

# Public Document Pack



All Members of the Council

My Ref: LCS-DLDS-DS-C-022  
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Contact Rosalyn Patterson  
Tel: 0191 4332088

Date: Wednesday, 14 March  
2018

## NOTICE OF COUNCIL MEETING

You are summoned to attend a meeting of Gateshead Metropolitan Borough Council to be held in the Council Chamber - Civic Centre, at **2.30 pm** on **Thursday, 22 March 2018** to transact the following business:-

- 1 To confirm the Minutes of the meeting held on 25 January 2018 and 22 February 2018** (Pages 3 - 14)
- 2 Official Announcements**  
*(announcements may be made by the Mayor, Leader of the Council or the Chief Executive)*
- 3 Presentation by Sage Gateshead**
- 4 Petitions**  
*(to receive petitions submitted under Council Procedure Rule 10)*
- 5 Questions from Members of the Public**  
*(to consider any questions submitted under Council Procedure Rule 7)*
- 6 Membership of the Corporate Parenting Overview and Scrutiny Sub Committee** (Pages 15 - 16)

## RECOMMENDATIONS FROM CABINET

- 7 **Making Gateshead a Place Where Everyone Thrives** (Pages 17 - 42)
- 8 **Corporate Social Responsibility** (Pages 43 - 66)
- 9 **Calendar of Meetings 2018/19** (Pages 67 - 86)
- 10 **Review of the Constitution** (Pages 87 - 98)
- 11 **Localism Act 2011 - Pay Accountability Pay Policy Statement 2018-19**  
(Pages 99 - 120)
- 12 **Review of Flexitime Scheme** (Pages 121 - 136)
- 13 **Treasury Policy Statement and Treasury Strategy 2018/19 to 2022/23** (Pages 137 - 170)
- 14 **Counter Fraud and Corruption Arrangements** (Pages 171 - 208)
- 15 **Report from the Cabinet** (Pages 209 - 214)

## MOTIONS AND QUESTIONS

- 16 **Notice of Motion**  
*(to consider any notices of motion submitted in accordance with Council Procedure Rule 9.1)*
- 17 **Questions**  
*(to deal with any questions submitted in accordance with Council Procedure Rule 8.1)*



**Sheena Ramsey**  
Chief Executive

## GATESHEAD METROPOLITAN BOROUGH COUNCIL

### COUNCIL MEETING

Thursday, 25 January 2018

**PRESENT:** THE MAYOR COUNCILLOR P DILLON (CHAIR)

Councillors: J Green, J Adams, R Beadle, D Bradford, M Brain, M Charlton, P Craig, S Craig, D Davidson, C Donovan, D Duggan, K Ferdinand, M Foy, P Foy, M Gannon, A Geddes, B Goldsworthy, M Goldsworthy, M Graham, L Green, S Green, G Haley, M Hall, S Hawkins, M Henry, M Hood, H Haran, J Kielty, L Kirton, J Lee, P Maughan, J McClurey, J McElroy, C McHugh, E McMaster, P McNally, M McNestry, P Mole, R Mullen, B Oliphant, C Ord, M Ord, I Patterson, S Ronchetti, C Davison, J Simpson, J Turnbull, L Twist, J Wallace, N Weatherley, A Wheeler and K Wood

**APOLOGIES:** Councillors: C Bradley, L Caffrey, B Clelland, W Dick, S Dickie, A Douglas, J Graham, T Graham, K McCartney, C McHatton and A Thompson

#### **CL74 TO CONFIRM THE MINUTES OF THE MEETING HELD 23 NOVEMBER 2017**

COUNCIL RESOLVED - That the minutes of the Council meeting held on 23 November 2017 be approved as a correct record.

#### **CL75 OFFICIAL ANNOUNCEMENTS**

##### **(A) If We Can You Can Awards 2017**

The Mayor announced that at a ceremony at the Baltic Centre on 15 November 2017 the 'If We Can You Can Awards 2017' were held. These awards recognise achievement across the North East for start-up companies in a variety of fields. The Jigsaw Recovery Project won first prize in the "Biggest Social Impact" category. The Project is an innovative, peer-led support service for looked after children or care leavers who are offending or at risk of offending. Outreach and office-based support is provided with a focus on recovery, building resilience, tackling social isolation, promoting community engagement and offering employment and training opportunities. As well as winning the Award the project will also benefit from funding to make a professional promotional video to raise the profile of the project along with other support and advice.

In recognition of this achievement the Mayor presented Terry Nelson, Director of Project Development, and Mark Tunney, Director of Operations, with the award.

##### **(B) North East Care Awards**

The Mayor announced that Amanda Cable, Workforce Development Adviser within

Corporate Services and Governance, was shortlisted as a finalist for the Care Trainer Award at the recent North East Care Awards.

In recognition of her valuable contribution, the management and staff of adult care provider services nominated Amanda for the award. In submitting the nomination, Provider Services stated that Amanda constantly strives to enable employees to excel in their work role and to make them feel valued. She is respectful of the demands of their caring roles. Amanda is a trainer who is held in the highest regard.

### **(C) New Year's Honours 2017**

The Mayor announced that within the Queen's New Year's Honours List 2018, people that live and work within the borough were recognised:

- Judith Doyle, Principal and Chief Executive Officer, Gateshead College, was awarded a CBE for services to Education and Skills in the North East.
- Jo Boaden, Chief Executive, Northern Housing Consortium, was awarded a CBE for Services to Housing Providers in the North of England.
- Elected Mayor Norma Redfern, North Tyneside Council, was awarded a CBE for Public and Community Service in Tyneside.

### **CL76 PRESENTATION BY NEWCASTLEGATESHEAD INITIATIVE**

Sarah Stewart, Chief Executive of the NewcastleGateshead Initiative, attended the meeting and gave a presentation of the Great Exhibition of the North.

### **CL77 PETITIONS**

There were no petitions submitted.

### **CL78 QUESTIONS FROM MEMBERS OF THE PUBLIC**

There were no questions submitted by members of the public.

### **CL79 CENTRALLY EMPLOYED TEACHERS' PAY POLICY 2017**

Consideration was given to a report on the centrally employed teachers' pay policy 2017.

COUNCIL RESOLVED – That the draft centrally employed teachers' pay policy 2017 be approved.

### **CL80 BROWNFIELD LAND REGISTER AND PERMISSION IN PRINCIPLE**

Consideration was given to proposed changes to the Council's constitution to enable the Council, in its capacity as Local Planning Authority, to discharge new statutory duties to create, maintain and publish a register of Brownfield Land, and the

adoption of a decision making framework for allocation of sites to Part 2 of that register thereby granting Permission in Principle for residential development of those sites.

COUNCIL RESOLVED - That the proposed amendments to the scheme of delegation in the Council's constitution, set out in Appendix 3 of the report, be approved.

**CL81 EARLY HELP STRATEGY**

Consideration was given to the Early Help Strategy which aims to reduce the need for specialist intervention by developing early interventions, delivered in a timely way.

COUNCIL RESOLVED - That the Early Help Strategy be approved.

**CL82 ESTABLISHMENT OF POST: DIRECTOR OF JOINT COMMISSIONING, PERFORMANCE AND QUALITY (CARE, WELLBEING & LEARNING)**

Consideration was given to the establishment of the post of Director of Joint Commissioning, Performance and Quality in Care, Wellbeing and Learning.

- COUNCIL RESOLVED -
- (i) That the deletion of the current post of Service Director, Health and Social Care Commission and Quality Assurance and the creation of the post of Director of Joint Commissioning, Performance and Quality on Service Director Band 3 be approved.
  - (ii) That the joint working arrangements be subject to a 12 month review following implementation.

**CL83 PROPOSED SELECTIVE LICENSING OF PRIVATE LANDLORDS WITHIN AREAS OF CENTRAL GATESHEAD**

Consideration was given to the designation of two selection licensing areas of private rented accommodation with the Central Area of Gateshead.

- COUNCIL RESOLVED -
- (i) That the designation of two areas of Gateshead, as identified in Appendix 1 of the report, for selective licensing, be approved and that official notifications be published in accordance with Government guidance and legislation.
  - (ii) That the proposed schemes' detail, implementation programme, and proposed enforcement policy, as set out in Appendix 2 of the report, be approved.
  - (iii) That the Service Director, Development, Transport and Public Protection, be authorised to

take enforcement action in relation to Part 3 (Selective Licensing) of the Housing Act 2004, throughout the duration of the schemes, as appropriate.

- (iv) That the proposed application fees and charges be approved.

**CL84 CHARGING AND FINANCIAL ASSESSMENT FOR ADULT SOCIAL CARE AND SUPPORT SERVICES**

Consideration was given on the implementation of a policy on Charging and Financial Assessment for Adult Care and Support Services.

COUNCIL RESOLVED - That the proposed policy for Charging and Financial Assessment for Adult Care and Support Services be approved.

**CL85 REVIEW OF THE CONSTITUTION**

Consideration was given to proposed amendments to the Council's Constitution.

COUNCIL RESOLVED - That the proposed amendments to the Council's Constitution, as set out in Appendix 2 to the report, be approved, subject to:

- the membership status of the Chair of the LSCB and ASB being amended to Associate Member on the Health and Wellbeing Board; and
- the inclusion of the words "to ensure the delivery of" at the start of the final bullet point in the Board's role and functions.

**CL86 HOUSING REVENUE ACCOUNT AND HOUSING CAPITAL PROGRAMME**

Consideration was given to the Housing Revenue Account budget 2018/19, the proposed rent charges, the proposed fees and charges and the proposed Housing Capital Programme for the next five years.

- COUNCIL RESOLVED -
- (i) That the Housing Revenue Account, as set out in Appendix 2 of the report, including The Gateshead Housing Company management fee, the repairs and maintenance budget and savings as detailed in Appendix 3 of the report, be approved.
  - (ii) That the weekly rent reduction of 1% from 1 April 2018 be approved.
  - (iii) That the fees and charges schedule, as detailed in Appendix 4 of the report, be approved.

- (iv) That the Housing Capital Programme for the five years 2018/19 to 2022/23, as set out in Appendix 5 of the report, be approved.

**CL87 CAPITAL PROGRAMME AND PRUDENTIAL INDICATORS 2017/18 – THIRD QUARTER REVIEW**

Consideration was given to the latest position on the Capital Programme 2017/18 and Prudential Indicators at the end of the third quarter to 31 December 2017.

- COUNCIL RESOLVED -
- (i) That all variations to the 2017/18 Capital Programme, as detailed in Appendix 2 of the report, be approved as the revised programme.
  - (ii) That the financing of the revised programme be approved.
  - (iii) That it be confirmed that the capital expenditure and capital financing requirement indicators have been revised in line with the revised budget and that none of the approved Prudential Indicators set for 2017/18 have been breached.

**CL88 REPORT FROM THE CABINET**

The Leader of the Council reported on a number of key issues currently affecting the Council.

COUNCIL RESOLVED - That the information be noted

**CL89 NOTICE OF MOTION**

There were no notices of motions submitted.

**CL90 QUESTIONS**

There were no questions submitted.

**Mayor.....**

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**GATESHEAD METROPOLITAN BOROUGH COUNCIL**

**COUNCIL MEETING**

**Thursday, 22 February 2018**

**PRESENT:** THE MAYOR COUNCILLOR P DILLON (CHAIR)

Councillors: J Adams, R Beadle, D Bradford, C Bradley, M Brain, L Caffrey, M Charlton, B Clelland, P Craig, S Craig, W Dick, C Donovan, A Douglas, D Duggan, John Eagle, K Ferdinand, M Foy, P Foy, M Gannon, A Geddes, B Goldsworthy, M Goldsworthy, M Graham, L Green, S Green, G Haley, M Hall, M Henry, M Hood, L Kirton, J Lee, P Maughan, K McCartney, J McClurey, J McElroy, C McHatton, C McHugh, E McMaster, P McNally, M McNestry, P Mole, R Mullen, B Oliphant, M Ord, I Patterson, C Davison, J Simpson, J Turnbull, J Wallace, N Weatherley, A Wheeler and K Wood

**APOLOGIES:** Councillors: J Green, A Thompson, D Davidson, S Dickie, K Dodds, J Graham, T Graham, S Hawkins, H Haran, J Kielty, C Ord, S Ronchetti and L Twist

**CL91 CAPITAL PROGRAMME 2018/19 TO 2022/23**

Consideration was given to a report seeking approval of the capital programme for the next five years to provide significant levels of strategic investment to deliver priority outcomes within the Council Plan.

- COUNCIL RESOLVED -
- (i) That the capital programme for 2018/19 be approved, and the provisional programmes for 2019/20 to 2022/23, as set out in Appendix 2 of the report, subject to external funding approvals being received be approved.
  - (ii) That the provisional capital financing for the programme, as set out in Appendix 3 of the report, be noted and that authority be delegated to the Strategic Director, Corporate Resources to enter into prudential borrowing which is consistent with the requirements of the capital programme and the Council's Treasury Management Strategy.
  - (iii) That the position in relation to the additional flexibility regarding the application of capital receipts to fund the

revenue costs of transformational projects outlined in Appendix 4 of the report be noted and that further updates be received to confirm specific investment plans as part of the capital programme monitoring reports during the year.

#### **CL92 FEES AND CHARGES 2018/19**

Consideration was given to a report seeking approval of the level of fees and charges for the Council for 2018/19.

- COUNCIL RESOLVED -
- (i) That the Fees and Charges as set out for 2018/19 in Appendix 2 of the report be approved.
  - (ii) That the Strategic Director, Corporate Resources, be authorised to make any necessary adjustments to correct any errors in the schedule of Fees and Charges.

#### **CL93 BUDGET AND COUNCIL TAX LEVEL 2018/19**

Consideration was given to a report seeking approval of the Budget and Council Tax level for 2018/19. As part of the council tax setting process approval was also sought for the prudential indicators and Minimum Revenue Position Statement.

Councillor Wallace moved the following amendment to this report:

“At end of recommendations on page 101 add “but instructs the Chief Executive to transfer from the general reserves £1 million to be used for street sweeping and grounds maintenance”.

*In accordance with Council Procedure Rule 20.4, a recorded vote was taken as follows:-*

Councillors For the amendment:- R Beadle, P Craig, S Craig, D Duggan, P Maughan, J McClurey, C McHatton, M Ord, I Patterson and J Wallace.

Councillors Against the amendment:- J Adams, D Bradford, C Bradley, M Brain, L Caffrey, M Charlton, B Clelland, C Davison, W Dick, P Dillon, C Donovan, A Douglas, J Eagle, K Ferdinand, M Foy, P Foy, M Gannon, A Geddes, B Goldsworthy, M Goldsworthy, M Graham, S Green, L Green, G Haley, M Hall, M Henry, M Hood, L Kirton, J Lee, K McCartney, J McElroy, C McHugh, E McMaster, P McNally, M McNestry, P Mole, R Mullen, B Oliphant, J Simpson, J Turnbull, N Weatherley, A Wheeler and K Wood.

Councillors Abstained:- Nil

On the amendment being put it was defeated.

The original recommendation was put as the substantive motion.

Councillors For the recommendation:- J Adams, D Bradford, C Bradley, M Brain, L Caffrey, M Charlton, B Clelland, C Davison, W Dick, P Dillon, C Donovan, A Douglas, J Eagle, K Ferdinand, M Foy, P Foy, M Gannon, A Geddes, B Goldsworthy, M Goldsworthy, M Graham, S Green, L Green, G Haley, M Hall, M Henry, M Hood, L Kirton, J Lee, K McCartney, J McElroy, C McHugh, E McMaster, P McNally, M McNestry, P Mole, R Mullen, B Oliphant, J Simpson, J Turnbull, N Weatherley, A Wheeler and K Wood.

Councillors Against the recommendation:- R Beadle, P Craig, S Craig, D Duggan, P Maughan, J McClurey, C McHatton, M Ord, I Patterson and J Wallace.

The original recommendation was duly carried.

COUNCIL RESOLVED -

- (1) That Gateshead's Band D council tax for 2018/19 be increased by 4.99% (including a 2% adult social care Government charge) to £1,686.63.
- (2) The revenue estimates of £203.466 million for 2018/19 be approved.
- (3) The use of £1.337 million Strategic Revenue Investment Reserve in 2018/19 be approved.
- (4) That the indicative schools funding presented in Appendix 2 of the report be agreed.
- (5) That the conclusions of the Strategic Director, Corporate Resources, in respect of the robustness of budget estimates and adequacy of reserves be noted.
- (6) That the prudential and treasury indicators set out in Appendix 6 of the report be agreed.
- (7) That the method of calculating the Minimum Revenue Provision (MRP) for 2018/19 as set out in Appendix 7 of the report be approved.
- (8) That the options included in the budget (following the outcome of consultation) in Appendix 2 of the report be approved.
- (9) That it be noted that at its meeting on 23 January 2018, Cabinet agreed the following amounts for the year 2018/19 in accordance with regulations made under Section 31B (3) of the Local Government Finance Act 1992 as amended by the Localism Act 2011:-
  - (a) **51,462.4** being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax

Base)(England) Regulations 2012, as its Council Tax base for the year;

(b) **1,212.1** for Lamesley Parish being the amount calculated by the Council, in accordance with regulation 6 of the Regulations, as the amount of its Council Tax base for the year for dwellings in those parts of its area to which special items relate.

(10) That the following amounts be now calculated by the Council for the year 2018/19 in accordance with Sections 31A, 31B and 34 to 36 of the Local Government Finance Act 1992, as amended by the Localism Act 2011 ('the Act'):-

(a) **£574,850,562** being the aggregate total of the expenditure amounts, which the Council estimates for the items, set out in Section 31A (2) of the Act taking into account the precept issued by Lamesley Parish Council.

(b) **(£488,041,760)** being the aggregate total of the income amounts, which the Council estimate for the items, set out in Section 31A (3) of the Act

(c) **£86,808,802** being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council, in accordance with Section 31A (4) of the Act, as its Council Tax requirement for the year including Lamesley Parish Council

(d) **£1,686.8394** being the amount at (c) above, all divided by the amount at (9)(a) above, calculated by the Council, in accordance with Section 31B (1) of the Act, as the basic amount of its Council Tax for the year including Lamesley Parish Council

(e) **£10,815.00** being the aggregate amount of all special items (Lamesley Parish Council) referred to in Section 34(1) of the Act

(f) **£1,686.6292** being the amount at (d) less the result given by dividing the amount at (e) above by the amount at (9)(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item (Lamesley Parish Council) relates

(g) Part of the Council's area: Lamesley Parish  
**£1,695.5492** being the amounts given by adding to the amount at (f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at (9)(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items (Lamesley Parish Council) relate

(h)

Valuation Band	Lamesley Parish £	All other parts of the Council's area £
A	5.95	1,124.42
B	6.94	1,311.82
C	7.93	1,499.23
D	8.92	1,686.63
E	10.91	2,061.44
F	12.89	2,436.24
G	14.87	2,811.05
H	17.84	3,373.26

being the amounts given by multiplying the amounts at (f) and (g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- (11) That it be noted that for the year 2018/19, the Police and Crime Commissioner for Northumbria, and Tyne and Wear Fire and Rescue Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

Valuation Band	Police and Crime Commissioner for Northumbria £	Tyne and Wear Fire and Rescue Authority £
A	73.55	53.29
B	85.81	62.18
C	98.07	71.06
D	110.33	79.94
E	134.85	97.71
F	159.37	115.47
G	183.88	133.23
H	220.66	159.88

- (12) That, having calculated the aggregate in each case of the amounts of (10) (h) and (11) above, the Council in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2018/19 for each of the categories of dwellings shown below:-

Valuation Band	Lamesley Parish £	All other parts of the Council's area £
A	1,257.21	1,251.26
B	1,466.75	1,459.81
C	1,676.29	1,668.36
D	1,885.82	1,876.90
E	2,304.91	2,294.00
F	2,723.97	2,711.08
G	3,143.03	3,128.16
H	3,771.64	3,753.80

- (13) That under section 52ZB of the Local Government Finance Act 1992 (as amended by the Localism Act 2011), the Council's relevant basic amount of council tax for 2018/19 is not excessive in accordance with the principles determined under section 52ZC of the Act.

**Mayor**.....



**COUNCIL MEETING**

**22 March 2018**

## **MEMBERSHIP OF THE CORPORATE PARENTING OVERVIEW AND SCRUTINY SUB COMMITTEE**

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**Sheena Ramsey, Chief Executive**

**Mike Barker, Strategic Director, Corporate Services and Governance**

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### **EXECUTIVE SUMMARY**

1. Council is asked to approve an increase in the size of the membership of the Corporate Parenting Overview and Scrutiny Sub-Committee.

### **BACKGROUND**

2. The Council on 15 May 2014 agreed changes to its decision making structures. These included provision for a Corporate Parenting Overview and Scrutiny Sub Committee with a membership of nine councillors. This is a Sub-Committee of the Families OSC and its membership is drawn from that Committee.
3. The membership of the Sub-Committee has been reviewed and it is considered that it should be increased to fifteen councillors to enable greater involvement of members in reviewing the Council's arrangements for ensuring that the Council fulfils its role as corporate parent.
4. The existing number of co-opted members on the Sub-Committee will not change.

### **RECOMMENDATIONS**

5. Council is recommended to:
  - (i) approve the increase in the membership size of the Corporate Parenting Overview and Scrutiny Sub-Committee as outlined above; and
  - (ii) agree the revised membership of the Corporate Parenting Overview and Scrutiny Sub-Committee (which will be circulated prior to the meeting).

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**COUNCIL MEETING**

**22 March 2018**

## **MAKING GATESHEAD A PLACE WHERE EVERYONE THRIVES**

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**Sheena Ramsey, Chief Executive**

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### **EXECUTIVE SUMMARY**

1. The purpose of this report is to seek approval of a new strategic approach Making Gateshead a Place Where Everyone Thrives.
2. With two years left on the lifespan of the current Council Plan 2015-2020, the opportunity was taken to undertake a mid-term review to ensure the Council continues to get the best outcomes for local people and remains a viable and sustainable organisation.
3. The new strategic approach provides a framework to demonstrate how the Council will work and make decisions in the future which will be policy and priority led.
4. A consultation on the new approach was held over three months with the overall response very positive and supporting of the new approach, and highlighted the need for a continued effort in clear communication.
5. It is proposed to supersede the Council Plan 2015-2020 with the new strategic approach, Making Gateshead a Place Where Everyone Thrives. It is also proposed that the Council's corporate performance management framework is reviewed to ensure appropriate measures are in place to ensure delivery.
6. The Cabinet has considered the facts and issues arising from the report including alternative options and took all relevant advice before formulating their recommendation.

### **RECOMMENDATION**

7. It is recommended that Council approves Making Gateshead a Place Where Everyone Thrives.

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**TITLE OF REPORT:**           **Making Gateshead a Place Where Everyone Thrives**

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

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### **Purpose of the Report**

1. Cabinet is asked to endorse and recommend the Council to approve its new strategic approach Making Gateshead a Place Where Everyone Thrives.

### **Background**

2. The Council is operating in an ever-changing policy landscape, both nationally and locally. The levels of uncertainty and the impact of government decisions are significant, for example, Universal Credit, homelessness, mental health, significantly reduced local government funding as well as the potential adverse economic impact of Brexit. The challenging local context of austerity and increasing demand on council services has compelled the Council to refocus on what matters most.
3. With two years left on the lifespan of the current Council Plan 2015-2020, the opportunity was taken to undertake a mid-term review to ensure the Council continues to get the best outcomes for local people and remains a viable and sustainable organisation into the future, despite the challenging policy and budgetary context.
4. A new strategic approach Making Gateshead a Place Where Everyone Thrives was developed with the Council's purpose and beliefs in mind, along with what matters most to the people of Gateshead.
5. The new strategic approach is not intended to cover everything that the Council does in detail, but does provide a framework to demonstrate how the Council will work and make decisions in the future which will be policy and priority led.
6. Making Gateshead a Place Where Everyone Thrives is aligned to the timeframe of the Council's Medium Term Financial Strategy and 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

Cabinet agreed to consult on the new approach from 21 November to 21 February 2018.

7. The Director of Public Health also published the Annual Report –“It never rains but it pours” which focussed on inequality. The data and analysis contained within the report fully complements the new strategic approach.

## **Engagement**

8. A range of mechanisms were used to communicate and engage people over the last three months. Led by Cabinet members, various conversations, meetings and events were held across the borough with partners, community and voluntary organisations, businesses, residents, trade unions and employees. (See Appendix 2)
9. The overall response to Making Gateshead a Place Where Everyone Thrives has been very positive with the vast majority of people supporting the new approach. Many found the strategic approach very easy to understand and could relate to the ambition of the Council as well as the rationale to drive forward this new agenda.
10. It was clear from conversations with partner organisations that they recognised the issues raised and they are keen to work with the Council to improve outcomes for local people and reduce inequality. This builds on the strong working relationships already in place and the appreciation that the key issues are shared issues and the vision is a shared vision.
11. The response from trade unions and employees was also extremely positive. A high level of commitment to do the right thing for the people of Gateshead was evident as was the recognition that the Council would need to change the way it works. Employees were positive about the common goal of making Gateshead a place where everyone thrives and it was felt that the approach gave clear direction for the future.
12. The consultation stimulated a number of ideas and suggestions from local people, partners, trade unions and employees on how Gateshead can work together to make it a place where people thrive. Ideas and suggestions have been forwarded to the relevant Service Director to explore and responses have been sent where possible.
13. Whilst the overall feedback was positive the consultation did highlight the need for a continued effort in clear communication. Many respondents were unaware of the full extent of the impact of austerity and the major inequality issues affecting some of the local people in Gateshead.

## **Next steps**

14. There are huge financial pressures on not just council resources, but those of partners, local businesses and residents. To deliver on the new strategic

approach over the next five years, the Council will need a radical rethink about how it works, how resources are spent, how the Council works with partners, organisations, businesses, trade unions, employees and the local people and communities of Gateshead.

15. To build on the momentum there are some key areas of transformation which will help the Council to develop and deliver against the new approach. These include:-
- ensuring tackling inequalities is a primary consideration of all our policies
  - taking a holistic approach, with our partners, to achieve better outcomes for local people especially vulnerable children and adults
  - taking a place shaping approach to attract investment, facilitate growth and foster pride among local people
  - improving the customer experience
  - generating income to help support a viable and sustainable Council.

Work has already commenced in a number of areas and the diagram in Appendix 3 aims to highlight the emerging themes where work can be co-ordinated and accelerated across the whole of the Council.

### **Proposal**

16. It is proposed to supersede the Council Plan 2015-2020 with the new strategic approach, Making Gateshead a Place Where Everyone Thrives. (Appendix 4).
17. It is proposed to further develop the next steps, detailed in paragraph 15, and report back to Cabinet as appropriate.
18. It is proposed that the Council's corporate performance management framework is reviewed to ensure appropriate measures are in place to ensure delivery through service business plans and monitoring through Overview and Scrutiny Committees.

### **Recommendations**

19. Cabinet is asked to endorse Making Gateshead a Place Where Everyone Thrives and recommend it to Council for approval.

For the following reason:

To ensure the Council is well placed to respond to the needs of the borough and achieve positive outcomes for the people of Gateshead.

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**CONTACT: Marisa Jobling extension: 2099**

## APPENDIX 1

### Policy Context

1. The new strategic approach will set the major policy directions for the Council, redressing the imbalance of inequality, championing fairness and social justice.

### Background

2. The Joint Strategic Needs Assessment demonstrates the levels of inequality Gateshead residents are experiencing. There are increasing numbers of people attending foodbanks, high numbers of looked after children, and poor health outcomes for men and women compared to other areas of the country. These examples are just a few of the factors that show there needs to be a different approach taken by the Council and others to overcome these difficulties.
3. In November 2016, the Local Government Association undertook an independent Peer Challenge of the Council, the recommendations of which have been used to inform the Council's thinking around future policy and direction.
4. With two years left on the lifespan of the current Council Plan 2015-2020, the opportunity was taken to undertake a mid-term review to ensure the Council continues to get the best outcomes for local people and remains a viable and sustainable organisation into the future, despite the challenging policy and budgetary context.
5. A new strategic approach Making Gateshead a Place Where Everyone Thrives was developed with the Council's purpose and beliefs in mind, along with what matters most to the people of Gateshead.
6. The new strategic approach does not cover everything that the Council does in detail, but does provide a framework to demonstrate how the Council will work and make decisions in the future which will be policy and priority led.

### Consultation and Engagement

7. Cabinet agreed in November 2017 to a period of consultation and engagement on this new strategic approach. A range of mechanisms were used to communicate and engage people over the last three months. Led by Cabinet members, various conversations, meetings and events were held across the borough with partners, community and voluntary organisations, residents, trade unions and employees. (Appendix 2)
8. Several pledges have already been made by residents, organisations and council employees via the Council's website, stating what they think they can do to make Gateshead a place where everyone thrives. Pledges include wanting to manage and improve the health of the population of Gateshead; attracting funding to the region; being a good neighbour; giving up time to

support community engagement projects and support local initiatives; supporting creative businesses to thrive; encouraging people to grow their own food, flowers and plants; cutting down on food waste; and wanting to find solutions to the problems people are experiencing in their lives eg providing post 16 educational opportunities and IT support to enable people to get back into work.

9. People also identified what matters most to them, for example, keeping streets clean, providing support for people with health conditions to manage their own conditions; improvements to road structures; tackling social isolation; shopping locally; people being treated fairly and having access to the same opportunities; living in an environment where people care for each other and look after the less fortunate; eradicating poverty; having a safe, clean environment; eliminating anti-social behaviour and tackling littering.

### **Alternative Options**

10. Cabinet could decide not to agree the new strategic approach and to maintain the current Council Plan 2015-2020, however the review has highlighted there is uncertainty as to how outcomes were to be achieved.

### **Implications of Recommended Option**

11. **Resources:**
  - a) **Financial Implications** – The Strategic Director, Corporate Resources confirms that there are no financial implications arising directly from the recommendations of this report. Costs incurred arising from implementing specific proposals would be accommodated from within existing budgets and be consistent with the financial position as identified in the MTFS.
  - b) **Human Resources Implications** – There are no HR implications arising from this report.
  - c) **Property Implications** - There are no property implications arising directly from this report.
12. **Risk Management Implication** - There is a significant risk in not having an updated strategic planning framework in place to agree priorities and make decisions.
13. **Equality and Diversity Implications** - The new strategic approach has been developed recognising there is a need to address inequality across the borough.
14. **Crime and Disorder Implications** – There are no implications arising directly from this consultation.

15. **Health Implications** – The new strategic approach has been developed recognising there is a need to improve the health and wellbeing of Gateshead residents.
16. **Sustainability Implications** - The new strategic approach has been developed recognising there is a need to address sustainability issues in the borough.
17. **Human Rights Implications** - There are no human rights implications arising directly from this report.
18. **Area and Ward Implications** - The new strategic approach will cover all wards in Gateshead.

**Background Information:**

Joint Strategic Needs Assessment, Economic Assessment,  
ACORN data (CACI),  
Residents' Survey 2016 & Consultations



### Engagement Activity

#### Councillors

- Information packs were made available for discussions with residents and partner organisations
- Council discussions
  - Advisory Group
  - Cabinet
  - Council
- Councillors have introduced the new approach at meetings within their wards
- Councillors have discussed the new approach at partner meetings and have publicised the new approach and consultation through, for example, face to face conversations and social media

#### Partnership engagement

- The Leader wrote to the Gateshead Strategic Partners introducing the new strategic approach, providing a copy of the consultation report, information leaflets and extending an invitation for partners to discuss the new approach
- There were several meetings held over the course of the consultation period: talked with over 400 partners and stakeholders through 30 events including scheduled meetings as well as organised events such as
  - Learning Disabilities Partnership,
  - Health and Wellbeing Board,
  - Gateshead Youth Assembly
  - Talking Heads
  - Gateshead Older Peoples Assembly
  - Head Teachers
  - Jewish Community Council of Gateshead
- The Council has also received written responses from some partners e.g. Newcastle Council for Voluntary Service

#### Trade Union discussions

- Unison
- GMB
- NASUWT

#### Council Facebook – information launching the consultation

- Reach 5,410

#### Video launching the consultation

- 1,700 views

### Council Twitter

- 11,000 impressions
- 280 engagements

### Gateshead Now – email

- Open rate 13,000
- Pledge clicks 629

### Council website

- Total page views to date 2,615 of Making Gateshead a Place Where Everyone Thrives
- The home page has 75% of all views, with the ‘your pledges’ next largest with 259 views.
- The peak time was the month after launch of the consultation: 1,744 views

### Intranet site

- Page view to the ‘home page’ since live: 5,234
- Page views to the ‘Make your pledge page’ since live: 876
- Again peak time was during the first month although we did have a small spike on the 9 January.

### Council News

- Article in the December issue – delivered to every household

### Employee engagement

- Over 250 employees directly involved in senior managers session which were held with the Leader and Chief Executive, and a further eight Chief Executive drop in sessions
- Employee Forum - Chief Executive presentation
- Team Briefs
- Team Talks including video
- A Talk to Sheena email – a direct and confidential email address for employees to ask questions, share experiences and make suggestions for improvements

### Leaflets

- Leaflets were made available in council leisure facilities and libraries, as well as the volunteer-run libraries.
- Leaflets were also available to councillors to pass on to their constituents.

### Other channels used to encourage participation

- Posters
- Pop ups
- TV screens

## Making Gateshead a Place Where Everyone Thrives

### Council pledges

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

### Emerging Council Themes

1. Tackling inequality –building on the existing work around Health and Financial inequality and ensuring tackling inequalities is a primary consideration of all our policies.
2. Place shaping – attracting investment, facilitating economic and housing growth and fostering pride among local people
3. Transformation – proactively working with partners through public service reform to achieve positive outcomes particularly for our vulnerable children and adults.
4. Customer experience – particularly looking at our frontline services and how we engage and work with local people.
5. Income generation – increasing revenue and taking a more commercial approach

<b>Medium Term Financial Strategy</b>	<b>Organisation improvement</b>	<b>Communications and engagement</b>
<p>A strategy that outlines the pressures and describes the financial direction of the Council to ensure that all resources are directed towards the delivery of “Making Gateshead a Place where everyone thrives”.</p>	<p>A council culture where everyone:-</p> <ul style="list-style-type: none"> <li>• works together and with partners to deliver the best outcomes for local people</li> <li>• is empowered to use their initiative to do what is right</li> <li>• takes personal responsibility to achieve great results</li> </ul>	<p>A programme of activity which will help to:-</p> <ul style="list-style-type: none"> <li>• inform and engage</li> <li>• promote good behaviour and reduce bad behaviour</li> <li>• call people to action</li> <li>• lobby for better outcomes for local people</li> </ul>

# Making Gateshead a place where everyone thrives



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## Foreword by the Leader of the Council

Gateshead is a fantastic place with amazing people and I'm very proud to say that Gateshead is my home.

Gateshead is a vibrant place and residents have a strong sense of community and local pride. Gateshead people are compassionate, warm and generous. They are willing to share and there is a great sense of belonging. **It's a place where people really care for each other.**

The Council wants the best possible outcomes for the people of Gateshead. We want to make sure we listen and understand what matters most to local people whilst **always standing up for the most vulnerable and those in need.**

The Council has always been ambitious and the borough has a reputation for innovation and vision with economic regeneration, culture and art firmly putting Gateshead on the map.

However, these **achievements sit alongside significant levels of poverty and inequality.** I have seen the vast government cuts and radical changes in government policies making negative and disproportionate impacts on the people of Gateshead.

Tackling inequality is not new, this Council has always focused on fairness and social justice. **We know that if we can narrow the inequality gap people will live longer, healthier and happier lives.**

# We want Gateshead to be a place where everyone thrives.

If we are to achieve this a **radical rethink is needed about the way we work as a council**, the way we spend the money, the way we work with partner organisations, businesses and how we work with our local people and communities. **Big change is needed and fast.**

**We want everyone in Gateshead to be involved in this transformation.** We know we can do it, but only if we do it together. We need to know what matters most to you and what you think you can do to make sure Gateshead is a place where everyone thrives.

**This is the start of a new era for Gateshead, we've made our pledges for a fairer Gateshead, we want to hear yours**

For our part **we have developed FIVE pledges** to help and guide us when we make decisions.

You can find out how you can get involved on page 14.

## We pledge to:

- Put people and families at the heart of everything 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

Martin Gannon  
Leader of Gateshead Council



# Background

“There is immense pride in Gateshead as a place... people talk readily of the achievements the council has made to the physical environment. There is also considerable pride in the Council's values and it is widely acknowledged as wanting to care for its communities.”

*LGA Peer Challenge Report, November 2016*

The Council has always been fiercely ambitious for the people of Gateshead. The Council and its partners have a reputation for achievement, innovation and vision.

Quality services and targeted interventions for those people most in need have formed the backbone of the Council's approach.

Developments like the Angel of the North, Gateshead Quayside and the MetroCentre along with Saltwell Park and the Gateshead International Stadium have put Gateshead firmly on the map.

The ambition and aspiration for the people and the borough has not changed.

## Changing context

What has changed is the context within which the Council is working. There have been 10 years of austerity and major government policy changes including Welfare Reform, Housing Reforms, National Living Wage, duties through the Care Act and changes to the education system forcing speedy and sometimes counterproductive change.

Uncertainty still lies ahead both locally and nationally with the impact of Universal Credit, implications of Brexit, Business Rate retention and Funding Formula changes.

Since 2010 budgets have significantly reduced across all of the public sector providing services to the people of Gateshead. The Council alone has had to make savings of over £143 million since 2010 and is looking at a funding gap of a further £88 million in the next five years.

## Demand for services

Demand for all services is high including services that help to keep the place looking clean, tidy and attractive. Demand for some council services has greatly increased.

The number of children with protection plans and the numbers of looked after children are increasing month on month. As our population ages we are seeing an increase in the number of older people needing support to live independently at home, particularly when discharged from hospital.

With reduced resources and increased demand for services the Council will not be able to make ends meet. The Council is proud of how much it does and cares for its residents however this has created expectations in communities that can no longer be met by the existing approach.

In the current context it would not be sustainable for the council to operate or maintain all services in the same way as they are currently provided.

## Developing a new approach

The new leadership of the Council has taken the opportunity to take a step back and reflect on the core purpose of the Council and very importantly what matters most to the people of Gateshead.

Work so far includes a high level analysis of the Borough's profile to ascertain future demand pressures, a refresh of the Medium Term Financial Strategy and the Local Government Association undertaking a fundamental and independent look at the Council through their Peer Challenge review programme.

The following sections of this document explain the rationale and the main elements of the new approach. It also gives details of how everyone who has an interest in Gateshead can get involved to...

# ...Make Gateshead a place where everyone thrives.



# The key issue | Tackling Inequality

National and international research shows that narrowing the gap of inequality would result in people living longer, healthier and happier lives. Data shows that problems including those in poor health, mental illness, obesity, drug addiction, unequal opportunities, poorer wellbeing for children, violence and imprisonment are more common in unequal societies.

Internationally indexes of quality of life, wellness and deprivation tend to show a correlation between a country's economic inequality and its social outcomes.

Locally as councillors, we see and hear the struggles of our local residents on a daily basis. We have to face the facts - too many of our people and families are just not coping or are in need.

## It's just not right that in Gateshead:

- Government grant funding has halved since 2010
- one in five of our children live in poverty
- over 5,000 people rely on foodbanks
- over 10,000 people struggle to heat their homes
- over 3,000 people need support and advice to prevent or deal with homelessness
- over 7,500 people need social care help
- an average man only lives 57 years in good health (6.4 years less than England average)
- an average woman only lives 59 years in good health (5 years less than England average)
- over 9,000 people can't work because of long term illness
- nearly 13,000 only earn £15,000 a year
- children on free school meals will not achieve as good a level of development at age 5
- nearly 25% of people live in the 20% most deprived areas in England
- the number of people on out of work benefits is 3% higher than elsewhere and just over 10% of claimants are younger than 25.
- average earnings are still well below the national average (£490.90 compared to England median of £544.20 (2016)
- 330 young people are not in education, employment or training
- educational attainment gap between disadvantaged pupils and other pupils in Gateshead is at -14.6% (2015/16)

**We don't believe that in 2017 it is acceptable that there is such inequality in our Borough**



**We know that the vast majority of people in Gateshead care about the community they live in. They don't want to live in a community along side people who are struggling and they want to help and support and do something about that!**



# We want Gateshead to be a place where everyone thrives

We know that over 50% of people and families in Gateshead are either managing or just coping and over 30% are in need or in vulnerable situations. We want to change those statistics and aim to make Gateshead a place where everyone thrives.



## Thriving - what do we mean by thriving?

### Flourishing, prosperous, successful, faring well

We know there are people and families in Gateshead who are already thriving. People and families who can be seen to have good jobs, good homes, good health, good support networks and can afford to take advantage of opportunities whether it be cultural, leisure or educational.

There is normally very little interaction between these people and families and the Council.

**We'd like to see a year on year increase of thriving people & families**

## Managing - what do we mean by managing?

### Coping, doing OK, making ends meet, fairly resilient, getting by but may be feeling the pinch

We know there are people and families in Gateshead who are managing. People and families who have a more stable income and can pay their bills but don't have much in the way of spare cash.

People and families who are managing tend to need less support from the Council or other organisations and have strong family and friend support networks.

**We'd like to see more people & families using their own and community support networks**



## Just coping - what do we mean by just coping?

**Just about getting by, surviving, subsisting, just about keeping their heads above water**

We know there are people in our communities who don't have regular income or are unemployed and are just about keeping their family together.

Many of these families may not have the strongest support networks. They may face different issues at different times which they need help from the Council and others to deal with them.

**We'd like to work with partners so that there are earlier, effective interventions trying to prevent just coping people and families from having more complex needs and becoming vulnerable**

## In need - what do we mean by in need?

**Vulnerable, in difficulty, in adversity, not coping**

We know there will always be some people and families that have complex and multiple needs and will need more of our care and support than others. The Council has always given priority to those in the greatest need. We look after children, provide social care for older people, support those people who have found themselves in really vulnerable situations.

Supporting such complex needs is not easy – funding social care takes all the council tax we get... and more. We need to ensure the support we provide for people is helping them to fulfil their potential and independence where possible.

**We'd like to ensure there are appropriate and effective interventions, that have more sustainable impact and help more people cope**

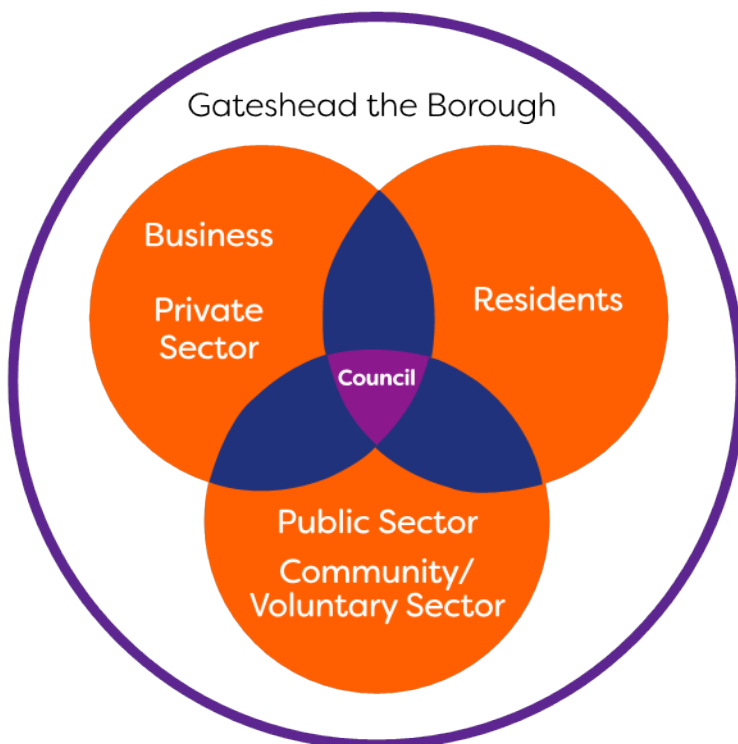


# How can we make Gateshead a place where everyone thrives?

If we are going to achieve our goal it will mean a radical rethink about the way we work as a council, the way we spend the money, the way we work with partner organisations and how we work with our local people, families and communities.

The diagram below aims to illustrate the different interactions residents, businesses, partners and the community and voluntary sector will have with the Council.

## How the Council works



- Council at the heart / co-ordinating
- Provider of services to vulnerable people and universal services
- Key influencer and democratic voice

Some interventions needed

Collaboration & support

# THE NEW APPROACH

The new approach is built on the key principles of:

- Fairness and treating people with dignity and respect
- People and families being at the heart of everything we do; and
- Getting the best outcomes for local people.

We have developed FIVE pledges to help and guide us when we make decisions.

## Our pledges

We pledge to:

- Put people and families at the heart of everything 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

## Do you want Gateshead to be a place where everyone thrives?

This new approach gives everyone in Gateshead the opportunity to determine what matters most and the opportunity to contribute and work together to make Gateshead a place where everyone thrives.

It is the start of a different conversation with anybody and everybody who has an interest in Gateshead, people and families, partner organisations, employees, other local councils, and national influencers. We intend to develop this approach WITH everyone who has an interest in Gateshead.

# Making Gateshead a place where everyone thrives



## We pledge to:

- Put people and families at the heart of everything 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

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## WE WILL (The Council)

- Understand the needs of our communities better
- Attract investment to increase the number of high quality jobs, pay and housing
- Target our resources on those most in need
- Focus on tackling problems sooner to prevent things getting worse
- Work to maximise the potential in businesses, communities and employees

## YOU CAN (Residents)

- Help us understand what really matters to you
- Play your part by getting involved in your community
- Lead an active and healthy life
- Look after and take pride in your local environment
- Support your local economy by shopping local
- Help us save money by going online



## YOU CAN (Employees)

- Use your initiative, do what you think is right, and take personal responsibility for achieving great results
- Work with colleagues across the Council and partner organisations to deliver the best outcomes
- Be creative and don't be afraid to try new approaches



## TOGETHER WE CAN

### (Partner organisations)

- Recognise that issues cross different organisations
- Share expertise, information and knowledge
- Integrate services into co-ordinated packages and focus on those most in need

### (Other local councils)

- Lobby together
- Plan together
- Work together



## I CAN...

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**COUNCIL MEETING**

**22 March 2018**

## **IMPLEMENTATION OF A CORPORATE SOCIAL RESPONSIBILITY PLEDGE**

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**Sheena Ramsey, Chief Executive**

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### **EXECUTIVE SUMMARY**

1. The purpose of this report is to seek approval to adopt a Corporate Social Responsibility Pledge within procurement activity.
2. The Pledge sets out how our supply chain can help us to deliver the best outcomes for people of Gateshead and asks suppliers to sign up to individual statements on behalf of their organisation. Tender processes will be designed to seek the best social value outcomes for that particular procurement.
3. The document will be reviewed in 12 months' time, once there is sufficient baseline information from which to determine the next steps.
4. The Cabinet has considered the facts and issues arising from the report including alternative options and took all relevant advice before formulating their recommendation.

### **RECOMMENDATION**

5. It is recommended that Council:
  - (i) Approve the Corporate Social Responsibility Pledge and implementation of the processes outlined within the attached report
  - (ii) Authorise the Service Director, Corporate Commissioning and Procurement, following consultation with the Leader of the Council and the Council's Procurement Champion, to make minor amendment and/or additions to the Corporate Social Responsibility Pledge.

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**TITLE OF REPORT:** Implementation of a Corporate Social Responsibility Pledge

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

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### **Purpose of the Report**

1. The purpose of this report is to seek Cabinet and Council approval to adopt and implement a Corporate Social Responsibility Pledge within our procurement activity.

### **Background**

2. Subject to approval of the 5 Council pledges that are subject to another report on this agenda, we need to communicate our intentions to our supply chain and engage them in discussion about the role that they will play in helping us to achieve the best outcomes for the people of Gateshead.
3. A Corporate Social Responsibility Pledge has been developed that helps the supply chain to implement our proposed Pledges by providing more detailed statements for suppliers to sign up to. The proposed document is attached as appendix 2 for approval.
4. In addition, the Council often receives requests from organisations to agree to motions, or sign agreements relating to trade, or that impact in other ways on our procurement activity. This document takes account of all of the appropriate motions that the Council has previously signed up to, and it is proposed that rather than sign up to future agreements, the Council could amend this document so that everything is in one place and we can better understand the impact of individual requests on broader issues.

### **Proposal**

5. The Corporate Social Responsibility Pledge has been developed, based on the 5 proposed Council Pledges:
  - Put people and families at the heart of everything 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 Council.
6. The Corporate Social Responsibility Pledge sets out how our supply chain can help us to deliver the best outcomes for people of Gateshead. It contains a number of statements that would enable delivery of the 5 pledges and asks suppliers to sign up to the individual statements on behalf of their organisation, and also to indicate

where they believe their own supply chains currently are by completing a simple questionnaire.

7. This information will be gathered during pre-tender engagement with our supply chains preferably anonymously in order to inform tender documentation and evaluation content.
8. The Corporate Social Responsibility Pledge includes basic standards that may be applied across all markets and types of suppliers. Many tender processes will require suppliers to go above and beyond what is included in the pledge as they will be designed to seek the best social value outcomes for that particular procurement, and they will also reflect what we consider to be good practice within the specific market.
9. This approach has a number of benefits as set out in appendix 1.
10. This is the start of a journey and it will be necessary to review the document in approximately 12 months' time, once we have sufficient baseline information from which to determine our next steps. In the meantime we may want to make minor amendments or additions to the Corporate Social Responsibility Pledge for example to reflect other Council policy decisions. It is proposed that any such amendments can be made by Service Director, Corporate Commissioning and Procurement following consultation with the Leader of the Council and the Council's Procurement Champion.
11. It is anticipated that we will be surprised that some markets are not as advanced in some areas as we have assumed and in other areas, some markets may more compliant than we have assumed. We then may want to encourage those players within specific markets to become compliant by making more formal arrangements through more stringent policy, or requiring compliance with additional terms and conditions within our contracts, however it is important to gather the baseline information in the first instance.

## Recommendations

12. It is recommended that Council be recommended to:
  - (i) approve the Corporate Social Responsibility Pledge and implementation of the processes outlined within the report; and
  - (ii) authorise the Service Director, Corporate Commissioning and Procurement, following consultation with the Leader of the Council and the Council's Procurement Champion, to make minor amendment and/or additions to the Corporate Social Responsibility Pledge.

For the following reason:

To engage our supply chain and help our suppliers to understand their role in helping the Council to deliver it's 5 Pledges and achieve the best outcomes for the people of Gateshead.

### Policy Context

1. A Corporate Social Responsibility Pledge has been developed, based on the proposed 5 Council Pledges:
  - Put people and families at the heart of everything 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 Council.

### Background

2. The Corporate Social Responsibility Pledge sets out how our supply chain can help us to deliver the best outcomes for people of Gateshead. It contains a number of statements that would enable delivery of the 5 pledges and asks suppliers to sign up to the individual statements on behalf of their organisation, and also to indicate where they believe their own supply chains currently are by completing a simple questionnaire.
3. The information will be gathered during pre-tender engagement with our supply chains preferably anonymously in order to inform tender documentation and evaluation content.
4. This approach has a number of benefits as set out below:
  - The document signals basic standards, values and direction of travel that we would like our supply chain to comply with.
  - This approach covers all procurement activity regardless of markets and supplier sectors.
  - The information can be used to inform tender standards for specific tender processes.
  - Once the council has a base line of information, if there are areas where the Council considers markets to be weak, we can consider whether to provide either direct support or signpost suppliers to organisations that can help them to improve.
  - There may be opportunities to generate income, for example, if suppliers identify areas of weakness where the Council has capacity or expertise, then the Council may consider opportunities to trade with suppliers to help them to upskill e.g. health and safety or resilience planning.
  - We can also work with suppliers based in Gateshead to help to upskill them or signpost them to further support which may help to enable them to compete.

### Consultation

5. The Corporate Resources Overview and Scrutiny Committee considered this proposal at their meeting on 22 January 2018 and their comments have been incorporated into the final version of the Corporate Social Responsibility Pledge.

6. Brief discussions have also taken place with the Federation of Small Business, the Newcastle Council for the Voluntary Sector, and Trade Union representatives and they have all been supportive with this approach.

### **Alternative Options**

7. An option of mandating the requirements of the Corporate Social Responsibility Pledge from the outset was considered but rejected as it may result in no organisations being fully compliant. The approach set out in the report is considered to be a measured approach which may lead to the mandating of specific elements contained within the pledge where appropriate and based on evidence that some suppliers can comply.

### **Implications of Recommended Option**

#### **8. Resources:**

- a) **Financial Implications** – The Strategic Director, Corporate Resources confirms there are no financial implications as a result of this report.
  - b) **Human Resources Implications** – there are no human resource implications as a result of this report.
  - c) **Property Implications** - there are no property implications as a result of this report.
9. **Risk Management Implication** - The risk of no suppliers being fully compliant with the requirements contained within the Corporate Social Responsibility Pledge are mitigated by the pledge not being part of the formal procurement process.
  10. **Equality and Diversity Implications** - This approach will raise awareness of equality and diversity issues with its supply chain and will support the Council to achieve the outcomes set out in the pledge.
  11. **Crime and Disorder Implications** – There are no crime and disorder implications as a result of this report.
  12. **Health Implications** - This approach will raise awareness of health issues with its supply chain and will support the Council to achieve the outcomes set out in the pledge.
  13. **Sustainability Implications** - This approach will raise awareness of sustainability issues with its supply chain and will support the Council to achieve the outcomes set out in the pledge.
  14. **Human Rights Implications** - This approach will raise awareness of human rights issues with its supply chain and will support the Council to achieve the outcomes set out in the pledge.
  15. **Area and Ward Implications** - There are no specific area and ward implications as the pledge will apply across the whole Council area.

### **Background Information**



16. The background information for this report is the Corporate Social Responsibility Pledge, attached as appendix 2.

# GATESHEAD COUNCIL'S CORPORATE SOCIAL RESPONSIBILITY PLEDGE March 2018

## Introduction

Gateshead Council works proactively to ensure that Gateshead is a place where everyone thrives. In order to achieve this, a radical rethink is needed about the way we work as a Council, and what we should expect from our suppliers, service providers, contractors and sub-contractors (referred to as “supply chain”).

Gateshead is a vibrant place and residents have a strong sense of community and local pride. Gateshead people are compassionate, warm and generous. They are willing to share and there is a great sense of belonging as people really care for each other. We want to work in partnership with our “supply chain”, to pursue wider social and economic benefits for local people, in a constructive and collaborative way in order to realise our ambition of a thriving Gateshead whilst not restricting free trade.

We operate within a legal framework that requires us to award certain contracts in line with the overarching fundamental principles of the EU Treaty of Rome (1957), including the principles of free movement of trade, non-discrimination, equal treatment, transparency, procedural fairness, and proportionality, and we expect our “supply chain” to adopt these same principles.

We expect high standards of integrity and professionalism in all business dealings and practices from everyone we deal with. We therefore have developed a number of pledges set out in this document and ask that our supply chain incorporates them in all business activities and cascade them throughout their supply chains, working towards a fair, inclusive, sustainable and progressive economy.

In accordance with the public procurement rules, we take account of issues that are relevant to the subject matter of the contract and are consistent with the requirement within the Local Government Act 1999 to achieve “best value”. In the context of procurement, best value for money refers to choosing the option that offers “the optimum combination of whole life costs and social benefits to meet our requirements.” We believe, however that by working together on wider corporate social responsibility initiatives we can achieve more.

## Corporate Social Responsibility Pledge

The Gateshead's Council Plan sets out the Council's position on a range of issues based on a core set of values with can be translated into our procurement approach:

### INTEGRITY

**We will always work with integrity – and we expect our “supply chain” to demonstrate fairness and respect every day and in every way.**

### INCLUSIVE

**We will be *inclusive* – and we expect our “supply chain” to work together and engage people to get better results and ensure equality of opportunity.**

We have taken this a step further by making a number of pledges which will become central to all contracts that we procure. Some contracts may also contain additional requirements that will be relevant and proportionate to the specific contract.

The Council pledges to:

- **Put people and families at the heart of everything 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**

Our Corporate Social Responsibility Pledge sets out how our supply chain can help us to deliver the best outcomes for the people of Gateshead.

#### **Procedure**

We will initially gather information to baseline how able our supply chain is to sign up to our pledges. Our expectation is that many organisations will be able to sign up to a large number of our pledges, however it is our intention to work with our supply chain to support them to be able to sign up to pledges that they currently cannot meet. Once we have an accurate baseline we will consider what additional support might be required.

Ultimately we aim to develop a more formal approach to implementing our Corporate Social Responsibility Pledges across all of our procurement activity in order to support commissioners to build a picture of supply chains, encourage good business practice, determine minimum standards for specific contracts and help us to identify what additional support you may need.

Our Corporate Social Responsibility Pledges are included for your information and we have developed a questionnaire in order for you to confirm the pledges that your organisation and your supply chain can sign up to now, and which ones you are still working towards.

Completion of this pledge is voluntary and will not be considered in any tender evaluation, however your views are important to us and the results of the returned pledge will be used to develop our procurement approach in the future.

# Gateshead Corporate Social Responsibility Pledges

## March 2018

### **Putting people and families at the heart of everything we do**

**The Council and its supply chain will eliminate child labour\* by:**

- *Providing for any children found to be performing child labour to attend and remain in quality education until no longer a child.*
- *Ensure that no children and young persons\*\* are employed at night, or in hazardous conditions, as defined by the International Labour Organisation.*

**The Council and its supply chain will ensure that wages meet at least national legal standards and good practice by:**

- *Providing wages and benefits at rates that meet at least national legal standards; are fair and reasonable; and include paid holidays, sickness benefit, pension scheme, accident compensation, and death in service benefit as appropriate.*
- *Providing employees with an easy-to-read contract of employment clearly explaining wage levels and employee rights.*
- *Ensuring that where employees are unable to read, their contract is explained to them by a union representative, or another appropriate third party.*
- *Providing wages in cash and not in kind (e.g. goods, vouchers), with no deductions made unless permitted under national law or agreed by the employee, without duress.*
- *Ensuring that travel time and travel and other necessary costs are paid for by the employer.*
- *Ensuring that employees eligible are paid statutory sick pay.*

**The Council and its supply chain will ensure that working conditions are safe by:**

- *Operating appropriate health and safety policies and procedures overseen by a senior manager responsible for compliance and monitoring.*
- *Ensuring that employees have the necessary, regular health and safety training that is recorded and monitored.*
- *Providing employees with appropriate health and safety equipment.*
- *Ensuring that new employees or reassigned employees receive the necessary level of health and safety training and safety equipment.*
- *Taking adequate steps to prevent accidents and injury to health.*
- *Providing comfortable and hygienic working and welfare facilities with clean toilets and water suitable for drinking and washing.*
- *Ensuring that where worker housing is provided it meets the same standards for health and safety as the workplace.*

\*'Child' refers to any persons less than 15 years of age, unless local legislation on the minimum age stipulates a higher age for work or mandatory schooling, in which case the higher age shall apply \*\* Young Person refers to any persons under 18 years of age

**The Council and its supply chain will promote good health and wellbeing by:**

- *Proactively encouraging employees to lead healthy lives.*
- *Investing in measures for tackling ill health where appropriate.*
- *Considering accessibility in the workplace for the benefit of both employees and visitors.*
- *Creating a workplace that promotes mental wellbeing and accommodates those living with mental illness. Ways of demonstrating this include; the application of the Health and Safety Executive's Management Standards for work related stress, signing up to the "Mindful Employer initiative", or "Time to change employer pledge" (<https://www.time-to-change.org.uk>).*
- *Demonstrating a commitment to a healthy workplace by working towards appropriate recognised healthy workplace standards e.g. the World Health Organisation's Healthy Workplace Framework and Model, the national UK Workplace Wellbeing Charter or, for local suppliers, the North East Better Health at Work Award.*

**The Council and its supply chain will ensure that working hours are not excessive by:**

- *Complying with national laws or industry standards on employee working hours, whichever affords greater protection.*
- *Not expecting employees to work more than 48 hours per week on a regular basis and, on average, receive one day off in every seven.*
- *Not requiring employees to work excessive hours of more than 60 hours per week (including overtime).*
- *Not demanding overtime on a regular basis, and, where required, it should be reimbursed at least at the appropriate rate.*
- *Observing positive work life balance including flexible working practices where possible.*

**The Council and its supply chain will implement clear dispute procedures by:**

- *Providing clear and accessible processes for resolving disputes with, and between employees and management.*
- *Providing clear, easily understood disciplinary, grievance and appeal procedures that are lawful and recorded.*

## **Tackling inequality so people have a fair chance**

**The Council and its supply chain will help local people to find work by:**

- *Creating long-term, sustainable employment opportunities for the people of Gateshead..*
- *Supporting appropriate employment opportunities for disadvantaged people for example those not in education, employment or training (NEET), long term unemployed, people with physical disabilities, learning disabilities or mental health problems, ex-offenders, over 50's, lone parents and ex-armed forces personnel.*
- *Providing work placements to enhance the employability skills and capabilities of local people.*
- *Creating apprenticeship/volunteering opportunities to support young people into work.*

**The council and its supply chain will to support Looked After children and Care Leavers and endeavour to improve their life chances and promote stability for their future by:**

- *Offering work experience for Looked After children and Care Leavers.*
- *Developing opportunities for training and apprenticeships for Looked After children and Care Leavers.*
- *Offering mentoring opportunities or sponsorships for Looked After children and Care Leavers.*
- *Investing in Looked After Children and Care Leavers wherever possible (eg in kind support, donations and funding opportunities).*

**The Council and its supply chain will ensure that no discrimination is practiced by:**

- *Implementing practices that eliminate discrimination in hiring, compensation, training, promotion, termination or retirement either directly or indirectly, and complying with the Equality Act 2010 and the Employment Regulations Act 1999 (Blacklists) Regulations 2010.*
- *Ensuring that all processes are conducted in a fair, open, honest and transparent way.*

**The Council and its supply chain will ensure that no inhumane treatment is allowed by:**

- *Prohibiting physical abuse or coercion, the threat of physical abuse, sexual or other harassment, and verbal abuse, racism or other forms of intimidation.*

**The Council and its supply chain will ensure that employment is freely chosen by:**

- *Affording employees the freedom to choose to work and not use forced, bonded or non-voluntary prison labour.*
- *Ensuring that employees are free to leave their employment after giving reasonable notice.*

**The Council and its supply chain will help producers and workers in developing countries receive a fair price for their products by:**

- *Offering fair trade products for use in meetings, conferences, other hospitality purposes, and catering that is sold to employees and the public.*
- *Ensure that fair trade is considered during the procurement of goods and services.*
- *Encourage suppliers to offer fair trade alternatives where they exist.*



## **Supporting our communities to support themselves and each other**

### **The Council and its supply chain will support communities by:**

- *Offering opportunities for employees to participate in volunteering, to enhance and develop their skills for the benefit of themselves, their organisation and the local community.*
- *Supporting voluntary and community sector capacity and capability building activities, where possible (eg mentoring support).*
- *Investing in the local community wherever possible (eg in kind support, donations and funding programmes, employee volunteering, mentoring, placement opportunities).*
- *Providing opportunities for young people to lead change and make a positive contribution to their communities through youth social action (campaigning, volunteering and fundraising).*

### **The Council and its supply chain will work effectively within communities by:**

- *Being respectful of the local indigenous population and their values, traditions and cultures.*
- *Ensuring that communities are informed and consulted on all aspects of business that affects them in a timely and accessible manner.*

### **The Council and its supply chain will promote sustainable communities by:**

- *Supporting social and economic regeneration initiatives, where applicable, within the communities in which we operate.*
- *Supporting sporting, cultural and heritage projects, where applicable, within the communities in which we operate.*
- *Assisting community organisations to be more sustainable and working with communities to improve local resilience.*
- *Promoting peace, security, and business and community resilience.*

### **The Council and its supply chain will ensure freedom of association and rights to collective bargaining are respected by:**

- *Valuing the importance of meaningful workforce engagement and representation.*
- *Affording employees freedom of association with the right to join an independent trade union or other workers' association, and to carry out reasonable representative functions in the workplace.*
- *Where Trade Unions are recognised, allowing them to appoint shop stewards and workplace health and safety representatives and facilitating their rights to carry out legally permitted activity.*
- *Facilitating alternative means of democratic representation where laws restrict freedom of association and collective bargaining.*
- *Recognising that the right to strike and protest are fundamental rights which should be respected in a free and democratic society.*



## **Investing in our economy to provide sustainable opportunities for employment, innovation and growth across the borough**

**The Council and its supply chain will provide regular employment where appropriate by:**

- *Ensuring that to every extent possible, work is performed on the basis of a recognised employment relationship that is compliant with national law and practice.*
- *Ensuring that obligations to employees under labour or social security laws and regulations arising from the regular employment relationship are not avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.*
- *Minimising the use of zero hours contracts in place of permanent contracts.*

**The Council and its supply chain will ensure that employees have appropriate skills and competencies to undertake their role by:**

- *Providing training in work time and at no cost to the employee, to enable them to undertake their role competently.*
- *Raising employees' skills through training and access to professional development as befits their role.*
- *Providing career progression pathways as appropriate.*
- *Working within specific industries or sectors to address skills shortages where they are identified through the provision of apprenticeship, adult training or career progression schemes.*
- *Auditing skills and competencies across the workforce on a regular basis.*

**The Council and its supply chain will support local businesses including social enterprises and third sector organisations by:**

- *Reviewing procedures and practices to identify opportunities to improve the local economy and contribute to local economic growth.*
- *Removing barriers to participation to ensure that trading opportunities are as accessible as possible to all businesses.*
- *Identifying and supporting local supply chain and sub-contracting partners, including making opportunities accessible to third sector organisations, social enterprises, co-operatives and mutuals wherever possible.*
- *Ensuring payments to contractors and sub-contractors are processed in a timely manner.*
- *Ensuring that contracts with contractors and subcontractors are no less favourable than the primary contract terms and conditions that have been let to you.*
- *Recognising that a flourishing, sustainable economy requires interaction, engagement and collaboration between a diverse range of private, public, third-sector and social enterprise organisations.*
- *Engaging in local business networking opportunities (eg Gateshead Business Network) and other business engagement opportunities where appropriate.*
- *Participating in capacity building activities for local businesses (eg mentoring and peer to peer support programmes) where appropriate.*

## **Working together to fight for a better future for Gateshead**

**The Council and its supply chain will reduce its environmental impact on future generations by:**

- *Ensuring that environmental considerations are taken into account for the short, medium and long term.*
- *Training and actively encouraging employees to work in an environmentally responsible manner.*
- *Considering whole life costs when procuring and managing business activities.*
- *Encouraging the use of responsibly sourced construction products in accordance with BES6001 where applicable.*

**The Council and its supply chain will protect natural resources wherever possible by:**

- *Increasing the use of sustainable materials.*
- *Taking steps to control and reduce water usage and waste water.*
- *Preventing harmful discharges into the water system.*
- *Ensuring that all timber and paper products are sourced from sustainable forests with a clear chain of custody.*
- *Monitoring issues of material scarcity, with particular regard to negative impacts from the over-extraction of materials from endangered environments.*

**The Council and its supply chain will manage waste responsibly by:**

- *Reducing waste by promoting re-use, remanufacture and recycling.*
- *Disposing of non-recyclable waste in a responsible manner.*
- *Utilising emerging technologies that can further reduce waste.*
- *Minimising the use of packaging.*

**The Council and its supply chain will reduce the carbon footprint by:**

- *Measuring the carbon footprint and developing plans to reduce it.*
- *Reducing transportation road miles where practical.*
- *Monitoring energy consumption and taking steps to reduce it where practical.*
- *Recognising the benefits of sourcing locally and creating local supply chains.*

# Gateshead Corporate Social Responsibility Pledge Questionnaire/Survey

Please let us know how you can help us to deliver our pledges:

Pledge One: Putting people and families at the heart of everything we do

**Applies to my organisation**  
Fully Working towards

**Applies to my supply chain**  
Fully Working towards

We will eliminate child labour\* by:

- *Providing for any children found to be performing child labour to attend and remain in quality education until no longer a child.*
- *Ensure that no children and young persons\*\* are employed at night, or in hazardous conditions, as defined by the International Labour Organisation.*

We will ensure that wages meet at least national legal standards and good practice by:

- *Providing wages and benefits at rates that meet at least national legal standards; are fair and reasonable; and include paid holidays, sickness benefit, pension scheme, accident compensation, and death in service benefit as appropriate.*
- *Providing employees with an easy-to-read contract of employment clearly explaining wage levels and employee rights.*
- *Ensuring that where employees are unable to read, their contract is explained to them by a union representative, or another appropriate third party.*
- *Providing wages in cash and not in kind (e.g. goods, vouchers), with no deductions made unless permitted under national law or agreed by the employee, without duress.*
- *Ensuring that travel time and travel and other necessary costs are paid for by the employer.*
- *Ensuring that employees eligible are paid statutory sick pay*

We will ensure that working conditions are safe by:

- *Operating appropriate health and safety policies and procedures overseen by a senior manager responsible for compliance and monitoring.*
- *Ensuring that employees have the necessary, regular health and safety training that is recorded and monitored.*
- *Providing employees with appropriate health and safety equipment.*
- *Ensuring that new employees or reassigned employees receive the necessary level of health and safety training and safety equipment.*
- *Taking adequate steps to prevent accidents and injury to health.*
- *Providing comfortable and hygienic working and welfare facilities with clean toilets and water suitable for drinking and washing.*
- *Ensuring that where worker housing is provided it meets the*

*same standards for health and safety as the workplace.*

We will promote good health and wellbeing by:

- *Proactively encouraging employees to lead healthy lives.*
- *Investing in measures for tackling ill health where appropriate.*
- *Considering accessibility in the workplace for the benefit of both employees and visitors.*
- *Creating a workplace that promotes mental wellbeing and accommodates those living with mental illness. Ways of demonstrating this include; the application of the Health and Safety Executive's Management Standards for work related stress, signing up to the "Mindful Employer initiative", or "Time to change employer pledge" (<https://www.time-to-change.org.uk>).*
- *Demonstrating a commitment to a healthy workplace by working towards appropriate recognised healthy workplace standards e.g. the World Health Organisation's Healthy Workplace Framework and Model, the national UK Workplace Wellbeing Charter or, for local suppliers, the North East Better Health at Work Award.*

We will ensure that working hours are not excessive by:

- *Complying with national laws or industry standards on employee working hours, whichever affords greater protection.*
- *Not expecting employees to work more than 48 hours per week on a regular basis and, on average, receive one day off in every seven.*
- *Not requiring employees to work excessive hours of more than 60 hours per week (including overtime).*
- *Not demanding overtime on a regular basis, and, where required, it should be reimbursed at least at the appropriate rate.*
- *Observing positive work life balance including flexible working practices where possible.*

We will implement clear dispute procedures by:

- *Providing clear and accessible processes for resolving disputes with, and between employees and management.*
- *Providing clear, easily understood disciplinary, grievance and appeal procedures that are lawful and recorded.*

Pledge 2: Tackling inequality so people have a fair chance

**Applies to my organisation**

**Applies to my supply chain**

Fully

Working towards

Fully

Working towards

We will help local people to find work by:

- *Creating long-term, sustainable employment opportunities for the people of Gateshead.*
- *Supporting appropriate employment opportunities for disadvantaged people for example those not in education, employment or training (NEET), long term unemployed, people with physical disabilities, learning disabilities or mental health problems, ex-offenders, over 50's, lone parents and ex-armed forces personnel.*
- *Providing work placements to enhance the employability skills and capabilities of local people.*
- *Creating apprenticeship/volunteering opportunities to support young people into work.*

We will support Looked After children and Care Leavers and endeavour to improve their life chances and promote stability for their future by:

- *Offering work experience for Looked After children and Care Leavers.*
- *Developing opportunities for training and apprenticeships for Looked After children and Care Leavers.*
- *Offering mentoring opportunities or sponsorships for Looked After children and Care Leavers.*
- *Investing in Looked After Children and Care Leavers wherever possible (eg in kind support, donations and funding opportunities).*

We will ensure that no discrimination is practiced by:

- *Implementing practices that eliminate discrimination in hiring, compensation, training, promotion, termination or retirement either directly or indirectly, and complying with the Equality Act 2010 and the Employment Regulations Act 1999 (Blacklists) Regulations 2010.*
- *Ensuring that all processes are conducted in a fair, open, honest and transparent way.*

We will ensure that no inhumane treatment is allowed by:

- *Prohibiting physical abuse or coercion, the threat of physical abuse, sexual or other harassment, and verbal abuse, racism or other forms of intimidation.*

We will ensure that employment is freely chosen by:

- *Affording employees the freedom to choose to work and not use forced, bonded or non-voluntary prison labour.*
- *Ensuring that employees are free to leave their employment after giving reasonable notice.*

We will help producers and workers in developing countries receive a fair price for their products by:

- *Offering fair trade products for use in meetings, conferences, other hospitality purposes, and catering that is sold to employees and the public.*
- *Ensure that fair trade is considered during the procurement of goods and services.*

- *Encourage suppliers to offer fair trade alternatives where they exist.*

### Pledge 3: Supporting our communities to support themselves and each other

Applies to my  
organisation  
Fully Working  
towards

Applies to my  
supply chain  
Fully Working  
towards

#### We will support communities by:

- *Offering opportunities for employees to participate in volunteering, to enhance and develop their skills for the benefit of themselves, their organisation and the local community.*
- *Supporting voluntary and community sector capacity and capability building activities, where possible (eg mentoring support).*
- *Investing in the local community wherever possible (eg in kind support, donations and funding programmes, employee volunteering, mentoring, placement opportunities).*
- *Providing opportunities for young people to lead change and make a positive contribution to their communities through youth social action (campaigning, volunteering and fundraising).*

#### We will work effectively within communities by:

- *Being respectful of the local indigenous population and their values, traditions and cultures.*
- *Ensuring that communities are informed and consulted on all aspects of business that affects them in a timely and accessible manner.*

#### We will promote sustainable communities by:

- *Supporting social and economic regeneration initiatives, where applicable, within the communities in which we operate.*
- *Supporting sporting, cultural and heritage projects, where applicable, within the communities in which we operate.*
- *Assisting community organisations to be more sustainable and working with communities to improve local resilience.*
- *Promoting peace, security, and business and community resilience.*

#### We will ensure freedom of association and rights to collective bargaining are respected by:

- *Valuing the importance of meaningful workforce engagement and representation.*
- *Affording employees freedom of association with the right to join an independent trade union or other workers' association, and to carry out reasonable representative functions in the workplace.*
- *Where Trade Unions are recognised, allowing them to appoint shop stewards and workplace health and safety representatives and facilitating their rights to carry out legally permitted activity.*
- *Facilitating alternative means of democratic representation where laws restrict freedom of association and collective bargaining.*
- *Recognising that the right to strike and protest are fundamental rights which should be respected in a free and*



*democratic society.*

**Pledge 4: Investing in our economy to provide sustainable opportunities for employment, innovation and growth across the borough**

**Applies to my organisation**  
Fully Working towards

**Applies to my supply chain**  
Fully Working towards

We will provide regular employment where appropriate by:

- *Ensuring that to every extent possible, work is performed on the basis of a recognised employment relationship that is compliant with national law and practice.*
- *Ensuring that obligations to employees under labour or social security laws and regulations arising from the regular employment relationship are not avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.*
- *Minimising the use of zero hours contracts in place of permanent contracts.*

We will ensure that employees have appropriate skills and competencies to undertake their role by:

- *Providing training in work time and at no cost to the employee, to enable them to undertake their role competently.*
- *Raising employees' skills through training and access to professional development as befits their role.*
- *Providing career progression pathways as appropriate.*
- *Working within specific industries or sectors to address skills shortages where they are identified through the provision of apprenticeship, adult training or career progression schemes.*
- *Auditing skills and competencies across the workforce on a regular basis.*

We will support local businesses including social enterprises and third sector organisations by:

- *Reviewing procedures and practices to identify opportunities to improve the local economy and contribute to local economic growth.*
- *Removing barriers to participation to ensure that trading opportunities are as accessible as possible to all businesses.*
- *Identifying and supporting local supply chain and sub-contracting partners, including making opportunities accessible to third sector organisations, social enterprises, co-operatives and mutuals wherever possible.*
- *Ensuring payments to contractors and sub-contractors are processed in a timely manner.*
- *Ensuring that contracts with contractors and subcontractors are no less favourable than the primary contract terms and conditions that have been let to you.*
- *Recognising that a flourishing, sustainable economy requires interaction, engagement and collaboration between*

*a diverse range of private, public, third-sector and social enterprise organisations.*

- *Engaging in local business networking opportunities (eg Gateshead Business Network) and other business engagement opportunities where appropriate.*
- *Participating in capacity building activities for local businesses (eg mentoring and peer to peer support programmes) where appropriate.*

## Pledge 5: Working together to fight for a better future for Gateshead

**Applies to my organisation**  
Fully Working towards

**Applies to my supply chain**  
Fully Working towards

We will reduce our environmental impact on future generations by:

- *Ensuring that environmental considerations are taken into account for the short, medium and long term.*
- *Training and actively encouraging employees to work in an environmentally responsible manner.*
- *Considering whole life costs when procuring and managing business activities.*
- *Encouraging the use of responsibly sourced construction products in accordance with BES6001 where applicable.*

We will protect natural resources wherever possible by:

- *Increasing the use of sustainable materials.*
- *Taking steps to control and reduce water usage and waste water.*
- *Preventing harmful discharges into the water system.*
- *Ensuring that all timber and paper products are sourced from sustainable forests with a clear chain of custody.*
- *Monitoring issues of material scarcity, with particular regard to negative impacts from the over-extraction of materials from endangered environments.*

We will manage waste responsibly by:

- *Reducing waste by promoting re-use, remanufacture and recycling.*
- *Disposing of non-recyclable waste in a responsible manner.*
- *Utilising emerging technologies that can further reduce waste.*
- *Minimising the use of packaging.*

We will reduce the carbon footprint by:

- *Measuring the carbon footprint and developing plans to reduce it.*
- *Reducing transportation road miles where practical.*
- *Monitoring energy consumption and taking steps to reduce it where practical.*
- *Recognising the benefits of sourcing locally and creating local supply chains.*



Category of business sector e.g. social care/construction etc

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Category of organisation e.g. charity, small business etc

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**Thank you for participating. Please return completed questionnaires to:**

By Post:                   Service Director  
                                Corporate Commissioning & Procurement  
                                Gateshead Council  
                                Civic Centre  
                                Regent Street  
                                Gateshead  
                                NE8 1HH

By Email:                   [procurement@gateshead.gov.uk](mailto:procurement@gateshead.gov.uk)  
(your identity  
will be removed)

All information will be held confidentially and will not be shared with any third parties.

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## COUNCIL MEETING

22 March 2018

## CALENDAR OF MEETINGS 2018/19

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**Sheena Ramsey, Chief Executive**

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### EXECUTIVE SUMMARY

1. The purpose of this report is to seek approval of the proposed calendar of meetings for 2018/19.
2. Every year a calendar of meetings is drawn up for the Council's main decision making bodies and overview and scrutiny committees for the following municipal year.
3. The Councillor Support and Development Group on 9 September 2015 considered the issue of later start times for meetings and it was felt that there should be at least one evening meeting per year, starting at 5.30pm for all of the Council's committees and OSCs. The draft calendar, attached at Appendix 2, has been prepared on this basis.
4. In addition, Planning and Development Committee will continue to have some 6.00pm starts, the Rights of Way Committee will meet at 4.30pm and 5.30pm and the Councillor Support and Development Group will meet at 2.00pm and 5.30pm. Seminars and meetings of the Corporate Resources Advisory Group will be held at a range of times during the day.
5. As previously agreed by Council in 2009, the principle of not holding meetings in school holidays will continue, with the exception of Planning and Development, Regulatory, Audit and Standards and Accounts Committees.
6. The Cabinet has considered the facts and issues arising from the report including alternative options and took all relevant advice before formulating their recommendation.

### RECOMMENDATION

7. It is recommended that Council:
  - (i) approves the calendar of meetings 2018/19;
  - (ii) agrees that, as far as possible, meetings should not be held during school holidays; and
  - (iii) authorises the Strategic Director, Corporate Services and Governance, following consultation with the Leader of the Council, to make any necessary amendments to the calendar of meetings.

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**TITLE OF REPORT:**           **Calendar of Meetings 2018/19**

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

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### **Purpose of the Report**

1. This report sets out the proposed calendar of meetings for 2018/19.

### **Background**

2. Every year a calendar of meetings is drawn up for the Council's main decision making bodies and overview and scrutiny committees for the following municipal year. The calendar of meetings assists in the effective planning of the consideration of Council business and with the preparation of the Cabinet's schedule of decisions.
3. A draft calendar of meetings has been prepared for 2018/19 and this is attached at Appendix 2. It has been prepared on a similar basis as last year.

### **Proposal**

4. It is proposed that the Cabinet agree the calendar of meetings 2018/19 (attached at appendix 2) and that it be forwarded to Council for approval.

### **Recommendations**

5. The Cabinet is requested to recommend Council to:
  - (i) approve the calendar of meetings 2018/19;
  - (ii) agree that, as far as possible, meetings should not be held during school holidays; and
  - (iii) authorise the Strategic Director, Corporate Services and Governance, following consultation with the Leader of the Council, to make any necessary amendments to the calendar of meetings.

For the following reason:

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

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**CONTACT:**   Mike Aynsley           extension 2128

**Policy Context**

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

**Background**

2. The calendar of meetings has been prepared on the following basis:
  - As far as possible, meetings will not be held during school holidays.
  - Eight Council meetings, including the annual meeting and special meeting to consider the budget.
  - Meetings of the Cabinet to take place once a month with breaks during school holiday periods. Additional meetings of the Cabinet to be arranged, if required.
  - Meetings of the Planning and Development Committee to be held every three weeks. There will be a four week gap over the summer and Christmas holiday periods.
  - Meetings of the Regulatory Committee to be held on a monthly basis.
  - Two meetings of the Licensing Committee per annum. These will be held immediately after meetings of the Regulatory Committee. Meetings of the Licensing Sub Committee will be arranged on an ad hoc basis.
  - Three meetings of the Rights of Way Committee per annum.
  - Six meetings of the Audit and Standards Committee per annum.
  - One meeting of the Accounts Committee per annum.
  - Overview and Scrutiny Committees to be held every six weeks. Meetings of the Corporate Parenting and Community Safety Overview and Scrutiny Sub-Committees to be held quarterly. Following consultation with the Chair, meetings of the Corporate Parenting OSC will be held on Thursday afternoons in future instead of Mondays.
  - Meetings of the Personnel Appeals Committee to be held on a monthly basis with breaks during school holiday periods. The Pensions and Pay Discretions Sub Committee will meet on a quarterly basis.
  - Health and Wellbeing Board to be held every six weeks.
3. The Councillor Support and Development Group has previously agreed that there should be a guiding principle that the Council's committees and OSCs should have at least one evening meeting per year starting at 5.30pm and those meetings should have a suggested maximum duration of no more than two hours.

4. The calendar of meetings for 2018/19 has been prepared on a similar basis as last year.
5. Planning and Development Committee will continue to have some 6.00pm starts and the Rights of Way Committee will meet at 4.30pm.
6. Seminars and meetings of the Corporate Advisory Group will be held at either 2.00pm or 5.30pm.
7. If Chairs wish to change the date of the meetings starting at the later time to another date then this will be accommodated where possible.
8. The Council has previously agreed that meetings should not be held in school holidays, as far as possible. There are exceptions to this principle, such as Planning and Development, Regulatory, Audit and Standards and Accounts Committees. It is proposed that this principle should continue to be adopted, except for urgent meetings. The Corporate Parenting OSC will hold two meetings after school hours at 4.30pm to allow children the opportunity to attend its meetings.
9. It is proposed that the Strategic Director, Corporate Services and Governance should be authorised, following consultation with the Leader of the Council, to make any necessary amendments to the calendar of meetings.

### **Consultation**

10. The Leader of the Council has been consulted on the calendar of meetings.

### **Alternative Options**

11. No other options have been considered.

### **Implications of Recommended Option**

#### **12. Resources**

- a) **Financial Implications** - The Strategic Director, Corporate Resources confirms that there are no financial implications arising from this report.
- b) **Human Resources Implications** – There are no human resources implications arising from this report.
- c) **Property Implications** – There are no property implications arising from this report.

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

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

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

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

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

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

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

**20. Background Information** - The calendar of meetings approved for the current municipal year.



## Calendar of Meetings 2017/18

## MAY 2018

DAY	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME
MON				7	<b>BANK HOLIDAY</b>		14			21	LABOUR GROUP LIB DEM GROUP	6.00 6.00	28	<b>BANK HOLIDAY</b>	
TUE	1			8	PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT	10.00	15			22	CABINET REGULATORY COMMITTEE	10.00 1.30	29		
WED	2			9	PLANNING AND DEVELOPMENT COMMITTEE ANNUAL LABOUR GROUP ANNUAL LIB DEM GROUP	10.00 6.00 6.00	16	LIB DEM GROUP	6.00	23	SEMINAR	2.00	30	PLANNING AND DEVELOPMENT COMMITTEE	10.00
THU	3	<b>LOCAL ELECTIONS</b>		10			17			24	PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT COUNCIL	10.00 2.30	31		
FRI	4			11			18	ANNUAL COUNCIL	2.30	25					

**JUNE 2018**

DAY	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME
MON				4			11	COUNCILLOR SUPPORT AND DEVELOPMENT GROUP	2.00	18	AUDIT AND STANDARDS COMMITTEE  COMMUNITIES AND PLACE OSC  LABOUR GROUP	10.00  1.30  6.00	25	CORPORATE RESOURCES OSC	10.00
TUE				5			12			19	CABINET  CARE, HEALTH AND WELLBEING OSC	10.00  1.30	26	COMMUNITY SAFETY OSC  REGULATORY COMMITTEE	10.00  1.30
WED				6	SEMINAR	2.00	13	SEMINAR	5.30	20	PLANNING AND DEVELOPMENT COMMITTEE	6.00	27		
THU				7	CORPORATE ADVISORY GROUP	2.00	14	PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT  FAMILIES OSC	10.00  1.30	21			28		
FRI	1			8	HEALTH AND WELLBEING BOARD	10.00	15	PENSIONS AND PAY SUB COMMITTEE	10.00	22	PERSONNEL APPEALS COMMITTEE	10.00	29		

**JULY 2018**

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

## AUGUST 2018

DAY	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME
MON				6			13			20			27	<b>BANK HOLIDAY</b>	
TUE				7			14			21	REGULATORY COMMITTEE	1.30	28		
WED	1	PLANNING AND DEVELOPMENT COMMITTEE	10.00	8			15			22			29	PLANNING AND DEVELOPMENT COMMITTEE	10.00
THU	2			9			16			23	PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT	10.00	30		
FRI	3			10			17			24			31		

**SEPTEMBER 2018**

DAY	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME
MON	3			10	CORPORATE RESOURCES OSC	10.00		COMMUNITIES AND PLACE OSC	1.30						
				10	COUNCILLOR SUPPORT AND DEVELOPMENT GROUP	2.00	17	LABOUR GROUP	6.00	24					
								LIB DEM GROUP	6.00						
TUE	4			11	CORPORATE ADVISORY GROUP	2.00	18	CABINET	10.00						
				11			18	CARE, HEALTH AND WELLBEING OSC	5.30	25	REGULATORY COMMITTEE FOLLOWED BY LICENSING COMMITTEE	1.30			
WED	5	SEMINAR	2.00	12	LIB DEM GROUP	6.00	19	PLANNING AND DEVELOPMENT COMMITTEE	10.00	26					
								SEMINAR	2.00						
THU	6			13	PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT	10.00	20	COUNCIL	2.30	27					
					FAMILIES OSC	1.30									
FRI	7	HEALTH AND WELLBEING BOARD	10.00	14	PERSONNEL APPEALS COMMITTEE	10.00	21			28					

## OCTOBER 2018

DAY	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME
MON	1	AUDIT AND STANDARDS COMMITTEE	10.00	8			15	CORPORATE RESOURCES OSC LABOUR GROUP	10.00 6.00	22			29	COMMUNITIES AND PLACE OSC	1.30
TUE	2			9			16	CABINET COMMUNITY SAFETY OSC	10.00 5.30	23	REGULATORY COMMITTEE	1.30	30	CARE, HEALTH AND WELLBEING OSC	1.30
WED	3			10	SEMINAR PLANNING AND DEVELOPMENT COMMITTEE	2.00 6.00	17	SEMINAR	2.00	24			31	PLANNING AND DEVELOPMENT COMMITTEE CORPORATE ADVISORY GROUP	10.00 5.30
THU	4	PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT CORPORATE ADVISORY GROUP	10.00 2.00	11	CORPORATE PARENTING OSC	4.30	18	FAMILIES OSC	1.30	25	PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT	10.00			
FRI	5	PENSIONS AND PAY SUB COMMITTEE	10.00	12	PERSONNEL APPEALS COMMITTEE	10.00	19	HEALTH AND WELLBEING BOARD	10.00	26					

## NOVEMBER 2018

DAY	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME
MON				5			12			19	COUNCILLOR SUPPORT AND DEVELOPMENT GROUP	2.00	26		
											RIGHTS OF WAY	4.30			
											LABOUR GROUP	6.00			
											LIB DEM GROUP	6.00			
TUE				6	CORPORATE ADVISORY GROUP	5.30	13		20	CABINET	10.00	27			
WED				7	SEMINAR	2.00	14	LIB DEM GROUP	6.00	21	PLANNING AND DEVELOPMENT COMMITTEE	10.00	28		
											SEMINAR	5.30			
THU	1			8			15	PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT	10.00	22	COUNCIL	2.30	29		
								CORPORATE ADVISORY GROUP	2.00						
FRI	2			9			16	PERSONNEL APPEALS COMMITTEE	10.00	23			30	HEALTH AND WELLBEING BOARD	10.00

**DECEMBER 2018**

DAY	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME
MON	3	CORPORATE RESOURCES OSC	10.00	10	COMMUNITIES AND PLACE OSC	1.30	17	LABOUR GROUP	6.00	24			31		
TUE	4	REGULATORY COMMITTEE	1.30	11	CARE, HEALTH AND WELLBEING OSC	1.30	18	CABINET	10.00	25	<b>CHRISTMAS DAY</b>				
WED	5			12	PLANNING AND DEVELOPMENT COMMITTEE SEMINAR	10.00 2.00	19	SEMINAR	2.00	26	<b>BOXING DAY</b>				
THU	6	PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT FAMILIES OSC	10.00 1.30	13	CORPORATE ADVISORY GROUP	2.00	20			27					
FRI	7			14	PERSONNEL APPEALS COMMITTEE	10.00	21			28					



**JANUARY 2019**

DAY	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME
MON				7			14	CORPORATE ADVISORY GROUP	2.00	21	CORPORATE RESOURCES OSC LABOUR GROUP LIB DEM GROUP	10.00 6.00 6.00	28	AUDIT AND STANDARDS COMMITTEE COMMUNITIES AND PLACE OSC	10.00 1.30
TUE	1	<b>NEW YEAR'S DAY</b>		8			15	REGULATORY COMMITTEE	1.30	22	CABINET CARE, HEALTH AND WELLBEING OSC	10.00 1.30	29	COMMUNITY SAFETY OSC	1.30
WED	2			9	PLANNING AND DEVELOPMENT COMMITTEE SEMINAR	10.00 2.00	16	SEMINAR LIB DEM GROUP	2.00 6.00	23			30	CORPORATE ADVISORY GROUP PLANNING AND DEVELOPMENT COMMITTEE	2.00 6.00
THU	3	PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT	10.00	10	CORPORATE ADVISORY GROUP	2.00	17	CORPORATE PARENTING OSC	1.30	24	PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT COUNCIL	10.00 2.30	31	FAMILIES OSC	1.30
FRI	4			11	PERSONNEL APPEALS COMMITTEE	10.00	18	HEALTH AND WELLBEING BOARD	10.00	25	PENSIONS AND PAY SUB COMMITTEE	10.00			

**FEBRUARY 2019**

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

**MARCH 2019**

DAY	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME
MON				4	CORPORATE RESOURCES OSC	10.00					COUNCILLOR SUPPORT AND DEVELOPMENT GROUP	2.00			
				4	AUDIT AND STANDARDS COMMITTEE	5.30	11	COMMUNITIES AND PLACE OSC	5.30	18	RIGHTS OF WAY	4.30	25		
											LABOUR GROUP	6.00			
											LIB DEM GROUP	6.00			
TUE				5	CARE, HEALTH AND WELLBEING OSC	1.30	12			19	CABINET REGULATORY COMMITTEE	10.00 1.30	26	COMMUNITY SAFETY OSC	1.30
WED				6	SEMINAR	2.00	13	PLANNING AND DEVELOPMENT COMMITTEE	10.00	20	SEMINAR	2.00	27		
								LIB DEM GROUP	6.00						
THU				7	PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT	10.00	14	CORPORATE ADVISORY GROUP	5.30	21	COUNCIL	2.30	28	PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT	10.00
					FAMILIES OSC	1.30							28	CORPORATE PARENTING OSC	4.30
FRI	1	HEALTH AND WELLBEING BOARD	10.00	8			15	PERSONNEL APPEALS COMMITTEE	10.00	22			29	PENSIONS AND PAY SUB COMMITTEE	10.00

**APRIL 2019**

DAY	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME	DATE		TIME
MON	1	CORPORATE RESOURCES OSC	5.30	8			15			22	<b>EASTER MONDAY</b>		29	AUDIT AND STANDARDS COMMITTEE	10.00
														COMMUNITIES AND PLACE OSC	1.30
TUE	2			9			16	REGULATORY COMMITTEE FOLLOWED BY LICENSING COMMITTEE	1.30	23	CARE, HEALTH AND WELLBEING OSC LABOUR GROUP	1.30 6.00	30		
WED	3	PLANNING AND DEVELOPMENT COMMITTEE SEMINAR	10.00 2.00	10			17		10.00	24	CABINET PLANNING AND DEVELOPMENT COMMITTEE	10.00 6.00			
THU	4	FAMILIES OSC	5.30	11			18	PLANNING AND DEVELOPMENT COMMITTEE SITE VISIT	10.00	25	CORPORATE ADVISORY GROUP	2.00			
FRI	5	PERSONNEL APPEALS COMMITTEE	10.00	12			19	<b>GOOD FRIDAY</b>		26	HEALTH AND WELLBEING BOARD	10.00			

**MAY 2019**

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

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**COUNCIL MEETING**

**22 March 2018**

## **REVIEW OF THE CONSTITUTION**

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**Sheena Ramsey, Chief Executive**

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### **EXECUTIVE SUMMARY**

1. The purpose of this report is to seek approval of a number of amendments to the Constitution.
2. The Chief Executive and Monitoring Officer are required to review the Constitution to ensure that its aims and principles are given full effect. A number of areas have been identified where some amendment is necessary.
3. The Cabinet has considered the facts and issues arising from the report including alternative options and took all relevant advice before formulating their recommendation.

### **RECOMMENDATION**

5. It is recommended that Council approves the proposed changes to the Council's Constitution as set out in Appendix 2 of the attached report.

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**TITLE OF REPORT:** Review of the Council's Constitution

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

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### **Purpose of the Report**

1. This report asks the Cabinet to recommend the Council to approve a number of amendments to the Constitution.

### **Background**

2. The Chief Executive and Monitoring Officer are required to review the Constitution to ensure that its aims and principles are given full effect. A number of areas have been identified where some amendment is necessary.

### **Proposal**

3. It is proposed to amend the Constitution as set out in Appendix 2.

### **Recommendations**

4. It is recommended that the Cabinet ask the Council to agree the proposed changes to the Council's Constitution as set out in Appendix 2.

For the following reason:

To ensure that the Constitution remains fit for purpose and that its aims and principles are given effect.

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**CONTACT:** Mike Aynsley extension 2128

### **Policy Context**

1. The Council is required by law (Local Government Act 2000) to prepare and maintain a constitution. Article 16.01 of the Council's Constitution requires the Chief Executive and Monitoring Officer to review the Constitution to ensure that its aims and principles are given full effect.

### **Background**

2. A number of amendments have been drafted which will maintain the effective operation of the constitution, clarify certain aspects and keep it up to date.
3. The proposed amended sections of the constitution are set out in Appendix 2.

### **Consultation**

4. No external consultation has been carried out.

### **Alternative Options**

5. No alternative options were considered as the Local Government Act 2000 requires the Council to keep its constitution up to date.

### **Implications of Recommended Option**

#### **6. Resources**

- a. **Financial Implications** - The Strategic Director, Corporate Resources confirms that there are no financial implications resulting from this report.
- b. **Human Resources Implications** – There are no human resources implications arising from this report.
- c. **Property Implications** – There are no property implications arising from this report.

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

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

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

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

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

12. **Human Rights Implications** - The Constitution already emphasises that the Council will promote equal opportunities in carrying out its functions

- 13. Area and Ward Implications** - There are no specific area and ward implications arising from the recommended option.
- 14. Background Information** - The current version of the Constitution.

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## PROPOSED AMENDMENTS TO THE CONSTITUTION

Page	Previous Wording	Amended Wording	Reason
37	<p><b>Article 13 – Employees of the Council</b></p> <p><b>13.01 Management Structure</b></p> <p><b>Strategic Directors</b></p> <p><b>Strategic Director, Communities and Environment</b></p> <p><b>Functions and areas of responsibility</b></p> <p>Libraries Culture, sport and arts development Events GO Gateshead Sport and Leisure</p>	<p><b>Article 13 – Employees of the Council</b></p> <p><b>13.02 Management Structure</b></p> <p><b>Strategic Directors</b></p> <p>Transfer functions and areas of responsibility to Strategic Director, Corporate Resources</p>	To reflect current management structure.
62	<p><b>Schedule 1 – Non-Executive Functions – Delegation to Council Bodies</b></p> <p><b>12. Pensions and Pay Discretions Sub-Committee</b></p> <p>The Pensions and Pay Discretions Sub-Committee has delegated powers to determine requests from:</p> <p>(i) former employees or their spouses to access their deferred pensions; and</p> <p>(ii) employees to extend periods of half and full sick pay.</p>	<p><b>Schedule 1 – Non-Executive Functions – Delegation to Council Bodies</b></p> <p><b>12. Pensions and Pay Discretions Sub-Committee</b></p> <p>The Pensions and Pay Discretions Sub-Committee has delegated powers to determine:</p> <p>(i) requests from former employees or their spouses to access their deferred pensions;</p> <p>(ii) cases relating to employer discretions</p>	To reflect the current retirement policy.

		<p>where added years have been awarded under Regulations 21, 22 and 25 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 or preceding regulations;</p> <p>(iii) discretionary pension issues which are not subject to other delegations set out in Part 3 of the Council's constitution; and</p> <p>(iv) requests from employees to extend periods of half and full sick pay.</p>	
70	<p><b>Schedule 2 – Non Executive Functions Delegated to Managers</b></p> <p><b>Part 1 – Delegations to Individual Managers</b></p> <p><b>1. Strategic Director, Communities and Environment</b></p> <p><b>Service Director, Culture, Communities, Leisure and Volunteering</b></p> <p>(1) To approve and allocate the Local Community Fund to projects for which ward councillors request financial support.</p> <p>(2) To authorise, following consultation with the Strategic Director, Corporate Resources, price increases when required in the Council's coffee shops, restaurants and bars in line with business</p>	<p><b>Schedule 2 – Non Executive Functions Delegated to Managers</b></p> <p><b>Part 1 – Delegations to Individual Managers</b></p> <p>Transfer the delegations as follows:</p> <p><b>2. Strategic Director, Communities and Environment</b></p> <p><b>Service Director, Commissioning and Neighbourhoods</b></p> <p>(1) To approve and allocate the Local Community Fund to projects for which ward councillors request financial support.</p> <p><b>3. Strategic Director, Corporate Resources</b></p>	<p>To reflect current management structure.</p>

	<p>need and market forces.</p>	<p><b>Service Director, Trading and Commercialisation</b></p> <p>(1) To authorise, following consultation with the Strategic Director, Corporate Resources, price increases when required in the Council's coffee shops, restaurants and bars in line with business need and market forces.</p>	
91	<p><b>Schedule 5 – Executive Functions Delegated to Managers</b></p> <p><b>Part 1 – Delegations to Individual Managers</b></p> <p><b>2. Strategic Director, Communities and Environment</b></p> <p><b>Service Director, Culture, Communities, Leisure and Volunteering</b></p> <p>(1) To order books and other materials within budgetary control;</p> <p>(2) To engage artists to a maximum cost, inclusive of expenses, of £10,000; engagements in excess of £10,000 are subject to consultation with the Strategic Director, Corporate Services and Governance with a view to drawing up an appropriate contract;</p> <p>(3) To arrange sales of surplus book stock and audio visual stock;</p>	<p><b>Schedule 5 – Executive Functions Delegated to Managers</b></p> <p><b>Part 1 – Delegations to Individual Managers</b></p> <p>Transfer delegations as follows and amend delegation (6) as indicated:</p> <p><b>3. Strategic Director, Corporate Resources</b></p> <p><b>Service Director, Trading and Commercialisation</b></p> <p>(1) To order books and other materials within budgetary control;</p> <p>(2) To engage artists to a maximum cost, inclusive of expenses, of £10,000; engagements in excess of £10,000 are subject to consultation with the Strategic Director, Corporate Services and Governance with a view to drawing up an appropriate contract;</p>	<p>To reflect current management structure.</p>

	<p>(4) To make arrangements for leisure and sporting events within agreed budgets.</p> <p>(5) To make arrangements to undertake activity which can generate income to meet agreed targets set by the annual budget process.</p> <p>(6) Following consultation with the Strategic Directors, Corporate Resources and Corporate Services and Governance, to recommend to the Strategic Director, Communities and Environment, to implement flexible pricing arrangements to increase income, as appropriate.</p>	<p>(3) To arrange sales of surplus book stock and audio visual stock;</p> <p>(4) To make arrangements for leisure and sporting events within agreed budgets.</p> <p>(5) To make arrangements to undertake activity which can generate income to meet agreed targets set by the annual budget process.</p> <p>(6) Following consultation with the Strategic Directors, Corporate Resources and Corporate Services and Governance, to implement flexible pricing arrangements to increase income, as appropriate.</p>	
92	<p><b>Traffic Planning Manager</b></p> <p>(1) To be the Council's designated Traffic Manager under the Traffic Management Act 2004.</p>	<p>Delete delegation and add the following to the delegations for Strategic Director, Communities and Environment.</p> <p>(14) To designate the appropriate officer as the Council's Traffic Manager under the Traffic Management Act 2004.</p>	<p>To provide flexibility for any future establishment changes.</p>
95	<p><b>4. Strategic Director, Corporate Services and Governance</b></p> <p>(19) To acquire or dispose of land and/or property by sale, lease, licence or any other legal estate or interest, and to incur any necessary expenditure for those purposes [where any disposal represents best consideration] subject to</p>	<p><b>4. Strategic Director, Corporate Services and Governance</b></p> <p>(19) To acquire or dispose of land and/or property by sale, lease, licence or any other legal estate or interest, and to incur any necessary expenditure for those purposes, provided that any such disposal represents best consideration</p>	<p>To make the process more effective, efficient and responsive.</p>



	<p>prior consultation with:</p> <ul style="list-style-type: none"> <li>• the Leader and Deputy Leader of the Council;</li> <li>• any relevant portfolio holder;</li> <li>• any affected ward councillor; and</li> <li>• the Strategic Director, Corporate Resources.</li> </ul>	<p>up to a value of £100,000 in each case, or, subject to prior consultation with:</p> <p>i) in relation to acquisitions or disposals for a value of £100,001 to £250,000, the Strategic Director, Corporate Resources;</p> <p>ii) in relation to acquisitions or disposals for a value in excess of £250,000:</p> <ul style="list-style-type: none"> <li>• the Leader and Deputy Leader of the Council;</li> <li>• any relevant portfolio holder;</li> <li>• any affected ward councillor; and</li> <li>• the Strategic Director, Corporate Resources.</li> </ul>	
104	<p><b>Part 4 – Rules of Procedure</b></p> <p><b>Council Procedure Rules</b></p> <p><b>8. Questions of Members of the Council</b></p> <p>8.1 A member of the Council may:</p> <p>(ii) ask the nominated member of the Tyne and Wear Fire and Rescue Authority or the Tyne and Wear Integrated Transport Authority, any question on the business of the Authority, if at least seven working days written notice has been given to the Chief Executive.</p>	<p><b>Part 4 – Rules of Procedure</b></p> <p><b>Council Procedure Rules</b></p> <p><b>8. Questions of Members of the Council</b></p> <p>8.1 A member of the Council may:</p> <p>(ii) ask the nominated member of the Tyne and Wear Fire and Rescue Authority any question on the business of the Authority, if at least seven working days written notice has been given to the Chief Executive.</p>	<p>The ITA no longer exists</p>

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**COUNCIL MEETING**

**22 March 2018**

## **LOCALISM ACT 2011 – PAY ACCOUNTABILITY PAY POLICY STATEMENT 2018-19**

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**Sheena Ramsey, Chief Executive**

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### **EXECUTIVE SUMMARY**

1. The purpose of this report is to seek approval of a revised pay policy statement.
2. Section 38(1) of the Localism Act 2011 requires local authorities to produce an annual pay policy statement.
3. The proposed Pay Policy covers all elements of the legislation that are intended to demonstrate the consistency in the Council's approach to pay across the workforce and to highlight any differences.
4. The Cabinet has considered the facts and issues arising from the report including alternative options and took all relevant advice before formulating their recommendation.

### **RECOMMENDATION**

5. It is recommended that Council:
  - (i) Approve the attached draft policy.
  - (ii) Grant the Strategic Director, Corporate Services and Governance, delegated authority to agree changes to the policy statement arising from the relevant national pay awards for 2018-19, following consultation with the Strategic Director, Corporate Resources and the Leader of the Council.

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**TITLE OF REPORT:** Localism Act 2011 – Pay Accountability  
Pay Policy Statement 2018-19

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

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### **Purpose of the Report**

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

### **Background**

2. Section 38(1) of the Localism Act 2011 requires local authorities to produce an annual pay policy statement. The policy must be approved by full Council before 31 March each year, but it may be amended by Council during the course of the year.
3. Whilst there is no set format to which the policy statement must conform, Chapter 8 of the Localism Act is prescriptive in determining the elements that must be included. It also provides for statutory guidance to be issued by the Secretary of State, to which authorities must have regard when preparing their policies.
4. The policy must be published on the Council's website, and be applied particularly when the Council sets the terms and conditions for a Chief Officer.
5. The Council's Pay Policy reflects the statutory requirements and in its development the guidance issued by the Department for Housing, Communities and Local Government under Section 40 of the Act has been duly considered. It has been reviewed and updated since first agreed by Council on 22 March 2012, with the last amendments approved on 17 March 2017.
6. Low pay continues to be a matter of focus and debate both nationally and regionally. The statutory National Living Wage (NLW) for employees aged 25 and above which was introduced on 1 April 2016 will increase to £7.83 per hour with effect from 1 April 2018. It is projected to rise to at least £9 per hour (possibly up to £9.35) by 2020. The UK Living Wage, as promoted by the Living Wage Foundation, rose to £8.75 per hour outside London with effect from November 2017.
7. The Pay Policy also sets out the Council's approach to applying market supplements to address recruitment and retention issues to ensure they are appropriate to the circumstances and their necessity is evidenced.
8. As yet there is no agreement nationally in relation to the NJC Green Book pay award for 2018-19. As set out in the draft Pay Policy Statement 2018-19 shown at appendix 2, national employers have made a two year pay offer for 2018 -20.

UNISON's NJC Committee have voted to recommend rejection of the pay offer and will be meeting again on the issue this month. UNITE have already rejected the offer. GMB nationally are balloting their members as to whether they wish to accept or reject the offer.

### **Proposal**

9. The Pay Policy as proposed in Appendix 2 covers all elements of the legislation set out under main headings that are intended to demonstrate the consistency in the Council's approach to pay across the workforce and to highlight any differences. Those main headings are:
- General principles regarding employee pay
  - Lowest paid employees and chief officers (and including the relationship between median pay and highest pay)
  - Governance arrangements and development of pay structures
  - Payment for additional duties and work outside the Council
  - Termination payments
10. As none of the relevant pay awards have been agreed at the time of publication of this report, it is proposed that an appropriate delegation is granted to enable the Pay Policy Statement to be amended in accordance with what is eventually agreed. However, if more significant changes to the Pay Policy are proposed, as a result of the various pay awards or otherwise, a further report will be brought to Cabinet for consideration.

### **Recommendation**

11. It is recommended that:
- (i) The attached draft policy is agreed by Cabinet and referred to the Council for approval at its meeting on 22 March 2018;
  - (ii) The Strategic Director, Corporate Services & Governance, be granted delegated authority to agree changes to the policy statement arising from the relevant national pay awards for 2018-19, following consultation with the Strategic Director, Corporate Resources and Leader of the Council.

For the following reason:

To comply with the requirements of the Localism Act 2011.

**Policy Context**

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

**Background**

2. The Council's approach to pay has been determined by reference to collective bargaining structures, national and local agreements, and job evaluation in the context of its recruitment markets. The Pay Policy Statement 2018-19 incorporates the key principles which underpin these arrangements.

The last corporate job evaluation exercise and pay review was completed in 2008. ACAS guidance suggests a further review should be carried out within ten years; therefore a it is proposed to bring a further report to Cabinet on this issue in the near future.

**Consultation**

3. The Council's recognised non-teaching Trade Unions have been consulted on the Pay Policy and their comments incorporated.
4. GMB have stated that they commend Gateshead Council for not adopting the Government's disgraceful 'apprentice rate' which is actually lower than the National Minimum Wage (NMW) and instead paying the JNC Craft apprentice rate. However there are two issues that they would wish to discuss going forward. The first is that first year apprentices aged 18 years and over are paid less than the NMW. The second is that non-craft second year apprentices do not receive an incremental pay rise. Finally in our ongoing discussions GMB would wish to address the anomaly of the lowest paid employees on Grade A not receiving incremental progression.
5. All of the Council's apprenticeship rates of pay are either more than, or in accordance with, statutory rates. Any changes to Grade A on the current pay scale will be considered if the implementation of the new national pay spine is agreed, and / or as part of a further corporate pay review. Both of these issues will be discussed further with the relevant trade unions.

**Alternative Options**

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

**Implications of Recommended Option**

7. **Resources:**
  - a) **Financial Implications** – The Strategic Director, Corporate Resources confirms that the financial implications arising from this report have been

considered and accounted for within the framework of the Medium Term Financial Strategy.

**b) Human Resources Implications** – The Council’s Pay Policy and practice is designed to recruit, reward, motivate and retain as necessary employees with the skills and attributes required to deliver Council services. It is part of the Council’s overall human resources policy framework, through which it aims to be an exemplary employer.

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

8. **Risk Management Implications** - The changes in the Council’s Pay Policy statement as recommended in the report are relatively minor and are not considered to introduce any new risk.
9. **Equality and Diversity Implications** – Fair pay and reward are fundamental to the Council’s approach to employment. The Council’s use of equalities-tested job evaluation schemes, Trade Union representation in collective bargaining, and application of consistent pay principles throughout the organisational structure ensure that Equality and Diversity issues are properly taken into account.
10. The Council’s pay structure for staff was specifically introduced to address historical pay anomalies and minimise the risk of Equal Pay claims. The pay structure has since then been amended to support the Council’s aspirations to address pay issues for the lowest paid employees, who are predominantly female.
11. **Crime and Disorder Implications** – There are no crime and disorder implications.
12. **Health Implications** - There are no health implications.
13. **Sustainability Implications** - There are no sustainability implications.
14. **Human Rights Implications** - Employees have a right to representation through both individual representation and free collective bargaining, and pay & grading appeals mechanisms are in place to ensure this.
15. **Area and Ward Implications** - There are no area and ward implications.
16. **Background Information**  
Gateshead Council’s pay policy 2013/14, 2014/15, 2015/16, 2016/17 and 2017/18.



**Gateshead Council**

**Pay Policy Statement 2018/19**

**Introduction**

1. This document sets out Gateshead Council's pay policy in relation to the remuneration of its staff in accordance with section 38(1) of the Localism Act 2011. The policy reflects the Council's consideration of the Guidance issued by the former Department for Communities and Local Government under Section 40 of the Act, and is subject to review and changes approved by the Council. The policy will be published on the Council's website as soon as reasonably practicable after approval or amendment.
2. The key principles of the Council's pay policy are set out below and are effective from 1 April 2018. The policy includes commentary upon:
  - The general principles that underpin the Council's approach to its pay policy;
  - Definitions of the 'lowest paid employees' and 'chief officers' for the purposes of pay comparison;
  - The relationship between the remuneration of chief officers, average pay, and the remuneration of the lowest paid employees; and
  - The re-employment of former employees who left the Council with enhanced retirement and redundancy benefits.
3. The policy also includes discretion for the Strategic Director, Corporate Services & Governance, in the interpretation and application of nationally agreed terms and conditions of employment to Gateshead Council employees.
4. The arrangements set out within this document do not extend to those members of staff who are employed within schools, which are matters for the schools' discretion.
5. The salaries quoted in the pay policy reflect the last pay award which was implemented with effect from 1 April 2017. At the time of publication, National Employers have made a two-year pay offer for 2018 – 20 in respect of NJC Green Book as follows:
  - The pay offer for 2018 is a 2% increase of salary for scps 20 and above with bottom-loading for scps 6 -19.
  - From 2019 it is proposed to introduce a revised national pay spine to address the compacting of differentials at the lower end of the pay spine based on the following:
    - A bottom rate of £9.00 per hour
    - 'Pairing off' old SCPs 6-17 to create new SCPs 1-6
    - Equal steps of 2% between each new SCPs 1 to 21 inclusive (equivalent to old SCPs 6-28 inclusive)

- On new SCPs 23 and above the increase is 2%.

As yet no pay offer has been made in relation to JNC Chief Executives and Chief Officers.

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

### **General principles regarding employee pay**

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

- An increment may be withheld by a Service Director following an adverse report on an employee. Any withheld increment may be paid subsequently if the employee's services become satisfactory.
  - Employees with less than six months' service in the grade by 1 April are granted their first increment six months after their appointment, promotion or re-grading: except where their salary on the 1 April would be less than one SCP in excess of the salary they would have received on that day had they remained on their previous grade, when they will be entitled to their increment on 1 April.
12. New appointments are subject to the Council's recruitment and selection policies and will generally be made at the bottom spinal column point of all pay bands unless there are special circumstances that objectively justify payment at a higher level within the grade, as determined by the Strategic Director, Corporate Services & Governance. An example would be where the appointment is made at a higher level within the grade in order to show a material improvement upon the employee's previous salary, where appropriate.
  13. The Council operates a recruitment and retention policy which is shown at annexe 2. This allows a market supplement to be applied on top of basic salary in order to attract applicants of the right calibre and retain employees with necessary skills and experience. A market supplement can only be approved by the Strategic Director, Corporate Services & Governance and is subject to review.
  14. In the event of any employee securing a higher-graded post via internal promotion/recruitment and there being an overlap of spinal column points between their current post and bottom point of the newly secured position, then the Council will generally pay salary on a higher spinal column point.
  15. Arrangements exist to protect for a limited period the basic pay of employees who are appointed for various reasons to posts with a lower substantive salary. These arrangements are set out in collective agreements and policies covering redundancy, re-structuring, redeployment, ill health and disability, and bullying and harassment.
  16. There may from time to time be situations where employees are transferred into the Council from other organisations which have different pay and conditions. The employees' terms and conditions on transfer may be subject to protection under TUPE or TUPE-like arrangements, and as such may be outside the Council's main pay structure until such time as it is possible for them to be integrated.
  17. Various pay enhancement arrangements are in place to reflect non-standard working patterns at a local operational level or in recompense for taking on additional duties and responsibilities.
  18. The Council does not operate performance bonus payment schemes at any level of the organisation.

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

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

19. The compulsory National Living Wage (NLW) for employees aged 25 will rise to £7.83 per hour from 1 April 2018. It is projected to rise to at least £9 per hour (possibly up to £9.35) by 2020.
20. On 25 February 2016, in response to the introduction of the National Living Wage (NLW) and as part of the Council's commitment to addressing the issue of low pay and taking a further move towards the UK Living Wage, the Council agreed an amendment to the NJC pay structure that deleted the Council's lowest incremental point on the NJC spinal column and a change to the grading structure at that level. The Council remains committed to reviewing low pay and has the objective of moving towards the UK Living Wage at a pace and in steps that are affordable and minimise the risk of job loss.

The UK Living Wage outside London is currently £8.75 per hour.

### ***Lowest-paid employees:***

21. 'Lowest paid employees' is defined as those full-time employees in jobs paid at Grade A at spinal column point 9. It excludes apprentices, whose pay remains subject to other regulations or conditions, and has specific treatment under this policy.
22. Spinal column point 9, at £7.97 per hour from 1 April 2018 (pay award pending), is £0.14 per hour more than the National Living Wage and £0.78 per hour less than the Living Wage (outside London).
  - Annual salary at Spinal Column Point 9 is currently £15,375.
  - The mode (i.e. most frequently used) salary for full-time employees falls within Grade D, the maximum of which is £17,772.
  - The median average salary for full-time employees, excluding overtime and any other additional payments, is £25,951.

### ***Chief Officers:***

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

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

- the person having responsibility, for all statutory purposes (inc. section 151 of the Local Government Act 1972), for the administration of the authority's financial affairs;
- the director of children's services appointed under section 18 of the Children Act 2004;
- the director of adult social services appointed under section 6(A1) of the Local Authority Social Services Act 1970; and
- the director of public health appointed under section 73A(1) of the National Health Service Act 2006.

'non-statutory chief officer' includes:

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

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

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

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

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

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

Step1	Step 2	Step 3	Step 4	Step 5
£95,965	£100,900	£104,014	£109,367	£114,832

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

	Step 1	Step 2	Step 3	Step 4	Step 5
Service Director Band 1	£77,767	£81,766	£85,973	£90,395	£95,043
Service Director Band 2	£63,929	£67,216	£70,675	£74,313	£78,134
Service Director Band 3	£56,244	£59,140	£62,184	£65,379	£68,743

29. Salaries in the pay bands at paragraphs 27 and 28 are subject to any general increase agreed at the JNC for Chief Officers, and in the case of the Chief Executive, the JNC for Chief Executives. A last pay increase for the Chief Executive and Chief Officers of 1% was effective from 1 April 2017.
30. General increases for other employees are mainly determined by the National Joint Council, although different national bargaining arrangements are in place for a small number of occupational groups such as craft trades, youth & community workers and educational psychologists.
31. It is a recommendation of the DCLG<sup>1</sup> that Full Council should be offered the opportunity to vote before a salary of £100,000 or more is offered in respect of a new appointment. In Gateshead, all new appointments to chief officer posts are made in accordance with the pay bands identified within this statement, which includes those in excess of £100,000. Any proposed variation to the application of this policy in this regard (or of the Recruitment and Retention Policy) will be reported to Full Council. Of those Chief Officer posts whose salary exceeds £100,000 the following arrangements apply under the Council's Constitution: the appointment of the Chief Executive is approved by Full Council, while Strategic Directors are appointed by the Council's Special Appointments Committee.

### **Apprenticeships**

32. Rate for first year of Apprenticeship:

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

From second year of Apprenticeship:

Non-Craft Apprentices:

- 17 year olds                      £4.51 per hour (£8,694 p.a. pay award pending)
- 18-20 year olds                  £5.90 per hour (£11,383 p.a.)

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

- 21-24 year olds      £7.38 per hour (£14,239 p.a.)

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

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

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

33. The current pay structure applicable to NJC employees was determined following a comprehensive job evaluation and equal pay exercise, following the provisions and processes of the national JE scheme. It was introduced in two stages, in 2005 and 2008. Separate pay structures are in place for employees covered by the following agreements:
  - JNC for Local Authority Craft and Associated employees
  - JNC for Youth and Community Workers
  - The Soulbury Committee
34. The current pay and grading structure for posts at the level of Strategic Director and above was agreed by the (then) Contracts Panel on 4 March 2005 following recommendations from an external pay and benefits consultancy. The panel also agreed the pay structure for those posts which, at that time, were designated as Head of Service. The mid-point for each of the grades was set at the market average for equivalently-sized jobs at that time.
35. The Contracts Committee subsequently replaced the Contracts Panel. It comprises a cross-party group of elected members who oversee pay and conditions issues for all posts which attract Chief Officer pay and conditions. The Chair of the Corporate Resources Overview & Scrutiny Committee has *ex officio* status on the Contracts Committee.
36. In considering pay structures and pay levels for Chief Officers, the Contracts Committee will seek external advice from an independent person or organisation with expertise in senior remuneration and benefits. It will take into account matters including:
  - An assessment of the size and market value of a job by reference to an established job evaluation system that allows objective comparison to data bases of similar jobs
  - The affordability of the recommended outcome from the job evaluation and market reference exercise in the short, medium and long term
  - The prevailing markets in which the Council operates, and the risk being unable to recruit or retain senior officers with the ability to manage the Council's affairs to its best advantage
  - The relationship with the remuneration of the wider Council workforce and national negotiating frameworks
  - The Council's senior structure and planned or foreseeable future changes to these
  - The expectations of the community and stakeholders

- The total remuneration package
37. A review of senior managers' grading took place in August 2012 alongside a reduction in organisational tiers and numbers and deleting the 'Head of Service' designation. Since 1 October 2012, all Strategic Directors and Service Directors have been employed on JNC Chief Officer terms and conditions.
38. There have been further reductions in the number of Chief Officers following the Council's Functional Review of October 2014. The top three levels of the revised organisation structure and their associated pay bands have been published on the Council's website in accordance with the requirements of the Local Government Transparency Code 2014. There is now a requirement for this information to be published no later than 2 February each year, in addition to the requirement to publish the annual pay policy by 31 March.

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

39. Contracts of employment of Chief Officers require them to be available for work on Council business outside 'normal' office hours and to work the hours and times necessary to fulfil their roles and responsibilities.
40. Chief Officers are not eligible for overtime and/or premium rates of pay for unsocial hours that apply to other groups of staff.
41. Contracts Committee will consider requests from the Chief Executive to undertake secondary employment or outside duties, whether remunerated or otherwise, to ensure there is no conflict of interest. In accordance with the Council's Code of Conduct for Employees, requests from Strategic Directors are determined by the Chief Executive. For all other employees: requests to take up remunerated appointments are determined by the Strategic Director, Corporate Services & Governance; unpaid appointments are determined by their Strategic Director.
42. Employees may be eligible to receive payments for additional duties and responsibilities beyond their normal role with the Council subject to the approval of the Strategic Director, Corporate Services & Governance. These payments may include honoraria and acting duty pay or the use of accelerated increments. Payments may also be authorised for electoral Returning Officers or specific responsibilities where the Council is the Lead Authority and for which services are re-charged by the Council. The Contracts Committee may approve the level and payment of such allowances to Chief Officers where they are not prescribed elsewhere.

### **Termination Payments**

43. The Council operates a discretionary selective redundancy scheme which provides enhanced redundancy payments and a retirement policy that operates in accordance with the provisions of the Employment Rights Act 1996 and the Local Government Pension Scheme. The redundancy scheme implemented in January 2012 was reviewed in November 2012, and a further revised (reduced) Redundancy Payments Scheme was implemented with effect from 1 September



2013. Details of both the policy and scheme, as agreed by Full Council and varied from time to time, can be found on the Council's website.

44. Applications for voluntary redundancy from areas of the Council not 'at risk' of redundancy will only be approved where to do so would clearly support business planning and service delivery in the long-term, and wider strategic objectives as set out in the Council Plan. In order to reach a decision on whether or not to support an application, consideration will be given to the viability of a bumped redundancy where appropriate.
45. It is a recommendation of the former DCLG<sup>2</sup> that Full Council should be offered the opportunity to vote before termination payments of £100,000 or more are offered to staff leaving the organisation. In the unlikely event that a payment (comprising salary paid in lieu, redundancy compensation, holiday pay and any fees or allowances) over this amount to an employee is proposed, a report will be taken to Full Council for consideration.
46. Whilst there is nothing to prevent former employees from working for another organisation or for themselves, it has been made clear in correspondence to applicants for voluntary redundancy that the Council's general practice is to not re-employ them. The clear intention is that individuals should not benefit from further employment with the Council when they have already been compensated for loss of their job and may be in receipt of enhanced redundancy payments or pensions in accordance with this pay policy statement and other associated policies. A similar principle applies to re-employment of employees who have previously taken early retirement with enhancements.
47. There should therefore be a minimum of 12 months' break before consideration is given to their return to employment within the Council. There may, however, be occasions when labour, skills or knowledge are required, and particularly in the case of employees who were made redundant, individuals will not be barred from applying for roles such as casual workers (NOMOs) if there is no direct link with their former job and is outside of the service they were previously employed in.

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

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

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

**NJC Local Government Pay Scales from 1 April 2018 (pay award pending)**

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

N	51	45,743	23.71
N	52	46,702	24.21

Annexe 2

## Recruitment and Retention Policy

### Statement of Purpose

#### 1. The Aim

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

#### 2. Definition of market supplement

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

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

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

#### 4. Additional Information

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

- Equal Opportunities Policy

## **Recruitment and Retention Procedure**

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

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

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

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

The portfolio of evidence should include the following:

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

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

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

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

- Consideration of other issues that may not relate to pay, for example redesigning the job, job rotation and career development. This may be appropriate in cases where an employee is considering leaving the Council, for a more “challenging or interesting” role, or a role which would provide

better promotional opportunities. Payment of a market supplement in these circumstances would not necessarily encourage the employee to remain with the Council. As an alternative, the service may look at ways of making their job more interesting, such as giving them specific responsibility for a project, which would develop skills in different areas. The service may also look at opportunities for secondment or a transfer to another section or job role.

- Analysis of exit interview data.

### **5.3 In all cases**

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

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

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

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

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

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

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

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

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

**AND**

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

**AND**

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

**AND**

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

## **6.2 Salary benchmarking**

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

## **6.3 Value of market supplement**

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

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

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

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

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

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

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



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**COUNCIL MEETING**

**22 March 2018**

## **REVIEW OF FLEXITIME SCHEME**

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**Sheena Ramsey, Chief Executive**

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### **EXECUTIVE SUMMARY**

1. The purpose of this report is to seek approval of changes to the Council's Flexitime Scheme.
2. The scheme operates at the Council's discretion and use of flexitime is subject to line manager's approval having considered the demands of the service. The flexitime scheme has not been reviewed since 2008.
3. It is proposed to retain the Council's flexitime scheme but to make some changes which will bring it more in line with The Gateshead Housing Company scheme. It is also proposed that the scheme is updated to ensure that there is appropriate guidance on how the scheme operates. The revised flexi time scheme will be implemented from 1 April 2018.
4. The Cabinet has considered the facts and issues arising from the report including alternative options and took all relevant advice before formulating their recommendation.

### **RECOMMENDATION**

5. It is recommended that Council approve the proposals outlined in the attached report.

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**TITLE OF REPORT:** Review of Flexitime Scheme

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

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### **Purpose of the Report**

1. The purpose of this report is to request that Cabinet recommend to Council changes to the Council's Flexitime Scheme.

### **Background**

2. The Council's Workforce Strategy and Plan recognise the need to ensure our approach to pay and reward fits the organisation's values, is fit for purpose and future proofed. We want to be able to retain and recruit a diverse range of talented people and reward and recognition are a fundamental part of this. The ability for the workforce to work in a modern and flexible way is a key priority of the Plan.
3. It is the Council's aim, wherever possible, to deliver services more effectively and efficiently whilst allowing employees to work more flexibly. To support this aim, the Council has a flexitime scheme available to employees where operational arrangements are suitable. The scheme operates at the Council's discretion; it is not a contractual entitlement, and use of flexitime is subject to line manager's approval having considered the demands of the service.
4. Under the Council's current flexitime scheme, the standard working day is:
  - Monday – Thursday 8.30am – 5.00pm
  - Friday 8.30am – 4.30pm

The current bandwidth that employees can work between is 7.30am to 6.30pm. There are no core times i.e. employees may attend flexibly during these times subject to their line manager's approval and the requirements of the individual Group/Service. Employees must work a minimum of 5 hours each day, pro-rata for part-time staff, subject to approval and the needs of the service.

5. Employees may carry forward a credit or debit balance of up to a maximum of one and a half days i.e. 11 hours and 6 minutes (or pro rata for part time staff) from one settlement period (4 weeks) to the next.
6. If employees have sufficient credit hours they are entitled to take one day or two half days "flexible" leave per settlement period, subject to the prior approval of their line manager.

7. The flexitime scheme has not been reviewed since the implementation of job evaluation in 2008.
8. The Gateshead Housing Company's (TGHC) flexitime scheme is more generous than the Council's, and this is more noticeable now that TGHC is based in the Civic Centre. TGHC's scheme allows employees to work between 7am and 7pm; to carry forward a credit or debit balance of up to a maximum of two days i.e. 14 hours 48 minutes (or pro rata for part time staff) from one settlement period to the next; and to take 2 days flexi leave per settlement period.
9. There are currently 2081 employees (48%) on the flexitime scheme and 2240 who, due to operational requirements, do not have access to the scheme.

## **Proposals**

10. It is proposed to retain the Council's flexitime scheme but make some changes which will bring it more in line with TGHC scheme and to ensure that our approach is modern and flexible and meets the needs of both the Council and employees. Changes to be implemented are:
  - Changing the working day bandwidth to 7am to 7pm.
  - Increasing the max flexi credit balance to 14 hours 48 minutes (2 days).
  - Reducing the maximum flexi debit balance 7 hours 24 minutes (1 day).

The ability to work a 5 hour minimum day without having to take flexi or annual leave is to be retained.

11. It is also proposed that the scheme is updated to ensure that there is appropriate guidance on how the scheme operates e.g. in relation to hospital and other appointments, how to claim for attendance at college and study days and when it is not appropriate to claim flexi time.
12. It is proposed to implement the revised flexi time scheme from 1 April 2018.

## **Recommendations**

13. Cabinet is requested to recommend to Council the proposals outlined in this report.

For the following reasons:

- (i) To ensure that the Council has modern and appropriate employment policies which reflect the need to maximise employee motivation and satisfaction.
- (ii) To ensure that the Council's approach to reward and recognition supports the need to recruit and retain a diverse range of talented people.

## **Policy Context**

1. The proposals within this report have been developed under the Council's Workforce Strategy and Plan, and support the priorities in the Council Plan and Vision 2030, particularly ensuring that the workforce is supported to work in a modern and flexible way.
2. Recognising that our human resources policy framework needs to be competitive and sustainable, the proposals will ensure that our approach to reward and recognition supports our commitment to look after the workforce and reflects our values and aspirations.

## **Background**

3. The Council's Workforce Strategy and Plan confirm this need to have a Pay and Reward Strategy which is fit for purpose, including the continued review of terms and conditions of employment to ensure they are consistent with the Council's aspirations set out in the Council Plan.
4. At a time of continued financial constraint it is more important than ever to see how rewards other than pay are part of the package to reward employees and attract new talent. Work life balance is becoming increasingly important to a lot of employees, many of whom have family, caring and volunteering commitments outside of work. An employee's job satisfaction and morale is higher and they may also feel more valued when they have more control over their working hours.
5. The Council has a flexi time scheme available to employees where operational arrangements are suitable. The scheme operates at the Council's discretion, it is not a contractual entitlement, and use of flexitime is subject to line manager's approval having considered the demands of the service.
6. The scheme was last reviewed in 2008 as part of the implementation of job evaluation when the requirement to work within core hours was removed and a minimum 5 hour working day was introduced. Since the schemes introduction there have been no amendments made to the working day bandwidth.
7. The location of TGHC within the Civic Centre has highlighted further that their flexi time scheme is different to the Council's and that their employees have increased flexibility compared to Council's employees.
8. A summary of the proposals are shown below, along with the Trade Unions' response to the proposals.

## **Proposal relating to amending the working time bandwidth**

9. It is proposed that the working day bandwidth is changed to 7am to 7pm. This will ensure that employees have greater flexibility in their working day and ensure services are delivered as effectively as possible. It will also ensure that the Council's working day bandwidth is brought in line with TGHC.

## **Proposal relating to amending the debit and credit balances**

10. It is proposed that the maximum flexi credit balance allowed is increased to 14 hours 48 minutes (2 days) from 11 hours and 6 minutes (1.5 days). Employees are committed to meeting the demands of the service and this can lead to them working longer days and accruing significant amounts of flexi time which they may not always be able to take as flexi leave. There also may be limited opportunities to work shorter days in order to reduce their flexi balance and this can often lead to employees losing flexi time accrued above the current maximum credit balance at the end of a flexi period. This can lead to employees feeling demotivated and undervalued.
11. Increasing the maximum flexi credit balance will ensure that employees have a greater chance of not losing time accrued where they have worked additional hours and give them a chance to take this time as leave or to work shorter days in the next flexi period.
12. It is also proposed that the maximum flexi debit balance is decreased to 7 hours 24 minutes (1 day) from 11 hours 6 minutes (1.5 days). Employees are contracted and paid to work 37 hours (or pro rata) and it is an expectation that they will work their contracted hours. Although the aim of the flexi time scheme is to give employees greater flexibility over their working hours (subject to service delivery) it is still expected that employees will work as close to their contracted hours as possible. There are some employees who struggle to work their contracted hours consistently and this is not addressed unless the employee's debit balance is above 11 hours 6 minutes.
13. Reducing the maximum debit allowance will enable managers to address issues with an employee's debit balance earlier and support them to identify how they can work their contracted hours and reduce their debit balance to a more appropriate level.

## **Trade Union Response**

14. GMB were supportive of the changes to the scheme and their comments were incorporated into the policy. Due to Unison having to postpone their Branch Committee we have not yet received their feedback on the proposals. Any amendments received from Unison will be agreed by the Strategic Director Corporate Services & Governance under delegated powers.

## **Other local authorities**

15. The flexitime schemes of the other local authorities within the region appear to be more generous. Gateshead has the shortest working day bandwidth compared to the other local authorities and the only one to have a working day bandwidth of 7.30am to 6.30pm:
  - Six have bandwidths of 7am – 7pm; one has 7am to 9pm; two have 7.30am to 7pm; and one has 7am to 6.30pm.
  - Four have a minimum working day of 4 hours and one has a minimum of 4.5 hours.
  - Four have maximum credit balance of 15 hours (approx. 2 days); one has maximum credit of 20 hours; two have maximum credit of 37 hours (1 week); and two have maximum credit of 11 hours.

16. It is recommended that the flexi time scheme is amended as outlined in this report in order to ensure that Council operates as a modern organisation and to ensure that services are delivered as effectively as possible whilst allowing employees to work more flexibly and also to bring it in line with TGHC scheme.
17. It is proposed that the revised scheme is implemented from 1 April 2018.
18. Although all the proposed changes will directly impact those employees who have access to the flexi time scheme, it will also enable those who do not have access to the scheme to start and finish work between 7am and 7pm, subject to the needs of the service.

### **Consultation**

19. The views of the Leader and Deputy Leader of the Council have been sought in drafting this report. The Council's recognised non-teaching Trade Unions have also been consulted (see above) and their views taken into account in the drafting of the proposals.

### **Alternative Options**

20. The Council could decide to make no change to the flexitime scheme; however, this alternative will not bring the scheme in line with TGHC and will limit the ability of our employees to work as flexibly as possible both of which may have an impact on employee morale and motivation.

### **Implications of Recommended Option**

21. **Resources:**
  - a) **Financial Implications** – The Strategic Director, Corporate Resources, confirms that there are no direct financial implications resulting from the recommendations included in this report.
  - b) **Human Resources Implications** – The human resources implications are considered throughout this report.
  - c) **Property Implications** – There are no property implications arising from the recommendations within this report.
22. **Risk Management Implication** - Failure to implement the recommended option would increase the risk that employees do not feel valued, particularly as the flexi scheme within TGHC is seen as more flexible and supportive to employees.
23. **Equality and Diversity Implications** – An Equality Impact Assessment has been undertaken to analyse the impact of the proposal against the 9 protected characteristics. The proposal would be applied equally to all staff who are covered by the scheme. However due to our workforce profile there is the potential for the proposal to impact white, heterosexual females the most. The impact will need to be monitored and reviewed and this will be carried out on a regular basis. The Equality Impact Assessment can be found in the Council's online papers.

24. **Crime and Disorder Implications** – here are no crime and disorder implications.
25. **Health Implications** – The proposals in this report will further support employees' work life balance which should support the Council's aim to have a happy and healthy workforce.
26. **Sustainability Implications** - There are no sustainability implications.
27. **Human Rights Implications** - There are no human rights implications.
28. **Area and Ward Implications** - There are no area and ward implications.
29. **Background Information**





# Flexitime Scheme

# Gateshead Council

## Flexitime Scheme

### 1. Introduction

It is the Council's aim wherever possible to deliver services more effectively and efficiently whilst allowing employees to work more flexibly. The Council has a flexi time scheme with that aim in mind, but all employees must be aware that the scheme operates at the Council's discretion, it is not a contractual entitlement, and use of flexitime is subject to line manager's approval having considered the demands of the service.

This scheme is applicable to employees whose contractual working week is 37 hours (except those staff excluded from the scheme). The scheme also applies to part time and job share employees whose operational arrangements are suitable. Due to the variations of part-time and job share working hours all examples and calculations in the scheme are based on full time employees. If employees currently work part time or job share and are covered by the flexible working scheme their entitlement will be pro-rata but they should refer to HR Support for further guidance.

The policy refers throughout to the Web Workflow system. Those without access to the web based system should continue to use the manual system for recording and adjustments.

### 2. Working Day

The standard working day is

Monday – Thursday	08.30am – 5pm
Friday	08.30am – 4.30pm

The extent of the working day (the bandwidth) is: 7am to 7pm.

### 3. Core Times

There are no core times. All employees may attend flexibly between 7am and 7pm subject to their line manager's approval and subject to the requirements of the individual Group/Service.

### 4. Length of Working Day

Employees **must** work a minimum of 5 hours each day, pro-rata for part-time staff. If employees want to work less than 5 hours then they must supplement those hours with either a half-day annual leave or a half-day flexible leave:

e.g. an employee could key in to work at 8am and leave work at 1pm, subject to line manager approval, after completing five hours at work.

## **5. Regulating Starting and Finishing Times**

It is recognised that the operation of flexible working hours must not adversely affect service delivery, therefore, adequate staffing levels must prevail to maintain services. Employees will accordingly agree with management their normal working hours. If they subsequently wish to vary times of arrival/departure they must discuss and agree these with their management. They must also obtain agreement to all “flexible” leave before it is taken.

## **6. Breaks from Work**

Where employees are working 6 hours or more then they are required to take a break of at least 30 minutes. This break should not be taken at the beginning or end of the working day. For employees on the Web Workflow system, if you work longer than six hours without clocking out, you will be deducted a 30-minute break automatically.

Multiple attendances on a single day are permitted, subject to the approval of the employee’s line manager:

e.g. If an employee wants to take a break, or go to Bewicks, leave work to collect their child from school, have a cigarette or to attend an optician’s, doctor’s or other appointment, then they must clock out when leaving their workplace and clock back in on their return. Where possible optician/dentist/doctor’s appointments should be arranged in an employee’s own time, however, it is accepted that this may not always be possible.

Employees who wish to go to Bewicks or take a shower / get changed or go for a cigarette once they are clocked in, MUST clock out before doing so. Employees who fail to clock out may be subject to disciplinary action.

## **7. Settlement Period and Standard Hours**

The settlement period will be of four weeks. Total hours of the settlement period will be 148 hours (i.e. 4 weeks at 37 hours).

The standard working day will be 7 hours 24 minutes (37 hours).

## **8. Credit and Debit Balances**

A credit balance of up to a maximum of two days (i.e. 14 hours 48 minutes may be carried over from one settlement period to the next.

Normally a credit balance which exceeds two days at the end of a settlement period will be discounted.

Normally if an employee accumulates a debit balance in excess of one day (7 hours 24 minutes) at the end of a settlement period they will be liable to deduction from pay equivalent to the excess. Employees are also reminded that this scheme is covered by the disciplinary procedure.

Part time or job share employees should be allowed a pro-rata credit or debit balance to carry forward.

## **9. Flexible Leave**

If full time employees have sufficient credit hours they are entitled to take one day or two half days "flexible" leave per settlement period, subject to the prior approval of their line manager. If employees are full time, they must have at least 5 hours credit to take a full day's leave and at least 2.5 hours credit to take a half day's leave.

## **10. Part Time and Job Share**

If an employee currently works part time or job share they will be able to participate in the flexitime scheme if flexitime applies to full time employees, where operational arrangements are suitable.

Due to the variations of part-time and job share working hours, all examples and calculations in the scheme are based on full time employees. As a general rule, part time and job share employees will be able to take a pro rata amount of flexible leave and carry forward a pro-rata amount of time dependent upon their hours of work.

## **11. Overtime**

Overtime will not be paid unless prior authorisation has been obtained from the line manager. In any event, approved overtime will only apply outside normal working hours, for example before 8.30am or after 5pm Monday to Thursday and 4.30pm Friday. Overtime hours should be claimed in line with normal service practice.

Note: Time worked as overtime is NOT to be recorded within the Flexitime Scheme.

## **12. Recording Attendance and Absence**

### **a) Normal Attendance**

Where an employee remains at their normal location, working the day in accordance with agreed times, e.g. say 8.30 am to 12 noon and 1pm to 4.45pm, they will merely badge in/out as appropriate at these times. No further action is necessary.

### **b) Absence from Normal Location – Official Business**

If an employee is away from their normal office location they must adjust Web Workflow accordingly.

- (i) If the employee is required to report to a location other than their normal location, they must claim the appropriate credit on Web Workflow. On

subsequently returning to their normal location during the course of the day, they will 'badge in' claiming the credit up to that time.

- (ii) If an employee is required to be away from the office for training or other business for a longer period than the standard day (for example, travel to and from a conference in London), they can claim up to the total bandwidth for the day as appropriate, therefore up to a maximum of 11 hours 30 minutes (12 hours minus at least 30 minutes for lunch).

#### Absence from Normal Location – College/University

- (i) Full day or half day absence at college must be claimed on Web Workflow as a standard day or half day, i.e. 7 hours 24 minutes or 3 hours 42 minutes..
- (ii) Attendance at college / university should be recorded as "college" on web work flow. However, study or exam leave should be recorded as "study / exam leave".

#### c) Sickness/Annual Leave

For such absences employees must submit their adjustment for approval on Web Workflow for the standard working hours, i.e. 7 hours 24 minutes for a full day absence. If an employee works part time and their full day is 4 hours this is what should be documented.

Where a half day annual leave is taken, the credit to claim will be 3 hours 42 minutes or the relevant time period for those working part time.

Where an employee goes absent owing to sickness during the course of the day, the maximum credit adjustment to claim will be from the time they go absent up until their usual leaving time LESS one hour for lunch (unless absence occurs after the employee's lunch break).

For sickness absences employees should enter the details of absence onto the Web Workflow system on their return to work.

#### d) Hospital/Medical/Dental/Opticians Appointments

When an employee is making a GP, dental or optician's appointment, it must be made within the employee's own time. e.g. if an employee clocks in at 8.30am and has a doctor's appointment at 10.30am, they should clock out when they leave to attend the appointment and then clock back in on their return to work. The employee will be classed as being out of the office between these times and will not receive a credit adjustment.

However, a credit adjustment will be given if the employee is required to attend hospital appointments i.e. the employee is given a specific time by the hospital to attend. These should be treated on the system in the same way as an appointment for official business. If the employee attends an appointment before coming to work, the maximum credit that can be claimed will be the difference between:

- the start of the appointment, or
- the starting time of the standard working day (shown in paragraph 2), or
- the normal starting time of the employee, **whichever is the latest**, and the actual time the employee clocks in.

If the employee does not return to work after a hospital appointment they will be credited until:

- the end of the appointment, or
- the end of the standard working day (shown in paragraph 2), or
- the normal finish time of the employee, **whichever is the earliest**.

An appointment card or letter from the hospital confirming the appointment should be given to the line manager by the employee.

There is also a provision for employees with a disability, as defined under the Disability Discrimination Act, to attend pre-planned hospital and medical appointments. This provision is laid out in the Special Leave Policy and is for predictable absences including annual check ups; hospital, doctor and medical appointments; treatments including therapies; counselling; surgery; rehabilitation including rehabilitation activities. As these absences are pre-planned, the employee must give reasonable notice of the date.

Antenatal appointments will be credited in the same way as hospital appointments and should be treated as such on the system. Antenatal appointments are defined as midwife, GP or hospital appointments which the employee is required to attend during the course of their pregnancy. It does not include attendance to classes such as Aqua-Natal or parenting classes, unless you are required to attend for medical/health reasons due to your pregnancy. You must provide proof of evidence of the required attendance.

Time off will also be credited for employees who are in the process of adopting a child / children where they need to attend pre-adoption training (up to maximum of 3 days) and other adoption appointments e.g. referee interviews, applicant interviews and familiarisation sessions (up to a maximum of 5 appointments).

### **13. Web Workflow**

Whenever a credit/debit adjustment is necessary, this must be entered on to the Web Workflow system as an updated bookings request. Each adjustment must be duly authorised by the employee's line manager or service director. Information on how to adjust bookings can be found on the Council's Intranet.

### **14. Failure to Badge Out**

For an employee who fails to badge out when leaving the office this will be shown as an infringement of the system. Their finish time should be adjusted on the Web Workflow system.

### **15. Abuse of the Flexi Time Scheme**

Participation on the flexi time scheme is not an entitlement and can be withdrawn at the discretion of your line manager, if the principles of the scheme are not being adhered to.

Disciplinary action may be taken against an employee if it is discovered that they have abused the system or continually failed to make relevant adjustments on the Web Workflow system.

However, there are specific abuses that may constitute gross misconduct e.g.:

- Signing in or out, for or by, another employee
- Falsifying adjustments on Web Workflow

This is not an exhaustive list and there may be other offences of a similar gravity that would be considered to constitute gross misconduct.

**See other related Council Policies:**

- ◇ Disciplinary Procedure
- ◇ Allowances for Working Arrangements Outside Normal Office Hours

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**COUNCIL MEETING**

**22 March 2018**

## **TREASURY POLICY STATEMENT AND TREASURY STRATEGY 2018/19 TO 2022/23**

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**Sheena Ramsey, Chief Executive**

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### **EXECUTIVE SUMMARY**

1. The purpose of this report is to seek approval of the Treasury Policy Statement and Treasury Strategy for 2018/19 to 2022/23.
2. The proposed Treasury Policy and Treasury Strategy have been prepared taking into the account the Local Government Act 2003, Ministry of Housing, Communities and Local Government's (MHCLG) Guidance on Local Government Investments, CIPFA's Prudential Code for Capital and CIPFA's Code of Practice on Treasury Management (20017).
3. The Audit and Standards Committee reviewed the Treasury Policy Statement and Treasury Strategy on 5 March 2018 and raised no comments for submission to Council.
4. The Cabinet has considered the facts and issues arising from the report including alternative options and took all relevant advice before formulating their recommendation.

### **RECOMMENDATION**

5. It is recommended that Council approves the Treasury Policy Statement and the Treasury Strategy as attached at appendices 2 and 3 of the attached report.

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**Title of report: Treasury Policy Statement and Treasury Strategy 2018/19 to 2022/23**

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

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### **Purpose of the Report**

1. Cabinet is asked to recommend that Council approve the attached Treasury Policy Statement and Treasury Strategy for 2018/19 to 2022/23.

### **Background**

2. To provide a framework for the Strategic Director, Corporate Resources to exercise his delegated powers, the Council agrees a five-year Treasury Management Policy and Treasury Strategy which is reviewed at the start of each financial year.
3. The attached Treasury Policy and Treasury Strategy have been prepared considering the Local Government Act 2003, Ministry of Housing, Communities and Local Government 's (MHCLG) Guidance on Local Government Investments, CIPFA's Prudential Code for Capital and CIPFA's Code of Practice on Treasury Management (2017).
4. The Audit and Standards Committee reviewed the Treasury Policy Statement and Treasury Strategy on 5 March 2018 and raised no comments for submission to Council.

### **Proposals**

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

### **Recommendation**

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

For the following reason:

To ensure that the Council fully complies with the requirements of good financial practice in Treasury Management.

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**CONTACT:** Clare Morton, ext. 3591

## 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 new strategic approach 'Making Gateshead a Place Where Everyone Thrives'. The Council recognises there are huge financial pressures on not just council resources, but those of partners, local businesses and residents. 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 represents 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 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. MHCLG consulted on proposed changes to the investment guidance which closed on 22 December 2017; as yet the final revised guidance has not been issued. We anticipate that the revised guidance will focus particularly on non-financial asset investments. If the final published guidance warrants a revision to the Treasury Policy Statement and Treasury Strategy these documents will be re-presented to Cabinet and Council mid-year.
7. Under Part 4 of the Council's Constitution the Strategic Director, Corporate Resources will produce a Treasury Policy Statement annually, setting out the general policies and objectives of the Council's treasury management function.
8. The Council also provides a treasury management service to the Gateshead Housing Company through a Service Level Agreement.

## **Treasury Policy**

9. The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on the risk implications for the Council.
10. The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.
11. CIPFA's Code requires the setting out of responsibilities and duties of councillors and officers to allow a framework for reporting and decision making on all aspects of treasury management. To achieve this CIPFA has recommended the adoption of 12 treasury management practices (TMPs).
12. These principles are intended to provide a working document that forms a detailed framework for treasury management activities. The policy fully encompasses CIPFA's Code of Practice. In addition, the policy fully takes account of the requirements of the Prudential Code for Capital Finance in Local Authorities and the guidance issued by the MHCLG supporting Part 1 of the Local Government Act 2003 in respect of local authority investments. The Treasury Policy is attached at Appendix 2.

## **Treasury Strategy**

13. The Treasury Strategy for 2018/19 to 2022/23 is attached at Appendix 3. This covers the specific activities proposed for 2018/19 to 2022/23 in relation to both borrowing and investments and ensures a wide range of advice is taken to maintain and preserve all principal sums, whilst obtaining a reasonable rate of return, and that the most appropriate borrowing is undertaken. The primary objective of the investment strategy is to maintain the security of investments at all times.
14. The term "investments" used in the definition of treasury management activities also covers non-financial assets which the Council may hold primarily for financial returns. The control of risk and optimising returns on these more commercial investments is consistent with the Council's risk appetite.
15. The Council have reviewed the maximum maturity periods and amounts which can be invested with counterparties outlined in Appendix 6. In revising these limits to meet our requirements an assessment of risk has been undertaken and advice obtained from Link Asset Services, formerly Capita Asset Management Services.
16. The Council has produced the Treasury Strategy to comply with the requirements of the Code, the Prudential Code for Capital Finance in Local Authorities (2017) and Part 1 of the Local Government Act 2003. The Council considers that compliance with the above ensures that best practice is followed.

## **Consultation**

17. Consultation on the production of the Treasury Policy Statement, including the Treasury Strategy for 2018/19 to 2022/23, has taken place with the Council's treasury advisers (Link Asset Services). The outcome of the consultation process, along with guidance issued by CIPFA and the MHCLG, has informed the format and

content of the policy and strategy statements.

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

### **Alternative Options**

19. There are no alternative options, as the Treasury Policy and Strategy reports recommended for approval are required in order to comply with CIPFA's Code of Practice on Treasury Management (2017).

### **Implications of recommended options**

20. **Resources:**

- a) **Financial Implications** - The Strategic Director, Corporate Resources confirms that the financial implications are set out in this report. There are no additional financial implications associated with the report itself.
- b) **Human Resources Implications** - There are no human resources implications arising from this report.
- c) **Property Implications** – There are no property implications arising from this report.

21. **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.

22. **Equality and Diversity Implications**

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

23. **Crime and Disorder Implications**

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

24. **Sustainability Implications**

There are no sustainability implications arising from this report.

25. **Human Rights Implications**

There are no human rights implications arising from this report.

26. **Area and Ward Implications**

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

27. **Background Information:**

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

- Local Government Act 2003 **Page 142**

- MHCLG Guidance on Local Government Investments
- CIPFA's Prudential Code for Capital (2017)
- CIPFA's Code of Practice on Treasury Management (2017)
- Council's approved Treasury Management Practice Statements

## Treasury Policy 2018/19 to 2022/23

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

- 1.1 In December 2017 CIPFA published a revised Code of Practice on Treasury Management in the Public Services (the Code), which represents best practice. Treasury management activities are defined by CIPFA as:

“The management of the organisation’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

- 1.2 The term “investments” used in the definition of treasury management activities includes all financial assets of the organisation, as well as other non-financial assets which the Council may hold primarily for financial returns. The control of risk and optimising returns on these more commercial investments is also consistent with the Council’s risk appetite.
- 1.3 The Council provides a treasury management service to the Gateshead Housing Company through a Service Level Agreement. Borrowing to fund the capital programme of the Company is also carried out by the Council and is included in the overall borrowing figure.

### 2. Formulation of the Treasury Strategy

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

The strategy for 2018/19 to 2022/23 is attached at Appendix 3.



### **3. Prudential and Treasury Indicators**

3.1 Under Part 1 of the Local Government Act 2003 the Council may borrow money  
(a) for any purpose relevant to its functions under any enactment, or  
(b) for the purposes of the prudent management of its financial affairs.

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

- Actual and estimates of financing costs to net revenue stream;
- Estimates of capital expenditure;
- Actual capital expenditure;
- Estimate of Capital Financing Requirement;
- Actual Capital Financing Requirement;
- Authorised limit;
- Operational boundary;
- Actual external debt;
- Gross debt and Capital Financing Requirement;
- Upper and lower limit of maturity structure of borrowing fixed and variable;  
and
- Upper limit on principal sums invested for periods of over 365 days.

3.3 Given the link to the budget and capital programme, these indicators were approved by the Council on 22 February 2018 as part of the Budget and Council Tax Level 2018/19 report. For completeness, the approved indicators are attached at Appendix 4.

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

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

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

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

4.4 The Annual Investment Strategy document will include:

- The Council’s risk appetite in respect of security, portfolio liquidity and return;
- The definition of ‘high’ and ‘non-high’ credit quality to determine what are specified investments and non-specified investments;
- Which specified and non-specified instruments the Council will use, dealing in more detail with non-specified investments given the greater potential risk;
- The categories of counterparties that may be used during the course of the year e.g. foreign banks, nationalised/part nationalised banks, building societies;
- The types of investments that may be used during the course of the year;
- The limit to the total amount that may be held in each investment type;

- The Council's policy on the use of credit ratings, credit rating agencies and other credit risk analysis techniques to determine creditworthy counterparties for its approved lending list and how the Council will deal with changes in ratings, rating watches and rating outlooks;
- Limits for individual counterparties, groups and countries; and
- Guidelines for making decisions on investments and borrowing;
- The Council's policy on commercial investments held for return.

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

- 5.1 The Budget and Council Tax Level 2018/19 approved by Council on 22 February 2018, sets treasury limits for the maximum and minimum level of exposure to fixed and variable rate borrowing. The use of any financial instruments, such as derivatives, to mitigate interest rate risks will be considered on an individual basis and the Strategic Director, Corporate Resources will obtain approval from the Council prior to entering into any arrangement of this nature.

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

- 6.1 It is the Council's responsibility under the Code to approve a Treasury Policy statement.
- 6.2 The Council delegates the review of the policy and monitoring of the performance of the treasury management function to Cabinet, the scrutiny of treasury management strategy and policies to the Audit and Standards Committee, and the execution and administration of treasury management decisions to the Strategic Director, Corporate Resources, who will act in accordance with the organisations policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management. Any proposals to approve, adopt or amend policy require the consent of the Council and are matters for the Council to determine.
- 6.3 Council will receive:
- a) a Treasury Policy Statement and five-year Treasury Strategy report, including the annual Investment Strategy, for approval before the commencement of each financial year; and
  - b) an annual report on borrowing and investment activity by 30 September of each year.
  - c) a mid-year report on borrowing and investment activity.
- 6.4 The Audit and Standards Committee will receive:
- a) a Treasury Policy Statement and five-year Treasury Strategy report for scrutiny; and
  - b) a mid-year report on borrowing and investment activity.
- 6.5 In December 2017, CIPFA issued revised Prudential and Treasury Management Codes. As from 2019-20, all local authorities will be required to prepare an additional report, a Capital Strategy report, which is intended to provide the following: -
- a) a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
  - b) an overview of how the associated risk is managed
  - c) the implications for future financial sustainability
- 6.6 The aim of this report is to ensure that all elected members of the council fully understand the overall strategy, governance procedures and risk appetite entailed by this Strategy.

- 6.7 The Capital Strategy will include capital expenditure, investments and liabilities and treasury management in sufficient detail to allow all councillors to understand how stewardship, value for money, prudence, sustainability and affordability will be secured.

**Treasury Strategy 2018/19 to 2022/23**

**1. Introduction**

- 1.1 The CIPFA Code of Practice on Treasury Management 2017 (the Code) emphasises a number of key areas including the following:
- a) All authorities must formally adopt the Code.
  - b) The strategy report will affirm that the effective management and control of risk are prime objectives of the Council's treasury management activities.
  - c) The Council's appetite for risk, including the appetite for any use of financial instruments in the prudent management of those risks, must be clearly identified within the strategy report and will affirm that priority is given to security and portfolio liquidity when investing treasury management funds and explain how that will be carried out.
  - d) Responsibility for risk management and control lies within the organisation and cannot be delegated to any outside organisation.
  - e) Credit ratings should only be used as a starting point when considering risk. Use should also be made of market data and information, the quality financial press, information on government support for banks and the credit ratings of that government support.
  - f) Councils need a sound diversification policy with high credit quality counterparties and should consider setting country, sector and group limits.
  - g) Borrowing in advance of need is only to be permissible when there is a clear business case for doing so and only for the current capital programme or to finance future debt maturities.
  - h) The main annual treasury management reports must be approved by full council.
  - i) There needs to be a mid-year review of treasury management strategy and performance. This is intended to highlight any areas of concern that have arisen since the original strategy was approved.
  - j) Each council must delegate the role of scrutiny of treasury management strategy and policies to a specific named body.
  - k) Treasury management performance and policy setting should be subjected to prior scrutiny.
  - l) Councillors should be provided with access to relevant training as those charged with governance are also personally responsible for ensuring they have the necessary skills and training.
  - m) Responsibility for these activities must be clearly defined within the organisation.
  - n) Officers involved in treasury management must be explicitly required to follow treasury management policies and procedures when making investment and borrowing decisions on behalf of the Council (this will form part of the Treasury Management Practices).
  - o) "Investments" covers the financial and non-financial assets which the organisation holds primarily for financial returns. This will include investments which are not managed as part of the normal treasury management delegations.
- 1.2 This Strategy has been prepared in accordance with the Code.
- 1.3 The Council will adopt the following reporting arrangements in accordance with the requirements of the revised Code:

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

1.4 The revised Prudential Code covers the following Prudential Indicators which were approved by Council on 22 February 2018:

- Actual and estimates of financing costs to net revenue stream;
- Estimates of capital expenditure;
- Actual capital expenditure;
- Estimate of Capital Financing Requirement;
- Actual Capital Financing Requirement;
- Authorised limit for external debt;
- Operational boundary for external debt;
- Actual external debt;
- Gross debt and Capital Financing Requirement;
- Upper and lower limit of maturity structure of borrowing fixed and variable;
- Upper limit on principal sums invested for periods of over 365 days.

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

1.6 The strategy covers:

- a) Prospects for interest rates;

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

## 2. Prospects for Interest Rates

- 2.1 The table shown below outlines the Council's view of anticipated movements in interest rates, based on guidance received from the Council's treasury management advisers Link Asset Services as at 18 February 2018.

	<b>March 2018</b>	<b>June 2018</b>	<b>Sept 2018</b>	<b>Dec 2018</b>	<b>March 2019</b>	<b>March 2020</b>	<b>March 2021</b>
<b>Bank Rate</b>	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.50%
<b>5 yr PWLB*</b>	1.90%	2.00%	2.10%	2.10%	2.20%	2.40%	2.60%
<b>10 yr PWLB</b>	2.50%	2.50%	2.60%	2.70%	2.70%	3.00%	3.20%
<b>25 yr PWLB</b>	2.80%	2.90%	3.00%	3.10%	3.20%	3.40%	3.60%
<b>50 yr PWLB</b>	2.60%	2.70%	2.80%	2.90%	3.00%	3.20%	3.40%

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

### Short Term Interest Rates

- 2.2 The Monetary Policy Committee (MPC) delivered a 0.25% increase in Bank Rate at its meeting on 2 November 2017. This removed the emergency cut in August 2016 after the EU referendum. The MPC also gave forward guidance that they expected to increase the Bank rate twice more by 0.25% the Link Asset Services forecasts anticipate increases in Bank Rate of 0.25% in May 2018, November 2018, November 2019 and August 2020. The prospects for additional bank rate rises have been supported by MPC announcements placing greater importance on achieving the 2% inflation target within a 18-24 month time horizon.

### Long Term Interest Rates

- 2.3 Following advice from the Council's treasury management advisers, the Council's view on longer term fixed interest rates is that there will be little difference between 25 year and 50 year rates which are expected to remain around 3.00% throughout 2018/19. It is also expected that PWLB rates on loans less than ten years in duration will be lower than longer term loans.

## 3. Treasury Limits for 2018/19 to 2022/23 including Prudential Indicators

- 3.1 It is a statutory requirement of the Local Government Finance Act 1992, for the Council to produce a balanced budget. In particular, Section 31(a), as amended by the Localism Act 2011, requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This means that increases in capital expenditure must be limited to a

level whereby increases in charges to revenue from increases in interest charges and increases in running costs from new capital projects are limited to a level, which is affordable within the projected income of the Council for the foreseeable future.

- 3.2 It is a statutory duty under Section 3 of Part 1 of the Local Government Act 2003, and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the Affordable Borrowing Limit. The Authorised Limit represents the legislative limit specified in the Act.
- 3.3 The Prudential Code for Capital Finance in Local Authorities is a professional code that sets out a framework for self-regulation of capital spending, in effect allowing councils to invest in capital projects without any limit as long as they are affordable, prudent and sustainable. The Code requires that treasury management decisions be taken in accordance with good professional practice and in full understanding of the risks involved and how these risks will be managed to levels that are acceptable to the Council. The Council will take into account its arrangements for the repayment of debt and consideration of any impact, on the authority's overall fiscal sustainability.
- 3.4 The Council must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires the Council to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax and housing rent levels is affordable.
- 3.5 To facilitate the decision-making process and support capital investment decisions the Prudential Code and the Treasury Management Code require the Council to agree and monitor a minimum number of prudential indicators which were approved by Council on 22 February 2018 as attached at Appendix 4.
- 3.6 The Strategic Director, Corporate Resources will ensure systems are in place to monitor the treasury limits and will report to Council instances where limits are breached, with the exception of short-term breaches of the Operational Boundary. The Operational Boundary is set so that if breached it acts as an early warning of the potential to exceed the higher Authorised Limit and as such temporary breaches due to debt restructuring and temporary borrowing are acceptable, providing they are not sustained.

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

- 4.1 The Local Government Act 2003 does not prescribe approved sources of finance, only that borrowing may not, without the consent of HM Treasury, be in other than Sterling.
- 4.2 The main options available for the borrowing strategy for 2018/19 are PWLB loans, market loans and the Municipal Bond Agency. The interest rate applicable to either PWLB or markets loans can be fixed or variable.
- 4.3 Variable rate short term borrowing is expected to be cheaper than long term fixed borrowing and therefore may be considered throughout the financial year. Due to the expectation that interest rates will rise, the risk of the potential increase in interest rates will be balanced against any potential short-term savings.
- 4.4 There are different types of market loans available, including forward starting, at variable and fixed interest rates. These are generally would have to be offered at

rates below the current or future PWLB forecast rates to make them an attractive option. The forward starting loans will be considered as a means of mitigating future interest rate movements, i.e. where the Council can agree an interest rate ahead of when it would actually be required to draw down the funds. This also avoids the 'cost of carry' – the difference between borrowing costs and investment returns.

4.5 To mitigate this interest rate risk a limit is placed on the total level of borrowing that can be taken as variable interest rate loans. To provide scope to utilise new market products should they become available as well as minimise the cost of borrowing and increase the diversification of the debt portfolio it is proposed that the limit on variable rate loans should be 40% of total borrowing in 2018/19.

4.6 The main strategy is therefore:

- Current (February 2018) long term PWLB rates (50 years) are around 2.50%. It is forecast that this will rise over the financial year 2018/19 with targets rates being, 2.70% Q1, 2.80% Q2, 2.90% Q3 and 3.00% Q4. Should interest rates fall below these targets borrowing should be considered, with preference given to terms which ensure a balanced profile of debt maturity, this may include Local Infrastructure Rate borrowing. The average interest rates forecast across this financial year for various borrowing periods are as follows: -
  - 10 years – 2.60%
  - 25 years – 3.05%
  - 50 years – 2.85%
- The use of short term borrowing (6 months to 18 months) will also be considered with the aim of minimising borrowing costs. This short-term borrowing will be replaced with longer term loans when rates are preferable.
- External borrowing rates currently far exceed the return that is available for investments, meaning savings can be achieved by borrowing internally from reserves in the short term. The current policy of internal borrowing will continue to be followed as a short-term funding option serving to minimise overall cost.
- Consideration will be given to borrowing market loans which are at least 20 basis points below the PWLB target rate.

### **Sensitivity of the forecast**

4.7 The Council, in conjunction with Link Asset Services, will continually monitor both the prevailing interest rates and the market forecasts, adopting the following responses to any changes. The main sensitivities of the forecast are likely to be the two scenarios below:

- *if it was felt that there was a significant risk of a sharp FALL in long and short-term rates (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.*
- *if it was felt that there was a significant risk of a much sharper RISE in long and short-term rates than that currently forecast, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the*



portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

- 4.8 Against this background, caution will be adopted in the management of the 2018/19 treasury operations. The Strategic Director, Corporate Resources will monitor the interest rate market and adopt a pragmatic approach to any changing circumstances having delegated powers to invest and manage the funds and monies of the Council.

### **External and Internal Borrowing**

- 4.9 As at 31 January 2018 the Council has net debt of £545.044m; this includes total borrowing of £640.723m and investments of £95.679m.
- 4.10 Investment returns are likely to remain relatively low during 2018/19 but to be on a gently rising trend over the next few years.
- 4.11 Borrowing interest rates increased sharply after the result of the general election in June and then also after the September MPC meeting when financial markets reacted by accelerating their expectations for the timing of Bank Rate increases. Since then, borrowing rates have eased back. Apart from that, there has been little general trend in rates during the current financial year. The policy of avoiding new borrowing by running down spare cash balances, defined as internal borrowing, has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in the future when the Council may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.
- 4.12 There will remain a cost of carry to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost – the difference between borrowing costs and investment returns.

Investment returns are likely to remain relatively low during 2018/19 and beyond and interest rates are expected to be below long-term borrowing rates therefore value for money considerations indicate that best value can be obtained by delaying new external borrowing and by using internal cash balances to finance new capital expenditure in the short term (this is referred to as internal borrowing). Any short-term savings gained from adopting this approach will be weighed against the potential for incurring additional long-term costs by delaying unavoidable new external borrowing until later years when PWLB long term rates are forecast to be higher. This position will be monitored on an ongoing basis during 2017/18 in response to any changes to interest rates and forecasts.

- 4.13 The Council has examined the potential for undertaking early repayment of some external debt to the PWLB in order to reduce the difference between its gross and net debt positions. The significant difference between early redemption rates and interest rates payable on PWLB debt means that large premiums are likely to be incurred by such action. This situation will be monitored in case the differential is narrowed by the PWLB.

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

- 4.14 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be considered carefully to ensure that it is in line with the projected

capital financing requirement and prudential indicators and that the Council can demonstrate value for money and ensure the security of the funds.

- 4.15 In determining whether borrowing will be undertaken in advance of need the Council will;
- ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need;
  - ensure the ongoing revenue liabilities created, and the implications for the future plans and budgets have been considered;
  - evaluate the economic and market factors that might influence the manner and timing of any decision to borrow; and
  - consider the alternative forms of funding.

### **Municipal Bond Agency**

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

## **5. Debt Rescheduling**

- 5.1 Any rescheduling opportunities will be considered in line with procedures approved under the Council's Treasury Management Practice Statements and will include a full cost/benefit analysis of any proposed variations. Any positions taken via rescheduling will be in accordance with the strategy position outlined in Section 4 above and will also take into account the prudential and treasury limits.
- 5.2 The reasons for any proposed rescheduling will include:
- the generation of cash savings at minimum risk; and
  - in order to amend the maturity profile and/or the balance of volatility in the Council's borrowing portfolio.
- 5.3 The Strategic Director, Corporate Resources in line with delegated powers outlined in the approved Treasury Management Practice Statement, will approve all rescheduling.
- 5.4 As short-term borrowing rates are expected to be cheaper than longer term rates, there may be opportunities to generate savings by switching from long term debt to short term debt. Opportunities identified will take into consideration the likely cost of refinancing these short-term loans, once they mature, compared to the current rates of longer term debt in the existing debt portfolio.
- 5.5 Consideration will also be given to the potential for making savings by running down investment balances by repaying debt prematurely as short-term rates on investments are likely to be lower than rates paid on currently held debt. However, this will need careful consideration in the light of premiums that may be incurred by such a course of action and other financial considerations.

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

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

### Introduction

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

### Investment Objectives

- 6.7 All investments will be in Sterling.
- 6.8 The Council's primary investment objective is the security of the capital investment. The Council will also manage the investments to meet cash flow demands and to achieve a reasonable return commensurate with the proper levels of security and liquidity. The risk appetite of the Council is low in order to give priority to security of its investments.
- 6.9 The borrowing of monies purely to invest is unlawful and the Council will not engage in such activity.

### Creditworthiness Policy

- 6.10 The Council uses the creditworthiness service provided by Link Asset Services to assess the creditworthiness of counterparties. The service uses a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moody's and Standard and Poor's. This service uses a scoring system to ensure that it does not give undue consideration to just Page 155's ratings. It does not rely solely on

the current credit ratings of counterparties but also uses the following information as overlays which are combined in a weighted scoring system:

- Credit watches and credit outlooks from credit rating agencies;
- Credit Default Swap spreads, financial agreements that compensate the buyer in the event of a default, which give an early warning of likely changes in credit ratings; and
- Sovereign ratings to select counterparties from only the most creditworthy countries.

6.11 The end product of this modelling system is a series of colour code bands which indicate the relative creditworthiness of counterparties. These colour codes are also used by the Council to determine the duration for investments and are therefore referred to as durational bands. The Council is satisfied that this service gives the required level of security for its investments. It is also a service which the Council would not be able to replicate using in-house resources.

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

6.13 The Council has determined the minimum long term and short-term ratings it deems to be “high” for each category of investment. These “high” ratings allow investments of 365 days or less to be classified as **specified investments**. The Council’s approved limits for this “high” credit rating for deposit takers is as follows:

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

6.14 The selection of counterparties with a high level of creditworthiness will be achieved by selection of institutions down to a minimum durational band within Link Asset Services weekly credit list of worldwide potential counterparties. The maximum maturity periods and amounts to be placed in different types of investment instruments are detailed in Appendix 6.

6.15 UK Government nationalised/part nationalised banks will have a maximum limit of 40% or £20m of total investment, all other counterparties will not exceed a maximum limit equal to 20% of total investments or £15m. Unless there are major changes in the level of investment balances throughout the year this limit will be reviewed prior to the commencement of each financial year.

6.16 Where more than one counterparty from a group is included on the counterparty list the group in total will be controlled by the above limits with the maximum limit being that of the parent company. Within the group each counterparty/subsidiary will have individual limits based on their creditworthiness although the total placed with the subsidiaries will not exceed the limit of the parent company. Subsidiaries that do not satisfy the minimum credit criteria will not be included.

6.17 A number of counterparties are also approved by the Strategic Director, Corporate Resources for direct dealing. These counterparties are included on the approved list and dealing will be within agreed limits. Direct dealing with individual counterparties must be approved by the Strategic Director, Corporate Resources prior to investments being placed.

**Nationalised/Part Nationalised Banks**

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

6.19 Where the bank has not been fully nationalised but receives support from the UK Government the individual rating of the bank will not be taken into consideration and the relevant banks will be included on the Council’s lending list as prescribed by the Link Asset Services creditworthiness list as detailed in 6.15.

**Foreign Banks**

6.20 We will continue to use UK banks irrespective of the UK sovereign rating, however non-UK banks domiciled in countries with a minimum sovereign rating of AA+ will be considered for inclusion on the approved list, they must also meet the high rated lending criteria and have operations based in London. Limits will be prescribed by the Link Asset Services creditworthiness list and limited to 365 days or less. Each country will be limited to the maximum investment limit of £15m or 20% of the Council’s total investments. A list of those countries with a minimum sovereign rating of AA+ is shown in Appendix 7.

**Local Authorities**

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

**Non-specified Investments**

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

<b>Non- High Rated</b>	<b>Fitch</b>	<b>Moody’s</b>	<b>Standard &amp; Poor’s</b>
Short term	F1	P1	A1
Long term	A-	A3	A-

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

6.23 The credit ratings will be monitored as follows:

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

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

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

6.25 The Council deposits funds beyond 365 days to a maximum of 3 years. This will continue where the counterparty is deemed to be a low credit risk to ensure a good rate of return is maintained in the current market conditions. Deposits beyond 365 days will only be considered when there is minimal risk involved. With deposits of this nature there is an increased risk in terms of liquidity and interest rate fluctuations. To mitigate these risks a limit of £15m (20% of total investments) has been set and a prudential indicator has been calculated (See Appendix 4). Such sums will only be placed with counterparties who have the highest available credit rating or other local authorities.

6.26 Deposits for periods longer than 365 days are classed as **non-specified investments** and this will increase the total limit of overall deposits in this classification to 75%.

### **Non-Treasury Investments**

6.27 The acquisition of share capital or loan capital in any body corporate is defined as capital expenditure under the Local Government Act 2003. Such investments will have to be funded out of capital or revenue resources and will be classified as '**non-specified investments**'.

6.28 A loan or grant by the Council to another body for capital expenditure by that body is also deemed by regulation to be capital expenditure by the Council. It is therefore important for the Council to clearly identify if the loan was capital expenditure or if it is an investment made primarily to generate a financial yield. The latter will be assessed using the Council's Investment Framework.

6.29 The Council will ensure that all the organisation's investments are covered in either the Capital Strategy or Investment Strategy, and will set out, where relevant, the organisation's risk appetite and specific policies and arrangements for non-treasury

investments. It will be recognised that the risk appetite for these activities may differ from that for treasury management.

- 6.30 The Council will maintain a schedule setting out a summary of existing material Investments, subsidiaries, joint ventures and liabilities including financial guarantees and the organisation's risk exposure.

### **Internal Investment Strategy**

- 6.31 The Strategic Director, Corporate Resources will monitor the interest rate market and react appropriately to any changing circumstances.
- 6.32 The Council takes the view that bank rate will remain unchanged at 0.50% before starting to rise from quarter 1 of 2018 so short-term deposits, up to 365 days, will be utilised to cover cash flow and minimise risk to the Council. Bank rate forecasts for financial year ends are 2018/19 1.00%, 2019/20 1.25% and 2020/21 1.50%.
- 6.33 The overall balance of risks to these forecasts is currently to the downside (i.e. start of increases in Bank Rate occurs later). However, should the pace of growth quicken and/or forecasts for increase in inflation rise, there could be an upside risk.
- 6.34 The Council will avoid locking into longer term deals while investment rates are down at historically low levels. Long term deposits, beyond 365 days, will only be used where minimal risk is involved and the counterparties are considered to be supported by the UK Government.

### **Investment Risk Benchmark**

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

### **End of year investment report**

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

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

- 6.37 The Council currently uses Link Asset Services as its external treasury management advisers.
- 6.38 It is recognised that responsibility for treasury management decisions remains with the Council at all times and will ensure that undue reliance is not placed upon our external service providers.
- 6.39 It is also recognised that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by

which their value will be assessed are properly agreed and documented, and subjected to regular review.

### **Scheme of Delegation**

- 6.40 As required by the Guidance Notes for Local Authorities the Treasury Management Scheme of Delegation is detailed in Appendix 3, paragraph 1.3.

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

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

- Recommending the Code of Practice to be applied, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- Submitting regular treasury management policy reports;
- Submitting budgets and budget variations;
- Receiving and reviewing management information reports;
- Reviewing the performance of the treasury management function;
- Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- Ensuring the adequacy of internal audit, and liaising with external audit; and
- Arranging for the appointment of external service providers;
- Preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management;
- Ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority;
- Ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing;
- Ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources;
- Ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long-term liabilities;
- Provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees;
- Ensuring that members are adequately informed and understand the risk exposures taken on by an authority;
- Ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above.

## **7. Other Issues**

### **Market in Financial Instruments Directive (MiFID) II**

- 7.1 The European regulation MiFID II became effective from 3 January 2018. The directive and UK implementation rules require regulated firms to classify local



authorities previously assumed as professional clients by default instead to retail clients, unless authorities choose to opt-up to Elective Professional Status.

- 7.2 Classification as a retail client would mean regulated firms would either;
- No longer be able to offer local authorities in this category the investment opportunities outside those deemed appropriate for retail clients who are considered less knowledgeable in financial markets, or;
  - Those firms would be required to provide significant support in taking clients through accessing the risks and opportunities involved at considerable internal cost – these costs would either be passed on to the customer, or would more likely lead to a withdrawal of those opportunities to retail clients.
- 7.3 The opt-up to Elective Professional Status process involves an assessment of the expertise and experience of local authority treasury functions, a minimum portfolio size and minimum annual trade volumes. The Council fulfils those requirements, and has therefore applied to its investment counterparties for Elective Professional Status.
- 7.4 Obtaining Elective Professional Status will allow the Council to continue to access the markets and opportunities which have been available to it in the past, and are reflective of the Council's risk-based approach to conducting investment activity.

### **Money Market Reform**

- 7.5 It is proposed to continue the use of Money Market Funds (MMFs) for short term and instant access investment purposes. New Money Market Fund regulations have been published with new categories of Funds, with tighter controls and restrictions over Funds in each category. Therefore, the definition of approved MMFs in the Council's permitted Specified Investments (Appendix 5) requires amendment.
- 7.6 Accordingly, it is proposed to amend the definition of MMFs in the Council's permitted Specified Investments (Appendix 5) to replicate the European Securities and Market Authority (ESMA), MMF classification of Short Term and Standard funds. The classifications of Short Term Money Market Funds and Standard Money Market Funds are closely aligned to the way the Council's current approved MMFs operate, and therefore this change does not increase the risks of using such funds.

## Prudential Indicators – Treasury Management

<b>Authorised Limit for External Debt</b>					
	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>
Borrowing	875,000	905,000	910,000	910,000	925,000

<b>Authorised Limit for External Debt</b>					
	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>
Borrowing	875,000	905,000	910,000	910,000	925,000

<b>Operational Boundary for External Debt</b>					
	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>
Borrowing	850,000	880,000	885,000	885,000	900,000

<b>Operational Boundary for External Debt</b>					
	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>
Borrowing	850,000	880,000	885,000	885,000	900,000

## Treasury Indicators

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

<b>Upper and Lower Limits for the Maturity Structure of Variable Rate Borrowings</b>		
	<b>Upper Limit</b>	<b>Lower Limit</b>
Under 12 months	30%	0%
12 months and within 24 months	15%	0%
24 months and within 5 years	15%	0%
5 years and within 10 years	15%	0%
10 years and within 20 years	15%	0%
20 years and within 30 years	15%	0%
30 years and within 40 years	15%	0%
40 years and within 50 years	15%	0%
50 years and above	15%	0%

<b>Upper Limit on Amounts Invested Beyond 365 Days</b>					
	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>
Investments	15,000	15,000	15,000	15,000	15,000

## Specified Investments (All Sterling Denominated)

Investment type	Share/ Loan Capital	Repayable/ Redeemable within 12 months	Security / Minimum Credit Rating	Capital Expend- iture	Circumstance of use	Maximum period
<b>Term deposits</b> with the UK Government or with UK local authorities (i.e. local authorities as defined under Section 23 of the 2003 Act) with maturities up to 365 days.	No	Yes	High security although LA's not credit rated. <i>See appendix 3 Creditworthiness Policy</i>	No	In-house	365 days
<b>Term deposits</b> with credit-rated deposit takers (banks and building societies), including callable deposits with maturities up to 365 days.	No	Yes	Secure Varied minimum credit rating <i>See appendix 3 Creditworthiness Policy</i>	No	In-house	365 days

<p><b>Short Term Money Market Funds</b> The majority of these funds are instant access and therefore do not have a maturity date.</p>	No	Yes	Secure Varied minimum credit rating <i>See appendix 3 Creditworthiness Policy</i>	No	In-house	The investment period is subject to liquidity and cash flow requirements. It is assumed that funds are placed overnight and will be returned and reinvested the next working day (although no actual movement of cash may take place).
<p><b>Standard Money Market Funds and Ultra Short Duration Funds 3-day notice cash plus fund</b> These funds require three-day notice for withdrawals and therefore do not have a maturity date.</p>	No	Yes	Secure Varied minimum credit rating <i>See appendix 3 Creditworthiness Policy</i>	No	In-house	The investment period is subject to liquidity and cash flow requirements. Notice required is three days, however it is the intention to leave these funds for terms longer than other money market funds to achieve greater returns.

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

Investment type	(A) Why use it (B) Associated risks	Share/ Loan Capital	Repayable/ Redeemable within 12 months	Security / Minimum credit rating	Capital Expenditure	Circumstance of use	Max % of overall investments	Maximum maturity of investment
<b>Rated deposit takers (banks and building societies) which do not meet the Council's "high" credit rating</b>  Page 166	(A) To improve ability to place smaller amounts (B) Greater risk than "high" credit rating counterparties but advance warning by rating agency of potential problems. The Council has fully considered this investment category and set appropriate investment and maturity limits in order to minimise risk.	No	Yes	Secure Varied minimum Credit rating <i>Minimum:</i> <i>Long term</i> <i>A-</i> <i>Short term</i> <i>F1</i>	No	In-house	Total not high rated deposits as a proportion of total investments 75%	6 months (but set on an individual counterparty basis)
<b>Term deposits with UK Government, UK Local Authorities or credit rated banks and building societies, with maturities over 1 year</b>	A) To improve the ability to "lock in" at times of high interest rates to secure a higher return over a longer period should rates be forecast to fall. B) Lower liquidity and greater risk of adverse interest rate fluctuations. The Council has fully considered this investment category and set appropriate investment and maturity limits in order to minimise risk.	No	No	Secure Varied minimum credit rating	No	In-house	Total investment per Counterparty 20%	3 years
<b>Certificate of Deposits</b>	A) Provides additional counterparties, as	No	Yes	Secure Varied	No	In-House	20%	12 months (but set on

<p><b>issued by banks and building Societies</b></p>	<p>many banks do not want to take fixed term cash deposits.</p> <p>B) Credit risk could change but if adverse there is an option to sell onto a secondary market.</p> <p>The Council has fully considered this investment category and set appropriate investment and maturity limits in order to minimise risk.</p>			<p>minimum Credit rating <i>Minimum:</i> <i>Fitch</i> <i>Long term</i> <i>A-</i> <i>Short term</i> <i>F1</i></p>				<p>an individual counterparty basis)</p>
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## Maximum Maturity Periods and Amounts

Organisation	Criteria	Max Amount*	Max Period
High Rated  (Specified Investments – High rated and up to 365 days see Appendix 5)	Minimum Fitch rating of F1 short term and A long term.  Consideration to be given to Moody's minimum rating of P1 short term backed by A2 long term and S&P minimum rating of A1 short term and A long term.	£20m (Gov't Backed, otherwise £15m)	3 years
Foreign Banks	Must meet the minimum high rated criteria above and have a minimum sovereign rating of AA+	£15m country limit	365 Days
Non-High Rated	Minimum Fitch rating of F1 short term and A- long term.  Consideration to be given to Moody's minimum rating of P1 short term backed by A3 long term and S&P minimum rating of A1 short term and A- long term.	£10m	6 months
UK Local Authorities	(i.e. local authorities as defined under Section 23 of the 2003 Act) Each investment is considered on an individual basis	£10m	3 years
Short-Term Money Market Funds (Same day settlement)	AAA mmf fund rating or equivalent with assets >£1bn	£7.5m	Overnight
Standard Money Market Funds and Ultra-Short Duration Funds (Trade plus 3-day settlement)	AAAf fund rating or equivalent, backed up with lowest volatility rating (S1) or equivalent with assets > £0.75bn	£7.5m	3 days

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



This list is based on those countries which have non-UK sovereign ratings of AA+ or higher at 15/01/18.

AAA

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

AA+

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

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**COUNCIL MEETING**

**22 March 2018**

## **COUNTER FRAUD AND CORRUPTION ARRANGEMENTS**

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**Sheena Ramsey, Chief Executive**

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### **EXECUTIVE SUMMARY**

1. The purpose of this report is to seek approval of the proposed Counter Fraud and Corruption Strategy and the revised Council Counter Fraud and Corruption Policy.
2. CIPFA published a Code of Practice on Managing the Risk of Fraud and Corruption and, whilst not mandatory, represents best practice and helps the Council to secure good governance and effective use of public funds.
3. The Council's Audit and Standards Committee supported the proposed approach.
4. The Cabinet has considered the facts and issues arising from the report including alternative options and took all relevant advice before formulating their recommendation.

### **RECOMMENDATION**

5. It is recommended that Council:
  - (i) approves the Counter Fraud and Corruption Strategy and the Counter Fraud and Corruption Policy;
  - (ii) notes the Fraud Response Plan.

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**Title of report: Counter Fraud and Corruption Arrangements**

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

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### **Purpose of the Report**

1. Cabinet is asked to recommend that Council approve the proposed Counter Fraud and Corruption Strategy and the revised Council Counter Fraud and Corruption Policy.

### **Background**

2. To support the work of local authorities, the Chartered Institute of Public Finance and Accountancy (CIPFA) published a Code of Practice on Managing the Risk of Fraud and Corruption. Although the Code is not currently mandatory, it represents best practice, and compliance with the principles set out in the Code helping the Council to secure good governance and demonstrate effective use of public funds.
3. The Council has had a Counter Fraud and Corruption Policy and Fraud Response Plan since 2011, but has not documented an overarching strategy.
4. The planned actions in the Annual Governance Statement action plan for 2017/18 included:
  - Review the Council's Counter Fraud and Corruption Policy
  - Develop an appropriate Counter Fraud and Corruption Strategy to mitigate the identified risks of fraud and corruption.
5. The Council's Audit and Standards Committee considered this issue on 29 January 2018. The Committee supported the proposed approach recommended within this Cabinet report. The minutes of the Committee meeting are attached as Appendix 5 to this report.

### **Proposals**

6. The report provides an overview of the proposed Counter Fraud and Corruption Arrangements, and includes the following draft documents:
  - Counter Fraud and Corruption Strategy
  - Counter Fraud and Corruption Policy
  - Fraud Response Plan

### **Recommendation**

7. Cabinet is asked to recommend to Council the approval of the following strategy and policy documents:
  - (i) Counter Fraud and Corruption Strategy (Appendix 2)
  - (ii) Counter Fraud and Corruption Policy (Appendix 3)

And also to recommend to Council that the following plan be noted:

- (i) Fraud Response Plan (Appendix 4)

For the following reasons:

- (i) Compliance with best practice to support strong internal governance and controls.
- (ii) The proposals are considered to be the optimum arrangement for the achievement of value for money and deliverability.

## Policy Context

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

## Background

2. To support the work of local authorities, the Chartered Institute of Public Finance and Accountancy (CIPFA) published a Code of Practice on Managing the Risk of Fraud and Corruption. Although the Code is not currently mandatory, it represents best practice and compliance with the principles set out in the Code, helping the Council to secure good governance and demonstrate effective use of public funds.
3. The five key principles of managing the risks of fraud and corruption are to:
  - Acknowledge the responsibility for countering fraud and corruption;
  - Identify the fraud and corruption risks;
  - Develop an appropriate counter fraud and corruption strategy;
  - Provide resources to implement the Strategy; and
  - Take action in response to fraud and corruption

## Counter Fraud and Corruption Strategy

4. CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption states that an organisation needs a counter fraud strategy setting out its approach to managing its risks and defining responsibilities for action.
5. It is recognised that to minimise losses to fraud and corruption, a strategic approach with a clear remit covering all areas of fraud and corruption that may affect the Council is required. There needs to be a clear understanding of the importance of the links between policy work (to develop a counter fraud and corruption culture, create a strong deterrent effect and prevent fraud and corruption by designing robust policies and systems) and operational work (to detect and investigate fraud and corruption and seek to apply sanctions and recover losses where they are found).
6. Since 2011 the Council has had a Counter Fraud and Corruption Policy and Fraud Response Plan, but had not documented an overarching strategy. The Council's proposed Counter Fraud and Corruption Strategy clearly identifies the Council's commitment to an effective Counter Fraud and Corruption approach, as part of its overall Corporate Governance arrangements. The proposed strategy outlines the principles the Council is committed to in preventing and reporting fraud and corruption.
7. The proposed Counter Fraud and Corruption Strategy is attached at Appendix 2.
8. Regular reports on any activity relating to this Strategy, and progress against the fraud plan, will be provided to the Audit and Standards Committee.
9. An annual report will be provided to the Audit and Standards Committee on performance against the Strategy and the effectiveness of the Strategy. Conclusions will also form part of the Annual Governance Statement.

## **Counter Fraud and Corruption Policy and Fraud Response Plan**

- 10 A Counter Fraud and Corruption Policy and Fraud Response Plan forms an important part of the Counter Fraud and Corruption Strategy by setting the tone, culture and expectations of the Council, as part of the corporate framework.
- 11 The Council has had a Counter Fraud and Corruption Policy and Fraud Response Plan since 2011. A part of this review both documents have been updated to take account of current best practice and guidance.
- 12 The proposed revised Counter Fraud and Corruption Policy outlines the Council's attitude to and position on, fraud and corruption and sets out responsibilities for its prevention and detection. It also communicates important deterrence messages to employees, councillors, and third parties that fraudulent conduct will not be tolerated by the Council and that the stance against fraud is endorsed and supported at the most senior level.
- 13 The Fraud response Plan details the Council's procedures for responding to any incidents of suspected fraud or corruption. The Plan sets out how suspicions should be raised and how investigations will be conducted and concluded.
- 14 The proposed revised Counter Fraud and Corruption Policy is attached at Appendix 3 to this report and the Fraud Response Plan is attached at Appendix 4.

### **Consultation**

18. The Council's Audit and Standards Committee has been consulted on this report and was supportive of the proposed approach.

### **Alternative Options**

19. There are no alternative options as the documents are required to comply with best practice guidance.

### **Implications of recommended option**

#### **20. Resources:**

- a) **Financial Implications** - The Strategic Director, Corporate Resources confirms that there are no additional financial implications associated with the report itself.
- b) **Human Resources Implications** - There are no human resources implications arising directly from this report.
- c) **Property Implications** – There are no property implications arising from this report.

#### **21. Risk Management Implications**

These proposals are designed to complement the Corporate Risk Management Policy and framework by addressing specific risks arising from fraud and corruption.

#### **22. Equality and Diversity Implications**

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



23. **Crime and Disorder Implications**

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

24. **Health Implications**

There are no health implications arising from this report.

25. **Sustainability Implications**

There are no sustainability implications arising from this report.

26. **Human Rights Implications**

There are no human rights implications arising from this report.

27. **Area and Ward Implications**

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

28. **Background Information**

The following document has been used in the preparation of this report:

- CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption



# **COUNTER FRAUD AND CORRUPTION STRATEGY**

**Gateshead Council**  
**Counter Fraud and Corruption Strategy**

**Contents**

1. Foreword
2. Introduction
3. Legal Definition
4. Corporate Framework and Culture
5. Prevention and Deterrence
6. Detection and Investigation
7. Training and Awareness
8. Summary
9. Review

## 1. Foreword

This document sets out Gateshead Council's Counter Fraud and Corruption Strategy which outlines the principles that Gateshead Council is committed to in preventing and reporting fraud and corruption. It has the full support of councillors and Strategic Directors.

The size and nature of Gateshead Council's services mean that there is an ever present risk of loss due to fraud and corruption, from both internal and external sources. By putting in place effective measures to counter the risk of fraud and corruption Gateshead Council can minimize losses which undermine standards of service and reduce the resources available for the good of the whole community.

Councillors and employees have a responsibility for promoting a culture of good governance by ensuring that effective measures are in place to prevent fraud, corruption and by promptly identifying and reporting potential instances for investigation.

Good corporate governance and stewardship of the public funds and assets which are administered by Gateshead Council are crucial to the successful delivery of the corporate strategic aims.

High ethical standards are an integral part of good governance and can lead to increased public confidence in local democracy. In promoting good governance standards Gateshead Council aims to create an anti-fraud culture and environment to deter those who may commit fraudulent and corrupt acts and encourage those who suspect such activity to report it promptly.

Gateshead Council therefore, expects the highest standard of probity, propriety and conduct from councillors and employees. This includes the requirement of those concerned to act lawfully and to comply at all times with Gateshead Council's policies, regulations and procedures.

Gateshead Council also expects the same level of commitment from all outside individuals and organisations, including partners, contractors and customers, ensuring that they act towards Gateshead Council with honesty and integrity.

Gateshead Council is determined to protect itself from fraud and corruption and will seek to identify and prevent fraud and corruption in all areas of its activities. Where any instances are discovered, Gateshead Council will take all action as is necessary to hold perpetrators to account and reduce losses to an absolute minimum.

**Signed:**

**Signed:**

**Leader of the Council**

**Chief Executive**

## 2. Introduction

2.1 Gateshead Council (hereafter referred to as the Council) has the responsibility of protecting the public purse. In order to meet this responsibility the Council is committed to maintaining an effective Counter-Fraud and Corruption Strategy which follows the principles contained in the Code of Practice on Managing the Risk of Fraud and Corruption, published by the Chartered Institute of Public Finance and Accountancy (CIPFA). With this in mind the Council aims to:

- Ensure all employees and councillors are aware of their individual and collective responsibilities relating to the prevention and detection of fraud and corruption;
- Continually review and assess its fraud and corruption risks and implement actions to minimise the likelihood of them materialising;
- Discourage and prevent incidents of fraud and corruption from occurring, particularly in the areas of greatest risk;
- Promote and enhance detection routines to identify any incidents that do occur;
- Investigate and respond effectively to minimise the impact of any suspected or identified incidents of fraud or corruption affecting the Council;
- Strengthen any weaknesses in control systems identified from the investigative process to prevent any recurrence of the situation;
- Take the strongest possible action against proven perpetrators of fraud or corruption, including offences committed by employees, taking account of the circumstances of each case; and
- Recover any identified losses stemming from confirmed cases of fraud or corruption in addition to any associated investigation costs.

2.2 It is the responsibility of Strategic Directors to communicate this Counter-Fraud and Corruption Strategy to all managers and employees and to promote greater awareness of the risk of fraud and corruption within their Directorates.

## 3. Legal Definition

3.1 The Fraud Act 2006 describes fraud as the intention to make gain or cause loss under three main headings:

- **Fraud by false representation:**  
A person is in breach of this section if this is done dishonestly and there is intent, by making the representation, to make a gain for himself or another; or to cause or expose the risk of loss to another.
- **Fraud by failing to disclose information:**  
A person is in breach of this section if he dishonestly fails to disclose to another person information which he is under a legal duty to disclose; and intends by failing to do so, make a gain for himself or another; or to cause or expose the risk of loss to another.

- **Fraud by abuse of position:**

A person is in breach of this section if he occupies a position in which he is expected to safeguard, or not to act against, the financial interests of another person; dishonestly abuses that position with the intention to make a gain for himself or another; or to cause or expose the risk of loss to another.

There are further subheadings of fraud described, including possession of articles for use in fraud, making or supplying articles for use in frauds, participating in fraudulent business and or obtaining services dishonestly.

3.2 Corruption is defined as the offering, giving, soliciting or acceptance of an inducement or reward, or showing any favour or disfavour which may influence any person to act improperly.

#### 4. Corporate Framework and Culture

4.1 The Council has a range of interrelated policies and procedures that provide a corporate framework to help counter any fraudulent or corrupt activity. These have been formulated in line with the appropriate legislative requirements and professional best practice and include:

- Code of Conduct for councillors and employees
- Manager and Employee HR Policy and Procedures
- Individual Job Profiles
- Code of Corporate Governance
- Council's Constitution – including Standing Orders, Contract Procedure Rules and Financial Regulations
- "Whistleblowing" Policy
- Fraud Awareness and Training
- Effective internal controls systems
- Internal Audit and Risk Service Fraud Response Plan
- Effective Recruitment and Selection procedures
- Anti- Money Laundering Policy
- Counter Fraud and Corruption Policy
- Statement on the Prevention of Bribery
- Information Security Policy

4.2 The Council also has an effective Internal Audit and Risk Service and Corporate Fraud Team that assists the corporate framework to help counter any fraudulent activity.

4.3 The Council believes the best defence against fraud and corruption is to create a strong anti-fraud culture within the organisation and that a culture of honest and openness is a key element in tackling fraud and corruption. The codes of conduct for councillors and employees are based upon the Nolan principles of Standards in Public Life, namely:

- **Selflessness** – Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.

- **Integrity** – Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.
- **Objectivity** – In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
- **Accountability** – Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
- **Openness** – Holders of public office should be as open as possible about all decisions and actions they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
- **Honesty** – Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest
- **Leadership** – Holders of public office should promote and support these principles by leadership and example.

4.4 The Council expects all of its employees and councillors to comply with the seven principles of public life in all of its activities and to embrace these principles as the cornerstone of its Counter Fraud and Corruption Strategy.

## 5. Prevention and Deterrence

5.1 An effective internal control system is a vital factor in helping to prevent fraud and corruption. The internal control system comprises the whole range of financial, operational and managerial systems and procedures established within the Council to ensure its objectives are achieved in an effective and efficient manner.

5.2 It is management's responsibility to establish sound systems of internal control designed to reduce the risk posed by fraud and corruption within service areas. To this end, Internal Audit endeavours to provide appropriate advice to managers to ensure they are fully aware of the need to give sufficient emphasis to the preventative aspects of fraud and corruption work.

5.3 When delivering the Internal Audit Plan to the Council, Internal Audit has the key function of monitoring the effectiveness of internal controls in operation. The Internal Audit Plan includes a programme of work based on key risk areas as identified under the Council's risk management arrangements. This programme of work is not restricted solely to the investigation of detected fraud but also includes anti-fraud assurance work intended to deter and prevent fraud.

5.4 The Internal Audit Plan also includes fraud risk identification and assessment work which forms part of the Council's strategic risk management process.

5.5 The Council will continue to identify and assess fraud and corruption risks by:

- Increasing the understanding of potential for fraud and corruption in each Service.
- Undertaking detailed risk assessments of those specific areas potentially at risk of fraud and corruption.

5.6 The Council will seek to deter potential fraudsters from committing or attempting to commit fraudulent or corrupt acts by:

- Deploying robust systems of internal control, to mitigate the opportunity for fraud and corruption.
- Publicising the fact that the Council will not tolerate fraud and corruption, demonstrated by this Counter Fraud and Corruption Strategy and the Whistleblowing Policy.
- Acting robustly and decisively when fraud or corruption is suspected and proven.
- Taking action to effect the maximum recoveries for the Council, engaging with the Press and Public relations media, to optimise the publicity opportunities associated with anti-fraud and corruption activity within the Council. Where appropriate, the results of any action taken, including prosecutions, will be reported in the media.

5.7 The Council does not act in isolation to counter fraud and corruption. Links have been established with a number of external agencies, including:

- National Anti-Fraud Network
- Northumbria Police
- CIPFA Better Governance Forum and Counter Fraud Centre
- Networks of Heads of Internal Audit
- External Audit
- Cabinet Office
- Department for Work and Pensions
- HM Revenues and Customs
- North East Fraud Forum
- North East Tenancy Fraud Forum
- North East Regional Investigation Officers Group

5.8 As technologies develop, there is an ever increasing need to take advantage of the processing and analysis of data stored throughout the Council and beyond. This enables the information and intelligence to be generated, which is a recognised means of detecting and preventing fraud and corruption.

5.9 The Council is committed to exchanging information with other local and national agencies; activities such as these are carried out in full compliance with the Data Protection Act 1998 and with the codes of practice for National Fraud Initiative data matching exercises and includes provision of information to other agencies for data matching purposes.

## **6. Detection and Investigation**

6.1 The Council will continue to detect fraud and corruption by:

- Exchanging data with external parties such as other local authorities and other public bodies in line with the requirements of the Data Protection Act.
- Participating in the Cabinet Office biennial National Fraud Initiative data matching exercise.



- Undertaking proactive anti-fraud audits in areas of known fraud risk and having regard to the possibility of fraud and corruption in all relevant Internal Audit reviews.
- Encouraging councillors, employees, members of the public and those we work in partnership with the Council to report allegations of fraud and corruption.

6.2 It is the responsibility of Strategic Directors and managers to maintain good control systems and procedures, and ensure that all employees comply with such instructions.

6.3 When information relating to alleged fraud or corruption is obtained it is reviewed and subject to a risk assessment. Some allegations are followed up with a full investigation; others are better dealt with as management issues. Where appropriate managers shall:

- Report allegations to Internal Audit.
- Report allegations promptly and follow any guidance given.
- Where appropriate, contact other agencies, e.g. the Police.

6.4 Depending on the nature and anticipated extent of the allegations, Internal Audit will normally work closely with:

- Senior Managers
- Human Resources
- Corporate Services and Governance
- Other agencies, such as the Police and the Department for Work and Pensions

This is to ensure that all allegations and evidence are properly investigated and reported upon, and where appropriate, maximum recoveries are made for the Council.

6.5 The Council's External Auditor also has powers to independently investigate fraud and corruption.

6.6 The Council is committed to pursuing all possible sanctions for proven cases of fraud and corruption. The Council's Counter Fraud and Corruption Policy and Response Plan will be adhered to regarding the appropriate level of investigation of suspected cases. The Council is committed to pursuing disciplinary, criminal and civil sanctions where there is evidence to support the occurrence of fraud and corruption. These sanctions will be sought pursuant to the Council's Counter Fraud and Corruption Policy and Response Plan.

6.7 The Council is committed to seeking to minimise any potential loss due to fraud and corruption. In all cases of suspected fraud and corruption the Council will take action to minimise the risk of further loss. In all cases of proven fraud and corruption the Council will take action where it is available to seek to recover any funds lost due to fraud. The provisions of the Council's Counter Fraud and Corruption Policy and Fraud Response Plan will be adhered to in all instances.

6.8 Where fraud or corruption has occurred, management will need to take action to ensure that any control weaknesses which provided the opportunity for this are addressed. Any lessons learnt will be disseminated to relevant staff.

## **7. Training and Awareness**

7.1 The Council recognises that the continuing success of its Counter Fraud and Corruption Strategy will depend largely on the effectiveness of training, communication and responsiveness of employees throughout the organisation.

7.2 To facilitate this, the Council is committed to ensuring employees and councillors are aware of their responsibilities with regard to preventing fraud and corruption. To this end, the Council will ensure that there is an on-going training programme regarding measures to minimise the risk of fraud and corruption.

7.3 The Council also recognises that the organisation is exposed to risk from external partners and suppliers and that the reporting of malpractice can be in relation to third parties working for or on behalf of the Council. To this end, the Council will ensure there is an on-going programme of awareness to ensure external partners and suppliers are aware of the Council's commitment to protect its funds against fraud and corruption.

7.4 The review of the Council's internal control systems and the investigation of corporate fraud and corruption centres on Internal Audit. Officers working to counter fraud and corruption are professionally accredited and keep abreast of new developments and legislation by regularly attending relevant training courses.

## **8. Summary**

8.1 The Counter Fraud and Corruption Strategy provides a framework for preventing and tackling fraudulent and corrupt acts against the Council. The approval of the Strategy by the Audit and Standards Committee, on behalf of Gateshead Council, demonstrates the Council's commitment to the protection of public funds and the minimising of losses.

8.2 Having made this commitment it is imperative that arrangements for the circulation of this Strategy and promoting fraud awareness across the Council are maintained.

8.3 Gateshead Council is determined to keep pace with any future developments in preventative and detection techniques and to be able to respond and make changes to its Counter Fraud and Corruption Strategy.

## **9. Review**

9.1 Regular reports on any activity relating to this Strategy, and progress against the fraud plan, will be provided to the Audit and Standards Committee.

9.2 Internal Audit and Risk will ensure that this Strategy is subject to regular review, to ensure its accuracy, and to ensure that the Strategy is being successfully delivered. The success of the Strategy will be measured by the extent to which:

- Fraud is minimised, particularly within the areas that Councils are deemed most at risk from fraud and corruption.
- Proven cases of fraud, corruption or other irregularity are subject to the severest sanctions being imposed, depending on the circumstances of each case.
- Proven cases involving employees are dealt with through the Council's disciplinary process.
- Any identified losses are recovered and where appropriate a financial investigation will be conducted in line with the Proceeds of Crime Act 2002.
- Successful prosecutions and disciplinary hearings are publicised, taking account of any restrictions on reporting.
- Employees and councillors are provided with training and are aware of their anti- fraud and corruption responsibilities.

9.3 An annual report will be provided to the Audit and Standards Committee on performance against the Strategy and the effectiveness of the Strategy. Conclusions will also form part of the Annual Governance Statement.



# **COUNTER FRAUD AND CORRUPTION POLICY**

Reviewed March 2018

**Gateshead Council**  
**Counter Fraud and Corruption Policy**

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## **1. Foreword by the Chief Executive**

- 1.1 Gateshead Council is opposed to fraud and corruption in all forms, whether perpetrated from within or outside of the organisation. We advocate a zero tolerance approach and will seek to prevent fraud and corruption, including bribery, in all areas of our activities. Where any instances are discovered the Council will take all action as is necessary to hold perpetrators to account and reduce losses to an absolute minimum.

Fraud and corruption cheats the local tax payer and undermines the aims of our Council to achieve our vision of 'Making Gateshead a place where everyone thrives', by providing value for money services in an open, honest and accountable way.

As the Council considers how to maintain core services against the background of public sector funding cuts it is essential that we continue to maintain strong defences against fraud and corruption by directing resources most effectively to mitigate the risks we face. This will involve working closely with partners, contractors and other stakeholders to overcome any barriers to effective fraud fighting and making the best use of available information and intelligence.

All councillors and employees have a responsibility for promoting a culture of good governance by ensuring that effective measures are in place to prevent fraud, corruption and other irregularities and by promptly identifying and reporting potential instances for investigation.

**Sheena Ramsey**  
**March 2018**

## **2. Introduction**

- 2.1 The Policy is based on a series of comprehensive and inter-related procedures, designed to prevent, detect and deter fraud and corruption and to take effective action against any attempted or actual fraudulent or corrupt act affecting the Council.
- 2.2 Gateshead Council's Internal Audit and Risk Service has the key function of monitoring the effectiveness of internal controls in operation. This also includes carrying out investigations into suspected cases of fraud and corruption.
- 2.3 The purpose of this policy is to outline Gateshead Council's approach, as well as defining roles and responsibilities for dealing with the threat of fraud and corruption, both internally and externally. It applies to:
- Councillors
  - Employees
  - Agency Staff
  - Contractors
  - Consultants
  - Suppliers
  - Service users
  - Employees and committee members of organisations funded by Gateshead Council
  - Employees and Principals of Partner Organisations

In addition to the above, the Council also expects the residents of Gateshead to adhere to the principles set out in this policy and be honest in their dealings with the Council.

- 2.4 This policy sets out Gateshead Council's commitment to tackling fraud and corruption. This makes it clear to all concerned that appropriate and decisive action will be taken against those committing or attempting to commit, fraudulent or corrupt acts against the Authority.

## **3. Corporate Framework**

- 3.1 Gateshead Council has a range of interrelated policies and procedures that provide a corporate framework to counter fraudulent activity. These have been formulated in line with appropriate legislative requirements, and include:
- Codes of Conduct for Councillors and Officers
  - Manager and Employee HR Policy and Procedures
  - Individual Job Profiles
  - Code of Corporate Governance

- Council's Constitution – including Standing Orders, Contract Procedure Rules and Financial Regulations
- "Whistle Blowing" Policy
- Fraud Awareness and Training
- Effective Internal Control Systems
- Internal Audit and Risk Service Fraud Response Plan
- Effective Recruitment and Selection Procedures
- Anti-Money Laundering Policy
- Counter Fraud and Corruption Strategy
- Statement on the Prevention of Bribery
- Information Security Policy

3.2 Gateshead Council believes that a culture of honesty and openness is a key element in tackling fraud. The Codes of Conduct for Councillors and Staff are based on the Nolan Principles of Standards in Public Life. Where councillors or employees fail to adhere to these codes appropriate action will be taken against them.

#### **4. Legal Definitions**

4.1 The Fraud Act 2006 describes fraud as the intention to make gain or cause loss under three main headings:

- Fraud by false representation
- Fraud by failing to disclose information
- Fraud by abuse of position

4.2 Corruption is defined as the offering, giving, soliciting or acceptance of an inducement or reward, or showing favour or disfavour which may influence any person to act improperly.

#### **5. Prevention**

##### **Employees**

5.1 Gateshead Council recognises that employees are often the first line of defence in preventing fraud. A key preventative measure in that fight is the effective recruitment of employees.

5.2 Employee recruitment will be undertaken in accordance with Council's policies for Recruitment and Selection. Strategic and Service Directors should ensure that procedures laid down in the HR Policies and Procedures in respect of recruitment are followed and that, in particular, references are obtained before employment offers are confirmed.

5.3 For certain posts, Gateshead Council will undertake checks on potential new employees, to ascertain whether they are or have been falsely claiming Housing and/or Council Tax Benefit. These posts are based in the Benefits, Housing and



Council Tax areas plus any additional posts the relevant Strategic Director considers appropriate.

- 5.4 Employees of the Council are expected to follow any Code of Conduct related to their Professional Institute and are also required to abide by the Code of Conduct for Local Government Employees adopted by the Council in April 1998. This includes provisions in respect of the declaration or registration of interests, gifts and hospitality.
- 5.5 Employees must operate under Section 117 of the Local Government Act 1972 regarding the disclosure of pecuniary interests in contracts relating to the Council, or the non-acceptance of any fees or rewards whatsoever, other than their proper remuneration, subject to the provisions of the Council's Code of Conduct for Employees.
- 5.6 The Council recognises that training and the responsiveness of employees is important to the continuing success of its counter fraud and corruption strategy. Employees should therefore be alert to the possibility of fraud and corruption and report any concerns. Gateshead Council has a "Whistle Blowing" Policy in place to assist employees and other stakeholders in reporting concerns about fraud and other issues without fear of reprisal.
- 5.7 The Council has in place disciplinary procedures for all employees. Those found to have breached the Code of Conduct will be dealt with in accordance with these procedures. Where criminal activity is suspected or found, the matter will be referred to the Police for investigation and possible prosecution, in accordance with the Fraud Response Plan. In addition, restitution will be sought from those who are found to have perpetrated fraudulent acts.

### **Councillors**

- 5.8 Councillors are expected to operate honestly and without bias. Their conduct is governed by:
  - The Code of Conduct for Councillors of Gateshead Council
  - The Council's Constitution
  - Council Protocols
- 5.9 These matters are specifically brought to the attention of councillors at their induction course and are in the Councillor Engagement and Development Framework. They include rules on the declaration and registration of potential areas of conflict between council duties and responsibilities and any other areas of their personal or professional lives.
- 5.10 Gateshead Council has in place an Overview and Scrutiny process. Its remit includes the decisions and actions undertaken by the Council. Any matter arising from this process, in which fraud is suspected, can be referred to Internal Audit for independent investigation.

- 5.11 Gateshead Council's Audit and Standards Committee has included within its terms of reference a responsibility to consider the effectiveness of the Council's internal control environment and its associated counter fraud and corruption arrangements.
- 5.12 The Local Government Act 2000 requires all councillors to give a written undertaking to comply with the Code of Conduct, if they are to remain on the Council.

### **Internal Control Systems**

- 5.13 Financial Regulations of the Council provide the framework for financial control. The Council's Financial Regulations require each Strategic Director to establish effective internal controls so that the activities under their responsibility are conducted in an efficient and well-ordered manner. Internal control comprises the whole system of control and methods, both financial and otherwise, which are established to: -
- Safeguard the Council's assets;
  - Ensure the reliability of records; and
  - Monitor adherence to policies and procedures.
- 5.14 The Council's Internal Audit and Risk Service independently review, appraise and report on the soundness, adequacy and application of internal controls. Strategic and Service Directors are required to notify at once, and before proceeding with any further investigation, the Strategic Director, Corporate Resources of any matters involving, or thought to involve theft, fraud, corruption or financial irregularity which involves the Council's interests.
- 5.15 The Council's external auditors also provide safeguards for the stewardship of public monies. The external auditor has a specific responsibility to review the adequacy of the Council's financial systems and its arrangements for the prevention and detection of fraud and corruption.

### **Working / Liaison with Others**

- 5.16 There are a variety of arrangements in place, which facilitate the regular exchange of information between Gateshead Council and other local authorities and agencies, for the purpose of preventing and detecting fraud. These involve national, regional and local networks of investigators / inspectorates and include Internal Auditors, Trading Standards Officers and the Department for Work and Pensions.
- 5.17 With the increase in recent years of frauds perpetrated against a variety of public bodies, the necessity for liaison with other organisations has become paramount. The Council recognises that to prevent fraudsters using multiple identities and addresses, it cannot work in isolation and must liaise with other organisations. It has therefore developed a number of external contacts which include:-

- National Anti-Fraud Network
- Northumbria Police
- CIPFA Better Governance Forum and Counter Fraud Centre
- Networks of Heads of Internal Audit Group
- External Audit
- Cabinet Office
- North East Fraud Forum
- North East Tenancy Fraud Forum
- North East Regional Investigation Officers Group
- Department for Work and Pensions
- HM Revenue and Customs

5.18 The Council is committed to exchanging information with other local and national agencies; such activity is carried out in full compliance with the Data Protection Act 1998 and with the Code of Practice for National Fraud Initiative data matching exercises and includes providing information to other agencies for data matching purposes.

## **6. Deterrence**

6.1 There are a number of ways to deter potential fraudsters from committing or attempting fraudulent or corrupt acts, from both inside and outside of the Council, and these include: -

- Publicising the Council's stance against fraud and corruption and stating this at every appropriate opportunity.
- Acting robustly and decisively when fraud and corruption are suspected and proven.
- Taking action to effect the maximum recoveries for the Council.
- The Service Director, Policy, Performance and Communications optimising the publicity opportunities associated with counter fraud and corruption activity within the Authority.
- Having sound internal control systems, that still allow for innovation, but at the same time do not provide opportunity for fraud and corruption.
- The Council's "Whistle Blowing" Policy
- The operation and advertising of a fraud hotline and online fraud reporting form.

6.2 It is the responsibility of Strategic and Service Directors to communicate the Counter Fraud and Corruption Policy to their staff and to promote a greater awareness of fraud within their Services.

## **7. Detection and Investigation**

### **Detection**

- 7.1 The preventative systems within the Council, particularly internal control systems and audit, generally should be sufficient in themselves to deter fraud but they have also been designed to provide indications of any fraudulent activity. In performing their duties, internal auditors will:
- Endeavour to reveal any serious defects in systems of internal control which might lead to the perpetration of fraud;
  - Be alert to the possibility of malpractice or corruption;
  - Take nothing for granted; and
  - Be aware of the possibility of collusion.
- 7.2 It is often the alertness of councillors, employees and the public that enables detection to take place and they are positively encouraged to raise any concerns that they have in connection with the Council's activities. Such concerns will be treated in confidence and properly investigated. These concerns can be raised through any of the following routes:
- Line Managers
  - Internal Audit and Risk Service
  - Strategic Director, Corporate Resources
  - Chief Executive, Strategic Director or Service Director
  - Council's Complaints Procedure
  - Council's "Whistle Blowing" Policy
  - Corporate Fraud Hotline or online fraud reporting form

### **Investigation**

- 7.3 The Strategic Director, Corporate Resources is responsible for following up all allegations of fraud and corruption received and will do so by arranging for the Internal Audit and Risk Service to carry out an investigation. The Internal Audit and Risk Service will ensure that:
- Investigations are both independent and objective;
  - Matters are dealt with promptly;
  - All evidence is recorded;
  - Evidence is sound and adequately supported;
  - All evidence is held securely;
  - Liaison with the Police is undertaken if appropriate;
  - In consultation with Human Resources and the Strategic Director, Corporate Services and Governance and the relevant Strategic Director, the Council's disciplinary procedures are implemented;
  - The Council's insurers are informed if appropriate;
  - Rules of natural justice are applied; and
  - The Council's "Whistle Blowing" Policy is adhered to.

- 7.4 Where financial impropriety is discovered, either from employees defrauding the Council or from persons committing criminal offences against it (such as members of the public who have dishonestly obtained benefits to which they are not entitled), then the general rule is that the matter will be referred to the Police. The final decision on referral will lie with the Strategic Director, Corporate Resources and, where appropriate, in consultation with the Strategic Director concerned. The following factors will be taken into account:
- The amount of the loss and the duration of the offence;
  - The person's physical and mental condition;
  - Voluntary disclosure and arrangements for restitution;
  - How strong the evidence is;
  - Whether the prosecution is in the public interest; and
  - The deterrent effect of any publicity associated with the case.
- 7.5 In the case of 'internal' fraud, disciplinary action does not depend upon the instigation or success of a prosecution; there are different standards of evidence and materiality required.
- 7.6 There is a need to ensure that any investigation process is not misused. Any abuse therefore such as raising unfounded malicious allegations may be dealt with as a disciplinary matter in accordance with the Council's "Whistle Blowing" Policy and may leave the complainant open to an action for defamation.
- 7.7 Gateshead Council will seek to utilise all measures to recover any losses arising from fraud or corruption. This will include the raising of debtor invoices, insurance cover, pension seizure and civil action under the Proceeds of Crime Act 2002.

## **8. Raising Fraud Awareness**

- 8.1 Gateshead Council recognises that the success and credibility of its Counter Fraud and Corruption Policy will depend largely on how effectively it is communicated throughout the organisation and externally. Every opportunity will be taken to bring it to the attention of employees, councillors and other stakeholders. This policy will also be published on the Council's website and Intranet.
- 8.2 The Council recognises that the continuing success of its Counter Fraud and Corruption strategy and its general credibility will depend largely on the effectiveness of programmed training and the responsiveness of employees throughout the organisation.
- 8.3 Gateshead Council supports the concept of induction training, particularly for officers involved in internal control systems, to ensure that their responsibilities and duties in this respect are regularly highlighted and reinforced. The possibility of disciplinary action against officers who ignore such training and guidance is clear.

- 8.4 The officers involved in the review of internal control systems and investigative work will be properly and regularly trained. The Chief Internal Auditor maintains a Training and Development Plan for Internal Audit and Risk staff to satisfy this requirement and this is subject to regular review.
- 8.5 The Internal Audit and Risk Service offers tailored programmes in Internal Audit and Fraud. In the regular Council News bulletins the Internal Audit and Risk Service will publicise fraud related issues as well as giving details of the outcomes of some of its investigations where necessary. These newsletters are distributed to all employees and are displayed on the Council's Intranet.
- 8.6 Any relevant highlights on current issues and practices will also be communicated via the monthly employee team brief, for inclusion in staff briefings.

## **9. Notifying Actual or Suspected Fraud or Corruption**

- 9.1 Suspected fraud or corruption can be discovered in a number of ways but in all cases it is important that individuals feel able to report their concerns and are also aware of the means by which they are able to do so. Matters of concern regarding suspected fraud or corruption should be reported, no matter how minor they appear.

The routes to report concerns are:

- **Strategic Director, Corporate Resources**

The Council's Strategic Director, Corporate Resources can be contacted on 0191 433 3582

- **Monitoring Officer**

The Council's Monitoring Officer, Strategic Director, Corporate Services and Governance can be contacted on 0191 433 2102

- **Internal Audit**

Any cause for concern can be reported to the Internal Audit and Risk Service:

- Chief Internal Auditor, 0191 433 3711
- Audit and Risk Manager, 0191 433 3476

- **Corporate Fraud Team**

Internal Audit and Risk, Gateshead Council, Civic Centre, Gateshead, NE8 1HH

- Telephone number 0191 433 2805
- Email: [fraudreporting@gateshead.gov.uk](mailto:fraudreporting@gateshead.gov.uk)

- [Online Fraud Reporting Form](#)
- **Line Managers**

Officers should normally raise concerns through their immediate line manager. They should then report this to the officers mentioned above. For more information refer to the Council's "Whistle Blowing" Policy.
- **Chair, Audit and Standards Committee**

Cause for concern can also be reported to the Chair of the Council's Audit and Standards Committee who can be reached through the councillors' secretariat on 0191 433 2074
- **External Auditor (Mazars)**

The Council's External Auditor is Mazars and they too can be contacted to report areas of concern. They can be contacted on 0191 433 3662



# FRAUD RESPONSE PLAN

March 2018



## **1. Introduction**

- 1.1 The purpose of a Fraud Response Plan is to define responsibilities for action and reporting lines in the event of suspected fraud or corrupt activity. The use of the Plan should enable the Council to prevent loss of public money, recover losses and establish and secure the evidence necessary for any civil, criminal or disciplinary action.
- 1.2 The Response Plan should also provide direction to take appropriate action against those responsible for any fraud or corrupt act.
- 1.3 The Response Plan complements the Counter Fraud and Corruption Policy and forms part of the overall Counter Fraud and Corruption Strategy of the Council.

## **2. Prevention**

- 2.1 In some circumstances it is not possible to deter fraudsters, so the next most preferable course of action is to prevent fraud from succeeding before there is any loss to Council funds. This can be achieved by developing systems with administrative or technical features, which make them less vulnerable to fraud, referred to as Internal Controls.
- 2.2 It is management's responsibility to establish and maintain systems of internal control and to ensure that the Council's resources are applied appropriately. The Internal Audit and Risk Service operates as an aid to management to give assurance as to the effectiveness of internal control and to make recommendations for improvement. Management should strive to design the potential for fraud out of all new policies and procedures.
- 2.3 It is recognised that in organisations in which fraud occurs, frauds are often perpetrated by employees who familiarise themselves with controls in order that they can circumvent these controls for personal gain. The honesty and integrity of employees is therefore paramount. It is management's responsibility to ensure that in line with the Council's recruitment and selection process appropriate pre-employment screening is operated diligently to prevent unsuitable candidates from securing positions within the Council. This includes agency staff.

## **3. Detection and reporting suspected fraud**

- 3.1 All employees and councillors should be aware of the possibility of fraud and corruption and should report any concerns they have without fear of recrimination. There are a variety of ways of making reports, both personally and anonymously, by using the Council's Whistleblowing Policy, reporting to management or to the Internal Audit and Risk Service Corporate Fraud team - using either the online Fraud Reporting Form or by contacting the fraud reporting hotline 0191 433 2805.
- 3.2 All concerns will be treated in confidence and will be investigated promptly and fully in a professional manner, in line with this Fraud Response Plan. It should be noted that an allegation does not mean the individual person or organisation

is guilty of any wrong-doing, and so they will not be treated as such until the case is proven.

- 3.3 There is a need to ensure that the investigation process is not misused, therefore, if it is found that an allegation has been made in bad faith, maliciously, or for personal gain, then disciplinary action may be taken against that employee.
- 3.4 The Council is committed to the exchange of data with external parties such as other local authorities and other public bodies which are aimed at detecting fraud. In line with the requirements of the Data Protection Act, the Council has in place fair processing notices to facilitate this data exchange. Gateshead Council fully participates in the Cabinet Office's National Fraud Initiative (NFI); a biennial data matching exercise aimed at detecting fraud.
- 3.5 All Internal Audit reviews will have regard to the possibility of fraud. In addition, a series of pro-active counter fraud reviews are undertaken annually in areas of known fraud risk.

#### **4. Investigation**

- 4.1 Where it is appropriate to do so (i.e. without alerting the alleged fraudster), initial enquiries may be made by the manager or the Corporate Fraud team, as agreed with the Chief Internal Auditor, to determine if there actually does appear to be an issue of fraud or other irregularity.
- 4.2 During the initial enquiries, managers should:
  - Determine the factors that gave rise to the suspicion;
  - Examine the factors to determine whether a genuine mistake had been made or whether a fraud or irregularity has occurred;
  - Where necessary, carry out discreet enquiries with staff and / or review documents; and
  - Contact the Chief Internal Auditor to discuss the allegation and agree any proposed action.
- 4.3 An evaluation of the case should include the following details:
  - Outline of allegations;
  - Officers involved, including job role and line manager;
  - Amount involved / materiality / impact;
  - Involvement of any other parties;
  - Timescales – one off or ongoing; and
  - Evidence – where held and access.
- 4.4 In accordance with the Counter Fraud and Corruption Strategy, without prejudice to any action required of Chief Officers under any disciplinary codes, procedures or regulations, the Chief Internal Auditor will, in consultation with the Strategic Director, Corporate Resources, and the Monitoring Officer, make a decision on the action to take, including any preliminary audit investigation or

referral to the Police.

- 4.5 The Chief Internal Auditor should be informed of the results of the initial enquiry so that the case can be closed or a more detailed investigation organised. Internal Audit and Risk staff have the power to access documents, and obtain information and explanations from any officer for the purpose of audit.
- 4.6 Where the initial enquiry appears to indicate misconduct by a Council employee the manager should inform Internal Audit and Risk of:
  - All the evidence gathered; and
  - The actions taken with regard to the employee (e.g. suspension or redeployment) or any other action taken to prevent further loss.
- 4.7 The manager should liaise with Human Resources and be aware of the Council's requirements regarding the disciplinary process. If suspension is necessary, this requires the prior approval from the Service Director.
- 4.8 Depending on the size of the fraud or the circumstances of its perpetration, the Chief Internal Auditor will consider whether the Corporate Fraud team should undertake the investigation. If appropriate, advice and guidance will be provided by Internal Audit and Risk and Human Resources to enable an investigation to be undertaken by an appropriate officer within the service area.
- 4.9 Internal Audit and Risk will review the outcome of the investigation (irrespective of whether undertaken by its own staff or the staff from the service area), to ensure that appropriate action is taken to help detect/prevent similar frauds and make recommendations to strengthen internal control systems.
- 4.10 The Investigating Officer will:
  - Deal promptly with the matter;
  - Record all evidence that has been received;
  - Ensure that evidence is sound and adequately supported;
  - Secure all of the evidence that has been collected;
  - Where appropriate, contact other agencies;
  - When appropriate, arrange for the notification of the Council's insurers;
  - Report to senior management, and where appropriate, recommend the action to be taken by management in accordance with the Counter Fraud and Corruption Strategy and the Council's Disciplinary Procedure; and
  - If a criminal act is being investigated seek advice from the Monitoring Officer to ensure that the investigation is undertaken in accordance with the Police and Criminal Evidence Act 1984 (PACE).
- 4.11 Where circumstances merit, close liaison will take place between the Investigating Officer, Internal Audit and Risk, Strategic Director, Corporate Resources, Monitoring Officer, the respective Service/Directorate and Human Resources as appropriate.

## **5. Sanctions and Recovery of Losses**

5.1 The Council will seek the strongest sanctions against individuals/ organisations who commit fraud against the Council. The Council will in appropriate cases:

- Take disciplinary action where it involves an employee and this may lead to dismissal.
- Refer the case for local investigation by the Audit and Standards Committee where it involves a Member.
- Pursue a criminal prosecution. This will act as a deterrent to other fraudsters.
- Pursue civil proceedings to recover all amounts due to the Council.
- Where appropriate the results of any action taken, including prosecutions will be reported in the media.

5.2 If the Chief Internal Auditor determines that the Police need to be involved, either from the start or at a later stage in the investigation, Internal Audit and Risk will support the police investigation as necessary.



**Minute from Audit and Standards Committee Meeting Monday, 29 January 2018**

**ASC 101 Counter Fraud and Corruption Arrangements**

The Committee has been provided with details of the outcome the recent review of the Council's overall Counter Fraud and Corruption Arrangements, including the revised Counter Fraud and Corruption Policy and Fraud Response Plan and the proposed Counter Fraud and Corruption Strategy.

CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption states that an organisation needs a counter fraud strategy setting out its approach to managing its risks and defining responsibilities for action.

It is recognised that to minimise losses to fraud and corruption, a strategic approach with a clear remit covering all areas of fraud and corruption that may affect the Council is required. There needs to be a clear understanding of the importance of the links between policy work (to develop a counter fraud and corruption culture, create a strong deterrent effect and prevent fraud and corruption by designing robust policies and systems) and operational work (to detect and investigate fraud and corruption and seek to apply sanctions and recover losses where they are found).

Since 2011 the Council has had a Counter Fraud and Corruption Policy and Fraud Response Plan, but had not documented the overarching strategy. The Council's draft Counter Fraud and Corruption Strategy clearly identifies the Council's commitment to an effective Counter Fraud and Corruption approach, as part of its overall Corporate Governance arrangements. The draft strategy outlines the principles the Council is committed to in preventing and reporting fraud and corruption.

Regular reports on any activity relating to this Strategy, and progress against the fraud plan, will be provided to the Committee.

An annual report will be provided to the Committee on performance against the Strategy and the effectiveness of the Strategy. Conclusions will also form part of the Annual Governance Statement.

A Counter Fraud and Corruption Policy and Fraud Response Plan forms an important part of the Counter Fraud and Corruption Strategy by setting the tone, culture and expectations of the Council, as part of the corporate framework.

The Council has had a Counter Fraud and Corruption Policy and Fraud Response Plan since 2011. A part of this review both documents have been updated to take account of current best practice and guidance.

The Counter Fraud and Corruption Policy outlines the Council's attitude to and position on, fraud and corruption and sets out responsibilities for its prevention and detection. It also communicates important deterrence messages to employees, councillors, and third parties that fraudulent conduct will not be tolerated by the Council and that the stance against fraud is endorsed and supported at the most senior level.

The Fraud Response Plan details the Council's procedures for responding to any incidents of suspected fraud or corruption. The Plan sets out how suspicions should be raised and how investigations will be conducted and concluded.

In response to a query on how these documents would be shared with employees, the committee was informed that they would be subject to a report to the Council's SMG Services and Performance and then to Cabinet. Following this they would be the subject of employee briefings. It is intended that a six monthly report will be presented to this Committee providing updates on the work of the Corporate Fraud Team.

The Chair suggested that this topic could form a theme for the Committee to consider at a future meeting or form the basis of a councillors' seminar.

RESOLVED - That the Counter Fraud and Corruption Strategy, Counter Fraud and Corruption Policy, and Fraud Response Plan be approved.

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# COUNCIL MEETING

22 March 2018

## GATESHEAD COUNCIL

### REPORT FROM THE CABINET

#### 1. PURPOSE OF THE REPORT

This is the report from the Cabinet. Its purpose is to report on issues for the period January to March 2018.

#### PROGRESS ON KEY ISSUES

#### 2. DEPUTY LEADER

##### *Trading*

##### Lead Association for Catering in Education (LACA) Awards

These awards are open to all education catering organisations in both the private and public sector, and aim to acknowledge individuals and teams of people who continue to make a real difference in education catering.

The Council's School Catering Service was shortlisted for six awards in the LACA Annual North East & Scotland awards, which were held on Friday 2 March at Ramside Hall.

- Catering management team of the year (*runners up – highly commended*)
- Catering operation award for innovation
- Employee of the year, golden rolling pin – Alison Hopper, Fellside Primary
- Secondary school catering team of the year – Sedgefield Community College
- Primary school catering team of the year – Gibside School (*runners up – highly commended*)
- School catering employee (unit based) outstanding achievement award – Sarah Sinclair, Mobile Unit Manager

#### 3. PEOPLE

##### *Children and Young People*

##### Digital Me

At the regional 2018 Awards for the Royal Television Society a Technology Innovation Award was presented to Digital Voice for Communities for a project commissioned by the Council's Children's Rights Service.

The award was given because of its pioneering and creative techniques to "give a digital voice" to people who need to retain anonymity.

More than 400 people from the media industry saw the trophy presented by Sky Television's Pete Graves to Julie Nicholson, DV Director, along with project developers Ronnie Johnston and Robin Cowings.

The judges said: Digital Me is "A lovely, humanising project and the clear winner of the category." "An ingenious and affecting method of motivating children with tough stories to raise awareness of their experiences and get policymakers inside..." "An excellent use of technology — anonymity of users to produce creative interaction/engagement."

## ***Adult Social Care***

### Special Olympics – World Championships

Three of our Special Olympics Gateshead Tyne and Wear athletes, who use the Council's in-house Adult Social Care Provider Services, have been selected to represent Great Britain in the Special Olympics World Championships in Abu Dhabi, in March 2019. Sandra Armstrong (Phoenix Community Base) will compete in swimming and David Martin and Mark Proctor (both Shared Lives support) will compete in powerlifting.

The Special Olympics World Summer Games are held once every 4 years and the Abu Dhabi games will be the first time that the week-long games are to be held in the Middle East. Over 7,000 athletes from over 170 countries will take part. Sandra, David and Martin's swimming and powerlifting competitions will take place at the Zayed Sports City Stadium, the largest sports venue in the Gulf. The event will be a life changing experience for these athletes as they represent Gateshead and their country, going up against the very best Special Olympics athletes in the world.

### Achieving Change Together (ACT) Team

The Council is part of the North East and Cumbria Transforming Care Partnership, one of six fast track areas in England to support change in learning disability and/or autism services. NHS England has committed to a programme which will see the closure of all inappropriate inpatient provision and to build support in communities to enable people to lead active lives within those communities and to live in their own homes. Support in the community will need to reflect the diversity of people who have a learning disability and /or autism, some of whom display behaviour that challenges.

Building the Right Support (BRS) outlines a national plan spanning 3 years to facilitate the closure of inpatient beds and the development of a community model. This will require a change of culture and practice, upskilling of the workforce and changes to the infrastructure, data collection/sharing and performance management of all organisations involved. There are nine principles that underpin the National Service Model of BRS:

- i. People have a good and meaningful life;
- ii. Care and support is person centred, planned, proactive and coordinated;
- iii. People have choice and control about their care and support;
- iv. People are supported to live in the community with the support they need;
- v. People have choice about where they live and who they live with;
- vi. People get good care and support from mainstream NHS services;
- vii. People can access specialist support when they need it;
- viii. People get support to stay out of trouble; and
- ix. Where needs cannot be met in the community, people can access high quality hospital services, staying no longer than they need to

Funded through the Better Care Fund, the ACT team is made up of existing council employees from across social care assessment, in house provider and commissioning services, with the overall objective being to promote independence and reduce dependency on long term statutory services. The first phase of their work is to review high cost packages and work with other council services to provide a unified approach to achieving better outcomes for Gateshead residents.

#### **4. PLACE AND ECONOMY**

##### ***Environment and Transport***

###### Young People's Travel

Research has been undertaken nationally into a trend of decreasing travel among young adults under 30. Since the millennium the number of trips undertaken by people in this age band has fallen by 28% for men and 24% for women. Most of this decline has been in car use, with levels of public transport use and cycling remaining almost static.

The research identifies a number of factors underlying this trend, including higher levels of participation in education, lower disposable income and less job security, as well as an increasing tendency to live in urban areas. While some of these trends may eventually change, the conclusion is that car use among the young is unlikely to return to former levels.

These changing patterns are something that will need to be taken into account when considering policy and identifying the best way to meet future travel needs within Gateshead.

###### Clean Bus Technology

As previously reported, the Council submitted a bid for just over £1.5 million from the Government's Clean Bus Technology Fund in November 2017. In February, it was announced that the bid has been successful in full. The project will involve the fitting of improved exhaust technology to 79 vehicles operating 9 routes in Gateshead.

This technology will reduce the exhaust emissions of older buses down to the levels of the newest diesel buses (Euro VI). This will help to improve air quality across the Borough, but with a particular focus on the Nitrogen Dioxide exceedances identified by DEFRA.

##### ***Economy***

###### Super-fast Broadband and Wi-Fi

Superfast broadband is currently available to over 96% of premises Gateshead. This has increased from 68% in 2011 through a combination of Government and Council investment, together with the providers' commercial upgrade plans.

More work is planned over the next 18 months to extend this coverage even further. The main areas for investment so far have been in the west of the Borough and Kibblesworth. The coverage in Gateshead is above the UK average. Free Wi-Fi is now available in public areas of most Council buildings including Libraries, Leisure Centres and Bewicks. Free Wi-Fi is also available in the town centre and on Gateshead Quays. Both the in-building and on-street Wi-Fi service is being well used

### Employee Event – Salary Deduction Saving via Credit Union

The Credit Union employee membership event was aimed at increasing the number of Council employees saving via salary deduction and thus helping to increase the financial wellbeing of the workforce.

The event resulted in 14 new Credit Union members and 2 current savers increasing their savings amounts.

As a result of the event 260 employees are saving £241,484 per year at an average of £928 per employee with NEFirst Credit Union via salary deduction. This is approximately 5.7% of all non-school employees.

### Fairtrade Town Status

The Gateshead Fairtrade Partnership has been successful in retaining Fairtrade Town Status for another two years.

Despite limited resources, the Partnership has refocused its efforts to encourage more young people via schools to get involved in raising awareness of the financial struggles farmers and workers who grow Fairtrade products have in developing countries.

The Borough has been a Fairtrade Town since February 2007. The partnership is chaired by Cllr Mary Foy and has representatives from primary and secondary schools, Gateshead College, Traidcraft and Gateshead Youth Assembly.

### Briefing on the Plevin Case and a New Direction to the Financial Ombudsman

A recent Supreme Court decision means that people who have had cases rejected for mis-selling of Payment Protection Insurance (PPI) are now likely to have a valid claim.

The Financial Ombudsman did not take into account grounds for mis-selling that related to the issue of undisclosed commission, and the court found that this was wrong.

All such cases will now be reconsidered, and a large amount of people will receive letters from the Financial Ombudsman advising they will be entitled to redress. People who have never made a claim for mis-selling now have an additional valid ground for complaint.

It seems likely that around 1.2 million people will benefit from the court ruling.

## **5. COMMUNITIES**

### ***Communities and Volunteering***

#### Chase Park Heritage Lottery Fund Project

The partnership between the Council and the Friends of Chase Park has completed the construction phase of the improvements to Chase Park. The project is now entering the activity plan phase of delivery. Funding was provided in the original Heritage Lottery Fund (HLF) award to create a three year activity programme and to employ a community worker. In January the partnership successfully recruited Clare Ross to deliver the activity plan which will introduce a range of activities agreed by HLF as part

of original bid. Clare will be managed by the Waste Services and Grounds Maintenance Service working 18 ½ hours per week in the park.

Diverse activities are planned to engage local people including an oral history project and a time capsule, the creation of a demonstration video involving skate boarders, environmental projects and delivery of a wide range of themed events. Volunteers will assist Clare in the delivery of the plan. This is important as each volunteer hour contributes to the £25,000 target for match funding under the agreement with HLF. So far volunteer interest has been received from local schools, the Prince's Trust and the National Volunteers Service, as well as local people who have attended the first open volunteering session. As this plan rolls out further updates will be provided.

### ***Culture, Sport and Leisure***

#### Angel20

The Angel of the North is one of the most successful pieces of public art in Britain, viewed by millions and an iconic image representing Gateshead and the wider North East of England. Angel20 is a programme of art, library, heritage and media activities marking the 20<sup>th</sup> anniversary of the artwork which launched on the Angel's birthday on 15 February and will run for a year until February 2019. Angel20 will ensure Gateshead residents, schools and visitors to the borough have an opportunity to engage and celebrate the Angel of the North.

Angel20 includes exhibitions, workshops and events alongside a social media campaign using #Angel20 to encourage public engagement in sharing memories, photographs, and stories on their life with the Angel over the last 20 years. Media coverage for the 20<sup>th</sup> birthday was extensive with regional and national press and TV. #Angelofthenorth was trending on twitter throughout the day on 15 February and Ant and Dec retweeted a Chronicle post with #Angel20. To maximise impact, profile and resource, Angel20 is connecting with regional and national partners including Historic England, Go North East, Great Exhibition of the North, Media19, Late Shows, Thought Foundation and 64Million Artists.

#### Land of Oak & Iron and Tourism in the West of the Borough

There are a number of site specific schemes and project wide schemes that are beneficial to Gateshead as part of the Land of Oak & Iron initiative. The Heritage Centre at Winlaton Mill is under construction and is expected to open in June this year. Access improvements totalling more than £100,000 are being delivered and local groups have secured £27,000 from the Land of Oak & Iron grants scheme. A marketing campaign ran in 2017 titled, 'Gateshead's Great Outdoors' resulted in more than 1 million engagements with range of communication tools used from a leaflet highlighting key attractions to competitions on Heart FM. The combination of these activities on the back of the Rural Economic Strategy seeks to raise the profile of the west borough as a destination for day trips and tourists.

#### HELP - Healthy Emotional Lives Programme

This programme will employ a professional youth mental health worker alongside an artist in residence for four terms to explore how arts based interventions designed for each school and for the transition phase between the primary and secondary schools, can reduce anxiety and stress, build resilience and confidence in the young people leading to the general improvement of their mental health.

The funding has been raised through the commitment of the schools participating matched pound for pound by the Culture Bridge NE Partnership Investment Challenge £88,000 in total. However as the programme progresses related activities in Gateshead will add value to the investment. The programme will build lasting relationships between the regions cultural providers and the participating schools. It will show how the arts and culture can support improved mental health and share training in mental health first aid and creative project planning. The shared learning and experience of the schools and arts based organisations participating in the programme will create a legacy of data and offer direction to further planning.

The whole programme will be evaluated using research based evaluation techniques and full reporting will take place at the end of the programme. Call for artist proposals and recruitment to the Mental Health Post began in late February 2018 to appoint by the Easter Holidays. It is anticipated that the schools programme will commence in May 2018 and run until Autumn 2019.

## **6. CONCLUSION**

The Council is asked to note this report.