.
    - The imposition of a social rent cut of 1% per year, for 4 successive years commencing April 2016.
    - Increased buildings compliance and regulatory requirements, particularly post-Grenfell and including new targets for carbon neutrality.

6. In addition, there is a need to:

    a. Address uneconomic and poor performing housing stock in Gateshead. Stock condition and demand information confirms that the required expenditure on some schemes over the short and longer term significantly exceeds any income from those schemes due to poor or no demand, coupled with the need for high value investment works. There is an outstanding need to appraise all available options for these schemes over the coming months.
    b. Identify operational efficiencies and more effective ways of working to ensure they are providing value for money and maximising HRA performance, particularly in relation to voids, income collection and day to day maintenance.

7. Council agreed the Housing Revenue Account (HRA) budget for 2021/22 on 23 February 2021 which outlined draft budget estimates for the next 4 years based on the previous business plan and indicated that HRA reserves would be exhausted by 2029/30 and the plan falling into a cumulative deficit.

The revised HRA 30 Year Business Plan

8. In the development of the new plan consideration has been given to the most up to date information available to inform the assumptions, modelling of unsustainable stock options, consideration of the input costs, a review of the void processes, wider development requirements and the availability of resources to invest in new stock.

9. Overall, the revised HRA Business Plan (appendix 2) is fully costed and does not breach the minimum £3 million balance during the life of the plan (30 years). However, in order to incorporate all of the cost pressures and anticipated capital investment, including new social housing stock, borrowing over the long term will need to rise significantly above the current levels and as a minimum efficiency savings over the medium term of £3.350 million, the phasing of which is:

Year	Total Annual Savings £000	Total Cumulative Savings £000
2022/23	566	
2023/24	774	1,340
2024/25	737	2,077
2025/26	828	2,905
2026/27	445	3,350
Total	**3,350**	

Capital Investment

10. The capital investment included in the plan is based on the stock condition surveys of the current stock and also includes the following:
    - Progress towards net zero carbon
    - Ensuring compliance with building safety measures
    - Investment in garage sites
    - Investment in IT Infrastructure
    - Investment in the commercial stock
    - Investment in communal areas and the wider environment

11. The plan includes provision for the delivery of stock options reviews in relation to both high rise blocks and older persons accommodation and to complete the demolition of Sir Godfrey Thompson Court and Crowhall Towers.

12. The plan also provides for the development of new social housing units of 40 per annum for 10 years from 2022/23 and it has been assumed that there will be an opportunity to bid for Homes England grant funding to support the delivery of these units.

Consultation

13. Consultation has taken place with the Leader and Deputy Leader, and Cabinet Member for Housing.

Alternative Options

14. There are no alternative options proposed.

Implications of Recommended Option

15. **Resources**

a. **Financial Implications** – The Strategic Director, Resources and Digital, confirms that the financial implications are reflected in the HRA Business Plan document at appendix 2.

The proposed HRA 30 Year Business Plan enables the investment priorities for the HRA to be delivered whilst ensuring the overall HRA reserve balance remains above £3 million.

The plan includes medium term efficiencies of £3.350 million which are required to ensure the HRA plan is fully costed and sustainable over the longer term.

b. **Human Resources Implications** – Any direct implications will form part of the budget planning framework and identification of budget proposals.

c. **Property Implications** – Capital investment in HRA assets helps to improve the overall sustainability of the HRA and supports the delivery of corporate priorities under the Thrive agenda.

16. **Risk Management Implications –** In the development of the HRA Business Plan a risk assessment of the assumptions has been carried out. As this is a 30 year plan it is sensitive to changes in the assumptions and therefore it is important that the plan is kept under review being refreshed at least annually and that savings required are underpinned by a robust savings delivery plan which will be developed during the budget setting process.

17. **Equality and Diversity Implications** – An equality impact framework has been developed to assess efficiency proposals.

18. **Crime and Disorder Implications** – No direct crime and disorder implications.

19. **Health Implications** – No direct health implications. Delivery of the investment priorities supported by this plan are likely to have positive health outcomes.

20. **Sustainability and Climate Emergency Implications** – The report contains a number of measures, which will help deliver a more Sustainable Gateshead and support the delivery of the HRA Asset Strategy which includes net zero carbon measures for the Council's housing stock.

21. **Human Rights Implications** – No direct human rights implications.

22. **Ward Implications** – All wards will be affected by the proposals in this report.

Background Information

Direction on the Rent Standard 2019
The Housing Revenue Account Self Financing Determinations February 2012
Local Government and Housing Act 1989
Localism Act 2011

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APPENDIX 2

Gateshead Council

HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN 2021-2051

CONTENTS

1.	**Introduction**	**1**
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8.	**Appendices**	

1. INTRODUCTION

1.1 The Housing Revenue Account (HRA) is the financial account used to manage the Council's activities as a landlord. It is a ring-fenced account and can only be used to provide services to Council housing tenants through the collection of rent and other service charges.

1.2 The HRA Business Plan is a key strategic document which sets out the Council's income and expenditure plans for delivering Council Housing Services in Gateshead.

1.3 As part of the budget setting for 2021/22 it was identified that the HRA Business plan was unsustainable and indicated that HRA reserves would be exhausted by 2029/30. This position needed to be addressed to ensure a statutorily compliant business plan, and one which is viable, stress-tested and able to fully fund capital investment requirements over the short and longer term.

1.4 Over the past year work has been undertaken to develop a new fit for purpose 30 year HRA Business Plan which has included the procurement of a new planning tool to enable detailed, complex scenario planning. This plan is the culmination of that work which sets out the key priorities for investment and how this can be funded in a way that is affordable for the HRA.

1.5 In the development of the new plan consideration has been given to the most up to date information available to inform the assumptions, modelling of unsustainable stock options, consideration of the input costs, a review of the void processes, wider development requirements and the availability of resources to invest in new stock.

1.6 On 1 April 2021 following a Housing Options Review and formal consultation with tenants and leaseholders the management and maintenance of the Council's housing stock was reintegrated into the Council. In support of this a new structure for the delivery of housing services has been introduced which supports cross tenure working and enables a more strategic approach to the delivery of housing in Gateshead.

1.7 One of the key drivers for the consolidation of services was to generate efficiencies in the delivery of housing services and move to a more sustainable HRA, one where the income from the assets is sufficient to fund the management, maintenance and investment in those assets.

1.8 This plan should be read in conjunction with the HRA Asset Management Strategy which sets out the strategy and plan for how the above ambition can be achieved.

2. NATIONAL POLICY CONTEXT

2.1 The HRA operates within a political environment and therefore any changes in national housing policy can have a significant impact on the HRA Business Plan.

2.2 National Social Rent Policy

2.2.1 The Welfare Reform and Work Act 2016 included a statutory obligation for registered providers of social housing to reduce their rents by 1% per year, irrespective of inflation, from April 2016 to March 2020.

2.2.2 From April 2020, the Regulator of Social Housing's (RSH) Rent Standard made provision for a maximum annual increase in social housing rents of CPI plus 1% with effect from April 2020 for a period of five years. The rent increase agreed for April 2021 was based on the rate of CPI in September 2020, which was 0.5%. This was unpredictably low as a result of the impact of Covid-19 on the economy in 2020.

2.2.3 Any increase in rent will mean an impact on tenants' household budgets but the additional income is vital to maintain and improve the services we provide to tenants, invest in our existing housing stock in accordance with the stock condition surveys and develop new social housing to address the needs of local people.

2.2.4 Future rent increases will not mitigate against the reductions during 2016-2020 it just means that rents are now set against a lower baseline than they would have been.

2.3 HRA Borrowing Cap

2.3.1 In October 2018 the Government issued a determination removing the HRA debt cap. The HRA debt cap for Gateshead was £345.505 million, but current borrowing is below that level.

2.3.2 The removal of the cap provides the Council with more freedom and flexibility to undertake additional borrowing subject to the principles of the Prudential Code for Capital Finance in Local Authorities of affordability, sustainability and prudence.

2.3.3 Primarily this will help the Council in its commitment to deliver more affordable housing. However, we can only use this flexibility to finance activities that generate sufficient income for the HRA to offset the required upfront capital and management costs associated with the investment within the HRA business planning horizon. Using the borrowing capacity in any other way will bring additional financial risk to the HRA Business Plan.

2.4 Welfare Reform

2.4.1 Welfare Reform represents the biggest change to the benefits system in a generation.

2.4.2 The impact of Covid-19 has seen an increasing number of people moving either from Housing Benefit to Universal Credit (UC) or new UC recipients. This is a national challenge as UC is paid in arrears and in most cases directly to the recipients rather than to the landlords.

2.4.3 This combined with the benefit cap and the under-occupancy charge continues to be a challenge and poses a risk to the level of potential rent arrears that may accrue

2.4.3 In Gateshead there are currently circa 74% of tenants in receipt of either Housing Benefit or Universal Credit of which 45% are in receipt of Universal credit. There are a small number of tenants in receipt of both types of benefit.

2.5 The Charter for Social Housing Residents (Social Housing White Paper)

2.5.1 In November 2020, the Government issued its Social Housing White Paper – The Charter for Social Housing Reform, in which it sets out fundamental reform to ensure social homes provide an essential, safe, well managed service for all those who need it, including an enhanced regulatory regime for local authorities. The paper set out seven principles which will underpin a new, fairer deal for social housing residents:

- To be safe in your home – to ensure every home is safe and secure
- To know how your landlord is performing – including on repairs, complaints and safety, and how it spends its money
- To have your complaints dealt with promptly and fairly – with access to a strong Ombudsman
- To be treated with respect – backed by a strong consumer regulator and improved customer standards
- To have your voice heard by your landlord – for example through regular meetings and scrutiny panels
- To have a good quality home and neighbourhood to live in – keeping homes in good repair
- To be supported to take your first step to home ownership – a ladder to other opportunities, should tenants circumstances allow

2.6 Housing Growth

2.6.1 Addressing the housing shortage is a priority issue for the Government and one that carries clear expectations on how housing supply is increased in order to meet local housing needs. The Government is also keen that people can be supported into home ownership and have made available a number of packages and initiatives to enable social landlords to deliver new homes which specifically support this agenda.

2.6.2 In March 2012 the Government published a policy paper '*Reinvigorating Right to Buy and One for one Replacement'* and statutory instrument (2012 No. 711) which amended the capital finance regulations. As part of this Councils were able to sign an agreement with government to retain additional right to buy (RTB) receipts known as 1-4-1 receipts which have certain conditions attached to their use. In 2021 in response to a 2018 consultation these conditions were amended to give Council's more flexibility and extended the period for which they could be used. The aim of this was to enable more affordable homes to be built effectively replacing those bought through RTB.

2.7 Climate Change and the Low Carbon Future

2.7.1 The Government has committed to tackling climate change and intends to set a target of reducing domestic emissions to zero. The Government has indicated the possible revision of the Decent Homes Standard and of this including a requirement to achieve EPC D by 2025 and EPC C by 2030, thereby obliging us to meet these targets. The

RSH therefore expects social landlords to be working to understand the potential costs of making carbon reduction improvements to our assets.

2.8 Building Safety Bill

2.8.1 The independent review of building regulations and fire safety (The Hackitt Report) was published in 2018. The report's findings were that "*the current system of building regulations and fire safety is not fit for purpose and that a culture change is required to support the delivery of buildings that are safe, both now and in the future."* The Hackitt report set out over 50 recommendations for the delivery of a robust regulatory system.

2.8.2 The Government has published a Building Safety Bill, which sets out an enhanced regulatory regime for all buildings, including a more stringent fire and structural safety regime for higher-rise buildings.

2.8.3 The Council will take a pro-active approach to ensure compliance with any resultant legislative requirements to the way we manage and maintain our council housing.

2.9 Fire Safety Act 2021

2.9.1 The Act makes amendments to the Regulatory Reform (Fire Safety) Order 2005 ("the FSO") and extends the provisions of the FSO to the following parts of a multi-occupied residential buildings:

- the building's structure, external walls and any common parts. The external walls include doors or windows in those walls, and anything attached to the exterior of those walls, e.g. balconies and cladding.
- all doors between the domestic premises and common parts.

2.9.2 Under Article 3 of the FSO, the "responsible person" of a premise (either a building or any part of it) is the person who has control of the premises ("the Responsible Person"), which may include building owners, leaseholders or managers.

2.9.3 The Council will take a pro-active approach to ensure compliance with the provisions of the act.

3. LOCAL POLICY CONTEXT

3.1 The HRA Business Plan is set within a wider strategic context of the overall ambitions of the Council and those of the Housing Service.

3.2 Strategic Approach

3.2.1 The Council's strategic approach, Making Gateshead a Place Where Everyone Thrives provides a framework to demonstrate how the Council will work and make decisions.

3.2.2 Thrive is underpinned by five key pledges:

- Putting people and families at the heart of everything we do;
- Tackling inequality
- Supporting our communities to support themselves and each other;
- Investing in our economy to provide sustainable opportunities for employment, innovation and growth; and
- Work together and for a better future for Gateshead Council

3.2.3 The HRA Business plan supports the delivery of these pledges.

3.3 Health and Wellbeing Strategy

3.3.1 The Health and Wellbeing Strategy identifies clear outcomes to support the delivery of "Gateshead Thrive". Housing is identified as one of the wider determinants of health and can play a vital role in the long-term health and wellbeing of an individual.

3.4 Housing Strategy

3.4.1 The Housing Strategy identified clear housing objectives and priorities, puts forward a vision for housing in Gateshead, and sets a framework for how the Council will deliver services and interventions, and work in partnership with others, in a way that will help achieve those objectives. It includes three overarching strategic objectives:

- Sustainable housing and economic growth
- Sustainable neighbourhoods
- Improved Health and Wellbeing

3.5 HRA Asset Management Strategy

3.5.1 The HRA Asset Management Plan sets out the Council's approach to managing the housing related assets held in the Housing Revenue Account. It covers a range of activities that will ensure that the housing stock meets the needs of residents and the standards required, both now and in the future. Its five key aims are;

- Delivering Decent Homes
- Maximising Energy Efficiency
- Ensuring Compliance
- Regeneration of Estates and Assets
- Investment in IT Infrastructure
- Developing New Homes

3.6 Homeless Prevention and Rough Sleeping Strategy

3.6.1 The Council's emerging Homelessness Prevention and Rough Sleeping Strategy will aim to eradicate rough sleeping in Gateshead, make homelessness a rare and one-off occurrence, and achieve positive outcomes for anyone who is homeless. The HRA will help to support delivery of this strategy through the provision of much needed new affordable homes, and in contributing to the delivery services to support and realise sustainable tenancy solutions for vulnerable people.

3.7 Residential Growth Strategy

3.7.1 A new Residential Growth Strategy is currently being developed that will confirm the priority actions to be undertaken over the next five years to maximise additional housing supply on existing and new sites, and to bring long term empty homes back into use. This strategy will also align with the Council's medium-term position and investment plan.

4. HOUSING INVESTMENT PLAN

4.1 Dwelling Stock Profile

4.1.1 The following graphs outline the profile of the HRA dwelling stock within Gateshead.

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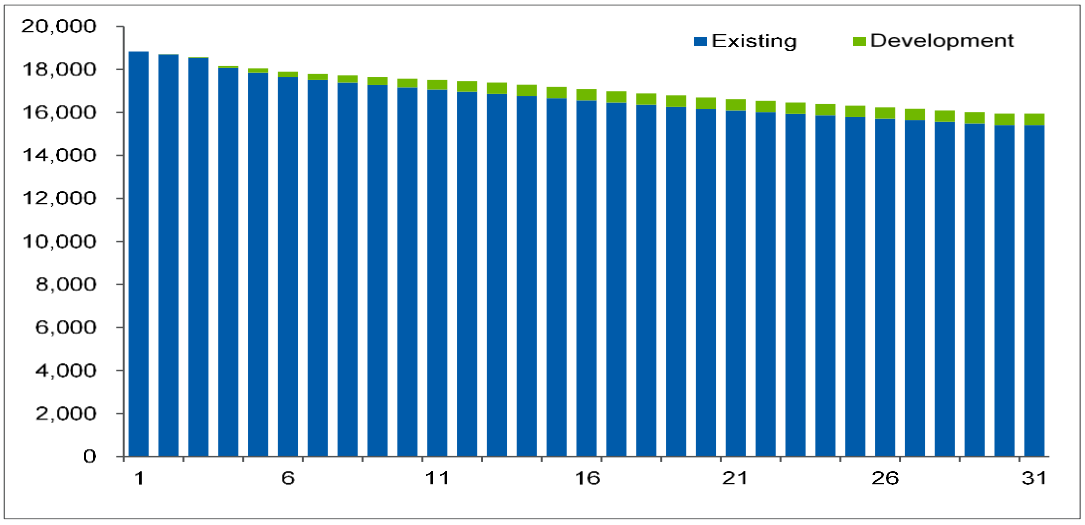
4.1.2 Taking into account predicted sales of properties through Right to Buy, the potential impact of stock options and predicted development opportunities housing stock is predicted to be 15,942 by year 30 of the plan.



4.2 Other HRA Assets

4.2.2 The HRA also owns a number of non-domestic assets, which are predominantly made up of garages, lounges, shops, land and play equipment. There is recognition of the need to review the status of non-domestic assets to explore how they are used and whether a change of use would bring more value to the HRA to better help, support and sustain neighbourhoods & communities.

4.3 Investment Priorities

4.3.1 The capital investment included in the plan is based on the stock condition surveys of the current stock, and also includes the following:

- Progress towards net zero carbon
- Ensuring compliance with building safety measures
- Investment in garage sites
- Investment in IT Infrastructure
- Investment in the commercial stock
- Investment in communal areas and the wider environment
- Continued investment in disabled adaptations

4.4 General Stock Investment

4.4.1 Since the end of the Decent Homes Programme the balance of responsive repairs verses planned works have shifted and excessive responsive repair interventions are being delivered. The split between responsive and planned needs to be addressed so that more work is delivered in a planned way, ensuring value for money and the efficiencies associated with programmed works.

4.4.2 A tool has been developed that will analyse estate-based repairs to gain insight into the numbers of repairs and the type of work being delivered, then assessing it against stock condition data. This tool will be embedded and used to identify trends and drivers for expenditure to aid planning and deliver an appropriate balance of reactive repairs and planned investment and ensure this is aligned with our understanding of stock condition and asset sustainability.

4.5 Net Zero Carbon

4.5.1 The HRA will need to invest c.£265 million into insulation measures and new heating technologies. Investment costs average around £16,000 property and in some cases are as much as £37,000. The HRA business plan includes some allowances for costs for energy efficiency measures and improvements but support from public funding will be required to meet our obligations around energy improvements and net zero carbon.

4.6 Building Safety Measures

4.6.1 The Council is committed to ensuring tenant safety and the intention is to ensure that assets meet all applicable health and safety requirements so that all residents and visitors are confident that they are in a safe and secure environment. There has been significant investment into strengthening the safety of our assets over the last two

years, and the necessary investment will be maintained to continue to ensure all assets are compliant.

4.6.2 As part of the consolidation of housing services into the Council new and strengthened governance and scrutiny processes have been introduced to protect customers and the sustainability of the HRA.

4.6.3 A robust and resourced Building Safety Team has been established to manage the Council's approach to this critical area of safety-based work and assurance. Strong condition data, robust building assessments and maintenance information will help protect the HRA from unplanned high cost and non-compliance.

4.6.4 As a building owner of higher risk residential buildings, such as high-rise buildings, we will compile and maintain safety case files and have appointed a building safety manager to support the management of our assets.

4.7 Garage Sites

4.7.1 Garages make up the largest proportion of non-domestic assets. These are assets that are formed of blocks or individual units that are not tied to or let as part of a domestic tenancy.

4.7.2 There are 3,678 garages currently in the HRA making up 512 garage block sites. All garage blocks have been stock condition surveyed and sites have also been appraised to assess their potential future use. This could include, improvement, demolition or a change of use and almost £1 million has been allocated in the business plan to start delivering on the garage review over the next five years.

4.8 Investment in IT Infrastructure

4.8.1 The current IT systems are structurally fit for purpose; however, there is insufficient interfacing or linkages to ensure a 360 view of all business intelligence. To strengthen the approach to data and ensure robust and resilient approach a systems plan has been developed. This will enable us to effectively manage and monitor the performance, quality and investment requirements of our assets and support our review of systems.

4.9 Investment in Commercial Stock & the Wider Environment

4.9.1 A programme of surveying HRA land to evaluate its value, potential use and maintenance liabilities will commence in Autumn 2021. It will ensure that future costs are appropriately captured and covered and that alternative use opportunities are fully explored.

4.9.2 There are also a small number of fixed play equipment sites that fall within the management of the HRA. These sites carry with them inspection and compliance requirements as well as ongoing maintenance costs. In partnership with communities these sites will be reviewed.

4.9.3 It is recognised that there is a need to review the status of non-domestic assets to explore how they are used and whether a change of use would bring more value to the HRA and better help support and sustain neighbourhoods & communities.

4.10 Disabled Adaptations

4.10.1 The Council recognises its social responsibility to support vulnerable and disabled residents to remain independent in their home. There is an annual budget for the provision of minor works, like handrails, through to major adaptations such as adapted bathrooms or property alterations.

4.10.2 Demand for adaptations in council homes remains high, with a large proportion of residents defining themselves as having a disability. The approach to adaptations must remain sustainable and viable, make the 'best use' of our stock by ensuring that properties are allocated appropriately, that investment is only made into sustainable adaptations, and that value for money is achieved.

4.11 Stock Options

4.11.1 High Rise Blocks

1. The analysis of the future pressures on the HRA highlights high rise blocks as a key area of concern. The high-rise stock is commonly characterised as a liability to the HRA as a result of high investment cost, low demand and high management requirements. Scenario planning in the development of the HRA business plan demonstrates that divesting from a further five high rise blocks has a positive impact on the business plan's affordability over the next thirty years.

2. The strategic roadmap, subject to the decision-making process and consultation, is to divest from and demolish four high rise blocks, and to divest and decommission a fifth, with the intention of recommissioning a renovated building with a lower accommodation density to provide an alternative supported housing offer. This scenario has been fully modelled and is sustainable within the business plan.

3. The plan includes provision to deliver on decisions already made in relation to the Sir Godfrey Thompson Court and Crowhall Towers.

4.11.2 Older Person's Housing

1. Gateshead has seven older persons' purpose-built housing blocks. They include over 200 sheltered 1-bedroomed and 2-bedroomed flats. Angel Court is the only modern purpose-built scheme.

2. There is also a disproportionate spread of blocks across the borough. The East, Central and West Neighbourhoods have one block each, while in the South there are four schemes. It is proposed to undertake a specific Older Persons' purpose-built block review.

4.12 New Development

4.12.1 The plan includes the development of new social housing units of 40 per annum for 10 years from 2022/23 and it has been assumed that there will be an opportunity to bid for Homes England grant funding to support the delivery of these units.

5. HRA FINANCIAL PLAN

5.1 The Financial Plan shows how both the Council Housing Investment Programme and the day to day Council housing services will be funded.

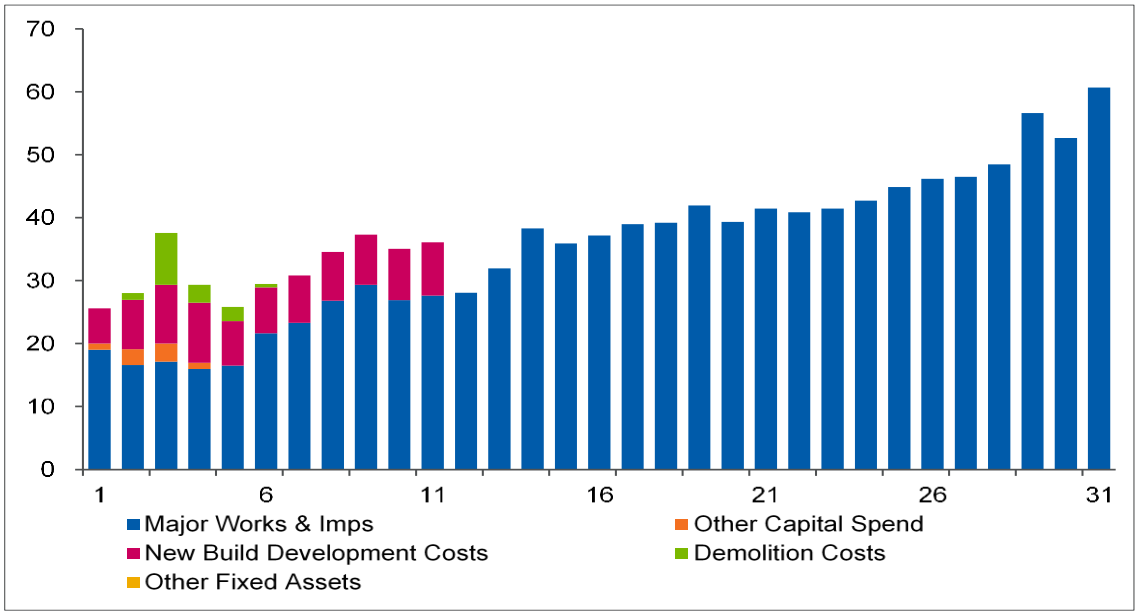
5.2 Overall, the revised HRA plan is fully costed and does not breach a minimum £3 million balance during the life of the plan (30 years). However, in order to incorporate all of the cost pressures and anticipated capital investment, including new social housing stock, borrowing will need to rise significantly above the current levels.

5.3 A copy of the HRA Operating Account 2021/22 to 2050/51 is attached at Appendix 1**.**

5.4 The plan requires as a minimum savings of £3.350 million which has been phased as follows:

Year	Total Annual Savings £000	Total Cumulative Savings £000
2022/23	566	
2023/24	774	1,340
2024/25	737	2,077
2025/26	828	2,905
2026/27	445	3,350
Total	**3,350**	

5.5 The capital investment included in the 30-year plan is £1.142 billion the split of which is detailed in the following graph:



5.6 Key Assumptions

5.6.1 The financial plan is based on a number of key assumptions to mitigate against risks or changes that may occur over the life of the Business Plan.

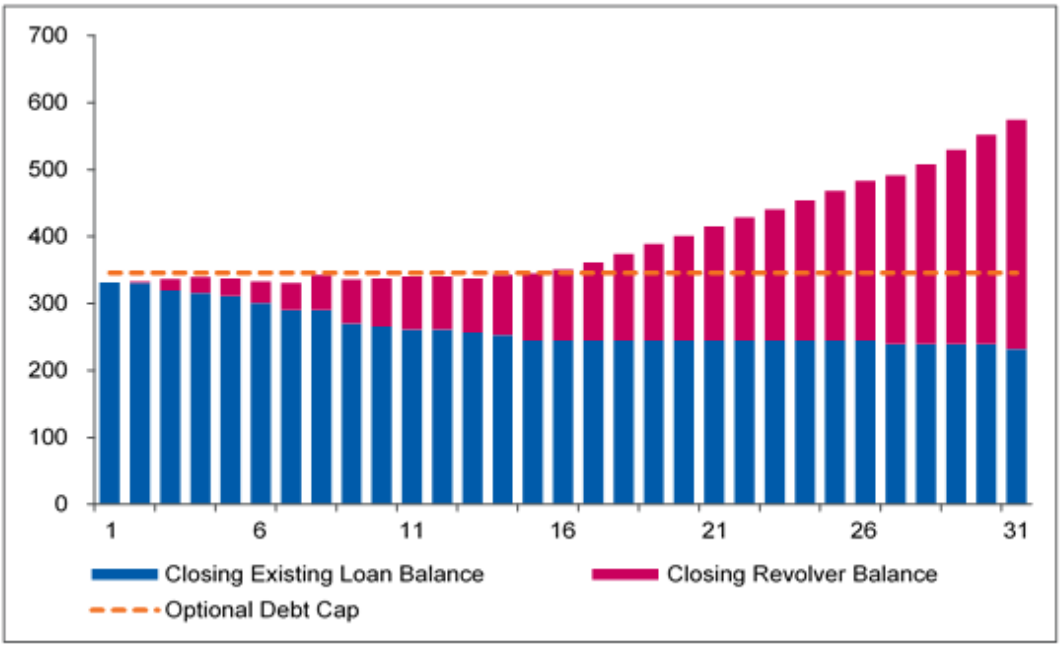
5.6.2 These assumptions will be reviewed and refreshed each year to take account of the changing economic environment in which the Business Plan operates. The key assumptions are outlined in the table below:

Area of Business Plan	Assumptions
Opening Stock 2021/22	18,833
Estimated Right to Buy numbers	100 2021/22, 115 from 2022/23, 100 from 2030/31 and 75 from 2040/41
Stock by 2050/51	15,942 (includes the impact of RTB, possible demolitions/decommissioning and new developments)
Consumer Price Index (CPI) Increases	From 2022/23 1.5%, from 2025/26 2%
Rent Service Charge Increases	CPI +1% current rent policy until 2024/25 then CPI
Void Rate	Current void rates are detailed below. Plan assumes social rented void rates (all stock) will reduce to 2.5% 2022/23, 2% 2023/24 & 1.5% 2024/25. Affordable rented reduce to 1% 2022/23.
Bad Debt Rate	0.95%. Budget 2021/22 equates to 0.89% but 2020/21 actual was closer to the equivalent of 0.95%
Minimum Working Balance	£3 million assumed throughout the plan
Retail Price Index (RPI)	2% 2022/23, 2.5% from 2023/24 and 2.9% from 2025/26.
Other Income	Non dwelling rent CPI and Water Commission RPI to 2025/26 but no further inflation applied due to reduction in stock so assumed a level of offset.
Salary Increases (Pay award)	Salaries projected to increase with RPI which is broadly comparable to the level of increases required to meet NLW requirements.
General cost pressures	Job evaluation and Employers pension rate increases are factored in and will increase with RPI in subsequent years as added to salary base.
Sales income from RTB's	Current average market value £92,574 and average discount £44,033 (2020/21). Projected to be fairly consistent over the next 5 years and then a slight increase at CPI.
Major Works cost increase	Based on stock condition survey and rise with RPI with the exception of aids and adaptations which is cash limited at 2021/22 prices.
Revenue Repairs	RPI for first 3 years to 2024/25 and then moving to CPI.
Depreciation	Charged in line with actual 2020/21 and uplifted for RPI.

Area of Business Plan	Assumptions
Homes England Grant Funding	Grant in 2021/22 is in line with the budget for Whitley Court and the original phasing & assumed grant. 2022/23 remaining Whitley Court grant and further grant of £35k per property on the developments uplift for RPI.
Borrowing Requirements	The plan includes provision for the estimated cost of future borrowing. This is the amount that the Council would need to borrow in future years to fund the capital investments. The borrowing requirement is calculated automatically by the model taking into account the amounts of funding available from capital receipts, the Major Repairs Reserve and the level of HRA revenue funds available. A total of £31.9m additional borrowing is predicted over the period 2021/22 to 2026/27 and a total of £313m over the life of the Plan. This is however offset in part by a reduction in the existing loan portfolio by £92m over the life of the plan resulting in a net increase in borrowing of £221m and £206m above the current optional debt cap.
Interest rates on Borrowing	2021/22 1.6%, from 2022/23 1.9%, from 2026/27 2%, from 2030/31 2.5%, from 2035/36 3% and from 2040/41 3.5%

5.7 Borrowing Requirement

5.7.1 The proposed plan shows that by year 31 borrowing will increase to £551.982 million which is £206.477 million higher than the current underlying loan debt. Borrowing will however not rise to a level above this until year 16 (see the following graph).

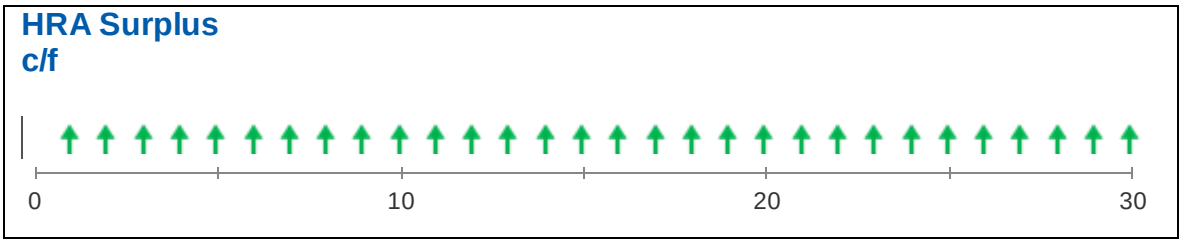


5.7.2 Whilst the borrowing is affordable within this plan debt needs to be managed in the overall context of affordability for the Council. The risks associated with borrowing will therefore need to be kept under review.

5.8 HRA Reserve Balances

5.8.1 The HRA can budget for a deficit in a particular year, but the HRA total reserve balance must not be negative. The business plan is set to assume that if the assumptions resulted in the reserve balance falling below the minimum required of £3 million in any years, then borrowing will be required. Borrowing can only be for capital purposes. Where revenue reserves are exhausted due to revenue expenditure exceeding income, then mitigating action is required.

5.8.2 The plan shows that over 30 years, the surplus carried forwards stays above the minimum balance (green arrows).



5.8.3 The plan also shows that there are years where reserves will be used to fund predicted peaks in the capital programme due to lifecycle replacements. This minimises borrowing and reduces the level of interest charges that would be incurred.

6. Risk Assessment

6.1 A comprehensive financial risk assessment has been undertaken to ensure that all risks and uncertainties affecting the council's HRA financial position are identified. These will be reviewed each year as part of the refresh of the HRA Business Plan. The key strategic financial risks to be considered are as follows:

Risk	Risk Management	Likelihood	Impact
Inflation (Negative Risk) Rent increases linked to CPI with the majority of other costs linked to RPI.	HRA Balances are risk assessed and budget contingency built into the annual cost to ensure variations inflation rates can be managed. Service Charges based on actual cost recovery.	Moderate	Medium
Interest rate increases (Negative Risk) The impact on the cost of borrowing and therefore assessment of affordability of the capital programme**.**	Interest rates in the plan have been forecast to increase over the medium term assuming they will not stay at the current low rates.	Moderate	Medium
Rent and Service Charges (Negative Risk) The Government could change its commitment to a 5-year rent policy of CPI+1% rent increases. Service charges may not be fully recovered.	Lower than anticipated rent increases would require reductions in spending plans within the plan and need to reassess the assumptions. Service charge costs are forecast based on current actual costs any increase above the forecast would be considered in the following year with the same applying if there are reductions.	Unlikely	High
Stock Investment (Negative Risk) Investment needs exceed planned expenditure due to unforeseen investment requirements or changes to the prescribed standards.	Revised HRA Asset Management Strategy to be considered alongside this plan. The investment plan is based upon stock condition information. Stock viability assessments are undertaken. There is additional coverage in the plan to deal with cost increases or additional expectations.	Moderate	High
Right to Buy Sales (Negative/Positive Risk) External factors mean that RTB sales in terms of numbers or value are either higher or lower than forecast without a corresponding change to stock through acquisition or new build.	RTB assumptions are adjusted annually based on the prior year trend. Despite the lower number in 2020/21 the forecast in the plan is based on the current trend which has picked up in the first half of 2021/22. There is a tapering assumption built into the plan. The new build in the plan is not a direct replacement for the RTB sales and therefore it is unlikely plans would be altered dependent on the RTB sales.	Moderate	Low
Anticipated Savings/ efficiencies are not achieved (Negative Risk) The plan includes efficiency savings required in order to ensure investment plans are sustainable.	Regular monitoring and reporting takes place. The cumulative impact over the medium term may make savings in the later years more challenging. Non achievement of savings/efficiencies will require a reassessment of investment priorities.	Moderate	High

Risk	Risk Management	Likelihood	Impact
Welfare Reform (Negative Risk) Tenants and leaseholders impacted by welfare changes have insufficient income to pay the rent/service charges. There could also be an increase in the need for Council housing services.	The impact of welfare reform continues to be planned for and monitored through the Council Scrutiny Framework.	Likely	Medium
Legislative Change (Negative Risk) New legislation/regulation is introduced which results in increased financial pressures**.**	Ongoing tracking and horizon scanning in relation to emerging policy and legislation and an annual review through the business plan updated.	Moderate	High
Brexit (Negative Risk) The impact of Brexit has created economic instability the impact of which could lead to additional cost pressures either directly or indirectly.	Continue to work collaboratively with treasury advisors to assess potential budget impacts whilst the Government attempts to ensure an effective transition to a new economic relationship between the U.K. and the EU, including clarifying the procedures and broad objectives that will guide the process.	Likely	Medium/ High

7. Conclusion

7.1 The revised HRA business plan together with the HRA Asset Management Strategy ensure that the HRA investment plans are sustainable over the medium and longer term. This plan confirms the priority given to ensuring the Council's homes are safe and fully compliant with building legislation and regulation and will make a significant contribution to the Residential Growth Strategy with a planned HRA funded development programme of 400 new homes over the next 10 years.

7.2 Despite this there are still challenges within this plan and assumptions made regarding future costs that will need to be kept under constant review. Savings outlined in the plan will need to be delivered to ensure the sustainability of the HRA and therefore robust savings plans will be developed to underpin their delivery.

HRA Operating Account 30 Years

Year	Year	Rental Income	Service Charge Income	Void Losses	Non-Dwelling Rents	Charges For Services	Other Income	**Total Income**	Supervision and Management	Responsive & Cyclical Repairs	Depreciation	Debt Mgmt Expenses	Bad Debts	**Total Expenditure**	**Net Cost of HRA Services**	Interest Charges	**Surplus / (Deficit) in Year on HRA Services**	Repayment of Arranged Loans	Revenue Contribution to Capital	**Surplus / (Deficit) for the Year**	**HRA Reserve Opening Balance**	Interest Earned	**HRA Reserve Closing Balance**
		£'000	£'000	£'000	£'000	£'000	£'000	**£'000**	£'000	£'000	£'000	£'000	£'000	**£'000**	**£'000**	£'000	**£'000**	£'000	£'000	**£'000**	**£'000**	£'000	**£'000**
1	2021/22	76,396	2,446	-3,056	1,312	1,853	931	**79,881**	-27,143	-23,269	-15,310	-70	-700	**-66,491**	**13,390**	-12,029	**1,362**	-14,305	-6,376	**-19,320**	**30,785**	178	**11,644**
2	2022/23	77,240	2,475	-3,168	1,332	2,042	950	**80,870**	-26,684	-23,149	-15,509	-71	-756	**-66,169**	**14,700**	-12,044	**2,657**	-873	-2,900	**-1,117**	**11,644**	117	**10,644**
3	2023/24	78,188	2,374	-2,442	1,352	2,093	973	**82,537**	-26,955	-23,118	-15,785	-73	-764	**-66,695**	**15,842**	-12,241	**3,601**	-11,293	-0	**-7,692**	**10,644**	81	**3,032**
4	2024/25	80,799	2,336	-1,620	1,372	2,145	998	**86,030**	-27,251	-22,977	-15,819	-75	-789	**-66,911**	**19,119**	-11,936	**7,183**	-3,764	-0	**3,419**	**3,032**	57	**6,508**
5	2025/26	80,308	2,311	-1,529	1,399	2,209	1,028	**85,726**	-26,079	-22,753	-16,200	-77	-784	**-65,893**	**19,834**	-11,895	**7,938**	-4,517	-0	**3,421**	**6,508**	42	**9,971**
6	2026/27	81,401	2,319	-1,372	1,427	2,276	1,028	**87,078**	-26,766	-22,634	-16,536	-80	-794	**-66,809**	**20,269**	-11,823	**8,446**	-10,270	-0	**-1,824**	**9,971**	0	**8,147**
7	2027/28	82,683	2,349	-1,359	1,456	2,344	1,028	**88,500**	-27,239	-23,003	-16,941	-82	-806	**-68,072**	**20,428**	-11,739	**8,690**	-10,000	-0	**-1,310**	**8,147**	0	**6,837**
8	2028/29	84,026	2,385	-1,588	1,485	2,414	1,028	**89,749**	-27,900	-23,393	-17,376	-84	-820	**-69,573**	**20,177**	-11,749	**8,428**	0	-400	**8,028**	**6,837**	0	**14,864**
9	2029/30	85,390	2,421	-1,945	1,515	2,487	1,028	**90,894**	-28,578	-23,789	-17,822	-87	-833	**-71,108**	**19,786**	-11,566	**8,220**	-20,000	-84	**-11,864**	**14,864**	0	**3,000**
10	2030/31	88,544	2,508	-1,673	1,545	2,561	1,028	**94,513**	-29,276	-24,197	-18,278	-90	-864	**-72,704**	**21,809**	-11,638	**10,171**	-4,894	-5,277	**0**	**3,000**	0	**3,000**
11	2031/32	88,293	2,498	-1,392	1,576	2,638	1,028	**94,640**	-29,989	-24,617	-18,762	-92	-861	**-74,321**	**20,319**	-11,702	**8,617**	-4,000	-4,617	**0**	**3,000**	0	**3,000**
12	2032/33	89,799	2,538	-1,414	1,607	2,717	1,028	**96,275**	-30,723	-25,044	-19,259	-95	-876	**-75,996**	**20,278**	-11,698	**8,580**	0	-5,073	**3,507**	**3,000**	0	**6,507**
13	2033/34	91,202	2,578	-1,436	1,640	2,799	1,028	**97,809**	-31,476	-25,478	-19,769	-98	-889	**-77,710**	**20,099**	-11,674	**8,425**	-5,000	-6,932	**-3,507**	**6,507**	0	**3,000**
14	2034/35	92,493	2,619	-1,457	1,672	2,883	1,028	**99,238**	-32,250	-25,920	-20,245	-101	-902	**-79,417**	**19,821**	-11,605	**8,215**	-4,000	-4,215	**0**	**3,000**	0	**3,000**
15	2035/36	95,673	2,714	-1,507	1,706	2,969	1,028	**102,582**	-33,047	-26,369	-20,731	-104	-933	**-81,184**	**21,398**	-12,223	**9,175**	-7,529	-1,646	**0**	**3,000**	0	**3,000**
16	2036/37	95,122	2,702	-1,498	1,740	3,058	1,028	**102,151**	-33,860	-26,825	-21,229	-107	-928	**-82,949**	**19,202**	-12,242	**6,960**	0	-6,000	**960**	**3,000**	0	**3,960**
17	2037/38	96,459	2,745	-1,520	1,775	3,150	1,028	**103,637**	-34,698	-27,290	-21,738	-110	-941	**-84,777**	**18,860**	-12,497	**6,363**	0	-2,000	**4,363**	**3,960**	0	**8,323**
18	2038/39	97,812	2,789	-1,541	1,810	3,244	1,028	**105,141**	-35,558	-27,763	-22,258	-113	-954	**-86,646**	**18,495**	-12,854	**5,641**	0	-0	**5,641**	**8,323**	0	**13,964**
19	2039/40	99,180	2,833	-1,563	1,846	3,342	1,028	**106,665**	-36,441	-28,243	-22,790	-117	-967	**-88,558**	**18,107**	-13,268	**4,839**	0	-0	**4,839**	**13,964**	0	**18,803**
20	2040/41	100,639	2,879	-1,586	1,883	3,442	1,028	**108,284**	-37,347	-28,742	-23,334	-120	-982	**-90,526**	**17,759**	-14,456	**3,303**	0	-0	**3,303**	**18,803**	0	**22,106**
21	2041/42	104,233	2,986	-1,643	1,921	3,545	1,028	**112,070**	-38,281	-29,260	-23,926	-124	-1,017	**-92,608**	**19,462**	-14,932	**4,529**	0	-0	**4,529**	**22,106**	0	**26,635**
22	2042/43	103,769	2,977	-1,636	1,959	3,652	1,028	**111,749**	-39,235	-29,787	-24,533	-128	-1,012	**-94,695**	**17,053**	-15,412	**1,641**	0	-0	**1,641**	**26,635**	0	**28,276**
23	2043/44	105,367	3,028	-1,662	1,999	3,761	1,028	**113,520**	-40,217	-30,324	-25,154	-132	-1,028	**-96,855**	**16,665**	-15,867	**799**	0	-0	**799**	**28,276**	0	**29,075**
24	2044/45	106,987	3,079	-1,687	2,039	3,874	1,028	**115,319**	-41,225	-30,871	-25,791	-135	-1,044	**-99,066**	**16,253**	-16,329	**-76**	0	-0	**-76**	**29,075**	0	**28,999**
25	2045/46	108,630	3,131	-1,714	2,079	3,990	1,028	**117,145**	-42,261	-31,427	-26,443	-140	-1,060	**-101,330**	**15,815**	-16,821	**-1,006**	0	-0	**-1,006**	**28,999**	0	**27,993**
26	2046/47	110,296	3,184	-1,740	2,121	4,110	1,028	**118,999**	-43,324	-31,993	-27,111	-144	-1,076	**-103,649**	**15,350**	-17,344	**-1,994**	0	-0	**-1,994**	**27,993**	0	**25,999**
27	2047/48	114,221	3,303	-1,802	2,163	4,233	1,028	**123,146**	-44,419	-32,570	-27,796	-148	-1,115	**-106,047**	**17,098**	-17,696	**-598**	-6,150	-0	**-6,747**	**25,999**	0	**19,252**
28	2048/49	113,698	3,293	-1,794	2,207	4,360	1,028	**122,791**	-45,538	-33,156	-28,497	-152	-1,109	**-108,453**	**14,338**	-18,175	**-3,837**	0	-0	**-3,837**	**19,252**	0	**15,415**
29	2049/50	115,434	3,348	-1,822	2,251	4,491	1,028	**124,730**	-46,690	-33,754	-29,215	-157	-1,126	**-110,942**	**13,788**	-18,846	**-5,058**	0	-900	**-5,958**	**15,415**	0	**9,457**
30	2050/51	117,469	3,411	-1,854	2,296	4,626	1,028	**126,975**	-47,873	-34,399	-29,950	-162	-1,146	**-113,531**	**13,444**	-19,752	**-6,308**	0	-0	**-6,308**	**9,457**	0	**3,149**

Gateshead Council

REPORT TO CABINET
19 October 2021

TITLE OF REPORT: **Housing Revenue Account Asset Management Strategy**

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

Purpose of the Report

1. To update Cabinet on the progress made against the priorities identified in the Interim Housing Revenue Account (HRA) Asset Management Strategy 2021.

2. To request Cabinet to recommend Council approval to progress the implementation of the new HRA Asset Management Strategy, 2022-2027, that will support a statutorily compliant business plan able to fund a compliant, well maintained and sustainable housing stock

Background

3. Cabinet agreed an interim asset strategy for 2021/22 on 23 February 2021. It detailed the steps that needed to be taken in year to prevent the HRA reserves being depleted and falling below the minimum operating balance.

4. The HRA faced a significant affordability challenge that, without review and action, meant it would not be able to meet its future obligations. Whilst an affordable 5-year capital programme was in place, longer term the HRA was projected to be in deficit.

5. Over the past year, we have worked to develop a fit for purpose HRA Business Plan and have done extensive work to understand our costs, investment requirements and future obligations. A new business planning tool has been procured to enable complex and detailed scenario planning to be undertaken, including the modelling of changes to the stock and investment plans. This work has led to the production of a 30 year business plan that is now informed, affordable and fully funded (see separate report on this agenda).

6. The interim asset strategy identified several key issues which were impacting on the HRA sustainability. We have looked in detail at each of these issues and taken remedial actions to address them and ensure financial sustainability.

    a. Four sections of stock have now been identified as key areas of concern and financial options appraisals have been undertaken on these assets. The appraisals have demonstrated that divesting from

them has a significant positive impact upon HRA sustainability. Further consultation will be undertaken with members and customers on how we progress with divesting from this stock and developing a strategy for decommissioning. Subject to consultation, divest decisions on demolition and remodelling have now been built into the business plan to demonstrate that they are affordable.

b. Our approach to stock condition surveying has been completely redesigned and relaunched, improving both effectiveness and efficiency. Despite the challenges associated with Covid-19, we have been able to increase the percentage of assets surveyed by almost 10%. Over 40% of the stock is now surveyed and we have filled gaps in our stock coverage and knowledge.

c. A net present value KPI will be introduced to monitor the health of the stock and support the identification of poor performing assets. Improved performance monitoring of the financial and social performance of the stock will allow for more reactive and effective interventions, including scenario planning within the business plan. The HRA Viability Tool has been extended and integrated into the LION (local indices of need) mapping software. This now allows the performance of the social housing stock to be viewed in a wider context of community and area social benchmarks.

d. In conjunction with Pennington Choices, a review of the voids process and long-term vacant properties was undertaken. This work has positively impacted on the voids process and the number of vacant properties. Support has also been built into the business plan to assist in tackling works to complex voids, such as structural repairs.

e. We have reviewed our schedule of rates for investment work and will be moving to a benchmarked national rate provider by the end of March 2022. As an interim measure, our most frequently used rates were refreshed in a benchmarking exercise that generated in the region of a £300m saving over the 30-year business plan projection. The adoption of a schedule of rates provider will generate additional efficiencies and ensure that future financial forecasts are robust and in line with the sector.

f. Increased stock condition surveying is having a positive impact on the percentage of homes that are non-decent, with the percentage reducing as more information is collected. Better information has allowed for the smoothing of investment spikes, which, alongside the revised schedule of rates, means our investment requirements are achievable and affordable.

g. Stock condition surveys have now been completed on over 99% of the residential blocks in the HRA. The completion of these surveys mean that their investment needs are now accounted and budgeted for in the business plan. The work to survey the blocks will also support our

response to the Building Safety Bill and the Fire Safety Act, helping ensure that our buildings are safe and sustainable places to live

Proposals

7. Through the work to better understand our costs and the performance of the stock some assets were identified as potentially unsustainable. These properties were modelled in several business planning scenarios, the outcome being that they were uneconomical for the HRA to maintain. This decision is based upon both their financial performance and Net Present Value (NPV).

8. Proposals in the strategy detail that the HRA will need to divest from 5 high rise blocks during the term 2022-2027. Decommissioning and demolishing 4 of them and decommissioning and renovating the fifth to provide a new supported housing offer on a smaller scale.

9. In addition, there will also need to be a review of the Council's purpose-built older persons sheltered housing blocks with a view to modernising this offer. The review will consider reducing the number of blocks where there is a disproportionate supply of this type of asset.

10. Consultation around the proposed decommissioning plans will continue with members, residents and stakeholders throughout the term of the strategy.

11. The Net Present Value of assets will become a key performance indicator to monitor the stock from 2022/23. This will support the approach to making informed and sustainable investment decisions that safeguard the HRA going forward.

12. The aspiration to deliver new Council homes is covered in the strategy. With the assumption of Homes England grant funding, there is provision in the strategy and business plan to develop 40 new social housing units per year for the next 10 years. The strategy will support the forthcoming Residential Growth Strategy and Programme.

13. The strategy will support the Council's approach to building safety and compliance activities, building on the work carried out as part of the Voluntary Undertaking. Funding will support the delivery of additional surveying and planned work activity that will ensure obligations linked to the Building Safety Bill and the Fire Safety Act are successfully delivered. Compliance with the Home Standard, in the form of decent homes, will also be ensured.

14. The proposed strategy allows the HRA to meet its existing obligations, but also moves it to a position where it will be able to meet future challenges such as delivering new social housing, achieving Net Zero Carbon and investing in parts of the stock that have been previously underfunded.

15. Climate change and the low carbon future are both a local and national priority for social housing. The new asset strategy seeks to meet the challenge laid out by the Council's climate emergency declaration.

16. Historically some elements of the HRA's portfolio have received underinvestment. The proposed strategy looks to arrest that by ensuring all investment needs are accounted for going forward. This will ensure that the stock can be maintained in line with the Council's statutory requirements, whilst also meeting the aspirations of members and customers for wider investment.

17. The strategy recommends funding for works to the communal areas of estates, bringing forward for the first time a proposal to invest in and improve the public realm space that is held in the HRA. Budgetary provision is also included for the implementation of the findings of a garage review. These works will help support a move away from decent homes, to a decent neighbourhood approach that meets the aspirations of communities.

18. As part of Digital Inclusion and a push to modernise the sustainable blocks and buildings that are held in the HRA, the CCTV and building management offer will also start to be renewed as part of a £3.6m investment over the next 5 years.

19. The strategy will embed work to correct the balance of responsive repairs verses planned work. The split between responsive and planned repair needs to be addressed so that more work is delivered in a planned way, ensuring value for money and the efficiencies associated with programmed works. Additional support has also been brought forward to support the outcome of the voids review.

20. Consultation on the themes and priorities of the strategy took place with customers in early September 2021. Customers strongly supported the direction of the strategy, stating that they believed it would support communities and that many of the objectives would make them feel more secure in their homes by reducing the fear of crime.

21. Whilst the strategy is set for a 5-year period, 2022 to 2027, it will be reviewed in line with the business plan annually. As a sector there are evolving priorities and pressures and there are still some unknowns around future issues such as the evolution of the Decent Homes Standard. Evolving themes will be reported to the Strategic Housing Board to be reviewed and monitored to ensure that both the strategy and the HRA Business Plan remain informed, sustainable and resilient.

22. The Asset Management Strategy has been jointly developed with the HRA Business Plan 2021-51. The key priorities and outcomes detailed in the strategy have been modelled in the business plan and are fully funded and sustainable, enabling the Council to meet its strategic goals and statutory requirements.

Recommendations

23. It is recommended that Cabinet:

i) Recommends Council to approve the Housing Revenue Account Asset Management Strategy 2022-2027, as set out in appendix 2, that will support a statutorily compliant business plan able to fund a compliant, well maintained and sustainable housing stock.

ii) Approves a programme of consultation and awareness raising activities with members, tenants and leaseholders to support the shaping and prioritising of the resultant future investment priorities for the Council's housing stock.

iii) Approves the commencement of a detailed consultation with members, residents and stakeholders on; a review of the Council's purpose-built older persons sheltered housing blocks and the future options for the high rise blocks identified as uneconomic to maintain.

For the following reasons:

i) To set a Housing Revenue Account that is not in debit as required under the Local Government and Housing Act 1989 (Part VI) and is able to meet it short- and long-term investment requirements.

ii) To realise the Council's policies and objectives in relation to the Housing Strategy in order to maintain and enhance Council Housing provision in Gateshead.

iii) To assist in the delivery of the Council's vision for Gateshead as set out in Making Gateshead a Place where Everyone Thrives.

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Policy Context

1. The proposals support the overall vision for Gateshead as set out in Making Gateshead a Place Where Everyone Thrives including achieving the following outcomes: providing good quality housing with a mix of tenures and affordable options that meet the needs of local people including families and older people enabling them to live healthy lives and to make healthy choices, preventing ill health.

2. The Housing Strategy 2019-2030 identifies clear housing objectives and priorities, puts forward a vision for housing in Gateshead, and sets a framework for how the Council will deliver services and interventions, and work in partnership with others, in a way that will help achieve those objectives using increasingly scarce resources proportionately and effectively. It includes three overarching strategic objectives:

    - Sustainable housing and economic growth
    - Sustainable neighbourhoods
    - Improved health & wellbeing

3. In addition to these overarching objectives one of the key themes embedded in the strategy is supporting the long-term sustainability of the Council's housing stock and the Housing Revenue Account (HRA). Sustainability must be driven by a robust asset management strategy that is supported by informed accurate data and property performance information.

Background

4. The Council agreed an interim asset strategy for 2021/22 on the 23 February 2021. It detailed the steps that needed to be taken in year to prevent the HRA reserves being depleted and falling below the minimum operating balance.

5. The Council owns and manages over 18,000 homes valued at £733.4m; in addition, it has non-domestic assets valued at a further £12.2m. The physical and financial performance of these assets underpins the viability of the Housing Revenue Account (HRA). The quality of its assets and how they perform also directly impacts on customers and the communities that they are part of. A good quality and well-maintained home can significantly impact upon the health, wellbeing and quality of life of our residents.

6. Over the past year, we have worked to develop a fit for purpose HRA Business Plan and have done extensive work to understand our costs, investment requirements and future obligations. This work has led to the production of 30 year business plan that is now informed, affordable and fully funded.

7. The interim asset strategy identified several key issues which were impacting on the HRA sustainability. We have looked in detail at each of these issues and untaken remedial actions to address them and ensure financial sustainability.

Stock Performance

8. The previous interim HRA Strategy highlighted that the HRA was unsustainable over 30 years and that in the medium term the account would fall beneath the minimum operating balance. Work to better understand our costs, investment and stock condition needs has, alongside a wider business planning exercise, led to the development of an HRA financial plan that is fully costed and does not breach the minimum balance during the life of the plan.

9. To deliver the financial plan, several stock options scenarios have been modelled, based on stock performance and assets' sustainability. These scenarios will need to be delivered over the period of this strategy to ensure the affordability of the financial plan is maintained.

10. The high rise stock is commonly characterised as a liability to the HRA as a result of high investment cost, low demand and high management requirements. The largest section of the stock with a negative net present value is found in the high rise blocks. Business planning exercises have been carried out as part of the work on the HRA business plan. Those exercises demonstrate that divesting from a further five high rise blocks has a positive impact on the business plan's affordability over the next thirty years. The strategy recommends decommissioning and demolishing four high rise blocks and decommissioning and renovating the fifth to provide a new supported housing offer on a smaller scale.

11. In addition, there will also need to be a review of the Council's purpose-built older persons sheltered housing blocks with a view to modernising this offer. The review will consider customer aspirations, the future need and requirements associated with this type of asset. The review will also look at the impact of reducing the number of blocks where there is a disproportionate supply of this type of asset.

12. Divesting from these assets means the plan is able to meet the investment needs of the existing stock, has sufficient capacity to meet emerging priorities and deliver on the development of new social housing stock.

HRA Scenarios	Units	Years
Phase 1. Complete decommissioning and demolition of Sir Godfrey Thompson Court & Crowhall Towers	-	2021 –22
Phase 2. Decommission and demolish two multi storey blocks	- 333	Over three years from 2022/23
Phase 3. Decommission a further multi storey block	- 109	Over three years from 2022/23
Phase 4. Recommission block to create 80 new supported units	+ 80	2023-25
Phase 5. Decommission and demolish purpose built older persons unit	- 41	2023/24
Phase 6. Decommission and demolish two multi storey blocks	- 133	Over three years from 2024/25

13. The Net Present Value (NPV) of assets will become a key performance indicator to monitor the stock from 2022/23. This will support the approach to making informed and sustainable investment decisions that safeguard the HRA going forward.

14. The strategy will support the Council's approach to building safety and compliance activities, building on the work carried out as part of the Voluntary Undertaking. Funding will support the delivery of additional surveying and planned work activity that will ensure obligations linked to the Building Safety Bill and the Fire Safety Act are successfully delivered.

15. Compliance with the Home Standard and in particular the Decent Homes Standard will also be ensured. Since the interim Asset Strategy was agreed the percentage of surveyed homes has increase and will reach by 2023. The increase in condition data has supported the flattening of forecast investment spikes and ensured the investment requirements for maintaining the stock are affordable within the new business plan.

16. The proposed strategy allows the HRA to meet its existing obligations, but also moves it to a position where it will be able to meet future challenges such as delivering new social housing, achieving Net Zero Carbon and investing in parts of the stock that have been previously underfunded.

17. Climate change and the low carbon future are both a local and national priority for social housing. Gateshead has historically been at the fore of energy efficiency, embracing the benefits of thermally efficient and energy saving homes that support customers and the sustainability of tenancies and assets. The new asset strategy seeks to build on this and meet the challenge laid out by the Council's Climate Emergency Declaration.

18. Improvements to insulation and energy are included and costed in the strategy along with assumptions about the level of grant funding that will need to be achieved to meet our priorities. Over the life of the HRA Business Plan it is forecast that the Council will need to invest around £265m into insulation measures and new heating technologies as well as securing just over £40m in grant funding.

19. Work has already commenced to build strong relationships with potential funding partners who have access to Energy Company Obligation (ECO) funding. Work with these partners to identify potential schemes for fully funded measures, such as insulation top ups or the replacement of aging insulation systems will further support the HRA.

20. The strategy's focus initially will be on 'fabric first' energy improvements, installing and improving insulation in homes so that they are better able to retain the heat that they generate. But for homes to become zero carbon, in line with the Council's Climate Emergency target, they will require zero carbon heating systems, to replace traditional gas boilers. The Council published its Zero Carbon Heat Strategy in June 2021, which offers the following hierarchy / timescales:

    i. Connection to a heat network, where feasible - viable and affordable now to 2030
    ii. Preparation for switch to hydrogen boilers - likely post 2030
    iii. Heat pumps - restricted to new build properties, until confidence that retrofit to existing homes does not increase fuel poverty, or maintenance/replacement cost to the HRA.

21. The delivery of this strategy is still developing and evolving. While some limited pilot schemes will be undertaken, the strategy states that the Council should, in the short term, continue to monitor how this market develops before committing to a future approach. The strategy commits to working in partnership with the Council's Energy Services Team to explore the opportunity to extend the existing heat networks in the borough and, where possible, to create new ones to increase the number of homes that receive sustainable and affordable heating generated by the Council.

22. A primary focus on delivering works programmes rather than holistically managing assets has, in some instances, led to an unintentional underinvestment in some areas of the stock. The proposed strategy looks to arrest that by ensuring all investment needs are accounted for going forward. This will ensure that the stock can be maintained in line with the Council's statutory requirements, whilst also meeting the aspirations of customers and members for wider investment.

23. The strategy recommends funding for works to the communal areas of estates, bringing forward for the first time a proposal to invest in and improve the public realm space that is held in the HRA. These works will help support a move away from decent homes, to a decent neighbourhood approach that meets the aspirations of communities.

24. Budgetary provision is included for the implementation of the findings of a garage review, looking to tackle the challenges the HRA's garage stock faces. With funding of almost £1m over 5 years, this will include demolition, improvement and the potential for some changes of use.

25. Communal space within blocks has also seen limited spending in recent years. That underinvestment has been assessed through stock condition activities and is now fully reflected in future investment and business planning projections. Work to improve communal spaces within our blocks will commence next year, with a proposed investment target of £3m over the next five years

26. As part of Digital Inclusion and a push to modernise the sustainable blocks and buildings that are held in the HRA, the CCTV and building management offer will also start to be renewed as part of a £3.6m investment over the next 5 years. With residents and stakeholders, we will develop a new offer that will increase the confidence of residents in the Council's blocks by providing buildings that are digitally enabled, safe and secure.

27. The aspiration to deliver new Council homes is included in the strategy. With the assumption of Homes England grant funding, there is provision in the strategy and business plan to develop 40 new social housing units over the next 10 years from 2022/23. The strategy will support the forthcoming Resident Growth Strategy and Programme.

28. The strategy will embed work to correct the balance of responsive repairs verses planned work. Using our business intelligence, scrutiny of data and partnership working we will work to increase the percentage of repairs work that is delivered in a planned way, ensuring value for money and the efficiencies associated with programmed works.

29. Work has successfully been undertaken to reduce the number of voids and measures are in place to reduce the HRA's future exposure to the risks associated with vacant properties. The strategy brings additional resources into capital to support dealing with high value void properties. This will ensure that they are appropriately tackled and the costs for major reinvestment work are accurately captured and delivered in a planned, rather than responsive,

way. Through early intervention, measures will also be introduced to tackle properties that have the potential to become long term voids.

30. The Asset Management Strategy has been jointly developed with the HRA Business Plan 2021-51. Whilst the strategy is set for a 5-year period, to 2027, it will be reviewed in line with the business plan annually. The key priorities and outcomes detailed in the strategy have been modelled in the business plan and are fully funded and sustainable, enabling the Council to meet its strategic goals and statutory requirements.

31. The strategy provides a structure and framework that will allow informed decisions to be made about our assets and our investment priorities. The Strategic Housing Board, which includes customer board members, will provide overall monitoring and review for the HRA Asset Strategy. The Board will receive regular progress reports on the delivery of the strategy, monitor its progress, review and scrutinise the decisions and recommendations that it makes. The Resident Influence Panel will also play a key role in delivering the strategy by providing tenant and leaseholder influence and oversight.

Consultation

32. Consultation has taken place with the Leader and Deputy Leader, and Cabinet Member for Housing.

33. Consultation on the themes and priorities of the strategy took place with customers in early September 2021. Customers strongly supported the direction of the strategy, stating that they believed it would support communities and that many of the objectives would make them feel more secure in their homes by reducing the fear of crime.

Alternative Options

34. There are no alternative options proposed.

Implications of Recommended Option

35. Resources

a. **Financial Implications** – The Strategic Director, Resources and Digital, confirms that the proposed HRA Asset Management Strategy will support the delivery of a sustainable HRA Business Plan able to meet the investment priorities of the HRA, whilst ensuring the overall HRA reserve balance remains above £3 million.

b. **Human Resources Implications** – Nil

c. **Property Implications** - Capital investment in sustainable HRA assets helps to improve the overall sustainability of the HRA and supports the delivery of corporate priorities under the Thrive agenda

36. **Risk Management Implications** - The development of the HRA Business Plan has included risk assessments and scenario planning around the assumptions, priorities and investments decisions made in the strategy. The proposals are fully funded and affordable. Whilst the strategy is set for a 5-year period, it will be reviewed in line with the business plan annually. As a sector there are evolving priorities and pressures and there are still some unknowns around future issues such as the evolution of the Decent Homes Standard. An ongoing scrutiny and monitoring process will ensure that both the strategy and the HRA Business Plan remain informed, sustainable and resilient.

37. **Equality and Diversity Implications** – Nil

38. **Crime and Disorder Implications** – Effective property and building management, condition and repair contribute positively towards community safety.

39. **Health Implications** – The report supports work that ensures the quality and condition of the HRA's assets and will contribute to the health and wellbeing of the tenants and residents.

40. **Sustainability and Climate Emergency Implications** – The report contains several measures, which will help deliver a more Sustainable Gateshead and support the delivery of net zero carbon measures for the Council's housing stock.

41. **Human Rights Implications** – No direct human rights implications.

42. **Ward Implications** – All wards will be affected by the proposals in this report.

Background Information

Direction on the Rent Standard 2019
The Housing Revenue Account Self Financing Determinations February 2012
Local Government and Housing Act 1989
Localism Act 2011

HOUSING REVENUE ACCOUNT (HRA)

ASSET MANAGEMENT STRATEGY

2022 - 2027

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1. Introduction

This Gateshead Council Asset Management Strategy sets out how Gateshead Council (the Council) will manage, maintain, invest in, and review our homes and other associated assets.

We have recently reviewed how our homes and assets are managed and have consolidated housing services back within the Council. This review ended The Gateshead Housing Company's management of our assets. The realignment of these services within the Council will support our wider plans to transform Gateshead and will deliver efficiencies and improvements, while providing services that best meet the needs of our tenants and the communities we support.

The Council owns and manages over 18,000 homes valued at £733.4m; in addition, we have non-domestic assets valued at a further £12.2m. The physical and financial performance of these assets underpins the viability of the Housing Revenue Account (HRA). The quality of our assets and how they perform also directly impacts on our customers and the communities that they are part of. We know good quality and well-maintained homes can significantly impact upon the health, wellbeing and quality of life of our residents.

Key drivers for the consolidation of services within the Council were to generate efficiencies in the delivery of housing services and to ultimately move an unsustainable HRA to a sustainable position where our assets generate the income and value necessary to fund the costs of their management, ongoing maintenance and investment. This strategy will align our asset management priorities with our wider plans for housing, community sustainability and growth for the borough.

Work has been undertaken across housing services and the wider Council to fully understand the investment needed across all of our assets to ensure they are sustainable and can be maintained and improved to achieve the anticipated legal and regulatory obligations we need to meet.

We have worked to determine, identify and review the factors that were driving the HRA into deficit and negatively impacting on the account's sustainability. Successfully identifying these factors ensures that we can ensure that the investment decisions we know we will need to make are affordable and can be fully funded. In addition, the prospect of significant changes in required property standards, in terms of condition, safety and environmental sustainability can be achieved.

As we develop our approach to asset management further, we plan to look beyond just the physical condition of our properties to identify actions that can be taken to better use our land, commercial units and other non-domestic assets to support local communities and the HRA.

We recognise that we must make immediate decisions on the long-term use and sustainability of some of our assets to ensure the viability of the HRA. Our business intelligence tells us that some of these assets are now unsustainable and no longer meet the aspirations of our customers for a safe and sustainable home. It is therefore important that we now work with customers and all stakeholders to effectively plan to divest from these assets and, where appropriate, consider alternative options for their use that would provide homes and places that best meet the needs of existing and future customers.

This strategy will guide our approach over the next 5 years so that we can protect our assets and tenants and ensure that the investment we will make over that period is well informed

and will not risk the HRA's sustainability. The strategy will be reviewed annually to guide and direct the gathering of additional intelligence and understanding of asset performance to enable us to develop our longer-term plans.

2. HRA Business Plan Sustainability

We undertook a detailed options appraisal of our housing delivery in early 2020, which directly informed our decision to close The Gateshead Housing Company and return the management of our assets back to the Council. The options appraisal was undertaken as we recognised our HRA was unsustainable and was forecast to go into deficit within a number of years.

At the time of undertaking the evaluation, the HRA Business Plan was not up to date, and there was no costed evidenced 30 year investment plan setting out the requirements for renewal of components or wider stock investment during that period.

Over the past year, we have worked to develop a fit for purpose HRA Business Plan and have done extensive work to understand our costs, investment requirements and future obligations. A new business planning tool has been procured to enable complex and detailed scenario planning to be undertaken, including the modelling of changes to the stock and investment plans.

This work has led to the production of an HRA 30 year business plan that is now informed, affordable and fully funded and in apposition to meet sector challenges and deliver local priorities.

The evaluation work in early 2020 identified a number of key issues which were impacting on the HRA sustainability. We have looked in detail at each of these issues and untaken remedial actions to address them and ensure financial sustainability.

- **Issues with stock sustainability as some properties are less popular and/or require significant investment over the life of the business plan**.

  Four sections of stock have now been identified as key areas of concern. Financial options appraisals have been undertaken on these assets that demonstrated divesting from them has a significant positive impact upon HRA sustainability.

  Further consultation will be undertaken with members and customers on how we progress with divesting from this stock and developing a strategy for decommissioning.

- **The stock sustainability issues may require expensive solutions**

  Subject to consultation, divest decisions on demolition and remodelling have now been built into the business plan to demonstrate that they are affordable.

- **There was a lack of or uneven spread of up to date stock condition data**

  Our approach to stock condition surveying has been completely redesigned and relaunched, improving both effectiveness and efficiency. Despite the challenges associated with Covid-19, we have been able to increase the percentage of assets surveyed by almost 10%. Over 40% of the stock is now surveyed and we have filled gaps in our stock coverage and knowledge.

- **There are areas of low demand stock, which are suffering from wider sustainability issues and require significant investment to improve them and make them attractive or to address them through other means;**

  A net present value KPI will be introduced to monitor the health of the stock and support the identification of poor performing assets. Improved performance monitoring of the financial and social performance of the stock will allow for more reactive and effective interventions, including scenario planning within the business plan. The HRA Viability Tool has been extended and integrated in the LION (local indices of need) mapping software. This now allows the performance of the social housing stock to be viewed in a wider context of community and area social benchmarks.

  The Business plan now also has environmental improvements costed for the first time, along with funding in the first 5 years of over £3.5million to launch a new CCTV offer for communal blocks, enhancing security and helping to combat the fear of crime.

- **Void levels were extremely high, in part due to some low demand properties being 'held' vacant**

  In conjunction with Pennington Choices, a review of the voids process and long-term vacant properties was undertaken. This work has positively impacted on the voids process and the number of vacant properties. Support has also been built into the business plan to assist in tackling works to complex voids, such as structural repairs.

  A new process for the fast tracking of properties that have the potential to become 'long term' voids has also been developed. This will introduce a managed escalation route that will lead through to a property receiving improvement works or being divested, within a defined timescale.

- **Forecast cost for investment works were higher than regional expectations**

  We have reviewed our schedule of rates for investment work and will be moving to a benchmarked national rate provider by the end of March 2022.

  As an interim measure, our most frequently used rates have been refreshed in a benchmarking exercise that generated significant savings.

- **Our housing stock had started to become non-decent, and 5.5% of the stock is currently estimated to be non-decent, with some spikes in expenditure forecast for coming years;**

  Increased stock condition surveying is having a positive impact on the percentage of homes that are non-decent, with the percentage reducing as more information is collected. Better information has allowed for the smoothing of investment spikes, which, alongside the revised schedule of rates, means our investment requirements are achievable and affordable.

- **Past investment programmes have not dealt fully with the investment needs of blocks and communal spaces.**

  Stock condition surveys have now been completed on over 99% of the residential blocks in the HRA. The completion of these surveys mean that their investment needs are now accounted and budgeted for in the business plan. The work to survey

the blocks will also support our response to the Building Safety Bill and the Fire Safety Act, helping ensure that our buildings are safe and sustainable places to live.

3. Strategic Alignment

This section provides an overview of the strategies that support, inform and influence how our HRA assets are managed, maintained and are invested in.

There are several corporate plans which impact on this Asset Management Strategy, and the strategy needs to align with them. This strategy will also influence and guide a range of supporting or inter-related strategies, plans and policies, to ensure that our management of our assets is part of a wider approach to delivering high quality services and places for the benefit of our residents.

The key documents that should be read in conjunction with this strategy include:

- Making Gateshead Thrive – The Thrive Strategy & Pledges
- Health & Wellbeing Strategy
- The Gateshead Housing Strategy
- The Residential Growth Strategy & Programme
- The Emerging Economic Strategy
- Gateshead Local Plan
- Gateshead's Climate Emergency Declaration
- The Medium-Term Financial Strategy

Our Thrive agenda, which is focusing work and money on what matters most within Gateshead, remains a key Council objective, and our approach to investing in our assets will align with this. This will include making the right investment decisions about where, when and how much to invest in our properties in order to get maximum value for money, but also supporting the principle of retaining 'the Gateshead £' in our investment delivery programmes.

Our wider housing strategy focuses on ensuring that people who live in Gateshead can access, sustain and remain in a home that meets their needs and is safe, secure and affordable, in a thriving neighbourhood. The Asset Management Strategy therefore needs to support the objectives of maximising supply, including through use of existing stock and bringing empty homes back into use quickly; this will result in improving the quality, condition and management of housing and helping residents access and sustain a home which promotes their wellbeing and supports them to thrive.

4. Strategic Context – National Policy

The housing sector is currently facing a number of complex and diverse challenges and there are a number of key national strategic factors which will influence how we manage our assets; the strategy, therefore, needs to understand and respond to them.

Housing Growth

The government and the Regulator of Social Housing (RSH) have set a clear expectation that social landlords use any increased rental income generated as a result of a return to annual rent rises to continue to invest in existing homes and deliver new homes.

Addressing the housing shortage is a priority issue for the government and one that carries clear expectations on how housing supply is increased in order to meet local housing needs. The government is also keen that people can be supported into home ownership and have made available a number of packages and initiatives to enable social landlords to deliver new homes which specifically support this agenda.

Climate Change & The Low Carbon Future

Gateshead has historically been at the fore of energy efficiency, embracing early the benefits of thermal efficiency and energy saving measures. We recognise the importance of the global Green Agenda and the Council has declared its own climate emergency and committed to a low carbon future.

The government has also committed to tackling climate change and intends to set a target of reducing domestic emissions to zero. The government has indicated the possible revision of the Decent Homes Standard, including a requirement to achieve EPC D by 2025 and EPC C by 2030, thereby obliging us to meet these targets. The RSH therefore expects social landlords to be working to understand the potential costs of making carbon reduction improvements to our assets.

By 2025, new build homes will need to be low carbon and energy efficient, and this will incur additional costs for the construction of new build properties as well as the ongoing repair, maintenance and component renewals throughout the life of the property.

Regulatory Standards

Existing Regulatory Standards

The Value for Money Standard requires us to be able to demonstrate a full and comprehensive understanding of the financial performance of our assets, the income they generate and the cost we incur to maintain and manage them. We must also be able to demonstrate how we manage any stock which does not perform at an optimum level, and how we will intervene to address tackle those assets. A well-evidenced Asset Management Strategy which sets out how our assets are performing and how they are managed is key to demonstrating our compliance with the standard.

The Home Standard requires that our homes meet at least the Decent Homes Standard and all applicable health and safety requirements for homes. We are also obliged to ensure a prudent, planned, balanced and value for money approach to repairs and maintenance of homes and communal areas. This must include our approach to the delivery of responsive and cyclical repairs, planned maintenance and the Housing Capital Programme, work to voids and the delivery of adaptation works.

Social Housing White Paper – A Charter for Social Housing Residents

The government published their Social Housing White Paper in November 2020 that aims to strengthen and, in some regards, significantly enhance the requirements of social landlords. This sets out clear expectations on building safety, enhancing the measures in the Building Safety Bill and proposing to strengthen the RSH's powers in this area. The Decent Homes standard is to be reviewed to see how it can better support decarbonisation and energy efficiency, improve communal and green spaces, and whether it reflects present day expectations. There are also proposals for enhanced scrutiny of performance on repairs and how income is spent.

Building Safety

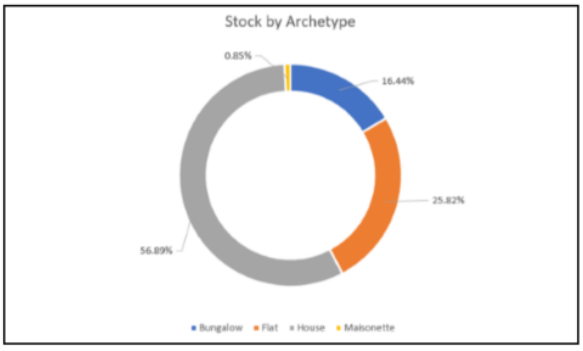
Tragic events such as the Grenfell Fire tragedy have increased government and the RSH's focus on building safety, maintenance, internal governance and the importance of resident engagement. The subsequent reviews and inquiries have brought increased scrutiny of the approach to building management, investment and maintenance of high-rise blocks, but also the wider issue of ensuring the safety of tenants and others.

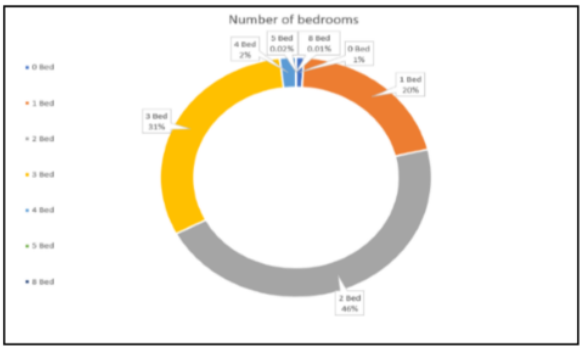
Significant changes to our legal obligations became law during 2021 as a result of the Fires Safety Act 2021 and the Building Safety Bill that is like to receive Royal assent in 2022. Extensive work has been undertaken in the past 12 months across the stock and we will continue our work to uphold and strengthen how we maintain the safety of residents through our management of higher risk buildings.

5. Gateshead Council's HRA Assets

Domestic Asset Overview

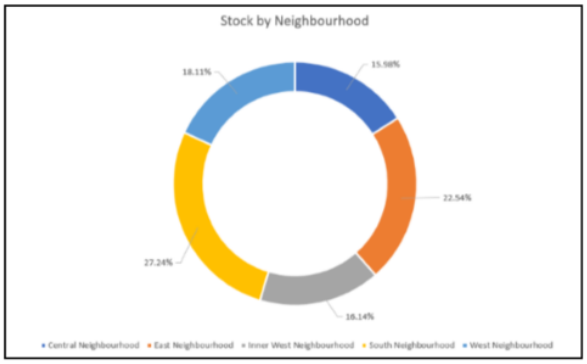
We own over 18,000 homes and provide leasehold services to over 900 properties





There are over 130 estates managed across five Neighbourhood areas

Homes are predominantly older style traditionally built properties



Homes with three or more bedrooms are in high demand and short supply

There is low demand for multi storey flats and larger 2+ bed medium rise flats

The domestic stock is made up of multiple styles of construction. Just under 80% of our homes are traditionally constructed. Of the remainder, the most common non-traditional styles of construction are MWM high rise blocks and Wimpey-No-Fines houses. While non-traditional properties can be found across the borough, archetypes tend to be geographically grouped together as purpose-built estates or as 'infill' sites on larger traditionally-built estates.

There are also 24 high rise blocks managed within the HRA, mostly constructed during the 1960-70's. The blocks vary in design, with the tallest being twenty-one storeys. As well as high rise blocks, there are also over 1000 low and medium rise blocks within the stock that contain the flat and maisonette properties.

Over the last two years, we have increased the level of investment within high rise blocks and flats with communal space as we have strengthened our approach to building safety.

Non-domestic Asset Overview

The HRA owns a number of non-domestic assets, which are predominantly made up of garages, lounges, shops, land and play equipment. We recognise the need to review the status of non-domestic assets to explore how they are used and whether a change of use would bring more value to the HRA to better help, support and sustain neighbourhoods & communities.

Garages make up the largest proportion of non-domestic assets. These are assets that are formed of blocks or individual units that are not tied to or let as part of a domestic tenancy. There are 3678 garages currently in the HRA, making up 512 garage block sites. All garage blocks have been stock condition surveyed and sites have also been appraised to assess their potential future use. This could include improvement, demolition or a change of use and almost £1m has been allocated in the business plan to start delivering on the garage review over the next 5 years.

Within the HRA portfolio, there are also a range of shop units. Historically, this part of the portfolio has been managed separately from the wider HRA assets, meaning there have been differences in the approach to management, financial management and investment. This has been resolved with the alignment of these assets with the wider HRA portfolio. This will give a greater level of scrutiny and transparency on asset performance and will align future maintenance, compliance and investment responsibility and decisions.

Land within the HRA falls into two separate categories. The first and smallest is allotments, which return a small financial contribution to the HRA. The larger section of land is community open space within estates, which includes grassed areas, paths and unadopted highways. This land returns no financial contribution but does have maintenance expenditure associated with it. A programme of surveying HRA land to evaluate its value, potential use and maintenance liabilities will commence in Autumn 2021. It will ensure that future costs are appropriately captured and covered and that alternative use opportunities are fully explored.

There are also a small number of fixed play equipment sites and local community art installations that fall within the management of the HRA. These sites carry with them inspection, compliance requirements and ongoing maintenance costs. In partnership with communities and stakeholders, we will review these assets and their future sustainability.

We recognise the need to review the status of non-domestic assets to explore how they are used and whether a change of use would bring more value to the HRA and better help support and sustain neighbourhoods & communities.

6. Gateshead, the local context

Housing Revenue Account Sustainability

The Housing Revenue Account (HRA) is the financial account used to manage the Council's activities as a landlord. It is a ring-fenced account and can only be used to provide services to Council housing tenants through the collection of rent and other service charges.

The HRA Business Plan is a key strategic document which sets out the Council's income and expenditure plans for delivering Council Housing Services in Gateshead.

The HRA Business Plan is updated every year. It is closely aligned to the HRA Asset Strategy including a 5-year plan for the Housing Capital Investment Programme. These plans are set within the context of our 30-year long term planning profile to ensure that our accounts are balanced and affordable.

The previous interim HRA Strategy highlighted that the HRA was unsustainable over 30 years and that in the medium term the account would fall beneath the minimum operating balance. Work to better understand our costs, investment and stock condition needs has, alongside a wider business planning exercise, led to the development of an HRA financial plan that is fully costed and does not breach the minimum balance during the life of the plan.

The plan is able to meet the investment needs of the existing stock, has sufficient capacity to meet emerging priorities and deliver on the development of new social housing stock.

To deliver the financial plan, several stock options scenarios have been modelled, based on stock performance and assets' sustainability. These scenarios will need to be delivered over the period of this strategy to ensure the affordability of the financial plan is maintained.

HRA Scenarios	Units	Years
Phase 1. Complete decommissioning and demolition of Sir Godfrey Thompson Court & Crowhall Towers	-	2021 –22
Phase 2. Decommission and demolish two multi storey blocks	- 333	Over three years from 2022/23
Phase 3. Decommission a further multi storey block	- 109	Over three years from 2022/23
Phase 4. Recommission block to create 80 new supported units	+ 80	2023-25
Phase 5. Decommission and demolish purpose built older persons unit	- 41	2023/24
Phase 6. Decommission and demolish two multi storey blocks	- 133	Over three years from 2024/25

Stock Condition

We need to deliver a continual reinvestment plan to maintain our assets in a good condition and ensure they are fit for purpose. The reinvestment needs are identified by the stock condition data that is held in our Civica Keystone Asset Management system.

A technical review of the quality and representativeness of our stock condition survey data was carried out. It identified several areas where we needed to strengthen in order to have a comprehensive dataset that would enable us to make evidenced investment decisions across all of our assets. Targeted work was carried out to tackle these gaps, and over 40% of the stock now has a current stock condition survey in place. This includes all high, medium and low-rise blocks and all garage blocks.

The increase in surveyed assets has contributed positively to the business plan by reducing the expected investment costs in the stock. Additional surveying resource has also been identified and will be deployed to ensure the target of reaching 100% coverage by Spring 2023 is achieved. A fully funded resource is in place that will lead on the establishment of a 5-year rolling programme of reinspection thereafter.

The data gathered will, for the life of this strategy, steer the investment decisions that will be made. The 30-year investment projections will be reviewed annually, updating forecasts to reflect increases in stock condition data and to review and appraise the investment decisions that have been made in that year.

In addition to traditional condition surveying, we will start a programme to embed stock condition resource into the Housing Management Estate Inspection regime. Supporting estate inspections will allow the surveying team to share their knowledge with estate-based colleagues and customers. It will correctly identify potential repair or HHSRS hazards and provide a high-level opportunity to benchmark existing estate condition information. This will help strengthen and ensure the accuracy and robustness of our stock condition data.

Stock Investment

Reinvestment into the stock must be done in a way that demonstrates compliance with the Homes Standard and the regulatory standards, keeping our assets to the agreed standard and providing homes and estates that meet the aspirations of current and future residents.

A primary focus on delivering works programmes rather than holistically managing assets has, in some instances, led to an unintentional underinvestment in some areas of the stock. Non-domestic assets such as garages and communal space have seen limited spending in recent years. That underinvestment has been assessed through stock condition activities and is now fully reflected in future investment and business planning projections. Work to improve communal spaces within our blocks will commence next year, with a proposed investment target of £3m and a further £1m programmed to fund work and interventions to the garage stock over the next five years.

The main focus for stock investment remains the delivery of works to ensure compliance with the Decent Homes standard. The increasing number of emerging sector priorities, such as Net Carbon Zero, digital inclusion and build safety, now highlight the disconnect between the existing standard and the expectation on social landlords around property condition and a modern home. While Gateshead has a standard that exceeds the statutory minimum standard, it does require updating.

We will work with customers to develop a new offer for Gateshead that details what our future standard will be for the homes that we manage. Alongside the engagement with customers, we will support and work in partnership with the wider sector and organisations like NHC and ARCH, to lobby and inform the government's thinking and approach to the standard(s) that will succeed decent homes.

Over the term of the 30-year stock condition forecast, the HRA will need to reinvest around £750m in to the known and forecasted investment priorities. This will include maintaining the stock and working towards net zero carbon.

The HRA will not be able to meet all the financial asks associated with net carbon zero unsupported. Assumptions have been made, aligned with sector expectations, around the level of grant funding that will be available from government and through initiatives such as the Energy Company Obligation.

New Homes

The Council is currently committed to three schemes that will provide new Council homes. This strategy supports the aspiration to go further with the creation of more new council homes that will support the existing portfolio.

With the assumption that there will be Homes England grant funding available to support delivery, there is provision in the HRA Business Plan to develop 40 new social housing units over the next 10 years. A Residential Growth Strategy and Programme will be developed to support the Council's priorities and will detail further the Housing Revenue Accounts roll.

Delivery cost and financial sustainability

Through the business planning process, it was identified that the schedule of rates for investment works were higher than excepted and, as exclusively internal rates, were un-benchmarkable. A procurement exercise has been undertaken to adopt a national schedule of rates provider. The implementation of this exercise will be completed in early 2022.

As an interim measure, our most frequently used rates were refreshed in a benchmarking exercise that generated in the region of a £300m saving over the 30-year business plan projection. The adoption of a schedule of rates provider will generate additional efficiencies and ensure that future financial forecasts are robust and in line with the sector.

Investment costs will remain under close scrutiny throughout the delivery and review of the investment schemes and other planned works. HRA capital monitoring, the Asset Steering Group and scrutiny through the new housing governance structure will ensure cost and delivery against budget are closely monitored.

It is recognised that the sector, our partners and suppliers are facing short term challenges linked to the supply and availability of labour and materials due to Brexit, the pandemic and issues in the supply chain. To protect against any potential impact from this, a three-year contingency has been built in to the business plan.

Quality & Assurance

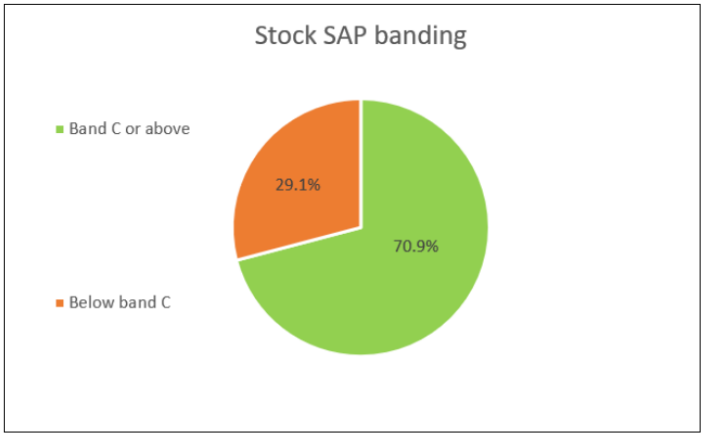
It is essential that the value of any investment into the stock is protected and safeguarded to ensure value for money, elemental performance and asset value. Quality and assurance are key to ensuring that the work we deliver addresses the needs of the stock and is delivered safely, competently and to a high standard. Divergence from agreed specifications or quality and assurance standards can place customers and residents at risk and expose the HRA to additional cost such as increased repairs and maintenance expenditure and premature elemental replacement.

Quality and assurance is being guaranteed in Gateshead through a robust and increased clerk of works resource that is aligned with stock condition surveying and appropriately trained in the built environment. With a complete understanding of the asset life cycle, from installation, condition surveying to reinvestment, this team is able to ensure that work delivered meets our compliance obligations, is right first time and completed to a high standard.

Environmental Sustainability

The energy standards suggested by the government are in keeping with the commitments Gateshead has already made in its Climate Emergency. We are reviewing the energy efficiency data we hold on our assets and identifying any gaps that we need to address so we can understand the scale and cost of work we will need to deliver to our assets to achieve the national targets on energy efficiency and carbon reduction.

Energy overview.



SAP PERFORMANCE BELOW BAND C
28 % Homes SAP band D
1% Homes SAP bad E
8 Hard to treat properties in band F

THE MAIN ENERGY SOURCE FOR THE STOCK IS MAINS GAS WITH COMBINATION BOILERS

PROGRAMME TO REVIEW HISTORIC EXTERNAL WALL INSULATION SCHEMES

FORECAST NET ZERO COST £16,OOO pp

The average SAP rating for the HRA housing stock is 71.4 compared to 61.4 for the rest of the borough

As we develop and enhance the information we hold around the current energy performance of all of our assets and the cost to bring them to the required standard, we will need to determine whether the costs associated with some properties will make them unsustainable. Investment decisions must be evaluated to ensure we do not make financial commitments on properties that may not be sustainable in their current form.

We anticipate that, to meet our current requirements on carbon reduction, the HRA will need to invest £265m into insulation measures and new heating technologies.

We anticipate average investment costs of around £16,000 per property and, in some cases, potentially even as much as £37,000 for hard to heat buildings. While the HRA business plan includes some allowances for costs for energy efficiency measures and improvements, it will require support from public funding. It is estimated that just over £40m will need to be secured in additional funding to meet our obligations around energy and net zero.

Work has already commenced to build strong relationships with potential funding partners who have access to Energy Company Obligation (ECO) funding. We will work with these partners to identify potential schemes for fully funded measures, such as insulation top ups or the replacement of aging insulation systems.

The first wave of the Government's Social Housing Decarbonation Fund (SHDF) launched in August 2021. The fund is a competitive application process and, at present, only funding for the initial wave has been confirmed. At present, the fund can provide two thirds funding for successful bids. An application will be submitted for Gateshead, and additional schemes developed to ensure we are well placed to bid for future rounds when announced.

The current short-term Government funding regime that is in place makes it difficult to effectively plan energy works and interventions. Working with partners and the wider sector, we will press for greater support for the delivery of energy improvements in the social housing sector and a detailed forward plan from Government.

Our focus initially will be on 'fabric first' energy improvements, installing and improving insulation in homes so that they are better able to retain the heat that they generate. The technology around green energy heating system is still developing and evolving. While we will undertake some limited pilot schemes, we believe that we should, in the short term, continue to monitor how this market develops before committing to a future approach.

Working with the Council's Energy Services, we will continue to monitor the progress of Northern Gas Networks Hydrogen project in Low Thornley and explore the potential for the switch to hydrogen in the domestic gas network in the region. Work is also underway to explore the opportunity to extend the existing heat networks in the borough and, where possible, to create new ones to increase the number of homes that receive sustainable and affordable heating generated by the Council.

We acknowledge that, almost exclusively, the estates that we manage now have a mixed and diverse tenure and resident profile. Within the boundaries of the funding arrangements in place and the schemes that we develop to tackle net zero, we will endeavour to be inclusive. Where it is possible, we will look to deliver tenure blind schemes that help Gateshead achieve the aims of the Climate Emergence declaration and protect all residents from fuel poverty.

Compliance and Building Safety

The Council is committed to ensuring tenant safety, and our intention is to ensure that assets meet all applicable health and safety requirements so that all residents and visitors are confident that they are in a safe and secure environment. We have invested heavily in strengthening the safety of our assets over the last two years, and we will maintain the necessary investment when we have delivered this cycle of investment to ensure all of our assets are compliant.

We will build from the successful exercise with Pennington Choices and Voluntary Undertaking with Regulator of Social Housing to continue to strengthen the work that we do to effectively and safely manage the homes, buildings and equipment that form the basis of the HRA's asset portfolio.

As part of the consolidation of housing services back into the Council, we have introduced new, and strengthened existing, governance and scrutiny processes to protect customers and the sustainability of the HRA. New targeted and measurable key reporting has been introduced through performance indicators on repairs, safety, complaints, engagement and neighbourhood management. We have also formalised our governance, ownership and accountability structure for safety and the consumer standards across all assets.

A robust and resourced Building Safety Team has been established to manage the Council's approach to this critical area of safety-based work and assurance. The Building Safety Team meets the competency levels stipulated in the Government Competency Framework that came out of the Grenfell Inquiry and is fully compliant with the requirements of the Building Safety Bill. Governance in this area is strengthened further through regular business assurance reporting and the creation of the Tenant Scrutiny Board.

Strong condition data, robust building assessments and maintenance information will help protect the HRA from unplanned high cost and non-compliance. As a building owner of higher risk residential buildings, such as high-rise buildings, we will compile and maintain safety case files and have appointed a building safety manager to support the management of our assets.

A new Building Safety Regulator will implement a more stringent regulatory regime for higher risk residential buildings of 18 metres or more than six storeys initially, extending to other premises in future. They will also oversee the safety of all buildings and will set requirements for the competence of professionals and tradespeople working on them. This will have implications for our management of our high-rise blocks and for ensuring the standard of work on all of our properties.

The identification and robust management of risks, including any properties with defects which have a high-risk Housing Health & Safety Rating System (HHSRS) hazard, will be important. HHSRS training and refreshers have been delivered to targeted key posts and additional training will be developed and rolled out across the organisation. We will make sure that officers understand what risks are and know how to effectively and efficiently deal with them.

We have an Asbestos Management Plan which sets out how we identify and manage asbestos in the properties we manage, and all asbestos related activities are carried out in accordance with the management plan and the Control of Asbestos Regulations 2012.

We are undertaking Legionella and Water Hygiene risk assessments across our stock and have completed them in buildings that are deemed to pose a potential risk. We have removed legacy risks from buildings and taken steps to remove the potential for new water hygiene risks to be introduced during repairs or planned work. Water hygiene risk assessments and vacant property management processes are in place to ensure the risks are mitigated in any void property or building.

We operate a policy that ensures the safety of tenants and leaseholders in all homes that contain a gas supply or associated appliances such as a fire which ensures we meet our legal obligations.

Electrical safety inspections and associated repairs of the fixed wiring installations are undertaken at defined periods of time based on age and condition. We are working to improve how cyclical electrical testing can better inform our planned investment programme and support our collection of strong stock condition data.

In accordance with the Regulatory Reform (Fire Safety) Order 2005, we have undertaken fire risk assessments of all relevant assets. The assessments are reviewed on an annual basis and any remedial work required to mitigate the risks identified is reviewed, planned or undertaken in an appropriate timescale. We also carry out regular checks of the common parts of flats and blocks and activity that is monitored is recorded. None of the Council's high-rise blocks has ever contained any Aluminium Composite Material (ACM) cladding.

Similarly, with other building safety and compliance-based activities, we are continuing to develop and adapt our processes, management and scrutiny to ensure that all homes, buildings and assets are safe and secure for residents.

Responsive Repairs

In the last benchmarking exercise, the average number of repairs per property was 3.5 repairs. The average cost of repairs was £155.41 per property.

Since the end of the Decent Homes Programme, the balance of responsive repairs versus planned works has shifted and we are delivering excessive responsive repair interventions. The split between responsive and planned repair needs to be addressed so that more work is delivered in a planned way, ensuring value for money and the efficiencies associated with programmed works.

We have developed a tool that will analyse estate-based repairs to gain insight into the numbers of repairs and the type of work being delivered, then assessing it against stock condition data. We will embed this tool and use it to identify trends and drivers for expenditure so that we can plan to deliver an appropriate balance of reactive repairs and planned investment and ensure this is aligned with our understanding of stock condition and asset sustainability.

The introduction of a new benchmarked schedule of rates provider will also increase transparency around our repair costs. It will enable greater scrutiny on performance as well as delivering savings against forecast future repair costs.

We have worked to remove the risk of duplication in our stock condition information; enhanced processes ensure that whole element replacements through voids or repairs are accurately captured and fed back into the stock condition data. This has removed the risk of double counting and strengthens the accuracy of the HRA business plan.

Void Properties

The number of void properties had increased in recent years, and the level of financial loss for the HRA, with associated increased management costs, had become a further risk to the HRA Business Plan. Following cross-service working in partnership with Pennington Choices, focused action has been taken to improve this position, reduce the overall void numbers and re-let properties. A continuation of this work forecasts vacancy level of 2.5% in 2022/23, 2% in 23/24 and 1.5% by 2024/25.

Additional support has been brought into capital to support dealing with high value void properties. This will ensure that they are appropriately tackled and the costs for major reinvestment work are accurately captured and delivered in a planned, rather than responsive, way. Properties that have the potential to become long term and high value voids will now be assessed to ensure that investment is appropriate and the properties will be sustainable following investment, with a positive future net present value.

Data management & systems

The Council has two core IT systems in operation to support the delivery of services within the HRA. Northgate's 'Housing Management Solution' (NPS) provides the core housing functionality for services such as Housing Management, Rent, Allocations and R&M. Civica's Keystone Asset Management provides the strategic asset management solution for the stock, providing functionality like Asset Management, the Asbestos Register and Housing Quality Standard reporting.

Tertiary systems are in place to support specific functions, such as Tyne & Wear Homes' choice-based lettings service and some elements of compliance management.

The current IT systems are structurally fit for purpose; however, we recognise that there is insufficient interfacing or linkages to ensure a 360 view of all business intelligence. We are committed to strengthening our approach to data and have worked to develop a systems plan to ensure robustness and resilience. This will enable us to effectively manage and monitor the performance, quality and investment requirements of our assets and support our review of systems in line with future procurement exercises that will take place within the term of this strategy.

Adaptations

The Council recognises its social responsibility to support vulnerable and disabled residents to remain independent in their home. We allocate an annual budget for the provision of minor works, like handrails, through to major adaptations such as adapted bathrooms or property alterations.

Demand for adaptations in Council homes remains high, with a large proportion of residents defining themselves as having a disability. We need to ensure that our approach to adaptations remains sustainable and viable, makes the 'best use' of our stock by ensuring

that properties are allocated appropriately, that investment is made into only sustainable adaptations, and that value for money is achieved.

The introduction of adaptations into a home or building will commonly introduce additional compliance implications. Through competent delivery processes and robust stock condition data, we will ensure that all adaptation equipment with a cyclical inspection, maintenance or defined element life is captured and managed in a safe and compliant manner.

Our specification for works will be reviewed with customers and partners to ensure that appropriate and value-based decisions are made when investment works are planned. We will consult on not installing baths in property types that commonly need the installation of walk in showers and we will look to future-proof homes when undertaking improvements to prevent abortive works, limited element life and lost asset value. This approach will help in reducing future adaptation costs and support the sustainability of the HRA.

Homeownership

Tenants exercising their Right To Buy remains a risk to the HRA. Applications remain consistent at an average of 256 per year, and, of those applications, around 140 progress to completion. It is anticipated that the sales in the region of 100 properties per year will continue for the foreseeable future, unless there are changes to the scheme. As the economy has started to reopen following the pandemic, we have seen an initial surge in new applications. This may be linked to changes in customers' working patterns or greater aspirations for homeownership. We will monitor the increase in applications to ensure our business plan assumptions remain accurate.

Gateshead property prices are lower than the national average, with many properties falling well below lower quartile prices. Over the last 5 years, the average annual total valuation for completed sales was £12.9m.

Completed sales are commonly those of large traditionally built, high-quality low-cost houses in high demand areas. Many of those exercising the Right To Buy are also eligible for high discounts. For the last five years, the average total discount received was £6.6m, with the average net receipts totalling £6.3m.

Work is underway to strengthen our digital offer to customers looking to exercise the Right to buy and those residents who are leaseholders. A customer portal is in place and being further enhanced to support customers' transactions related to Homeownership.

As the percentage of mixed tenure increases across the estates we manage and residents look to extend or alter properties rather than move, we are seeing an increase in covenant permission requests. While legal costs are recovered, the increasing complexity and potential compliance risks associated with covenant permission is increasing and now requires the involvement of building surveying support. To minimise the cost to the HRA, we will review how these requests are dealt with and how costs are recovered.

We have strong relationships with our leasehold customers and value the contribution that they make. Working with them, we have strengthened our leasehold agreements and are looking to enhance them further to ensure that owned properties do not represent an additional risk to the Council through the statutory duties associated with them.

High Rise Blocks

The analysis of the future pressures on the HRA highlights high rise blocks as a key area of concern. While there has been significant investment in the blocks as part of the decent

homes programme, there has been little investment into the physical structure of the buildings and the core building services such as ventilation and drainage. Some of these services and periphery building elements are not able to accommodate modern system upgrades and, as such, need replacement.

The buildings also form one of the largest challenges in the portfolio when it comes to energy efficiency. While some blocks have been externally insulated, others remain as built or have building details that would be difficult or unviable to insulate or build in other measures that would increase their SAP ratings.

A strategic review is underway of the high rise block offer with in the stock. With the significant changes in customer expectations for a modern and efficient home, household finance and benefit changes and sector wide issues such as Grenfell, we recognise that a dedicated high rise strategy is needed to append to this strategy. This review will cover our future approach to the management & maintenance of the blocks.

The high rise stock is commonly characterised as a liability to the HRA as a result of high investment cost, low demand and high management requirements. The largest section of the stock with a negative net present value is found in the high rise stock.

Business planning exercises have been carried out as part of the work on the HRA business plan. Those exercises demonstrate that divesting from a further five high rise blocks has a positive impact on the business plan's affordability over the next thirty years.

The strategic roadmap, subject to the decision-making process and consultation, is to divest from and demolish four high rise blocks, and to divest and decommission a fifth, with the intention of recommissioning a renovated building with a lower accommodation density to provide an alternative supported housing offer. This scenario has been fully modelled and is sustainable with in the first 5 years of the business plan.

Stock condition exercises have been undertaken in a percentage of all high rise flats to assess the condition of the assets. While critical business intelligence, this dataset is only part of a much wider piece of work required to ensure that the sustainable high rise stock is a net contributor to the HRA and not a liability. To gap fill and provide a fuller picture of the investment needs of the high rise stock, a commission was raised for a detailed stock condition exercise. Phase 1 of this exercise has been delivered jointly by the Council's design services with support from built environment professionals. Phase 2 of this work will be completed during 2022/23 and will further investigate the blocks from an invasive building safety perspective.

To support the sustainability of high rise blocks and other large communal buildings, we will relaunch our approach to building management systems such as CCTV and door entry equipment. Working with customers, stakeholders and those colleagues involved in managing the buildings, we will develop and roll out an offer that promotes confidence, safety and security in our blocks. Staffed by competent and well-trained officers, in line with our statutory requirements and good practice, we will deliver a building management solution that is modern, enhances our assets and protects the long-term sustainability of our blocks.

Older Persons' Housing

Since Gateshead last reviewed its older persons' housing blocks, both the sector and market have changed exponentially. This part of the housing sector has evolved significantly, with the private sector rented offer increasing in both scope and quality.

Gateshead has seven older persons' purpose-built housing blocks. They include over 200 sheltered 1-bedroomed and 2-bedroomed flats. Only one of these, Angel Court, is a modern purpose-built scheme. Demographically, there is also a disproportionate spread of blocks across the borough. The East, Central and West Neighbourhoods have one block each, while in the South there are four schemes.

Apart from Angel Court, the blocks are of their time and do not match the offer that is available elsewhere in the sector for modern sheltered or older persons' housing. While investment could significantly improve and update some of the blocks, in others it would be financially impractical or physically impossible to undertake the alterations that would secure the long-term viability in terms of meeting modern access and living standards.

Like the high rise blocks, it is proposed to undertake a specific Older Persons' purpose-built block review. It will focus on the specific needs of this section of the stock. The review will, alongside the Housing and Council's other strategies, review the current offer, undertake an options appraisal of the blocks and make recommendations on the future approach to this type of asset.

7. Asset Evaluation

HRA Sustainability

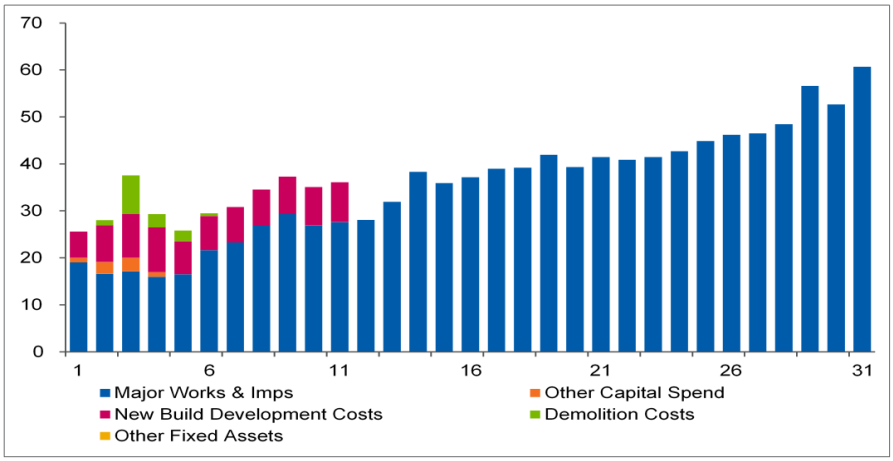
The resources for the delivery of the Asset Strategy come from within the Housing Revenue Account and its reserves. The HRA was faced with affordability challenge and could not meet all future obligations. A review of the stock and business planning exercises has been undertaken and action both taken and planned to now ensure the account's long-term sustainability.

We have identified unsustainable stock and carried out options appraisals that have determined these assets are uneconomical. We need to carry out a phased programme of decommissioning, demolition and change of use with these assets over the course of the next 5 years. Increased levels of robust stock condition data have supported the assumptions about the unsustainable stock.

We have considered how we deal with the future funding pressures such as net zero, decency changes and building safety. Budgetary provision has been built into the financial plan and we have modelled assumptions around the additional financial support that will be available from public funding, through grants and schemes such as the energy company obligation.

Financial Deliverability

We have reviewed the forecast 30-year financial expenditure profile and it is deliverable and affordable in meeting our existing obligations, emerging priorities and the delivery of new social housing in Gateshead.



The above table details the forecast split of capital expenditure for the next 30 years as laid out in this strategy.

Improved stock condition data and scrutiny of business intelligence have supported the smoothing out of future investment spikes and enabled the production a balanced, deliverable and affordable short, medium and long-term investment programme.

We will ensure that any proposed capital funding demands on the HRA are considered against this strategy, and they will go through a robust scrutiny and approval process to ensure that they appropriate and do not impact on the overall deliverability of our HRA business plan.

Evaluation Asset Performance

The Council recognises the need to achieve balance and value for money when making investment decisions, and that we cannot invest in poorly performing stock or assets ahead of HRA sustainability or all other stock.

We understand the need for thorough scrutiny, options appraisal and scenario modelling when making high value high risk investment decisions, and also that investment needs may not be the only factor contributing to poor asset performance.

We have an Asset Viability Tool (AVT), that can be used in conjunction with our business planning tool, to assess the sustainability of the stock over the 30-year life of the HRA Business Plan and support sound investment decisions. The tool takes account of a number of business metrics, including demand, projected costs and net present value and classifies assets based on their performance. The classification will identify the level of risk and, in that way, drive decision making.

Property that is classified as 'Red' or 'Amber' will be subjected to scrutiny and additional investigation through a robust options appraisal, and they must be reclassified as 'Green' or an alternative forward plan agreed to either monitor, dispose or redevelop. Those properties in the green tiers are deemed as sustainable and are our viable long-term assets. The largest proportion of the stock currently falls into this tier and can continue to be invested in with confidence.

Options Appraisal

We operate an options appraisal process to enable a balanced approach between making informed investment decisions and replacing or removing elements of the stock or assets that are no longer financially or socially viable.

Some assets within the wider portfolio present significant challenges that need careful consideration and thought. We have properties with a low or negative NPV, homes that have low SAP ratings that cannot be easily enhanced and buildings that no longer meet the expectations of customers for a modern home. With intervention and a clear strategy, some Red and Amber performing assets will be deemed fit for purpose or fit for the future and classed as sustainable.

8. Impact on Place shaping and plans

The Council's Housing Strategy recognises that the future success of Gateshead is dependent on ensuring that all of its different neighbourhoods thrive and are great places to live and visit. This requires the right mix of safe and secure housing that people can afford, together with good schools, parks, sports and cultural facilities, roads and transport links, and streets and public spaces free of litter and anti-social behaviour. This will be brought together in the development of the next Gateshead Local Plan which is currently underway

When undertaking capital works programmes, major investment or options appraisals, we will ensure that residents are consulted and actively involved in improvement, enhancements or changes to their neighbourhood.

A major review of the HRA Business Plan alongside this new Asset Management Strategy has ensured fundable 5 and 30 year financial and investment plans moving forward. Known income and expenditure has been considered alongside key assumptions in relation to borrowing and debt repayment, right to buy receipts, operational performance and efficiencies. The revised HRA Business Plan confirms the priority given to ensuring the Council's homes are safe and fully compliant. It will also make a significant contribution to the Residential Growth Strategy. Over 330 new homes were completed in Gateshead during 2020/21 and an increase on that number is forecast in 2021/22. The HRA will support future completions with a planned development programme of 400 new homes over the next 10 years.

Fast and reliable digital connectivity is now seen as essential to a modern and vibrant society. It can be the most efficient and effective way for some residents to access services and stay in touch with those who support them. As part of our larger regeneration schemes, we will identify opportunities to incorporate measures to ensure that our buildings are able to access the best possible broadband and digital services. We will work with our partners and external providers to support the installation of super-fast broadband services to our estates and buildings where feasible, ensuring that installations are managed in a way that protects residents, our assets and our neighbourhoods.

Our portfolio of estates is almost exclusively mixed tenure now. As we develop our future work programme, we will, particularly with energy efficiency works, strive to create opportunities for other tenure groups to access the work. Where there is the potential for funding, we will look to support residents in accessing it and where appropriate or feasible look to sell services in a socially responsible way.

9. Asset Management Strategy 'Plan-on-a-page'

Our Asset Management Strategy must ensure that we meet the key legal and regulatory obligations placed upon us. It must also enable us to support the delivery of government policy agendas and to respond to key local and national drivers.

The strategy has been developed by the Asset Management Team in collaboration with representatives from across the Housing, Environment & Healthy Communities Group and through engagement with residents.

We have identified the following key strategic objectives for our long-term asset management vision as:	These objectives will be underpinned by:
1. Creating thriving, high-quality and financially and environmentally sustainable homes and places; 2. Ensuring safe homes, buildings and places; 3. Establishing strong financial viability, sustainability and deliverability; 4. Maximising community wealth building & employment impact.	A. Having engaged customers; B. Having an intelligence led approach to managing our assets; C. Taking an effective approach to risk management.

Adopting an intelligent and informed approach to understanding the performance, value and needs of our assets will enable us to deliver an affordable investment programmed aligned to needs of customers and the borough.

We are adopting an Asset Management Strategy which will be focused on the following objectives:	
• Continuing to improve our understanding of our asset condition by achieving 100% stock condition survey by 2023; • Demonstrating improvements in efficiencies, including a move to a benchmarked SOR provider by 2022; • Protecting property standards and improving our Decent Homes position; • Continuing to deliver our building safety compliance recovery plan; • Delivering on the Business Plan Scenario out-comes • Developing an approach to Thriving Neighbourhoods Planning to provide a framework for ensuring that our HRA assets are integrated with Council wider housing, and developing priority plans; • Setting a target for a percentage improvement in the Net Present Value of our stock; • Setting a target date for achieving carbon neutrality in the stock and agree a target SAP rating for our homes; • Publishing and maintaining a 5 year investment plan.	• Maintaining safe and compliant homes; • Maintaining properties which achieve a refreshed Gateshead Standard; • Reducing fuel poverty, and working towards a net zero carbon future; • Ensuring the long term financial performance of homes, where it can be demonstrated that this represents value for money; • Reducing the number of voids and the length of time homes are empty; • Ensuring a value for money approach to responsive versus planned works and delivering more work in a planned approach; • Delivering positive local economic outcomes; • Supporting thriving places.

10. Governance & Delivering the Strategy

The Strategy provides a structure and framework that will allow informed decisions to be made about our assets and our investment priorities.

The Strategic Director of Housing, Environment and Healthy Communities has overall ownership for the strategy, and for ensuring that it is aligned with other key strategies including the Growth Strategy. The Service Manager for Strategic HRA Asset Manager is responsible for delivery of the action plan.

The strategy will detail the strategic direction to all officers who are involved in housing service activities as well as our partners and stakeholders. It will provide a framework for Senior Leaders in the Council to support the housing asset management decision making process and influence housing related projects and programmes, including our approach to repairs and maintenance.

The Strategic Housing Board, which includes customer board members, will provide overall monitoring and review for the HRA Asset Strategy. The board will receive regular progress reports on the delivery of the strategy, monitor its progress, review and scrutinise the decisions and recommendations that it makes. The Resident Influence Panel will also play a key role in delivering the strategy by providing tenant and leaseholder influence and oversight.

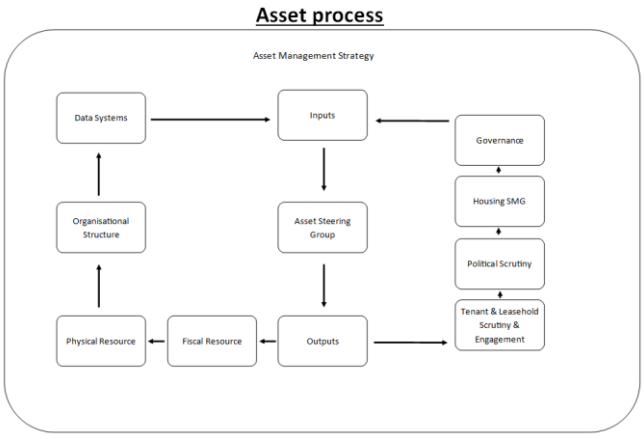
Structure and resources

As part of the review of housing services, the Council has reviewed its organisational structure to ensure a proper alignment in the delivery, review and management of housing services, in particular, in its approach to activities related to responsive and planned work.

This includes the structure needed to deliver asset management. Whilst all staff must adhere to this strategy, the Service Manager for HRA Strategic Asset Management will oversee its implementation in conjunction with the Asset Steering Group.

Asset Steering Group

The Council has established an Asset Steering Group. This inclusive group of officers will look across of areas of asset management to provide a holistic view of the performance and management of our assets.



The Asset Steering Group will assess work programmes, promote options appraisals in the context of viability model findings, consider initiatives, monitor and review performance and

take ownership of the Gateshead Standard, reassessing it from time to time in the context of the HRA Business Plan.

Customer insight and engagement

The aspirations of stakeholders and residents are a key part of the strategy and how we implement it. Listening to, and engaging with, current and future residents will be an essential part of successfully delivering this strategy and ensuring the sustainability of the HRA.

We aim to increase the formal and informal ways in which residents can take part and influence the decision-making process. This will be undertaken through a range of media to ensure involvement opportunities, on both a micro and macro scale, are maximised.

Resident involvement and contributions will be sought at both a strategic level, through the Asset Steering Group, and at a project level throughout the project development stage, scheme communication and residents' choice.

Ensuring Value for Money

Value for money must be enshrined in our approach to asset management and a fundamental part of the strategy. In order to sustain the HRA, we must be able to demonstrate that there is a full and comprehensive understanding of the financial performance of the assets we own and the cost to manage and sustain them.

Financial scrutiny will run through all activities. All investment decisions will be reviewed prior to commitment and analysed once completed to ensure the desired outcomes have been achieved. We have worked with Pennington Choices to develop Stock Condition & HRA Business Planning Controls that will be used to validate and assess the value and effectiveness of our investment decisions.

The Asset Steering Group will review VFM and costs to ensure that the HRA is receiving best value and will monitor the impact of the move to the new procured schedule of rates.

Ensuring compliance and regulatory control

As the government progresses its proposals for the reform of building safety, how we deliver, monitor and review works will form an important part of how meet the challenges of future regulatory frameworks.

All the elements and stages that form the design, development, delivery and ongoing management of works will continue to be scrutinised for compliance. We will ensure that only those competent to do so, and with the right skills, are commissioned to deliver work. This is the only way to ensure residents are safe in their homes and our assets protected.

Commissioning role & internal partnering relationship

For the Council to effectively maintain our assets, we must maximise the performance of our stock and increase the net present value it generates. To do this, we must keep both maintenance costs and premature element failures to a minimum.

The delivery of work in a planned way, over a defined period, is a far more efficient than delivering it in a responsive way. To support the sustainability of the HRA, we must start reducing the amount of reactive repair activity and increase the amount of planned work.

An efficient and effective repairs service and planned delivery model is essential to support the Asset Management Strategy and meet the requirements of the 'Home Standard'.

The Asset Steering Group will assume the role for commissioning the Council's Construction Services and this will be undertaken through the Service Manager for HRA Strategic Asset Management. Performance information, trend analysis, delivery and scrutiny of the repairs service plan will form part of the Asset Steering Group remit. Close alignment of the management of our assets and their daily maintenance is key to delivering VFM and ensuring asset sustainability.

11. Closing Statement

This 5-year asset management strategy sets out the key priorities and projects that will be delivered over the term of the strategy to meet the Council's strategic goals and statutory requirements.

It sets out the strategic framework for effectively managing the HRA portfolio and builds from the progress that has been made since the consolidation of housing services back into the Council in 2021.

Gateshead Council Draft Housing Revenue Account Asset Management Plan 2021				
Strategic Objectives A Creating thriving, high-quality and financially and environmentally sustainable homes and places B Ensuring safe homes and places C Establishing strong financial viability, sustainability & deliverability D Maximising community wealth building & employment impact				
Objective	Key Activity	Linked to Strategic Objective	Measure of success	Target Date
Governance & Scrutiny				
Develop a review programme for the Asset Strategy to support an annual refresh of and update of Plan	Establish annual refresh of the strategy that reflects progress made and reacts to sector changes and emerging themes Increase colleague awareness of the strategy and how it cross cuts all areas of service provision	A, B, C & D	Robust an informed strategy and work plan that are able to support strategic priorities.	April 2022
Embed the Asset Steering Group to support the development, delivery and scrutiny of the Asset Strategy and the actions and activities that flow from it.	Embed the core group and three subgroups within the asset planning process. Agree work plan and priorities for short- & medium-term actions to support the delivery of options appraisals and performance benchmarking. Define and agree standards and policies that support the sustainability of the HRA Approve short term investment priority targets for options appraisal process.	A, B & C	The steering group will have a clear work plan that all services will have the ability to feed into and influence the asset decision making process and strategy to deliver a sustainable HRA.	Ongoing

Establish a Project Team and develop a work plan to deliver the business plan scenario objectives.	Establish a cross service Project Team to lead on the delivery of the business plan objectives. Develop a project programme and timeline with key dates and milestones clearly defined. Devise a communications strategy to keep residents and stakeholders informed of outcomes and key information. Identify the target demographic and building use for the 80 unit renovation and build business case to demonstrate financial viability.	A, B, C & D	Business Plan scenarios delivered as planned and financial projections achieved.	2025
Build on the experience gained from the voluntary regulatory undertaking with the RSH to ensure that robust business processes are in place to support the fulfilment of Gateshead's landlords' obligations.	Ensure Gateshead is well placed to respond to the outcomes from the Social Housing White Paper & the Building Safety Bill, reconciling any anticipated cost implications with the HRA business plan. Using the experience gained from the voluntary undertaking, continue to build on the improvements to the provision of compliance-based activities, their delivery and the management of data. Apply the learning from the undertaking to stress test other elements of service provision associated with asset	A, B, C & D	Robust business process, underpinned by strong regulatory compliance that stands up to scrutiny, audit and inspection.	2022

	management (capital investment / decency & R&M) to ensure compliance with the regulatory standards.			
Produce a new Gateshead Standard to clearly define how the Decent Homes Standard will be sustained.	Develop and implement an up to date and clear standard detailing realistic life cycles and replacement criteria for elements, defining what a decent home will look like in Gateshead. Set a standard that is able to sustainably extend life cycles, reduces replacement costs and minimise future reinvestment obligations.	A, B, C & D	A new standard is in place that ensures homes can be maintained as decent in a way that is sustainable and affordable with in the HRA business plan.	2022
Introduce quarterly impact assessment to embed regular reviews of investment decisions, stock interventions and the impact upon the 30-year financial model.	Establish a culture of review and scrutiny for investment decisions to ensure that desired outcomes are achieved and impact positively on the HRA.	C	Transparency around investment decisions, where evidence can be seen, outputs and benefits measured and demonstrated physically and financially.	April 2022
Establish a communications policy to ensure stakeholders, customers and residents are kept informed and updated on the investment, redevelopment and regeneration decisions that are made and the outcomes that flow from them.	To better engage, we will identify and explore a range of solutions that will facilitate more agile engagement and allow us to better consult on our projects and investment plans on a macro or micro scale. Encourage a more diverse group residents to be involved and help inform our approach. We will aim to provide easy, innovative and secure ways for our residents to participate in person and online, negating the traditional	A & D	Customers, stakeholders and residents that are well informed and are engaged, know about our priorities, how we perform and how they can be involved.	Ongoing

	barriers to involvement. Agree a protocol for publicising activities linked to the HRA capital programme, informing customers of the works, improvements and decisions that are made and building on the direct benefits and improvements they make to people's lives.			
Data Management, analysis and insight	Support the development of the current Civica & Northgate IT systems to ensure they continue to be structurally fit for purpose and meet the needs of the HRA business plan. Develop a 360 view of all business intelligence linked to the sustainability of our assets. Ensure that only data with value is collected and that it is managed and maintained so that it can be effectively used to monitor the housing portfolio. Work to ensure we are best placed to maximise the benefits of analytics, 'big' data and data science technologies to support the sustainability of the HRA. Establish a time limited Project Team to safeguard business continuity during the transition from Keystone to Asset CX.	C	IT systems that are supported, accurate and hold business intelligence that supports and informs the delivery of the HRA Asset Strategy and HRA Business Plan.	April 2023

	Develop a forward plan to inform the business decision making process ahead of the end of the current software licence agreements			
Sustainability				
Increase the proportion of the stock that has a new condition survey and implement a programme to achieve 100% coverage.	Develop a programme for reaching 100% stock condition survey for all domestic assets by 2023. Deliver the programme in a way that reduces the existing estate spikes and provides a better base data set for interim financial modelling. Embed scrutiny, independent validation and feedback into the surveying process to ensure that data quality is maintained to a high standard, guaranteeing the robustness and accuracy of the HRA investment decisions and the business plan. Build on the phase one surveying of high rise blocks to identify phase 2 priorities and procure a competent surveying partner. Ensure all replacement and renewal data from void / cyclical and repair work is captured and used to update stock condition data. Instigate a rolling 5year programme of	C	100% stock condition data held for all assets that support financial forecasting and business planning which is supported by a robust resurveying process that maintains data quality.	Early 2023

	refresher surveys to ensure stock condition knowledge is maintained.			
Carry out an independent validation of the viability model to ensure that it is accurately able to benchmark stock performance.	Get independent validation of the viability model to ensure that methodology, data and performance benchmarks are sound and fit for purpose. Implement processes that automate the running of the model to remove the existing data capture exercise. Increase the scope of the model to incorporate non-domestic assets. Agree an in year 'refresh' frequency to reduce latency in the model.	C	A viability model that covers all HRA asset type, is validated as accurate and fit for purpose and has and is refreshed on a regular basis.	2022
Embed new procured schedule of rates (SOR) in Keystone and set up annual evaluation.	Update the SOR's in Keystone to the newly procured rates and undertake new 30-year forecasts to evaluate impact. Arrange annual benchmarking exercise to compare SOR's with rates achieved in planned works delivery.	C	Accurate and robust SOR's that are benchmarked and reduce forecast spend.	2022
Produce and publish a detailed rolling 5-year investment programme.	Using stock condition data, identify investment priorities and develop budget forecasts. Develop and publish a 5-year HRA capital programme, initially providing a 3 year works programme and subsequent 2-year financial forecast.	A, B & C	A published programme that will allow for greater workforce and resource planning, increased investment certainty linked to agreed priorities and better information to customers and stakeholders.	2021 the ongoing

	Build up to a full 5-year projected works programme within 12 months of the publishing of the initial programme.			
Review the 30-year financial forecast to ensure viability, deliverability and sustainability of the HRA.	Set targets for improving NPV and establish a rolling programme of review and performance escalation.	C	A 30-year financial forecast and business plan that is financially viable and supported by sustainable assets.	2022
Undertake a review and update of elemental life cycles and schedule of rates to ensure that they are fit for purpose and offer value for money.	Using repairs trend data and specifications expectations, analyse the performance of key building elements to identify appropriate life cycles, including the performance of element in differing archetypes. Review the housing performance specification to identify opportunities for value engineering. Embed a new and benchmarked schedule or rates for forecasting. Set up a review cycle to identify and adjust forecasts based on % discounts achieved in scheme delivery.	A, B & C	Confidence in the expected life cycle performance of key building elements and a robust SOR that offers VFM.	April 2022
Carry out detailed options appraisals on all RED performing stock types to identify the best future options including disposal, redevelopment, divest, reclassification, remodel or traditional	Agree a forward plan for appraising remaining RED performing properties and prioritised AMBER properties. Seek approval and implement the recommendations from the options appraisals	A & C	Agreed, approved and funded forward plan for option appraisal recommendations.	2023

investment.				
Repairs & Maintenance	Complete work on repair trends tool to produce data that can be interrogate (alongside capital projections) to identify root causes and drivers for repairs and develop interventions to address. Review existing responsive v planning expenditure and develop a plan for increasing the % of planned work. Identify properties with Nil or extremely low repairs spend and target with stock condition surveys to assess risk & potential investment need, Work with customers to explore areas of service enhancement and identify repair v capital priorities. Review tenancy management process linked to refusal of planned work and recharging of wilful damage / misuse to reduce pressure on R&M budget and wider HRA. Identify trends in Void work and ensure support is built into the capital programme to support emerging works and the voids process.	A, B & C	An R&M service that is better supported through planned investment and is able to increase the % of rechargeable repair debt that is recovered.	2022
Implement the recommendations that	Establish a priority list of sites and recommendations to be progressed and	C	A clear forward plan for the management of garage sites that	2023

come out of that review of garage sites.	develop a delivery programme in line with the HRA capital programme budgetary provision		protects sustainable assets, identifies opportunities and reduces risk for the HRA.	
Develop interim asset strategies for targeted subsections of the stock.	Support the strategic review of high rise accommodation and the purpose-built older persons' housing blocks. Undertake an options appraisal of the blocks and make recommendations on the future approach to this type of asset. Develop two archetype specific interim strategies that alongside the Housing and Council's other strategies, review the current offer. Guaranteeing the future approach to these assets is driven by holistic understanding of their performance, is underpinned by an options appraisal and a solid understanding of future housing need.	A, B & C	Approved and embedded archetype targeted interim strategies that direct the way in which those assets are managed; clearly identifies strategic priorities and delivers sustainable assets that support the HRA business plan.	2022/23
Survey all non-domestic assets to record their condition, viability, risk, opportunities and investment need and develop a plan to manage them.	Identify land held in the HRA and develop GIS overlay for the sustainability model. Complete stock condition surveys on all HRA • shops • land & street furniture • play equipment • allotments Develop financial forecasts to support the wider HRA business plan.	C	A non-domestic asset register supported with up to date stock condition data and evaluation of alternative site uses. All commercial assets make a positive contribution and support the HRA's priorities.	April 2023

	Review status and performance of non-domestic assets and explore how they can be used to deliver best value and/or outcomes. Carry out options appraisals on Red preforming assets and explore options to maximise income, review social value, alternative uses and future potential.			
Ensure property standards are maintained and free from risk or disrepair.	Strengthen the approach to HHSRS by embedding it into all our surveying and property inspection processes. Increase staff awareness and training to ensure risks are understood and identified. Include HHSRS assessment in Keystone foundation stock condition survey. Increase general staff training and awareness of property condition, disrepair and fitness and ensure there is robust understanding of landlord obligations.	B	All officers involved in surveying properties will have received appropriate training on HHSRS/ Section 11 Disrepair and Fitness for Human Habitation. HHSRS will be embedded in the stock condition process and data.	2022
Support communities and neighbourhoods to thrive.	When undertaking capital works programmes, major investment or options appraisals, ensure that residents are consulted and actively involved in improvement, enhancements or changes to their neighbourhood.	A, C & D	A capital and investment programme that supports neighbourhoods and communities to thrive and generates opportunities of education and employment.	2022

	In larger regeneration schemes, identify opportunities to incorporate measures to ensure that our buildings can access the best possible broadband and digital services. Work with partners and external providers to support the installation of super-fast broadband services to our estates and buildings where feasible, ensuring that installations are managed in a way that protects residents, our assets and our neighbourhoods Through work with partners and by identifying opportunities within the HRA investment programme, examine the prospects for increasing apprenticeships and employment opportunities for residents.			
Redefine the approach to services linked to Homeownership	Ensure that RTB & lease renewal valuations are robust and accurate to give residents certainty and maximise the potential income for the Council. Appraise how permissions and consents pre- and post-sale are dealt with to ensure building safety and value for money. Where we provide maintenance or other services to HRA land that others (apart from tenants and leaseholders)	A, B, C & D	A combined homeownership function that supports customers and can maximise income and minimise financial risk to the HRA.	2023

	benefit from, investigate how, in future, we can cover the cost of these services more so that the HRA is protected. Assess the processes for the procurement of works so that the Section 20 process is supported and leasehold charges can be fully recovered for investment and cyclical work.			
Energy – Gateshead's Climate Emergency				
Develop and implement a 'fit for a low carbon future' standard for the HRA	Supporting Gateshead's Climate Emergency, develop and publish a commitment that details what Gateshead will do to reduce carbon use within the services linked to asset management. Develop a forward thinking and innovative approach to carbon reduction across all our assets. Examine the risks from non-domestic commercial assets and the potential opportunities with HRA land to offset carbon, improve our neighbourhoods & help create vibrant & thriving communities. Explore low/zero carbon technologies and refresh the housing specification to ensure it is fit for a low carbon future and supports customers to use energy responsibly.	A & C	A clear statement and standard that defines the commitment to support Gateshead's climate emergency and ensure homes are fit for the future.	2022

	Investigate options to value engineer carbon off-setting opportunities with non-domestic HRA assets			
Produce an action and cost plan for the stock which details how carbon net zero will be achieved alongside a minimum SAP rating of C.	Develop a financial appraisal of the work required to improve the stocks thermal efficiency and meet the requirements of net zero, including an assessment of the implications on the HRA business plan. Complete a pilot scheme with renewable technologies and insulation improvement. Review and monitor the schemes efficacy and the customer experience. Appraise the implications on R&M of increase renewable technologies and changes to traditional building elements such as gas boilers. Review current arrangements for recording SAP in UNO and assess alternative solutions that maximise the use of stock condition data.	A & C	A well-researched and evidence cost plan for the HRA that forecasts additional investment requirements, incorporates the associated life time cost implications and is informed by robust and validated stock condition data.	2022
Appraise the options for district energy schemes. Establishing the opportunities for expanding existing schemes where there is capacity and creating new systems.	With the Energy Team, assess the spare capacity within existing energy schemes to establish the opportunities for connecting additional properties. Work with partners to assess the potential for the creation of new district energy schemes, including the sale of	A & C	A comprehensive understanding of the potential alternative ways in which some of our assets could be heated, supported by a detailed cost benefit analysis for the HRA business plan.	2023

	energy to leaseholder or homeowners. Review existing appliance data to identify the optimum timescales for gas boiler replacement programmes.			
Raise awareness and influence government policy on financial support needed to achieve carbon net zero	Work proactively with others to coordinate our approach; assist sector and industry bodies to help adapt; and influence the Government to increase financial investment into largescale energy infrastructure projects around insulation, energy efficiency & heat generation.	C	Government and sector support that helps Gateshead meet its obligations, commitments and priorities around a carbon net zero future.	On going
Develop a strategy to invest in education and training programmes to aid and support customers overcome barriers to good energy use.	Develop programmes and support that will aid customers' transition to new renewable technologies and assist them in using them in affordable and responsible way. Work with customers to identify positive installation stories and instances of customer feedback to help support the successful migration of more customers to renewable technologies. Work with partners like CAB to develop information that will explain to customers the changes that are going on around energy, how to responsibly use new technologies, deal with energy companies and reduce the risk of fuel	A, B, C & D	A strong communications programme, supported by partners, that supports customers through the transition from traditional energy systems to renewable technology.	April 2023

	poverty.			
Review and evaluate the efficiency of existing EWI & insulation schemes across the stock to ensure it remains fit for purpose and can support the 'fit for a low carbon future' standard.	Assess all in-situ insulation schemes to ensure fitness for purpose and efficacy. Establish remaining life, SAP performance and validate financial expectations / stock condition data.	A & C	Insulation systems that are safe, fit for purpose and support the priorities of a low carbon future.	Rolling evaluation programme to 2029
With partners identify opportunities to maximise ECO funding and develop 'off the shelf' schemes suitable for short notice grant opportunities	With sector partners identify potential work stress that are fully funded through ECO or are eligible for significant support. Develop a bank of energy schemes that are progressed to a point where they can be mobilised quickly in response to short notice funding calls.	A & C	External funding sources are maximised to reduce the HRA's exposure to costs associated with achieving Net Carbon Zero.	Ongoing

Gateshead Council

REPORT TO CABINET
19 October 2021

TITLE OF REPORT: **Apprenticeship Strategy & Delivery Plan**

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

Purpose of the Report

1. The purpose of this report is to seek Cabinet endorsement of the Council's Apprenticeship Strategy 2021-2024 and Delivery Action Plan, as set out in Appendix 2 and 3 to this report, and its referral to Council for approval; and also, to highlight the progress made in support of the draft Strategy and Delivery Action Plan.

Background

2. In April 2017 the Government introduced several changes to the national apprenticeship framework, including:

   - The introduction of the apprenticeship levy which can only be used to pay for training and assessment costs of apprenticeships. The Council's annual levy fund is approximately £910k per year (including maintained schools). It must be spent within 24 months or will be returned to the Treasury.

   - The introduction of a public sector apprenticeship target. The Council (including maintained schools) requires approximately 171 apprentices to be enrolled annually to meet the target (2.3% of the workforce).

   - The transfer from Apprenticeship Frameworks to Apprenticeship Standards which focus on "on the job learning". These cover a wider range of occupations and provide the opportunity to achieve qualifications up to level 7 (post-graduate level).

3. Apprenticeships are an important part of Gateshead's strategic ambitions within the Thrive Agenda: i.e., to create opportunities for employment and economic growth. In addition, they will support the Council to improve the skills base of existing employees and meet the challenges around workforce planning and skills gaps.

Proposal

4. The Apprenticeship Strategy supports a strategic approach to how apprenticeships will help the Council to attract, retain and develop our workforce. The strategy sets out the positive action that the Council will take in its approach to apprenticeships, aligned to the wider Workforce Strategy, Economic Strategy and the Community Wealth Building Strategy. The strategy is intended to be dynamic and will be regularly reviewed and updated in response to local and national changes.

5. The apprenticeship strategy aims to:

- Embed a positive apprenticeship culture.
- Maximise workforce capability by identifying and promoting a range of suitable apprenticeship opportunities for new apprentices.
- Support the continuous professional development of existing employees.
- Develop workforce diversity and inclusivity.
- Engage with maintained schools to maximise benefits from the levy.
- Engage with training providers and other local authorities to maximise apprenticeship provision within the region.
- Engage with other employers, particularly our supply chain, to maximise the use/transfer of the levy.
- Work towards achievement of the Public Sector Apprenticeship target

6. The key actions for the delivery of the strategy are set out in detail in the underpinning Delivery Action Plan. The Delivery Plan sets out the proposed activity, the resources required to deliver this, timescales and desired outcomes to achieve each of the strategic aims. Progress against the Delivery Action Plan will be reviewed each year and will be overseen at a senior management level by SMG Services & Performance, and within the Council's Performance Management Framework by the Housing, Environment & Healthier Communities OSC.

7. The Council's Apprenticeship Co-ordinator, working closely with colleagues in Business, Employment & Skills, Corporate Procurement and LearningSkills, will ensure the Council has a robust and effective approach to apprenticeships and that the aims and objectives in the Strategy and Delivery Plan can be, and are being, achieved.

8. Work undertaken to date in support of the Strategy and Delivery plan is detailed in Appendix 4.

9. Future options to further drive-up demand for apprenticeships and maximise levy spend are detailed in Appendix 5.

Recommendations

10. It is recommended that:

i. the attached Apprenticeship Strategy 2021-2024 and Apprenticeship Delivery Action Plan are endorsed by Cabinet; and
ii. Cabinet recommends the Strategy and Delivery Action Plan to Council for approval.

For the following reason:

To ensure the Council's strategic ambitions within the Thrive agenda to create opportunities for employment and economic growth are achieved and that the Council can meet the challenges around workforce planning and skills gaps by having a highly trained, ambitious and flexible workforce.

Policy Context

1. The proposals will have a direct impact on the outcomes set out in the Council's strategic approach, Making Gateshead a Place Where Everyone Thrives, as well as supporting the Council's Economic Strategy and community wealth building aims.

2. The Apprenticeship Strategy will form an integral part of the wider Workforce Strategy to provide the Council with a talent pipeline that supports current and future skill needs.

Background

3. Corporate Resources OSC considered an initial draft Strategy and Delivery Action Plan in October 2019 and whilst they were supportive of it, further work was needed to finalise the Strategy and Plan. There has been a delay in finalising the Strategy and Delivery Action plan partly due to problems appointing to the Apprenticeship Co-ordinator role and partly because of the impact of the Pandemic. Throughout the first year of the Pandemic, the focus was initially on maintaining existing apprenticeships and addressing issues with providers rather than addressing the wider aims of the Strategy. However, significant progress has been made to ensure that the Council's response to apprenticeships is robust and effective and that the aims and actions as outlined in the Strategy and Delivery Plan are being achieved.

4. Unfortunately, the Council has not achieved the public sector apprenticeship target as demand for apprenticeships across the Council has fluctuated since 2017. There has been a modest reduction in the number of *new* apprentices recruited; however, the use of apprenticeships to upskill the existing workforce has increased year on year, despite recruitment and workforce numbers reducing. Financial constraints continue to impact the ability to recruit to posts, with vacant posts being deleted. Consequently, managers need experienced workers who can hit the ground running rather than taking on apprentices, as services do not have the capacity to support and mentor apprentices to achieve their potential.

5. In addition, COVID has significantly impacted the ability to take on new apprenticeship starts due to the implications of social distancing and need for COVID secure workplaces, particularly in trade areas where the nature of delivery is very 'hands on'. Managers have also been wary of taking on apprentices whilst working from home as they are concerned about the ability to effectively support an apprentice. The requirement to redeploy and furlough staff has also affected the ability to develop employees' skills using apprenticeships. Despite the impact of COVID, both Workforce Development and LearningSkills have continued to ensure that apprentice opportunities are maximised, and existing apprentices remain fully supported.

6. In addition to financial constraints, and the impact of COVID, there continue to be barriers to the use of apprenticeships such as:

- The continuing perception amongst the workforce that apprenticeships are low-level qualifications largely aimed at young people.
- Concerns from managers over the requirement for apprentices to spend 20% of their time undertaking 'off the job' learning and the impact this has on service delivery, particularly in frontline services.
- Insufficient providers being able to successfully join the Council's 'Approved List' due to failures on health and safety and/or safeguarding matters.
- Insufficient providers in the region or nationally to deliver the apprenticeship programmes the Council requires.
- The continued financial constraints facing the Council continuing to impact on services ability to recruit new apprentices.

7. Action taken to address barriers include regular engagement with management teams, improved communication, promotion & processes; external procurement of training providers; establishment of a regional apprenticeship network; and participation in an LGA apprenticeship project group.

8. Action taken has proved successful in relation to the recruitment of new apprentices to the Council, with 30 new apprentices being recruited to the Council in September 2021 (compared with 3 in 2020), with further apprenticeship starts expected as a result of upskilling of existing employees. This is in addition to the commitments the Council made recently in respect of the 'Kickstart' programme and facilitating 'T level' placements across Adult Social Care.

Consultation

9. The views of the Leader Portfolio, as well as those of the Economy and Children and Young People's Portfolios have been sought on the proposals and they are supportive of the recommendations.

10. The Council's recognised non-teaching Trade Unions have also been consulted on the proposals and they are supportive overall of the Strategy and Plan.

11. UNISON have advised that they are of the view that the **national** apprentice program is underfunded and littered with poor quality apprenticeship programs. They are also of the view that the most effective apprenticeships are developed by a collective approach, involving employers, trade unions, training providers, and apprentices. UNISON support high quality apprenticeships which lead to meaningful jobs which in turn make an important contribution in addressing urgent shortages, skills gaps, inequality and tackling youth unemployment.

12. UNISON notes that Gateshead Council's LearningSkills team is the second largest Local Government apprenticeship provider in the UK and currently provide an extensive apprentice program across Gateshead and the wider region. However, they feel that the Council's strategic apprentice structure/framework appears 'dysfunctional' as they do not think that LearningSkills resource, experience and knowledge is being utilised strategically across the organisation, including LearningSkills extensive relationships with schools and academies.

13. However, UNISON do welcome the use of apprenticeship programs to further develop the continuous professional development offer to all current employees.

14. In response to the comments from UNISON, it is acknowledged that further work continues to be undertaken, in collaboration with LearningSkills and other apprenticeship providers, to improve the Council's strategic approach to apprenticeships. This is ultimately the purpose and aim of the Strategy i.e., to provide an approach/framework which delivers across all areas of the Council.

15. LearningSkills do have significant experience and knowledge in respect of the delivery of apprenticeships and this will need to be maximised in the delivery of the Strategy. However, they are currently unable to deliver across all areas as required by the Council. For example, social care and trade apprenticeships cannot be delivered by LearningSkills at present as they do not have the infrastructure which providers such as Colleges can offer. However, the Strategy and the actions outlined in the Delivery Plan will ensure a collaborative approach is taken on all aspects of apprenticeships to address the needs of the whole Council.

16. GMB are supportive of the Strategy and acknowledge that the Council always pays new apprentices on national minimum wage rates for their age, or above, rather than the government apprenticeship rates.

17. UNITE are supportive of the Strategy and Delivery Plan and acknowledge that if followed, the Council has a good chance of achieving their targets.

Alternative Options

18. No alternative options have been considered in depth. If the Council does not implement an Apprenticeship Strategy and Delivery Plan, this will impact on the achievement of the Thrive agenda as well as the Council's Economic Strategy and community wealth building aspirations. In addition, the Council will be unable to provide high-quality pathways for existing employees to develop and progress, which will limit the Council's ability to meet current and future skills needs.

Implications of Recommended Option

19. **Resources:**

a) **Financial Implications –** The Strategic Director, Resources & Digital confirms that there are no direct financial implications arising from this report. However, an increase in the number of apprenticeships within the Council will require funding to be available to cover employment costs. The Government incentive payments for new apprentices hired by 30 September 2021 will be used to support the costs of employing apprentices and to provide a resource to support the overall achievement of the Apprenticeship Strategy and Delivery Plan.

b) **Human Resources Implications –**. The Council's Apprenticeship Strategy and Delivery Plan are designed to recruit, develop, motivate and retain as necessary employees with the skills and attributes required to deliver Council services. It is part of the Council's overall human resources policy framework, through which it aims to be an exemplary employer.

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

20. **Risk Management Implication –** The plan does not introduce any new risk. It will support the Council's Risk Management Strategy by ensuring that we have

employees with the necessary skills and knowledge who are deployed effectively to deliver the best outcomes for our customers.

21. **Equality and Diversity Implications –** The Strategy and Plan support the establishment of a diverse and inclusive workforce.

22. **Crime and Disorder Implications –** there are no Crime and Disorder implications.

23. **Health Implications –** there are no health implications.

24. **Climate Emergency and Sustainability Implications –** there are no climate emergency and sustainability implications.

25. **Human Rights Implications –** there are no human rights implications arising from this report.

26. **Ward Implications –** there are no specific ward implications.

27. **Background Information -** none

Gateshead Council

Apprenticeship Strategy 2021-2024

Apprenticeships

Links to Other Policies and Strategies:

Thrive Agenda

Workforce Strategy

Workforce Plan

Maximising Employee Potential (MEP) Guidance

Effective date:

1st September 2021

Review Date:

August 2024

Status:

This strategy does not form part of any employee's contract of employment and the Council may amend it at any time.

HR and Workforce Development Strategies in Gateshead Council

Gateshead Council's HR and Workforce Development strategies take into account current legislation, rules, regulations and best practice guidance from a range of professional and public bodies, including the following:

UK Legislation

ACAS

CIPD Best Practice

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Foreword

Our ambition is to make *Gateshead a place where everyone thrives*. We want our communities to flourish, prosper and succeed. Helping to grow apprenticeships, and routes into apprenticeships, is an important part of enabling our communities to succeed and is a key component of our wider economic development strategy.

High quality skills and professional development delivered through apprenticeships for both new and existing employees can make a positive contribution to this, by creating opportunities for people, of all ages, to undertake relevant qualifications, helping to raise skills, capabilities and aspirations.

As one of the largest employers in the borough, Gateshead Council aspires to be an employer of choice and one that attracts, develops, and retains the most diverse, creative and innovative individuals, with the required skills and abilities for now and into the future. Apprenticeships form an integral part of our workforce strategy as a mechanism to support our workforce to develop both the current and future skills requirements.

A key theme of the Council's Workforce Strategy is 'skills and behaviours'. Apprenticeships have an important role to play in this as we support the development of key skills, including leadership and development, of our existing workforce and encourage new talent into the organisation.

We highly value apprenticeships as an employer and look forward to working together to meet the future skills needs of Gateshead.

Councillor Martin Gannon - Leader

Sheena Ramsay - Chief Executive

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1. Introduction

This document sets out the Apprenticeship Strategy for Gateshead as an employer, and the positive action that the Council will take in its approach to apprenticeships as part of the wider Workforce Strategy. It is aligned with the Council strategic approach 'Making Gateshead a place where everyone thrives' which sets out the ambition for Gateshead to be a place where people flourish, prosper and succeed.

The strategy is intended to be dynamic and will be regularly reviewed, developed and updated in response to local and national changes. The key actions for the delivery of the strategy are set out in detail in the underpinning Delivery Action Plan which will be overseen by SMG Services & Performance – a sub-group of the Council's Corporate Management Team.

The strategy will also be used to inform service business plans to help identify the actions that individual service areas will take in support of this strategy and in meeting the specific skills challenges they face. The Apprenticeship Strategy also supports and works alongside other talent and 'entry to work' initiatives such as work experience and traineeships**.**

2. Vision

Apprenticeships within the Council are seen and valued as high-quality pathways to successful careers, providing opportunities for new and existing employees to develop and which assist the Council in meeting its current and future skills needs.

The Council faces future challenges which can only be met with the right people with the right skills at the right time to meet changing demands. Apprenticeships will form an integral part of the Workforce Strategy to provide the Council with a talent pipeline that supports current and future skill needs.

3. Context

3.1 Government Reforms

As part of its stated ambition to address the shortage in skills and invest in the UK's future workforce, the UK Government has introduced significant changes to the way in which apprenticeships are funded and delivered. Since April 2017 an Apprenticeship Levy is payable by any employer with a wage bill in excess of £3m per annum who employs 250 staff or more. This is paid as 0.5% of the monthly pay bill which can only be used for apprenticeship training and assessment.

In addition, the Public Sector Target aims to ensure that 2.3% of the workforce is engaged in apprenticeships.

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The levy puts employers at the centre of identifying the skills, knowledge and behaviours that are required of the workforce now and into the future. It is, however, important that the increase in apprenticeships within the Council is aligned to our future skills needs and organisational priorities and not just to meet a Government target.

3.2 Supporting our strategic ambitions

Providing apprenticeships and routes into apprenticeships are an important part of Gateshead's strategic ambitions to create opportunities for employment and economic growth. Gateshead has a lower proportion of the population with higher level qualifications (21.5%) than the national average (27.4%)[1].

Developing a pro-apprenticeship culture at all levels within the Council will not only help support our skills needs and assist in meeting the Government's apprentice targets; but also support the Council's wider strategic ambitions, including the exploration of different ways of working through the public service reform agenda, and having a workforce that is empowered and has responsibility for making decisions.

As a leader of public services and one of the largest employers in the area, it is also important that our workforce is representative of the communities we serve. Within the Council currently 4% of our workforce is aged under 25. The challenges of finding work are particularly acute for young people aged 18-24, as well as for care leavers, long term unemployed, returners to the labour market and those with disabilities. These groups face strong competition against more experienced candidates and the Council, as an employer and as a strategic leader, has a responsibility in helping to create opportunities for disadvantaged groups.

Having a strategic approach to workforce development through the use of apprenticeships will not only support the building of progression routes and skills development but will also support the Council in the achievement of its Community Wealth Building aspirations to have fair employment and just labour markets, both within the Council and within anchor organisations in the region.

3.3 Meeting current and future skills needs

Some areas within the Council, particularly Social Care, are experiencing skills shortages as competition for skilled workers increases. Adopting a more strategic approach to 'growing our own' future workforce will become increasingly important. We will work in partnership with other public sector organisations to develop career pathways that cut across the different sectors and partner organisations: e.g., NHS.

In addition to identifying apprenticeship opportunities for new employees, a 'grow our own' approach will also need to apply to our existing workforce if we are to ensure we have the capacity and capabilities we need. Providing opportunities for existing staff to utilise apprenticeships, particularly higher-level apprenticeships, to gain skills and progress their career will further help to develop talent pipelines within the organisation.

[1] Gateshead JSNA - 2011 Census

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4. Aims

Set against this wider context, it is therefore essential that the Council determines its approach to apprenticeships. In particular, how we attract, develop and retain apprentices and develop apprenticeship opportunities that:

- Support our workforce skills needs
- Support Gateshead Council's strategic ambitions relating to Thrive
- Meet the challenges of the Government's apprenticeship reforms.

Our Apprenticeship Strategy aims to:

4.1. Embed a positive apprenticeship culture

We will actively promote apprenticeships within the Council as valuable recruitment and talent pipeline opportunities and develop a positive apprenticeship culture amongst managers and employees. Developing a greater awareness of the types of apprenticeships available and the benefits they offer for both new and existing employees will be essential to increasing the number of employees undertaking an apprenticeship.

4.2. Maximise Workforce capability

Maximising the use of apprenticeships is critical in helping to build the capabilities we require. We will work across Council services to identify apprenticeship opportunities as part of service-led workforce planning activity to support current and future skills needs. This will include:

- Mapping apprenticeships to critical skills needs
- Developing new entry-level apprenticeship opportunities
- Developing career pathways to support succession planning and talent management
- Considering all vacant posts for designation as apprenticeships.

4.3. Support the continuous professional development of existing employees

Apprenticeships provide real opportunities for existing staff to gain skills and progress their career and supports talent management within the Council. One of the Council's priorities under the Workforce Strategy and Plan is to develop and strengthen leadership and management capability across the workforce. We will work across Council services to develop a greater awareness and understanding of the types of apprenticeships available and the benefits they can bring, particularly in relation to leadership and management.

4.4. Develop workforce diversity and inclusivity

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The Council will support the social mobility of citizens and support them to take a step onto a professional career path, opening up jobs with realistic requirements for prior educational attainment.

One of the Council's strategic indicators is to ensure that young people leaving care are supported to have an opportunity of an apprenticeship within the Council. Acting in its capacity as Corporate Parent, the Council will offer apprenticeship (as well as traineeship or work experience) opportunities to care leavers and looked after children who find it difficult to navigate the complexities of finding and sustaining work. This approach will help more disadvantaged young people in the borough get a foot on the ladder of employment and begin their journey to independence.

The Council will also seek to identify opportunities for those with learning difficulties and disabilities creating effective ways to support people to access apprenticeships (as well as traineeship or work experience) and secure sustainable employment.

Additional support will be offered to apprentices and managers as required to ensure that placements succeed with emphasis on the importance of training provided by good quality training providers.

We will consider options to expand opportunities to other vulnerable and under-represented groups, for example those from deprived communities, long-term unemployed, BAME, women returners and ex-armed forces personnel.

4.5. Engage with maintained schools to maximise benefits from the levy

We will work with our maintained schools to raise awareness of the Apprenticeship Standards for Teachers, Teaching Assistants and School Business Managers, as well as a range of other broader standards that could be used by the wider schools' workforce in helping to create apprenticeship opportunities.

In addition to this we will also strengthen the relationships with the wider Schools population to promote apprenticeship opportunities as routes into jobs and careers within the Council.

4.6. Engage with training providers and other local authorities to maximise apprenticeship provision within the region

We will work with training providers, other local authorities and anchor organisations (as per the Community Wealth Building approach) to identify gaps in apprenticeship training provision and establish viable cohorts particularly for niche areas.

4.7. Engage with other employers, particularly our supply chain, to maximise the use/transfer of the levy

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Levy-paying employers are able to transfer a maximum of 25% of their annual levy funds to as many employers as they chose, to fund apprenticeship training and assessment costs. Transfers can only be used for new starts.

The Council will work with organisations in its supply chain, partners, and community and voluntary organisations within the borough to identify opportunities to passport levy funds in order to increase the uptake of apprenticeships. Priority will be given to allocating funds to those organisations who are based in the borough or those who do a significant amount of business in the borough and who are working closely with the Council to deliver the Thrive Agenda.

5. Performance Monitoring

This Apprenticeship Strategy is underpinned by an Apprenticeship Delivery Action Plan which sets out how the priorities will be delivered and progress against this reviewed each year. The delivery plan will be regularly reviewed and reported on at SMG Services and Performance.

In accordance with the public sector duty requirements the Council will also publish annually, data relating to progress towards the 2.3% apprenticeship target set by the Government.

Workforce Development will work closely with colleagues in Business, Employment & Skills and LearningSkills to ensure that the Council's response to apprenticeships as an employer, is closely aligned with the Council's wider strategic priorities relating to supporting local people into sustainable employment.

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Further Information

Gateshead Council recognises that from time-to-time employees may have questions or concerns relating to the content of this document. In certain situations, employees' rights and obligations may change; in such circumstances the Council will abide by any statutory obligations.

The Council wishes to encourage open discussion with employees to ensure that questions and problems can be resolved as quickly as possible. Employees are encouraged to seek clarification on any issues with the appropriate line manager in the first instance.

Sustainability

Improving our environmental performance and doing things in a more sustainable way should be seen as integral to our core business practices. To demonstrate the Council's commitment to improving environmental and sustainable performance, please be mindful if printing this document – keeping paper usage to a minimum (print only version), printing on both sides, and recycling.

Equality Statement

Gateshead Council is an equal opportunities employer where all employees are treated with dignity and respect. We are fully committed to equality, diversity and human rights and to ensuring our culture, working environment, policies, processes and practices are free from bias. This strategy applies to all employees regardless of protected characteristics, subject to any eligibility criteria which may include length of service, grade, working pattern or other applicable national terms and conditions of service.

Inclusive Communications

It is our ambition to ensure that Council documents are readable, accessible and engaging for staff. In formatting this document, good practice principles around engagement and inclusive communications have been adhered to. If you require this document in an alternative format, please contact HR and Workforce Development.

Review and Monitoring

This policy will be reviewed every three years or sooner where applicable to reflect changing the needs of the Council and any other legislative or good practice requirements.

Appendix 3

Apprenticeship Delivery Action Plan

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The Council's Approach to Apprenticeships:

Attract, develop and retain apprentices and develop apprenticeship opportunities that:

- Support our workforce skills needs
- Support Gateshead Council's strategic ambitions relating to Thrive
- Meet the challenges of the Government's apprenticeship reforms
- Maximise Levy funding both within the Council and the wider Gateshead community and support progression towards meeting the Public Sector target of 2.3%

Our Apprenticeship Strategy aims to:

1. Embed a positive apprenticeship culture
2. Maximise workforce capability
3. Support the continuous professional development of existing employees
4. Continually improve the apprentice experience
5. Develop workforce diversity and inclusivity
6. Continue to engage with maintained Schools to maximise benefits from the levy
7. Engage with training providers and other local authorities to maximise apprenticeship provision within the region
8. Passporting levy funds to other organisations
9. Work towards achievement of the Public Sector Apprenticeship target

These aims will support the Council in achieving their strategic approach to make Gateshead a place where everyone thrives by creating opportunities for employment and economic growth. They also support the Workforce Strategy core theme of having an engaged and empowered workforce, equipped with the right skills and knowledge to deliver the best possible outcomes to our customers and confident in the responsibilities they have.

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1. Embed a positive apprenticeship culture

Actions	Responsibility	Timescales	Desired Outcome
Actively promote apprenticeships within the Council as a valuable recruitment and upskilling opportunity	Apprenticeship Co-ordinator (AC), Workforce Development (WD), Communications (Comms) and LearningSkills (LS)	Ongoing	Increased number of applications for apprenticeships across the Council
Embed the use of apprenticeships within the Council's Workforce Strategy and Plan.	AC & LS	Ongoing	Apprenticeships embedded into the learning and development culture of the Council Improved skills levels
Attend GMTs and SMT's and undertake presentations to managers to highlight the benefits of apprenticeships for both new and existing employees.	AC, LS and Service Managers	Ongoing	Apprenticeships are seen and valued as high-quality pathways to successful careers, providing opportunities for new and existing employees to develop and which assist the Council in meeting its current and future skills needs
Develop guidance for managers to assist with recruiting to apprenticeships	AC, HR, LS	Completed	Apprenticeships are considered at the earliest opportunity and utilised as a valuable recruitment tool
Investigate the possibility of establishing a new recruitment process of all new vacancies mapped against apprenticeship standards at request to recruit stage	AC and HR	Ongoing	Opportunities to 'grow our own' approach is recognised across all services to meet skills needs
Adopt a more pro-active approach to identifying apprenticeship opportunities for new entrants by analysing and regularly reporting to the SMG Services & Performance on the number of roles that have been advertised and where apprenticeships have not been considered	AC and HR	Ongoing	Pro-apprenticeship culture developed

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Continue to develop a positive apprenticeship culture amongst managers and employees	AC, HR & WD, all service managers, LS	Ongoing	Apprenticeships are utilised in support of service skills needs
Plan regular information and update sessions for managers throughout the year	AC and LS	Ongoing	Apprenticeships are utilised in support of service skills needs
Attend all Workforce Development training advisory groups and ensure apprenticeships are discussed and considered	AC	Ongoing	Apprenticeships are utilised in support of service skills needs
Review all comms around apprenticeships and the Levy and evaluate to feed into new action plan to be implemented in 2021.	AC, LS, Comms	Completed	Increased awareness and take up of apprenticeships
Agree a comms plan to inform all staff of the Strategy & Delivery Plan and associated processes including any future/proposed recruitment strategies.	AC, LS, Comms	Ongoing	All staff will be aware of the strategy and operational processes
Increase promotional activity of the different types, levels and key benefits of apprenticeships to staff and managers.	AC, Comms	Ongoing	Ensure appropriate and key information is being communicated
Regularly communicate case studies and success stories through variety of communications methods	AC, LS, Comms	Ongoing	Promotion of the Council's apprenticeship programme and as an employer of choice across the existing workforce and more widely
Involve current apprentices in the design and promotion of social media campaigns; Facebook, Twitter, LinkedIn and Instagram	AC, LS	2021/2022	Increase apprentice engagement
Increase the attraction of potential applicants through greater use of social media and digital platforms to promote apprenticeship opportunities and as a route to jobs and careers within the Council	AC, Comms	Ongoing	Increased applicant pool
Develop and host 'Gateshead Council levy funded apprentices' awards and award ceremony. Encourage applications from managers and publishing case studies of the winners on the intranet and Gateshead Council website.	AC	2021 onwards	Increase apprentice engagement and promote apprenticeships across the Council

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Apply for the Institute top 100 apprenticeship employers' awards annually	AC	Completed in 2020 and ongoing thereafter	Promotion of Gateshead Council as an apprenticeship employer of choice
Liaise with other organisations who were within the top 10 to identify what the Council can do to improve its approach to apprenticeships	AC	Ongoing	Increase the apprenticeship offer and experience of Gateshead Council

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2. Maximise workforce capability

Actions	Responsibility	Timescales	Desired Outcome
As part of service workforce planning activity, work with services to identify skills gaps and workforce requirements which could be met by apprenticeship opportunities to support current and future skills needs. Work with LS to ensure any skills gaps identified are considered as part of workforce planning activity	AC, LS	Ongoing	All employees aware of the opportunities for development via apprenticeships. Increased number of existing employees undertaking apprenticeship standard qualifications
Participate in the LGA Apprenticeship Accelerator Programme. Provider services (focusing on 3 key teams) identified as a priority area for development for analysis of workforce data, mapping of apprenticeship standards to job roles and development of career pathways to support succession planning and talent management	LGA and Council (HR & WD and ASC)	Completed	Apprenticeships are utilised in support of service skills needs Council has a workforce with the knowledge, skills and behaviours it needs for the future.
Evaluate AAP support and roll out Provider Services example to wider services and teams, in partnership with Managers, to meet critical skills needs	AC, WD Advisers	2021 - 2022	Posts identified which can be converted to apprenticeships Apprenticeships will be embedded into workforce planning activities and succession planning Development of social care career pathway and ASC graduate management trainee pathway

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3. Support the Continuous Professional Development of existing employees

Actions	Responsibility	Timescales	Desired Outcome
Identify opportunities to use relevant leadership and management apprenticeship standards to support aspiring and developing managers	AC, Service Managers/Team Leaders, LS	Ongoing	A flexible approach to leadership and management development
Develop opportunities to utilise higher level apprenticeships in support of skills needs; raising skills and aspirations	AC, Service Managers	Ongoing	Develop and strengthen supervisory and management capability across the workforce
Work with Learning Skills and services to develop and promote appropriate apprenticeship cohorts e.g. Team Leader L3, Management L5, Customer Service L3	AC, Service Managers/Team Leaders, LS	Ongoing	Apprentices have access to a network of colleagues across the Council who can support each other throughout the apprenticeship and beyond
Support services who have identified workforce development needs; succession planning, ageing workforce, recruitment and retention difficulties and identify how apprenticeships can address this.	AC, HR	Ongoing	Apprenticeships embedded in workforce planning activities and as part of change and transformation programmes. Council has a workforce with the required knowledge, skills and experience.
Ensure apprenticeship opportunities are integrated within the Council's core learning and development offer for employees, supporting appraisal and development and maximising employee potential	AC, WD, LS	Ongoing	Career development opportunities provided
Enrich capability by supporting existing staff to access functional skills at all levels - allowing access to apprenticeships if entry requirements are a barrier to progression	AC, LS, TU's	Ongoing	To allow entry onto apprenticeship programmes for existing staff who do not meet English and/or Maths requirement
Provide apprenticeship opportunities for existing employees aligned to skills development requirements across the organisation. Raise awareness of apprenticeships as route to progression for all employees.	AC, HR, WD, Service Managers, LS	Ongoing	Career development opportunities provided Levy funding maximised

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4. Improving the Apprentice Experience

Actions	Responsibility	Timescales	Desired Outcomes
Create an induction programme for new apprentices to Gateshead Council to include a buddy for each apprentice	AC, WD, LS	Completed	Apprentices have an in-depth knowledge of their specific business area, but also a wider knowledge of how the council operates
Apprentices Employer Evaluation to be created to gain feedback on what Gateshead Council has done well, and what improvements could be made in our apprenticeship offer.	AC	2021	Apprentices feel their feedback is valued and Gateshead Council can improve the service/offer they provide.
Quarterly non mandatory drop-in sessions for apprentices to come and speak to the AC & discuss how things are going / catch up with other apprentices.	AC	2021	A culture of supportiveness and networking is created amongst apprentices. The AC can keep up to date with the apprentices and their circumstances/experiences.
Reviews established with apprentice, AC, line manager & training provider as and when a need is identified.	AC, line managers, training providers	Ongoing	

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5. Develop workforce diversity and inclusivity

Actions	Responsibility	Timescales	Desired Outcome
Further develop work experience and traineeship opportunities as a pathway into apprenticeships, providing opportunities for diverse and vulnerable groups including young people, ex armed forces, women returners, those from deprived communities, long term unemployed, BAME backgrounds and those with physical and/or learning disabilities.	AC, LS, Neighbourhood and Community teams, Business, Employment & Skills (BES)	Ongoing	Accessible routes into talent pipeline provided. Support social mobility Ensure our workforce is more representative of the communities we serve Development of enterprise and work readiness skills in young people in Gateshead
Align placement opportunities with skills gaps and skills shortage areas across the Council	AC, HR, WD, LS	2021 onwards	Supports service skills needs
Map placements with apprenticeship opportunities and promote opportunities as a pathway into employment with the Council	AC, HR, WD, LS	2021 and ongoing thereafter	Grow and develop future workforce and skills
Create a working group to develop, implement and embed a diverse work experience and traineeship programme that offers opportunities and progression pathways into apprenticeships and securing sustainable employment for LAC and Care Leavers.	Judith Sewell (RELAC), Beverly Hunter Smith (LAC), AC	Completed	Support the Council's Corporate Parenting Responsibilities by ensuring apprenticeships are available and accessible to Care Leavers
Work with EET panel and Corporate Parenting EET workstream to develop appropriate processes and strategies to support LAC and care leavers to access apprenticeships	AC	Ongoing	Support the Council's Corporate Parenting Responsibilities by ensuring apprenticeships are available and accessible to Care Leavers
Consider whether apprenticeship opportunities can be ringfenced to LAC and Care Leavers.	AC, HR	Ongoing	Support the Council's Corporate Parenting Responsibilities by ensuring apprenticeships are available and accessible to Care Leavers

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Offer additional supervision, pastoral and transitional care, advice, guidance and information for LAC young people (aged 16-18) and care leavers (aged 19-24) to sustain and complete apprenticeships and aid progression into further employment	AC, LS where relevant	Ongoing	Grow and develop future workforce and skills Development of enterprise and work readiness skills in young people.
Ensure LAC young people and care leavers are supported to overcome any financial barriers to enable them to access apprenticeships. Ensure LAC / care leavers are aware of the financial bursaries available when starting an apprenticeship	AC, LS where relevant	Ongoing	Ensure financial barriers do not discourage LAC and Care Leavers to undertake apprenticeships
Signpost training providers to the additional financial support available to meet the additional cost in supporting LAC and Care Leavers to transition from education to the world of work. *In Line with Government funding criteria	AC	Ongoing as needed	LAC and Care Leavers receive adequate support
Develop matching process to identify appropriate apprenticeships for LAC and care leavers	AC, working group, Managers	Ongoing	Increase retention rates and provide sustainable jobs
Develop a mentoring / buddying programme for LAC and care leavers throughout the apprenticeship	AC, Working Group	Sept 2021	Increase retention rates
Ensure additional appropriate guidance for all managers to aid them in supporting LAC and leaving care apprentices in successfully navigating the complexities of employment, to maximise the probability of sustaining and achieving their apprenticeship.	AC, working group	August 2021	Increase retention rates as apprentices fully supported
Offer 'meet the team' days to LAC and Leaving Care apprentice recruits before their official start dates. Allowing for relationship building and prestart worries to be mitigated.	AC, service managers	Ongoing	Increased engagement form LAC and care leaver apprentices
Continually improve the promotion and attraction of apprenticeships as career choices for young people - ensure Gateshead Council has a presence at all local recruitment, careers, post 16 pathway outreach events and fairs to support the apprenticeship message and the Authority as an employer of choice regionally	AC, LS	Ongoing	Value of apprenticeships is promoted. Apprenticeships are accessible to the widest demographic.

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Engage with local schools to promote the opportunities of apprenticeships for their LAC students, ensuring a cohesive message is provided across all points of authority for LAC and young care leavers.	AC	Ongoing	Value of apprenticeships is promoted. Apprenticeships are accessible to the widest demographic.

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6. Engage with maintained schools to maximise benefits from the levy

Actions	Responsibility	Timescales	Desired Outcome
Ensure local authority-maintained schools are aware of the apprenticeship standards and levy arrangements and how they can support the development of their workforce.	AC, HR and LS	Ongoing	Apprentices are recruited in line with organisational skills needs
Work with schools to utilise levy funds to meet skills gaps and plan future workforce needs	AC, HR, LS	Ongoing	Skilled workforce and secure talent pipeline
Raise awareness and promote benefits of apprenticeship standards for Teachers, Teaching Assistants and School Business Managers, as well as all other relevant standards.	AC, HR, LS	Ongoing	Value of apprenticeships and vocational route ways is promoted
Strengthen the relationships with the wider school's workforce to promote apprenticeship opportunities as routes into jobs and careers within the Council.	AC, HR	Ongoing	Increased take up of apprenticeships
Promote engagement and collaborative working with managers/Head Teachers in utilising the AC and engaging with Gateshead Council procurement policy to ensure value for money is achieved.	AC, HR	Ongoing	Funding rules followed and best value for money secured

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7. Engage with training providers and other local authorities to maximise apprenticeship provision within the region

Actions	Responsibility	Timescales	Desired Outcome
Continue to develop a portal of approved suppliers offering a variety of vocational areas by engaging with providers to register with the portal and maximising benefits of apprenticeship delivery for the Authority.	AC, Procurement	Ongoing	Availability of a range of high quality and scope of deliverable standards
Review existing standards that are fit for purpose and develop flexible, tailored delivery models to meet organisational requirements and demands.	AC, Providers	Ongoing	Future skills requirements are built into the delivery content of apprenticeships.
Work with training providers to identify and develop apprenticeship training provision and identify priority areas for development based on skills needs and gaps.	AC, Providers	Ongoing	Training provision gaps are reduced
Work with training providers and other local authorities to establish viable cohorts particularly in niche areas	AC	Ongoing	Training not limited by low internal learner numbers
Develop contacts with other local authorities and public services (Fire Service, NHS and Social Care Integration) to work on apprenticeship approach across the region.	AC in partnership with internal and external partners	Ongoing	Sharing information and best practice Promote the public sector as a career Develop cross- organisational apprentice networking opportunities

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Join the Apprenticeship Ambassadors network and work with other regional large employers to promote apprenticeships in the North East	AC	Ongoing	Sharing information and best practice Promote the public sector as a career Develop cross- organisational apprentice networking opportunities
Work with ESFA to ensure that apprenticeship standards can be delivered by more local / regional providers	AC	Ongoing	Levy funding is spent in region Reduced apprenticeship training travel costs
Review existing apprenticeship standards and identify those that meet our joint requirements; view to join up to leverage best provision from training providers.	AC, internal and external partners	Ongoing	Sharing information and best practice Supply of skills meets the needs of employers
Participate in the LGA's Apprenticeship Action Groups and work with peers from other Local Authorities to raise issues and work together to problem solve, generate new ideas and learn from each other's experiences and continue to grow the apprenticeship programme.	AC	Ongoing	Improve Gateshead Council apprenticeship offer
Work with recognised trade unions to promote apprenticeships, encourage take-up and continue to develop the Council's approach.	AC and TU's	Ongoing	Increased success of wider apprenticeship approach. Promotion of the Authority as an employer of choice.

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8. Passporting levy funds to other organisations

Actions	Responsibility	Timescales	Desired Outcome
Establish a Gateshead levy fund and make available up to 25% of the Council's levy fund to passport to other local businesses. Work with organisations in the Council's supply chain, partners, BES, neighbourhood teams, community and voluntary organisations within the borough to identify opportunities to passport levy funds to support apprenticeships and the THRIVE agenda. Work in partnership with other levy paying organisations within Gateshead to pool resources and work together to offer a collective Gateshead levy fund to support our business community through the passporting of levy monies. Develop a policy and process for the transfer of levy funding to other employers ensuring this is closely aligned to the aims and objectives of THRIVE. Communicate this process to partners and stakeholders. Prioritise apprenticeship fund to support Gateshead residents who are: • LAC and Care Leavers • Young people, particularly NEETS • Parents or carers looking to return to work • People with disabilities • BAME Funds to be prioritised to organisations creating new jobs or hiring new apprentices to fill existing vacancies in order to increase employment opportunities for Gateshead residents. Consideration to be given to transferring funds to employers to upskill existing employees where this would support the Council's Thrive agenda and fill a skills gap or support the CV19 economic response and recovery.	AC, BES and relevant partner organisations	Completed	An increase in Apprenticeships across the Gateshead area. Levy funding will support employers that have either used their funding or have no access to levy funding. Support the THRIVE agenda Supports community wealth building objectives Increase the number of local people in sustainable employment and the uptake of apprenticeships Encourage the recruitment of Gateshead residents and ensure much needed funding remains in the local economy supporting post-COVID economic recovery.

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Sign post other local businesses to access LearningSkills as a preferred apprenticeship provider where they receive levy funds from organisations other than the Council.	AC, BES	Ongoing	Income generation for Gateshead Council

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9. Work towards achievement of the Public Sector Apprenticeship target

Actions	Responsibility	Timescales	Desired Outcome
Prepare Apprenticeship Activity return and submit it to the Department for Education and publish it in a place easily accessible to the public. This will include information on progress towards the headcount target of 2.3% of the workforce as apprenticeships	AC	Ongoing	Meet requirements of the Public Sector Apprenticeship Target Regulations 2017.

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* Government funding criteria

Additional funds available:

Employer

- **Employers receive £1,000 incentive payment for hiring an apprentice**:
  - aged 16 to 18 years old
  - under 25 with an education, health and care plan or who has been in the care of their local authority (LAC).

  The payments come via the training provider in 2 instalments, one at 3 months and one at 12 months. It is not paid into the levy account.

- **Additional incentive payments for hiring a new apprentice between 1 August 2020 and 30 September 2021:**

  - For new apprentices who joined the organisation between 1 August 2020 and 31 March 2021 aged:
    - 16 to 24, employers will receive £2,000
    - 25 and over, employers will receive £1,500

    You must apply for these incentive payments for these apprentices before 31 May 2021.

  - For new apprentices who joined the organisation 1 April 2021 to 30 September 2021, employers will receive £3,000 for new employees of any age. You can apply for incentive payments for these apprentices from 1 June 2021.

  The money can be spent on anything to support the organisation's costs e.g. on uniforms, apprentice's travel or their salary.

  Payments are made in 2 equal instalments for each apprentice – one after an apprentice completes 90 days of their apprenticeship and the second is after 365 days. To receive the full payment, the apprenticeship must last for at least one year.

Providers

- 16-18-year-old £1,000, 2 instalments 3 months and 12 months. Direct from Government, not levy account.
- 19-24-year-old previously LAC or EHCP £1,000, 2 instalments 3 months and 12 months. Direct from Government, not levy account.

Apprentice bursary - for LAC and Care Leavers

- £1,000 bursary, 16 to 24-year olds. One payment via training provider.

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Appendix 4

Work undertaken to date in support of the Strategy and Delivery plan

Establishment of a North East Apprenticeship Network

The Apprenticeship Co-ordinator has been instrumental in establishing a north east apprenticeship network group with representatives from each of the North East authorities. These network meetings are also attended by a representative from the LGA and are aimed at sharing best practice, collaborating on niche cohorts and enhancing apprenticeships for North East residents.

Participation in the LGA Apprenticeship Action Groups

The Apprenticeship Co-ordinator was successful in gaining a place on the LGA Apprenticeship Action Groups programme. This programme provides the Council with the opportunity to work with peers from other Local Authorities across England through a series of monthly virtual live problem-solving discussion groups. Each session offers members the opportunity to raise their challenges, issues or ideas and work together to problem solve, generate new ideas and learn from each other's experiences.

Development of new apprenticeships

In areas within the Council which are experiencing skills shortages and recruitment difficulties, a more strategic approach to 'growing our own' future workforce is being pursued. This is the case particularly within social care where Social Worker Apprenticeships, Health & Social Care Apprenticeships and an Adult Social Care Career pathway have been developed by the Workforce Development Team and colleagues within the Children, Adults and Families Group. It is anticipated that this approach will be rolled out to other services who are experiencing similar difficulties.

Apprenticeships for Looked after Children

The Apprenticeship Strategy supports the Council's responsibility as a corporate parent and aims to ensure that young people leaving care have the opportunity of an apprenticeship within the Council.

There have been some difficulties with care leavers and looked after children (LAC) successfully securing and completing their apprenticeships with the Council. This is in part due to managers and other employees not necessarily understanding that some of these apprentices may require additional support and also in part due to the young people not being 'work ready'. An eLearning module for managers is being developed to ensure appropriate guidance is in place to support these apprentices who may need additional support.

Work is also on-going with the Employment, Education and Training (EET) panel and Corporate Parenting EET workstream to develop appropriate processes and strategies to support LAC and care leavers to access apprenticeships.

The Gateshead Apprenticeship Levy Transfer Scheme

Aligned to the Community Wealth Building work, the Council is striving to ensure its apprenticeship levy remains in Gateshead and is used to enable local businesses and

residents to develop skills to support our local economy and enable it to grow. The Gateshead Apprenticeship Levy Transfer Scheme agreed recently by Cabinet makes available up to £200k per annum of the Council's levy to be transferred to local businesses to increase the uptake of apprenticeships and increase the number of local people in sustainable employment.

The scheme applies to employers whose business is either located in Gateshead or is doing a substantial amount of business in the borough. Employers will use the transferred levy funds to fund the cost of apprenticeship training and assessment.

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Appendix 5

Future options to drive up demand for apprenticeships and maximise levy spend

In order to ensure that the Council is driving up demand for apprenticeships and maximising the spend of its levy, it is proposed that the following options are implemented:

- **Every vacancy being considered as a potential apprenticeship opportunity:** This would ensure that only in circumstances where there is a clearly articulated business case, or where no apprenticeships standard is available, would it be agreed that a job can be filled without being designated as an apprenticeship. This approach would entail new vacancies being mapped against apprenticeship standards prior to approval being given to fill the post and would support the development of a skilled workforce, whilst also addressing skills gaps and enabling the Council to continue to thrive and succeed in the future. Whilst this would need careful management to ensure service and Council needs are met, it would focus minds on justifying why a role could not be suitable as an apprenticeship, rather than, as is the case currently, justifying why it can be.

- **Mandatory Team Leader and Operational / Supervisory Manager apprenticeships:** Consideration could be given to making it mandatory that where an employee moves into a Team Leader or first line supervisory or management role they will be required to undertake either the L3 Team Leader / Supervisor or Level 5 Operational / Departmental Manager apprenticeship, if they do not already possess a management qualification. This would ensure that all supervisors and managers are supported to become skilled and confident managers who can lead a team to success and deliver results and that the Council has strong leaders and managers who can support the Council to achieve its strategic priorities and implement innovation and change. Note: an apprenticeship requires 20% 'off the job' training so would impact on service delivery.

- **Use of financial incentives:** In response to the impact which the pandemic has had on the uptake of apprenticeships, the government introduced a time limited incentive payment of £3,000 for any new apprentice hired between 1 April 2021 and 30 September 2021. This incentive can only be used to support an apprenticeship programme and can include offsetting the cost of an apprentice's first year salary and for initiatives such as the development of an annual Apprenticeship Awards (or similar) programme to celebrate and recognise the achievements of our apprentices, and to provide a resource to support the overall achievement of the Apprenticeship Strategy and Delivery Plan. The incentives will also be used to support apprentices with the costs associated with employment where needed, e.g., IT equipment, transport costs etc.

- **Succession planning model for assessors / tutors on craft apprenticeships:** Given the level of skills and competence within the Housing Environment and Healthy Communities (HEHC) Group and recognising the ageing workforce in these services with many employees struggling with the physical demands of such roles, consideration could be given to a succession planning model. Where appropriate, older trade employees could have an opportunity to move into LearningSkills roles as assessors and tutors on craft apprenticeships. This would enable LearningSkills to expand their apprenticeship offer and have appropriately skilled and experienced tutors / assessors available to deliver the trade apprenticeships. This would also enable those older workers to use their skills and experience to support new employees rather than undertaking the heavy manual element of their role or being

absent on short- or long-term sickness. HEHC could recruit new apprentices into these trade roles and increase productivity.

- **A requirement to offer LAC and Care Leavers a guaranteed interview:** It is vital that all managers commit to supporting LAC and care leavers to get a chance to secure an apprenticeship, therefore, consideration should be given to requiring all managers to offer LAC and Care Leavers a guaranteed interview, where they meet the essential criteria for a role.

- **Use of traineeships as a route into Apprenticeships for LAC or Care Leavers:** Consideration will be given to offering traineeships within the Council to LAC and care leavers to ensure that they are work ready and have the best opportunity to secure an apprenticeship. Traineeships are an extended work experience program (6 weeks up to a year) for young people aged 16-24 (25 with an EHC) and will give the young person a minimum of 70 hours as a placement within the service, with the remaining time with the training provider to improve their employability skills and knowledge.

- **Analysis of training spend to identify possible apprenticeship opportunities:** To ensure that use of the apprenticeship levy is being maximised, an analysis of training spend across the Council will be undertaken to identify whether any spend on training or qualifications could be replaced by using the apprenticeship levy to develop employees. Whilst maximising the use of the levy this would also result in a saving of mainstream funding.

Gateshead Council

REPORT TO CABINET
19 October 2021

TITLE OF REPORT: **Gateshead Speed Management Plan**

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

Purpose of the Report

1. The purpose of this report is to inform Cabinet of the outcomes of the consultation with residents and other stakeholders regarding the Gateshead Council Speed Management Plan, and to seek approval for the final revised version of the Plan to be referred to full Council.

Background

2. The effective management of traffic speed is an important element in improving road safety and in managing the impact of traffic on local communities. The Council's previous Speed Management Plan was approved in 2007. It was informed by the Department for Transport (DfT) circular 1/06 'Setting Local Speed Limits'. In January 2013 the DfT revised its guidance and DfT circular 01/13 'Setting Local Speed Limits' was published. Whilst the principles contained within DfT circular 01/13 have informed the Council's speed management considerations since 2013, the SMP has not been formally reviewed and updated during this time.

3. Circular 01/13 retains and builds upon many of the underlying principles of DfT Circular 01/06 whilst providing additional evidence of the safety and wider benefits of setting appropriate speed limits.

   It is also important to update the plan for the following reasons:

   - To reflect changes in other local and national policy and guidance
   - To reflect the speed management works that have taken place or are planned
   - To review and reflect on more up to date trends and statistics
   - To reflect changes in technology

4. The updated SMP sets out how the Council will develop and implement its approach to speed management, helping to minimise the number and severity of accidents. It demonstrates the importance of speed management in terms of road safety and in assisting the Council in achieving its aims in relation to the Thrive Agenda. It also identifies the importance of speed management in relation to wider benefits both locally and nationally.

Proposal

5. In December 2020, a consultation was launched on the Council website and directly with stakeholders to seek comments and feedback on the new Speed Management Plan. This consultation closed on 28th February 2021. In total there were 124 responses from the public, and responses from the bus operators Go North East and Stagecoach as well as the North East Ambulance Service. Appendix 1 contains a summary of the responses, and how it is proposed to amend the Plan as a result.

6. In light of the points raised during the consultation period, the Speed Management Plan has been revised and a finalised version produced. This is attached as Appendix 2.

Recommendations

7. It is recommended that Cabinet:

(i) Notes the feedback from the consultation that has been taken into account when producing the revised version of the Speed Management Plan.

(ii) Refers the final version of the Speed Management Plan and the measures contained within it to full Council for approval. This is in order

For the following reason:

To assist the Council in achieving its Thrive Agenda targets and to improve road safety in the borough.

CONTACT: Anneliese Hutchinson ext 3881

APPENDIX 1

Policy Context

1. The Gateshead Council Speed Management Plan is in line with the vision for transport as outlined in the Gateshead Health and Wellbeing Strategy – create and develop healthy and sustainable communities and places, and supports the pledges within our strategic approach, Making Gateshead a Place Where Everyone Thrives. It also supports the aims and objectives of the North East Transport Plan.

Background

2. Gateshead's transport network provides an essential service to the community, underpinning social and economic activity of all kinds. Investment in the network is important both in ensuring that the travel needs of local business and communities can continue to be met, and also that the adverse impacts of travel can be managed and, wherever possible, mitigated. The effective management of traffic speed is an important element within this, supporting improved road safety and helping to manage the impact of traffic on local communities.

3. The Council's previous Speed Management Plan (SMP) was published in 2007. It was informed by the Department for Transport (DfT) circular 1/06 'Setting Local Speed Limits'. In January 2013 the DfT revised its guidance and DfT circular 01/13 'Setting Local Speed Limits' was published. Whilst the principles contained within DfT circular 01/13 have informed the Council's speed management considerations since 2013, the SMP has not been formally reviewed and updated during this time.

4. It is also important to update the plan for the following reasons:
    - To reflect changes in other local and national policy and guidance
    - To reflect the speed management works that have taken place or are planned
    - To review and reflect on more up to date trends and statistics
    - To reflect changes in technology.

5. The Speed Management vision is: 'Safe and efficient speeds for all'.

6. The Plan also sets out the Council's Speed Management Policy as: 'Speed limits shall be introduced in a manner consistent with current government guidance and exceptions to usual practice will be recorded and justified as a departure from standard'.

7. The introduction of speed management measures whether based on speed limits, engineering, education or enforcement will only be considered where it can be demonstrated that they meet and contribute to the:
    - Speed Management Plan vision and core aims;
    - North East Transport Plan objectives – specifically those relating to a safe, secure network, and carbon neutral North East;
    - Gateshead Council's Thrive Agenda;
    - Take into account relevant regulations, best practice, all highway users and local experience;

- Are consistent with Gateshead Council's Network Management Plan.

8. The core aims of the SMP are to:
   - Reduce the incidence of inappropriate speed on Gateshead's roads;
   - Achieve significant reductions in the number of personal injury accidents occurring on the highway as a result of excessive or inappropriate speed;
   - Reduce the severity of road accidents that do occur;
   - Increase levels of speed limit compliance;
   - Reduce community severance;
   - Contribute towards creating more attractive environments in which to live and work;
   - Encourage the use of sustainable modes of transport; and
   - Adapt to changes in technology.

9. The draft Speed Management Plan was presented to Cabinet in October 2020 and approved for consultation.

Consultation

10. Consultation was undertaken with the Leader and Deputy Leader and Portfolio Holders for Environment and Transport.

11. Consultation was undertaken between 7th December 2020 and 28th February 2021. Consultation was undertaken with the general public via the Council website. Direct emails and reminders were sent to the following list of stakeholders:

    - North East local authorities
    - Nexus
    - Living Streets
    - Cycling UK
    - Sustrans North East
    - Go North East
    - Stagecoach Busways
    - Arriva Northumbria LTD
    - North East Ambulance Service
    - Tyne and Wear Fire & Rescue Service
    - Northumbria Police Collision Investigation Unit
    - Highways England
    - Road Haulage Association LTD
    - Freight Transport Association
    - Confederation of Passenger Transport
    - North East Freight Partnership
    - Sight Service.

12. The web consultation contained preliminary questions to gather information about respondents. This included whether the respondent was a resident, worked in, or travelled through Gateshead, whether they were responding on behalf of an organisation, their gender, and whether they had a disability or health condition.

13. Space was then provided where respondents were asked to contribute feedback and comments on the draft Speed Management Plan, which was available through a hyperlink.
14. Stakeholders were sent an email containing background information about the Plan as well as an attached copy, and were requested either to email their responses directly, or provide their comments through the web consultation page.

Consultation responses

15. In total, 124 responses were received from the public. All but one of the respondents stated that they either worked, lived or regularly travelled through Gateshead. Three responses from the list of specific stakeholders were received – from bus operators Go North East and Stagecoach as well as the North East Ambulance Service.

16. In general, comments either focused on specific recommendations made in the 'engineering measures' section of the Plan or referred to particular areas of the borough, which the respondent believed would benefit from a change in the approach to speed management.

17. Responses which have highlighted a certain locality as having problems with speed management have been noted and passed to the Engineering Services Manager and Network Manager, Highways and Waste, for consideration when implementing future speed management measures.

18. While individual responses varied, certain trends could be identified and have been acted upon in updating the Plan. These key points are summarised in the table below, along with any changes that have been made to the Speed Management Plan document as a result.

Consultation response – key theme	Response / change to SMP
Support for vehicle activated signs	The Plan states that the use of vehicle activated signs would be limited in future due to high levels of ongoing maintenance and concerns over their long-term effectiveness. A trial of the signs in the Leam Lane area found that no difference in speed was detected and further signs would not be recommended.
Negative perceptions of speed humps – e.g. some are excessively high and wide, they cause excessive wear and tear to vehicles, cause issues for people with back problems, cause congestion and pollution by making cars repeatedly slow down and speed up	Section 2.22 of the Plan states that interventions will conform to government guidance and legislation including the Road Hump/Traffic Calming Regulations (1999). This prescribes the acceptable size of speed humps. Section 4.21 of the SMP quotes research from Transport for London, which found that '20mph zones do not appear to worsen air quality and they dramatically reduce road danger'.

Use of speed humps should be appropriate to the limit of the road	Section 5.2 of the SMP clarifies that speed humps and other vertical traffic calming measures are only permitted on roads with a speed limit under 30mph.
Many factors aside from road speeds deter people from walking and cycling more	Section 1.22 of the SMP has been altered to acknowledge that other factors such as age and disability can affect the likelihood of walking and cycling, however, a benefit of effective speed management measures is to make the environment more conducive to safe walking and cycling for people of varying age and ability.
Support for enforcement measures like average speed cameras and mobile speed traps	Enforcement of speed limits is the responsibility of Police as stated in section 2.5.
Focus lower speed limits on roads which are popular with cyclists	Appendix C of the SMP sets out the criteria used to score and prioritise 20mph zones, including whether or not the road in question forms part of a cycle route.
Need to communicate the SMP effectively across the community using Covid-secure methods	Full online public consultation has been carried out on the Plan. Individual areas where speed management measures are to be implemented will be consulted prior to works commencing.
A map of the planned 20mph zones would make the SMP easier to understand	The exact locations of the interventions will be determined as the schemes develop through the design process. An indicative map has been included as an appendix to the Plan.
An executive summary would make the SMP easier to understand	An executive summary has been added at the start of the SMP.
Use of on-street parking to limit speeds should not be used close to junctions	Text was adjusted at section 5.11 of the SMP to clarify that this method of speed management will only be allowed where it is safe to do so. The restrictions set out in the Highway Code will still apply in these circumstances, that parking is not permitted: “opposite or within 10 metres (32 feet) of a junction, except in an authorised parking space”.
20mph zones should be targeted, or variable speed limits should be used, rather than implementing them across whole towns, as this could frustrate drivers and encourage them to speed	Section 4.22 explains that variable speed limits are not considered effective, because they increase uncertainty, and suitably robust measures cannot be installed to ensure the lower speed limit is self-enforcing. This uncertainty would also be the case if individual streets in an area had different speed limits, hence

	the preference for 20mph zones.
As well as lowering speeds, pedestrian crossings should be considered in order to improve road safety	Provision of existing crossing facilities is taken into account in the setting of speed limits, as set out in Appendix A. A range of road safety schemes are included in the annual transport capital programme.
Consider larger vehicles such as buses and bin lorries before installing road narrowing measures or speed humps	Sections 5.3 and 5.8 have been amended to make it explicit that the movements of larger vehicles will be considered.
The Plan is too focused on reducing vehicle speeds and not enough focus is given to allowing vehicles to maintain higher speeds	The aims of the SMP revolve around road safety and creating attractive environments for people to live and work. Ensuring that the downward trend in injury accidents in Gateshead continues is an integral part of this. The benefits of reducing speeds are set out in section 1.22.
Need to introduce alternatives to the car in order to get people to change their habit of driving, such as cycle priority and improved bus services	A range of walking, cycling and public transport schemes are included in the annual transport capital programme which will sit alongside the 20mph schemes.
There should be future consultations in each individual area where speed management measures are to be introduced, to get feedback from local residents	Public consultation and discussion with local councillors will be carried out in each area prior to measures being implemented.

19. Stakeholder responses were received from Go North East, Stagecoach and the North East Ambulance Service. Whilst respondents expressed support for road safety and speed management in general, some specific points of concern were raised. These are summarised below along with the Council's response.

Stakeholder point of concern	**Response / change to SMP**
Interventions could reduce the speed of buses and increase journey times, making public transport less attractive and possibly forcing a reduction in service.	It will be noted where speed management measures intersect with bus routes, and in these areas discussions will take place with bus operators to ensure the impact on their vehicles and timetables can be kept to a minimum whilst still carrying a benefit in terms of road safety.
Certain types of intervention such as speed tables could be detrimental to the safety and comfort of bus passengers.	Section 5.3 of the plan states that on bus routes only flat top humps with a table top of 10m or more or speed cushions will be permitted in order to minimise the impact on buses.
Interventions could marginally slow down ambulances or cause discomfort to some patients being transport in	As stated in section 4.17 of the Plan, 20mph zones will be focused on residential areas, leaving main routes

ambulances.	with higher speed limits unaffected. Where a road experiences a high level of usage by emergency services then, similar to bus routes, the type of interventions proposed will take this into account. It is also worth noting that reduced pressure on emergency services and the NHS is one of the benefits of effective speed management.

20. The Speed Management Plan has now been updated, taking into account the points summarised above. The amended version of the Plan is attached as Appendix 2. As set out above, no fundamental changes were made to the Plan and its vision and policy remain the same, however certain sections of the Plan have been clarified and some further information added.

Alternative Options

21. The alternative option is to continue with the previous version of the Plan from 2007. This is not recommended because the previous Plan is now outdated and does not reflect the changes that have occurred since 2007, in particular the DfT circular 01/13 'Setting Local Speed Limits'.

Implications of Recommended Options

22. **Resources:**

    a) **Financial Implications** – The Strategic Director, Resources and Digital confirms that speed management schemes will be contained within the capital programme for transport. This is largely funded by Local Transport Plan Integrated Transport funding, supplemented by specific bids to central government and developer contributions.

    b) **Human Resources Implications** – There are no human resources implications.

    c) **Property Implications** – No property implications have been identified.

23. **Risk Management Implications –** The main risk associated with the Speed Management Plan is that the Plan is not regularly reviewed and becomes outdated and not reflective of the current environment. This could risk the good progress made so far in reducing highway casualties in Gateshead. There is another risk around the ability to fund speed management measures. While this has been mitigated by including placeholders for the measures within the capital programme for the next three years, wider uncertainty remains over the scale of future Government funding for this kind of work post 2021/22.

24. **Equality and Diversity Implications** – One of the aims of the Plan is to reduce community severance (when traffic or infrastructure acts as a barrier

through an area, for example a busy road separating a residential area from local shops), which will assist in reducing social exclusion by improving access for the young, elderly, and people with disabilities.

25. **Crime and Disorder Implications** – The Plan aims to reduce speed exceedances and encourage safer driving, contributing towards creating safer and more attractive environments for all transport users and pedestrians, and a long term reduction in speeding-related traffic offences.

26. **Health Implications** – The Plan aims to reduce the number and severity of road accidents as a result of excessive or inappropriate speeds, leading to a reduction in injury and fatality on the roads. It should also reduce the perceived threat form speeding traffic to pedestrians and cyclists, thereby helping to encourage active and healthy travel.

27. **Climate Emergency and Sustainability Implications** – The Plan encourages the use of sustainable modes of transport and aims to create a safer environment for such modes, for example cycling.

28. **Human Rights Implications** – No human rights implications have been identified.

29. **Ward Implications** – All wards will be affected.

Background Information

30. Further background information is contained in:
    - Gateshead Council (GMBC) Speed Management Plan and Appendices
    - Speed Management Plan (Cabinet report) – October 2020
    - DfT circular 01/13 ‘Setting Local Speed Limits’

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Gateshead Council (GMBC)

Speed Management Plan

October 2021

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Executive summary

Background

i. Management of traffic speed is an important element of an effective transport network, supporting improved road safety, and helping to manage the impact of traffic on local communities.

ii. Road Safety is an important issue and the Council and Northumbria Police each receive many requests and expressions of concern in relation to speed management each year. Speeding traffic also affects people in many other ways beyond immediate safety concerns. In particular it can discourage active and independent travel, and create community severance.

iii. Over the last ten years, there has been a gradual downward trend in highway casualties in Gateshead, reducing from 872 in 2008 to 511 in 2018, a fall of 41%. It is important to continue this trend by continuing to carry out works which are aimed at tackling speed related accidents.

iv. The updated Speed Management Plan sets out how the Council will develop and implement its approach to speed management, helping to minimise the number and severity of speed related accidents and reducing other problems associated with excess traffic speed.

Why review the Speed Management Plan?

v. The Council's previous Speed Management Plan (SMP) was produced in 2007. It was informed by the Department for Transport (DfT) circular 1/06 'Setting Local Speed Limits'. In January 2013 the DfT revised its guidance and DfT circular 01/13 'Setting Local Speed Limits' was published. Whilst the principles contained within DfT circular 01/13 have informed the Council's speed management considerations since 2013, the SMP has not been formally reviewed and updated during this time.

vi. It is also important to update the plan for the following reasons:

- To reflect changes in other local and national policy and guidance
- To reflect the speed management works that have taken place or are planned
- To review and reflect on more up to date trends and statistics
- To reflect changes in technology.

Vision and policy

vii. The Speed Management vision is: Safe and efficient speeds for all.

viii. The Plan also sets out the Council's Speed Management Policy as:
Speed limits shall be introduced in a manner consistent with current government guidance and exceptions to

usual practice will be recorded and justified as a departure from standard.

ix. The introduction of speed management measures whether based on speed limits, engineering, education or enforcement will only be considered where it can be demonstrated that they meet and contribute to the:

- Contribute to the Speed Management Plan vision and core aims;
- Contribute to North East Transport Plan Goals – specifically those relating to road and community safety and climate change;
- Contribute to Gateshead Council's Thrive Agenda;
- Take into account relevant regulations, best practice, all highway users and local experience;
- Are consistent with Gateshead Council's Network Management Plan.

x. The core aims of the SMP are to:

- Reduce the incidence of inappropriate speed on Gateshead's roads;
- Achieve significant reductions in the number of personal injury accidents occurring on the highway as a result of excessive or inappropriate speed;
- Reduce the severity of road accidents that do occur;
- Increase levels of speed limit compliance;
- Reduce community severance;
- Contribute towards creating more attractive environments in which to live and work;
- Encourage the use of sustainable modes of transport; and
- Adapt to changes in technology.

xi. The Speed Management Plan will be based around the Safe Systems Approach (SSA) to road safety, which is centred on the principle that life and health should not be compromised by our need to travel.

Funding

xii. Speed management schemes will largely be funded by Local Transport Plan Integrated Transport funding, mainly coming under the Safe and Sustainable Communities key area.

xiii. This can sometimes be supplemented by specific bids to central government and its departments and through developer contributions linked to planning approvals. However, such opportunities are rarely linked specifically to speed management or road safety.

Identification and prioritisation of works

xiv. The method for prioritising schemes is set out in full detail in Table 1.2 of the Plan.

xv. Works will be incorporated into the Council's transport capital programme using the annual traffic management budget (for schemes less than £10k), as a standalone

scheme (for schemes above £10k), or as part of a wider scheme.

xvi. Urgent works which cannot be accommodated within the budget will be carried out as an agreed overspend or through postponing less urgent works.

xvii. If more than one location falls within the same category, the overall number of accidents, accident rate and accident severity will be considered.

xviii. For rural roads, as recommended in DfT Circular 01/13, the Council will also draw upon the methods set out in the Transport Research Laboratory guidance 'Accident Analysis on Rural Roads: A Technical Guide' (2004).

Speed limits

xix. Speed limits should be evidence-led and self-explaining and seek to reinforce people's assessment of what is a safe speed to travel. They should encourage self-compliance and be regarded as the maximum rather than the target speed.

xx. Gateshead Council will assess speed limits and the need for intervention based on the 85th percentile (the speed below which 85% of motorists are travelling) and average speeds.

xxi. The Plan proposes that speed limits will not be routinely reviewed other than in the case of 20mph limits for which there is an ongoing programme of works, or in the following circumstances:

- As part of a wider highway scheme;
- Following a fatal accident (coroner recommendation or engineer assessment);
- Following a series of serious or slight accidents linked to speed;
- As a result of MP, Council Member or Emergency Service request
- Following receipt of a petition (in accordance with Gateshead Council Petition Scheme);
- At the request of a neighbouring Local Authority;
- When linked to new development.

New developments

xxii. New residential developments will typically be required to adhere to the street hierarchy set out in Gateshead Council's Transport Design Guide (once approved), with the road type being linked to function. The hierarchy allows inclusion of factors such as speed limit, road geometry and level of user segregation in managing speed and road safety.

Speed Management Measures

xxiii. The Plan sets out several types of Speed Management measures available to the Council. These can be summarised as the following.

Speed limits

- Zonal speed limits
- Ultra low speed limits (below 20mph)

Engineering measures (general)

- Vehicle Activated signs/Driver feedback signs
- Road markings
- Passive safety

Engineering measures (urban/village)

- Vertical traffic calming
- Horizontal traffic calming and road narrowing
- Street closures
- On-street parking
- Traffic signals

Engineering measures (rural)

- Village gateways
- Bends (warning and safety measures)
- Quiet lanes

Education/enforcement

- Safety Camera Strategy/ Northumbria Safer roads Initiative (NSRI)
- Speed Monitoring Network/Traffic and Accident Data Unit (TADU)
- Publicity

Emerging technology

- Vehicle speed detection/limiters if introduced by UK government
- Connected and autonomous vehicles (when in broader use)

1 Introduction

Why review the SMP?

1.1 The Council's previous Speed Management Plan (SMP) was approved in 2007. It was informed by the Department for Transport (DfT) circular 1/06 'Setting Local Speed Limits'. In January 2013 the DfT revised its guidance and DfT circular 01/13 'Setting Local Speed Limits' was published. Whilst the principles contained within DfT circular 01/13 have informed the Council's speed management considerations since 2013 the SMP has not been formally reviewed and updated during this time.

1.2 Circular 01/13 retains and builds upon many of the underlying principles of DfT Circular 01/06 whilst providing additional evidence of the safety and wider benefits of setting appropriate speed limits.

1.3 It is also important to update the plan for the following reasons:

- To reflect changes in other local and national policy and guidance
- To reflect the speed management works that have taken place or are planned
- To review and reflect on more up to date trends and statistics
- To reflect changes in technology

1.4 Since the initial establishment of the SMP a Police and Crime Commissioner has assumed responsibilities that were previously within the remit of a Police Authority. However, the Police continue to be responsible for speed enforcement on the highway.

1.5 In 2015 the speed limit for HGV's over 7.5 tonnes increased from 40mph to 50mph on single carriageway roads and from 50mph to 60mph on dual carriageway roads. Appendix B sets out the current UK speed limits by use class and road type.

Relevance of a SMP

1.6 Road Safety is an important issue, with excess speed a factor in a significant proportion of accidents, and the Council and Northumbria Police each receive many requests and expressions of concern in relation to speed management each year. Speeding traffic affects people in many different ways.

1.7 Over the last ten years, there has been a gradual downward trend in highway casualties in Gateshead, reducing from 872 in 2008 to 511 in 2018, a fall of 41%. This reduction is demonstrated through the table and chart below.

Casualties by Year and Severity

Year	Fatal	Serious	Slight	Total
2008	6	74	792	**872**
2009	6	85	809	**900**
2010	6	76	701	**783**
2011	4	63	631	**698**
2012	3	75	659	**737**
2013	8	53	592	**653**
2014	4	53	642	**699**
2015	4	60	661	**725**
2016	7	60	506	**573**
2017	3	50	421	**474**
2018	1	65	445	**511**
Total	**52**	**714**	**6,859**	**7,625**

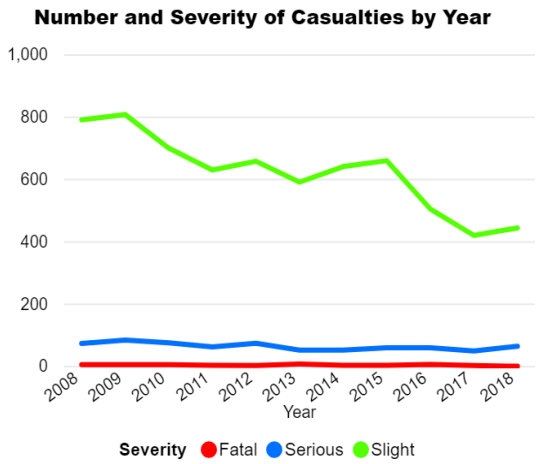


Figure 1 - Number and Severity of Highway Casualties in Gateshead, 2008 to 2018

Casualties by Year and Severity

Year	Fatal	Serious	Slight	Total
2008	1	6	61	**68**
2009	3	12	61	**76**
2010	3	10	63	**76**
2011		11	42	**53**
2012		10	66	**76**
2013		1	33	**34**
2014	1	2	59	**62**
2015	1	4	35	**40**
2016	1	4	36	**41**
2017	1	3	20	**24**
2018		4	19	**23**
Total	**11**	**67**	**495**	**573**

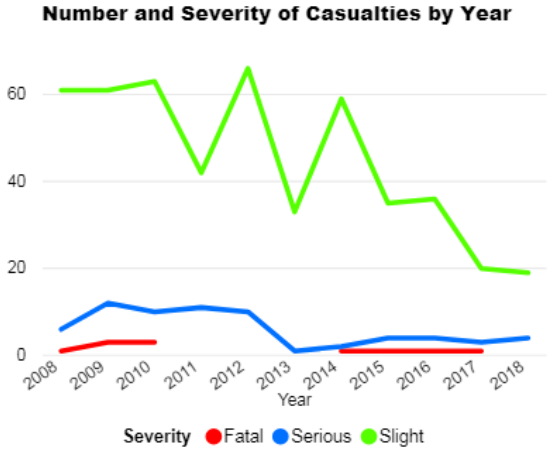


Figure 2 - Number and Severity of Road User Casualties in Gateshead where excessive or illegal Speed was judged to be a factor by the attending Police Officer, 2008 to 2018

1.8 Causation factors are recorded by the Police when attending a road traffic collision and this allows the number of injuries that the police believe were the result of a speeding to be identified. The figures for Gateshead are detailed in figure 2.

1.9 Figure 2 shows that the number of casualties linked to speed has been decreasing in line with overall injuries, with a 66% reduction from 2008 to 2018.

1.10 Figure 3 below shows the average value to society in road casualty prevention. Based on this the accidents set out in figure 1 can be estimated to have cost society more than £43 million. [i]

1.11 The downward trend in injury accidents in Gateshead is positive, particularly when set against a background of increasing population/car use and plateauing national accident statistics.

1.12 Gateshead Council believes that any responsible community must recognise the benefits of reducing traffic speeds and take the issue of speeding traffic seriously. Further work must therefore be undertaken in a variety of ways to ensure accident levels remain low and continue to fall.

Average value of prevention[1] per reported casualty and per reported road accident[2]: GB 2017

£ (2017 prices)

Accident/casualty type	Cost per casualty	Cost per accident
Fatal	1,897,129	2,130,922
Serious	213,184	243,635
Slight	16,434	25,451
Average for all severities	64,726	90,424
Damage only	-	2,272

1 The costs were based on 2017 prices and values
2 The number of reported road accidents were based on 2017 data

Source: STATS19, Transport Analysis Guidance - WebTAG
The figures in this table are National Statistics
Last updated: 27 September 2018

Figure 3 - Department for Transport, Accident and casualty costs (RAS60) (2018)

1.13 This SMP fits closely with Gateshead Council's Thrive Agenda which aims to make the borough a place where everyone Thrives. It also links closely to the Tyne and Wear Local Transport Plan, which includes policies to curb excessive road speeds, continue the introduction of 20mph speed limits, improve road safety and reduce road casualties through engineering, education and enforcement.

1.14 This SMP sets out how the Council intends to continue to develop and implement its approach towards speed management in Gateshead, and in doing so help minimise the number and severity of highway accidents in the borough.

Speed as a factor in highway accidents

1.15 Injury accidents on the highway can occur as a result of a number of factors, of which inappropriate and/or excessive speed is one. Nationally inappropriate speed contributes to around 11% of all injury collisions reported to the police, 15% of crashes resulting in a serious injury and 24% of collisions that result in a death.[iii]

1.16 Higher speeds mean that drivers have less time to identify and react to what is happening around them, it takes longer for the vehicle to stop and the vehicle carries more force into an impact with another object. It removes the driver's safety margin and turns near misses into crashes. [iv]

1.17 One of the most powerful research findings of recent years found that an increase in average speed of 1mph results in an average 5% increase in the total number of accidents.[v] Correspondingly, a 1mph reduction in average speed results in an average 5% reduction. This indicates that even marginal reductions in average speeds can result in major road safety gains.

1.18 The research by the Transport Research Laboratory [vi] [vii] also showed that the reduction varies by road type, as follows:

- around 6% for urban roads with low average speeds
- around 4% for medium speed urban roads and lower speed rural main roads
- around 3% for higher speed urban roads and rural main roads

1.19 The link between speed, accident numbers and severity is well established. Analysis of vehicle speed in pedestrian fatalities in Great Britain[viii] for example, found that 85% of pedestrians are killed when hit by a vehicle travelling at up to 40mph, dropping to 45% for speeds up to 30mph and 5% for speeds below 20mph.

1.20 Campaign group Road Safety GB North East reported in 2019 that 1 in 5 fatal collisions in the region between 2014 and 2018 involved excessive speed, which equates to 58 deaths. (Road safety GB North East)[ix]

1.21 There is also a clear distinction between the accidents that occur in urban and rural scenarios. Around two thirds of highway fatalities in the UK occur on rural roads whereas a large proportion of pedestrian and cyclist injury accidents occur in urban settings.

Wider benefits of Reduced Speed

1.22 In addition to reducing the number and severity of accidents speed management/reduction has the potential to realise wider benefits, including;

Air quality/climate change-

- Reducing the relative attractiveness of the car and increased attractiveness of sustainable modes for shorter journeys. Half of all journeys made in Britain are less than two miles in length. When driven from a cold start, these journeys produce disproportionate amounts of harmful gases and particulate matter, which reduce air quality and impact negatively on climate change. Creating a road environment that encourages more people to make these shorter journeys on foot or by bicycle where possible is a key part of reducing unnecessary pollution from motor vehicles.

Noise pollution-

- Road traffic is a major source of noise nuisance, and this increases proportionally with speed.

- The UK Noise Association have reported that in urban areas with existing traffic speeds of between 20mph and 34mph reducing speeds by 6mph could reduce noise levels by up to 40%. Noise from vehicles travelling at higher speeds can be linked to both engine noise and tyre/road surface noise[x].

Health-

- By increasing the attractiveness of walking and cycling for shorter journeys greater levels of

activity and consequent physical and mental health benefits are realised. Safer road environments can also help to enable people with disabilities or additional needs to get active.

- Increased levels of sustainable travel will in turn improve air quality and reduce greenhouse gas emissions. Nationally in 2019 the UK Government published a Clean Air Strategy[xi], setting out measures and targets relating to improved air quality, which can be linked to a variety of respiratory problems as well as cancer and heart disease. In 2016 approximately 110 deaths were thought to have been the direct cause of air pollution in Gateshead. The Government's Road to Zero[xii], published in 2018 sets out measures to clean up transport and its decarbonisation in transport plan in support of this is expected in 2020.

Economy-

- Reduced pressures on the NHS as a result of fewer road casualties and a healthier population
- Reduced pressure on Ambulance, Police and Fire and Rescue Services
- Fewer lost work days due to sick leave
- Fewer delays in transporting goods and lost work time
- Less damage to property

Community-

- Reducing and managing vehicle speeds can help reconnect communities and make them more pleasant and attractive places to live. Encouraging people to walk and cycle rather than take the car improves social interaction, inclusion and helps create a better sense of place and community.

Wildlife-

- There are various studies outlining the impact of roads and human development in fragmenting wildlife habitats. The result is the need for wildlife to cross roads in order to move from one habitat area to another. Speed as a factor in this, particularly in rural and semi-rural areas, is important as it makes the crossing of the highway more difficult for wildlife. The British Mammal Society in June 2018 reported that 1 in 5 British Mammals face high risk of extinction. The report highlights road deaths and climate change as two key factors in this decline.

Who speeds?

1.23 Research shows that during free flow conditions a significant proportion of car drivers exceed the speed limit of the road on which they are travelling. On roads with a 30mph speed limit for example, 52% of motorists typically drive in excess of the speed limit, with 6% exceeding by more than 10mph.

1.24 Compliance with speed limits is clearly a major issue with many treating it as an acceptable social norm. Figure 4 below shows the level of speed limit exceedance on different types of road in Great Britain. [xiii]

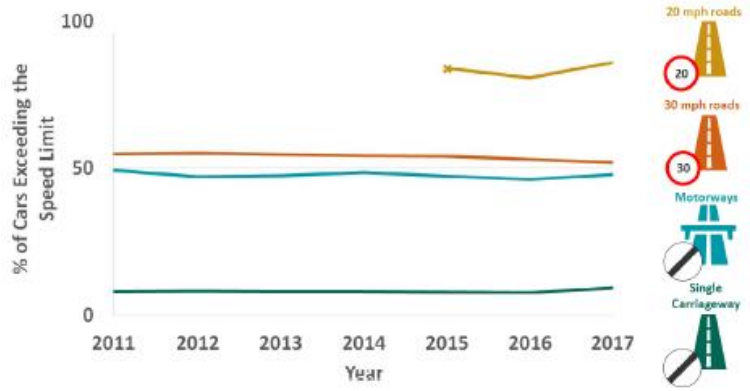


Figure 4 - Department for Transport- Vehicle speed compliance statistics, Great Britain : 2017

1.25 The Royal Society for the Prevention of Accidents (RoSPA) has identified three categories of driver as follows[xiv];

1./ Compliant drivers (52%)- Drivers that observe speed limits

2./ Moderate speeders (33%)- Drivers that occasionally exceed speed limits

3./ Excessive speeders (15%)- Those who routinely exceed speed limits

1.23 Whilst Gateshead Council as highway authority, through this plan and associated measures, make highway safety a priority, there remains a responsibility on the highway user to travel in a way that ensures the safe passage of themselves and others.

What is speeding?

1.26 Speeding can include any of the following: -

- exceedance of the legal speed limit
- driving or riding too fast for the road conditions (i.e poor weather, poor visibility, road geometry or when in areas of high pedestrian movement)
- accelerating at a velocity which is greater than could typically be expected by other road users.

All of the above could be classed as dangerous driving.

2 The Gateshead Speed Management Plan

Vision

2.1 *'Safe and efficient speeds for all'*

Speed Management Policy

2.2 Speed limits shall be introduced in a manner consistent with current government guidance and exceptions to usual practice will be recorded and justified as a departure from standard.

2.3 The introduction of speed management measures whether based on speed limits, engineering, education or enforcement will only be considered where it can be demonstrated that they meet and contribute to the:

- Speed Management Plan vision and core aims
- North East Transport Plan Goals – specifically those relating to road and community safety and climate change
- Gateshead Council's Thrive Agenda

and;

- Take into account relevant regulations, best practice, the needs of all highway users and local experience
- Are consistent with Gateshead Council's Network Management Plan.

Who is responsible for the plan?

2.4 Gateshead Council as Highways Authority is responsible for the setting of speed limits and the management of speed on all public roads in Gateshead (except the A1 and A194(M), which are maintained by Highways England).

2.5 The Police are responsible for the enforcement of speed limits.

Aims

2.6 The continuing development of a SMP for Gateshead is closely linked to the Council's Thrive Agenda.

- Thrive Agenda- Access to employment, shops, leisure and services by all modes of transport safely, affordably and efficiently. Reducing road safety fears, especially among more vulnerable people.

2.7 The core aims of the SMP are to:

- Reduce the incidence of inappropriate speed on Gateshead's roads;
- Achieve significant reductions in the number of personal injury accidents occurring on the highway as a result of excessive or inappropriate speed;
- Reduce the severity of road accidents that do occur;

- Increase levels of speed limit compliance;
- Reduce community severance (when traffic or infrastructure acts as a barrier through an area, for example a busy road separating a residential area from local shops);
- Contribute towards creating more attractive environments in which to live and work;
- Encourage the use of sustainable modes of transport; and
- Adapt to changes in technology.

2.8 The remainder of this document will focus on how the Council will set about achieving these aims.

A Safe Systems Approach (SSA)

2.9 This Strategy will be based around the Safe Systems Approach (SSA) to road safety, which is centred on the principle that life and health should not be compromised by our need to travel. A SSA was identified as a key national priority in the government's British Road Safety Review (2015). It recognises that humans can make mistakes and that there is a shared responsibility amongst stakeholders when attempting to prevent collisions, and in ensuring that accidents do not result in death or serious injury.

2.10 Gateshead Council as Highways Authority will contribute to a SSA through a variety of measures set out below and will work with other stakeholders in improving the SSA. Of the five key pillars of action typically forming part of an SSA Gateshead Council has a clear link to three of the five strands (**bold**) as follows;

1./ **Safe road use**- education and enforcement.

2./ **Safe vehicles**- not part of this Strategy

3./ **Safe speeds** – setting of speed limits and use of engineering measures to encourage compliance

4./ **Safe roads and roadsides**- engineering and maintenance

5./ **Post crash response**- Mainly linked to emergency services and health care but could be linked to the review of accidents statistics, and the response to fatal accidents.

Funding

2.11 Transport and highways improvement works, including those linked to road safety engineering schemes, are largely undertaken using central government capital funding received through the Local Transport Plan Integrated Transport block. Schemes are typically identified in line with the objectives of the North East Transport Plan (approved in 2021), and are set out within three themes;

- Safe and Sustainable Communities
- Climate Change
- Economic Development

Speed management schemes will largely fall within the first category but may also form part of wider schemes falling in other categories.

2.12 The LTP capital funding is supplemented where possible through other sources of external funding such as specific bids to central government and its

departments and through developer contributions linked to planning approvals. However, such opportunities are rarely linked specifically to speed management or road safety.

Identification and prioritisation of works

2.13 Works will be prioritised where possible, in line with Table 1 below. Works will be incorporated into the Council's transport capital programme using the annual traffic management budget (<£10k), as an independent scheme (>£10k) or as part of a wider scheme. Where works are identified as being urgent and cannot be accommodated within the available budget they will be carried out as an agreed overspend or through the postponement of other less urgent works.

2.14 Where more than one location is identified as requiring intervention within the same category the overall number of accidents, accident rate and accident severity will be taken into consideration when prioritising which to undertake first.

2.15 As recommended in DfT Circular 01/13 the Council will also draw upon the methods set out in the Transport Research Laboratory guidance *Accident Analysis on Rural Roads: A Technical Guide (2004)* when assessing the need for intervention and prioritisation of schemes on rural roads. However, as acknowledged in the document it is not intended to completely replace local expertise and judgement.

Table 1 - Framework of timescales and types of treatment for speed management issues

Category	Speed*	Casualties**	Priority	Target timescale***	Treatment
1	**High**	**High**	**Very High**	**<1 year**	• Speed management engineering measures • Review of speed limit • Referral to Police/Northumbria Safer Roads Initiative for assessment
2	**Low**	**High**	**High**	**<2 years**	• Casualty reduction engineering measures • Highway maintenance • Review of speed limit
3	**High**	**Low**	**Medium**	**< 3 years**	• Speed management engineering measures • Review of speed limit
4	**Low**	**Low**	**Low**	**None**	None unless part of a wider scheme or to meet other Speed Management Plan priorities such as:- • Air quality • Promotion of sustainable travel

***Assessed in relation to table 2**

**** When compared to other links/junctions of a similar type and flows**

*****- May involve temporary works until more permanent measures can be undertaken due to scale/cost of works**

General principles

2.16 Speed limits should be evidence-led and self-explaining and seek to reinforce people's assessment of what is a safe speed to travel. They should encourage self-compliance and be regarded as the maximum rather than the target speed.

2.17 The minimum length of a speed limit should generally be not less than 600 metres and regular changes to speed limit on a single stretch of road will be avoided where possible to prevent

confusion. In exceptional circumstances the minimum length will be reduced to 300m but only in conjunction with lower speed limits.

2.18 The signed maximum speed limit is not an indication of a safe speed to drive, which can be influenced by factors such as road geometry, weather conditions and the like.

2.19 Speed limits should not be set in isolation or used to solve an isolated problem but should form part of a package of measures.

2.20 Roads should be designed so that mistakes made by road users (within the law) do not result in death or serious injury.

2.21 The overall speed limit framework, including the setting of national limits, is the responsibility of the government. The three national speed limits are:

- 30mph- on roads with a network of street lighting (restricted roads)
- 60mph- on single carriageway roads
- 70mph- on dual carriageways and motorways

Local authorities must prescribe speed limits at or below these national limits based upon local need.

2.22 Implementation of speed limits and other engineering measures will be undertaken in conjunction with relevant guidance and legislation, which includes:

- Traffic Signs Regulations and General Directions 2016 (TSRGD)
- Traffic Advisory Leaflets (TAL)
- Road Hump/Traffic calming Regulations (1999)
- Design Manual for roads and bridges (DMRB)

How is speed assessed?

2.23 Gateshead Council will use 85th percentile and average speeds when setting speed limits and assessing the need for engineering measures. In free flow conditions 85th percentile speeds and average speeds should be closely linked, with any significant difference indicating uncertainty amongst highway users of the appropriate speed to travel.

2.24 The 85th percentile speed is the speed below which 85% of motorists are travelling. The 85th percentile approach acknowledges the speed at which the vast majority of drivers feel is an appropriate speed to travel. It discounts the highest 15% of drivers which typically fall within the category of excessive speeders as identified by RoSPA (see para 1.22).

2.25 Gateshead Council will utilise permanent speed monitoring sites where available and in other locations will commission independent specialist contractors to carry out speed surveys. These will typically be 7-day surveys undertaken outside of holiday periods and other periods such as during road works or severe weather, which could influence results

2.26 Intervention may be required where the criteria set out in table 2 apply:-

Scenario	Method of identification
the average and 85th percentile speeds are not closely linked	• Speed surveys • High levels of overtaking (observations) • Tailgating (observations) • Road rage (reported by Police or members of the public)
The 85th percentile speed exceeds the speed limit* by more than 10% + 2mph (see table 3)	• Speed surveys • Reported by Ward Member, Stakeholder or member of the public followed by Engineer/Transport Planner assessment
A fatal accident linked to speed occurs	• Police/Coroner/Engineer assessment
A series of serious or slight accidents relating to speed occur at a particular location or within a defined area	• Police reports directly to GMBC • Engineer/Transport Planner assessment of TADU data • Reported by Ward Member, Stakeholder or member of the public followed by Engineer/Transport Planner assessment

*Design speed limit in Home Zones

Table 2- Speed scenarios and methods of identification

Speed limit	Average speed	85th Percentile speed
20mph	20mph	24mph

30mph	30mph	35mph
40mph	40mph	46mph
50mph	50mph	57mph
60mph	60mph	68mph

Table 3 - Speed limit and thresholds above which recorded speeds are considered high

2.27 Where investigations into speeding identify a problem one of the following approaches will be taken in tackling the issue;

- Single site action- dealing with a site-specific problem
- Mass action- addressing all locations with the same issue
- Area action- focusing of action into an area of the borough
- Route treatment- tackling an accident problem on a specific route

Review of speed limits

2.28 Whilst the SMP has not been updated since the DfT circular was released in 2013 the guidance has provided the basis for speed limit assessments and changes during that time. This plan formalises the Council's approach to speed management in relation to the 2013 circular.

2.29 The review of all speed limits in Gateshead and implementation of any changes resulting from the 2013 circular is however an extensive task, requiring significant resources. Speed limits will not therefore be routinely reviewed other than in the case of 20mph limits for which there is an ongoing programme of works. Other speed limits will only be reviewed in the following circumstances;

- As part of a wider highway scheme
- Following a fatal accident (coroner recommendation or engineer assessment)
- Following a series of serious or slight accidents linked to speed
- As a result of MP, Council Member or Emergency Service request
- Following receipt of a petition (in accordance with Gateshead Council Petition Scheme).
- At the request of a neighbouring Local Authority
- When linked to new development

2.30 When assessing and making decisions on local speed limits and the need for engineering measures, the following factors will typically be considered;

- history of collisions, including frequency, severity, types and causes;
- road geometry and engineering (width, sightlines, bends, junctions, accesses and safety barriers etc.);

- road function (strategic, through traffic, local access etc.);
- composition of road users (including existing and potential levels of vulnerable road users);
- existing traffic speeds; and
- road environment, including level of road-side development and possible impacts on residents (e.g. severance, noise, or air quality).

2.31 While the above factors need to be considered for all road types, they may be weighted differently in urban and rural areas. The impact on community and environmental outcomes should also be considered.

2.32 Where the appropriate speed limit is in dispute or the benefits are unclear, the DfT speed limit appraisal tool may be used to help identify the appropriate speed limit and the cost benefit of any change. However, there are limitations to this tool and not all scenarios are covered. The Council may in those circumstances decide that there are specific local characteristics which the tool cannot allow for.

2.33 Any review of speed limits will not encompass the A1 or A194(M). These trunk roads are the responsibility of Highways England rather than Gateshead Council. GMBC will however liaise with Highways England when changes to speed limit are proposed on roads which connect directly to the HE network. They will similarly consult with neighbouring authorities on any speed limit changes affecting cross boundary connections.

2.34 The underlying aim of any speed management works undertaken by Gateshead Council should be to achieve a safe distribution of speeds.

2.35 In most cases simply changing a speed limit through signage and a legal order will not be sufficient in delivering speed reduction and will only be appropriate where existing speeds already conform to a lower limit.

3 New Developments

3.1 As far as possible, within the Council's development management powers, it is intended that developers will be required to have a greater awareness of speed related problems generated

by their proposals. The following policies and guidance documents are considered key as part of this process;

- National Planning Policy Framework (NPPF)
- Newcastle Gateshead Core Strategy Policy CS13
- Gateshead Residential Design Code SPD
- Gateshead Highways Design Guide
- Transport Design Guide (not yet adopted)
- Gateshead Home Zone Design Guide

3.2 New residential developments will typically be required to adhere to the street hierarchy set out in Gateshead Council's Transport Design Guide, with the road type being linked to function. The hierarchy allows inclusion of factors such as speed limit, road geometry and level of user segregation in managing speed and road safety. The hierarchy ordered from major to minor will be;

1./ Local distributor

2./ Residential Road with buses

3./ Residential Road access collector

4./ Residential road

3.3 New residential developments should normally be designed as 20mph zones at no cost to the Council, which includes costs linked to any new/amended legal orders. Contributions will also be obtained from developers towards the addressing of other related speed management issues, which may exist or be created outside of the development site.

3.4 However, where a residential development incorporates more strategic routes or is linked to other non-residential use classes there may be a requirement for a higher limit commensurate with the road function. The appropriate speed limit will be identified through the table in Appendix A.

3.5 A developer should first and foremost attempt to control traffic speeds through road geometry and horizontal deflection. Vertical traffic calming should only be used where such measures are not considered practical or cannot be achieved, such as on difficult infill sites. Designs will be assessed by Gateshead Council Transport Planners/Technicians to ensure a suitable layout.

3.6 All new street lighting schemes, whether installed as part of a private development or by the Council, will be assessed for their possible effect on speed limits.

4 Speed limits

Zonal speed limits

Speed limits other than those prescribed as national speed limits, which affect more than one road and on where only entry and exit signage is required

40mph Zones

4.1 A survey by the road safety charity Brake[xv] has found that 60% of drivers feel unsafe travelling at the 60mph speed limit on rural single carriageway roads and that less than a quarter believe 60mph is a safe speed for a motor vehicle to travel where there may be a presence of pedestrians, cyclists and horse riders. The research also found that only 19% of those surveyed objected to a reduction in rural speed limits from 60mph. This approach is supported by the Cycling Embassy for Great Britain, which believes that 40mph should be the maximum speed at which cyclists and motorised traffic should mix without any segregate provision.

4.2 In accordance with DfT circular 01/13 and Appendix A Gateshead Council will implement 40mph Zones on rural roads which form part of a cycle route or where there is known to be a regular presence of vulnerable road users including pedestrians and horse riders. In rural areas it is often not cost effective or physically possible to provide segregated facilities, which may otherwise alleviate the need for a speed limit change.

4.3 The amended Traffic Signs Regulations and General Directions 2016 provides for the introduction of 40mph Zones without the need for DfT authorisation.

4.4 40mph Zones are the Councils preferred approach in areas where a 40mph speed limit is to be introduced in a wide area encompassing several roads.

4.5 A major advantage of a 40mph Zone over a 40mph speed limit is the reduced level of signage required. The zonal approach does not require the placement of repeater signage within the zone, which over a large area can be significant and have a negative impact on the rural surroundings in which they are placed. Instead repeater signage will be introduced in the form of speed limit roundels placed on the road surface. These are less intrusive and more sensitive to the rural surroundings.

4.6 Appendix E sets out a plan of existing and proposed 40mph Zones in the borough.

4.7 The introduction of 40mph Zones will only be considered where existing speeds are already within the accepted thresholds set out in table 3 or measures can be introduced to achieve compliance.

4.8 Gateshead Council through DfT approval introduced the first 40mph Zone outside of a National Park, when a 40mph Zone was introduced in the west of the borough in 2015.

Figure 5 - 40mph Zone entry

20mph Zones

4.9 DfT Circular 01/13 Setting local speed limits prioritises the need for Traffic Authorities to introduce more 20mph limits and zones in urban areas and built-up village streets that are primarily residential, to ensure greater safety for pedestrians and cyclists.

4.10 The benefits of 20mph Zones include:

- Improved environment for pedestrians and cyclists;
- reduced noise pollution;
- accidents of lower severity;
- fewer accidents;
- less 'rat running' through residential streets;
- reduced street clutter due to fewer repeater signs when compared to 20mph speed limits (TAL 1/13);
- improved community interaction, and;
- Safer streets for children to play.

4.11 20mph Zones will be implemented in Gateshead in accordance with Appendix A, which draws on the recommendation set out in the DfT Circular and will be programmed in accordance with Council Cabinet approval.

4.12 20mph Zones will also be implemented in accordance with the following national guidance/regulations;

- Road Humps/Traffic Calming Regulations 1999
- Traffic Advisory Leaflets
- Traffic Signs Regulations and General Directions (2016)
- Highways Act 1980

4.13 As 20mph Zones are self-regulating there is no expectation on the Police to carry out speed enforcement within such zones unless a specific issue is highlighted. Where zones are implemented and speeds remain above the accepted level

consideration will be given to the introduction of further physical measures to ensure compliance.

4.14 20mph Zones, which are self-regulating through road conditions (i.e road width, junctions) and other measures such as traffic calming (i.e road humps, speed cushions), remain Gateshead Council's preferred approach to implementing and managing 20mph speed limits in areas where there are high pedestrian movements.

4.15 Evidence suggest that introducing 20mph speed limits without any physical traffic calming has minimal impact on vehicle speeds and are therefore only suitable where 85th percentile speeds are already at 24mph or less. A research study in 2018 found that where signed 20mph speed limits had been introduced in the UK there was found to be an average reduction in the 85th percentile speed of just 1.1mph. [xvi]

4.16 A programme of 20mph Zone schemes has been implemented in Gateshead since the original Speed Management Plan was approved in 2007. This programme of schemes was targeted specifically at locations which fell into one of the following three categories:

- town or local centres
- schools or
- existing traffic calmed areas.

The majority of the schemes identified in the original programme will be completed by the end of the 2020/21 financial year.

4.17 The future programme of 20mph Zone schemes will focus mainly on residential areas which did not fall within the original scope, such as those where there is no existing traffic calming. The programme will also include further investment in existing 20mph Zones where compliance with the speed limit has reduced over time.

4.18 A list of proposed 20mph Zones is set out in Appendix C and an indicative plan set out in Appendix D. A lack of any existing traffic calming in these areas means that they will typically require a higher level of investment than those previously implemented. As such the number of schemes which can be completed annually within the available capital budget will be comparatively low and the timescale for implementation could extend beyond the 10 year life cycle of this plan.

4.19 When implementing 20mph Zones on existing streets, speed surveys will be carried out to determine existing speeds. Where the 85th percentile is already 24mph or less no traffic calming features will be introduced. Only where existing 85th percentile speeds exceed 24mph will physical traffic calming measures be considered necessary (a minimum of one feature is required in each zone to comply with TSGRD 2016.)

4.20 Wherever possible, particularly in rural and semi-rural village locations, 20mph zones will be designed so as not to be bordered by speed limits greater than 40mph. Where a proposed 20mph Zone will border a speed limit in excess of 40mph a section of intermediate speed limit will be introduced to prevent sudden braking and poor adherence to the 20mph limit.

4.21 Research into vehicle emissions in 20mph speed limits and zones has concluded that such speed management measures, including those involving vertical traffic calming, would not result in poorer air quality in those areas.[xvii] Recent Transport for London research[xviii] supports this '20mph zones do not appear to worsen air quality and they dramatically reduce road danger. They also support a shift to walking and cycling, generate less traffic noise and reduce community severance.'[xix]

Figure 6 - 20mph signage

Other speed limits

Variable and advisory 20mph limits

4.22 The use of part time and advisory speed limits will not be considered, particularly in relation to 20mph Zones around schools. It is the Council's view that such restrictions are not effective and are contrary to the ongoing introduction of 20mph Zones in the borough. Introducing part time speed limits will increase uncertainty and suitably robust measures cannot be installed to ensure the lower speed limit is self-enforcing.

Ultra Low Speed Limits

4.23 There are locations, such as Home Zones, where even vehicle speeds of 20mph may be considered inappropriate. In these locations lower speeds will be achieved through street design which ensures that vehicles cannot be driven at speeds significantly in excess of walking pace. This will often include the provision of community facilities such as play equipment, seating and the like within the streetscape to encourage more social interaction and higher levels of pedestrian movement whilst also acting as a physical restriction to vehicle movement. Home Zone designs will be considered within new residential developments but will not typically be retrofitted into existing streets. Home Zones should be designed in accordance with Gateshead Council's Home Zone Design Guide.

Figure 7 - Home Zone

5 Engineering measures

Where speed surveys identify a speeding problem Gateshead Council will consider the introduction of engineering measures in order to slow traffic and ensure better adherence to speed limits. This will typically include one of or a combination of the following, although this list is not exhaustive;

Urban/Village

Traffic calming measures

Vertical traffic calming

5.1 Vertical traffic calming can include road humps, speed tables, speed cushions or raised junctions. Each of these features protrude above the carriageway surface or form a new carriageway surface at a higher level than the former road surface and encourage vehicles to be driven over them at relatively low speeds.

5.2 Legislation only permits the installation of vertical traffic calming features on roads with a speed limit of 30mph or less and this approach is therefore only appropriate in urban, suburban and village locations.

5.3 When installing vertical calming consideration will be given to the road function and the level of use by buses and emergency vehicles. On bus routes only flat top humps with a table top of 10m or more or speed cushions will be permitted.

5.4 Although not a recognised traffic calming feature within the regulations the Council will also consider the use of raised street end treatments to reduce vehicle speeds turning into side streets whilst also providing at grade crossing facilities for pedestrians.

Figure 8 -Speed cushions

Horizontal calming and road narrowing

5.5 The introduction of horizontal deflections, particularly on existing roads that are long and straight, can be an effective way of reducing traffic speeds. These can include:

- build-outs
- chicanes
- islands/pedestrian refuges
- road narrowings/pinch points
- mini roundabouts
- road re-alignment

5.6 However, the use of buildouts which give priority to traffic travelling in a particular direction, will only be implemented in combination with a vertical calming feature as shown in figure 8. Installation of priority features independently can encourage sudden acceleration and stop/start of vehicles. This is contrary to the aim of encouraging consistent lower speeds, can have adverse impacts on air quality and also increase levels of driver frustration.

5.7 Horizontal measures set out above are in the main limited to roads with a speed limit of up to 40mph, although certain measures such as islands, which encourage slower speeds without any sudden horizontal deflection will be considered on roads with higher speed limits.

5.8 Where deflections and narrowings are introduced consideration will be given to the types of vehicles using the route. This will include:

- emergency services
- HGVs (including bin collection vehicles)
- buses
- abnormal load routes
- agricultural vehicles such as combine harvesters in rural locations

Figure 9 - Combined horizontal/vertical traffic calming

Street closures

5.9 Residential areas can often be used for through traffic or rat running and in situations such as this the traffic can have an adverse impact upon the community living on those streets, particularly where the speeds of vehicles is high. In such circumstances consideration will be given to the strategic closure of certain streets to reduce the impact of through traffic. A pilot scheme in London named 'Mini Holland' included numerous street closures in order to ensure through traffic was directed to main routes as opposed to residential streets.

5.10 Whilst such an approach can be used in isolation it is likely to be more effective as part of an area wide strategy and may also form one element of an area wide 20mph Zone scheme. Consideration must

also be given to ensuring suitable access is maintained to properties and that issues such as deliveries and refuse collection can be accommodated.

Figure 10 - Street closure

On-street parking

5.11 Whilst not a speed management engineering measure per se on street parking can perform a speed management function by narrowing the road. The Council will, therefore, when considering the installation of waiting restrictions to prevent or restrict parking on the carriageway, consider the potential impact upon traffic speeds and whether on street parking should be allowed to continue (where it is safe to do so) or be restricted but with the need for other remedial measures. On-street parking may however only occur during part of the day and will not calm traffic at other times. The restrictions set out in the Highway Code will still apply in these circumstances, that parking is not permitted: “opposite or within 10 metres (32 feet) of a junction, except in an authorised parking space”.

Figure 11 - On-street parking

Traffic-signals

5.12 Gateshead Council as part of a 20mph Zone scheme on the A692 in Rowlands Gill installed a signalised pedestrian crossing with speed detection capabilities. This enables the traffic signals to recognise the speed of oncoming vehicles and where a speed limit exceedance is detected will turn red in order to force the approaching vehicle to stop. This occurs independently of the pedestrian crossing function and will occur even when there is no pedestrian waiting to cross. It is hoped that this

will promote greater speed adherence. Subject to monitoring of this facility this approach will be considered at other locations.

Figure 12 - Signalised crossing with speed detection

Rural

Village gateways

5.13 Rural and semi-rural villages, particularly in the west of the borough are often segregated from one another by roads with speed limits in excess of 40mph. Managing the transition from high speed road to a limit of 20 or 30mph within a village or small settlement is key to ensuring drivers adhere to lower limit and drive safely throughout. Gateshead Council aims to introduce village gateway treatments on all village entries in rural and semi-rural locations. A standard approach will be taken wherever possible to ensure continuity and achieve greater levels of driver recognition that a change in speed limit and environment is occurring and in doing so influence drive behaviour. The standard approach will typically involve a combination of:

- Signage (speed limit, count down)
- fencing
- surface material changes
- bollards
- road markings (roundels, Dragons Teeth, transverse bar markings, hatching)
- Rumble devices (more than 200m from residential properties)

Particularly in rural areas combined fencing and signage will be used in order to be more sympathetic to the surroundings.

5.14 In situations where the above measures are ineffective the addition of buildouts and road narrowings will be considered.

5.15 Where the change in speed limit is significant a section of intermediate speed limit may be introduced in advance of the village gateway.

Figure 13 - Village entry treatment

Bends

5.16 A major cause of accidents in rural areas outside of villages is motorists losing control on bends and leaving the road, and this can often be linked to vehicle speed. Measures to make motorists more aware of the dangers of specific bends where speed is known to be a problem can be achieved through one or a combination of measures:

- bend warning signage
- chevron signs
- cats eyes
- bollards
- transverse or edge of carriageway road markings

5.17 At locations where the above measures are not successful in reducing speed related accidents consideration with be given to the introduction of an advisory speed limit or vehicle activated signage on the approach to the bend.

Figure 14 - Bend warning

5.18 Whilst altering the road geometry can be considered this is unlikely to be feasible for reasons linked to land availability and cost. Other considerations could include the protection from or removal of roadside hazards such as trees in the vicinity of the bend. It is the Council's approach to re-plant two new trees for every existing tree removed.

Quiet Lanes

5.19 On lower class rural roads, particularly those that are narrow and lightly trafficked, consideration will be given to introducing quiet lanes, which can improve the environment for vulnerable road users such as horse riders and walkers. Quiet Lanes will be considered in the following situations;

- Where there is strong community support
- 85th percentile speeds are below 35mph
- Traffic flows are below 1000 vehicles per day
- Road widths are below 5m

5.20 Quiet Lanes will typically include signage and discrete traffic calming such as road narrowing, central strips of vegetation, false cattle grids and fencing to encourage lower traffic speeds.

Urban/Rural

Vehicle Activated signs/Driver feedback signs

5.21 Vehicle Activated Signs (VAS) provide illuminated feedback to drivers who trigger the sign when the vehicle approaches. The aim of such signs is typically linked to two main purposes;

- Speed limit reinforcement- Actual speed, Slow down, smiley/sad face
- Hazard warning- bend, junction

5.22 VAS will only be considered when there is an accident problem associated with inappropriate speed that has not been satisfactorily remedied by standard signing and other engineering measures. VAS should not be used as a replacement for standard signage or as a speed limit repeater.

5.23 Due to high levels of ongoing maintenance and concerns over the long-term effectiveness of such signs the use of VAS will be limited to exceptional circumstances only and will not be widely used.

5.24 The use of VAS signs on a temporary basis with signs regularly rotated between different sites has been found to achieve the greatest speed reduction impact[xx]. The cost of implementing such an approach has not however been found to be cost effective and requires revenue funding not currently available.

5.25 Where VAS signs are installed this will be in accordance with the Department for Transport Traffic Advisory Leaflet 01/13 and TSRGD 2016.

5.26 Where VAS signs depicting actual vehicle speeds are installed, the signs will be set to give feedback up to 15mph above the speed limit to avoid instances of drivers attempting to attain higher speeds.

Figure 15 - Vehicle activated sign

Road markings

5.27 Speed limit roundels marked on the carriageway surface can be a useful way of reminding drivers of the speed limit, particularly in areas where signage is ineffective due to vegetation or in order to minimise sign clutter in speed limits requiring repeater signs. Roundels are not permitted as repeaters within TSRGD regulations on roads where the speed limit is 30mph.

5.28 SLOW markings or transverse bar markings placed within the carriageway and dragons' teeth (Fig. 5.9) placed either side of the carriageway can be an effective means to encourage lower speed on an approach to a hazard or speed limit change.

Figure 16 - Dragons teeth markings

Passive safety

5.29 Gateshead Council in designing highway schemes on roads with a speed limit of 40mph or greater will, as part of a safe systems approach, include the use of products which meet Passive Safety standards. Such designs allow for driver error by reducing the severity of impact when drivers do lose control and leave the carriageway. The products are also designed to ensure that, when struck by a vehicle, they act in a controlled way and do not cause secondary injury. Passively safe products typically include items of street furniture such as:-

- Road signage supports

- Street lighting
- Bollards
- Traffic signals
- Cabinets

5.30 Certain Passively Safe products can also be designed to withstand impact and return to their original shape thus ensuring they continue to function for the purpose they were installed. This ensures that drivers continue to benefit from the warnings they provide, which could prevent further accidents occurring.

Figure 17 - Passively safe signage

6 Education/Enforcement

Safety Camera Strategy/ Northumbria Safer roads Initiative (NSRI)

6.1 As shown in figure 18 public attitudes towards speed cameras have changed significantly over the past twelve years with 60% of people in 2017 believing speed cameras save lives when compared to 42% in 2005. In the same period the number of people who consider there to be too many speed cameras has also fallen from 47% to 29%.

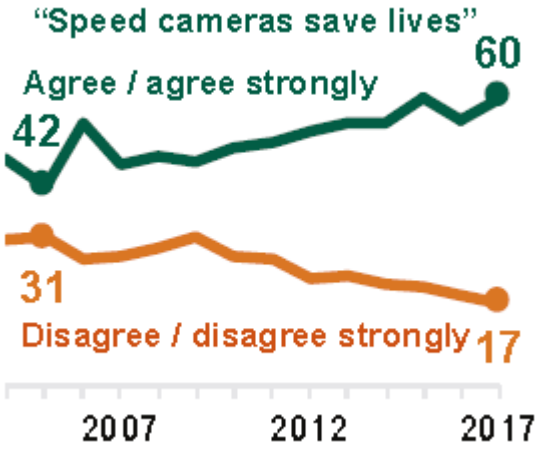


Figure 18 - British Social Attitudes Survey 2017- Public attitudes towards transport (DfT)

6.2 The Northumbria Safer Roads Initiative (NSRI) is a partnership co-ordinating road safety interventions within the Northumbria Police Force area. Although the Police withdrew from the original partnership in 2016, moves are underway to re-establish this. This will provide a new basis for joint working between local authorities and Northumbria Police, including the Safety Camera Strategy and publicity and educational initiatives.

6.3 In order to help achieve its aim of casualty reduction it is important that the scheme is publicised. To this end a communications team has been appointed that runs a proactive media and publicity campaign to help ensure that the public are fully informed of the scheme's activities.

6.4 Included in the media campaign are coordinated press releases, advertising, event attendance and social media activity. The Partnership also operate a website, which contains a range of information, including the location of all fixed and mobile camera sites and links to all partner websites and relevant road safety websites. The address of the website is www.safespeedforlife.co.uk.

Speed Monitoring Network/Traffic and Accident Data Unit (TADU)

6.5 Some 120 locations across the borough, including sites of permanent and mobile safety cameras, have traffic monitoring equipment installed in the carriageway. Many of these sites are capable of measuring traffic speeds, meaning that these can be monitored, with a view to determining changes over time. In this way, the impact of the SMP and its associated initiatives can be monitored.

6.6 The locations and data from these speed counters is made available publicly on an annual basis on a web-based interactive dashboard: www.tinyurl.com/taduspeeddashboard, whilst a

background database is used for more detailed analysis of traffic speeds by council officers.

6.7 Gateshead Council officers in conjunction with the Tyne and Wear Traffic and Accident Data Unit (TADU) will utilise the data gathered from the speed monitoring network in conjunction with accident data to assess the requirement for speed management measures. This will be carried out annually and will involve analysis of accident clusters and assessment of locations where 85th percentile speeds exceed an acceptable level. The process of accident analysis is summarised in figure 19 below.

6.8 In addition to the identification of problem sites the assessment of accidents will also attempt to identify trends linked to particular demographics or road user types, which may inform future targeted education programmes.

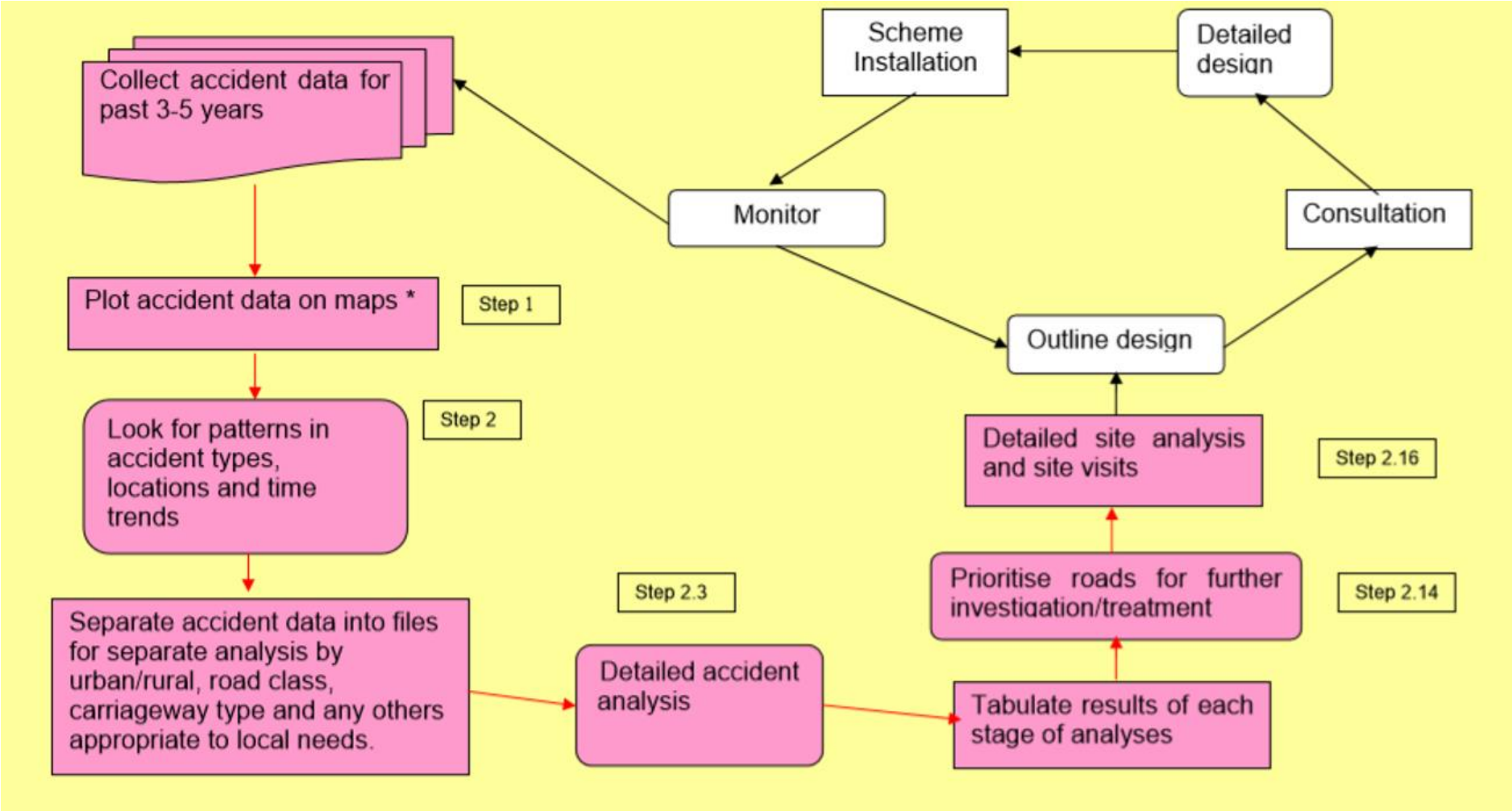


Figure 19 - Accident analysis cycle

Education and Publicity

6.9 One of the key objectives identified within DfT circular 01/13 is an improved respect for speed limits, and in turn improved compliance. The main way that this can be achieved is through education and publicity.

6.10 It is, therefore, essential to continue with ongoing campaigns, both locally and nationally, which highlight the problems that inappropriate or excessive speed can create and in doing so ensure that the issue has a high profile in the minds of the public.

6.11 In July 2019 the government released a Road Safety Action Plan, aimed at reducing the number of people killed or seriously injured on UK roads.[xxi] The plan includes:

- Continued support to the THINK Campaign with one of the focuses being speeding
- Creation of a Rural Road Users Advisory Panel to discuss actions needed on issues such as rural speeding and speed limits
- Funding for RoSPA to deliver education to motorcyclists on issues such as speed

6.12 Gateshead Council will continue to subscribe to Road Safety Great Britain (RSGB) as well as being a key partner within the regional RSGB North East working group to promote its own and other new and established national road safety campaigns.

6.13 A regional approach to road safety education and publicity will continue to allow resources to be pooled and enable procurement of a specialist digital marketing company to undertake the promotional works on behalf of the member authorities.

6.14 The Northumbria Safer Roads Initiative (NSRI), has continued to develop and implement a programme of road safety campaign work, targeting specific high-risk groups such as young drivers and raising awareness of the safety camera partnership works. Current moves to re-establish Northumbria Police as a key member of NSRI should help reinforce the scope for future activity.

7 Emerging technology

Vehicle speed detection/limiters

7.1 Efforts to manage speed and speed related accidents in recent times has largely been through a mixture of highway engineering, education and enforcement along with improvements in vehicle safety. The ongoing issue of speeding amongst a wide cross section of society and the recent plateauing in national accident statistics indicates that in order to achieve further improvements a new approach may be needed.

7.2 A key development, provisionally announced by the European Union in 2019, would see all new vehicles sold in the UK fitted with speed limiting technology from 2022 onwards.

7.3 Vehicles with this technology would be fitted with cameras capable of recognising road signs allowing the vehicle to limit the speed at which it travels and in doing so conform to the speed limit.

7.4 However, early indications suggest that either an override system could be installed to allow a driver to increase speed over the limit or that the vehicle may only warn drivers of an exceedance as opposed to an actual limiting of speed. This will be decided by UK government.

7.5 Gateshead Council will monitor the development of this EU ruling and the UK response to this, as there is likely to be a requirement on the part of Gateshead Council to ensure all speed limit signage is legible and compliant in order for vehicles with speed limit recognition technology to operate correctly on the borough's roads.

7.6 Were a new law to come into force and automatic speed limiters become legally required on all vehicles in future the rate at which such cars replace those without the technology will need to be monitored. Should a point be reached where a significant proportion of vehicles were fitted with speed limiting technology consideration would need to be given as to whether engineering measures such as traffic calming, aimed at restricting the opportunity for drivers to choose to exceed the speed limit, continued to be necessary. The cost of removing this infrastructure is likely to be significant and take a number of years. However, this is likely to be beyond the timescale of this Plan and will require further review.

Connected and Autonomous vehicles

7.7 The emergence of driverless vehicle technology in the UK is gathering pace and the government announced in February 2019 that the UK is on track to meet its commitment to have full self-driving vehicles on UK roads by 2021.

7.8 One of the key advantages of autonomous vehicles is believed to be the improvements in road safety they will deliver. 94% of road deaths and injuries involve human error with driving at an inappropriate speed being a primary factor. The ability of autonomous vehicles to detect the correct speed at which to travel both in relation to the maximum signed speed limit and for the road conditions could see human error by autonomous vehicle

drivers as a factor in road traffic collisions removed but only if technology can firstly be proven to be suitably reliable.

7.9 Gateshead Council will continue to monitor such developments and review the need for changes SMP and highway infrastructure accordingly.

8 Legislative framework

8.1 Part VI of the Road Traffic Regulation Act (RTRA) 1984 deals specifically with speed limits and sections 81-84 deal with different speed limits and the speed limit order-making process.

8.2 GMBC will follow the processes set out in the Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996 when making traffic orders, which includes speed limit orders. GMBC will refer to these Regulations in full and undertake the prescribed consultation before making a new traffic order.

8.3 Gateshead Council as Traffic Authority within the Borough of Gateshead will erect and maintain prescribed speed limit signs on all roads within its control in accordance with Section 85 of the Road Traffic Regulation Act (1984) and the Traffic Signs Regulations and General Directions (2016).

Appendix A – proposed speed limit hierarchy – summary

SPEED LIMIT	URBAN	RURAL
<20 mph* (without TRO)**	Only within Home Zones when also within a 20 mph zone.	As urban.
20 mph Zone	i. Residential areas ii. Limits with existing low speed – consideration to be given to conversion to zones as funds permit. iii. High streets, town and local centres – shopping areas with significant pedestrian crossing movements. iv. Outside and adjacent to schools. v. Other areas where high pedestrian movements are common i.e tourist areas Where the above approach results in more than one zone in close proximity consideration will be given to combining these into a single larger zone	Villages*** or areas within villages that meet the criteria set out for urban scenarios.
20 mph	In the above scenarios where existing speeds already comply	In the above scenarios where existing speeds already comply
20mph* (without TRO)	-	Quiet lanes.
30 mph****	Built up areas with development on both sides of the road that are not subject to a 20mph speed limit and perform a more major function such as local distributors. OR As an intermediate speed limit between two other speed limits	Villages. *** OR As an intermediate speed limit between two other speed limits

40 mph	Higher quality suburban roads with; • few vulnerable road users or a segregated provision with adequate crossing facilities. • little or no residential development fronting onto it. • Good width and layout with parking and buildings set back. OR As an intermediate speed limit between two other speed limits	Development that is not to village standard or only on one side of the road with no requirement for vulnerable road users to cross. OR Zones in areas where higher levels of vulnerable road users are expected i.e on cycle routes****
50 mph	Completely segregated classified road with little or no roadside development	Lower quality single carriageway roads outside settlements OR Roads with high numbers of bends, junctions and accesses
60 mph	–	Outside of settlements on high quality single carriageway roads with few bends, junctions and accesses
70 mph	–	Outside of settlements on dual carriageway strategic A and B roads with few bends, junctions and accesses

***** Whilst it is not anticipated that Home Zones and Quiet Lanes will be subject to the introduction of formal speed limit orders, it is intended that they will be designed in such a way that speeds will be limited, by the provision of physical measures, to around 10 and 20 mph respectively.

** TRO – Traffic Regulation Order

*** 20 houses. Allowance will be made for other buildings such as shops, schools

**** 30 mph limits may be introduced by virtue of the existence of a system of street lighting, as defined in circular 1/13, so that when new systems of lighting are introduced it is essential that they should be audited for speed limit implications.

****** For narrower, minor, rural roads, especially where recreational use is to be promoted, a lower limit will be the norm.

Appendix B- UK speed limits by road and vehicle type (2019)

Type of vehicle	Built-up areas*	Single carriageways	Dual carriageways	Motorways
	MPH (km/h)	MPH (km/h)	MPH (km/h)	MPH (km/h)
Cars & motorcycles (including car derived vans up to 2 tonnes maximum laden weight)	**30** (48)	**60** (96)	**70** (112)	**70** (112)
Cars towing caravans or trailers (including car derived vans and motorcycles)	**30** (48)	**50** (80)	**60** (96)	**60** (96)
Buses, coaches and minibuses (not exceeding 12 metres in overall length	**30** (48)	**50** (80)	**60** (96)	**70** (112)
Goods vehicles (not exceeding 7.5 tonnes maximum laden weight)	**30** (48)	**50** (80)	**60** (96)	**70†** (112)
Goods vehicles (exceeding 7.5 tonnes maximum laden weight) in England and Wales	**30** (48)	**50** (80)	**60** (96)	**60** (96)
Goods vehicles (exceeding 7.5 tonnes maximum laden weight) in Scotland	**30** (48)	**40** (64)	**50** (80)	**60** (96)

Appendix C- List of proposed 20mph Zones and selection criteria (approved by Gateshead Council Cabinet February 2020)

Committed 20 mph Projects

	2019/2020	**Year**
A1	Winlaton	2020/2021
A2	Watermill area	2020/2021
A3	Heworth/Team area	2020/2021
A4	Barlow	Complete
A5	Dunston	2020/2021
A6	Staiths	2020/21

Future 20 mph Projects in order of priority

	Site	Notes
1	Shibdon Road	
2	Lyndhurst Estate	1
3	Byermoor (Sacred Heart)	
4	Dryden Centre Area	
5	South End Road Area	
6	Chopwell Village	
7	Wealcroft	
8	Teams	
9	Grace College	
10	Furrowfield	
11	Ventnor Gardens	
12	Fellside Road	
13	Victoria Road	
14	Windy Nook Road (causeway to Felling)	2
15	Blackhall Mill	
16	Broadway	
17	Swallwell	
18	Dunston	3
19	Parkway	
20	Kirkstone Road	
21	Wellington Street (Felling)	4
22	Ryton area	
23	Victoria Avenue	
24	Wellington Street/Hill Street	
25	Felling Gate Road	
26	Eighton Banks area	
27	Hopper Road	
28	Brettany Road	
29	Sunniside area	
30	Whaggs Lane	
31	Mill Road Chopwell	
32	Whickham Highway	
33	Woodford	
34	Broadway	
35	Broom Lane	

36	Holmside Avenue area	
37	Clara Vale	
38	Winlaton Mill	
39	Woodburn	
40	Rectory Lane	
41	Woodgate Gardens (Bill Quay)	
42	Woodside	
43	Victoria Garesfield	
44	Chester Gardens	

20 mph included in Quality Transport Schemes

Low fell town centre	-

Notes

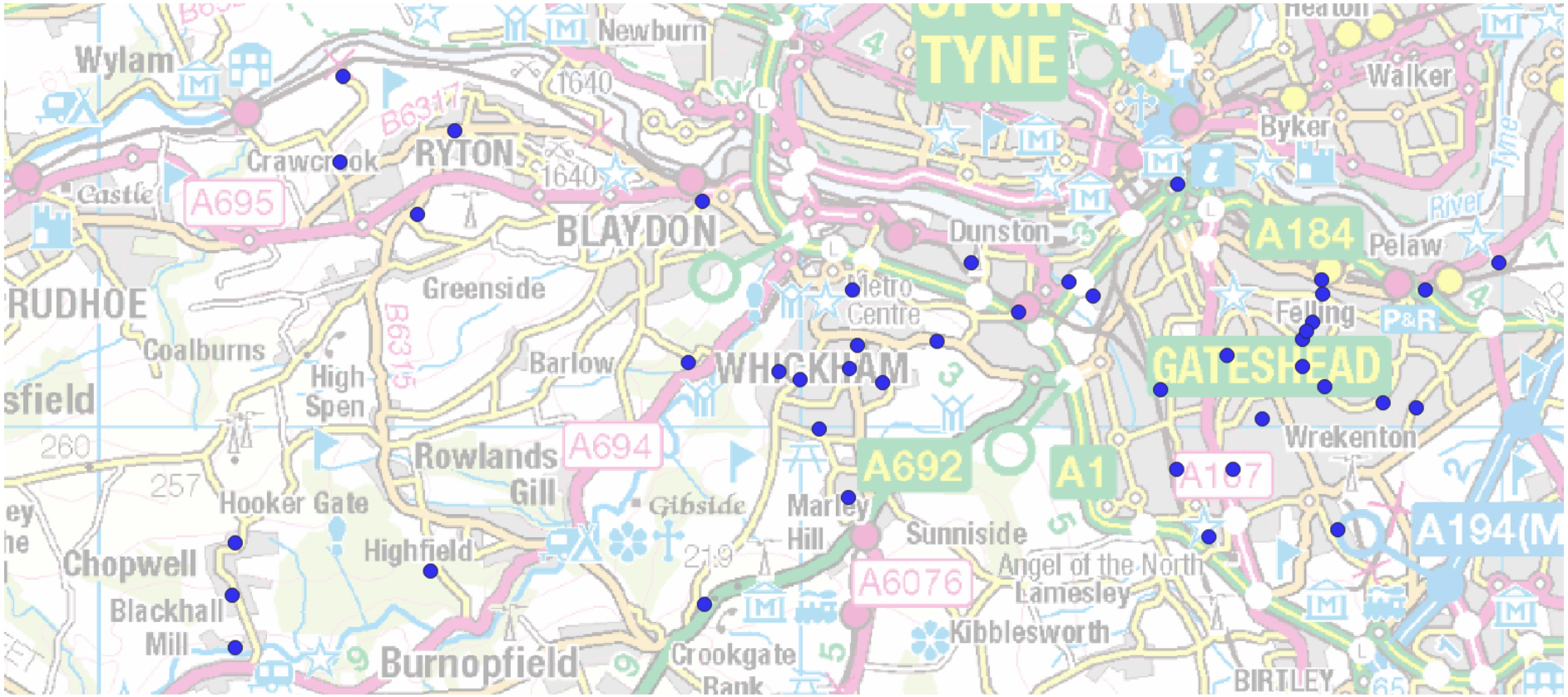
1. Lyndhurst includes part of Southend Road, part of Beacon Lough Road, and Carlisle Place
2. Windy Nook includes requests Victoria Avenue, Hopper Road and Brettany Road
3. Dunston includes request for Holmside Avenue Area
4. Wellington Street includes Felling Gate Road

Methodology for scoring of 20 mph zone requests

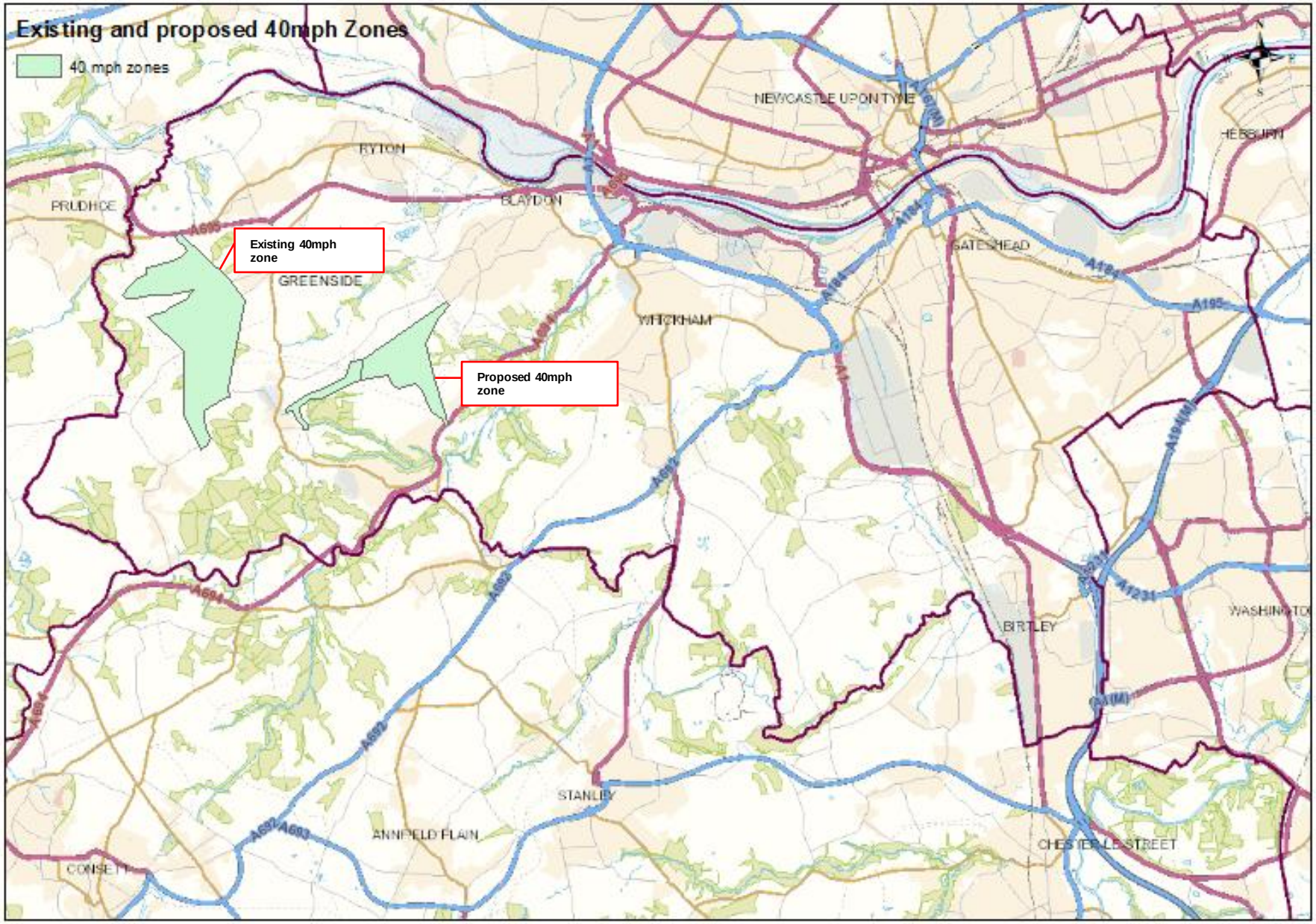
To enable a prioritisation of the areas where we have requests for 20 mph zones a system of scoring as shown below was introduced and has been used to rescore all previous schemes and new requests.

Proposed by Councillor	**5**
Proposed by public	**5**
Cycle Route	**2**
Park	**1**
Prow crossing	**2**
Linked to existing zone	**1 per link**
Linked to proposed zone	**1 per link**
Accidents (last 5 years)	**2 slight, 5 serious, 10 fatal**
Current speeding issues	**5**
Older Persons accommodation	**2**
Community centre	**2**
Attached to redevelopment	**1**
Attached to another council scheme	**1**

Appendix D- Indicative plan of proposed 20mph Zone speed limits



Appendix E- Plan of existing and proposed 40mph Zone speed limits



Appendix F- Safety camera site selection criteria for new core sites

<table>
<tr><th colspan="8">Site Selection Criteria for core sites</th></tr>
<tr><td></td><td colspan="2">Fixed speed camera sites</td><td colspan="2">Mobile speed camera sites</td><td colspan="2">Routes</td><td>Red light or combined red light speed camera sites</td></tr>
<tr><td>Site or route length requirements</td><td colspan="2">Between 0.4 km and 1.5 km</td><td colspan="2">Between 0.4 km and 5km</td><td colspan="2">Between 5km and 20km</td><td>From stop line to stop line in direction of travel</td></tr>
<tr><td>Number of killed and serious collisions (KSI)</td><td colspan="2">At least 3 KSI collisions per km in the baseline period*.</td><td colspan="2">At least 1 KSI collisions per km (average) in the baseline period*.</td><td colspan="2">A minimum of 3 existing core sites within the length. (There are no further requirements)
OR
Has at least 1 KSI collision per km (average) in the baseline period* and meets the PIC total value below.</td><td>At least 1KSI collision within the junction in the baseline period*. Selection must be based upon a collision history of red light running.</td></tr>
<tr><td></td><td colspan="7">*The baseline period is the most recent 36 month period available when site selection is carried out.</td></tr>
<tr><td>Total value required</td><td>Built up
22 /km</td><td>Non built up
18 /km</td><td>Built up
11 /km</td><td>Non built up
9/km</td><td>Built up
8 /km</td><td>Non built up
6 /km</td><td>10</td></tr>
<tr><td></td><td colspan="6">For sites up to 1km the above value is required.
For sites longer that 1km the value is per km.</td><td></td></tr>
<tr><td>85th percentile speed at proposed sites</td><td colspan="6">Speed survey shows free-flow 85th percentile speed is at or above ACPO enforcement threshold.</td><td>Not applicable</td></tr>
<tr><td>Site conditions that are suitable for the type of enforcement proposed</td><td colspan="2">Loading and unloading of camera can take place safely.</td><td colspan="2">Location for mobile enforcement is easily accessible and there is space for enforcement to take place in a visible, legal and safe manner.</td><td colspan="2">The location of collisions in the baseline period will determine the length of route.</td><td>Loading and unloading the camera can take place safely.</td></tr>
<tr><td>Suitability of site for camera enforcement</td><td colspan="7">The Highway Authority must undertake a site survey, demonstrating the following:
(a) The speed limit has been reviewed confirming that camera enforcement is the right solution;
(b) That the Traffic Regulation Order (where applicable) and signing are lawful and correct.</td></tr>
<tr><td colspan="8">New camera sites will be selected using an assessment that includes the level of fatal, serious and slight collisions. The combined level of collisions will be expressed as a numerical scale (see below) and assessed relative to the road classification for the site - whether it is either a 'built up' or 'non-built up' area and according to the type of site i.e. route, fixed, mobile or red light.
Fatal or serious injury collision = 5 (i.e. 2 serious collisions = 10)
Slight injury collision = 1 (i.e. 5 slight collisions = 5)
'Built up area' is defined as a road with a speed limit of 40 mph or less.
'Non-built up area' is defined as a road with a speed limit of 50 mph or more.</td></tr>
</table>

References-

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Gateshead Council

REPORT TO CABINET
19 October 2021

TITLE OF REPORT: **Performance Management and Improvement Framework**

REPORT OF: **Darren Collins, Strategic Director, Resources and Digital**

Purpose of the report

1. This report seeks Cabinet approval for the proposed interventions and measures to be included as part of the Council's new Performance Management and Improvement Framework (PMIF) as set out in Appendix 2.

Background

2. Performance Management is used by local authorities to identify how well they are delivering outcomes for local people. It aims to help services get from where they are to where they need to be and inform decision making in an efficient and effective way.

3. Following review, a new approach to performance management and improvement was approved by Cabinet on 20th April and then agreed by Council on 27th May 2021. The new PMIF has a clear focus on priorities, delivery, measurement and analysis of impact. It is based on Thrive, tackling inequalities and is framed around the six policy objectives of the Health and Wellbeing Strategy. It also incorporates an organisational 'health check' Balanced Scorecard. The PMIF aims to:

    - Enable the Council to know whether it is achieving its priorities. (Thrive Policy)
    - Ensure that the Council's resources are being deployed effectively
    - Make both short and long term effective decisions
    - Support a whole systems approach – embedded in our partnership working to deliver the Health and Wellbeing Strategy

4. The next stage, following approval of the framework approach has been to develop the content and it was agreed that a further report would be presented to Cabinet in October 2021.

Proposal

5. The current proposed content is set out at Appendix 2. This presents the interventions, measures and baseline data (where this is available) against each of the six Policy Objectives in the Health and Wellbeing Strategy and the four themes of the Balanced Scorecard (Employees; Customer Experience; Finance, Governance and Risk; and External Assessment). It aims to align agreed Council strategies and delivery plans to provide an effective framework for improvement against priorities.

6. There are 180 measures in the new framework. Of these there are 75 Strategic; 59 Operational; while the Balanced Scorecard comprises 46 and will focus on the heath of the Council as an organisation. Collectively these measures aim to enable the

Council to manage its performance across all priority areas, identify achievements as well as areas for further improvement and intervention.

7. Measures will be reported either 6 monthly or annually depending when data is available. Where possible baseline data is included to enable comparison and assessment of performance. This has been dependent upon the last available data. As the PMIF represents a new approach, some measures are being collected for the first time and no baseline data is available until the end of the first year.

8. Importantly the PMIF incorporates a qualitative element that will consider impact though experiences and consideration of complexities and context. This will be used along with the quantitative measures to understand how the Council is performing. Crucial to the success of the PMIF will be the analysis of quantitative and qualitative performance to develop an overall assessment of how the Council is performing against its agreed priorities and where improvements can be made, including the deployment of resources. This will be developed for the performance reporting stage.

Review and refinement

9. Implementation will be iterative, with continuous development, taking into account developing strategies and plans to inform the further development of Outcomes, Interventions, Resource and Performance Measures.

10. While most measures have been defined it should also be noted that further refinement is needed in some areas where new approaches are being developed such as through the Ways of Working and Digital Strategy and the Economic Strategy. Work will continue as part of iterative approach to ensure that new Council approaches, policies and strategies are included in the corporate performance approach and Balance Scorecard.

11. Importantly, performance will be a continued conversation and tool for councillors and officers throughout the year to understand and manage performance and improvement. Six monthly reporting on performance will commence with this first being reported to Overview and Scrutiny Committees and then to Cabinet to ensure effective reporting and management of corporate performance across the Council. The approach will be reviewed quarterly to ensure the PMIF is effective in enabling the Council to manage performance against priorities and see the impact of policy and resource decisions.

Recommendation

12. It is recommended that Cabinet:

I. Approve the interventions and measures in the Performance Management and Improvement Framework at Appendix 2
II. Agree to the interventions and measures to be updated in line with agreed Council policy and strategy in consultation with the relevant Cabinet member and Strategic Director.

For the following reasons:

- To ensure there is an effective framework in place to enable the Council to manage performance across its priorities and understand the impact of decisions.

- To ensure the framework is responsive to changing Council priorities as they are agreed to enable the effective monitoring of performance

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CONTACT: Lindsay Murray - Extension 2794

Policy Context

1. The proposal supports the Council's priorities for Thrive by setting out a framework to manage performance against its key priorities for thrive, tackle inequalities and the impact being made on delivery of the Health and Wellbeing Strategy. The Performance Management and Improvement Framework (PMIF) will support and inform corporate policy decisions in the future as well as resource allocation to ensure these are focused on the Council's priorities as part of a broader evidence based approach.

2. The Council's Medium-Term Financial Strategy sets out the financial context for the Council's resource allocation process and budget setting. The proposals support the aims within the Strategy by aligning performance with the overall approach to the budget to support the financial sustainability for the Council ensuring that resources are deployed on the outcomes for making Gateshead a place where everyone Thrives.

Background

3. Performance Management is used by local authorities to identify how well they are delivering outcomes for local people. The Council's current performance framework has been in place for several years and has evolved over time.

4. A new framework has been agreed by Cabinet (20 April 2021) and Council (27 May 2021) that better reflects the priorities of the Council – the delivery of the Council's Thrive policy and Health and Wellbeing Strategy and which also considers the impact of the Covid-19 pandemic in Gateshead.

Content development

5. Taking an iterative approach, work has continued on implementation to develop the content of the PMIF with a focus on interventions and measures. These are set out as part of the framework at Appendix 2 and are based on the Policy Objectives of the Health and Wellbeing Strategy for Gateshead.

6. Measures are differentiated between Strategic and Operational. Strategic measures are generally at a population level and based on outcomes. They are longer term and would require a range of partners and agencies to work together to achieve, however the Council can play a strong role in influencing these through its activities. The Operational measures relate more to the interventions and services the Council delivers to make a difference towards achieving its outcomes for health and wellbeing.

7. The Balanced Scorecard focuses on the internal health of the Council as a organisation and how well placed it is to deliver on priorities. This considers four areas: Employees; Customer Experience; Finance, Governance and Risk; and External Assessment. Measures have been identified within each of these thematic areas, which will support the assessment of how it is performing.

8. Baseline data has also been identified for the measures, however as this represents a new approach some data will be collected for the first time. The interventions aim to align with current Council policies and strategies so as to ensure a high level focus on key strategic priorities and how these are being delivered.

9. A high-level assessment of the financial resources against priorities, based on the 2021/22 budget setting, has also been undertaken and mapped to the Policy Objectives. This element will be iterative and will build as the approach strengthens the links between resources, priorities and performance.

10. The flexible, iterative approach that has been adopted to develop the PMIF, reflects the changing circumstances that the Council works within and aims to ensure that performance against priorities can be managed in the most efficient and pragmatic way being responsive to changing needs to ensure it will remain fit for purpose.

Engagement

11. Engagement has also played a significant role in the review and development of the framework being proposed. In June / July, all four Overview and Scrutiny Committees were presented with the high-level measures, relevant to the remit of each committee, that were being considered for the framework. Key points to highlight included:

    - Reiterated support for the approach and the framing of the PMIF against the Health and Wellbeing Strategy.
    - The importance of quality analysis of key issues and areas for improvement.
    - Need to ensure targets are realistic.
    - Importance of ensuring a rounded view of performance against priorities, recognising the crosscutting nature and assurances on what would be in place to ensure actions were being progressed.
    - Interest in qualitative impact with more data on quality of life and wellbeing
    - The framework may evolve change recognising it may not be right first time.
    - Improvements / interventions that are made as a result of the PMIF to be reported back to members.
    - Recognition that some measures are not within Council direct control but could be influenced as part of a strategic approach to health and wellbeing.

12. An employee engagement meeting was held during August to outline the emerging measures. Employees were particularly interested in how the PMIF can reflect frontline working and how they can recognise their work within the overall performance of the Council as well as have a better understanding of how the Council is making a difference to the lives of local people.

13. Partner engagement in the development of the PMIF included the Health and Wellbeing Board and the Gateshead Health and Care Systems Board. An engagement event was held with the Voluntary and Community Sector (VCS), which was organised by Connected Voice. There was broad support for basing the framework on the Health and Wellbeing Strategy to help deliver shared priorities, as well as the more qualitative approach being developed.

14. This engagement will continue through further refinement of the PMIF to test the approach, embed this with greater ownership and facilitate more collaborative and integrated working.

Further development and review

15. Implementation is an iterative process recognising that the new approach requires culture change including greater ownership of corporate performance across the organisation and empowerment of employees to drive improvement and better outcomes. The approach will also be reviewed to check how effective it is in enabling performance management and improvement towards better outcomes.

16. The proposed next steps are to:

- Present 6-month performance report for 2021/22 to OSCs from January and then to Cabinet.
- Review the approach on a quarterly basis.

Alternative Options

17. An alternative option would be to develop different measures and interventions. This option is not recommended as the proposed content is based on current plans and strategies as well as extensive engagement. The iterative approach and quarterly reviews mean that the framework can be further refined as needed. The recommended option will better enable the Council to manage corporate performance and use this to inform decision making.

Consultation

18. All Overview and Scrutiny Committees received the draft measures at their meetings in June. The Leader and Deputy Leader have also been consulted on the proposal.

Implications of Recommended Option

19. **Resources**

a) **Financial Implications –** The Strategic Director, Resources and Digital confirms that the proposal will have no direct financial implications as a result of this report. The proposal aims to align performance with resources and enable better informed decision making.

b) **Human Resource Implications** – There are no Human Resource implications arising directly from this report. The further development and implementation of the framework however will seek to engage employees.

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

20. **Risk Management Implication -** The proposals will reduce the risk of the Council not achieving its priorities by enabling effective performance management across strategy corporate priorities.

21. **Equality and Diversity Implications –**There are no direct equalities and diversity implications arising from this report, however the framework has a focus on addressing inequalities.

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

23. **Health Implications** – While there are no direct health implications arising from this report, the PMIF is based on the 6 policy objectives within the Health and Well-being Strategy so will help to manage performance at a strategic level across a range of wider determinants of health.

24. **Climate Change –** There are no climate change implications arising directly from this report, though the PMIF will seek to manage performance across a range of strategic priorities including climate change.

25. **Sustainability Implications –** There are no sustainability implications arising directly from this report

26. **Human Rights Implications –** There are no human rights implications arising directly from this report

27. **Ward Implications –**There are no implications for a specific area or ward, though the framework will include a geographical focus on performance where appropriate.

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GIVE EVERY CHILD THE BEST START TO LIFE
WHAT DO WE WANT TO ACHIEVE?

Appendix 2

Outcome	Intervention	On track	DoT	£	Strategic performance	Baseline	Latest	Target	DoT	Operational Performance	Baseline	Latest	Target	DoT
The circumstances which result in adverse childhood experiences are prevented **Parents can access support proportionate to meet their needs, to be the best parents they can be** **All children start school ready to learn** **All permanent school exclusions are prevented**	Develop a framework to support Gateshead as a child friendly place School meals service relaunch to raise awareness of school meals and encourage parents to apply for free school meals Implementation of Gateshead's Economic Strategy Support our schools to deliver an effective curriculum that addresses the skills required for later life and supports emotional well-being C&F Early Help Strategy - providing support to families when a need is identified or as soon as a problem emerges, at any point in a child Focus our efforts on supporting confident, positive and resilient parenting, to those who most need our support Looked After Children Strategy Interventions - Where children need to be cared for by the Council, we will make the duration of care as short as possible. Support families in making the changes required to enable their children's safe return home. Increase the focus of existing expenditure on early years to reduce inequalities in early development Ensure maternity services, parenting programmes, childcare and early year's education are of high quality and meet needs of all groups Build resilience and well-being of all children and young people	To be reported at 6 month / year end			% of children eligible for free school meals		To be reported at 6 month / year end			% take up of free school meals in primary schools	75% (Sept 2021)	To be reported at 6 month / year end		
					Life expectancy at birth male/female Inequality in life expectancy at birth for Males / Females	9.6								
					Children in relative low income families (under 16s)	24.9 (2019/20)								
					% of all schools and academies in Gateshead graded good or outstanding in relevant categories					% of Gateshead schools graded good or outstanding in relevant categories				
					Focus on early years and prevention delivery of policy and actions measures					% of Early Help cases closed with 'all needs met' as an outcome				
					Hospital admissions caused by unintentional and deliberate injuries in children (aged 0-14 years)	52.7% (2018/19)				% of cases closed to early help which remain out of statutory services at 6 months and 12 months				
					Reduction in the number of children who need to be taken in to care					Increase in the number of families who are offered the opportunity to be part of a Family Group Conference				
					Reduction in the number of children who need to become the subject of a Child Protection Plan					Increase in the number of families to take up the offer to be part of a family group conference				
					Reduction in the rate of children who need to be referred to Children Social Care services					Increase in the number of families supported through the FDAC (Family Drug and Alcohol Courts)				
					School readiness: percentage of children achieving a good level of development at the end of Reception Child and Maternal Health	73.4% (2018/19)				The percentage of children assessed by Children Social Care, where 3 or more ACE (Adverse Childhood Experience) factors were identified				
					School readiness % of children with free school meals achieving a good standard of development at the end of reception	52.7% (2018-19)				Reduction in the average time between a child entering care and being made subject of a Special Guardianship Order				
					No of permanent exclusions from Gateshead schools					Reduction in the average time between a child entering care and placed for adoption				
										Mothers smoking at time of delivery	12.58 (2018/19)			
										6-8 week breastfeeding rate	38.7 (2019/20)			
										Pupils who have missed 10% or more of school sessions during an academic year				

Investment Strategy & Resources

Revenue 21/22		Capital
Gross £000	Net £000	£000
134,067	36,871	-

Commissioned Spend: tbc
Assets: *Asset Strategy Review*
Employees – 464.47 FTE (1730.46 FTE in schools)
Figures based on 2021/22 budget setting

Risks to Achievement rated after mitigation

- Failure to safeguard vulnerable children & adults **Amber**
- Non-compliance with statutory requirements resulting in prosecution & subsequent penalties **Amber**
- The Council is hit by a Cyber-attack that compromises confidentiality, integrity & availability of information **Amber**
- Failure to address financial gap in the Council's budget & systems **Amber**
- Failure to address workforce planning & resource requirements impacting on service delivery **Green**

Qualitative Impact
Evidence of impact (customers, customer profile, residents, employees others) Assessments, reviews, project findings, progress checks

- Consider Early help (including rising number of families needing support; children's emotional health and wellbeing; lost learning)

Geographic Impact
(Localities impact, LIoN data etc)

ENABLE ALL YOUNG PEOPLE AND ADULTS TO MAXIMISE THEIR CAPABILITIES AND HAV E CONTROL OVER THEIR LIVES

WHAT DO WE WANT TO ACHIEVE? – OUR OUTCOMES AND PERFORMANCE

Outcome	Intervention	On track	DoT	£	Strategic performance	Baseline	Latest	Target	DoT	Operational Performance	Baseline	Latest	Target	DoT
All young people are resilient, with good physical and mental health and wellbeing **All young people are ready and appropriately skilled for the workplace** **Gateshead is a positive place in which everyone's mental health and wellbeing can flourish** **Everyone is able to be an active part of their community and feel connected to communities and networks** **All domestic abuse is prevented**	Prioritise creating the conditions for people to enjoy positive emotional health & well-being. Support our schools to deliver an effective curriculum that addresses the skills required for later life and supports emotional well-being Implement Gateshead's Economic Strategy Research commissioned into wellbeing of children and young people Social care intervention Health and wellbeing intervention Delivery of Health and Wellbeing review Support people through locality case working, even if they are not eligible for statutory services but who require support Ensure that views & opinions of local people are represented in all aspects of our work Social Care interventions Prioritise preventing &reducing the scale & impact of violence & domestic abuse giving everyone control of their lives	To be reported at 6 month / year end			Year 6: Prevalence of obesity (including severe obesity) Child and Maternal Health	24.9 (2019/20)	To be reported at 6 month / year end			Homelessness - households with dependent children owed a duty under the Homelessness Reduction Act Child and Maternal Health	23.0 (2019/20)	To be reported at 6 month / year end		
					Gap in life expectancy at birth male/female Inequality in life expectancy at birth for Males / Females	9.6				Hospital admissions caused by unintentional & deliberate injuries in young people (aged 15-24)	167.5 (2019/20)			
					Youth provision measures to support young people to have positive health and wellbeing					Number of children aged 5-17 years attending holiday activity sessions'				
					16-17 Year olds not in education, employment or training (NEET)					Inequality in attainment between children looked after by the local authority and those not				
					19-24 Year olds not in education, employment or training (NEET)					No of people supported by any caseworker who report an improvement in their satisfaction with life	To be set in Year 1			
					GCSE achieved 5 9-5including English and Maths (%) / GCSE achieved 5 9-5 including English and Maths with free school meals status (%)					Successful completions from substance misuse treatment				
					Inequality in attainment between children eligible for and not eligible for free schools KS1 Expected Level									
					Inequality in attainment between children eligible for and not eligible for free schools KS2									
					People reporting low life satisfaction %	6.3 (2014/15)				Smoking attributable hospital admissions				
					Admission episodes for alcohol-specific conditions - Under 18s per 100,000 Child and Maternal Health -	50.5 per 100k (2017/18 - 2019/20)				Smokers that have successfully quit at 4 weeks	2,116 (2018/19)			
					Substance misuse prevalence & unmet need									
					Smoking Prevalence in adults	17.1 (2019)				Volunteering levels /Supporting and working with the VCS measures	tbc			
					% of physically active adults Musculoskeletal Conditions					% of eligible adults with a learning disability having a GP health check				
					Proportion of adults with a learning disability who live in their own home or with their family	82.94% (2020/21 provisional pending national publication)				Social isolation % of adult social care users who have as much social contact as they would like	52.3%			
					Young people's survey findings	n/a				% of social care users with personal budgets / direct payments: ASCOF 1C part 1a (adults aged over 18 receiving self-directed support)	98.29% 20/21			
					Total no. of accessible and adaptable homes built from 1st April 2021 baseline	tbc				ASCOF 1C part 1b (carers receiving self-directed support)	98.61% 20/21			
					Those with learning disabilities in suitable accommodation & supported into paid employment	8.88% (2020/21 provisional pending national publication)				ASCOF 1C part 2a (adults aged over 18 receiving direct payments)	20.5% 20/21			
										ASCOF 1C part 2b (carers receiving direct payments for support direct to carer	63.89%			
					Rate of domestic violence reports / convictions					No of permanent adaptations carried out (to enable people to stay in their home)	600			
					Rate of repeat victims of domestic violence and/or children affected by domestic abuse					Adult Social Care client Self-reported user experience: ASCOF 3A Overall Satisfaction of people who use services with their care and support	3A 64.2% 2019/20			
										ASCOF 3B overall satisfaction of Carers with social services	3B 43.6% 2018/19			

Investment Strategy & Resources

Revenue 21/22		5 Yr Capital
Gross £000	Net £000	£000
146,166	77,755	47,111

Commissioned spend: tbc
Assets: *Asset Strategy Review*
Employees 1041.16 FTE
Figures based on 2021/22 budget setting

Risks to Achievement rated after mitigation

- Failure to safeguard vulnerable children & adults **Amber**
- Non-compliance with statutory requirements resulting in prosecution & subsequent penalties **Amber**
- The Council is hit by a Cyber-attack that compromises confidentiality, integrity & availability of information **Amber**
- Failure to manage demand and expectations could result in the Council not achieving its Thrive agenda **Amber**
- Failure to address financial gap in the Council's budget & systems **Amber**
- Failure to address workforce planning & resourcing requirements impacting on service delivery **Green**

Qualitative Impact
Evidence of impact (customers, customer profile, residents, employees others) Assessments, reviews, project findings, progress

- Consider Early help and prevention; youth provision; (including rising number of families needing support; children's emotional health and wellbeing; lost learning)

Geographic Impact (Localities impact, LIoN data etc)

CREATE THE CONDITIONS FOR FAIR EMPLOYMENT AND GOOD WORK FOR ALL
WHAT DO WE WANT TO ACHIEVE? – OUR OUTCOMES AND OUR PERFORMANCE

Outcome	Intervention	On track	DoT	£	Strategic Performance	Baseline	Latest	Target	DoT	Operational Performance	Baseline	Latest	Target	DoT
All working age residents have access to good quality, sustainable work with decent pay and conditions **All people in low paid, low skilled jobs have opportunities to improve their skills base so they can more easily achieve personal progression and attain an improved standard of living**	**Implementation of Gateshead's Economic Strategy** **•Visitor Economy** **•Green Economy** **•Digital Economy** **•Local Economy (Community Wealth Building)** **e.g. Delivery of Gateshead Quays development including Conference and Exhibition Centre** **Gateshead Town Centre Regeneration Masterplan** **Helping people into work from direct 1:1 support in their own localities.**	To be reported at 6 month / Year end			Unemployment rate %	To be set	To be reported at 6 month / Year end			Individuals helped into work (locality working)	To be set	To be reported at 6 month / Year end		
					Apprenticeships starts / completion									
					Business births in Gateshead									
					Total no of enterprises in Gateshead									
					Jobs density in Gateshead									
					Sustain Gateshead's working age population at a minimum of 2018 baseline of 128,300					Jobs created and jobs safeguarded				
					Employment Rate					Start ups commenced trading				
					Economic Inactivity Rate					Business expansion projects completed				
					Overnight visitors to Gateshead	2.26m (2019)				Inward investment success				
					No of visitors to Gateshead attractions	3.01m (2019)								
					Gap in life expectancy at birth male/female Inequality in life expectancy at birth for Males / Females	9.6								

Investment Strategy & Resources

21/22 Revenue		5 Yr Capital
Gross £000	Net £000	£000
3,655	1,241	99,322

Commissioned Spend: tbc
Assets: *Asset Strategy Review*
Employees 62.28 FTE tbc

Figures based on 2021/22 budget setting

Risks to Achievement rated after mitigation

- Failure to attract inward investment and deliver sustainable economic growth **Amber**
- The Council is hit by a Cyber-attack that compromises confidentiality, integrity & availability of information **Amber**
- Failure to address financial gap in the Council's budget & systems **Amber**
- Failure to address workforce planning and resourcing requirements impacting on service delivery **Green**

Qualitative Impact
Evidence of impact (customers, customer profile, residents, employees, others) Assessments, reviews, project findings, progress checks

- Poverty including: the impact on the economy following the Covid-19 pandemic

Geographic Impact
(Localities impact, LIoN data etc)

ENSURE A HEALTHY STANDARD OF LIVING FOR ALL, IN ACCORDANCE WITH INTERNATIONAL LAW ON ECONOMIC AND SOCIAL RIGHTS

WHAT DO WE WANT TO ACHIEVE? – OUR OUTCOMES AND OUT PERFORMANCE–

Outcome	Intervention	On track	DoT	£	Strategic Performance	Baseline	Latest	Target	DoT	Operational Performance	Baseline	Latest	Target	DoT
All working age residents receive a wage that considers the true cost of healthy living **Individuals and families are supported to have the best possible financial well-being to access debt and social welfare advice to maximise household income and improve financial management skills** **Affordable childcare is accessible to those who need it**	**Intervention from Economic Strategy** **•Visitor Economy** **•Green Economy** **•Digital Economy** **•Local Economy (Community Wealth Building)** **e.g. Delivery of Gateshead Quays development including Conference and Exhibition Centre** **Gateshead Town Centre Regeneration Masterplan** **Locality working development**	To be reported at 6 month / year end			All residents have the opportunity to thrive: % residents who are vulnerable	29%	To be reported at 6 month / year end			Number of people/families helped through locality partnership support to maximise household income		To be reported at 6 month / year end		
					% residents who are just coping	40%				Local Hardship Grant Awards				
					% residents who are managing					Rent collected from tenants as a percentage of rent due to date in the financial year	98.78/% 2020/21			
					% residents who are thriving					Households in Council Tax arrears				
					% of population living in income inequality	9.6				Overall average SAP rating of homes in Gateshead				
					Gap in annual household income between highest and lowest					No of homes connected to heat networks				
					Households in Fuel Poverty (%)					Average number of days taken to process Housing Benefits claims and changes	7.23 days (2021)			
					Childcare places and costs tbc)					Average days taken to process Council Tax support claims and changes	8.38 days (2021)			
					Gap in life expectancy at birth male/female Inequality in life expectancy at birth for Males / Females									

Investment Strategy & Resources (tbc)

21/22 Revenue		5 Yr Capital
Gross £000	Net £000	£000
53,454	728	-

Commissioned spend: tbc
Assets: *Asset Strategy Review*
Employees: 58.93 FTE (tbc)

Figures based on 2021/22 budget setting

Risks to Achievement rated after mitigation

- Failure to attract inward investment and deliver sustainable economic growth **Amber**
- The Council is hit by a Cyber-attack that compromises confidentiality, integrity & availability of information **Amber**
- Failure to address financial gap in the Council's budget & systems **Amber**
- Failure to address workforce planning and resourcing requirements impacting on service delivery **Green**

Qualitative Impact
Evidence of impact (customers, customer profile, residents, employees, others) Assessments, reviews, project findings, progress checks

- Poverty (including: the impact on the economy, the role of hubs, the need for advice and support)
- Early help (including rising number of families needing support;

Geographic Impact
(Localities impact, LIoN data etc)

CREATE AND DEVELOP HEALTHY AND SUSTAINABLE COMMUNITIES AND PLACES

WHAT DO WE WANT TO ACHIEVE? – OUR OUTCOMES AND OUR PERFORMANCE

Outcome	Intervention	On track	DoT	£	Strategic Performance	Baseline	Latest	Target	DoT	Operational Performance	Baseline	Latest	Target	DoT
Local communities and social networks are strong **All residents have access to a high quality, affordable, warm and energy efficient home** **All communities have access to good quality natural environment** **Gateshead has clean air with low levels of pollution** **Gateshead has low levels of crime and anti-social behaviour** **Gateshead is carbon neutral by 2030**	Support development of community activities, remove barriers to community participation & support people to be involved locally and develop Community Wealth Building. Completion of workstream on locality working. Ensure provision of homes to meet current and future needs Promote low carbon housing development and improve insulation to Council owned properties and install low carbon heat and energy where feasible Improve and invest in the local environment and increase woodland coverage by 250ha by 2050 Make Gateshead accessible to all, achieving a shift to sustainable forms of travel and increase Council use of low carbon vehicles Support agile working by expanding use of digital technology, minimise paper and reduce the need for staff to travel Promote community cohesion and prevention of crime and anti-social behaviour. Implementation of Policy on Climate Change Emergency Electrify the Council's fleet where practicable by 2030. Continue to deliver low carbon heat and power via district heating networks Identifying funding to assist with recycling and waste minimisation projects and implement behavioural change initiatives Ensure goods and services procured by the Council are compatible with our Climate Emergency commitments	To be reported at 6 month / year end			% satisfaction with neighbourhood as a place to live	64%	To be reported at 6 month / year end			No of CIL receipts generated		To be reported at 6 month / year end		
					% of homes built against annual housing requirement	63% (2020)				Activity to support community capacity building				
					No of new homes built that are affordable	120 (2019/20)				No.of private dwellings that have been identified as having a Category 1 hazard and the No. that had this hazard removed				
					% of long term vacant dwellings as proportion of total housing stock	2.3% (2019)				% of Council housing stock empty				
					% of the Borough's total stock that is void					inspected that are found to be sub-standard % of privately rented homes				
					Average SAP rating of Social Housing homes					No of homes connected to heat networks				
					Number of homes with zero carbon heat source					No of trees planted on Council land per annum towards target				
					% of Council homes that meet the Decent Homes Standard	94.46 (Based on 2020/21 result)				% Highways / streetlights repairs completed within timescales: highways (10 days) % streetlights completed within (5 days)				
					% of functional green space amenable to healthy lifestyle's in the 25% most deprived wards Local measure work in progress, based on Marmot									
					Progress towards Gateshead being carbon neutral by 2030 (% achieved as per annual audit external assessment)					Council emissions reduction from 2008 baseline				
					Number of public transport passenger journeys in Tyne and Wear	152m pa 32.3% 20/21				% of the overall tonnage in recycled waste collected that is contaminated with non-recyclable materials	15.8% 20/21			
					Gateshead areas compliance with Local Air Quality Management Framework	Compliant				% of Council commercial fleet operating on electricity				
					% of household waste sent for reuse, recycling and composting					Progress towards Gateshead being carbon neutral by 2030 (% achieved as per annual audit external assessment)				
					Crime rate and level of ASB in Gateshead									
					% of people who feel very or fairly safe									
					Gap in life expectancy at birth male/female Inequality in life expectancy at birth for Males / Females									

Investment Strategy & Resources

21/22 Revenue		5 Yr Capital
Gross £000	Net £000	£000
147,547	24,090	148,840

Commissioned Spend: tbc
Assets: *Asset Strategy Review*
Employees 1256.8FTE (tbc)
Figures based on 2021/22 budget setting

Risks to Achievement rated after mitigation

- Failure to address financial gap in the Council's budget & systems **Amber**
- Failure to address workforce planning and resourcing requirements impacting on service delivery **Green**
- Failure to provide a response during major incident impact on ability to deliver critical services or impact on a community. **Green**
- The implications of EU Exit potentially affecting availability of Council resources to deliver services which may impact on communities **Amber**
- Failure to manage demand and expectations could result in the Council not achieving its Thrive agenda **Amber**
- Failure to comply with the housing regulatory standards applicable to local authorities. **Red**

Qualitative Impact
Evidence of impact (customers, customer profile, residents, employees, others) Assessments, reviews, project findings, progress checks

Geographic Impact
(Localities impact, LIoN data etc)

STRENGTHEN THE ROLE AND IMPACT OF ILL HEALTH PREVENTION

WHAT DO WE WANT TO ACHIEVE? – OUR OUTCOMES AND OUR PERFORMANCE

Outcome	Intervention	On track	DoT	£	Strategic Performance	Baseline	Latest	Target	DoT	Operational Performance	Baseline	Latest	Target	DoT
All preventable ill health is reduced, to end the gap in inequalities within the borough **No-one will be homeless or living in accommodation that does not provide a safe and healthy environment** **All residents will be able to access flexible health and care support, when and where they need it**	**Develop and implement Health and Wellbeing Review** **Accelerate preventative programmes;** **Deliver Community Based approaches as a core principle;** **Learn lessons from the pandemic;** **Embed health inequalities within, wider public services & recovery plans** **Housing Strategy interventions** **Social Care interventions** **Locality working caseworking support**	**To be reported at 6 month / year end**			Gap in life expectancy at birth male/female Inequality in life expectancy at birth for Males / Females	9.6	**To be reported at 6 month / year end**			Population vaccination coverage - Flu (aged 65+)	74.2 (2019/20)	**To be reported at 6 month / year end**		
					Estimated smoking prevalence Cardiovascular Disease					Age standardised mortality rate for deaths related to drug misuse - persons by local authority				
					Suicide rate Public Health Profiles	9.0 (2018-20)				Chlamydia detection rate / 100,000 aged 15 to 24	1,497 (2020)			
					Admission episodes for alcohol-specific conditions - Under 18s	50.5 (2017/18-19/20)								
					Under 75 mortality rate from cancer considered preventable	77.1 (2017-19)								
					Total households assessed who are owed a duty, who were sleeping rough at the time of application					Total households initially assessed as owed a duty	tbc			
					% of households where prevention duty ended that maintained or secured accommodation for 6+mths. And % of these identified 'maintained or secured accommodation' cases that remained in existing accommodation									
					Person shaped measures used in locality working TBC					% of council dwellings with a valid gas safety certificate	99.80%			
										Reablement indicators - support when needed to prevent ill health	77.97% 2020/21 (provisional pending national publication)			
										% of clients using technology assisted care	tbc			

Investment Strategy & Resources

21/22 Revenue		5 Yr Capital
Gross £000	Net £000	£000
26,578	19,762	37,229

Commissioned Spend: tbc
Assets: *Asset Strategy Review*
Employees: 248.1 FTE (tbc)

Figures based on 2021/22 budget setting

Risks to Achievement rated after mitigation

- Failure to safeguard vulnerable children & adults **Amber**
- Non-compliance with statutory requirements resulting in prosecution & penalties **Amber**
- Council suffers Cyber-attack that compromises confidentiality, integrity & availability of information **Amber**
- Failure to manage demand & expectations could result in the Council not achieving Thrive agenda **Amber**
- Failure to address financial gap in the Council's budget & systems **Amber**
- Failure to address workforce planning & resourcing requirements impacting on service delivery **Green**
- Failure to provide a response during a major incident impacting on ability to deliver critical services or an impact on a community. **Green**
- Failure to comply with the housing regulatory standards applicable to local authorities. **Red**

Qualitative Impact
Evidence of impact (customers, customer profile, residents, employees others)
Assessments, reviews, project findings, progress checks

- Mental health (from low level anxiety to MH crisis services, and complex individuals)
- Health behaviours (smoking, alcohol, substance misuse, physical activity/diet; the long-term impact on the NHS of delayed treatment)
- Frailty and end of life (caring responsibilities, loss of independence for vulnerable people, shielding; grieving**)**

Geographic Impact
(Localities impact, LIoN data etc)

ANALYSIS – WHAT IS THIS TELLING US?

AREAS FOR IMPROVEMENT

Strategic

Operational

Resources

AREAS OF EXCELLENCE

Strategic

Operational

Resources

ACTIONS

Strategic

Operational

Resources

SUMMARY ANALYSIS OF CORPORATE POSITION

What is this telling us about how we are performing across Gateshead?

What will we be doing in response?

Future Direction of Travel and Expectations over next 6 months

Summary Statement

EMPLOYEES

- *Employee satisfaction – Gateshead Council a great place to work*
- *Diverse & inclusive workforce*
- *Maximising Employee Potential – opportunities to learn, develop and aid succession planning*

	Previous	Latest	Tolerance	DoT
Employee survey – The Council is a good place to work	64% 2016			↑
No. of apprentices as a % of total employee headcount (as at 31 March)	2.38%			
% of Apprenticeship levy spent (incl transfers)	50%			
No. of Employee resignations	N/A			
Average Sickness Absence days per FTE	11.4			
Agency worker costs	£1.412m			
% employees with access to a device that can be used to facilitate agile working	N/A			
% of employees with a corporate IT network user account	N/A			
% employees completed GDPR training	N/A			
% employees reporting their protected characteristics				

CUSTOMER EXPERIENCE

- *Thrive – reduce the number of residents vulnerable or just coping*
- *Residents satisfaction with Gateshead and Gateshead Council*
- *Improved customer experience through better contact with the Council (right first time)*

	Previous	Latest	Tolerance	DoT
% residents satisfied with Gateshead as a place to live	**64%**			
% satisfied with the Council	**52%**			
Commission Happiness Survey	**N/A**			
% residents who are vulnerable	**34%**			
% residents who are just coping	**29%**			
% residents who are managing				
% residents who are thriving				
No of stage 3 corporate complaints upheld	**10%**			
No of complaints upheld by the LG Ombudsman	**12%**			
No of complaints upheld by the ICO				
No of compliments received about Council services				
Digitising Customer Experience - of transactions completed online - e.g. Garden Waste; Registrars bookings; Fly tipping				
Number of online payments				
Telephony contact number of calls and answer rate (Customer Contact Unit; Revs & Bens; Housing; Adult Social Care Direct)				

Ensuring the organisation is in the best position to deliver Council Priorities

FINANCE, GOVERNANCE & RISK

- *Revenue Budget, Capital Budget; HRA; Income received, Risk*

	Previous	Latest	Tolerance	DoT
Revenue Budget position % over/ under	TBC			
In-Year 2021/22 budget savings £8.1m delivered	£8.1m Feb 21			
Capital Programme Position % over/under	TBC			
% of Council spend with organisations based in Gateshead				
% Invoices paid within 30 days	87.32%			
% of Council Tax collected	95.9%			
% Business Rates collected	97.5%			
Rent collected from current tenants as a % of rent owned (excluding arrears b/f)	98.78%			
Financial Assessments and social care finance - % of debt in year collected				
Business (Total Grant Relief) - % of Value Paid				
Value of Services provided by the Council to schools	£12.6m			
No of serious data breaches reported to ICO				
Health and Safety near miss / hazard reports	116			
Audit High Priority Recommendations made / outstanding beyond agreed implementation date				

EXTERNAL ASSESSMENT

External Audit; Regulators Assessment (Ofsted, CQC, Housing); Compliance; Partners

	Previous	Latest	Tolerance	DoT
CQC Council Registered Schemes (11 total)	Good	Good		↑
Ofsted Learning Skills	Good	Good		↑
Ofsted Children's Social Care Services	Good	Good		↑
Ofsted SEND (Narrative assessment)	Significant strengths, No areas for priority action	Strong & effective support provided		↑
External Audit (Mazars)	Unqualified	Unqualified		↑
Regulator of Social Housing Consumer Standards	Compliant – 5 Progressing – 3 Non-compliant - 1			
HSE Enforcement Actions	0			
Council working in partnership (Survey VCS; Private and Public sector partners)	Baseline to be set	-	-	-

Key Tolerance Key

Achieving or exceeding target

Underachieving within 5%

Underachieving over 5%

EMPLOYEES

Areas of Excellence	Areas of Identified Improvement

RESIDENTS

Areas of Excellence	Areas of Identified Improvement

FINANCE, AUDIT & RISK

Areas of Excellence	Areas of Identified Improvement

EXTERNAL ASSESSMENT

Areas of Excellence	Areas of Identified Improvement

WHAT IS THIS TELLING US? ANALYSIS OF CORPORATE POSITION AND ABILITY TO DELIVER PRIORITIES

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Gateshead Council

REPORT TO CABINET
19 October 2021

TITLE OF REPORT:	**Community Infrastructure Levy – Neighbourhood Fund Governance**
REPORT OF:	**Peter Udall – Strategic Director Economy, Innovation and Growth**

Purpose of the Report

1. To recommend that Cabinet approves the proposed changes to the governance of the Community Infrastructure Levy (CIL) neighbourhood fund.

2. To recommend that Cabinet delegates authority to the Strategic Director, Economy, Innovation and Growth and the Strategic Director, Corporate Services and Governance to complete a revised legal agreement with the Community Foundation for Tyne and Wear and Northumberland (CFTWN) in order to deal with the administration of the fund.

Background

3. The Council's CIL Charging Schedule was adopted on the 10th November 2016 and came into force on 1st January 2017. CIL is generated when certain types of development are granted planning permission in certain areas of the Borough.

4. The Council are able to use 15% of CIL funds received to be spent locally on items for the local community. This is known as the CIL Neighbourhood Fund.

5. In June 2017, Cabinet approved the governance of the neighbourhood fund and a legal agreement was subsequently signed with CFTWN for them to administer the process. CFTWN issue a call for applications (for between £5000 and £25,000) at the beginning of each financial year. This is firstly limited to the Wards where the CIL development is taking place. If no bids are received or if there are still funds remaining, CFTWN open the call for applications to neighbouring wards.

6. Whilst CFTWN would initially determine bids, the three Members for the ward in which the bids have come from, along with the Portfolio Holder for Communities and Volunteering make the final decision. All applications are allocated and defrayed within the forthcoming financial year.

7. As part of the Cabinet approval above, the governance of CIL was to be subject to a review once it had become established. This report therefore provides a review of the governance and recommends changes.

8. The CIL neighbourhood fund has been used to fund several projects in the ward or adjacent ward where CIL development has taken place. These are set out in Appendix 3.

9. The review of the process has taken into account feedback from Ward Members and from the CFTWN. This feedback has set out the need for more flexibility, longer lead in times for bids, longer periods for spending and more notice given to Ward Members so they can make community groups more aware of funding opportunities.

Proposal

10. There are several proposals emerging from the review. These are:

- Adopt a rolling programme of funding
- Give a longer notice period for funds coming available (in advance of call for bids)
- Greater flexibility in the value of funds that can be applied for.
- Giving more publicity to the Neighbourhood Fund
- Consideration of bids from groups outside the target ward where there is demonstrable benefit to the target ward

11. If the proposed changes are approved then a new legal agreement would need to be signed and the revised governance arrangements would come into force later in 2021.

Recommendations

12. It is recommended that Cabinet:

i. Approves the recommended changes to the governance of the CIL neighbourhood fund which are set out above and in appendix 2 to the report.

ii. Delegates authority to the Strategic Director, Economy, Innovation and Growth and the Strategic Director, Corporate Services and Governance to complete a revised legal agreement with the Community Foundation for Tyne and Wear and Northumberland (CFTWN) in order to deal with the administration of the fund.

For the following reasons:
i To improve processes, flexibility and governance of the fund.
ii To ensure that regulatory requirements regarding CIL continue to be met.

CONTACT: Iain Armstrong ext 3881

APPENDIX 1

Policy Context

1. The proposals will align with Making Gateshead a place where everyone thrives, particularly by supporting our communities to support themselves and each other and investing in our economy to provide opportunities for employment, innovation and growth.

2. The proposals are in accordance with the CIL Regulations and guidance on the implementation of these regulations in the Planning Practice Guidance.

3. The proposals will help to support local communities and infrastructure with the growth proposals in the Council's Local Plan (Core Strategy and Urban Core Plan and Making Spaces for Growing Places).

Consultation

4. In preparing this report, consultations have taken place with the Leader and Deputy Leader, Environment & Transport and Communities & Volunteering Portfolios.

Alternative Options

5. An alternative option is to retain the current governance arrangements with the CIL neighbourhood fund. However, this would not address the review of the process and improvements suggested by Ward Members and the CFTWN.

Implications of Recommendation

6. **Resources:**

    a **Financial Implications –** The Strategic Director, Resources and Digital confirms there are likely to be some minor implications in terms of providing greater publicity to the fund.
    b **Human Resources Implications** – There are likely to be some minor implications in terms of providing greater publicity to the fund.
    c **Property Implications** – There are no property implications arising from this report.

7. **Risk Management Implication** – There are no risk management implications arising from this report.

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

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

10. **Health Implications –** It is considered that there will be positive health implications as the recommended changes to the fund will encourage more people to become more active in the community and funding could potentially be used to improve recreation and the local environment.

11. **Climate Emergency and Sustainability Implications –** It is considered that there will be positive implications by encouraging greater community participation and funding could potentially be used to improve the local environment to meet the challenges of climate change.

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

13. **Ward Implications - All**

APPENDIX 2

Detailed recommendations

Adopt a rolling programme of funding

1. The CFTWN has previously operated a rolling programme for both Gateshead Volunteers' month and the Gateshead Thrive Small Grants Programme, which worked efficiently during the CFTWN's contract to deliver the Gateshead Thrive Fund.

2. Consequently, it is considered that the CIL Neighbourhood Fund moves to become a rolling programme, with an email decision-making process involving the Chair and relevant Ward Members. Applications would be considered as they are received, on a fast-track basis, and the fund can close once funds are expended, or a fixed timescale is reached, whichever happens soonest. For example, Round 1 Funding could remain open for six months and then, if necessary, Round 2 Funding could open for adjacent wards for four months, ensuring funds are expended within the financial year.

3. Given the above, it is recommended that the fund should move in line with the above.

Longer notice period for funds coming available (in advance of call for bids)

4. Given the concerns raised by Members, it is recommended that by the end of each calendar year (and coinciding with the publication of the Infrastructure Funding Statement) notification is given to the relevant Ward Members whose Wards will be potentially eligible for Round 1 and Round 2 funding. This would either be through the CFTWN or the Council's CIL officer and it is considered that this would give sufficient notice before the CFTWN opens the rolling programme in the following March/April.

Greater flexibility in the value of funds that can be applied for

5. The current levels of funding that can be applied for are between £5000 and £25,000.

6. Given the variation of available funding between different wards, it is recommended that there should be an advisory minimum and maximum grant size. The former is driven by how many meaningful grants can be provided with the funds and the latter by funds available. Therefore, it is proposed that grants will generally be in the range of £5000 to £25,000 with flexibility to reduce the limit where there are limited funds available and flexibility to increase the limit where there are sufficient funds available.

Giving more publicity to the Neighbourhood Fund

7. There is scope for increasing the amount of publicity for the fund and promoting successful bids. Current publicity is limited due to lack of resources to the

Council's Infrastructure Funding Statement which is published annually. The lack of publicity has led to confusion as to what CIL can fund.

8. Increased publicity, assuming greater resources can be found, could include advertising through Council News, social media, a dedicated page on the Council's website, a logo and display boards. This could be done alongside publicity from the CFTWN. In addition, developers who have funded CIL could be given the opportunity to promote the projects that have been funded.

9. It is therefore recommended that greater Council resources should be given to publicising the Neighbourhood Fund.

Bids from groups outside the target ward

10. Consideration has been given to whether applications could be accepted where the organisation bidding is not physically based in the target ward but can demonstrate that it will benefit the ward. A potential example could be improvements to a community centre or school that is just outside the ward boundary but serves a community within the ward.

11. Given the above, it is recommended that the organisation location criteria should include organisations that are physically based outside the target ward but of demonstrable benefit to the community within the target ward. However, these applications should be considered a lower priority for funding than bids from within the target ward to ensure that the benefit to the target ward is not watered down.

APPENDIX 3

Projects funded by neighbourhood fund up to end of 2020

Grant reference	Organisation	Ward	Project	Amount awarded
FR-10170 Funded from Marley Hill School (application DC/16/01079/FUL) and Sunniside SE (application DC/18/00704/FUL) developments within ward.	South West Tyneside Methodist Circuit	Whickham South and Sunniside	Undertaking phase 1 of the building redevelopment	£4,500
FR-10211 Funded from Marley Hill School (application DC/16/01079/FUL) and Sunniside SE (application DC/18/00704/FUL) developments within ward.	Tyneside Vineyard	Whickham South and Sunniside	New flooring, lighting, furniture and kitchen equipment	£5,000
FR-10111 Funded from Marley Hill School (application DC/16/01079/FUL) and Sunniside SE (application DC/18/00704/FUL) developments within ward.	Marley Hill Community Bowling Club	Whickham South and Sunniside	Pavilion repairs	£5,000

FR-10627 Funded from Marley Hill School (application DC/16/01079/FUL) and Sunniside SE (application DC/18/00704/FUL) developments as a neighbouring ward	Chopwell Regeneration CIO	Chopwell and Rowlands Gill	Stage 1 of the building work for the renovation of the former Lloyds Bank in Chopwell	£5,000
FR-10961 Funded from Marley Hill School (application DC/16/01079/FUL) and Sunniside SE (application DC/18/00704/FUL) developments as a neighbouring ward	Gateshead District Scout Council	Dunston Hill and Whickham East	Purchasing a grass cutter for Whickham Thorns outdoor activity centre	£5,000

FR-10969 Funded from Marley Hill School (application DC/16/01079/FUL) and Sunniside SE (application DC/18/00704/FUL) developments as a neighbouring ward	The Soundroom Community Music Project	Lobley Hill and Bensham	Refurbish the basement of the building into accessible space for community use	£4,404
FR-10908 Funded from Marley Hill School (application DC/16/01079/FUL) and Sunniside SE (application DC/18/00704/FUL) developments as a neighbouring ward	Durham Wildlife Trust	Blaydon	Employing a contractor to build a boardwalk to access the wetland's site	£3,400
FR-10798 Funded from Marley Hill School (application DC/16/01079/FUL) and Sunniside SE (application DC/18/00704/FUL) developments as a neighbouring ward	Bensham Grove Community Centre	Lobley Hill and Bensham	Develop a Community Garden on the site adjacent to the Community Hall	£3,400

Gateshead Council

REPORT TO CABINET
19 October 2021

TITLE OF REPORT: **Active Through Football Project**

REPORT OF: **Director of Public Health, Alice Wiseman**

Purpose of the Report

1. To update Cabinet regarding the Active Through Football (ATF) programme and note the use of delegated powers under Schedule 5, Part 2 General Delegations to Managers, Paragraph (4)(e) to secure external funding from the Football Foundation.

Background

2. Active Through Football is a new Sport England lottery funded initiative delivered by the Football Foundation. The programme is aimed at increasing physical activity levels and creating sustained behaviour change through football in a Place based approach.

3. £10 million of targeted revenue investment will be invested in up to 15 Places over the next 5 years, with an aim of increasing activity levels in people aged 16 + from lower socio-economic groups.

4. Football Foundation expected local key stakeholders to come together as a consortium to create and deliver a plan for the Place. The plan is based on the delivery of recreational and informal small sided football activity and developed through community engagement.

5. The East of Gateshead was identified as Gateshead's Active Through Footballs projects 'Place' due to the high levels of multiple deprivation that are evidenced in these communities, with the majority of lower super output areas being within the 10% most deprived in England.

6. However, wards or lower super output areas just over the border into central or south also fall within the 10% most deprived areas in England and include communities that face multiple barriers to participating in sport or physical activity. Therefore two additional wards, High Fell and Deckham were also included in the project 'Place'. Partners Edberts House (Larkspur House) and Gateshead's Older People's Assembly have physical assets and community leaders within these additional wards, and it was highlighted through the consultation that these were well established and trusted organisations based in the heart of the communities.

7. A local consortium was developed including Council departments, Gateshead College, Edberts House, Gateshead Older Peoples Assembly (GOPA), RISE (a local charity), Local Football Clubs and Gateshead Football Club Foundation. The consortium devised due to their reach and connections to the target audience of the project. The Council was agreed as the lead consortium member and therefore the lead applicant for the grant application.

8. On completion of an initial the community engagement exercise as part of the application process, it was concluded that the target audiences should include refugees, men aged 50 plus, women aged 16 plus and individuals with mental health issues. However, it is anticipated that whilst there would be some key target groups, programmes would be aimed at the wider community to avoid exclusivity.

9. Additional local organisations, Mind, Peace of Mind and the Comfrey project, have been identified through the process, who could provide valuable insight and connections with our target audiences. They will be engaged in discussions to see how we can work in collaboration in the project design and delivery process and if they would like to be part of the consortium.

10. A final funding application was submitted to the Football Foundation on 7th May and included a delivery plan to support a 5-year project. The successful application of £0.57m was confirmed from Football Foundation in August. The Director of Public Health following consultation with the Strategic Director, Resources and Digital accepted the award as an urgent decision under Schedule 5, Part 2 General Delegations to Managers, Paragraph (4)(e) of the Constitution, as acceptance had to take place within 10 days of notification, under the relevant delegated powers in line with the Council's Constitution. The terms and conditions were approved and signed by the Strategic Director, Corporate Services and Governance (See appendix 2)

Proposal

11. The proposal is to progress the project as set out in the application but initially and specifically:

    i. Complete and submit the pre-claim conditions to Football Foundation
    ii. Engage with the consortium members to start developing the delivery and community engagement plan
    iii. Recruit a Project Manager
    iv. Attend Football Foundation seminars and briefings
    v. Engage with new potential stakeholders
    vi. Provide regular update reports on the progress of the project

Recommendation

12. It is recommended that Cabinet notes both the update regarding the Active Through Football project and the urgent decision taken by Director of Public Health, following consultation with the Strategic Director, Resources and Digital to accept the grant award from the Football Foundation, in accordance with Schedule 5, Part 2 General Delegations to Managers, Paragraph (4)(e) of the Council's Constitution.

For the following reasons:

(i) To support delivery of the Council's Thrive Agenda and priorities.
(ii) To work with key local partners to develop opportunities for residents from lower socio-economic groups to create sustained behaviour change through football in a Place based approach.
(iii) To increase participation in sport and physical activity, notably football.

CONTACT: Chris Strong **Ext: 2708**

Policy Context

1. The proposal supports the overall vision for Gateshead as set out in Council policy objectives such as 'Thrive'. The development of sustainable sport and leisure provision supports conditions for volunteering and community cohesion, as well as promoting a healthy and active Gateshead in line with Gateshead's Health and Wellbeing strategy.

Background

2. Further to the detail provided in the covering report, the Active Through Football programme outcomes are:

    a. Insight: Increased understanding of the opportunities and barriers for our target audiences to play football.
    b. Community ownership: Increased involvement of our target audiences in the design and delivery of activities through on-going Community engagement
    c. Increased activity: Increased activity levels in people aged 16+ from our targeted audiences through football.
    d. Behaviour Change: Achieve the behavioural change amongst our target audiences of regular engagement in long term physical activity

3. East Gateshead (plus 2 additional wards, Deckham and High Fell) have been identified as Gateshead ATF's Place, due to the high levels of deprivation and Lower Socio-Economic Group datasets, insight and subsequent inequalities present prior to Covid-19 and which are likely to be exacerbated due to the pandemic. The target audiences within the Place will include refugees, men aged 50 plus, women aged 16 plus and individuals with mental health issues.

4. The consortium has a wealth of experience working in a place-based way and across a multitude of systems to ensure that physical activity is considered as a key component by partners in achieving their outcomes. These outcomes could be linked to health, wellbeing, education and social cohesion. They help to connect local system partners working with sport and physical activity and bring national learning to a local context. These skills will contribute to the ATF project in Gateshead on an on-going basis, helping to ensure that access to football opportunities is considered across the system.

5. Gateshead's Health and Wellbeing Strategy recognises that to deliver improvements at a population level, comprehensive action across the whole system of community, civic and service interventions are required. Approaches that are multifaceted and complementary are more likely to be successful in reducing inequalities and helping people in Gateshead thrive. Health and wellbeing are influenced by where we live and the communities we live in and the project will support the strategy's aims by developing quality community activities, prioritising neighbourhoods with greatest need, removing barriers to participation and supporting people to be locally involved.

Economic Impact

6. The revenue grant is for £0.57m over 5 years. The project plan identified a new fixed term full time role for a Project Manager and 2 full time or 4 part time sports coaches to deliver the project.

7. The Gateshead ATF delivery model will help to justify or challenge existing identified need through community engagement and potentially assist to lever in funding to deliver the Local Football Facilities Plan priorities as well as supporting more diverse use of existing football facilities such as the Gateshead International Stadium in the area.

Consultation

8. In preparing this report, consultations have taken place with;

   a) Culture, Sport and Leisure Portfolio holders
   b) The Football Foundation and Sport England
   c) The Active Through Football project consortium members described in para 18.

Alternative Options

9. The option of not progressing with the proposal will result in the loss of a 5-year activity project and the £566,506 grant, aimed to support local residents to be physically active and therefore deliver policy objectives such as the Thrive agenda and the Gateshead Health and Wellbeing Strategy.

Implications of Recommended Option

10. **Resources**:

   a) Financial Implications - The Strategic Director, Resources and Digital confirms that the financial obligations of the project and in-kind match requirements will be met from existing budgets.

   b) Human Resources Implications - The project will require the appointment of a project manager employed on a fixed term contract for the length of the project.

   c) Property Implications – There are no implications arising from

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

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

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

14. **Health Implications** – The proposals will result in increased activity levels in people aged 16+ from our targeted audiences and within lower socio-economic groups through football. Achieve the behavioural change amongst our target audiences of regular engagement in long term physical activity as part of an active and healthy lifestyle

15. **Climate Emergency and Sustainability Implications** – There project will support devise physical activity opportunities in local areas to meet the needs of residents, resulting in less need to travel to source services. The proposals will also enable a volunteering and training programme to support the local VCS organisations and grassroots sports clubs in capacity building and the volunteer workforce, and potential employment.

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

17. **Ward Implications** – The recommendations will initially impact upon the following wards, Deckham, Felling, High Fell, Pelaw and Heworth, Wardley and Leam Lane and Windy Nook and Whitehills.

18. **Background Information** – None.

Gateshead Council
www.gateshead.gov.uk

EXERCISE OF DELEGATED POWER

Title: Active Through Football

Parties: Football Foundation and Sport England Funding

Total Bid Value: £566,506

Gateshead Council Constitution (15th edition – May 2019)
Part 2 General Delegations to Managers

(4) (c) Subject to the agreement of the Strategic Director, Corporate Resources, submit expression of interest and bids to Government departments or other public bodies for funding under specific enactments or Government schemes; the full bid to be agreed by Cabinet where the value of the bid exceeds £250,000;
4(e) where it is impracticable to obtain authorisation from the body exercising the function and subject to action being reported (for information) to the next convenient meeting of that body, take necessary urgent action, within legal powers, in respect of matters otherwise reserved to Cabinet.

The Active Through Football programme is a 5-year revenue project aimed at increasing activity levels in those 16 years plus from lower socio-economic groups and creating sustained behaviour change through football in a Place based approach. Gateshead was one of 50 local authorities invited to apply and submitted an Expression of Interest and then a full application in May. We were informed that the Gateshead application was successful in August.

Gateshead Council need to agree the terms and conditions and accept the award before September cabinet or the grant will be withdrawn.

Officers of corporate services and governance have been consulted with regards to the terms and conditions and the grant terms and conditions will be signed in accordance with the constitution. Officers within Corporate Resources and Digital have also been consulted.

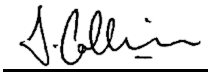
Due to the reasons set out above, I approve this urgent decision.

Signature Alice Wiseman

Alice Wiseman – Strategic Director of Public Health

Date: 19th August 2021

Gateshead Council, Civic Centre, Regent Street, Gateshead NE8 1HH
Tel: 0191 433 3000 DX 60308 Gateshead 1

Signature 

Darren Collins Strategic Director Corporate Resources and Digital

Date: 19th August 2021

Gateshead Council, Civic Centre, Regent Street, Gateshead NE8 1HH
Tel: 0191 433 3000 DX 60308 Gateshead 1

Gateshead Council

REPORT TO CABINET
19th October 2021

TITLE OF REPORT: Nomination of a Local Authority School Governor

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

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Purpose of the Report

1. Cabinet is asked to nominate a Local Authority Governor to a school seeking to retain its 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 as shown in appendix 1.

Recommendations

4. It is recommended that Cabinet approves the nomination for appointment of a Local Authority Governor as shown 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.

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APPENDIX 1

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.

Background

2. As above.

Consultation

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

Alternative Options

4. The alternative option would be to make no nomination/appointment to the vacancies, leaving governing bodies under strength and less likely to demonstrate the correct configuration.

Implications of Recommended Option

5. Resources:

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

b) Human Resources Implications – None

c) Property Implications - None

6. Risk Management Implication - None

7. Equality and Diversity Implications - None

8. Crime and Disorder Implications – None

9. Health Implications - None

10. Climate Emergency and Sustainability Implications - None

11. Human Rights Implications - None

12. Ward Implications - None

Background Information

13. 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
St Aidan's CofE Primary School	Cllr Dorothy Burnett	10th November 2021

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