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All Members of the Council

My Ref: LCS-DLDS-DS-C-022
Your Ref:

Contact Karen Robson
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Date: 27 January 2017

NOTICE OF COUNCIL MEETING

You are summoned to attend a meeting of Gateshead Metropolitan Borough Council to be held in the Council Chamber - Civic Centre, at **2.30 pm** on **Thursday, 4 February 2016** to transact the following business:-

- 1. To confirm the Minutes of the meeting held 17 December 2015** (Pages 1 - 8)
- 2. Official Announcements**
(announcements may be made by the Mayor, Leader of the Council or the Chief Executive)
- 3. Petitions** (Pages 9 - 10)
(to receive petitions submitted under Council Procedure Rule 10)

Council are in receipt of a qualifying petition requiring a debate
- 4. Questions from Members of the Public**
(to consider any questions submitted under Council Procedure Rule 7)
- 5. Presentation by Carole Wood, Director of Public Health**

RECOMMENDATIONS FROM CABINET

- 6. Capital Programme and Prudential Indicators 2015/16 - Third Quarter Review** (Pages 11 - 30)

7. **Revenue Budget Monitoring 2015/16** (Pages 31 - 40)

8. **Report from the Cabinet** (Pages 41 - 46)

MOTIONS AND QUESTIONS

9. **Notice of Motion**

(to consider any notices of motion submitted in accordance with Council Procedure Rule 9.1)

9a. Notice of Motion (Pages 47 - 48)

9b. Notice of Motion (Pages 49 - 50)

9b(i) Amendment to Notice of Motion (Pages 51 - 52)

10. **Questions**

(to deal with any questions submitted in accordance with Council Procedure Rule 8.1)

A handwritten signature in black ink, appearing to read 'J. Robinson', written in a cursive style.

Jane Robinson
Chief Executive

GATESHEAD METROPOLITAN BOROUGH COUNCIL

COUNCIL MEETING

Thursday, 17 December 2015

THE MAYOR (COUNCILLOR A GEDDES) IN THE CHAIR

PRESENT: Councillors: A Thompson, M Brain, C Simcox, M Ord, T Graham, A Wheeler, J Simpson, D Davidson, N Weatherley, S Green, H Hughes, J Adams, J McElroy, M Hood, A Douglas, M Foy, P Foy, M Graham, L Caffrey, L Green, S Craig, G Haley, M Hall, M Henry, F Hindle, B Coates, J Lee, P Maughan, P Dillon, C McHatton, C McHugh, E McMaster, P Mole, B Oliphant, W Dick, D Robson, P Ronan, S Ronchetti, C Bradley, B Clelland, J Turnbull, L Twist, J Wallace, P Craig, M Charlton and K Wood

APOLOGIES: Councillors Donovan, Dickie, Gannon, Goldsworthy, M Goldsworthy, J Graham, Beadle, Hamilton, S Hawkins, L Holmes, K Dodds, McCartney, McClurey, McNally, McNestry and C Ord

Reverend Andrew West, St George's Church, Durham Road, Gateshead gave the opening address

CL68 TO CONFIRM THE MINUTES OF THE MEETING HELD 12 NOVEMBER 2015

COUNCIL RESOLVED - That the minutes of the Council Meeting held on 12 November 2015 be approved

CL69 OFFICIAL ANNOUNCEMENTS

(A) CUSTOMER SERVICES EXCELLENCE ACCREDITATION

The Mayor announced that the Council's Economic and Housing Growth Service had been awarded the Government's Customer Service Excellence Standard. Achieving the standard demonstrates the Council's commitment to customer service and will be used to drive continuous improvement through annual re-assessments.

In recognition of this achievement, the Mayor presented the award to Kerry Walker and Dawn Merry from the Economic and Housing Growth Service.

(B) FAIRTRADE TOWN STATUS

The Mayor announced that following a recent renewal submission by the Gateshead Fairtrade Steering Group, the Fairtrade Foundation had renewed the Fairtrade Town Status for Gateshead. The Steering Group consists of Councillors, Council

employees, volunteers from the community, Gateshead College, Traidcraft and the Co-op. The Group will continue their work promoting and raising awareness of Fairtrade through a two year action plan.

In recognition of this achievement, the Mayor presented the award to Councillor Mary Foy, Chair of the Fairtrade Steering Group and Andrea Tickner, member of the Steering Group.

CL70 PETITIONS

Councillor A Thompson submitted a petition on behalf of people living on the 98/98A route who wish to have the bus service re-instated.

Councillor A Douglas submitted a petition on behalf of people opposing the proposed closure of Grove House.

CL71 QUESTIONS FROM MEMBERS OF THE PUBLIC

There were no questions submitted

CL72 THE SMOKE AND CARBON MONOXIDE ALARM (ENGLAND) REGULATIONS 2015

Consideration was given to a report seeking approval of the level of penalty and penalty framework for works which need to be undertaken for compliance with the Smoke and Carbon Monoxide Alarm (England) Regulations 2015.

- COUNCIL RESOLVED -
- i) That the Statement of Principles and the level of penalty and penalty framework as set out in Appendix 2 of the report be approved
 - ii) That the proposed enforcement procedure and arrangements as set out in appendices 3 and 4 of the report be approved
 - iii) That the penalty income will fund the administration and set up of costs of discharging the Councils statutory duty

CL73 STREET TRADING AND MARKETS POLICY AND GUIDANCE

Consideration was given to a report seeking approval of a revised Street Trading and Markets Policy and Guidance document and the consolidation of the existing market rights in the Borough and the adoption of Part III of the Food Act 1984 (as amended).

COUNCIL RESOLVED - i) That the Council exercises its power under Part III of the Food Act (as amended) to become a Market Authority

ii) That the Council Constitution be amended so that the Service Director, Development and Public Protection (Communities and Environment) has delegated power to formally establish markets under the Act as follows:

To insert the words “market and” prior to the words “street trading” at Paragraph 1(h) of Part 1 of Schedule 2; and

(a) To insert the following words after Paragraph 27 of Part 1 of Schedule 2 –

“(28) (Subject to the requirement that no market may be established without prior planning permission or Certificate of Lawfulness of Existing Use of Development) to establish markets in the Borough under Part III of the Food Act 1984 upon such days, times and locations as may be appointed; at such frequency as may be appointed; and subject to such restriction on the number of stalls, type of stalls and nature of goods for sale as may be appointed”

iii) That the Street Trading and Markets Policy and Guidance attached at Appendix 4 of the report be adopted and published

CL74 A VISION FOR LEISURE SERVICES AND IMPLEMENTATION OF CHANGES IN THE SERVICE RESULTING FROM THE MARKETING AND PRICING STRATEGY

Consideration was given to a report seeking approval of a vision for leisure services and the recommendations for changes to pricing, sales and marketing to help reduce the Council’s financial contribution to Leisure Services and identify a sustainable business mode for the future.

COUNCIL RESOLVED - i) That the progress on the Transformation Challenge Review of Leisure Services in paragraphs 2-6 of the report be noted

ii) That a new vision for leisure services as identified in paragraph 7 of the report, which is based on customers, financial and business objectives and which in the period of the Council Plan (2020) is no longer directly subsidised by Gateshead Council, and is returning income to the Council to invest in Gateshead priorities, be approved

iii) That the revisions in the pricing policy as set out in paragraph 10(i) – (vi) of the report be approved

iv) That a revised business development strategy as reference in paragraph 10(vii)-(ix) to increase income for the service be approved

v) That the Strategic Director Communities and Environment (in consultation with the Strategic Director of Corporate Finance and Strategic Director Corporate Services and Governance) be authorised to implement flexible pricing arrangements to increase income, as appropriate

CL75 GAMBLING STATEMENT OF PRINCIPLES 2016 - 2019

Consideration was given to a report seeking approval of a Statement of Principles for 2016-2019 in accordance with the Gambling Act 2005.

COUNCIL RESOLVED - That the Gambling Statement of Principles and its publication in accordance with the requirements of the Gambling Act 2005 be approved

CL76 STATEMENT OF LICENSING POLICY 2016 - 2021

Consideration was given to a report seeking approval of a revised Licensing Policy for 2016-2021 in accordance with the Licensing Act 2003.

COUNCIL RESOLVED - That the Statement of Licensing Policy and its publication in accordance with the requirements of the Licensing Act 2003 be approved

CL77 LOCAL COUNCIL TAX SUPPORT SCHEME 2016/17

Consideration was given to a report seeking approval of a Local Council Tax Support Scheme for the year 2016/17.

COUNCIL RESOLVED - i) That the proposed scheme as set out in paragraph 7 of the report be approved

ii) That delegated powers be granted to the Strategic Director, Corporate Resources, to provide regulations to give effect to the scheme

CL78 CALENDAR OF MEETINGS 2016/17

Consideration was given to a report seeking approval of the proposed calendar of meetings for 2016/17.

- COUNCIL RESOLVED -
- i) That the calendar of meetings 2016/17 be approved
 - ii) That as far as possible, meetings should not be held during school holidays
 - iii) That the Strategic Director, Corporate Services and Governance, following consultation with the Leader of the Council, be authorised to make any necessary amendments to the calendar of meetings

CL79 COMMUNITY ASSET TRANSFER - REVISED POLICY AND PROCEDURE

Consideration was given to a report seeking approval of a revised policy and procedure relating to Community Asset Transfers.

- COUNCIL RESOLVED - That the revised Community Asset Transfer Policy and Procedure be approved

CL80 SENIOR MANAGEMENT ARRANGEMENTS

Consideration was given to a report seeking approval of interim arrangements to cover the role of Strategic Director, Care, Wellbeing & Learning (including the statutory roles of director of children's services and director of adult social services) pending permanent appointment; and the deletion of the post of Strategic Director, Policy, Growth & Transformation (also Assistant Chief Executive).

- COUNCIL RESOLVED -
- i) That Alison Elliott be appointed on an interim basis to the post of Strategic Director, Care, Wellbeing & Learning, pending a permanent appointment being made
 - ii) That the post of Strategic Director, Policy, Growth & Transformation be deleted from the Council's senior management structure

CL81 REPORT FROM THE CABINET

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

In addition to the report, Council were informed that on 26 November 2015, Gateshead received 10 Syrian families as part of the Home Office Vulnerable Persons Relocation Scheme (VPRS), one further family arrived on 16 December and the final family will arrive in the New Year. All of the families have been allocated properties in Gateshead and have received support from the Housing Support Team. The children will be attending local schools in the New Year and discussions have taken place with the Heads of those schools. Much of the preparation work for the families arriving involved liasing and support from colleagues within the Council and partner agencies such as Northumbria Police and the CCG. This has been a positive piece of multi agency work and working

relationships have been established which will support further families arriving as part of the VPRS.

A question was submitted in relation to the cost and amount of officer hours that have been devoted to the Quality Bus Contract proposal. The Leader responded to this question.

COUNCIL RESOLVED - That the information be noted

CL82 NOTICE OF MOTION

Councillor J Wallace moved the following motion:-

“Council notes with regret the decision of the Open University to close its Gateshead centre along with six others despite the opposition of its own Senate.

Council believes that the OU centre in Gateshead is important in encouraging non-traditional students to take up Higher Education opportunities in a region with historically low levels of attainment. The Council is also concerned at the potential loss of skilled jobs from the Borough.

Council calls on the Boroughs MPs to write to the Vice-Chancellor of the Open University to oppose these plans.

Council requests the Chief Executive to write to the Vice-Chancellor of the Open University to ask what consultation in the region was undertaken by the OU, whether a regional impact assessment has been undertaken and whether any steps are proposed to mitigate the effects of this proposal on regional take up of Higher Education opportunities and to report back to Council on the reply”

An amendment to the Notice of Motion was submitted as follows:-

In the first paragraph, insert commas as follows:

“Council notes, with regret, the decision of the Open University to close its Gateshead centre along with six others, despite the opposition of its own Senate.”

Delete paragraph three and four and replace with:

“Council welcomes the recent signing by Gateshead MPs of an Early Day Motion that opposes the closure and asks them to write to the Vice-Chancellor of the Open University to oppose these plans.

Council supports and endorses the Leader’s recent letter to the Vice-Chancellor of the Open University, copied to Gateshead MPs, the Current Chancellor of the Open University and its recent Chancellor and Gateshead Freeman, Lord David Puttnam. That letter outlines the importance of the Open University to our region and expresses strong concerns about the closure and its negative impact on Gateshead,

the North East and local people. It also asks for details on what consultation in the region was undertaken by the OU, whether a regional impact assessment has been undertaken, and whether any steps are proposed to mitigate the effects of this proposal on regional take-up of Higher Education.”

The proposed amendment was accepted by the mover of the original motion and therefore put as the substantive motion and duly carried.

COUNCIL RESOLVED -

Council notes, with regret, the decision of the Open University to close its Gateshead centre along with six others, despite the opposition of its own Senate.

Council believes that the OU centre in Gateshead is important in encouraging non-traditional students to take up Higher Education opportunities in a region with historically low levels of attainment. The Council is also concerned at the potential loss of skilled jobs from the Borough.

Council welcomes the recent signing by Gateshead MPs of an Early Day Motion that opposes the closure and asks them to write to the Vice-Chancellor of the Open University to oppose these plans.

Council supports and endorses the Leader’s recent letter to the Vice-Chancellor of the Open University, copied to Gateshead MPs, the Current Chancellor of the Open University and its recent Chancellor and Gateshead Freeman, Lord David Puttnam. That letter outlines the importance of the Open University to our region and expresses strong concerns about the closure and its negative impact on Gateshead, the North East and local people. It also asks for details on what consultation in the region was undertaken by the OU, whether a regional impact assessment has been undertaken, and whether any steps are proposed to mitigate the effects of this proposal on regional take-up of Higher Education.

CL83 QUESTIONS

There were no questions submitted.

Mayor.....

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COUNCIL MEETING

4 February 2016

PETITION – STOP THE PROPOSED CLOSURE OF GROVE HOUSE

Mike Barker, Strategic Director, Corporate Services and Governance

EXECUTIVE SUMMARY

1. The Council has received a petition against the proposed closure of Grove House, which offers specialist overnight short residential breaks to disabled children and young people.
2. In accordance with Council Procedure Rule 10.6 petitions with 2,000 or more signatures will be debated by the full Council. The petition organiser will be given five minutes to present the petition at the Council meeting and then the petition will be discussed by councillors for a maximum of fifteen minutes.
3. The Council will decide how to respond to the petition at the meeting.

RECOMMENDATIONS

4. The Council is asked to debate the petition and decide whether to make recommendations to the Cabinet on the petitioners' request.

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COUNCIL MEETING

4 February 2016

CAPITAL PROGRAMME AND PRUDENTIAL INDICATORS 2015/16 – THIRD QUARTER REVIEW

Jane Robinson, Chief Executive

EXECUTIVE SUMMARY

1. The purpose of this report is to inform of the latest position on the 2015/16 capital programme and Prudential Indicators at the end of the third quarter to 31 December 2015. The report also informs of reasons for the variances from the approved programme and details the proposed financing of the capital programme. The report also considers the impact of CIPFA's Prudential Code on the capital programme and the monitoring of performance against the statutory Prudential Indicators.
2. The original budget for the capital programme for 2015/16 as agreed by Council on 26 February 2015 totalled £82.311m. The third quarter review now projects the year-end expenditure to be £61.329m. The slippage of planned expenditure to future years accounts for the majority of the proposed variance.
3. 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 2015/16 were agreed by Council on 26 February 2015. Borrowing and investment levels have remained within the limits set by Council.
4. The Cabinet has considered the facts and issues arising from the report including alternative options and took all relevant advice before formulating their recommendation.

RECOMMENDATIONS

5. It is recommended that Council:
 - i) Agrees all variations to the 2015/16 Capital Programme, as detailed in Appendix 2 of the attached report, as the revised programme
 - ii) Approves the financing of the revised programme
 - iii) Confirms that the capital expenditure and capital financing requirement indicators have been revised in line with the revised budget and that none of the approved Prudential Indicators set for 2015/16 have been breached

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TITLE OF REPORT: Capital Programme and Prudential Indicators 2015/16
 – Third Quarter Review

REPORT OF: Darren Collins, Strategic Director, Corporate Resources

Purpose of the Report

1. This report sets out the latest position on the 2015/16 capital programme and Prudential Indicators at the end of the third quarter to 31 December 2015. The report identifies 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 2015/16, as agreed by Council on 26 February 2015, totalled £82.311m, which was then revised to £78.821m as part of the second quarter review. The third quarter review now projects the year-end expenditure to be £61.329m.
3. The proposed reduction to the capital programme at the third quarter comprises of the following movements:

	£m
Increased borrowing/external funding/contributions	0.784
Re-profiling of capital expenditure to future years	(12.450)
Other reductions	(5.642)
Re-profiling of planned HRA investment	(0.184)
Total Variance	(17.492)

4. The slippage of planned expenditure to future years accounts for the majority of the proposed variance and these changes will be considered as part of developing the Council's future capital programme. This includes £3.0m of expenditure relating to the Council's District Energy scheme reflecting the updated construction programme following delays regarding the construction of the network as a result of additional design work and the need to resolve issues with ground conditions. A total of £8.9m is expected to be spent on the scheme within the current financial year and the scheme is expected to become operational during 2016/17.
5. In addition, a total of £4.7m has also been re-profiled to 2016/17 relating to investment within the HRA capital programme. This includes significant variances as follows:
 - £1.5m relating to the planned external improvement and energy efficiency works at Fell, Lough and Beacon, which is being delivered through the Warm Up North Partnership and a start date of April 2016 has now been proposed by the Contractor;

- £1.5m as part of the planned external improvements at Regent Court which have been delayed as a result of undertaking additional intrusive surveys and following a review of the viability model and HRA business plan;
 - Almost £1.3m relating to the committed estate regeneration schemes at Bleach Green and Clasper Village, where progress has been delayed pending the acquisition of the remaining owner occupied properties to enable the demolition works to progress.
6. Approximately £1.8m of investment has been re-profiled relating to schemes aimed at promoting Economic and Housing growth within Gateshead including:
- £0.6m relating to the completion of the site assembly and preparations as part of the Housing Joint Venture at Bensham and Saltwell and in Brandling following delays in the acquisition process;
 - £0.5m of investment in Coatsworth Road as part of the lottery funded Townscape Heritage Initiative scheme where work to engage with businesses to develop the specific projects is continuing but the progress has been slower than originally anticipated.
7. As part of the third quarter review, the Council has also identified reductions to project budgets amounting to £5.6m. This primarily includes reductions of £4.6m in the investment plans regarding Solar PV schemes as a result of Government changes to the Feed In Tariff Scheme for projects registered from January 2016 onwards. Whilst the Council is still expecting to invest a total of £2.6m in the current financial year, mainly in Council buildings and Schools, the changes have meant that the original business cases for investment in social housing schemes and external organisations are no longer considered to be viable to progress at this stage. Work is ongoing to develop alternative business models and these will be considered as part of the development of the Council's future capital programme.

Proposal

8. The report identifies planned capital expenditure of £61.329m for the 2015/16 financial year. The expected resources required to fund the 2015/16 capital programme are as follows:

	£m
Prudential Borrowing	26.653
Capital Grants and Contributions	12.843
Major Repairs Reserve (HRA)	19.833
Capital Receipts	2.000
Total Capital Programme	61.329

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 2015/16 were agreed at Council on 26 February 2015. Borrowing and investment levels have remained within the limits set by Council.

Recommendations

10. Cabinet is asked to:

- (i) Recommend to Council that all variations to the 2015/16 Capital Programme as detailed in Appendix 2 are agreed as the revised programme.
- (ii) Recommend to Council the financing of the revised programme.
- (iii) Confirm to Council that the capital expenditure and capital financing requirement indicators have been revised in line with the revised budget and that none of the approved Prudential Indicators set for 2015/16 have been breached.

For the following reasons:

- (i) To ensure the optimum use of the Council's capital resources in 2015/16.
- (ii) To accommodate changes to the Council's in-year capital expenditure plans.
- (iii) To ensure performance has remained within the approved Prudential Limits.

CONTACT: David Mason extension 3686

APPENDIX 1

Policy Context

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

Background

2. The original budget for the capital programme for 2015/16, as agreed by Council on 26 February 2015, totalled £82.311m and this was revised to £78.821m following the second quarter review.
3. The projected year-end expenditure was £61.329m at the end of the third quarter.
4. The £17.492m variance is due to a combination of slippage occurring within the current programme, reviewing existing schemes, the receipt of additional resources and other variances. All variations in the programme during the third quarter are detailed in Appendix 2.
5. Appendix 3 summarises the original budget and actual year end payments by Corporate Priority. The budget, projected year end payments and comments on the progress of each scheme are detailed in Appendix 4.
6. The Prudential Code sets out a range of Prudential Indicators that were agreed by the Council on 26 February 2015. Performance against the indicators for 2015/16 is set out in Appendix 5.

Consultation

7. The Leader 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 2015/16.

Implications of Recommended Option

9. **Resources:**
 - a) **Financial Implications** – The Strategic Director, Corporate Resources confirms that the financial implications are as set out in the report.
 - b) **Human Resources Implications** – There are no human resources implications arising from this report.

- c) **Property Implications** - There are no direct property implications arising from this report. Capital investment optimises the use of property assets to support the delivery of corporate priorities. The property implications of individual schemes will be considered and reported separately.
10. **Risk Management Implication** - Risks are assessed as part of the process of monitoring the programme and treasury management. This assessment concludes that the increased uncertainty over the level of resources means that Cabinet should 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. **Sustainability Implications** - The works will help to make the environment more attractive and reduce health and safety hazards.
15. **Human Rights Implications** - There are no direct human rights implications arising from this report.
16. **Area and Ward Implications** - Capital schemes will provide improvements in wards across the borough.
17. **Background Information**
- i. Report for Cabinet, 24 February 2015 (Council 26 February 2015) - Capital Programme 2015/16 to 2017/18.
 - ii. Report for Cabinet, 14th July 2015 – Capital Programme and Prudential Indicators 2015/16 – First Quarter Review.
 - iii. Report for Cabinet, 3rd November 2015 – Capital Programme and Prudential Indicators 2015/16 – Second Quarter Review.

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Reason for Movement	Vision 2030	Group	Project	Total
Increases				
Additional external funding	Active & Healthy Gateshead	CAE	Fixed Play	20
	Creative Gateshead	CAE	Libraries WiFi - Arts Council	38
	Gateshead Goes Global	CWL	Devolved Formula Capital	465
	Sustainable Gateshead	CAE	Local Sustainable Transport	20
Other Increases	Active & Healthy Gateshead	CAE	Equality Act Works	80
	City of Gateshead	CAE	City Boulevard	69
	Creative Gateshead	PEG	Broadband Delivery UK	7
	Sustainable Gateshead	CAE	Kittiwake Tower - Site Remediation Solar PV - Council Buildings	7 78
Re-profiling of HRA Resources	Sustainable Gateshead	HRA	Estate Based Improvements	1,196
Total Increases				1,980

Reason for Movement	Vision 2030	Group	Project	Total
Reductions				
Other Reductions	City of Gateshead	CAE	Development Site Preparation Works	-150
	Sustainable Gateshead	CAE	Replacement of Fleet and Horticultural Equipment	-498
			Commercial Solar PV	-3,377
			Primary School Solar PV	-45
			Social Housing Solar PV	-1,200
		CRS	Technology Plan: Infrastructure	-353
		Technology Plan: Transformation Through Technology	-20	
Re-profiling of HRA Resources	Sustainable Gateshead	HRA	One off Heating Replacements	-111
			Replacement of Communal Electrics	-81
			Window Replacement	-7
			Fire Safety Works	-5
			Public Realm Improvements	-250
			District Energy Network Connections	-925
			Equality Act Works	-1
Slippage to 2016/17	Active & Healthy Gateshead	CAE	Chase Park Conservation and Restoration	-230
		CWL	Better Care Fund	-249
	City of Gateshead	CAE	Coatsworth Road Regeneration - THI	-543
			New Build Housing Development	-210
		CSG	Prince Consort Road Redevelopment	-50
		PEG	Urban Core - Creative Quarter	-20
	Urban Core - Exemplar Neighbourhood		-290	
	Housing JV - Brandling		-370	
			Housing JV - Bensham and Saltwell	-267
	Gateshead Goes Global	CWL	Two Year Old Childcare Provision	-73
	Sustainable Gateshead	CAE	Bus Based Major Transport Scheme	-85
			Gateshead Town Centre Energy Network	-3,011
			Local Pinch Point Funding - Kingsway North	-80
Local Transport Plan			-270	
Strategic Maintenance			-220	
S106 Highways Works Borough-wide			-40	
Quay Wall, Pipewellgate			-30	
Gateshead Millennium Bridge Strategic Maintenance			-150	
Civic Centre Workspace Strategy			-150	
Concrete Column Replacement	-650			

Reason for Movement	Vision 2030	Group	Project	Total
			All Round Camera System for Collection Vehicles	-65
			Strategic Maintenance of Highways	-150
		CRS	Technology Plan: Infrastructure	-280
			Technology Plan: Transformation Through Technology	-208
		HRA	Lift Replacement / Refurbishment	-194
			External Improvement Works	-1,796
			Regent Court Improvement Works	-1,500
			Estate Regeneration - Bleach Green	-665
			Estate Regeneration - Clasper Village	-603
Total Decreases				-19,472
GRAND TOTAL				-17,492

Vision 2030	Revised Forecast Q2 30 September 2015	Revised Forecast Q3 31 December 2015	Variation	Actual Spend as at 31 December 2015
	£000	£000	£000	£000
Active & Healthy Gateshead	3,067	2,688	-379	1,458
City of Gateshead	9,764	7,933	-1,831	2,779
Creative Gateshead	1,081	1,126	45	29
Gateshead Goes Global	4,958	5,350	392	2,901
Sustainable Gateshead	59,951	44,232	-15,719	18,764
TOTAL	78,821	61,329	-17,492	25,931

Vision 2030	Group	Project	Revised Budget Q2 £'000	Revised Budget Q3 £'000	Comments	
Active & Healthy Gateshead	CWL	Infant Free School Meals Funding	359	359		
		Disabled Facilities Grants (DFGs)	1,500	1,500		
		Better Care Fund	631	382	Re-profiling (External Funding)	
		Drug & Alcohol Recovery Bus	10	10		
	CAE	Chase Park Conservation & Restoration	285	55	Slippage to 2016/17 (External Funding)	
		Edmund Campion Playing Fields	17	17		
		Equality Act 2010 (former DDA)	250	330	Other Increases (Borrowing)	
		Fixed Play	0	20	Additional External Funding	
			Thomas Hepburn Playing Fields	15	15	
	Active & Healthy Gateshead Total			3,067	2,688	
Page 23 City of Gateshead	CRS	Gateshead Technology Innovation (GTi)	50	50		
	CAE	City Boulevard	192	261	Other Increases (Borrowing)	
		Development Site Preparation Works	400	250	Other Reductions (Borrowing)	
		Keelman Homes Loan	2,000	2,000		
		Wrekenton Hub	49	49		
		Coatsworth Road Regeneration - THI	816	273	Slippage to 2016/17 (Borrowing/External Funding)	
		New Build Housing (Weathercock Lane)	210	0	Slippage to 2016/17 (Receipts)	
	PEG	Future Economic Growth Investments -ADZ	3,650	3,650		
		Town Centre - Brandling Arches and Wayfinding	0	0		
		Urban Core - Creative Quarter	50	30	Slippage (Borrowing)	
		Urban Core - Exemplar Neighbourhood	300	10	Slippage (Borrowing)	
		Urban Core - Retail Quarter	0	0		
		Empty Property Programme 2015/18	145	145		
		Housing JV - Brandling	370	0	Slippage (Borrowing)	
		Housing JV - Bensham and Saltwell	1,067	800	Slippage (Borrowing)	
	CSG	Non Operational Portfolio - Strategic Investment Plan	415	415		
		Prince Consort Road Redevelopment	50	0	Slippage (Borrowing)	
City of Gateshead Total			9,764	7,933		
Creative Gateshead	CAE	Bensham Grove HLF	28	28		
		Libraries WiFi	0	38	Additional External Funding	
		Neighbourhood Libraries	130	130		
	PEG	Broadband Delivery UK	923	930	Other Increases (Borrowing)	
	Creative Gateshead Total			1,081	1,126	

Vision 2030	Group	Project	Revised Budget Q2 £'000	Revised Budget Q3 £'000	Comments
Gateshead Goes Global	CWL	Devolved Formula Capital	200	665	Additional External Funding
		Schools Targeted Basic Need	594	594	
		Two Year Old Funding	345	272	Slippage to 2016/17 (External Funding)
		Schools Capital Maintenance, Basic Need	2,439	2,439	
		Ravensworth Terrace Primary School	1,380	1,380	
	Gateshead Goes Global Total			4,958	5,350
Sustainable Gateshead	HRA	Aids and Adaptations	1,500	1,500	
		Fire Safety Works	247	242	Re-profiling between Schemes (HRA)
		Lift Replacement / Refurbishment	518	324	Slippage to 2016/17 (HRA)
		New Build - Rounds 1&2	50	50	
		One off Heating Replacements	1,150	1,039	Re-profiling between Schemes (HRA)
		Programme Management	1,000	1,000	
		Replacement of Communal Electrics	621	540	Re-profiling between Schemes (HRA)
		HRA Strategic Maintenance	2,145	2,145	
		Warden Call	248	248	
		Window Replacement	1,082	1,075	Re-profiling between Schemes (HRA)
		Public Realm Improvements	334	84	Re-profiling between Schemes (HRA)
		External Improvement Works	4,496	2,700	Slippage to 2016/17 (HRA)
		Regent Court Improvement Works	1,500	0	Slippage to 2016/17 (HRA)
		District Energy Network Connections	1,275	350	Re-profiling between Schemes (HRA)
		Equality Act Works	457	456	Re-profiling between Schemes (HRA)
		Estate Based Improvements	5,436	6,632	Re-profiling between Schemes (HRA)
		Door Entry Upgrades	253	253	
		Estate Regeneration - Bleach Green	1,165	500	Slippage to 2016/17 (HRA)
		Estate Regeneration - Chandless	157	157	
	Estate Regeneration - Clasper Village	931	328	Slippage to 2016/17 (HRA)	
	Estate Regeneration - Dunston	10	10		
	Delivery of Older Persons Strategy	200	200		
CRS	Technology Plan: Infrastructure	2,190	1,557	Slippage/Other Reductions (Borrowing)	
	Technology Plan: Transformation Through Technology	711	483	Slippage/Other Reductions (Borrowing)	

Vision 2030	Group	Project	Revised Budget Q2 £'000	Revised Budget Q3 £'000	Comments
Sustainable Gateshead Page 25	CAE	Bus Based Major Transport Scheme	110	25	Slippage to 2016/17 (Borrowing)
		Carbon Management - SALIX	256	256	
		Gateshead Town Centre Energy Network	11,956	8,945	Slippage to 2016/17 (Borrowing)
		Health & Safety	500	500	
		Local Pinch Point Funding - Kingsway North	123	43	Slippage to 2016/17 (Borrowing)
		Local Sustainable Transport	180	200	Additional External Funding
		Local Transport Plan	4,624	4,354	Slippage to 2016/17 (External Funding)
		Public Realm Improvement	100	100	
		Re-development of Campground	25	25	
		Replacement of Fleet and Horticultural Equipment	960	462	Other Reductions (Borrowing)
		SEELS	8	8	
		Strategic Maintenance	1,000	780	Slippage to 2016/17 (Borrowing)
		Street Lighting Phase 3	250	250	
		Team Valley Flood Alleviation	20	20	
		Waste Infrastructure Grant	125	125	
		Metrogreen - Area Action Plan and Delivery Strategy	20	20	
		Solar PV - Council Buildings	1,410	1,488	Other Increases (Borrowing)
		S106 Highways Works Borough-wide	132	92	Slippage to 2016/17 (External Funding)
		Gateshead Stadium - Pump Replacement	60	60	
		Quay Wall, Pipewellgate	200	170	Slippage to 2016/17 (Borrowing)
		Kittiwake Tower - Site Remediation	45	52	Other Increases (Borrowing)
		Gateshead Millennium Bridge Strategic Maintenance	250	100	Slippage to 2016/17 (Borrowing)
		Commercial Solar PV Scheme	3,750	373	Other Reductions (Borrowing)
		Primary School Solar PV Scheme	750	705	Other Reductions (Borrowing)
		Social Housing Solar PV Scheme	1,200	0	Other Reductions (Borrowing)
		Concrete Column Replacement	1,400	750	Slippage to 2016/17 (Borrowing)
		All Round Camera System for Collection Vehicles	115	50	Slippage to 2016/17 (Borrowing)
		Civic Centre Workspace Strategy	550	400	Slippage to 2016/17 (Borrowing)
		Flood Alleviation Investment	106	106	
	Great North Cycleway	1,085	1,085		
Strategic Maintenance of Highways	900	750	Slippage to 2016/17 (Borrowing)		
CSG	Governance Management System	65	65		
Sustainable Gateshead Total			59,951	44,232	
Grand Total			78,821	61,329	

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PRUDENTIAL INDICATORS 2015/16

The 2015/16 Prudential Indicators were agreed by Council on 26 February 2015 (column 1). This is now compared with the 2015/16 actual position as at the end of the third quarter, 31st December 2015 (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 2015/16 have been breached.

<i>Capital Expenditure</i>		
	2015/16 £000 Reported Indicator	2015/16 £000 Projection for the Year at Q3
Non-HRA	58,211	41,496
HRA	24,100	19,833
Total	82,311	61,329
To reflect the reported capital monitoring agreed by Council during the year		

<i>Ratio of Financing Costs to Net Revenue Stream</i>		
	2015/16 Reported Indicator	2015/16 Projection for the Year at Q3
Non-HRA	14.17%	N/A
HRA	49.33%	N/A

<i>Capital Financing Requirement</i>		
	2015/16 £000 Reported Indicator	2015/16 £000 Projection for the Year at Q3
Non-HRA	321,324	292,656
HRA	345,505	345,505

Authorised Limit for External Debt	
	2015/16 £000 Reported Indicator
Borrowing	755,000
Other Long Term Liabilities	0
Total	755,000
Maximum YTD £607.899m.	

Operational Boundary for External Debt	
	2015/16 £000 Reported Indicator
Borrowing	730,000
Other Long Term Liabilities	0
Total	730,000
Maximum YTD £607.899m.	

The Council's actual external debt at 31st December 2015 was £607.899 million. It should be noted that actual external debt is not directly comparable to the Authorised Limit and Operational Boundary, since the actual external debt reflects the position at one point in time.

Estimated Incremental Impact on Council Tax and Housing Rents

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

Adherence to CIPFA code on Treasury Management

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

UPPER LIMIT ON FIXED AND VARIABLE INTEREST RATES EXPOSURES		
Range	2015/16 £000 Reported Indicator	2015/16 £000 YTD Position
Fixed Rate	622,234 345,996	max 502,097 min 460,541
Variable	87,824 (20,000)	max 26,000 min 0
All within agreed limits. (Max and Min YTD.)		

Upper / Lower Limits for Maturity Structure of Fixed Rate Borrowing				
	2015/16 £000 Reported Indicator		2015/16 £000 Actual Position	
	Upper Limit	Lower Limit	Actual Percentage	Maximum YTD
Under 12 months	20%	0%	6.12%	6.94%
12 months to 24 months	20%	0%	10.03%	11.00%
24 months to 5 years	60%	0%	19.99%	24.55%
5 years to 10 years	60%	0%	9.71%	13.56%
10 years and above	90%	0%	49.87%	50.29%
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			
	2015/16 £000 Reported Indicator	2015/16 £000 Actual Position	2015/16 £000 Maximum YTD
Investments	15,000	0	0

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COUNCIL MEETING

4 February 2016

REVENUE BUDGET MONITORING 2015/16

Jane Robinson, Chief Executive

EXECUTIVE SUMMARY

1. The purpose of this report is to inform of the latest monitoring position on the 2015/16 revenue budget at the end of the third quarter to 31 December 2015. It also includes details of a revised net revenue budget that incorporates additional Public Health grant income following the transfer of responsibility to the Council for the funding of public health services for children aged 0-5 years old.
2. Council agreed the original revenue budget for 2015/16 on 26 February 2015. An amendment was approved by Cabinet on 14 July 2015 when the budget was adjusted to reflect the direct funding of the Better Care Fund to the CCG.
3. From 1 October 2015, the responsibility for provision of public health services for children aged 0-5 years old transferred to the Council together with grant funding. This report therefore requests approval of a revision to the net revenue budget for 2015/16.
4. The Council also received confirmation on 4 November 2015 that it would be subject to an in-year cut in Public Health grant funding as part of the national reduction in Public Health funding by the Government. The monitoring assumes that the in-year cut of Public Health grant income will be covered by the deployment of ring-fenced reserves to support the existing budget.
5. It is important that effective budget monitoring and action planning is in place to ensure that spending in 2015/16 is contained within approved budgets as this will contribute to a sustainable financial position for the Council. Any overspend at the end of the financial year will result in the 2016/17 funding gap being increase.
6. The Cabinet has considered the facts and issues arising from the report including alternative options and took all relevant advice before formulating their recommendation.

RECOMMENDATIONS

7. It is recommended that Council:
 - i) Notes the Council's revenue expenditure position at 31 December 2015 as set out in Appendix 1 and 2 of the attached report

ii) Approves the revised net revenue budget for 2015/16 from £205.400m to £207.387m to reflect the additional Public Health grant income following the transfer of responsibilities to the Council for the provision of public health service for children aged 0-5years.

TITLE OF REPORT: Revenue Budget Monitoring 2015/16

REPORT OF: Darren Collins, Strategic Director, Corporate Resources

Purpose of the Report

1. This report sets out the latest monitoring position on the 2015/16 revenue budget at the end of the third quarter to 31 December 2015. Cabinet is asked to note the contents of the report and agree to recommend to Council a revised net revenue budget that incorporates additional Public Health grant income following the transfer of responsibility to the Council for the funding of public health services for children aged 0-5 years old.

Background

2. Cabinet receives quarterly reports on the agreed revenue budget so that any variances can be identified and addressed. This report sets out the revenue monitoring position at 31 December 2015.
3. Council agreed the original revenue budget for 2015/16 on 26 February 2015. This was set at £215.270m (excluding schools). An amendment was approved by Cabinet on 14 July 2015 when the budget was adjusted to reflect the direct funding of the Better Care Fund to the CCG resulting in a revised revenue budget of £205.400m.
4. From 1 October 2015 the responsibility for provision of public health services for children aged 0-5 years old has transferred to the Council together with grant funding. The additional funding for the final six months of 2015/16 is £1.987m, increasing the total Public Health grant from £14.851m to £16.838m. This report therefore requests Cabinet to recommend to Council a revision to the net revenue budget for 2015/16 from £205.400m to £207.387m.
5. The Council also received confirmation on 4 November 2015 that it would be subject to an in-year cut in Public Health grant funding of £1.042m as part of a national £200m reduction in Public Health funding by Government. The monitoring assumes that the in-year cut of Public Health grant income will be covered by the deployment of ring-fenced reserves to support the existing budget.
6. The previous projected outturn at the end of Quarter 2 as at 30 September 2015 was £207.157m compared to the revised estimate of £205.400m; a projected over spend of £1.757m for the year.

Proposal

7. Without any further action, the projected outturn for 2015/16 at 31 December 2015 is £208.247m compared to the revised estimate of £207.387m, a projected over spend of £0.860m for the year.
8. Continued monitoring within services, regular reports to Strategy Group and the delivery of action plans to address budget variances and shortfall on savings targets will aim to ensure that spending for the year remains contained within the current estimate. This report does not recommend a change to the current revised revenue budget as a consequence of the budget monitoring position.
9. Key budget variances have been identified in the third quarter review in respect of the Children and Families Service in relation to Looked After Children (LAC) and fostering placements, and in Communities & Environment to reflect a shortfall in relation to leisure facilities' income. There are also a number of areas where there is currently a shortfall in the achievement of agreed savings for 2015/16. These areas of budget pressure are currently partially offset by additional health income in Adult Social Care, projected underspends in contingencies and lower than planned capital financing costs. Specific action plans have been prepared to address the areas of overspend and these areas will remain under review.
10. It is important that effective budget monitoring and action planning is in place to ensure that spending in 2015/16 is contained within approved budgets as this will contribute to a sustainable financial position for the Council. Any overspend at the end of the financial year will result in the 2016/17 funding gap being increased.

Recommendations

11. Cabinet is asked to:
 - i. Note the Council's revenue expenditure position at 31 December 2015, as set out in Appendix 1 and 2.
 - ii. Agree to recommend to Council a revised net revenue budget for 2015/16 from £205.400m to £207.387m to reflect the additional Public Health grant income following the transfer of responsibilities to the Council for the provision of public health services for children aged 0-5 years old.

For the following reason:

To contribute to the sound financial management of the Council.

CONTACT: Deborah Clark - Extension 3244

Policy Context

1. This report meets the standards required to comply with the Accounts and Audit Regulations 2015. It is also consistent with Vision 2030 and the Council Plan objective of ensuring a sustainable financial position for the long term.

Background

2. The Accounts and Audit Regulations 2015, which represent financial management good practice, recommend that councillors should receive regular reports on performance against revenue and capital budgets. The frequency of the reports is determined following a risk assessment of the budget, and Cabinet currently receives a report on a quarterly basis.
3. This report sets out the latest position on the 2015/16 revenue budget as at 31 December 2015 and projects spending and income to the end of the financial year.
4. Council agrees the revenue budget and it also approves any variations and revisions to the original budget.
5. Council agreed the original revenue budget for 2015/16 on 26 February 2015. This was set at £215.270m (excluding schools). An amendment was approved by Cabinet on 14 July 2015 when the budget was adjusted to reflect the direct funding of the Better Care Fund to the CCG resulting in a revised revenue budget of £205.400m. It is recommended this is adjusted to £207.387m to reflect additional Public Health grant income. The monitoring assumes that an in-year cut of Public Health grant income will be covered by the deployment of ring-fenced reserves to support the existing budget.
6. Appendix 2 details the revised budget for 2015/16 compared to an assessment of the projected outturn for the year.
7. At the end of the third quarter of the year, the projected outturn of £208.247m is £0.860m more than the revised budget.

Variations

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

Care, Wellbeing & Learning

9. The projected over spend of £1.261m on Social Work - Children and Families relates to placement expenditure for Looked After Children (LAC) in Out of Borough Residential, Independent Fostering, In-House Fostering, Special Guardianships and the Adoption Service. There has been an increase in LAC numbers at the end of the period, with 372 compared to the 370 reported at Quarter 2. Action planning is continuing in this area which is linked to the Children's Social Care Financial Strategy.

10. The projected under spend of £0.282m on Children and Families Support relates mainly to a reduction in grant income for the Youth Offending Team and salary slippage.
11. The projected over spend of £0.396m on Children's Commissioning relates to Home to School/College transport costs, with specific focussed action planning continuing to address the over spend.
12. The projected under spend of £0.316m on Learning and Schools relates to higher than anticipated premature retirement and dismissal costs and reductions in income from schools that have been more than offset by reductions in salary costs.
13. The projected over spend of £0.718m on the Housing General Fund relates mainly to the timing of agreed savings with delivery currently being discussed with the Gateshead Housing Company. A strategic review of housing services is currently being undertaken to incorporate changes in Government policy, the financial position of the Housing Revenue Account and the services provided by Gateshead Housing Company and the Council.
14. The expectation remains that expenditure on Public Health will be managed to ensure that the outturn will be consistent with the ring-fenced allocation.

Communities & Environment

15. The projected over spend of £0.324m on Transport Strategy is in relation to an under recovery of technical costs income from the capital programme.
16. The projected over spend of £1.050m on Culture, Communities, Leisure and Volunteering mainly relates to a projected shortfall on income of £1.117m in relation to Leisure Services.
17. The projected under spend of £0.267m on Facilities Management mainly relates to additional income from school meals.
18. The projected under spend of £0.244m on Waste Services, Grounds Maintenance and Fleet Management relates mainly to lower tonnages forecast for the residual waste contract.

Corporate Resources

19. The projected over spend of £0.205m on Customer & Financial Services relates to the under recovery of court prosecution costs.

Capital Financing Costs and Investment Income

20. The projected out turn for Capital Financing Costs is £1.439m less than budget due to reduced borrowing costs. The income from Investments is also expected to increase by £0.277m compared to budget due to a dividend received from Heritable Bank and additional investment interest.

Summary

21. The projected over spend as at 31 December 2015 of £0.860m is after the application of reserves in line with the usage agreed as part of 2015/16 budget and the 2014/15 revenue outturn report.
22. For all projected overspends, regular monitoring will continue to take place with action plans being monitored with the aim of containing spending within the original budget. Plans will be incorporated into the internal monthly revenue monitoring timetable with regular updates to Strategy Group and with updates to Cabinet.

Balance Sheet Management

23. Balance Sheet control accounts, which cover the Council's assets and liabilities, are reconciled on a quarterly basis. In addition, a number of key Balance Sheet control accounts are now reconciled on a monthly basis as part of the revenue monitoring process. This is part of a proactive approach to Balance Sheet management which, if carried out on a timely basis, ensures the early identification of problems which could impact on the Council's financial position.
24. Key control accounts are assessed based on experience from previous years, materiality and reliance on third party data. Those key control accounts reconciled as at 31 December 2015 are operating satisfactorily.

Consultation

25. The Leader has been consulted on this report.

Alternative Options

26. There are no alternative options proposed.

Implications of Recommended Option

27. Resources

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

28. Risk Management Implication

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

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

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

Appendix 2 - Revenue Monitoring Summary 2015/16

Quarter 3

Service	Revised Budget 2015/16 £'000	Projected Outturn £'000	Variance £'000
<u>Care, Wellbeing & Learning</u>			
Social Work - Children & Families	20,516	21,717	1,201
Children & Families Support	4,934	4,652	-282
Children's Commissioning	4,684	5,080	396
Learning & Schools	2,452	2,136	-316
Adult Social Care & Independent Living	66,487	66,035	-452
Commissioning & Business Development	3,231	3,124	-107
Housing General Fund	111	829	718
Public Health	16,838	16,838	0
<u>Communities & Environment</u>			
Development & Public Protection	1,933	2,016	83
Council Housing, Design & Technical Services	-416	-294	122
Transport Strategy	1,934	2,258	324
Culture, Communities, Leisure & Volunteering	7,001	8,051	1,050
Commissioning & Business Development	118	35	-83
Facilities Management	2,042	1,775	-267
Waste Services, Grounds Maintenance & Fleet Management	12,918	12,674	-244
Construction General Fund	4,050	4,141	91
<u>Policy, Economic Growth & Transformation</u>			
Policy, Transformation & Communications	1,938	2,063	125
Economic & Housing Growth	1,287	1,288	1
<u>Corporate Services & Governance</u>			
Legal, Democratic & Property Services	833	1,021	188
Human Resources & Litigation	2,265	2,257	-8
Corporate Commissioning & Procurement	417	468	51
<u>Corporate Resources</u>			
Corporate Finance	1,119	1,119	0
Customer & Financial Services	3,542	3,747	205
Housing Benefits	-711	-590	121
ICT Services	2,162	2,249	87
Other Services & Contingencies	5,234	4,803	-431
<u>Capital Financing Costs</u>			
	31,510	30,071	-1,439
<u>Investment Income</u>			
	-1,371	-1,648	-277
<u>Expenditure passed outside general fund</u>			
	-1,896	-1,896	0
<u>Levies</u>			
Environment Agency	159	159	0
ITA	12,069	12,069	0
NET BUDGET	207,387	208,247	860
<u>Financed By</u>			
Settlement Funding Assessment (SFA)	-102,408	-102,408	0
Other Grants	-13,687	-13,687	0
Public Health	-16,838	-16,838	0
Council Tax	-73,455	-73,455	0
Collection Fund (Council Tax)	-1,000	-1,000	0
TOTAL FUNDING	-207,387	-207,387	0
PROJECTED (UNDER) / OVER SPEND	0	860	860

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COUNCIL MEETING

4 February 2016

GATESHEAD COUNCIL

REPORT FROM THE CABINET

1. PURPOSE OF THE REPORT

This is the report from the Cabinet. Its purpose is to report on issues for the period December 2015 – February 2016.

PROGRESS ON KEY ISSUES

2. PLACE AND ECONOMY

Economy

Social Enterprise Sector Development Update

Social Enterprise in Gateshead has seen a trajectory of growth through difficult economic times, with a sustained increase of new starts year-on-year. Gateshead Council has been supporting the start-up, development and growth of social enterprises in the borough for over 25 years, and hosts an established social enterprise sector with in excess of 120 businesses including trading charities, community interest companies and co-operatives. Gateshead was recognised by Social Enterprise UK as an area of social enterprise excellence, and was awarded Social Enterprise Places Status in 2014.

The Council provides a wide range of bespoke business advice, from business planning and cash flow forecasting to supporting with bid preparation for grants and tenders. Since January 2015, officers have supported the sector to secure grants and contracts in the region of £1.7 million, and have assisted many organisations to diversify, develop and expand their service offer, while contributing to economic growth and job creation.

The Economic and Housing Growth Service has also supported 30 local people with start-up enquiries and over 40 established social enterprises to develop their businesses.

Gateshead based social enterprises have, on the whole, remained stable and resilient, while balancing the challenge of increased beneficiary demand as a consequence of impacting austerity measures and public sector reform. Many existing organisations have diversified their services and new enterprises have been established to meet growing and emerging demand, create and sustain jobs and contribute to economic growth priorities. Examples include:

- **North East Counselling Services CIC (NECS)** who were awarded a grant from the Big Lottery to deliver a four year family resilience programme that will complement the Families Gateshead agenda.

- **Gateshead & South Tyneside Sight Service** has attracted two significant grants from the Big Lottery, Reaching Communities fund.
- **Aukestral Creative Solutions CIC (ACS)** began trading in September 2015, based at Mary Sanders Hall in Birtley, providing an innovative alternative for day centre provision for young adults with autism.

Officers will continue to support the development of new and existing social enterprises, which will play a significant role in economic growth and job creation within the Borough.

Environment and Transport

The Saltmarsh Garden Project – Update

This three-year community outreach and environmental education project in partnership with Durham Wildlife Trust is progressing, supported by Taylor Wimpey at the Saltmarsh Dunston Staiths. Since it began in April, the project has delivered and/or supported a number of public, community and educational events, including school visits, guided walks and volunteer tasks. An event for the Saltmarsh Garden Project is now being timetabled for late spring 2016 when the site should be looking at its best.

Ravensworth Castle

Ravensworth Castle has been on the Historic England Heritage at Risk Register since 1998 and is a priority for the North East region. The Council and Historic England have been working together, in partnership with the owner, since 1997, to try and secure a sustainable future for the site.

In 2013, a team of experts were asked to assess and understand the condition of the site and costs of repair/reuse options. The survey of the Castle highlighted areas where stabilisation works were immediately required. Following this, the owner undertook the full schedules of urgent repairs, for all structures. The owner has now stated he is willing to secure the repair of the Castle as a consolidated standing ruin to prevent further deterioration. There is currently ongoing work with Historic England and the owner to consolidate Ravensworth Castle.

Clean Bus Technology Fund

Gateshead will benefit from reduced pollution from buses as a result of recently announced awards from the Government's Clean Bus Technology Fund. A Gateshead led bid for the QuayLink Q1, Q2 and Q3 services and a Sunderland led bid for the X1 Washington-Gateshead-Newcastle service have both been approved. This will see the fitting of emissions reducing technology to buses on these routes, which pass through the Air Quality Management Area in Gateshead Town Centre.

Future Transport Schemes

As part of its efforts to develop a longer term perspective on planning for transport schemes, the North East Combined Authority is seeking to develop a 'pipeline' of future schemes. Proposals in Gateshead to be put forward for this include potential schemes across the Borough, from those supporting regeneration proposals, such as the Gateshead Boulevard and at Metro Green, to improvements to the main transport corridors to cope with the additional demands of housing and economic growth in Gateshead and adjoining areas. The focus will continue to be on giving priority to

sustainable transport modes, to limit wider increases in traffic levels generally, but opportunities will also be taken where possible to tackle localised congestion problems.

Coatsworth Road Enforcement Project

Concern was raised towards the end of 2015 about a number of long-term environmental issues that had the potential to undermine the improvements being made to the Coatsworth Road area by the Townscape Heritage Initiative project.

At the end of September, a dedicated Enforcement Officer was assigned to develop a co-ordinated enforcement response in the area, building on and testing some of the redesigned processes developed during the Vanguard review in Waste Services and Grounds Maintenance between June 2014 and June 2015.

Work so far has focussed on the management of commercial waste and fly-tipping and has aimed to provide permanent solutions to some of the longstanding problems in the area. Although in the early stages, there has been an increase in the update of trade waste contracts with the Council, an improvement in the management of waste by a number of businesses and a significant reduction in the volume of waste fly-tipped at the recycling area.

Another area of work is focussing on tackling the irresponsible and unsafe storage of goods, displays and advertising on the highway. A targeted informal approach has resulted in a number of improvements and behaviour changes; however, a more robust enforcement approach is anticipated over the following months.

The Enforcement Officer is working closely with officers from a range of disciplines, including Parking Enforcement, Environmental Health and Planning Enforcement. Developing relationships with traders, together with adopting this multidisciplinary approach, has improved outcomes in the area, particularly in terms of compliance and confidence in the Council and there is potential to apply this approach to other localities.

3. COMMUNITIES

Culture, Sport and Leisure

DCMS Sports Strategy (Sporting Future: A new Strategy for an Active Nation)

The Department for Culture, Media & Sport (DCMS) released its first government strategy for sport in more than a decade in December 2015. The strategy has five key outcomes:

- Physical Wellbeing
- Mental Wellbeing
- Individual Development
- Social and Community Development
- Economic Development.

Funding will be distributed to focus on people who do not tend to take part in sport, including women and girls, disabled people, those in lower socio-economic groups and older people. Sport England's remit is being broadened to become responsible for sport outside school from the age of 5 rather than the current age of 14.

The policy will better reflect the value of broader engagement in sport, including volunteering and experiencing live sport.

The new strategy states that 'Local authorities will have an important leadership role to play, bringing schools, voluntary sports clubs, National Governing Bodies, health and the private sector together to forge partnerships, unblock barriers to participation and improve the local sport delivery system. Local authorities have, and will continue to have, an absolutely crucial role to play in delivering sport and physical activity opportunities'

In response to this, Sport England will produce their new Sport Strategy in March 2016, which will provide direction of how the DCMS strategy will be implemented on the ground, including the funding streams available to support.

Heritage Open Days

The 14th annual Tyne and Wear Heritage Open Days took place in 2015, as part of the national event. The Tyne and Wear event was co-ordinated by the Gateshead, Newcastle upon Tyne, North Tyneside, South Tyneside and Sunderland Councils, in association with Tyne and Wear Building Preservation Trust, NewcastleGateshead Initiative, NE1, Sunderland Heritage Forum, the Newcastle upon Tyne Association of City Guides and volunteers.

The event is only made possible by the generous time, effort and enthusiasm of all the volunteers at the participating buildings, tours and events. The programme included a very high quality and diverse range of 193 buildings in Tyne and Wear, tours and activities, including tours around the cells at Gateshead Old Town Hall in Gateshead. The Heritage Open Days National Partnership has now confirmed that the Heritage Open Days 2016 event will take place from 8-11 September 2016.

Gateshead Winter Festival

Several events have taken place as part of Gateshead Winter Festival and a summary is provided below:

Enchanted Parks, 9 – 13 December

Celebrating its 10th anniversary, Enchanted Parks welcomed over 18,500 visitors to Saltwell Park this year (Saturday unfortunately had to be cancelled due to the heavy snow – total tickets were 23,000). Nineteen regional, national and international artists and students from local universities transformed the park into a topsy-turvy dream-like world of flames, fantasy and magical surprises telling the story of Alice in Wonderland.

Volunteers supported the event across the evenings, providing guides in character to help visitors explore the evening trail. There was also an additional catering offer this year, with Saltwell Towers decorated and food themed to Alice in Wonderland.

Arctic Animations, 22 – 24 December

This unique winter installation at St Mary's Heritage Centre was organised in partnership with Tyneside Cinema. Four animations from across the world were shown with introductions and music from local artists Will Finn and Rosie Calvert. A wonderful set was created by artist Jude Thomas and visitors had blankets and hot chocolate for wintry comfort. All seven shows over the three days were sold out with over 700 visitors enjoying Arctic Animations.

Gateshead Town Centre Street Theatre Programme, 27 November – 19 December

This programme of street theatre was organised to entertain visitors to Gateshead Town Centre, and complement events programmed by Trinity Square. Eight theatre and music groups performed three times each Friday and Saturday, including the Crochet Brothers, Rockin' Robins, Christmas Crackers, Stilt-Walking Christmas Trees and Dunston Silver Band.

Festive Fair, 28 November

The Festive Fair at St Mary's Heritage Centre was a popular and seasonal craft fair with some unique and handcrafted Christmas presents and opportunities to sample festive food and drink. The event was supported by the St Mary's Heritage Group volunteers.

Art Workshops

The Gallery at Gateshead Library had festive themed art workshops in November and December, led by artists for families and adults in jewellery making, papercutting and glass decorations.

Winter Concerts

Tyneside Chamber Orchestra performed at St Mary's Heritage Centre on 5 December. The event was an evening of beautiful chamber music with a baroque programme featuring works by Bach, Corelli and Telemann. The Winter Piano Recital in the Caedmon Hall, Gateshead Central Library on 9 December, under the leadership of Venera Bojkova, was a Winter Recital showcase for local pianists who attend our monthly piano workshops.

The Snow Ball – Swing into Christmas!

This event, held at St Mary's Heritage Centre on 12 December, was a great success and enjoyed by all, with sensational swing music, dancing and Christmas cocktails.

Winter Warmer Wanders

More than 50 people took part in two walks between Christmas and New Year ending at St Mary's Heritage Centre.

4. CONCLUSION

The Council is asked to note this report.

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COUNCIL MEETING

4 February 2016

GATESHEAD METROPOLITAN BOROUGH COUNCIL

NOTICE OF MOTION

Councillor P Mole will move the following motion:

“Council notes the upcoming referendum on our membership of the European Union, which will occur before 2017 but which could be as early as June 2016.

Council welcomes the benefits that Gateshead residents receive from UK membership of the European Union, in particular:

- Job creation and growth
- Investment in the North East
- Protecting consumer and workers’ rights
- Supporting peace and security in Europe
- Improvements to the environment

Council notes, with concern, the risks involved in leaving the European Union and the impact that leaving would have on jobs and investment, as well as social and consumer rights.

Council requests that the Chief Executive explores ways in which the Council, working with partners, can further promote European investment in local projects, organisations and businesses.”

Proposed: Councillor P Mole

Seconded by: Councillor J McElroy
Supported by: Councillor K Dodds
Councillor B Goldsworthy
Councillor A Thompson

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COUNCIL MEETING

4 February 2016

GATESHEAD METROPOLITAN BOROUGH COUNCIL

NOTICE OF MOTION

Councillor R Beadle will move the following motion:

“Council requests the Chief Executive to investigate and report on the financial, operational and governance implications for the authority of:

- (1) the replacement of three member wards by two member wards
- (2) the replacement of election by thirds to all up elections every four years.”

Proposed:	Councillor R Beadle
Seconded by:	Councillor J Wallace
Supported by:	Councillor C Ord
	Councillor S Craig
	Councillor M Ord
	Councillor P Craig
	Councillor M Maughan

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COUNCIL MEETING

4 February 2016

GATESHEAD METROPOLITAN BOROUGH COUNCIL

AMENDMENT TO NOTICE OF MOTION

Councillor M Gannon will move the following amendment:

Delete all after 'for the authority of' and insert:

"a review of election arrangements. Such a review should be comprehensive and consider all options to reduce costs, including the number of councillors and the frequency of elections".

Proposed by: Councillor M Gannon

Seconded by: Councillor M Henry

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