

CABINET AGENDA

Tuesday, 21 November 2023 at 10.00 am in the Bridges Room - Civic Centre

From the Chief Executive, Sheena Ramsey

| Item | Business |
|------|---|
| 1 | Apologies for absence |
| 2 | Minutes (Pages 3 - 10) Cabinet is asked to approve as a correct record the minutes of the last meetings held on 24 and 31 October 2023. Key Decisions |
| 3 | Local Transport Plan: Capital Programme Mid-Year Update (November 2023) (Pages 11 - 38) Report of the Strategic Director, Economy, Innovation and Growth Recommendations to Council |
| 4 | Local Council Tax Support Scheme for 2024/25 (Pages 39 - 46) Report of the Strategic Director, Resources and Digital |
| 5 | Treasury Management - Performance to 30 September 2023 (Pages 47 - 56) Report of the Strategic Director, Resources and Digital |
| 6 | Capital Strategy 2024/25 to 2028/29 (Pages 57 - 72) Report of the Strategic Director, Resources and Digital |
| 7 | Capital Programme and Prudential Indicators 2023/24 (Pages 73 - 84) Report of the Strategic Director, Resources and Digital Non Key Decisions |
| 8 | Revenue Budget - Second Quarter Review 2023/24 (Pages 85 - 92) Report of the Strategic Director, Resources and Digital |

9 Budget 2024/25 - Consultation on Revenue Budget Proposals (Pages 93 - 110)

Report of the Chief Executive, Borough Treasurer and Corporate Management Team

10 Gateshead International Stadium - Options Appraisal Update (Pages 111 - 138)

Report of the Director of Public Health and Strategic Director, Resources and Digital

11 Infrastructure Funding Statement (Pages 139 - 168)

Report of the Strategic Director, Economy, Innovation and Growth

12 Nominations of Local Authority School Governors (Pages 169 - 172)

Report of the Strategic Director, Children's Social Care and Lifelong Learning

13 Exclusion of the Press and Public

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

| Item | Paragraph of Schedule 12A to the Local Government Act 1972 |
|------|--|
| 14 | 3 |
| 15 | 3 |
| 16 | 3 |

Key Decisions

14 Single Homelessness Accommodation Programme (SHAP) funding (Pages 173 - 180)

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

15 Bus Service Improvement Plan Funding (Pages 181 - 188)

Report of the Strategic Director, Economy, Innovation and Growth

16 Disposal of land at Askew Road West, Gateshead (Pages 189 - 198)

Report of the Strategic Directors, Economy, Innovation and Growth & Housing, Environment and Healthy Communities

Contact: Kevin Ingledew, Tel: 0191 433 2142, Email: democraticserviceteam@gateshead.gov.uk, Date: Monday, 13 November 2023

GATESHEAD METROPOLITAN BOROUGH COUNCIL

CABINET MEETING

Tuesday, 24 October 2023

PRESENT: Councillor M Gannon (Chair)

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

Also in attendance: Councillors R Beadle, K Dodds and L
Kirton

C60 **APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillor B Oliphant.

C61 **MINUTES**

The minutes of the last meeting held on 19 September 2023 were agreed as a correct record and signed by the Chair.

C62 **LOCAL PLAN 2025-2045 - THE START OF THE CONVERSATION**

Consideration has been given to starting the conversation with our communities on the Gateshead Local Plan and the independent Sustainability Appraisal.

The alternative option to that being recommended, but which was discounted, included not progressing a new Local Plan or delaying consultation.

- RESOLVED -
- (i) That the Gateshead Plan Start of the Conversation document and Sustainability Appraisal be approved for a minimum of 8 weeks public consultation in accordance with Regulation 18 of the Local Planning Regulations.
 - (ii) That the Strategic Director, Economy Innovation and Growth, in consultation with the Portfolio Holder for Environment and Transport be authorised to make minor changes necessary to the documents prior to release for public consultation.

The above decisions have been made for the following reasons:

- (i) An up to date Local Plan is essential for Gateshead Council in planning for future growth in a sustainable manner. The Local Plan will help to deliver our health and well-being, economic and housing strategies. Having an up-to-date planning framework reflecting current national policy will be more robust

in determining planning applications and more efficient in terms of implementation through decisions on planning applications.

- (ii) Public engagement is a key part of local plan preparation and ensuring our communities are involved in shaping the future of Gateshead. Feedback from the public and stakeholders will be considered in preparing the draft Local Plan.

C63

**LOCAL GOVERNMENT BOUNDARY COMMISSION FOR ENGLAND -
ELECTORAL REVIEW OF GATESHEAD COUNCIL, PART TWO (WARDING
ARRANGEMENTS)**

Consideration has been given to the Council's draft submission to the Local Government Boundary Commission for England ("Commission") on Part Two of its review of Gateshead Council (Warding Pattern).

RESOLVED - That the Council be recommended to:

- (i) agree the recommendation of the draft Submission in terms of the Council size remaining the same at 66 Councillors, across 22 wards, based on the new warding pattern, with three new ward names being proposed; and
- (ii) agree that the Chief Executive, following consultation with the Leader of the Council, may make any amendments to the draft Submission she deems appropriate prior to it being filed with the Commission on 30 October 2023.

The above decisions have been made because this is a periodic review undertaken by the Commission that the Council must partake in, with a requirement for the Submission to be filed on 30 October 2023.

C64

**CORPORATE PLAN 2023-2028 - THE STRENGTH OF GATESHEAD IS THE
PEOPLE OF GATESHEAD**

Consideration has been given to recommending the Council to approve '*The strength of Gateshead is the people of Gateshead*' as its Corporate Plan 2023-2028.

The alternative option to that being recommended, but which was discounted, included not having a Corporate Plan.

RESOLVED - That the Council be recommended to:

- (i) Agree '*The strength of Gateshead is the people of Gateshead*' as its Corporate Plan for 2023-2028.
- (ii) Agree to commence engagement on the Corporate Plan priorities for 2023-2028 as set out at paragraph 9 of the report.
- (iii) Agree to receive an annual report which reviews performance against the agreed priorities within the plan.

The above decision has been made to prioritise and guide the Council's activity in response to borough-wide need. If agreed, the Corporate Plan will provide an agreed set of priorities, which the Council will respond to, and which resource can be aligned.

C65

MEDIUM TERM FINANCIAL STRATEGY 2024/25 - 2028/29

Consideration has been given to recommending Council to approve the Medium Term Financial Strategy (MTFS) 2024/25 to 2028/29, including the proposed MTFS principles and the medium-term financial context as set out in the report and appendix.

RESOLVED - That the Council be recommended to approve the Medium-Term Financial Strategy for 2024/25 to 2028/29 and the medium-term financial context as set out in the report and appendix including:

- (i) the MTFS principles;
- (ii) the approach to demand / cost interventions in social care;
- (iii) extending the planned use of reserves from 3 to 5 years; and
- (iv) a plan to replenish reserves to a sustainable level.

The above decisions have been made for the following reasons:

- (A) To contribute to the good financial management practice of the Council.
- (B) To assist the maintaining of the financial sustainability of the Council over the medium to long term.

C66

BUDGET APPROACH 2024/25

Consideration has been given to the Council's Budget Approach 2024/25 to 2028/29 including a high-level timeline that will support the delivery of a balanced budget for 2024/25 and approval of the budget in February 2024.

RESOLVED - (i) That the budget approach 2024/25 to 2028/29 as set out in the report be approved.

(ii) That update reports be submitted to Cabinet as the activity progresses and options to deliver priority objectives and a sustainable financial position are developed.

The above decisions have been made for the following reasons:

- (A) To contribute to the good financial management practice of the Council.
- (B) To assist the financial sustainability of the Council over the medium to long term.

- (C) To support delivery of the Council's Corporate Plan priorities and the Thrive objectives.

C67 **EXCLUSION OF THE PRESS AND PUBLIC**

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

C68 **HOUSING DEVELOPMENT STRATEGY AND DELIVERY PROGRAMME**

Consideration has been given to progress with the Housing Development Strategy and 5-year Delivery Programme (2022-2027) approved by Cabinet in October 2022 and to progressing a range of actions related to implementation of the programme.

The alternative option to those being recommended, but which was discounted, included the Council not proactively seeking development of Council owned sites within the borough.

- RESOLVED -
- (i) That the progress made to date in relation to the Housing Development Strategy and 5-year Delivery Programme be noted.
 - (ii) That the proposed actions detailed in the report, including the progression of the proposed disposal of sites at Clasper and Chandless to help ensure the successful delivery of the 5-year programme, be approved.

The above decisions have been made for the following reasons:

- (A) To contribute towards the Council's housing delivery targets to create new homes including the provision of more affordable homes.
- (B) To contribute towards economic recovery and provide training, employment and socio-economic benefits for the residents and businesses of Gateshead.
- (C) To utilise the Council's land and property portfolio to support the Council's policy priorities.
- (D) To help decrease pressure on the Council to allocate further land in the Green Belt for housing.
- (E) To bring forward vacant Council owned sites for redevelopment.
- (F) To deliver the objectives of the Housing Strategy 2019-30.
- (G) To promote the regeneration of the urban area and redevelopment of brownfield land.

C69

DISPOSAL OF LAND AT CLAYTON TERRACE, HIGH SPEN

Consideration has been given to the disposal of 0.59hectares (ha) (1.47acres) of land at Clayton Terrace, High Spen, shown edged black on the plan attached to the report.

The alternative option to that being recommended, but which was discounted, included the Council retaining the site.

- RESOLVED -
- (i) That the disposal of the freehold interest of the subject site to Homes by Esh for a purchase price of the amount set out in the report, subject to planning permission and intrusive site investigations, be approved.
 - (ii) That the Strategic Director, Economy Innovation and Growth, in consultation with the Leader, be authorised to negotiate a revised purchase price as a result of intrusive site investigations.
 - (iii) That the Strategic Director, Economy Innovation and Growth, in consultation with the Leader, be authorised to accept the next best offer in the event that Homes by Esh withdraws from the purchase.

The above decisions have been made for the following reasons:

- (A) To dispose of an asset and realise a capital receipt.
- (B) To enable development of new homes in Gateshead.

C70

DISPOSAL OF LAND AT HILLGATE QUAY

Consideration has been given to granting a new lease to By the River Brew for Hillgate Quay.

The alternative option to that being recommended, but which was discounted, included not extending the lease and seeking alternative arrangements for the site.

- RESOLVED -
- (i) That the grant of a new lease to By the River Brewery Limited for Hillgate Quay as outlined in Appendix 1 of the report be approved and the Strategic Director, Economy, Innovation and Growth in consultation with the Strategic Director, Corporate Services and Governance and the Strategic Director, Resources and Digital be authorised to agree the detailed lease terms.
 - (ii) That the Strategic Director, Economy, Innovation and Growth in consultation with the Strategic Director, Corporate Services and Governance and the Strategic Director, Resources and Digital be authorised to:

- a) formulate an evidenced and principled subsidy justification case based upon the high-level subsidy analysis contained in the appendix to the report; and
 - b) submit it on behalf of the Council to the Department for Business Energy and Industrial Strategy (BEIS) subsidy transparency database portal in compliance with the UK Subsidy Control Scheme.
- (iii) That the Gateshead Newcastle Joint Bridges Committee be consulted in relation to a proposal to utilise the Tyne Bridge Tower (Gateshead) as part of the new development on Hillgate Quay.

The above decisions have been made for the following reasons:

- (A) To enable the delivery of the Council's Economic Development Strategy.
- (B) To increase the visitor economy.
- (C) To enhance Gateshead Quays development.

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

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

Publication date: 26 October 2023

Chair.....

GATESHEAD METROPOLITAN BOROUGH COUNCIL

CABINET MEETING

Tuesday, 31 October 2023

PRESENT: Councillor M Gannon (Chair)

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

Also in attendance: Councillors R Beadle, K Dodds and R
Mulen

C71 NORTH EAST DEVOLUTION

Consideration has been given to consenting to the making of the statutory order to abolish the existing combined authorities in the region (ie NECA and NTCA) and replace them with a single mayoral combined authority which encompasses the areas of the seven councils across the North East (ie Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland), which is to be known legally as the North East Mayoral Combined Authority ("NEMCA").

- RESOLVED -
- (i) That the Council's consent to the making of the order be agreed in principle.
 - (ii) That the Chief Executive, in consultation with the Leader of the Council, be authorised to issue the Council's formal consent to the Secretary of State when requested
 - (iii) That the Chief Executive, in consultation with the Leader of the Council, be authorised to finalise the terms of the side agreement regarding the support arrangements associated with these proposals
 - (iv) That the Chief Executive be authorised to take all other steps necessary to implement these proposals.

The above decisions have been made because the provision of the Council's consent to the making of the order will enable it to be laid before Parliament so that it can be made and thereby establish the mayoral combined authority for the region, which will in turn provide access to the benefits of devolution across the region.

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

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

Publication date: 2 November 2023

Chair.....

TITLE OF REPORT: Local Transport Plan: Capital Programme Mid-Year Update (November 2023)

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

Purpose of the Report

1. This report is an update on the Local Transport Plan (LTP) Capital Programme. It provides a summary of the progress that has been made and any changes to the programme that have occurred as it stands at the end of Quarter 2. Indicative programmes for integrated transport and maintenance schemes scheduled for 2024/25 are included as appendices to allow for forward planning of these works.

Background

2. LTP funding is allocated by government and provides a source of funding for integrated transport schemes and maintenance of highways and structures. It is supplemented wherever possible by prudential borrowing, or external sources such as developer contributions and bids for government funding.
3. The integrated transport and maintenance programmes were approved by Cabinet in May 2023. Although the financial year 2020/21 was the final year of the LTP3 funding allocations, this has been extended into subsequent years pending a new funding agreement with Government. Investment in highways infrastructure is identified and prioritised in accordance with the Council's Highways Asset Management Plan.
4. The indicative programmes for 2024/25 are based provisionally on receiving the same allocation as in 2023/24 and can be adjusted as necessary dependent on the final funding allocation.

Proposal

5. The transport capital programme is managed flexibly and includes an element of overprogramming to ensure that the LTP grant and other funding sources are fully utilised. Some minor changes to the programme have occurred during the first part of the year. These changes have been set out in the report and in the appended programmes.

Recommendations

6. It is recommended that Cabinet:
 - (i) Approves the revised programmes for 2023/24 as set out in Appendices A and B, noting that there may be a need to review these as the year progresses in line with available resources.
 - (ii) Authorises the Service Director, Highways and Waste, (and, in their absence, the Director of Environment & Fleet Management) to award the relevant works under the terms of the Highways, Drainage and Street Lighting Maintenance Contract.
 - (iii) Authorises the Service Director, Climate Change, Compliance, Planning & Transport to make changes to the approved programme, following consultation with the Cabinet Member for Environment and Transport, as and when the need arises.
 - (iv) Approve the indicative integrated transport and maintenance programmes for 2023/24 as set out in Appendices D and E as a basis for future planning.

For the following reason:

To enable the design and implementation of transport schemes in support of the North East Transport Plan and the Council's policy objectives.

CONTACT: Anneliese Hutchinson ext 3881

Policy Context

1. The programmes support the pledges within Gateshead Council's Thrive agenda. They also support the Core Strategy and Urban Core Plan, the aims and objectives of the North East Transport Plan, the Gateshead Highway Asset Management Plan, Gateshead's Economic Development Strategy and Housing Strategy and the Gateshead Health and Wellbeing Strategy. The programmes are aligned with the Council's initiatives to tackle the climate emergency. Furthermore, the proposed programme utilises funding received through specific government grants as well as the proposed use of Council resources.

Background

2. LTP funding is allocated by government and provides a source of funding for integrated transport schemes and maintenance of highways and structures. The integrated transport funding comes via the North East Combined Authority and covers a range of works including bus priority, new and improved cycleways, better pedestrian facilities and road safety improvements. Investment in highways infrastructure is guided by the principles set out in the Highways Asset Management Plan.
3. LTP funding is supplemented wherever possible by external funding sources including developer contributions and other capital grants and where necessary by prudential borrowing. A breakdown of the funding sources for 2023/24 by funding source can be found at Appendix C.
4. Although the financial year 2020/21 was the final year of the LTP3 funding allocations, this has been extended into subsequent years pending a new funding agreement with Government. It is expected that funding levels for integrated transport in 2024/25 are likely to be similar to those for 2023/24, though this has yet to be confirmed. For maintenance funding the position is more complicated, with funding often coming through a number of different channels. In light of this, the indicative programmes for 2024/25 are based provisionally on receiving the same allocation as in 2023/24.

LTP Integrated Transport (IT) programme

5. For the integrated transport capital programme 2023/24, £1.23 million of LTP funding was received, with an additional £0.55 million carryover from last financial year. This has been supplemented by £15.73 million from other funding sources.

6. External funding sources include a large amount of Transforming Cities Tranche 2 funding (£10.80 million). This has now been secured through the submission of full business cases for each scheme. Other sources of funding include funding from Homes England, National Productivity Investment Fund (NPIF), as well as Early Measures funding and developer contributions (S106).
7. Appendix B sets out the integrated transport programme for 2023/24, noting any changes from the programme submitted at the beginning of the year. These changes are briefly summarised as follows:
 - The 20mph programme has been altered in order to ensure enough funding is allocated to Lyndhurst, meaning Byermoor and the design of the two future 20mph zones have been slipped into 2024/25.
 - Developer funding for the area surrounding Barker and Stonehouse at Metrocentre has been slipped into 2024/25 as it is unlikely this will progress in time to see spend in the current year.
 - There has been a slight adjustment to the estimated cost of the Askew Road scheme through the development of more detailed designs.
 - Construction of the bus and cycle improvements on the A694 has been pushed back to 2024/25, with design funding being retained in the current financial year.
 - The spend profile for the Bensham corridor improvements has been adjusted to slip most spend into future years. This is because options are still being considered and further modelling is likely to be needed before construction of any interventions can begin.
8. Current projections estimate that £1.12 million LTP will be spent by year end. This means the LTP programme as a whole, including carryover from last year, is predicted to underspend by £0.66 million. The funding carried over from last year has been provisionally allocated to the components of the Tyne Bridge mitigation works which cannot be covered by external funding sources. An estimate of around £350-400k will be slipped forward to next financial year to be used for this purpose. Any remaining funding will be deployed flexibly in 2023/24 or if necessary could be carried forward to 2024/25. Priority is also given to time limited funding to ensure it is delivered within deadline.
9. Appendix D sets out an indicative integrated transport programme for the financial year 2024/25.

City Region Sustainable Transport Settlement

10. The City Regional Sustainable Transport Settlement (CRSTS) is a fund associated with the anticipated new regional mayor expected to come into office in May 2024. Preparations are ongoing to prepare a regional list of priorities for this funding stream, split into Tranche 1 (immediate priorities) and Tranche 2

(medium to longer term schemes). An indicative list of schemes for which Gateshead Council could be allocated funding through Tranche 1 has been received:

- Gateshead Local Cycling and Walking investment proposals - top priorities
- High Spen to Greenside cycle route
- Derwent Cycle Route Improvements
- A195 Bus Lane
- Birtley town centre active travel improvements
- Askew Road West cycleway
- MetroGreen Intermediate Measures.

11. These schemes have been worked into the 2024/25 programme in Appendix D.

12. In addition to these, several regional level schemes have been included in the potential Tranche 1 allocation which could see benefits in Gateshead:

- North East - Accessible Stations
- Fund replacement and upgrade of existing EV infrastructure
- Electric Vehicle Infrastructure – Consider gaps in the network
- Bus Infrastructure Measures: Stops and Stations
- Decarbonising Public Transport (buses)
- Mobility Hubs.

LTP Maintenance programme

13. The total LTP Maintenance funding allocation for Gateshead in 2023/24 (including Potholes Funding) is £4.34 million. This includes £1.52 million needs element, £0.38 million incentive element, and £2.13 million Potholes Funding. It also includes £0.31 million carried over from last year.

14. Other funding sources include £3.64 million of prudential borrowing, (allocated to traffic signal improvements, traffic sign replacement, street lighting, thin surfacing, road marking renewal/pedestrian guardrail, Vehicle Restraint System renewal, strategic patching, and footways), and £0.42 million of flood alleviation funding.

15. Appendix A sets out the maintenance programme for 2023/24. Minimal changes to budgets have been made so far this financial year and the programmes are progressing well.

16. Current projections estimate a spend of £4.34 million LTP by year end, so as it stands at the end of Q2, the LTP maintenance programme for 2023/24 is roughly on target.

17. Appendix E sets out an indicative road maintenance programme for the financial year 2024/25. This list of schemes is provisional and subject to further consultation with members.

Future funding bids

Active Travel Fund

18. Funding has been received from Tranche 4 of the Active Travel Fund following the submission of a regional bid in February 2023. Funding has been allocated to take forward the following schemes:

- East Gateshead cycling improvements - West package phase 2 (new cycling infrastructure in Felling and Deckham)
- School Streets (development only – regional level funding)
- Tyne Bridge maintenance sustainable mitigation (development only – in cooperation with Newcastle City Council and Nexus)

19. Development and design of these schemes is now underway with a view to beginning construction towards the end of the financial year.

20. The bus and cycling measures implemented on Askew Road which were funded by the Active Travel Fund Tranche 2 were completed in the 2022/23 financial year.

Capability Fund

21. This revenue grant enables local transport authorities to promote cycling and walking through the development of infrastructure plans and behaviour change activities. Gateshead received funding for a variety of capability and behaviour change projects. In particular, funding was granted to update the Council's Local Cycling & Walking Investment Plan (LCWIP) to the latest infrastructure standards and to extend the LCWIP to the rest of the borough (currently it covers the Felling/Deckham and Birtley areas). This ties into the transport capital programme, which contains a capital budget to implement the LCWIP proposals.

Bus Service Improvement Plan

22. The Bus Service Improvement Plan (BSIP) for the North East was submitted to Government last year, outlining a package of region-wide ambitions to make buses more attractive, by making them an affordable and practical alternative to using private cars for more people and helping existing bus users to travel more frequently.

23. The Council is currently working with partners (including Nexus and bus operators) on how to best deliver the full business cases needed to progress with the implementation of the schemes that were included in the BSIP programme.

Shared Prosperity Fund

24. As part of the Government's levelling up agenda, the Shared Prosperity Fund was announced which will provide investment in three priority areas: Communities and Place, Supporting Local Business, and People and Skills.
25. Gateshead's Investment Plan for the Shared Prosperity Fund included an active travel element consisting of:
- Small grants (up to £1k) for active travel improvements to local organisations
 - Public bike stands and tool stations
 - Jobseeker tickets
 - Mobility hub.
26. Delivery of the schemes has commenced.

Low Emission Vehicle Infrastructure (LEVI)

27. Transport North East are coordinating a regional level bid for funding from LEVI to install electric vehicle chargers, primarily benefiting residential areas which lack off-street parking. An EOI was submitted earlier this year and the region is currently progressing through formal application stage of the bid process. As part of this, Gateshead Council has indicated a number of sites with potential to install new chargers. The application will be submitted in November with funding for successful applicants to be released in January 2024.
28. There is an additional revenue allocation from the LEVI fund which will be available to fund an EV charging support officer.

Consultation

29. The Leader, Deputy Leader and Environment and Transport Portfolio holders have been consulted in the preparation of this report.
30. Extensive consultation across the North East was carried out during the preparation of the North East Transport Plan. This included an eight week public consultation involving regional authorities, the business community, individuals, and community organisations. Virtual consultation events were held (equivalent to local meetings in town and village halls), as well as additional forums with businesses and other interest groups. The outcome from the consultation has helped shape the direction of transport strategy in the region.

31. Individual schemes within the programme have been and will continue to be subject to local and stakeholder consultation as appropriate.

Alternative Options

32. No alternative has been considered due to the transport capital programme and the allocations outlined within it being the only deliverable option to meet regional policy objectives while supporting more local priorities.

Implications of Recommended Option

24. Resources:

- a) **Financial Implications** – The Strategic Director, Resources and Digital confirms that there is sufficient allocation within the capital programme to fund the programme within Appendix A and B to the report.
- b) **Human Resources Implications** – There are no human resources implications.
- c) **Property Implications** - No property implications have been identified.

25. Risk Management Implication - The main risk associated with the programme is that any significant underspend or failure to deliver schemes that have external funding linked to them may lead to a loss of that funding, and jeopardise the potential to secure additional funding in future years. The development of the programmes takes into account risks relating to safety, delay and longer-term issues such as growth, pollution and health in determining priorities.

26. Equality and Diversity Implications - Implementation of the transport capital programme will assist in reducing social exclusion by improving access for the young, elderly, unemployed/low waged and people with disabilities. An Integrated Impact Assessment was completed for the programme alongside the Capital Programme Year End Report in May 2023.

27. Crime and Disorder Implications – Proposals within the integrated transport programme will assist in improving safety and security for the travelling public.

28. Health Implications – The transport capital programme is vital in reducing levels of casualties in road accidents and also in achieving an Active and Healthy Gateshead (which aims to make sustainable travel including walking and cycling more attractive to the residents of Gateshead by improving streets, reducing

traffic, providing training to schools and travel planning). This will also benefit health by improving air quality.

29. Climate Emergency and Sustainability Implications - The transport capital programme is an important element in providing the basis for a sustainable transport system capable of supporting Gateshead's environmental, social and economic objectives. It seeks to reduce car dependence and increase active travel, thereby contributing to the reduction of carbon emissions. A Sustainability Assessment was completed for the programme alongside the Capital Programme Year End Report in May 2023.

30. Human Rights Implications - The construction of transport and traffic facilities can have an effect on the amenities of some residents. Consultation on specific proposals will be held with residents, ward members and relevant stakeholders.

31. Ward Implications - All wards will be affected.

Background Information

32. Further background information is contained in:

- Report to Cabinet dated November 2023 – Bus Service Improvement Plan Funding
- Report to Cabinet dated May 2023 – LTP Capital Programme Year End Report
- Report to Cabinet dated October 2022 – LTP Capital Programme Mid-Year Update

Appendix A – 2023/24 Capital maintenance programme (end of Q2 update)

| Scheme | Funding 23/24 | | | | | | | Spend to end of Q2 | Notes |
|---|-------------------------|-----------------------------------|---------------------|------------------------------|--------------|-----------------------------|------------|--------------------|-------|
| | Original Budget | Current Budget | | | | | Spend | | |
| | Budget 01.04.23 £000 | Current Forecast Q2 23/24 £000 | Current LTP £000 | Prudential Borrowing £000 | S106 £000 | Other Match Funding £000 | £000 | | |
| Maintenance | | | | | | | | | |
| Principal Roads Total | 317 | 494 | 494 | 0 | 0 | 0 | 125 | | |
| Other roads total | 596 | 662 | 662 | 0 | 0 | 0 | 403 | | |
| Residential roads total | 468 | 667 | 667 | 0 | 0 | 0 | 21 | | |
| Back Lanes/surface dressing total | 486 | 585 | 585 | 0 | 0 | 0 | 30 | | |
| Technical fees/development and monitoring | 90 | 90 | 90 | 0 | 0 | 0 | 36 | | |
| Road Maintenance Total | 1,957 | 2,498 | 2,498 | 0 | 0 | 0 | 616 | | |
| Bridge Maint Principal Roads Total | 1,150 | 1,150 | 1,150 | 0 | 0 | 0 | 15 | | |
| Bridge Maint Other Roads Total | 215 | 215 | 215 | 0 | 0 | 0 | 0 | | |
| Bridge Maintenance Total | 1,365 | 1,365 | 1,365 | 0 | 0 | 0 | 15 | | |
| Traffic Signal improvements | 659 | 350 | 0 | 350 | 0 | 0 | 134 | | |
| Traffic sign replacement | 150 | 75 | 0 | 75 | 0 | 0 | 10 | | |
| Street lighting column replacement | 1,573 | 1,573 | 0 | 1,573 | 0 | 0 | 287 | | |
| Pumping stations maintenance | 50 | 50 | 50 | 0 | 0 | 0 | 0 | | |
| Other maintenance schemes Total | 2,432 | 2,048 | 50 | 1,998 | 0 | 0 | 431 | | |
| Thin surfacing | 545 | 547 | 0 | 547 | 0 | 0 | 0 | | |
| Flood alleviation total | 455 | 455 | 40 | 0 | 0 | 415 | 0 | | |
| Road marking renewal/ped guardrail | 125 | 125 | 0 | 125 | 0 | 0 | 0 | | |
| Jet patch pothole repairs | 58 | 58 | 58 | 0 | 0 | 0 | 0 | | |
| Vehicle Restraint System renewal | 125 | 125 | 0 | 125 | 0 | 0 | 152 | | |
| Strategic Patching | 300 | 300 | 200 | 100 | 0 | 0 | 125 | | |
| Street lighting | 300 | 300 | 125 | 200 | 0 | 0 | 86 | | |

| | | | | | | | | |
|------------------------------------|--------------|--------------|--------------|--------------|----------|------------|--------------|--|
| Flagged footways | 340 | 340 | 0 | 340 | 0 | 0 | 155 | |
| Footways | 200 | 200 | 0 | 200 | 0 | 0 | 100 | |
| Strategic Maintenance Total | 2,448 | 2,450 | 423 | 1,637 | 0 | 415 | 618 | |
| | | | | | | | | |
| Total Maintenance | 8,202 | 8,361 | 4,336 | 3,635 | 0 | 415 | 1,679 | |

Appendix B – 2023/24 Integrated transport capital programme (end of Q2 update)

| Scheme | Budget 01.04.23 | Current Forecast Q2 23/24 | Current LTP | Prudenti al Borrowi ng | S106 | Other Match Funding | Spend to end of Q2 | Notes |
|---|--------------------|---------------------------------|----------------|---------------------------------|----------|---------------------------|--------------------------|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | |
| Ongoing commitments | | | | | | | | |
| Traffic Management | 250 | 250 | 250 | 0 | 0 | 0 | 10 | |
| Public Rights of Way | 80 | 80 | 80 | 0 | 0 | 0 | 8 | |
| Car park improvements | 10 | 10 | 10 | 0 | 0 | 0 | 0 | |
| Modelling and investigation | 50 | 50 | 50 | 0 | 0 | 0 | 0 | |
| Ongoing Commitments Total | 390 | 390 | 390 | 0 | 0 | 0 | 18 | |
| Scheme development | | | | | | | | |
| A694 corridor improvements (DESIGN) | 20 | 20 | 20 | 0 | 0 | 0 | 0 | |
| Derwent cycle route improvements (DESIGN) | 20 | 20 | 20 | 0 | 0 | 0 | 0 | |
| Development/design of ATF4 schemes (East Gateshead cycling, School Streets, Tyne Bridge mitigation) | 0 | 7 | 7 | 0 | 0 | 0 | 7 | Costs to be determined through design process |
| East Gateshead cycling A43 (Felling Gate) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Linked to ATF4 East Gateshead cycling schemes but funded from a different source |
| Scheme development Total | 40 | 47 | 47 | 0 | 0 | 0 | 7 | |
| Economic development and regeneration | | | | | | | | |
| A695 - Stargate Lane roundabout | 514 | 514 | 0 | 0 | 514 | 0 | 70 | On site |
| A695 Greenside Road roundabout | 348 | 348 | 0 | 0 | 348 | 0 | 0 | To start on site following on from Stargate Lane roundabout |
| Baltic Business Quarter Link Rd/junction | 214 | 222 | 0 | 222 | 0 | 0 | 0 | Minor works to finish off project. Road is now open. |
| Durham Road (Low Fell) | 20 | 20 | 20 | 0 | 0 | 0 | 3 | |
| Askew Road - junction/Bridge removal | 2,727 | 2,786 | 0 | 2,786 | 0 | 0 | 0 | Upgrade to junction and road layout to allow for housing development on this site |
| Quays signals and lighting | 301 | 180 | 0 | 180 | 0 | 0 | 0 | |

| | | | | | | | | |
|--|--------------|--------------|------------|--------------|------------|----------|------------|--|
| Quays VMS and fixed signage | 550 | 450 | 0 | 450 | 0 | 0 | 0 | |
| Economic development and regeneration Total | 4,374 | 4,520 | 20 | 2,786 | 862 | 0 | 73 | |
| Safe and sustainable communities | | | | | | | | |
| Winlaton | 20 | 20 | 20 | 0 | 0 | 0 | 0 | |
| Watermill | 20 | 20 | 20 | 0 | 0 | 0 | 0 | |
| Rowlands Gill | 10 | 10 | 10 | 0 | 0 | 0 | 0 | |
| Dunston 20MPH | 158 | 158 | 158 | 0 | 0 | 0 | 140 | |
| Lyndhurst (large scheme) | 72 | 72 | 72 | 0 | 0 | 0 | 0 | |
| Byermoor | 50 | 0 | 0 | 0 | 0 | 0 | 0 | Likely to be delayed to 24/25 due to funding requirements of Lyndhurst |
| <i>Design of future 20mph (Dryden Centre area)</i> | 20 | 0 | 0 | 0 | 0 | 0 | 0 | Delayed to 24/25 due to funding requirements of Lyndhurst |
| <i>Design of future 20mph (South End Road area)</i> | 20 | 0 | 0 | 0 | 0 | 0 | 0 | Delayed to 24/25 due to funding requirements of Lyndhurst |
| Glossop Street / High Spen developer improvements | 55 | 55 | 0 | 0 | 55 | 0 | 0 | |
| Improvements at Barker & Stonehouse site, Metrocentre | 87 | 0 | 0 | 0 | 0 | 0 | 0 | Developer funding, details of scheme to be determined. Unlikely to come forward this year |
| Removal of Covid 19 measures | 10 | 10 | 10 | 0 | 0 | 0 | 2 | Permanent removal of road markings from Covid response (currently blacked out - need to be burned off) |
| Wardley bus gate removal | 10 | 10 | 10 | 0 | 0 | 0 | 0 | |
| Tyne Bridge mitigation | 0 | 350 | 350 | 0 | 0 | 0 | 0 | Scheme details and confirmed costs TBC |
| Safe and sustainable communities Total | 532 | 705 | 650 | 0 | 55 | 0 | 142 | |
| Climate Change | | | | | | | | |
| A694 corridor improvements | 380 | 0 | 0 | 0 | 0 | 0 | 0 | Design only this year, construction spend slipped to 24/25 |
| Derwent cycle route improvements | 100 | 0 | 0 | 0 | 0 | 0 | 0 | Design only this year, construction spend slipped to 24/25 |
| NCN725 (Camborne Place road closure and Dryden Road shops) | 25 | 25 | 0 | 0 | 0 | 25 | 0 | |
| Sunderland Road Link | 59 | 59 | 0 | 0 | 0 | 59 | 0 | |
| Bus shelter improvements | 10 | 10 | 10 | 0 | 0 | 0 | 0 | |

| | | | | | | | | |
|---|---------------|---------------|--------------|--------------|--------------|---------------|--------------|---|
| Saltmeadows Road (bus stop) | 13 | 13 | 4 | 0 | 10 | 0 | 13 | |
| CAZ - Town centre AQ works | 14 | 14 | 0 | 0 | 0 | 14 | 0 | |
| Bensham Road corridor improvements (including Charles Street) | 1,605 | 163 | 0 | 163 | 0 | 0 | 1 | Reprofiled across the next two financial years |
| New Road PT improvements | 75 | 75 | 0 | 0 | 75 | 0 | 0 | Developer funding from Amazon |
| Springwell Road junction improvement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Implementation of previous year's design if decision made to proceed. Cost estimate awaited |
| BSIP schemes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | For cost detail please see separate BSIP report on November agenda |
| Shared Prosperity Fund - EV charging and car club | 42 | 42 | 0 | 0 | 0 | 42 | 0 | Capital elements only |
| Shared Prosperity Fund - Mobility Hubs | 80 | 80 | 0 | 0 | 0 | 80 | 0 | Capital elements only |
| Tanfield / Pennyfine Road lighting | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Cost estimate is awaited |
| Climate Change Total | 2,404 | 482 | 14 | 163 | 85 | 220 | 14 | |
| Transforming Cities Fund schemes | | | | | | | | |
| West Tyneside Cycle route | 2,711 | 2,726 | 0 | 1,043 | 0 | 1,683 | 0 | Adjusted slightly based on progress in Q1 and Q2 |
| Metro Green Phase 1 | 2,502 | 2,529 | 0 | 43 | 0 | 2,486 | 6 | Final costs confirmed |
| Durham Road Cycleway (Low Fell to Vigo Lane) | 3,961 | 3,961 | 0 | 396 | 0 | 3,565 | 797 | |
| Gateshead Quays Sustainable access | 1,017 | 860 | 0 | 0 | 0 | 860 | 569 | Adjusted slightly based on progress in Q1 and Q2 |
| West Central Route (Gateshead Interchange bus lane) | 241 | 233 | 0 | 0 | 0 | 233 | 188 | Adjusted slightly based on progress in Q1 and Q2 |
| Regional ITS scheme | 1,253 | 1,253 | 0 | 0 | 0 | 1,253 | 0 | |
| Transforming Cities Fund schemes Total | 11,686 | 11,562 | 0 | 1,482 | 0 | 10,080 | 1,559 | |
| Total Indicative Integrated Transport | 19,426 | 17,706 | 1,121 | 4,431 | 1,002 | 10,300 | 1,814 | |

Appendix C - 2023/24 budget allocations (end of Q2 update)

| Resources | £000 | Potential Slippage | Comments |
|--|---------------|---------------------------|--|
| 23/24 Maintenance | 4,336 | -36 | Largely on target |
| | | | Carryover from 2022/23 provisionally allocated to components of the Tyne Bridge mitigation works which cannot be covered by external funding sources. Estimate of around £350-400k to be used for this purpose next financial year. Any further additional funding can be deployed flexibly in 23/24 and/or carried forward to 24/25 |
| 23/24 Integrated Transport | 1,121 | -659 | |
| Prudential Borrowing | 8,066 | | |
| S106 Developer contributions | 1,002 | | |
| Flood alleviation | 415 | | |
| Homes England funding | 0 | | |
| Early measures funding | 25 | | |
| NPIF | 59 | | |
| Transforming Cities (Tranche 2) | 10,080 | | |
| Newcastle Air Quality Grant | 14 | | |
| National Highways Designated Funds | 263 | | |
| Active Travel Fund Tranche 4 | 0 | | |
| Implementation of Bus Service Improvement Plan schemes | 0 | | |
| Shared Prosperity Fund | 122 | | |
| Total Funding | 25,503 | | |

Appendix D – 2024/25 indicative integrated transport programme

| Scheme | Funding 24/25 | | | | | Notes |
|--|-------------------------|---------------------|------------------------------|--------------|-----------------------------|--|
| | Original Budget | Current budget | | | | |
| | Budget 01.04.24 £000 | Current LTP £000 | Prudential Borrowing £000 | S106 £000 | Other Match Funding £000 | |
| Ongoing commitments | | | | | | |
| Traffic Management | 250 | 250 | 0 | 0 | 0 | |
| Public Rights of Way | 80 | 80 | 0 | 0 | 0 | |
| Car park improvements | 10 | 10 | 0 | 0 | 0 | |
| Modelling and investigation | 50 | 50 | 0 | 0 | 0 | |
| Ongoing Commitments Total | 390 | 390 | 0 | 0 | 0 | |
| Scheme development | | | | | | |
| Development/design of LCWIP schemes | 30 | | | | 30 | Contingent on funding allocation from CRSTS - cost to be determined |
| Scheme development Total | 30 | 0 | 0 | 0 | 30 | |
| Economic development and regeneration | | | | | | |
| Durham Road (Low Fell) | 20 | 20 | 0 | 0 | 0 | |
| Askew Road - junction/Bridge removal | 4,750 | | | | 4,750 | Contingent on funding allocation from CRSTS |
| Quays signals and lighting | 301 | 0 | 301 | 0 | 0 | Likely slippage from 23/24 |
| Quays VMS and fixed signage | 250 | 0 | 250 | 0 | 0 | Likely slippage from 23/24 |
| A195 bus lane | 1,200 | | | | 1,200 | Partially funded by BSIP but require CRSTS funding to complete both directions |
| Economic development and regeneration Total | 6,521 | 20 | 551 | 0 | 5,950 | |
| Safe and sustainable communities | | | | | | |
| Rowlands Gill 20mph | 10 | 10 | 0 | 0 | 0 | |
| Dunston 20mph | 20 | 20 | 0 | 0 | 0 | |
| Lyndhurst (large scheme) | 50 | 50 | 0 | 0 | 0 | |
| Byermoor | 50 | 50 | 0 | 0 | 0 | Likely to be delayed to 24/25 due to funding requirements of Lyndhurst |

| | | | | | | |
|---|---------------|------------|------------|------------|---------------|---|
| Improvements at Barker & Stonehouse site, Metrocentre | 87 | 0 | 0 | 87 | 0 | Developer funding, details of scheme to be determined. Unlikely to come forward this year |
| Tyne Bridge mitigation | 400 | 400 | | | | For components not funded by BSIP or ATF4. Cost to be determined |
| Safe and sustainable communities Total | 617 | 530 | 0 | 87 | 0 | |
| Climate Change | | | | | | |
| LCWIP priority scheme implementation | 3,435 | | | | 3,435 | Contingent on funding allocation from CRSTS - cost to be determined, estimate £10.3m across multiple years |
| A694 corridor improvements | 380 | 296 | 0 | 84 | 0 | |
| Derwent cycle route improvements | 310 | | 0 | 0 | 310 | CRSTS contribution may be received |
| High Spen to Greenside cycle route | 660 | | | | 660 | |
| Birtley town centre active travel | 2,750 | | | | 2,750 | Contingent on funding allocation from CRSTS - cost to be determined. Provisionally split over two years |
| Bus shelter improvements | 10 | 10 | 0 | 0 | 0 | |
| Bensham Road corridor improvements (including Charles Street) | 272 | 0 | 272 | 0 | 0 | |
| MetroGreen intermediate measures | 2,350 | | | | 2,350 | Contingent on funding allocation from CRSTS - cost breakdown by year to be determined |
| New Road PT improvements | 75 | 0 | 0 | 75 | 0 | Developer funding from Amazon |
| Springwell Road junction improvement | | | | | | Implementation of previous year's design if decision made to proceed. Cost estimate awaited. Part of bid for BSIP Tranche 2 funding |
| Shared Prosperity Fund - EV charging and car club | 42 | 0 | 0 | 0 | 42 | Capital elements only |
| Shared Prosperity Fund - Mobility Hubs | 80 | 0 | 0 | 0 | 80 | Capital elements only |
| ATF4 schemes (East Gateshead cycling, School Streets, Tyne Bridge mitigation) | 866 | | | | 866 | Exact costs to be determined through design process |
| East Gateshead cycling A43 (Felling Gate) | 487 | 7 | | | 480 | Linked to ATF4 East Gateshead cycling schemes but funded from residual TCF funding. Exact costs to be determined |
| Climate Change Total | 11,717 | 313 | 272 | 159 | 10,972 | |
| Bus Service Improvement Plan Tranche 1 | | | | | | For cost detail please see separate BSIP report on November agenda |
| T1 C5 Dunston | 946 | | | | 946 | |

| | | | | | | |
|---|---------------|--------------|------------|------------|---------------|---|
| T1 C6 Bensham Road | 561 | | | | 561 | |
| T1 C7 Leam Lane | 551 | | | | 551 | |
| T1 C8 Old Durham Rd | 738 | | | | 738 | |
| T1 C12 South Shields to Ncl | 122 | | | | 122 | |
| T1 C17 Durham Rd A167 | 817 | | | | 817 | |
| BSIP Total | 3,734 | 0 | 0 | 0 | 3,734 | |
| Transforming Cities Fund schemes | | | | | | |
| West Tyneside Cycle route | | | | | | Potential for some slippage if construction not complete in 23/24 |
| Metro Green Phase 1 | | | | | | Potential for some slippage if construction not complete in 23/24 |
| Durham Road Cycleway (Low Fell to Vigo Lane) | 263 | 0 | | 0 | 263 | National Highways Designated Funds |
| Gateshead Quays Sustainable access | | | | | | Potential for some slippage if construction not complete in 23/24 |
| Transforming Cities Fund schemes Total | 263 | 0 | 0 | 0 | 263 | |
| Total Indicative Integrated Transport | 23,272 | 1,253 | 823 | 246 | 20,950 | |

Appendix E – 2024/25 indicative road maintenance programme (provisional list subject to further consultation)

Table 1 - Classified & Bus Routes (non-residential roads)

| Scheme No. | Location | Ward | Area | Description of Works | Cost £k |
|---|--|-----------------------|------------|---|------------|
| Principal Roads | | | | | |
| 2023/SMP/01 | A1114 Handy Drive , Metrocentre | Dunston & Teams | Inner West | Reconstruct / resurface carriageway & footway | 40 |
| 2023/SMP/02 | A184 Felling Bypass , Gateshead | Bridges | Central | Reconstruct / resurface carriageway | 64 |
| 2023/SMP/03 | High Speed Skid Improvement | - | - | Carriageway surface treatment | 100 |
| Principal Reserve Schemes (to be included if the main programme cannot be completed) | | | | | |
| 2023/SMP/R01 | A1114 Colliery Road , Dunston | Dunston & Teams | Inner West | Reconstruct / resurface carriageway | - |
| 2023/SMP/R02 | A184 Askew Road , Redheugh | Lobley Hill & Bensham | Central | Reconstruct / resurface carriageway | - |
| 2023/SMP/R03 | A184 Felling Bypass , Gateshead | Bridges | Central | Reconstruct / resurface carriageway | - |
| | | | | Subtotal 1 | 204 |

Table 1 - Classified & Bus Routes (non-residential roads) continued

| Scheme No. | Location | Ward | Area | Description of Works | Cost £k |
|--------------------|--|----------------------------|-------------|-------------------------------------|----------------|
| Other Roads | | | | | |
| 2023/SM/01 | B6135 Woodside Lane , Ryton | Ryton, Crookhill & Stella | West | Reconstruct / resurface carriageway | 42 |
| 2023/SM/02 | Stirling Lane , Rowlands Gill | Chopwell & Rowlands Gill | West | Reconstruct / resurface carriageway | 40 |
| 2023/SM/03 | C305 North Street , Winlaton | Winlaton & High Spen | West | Reconstruct / resurface carriageway | 45 |
| 2023/SM/04 | Croftdale Road , Blaydon | Blaydon | West | Reconstruct / resurface carriageway | 66 |
| 2023/SM/05 | Scotswood View , Metrocentre | Whickham North | Inner West | Resurface carriageway | 35 |
| 2023/SM/06 | C308 Pennyfine Road , Sunnyside | Whickham South & Sunnyside | Inner West | Reconstruct / resurface carriageway | 34 |
| 2023/SM/07 | C324 Kingsway , Team Valley | Lamesley | South | Resurface carriageway | 58 |
| 2023/SM/08 | C326 Askew Road West , Redheugh | Lobley Hill & Bensham | Central | Reconstruct / resurface carriageway | 25 |
| 2023/SM/09 | B1426 Bensham Road , Gateshead | Bridges | Central | Reconstruct / resurface carriageway | 56 |
| 2023/SM/10 | C319 Windy Nook Road , Windy Nook | Windy Nook & Whitehills | East | Reconstruct / resurface carriageway | 74 |
| 2023/SM/11 | Highridge , Birtley | Birtley | South | Reconstruct / resurface carriageway | 50 |
| | | | | Subtotal 2 | 525 |

Table 1 - Classified & Bus Routes (non-residential roads) continued

| Scheme No. | Location | Ward | Area | Description of Works | Cost £k |
|---|---|---------------------------|-------------|--|----------------|
| 2023/SM/12 | Structural Patching | - | - | Carriageway repairs near resurfacing schemes | 100 |
| 2023/SM/14 | Highway Drainage Works | - | - | Drainage repairs near resurfacing schemes | 50 |
| 2023/SM/15 | Minor Works (poor weather failures) | - | - | Resurface carriageway | 50 |
| | | | | Subtotal 3 | 200 |
| Other Roads Reserve Schemes (to be included if the main programme cannot be completed) | | | | | |
| 2023/SM/R01 | C303 Newburn Bridge Road , Stella | Ryton, Crookhill & Stella | West | Reconstruct / resurface carriageway | - |
| 2023/SM/R02 | B6317 Bridge Street , Blaydon | Blaydon | West | Reconstruct / resurface carriageway | - |
| 2023/SM/R03 | C305 Barlow Lane , Winlaton | Winlaton & High Spen | West | Reconstruct / resurface carriageway | - |
| 2023/SM/R04 | C313 Saltwell Road , Saltwell | Saltwell | Central | Reconstruct / resurface carriageway | - |
| 2023/SM/R05 | C506 Follingsby Lane , Wardley | Wardley & Leam Lane | East | Reconstruct / resurface carriageway | - |
| | | | | Subtotal 3 | 200 |
| | | | | Subtotal 2 | 525 |
| | | | | Subtotal 1 | 204 |
| | | | | Total | 929 |

Table 2 - Unclassified (residential roads & non-bus routes)

| Scheme No. | Location | Ward | Area | Description of Works | Cost £k |
|------------|---|------------------------------|------------|--|---------|
| 2023/MP/01 | Dale View Gardens , Crawcrook | Crawcrook & Greenside | West | Resurface carriageway | 26 |
| 2023/MP/02 | Holburn Way , Ryton | Ryton, Crookhill & Stella | West | Resurface carriageway | 29 |
| 2023/MP/03 | Thornley View , Rowlands Gill | Chopwell & Rowlands Gill | West | Resurface carriageway | 6 |
| 2023/MP/04 | Mill Lane , Winlaton Mill | Winlaton & High Spen | West | Overlay carriageway | 24 |
| 2023/MP/05 | Derwenthaugh Industrial Estate Road , Derwenthaugh | Blaydon | West | Reconstruct carriageway & highway drainage | 45 |
| 2023/MP/06 | Parkdale Rise , Whickham | Whickham North | Inner West | Resurface carriageway | 22 |
| 2023/MP/07 | Mount Grove , Dunston | Dunston Hill & Whickham East | Inner West | Resurface carriageway | 21 |
| 2023/MP/08 | Eighth Avenue , Team Valley | Lobley Hill & Bensham | Central | Resurface carriageway | 56 |
| 2023/MP/09 | Armstrong Street , Bensham / Teams | Lobley Hill & Bensham | Central | Resurface carriageway | 32 |
| 2023/MP/10 | Claremont South Avenue , Bensham | Bridges | Central | Reconstruct / resurface carriageway | 14 |
| 2023/MP/11 | Elder Grove , Low Fell | Low Fell | South | Resurface carriageway | 10 |
| 2023/MP/12 | Cromer Court , Low Fell | Chowdene | South | Resurface carriageway | 10 |
| 2023/MP/13 | Seaham Gardens , Wrekenton | High Fell | South | Resurface carriageway | 41 |

| | | | | | |
|--|--|--|--|-------------------|------------|
| | | | | Subtotal 1 | 336 |
|--|--|--|--|-------------------|------------|

Table 2 - Unclassified (residential roads & non-bus routes) continued

| Scheme No. | Location | Ward | Area | Description of Works | Cost £k |
|--|--|---------------------------|-------------|-------------------------------------|----------------|
| 2023/MP/14 | Warrenmor , Leam Lane | Pelaw & Heworth | East | Reconstruct / resurface carriageway | 20 |
| 2023/MP/15 | Sheraton , Leam Lane | Wardley & Leam Lane | East | Resurface carriageway | 23 |
| 2023/MP/16 | Minor Works (poor weather failures) | - | - | Resurface carriageway | 50 |
| | | | | Subtotal 2 | 93 |
| Unclassified Reserve Schemes (to be included if the main programme cannot be completed) | | | | | |
| 2023/MP/R01 | Westfield Lane , Ryton | Ryton, Crookhill & Stella | West | Overlay carriageway | - |
| 2023/MP/R02 | Widdrington Rd / Loup St / Ann St / Murray St , Blaydon | Blaydon | West | Resurface carriageway | |
| 2023/MP/R03 | Malver Gardens , Lobley Hill | Lobley Hill & Bensham | Central | Overlay carriageway | - |
| 2023/MP/R04 | Rugby Gardens , Wrekenton | High Fell | South | Resurface carriageway | - |
| 2023/MP/R05 | Longshank Lane , Birtley | Lamesley | South | Resurface carriageway | - |
| | | | | Subtotal 2 | 93 |
| | | | | Subtotal 1 | 336 |
| | | | | Total | 429 |

Table 3 - Back Lanes

| Scheme No. | Location | Ward | Area | Description of Works | Cost £k |
|--|---|-----------------------------------|-------------|---|----------------|
| 2023/BL/01 | Mill Road / Balfour Terrace, Chopwell | Chopwell & Rowlands Gill | West | Resurface carriageway | 8 |
| 2023/BL/02 | Holly Avenue, Ryton | Ryton, Crookhill & Stella | West | Resurface carriageway & highway drainage | 24 |
| 2023/BL/03 | The Garth, Winlaton | Winlaton & High Spen | West | Resurface carriageway | 10 |
| 2023/BL/04 | Spencers Bank, Swalwell | Whickham North | Inner West | Resurface carriageway | 11 |
| 2023/BL/05 | Affleck Street / Claremont North Avenue, Bensham | Bridges | Central | Resurface carriageway | 14 |
| 2023/BL/06 | Mafeking St / Old Durham Rd / Baden Powell St, High Fell | Deckham | Central | Resurface carriageway | 10 |
| 2023/BL/07 | Pensher Street East, Felling | Felling | East | Overlay carriageway | 19 |
| 2023/BL/08 | Dorset Avenue, Barley Mow | Birtley | South | Overlay carriageway | 20 |
| 2023/BL/09 | Tyne View Gardens, Pelaw | Pelaw & Heworth | East | Resurface carriageway | 8 |
| 2023/BL/10 | Chilcrosse, Leam Lane | Windy Nook & Whitehills | East | Resurface carriageway | 11 |
| Back Lanes Reserve Schemes (to be included if the main programme cannot be completed) | | | | | |
| 2023/BL/R01 | Peartree Court / River View, Blackhall Mill | Chopwell & Rowlands Gill | West | Resurface carriageway | - |
| 2023/BL/R02 | Litchfield Lane / Weatherside, Winlaton | Blaydon / Winlaton & High Spen | West | Resurface carriageway | - |
| | | | | Total | 135 |

Table 4 - Surface Dressing (rural roads)

| Scheme No. | Location | Ward | Area | Description of Works | Cost £k |
|---|---|---|-------------|-----------------------------|----------------|
| 2023/SD/01 | C302 Lead Road , Greenside | Crawcrook & Greenside | West | Prepatch & surface dress | 56 |
| 2023/SD/02 | Stargate Lane , Stargate | Crawcrook & Greenside, Ryton, Crookhill & Stella | West | Prepatch & surface dress | 25 |
| 2023/SD/03 | Cranberry Bog Road , Lamesley | Lamesley | South | Prepatch & surface dress | 34 |
| 2023/SD/04 | C309 Birkland Lane , Lamesley | Lamesley | South | Prepatch & surface dress | 79 |
| Surface Dressing Reserve Scheme (to be included if the main programme cannot be completed) | | | | | |
| 2023/SD/R01 | Greenford Lane , Lamesley | Lamesley | South | Prepatch & surface dress | - |
| | | | | Total | 194 |

Table 5 - Costs Summary

| Works | Cost £k |
|---|----------------|
| Classified & Bus Routes (non-residential roads) | 929 |
| Unclassified (residential roads & non-bus routes) | 429 |
| Back Lanes (residential roads & non-bus routes) | 135 |
| Surface Dressing (rural roads) | 194 |
| Technical Costs | 50 |
| Total | 1737 |

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21 November 2023**TITLE OF REPORT: Local Council Tax Support Scheme for 2024/25****REPORT OF: Darren Collins, Strategic Director, Resources and Digital
and Borough Treasurer**

Purpose of the Report

1. Cabinet is requested to recommend to Council a Local Council Tax Support Scheme for the year 2024/25

Background

2. The Local Council Tax Support Scheme (LCTS) was introduced by Central Government in 2013 as a replacement for the Council Tax Benefit scheme. As part of the introduction the Government:
 - placed the duty to create a local scheme for working age claimants with local authorities
 - prescribed that persons of pension age would be dealt with under the existing regulations set by Central Government and not the Local Authorities local scheme.
 - Pensioners, subject to their income, can receive up to 100% support towards their Council Tax. The Council has no powers to change the level of support provided to pensioners and therefore any changes to the level of LCTS can only be made to working age schemes
 - reduced initial funding from the level paid through benefit subsidy to Local Authorities under the previous Council Tax Benefit scheme.
 - funding for the Local Council Tax Support scheme has been absorbed into other Central Government grants paid to Local Authorities that continues to reduce year on year
3. When designing a scheme the Council must also consider its responsibilities under:
 - The Child Poverty Act 2010
 - The Disabled Persons (Services, Consultation and Representation) Act 1986, and Chronically Sick and Disabled Persons Act 1970
 - The Housing Act 1996 which gives local authorities a duty to prevent homelessness with special regard to vulnerable groups
4. The Council should also consider changes that might adversely (or beneficially) impact on its residents in year, in particular, the increased cost of living, the removal of hardship funding and any changes announced in the budget, especially in relation to changes in benefit income which affect entitlement within the local scheme.
5. Under legislation, the Council's own Local Council Tax Support scheme must be approved each year by Council by 11 March at the latest. A proposed council tax support scheme within this report is therefore a scheme for 2024/2025.

Modelling and Assumptions

6. The challenges local authorities face in designing a Local Council Tax Support scheme is to balance the overall cost of a scheme, the needs and affordability for residents, simplicity and the cost of administration. There are a number of issues to consider which include:
 - a. The cost of living crisis is still creating uncertainty in terms of inflation, increased energy, fuel and food bills.
 - b. Many residents in receipt of LCTS have had a reduced annual bill since 2020/21 through the application of hardship relief but there is no certainty that such provision will be made by Government for 2024/25.
 - c. The roll-out of Universal Credit for working age claimants is set to proceed at pace during 2024/25. Whilst LCTS is administered by the Council, Universal Credit including Housing costs is administered by DWP. It is felt that changing core benefits at the same time as LCTS increases risk for this client group.
 - d. The current LCTS scheme allows 1 month backdating of a claim which is in line with schemes nationally. There can be a potential loss of entitlement of LCTS if Universal Credit claimants do not make a prompt claim, however the Council seek to mitigate where possible with the use of current hardship funding.
7. Local Council Tax Support schemes will always need to protect pensioner households so there will always be a cost to the budget. Based on current numbers of claimants this would equate to around £9.99 million in 2024/2025.
8. Modelling has suggested that increasing the contribution for working age claimants would not be affordable and would therefore not decrease the overall cost of the scheme. Examples are included in Appendix 2.

Proposal

9. The proposed Local Council Tax Support scheme for Gateshead has been established with due regard to the Council's statutory obligations and in order to support those claimants most in need of financial assistance, consistent with the Council's other priorities and policies.
10. Apart from some minor adjustments to bring the scheme in line with the Government's Housing Benefit and Universal Credit schemes, the proposed LCTS scheme for 2024/25 will remain the same scheme that has been in place since 2013/14. The proposed scheme will retain the same provision for pensioners and the original 8 underlying principles outlined below for working age claimants:
 - Protection should be given to certain groups – all working age claimants to pay at least 8.5% of their council tax liability
 - The scheme should encourage people to work
 - Everyone in the household should contribute
 - Capital or Savings threshold should be maintained at £16,000
 - War Pensions should be disregarded
 - Minimum level of support should be £1 (per week)
 - Child benefit should be disregarded as income.
 - A discretionary fund should be maintained.
11. The proposed scheme therefore retains the minimum contribution for all working age claimants at 8.5% of their Council Tax liability and does not recommend an increase to this figure.

12. It is proposed that the discretionary part of the scheme is set at £25,000 to help support the most vulnerable claimants in exceptional circumstances.

Recommendations

13. Cabinet is requested to recommend that Council:

- i) approves the proposed scheme as set out in paragraphs 9 to 12 of the report; and
- ii) delegates powers to the Strategic Director, Resources and Digital to provide regulations to give effect to the scheme including publishing full details online.

For the following reasons:

- i) To meet the statutory requirements of the Local Government Finance Act 2012 in relation the establishment of a framework for Localised Council Tax Support.
- ii) To mitigate the impact of the increased cost of living on Council Tax support claimants.
- iii) To mitigate the impact of funding reductions on Council finances.
- iv) To support the Council's "Thrive" agenda.

CONTACT: Pam Richardson

extension: 3648

APPENDIX 1

Policy Context

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

Background

2. The Welfare Reform Act 2012 included the abolition of the Council Tax Benefit scheme with effect from 1 April 2013.

The Act created the need for each billing authority in England to develop a scheme that ‘states the classes of person who are to be entitled to a reduction under the scheme’. The Council must, before developing a scheme, consult any major precepting authority which has power to issue a precept, publish a draft scheme in such a manner as it sees fit, and then consult such other persons as it considers are likely to have an interest in the operation of the scheme.

3. The Council scheme, since 2013 has been based on 8 underlying principles:
 - **Principle 1 – Protection should be given to certain groups** – All working age claimants to pay at least 8.5% of their council tax liability. The council will support through the local scheme the remaining amount up to 91.5%.
 - **Principle 2 – The scheme should encourage people to work** – The earnings taper will not be increased and the earnings disregard will not be decreased.
 - **Principle 3a – Everyone in the household should contribute: Non-Dependants** - Non dependant deductions will increase in line with government recommendations and be on a sliding scale according to income.
 - **Principle 3b – Everyone in the household should contribute: Second Adult Rebate** – there will be no second adult rebate.
 - **Principle 4 – Benefit should not be paid to those with relatively large capital or savings** – The level of savings a claimant can have will be £16,000. A tariff will be applied for savings held between £6,000 and £16,000.
 - **Principle 5 – War pensions should not be included as income** – In recognition of the sacrifices made by war pensioners, war pension income will be excluded as income.
 - **Principle 6 – There should be a minimum level of support** – The minimum award of council tax support will remain at £1 per week.
 - **Principle 7 – Child benefit will not be included as income** – All child benefit income will continue to be disregarded in the calculation.
 - **Principle 8 – Establishment of a discretionary fund** – A discretionary fund will allow for additional support to be provided to the most vulnerable in exceptional circumstances.

Consultation

4. The Leader of the Council has been consulted in the preparation of this report. Where the proposed scheme for a year remains the same as in previous years, no formal consultation is required to be undertaken.

Alternative Options

5. Alternative options could involve the adoption of a scheme which offers less support by increasing the minimum contribution or more support to residents by increasing at a greater rate the Council's commitment of resources. The proposal retains the significant level of support from the Council to working age claimants in line with policy priorities.

Implications of Recommended Option

6. Resources:

a) Financial Implications –

- 6.1 The proposed approach enables the Council to operate a support scheme within the funding available and to mitigate the impact on working age claimants by utilising council resources.
- 6.2 Adopting the scheme means that approximately 12,000 council tax payers (out of 13,400 working age claimants) will continue to pay no more than 8.5% of their council tax (the cost is estimated at around £137 per year or around £2.60 per week). This modelling is based on current numbers of claims.
- 6.3 The full impact on the Collection Fund also continues to be monitored and the behaviour of those claimants who are required to pay has been analysed during the current and previous years. Collection from this client group has remained static in the first nine years of the scheme and continues to do so in 2023/24.
- 6.4 A discretionary fund of £25,000 is available to be used to support the most vulnerable claimants in exceptional circumstances.
- 6.5 The removal of the ring-fence within the Government funding calculation means that Government funding for this area has been significantly reduced. The best estimate of the net overall cost of the scheme to the Council is approximately £25.28 million.

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

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

7. **Risk Management Implication** - Retaining a scheme based on the same principles eliminates the risk of a local scheme not being supported from a technology perspective.

8. **Equality and Diversity Implications** - An Integrated Impact Assessment has been carried out.
9. **Crime and Disorder Implications** – There are no crime and disorder implications arising from this report.
10. **Health Implications** – Financial concerns arising from the Governments Welfare Reforms and the impacts of Covid may adversely affect the mental and physical health of some residents.
11. **Climate Emergency and Sustainability Implications** - There are no climate emergency and sustainability implications arising from this report.
12. **Human Rights Implications** – There are no Human Rights implications arising from this report.
13. **Ward Implications** – This scheme affects all current and future working age benefit recipients across Wards within the borough.

Background Information

Welfare Reform Act 2012

Local Government Finance Bill

Communities and Local Government - Statement of intent

Communities and Local Government - Vulnerable people –key local authority duties

Welfare Reform and Work Bill 2015

Comprehensive Impact Assessment

Appendix 2

Worked examples of current scheme and 2024/25 estimates and assumptions

Example 1 - Single person of working age over 25 = earnings of £129.60 per week.

Based on current 8.5% minimum contribution.

| | |
|-----------------------|---|
| Council Tax liability | £23.24 per week |
| Maximum CTS | £21.26 |
| CTS Entitlement | £15.66 so pays £7.58 per week from an income of £129.60 |

Based on 30% minimum contribution.

| | |
|-----------------------|--|
| Council Tax liability | £23.24 per week |
| Maximum CTS | £16.27 |
| CTS Entitlement | £10.67 so pays £12.57 per week from an income of £129.60 |

Example 2 Single person working age over 25 on Universal Credit of £91.90 per week.¹

Based on current 8.5% minimum contribution.

| | |
|-----------------------|--|
| Council Tax liability | £23.24 per week |
| Maximum CTS | £21.26 |
| CTS Entitlement | £21.26 so pays £1.98 per week from an income of £91.90 |

Based on 30% minimum contribution.

| | |
|-----------------------|--|
| Council Tax liability | £23.24 per week |
| Maximum CTS | £16.27 |
| CTS Entitlement | £16.27 so pays £6.97 per week from an income of £91.90 |

In this example, the issue is further exacerbated by other essential expenditure –

If we take the example of this single person, living in a council tenancy, out of that £91.90 income per week

| | |
|--------------------------|---|
| Council Tax contribution | £6.97 |
| Rent | £18.00 (including under occupancy and water rates) |
| Utilities | £50.00 (including gas, electricity, insurance, broadband/phone) |
| Food/other | £16.93 (remainder of available income) |

¹ 4432 Single UC claimants

Example 3 - Lone parent with 3 children – earnings, tax credits and child benefit income totalling £352.09

Based on current 8.5% minimum contribution.

| | |
|-----------------------|---|
| Council Tax liability | £23.24 per week |
| Maximum CTS | £21.26 |
| CTS Entitlement | £21.26 so pays £1.98 per week from an income of £352.09 |

Based on 30% minimum contribution.

| | |
|-----------------------|---|
| Council Tax liability | £23.24 per week |
| Maximum CTS | £16.27 |
| CTS Entitlement | £16.27 so pays £6.97 per week from an income of £352.09 |

Example 4 - Couple with 2 children – earnings, tax credits and child benefit income totalling £439.60.²

Based on current 8.5% minimum contribution.

| | |
|-----------------------|---|
| Council Tax liability | £30.99 per week |
| Maximum CTS | £28.36 |
| CTS Entitlement | £21.77 so pays £9.22 per week from an income of £439.60 |

Based on 30% minimum contribution.

| | |
|-----------------------|--|
| Council Tax liability | £30.99 per week |
| Maximum CTS | £21.69 |
| CTS Entitlement | £15.10 so pays £15.89 per week from an income of £439.60 |

Note the benefit rates are estimated to include an 8% increase which is not guaranteed and estimated other charges for next year.

² 576 claimants

TITLE OF REPORT: Treasury Management – Performance to 30 September 2023

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

Purpose of the Report

1. The purpose of this report is to review Treasury Management performance for the six months to 30 September 2023, covering investments and borrowing. This is consistent with approved performance management arrangements.

Background

2. Cabinet will receive half yearly performance reports on the agreed Treasury Management budget identifying any variances. This report sets out the monitoring position at 30 September 2023.
3. Council agreed the Treasury Policy Statement and Treasury Strategy 2023/24 to 2027/28 which provided a framework for the Strategic Director, Resources and Digital to exercise his delegated powers on 24 March 2023.
4. Council also agreed the original Treasury Management 2023/24 budgets on 23 February 2023 of £20.646m, split £8.973m for General Fund and £11.673m for the HRA.

Proposals

5. The projected outturn for 2023/24 at 30 September 2023 for the General Fund is £7.178m compared to the budget of £8.973m, an underspend of £1.795m. The HRA projection is £12.043m compared to the budget of £11.673m, an overspend of £0.370m.
6. The Audit and Standards Committee reviewed the Treasury Management performance to 30 September 2022 on 31 October 2023 and raised no comments for submission to Council.
7. It is important that effective budget monitoring and action planning is in place to ensure that spending in 2023/24 is contained within approved budgets as this will contribute to a sustainable financial position for the Council.

Recommendation

8. Cabinet is asked to recommend that Council note the Treasury Management Performance to 30 September 2023; to contribute to sound financial management and the long-term financial sustainability of the Council.

Policy Context

1. The proposals in this report are consistent with Council priorities and in particular they ensure that effective use is made of the Council's resources to ensure a sustainable financial position and support of the framework for achieving the Council's strategic approach 'Making Gateshead a Place Where Everyone Thrives'. The Council recognises there are huge financial pressures on not just Council resources, but those of partners, local businesses and residents. This requires the Council's decision-making to be policy and priority led and driven.

Background

2. The Prudential Code plays a key role in capital finance in local authorities. Local authorities determine their own programmes for capital investment that are central to the delivery of quality public services. The Prudential Code was developed by CIPFA, the Chartered Institute of Public Finance and Accountancy, as a professional code of practice to support local authorities in taking their decisions. Local authorities are required by regulation to have regard to the Prudential Code when carrying out their duties in England and Wales under Part 1 of the Local Government Act 2003.
3. In December 2021 CIPFA issued a revised Treasury Management Code of Practice and a revised Prudential Code (the Code) which represent best practice. The Council fully complies with the Code and this contributes towards achieving good practice.
4. Part 1 of the Local Government Act 2003 specifies the powers of a local authority to borrow for any purpose relevant to its functions under any enactment or for the purposes of the prudent management of its financial affairs. Borrowing is linked to the CIPFA Prudential Code for Capital which sets out a range of prudential and treasury indicators that must be calculated to ensure borrowing is affordable, prudent and sustainable. The Prudential Code refers to the need for a clear and integrated treasury strategy.
5. In addition, under Section 15 of the Local Government Act 2003, authorities are required to have regard to the MHCLG's guidance on Local Government Investments. This document stipulates the requirement for an annual investment strategy to be integrated into the Council's Treasury Strategy.
6. Under Part 4 of the Council's Constitution the Strategic Director, Resources and Digital will produce a Treasury Policy Statement annually, setting out the general policies and objectives of the Council's treasury management function.

Treasury Management Strategy Statement

7. The Treasury Management Strategy Statement (TMSS) for 2023/24 was approved by Council on 24 March 2023. There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

Mid-Year Performance to 30 September 2023

8. This report sets out the latest position on the 2023/24 Treasury Management budget as at 30 September 2023 and projects interest on borrowing and investment income to the end of the financial year.
9. The combined General Fund and HRA projected outturn for 2023/24 at 30 September 2023 is £19.221m compared to the estimate of £20.646m, a projected underspend of £1.425m. The underspend relates to two main areas:
 - a) Borrowing costs are lower than budget. Due to the council holding high levels of cash reserves and reduced projected capital financial requirements borrowing has been delayed until later in the financial year
 - b) Investment interest achieved is higher than budgeted estimates. Due to changes in the market conditions and higher levels of interest available the council has received a higher return on investments placed during the financial year.
10. Appendix 2 details the budget for 2023/24 compared to an assessment of the projected outturn for the year.

Consultation

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

Alternative Options

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

Implications of Recommended Options

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

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

16. **Crime and Disorder Implications**

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

17. **Health Implications**

There are no health implications arising from this report.

18. **Climate Emergency and Sustainability Implications**

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

19. **Human Rights Implications**

There are no human rights implications arising from this report.

20. **Ward Implications**

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

Mid-Year Report - Performance to 30 September 20232

Investment Performance

1. The latest projection of gross investment income for 2023/24 based on interest earned to date and expected interest to March 2024 is £5.102m, compared to an original estimate of £4.560m.
2. This gross investment interest is adjusted to account for £0.700m interest payable to third parties (budget £0.742m), temporary loans of £0.031m (budget £0.011m) and interest receivable of £1.273m from various third parties (budget £1.273m). This gives a projected net interest to the General Fund 2023/24 of £5.644m compared to the budget of £5.080m. The variance to budget is mainly as a result of higher levels of interest received due to higher increases to the Bank of England base rate than anticipated when the 2023/24 budget was set.

The Economy

3. Since the historically low bank base rates during the covid pandemic interest rates have been on an upward curve from December 2021. The Bank of England's Monetary Policy Committee have agreed the following increases so far in 2023/24:

| Date | Base Rate |
|----------------|-----------|
| 01 April 2023 | 4.25% |
| 11 May 2023 | 4.50% |
| 23 June 2023 | 5.00% |
| 04 August 2023 | 5.25% |

It is anticipated that base rate increases have peaked at 5.25% and are projected to fall slightly in the second half of the current financial year to 5.00%.

Rate of Return

4. The average rate of return is monitored for each investment type the Council enters into and these are used to calculate an average rate of return for the year to date. The current rate of return is 4.85%, which is an improvement on the original estimate of 3.82%.
5. The quarterly LINK Asset Services Investment Benchmarking report assesses both the rate of return and the risk of the counterparty to calculate a weighted average rate of return, which is used for comparison across regional Local Authorities. In the most recent report received at June 2023 the Council achieved a weighted average rate of return of 4.81% on its investments for Quarter 1 2023/24 which is above the risk adjusted expectations (4.20% to 4.54%) defined in the Benchmarking Report for our Group.
6. The average rate of return would be expected to increase during the remainder of the financial year as low interest investments mature, increased stability in the bank base rates, investment balances are projected to remain consistent and new deposits placed with higher yielding returns.
7. In the current financial year the economic conditions in the investment market improved and the Council will likely receive levels of interest rates achieved in recent financial years. The majority of available interest rates up to 12 months duration are

at or around 5.60% compared to the bank base rate of 5.25% (at 30 September 2023). No further increases in the Bank Base Rate are forecast during the current financial year ending 31st March 2024, with investment returns forecast to remain fairly consistent in the short and medium term.

Borrowing

14. The total borrowing for the Council and HRA as at 30 September 2023 was £684.966m, which was within the operational borrowing limit of £855.000m. This borrowing is made up of £636.966m Public Works Loans Board (PWLB) loans and £48.000m market loans.
15. The Treasury Strategy estimates for the 2023/24 financial year were based on a total borrowing requirement of £81.573m with £62.406m relating to the GF and £19.166m the HRA. Due to the council holding high levels of cash reserves there has been no borrowing taken in the year to date. The timing of any further borrowing will depend on cash flow requirements to support the capital programme.
16. The current forecast for interest payable on borrowing is allocated to the General Fund and the Housing Revenue Account (HRA) as shown in the following table:

| | General Fund | HRA |
|---------------------------|---------------------|------------|
| Forecast Interest Payable | £13.591m | £12.228m |
| Average rate of interest | 3.38% | 3.79% |

This represents a gross saving of £0.828m on the original estimate, of which £0.793m is a saving for the General Fund and £0.035m additional cost to the HRA.

Compliance with Treasury and Prudential Limits

17. It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the half year ended 30th September 2023, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2023/24 as demonstrated in Appendix 3.

18. Liability Benchmark

A new prudential indicator has been introduced for 2023/24, the Liability Benchmark (LB). The Council is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum and Appendix 4 shows the current position as 30 September 2023.

Summary of Mid-Year Performance

19. The projected net impact of investment and borrowing activity on the revenue budget in 2023/24 is an underspend of £1.425m, comprising £1.795m General Fund underspend and £0.370m HRA overspend.

| | General Fund | | | HRA | | |
|---------------------|--------------|----------------------|----------------|---------------|----------------------|--------------|
| | Estimate | Projected Outturn | Variance | Estimate | Projected Outturn | Variance |
| | £m | £m | £m | £m | £m | £m |
| Investments | (5.080) | (6.083) | (1.003) | (0.555) | (0.150) | 0.405 |
| Borrowing | 13.591 | 12.798 | (0.793) | 12.228 | 12.193 | (0.035) |
| Premia | 0.462 | 0.463 | 0.001 | 0.000 | 0.000 | 0.000 |
| Net Position | 8.973 | 7.178 | (1.795) | 11.673 | 12.043 | 0.370 |

20. Current interest rates for investments are around 5.60% for 12 months and 5.50% for 6 months, allowing the Council to maintain existing returns from investing cash balances. PWLB rates are currently higher than budgeted and will be monitored to ensure borrowing is taken at the optimum time to minimise the number of long term loans entered into at the current higher level of interest rates.
21. The balance of external and internal borrowing is generally driven by market conditions. The council will continue to monitor the market to identify any opportunity to repay borrowing earlier than planned, subject to any discounts received.

Maturity Profile of Fixed Rate Borrowing

The following table shows that Gateshead is within the prudential limits set for the maturity profiles of fixed rate borrowing.

| Fixed Rate Borrowing | | | | |
|-----------------------------|--------------|--------------|------------------------------|---------------------------|
| | Lower | Upper | Actual @ 30 September | Max Actual to date |
| < 1 yr | 0% | 15% | 2.78% | 2.78% |
| 1 – 2 yrs | 0% | 19% | 2.29% | 2.99% |
| 2 – 5 yrs | 0% | 22% | 8.42% | 9.15% |
| 5 – 10 yrs | 0% | 22% | 10.98% | 11.71% |
| 10 – 20 yrs | 0% | 17% | 5.04% | 6.50% |
| 20 – 30 yrs | 0% | 41% | 6.65% | 6.65% |
| 30 – 40 yrs | 0% | 42% | 32.73% | 33.46% |
| 40 – 50 yrs | 0% | 41% | 29.64% | 33.29% |
| 50 yrs + | 0% | 11% | 0.00% | 0.00% |

Maturity Profile of Variable Rate Borrowing

The following table shows that Gateshead is within the prudential limits set for the maturity profiles of variable rate borrowing.

| Variable Rate Borrowing | | | | |
|--------------------------------|--------------|--------------|------------------------------|---------------------------|
| | Lower | Upper | Actual @ 30 September | Max Actual to date |
| < 1 yr | 0% | 16% | 1.46% | 2.92% |
| 1 – 2 yrs | 0% | 11% | 0.00% | 0.00% |
| 2 – 5 yrs | 0% | 11% | 0.00% | 0.00% |
| 5 – 10 yrs | 0% | 11% | 0.00% | 0.00% |
| 10 – 20 yrs | 0% | 11% | 0.00% | 0.00% |
| 20 – 30 yrs | 0% | 11% | 0.00% | 0.00% |
| 30 – 40 yrs | 0% | 11% | 0.00% | 0.00% |
| 40 – 50 yrs | 0% | 11% | 0.00% | 0.00% |
| 50 yrs + | 0% | 11% | 0.00% | 0.00% |

Operation and Authorised Limits (External Debt)

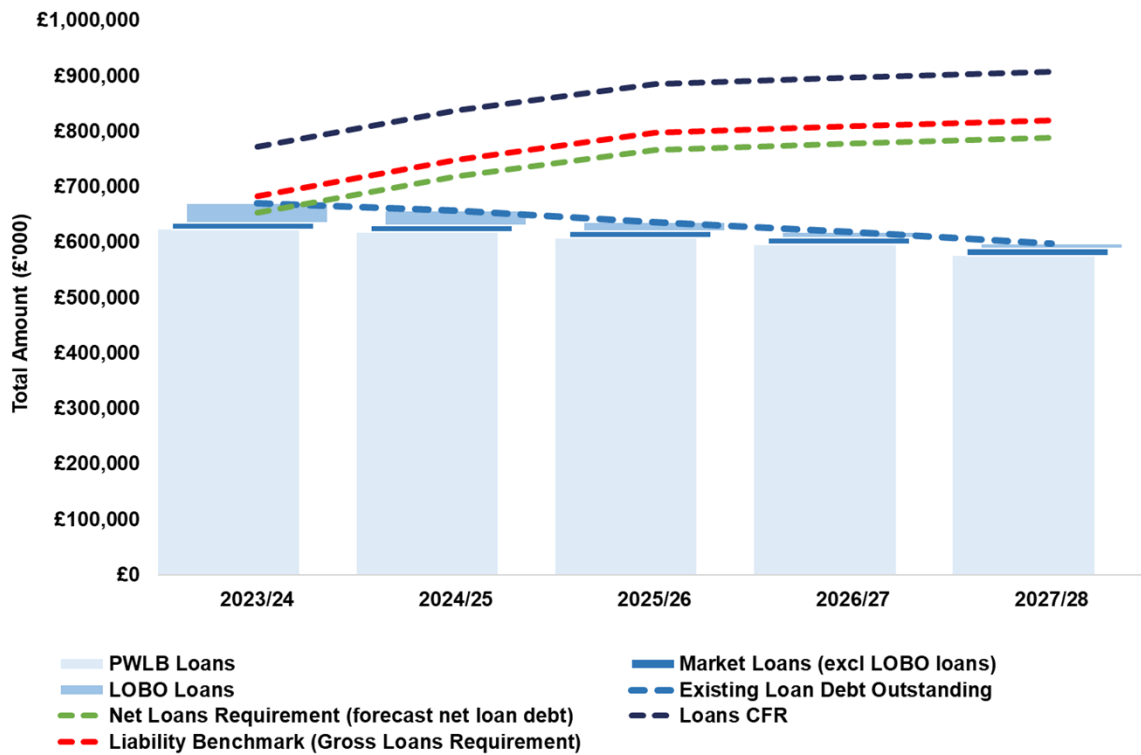
| | |
|---|-----------|
| | £m |
| Operational Limit 2023/24 | 850.000 |
| Authorised Limit 2023/24 | 865.000 |
| Actual External Debt Outstanding 30 Sept 2023 | 684.966 |
| Maximum Debt Outstanding to 30 Sept 2023 | 684.966 |

Non-Specified Investments

As part of the Annual Investment Strategy, the approved limits in respect of non-specified investments have been agreed. The limits and actual performance are detailed below for counterparties with ratings which fall short of the Council's high credit rating. Investments over 364 days are also classed as non-specified.

| | Limits 2023/24 | Actual Levels 30 Sep 2023 | Maximum to date |
|----------------------------------|---------------------------|--------------------------------------|----------------------------|
| Rated Not High | 25.00% | 0.00% | 5.82% |
| Not Rated | 0.00% | 0.00% | 0.00% |
| Over 364 days (max of 3 yrs.) | £15m / 20.00% | £0m / 0.00% | £0m / 0.00% |

Liability Benchmark



The Liability Benchmark gross loans requirement, subject to using internal borrowing and maintaining £30m (liquidity allowance) in Treasury Management investments, is £683m compared to the existing loan debt of £671m, so external debt is circa £12m below the benchmark.

Title of report: Capital Strategy 2024/25 to 2028/29

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

Purpose of the Report

1. Cabinet is asked to recommend that Council approve the attached Capital Strategy for 2024/25 to 2028/29 to support the framework used to set and monitor the Capital Programme.

Background

2. In December 2021 the Chartered Institute of Public Finance (CIPFA) revised the Prudential Code for Capital and the Code of Practice on Treasury Management to align these documents to the revised MHCLG Guidance on Local Government Investments.
3. The revised guidance emphasis is the need to ensure capital expenditure is prudent, proportional, affordable and sustainable, with greater weight placed on the assessment and management of the long-term implications of capital expenditure on the revenue budget and the delivery of the Council's policy objectives.
4. All Councils are required to have a Capital Strategy in place which is approved by full Council. This supports decision making and ensures Councils have a robust approval, reporting and monitoring framework in place which clearly links capital expenditure to the wider Council objectives and impact on the revenue budget.

Proposals

5. Cabinet is asked to recommend that Council approve the Capital Strategy attached at Appendix 2, to ensure that the Council fully complies with the requirements of good financial practice in capital accounting.

Recommendation

6. Cabinet is asked to agree the Capital Strategy as attached at Appendix 2 and recommend the Strategy for approval to Council.

For the following reason:

To ensure that the Council fully complies with the requirements of good financial practice in capital accounting.

CONTACT: Clare Tait, ext. 3617

Policy Context

1. The proposals in this report are consistent with the Council's priority of Making Gateshead a Place Where Everyone Thrives and the Medium Term Financial Strategy, in particular they ensure that effective use is made of the Council's resources to achieve the Council's priorities whilst ensuring a sustainable financial position.

Background

2. Part 1 of the Local Government Act 2003 specifies the powers of a local authority to borrow for any purpose relevant to its functions under any enactment or for the purposes of the prudent management of its financial affairs. Borrowing is linked to the CIPFA Prudential Code for Capital which sets out a range of prudential and treasury indicators that must be calculated to ensure borrowing is affordable, prudent and sustainable.
3. In addition, the revised Prudential Code requires all Councils to have in place a Capital Strategy which has been approved by full Council. To ensure Councils have a robust approval, reporting and monitoring framework in place which clearly links capital expenditure to the wider Council objectives and demonstrates the impact on the revenue budget.
4. The Prudential Code also refers to the need for a clear and integrated treasury strategy which, by the application of set prudential and treasury management financial indicators enables the Council to assess and monitor the prudence, affordability, sustainability and proportionality of the capital programme.
5. CIPFA has produced the Prudential Code, which represents best practice, adopting the attached Capital Strategy will ensure the Council fully complies with the Code and this contributes towards achieving good practice.

Capital Strategy

6. The Capital Strategy for 2024/25 to 2028/29 is attached at Appendix 2. This covers the specific capital investment activities included with the Capital Programme and the framework in place for the annual review of the five-year rolling programme.
7. The Capital Strategy ensures all decisions on capital investment support the Council's priorities and the Council's Medium Term Financial Strategy (MTFS) and sets out the decision-making, monitoring and reporting framework for capital expenditure.
8. In compliance with the Prudential Code, the Capital Strategy also sets out the Council's approach to the following areas:
 - Use of the capitalisation flexibility
 - The impact of the ongoing costs of capital expenditure on the revenue budget and if any reliance is placed on investment returns to balance the revenue budget
 - Assessment of the risks associated with the Capital Programme
 - Any restrictions around borrowing
 - Long term projections around borrowing and the repayment of debt
 - The Council's approach to commercial investments

- Use of independent external advice to support decision-making
- How other long-term liabilities, such as equity investments and financial guarantees are identified and monitored.
- The level of knowledge and skills available within the Council to support informed decision-making.

Consultation

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

Alternative Options

10. There are no alternative options, as the Capital Strategy recommended for approval is required in order to comply with CIPFA's Prudential Code for Capital.

Implications of recommended options

11. **Resources:**

a) Financial Implications - The Strategic Director, Resources and Digital confirms that there are no additional financial implications associated with 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.

12. **Risk Management Implications**

There are no risk management implications arising from this report.

13. **Equality and Diversity Implications**

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

14. **Crime and Disorder Implications**

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

15. **Climate Emergency and Sustainability Implications**

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

16. **Human Rights Implications**

There are no human rights implications arising from this report.

17. **Ward Implications**

There are no direct ward implications arising from this report.

18. **Background Information:**

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

1. Local Government Act 2003
2. CLG Guidance on Local Government Investments
3. CIPFA's Prudential Code for Capital
4. CIPFA's Code of Practice on Treasury Management

Capital Strategy

2024/25 – 2028/29

1. Purpose of the Capital Strategy

- 1.1 The purpose of the Capital Strategy is to drive the authority's capital investment ambition whilst also ensuring appropriate capital expenditure, capital financing and treasury management within the context of the sustainable, proportional and affordable long-term delivery of services.
- 1.2 The Capital Strategy supports the Investment Plan and aligns to the Council's strategic approach of Making Gateshead a place where Everyone Thrives by:
- Putting people and families at the heart of everything we do
 - Tackling inequality so people have a fair chance
 - Supporting our communities to support themselves and each other
 - Investing in our economy to provide sustainable opportunities for employment, innovation, and growth across the borough
 - Working together and fight for a better future for Gateshead
- 1.3 Local Authorities are required, by regulation, to have regard to the Prudential Code when carrying out their duties under Part 1 of the Local Government Act 2003. A key element of the code is that local authorities should have a long-term capital strategy in place that sets out the long-term context in which capital and revenue decisions are made.

2. Technical Background

2.1. The Capital Strategy is framed within the following statute and guidance:

| Legislation | Professional Codes | Guidance |
|---|--|---|
| Local Government Act 2003 - Part 1 | CIPFA | Government and CIPFA |
| 1.1 Power to borrow 1.12 Power to invest 1.15 Regard to guidance issued 1.3 Affordable borrowing limit | Prudential Code 2021 Treasury Code of Practice 2021 | Minimum Revenue Provision Local Government Investments |

2.2. In response to a growing number of authorities increasing their use of non-financial investments (such as commercial property portfolios) to generate income to compensate for reducing resources supporting the delivery of their core services, the Prudential Code was updated in 2021. The revised code and guidance sought to increase transparency and to provide a single place to assess the proportionality of this activity in comparison to an authority's core services.

2.3. The Strategy is completed in line with best practice as outlined within the Chartered Institute of Public Finance and Accountancy (CIPFA) revised 2021 Treasury and Prudential Code, it:

- Applies a long-term approach.
- Explores external influences on Capital Strategy e.g. Local Enterprise Partnership (LEP).
- Examines Commercial activity/ambition.
- Determines implications of the Treasury and Prudential Code on the Capital Management Strategy.

- Ensures Council Plan priorities drive capital investment.
- Examines available resources and capacity to deliver.
- Assesses affordability against ambition and addresses any gaps.
- Identifies capital financing principles.
- Demonstrates integration with other strategies and plans.
- Identifies risks and mitigation.
- Outlines Governance, monitoring processes and procedures.

3. The Capital Planning Framework

3.1. The Capital Strategy is an integrated part of the Council’s Planning framework. It has an impact on, and is impacted by, other strategies both internally and externally which include the following:

| Strategy | Description |
|---------------------------------------|---|
| Core Strategy | Sets out the spatial planning framework to deliver economic prosperity and healthy, sustainable communities through economic and housing regeneration and new developments |
| Medium term Financial Strategy (MTFS) | Sets out the financial implications of delivering its key priorities, on the Council, over a five-year period whilst considering potential changes in demographics, legislation, government policies and the economy. |
| Health and Wellbeing Strategy | Sets the approach to achieving the vision of “Good jobs, homes, health and friends” and assists in the delivery of the Thrive agenda. |
| Treasury Management Strategy | Sets out the acceptable limits on ratings, investment periods, amounts to be invested and the borrowing strategy. |
| Asset Strategy | Details existing asset management arrangements and outcomes and planned action to improve asset use |
| Highways Asset Management Plan | Aims to facilitate the development and improvement of the way in which highway maintenance and management functions are carried out. This will assist in the optimal allocation of resources |
| Climate Strategy | Provides a framework to table climate change, allowing a collaborative approach and provide actions to contribute to the environmental goals of the Council and wider community. |
| Housing Strategy | Sets out the long-term vision for housing. The aim of the strategy is to ensure Gateshead continues to provide, good quality affordable homes and housing services that meet the needs and aspirations of the local people. |

| Strategy | Description |
|-------------------------------|--|
| Digital Strategy | Enables customers to access online and mobile services, enables the council to work differently and more efficiently and enables the Council, residents, and businesses to compete in the digital world. |
| Economic Development Strategy | Sets the vision for the economic growth and development of Gateshead through redevelopment and inward investment |

4. Principles

4.1. Capital expenditure can be defined as expenditure that results in the acquisition, construction, or enhancement of an asset (e.g., land, buildings, roads, plant and equipment), that continues to benefit the Council for a period of more than one financial year. Projects can be capitalised if they meet the definition of capital expenditure and are over the current approved de minimus of £10,000. Any item below this limit is charged to revenue.

4.2. The Prudential Code requires that authorities demonstrate that they make capital expenditure and investment decisions in line with services objectives and have proper stewardship arrangements, provide value for money, are prudent, proportional, sustainable, and affordable.

4.3. To ensure that the Council meets this requirement, it will:

- Ensure capital expenditure contributes to the achievement of the Council's Priority Outcomes.
- Ensure investment decisions make best use of resources. The impact of capital expenditure and use of resources is understood and a holistic view taken through the Medium-Term Financial Strategy. Income is not factored into the Medium-Term Financial Strategy although it is used to assess capital schemes.
- Have a clear framework for making capital expenditure decisions.
- Ensure a corporate approach to generating capital resources is established. The approach to providing funding for capital is set out in section 5 of this strategy.
- Have access to sufficient long-term assets to provide services. The Council uses statistical information, including population trends and housing development plans along with asset condition surveys and regular valuations of our assets to help plan long-term need.

4.4. Where loans to third parties are being used to fund expenditure that is classed as capital in nature, the loans will be accounted for as capital expenditure and will therefore be approved as part of the capital programme. Capital loans to third parties will only be considered where there is agreed terms of repayment, and repayments will be treated in accordance with the Council's Treasury Management Strategy.

5. Investment for Commercial Return

5.1. To date the Council has not entered any non-treasury financial investments which are purely to generate a commercial return. The Council owns a portfolio of tenanted non-residential properties which generate a revenue return for the

Council however, these properties have been held for a significant number of years and support the wider corporate priorities.

5.2. There are currently no plans to consider entering a non-treasury financial investment solely or primarily to obtain a revenue return. However, if an opportunity to do so arose the long-term financial impact and the risks inherent to the schemes would be assessed as part of the due diligence process. Where the size of the investment or the risk of the investment required external advice, this would be obtained. Cabinet would approve any potential investment to obtain a commercial return.

6. Funding

6.1. The Council's Capital Programme is funded through a range of sources including:

| Source | Description |
|---|--|
| Prudential Borrowing | The introduction of the Prudential Code in 2004 allows the Council to undertake unsupported borrowing. This borrowing is subject to the requirements of the Prudential Code for Capital Expenditure for Local Authorities. This has revenue implications for the Council in the form of financing costs, including the Minimum Revenue Provision, which is considered via the annual budget setting process. |
| External Grants for Specific Purposes | These include grant allocations categorised for specific purposes to deliver specific schemes or outcomes. Where the Council is already funding a scheme or targeted outcome from council funding streams such as borrowing or capital receipts, then such grants will be used to reduce the use of council funding in the defined order outlined at 5.2. |
| External Grants for Non-Specific Purposes | These are grant allocations for the delivery of the Council's capital plans (most often from government departments), that are categorised as non-specific. These grants are used to fund the approved capital programme and reduce the Council's need to borrow. |
| Infrastructure Contributions e.g. S106 Contributions, Community Infrastructure Levy (CIL) etc | Some projects within the Capital Programme are funded by contributions from private sector developers. Where applicable we request contributions towards infrastructure, such as roads and transport, schools, libraries, household waste recycling centres and rights of way, relating to the development. |
| Other External Contributions | Organisations or partners may make a contribution towards the delivery of a specific capital project. The same principles will apply as to External Grants for Specific Purposes (see above). |
| Reserves and Revenue Set Aside | The Council can use revenue resources to fund capital projects, where these have been approved as part of the budget setting process or an approved business case. |

| | |
|------------------|---|
| | This includes specific reserves, payback from invest to save schemes or revenue contributions. |
| Capital Receipts | The Council can generate capital receipts through the sale of surplus assets such as land and buildings. The Council seeks to maximise the level of these resources, which will be available to support the Council's plans. This funding source will be prioritised to fund assets with the shortest useful life, such as IT equipment, to reduce the requirement to borrow for assets that attract a greater annual Minimum Revenue Provision cost. |
| New Homes Bonus | New Homes Bonus is a (non-specific) revenue grant given by Central Government to Councils which is based on the number of homes built or brought back into habitation in the previous year and is payable for four years. New Homes Bonus can be used to fund revenue or capital expenditure. This will be decided annually through the budget setting process |
| Leasing | Lease obligations are similar to borrowing as they have an ongoing revenue budget commitment. Leasing will be considered following due diligence over the life of the asset, comparing the financial and non-financial benefits and risks to the Council owning and delivering such assets itself. |

6.2. The application of funding sources to capital expenditure incurred during the year will be applied in the following order, where possible, to minimise revenue implications:

- Scheme specific income e.g., specific grants, S106 contributions, Community Infrastructure Levy and Other External Contributions
- Reserves and Revenue set aside funding, where agreed.
- Non-Specific grants
- New Homes Bonus
- Capital Receipts
- Borrowing

7. Environmental, Social and Governance Considerations

7.1. In 2019 the Gateshead Council declared a Climate Emergency and set a target of achieving carbon neutrality from its activities as soon as practicable and in any event by 2030, in line with the new target for the UK agreed by Parliament in 2019. Where possible, officers will identify energy efficient methods and embed low carbon outcomes as appropriate in capital contracts.

7.2. To ensure that the costs and benefits of any potential projects is balanced with the social, economic, and environmental implications of carbon reduction initiatives, the following should be considered.

- Energy efficiency measures should be considered at the start of any capital project and included in the whole project costs when establishing a business case.
- Where possible, ESG schemes should be integrated within existing funded programmes, e.g., a boiler replacement programme should replace boilers with lower carbon alternatives as part of the capital building maintenance programme.
- A whole building approach should include whole life costings which will range from shorter to longer term pay back periods, and it may be possible to use short term savings to subsidise longer term improvements.
- Scheme Specific Funding, such as external grants and Section 106/CIL contributions should be considered and actively sought to fund projects.
- Scheme should assess whether they can include an element of lobbying of government departments to provide funding for low carbon measures, such as the Department of Education when funding new schools and major improvements.

8. Equalities Impact

8.1. Following the introduction of the Equality Act 2010 ('the EA') a public authority must, in the exercise of its functions, have due regard to the need to

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the EA;
- Advance equality of opportunity between persons who share a relevant protected characteristic (as defined by the EA) and persons who do not share it.
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

8.2. The protected characteristics set out in the EA are age, disability, race, pregnancy/ maternity, religion or belief, sex, gender reassignment, and sexual orientation. Marriage and civil partnership are also protected characteristics for the purposes of the duty to eliminate discrimination.

8.3. In setting the Capital Programme, the three equality aims set out above have to be considered as a relevant factor alongside financial constraints and all other relevant considerations. The EA does not require a specific template or format for this assessment however, cases considering the public sector equality duty have held that an Equality Impact Assessment is the best way to demonstrate that the equalities impacts have been identified and considered.

8.4. Where a capital project is added to the Capital Programme, officers will have regard to the equalities impacts and this will identify whether a further impact assessment is required if the proposal is agreed.

9. Debt, Borrowing and Treasury Management

9.1. A requirement under the Chartered Institute for Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in the Public Services is to prepare a Treasury Management Policy and Strategy setting out the Council's policies for managing investments and borrowing. The Local Government Act 2003 and supporting regulations require the Council to 'have regard to' the Prudential

Code and to set Prudential Indicators to ensure that the Council's capital investment plans are affordable, prudent, proportional and sustainable.

- 9.2. The Local Government Act 2003 permits local authorities to borrow to finance capital expenditure provided that the plans are affordable, prudent, proportional and sustainable in the long term. For borrowing to be considered prudent and affordable there must be an identifiable source of revenue funding to meet the future costs of the borrowing. Ideally this will be revenue savings or additional income. The costs of borrowing and any anticipated income/savings are included within the Medium-Term Financial Strategy. The Treasury Management Policy and Strategy and the Capital Programme identifies a borrowing need. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes so that sufficient cash is available to meet the capital expenditure plans.
- 9.3. Under the Prudential Code and Treasury Management Code, the Council is required to set parameters around its borrowing and treasury activity, including an authorised borrowing limit for each year which cannot be breached. Additionally, when funding capital expenditure through borrowing, the Council is required to set aside a sum from revenue each year to repay the debt, known as the Minimum Revenue Provision (MRP).
- 9.4. To ensure the separation of the core treasury function under security, liquidity and yield principles (SLY), and the policy and commercialism investments usually driven by expenditure on an asset, the Capital Strategy is reported separately from the Treasury Management (TM) Strategy. Therefore, the debt related to the activity and the associated interest costs, payback period, Minimum Revenue Provision policy or for non-loan type investments, the cost against the current market value and the financial risks are part of the Treasury Management Policy and Strategy.
- 9.5. The borrowing strategy outlines the different borrowing options available to fund the capital financing requirement and how the risk around borrowing will be managed. The prudential framework and indicators, which are set annually, ensure that the capital programme remains affordable, sustainable, proportional and prudent by setting maximum levels of overall borrowing, interest rates exposure and the total borrowing maturity exposure per period.
- 9.6. The Treasury Management Investment Strategy specifies the Council's approach to specified and non-specified treasury management investments and non-treasury financial investments. Non-treasury financial investments are investments entered into either directly or through investment in a third party primarily to generate a financial yield and are not capital expenditure.

10. Governance

- 10.1. The Council's constitution and financial regulations govern the capital programme as set out below:
- All capital expenditure must be carried out in accordance with the financial regulations and the Council's constitution.
 - Capital expenditure must comply with the statutory definition of capital purposes as defined within this document and wider financial standards.
 - The Capital Programme must be approved by Full Council as part of the Council's annual budget process. The programme is set for a five year period and reviewed annually

- All schemes are formally approved into the capital programme.
- Additional schemes can be added to the capital programme during the year when there is additional external funding received, where there is an urgent health and safety issues, where the additional capital investment will support the financial position through long term savings or additional income or where the scheme supports the priorities and require immediate action.
- Each scheme must be under the control of a responsible person/project manager.
- All variations to the Capital programme are approved by Cabinet prior to incurring expenditure.

10.2. The Council has a SMG Project Board, a cross-departmental group consisting of officers from each service department, finance, property, legal and procurement. SMG Projects oversees the development and delivery of the Council's capital programme.

10.3. For large/higher risk capital projects, a project group will be established to manage the delivery of the project. This will be a multi-disciplinary team and will usually include the project manager and, as a minimum, representatives from the Capital Team, Property Services and Design Services. In these cases, external advice may also be used to ensure all risks have been identified, assessed and are at a level that is acceptable to the Council. Monitoring of the scheme will continue throughout the project to ensure risk continues to be effectively managed.

10.4. In year, the Capital Programme is monitored and reported to SMG Projects Board, the Corporate Management Team and then to Cabinet and Full Council, on a quarterly basis, as part of the Council's budget monitoring.

10.5. Governance arrangements, including risk management (see section 10), will be reviewed to ensure that they remain fit for purpose and are in line with best practice.

11. Risk

11.1. The Council seeks to minimise its exposure to risks that are unwanted and unrewarded. Capital is managed centrally on an ongoing basis to ensure that there is sufficient liquidity in the short and medium term to meet costs and support front line services, as well as meeting long-term solvency and funding requirements.

11.2. The Council is exposed to a range of risks that could be triggered by local, national or global events resulting in, for example:

| Type of risk | Description |
|-------------------------|--|
| Financial | Related to the investment of the Council's assets and cash flow, market volatility, currency etc. |
| Macroeconomic | Related to the growth or decline of the local economy, interest rates, inflation and, to a lesser degree, wider national and global economics. |
| Credit and Counterparty | Related to investments, loans to organisations, individuals and counterparties in business transactions. |

| | |
|--------------------------------|--|
| Operational | Related to operational exposures within its organisation, its counterparties, partners and commercial interests. |
| Strategic | Related to key initiatives undertaken by the Council such as significant purchases, new ventures, commercial interests and other areas of organisational change deemed necessary to help the Council meet its Priority Outcomes. |
| Reputational | Related to the Council's dealings and interests, and the impact of adverse outcomes on the Council's reputation and public perception. |
| Environmental and social risks | Related to risk around the environment e.g., ownership of contaminated land and disposal of waste or social e.g., being a good civic organisation, which can be highlighted in the perceived relationships with employees, local community, businesses, etc. |
| Governance | Related to ensuring that prudence and careful consideration sits at the heart of the Council's decision-making, augmented by quality independent advice and appropriate checks that balance oversight and efficiency. |

11.3. Managing the Council's risks is an area of significant focus for senior management and members, and the Council adopts an integrated view to the management and qualitative assessment of risk.

11.4. The Council aims to minimise its exposure to unwanted risks – risks that are avoidable and which carry no commensurate reward for the Council – through a range of cost-effective mitigation strategies.

11.5. To ensure that risks are minimised for the delivery of the capital programme, a structured framework of planning and monitoring is maintained as detailed in section 9, which is intended to identify those schemes at risk of non or late delivery.

12. Knowledge and Skills

12.1. Officers and Councillors involved in the decision-making process are required to have an appropriate level of skill and knowledge, or to have access to these skills, to make informed decisions.

12.2. The officers from Financial Management, involved in the day-to-day management of the Capital and Treasury Management Teams are Consultative Committee of Accountancy Bodies (CCAB) qualified accountants. Link Asset Services provide external advice and support on treasury management issues and are also available to provide advice on capital accounting issues.

12.3. For individual capital schemes which are more complex and potentially higher risk, external advice will be sought to assist with the due diligence process. Where

external advice is taken, the outcome of the advice will be included within reports to Senior Officers and Councillors as part of the decision-making process.

12.4. Treasury management and capital training is available to Officers and Councillors and can include both formal training delivered by external advisor and in-house presentation around specific issues.

APPENDIX 2

GATESHEAD COUNCIL - CAPITALISATION POLICY

All capital expenditure on the acquisition, creation or enhancement of a non-current asset is capitalised on an accruals basis.

Expenditure on the acquisition of a non-current asset, or expenditure that adds to, and not merely maintains, the value of a non-current asset is capitalised and classed as a non-current asset. However, this is provided that the non-current asset yields benefits to the Council and the services it provides for a period of more than one year.

Expenditure that should be capitalised will include expenditure on the:

- Acquisition, reclamation, enhancement or laying out of land.
- Acquisition, construction, preparation, enhancement or replacement of roads, buildings and other structures.
- Acquisition, installation or replacement of plant, machinery and vehicles.
- Replacement of a component of a non-current asset that has been treated separately for depreciation purposes and depreciated over its individual useful life.

In this context, enhancement means the carrying out of works that are intended to:

- Lengthen substantially the useful life of the asset; or
- Increase substantially the open market value of the asset.
- Increase substantially the extent to which the asset can or will be used for the purposes of the Council.

The Council capitalises expenditure on developing and implementing computer software and licenses as an intangible asset, provided that the expected life exceeds one year.

The Council also capitalises Project Management costs where this is directly linked to the delivery of a major project included within the Capital Programme.

All capital expenditure creating or enhancing a non-current asset (see definitions above) will be recorded in the Council's Asset Register where the asset can be identified. Some expenditure may also relate to assets owned by a third party rather than the Council and this is capitalised as Revenue Funded from Capital under Statute (REFCUS) in accordance with accounting regulations.

The Council's de-minimis level for valuation purposes is £40,000 and £10,000 for individual items of capital expenditure, with the exception of certain external funding regimes where different levels of capitalisation are specified.

All expenditure is capitalised through the capital accounts and financed at the year-end, as long as the scheme has been approved through the Council's capital programme. This includes programmes of spending such as purchase of fleet vehicles, ICT equipment, strategic maintenance or health and safety schemes, where individual project spend could be less than the current de-minimis level.

TITLE OF REPORT: Capital Programme and Prudential Indicators 2023/24
– Second Quarter Review

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

Purpose of the Report

1. This report sets out the latest position on the 2023/24 Capital Programme and Prudential Indicators at the end of the second quarter to 30 September 2023. The report assesses reasons for the variances from the approved programme and details the proposed financing of the capital programme. In addition, the report considers the impact of CIPFA’s Prudential Code on the capital programme and the monitoring of performance against the statutory Prudential Indicators.

Background

2. The original budget for the capital programme for 2023/24, as agreed by Council on 23 February 2023, totalled £112.1m. At the first quarter review, this reduced to £113.5m and at the second quarter review expenditure is now projected to be £106.8m, £82.3m General Fund and £24.5m HRA by year end.
3. The proposed reduction in the capital programme at the second quarter comprises of the following movements:

| | £m |
|---|----------------|
| Other movements | (0.633) |
| Reduced Project Costs | (0.364) |
| Re-profiling of capital expenditure to future years | (5.716) |
| Total Variance | (6.713) |

4. Planned investment has been re-profiled to future financial years on several schemes, amounting to a reduction of £5.7m in 2023/24, the schemes which have slipped include the following:
 - £3m on Gateshead Quays, work is ongoing to finalise the construction contract.
 - £1.2m on installation of electric vehicle charging points in Council.

Proposal

5. The report identifies planned capital expenditure of £106.8m for the 2023/24 financial year. The expected resources required to fund the Capital Programme are as follows:

£m

| | |
|--|----------------|
| Prudential Borrowing | 48.019 |
| Projected Capital Receipts | 0.750 |
| Capital Grants and Contributions | 33.487 |
| Major Repairs Reserve (HRA) | 19.264 |
| Capital Grants and Contributions (HRA) | 1.465 |
| Right to Buy Receipts (HRA) | 3.770 |
| Total Capital Programme | 106.755 |

9. CIPFA's Prudential Code advises the regular monitoring of performance against the prudential indicators which regulate borrowing and investment. Targets and limits for the prudential indicators for 2023/24 were agreed at Council on 23 February 2023 and borrowing and investment levels have remained within these limits. Performance against the indicators for 2023/24 is set out in Appendix 5.

Recommendations

6. It is recommended that Cabinet:
- (i) recommends to Council that all variations to the 2023/24 Capital Programme as detailed in Appendix 2 are agreed;
 - (ii) recommends to Council the financing of the revised programme set out in this report; and
 - (iii) confirms to Council that capital expenditure and financing requirements have been revised in line with the amended budget and none of the approved Prudential Indicators set for 2023/24 have been breached.

For the following reasons:

- (i) To ensure the optimum use of the Council's capital resources in 2023/24.
- (ii) To accommodate changes to the Council's in-year capital expenditure plans.
- (iii) To ensure performance has been assessed against the approved Prudential Limits.

CONTACT: Clare Tait

extension: 3716

Policy Context

1. The proposals within this report are consistent with the objectives contained within the Council's corporate Capital Strategy and will contribute to achieving the objectives set out by the Council's Thrive Agenda. The financial implications of the capital programme are incorporated within the Council's Medium-Term Financial Strategy (MTFS).

Background

2. The original budget for the capital programme for 2023/24, as agreed by Council on 23 February 2023, totalled £112.1m. Details of potential future capital schemes for the 2023/24 to 2027/28 Capital Programme were considered alongside the schemes within the existing programme. The capital and revenue implications of each proposed scheme were considered to ensure that they were affordable and could be accommodated within the level of revenue support available within the MTFS.
3. The projected year-end expenditure was £113.5m at the end of the first quarter and this is reduced to £106.8m at the end of the second quarter.
4. The £6.7m reduction is due to additional capital expenditure and re-profiling of existing schemes to future years. All variations in the programme during the second quarter are detailed in Appendix 2.
5. Appendix 3 summarises the original budget and actual expenditure to 30 September payments by Corporate Priority. The budget, projected year end expenditure and comments on the variances of each scheme are detailed in Appendix 4.
6. The prudential code sets out a range of Prudential Indicators that were agreed by Council on the 23 February 2023. Performance against the indicators for 2023/24 is set out in Appendix 5.

Consultation

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

Alternative Options

8. The proposed financing arrangements are the best available in order to ensure the optimum use of the Council's capital resources in 2023/24.

Implications of Recommended Option

9. **Resources:**
 - a) **Financial Implications** – The Strategic Director, Resources and Digital confirms that the financial implications are as set out in the report.

- b) **Human Resources Implications** – There are no human resources implications arising from this report.
 - c) **Property Implications** - There are no direct property implications arising from this report. Capital investment optimises the use of property assets to support the delivery of corporate priorities. The property implications of individual schemes will be considered and reported separately.
10. **Risk Management Implication** - Risks are assessed as part of the process of monitoring the programme and in respect of treasury management. The Cabinet will continue to receive quarterly reports for recommendation of any issues to Council, together with any necessary action to ensure expenditure is managed within available resources.
 11. **Equality and Diversity Implications** - There are no equality and diversity implications arising from this report.
 12. **Crime and Disorder Implications** – There are no direct crime and disorder implications arising from this report.
 13. **Health Implications** - There are no health implications arising from this report.
 14. **Climate Emergency and Sustainability Implications** - The sustainability implications are considered as part of developing and implementing individual capital projects. Planned investment within the capital programme is expected to result in improvements throughout the Borough.
 15. **Human Rights Implications** - There are no direct human rights implications arising from this report.
 16. **Ward Implications** - Capital schemes will provide improvements in wards across the Borough.

Background Information

17. Report for Cabinet, 21 February 2023 (Council 23 February 2023) - Capital Programme 2023/24 to 2027/28.
18. Report for Cabinet 18 July 2023 (Council 20 July 2023) Capital Programme and Prudential Indicators 2023/24 – First Quarter Review

Appendix 2

| Reason for movement | Portfolio | Group | Project Title | Variance £000 |
|---------------------------------------|---|--------|--|------------------|
| Other movements | Resources, Management and Reputation | EIG | Major Projects - Project Management Costs | 50 |
| | Resources, Management and Reputation | HEHC | Blaydon West Primary School | 7 |
| | Environment and Transport | EIG | Transforming Cities (Tranche 2) | 264 |
| | Environment and Transport | EIG | Local Transport Plan - Integrated Transport | (1,705) |
| | Adult Social Care | IASCS | Social Care System | 342 |
| | Housing | HEHC | Local Authority Housing Fund (LAHF) | 2,854 |
| | Housing | HEHC | Building Safety Improvements | 1,728 |
| | Housing | HEHC | Tyne Bank | 57 |
| | Housing | HEHC | Lift Replacement Programme | 33 |
| | Housing | HEHC | Communal Mechanical & Electrical Works | 7 |
| | Housing | HEHC | Basement Improvements | (99) |
| | Housing | HEHC | Environmental & Estate Improvement | (124) |
| | Housing | HEHC | Decent Homes | (154) |
| | Housing | HEHC | Garage Improvement Programme | (159) |
| | Housing | HEHC | Major Investment Scheme | (164) |
| | Housing | HEHC | Regeneration and Demolition | (217) |
| | Housing | HEHC | Door & Window replacements | (499) |
| | Housing | HEHC | New Build/Acquisition - Various | (2,854) |
| Other movements Total | | | | (633) |
| Slippage to future years | Resources, Management and Reputation | EIG | Gateshead Quays | (3,000) |
| | Resources, Management and Reputation | HEHC | Installation of Electric Vehicle charging points in Council Depots | (1,058) |
| | Resources, Management and Reputation | R&D | IT Strategic Plan | (55) |
| | Environment and Transport | EIG | Local Transport Plan - Planned Maintenance | (36) |
| | Environment and Transport | EIG | Bensham Road Corridor | (163) |
| | Environment and Transport | EIG | Unveiling the Angel | (290) |
| | Environment and Transport | EIG | Riverside Park | (572) |
| | Environment and Transport | HEHC | Traffic Sign Replacement | (100) |
| | Environment and Transport | HEHC | Traffic Signal Renewal | (309) |
| | Children and Young People | CSC&LL | Extensions and adaptations to the homes of foster carers | (100) |
| | Housing | EIG | Metrogreen | (33) |
| Slippage to future years Total | | | | (5,716) |
| Project completed | Environment and Transport | EIG | Greenhomes Chopwell | (364) |
| Project completed Total | | | | (364) |
| Grand Total | | | | (6,713) |

Appendix 3

| | Approved 2023/24 Allocation £000 | Revised Q1 Allocation £000 | Revised Q2 Allocation £000 | Variance £000 |
|---|---|-------------------------------------|-------------------------------------|------------------|
| COMMUNITIES | | | | |
| Culture, Sport and Leisure | 840 | 720 | 720 | 0 |
| Communities and Volunteering | 62 | 56 | 56 | 0 |
| Communities - Culture, Sport and Leisure | 0 | 85 | 85 | 0 |
| COMMUNITIES Total | 902 | 861 | 861 | 0 |
| PEOPLE | | | | |
| Children and Young People | 14,800 | 9,686 | 9,586 | (100) |
| Adult Social Care | 6,053 | 7,918 | 8,260 | 342 |
| PEOPLE Total | 20,853 | 17,604 | 17,846 | 242 |
| PLACE AND ECONOMY | | | | |
| Environment and Transport | 22,732 | 30,948 | 27,673 | (3,275) |
| Economy | 1,775 | 2,283 | 2,283 | 0 |
| Housing | 29,885 | 29,106 | 29,482 | 376 |
| PLACE AND ECONOMY Total | 54,392 | 62,337 | 59,438 | (2,899) |
| RESOURCES, MANAGEMENT AND REPUTATION | | | | |
| Resources, Management and Reputation | 31,719 | 30,956 | 26,900 | (4,056) |
| RESOURCES, MANAGEMENT AND REPUTATION Total | 31,719 | 30,956 | 26,900 | (4,056) |
| LOAN | | | | |
| Environment and Transport | 4,209 | 1,709 | 1,709 | 0 |
| LOAN Total | 4,209 | 1,709 | 1,709 | 0 |
| Grand Total | 112,075 | 113,468 | 106,755 | (6,713) |

Appendix 4

| | Approved 2023/24 Allocation £000 | Revised Q1 Allocation £000 | Revised Q2 Allocation £000 | Variance £000 | Comment |
|--|---|-------------------------------------|-------------------------------------|------------------|----------------------------|
| COMMUNITIES | | | | | |
| <i>Culture, Sport and Leisure</i> | | | | | |
| Fixed Play Facility Renewals | 720 | 720 | 720 | 0 | |
| Virtual Reality Fitness Systems | 120 | 0 | 0 | 0 | |
| <i>Communities and Volunteering</i> | | | | | |
| Community Hubs | 62 | 56 | 56 | 0 | |
| <i>Communities - Culture, Sport and Leisure</i> | | | | | |
| Gateshead International Stadium Investment | 0 | 85 | 85 | 0 | |
| PEOPLE | | | | | |
| <i>Children and Young People</i> | | | | | |
| Children's Three bed Residential Home | 0 | 237 | 237 | 0 | |
| Extensions and adaptations to the homes of foster carers | 160 | 310 | 210 | (100) | Slippage to future years |
| School Condition Investment | 1,800 | 1,800 | 1,800 | 0 | |
| Schools Devolved Formula Funding | 250 | 250 | 250 | 0 | |
| Schools Basic Need Funding | 12,590 | 5,000 | 5,000 | 0 | |
| Schools SEN High Needs Funding | 0 | 2,028 | 2,028 | 0 | |
| Family Hubs | 0 | 61 | 61 | 0 | |
| <i>Adult Social Care</i> | | | | | |
| Disabled Facilities Grants (DFGs) | 1,950 | 2,211 | 2,211 | 0 | |
| Technology Enabled Care | 150 | 100 | 100 | 0 | |
| Telecare Equipment | 75 | 75 | 75 | 0 | |
| Sister Winifred Laver Centre | 3,628 | 4,815 | 4,815 | 0 | |
| Social Care System | 250 | 718 | 1,060 | 342 | Additional budget required |
| PLACE AND ECONOMY | | | | | |
| <i>Environment and Transport</i> | | | | | |
| Bensham Road Corridor | 676 | 326 | 163 | (163) | Slippage to future years |
| Flagged Footways | 340 | 340 | 340 | 0 | |
| Flood Alleviation Investment | 5,483 | 5,483 | 5,483 | 0 | |
| Local Transport Plan - Integrated Transport | 1,233 | 2,826 | 1,121 | (1,705) | Other movements |
| Local Transport Plan - Planned Maintenance | 3,288 | 4,997 | 4,961 | (36) | Slippage to future years |
| Quays fixed and VMS signage | 500 | 450 | 450 | 0 | |
| Quays traffic signal upgrades | 241 | 180 | 180 | 0 | |
| Replacement Bins | 130 | 133 | 133 | 0 | |
| Riverside Park | 685 | 722 | 150 | (572) | Slippage to future years |
| Salix Energy Efficiency Works | 150 | 150 | 150 | 0 | |
| Traffic Sign Replacement | 150 | 175 | 75 | (100) | Slippage to future years |
| Transforming Cities (Tranche 2) | 6,904 | 11,298 | 11,562 | 264 | Other movements |
| Unclassified Road Resurfacing - Micro Asphalt | 500 | 547 | 547 | 0 | |
| Gateshead District Energy Scheme - Old Ford/Nest House | 114 | 301 | 301 | 0 | |
| Street Lighting Column Replacement | 1,698 | 1,698 | 1,698 | 0 | |
| Traffic Signal Renewal | 350 | 659 | 350 | (309) | Slippage to future years |
| Unveiling the Angel | 290 | 300 | 10 | (290) | Slippage to future years |
| Greenhomes Chopwell | 0 | 364 | 0 | (364) | Project completed |
| District Heating and Private Wire Connections | 0 | 0 | 0 | 0 | |
| Solar PV | 0 | 0 | 0 | 0 | |
| <i>Economy</i> | | | | | |
| Baltic Quarter Remediation | 0 | 88 | 88 | 0 | |
| Blaydon Business Centre Extension | 821 | 0 | 0 | 0 | |
| Broadband Delivery UK | 82 | 82 | 82 | 0 | |
| Digital Gateshead | 790 | 869 | 869 | 0 | |
| Greensfield Business Centre Refurbishment | 62 | 242 | 242 | 0 | |
| High Street North - Future Place | 20 | 42 | 42 | 0 | |
| UKSPF | 0 | 960 | 960 | 0 | |
| <i>Housing</i> | | | | | |
| Block Communal improvements | 705 | 705 | 705 | 0 | |
| Building Safety Improvements | 790 | 8 | 1,736 | 1,728 | Other movements |
| Communal Mechanical & Electrical Works | 579 | 718 | 725 | 7 | Other movements |
| Contractual Obligations | 2,000 | 1,700 | 1,700 | 0 | |
| Decent Homes | 5,351 | 7,958 | 7,804 | (154) | Other movements |
| Development Site Preparation Works | 850 | 945 | 945 | 0 | |
| Digital Transformation | 700 | 650 | 650 | 0 | |
| Domestic Heating Improvements | 2,604 | 2,837 | 2,837 | 0 | |
| Fixed budget fees | 550 | 550 | 550 | 0 | |
| Garage Improvement Programme | 200 | 259 | 100 | (159) | Other movements |
| High Street South | 1,627 | 686 | 686 | 0 | |
| HRA Commercial Property Improvements | 50 | 79 | 79 | 0 | |
| Major Investment Scheme | 1,970 | 328 | 164 | (164) | Other movements |
| Metrogreen | 73 | 99 | 66 | (33) | Slippage to future years |
| Option Appraisal | 0 | 0 | 0 | 0 | |
| Safety & Security | 59 | 59 | 59 | 0 | |
| West Askew Road junction improvements | 2,786 | 2,786 | 2,786 | 0 | |
| Regeneration and Demolition | 1,259 | 1,259 | 1,042 | (217) | Other movements |
| Aids & Adaptations | 1,500 | 1,500 | 1,500 | 0 | |
| Basement Improvements | 0 | 100 | 1 | (99) | Other movements |
| Door & Window replacements | 797 | 876 | 377 | (499) | Other movements |
| Environmental & Estate Improvement | 100 | 143 | 19 | (124) | Other movements |
| ICT Refresh | 40 | 40 | 40 | 0 | |
| Lift Replacement Programme | 0 | 590 | 623 | 33 | Other movements |
| New Build/Acquisition - Various | 3,295 | 3,651 | 797 | (2,854) | Other movements |
| Passive Air Units | 0 | 80 | 80 | 0 | |
| Local Authority Housing Fund (LAHF) | 0 | 0 | 2,854 | 2,854 | Other movements |
| Tyne Bank | 0 | 0 | 57 | 57 | Other movements |
| Housing Development | 2,000 | 500 | 500 | 0 | |

| | Approved 2023/24 Allocation £000 | Revised Q1 Allocation £000 | Revised Q2 Allocation £000 | Variance £000 | Comment |
|--|---|-------------------------------------|-------------------------------------|------------------|----------------------------|
| RESOURCES, MANAGEMENT AND REPUTATION | | | | | |
| <i>Resources, Management and Reputation</i> | | | | | |
| Gateshead Quays | 20,377 | 21,153 | 18,153 | (3,000) | Slippage to future years |
| Baltic Quarter Enabling Infrastructure | 214 | 222 | 222 | 0 | |
| Customer Experience | 112 | 123 | 123 | 0 | |
| Gateshead Quays Multi Storey Car Park | 116 | 116 | 116 | 0 | |
| Health & Safety | 963 | 872 | 872 | 0 | |
| Major Projects - Project Management Costs | 290 | 290 | 340 | 50 | Additional budget required |
| Refurbishment of Metrology Lab | 195 | 153 | 153 | 0 | |
| Replacement of Fleet and Horticultural Equipment | 2,275 | 1,525 | 1,525 | 0 | |
| Strategic Maintenance | 1,485 | 1,901 | 1,901 | 0 | |
| Technology Plan: Infrastructure | 3,840 | 2,683 | 2,683 | 0 | |
| Technology Plan: Transformation Through Technology & New Ways of Working | 369 | 500 | 500 | 0 | |
| Installation of Electric Vehicle charging points in Council Depots | 1,162 | 1,148 | 90 | (1,058) | Slippage to future years |
| IT Strategic Plan | 261 | 226 | 171 | (55) | Slippage to future years |
| Specialist equipment to improve inclusion for Children and Young People - High incidence needs | 30 | 15 | 15 | 0 | |
| Specialist IT equipment for Children and Young People with low incidence needs (hearing and vision impairment) | 30 | 30 | 30 | 0 | |
| Blaydon West Primary School | 0 | 0 | 7 | 7 | Project investigations |
| LOAN | | | | | |
| <i>Environment and Transport</i> | | | | | |
| Loan to Gateshead Energy Company District Energy extension | 4,209 | 1,709 | 1,709 | 0 | |
| Grand Total | 112,075 | 113,468 | 106,755 | (6,713) | |

PRUDENTIAL INDICATORS 2023/24

The 2023/24 Prudential Indicators were agreed by Council on 23 February 2023 (column 1). This is now compared with the 2023/24 actual Q2 position as at the 30 September 2023 (column 2).

Certain Treasury Management indicators must be monitored throughout the year on a regular basis in order to avoid breaching agreed limits. The capital expenditure and capital financing requirement indicators have been revised in line with the revised budget and none of the other approved Prudential Indicators set for 2023/24 have been breached.

| Capital Expenditure | | |
|--|---------------------------------------|------------------------------|
| | 2023/24 £000 Reported Indicator | 2023/24 £000 Quarter 2 |
| Non-HRA | 89,526 | 82,256 |
| HRA | 22,549 | 24,499 |
| Total | 112,075 | 106,755 |
| To reflect the reported capital monitoring agreed by Council during the year | | |

| Ratio of Financing Costs to Net Revenue Stream | | |
|---|-------------------------------|----------------------|
| | 2023/24 Reported Indicator | 2023/24 Quarter 2 |
| Non-HRA | 15.53% | NA |
| HRA | 40.90% | NA |

| Capital Financing Requirement | | |
|--------------------------------------|---------------------------------------|------------------------------|
| | 2023/24 £000 Reported Indicator | 2023/24 £000 Quarter 2 |
| Non-HRA | 423,998 | 449,950 |
| HRA | 345,505 | 345,505 |

| Authorised Limit for External Debt | |
|---|---------------------------------------|
| | 2023/24 £000 Reported Indicator |
| Borrowing | 865,000 |
| Other Long Term Liabilities | 0 |
| Total | 865,000 |
| Maximum YTD 30/09/2023 £684.966m | |

| Operational Boundary for External Debt | |
|---|---------------------------------------|
| | 2023/24 £000 Reported Indicator |
| Borrowing | 850,000 |
| Other Long Term Liabilities | 0 |
| Total | 850,000 |
| Maximum YTD 30/09/2023 £684.966m | |

The Council's actual external debt at 30 September 2023 was £684.966m. It should be noted that actual external debt is not directly comparable to the Authorised Limit and Operational Boundary, since the actual external debt reflects the position at one point in time.

Adherence to CIPFA code on Treasury Management

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

Upper / Lower Limits for Maturity Structure of Fixed Rate Borrowing

| | 2023/24 £000 Reported Indicator | | 2023/24 £000 Actual Position | |
|---------------------------|---------------------------------------|--------------------|------------------------------------|--------------------|
| | Upper Limit | Lower Limit | Actual Percentage | Maximum YTD |
| Under 12 months | 15% | 0% | 2.78% | 2.78% |
| 12 months to 24 months | 19% | 0% | 2.29% | 2.99% |
| 24 months to 5 years | 22% | 0% | 8.42% | 9.15% |
| 5 years to 10 years | 22% | 0% | 10.98% | 11.71% |
| 10 years to 20 years | 17% | 0% | 5.04% | 6.50% |
| 20 years to 30 years | 41% | 0% | 6.65% | 6.65% |
| 30 years to 40 years | 42% | 0% | 32.73% | 33.46% |
| 40 years to 50 years | 41% | 0% | 29.64% | 33.29% |
| 50 years and above | 11% | 0% | 0.00% | 0.00% |
| All within agreed limits. | | | | |

Upper / Lower Limits for Maturity Structure of Variable Rate Borrowing

| | 2023/24 £000 Reported Indicator | | 2023/24 £000 Actual Position | |
|-------------------------------|---------------------------------------|--------------------|------------------------------------|--------------------|
| | Upper Limit | Lower Limit | Actual Percentage | Maximum YTD |
| Under 12 months | 16% | 0% | 1.46% | 2.92% |
| 12 months to 24 months | 11% | 0% | 0.00% | 0.00% |
| 24 months to 5 years | 11% | 0% | 0.00% | 0.00% |
| 5 years to 50 years and above | 11% | 0% | 0.00% | 0.00% |
| All within agreed limits. | | | | |

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

Upper Limit on amounts invested beyond 364 days

| | 2023/24 £000 Reported Indicator | 2023/24 £000 Actual Position | 2023/24 £000 Maximum YTD |
|--|---------------------------------------|------------------------------------|--------------------------------|
| | Investments | 15,000 | 0 |

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TITLE OF REPORT: Revenue Budget – Second Quarter Review 2023/24

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

Purpose of the Report

1. This report sets out the latest monitoring position on the 2023/24 revenue budget at the end of the second quarter. Cabinet is asked to note the contents of the report and approve the administrative budget virement outlined within the report.

Background

2. As part of the Council's budget and policy framework Cabinet receives quarterly reports on the agreed revenue budget so that any variances can be identified and addressed at appropriate pace with Councillor oversight.
3. Council agreed the revenue budget for 2023/24 on 21 February 2023. This was set at £289.903m. The budget includes £25.883m of Council financing from the planned use of earmarked reserves.
4. At the first quarter Cabinet agreed an amendment to the net revenue budget for 2023/24 from £289.903m to £281.885m.
5. The presentation of the monitoring has been reviewed to reflect the need for the budget to be actively managed by managers to ensure that it is delivered. The new format reinforces this management responsibility by recognising interventions that have a positive impact on the overall service portfolio budget.
6. Council agreed an HRA income budget of £88.274m to deliver a surplus budget of £1.456m in 2023/24. At first quarter a £2.440m increase in budget to reflect the increase in the depreciation charge results in a budgeted deficit of £0.984m which will be funded from the HRA reserve.

Proposal

7. Due to the increasing financial challenges faced by the Council it is more important than ever that budgets are delivered. The forecasts at the second quarter have been challenged and Service Directors have identified interventions to deliver their budget responsibilities. This management activity will continue throughout the year.
8. The projected revenue outturn for 2023/24 at the second quarter following management intervention is £2.775m over budget (First quarter was £1.107m over).
9. It is the intention to deliver within the overall revised budget by the financial year end and progress will be reported at quarter three.

Administrative Virement for Supported Housing

10. Cabinet is asked to approve a proposed administrative budget virement of £1.415m. The proposal is to move budgets from Quality assurance & Commissioning of £0.872m and Children's Social Care of £0.543m to Strategic Housing and Residential Growth. This is to facilitate taking forward the proposals agreed by Cabinet in March 2023 allowing the recommissioning and remodelling of supported accommodation for young people, and for adults with multiple and/or complex needs.
11. Once approved this virement will be actioned for the next reported period.

Housing Revenue Account

12. The HRA faces a number of budget pressures (set out below) and is forecast to overspend by £5.1m in 2023/24.

Recommendations

13. It is recommended that Cabinet
 - i. Notes the Council's revenue expenditure position at the end of the second quarter, as set out in Appendix 1 and 2; and
 - ii. Approves the administrative budget virement transfer of £1.415m for supported housing as set out in the report and appendices.

For the following reason:

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

CONTACT: Darren Collins

Extension: 3582

APPENDIX 1

Policy Context

1. This report meets the standards required to comply with the Accounts and Audit Regulations 2015 which represent financial management good practice, recommend that councillors should receive regular reports on performance against revenue and capital budgets.
2. It is also consistent with the Council's objectives of making Gateshead a place where everyone thrives by assisting in ensuring a sustainable financial position for the long term.

Background

3. This report sets out the latest budget monitoring position on the 2023/24 revenue budget at the end of the second quarter and projects spending and income to the end of the financial year following management intervention.
4. Appendix 2 details the budget for 2023/24 compared to an assessment of the projected outturn for the year. This position is after the application of reserves and planned management intervention in areas facing budget challenges.

Key Budget Challenges

5. The key financial challenges to note are set out below.
 - Significant budget pressures in Children's Social Care resulting in an overpend relating to placement costs (Independent fostering agencies £1.5m, external residential £0.6m) together with Home to School Transport costs £1.6m). Actions are being taken to mitigate the overspend with a view to identifying management intervention.
 - Budget pressures in Leisure Services due to unachieved income which is in part offset by salary slippage.
 - Overspends in the Economy Innovation and Growth group due to projected unachieved fee income and solar programme income shortfall.
 - Management intervention is required in Locality Services & Housing due to temporary accommodation costs which are under review.
6. It is the intention to deliver within overall budget by the financial year end and progress will be reported at quarter three. Finance Portfolio will also have oversight of progress.

Corporate Growth

- Budget transfers have been actioned to agreed capacity fund service areas as well as the full allocation for the environment standard.

Savings Delivery

- Cabinet agreed £13m of savings in the 2023/24 revenue budget which will be challenging, financial control and monitoring of budgets is crucial. Progress is being closely monitored (95% is considered achieved) and those requiring further consultation and engagement will be the subject of future reports to Cabinet.

Supported Housing Transfer of Budget

- The proposal is to move budgets from Quality assurance & Commissioning of £0.872m and Children's Social Care of £0.543m to Strategic Housing and Residential Growth. This is to facilitate taking forward the proposals allowing the recommissioning and remodelling of supported accommodation for young people, and for adults with multiple and/or complex needs.
- The budget adjustment is shown below. Once approved this virement will be actioned for the next reported period.

| Service | Original Budget 2023/24 £000 | Proposed Budget 2023/24 £000 |
|---|---|---|
| Quality Assurance and Commissioning | 6,677 | 5,805 |
| Children's Social Care | 47,020 | 46,477 |
| Strategic Services and Residential Growth | 1,575 | 2,989 |
| Total | 55,272 | 55,272 |

Housing Revenue Account

- The HRA faces a number of budget pressures (set out below) and is forecast to overspend by £5.1m in 2023/24.

Voids

- The void service had planned to reduce the number of void properties down to 300 by the end of September 2023, however given the increase in level of work identified, this target date has now been extended to 31 March 2024. This means the service will need to continue using the same level of subcontractors until the end of the current financial year which is driving the £1.8m overspend in voids.
- The impact of the increased number of void properties is driving the £1.7m shortfall in estimated income for the 2023/24 financial year. The budgeted void loss for the 2023/24 financial year was set at 2% or £1.7m. The void loss

incurred to the end of September was 3.46% or £1.7m and the forecast total void loss for the financial year is £3.4m.

Repairs

14. There has been an increase in the level of repairs required to keep ageing stock of council houses in a decent condition over time. To meet this increase in demand, the service has had to rely on additional contractors which is the main factor behind the £2.6m overspend in repairs.
15. The service is currently preparing a business case to review operational delivery of repairs to improve responsiveness and value for money.

Summary

16. The projected budget position for the Council after applying reserves and planned management intervention at the end of the second quarter is £2.7m over budget.
17. The MTFS position assumes all prior year budget savings will be achieved going into 2024/25.
18. The intention is to deliver an outturn within budget. Senior management will ensure proactive budget management through regular monitoring will continue to take place with accountable intervention with the aim of containing spending within budget.

Consultation

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

Alternative Options

20. There are no alternative options proposed.

Implications of Recommended Option

21. **Resources:**
 - a) **Financial Implications** – The Strategic Director, Resources and Digital confirms these are as set out in the report and appendices.
 - b) **Human Resources Implications** – There are no direct Human Resource implications as a consequence of this report. Budget savings proposals will be subject to separate reporting.
 - c) **Property Implications** - There are no direct property implications as a consequence of this report. Budget savings proposals will be subject to separate reporting.
22. **Risk Management Implication** - Regular budget monitoring and the associated action planning that arise from this activity assists in reducing the risk of the Council overspending its agreed budget. This enables effective financial planning which allows the Council to deploy resources in line with priorities.

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

24. **Crime and Disorder Implications – Nil**
25. **Health Implications - Nil**
26. **Climate Emergency and Sustainability Implications - Nil**
27. **Human Rights Implications - Nil**
28. **Ward Implications** - Revenue spending supports the delivery of services across the whole of Gateshead.

Appendix 2- Revenue Monitoring Summary 2023/24

| Service | Budget | Projected Outturn After reserves Before Action | Management Intervention | Under/ Over Budget |
|---|------------------|---|----------------------------|--------------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Office of the Chief Executive | 979 | 1,000 | (21) | 0 |
| Integrated Adults and Social Care Services | | | | |
| Adult Social Care | 86,099 | 86,099 | 0 | 0 |
| Quality Assurance & Commissioning | 6,677 | 6,775 | (98) | 0 |
| Children's Social Care and Lifelong Learning | | | | |
| Children's Social Care | 47,020 | 49,043 | 0 | 2,023 |
| Education, Schools and Inclusion | 6,671 | 8,375 | 0 | 1,704 |
| Public Health & Wellbeing | | | | |
| Public Health | 17,788 | 17,788 | 0 | 0 |
| Wellbeing - Leisure / Libraries | 4,082 | 5,001 | 0 | 919 |
| Wellbeing - Resilience & Other | 311 | 329 | 0 | 18 |
| Housing, Environment & Healthy Communities | | | | |
| Gateshead Construction Services | 414 | 550 | 0 | 136 |
| Property & Assets | 3,756 | 4,462 | (258) | 448 |
| Locality Services & Housing | 1,595 | 2,561 | (466) | 500 |
| Strategic Services & Residential Growth | 1,575 | 1,595 | (20) | 0 |
| Highways and Waste | 18,407 | 16,627 | | (1,780) |
| Environment & Fleet Management | 4,943 | 5,111 | | 168 |
| Economy, Innovation and Growth | | | | |
| Business, Employment and Skills | 1,085 | 720 | | (365) |
| Planning Policy, Climate Change and Strategic Transport | 3,925 | 4,693 | 0 | 768 |
| Major Projects and Corporate Property | (1,089) | (303) | 0 | 786 |
| Corporate Services & Governance | | | | |
| Legal & Democratic Services | 4,325 | 4,598 | 0 | 273 |
| Human Resources & Workforce Development | 1,905 | 1,817 | 0 | (88) |
| Corporate Commissioning & Procurement | 621 | 583 | 0 | (38) |
| Public Service Reform | 339 | 173 | | (166) |
| Resources & Digital | | | | |
| Financial Management | 2,380 | 2,319 | 0 | (61) |
| Customer Experience & Digital | 4,433 | 4,770 | 0 | 337 |
| Housing Benefits | 200 | 200 | 0 | 0 |
| IT | 4,209 | 3,875 | | (334) |
| Commercialisation and Improvement | 2,283 | 1,953 | | (330) |
| School Meals & Catering | 900 | 482 | | (418) |
| NET PORTFOLIO BUDGETS | 225,833 | 231,196 | (863) | 4,500 |
| Other Services & Contingencies | 16,302 | 15,295 | 0 | (1,007) |
| Corporate Budget Growth | 2,630 | 2,630 | | 0 |
| Capital Financing | 32,818 | 31,889 | | (929) |
| Expenditure Passed outside the General Fund | (1,855) | (1,855) | | 0 |
| Traded & Investment Income | (5,865) | (6,076) | 0 | (211) |
| Levies | 12,022 | 12,022 | | 0 |
| NET BUDGET | 281,885 | 285,101 | (863) | 2,353 |
| Financed By | | | | |
| Settlement Funding Assessment (SFA) | (72,787) | (72,365) | | 422 |
| Other Grants | (62,866) | (62,866) | | 0 |
| Public Health | (17,787) | (17,787) | | 0 |
| Council Tax | (110,473) | (110,473) | | 0 |
| Collection Fund Surplus | (1,085) | (1,085) | | 0 |
| Earmarked Reserves | (16,887) | (16,887) | | 0 |
| TOTAL FUNDING | (281,885) | (281,463) | 0 | 422 |
| PROJECTED (UNDER) / OVER SPEND | 0 | 3,638 | (863) | 2,775 |

TITLE OF REPORT: Budget 2024/25 - Consultation on Revenue Budget Proposals

REPORT OF: Sheena Ramsey, Chief Executive,
Darren Collins, Borough Treasurer and
Corporate Management Team

Purpose of the Report

1. To seek Cabinet approval for consultation on the draft revenue budget cuts proposals for 2024/25.

Background

2. The Council continues to operate in the context of an unprecedented period of financial and economic instability. Set against the backdrop of over a decade of austerity, cuts to funding, increasing demand, continuing uncertainty over sustainable funding, and more recently high inflation, which all hamper sound financial planning.
3. The Autumn Statement that is due to be delivered by the Chancellor on 22 November 2023 may provide a broad direction of travel in terms of policy but is unlikely to provide any clarity on local government funding. It is expected that the Provisional Local Government Finance Settlement will not be received until late December 2023.
4. This continuing challenging context has once again compelled the Council to make increasingly difficult choices to prioritise its finite resources to where they are most needed, based on the latest assumptions in the Medium Term Financial Strategy (MTFS) reported to Cabinet on 24 October 2023.
5. The Council has always been incredibly ambitious for the residents of Gateshead, working hard to ensure it is a great place to live, work and visit. Guided by our strategic approach ***Making Gateshead a Place Where Everyone Thrives***, alongside our new Corporate Plan '***The strength of Gateshead is the people of Gateshead***', we continue to place people and families at the heart of everything we do and strive to deliver person-centred, quality services in the borough. Our ultimate ambition is to address the inequalities that exist in Gateshead.
6. The Council recognises that there are huge financial pressures on not just its own resources, but those of partners, local businesses and our residents. To deliver on the strategic approach, the Council will need to be resolute in its determination to create the conditions to allow everyone to *Thrive*.
7. On 24 October 2023 the updated MTFS was reported to Cabinet outlining an estimated financial gap of £49.5m over the five-year period 2024/25 to 2028/29 with £27m in the first year of 2024/25. An approach to demand management interventions in social care, alongside some identified corporate savings, is estimated will reduce

this financial gap to £32m. As part of the agreed strategy the use of reserves will smooth the impact of this funding gap but ultimately budget cuts of £32m are required over the period of the MTFS to deliver a sustainable financial position. After use of reserves, social care demand interventions, and identified corporate savings, the estimated budget cuts requirement in 2024/25 is £7.634m that was estimated within the Medium Term Financial Strategy.

8. The scale of the financial challenge the Council is facing should not be underestimated, and the impact of removing a further £49.5m from Council resources will have on both the health and resilience of Gateshead is recognised. This is on top of £191m of budget cuts the Council has made since 2010.
9. The reduction in Council expenditure since 2010 is the equivalent to £977 less to spend per resident. By the end of the MTFS period this is estimated to rise to £1,229 less spend per resident.
10. Given the continuing uncertainty over funding reform and the heightened risk that public service funding will be restricted in real terms into the future, this may require the Council to identify and deliver additional cuts on top of the gap estimated in the MTFS. The budget approach is an iterative process and as it moves forward and areas of funding are clarified, requirements will need to be reviewed.
11. Taking all of these factors into account, the Council can no longer afford to do everything it once did, and there is a need to focus and target limited resources on priority areas which will help realise the biggest impact in the borough and achieve the best possible outcomes for residents in Gateshead. Crucially, these decisions are becoming more difficult as the cost and demand pressures over the period of the MTFS are estimated to increase by £77.5m, whilst income over the same period is estimated to only increase by £28m. Decision making will be led by strong and robust evidence and data, targeting resource to where it is most needed, whilst providing a robust universal offer for all to meet our statutory obligations.
12. A series of budget proposals have been identified to allow for redirection of remaining budget to help achieve the right outcomes for the residents of Gateshead. The draft budget proposals that require public consultation are summarised in Appendix 3 and a full list of other options that do not require public consultation are summarised in Appendix 4.

Proposal

13. A range of budget proposals are outlined within this report for immediate consultation to reflect the immediacy of a legally balanced budget for 2024/25.
14. It is proposed that the Council collectively consults with its employees, recognised trade unions, residents and partners on the budget proposals from 21 November 2023. The public consultation will close on 15 January 2024.
15. Comments on the budget proposals can be made via email to Budgetconsultation@gateshead.gov.uk

Recommendations

16. Cabinet is asked to agree:
 - i) That consultation commences on the budget proposals for the period 2024/25 contained within this report;

- ii) That the findings of the consultation, together with a proposed budget for 2024/25 be considered at its meeting on 20 February 2024, ahead of recommending this to Council on 22 February 2024; and
- iii) To receive further budget related reports throughout the financial year, including the outcome of specific consultation and engagement on individual proposals.

For the following reasons:

- to contribute to the good financial management practice of the Council; and
- to maintain the financial sustainability of the Council over the medium to long term.

CONTACT: Darren Collins

extension: 3582

Policy Context

1. Making Gateshead a Place Where Everyone Thrives sets the policy direction for the Council, redressing the imbalance of inequality, championing fairness and social justice. This approach determines future budget proposals and the development of business planning for each of the Council's Services.
2. The Council recognises there are considerable financial pressures on not just Council resources, but those of partners, local businesses, and residents. The Council will remain resolute in its determination to make Gateshead a place where everyone thrives. This means the Council's decision-making including resource allocation through the budget will be policy and priority led and based on robust data and intelligence. The Corporate Plan sets out the priority areas we will target our resources towards.
3. Full Council is responsible for approving the Council's annual budget following recommendation from Cabinet, in line with the budget and policy framework outlined within Gateshead Council's constitution.

Financial Context

4. The MTF5 outlines that the Council continues to operate in the context of an unprecedented period of financial and economic uncertainty set against the backdrop of over a decade of austerity, disproportionate cuts to funding, delays to funding reform, increasing demand, and more recently high inflation. The Local Government sector is increasingly reporting local authorities in financial difficulty including some which are now subject to Government interventions.
5. It remains critical that the Council has a robust approach to budget setting and a plan for uncertainty including the delivery of demand management interventions in social care, alongside additional savings estimated at £32m to achieve financial sustainability, without reliance on reserves, by the final year of the MTF5. The Council must be proactive in its approach to planning services that support residents in the borough based on the estimated funding that is available.
6. Financial sustainability requires all stakeholders in the borough to understand that resources available to the Council are scarce, particularly at a time of high inflation and increasing demand in areas such as adults and children's social care. As a Council we can no longer afford to do everything that we once did. There is a need to focus the limited resources at our disposal on priority areas which will help us realise the biggest impact and achieve the best possible outcomes for residents in Gateshead.
7. Difficult decisions need to be made about both the relative priority of different services and the balance between what the Council can afford to deliver against the income raised through local taxation. Investment in these priorities will need to be funded by redirecting resources currently elsewhere within the organisation. The Council needs to challenge not only how services are delivered but also what is being delivered. Critically, these decisions need to be taken in the context of ensuring that they meet our strategic approach, **making Gateshead a place where everyone thrives**, but also with a clear understanding of the statutory requirements of local government.

8. Local authorities are legally required to set a balanced budget each year and to ensure they have enough resources to cover any unexpected events. Therefore, to legally balance the budget the Council must make spending plans affordable by matching them to the available funding over that time.

Cost of Living and Financial Support from the Council

9. The increase in the cost of living continues to have a huge impact on the residents of Gateshead. The Council agreed a Motion on 21 July 2022 recognising that the increase in the cost of living constitutes an emergency for many.
10. The Council has a good record in supporting the needs of the whole community. There is financial support available through a variety of existing and new schemes. The Council's website continues to be updated to provide links to support and advice including an updated directory of voluntary and third sector support. Further detail is outlined in Appendix 2.

Budget Approach 2024/25 – 2028/29

11. The Budget Approach reported to Cabinet on 24 October 2023 outlined a set of budget framework principles, which will be delivered in the context of the MTFs:
 - **Priority Driven** – the Council will focus on what matters most as outlined in the new Corporate Plan;
 - **Performance Driven** – a focus on management of outcomes;
 - **Council Wide, Co-ordinated and Integrated** - rather than service focus, the Council's new Corporate Plan and Group Plans will be the conduit for allocating resources to priority areas in a collaborative and co-ordinated approach. Covering all aspects of the Council's budget including revenue, capital, housing, and schools.
 - **Twin Track** - approach over an extended rolling 4-year time horizon to enable effective planning, reflecting the short-term immediacy of a legally balanced budget for 2024/25 against the longer-term demand management intervention and transformation required to achieve sustainability by the final year of the MTFs;
 - **Supported by Investment** - to allow capacity to deliver; and
 - **Iterative and Flexible** - reflecting the dynamic nature of the operating environment and the uncertainty of funding assumptions.

Alternative Options

12. Local authorities are legally obliged to set a balanced budget each year and to ensure they have enough reserves to cover any unexpected events. Therefore, to legally balance the budget the Council must make spending plans affordable by matching it to the estimated funding available over that time.
13. Other options to close the budget gap will also be considered when the budget is set alongside potential increases in Council Tax and Adult Social Care precept.

Implications of Recommended Option

14. **Resources:**
 - a) **Financial Implications** – The Strategic Director, Resources and Digital confirms the Council will deliver a balanced budget consistent with legislation that is driven by Council policy, and which achieves priority outcomes. To achieve this, the Council must close an estimated financial gap of £27.058m for 2024/25. After use of reserves, social care demand interventions, and

identified corporate savings, the estimated savings requirement is £7.634m that was estimated within the Medium Term Financial Strategy.

The Council's provisional financial settlement is not expected until late December 2023 and the final settlement is normally late January or early February 2024, at which point the assumptions around Council funding levels for 2024/25 will be clarified. Retained Business Rates and associated grants will be confirmed upon completion of the NNDR1 return at the end of January 2024.

Alongside the savings position the Council will continue to seek to close the financial gap through consideration of other funding options including growth in council tax and business rates funding and consideration of a council tax increase as well as the optimum deployment of available reserves.

The funding estimated to be received from Government and from council tax and business rate payers over the next five years is not enough to cover current level of spend plus new budget pressures. Although there exists a great deal of uncertainty overall, it is estimated that the Council will need to close a cumulative funding gap of £49.7m by year 4 of the MTFS 2024/25 to 2028/29. This represents an extremely challenging position for the Council and, in order to strengthen our financial stability, the Council will have to continue to prioritise additional ways to generate income and be self-sufficient including changes in local taxation, fees and charges and trading activities as well as prioritising and supporting economic growth within the borough.

- b) **Human Resources Implications** – The anticipated human resource implications are outlined in Appendix 2 to this report.
 - c) **Property Implications** – The Council will continue to implement its Asset Management Strategy and seek to reduce the costs associated with buildings and property. These will be brought forward in future Cabinet reports for consideration.
15. **Risk Management Implications** – The risk management implications of each draft proposal will be assessed as part of future reports.
 16. **Equality and Diversity Implications** – During the period of consultation, draft integrated impact assessments will be prepared to identify potential impact against groups of people who share a protected characteristic, as identified in the Equality Act 2010. Following learning from the budget consultation this impact will be reviewed and assessed to inform the Budget and Council Tax Level 2024/25 report that is prepared for Cabinet in February 2024.
 17. **Crime and Disorder Implications** – The Council has a legal duty under Section 17 of the Crime and Disorder Act 1998 to carry out all its various functions with “due regard to the need to prevent crime and disorder in its area”. Individual proposals will be assessed as to their impact on crime and disorder and should any specific impact be identified these will be highlighted in the report to Cabinet in February 2024.
 18. **Health Implications** – There are some draft proposals that could impact on the Council's ability to improve the health and wellbeing of Gateshead's residents. This impact will be assessed to inform the Budget and Council Tax Level 2024/25 report that is prepared for Cabinet in February 2024.

19. **Climate Emergency and Sustainability Implications** - The draft proposals put forward could impact on activities that support operational and financial sustainability. There is a need to balance short term budgetary requirements with the achievement of medium-term financial sustainability. Addressing Climate Change remains a priority of the Council and this is considered as part of the approach to budget setting.
20. **Human Rights Implications** – The implications of the Human Rights Act must be considered in any decision that involves a change of policy or function, or a service change that arises from the choices. These will be identified, where necessary, within integrated impact assessments.
21. **Ward Implications** - The budget proposals apply to all areas and wards.

Background Information:

- Medium Term Financial Strategy 2024/25 – 2028/29 – 24 October 2023
- The Strength of Gateshead is the people of Gateshead - Corporate Plan – 24 October 2023
- Budget Approach 2024/25 to 2028/29 – 24 October 2023

Consultation Context

1. The Council must set a balanced budget each year. In arriving at this decision, the Council must decide how to assign money to the wide range of vital services it provides to the people of Gateshead. Increasingly, the budget setting process involves some very difficult decisions as we look to balance demand and needs, together with prioritising available resource and targeting service delivering to those who need them most. Alongside targeted services to some of the most vulnerable residents in the borough, we also want to deliver a good level of universal services for our communities. We have prioritised our activities in the Council's Corporate Plan.
2. Along with all local authorities, Gateshead has faced unprecedented reductions in Government funding since the Comprehensive Spending Review in 2010. In addition, service pressures and increasing demand for services, particularly from the most vulnerable, has meant that the Council has had to make significant budget cuts in response to the Government's austerity measures. Since 2010 these total £191m.

Local Context

3. Gateshead is a fantastic place with amazing people. It is a place where residents have a strong sense of community and local pride and where people really care for each other.
4. The Council wants the best possible outcomes for the people of Gateshead and has always been ambitious with a reputation for innovation and vision with economic regeneration and culture firmly putting Gateshead on the map. However, significant levels of poverty and inequality exist within the borough. The Council is clear that if the inequality gap is narrowed people will live longer, healthier and happier lives. The Council is focussed on fairness and always standing up for the most vulnerable and those in need.
5. A snapshot of Gateshead, outlining additional local context, can be found at Appendix 5.

Changing Context

6. Making Gateshead a Place Where Everyone Thrives sets the policy direction for the Council, redressing the imbalance of inequality, championing fairness and social justice. To help us achieve this we have five pledges to help and guide us when we make decisions. The Council's prioritised activity in response to the pledges, and available resource, are outlined within our Corporate Plan. Our pledges are:
 - 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.
7. It is recognised there are huge financial pressures on not just Council resources, but partners, local businesses and residents. To deliver on the strategic approach over the short to medium term, the Council will need to be resolute in its determination to make Gateshead a place where everyone thrives. This means the Council's decision-making will be policy, priority and evidence led and driven.

8. Partner organisations appreciate that the issues the Council faces are shared issues and are keen to work collaboratively to improve outcomes for local people and reduce inequality. The co-developed and co-owned joint Gateshead Health and Wellbeing Strategy is further evidence of the recognised need to work as a 'system' to best address the public health and wellbeing in Gateshead.
9. The Council remain confident that it can continue to work through the challenging times that are ahead. Building on our strong collaborative approach, working with our partners, to steer a way forward, and deliver on our promises to create the right conditions to allow local people to *Thrive*. Our commitment to work collaboratively and fight for a better future for Gateshead remains resolute. Gateshead's Locality Working model is evidence of this collaborative approach. Working, using a collaborative approach, we are finding a local response to local need, and placing people and families at the heart of everything we do. This model will evolve and be rolled out across the whole borough.
10. Taking all of these factors into account, the Council can no longer afford to deliver all of the services residents have been used to, in a way that it has always done. There is a need to focus and target the limited resources on priority areas, and those which will help us realise the biggest impact in the borough and achieve the best possible outcomes for residents in Gateshead. The priority areas are set out in our Corporate Plan.
11. A series of budget proposals have therefore been identified to allow for redirection of remaining budget to help achieve the right outcome for those people and families who require more support than others.
12. Staying the same is not an option and the Council is required to change to deliver its priority outcomes within the limited funding available. The Council response to the challenging financial context is to focus on delivery of the five-year financial strategy with a focus on achieving long term financial stability.
13. The Council has always been incredibly ambitious for the residents of Gateshead, working hard to ensure it is a great place to live, work and visit. Our ultimate ambition is to address the inequalities that exist in Gateshead.

Cost of Living and financial support from the Council

14. The Council has a good record in supporting the needs of the whole community. There is financial support available through a variety of existing and new schemes.

Financial Support in 2023/24

➤ Local Council Tax Support Scheme

The Council is responsible for collecting Council Tax from nearly 95,000 households. In 2023/24 the total collectable debit for Council Tax for Gateshead is over £127m.

The Local Council Tax Support Scheme was introduced in April 2013 as a replacement for the Council Tax Benefit scheme. The Council must agree the Local Council Tax Support Scheme each year by 11 March of the preceding financial year. A separate report recommending the Local Council Tax Support Scheme 2024/2025 is part of this agenda.

The Council must balance the cost of the scheme with the needs of residents, the affordability for residents as well as the needs of the Council's administration. The suggested approach will enable the Council to operate a support scheme within the funding

available and to mitigate the impact on working age claimants by utilising Council resources.

Adopting the scheme in 2024/2025 means that approximately 12,000 working age council tax payers will continue to pay no more than 8.5% of their council tax. In addition over 8,000 pensioner council tax payers have been eligible for up to 100% council tax support.

➤ **Benefit maximisation**

The Council will continue to publicise the Local Council Tax Support Scheme through Council News, social media, the website and with voluntary and third sector partners and continue to engage with DWP to support residents in claiming Local Council Tax Support whilst in receipt of Universal Credit.

➤ **Housing Benefits**

Housing Benefit helps residents pay their rent if they're unemployed, on a low income or claiming benefits. It's being replaced by Universal Credit. The Council currently administers around £51m per year in Housing Benefit for Council and private tenants.

➤ **Discretionary Housing Payments**

Discretionary Housing funding can help people with housing costs. Currently the Council is supporting over 900 council tenants with Discretionary Housing Payments.

➤ **Household Support Fund 2023/24**

The Household Support Fund (HSF) was extended as part of the Government's 2022 Autumn statement. The current HSF 4 scheme, totalling £3.67 million, is being used to support households in the most need – particularly those who may not be eligible for the other support government has recently made available. The Fund is intended to cover a wide range of low-income households in need including families with children of all ages, pensioners, unpaid carers, care leavers, and people with disabilities. Government have indicated they are not currently planning to continue the HSF into 2024/25.

➤ **Free School Meals**

The Council currently supports over 7,200 children with free school meals. This has increased substantially since 2017 where the figure was just 4,308. We are working with schools to encourage take up of free school meals as schools receive additional funding through the pupil premium.

The Five Thrive pledge themes:

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

Gateshead is a place that offers opportunities for all residents to live healthy and fulfilled lives and achieve their ambitions. This starts by giving all children the best start in life. In doing so improve outcomes and opportunities for all. We will think long-term and adopt a preventative approach to determining our response to local need. The aim being to have access to services for those who need them, social care where required,

alongside population health improvements for all.

➤ **Tackling inequalities so people have a fair chance**

Poverty and deprivation still have too big an impact upon too many of our residents. We want to tackle those inequalities, so people have a fair chance to achieve their personal goals and ambitions. Our aim is to be a borough with reduced inequalities where residents having improved access to social and economic opportunities, enabling them to live fulfilling lives. To truly enable our residents to Thrive we must create the conditions for fairness and equality – maximising the wellbeing of our communities.

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

Ensuring that people are safe and feel safe is a wellbeing requirement. The strength and ability for communities to adapt to change and deal with shocks and emergencies is essential. Through being more resilient we can reduce the negative impact on individuals. Reducing the direct intervention needed by the Council to provide a fix. Evidence led and informed by feedback on the ground, we will deliver a range of tailored service in collaboration with our partners.

➤ **Investing in our economy to provide sustainable opportunities for employment, innovation and growth**

We want Gateshead to have strong local economic outlook, with more businesses, good jobs, and inward investment. With this strong economic outlook, we want to tackle unemployment and ensure residents have skills and qualifications to enable them to access opportunities. We will support regeneration and development opportunities that come forward and will support investors to do so. Creating a fairer, green and more resilient economy at the heart of this work.

➤ **Working together and fighting for a better future for Gateshead**

We want Gateshead to have an aspirational outlook and visionary future, whilst reflecting the needs of local people and building for our future generations. We want to ensure that there is a broad range of homes available for our residents. We will work with partners to meet housing needs now and for the future. We will invest to build new council homes and improve our current offer. It is important that residents have access to improved connectivity within Gateshead and the region, allowing them to travel for both work and pleasure purposes. We will also look to protect the environment as we move towards a low-carbon future, helping the community minimise its carbon footprint and encourage the reduction of borough wide carbon emissions.

15. In accordance with our duties under the Equality Act, due regard will be taken to understand the potential impact of the proposals on groups of people who share a protected characteristic. Integrated impact assessments will be made available on the Council's website throughout the consultation period for both the draft budget and any specific consultations required relating to individual proposals. To access the impact assessments for the proposals please see our website www.gateshead.gov.uk/budget.

16. The Council recognises the potential negative health impact of policy changes, alongside reductions in spending and is committed to undertake a health impact assessment on all the budget proposals. This will help the Council to identify any risk and mitigation.

17. Consultation enables us to better understand and consider the needs and expectations

of all residents in Gateshead. Consultation will be undertaken with all relevant stakeholders and will involve the identification and ongoing assessment as to their impact, if any, of each proposal to inform decision making.

18. Depending on the type of proposal under consideration consultation may involve some or all the following stakeholders: -
 - individual service users and their families;
 - representative groups/community interest groups and other stakeholders;
 - Gateshead Council partners;
 - other statutory agencies; and
 - voluntary and community organisations
 - Gateshead Council employees and recognised Trade Unions
19. The nature of the consultation will be determined by, and be proportionate to, the proposal under consideration and the form and scope may differ between proposals.
20. The initial proposals presented in this document are in many cases capable of being increased or decreased and decisions on this will be informed by the results of the consultation, and the overall requirement for savings that will be confirmed when the Council receives confirmation of funding information from government.
21. Comments on the draft budget proposals can be sent to the Council by email to BudgetConsultation@gateshead.gov.uk

DIFFERENT FORMATS

If you require this information in a different format – large print, braille, on audio/CD/MP3 please contact Rachel Mason by telephone on 0191 433 2069 or email BudgetConsultation@gateshead.gov.uk

Implications of the draft budget proposals on employees

22. There is one proposal put forward, subject to consultation, that will, if agreed, have a potential impact on the Council's workforce. The proposal affects one role and therefore a single postholder. Should the consultation process conclude that there are no alternative proposals which could mitigate the potential redundancy, then subject to consultation, the role confirmed as redundant would be removed from the establishment.
23. In accordance with the statutory redundancy process as set out under section 188, Trade Union and Labour Relations (Consolidation) Act 1992, redundancy consultation must be undertaken. The Council approaches any proposed redundancy as a collective consultation with the Council's recognised trade unions.
24. The Council collectively consults for a period of no less than 45 days where there is a proposal, subject to consultation, to place 99 or more roles at risk of redundancy. Where there are between 20 and 99 roles proposed to be made redundant then the Council complies with the statutory collective consultation period which is no less than 30 days. The Council go above and beyond the statutory requirements, applying a 30 day collective consultation process even when there are less than 20 roles proposed to be at risk of redundancy. Both (30 and 45 day consultation periods) are inclusive of weekend days. The Council's Redundancy Policy states that *where there is the potential for large-scale redundancies, the Council will endeavour to apply a 90-day consultation period*. In this instance, the budget proposals would result in one role being placed at

risk of redundancy, therefore the intention is to consult for a period of no less than 30 days, unless otherwise agreed by the employee and their Trade Union, commencing on 21 November 2023. This can be extended should it be necessary, in order to ensure meaningful consultation has taken place. As this budget proposal is also subject to public consultation, which will end on 15 January 2024, the final outcome cannot be determined until the public consultation has been concluded. Therefore, the role will remain at risk until the public consultation closes and the employee will be afforded the opportunity to engage and consult throughout.

25. During the consultation period, the employee and their Trade Union will be asked to make all and any alternative proposals to mitigate the potential redundancy.

Potential Implications of the Government Settlement

26. Should the Government Settlement be less than anticipated, resulting in the requirement for additional budget proposals, consideration would have to be given to any consequent workforce implications and any requirement to commence a collective redundancy consultation process. If required, this would be outlined in further budget related reports to Cabinet.

| Proposals For Budget Cuts 2024/25 | | | | | |
|---|---|---|---|-----------------------|-------------------------|
| PROPOSALS FOR PUBLIC CONSULTATION | | | | | |
| REF | Portfolio Area - Group - Service | Name of Proposal | Description | Proposal TOTAL £000's | FTE Impact (Vacant FTE) |
| 1 | Adult Social Care -Integrated Adults & Social Services - Quality Assurance and Commissioning | Review the purchase of respite provision | Review and renegotiate a reduction in an existing block contract. | 100 | 0 |
| 2 | Housing - Housing, Environment & Healthy Communities -Housing Strategy and Residential Growth | Review of travellers site | Review of travellers site budget provision. | 26 | 1 |
| 3 | Leader's - Office of the Chief Executive - Office of the Chief Executive | Council News | Reduce Council News from 3 to 2 issues a year. | 18 | 0 |
| 4 | Leader's - Resources & Digital - Customer Experience and Digital | Review of Council Tax long term empty property premiums | The Council currently adds a premium of 50% to properties that remain empty for more than 2 years. To encourage owners to take steps to bring these properties back into use, it is proposed to apply additional increased premiums if a property is empty for 2 years, 5 years and 10 years. | 400 | 0 |
| TOTAL PROPOSALS FOR CONSULTATION | | | | 544 | |

| Proposals For Budget Cuts 2024/25 | | | | | |
|--|--|--|--|-----------------------|-------------------------|
| REF | Portfolio Area - Group - Service | Name of Proposal | Description | Proposal TOTAL £000's | FTE Impact (Vacant FTE) |
| PROPOSALS - NO CONSULTATION REQUIRED | | | | | |
| PROPOSALS IDENTIFIED IN THE MEDIUM TERM FINANCIAL STRATEGY (MTFS) | | | | | |
| 5 | MTFS Proposal | Reduction in Contingencies | Reduction in Contingencies - volatility of energy inflation/ costs. | 3,000 | 0 |
| 6 | MTFS Proposal | Capital slippage | Capital slippage. | 1,000 | 0 |
| 7 | MTFS Proposal | Pension Control Account | Pension Control Account additional savings. | 280 | 0 |
| 8 | MTFS Proposal | Fees and charges | Fees and charges inflation review. | 300 | 0 |
| 9 | MTFS Proposal | Waste contractual inflation | Absorb Waste contractual inflation. | 286 | 0 |
| 10 | MTFS Proposal | Investment interest | Additional investment interest. | 800 | 0 |
| | | | TOTAL MTFS PROPOSALS | 5,666 | |
| SOCIAL CARE INTERVENTIONS IDENTIFIED WITHIN THE MTFS | | | | | |
| 11 | Adult Social Care | Service provider reviews and maximisation of grant funding | Outcomes of on-going reviews in relation to the review of service provider contracts linked to changing inflation assumptions and the maximisation of grant funding. | 2,190 | 0 |
| 12 | Childrens Social Care | Reduce entries into care | Savings due on-going service reviews linked to reducing entries into care. | 394 | 0 |
| | | | TOTAL SOCIAL CARE INTERVENTIONS IDENTIFIED WITHIN THE MTFS | 2,584 | |
| BUDGET OPTIONS | | | | | |
| 13 | Adult Social Care | Service reviews | Review of provider services contracts and maximisation of grant funding. | 2,782 | 0 |
| 14 | Childrens Social Care | Service reviews | Includes the maximisation of grant funding and cost / contract savings from service reviews and revised funding methods. | 249 | 0 |
| 15 | Public Health and Wellbeing - Library Services | Release current vacant posts in libraries | Release of vacant posts in libraries. | 50 | 0 |
| 16 | Public Health and Wellbeing - Leisure Services | Fees and charges increased income | Fees and charges increased income for Gateshead Stadium. | 150 | 0 |
| 17 | Property, Assets & Traded Services | Reduction in repairs and maintenance and cleaning costs | Embedded review of assets. | 100 | 0 |
| 18 | Highways and Waste | Reduce Materials Recycling Facility budget | Budget reduction to reflect current recycling levels. | 200 | 0 |
| 19 | Highways and Waste | Trade Waste - increase income target | Trade Waste income remains stable and as such no impacts are foreseen on the service at this time. | 50 | 0 |
| 20 | Housing Strategy & Residential Growth | Private Sector Housing | Private Sector Housing - additional grant funding and fine income. | 170 | 0 |
| 21 | Locality Services & Housing Options | Maximisation of grant funding and internal restructure | Maximisation of grant funding and Service Level Agreement (SLA) income. | 216 | 0 |
| 22 | Business, Employment & Skills | Internal restructure | Merging of two specialist areas (start-up and small business support). | 53 | 0 |
| 23 | Office of Chief Executive | Restructure of budgets | Restructure of budgets and release of vacant posts. | 106 | 0 |
| 24 | Legal & Democratic Services | Town Twinning budget | Reduce Town Twinning budget. | 4 | 0 |
| 25 | Public Service Reform | Public Service Reform budgets | Reduce Public Service Reform non staffing budget and ending of funding arrangements. | 113 | 0 |
| 26 | Human Resources & Workforce Development | Review of structure | Remove vacant post. | 22 | 0 |
| 27 | Commercialisation and Improvement | Budget adjustment | Reduction in school meals budget with no impact on charges to schools. | 400 | 0 |
| 28 | Commercialisation and Improvement | Alternative funding | Alternative funding and increased income from partner SLA's. | 50 | 0 |
| 29 | Financial Management | Supplier Incentives | Supplier incentives creation of income budget. | 70 | 0 |
| 30 | Financial Management | Alternative funding | Alternative funding and increased income. | 93 | 0 |
| 31 | Customer Experience and Digital | Review of charges for direct services to residents to account for inflation. | Increase in charges for work related to appointee and deputyship cases. | 25 | 0 |
| 32 | Customer Experience and Digital | Maximisation of funding | Maximisation of grant funding and Service Level Agreement (SLA) income to the Housing Revenue Account (HRA). | 30 | 0 |

| Proposals For Budget Cuts 2024/25 | | | | | |
|---|----------------------------------|---------------------------|--|-----------------------|-------------------------|
| REF | Portfolio Area - Group - Service | Name of Proposal | Description | Proposal TOTAL £000's | FTE Impact (Vacant FTE) |
| PROPOSALS - NO CONSULTATION REQUIRED | | | | | |
| 33 | Customer Experience and Digital | Cost recovery | Costs for appropriate recovery and enforcement action. | 50 | 0 |
| 34 | IT | Cost and contract savings | Cost and contract savings relating to IT licences, software and supplies and services. | 54 | 0 |
| 35 | Resources & Digital | Collection Fund | Collection Fund - Single Person Discount review. | 100 | 0 |
| 36 | Resources & Digital | Collection Fund | Collection Fund - rates review. | 1,100 | 0 |
| 37 | Resources & Digital | Capital Financing | Capital Financing saving - slippage and MRP (Minimum Revenue Provision) review. | 700 | 0 |
| 38 | Resources & Digital | Additional interest | Additional investment interest. | 200 | 0 |
| | | | TOTAL BUDGET OPTIONS | 7,137 | |
| | | | TOTAL PROPOSALS - NO CONSULTATION REQUIRED | 15,387 | |

Gateshead in numbers

Gateshead

has a population of **196,200**



It is projected to increase to around **204,200** in **2043**

Life expectancy

81.5 women



77.4 men



POPULATION



Residents over the age of 65

is projected to grow in future, which means we have an ageing population (**48,733** by 2040)



Gateshead is ranked 47th most deprived

out of 317 local authorities in England.



Number of jobs

89,000 in jobs



5,610 businesses trading in Gateshead



55% of residents are qualified to at least NVQ Level 3 equivalent



ECONOMY

The Sage is anticipated to support more than **1,140** jobs and attract an extra **296,000** visitors to the region.



Estimated to boost the regional economy by over **£29.5 million** annually.

Average household income is just over

£37,600 per year



Around 95,500 or **71.7%** of working age (16-64) Gateshead residents are in employment



58% of housing is owner occupied, and **19%** is managed by Gateshead Council.



16% of housing is rented from a private landlord or letting agency and **6%** from a registered social landlord



68 new affordable homes built in 2021/22



Average house prices in Gateshead approx. **£154,000** (Feb 2023)

61% of people are active per week



1501 average weekday cycle trips made



HEALTH



25% of adults obese

22% of people are limited in day-to-day activities by health



27% of year 6 children classified as obese



8% are in bad health



Gateshead is approx. **two thirds** rural



Around 15% of Gateshead is woodland



23% of household waste is recycled



Carbon emissions from the council have **reduced by 55%** since 2010



Around 17% of Gateshead is protected for wildlife



Gateshead Energy centre

2.5% of employers' energy is provided by our energy centre



Approx **152 Million** journeys are made using public transport in Tyneside



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TITLE OF REPORT: Gateshead International Stadium – Options Appraisal Update

REPORT OF: Alice Wiseman, Director of Public Health
Darren Collins, Strategic Director, Resources and Digital

Purpose of the report

1. This report provides an update on the progress made in the options appraisal for the Gateshead International Stadium (GIS) and seeks Cabinet approval to progress further by taking the measures that are recommended in paragraph 9.

Background

2. On the 24 January 2023, Cabinet approved (minute number C97):
 - i. the commencement of the Options Review on GIS, and
 - ii. to receive the further report (Paragraph 1.2 above) in July 2023
3. Subsequently, on 20 June 2023, Cabinet approved (minute number C18):
 - i. the commencement of a consultation process on the following proposals for the use of the site in the immediate future:
 - a. Repurpose GIS so that its primary use is for the purposes of education and sport
 - b. Collaborate with Gateshead College to negotiate and then deliver a new operating model for GIS;
 - ii. further market investigation into a longer-term solution to put GIS (excluding sports pitches) to the open market to complement and enhance the education and sport offer; and
 - iii. to receive a further report in November 2023.
4. This report provides an account of the progress made in the options appraisal since June 2023 and makes recommendations for undertaking the additional steps that are considered necessary to complete the appraisal process.

Scope, Vision, and Objectives

5. The scope of this report is focused on the future service delivery options for the GIS. Cabinet should note that whilst the GIS is managed within the organisational structure of Leisure Services, it has a wider and significantly different offer to the other facilities in the Leisure Services portfolio. Specifically, as it was built for international athletics events, it provides its

key tenants with facilities that both accommodate spectators and enable their own professional sports and educational offers.

The vision and the objective are to find an option (or several connected options) for the future use of the GIS for education and sport and which at the same time reduces its financial dependence on the Council to achieve net zero site costs.

Options Appraisal – ongoing work and updates

6. Following Cabinet approval in June 2023, there has been progress across several workstreams:
 - i. A stakeholder engagement process has been undertaken starting on 5th July 2023 and closing on 2nd October 2023. The main purpose of that engagement was to understand how stakeholders currently use GIS and what they value about GIS, whether they agreed with the future purpose of the site, and any suggestions on future sustainability of GIS. An overview of the responses received and key themes is at appendix 1 paragraph 12, and the full stakeholder engagement report is at appendix 2.
 - ii. Proposals for consideration by Gateshead College on a future operating model for GIS are being progressed by the Council and will be discussed with and considered by the College in due course. These discussions are commercially confidential and will be reported to Cabinet at a later date.
 - iii. Work is underway to progress the market investigation into a longer-term solution to put GIS (excluding sports pitches) to the open market to complement and enhance the education and sport offer. This task is being led by FMG Consulting with the support of Savills.
7. Given the complexities of the options appraisal and the need to thoroughly explore all possible options, achieving net zero budget by 1st April 2024 may be unachievable. However, through consultation and negotiation, it may be possible to significantly reduce the operating budget and retain the current management arrangements. There may also be an opportunity to leverage rental income from the site to help support the operating costs.

Proposal

8. This report proposes that the Council should:
 - i. Include GIS within the agreed procurement process to identify and contract with an operator to manage the Council's leisure centres and swimming pools under a services contract. GIS would be included alongside the 3 leisure centres as a separate lot with the 3 leisure centres only forming an alternative lot. The benefits of seeking an offer through the procurement process include the provision of consistent branding, additional economies of scale and the streamlining of contract management arrangements across the council owned facilities. A lot that contains GIS may also be more attractive to the market. The Council will be under no obligation to award a contract that includes the GIS as it could award the contract based on the lot that includes the 3 leisure centres only, however if GIS is not included as an option in the procurement process from the outset, it cannot be added later.

Recommendation

9. It is recommended that Cabinet:

- i. Notes the outcome of the stakeholder consultation process at appendix 1 paragraph 12 and appendix 2.
- ii. Notes that negotiations are currently underway with Gateshead College.
- iii. Notes that further market investigation into a longer-term solution to put GIS (excluding sports pitches) to the open market to complement and enhance the education and sport offer is ongoing.
- iv. Approves the inclusion of GIS within the agreed procurement process for the operation of the Council's Leisure Centres.
- v. Agrees to receive a further report in June 2024.

For the following reasons:

- i. To enable the development of a proposal which achieves the cost neutral objective to the Council.
- ii. To ensure that any future recommendations for the use of the GIS are made following a thorough options appraisal process to identify an approach which achieves a net zero budget whilst considering the impact this may have upon the facility users, community groups and those users who are protected under the Equality Act.

Policy context and background

1. The Council is very proud of its sport and leisure offer and has built up a reputation for being a leader in this area with the GIS being a key iconic facility hosting several major sporting events over the years such as the World Transplant Games, the European Athletics Team Championships and Diamond League events as well as music concerts.
2. Due to the ongoing financial sustainability challenges faced by the public sector and the amount of Council revenue and capital funding required to maintain the same level of provision, the continuation of this non-statutory service is no longer financially viable. The Council's financial plan (Medium Term Financial Strategy) has identified a funding gap of £50M over the next 5 years.
3. On the 25 October 2022, Cabinet agreed to the consideration of the future operating model for the GIS being undertaken separately to that for the leisure centres and that the future of the GIS will be the subject of a distinct review and future report to Cabinet.
4. Unlike the rest of the Leisure portfolio, the GIS has formal third-party license arrangements with Gateshead Football Club and Gateshead College in place alongside its public use as a sporting arena and for other sporting events. A wider community sport and leisure offer is provided for athletics clubs, football clubs and for the public use of the athletics track, sports hall, artificial turf pitches and gym. The gym also includes a specialist 'Speedflex' studio available to gym users. The full facility mix includes;
 - 100 station health & fitness suite, plus strength & conditioning
 - Studio (120m²)
 - Speedflex Fitness Studio
 - 8 lane floodlit synthetic athletics track with separate throws training area
 - Conference suite (1 x Single room or 5 x Classrooms)
 - Floodlit full-size grass football pitch (inside running track – home of Gateshead FC)
 - c.11000 capacity stadium with turnstile access points and supporting concession servery's.
 - Café/Kitchen area
 - 2 grass pitches (football and rugby union)
 - 2 full-size floodlit 3G Artificial Grass Pitches (AGPs)
 - Full-size floodlit sand based AGP
 - 8 court multi use sports hall
 - Supporting changing facilities including steam room, first aid, physio room facilities,
 - Car Parking facilities

Financial position

5. For the financial year 2022/23 the revenue outturn was £0.682m against an agreed budget of £0.586m, an overspend of £0.096m. Council has agreed a revenue budget for 2023/24 of £0.704 million. In addition, there is a budget within the Environment and Fleet Service for grounds maintenance at the site of £0.100m.

6. Due to the very large size, condition, and age of the GIS, continuous investment in the site is required to ensure it remains fit for purpose and that the stadium arena in particular continues to comply with its General Safety Certificate.
7. The Council anticipates projected costs for essential works, lifecycle renovation of the fabric of the buildings and repair/replacement of key infrastructure (including replacement of all artificial turf pitches and the running track). It is estimated that, to maintain the building, the Council will be required to make an investment of approximately £4million within the next 10 years (2032/33). This figure excludes annual expenditure on cyclical and responsive repairs and maintenance, which are currently financed through the annual revenue resource referenced in para 5 above. These figures are believed to be reliable as an estimate, but their continued accuracy is necessarily dependent on the quality of the continuing annual maintenance programme. Any accurate assessment of future building repair and maintenance costs for GIS would need to be subject to continuous review.
8. Were the GIS estimated annual operating costs of circa £0.704million to be added to the projected essential maintenance costs of £4million, then the overall estimated cost of retaining the GIS over the next 10 years would be a minimum of £11million. There is no current funding source that the Council may access to meet this potential liability. It follows that, were the status quo allowed to continue, then the Council would experience financial difficulties in retaining any offer at the GIS.

Consultation

9. All Cabinet Members have been consulted on this proposal.
10. Employee consultation has been ongoing throughout wider Leisure review to ensure they are kept up to date with progress.
11. As part of the options appraisal, engagement has been undertaken with the following key stakeholders:
 - i. Current anchor tenants (such as Gateshead Football Club and Gateshead College) and others with regular bookings such as the Military Preparation Training College, Inspired Support, Little Movers.
 - ii. Local sports clubs including, but not exclusively, athletics, netball and football clubs.
 - iii. Community Football Clubs who hold service level agreements with the Council for use of the 3G artificial turf pitches. A condition of previous grant funding from the Football Foundation
 - iv. Other users of the site such as Northumbria and Newcastle University
 - v. Event organisers who regularly use the site on an annual basis.
 - vi. Schools and the Gateshead School Sport Partnership.
 - vii. Previous grant funders of the site where title restrictions exist which affects future use of the site including Sport England and the Football Foundation.
 - viii. Other individuals/groups not listed above will be engaged through the process. This could include relevant National Governing Bodies of Sport.
 - ix. Voluntary and community sector
12. A stakeholder engagement process has been undertaken starting on 5th July 2023 and closing on 2nd October 2023. The purpose of that engagement was to:
 - understand how stakeholders currently use GIS
 - understand what they value most about GIS
 - determine whether they agreed with the future purpose of the site
 - seek any suggestions on future sustainability of GIS

The full stakeholder engagement report is at appendix 2. The stakeholder engagement had two parts. An overview of the responses and key findings:

1. Online Survey:

- 391 responses to the main survey.
- 42% of survey respondents stated they were a Gateshead resident. From analysis of the postcodes provided; 45% are in Gateshead, 48% are outside of Gateshead and 7% did not provide a full postcode.
- 51% of respondents understood but disagreed with the proposal to repurpose GIS so that its primary use is for the purposes of education and sport. 19% did not understand the proposal and disagreed. 25% understood the proposal and agreed with it.
- Respondents could highlight multiple facilities & activities used at GIS. The top three responses were running track (65%), indoor running track (31%) and athletics throws fields (31%).
- 77% of respondents viewed services as value for money at GIS. 29% stated that they were willing to pay more for services, with 50% stating that they may be willing to pay more.
- There is clear evidence of local community sports clubs using GIS for a range of sport and activities.

2. Face-to-face stakeholder engagement:

- 8 individual meetings organised; 2 group sessions organised; 5 members of the Football Steering Group contributed views.
- Views gained from representatives of both adult and junior sports clubs. Junior sports included football, netball and athletics and Gateshead school sports partnership. Adult sports included university sports clubs, athletics, netball, and football.
- Of the 20 clubs involved in the engagement; 11 were Gateshead or local organisations, 7 were from the northeast region, 2 were national sports organisations.
- Stakeholders highlighted that GIS is used by more than just local communities and is a valued regional venue for many sports and activities which users are willing to travel to. It was also stated that this is a unique asset in the region.
- Stakeholders raised the importance of having a double-court indoor sports hall and highlighted that GIS is the only facility in the area which offers this. This facility was highlighted as being of importance for several sports.
- There is significant demand for 3G / five-a-side / football pitches, and many stakeholders involved in football raised that they would like to have increased access to the facilities at GIS. It was also highlighted that there is a shortage of playing pitches across the borough.

13. Engagement has not been undertaken with the following user groups, due to there being no specific proposal to consult on at this time:

- i. Go Gateshead members (Gym users)
- ii. The local community

Further consultation will be undertaken when there is a specific proposal in relation to GIS.

Alternative Options

14. Cabinet may decide not to approve these recommendations. This would require it then to either make no decisions at all in relation to GIS or alternatively to seek to implement options without a full understanding of their public impact or the potential role that may be played by the private sector in the future use of the site.

Legal considerations

15. This report summarises the work undertaken within the Council to provide detailed options for Cabinet to enable it to manage the Council's financial and legal obligations to the GIS site and to its users. The matrix of legal considerations here is complex, and includes the following:
- i. The key site users who hold licenses. These are the College and the Football Club. Although licenses are not tenancies, they do confer rights of occupation. Termination or variation of their terms should be by agreement, or the Council may incur liability for breach of contract.
 - ii. Former investors in the facility have imposed conditions on its use or disposal. These conditions will need to be fully understood and quantified in relation to potential recoupment. It is usually the case that a negotiated approach to such matters can result in an agreed transfer of function without the need for recoupment. It would be prudent for the Council to fully engage in this process at the earliest stage.
 - iii. The status of the site as a licensed contamination facility requires the Council to balance its duties as the statutory regulator with its aspirations as the site owner. Such matters are best undertaken in a transparent and formal process. Future use of the site will need to include careful arrangements to ensure that contaminants remain safely confined and soil drainage systems remain functional.
 - iv. Consideration of future disposals of the site will necessarily involve analysis of the appropriate procedure, and whether procurement obligations may be incurred. Early market engagement is key to understanding how this can best be dealt with.

Implications of Recommended Option

16. Resources:

a. Financial Implications

The Strategic Director, Resources and Digital confirms that there are no immediate financial implications as a direct result of this report. Any future recommendations devised following the consultation process will be considered in a further report.

The site has been subject to significant investment from external funders over the last 20 years and this will be considered throughout the process.

b. Human Resources Implications

The employee establishment (11.63FTE) for the GIS is site specific and not part of the wider Leisure Service establishment. In addition to this there are 2.31FTE grounds maintenance employees allocated to the GIS.

If GIS were to be included in a future services contract through procurement, then staff would be subject to the TUPE (Transfer of Undertakings (Protection of Employment) Regulations 2006) process.

Engagement and formal consultation with employees and their Trade Union representatives remain a key part in the process as they have stated that the extended period of GIS review continues to heighten the stress and anxiety levels of staff and has also had a significant impact on low morale.

- c. Property Implications** – There are no implications arising as a result of this report. Any future recommendations devised as a result of the process will be considered in a further report.
17. **Risk Management Implications** – There are no implications arising from this recommendation. Any future recommendations devised as a result of the process will be considered in a further report.
18. **Equality and Diversity Implications** – There are no implications arising from this recommendation. Any **future** recommendations devised as a result of the process will be considered in a further report. There was an equality analysis of respondents who participated in the survey, and this is included within the stakeholder engagement report at appendix 2.
19. **Crime and Disorder Implications** – There are no implications arising from this recommendation. Any future recommendations devised as a result of the process will be considered in a further report for consideration.
20. **Health Implications** – There are no implications arising from this recommendation. Any future recommendations devised as a result of the process will be considered in a further report for consideration.
21. **Human Rights Implications** – There are no implications arising from this recommendation. Any future recommendations devised as a result of the process will be considered in a further report for consideration.
22. **Climate Emergency and Sustainability implications** – There are no implications arising from this recommendation. Any future recommendations devised as a result of the process will be considered in a further report for consideration.
23. **Ward Implications** – Whilst the Gateshead International Stadium is based within the Felling Ward, the facility is of borough wide importance. Any future recommendations devised as a result of the process will be considered in a further report.
24. **Background Information** – None.

Appendix 2

Gateshead International Stadium - Stakeholder Engagement

Final Report on the results of the Gateshead International Stadium (GIS) stakeholder engagement

About this report

This report provides an overview of the feedback from the stakeholder engagement on the Review of GIS.

The report contains the following sections:

- Overview of the stakeholder engagement process
- Report 1: Feedback from the survey
- Report 2: Feedback from stakeholder engagement meetings

Overview of the stakeholder engagement process

A comprehensive stakeholder engagement process has been undertaken starting on 5 July 2023 and closing on 2 October 2023. There were a number of ways that stakeholders were able to share their views including;

On-line Survey

An on-line survey was developed to identify the feedback from stakeholders. Respondents were able to identify how they used GIS and there was the opportunity to include free text to describe whether they agreed with the future purpose of the site, the value of them using GIS and any suggestions on future sustainability of GIS in more detail. During the consultation period a total of 391 on-line surveys were submitted. [GIS online survey](#)

E Mail Correspondence

A shared email address, GISconsultation@gateshead.gov.uk, was created for stakeholders to ask questions or provide views and feedback. Any views gathered this way were also fed into the consultation process.

Targeted Key stakeholder engagement

During the stakeholder engagement process we held 11 meetings with 21 organisations. This included 8 one-to-one meetings, 2 group sessions, and a meeting with the Football Steering Group, (a group of 4 grassroots football clubs and football partner organisations).

Communication and Promotion with key stakeholders

To ensure that all GIS stakeholders were aware of and participated in the engagement process we:

- sent emails to 73 stakeholders (representing a number of sports including netball, football, athletics, rugby, basketball, volleyball, lacrosse and other organisations including school sports partnerships, universities and event organisers) for whom we had an email address;
- followed up with a phone call to arrange a suitable date and time

Appendix 2

Overview of responses received

- 391 responses to the main survey
- 8 individual meetings organised at request of stakeholders to discuss usage of GIS
- 2 group sessions organised to gather stakeholders views
- 5 members of the Football Steering Group contributed views
- views gained from representatives of both adult and junior sports clubs. Junior sports included football, netball and athletics and Gateshead school sports partnership. Adult sports included university sports clubs, athletics, netball and football.

During the stakeholder engagement process we did not directly engage with Go Gateshead gym members who use GIS or wider Gateshead residents who are non-stadium users. The focus of this engagement exercise was stakeholders who book and use GIS facilities, and their members. This was because at this time there are no specific proposals that would impact on Go Gateshead gym members or other Gateshead residents. If specific proposals are developed in the future which could change the services delivered at GIS then we would undertake further public consultation to inform our decision-making processes.

Appendix 2

Report 1: Feedback from the Survey

In total 391 responses were received to the survey.

Not all respondents answered all questions in the survey. The number of respondents for each question is indicated in the charts/tables.

Coding Frameworks were used to help analyse verbatim responses to open questions within the survey. Participant responses were analysed for key points, and those points were assigned to a 'category' – a group of comments that are making a similar point. A participant's response to a single question can consist of several points. This enables us to quantify how many people are making a similar point.

A copy of the Coding Framework used is published with this report.

Respondent Profile

A summary of the demographic breakdown of respondents, where given, is provided below:

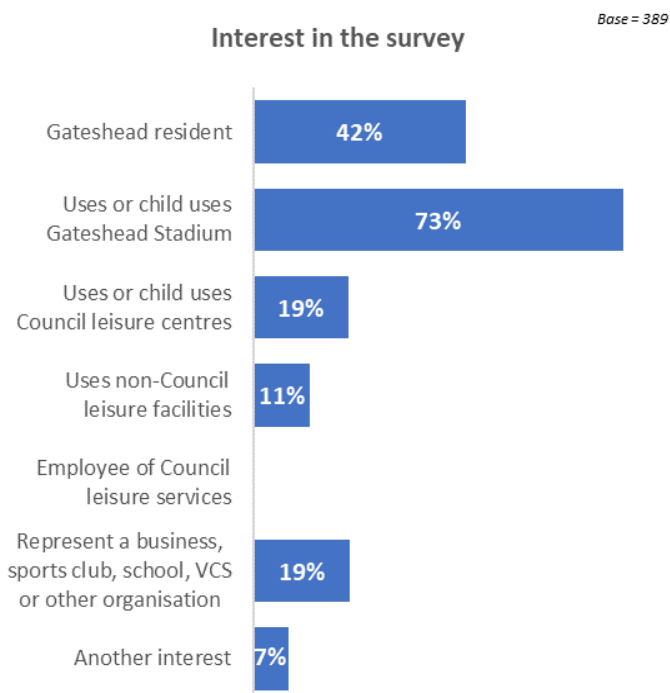
- 39% of respondents identified as Female, 57% as Male, 4% preferred not to say.
- 15% of respondents identified as limited a little by their physical or mental health, with a further 4% limited a lot.
- 90% of respondents identified as White British, 3% as White Other and 2% from Mixed, Black or Asian ethnic backgrounds.
- 42% of survey respondents stated they were a Gateshead resident. From analysis of the postcodes provided; 45% are in Gateshead, 48% are outside of Gateshead and 7% did not provide a full postcode. The largest response came from people living in areas around GIS (4% Bridges and 4% Felling and Pelaw and Heworth wards) as well as from Low Fell (5% from Low Fell).
- Responses by age were 13% under 25, 31% aged 25-44, 37% aged 45-64, 14% aged 65 or over.

The full demographic breakdown of survey respondents can be found in the charts in **Appendix A**.

The table on the right presents an overview of the type of interest in the survey. People could indicate they were responding in more than one category.

Of the 26 (7%) respondents who indicated another interest in the survey, a large proportion told us their interest was in Gateshead Football Club, as a lecturer, coach or referee, an event visitor or as a club attendee.

Respondents representing 42 organisations indicated their response was the formal response of their organisation. A list of these organisations is attached in **Table 1**.



Appendix 2

Our Proposals

In order to achieve a more sustainable and efficient operating model, it is proposed to remodel the site for the purpose of 'Education and Sport', working more collaboratively with Gateshead College to achieve financial sustainability.

In reality this could mean;

- A greater focus and future investment on the education offer on the site, meaning an even greater emphasis on the role of Gateshead College as the key stakeholder.
- The potential to prioritise the sports provided/delivered by Gateshead College (such as football) to provide a coherent community sport development offer and pathway.
- International athletics events may not be a priority for the site in future.
- The potential to explore an alternative management arrangement for the site.

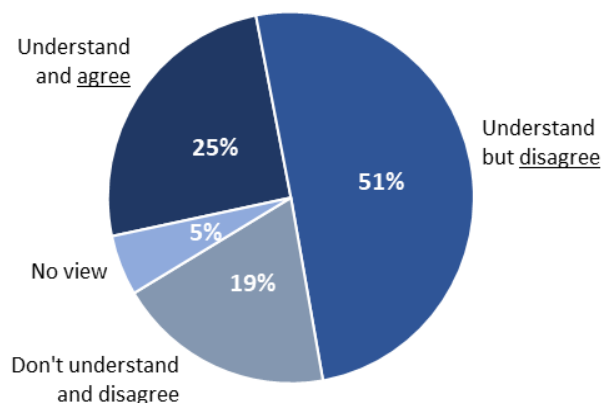
As shown in the chart (above right), about half of respondents to this question (51%) understood but disagreed with the proposal. Around a fifth (19%) did not understand the proposal and disagreed.

A quarter (25%) of respondents to this question stated they understood the proposal and agreed with it.

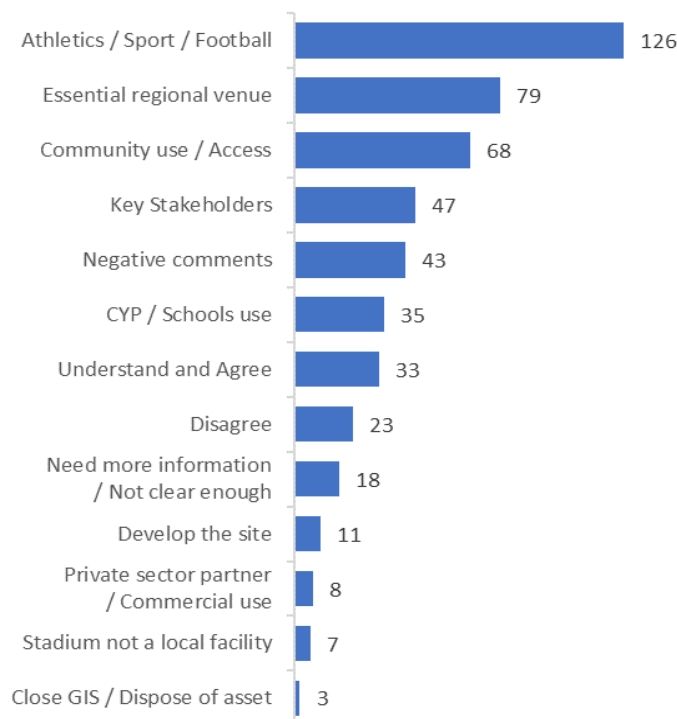
Analysis of the 278 comments made explaining why they answered in a particular way shows the following themes emerge in order of the greatest number of responses in the chart to the right. Many responses contained multiple points of view, so each comment has been coded into all categories they related to.

33 comments that were made, directly expressed support or agreed with the proposal to some extent. Equally there were 23 comments made that directly disagreed with the proposal and 18 comments made stating there was insufficient information, or proposal was not clear enough to understand what the impact of repurposing for education and sport would mean.

Extent of understanding and agreement with proposal to repurpose the site for 'Education and Sport' to develop a more sustainable and affordable operating model Base = 380



Why agree or disagree the proposal to repurpose GIS will enable a more sustainable and affordable operating model Base = 278



Appendix 2

Alternative Suggestions for an Operating Model

Analysis of 219 suggestions for an alternative way to create a sustainable operating model for GIS resulted in the following main themes:

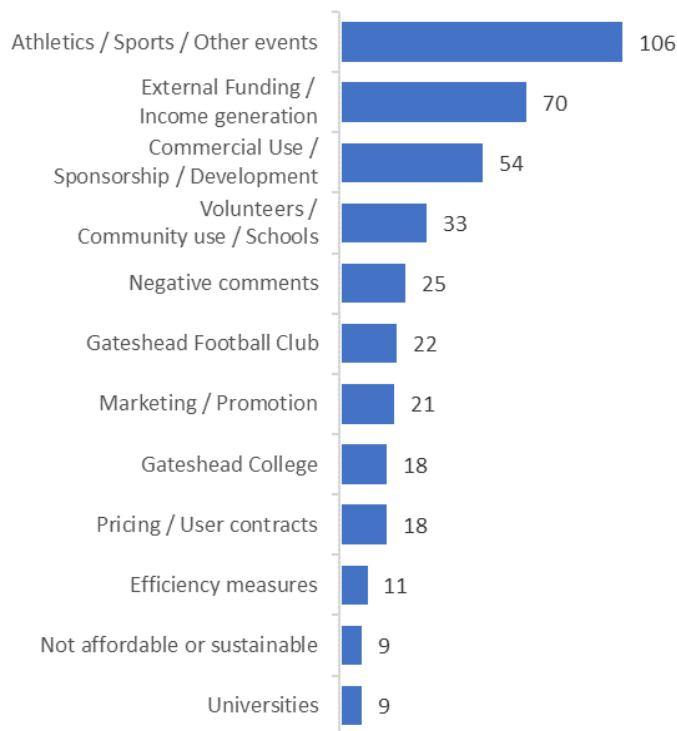
- Deliver athletics / sports / other events at GIS (106)
- Seek external funding / income generation opportunities (70)
- Commercial use of GIS / Seek sponsorship / Development opportunities (54)
- Use of volunteers / Community use / School use (33)

Some responses (25) included negative comments about Gateshead Council in terms of potential mismanagement and / or neglect of GIS.

Some responses referred to working with key stakeholder organisations as a way of securing the future of GIS; Gateshead Football Club, Gateshead College and the universities.

Alternative suggestions for a sustainable and affordable operating model

Base = 219



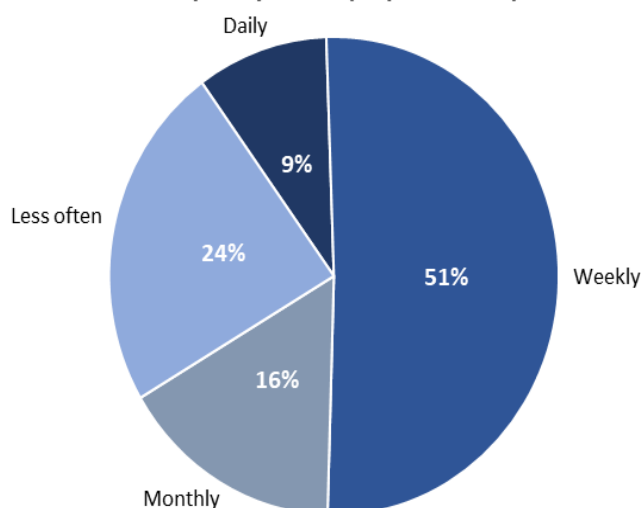
Frequency of Using GIS

Respondents were asked to indicate which facilities at GIS they currently use or plan to use.

Half of stadium users, (51%) attend weekly, with a further 9% stating they use the stadium daily. This correlates with the vast majority of survey respondents (69%) stating they attend GIS for club or group activities. Most stakeholder activity booked at GIS takes place weekly, if not with sessions running 2 or 3 times per week.

Frequency of use (or plan to use)

Base = 349



Appendix 2

Facilities and Activities Used

Respondents could highlight multiple facilities & activities used at GIS. The top three responses were; running track (65%), indoor running track (31%) and athletics throws fields (31%).

These linked athletics activities correlate strongly with the type of survey respondents. Multiple survey responses were received from users associated with Darlington Athletics Club, Gateshead Harriers and Newcastle University Athletics Club. This also correlates with significant open text responses highlighting athletics as being of value and important to GIS.

Travel to GIS

Travel to GIS is in the main by car (60%), followed by public transport methods or walking. This correlates with feedback from stakeholders and survey respondents who value the accessibility and location of GIS and the free parking availability. It also reflects the statements that GIS is used by more than just local communities and is a regional venue for many sports and activities which users are willing to travel to.

A small number of responses who answered something else, stated they run to the stadium, use a school bus or are a passenger with someone else.

Over a third (36%) of respondents journey for more than 20 minutes to reach GIS. Around a fifth journey for 20 minutes (21%), 15 minutes (23%) and for 10 minutes or less (20%).

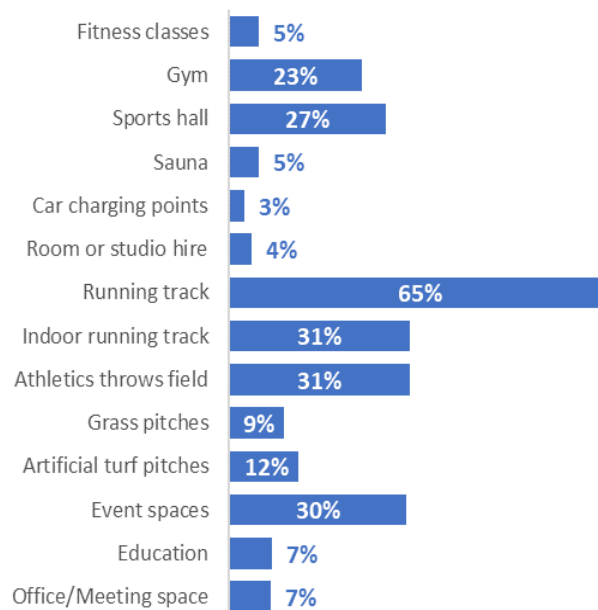
Value

The survey asked what respondents valued most about GIS. Analysis of the 285 responses made to this question shows that the top themes are (see full chart on the following page);

- Running / athletics facilities (133)
- Quality / range of facilities or equipment (82)
- Location / accessibility of GIS (72)

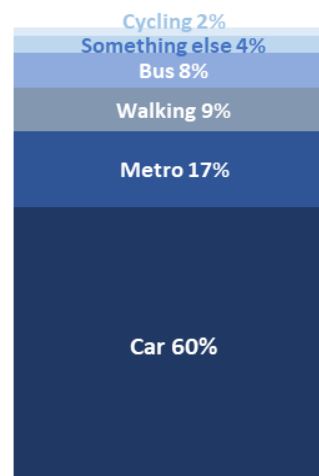
Facilities and activities use

Base = 339



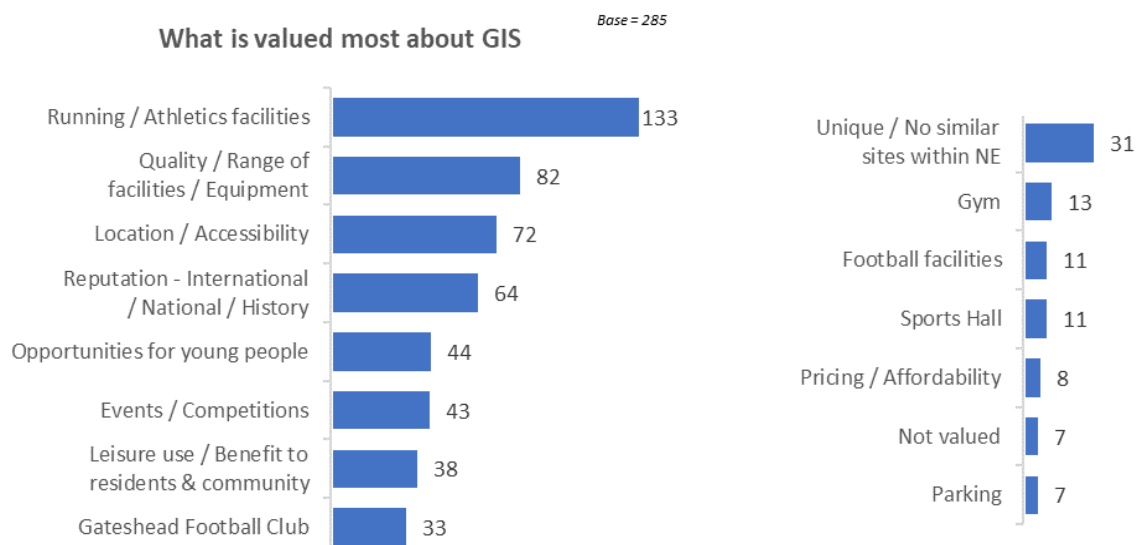
Main method of travelling to the centre

Base = 343



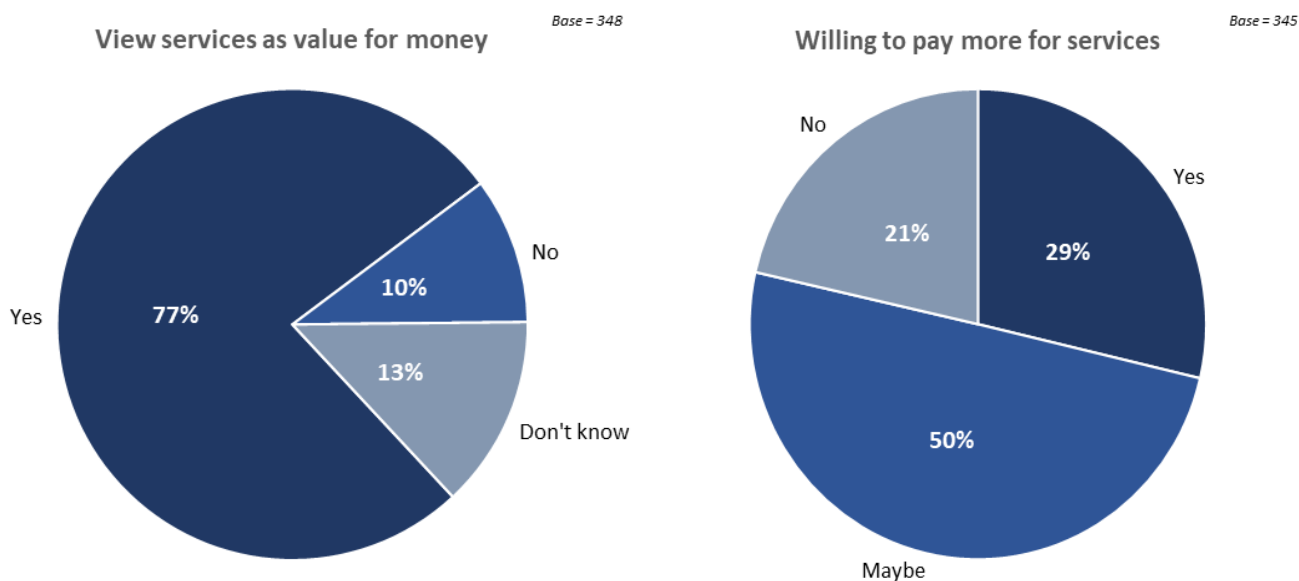
Appendix 2

- Reputation – International / National / Historic (64)
- Opportunities for young people (44)



When asked whether the services received at GIS represented value for money, the majority (77%) agreed. Only 10% said no.

More respondents said they would be prepared to pay more for the services they receive at GIS (29%), than those who said they would not (21%). Exactly half of respondents were undecided.



Equality Data Comparison

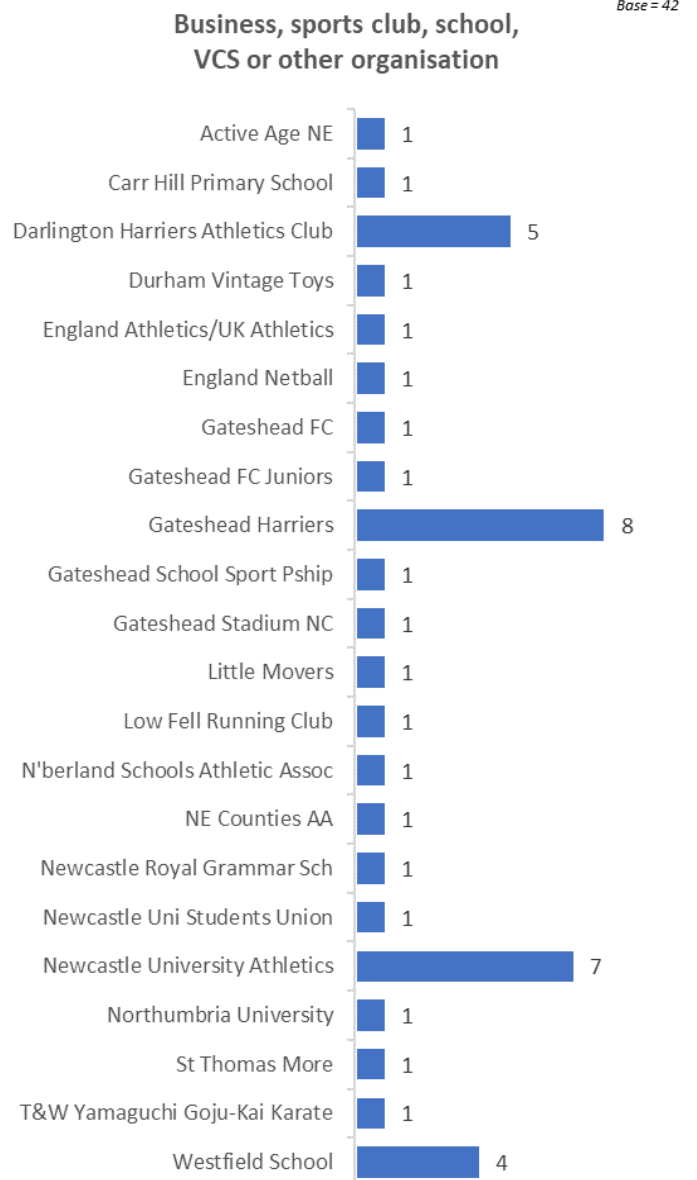
Analysis of the 'About You' survey information provided by respondents (demographic profile including data on protected characteristics) against known Gateshead comparative data for all residents shows that;

- we received a much smaller response from females (29% of respondents compared to population data of 51%)
- we received a smaller response from under 25s (13% of respondents compared to population data of 27%)

Appendix 2

- we received a slightly smaller response from those limited by their health a little or a lot (19% of respondents compared to population data of 22%)

The about you data collected relates to the person completing the survey, who is not necessarily the stadium user. For example a parent or carer could be completing the survey on behalf of their child who attends a club / activity at GIS, or the survey could be completed by a representative of an organisation. **Table 1** to the right shows a list of 42 responses which indicated they were providing a formal response from their organisation.



Appendix 2

Report 2: Feedback from stakeholder engagement meetings

As part of the stakeholder engagement we met with representatives of stadium user groups. A list of participants is in **Table 2**.

- meetings held with 20 organisations who are current stadium users
- views gained from representatives of both adult and junior sports clubs.
- A range of junior sports including; football, netball and athletics and Gateshead school sports partnership.
- A range of adult sports including; university sports clubs, athletics, netball and football.
- Of the 73 stakeholders who were invited to the meetings all are regular block bookings; some attending five days a week, some once a week, others could be four times a year for specific event bookings.
 - Of those stakeholders attending the meetings 11 are from the Gateshead or local area; Felling Magpies Football Club
 - Five-a-side football pitch users
 - Gateshead College
 - Gateshead Football Club
 - Gateshead Football Club Foundation
 - Gateshead Harriers & Athletics club
 - Gateshead Juniors Football Club
 - Gateshead Netball Club
 - Gateshead School Sports Partnership
 - Little Movers (pre-school dance)
 - Westfield School, Newcastle
- Of those stakeholders attending the meetings 7 are from the North East region;
 - Durham Football Association
 - Inspired Support
 - North East Netball association
 - Newcastle University sports clubs
 - Northumbria University sports clubs
 - Northern Toy Fairs
 - Run-Through Events
- Of those participating in the stakeholder engagement 2 are national organisations;
 - England Athletics NGB
 - England Netball NGB
-

Comments from stakeholder meetings

Themes coming out of the meetings held with a range of stakeholders who were all current stadium users include:

- Stakeholders highlighted that they really value the site, use it often, and wish to continue using the site in the future. If the stadium facilities were not available in the future this would have a negative impact on some sports and sports clubs in particular and would question the viability of some events / fixtures being able to continue. Representatives of organisations / clubs raised that they would like to use the site more, however, conflicting demand across sports and clubs makes this difficult; with peak slots of evenings and weekend usually fully booked well in advance.
- The location, accessibility, nearby public transport links and free parking were raised by several stakeholders as being key to their organisation and its members. It was highlighted that many users would find it difficult to travel to alternative venues and/or would not be

Appendix 2

able to afford to attend the sessions if they were also paying for parking on top of their club/organisation membership/session fees.

- Stakeholders commented that Gateshead International Stadium is a regional venue, with no comparable sites elsewhere in the northeast, due to the diverse range of facilities that are on site. It was raised that users of the site travel from all neighbouring local authority areas, and beyond, to attend activities being held at GIS.
- It was highlighted that the range and quality of facilities and equipment are of significant value to the clubs and organisations that use the site.
- Users of the sports hall raised the importance of having a double-court indoor hall for their organisation's activities as it enables cohesion for simultaneous delivery and the ability to tailor sessions to fitness levels / capability. Stakeholders highlighted that this is the only facility in the area which offers this, and that they would struggle to find or access this anywhere else in the northeast.
- It was highlighted that the outdoor track and athletics facilities are very important to the region, particularly the opportunities they offer to children and young people, and that users would have to travel far to access facilities of a comparable nature and quality. Not having these facilities would have a negative impact on these clubs.
- Stakeholders commented that the costs of booking the venue / facilities are typically higher than other facilities in the borough or locally. It was highlighted that some clubs are struggling to keep their prices affordable to families, and in some cases are subsidising the costs to families, to continue using the facilities at GIS as they are valued so highly. Several stakeholders also added that their organisation would use the site more often if it was more affordable.
- There is significant demand for 3G / five-a-side / football pitches. Many stakeholders involved in football raised that they would like to have increased access to the facilities but find it difficult to book peak slots (weekday evenings & weekends) as the site is often fully booked. It was highlighted that there is a shortage of playing pitches across the borough.
- Some participants asked is there opportunity for increased multi-purpose use of space / facilities at GIS in the future rather than single sport allocated space.
- Some participants suggested development of a GIS user network to bring together stakeholders and create better links, working relationships and opportunities to collaborate with other key stakeholders.

Table 2: List of 20 organisations participating in stakeholder meetings

Durham Football Association
England Athletics, national governing body
England Netball, national governing body
Felling Magpies Football Club
Five-a-side football pitch users
Gateshead College
Gateshead Football Club
Gateshead FC Foundation
Gateshead Harriers & Athletics Club
Gateshead Juniors Football Club
Gateshead Stadium Netball Club
Gateshead Schools Sport Partnership
Inspired Support (NE autism service provider)
Little Movers (pre-school dance)
Newcastle University sports clubs
North East Netball Association
Northern Toy Fairs

Appendix 2

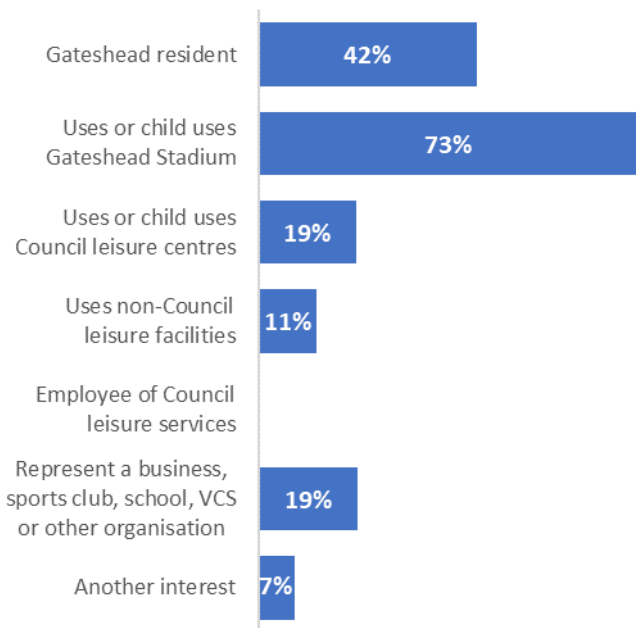
Northumbria University sports clubs

Run-through Events (events organiser)

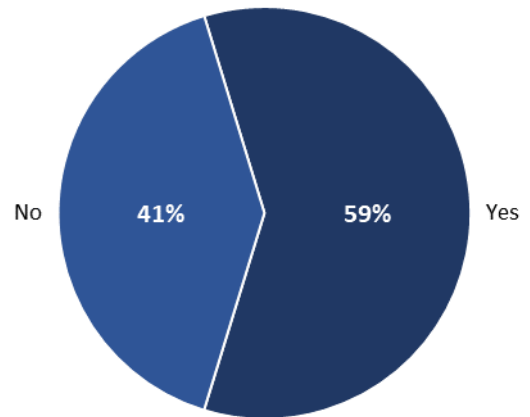
Westfield School, Newcastle (independent school age 3-18)

Appendix A – Final GIS Survey Charts (full results/open text response charts at end)

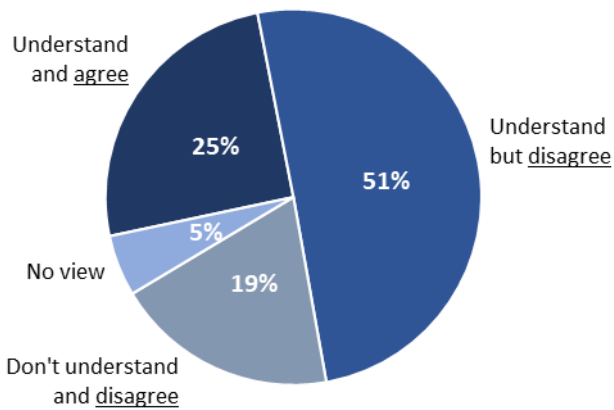
Interest in the survey *Base = 389*



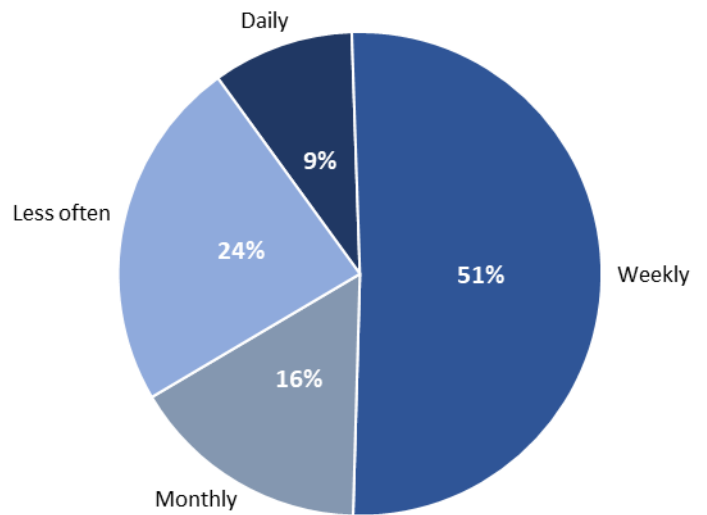
Business, sports club, school, VCS or other organisation respondents providing the formal response of that organisation *Base = 74*



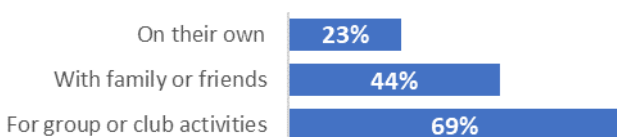
Extent of understanding and agreement with proposal to repurpose the site for 'Education and Sport' to develop a more sustainable and affordable operating model *Base = 380*



Frequency of use (or plan to use) *Base = 349*

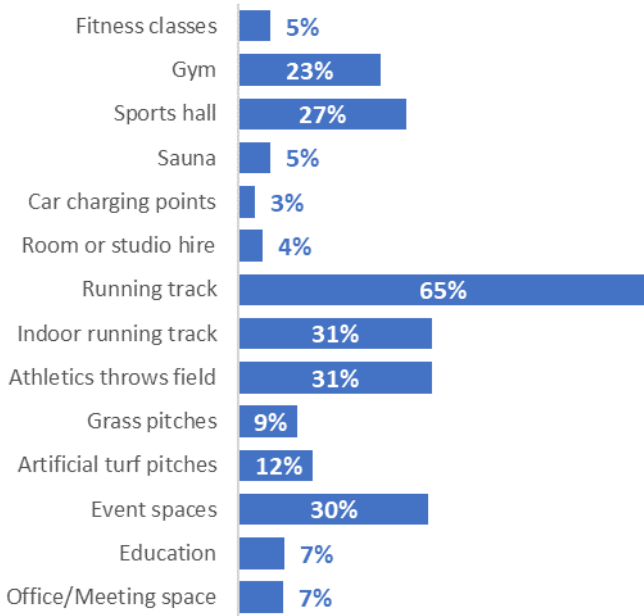


Usually visit centre... *Base = 341*



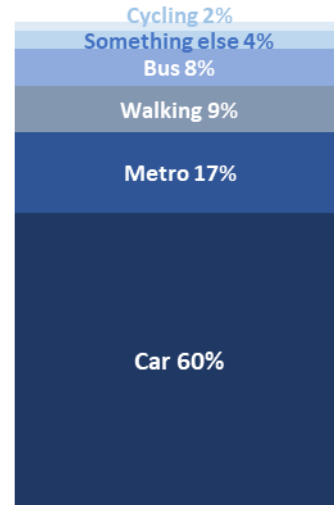
Facilities and activities use

Base = 339



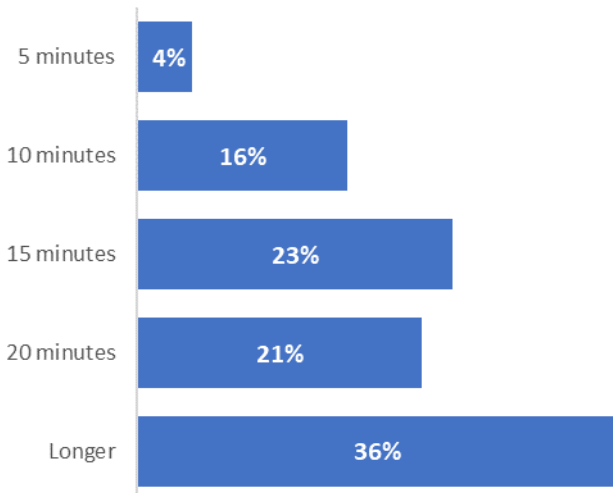
Main method of travelling to the centre

Base = 343



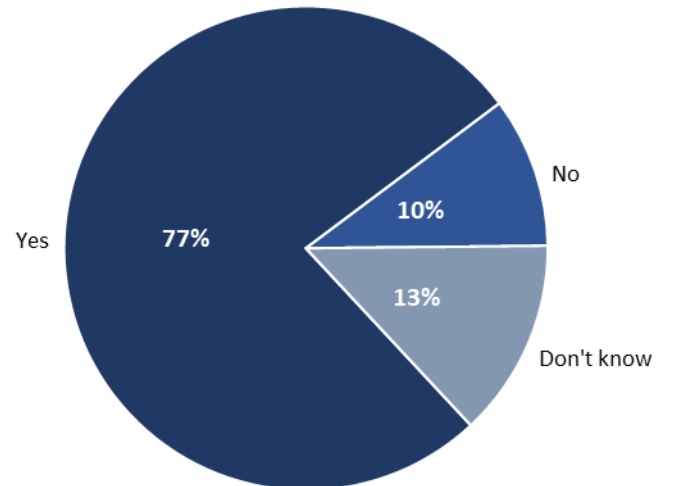
Usual travel time to centre

Base = 345

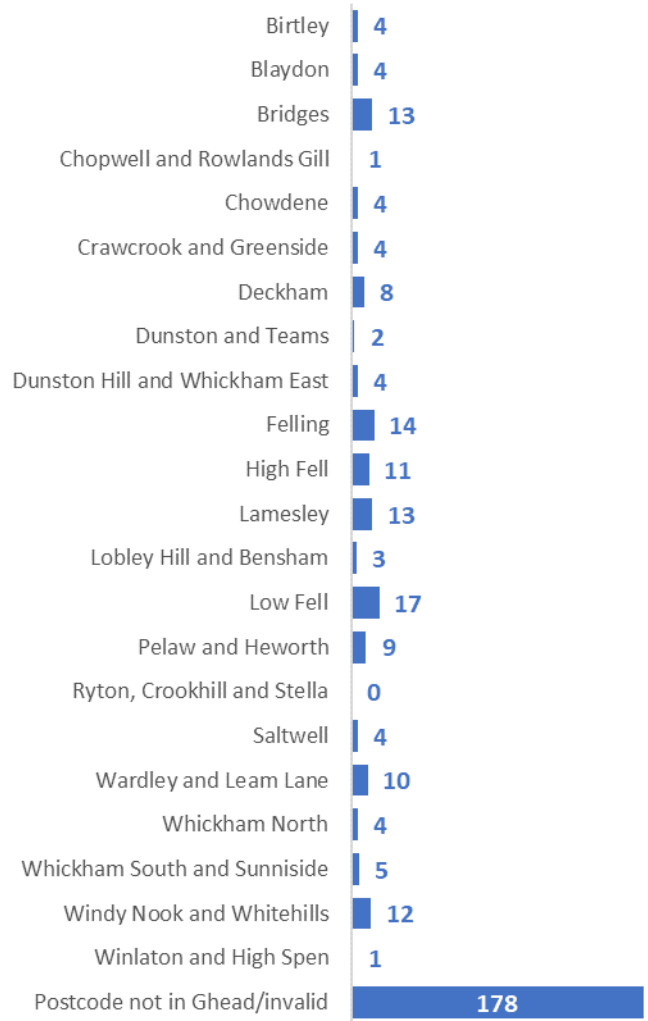


View services as value for money

Base = 348

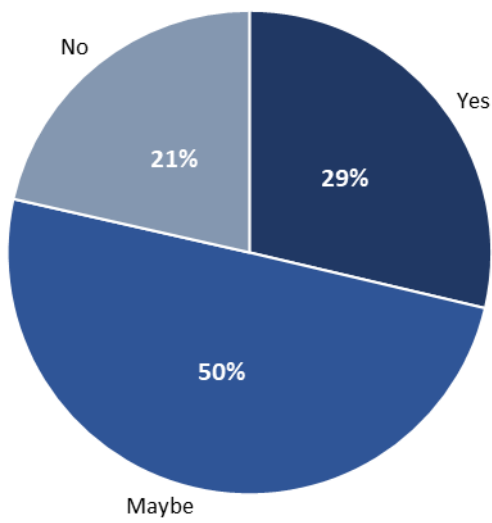


Number of responses by ward of respondent



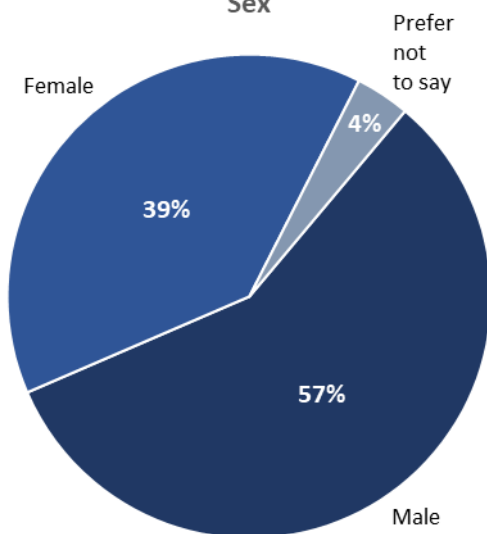
Willing to pay more for services

Base = 345



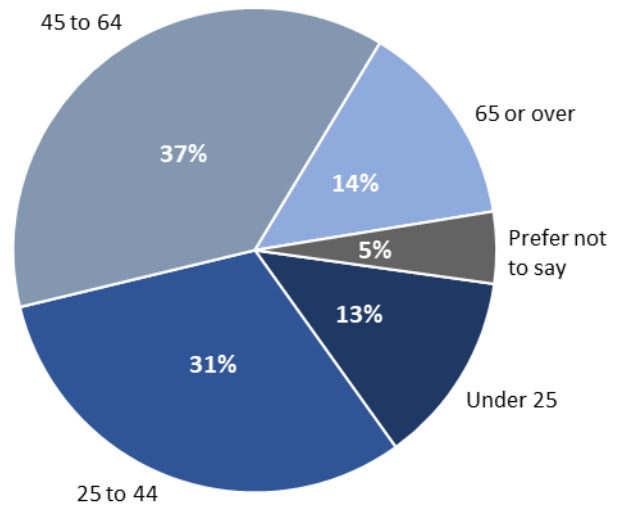
Sex

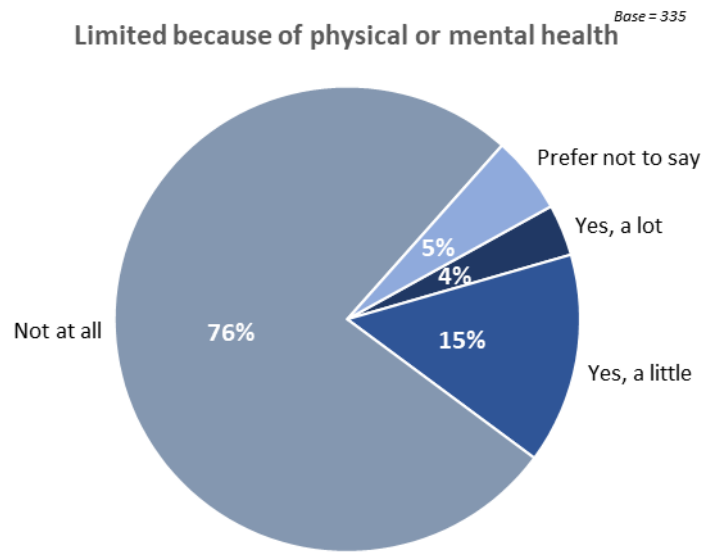
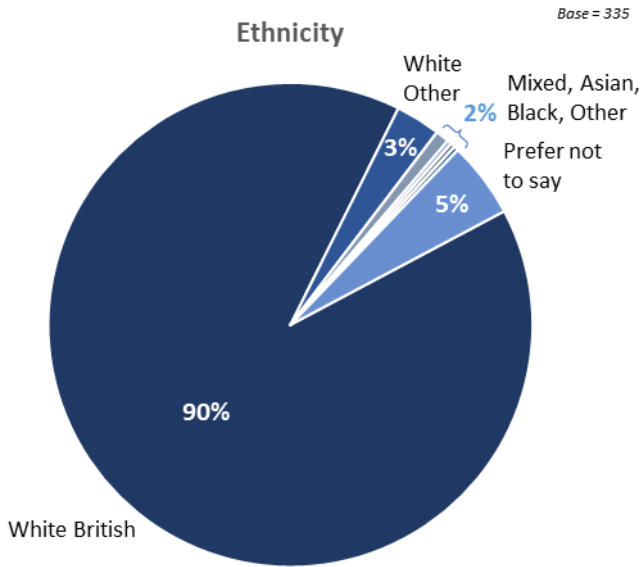
Base = 331



Age

Base = 334

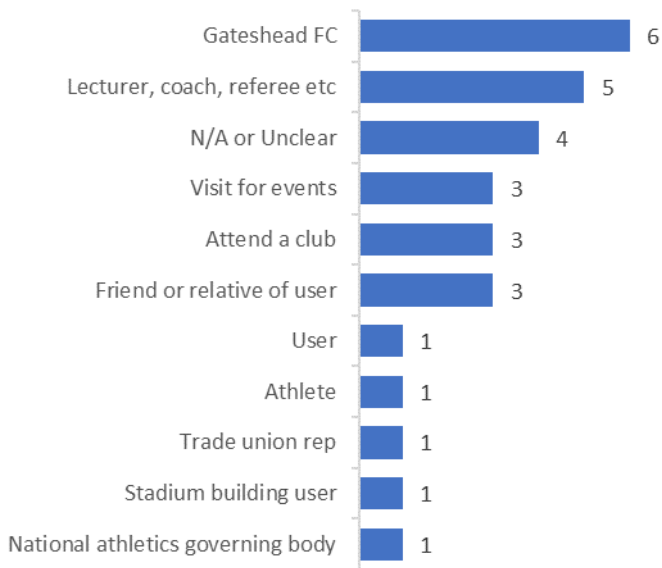




Open Text Comments Charts

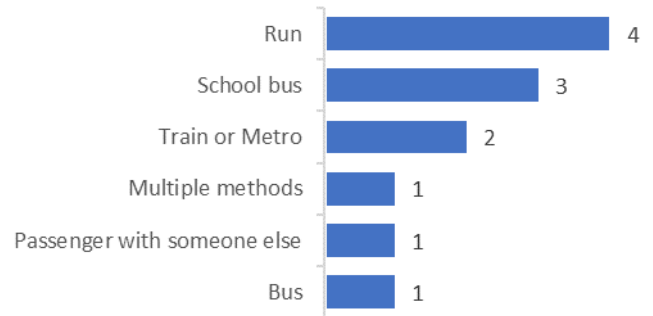
Interest in the survey (another interest)

Base = 26



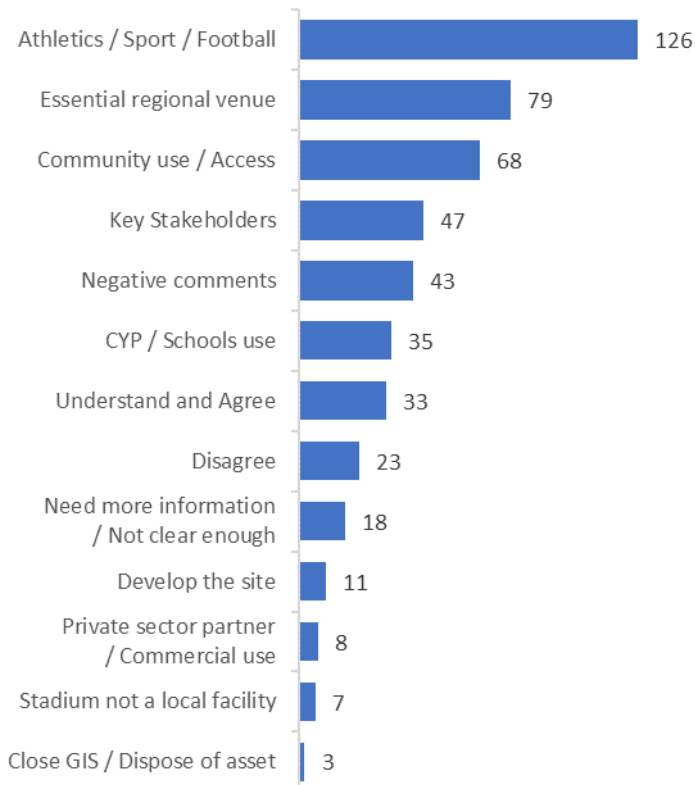
Other method of travelling to GIS

Base = 12



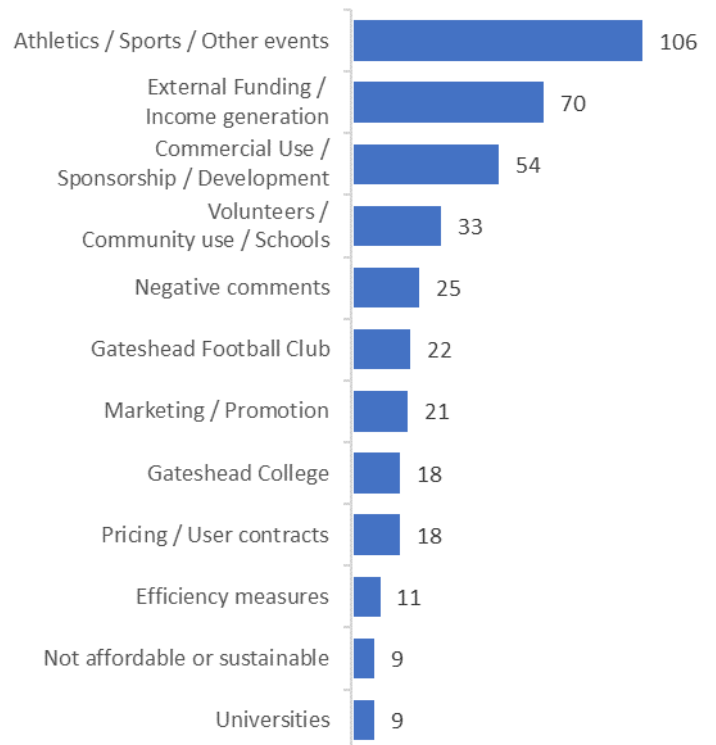
Why agree or disagree the proposal to repurpose GIS will enable a more sustainable and affordable operating model

Base = 278



Alternative suggestions for a sustainable and affordable operating model

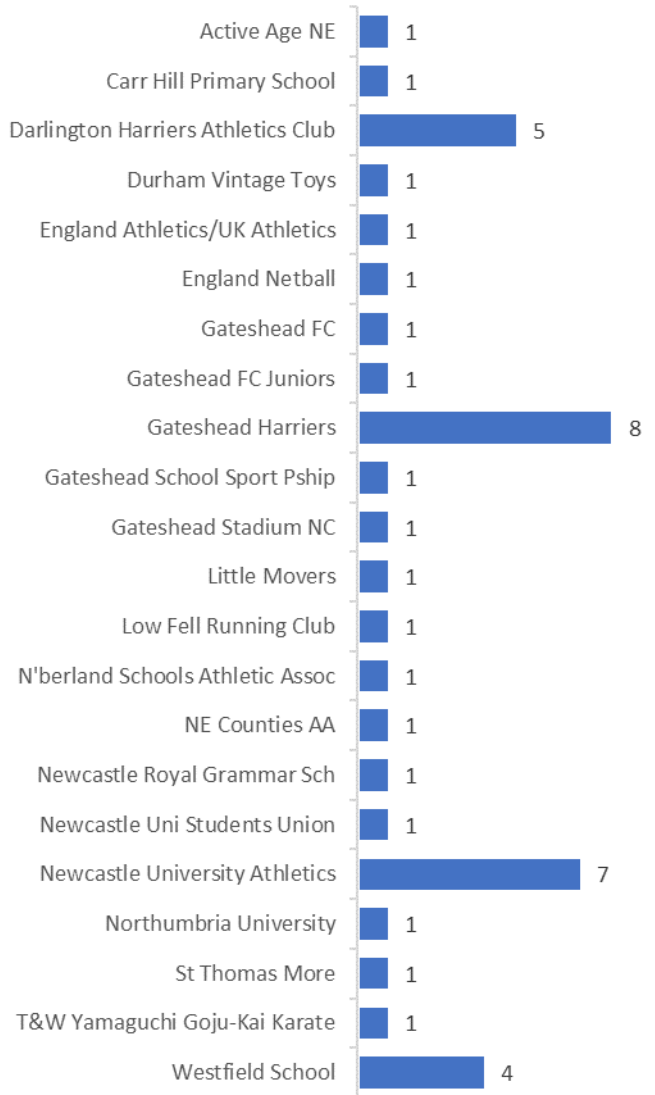
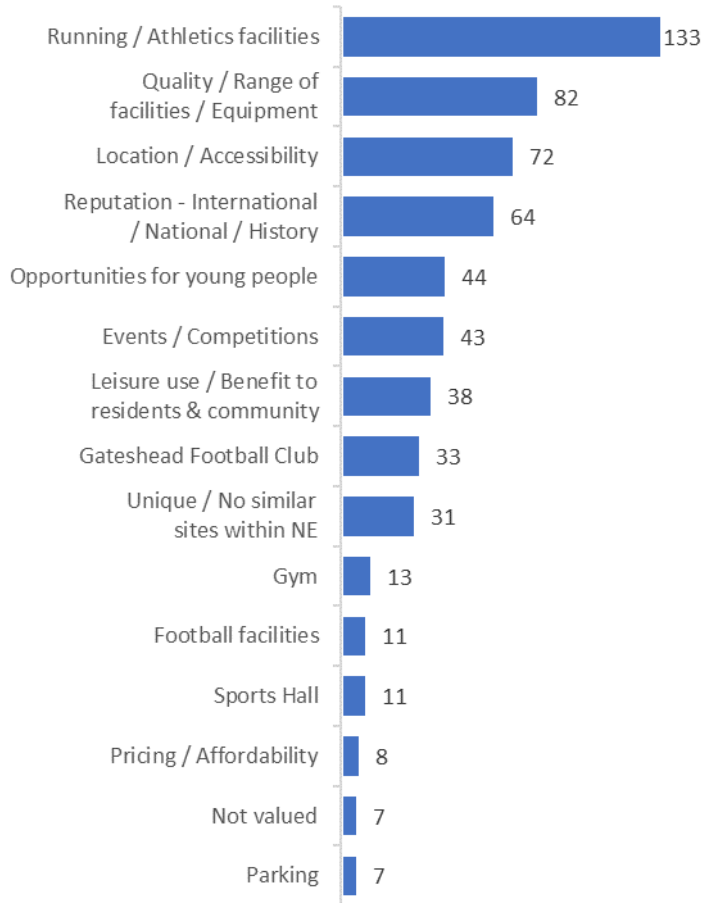
Base = 219



Business, sports club, school, VCS or other organisation

What is valued most about GIS

Base = 285



Appendix B – Coding Framework (open text survey questions)

Description of the ‘categories’ used in analysis of responses to Open Questions

Q3 To what extent do you understand and agree or disagree that the proposal to repurpose the site for ‘Education and Sport’ will enable the development of a more sustainable and affordable operating model for Gateshead International Stadium in the future?

| | |
|--|---|
| Athletics / Sports / Football | Comments made about either athletics, other sports (including netball) or football being key to future sustainability of the stadium |
| Essential regional venue | Comments that refer to GIS being unique as the only regional athletics stadium facility in the NE, an international and national sporting asset. |
| Community use / access | Comments that state GIS is vital to the community and continued use / access to the facility is important |
| Key stakeholders | Reference made to key stakeholders of the stadium such as Gateshead College, Gateshead Harriers, Gateshead Football Club |
| Negative comment about Council | Comments that refer to perceived poor performance / management by GC as a contributing factor to the current situation, including lack of investment in or development of the facility. |
| Children & Young People / School use | Comments made about the importance of GIS for CYP and / or schools to encourage participation in sport |
| Understand and agree | Responses understand and agree with the proposal |
| Disagree | Responses disagree with the proposal |
| Need more information / not clear enough | Responses state they require more information or the proposal is not clear enough to take a view. They do not understand the impact on them as a stadium user. |
| Develop the site | GC should invest in GIS and develop the site to generate income |
| Private sector partner / Commercial use | Comments that suggest partnering with private sector or commercial use of the site to make it sustainable. |
| Stadium not a local facility | Comments made that state GIS is not used by the local community or is not a facility just for Gateshead residents |
| Close GIS / dispose of asset | Comments made suggesting closure of GIS or disposal of the asset by the Council |

Q4. Do you have any alternative suggestions on how to create a sustainable and more affordable operating model for Gateshead International Stadium in the future?

| | |
|--|---|
| Athletics / Sports / Other Events | Comments that suggest increasing the number of large events including sports, athletics, concerts, festivals, etc |
| External Funding / Income Generation | Comments that suggest seeking grant funding or maximising income from the existing facilities i.e., café |
| Commercial use / Sponsorship / Development | Comments that suggest partnering with private sector or commercial use of the site to make it sustainable, including sponsorship deals. |

| | |
|--------------------------------------|---|
| Volunteers / community use / schools | Comments that suggest increased availability of the site for schools and for the community, as well as working with volunteers |
| Gateshead Football Club | Comments that suggest working with, or transferring the land and facilities to, Gateshead Football Club |
| Marketing / Promotion | Comments that suggest more or better marketing and promotion of the site should be done to increase awareness of what is on site and who can use the facilities |
| Gateshead College | Respondents who support the Council working with Gateshead College |
| Pricing / user contracts | Comments that suggest pricing is too high or the length of contracts (gym) is deterring people from using the site |
| Efficiency measures | Respondents who suggest that efficiency measures could reduce the operating costs of the site; this includes energy efficient measures as well as cost reduction measures |
| Not affordable or sustainable | Comments that suggest the site is not financially viable or sustainable |
| Universities | Respondents who support the Council working with local universities to maximise usage |
| Negative Comments | Comments that refer to perceived poor performance / management by GC as a contributing factor to the current situation, including lack of investment in or development of the facility. |
| Other | Other comments |

Q10. What do you value most about Gateshead International Stadium? Please explain the reasons for your answer...

| | |
|---|---|
| Running / Athletics facilities | Comments that state that the running tracks (indoor and outdoor) and athletics facilities are of value |
| Quality / range of facilities / Equipment | Comments that state the quality of facilities and / or range of different facilities available on site is important |
| Location / Accessibility | Comments that state the location and / or accessibility of the stadium is important |

| | |
|--|---|
| Reputation – International / National / Historic | Respondents who highlighted the international and national reputation of the site, as well as its history |
| Opportunities for Young People | Comments that suggest GIS offers valuable opportunities for young people, particularly young athletes |
| Events / Competitions | Respondents who believe the events and athletics competitions held at GIS are of value |
| Leisure Use / Benefits to residents / community | Comments that state GIS is vital to the community and leisure use / access to the facility is important for residents |
| Gateshead Football Club | Respondents who value the opportunity to watch Gateshead Football Club play their home matches at GIS |
| Unique / No sites similar within NE | Comments that suggest the site / facilities at GIS are unique and nothing comparable is available elsewhere in the northeast region |
| Gym | Respondents who state the gym facilities are of value to them |
| Football facilities | Respondents who state the football facilities (3G pitches, external pitches) are of value to them |
| Sports Hall | Respondents who state the sports hall is of value to them |
| Pricing / Affordability | Respondents who believe the pricing / affordability offers good value |
| Parking | Responses that highlight parking or free parking as being of value |
| Not Valued | Comments that suggest the site is not valued |

TITLE OF REPORT: Infrastructure Funding Statement

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

Purpose of the Report

1. To inform Cabinet of financial contributions the Council has secured through the Community Infrastructure Levy (CIL) contributions and Section 106 agreements from new developments for off-site infrastructure works and affordable housing.
2. To request Cabinet to approve the Infrastructure Funding Statement (IFS) so that it can be published on the Council's website by the end of December 2023.

Background

3. The Council is required to produce and publish an Infrastructure Funding Statement on an annual basis under the CIL Regulations. The current IFS was approved by Cabinet and published in December 2022. However, it is required to be updated by the end of December 2023.
4. CIL and Section 106 agreements (collectively known as 'planning obligations' or 'developer contributions') income, through the granting of planning permission, is used to help fund the provision of supporting infrastructure in association with development and maximise the benefits and opportunities from growth, such as transport infrastructure, biodiversity net gain and affordable homes.
5. CIL is to be used on strategic infrastructure (80%) (main CIL pot) to help support the delivery of growth identified in the Council's Core Strategy and Urban Core Plan (CSUCP) and projects in local areas (15%) on local infrastructure (also known as the CIL neighbourhood portion) or anything else that is concerned with addressing the demands that development places on the area.
6. In December 2021, Cabinet approved a proposal in the IFS for the main CIL pot to be used to fund improvements to junctions along the A695 to help mitigate the impacts of new housing development in Ryton and Crawcrook. Cabinet have also approved a governance structure for the use of the CIL neighbourhood portion.

7. In December 2022 Cabinet asked for a review of CIL expenditure. Since this time the government has consulted on the idea of an infrastructure levy. There was widespread concern about the changes proposed and a government response on next steps is awaited. The CIL review also needs to be considered alongside reviews of our capital programme and other funding workstreams and it is therefore suggested that further time is needed to take this into account. In any event, noting the low level of CIL funds available because of reduced housebuilding in the current economic climate, it is unlikely there will be a significant increase in the CIL funding available in 2023/24. A report will be provided on completion of the review.
8. The IFS includes information on income received through Section 106 Agreements and CIL and expenditure of this income in 2023/24 including the CIL neighbourhood portion along with income projections for 2024/25 and spending priorities.

Recommendation

9. It is recommended that Cabinet approves the IFS set out in Appendix 2 so that it can be published on the Council's website by the end of December 2023.

For the following reasons:

- (i) To comply with CIL Regulations.
- (ii) To continue to ensure that developer contributions received are published and spent in a transparent manner.

Policy and legislative context

1. Cabinet approved the Community Infrastructure Levy charging schedule for Gateshead in November 2016 and it came into force in January 2017. The Council is both the collection and charging authority.
2. The Community Infrastructure Levy (CIL) Regulations 2010 set out that a charging authority must apply CIL to funding infrastructure to support the development of its area. As part of this, the Council was required to produce a list (under Regulation 123 of the CIL Regulations) of strategic infrastructure to be funded by CIL (also known as a Regulation 123 List) so as to support new development allocated in the Core Strategy and Urban Core Plan (CSUCP) for Gateshead and Newcastle upon Tyne.
3. The need for a Regulation 123 List has now been replaced by an Infrastructure Funding Statement (IFS) under the CIL (Amendment) (England) (No. 2) Regulations 2019. The IFS is required to be published on a website at least annually by a Local Planning Authority (LPA). The original IFS was published in December 2020 and this is required to be updated and published yearly on the Council's website by 31 December.
4. The IFS is required to include:
 - A statement of the infrastructure projects or types of infrastructure which the charging authority intends will be, or may be, wholly or partly funded by CIL.
 - A report about CIL, in relation to the previous financial year which includes:
 - The total value of CIL set out in all demand notices.
 - The total amount of CIL receipts.
 - The total amount of CIL expenditure.
 - The items of strategic infrastructure on which CIL has been spent.
 - The amount of CIL used for the neighbourhood portion and the items of infrastructure it has been allocated for or spent on.
 - A report about planning obligations (also known as Section 106 Agreements) in relation to the previous financial year which includes information on monies received and what they were spent on.
5. Further information on preparing an IFS is set out in the Planning Practice Guidance.

Strategic infrastructure spending priorities

A695 corridor

6. For strategic infrastructure, Cabinet have already approved the use of CIL (alongside Section 106 contributions) to fund the upgrade of junctions along the A695 corridor to support new housing in this area, on three sites at Crawcrook North, Crawcrook South and Ryton (187 homes at Crawcrook North, 169 homes at Crawcrook South and 550 homes at Ryton). It also includes 404 homes at the Prudhoe Hospital (within Northumberland) which leaves a total of 1310 new homes.
7. So far, Section 106 contributions have funded the signalisation of Blaydon Roundabout and the widening of the Beweshill Lane roundabout. This leaves additional remedial works at Beweshill Lane, which have come out of the safety audit process, the Stargate Lane roundabout, and the Greenside Road roundabout.
8. The costs for the whole A695 corridor are £2,250,820. A total of £1,054,590 has been committed from Section 106 contributions, and £1,196,230 funded through CIL. No further funding is required from the CIL Strategic Fund for the A695 works.
9. As new homes are already completed at Crawcrook North and South and the initial site preparations for the build-out of the Ryton site are taking place, the remaining works along the A695 corridor need to be carried out, in accordance with planning permissions and to prevent severe cumulative impacts on the road network.

Consultation

10. The Leader and Deputy Leader and the Cabinet Members for Environment and Transport and Cabinet Members for Communities and Volunteering have been consulted.

Alternative options

11. There is a requirement to publish an IFS annually under the CIL Regulations and so there is no alternative option for this.

Implications of Recommendation

12. Resources:

a. **Financial Implications** – The Strategic Director, Resources and Digital confirms that there will be sufficient funds in the CIL reserve to make the financial contribution.

b. **Human Resources Implications** – There are no human resource implications arising from this report.

c. **Property Implications** - There are no direct property implications arising from this report.

13. **Risk Management Implication** – No risks associated with the consultation.
14. **Equality and Diversity Implications** – None.
15. **Crime and Disorder Implications** – None.
16. **Health Implications** – None.
17. **Climate Emergency and Sustainability Implications** – None.
18. **Human Rights Implications** - None.
19. **Ward Implications** – The strategic infrastructure along the A695 corridor has supported housing development at Crawcrook and Ryton to prevent severe cumulative impacts along the road network covering the A695 corridor in Crawcrook and Greenside, Ryton, Crookhill and Stella and Blaydon Wards.

Gateshead Infrastructure Funding Statement 2022/23

November 2023



1.0 Introduction

- 1.1 This report provides a summary of financial contributions the Council has secured through CIL Contributions and Section 106 agreements from new developments for off-site infrastructure works and affordable housing.
- 1.2 The information included in the report will be updated annually and published on the Council's website. This will ensure the most up to date information on the amount of developer contributions received from new developments in addition to information on where these monies have been spent is readily available to members of the public and other interested parties.
- 1.3 The report does not include information on the infrastructure delivered on site as part of new developments in the borough.
- 1.4 Please note that data on developer contributions is imperfect because it represents estimates at a given point in time and can be subject to change. However, the data reported within this document is the most robust available at the time of publication.



2.0 Section 106 Obligations

- 2.1 Under section 106 (s106) of the Town and Country Planning Act 1990 a Local Planning Authority (LPA) can seek obligations, both physically on-site and contributions for off-site, when it is considered that a development will have negative impacts that cannot be dealt with through conditions in the planning permission.
- 2.2 Regulations state that a planning obligation may only constitute a reason for granting planning permission for the development if the obligations is:
 - i) necessary to make the development acceptable in planning terms;
 - ii) directly related to the development; and iii) fairly and reasonably related in scale and kind to the development.
- 2.3 New residential developments place additional pressure on existing social, physical, and economic infrastructure in the surrounding area. Planning Obligations aim to balance this extra pressure with improvements to the surrounding area to ensure that a development makes a positive contribution to the local area.
- 2.4 The obligations may be provided by the developers 'in kind', where the developer builds or directly provides the matters necessary to fulfil the obligation. This might be to build a certain number of affordable homes on-site, for example. Alternatively, planning obligations can be met in the form of financial payments to the Council to provide off-site infrastructure works or contributions towards providing affordable housing elsewhere in the borough. In some cases, it can be a combination of both on-site provision and off-site financial contributions.
- 2.5 Gateshead Council has adopted a Planning Obligations Supplementary Planning Document which sets out the Council's approach to requesting contributions towards infrastructure contributions from developers. The SPD does not set policy but provides a framework for implementation of policy DEL1: Infrastructure and Developer Contributions of the Local Plan.
- 2.6 In December 2016 the council adopted the [first review version of the SPD](#), which is aligned with the provisions set out in Gateshead's CIL, and in particular the 123 Infrastructure List. A [second review of the SPD](#) has now been carried out, this included updates arising from the adoption of MSGP and included an updated monitoring framework, including fees.
- 2.7 The Community Infrastructure Levy (Amendment) (England) (No.2) Regulations 2019 now allow Local Authorities to charge a monitoring fee through Section 106 planning obligations, to cover the cost of the monitoring and reporting on delivery of that section 106 obligation as described above. Monitoring fees can be used to monitor and report on any type of planning obligation, for the lifetime of that obligation. However, monitoring fees should not be sought retrospectively for historic agreements.

- 2.8 The regulations allow monitoring fees to be either a fixed percentage of the total value of the section 106 agreement or individual obligation; or could be a fixed monetary amount per agreement obligation; or Authorities may decide to set fees using other methods. However, in all cases, monitoring fees must be proportionate and reasonable and reflect the actual cost of monitoring.
- 2.9 Therefore, the following monitoring fees have been added to any new s106 agreements from October 2020. The fees set out below are considered to be proportionate and will contribute to the Council's reasonable costs of monitoring each obligation.

Table 1: Monitoring fees

| Obligation Category | Fee | Notes |
|--|---|---|
| Financial Monitoring | | |
| Financial Contribution with commencement trigger | £258.63 (per obligation) | Based on one day of officer time |
| Financial Contribution with future trigger | £517.26 (per obligation and per trigger point) | Based on two days of officer time |
| Physical Monitoring | | |
| Obligations on site during construction and post occupation: <ul style="list-style-type: none"> • Employment & training Plans • Local workforce commitments • Restriction of occupation | £517.26 (per obligation and per trigger point) | Based on two days of officer time |
| Developer provision e.g. <ul style="list-style-type: none"> • Open Space/Play • Affordable Housing • Highway works | £517.26 (per obligation and per trigger point) | Based on two days of officer time |
| Very large or complex developments may require a longer monitoring with commensurate monitoring charges | *On application | |
| Request to confirm compliance with S106 Obligations | £52.42 (per obligation) | Based on one and a half hours of officer time |

- 2.10 Monitoring fees will be reviewed annually to reflect up-to-date costs. To clarify, the fee will be added to the s106 requirements.

3.0 Summary of Contributions received 1st April 2022 - 31st March 2023

3.1 A total of £448,004.14 has been received in S106 contributions for the year 2022/23. This is split into:

| | |
|-----------|-------------|
| Highways | £87,000.00 |
| Education | £217,766.66 |
| Ecology | £143,237.48 |

Table 2: S106 payments received in 2022/23

| Development | Amount | Planning Ref | Date paid | Type |
|--|-------------|---------------------|------------|-----------|
| Crawcrook South Story Homes Ltd Panther House, Newcastle NE4 7YD | £90,449.34 | DC/15/ 01004/FUL | 22/03/2023 | Education |
| Crawcrook South Story Homes Ltd Panther House, Newcastle NE4 7YD | £135,246.85 | DC/15/ 01004/FUL | 22/03/2023 | Ecology |
| Crawcrook South Story Homes Ltd Panther House, Newcastle NE4 7YD | £7,990.63 | DC/15/ 01004/FUL | 17/06/2022 | Ecology |
| Crawcrook North Story Homes Ltd Panther House, Newcastle NE4 7YD | £35,393.22 | DC/15/ 01004/FUL | 22/03/2023 | Education |
| Crawcrook North Taylor Wimpey UK Ltd Rapier House, Sunderland, SR5 3XB | £91,924.10 | DC/15/ 01098/FUL | 27/11/2022 | Education |
| Barker & Stonehouse Metro Retail Park | £87,000.00 | DC/21/ 01099/FUL | 04/08/2022 | Highways |

Table 3: Obligations contained in S106 agreements signed in 2022/23

| Developer/Development | Planning Ref | Type | Amount |
|---|---------------------|-------------|---------------|
| Land North of Follingsby Lane Follingsby Park | DC/19/ 01252/OUT | Ecology | £120,750.00 |
| Land North of Follingsby Lane Follingsby Park | DC/19/ 01252/OUT | Highways | £25,774.00 |
| Land to the North of Cushy Cow Lane Ryton | DC/21/ 01470/FUL | Ecology | £9,321.00 |

4.0 Summary of Contributions received 1st April 2021 - 31st March 2022

3.1 A total of £1,084,945.57 has been received in S106 contributions for the year 2021/22. This is split into:

| | |
|------------------------------|-------------|
| Highways | £486,441.91 |
| Education | £229,564.40 |
| Ecology | £305,939.26 |
| Local Workforce Contribution | £63,000.00 |

Table 4: S106 payments received in 2021/22

| Development | Amount | Planning Ref | Date paid | Type |
|--|-------------|---------------------|------------|-----------|
| Crawcrook South Story Homes Ltd Panther House, Newcastle NE4 7YD | £84,141.54 | DC/15/ 01004/FUL | 01/04/2021 | Highways |
| Crawcrook South Story Homes Ltd Panther House, Newcastle NE4 7YD | £137,640.30 | DC/15/ 01004/FUL | 01/04/2021 | Education |
| Crawcrook South Story Homes Ltd Panther House, Newcastle NE4 7YD | £7,990.63 | DC/15/ 01004/FUL | 01/04/2021 | Ecology |
| Crawcrook North Taylor Wimpey UK Ltd Rapier House, Sunderland, SR5 3XB | £233,450.37 | DC/15/ 01098/FUL | 12/05/2021 | Highways |
| Crawcrook North Taylor Wimpey UK Ltd Rapier House, Sunderland, SR5 3XB | £91,924.10 | DC/15/ 01098/FUL | 12/05/2021 | Education |

Continued...

| Development | Amount | Planning Ref | Date paid | Type |
|--|-------------|---------------------|------------|--------------------|
| Crawcrook South Story Homes Ltd Panther House, Newcastle NE4 7YD | £7,990.63 | DC/15/ 01004/FUL | 13/10/2021 | Ecology |
| Chopwell Site Gleeson Regeneration Ltd 6 Europa Court, Sheffield, S9 1XE | £84,350.00 | DC/18/ 00443/FUL | 01/07/2021 | Highways |
| Chopwell Site Gleeson Regeneration Ltd 6 Europa Court, Sheffield, S9 1XE | £139,958.00 | DC/18/ 00443/FUL | 07/07/2021 | Ecology |
| Follingsby South TSL Ltd Chalfont Park House, Chalfont, Gerrards Cross, SL9 0DZ | £84,500.00 | DC/18/ 00574/FUL | 03/08/2021 | Highways |
| Ryton Site Taylor Wimpey UK Ltd Rapier House, Sunderland, SR5 3XB | £75,000.00 | DC/17/ 01376/FUL | 01/11/2021 | Ecology |
| Ryton Site Bellway Homes Ltd, Kings Park, Kingsway North, NE11 0JH | £63,000.00 | DC/16/ 00320/FUL | 15/11/2021 | Local Workforce |
| Ryton Site Bellway Homes Ltd, Kings Park, Kingsway North, NE11 0JH | £75,000.00 | DC/16/ 00320/FUL | 15/11/2021 | Ecology |

Table 5: Obligations contained in S106 agreements signed in 2021/22

| Developer/Development | Planning Ref | Type | Amount |
|--|---------------------|--------------------------------|------------------------------|
| Allied Bakeries TVTE | DC/19/01211/FUL | Use restricted | No monies due |
| Story Homes Limited Dunston Hill Hospital | DC/20/01061/FUL | Delivery of affordable housing | No monies due |
| TSL Ltd Follingsby South | DC/18/00574/FUL | Highways | £84,500.00 (Paid 2021/22) |
| Barker and Stonehouse Metro Retail Park | DC/21/00994/FUL | Highways | £87,000.00 (Paid 2021/22) |
| Battery Storage Facility Newburn Bridge Road | DC/21/00922/FUL | Ecology | £66,900.00 |

5.0 Summary of Contributions received 1st April 2020 - 31st March 2021

5.1 A total of £164,021.00 has been received in S106 contributions for the year 2020/21. This is split into:

| | |
|--------------------|------------|
| Affordable Housing | £31,021.00 |
| Highways | £60,000.00 |
| Ecology | £73,000.00 |

Table 6: S106 payments received in 2020/21

| Development | Amount | Planning Ref | Date paid | Type |
|---|------------|---------------------|------------|-----------------------|
| Gullane Close, Bill Quay Bede and Cuthbert Development Ltd, Keel House, Newcastle NE1 2JE | £33,000.00 | DC/17/ 01267/FUL | 23/06/2020 | Ecology |
| Garden Street, Blaydon TCWP 017 LTD, 3 Keel Row, The Watermark, Gateshead NE11 9SZ | £31,021.00 | DC/18/ 00863/FUL | 19/10/2020 | Affordable Housing |
| Collingdon Road, High Spen Avant Homes Limited Investor House, Sunderland Enterprise Park, SR5 3XB | £40,000.00 | DC/18/ 00859/FUL | 07/12/2020 | Ecology |
| Collingdon Road, High Spen Avant Homes Limited Investor House, Sunderland Enterprise Park, SR5 3XB | £62,000.00 | DC/18/ 00859/FUL | 12/05/2021 | Highways |

Table 7: Obligations contained in S106 agreements signed in 2020/21

| Developer/Development | Planning Ref | Type | Amount |
|---|-----------------|--------------------|-------------------------|
| Bellway Homes/ Cushy Cow Lane | | | |
| Local Workforce Contrib. | DC/19/01211/FUL | Economic Dev | £63,000.00 |
| Ecology 1st Instalment | DC/16/00320/FUL | Ecology | £75,000.00 |
| Ecology 2nd Instalment | DC/16/00320/FUL | Ecology | £25,000.00 |
| Ecology 3rd Instalment | DC/16/00320/FUL | Ecology | £28,636.36 |
| Affordable Housing | DC/16/00320/FUL | Affordable Housing | 43 Affordable Dwellings |
| Taylor Wimpey/ Woodside Lane | | | |
| Local Workforce Contrib. | DC/17/01376/FUL | Economic Dev | £56,000.00 |
| Ecology 1st Instalment | DC/17/01376/FUL | Ecology | £75,000.00 |
| Ecology 2nd Instalment | DC/17/01376/FUL | Ecology | £25,000.00 |
| Ecology 3rd Instalment | DC/17/01376/FUL | Ecology | £21,364.00 |
| Affordable Provision | DC/17/01376/FUL | Affordable Housing | 40 Affordable Dwellings |
| LOK Developments Ltd/ The Cottage, Sunnyside | | | |
| Affordable Provision | DC/20/00197/FUL | Affordable Housing | £182,367.32 |
| Ecology | DC/20/00197/FUL | Ecology | £51,698.39 |

6.0 Summary of Contributions received 1st April 2019 - 31st March 2020

6.1 A total of £304,281.41 has been received in S106 contributions for the year 2019/20. This is split into: -

| | |
|-----------|-------------|
| Education | £68,820.15 |
| Ecology | £61,501.26 |
| Highways | £173,960.00 |

Table 8: S106 payments received in 2019/20

| Development | Amount | Planning Ref | Date paid | Type |
|--|------------|---------------------|------------|---|
| A695 Crawcrook Story Homes, Ltd Panther House, Asama Court, Newcastle NE4 7YD | £68,820.15 | DC/15/ 01004/FUL | 30/09/2019 | Education contribution |
| Sawmill, Felling MH Southern & Co Ltd Green Lane Sawmills Felling, Gateshead NE10 0JS | £18,100.00 | DC/18/ 00508/FUL | 06/08/19 | Ecology |
| Pennyfine Road, Sunniside Avant Homes Limited Investor House, Sunderland Enterprise Park, SR5 3XB | £3,600.00 | DC/18/ 00704/FUL | 09/09/2019 | Highways (Tanfield railway path) |
| Pennyfine Road, Sunniside Avant Homes Limited Investor House, Sunderland Enterprise Park, SR5 3XB | £20,360.00 | DC/18/ 00859/FUL | 09/09/2019 | Highways (Tanfield railway path) |

Continued...

| Development | Amount | Planning Ref | Date paid | Type |
|--|-------------|---|------------|-------------------------------------|
| Pennyfine Road, Sunnyside Avant Homes Limited Investor House, Sunderland Enterprise Park, SR5 3XB | £7,990.63 | DC/18/ 00859/FUL | 09/09/2019 | Ecology |
| Prudhoe Development Gentoo Homes Ltd 2 Emperor House, Emperor Way, Sunderland SR3 3XR | £150,000.00 | Northumberland planning application | 18/11/2019 | Highways (Blaydon Roundabout) |
| Bus Depot, Mandela Way Go Ahead Group PLC 3rd Floor, 41-51 Grey Street, Newcastle upon Tyne NE1 6EE | £12,148.66 | DC/18/ 00804/FUL | 09/03/2020 | Ecology |

Table 9: Obligations contained in S106 agreements signed in 2019/20

| Developer/Development | Planning Ref | Type | Amount |
|---|-----------------|--------------------|------------------------|
| DAMF (NE) Ltd/ Highfield Road | | | |
| Ecology 1st Instalment | DC/19/00279/FUL | Ecology | £10,000.00 |
| Ecology 2nd Instalment | DC/19/00279/FUL | Ecology | £10,000.00 |
| Ecology 3rd Instalment | DC/19/00279/FUL | Ecology | £16,000.00 |
| Gateshead Trading Co/ Woodhouse Mews | | | |
| Affordable Provision | DC/18/03349/FUL | Affordable Housing | 3 Affordable Dwellings |
| TCWP 017 Ltd/ Blaydon House | | | |
| Affordable Provision | DC/18/00863/FUL | Affordable Housing | £31,021.00 |

7.0 Community Infrastructure Levy

- 7.1 CIL is a tariff-based charge on the development of new floorspace (per square metre) in the borough. This money can be used to fund a wide range of infrastructure that is required to meet the future growth needs of the borough. Unlike Section 106 agreements, the rate of CIL payable is both mandatory and non-negotiable.
- 7.2 The amount of CIL payable depends on where the development is located within the borough and the type of development (ranging from £0, £30 and £60 per square metre). The Gateshead CIL Charging Schedule and map of the charging zones is available to [view here on The Council's website](#).
- 7.3 Once a CIL development has commenced a demand notice details the whole amount the developer is required to pay. The developer will then be able to pay either the whole amount or in instalments. Therefore, the amounts shown in table 10 are a detailed look at the whole amounts required (the Demand Amount) to show the total amount of CIL due, which will be different to the CIL amounts received if only one instalment has been received.
- 7.4 The total amount of CIL received since being introduced in 2017 is shown in table 11.

Table 10: Total Demand Amounts

| Year | Demand Amount |
|--------------|----------------------|
| 2017/2018 | £103,058.26 |
| 2018/2019 | £517,968.12 |
| 2019/2020 | £0 |
| 2020/2021 | £266,120.06 |
| 2021/2022 | £2,650,969.98 |
| Total | £3,538,116.42 |

Table 11: Total amount of CIL received

| Year | Received Amount |
|--------------|----------------------|
| 2017/2018 | £34,009.23 |
| 2018/2019 | £170,929.48 |
| 2019/2020 | £69,049.03 |
| 2020/2021 | £322,905.44 |
| 2021/2022 | £993,625.09 |
| 2022/2023 | £791,378.31* |
| 2023/2024 | £1,156,219.84* |
| Total | £3,538,116.42 |

*current estimate

- 7.5 In Gateshead 15% of CIL receipts collected are to be distributed as the Neighbourhood Portion. The total amount of CIL collected for this since 2017 is shown on the next page in the table 12.

7.6 Up to 5% of CIL funds can be retained annually to cover administrative costs. This is shown in table 13:

Table 12: Total Neighbourhood Portion

| Year | Portion (15%) |
|--------------|--------------------|
| 2017/2018 | £5,101.38 |
| 2018/2019 | £25,639.42 |
| 2019/2020 | £10,357.35 |
| 2020/2021 | £48,435.82 |
| 2021/2022 | £149,043.76 |
| 2022/2023 | £118,706.75* |
| 2023/2024 | £173,432.98* |
| Total | £530,717.46 |

*current estimate

Table 13: Total CIL funds for Admin

| Year | Admin Costs (5%) |
|--------------|--------------------|
| 2017/2018 | £1,700.46 |
| 2018/2019 | £8,546.47 |
| 2019/2020 | £3,452.45 |
| 2020/2021 | £16,145.27 |
| 2021/2022 | £49,681.25 |
| 2022/2023 | £39,568.91* |
| 2023/2024 | £57,810.99 * |
| Total | £176,905.80 |

*current estimate

8.0 CIL Expenditure - Strategic Portion

8.1 This section sets out how CIL and S106 income will be spent and prioritised over the next reporting period (as per the requirements set out in relevant planning practice guidance and the CIL regulations).

8.2 The level and timing of CIL funding will depend on the nature and scale of the development, the number of implemented planning permissions, build-out rates, and the phasing of development etc. This makes it difficult to forecast exactly when future CIL income and expenditure might be paid.

8.3 Strategic CIL (main pot)

Strategic CIL is to be allocated to the delivery of strategic infrastructure projects to support the growth of the Borough as set out in the Core Strategy and Urban Core Plan (CSUCP) as to when sufficient funds become available.

Table 14: Total amount of Strategic CIL Received (80%)

| Year | Received Amount | |
|--------------|----------------------|---|
| 2017/2018 | £27,207.38 | |
| 2018/2019 | £136,743.58 | |
| 2019/2020 | £55,239.22 | |
| 2020/2021 | £258,324.35 | |
| 2021/2022 | £655,313.94 | |
| 2022/2023 | £379,466.59 | |
| 2023/2024 | *£1,351,112.19 | *current estimate not included in total |
| Total | £1,512,295.06 | |

8.4 A695 corridor

Work on the A695 corridor is nearing completion. This included improvements to roundabouts along the A695 through widening works and the signalisation of Blaydon Roundabout. This has supported the delivery of new housing sites at Crawcrook North, Crawcrook South and Ryton. These improvements have also mitigated the impact on Gateshead's highway infrastructure of new development within Northumberland, namely development at Prudhoe Hospital. The A695 corridor improvements have been funded by Section 106 contributions secured prior to the implementation of CIL as well as CIL and so far, this has helped fund the signalisation of Blaydon Roundabout. Estimated costs for the whole A695 corridor are £2,250,820. A total of £1,054,590 is already committed from Section 106 contributions which left £1,196,230 this has been funded through CIL. No further CIL funds are required for the A695 Corridor.

8.5 **Primary School expansion**

There is a particular need to support Primary School expansion to consider the increased population that will result from the future development.

8.6 **Strategic transport improvements other than the A695 corridor**

These include cycle network improvements and key junction/road improvements.

8.7 **Strategic green infrastructure**

These include areas of ecological and biodiversity enhancements and green spaces.

8.8 **MetroGreen strategic flood alleviation and mitigation and green infrastructure**

This includes a strategic land drainage network, flood defence along the River Tyne and strategic compensatory storage in the River Derwent.

8.9 **Current spending of Strategic CIL (2022/2023)**

We have reviewed and have identified CIL as the most likely funding stream likely to support social infrastructure. Work will continue over the next few months to identify priorities for funding.

9.0 Neighbourhood portion of CIL

- 9.1 The Neighbourhood portion of CIL is being used to help deliver a wide range of projects that relate to the provision of infrastructure or address the demands arising from development in an area.
- 9.2 In 2017, Cabinet approved a process for bids for the neighbourhood portion to be made and assessed*. The process is administered by the Community Foundation and decisions on bids made by local Ward Members and the Portfolio holder for Communities and Volunteering. Bids that come from the Ward in which the CIL development takes place are given priority and if funds are not used up, bids are opened to neighbouring wards and then the whole of the Borough.

**Apart from CIL development within Lamesley Parish where the CIL Neighbourhood portion is automatically passed on to the Parish Council to spend.*

Table 15: All CIL totals received by Ward

| Ward | Total Received | Neighbourhood Portion |
|------------------------------|----------------------|-----------------------|
| Dunston Hill and Whickham | £40,306.88 | £6,046.03 |
| Whickham South and Sunnyside | £550,046.38 | £82,506.95 |
| Winlaton and High Spenn | £529,578.92 | £79,436.83 |
| Ryton, Crookhill and Stella | £699,456.67 | £104,918.50 |
| Saltwell | £70,980.00 | £10,647.00 |
| Total | £1,890,368.85 | £283,555.32 |

9.3 Grant Awards

Earlier this Year, the Community Foundation sought bids from community groups within the wards and adjacent wards where CIL had been secured and four separate grants have been awarded for a total of £64,924.00 funding. The new grants are indicated in purple boxes in the list of all grants awarded that follows:

Blaydon

FR-10908 Durham Wildlife Trust

Costs of employing a contractor to build a boardwalk to access the Shibdon Pond wetland's site
£3,400.00 - 14/08/2020

Chopwell and Rowland's Gill

FR-10627 Chopwell Regeneration CIO

Stage 1 of the building work for the renovation of the former Lloyds Bank in Chopwell, to cover 50% of the plumbing costs
£5,000.00 - 14/08/2020

NEW

Crawcrook and Greenside

FR-16554 Barmoor Hub

Roof repairs £12,000 - 13/01/2023

Deckham

FR-15471 Handcrafted Projects

Converting a pub in Deckham, Gateshead, into a new training hub
£6,500 - 26/05/2022

Dunston Hill and Whickham East

FR-10961 Gateshead District Scouts

Purchasing a grass cutter for Whickham Thorns outdoor activity centre
£5,000.00 - 14/08/2020

FR-15142 Whickham Community Bowls Club

Improving the grounds of the bowling green in Gateshead
£5,000.00 - 09/06/2022

Lamesley

FR-15176 Mount Community Association

Capital costs for the refurbishment of the building £25,000 - 19/05/2022

Lobley Hill and Bensham

FR-10798 Bensham Grove Community Centre

Develop a Community Garden on the site adjacent to the Community Hall
£3,400 - 14/08/2020

FR-10969 Community Music Project

Refurbishment of the Soundroom's basement into accessible space for community use
£4,404 - 14/08/2020

Ryton, Crookhill and Stella

FR-15365 Brighten Ryton Environment Group

Purchasing a bowling green roller with trolley and a mechanical aerator.
£18,987 - 09/06/2022

NEW

FR-15667 Vale Mill Trust

Grounds maintenance equipment for the benefit of people in Gateshead.
£3,524 - 29/09/2022

FR-16268 Stargate & Crookhill Centre

Costs to refurbish the centre to turn changing rooms into another smaller hall to run more activities for the community.
£25,000 - 02/12/2022

FR-15428 Ryton Community Centre

Refurbishment costs of Cross House.
£24,400 - 27/01/2023

Whickham South and Sunnyside

FR-10211 Tyneside Vineyard

Purchasing new flooring, lighting, furniture and kitchen equipment for the Marley Hill Community Centre. £5,000 - 03/07/2020

FR-13659 S/West Tyneside Methodist Circuit

Creating a community meeting/training room in Sunnyside Methodist Church.
£9,236 - 16/09/2021

FR-10170 S/West Tyneside Methodist Circuit

Phase 1 of the building redevelopment, main hall, kitchen and choir vestry.
£4,500 - 03/07/2020

FR-10111 Marley Hill Comm. Bowling Club

Pavilion repairs
£5,000 - 03/07/2020

Winlaton and High Spenn

FR-13413 1st Winlaton Scout Group

refurbishing the scout hut in Winlaton
£4,000 - 24/06/2021

FR-13437 High Spenn Community Group

Purchasing a secure storage facility for use by the organisation and the wider community
£8,513 - 24/06/2021

10.0 Projection for Neighbourhood portion

10.1 For the financial year 2023/2024 the following table shows the funds that will be available for the Neighbourhood portion. The Community Foundation will publicise the funding opportunities in Wards where the CIL development is located, in early 2024 with decisions on funding applications made soon after. If funds are remaining, further publicity will be undertaken by the Community Foundation for applications in adjacent Wards and if funds are remaining, the rest of the Borough.

Table 16: Expected payments 2023/2024

| Development | Ward | Instalment | NP available | Payment Due |
|---|-----------------------------|----------------------|--------------------|--------------------------|
| Avant Homes Phase 2 - High Spen | Winlton and High Spen | £90,480.82 | £13,572.12 | 24/8/2023 |
| Taylor Wimpey Ryton Development | Ryton, Crookhill and Stella | £330,622.15 | £49,593.32 | 3/5/2023 Paid |
| Taylor Wimpey Ryton Development | Ryton, Crookhill and Stella | £340,641.00 | £51,096.15 | 14/7/2023 Paid |
| Bellway Ryton Development | Ryton, Crookhill and Stella | £180,774.78 | £27,116.22 | 25/4/2023 Paid |
| Bellway Ryton Development | Ryton, Crookhill and Stella | £186,252.79 | £27,937.92 | 22/10/2023 |
| Avant Homes Phase 3 - High Spen | Winlton and High Spen | £87,819.62 | £13,172.94 | 3/6/2023 Paid |
| Avant Homes Phase 3 - High Spen | Winlton and High Spen | £90,480.82 | £13,572.12 | 30/11/2023 |
| Miller Homes Ryton Development | Ryton, Crookhill and Stella | £188,059.74 | £28,208.96 | 1/8/2023 |
| Miller Homes Ryton Development | Ryton, Crookhill and Stella | £193,758.52 | £29,063.77 | 28/1/2024 |
| Persimmon Homes Wardley Development | Wardley and Leam Lane | £273,022.13 | £40,953.31 | 5/6/2023 Paid |
| Totals | | £1,961,912.37 | £294,286.85 | |

10.0 Payments made 2017 to 2022

10.1 The following tables provide a breakdown of instalments already paid, including details of ward for Neighbourhood Portion purposes.

Table 17: CIL Paid 2017/2018

| Development | Ward | Instalment | NP available | Payment Due |
|---------------------------------------|-----------------------------|-------------------|------------------|---------------------------|
| Marley Hill School Development | Whickham South and Sunnside | £34,009.23 | £5,101.38 | 12/01/2018 PAID |
| Totals | | £34,009.23 | £5,101.38 | |

Table 18: CIL Paid 2018/2019

| Development | Ward | Instalment | NP available | Payment Due |
|------------------------------|-----------------------------|--------------------|--------------------|---------------------------|
| Avant Sunnside | Whickham South and Sunnside | £147,506.08 | £22,125.91 | 23/01/2019 PAID |
| Springs Saltwell Park | Saltwell | £23,423.40 | £3,513.51 | 18/01/2019 PAID |
| Totals | | £170,929.48 | £25,639.422 | |

Table 19: CIL Paid 2019/2020

| Development | Ward | Instalment | NP available | Payment Due |
|---------------------------------------|-----------------------------|-------------------|-------------------|---------------------------|
| Marley Hill School Development | Whickham South and Sunnside | £34,009.23 | £5,101.38 | 12/04/2019 PAID |
| Marley Hill School Development | Whickham South and Sunnside | £35,039.80 | £5,255.97 | 12/04/2019 PAID |
| Totals | | £69,049.03 | £10,357.35 | |

Table 20: CIL Paid 2020/2021

| Development | Ward | Instalment | NP available | Payment Due |
|---------------------------------|------------------------------------|--------------------|-------------------|---------------------------|
| Springs Saltwell Park | Saltwell | £23,423.40 | £3,513.51 | 23/11/2020 PAID |
| Avant Sunniside | Whickham South and Sunniside | £147,506.08 | £22,125.91 | 06/10/2020 PAID |
| Avant Sunniside | Whickham South and Sunniside | £151,975.96 | £22,796.39 | 07/01/2021 PAID |
| Totals | | £322,905.44 | £48,435.81 | |

Table 21: CIL Paid 2021/2022

| Development | Ward | Instalment | NP available | Payment Due |
|---|-----------------------------------|--------------------|--------------------|---------------------------|
| Springs Saltwell Park | Saltwell | £24,133.20 | £3,619.98 | 23/07/2021 PAID |
| Taylor Wimpey Ryton | Ryton, Crookhill and Stella | £505,104.81 | £75,765.72 | 22/09/2021 PAID |
| Story Homes Dunston Hill | Dunston Hill and Whickham East | £20,153.44 | £3,023.02 | 10/09/2021 PAID |
| Bellway Ryton | Ryton, Crookhill and Stella | £180,774.78 | £27,116.22 | 10/01/2022 PAID |
| Avant Homes Phase 1 - High Spen | Winlton and High Spen | £87,819.62 | £13,172.94 | 04/04/2022 PAID |
| Avant Homes Phase 2 - High Spen | Winlton and High Spen | £87,819.62 | £13,172.94 | 04/03/2022 PAID |
| Avant Homes Phase 3 - High Spen | Winlton and High Spen | £87,819.62 | £13,172.94 | 04/03/2022 PAID |
| Totals | | £993,625.09 | £149,043.76 | |

Table 22: CIL Paid 2022/2023

| Development | Ward | Instalment | NP available | Payment Due |
|---|----------------------------------|--------------------|---------------------|---------------------------|
| Avant Homes Phase 1 - High Spen | Winlton and High Spen | £87,819.62 | £13,172.94 | 06/05/2022 PAID |
| Miller Ryton Development | Ryton, Crookhill and Stella | £188,059.74 | £28,208.96 | 02/02/2023 PAID |
| Story Homes Dunston Hill | Dunston Hill and Wickham East | £20,153.44 | £3,023.02 | 03/01/2023 PAID |
| Avant Homes Phase 2 - High Spen | Winlton and High Spen | £87,819.62 | £13,172.94 | 25/02/2023 PAID |
| Avant Homes Phase 1 - High Spen | Winlton and High Spen | £90,480.82 | £13,572.12 | 25/09/2022 PAID |
| Totals | | £474,333.24 | £71,149.98 | |

TITLE OF REPORT: Nomination of Local Authority School Governors

REPORT OF: Helen Fergusson, Strategic Director, Children's Social Care and Lifelong Learning

Purpose of the Report

1. Cabinet is asked to nominate Local Authority Governors to schools seeking to retain their Local Authority Governor in accordance with The School Governance (Constitution) (England) Regulations.

Background

2. Schools - The School Governance (Constitution) (England) Regulations require all governing bodies to adopt a model for their size and membership. The regulations prescribe which categories of governor must be represented and what the level of representation is for each. The Local Authority's nomination is subject to the approval of the governing body. If approved, the nominee is appointed by the governing body.

Proposal

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

Recommendations

4. It is recommended that Cabinet:
 - (i) approves the nomination for appointment/reappointment of a Local Authority Governor; and
 - (ii) notes the term of office as determined by the schools' Instrument of Government.

For the following reason:

To ensure the School Governing Body has full membership.

CONTACT: John Finch

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

Policy Context

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

Background

2. As above.

Consultation

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

Alternative Options

4. The alternative option would be to make no nomination/appointment to the vacancies, leaving governing bodies under strength and less likely to demonstrate the correct configuration.

Implications of Recommended Option

5. **Resources:**
 - a) **Financial Implications** – The Strategic Director, Resources and Digital confirms there are no financial implications arising from this report.
 - b) **Human Resources Implications** – None
 - c) **Property Implications** - None
6. **Risk Management Implication** - None
7. **Equality and Diversity Implications** - None
8. **Crime and Disorder Implications** – None
9. **Health Implications** - None
10. **Climate Emergency and Sustainability Implications** - None
11. **Human Rights Implications** - None
12. **Ward Implications** - None

Background Information

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

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

| School | Nomination | Date from |
|------------------------------|------------------------|--------------------------------|
| Windy Nook Primary School | Cllr Rachel Mullen | 4 th February 2024 |
| Bensham Grove Nursery School | Cllr Catherine Donovan | 25 th February 2024 |
| Rowlands Gill Primary School | Mr Jamie Park | 14 th November 2023 |

Notes

- Cllr Mullen is a reappointment that is supported by the school
- Cllr Donovan is a reappointment that is supported by the school
- Jamie Park is a new appointment

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