

# Public Document Pack



All Members of the Council

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Date: 17 February 2016

## 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, 25 February 2016** to transact the following business:-

1. **North East Combined Authority - Proposed Devolution Agreement and Elected Regional Mayor** (Pages 1 - 44)
2. **Housing Revenue Account (HRA) and Housing Capital Programme** (Pages 45 - 74)
3. **Capital Programme 2016/17 to 2020/21** (Pages 75 - 98)
4. **Review of Fees and Charges 2016/17** (Pages 99 - 150)
5. **Budget and Council Tax Level 2016/17** (Pages 151 - 242)

**Jane Robson**  
Chief Executive

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## NORTH EAST COMBINED AUTHORITY – PROPOSED DEVOLUTION AGREEMENT AND ELECTED REGIONAL MAYOR

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Mike Barker, Strategic Director, Corporate Services and Governance

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### EXECUTIVE SUMMARY

1. On 23 October 2015, the North East Combined Authority (NECA) signed a proposed Devolution Agreement (the proposed Agreement) with the Chancellor of the Exchequer and Commercial Secretary, setting out the proposed transfer of significant powers for employment and skills, transport, housing, planning, business support and investment from central Government to the NECA. The proposed Agreement is intended to pave the way for further devolution in the future and for the reform of public services, including health and social care.
2. Included in the proposed Agreement set out in **Appendix 1** of the Report, is a proposal that the NECA becomes a Mayoral Combined Authority. This proposal, as with all aspects of the proposed Agreement, is subject to the formal consent of the NECA and its Constituent Authorities.
3. There has been extensive consultation with the public and business across the NECA area in relation to the proposed Agreement, including the proposal for of an Elected Mayor, to ascertain their views on the proposed Devolution Agreement. The extent of the consultation with the public and business and an update on the other conditional requirements of the proposed Agreement is set out in **Appendix 2** of the Report.
4. Notwithstanding the fact that all decisions relating to the proposed Agreement, including the proposal for an Elected Mayor for the NECA area, is a matter for the Cabinet of each of the Constituent Authorities, each of the Constituent Authorities Cabinets are to consult with their respective Councils so that the views of Council can be taken into account by each Cabinet when making a formal decision on whether or not to give consent to the proposed Agreement, including the proposal for an Elected Mayor.
5. On that basis, on 9 February 2016, Cabinet gave delegated authority to the Chief Executive, in consultation with the Leader and the Strategic Director, Corporate Services and Governance, to provide this report to Council outlining the proposals contained in the proposed Agreement and giving details of the consultation responses received by the NECA and the Constituent Authorities in relation to the proposed Agreement, along with any other relevant information.
6. The views of Council will be considered by Cabinet at a meeting in March 2016, when a formal decision is taken by it on whether or not to give consent to the proposed Agreement, including consent to the Secretary of State making an Order providing for the proposal for an Elected Mayor for the NECA.

## RECOMMENDATIONS

7. Council is invited to:

- (i) Note the contents of the proposed Devolution Agreement at **Appendix 1**, including the proposal that the North East Combined Authority becomes a Mayoral Combined Authority;
- (ii) Note the report providing an update on the conditional requirements of the proposed Agreement at **Appendix 2**;
- (iii) Express its views to Cabinet on the proposed Devolution Agreement, including the creation of a Mayoral Combined Authority for the North East Combined authority area, so that Cabinet, at its meeting in March 2016, can have regard to the views expressed by Council when determining the question of consent to the proposed Devolution Agreement, including the proposal for an Elected Mayor for the North East Combined Authority.



HM Treasury



# NORTH EAST DEVOLUTION AGREEMENT

## **DEVOLUTION AGREEMENT BETWEEN GOVERNMENT AND THE NORTH EAST**

This document sets out the terms of a proposed agreement between the North East Combined Authority Leadership Board and the Government to move forward with a radical devolution of funding, powers and responsibilities. Final agreement is conditional on the legislative process, the Spending Review, further public consultation, agreement by the constituent councils, and formal endorsement by the Leadership Board and Ministers early in the New Year.

The document we have negotiated together, set out alongside this statement, provides for the transfer of significant powers for employment and skills, transport, housing, planning, business support and investment from central government to the North East. It paves the way for further devolution over time, and for the reform of public services, including health and social care, to be led by the North East.

Devolution must deliver new opportunities for the people of the North East, helping to meet our Strategic Economic Plan to create 100,000 jobs. By prioritising Human Capital development, we will create a radical new approach to enhancing employment and skills, with devolved responsibility for adult skills, co-design of employment support for harder-to-help claimants, and partnership arrangements to create opportunities for young people.

The deal would enable the Combined Authority to create an Investment Fund focused on supporting the North East to compete in international markets, worth up to £1.5 billion, with an initial allocation of revenue funding for capital financing of at least £30 million a year for 30 years. The incoming Mayor would also have the option, with business support, to raise up to a further £30 million a year through a business rate supplement. The North East would in addition benefit from access to Local Growth Funding, from new Enterprise Zones, through the current bidding round, and from local leadership over European funding. Further details would be set out at and following the spending review through a place-based settlement and a single capital programme, demonstrating fair funding.

A Mayor for the North East would be established, working as part of the Combined Authority and subject to local democratic scrutiny, and with a strong partnership with business. Elections would take place in 2017. We will together review the appropriate relationship between the mayor and the role of police and crime commissioners.

We believe we can deliver a deal which is good for the North East, good for our individual communities, and good for the UK. It demonstrates the central role that the North East plays in delivering the ambitions of the Northern Powerhouse. We will now move forward to champion the progressive devolution which the North East demands and expects, with radical reforms of the relationship between the region and central government. Above all, we will help create new opportunities for the people of the North East, more and better jobs, and a greater say over their communities and their future.



HM Treasury

neca

north east combined authority

The Rt Hon George Osborne  
Chancellor of the Exchequer

Clr Simon Henig  
Chair of the Combined  
Authority and Leader of  
Durham County Council

Clr Mick Henry  
Vice Chair of the Combined  
Authority and Leader of  
Gateshead Council

Mayor Norma Redfearn  
Vice Chair of the Combined  
Authority and Elected Mayor  
of North Tyneside

Clr Nick Forbes  
Leader of Newcastle City  
Council

Clr Grant Davey  
Leader of Northumberland  
County Council

Clr Iain Malcolm  
Leader of South Tyneside  
Council

Clr Paul Watson  
Leader of Sunderland City  
Council

Paul Woolston  
Chair of the North East  
Local Enterprise Partnership

Lord O'Neill  
Commercial Secretary to  
The Treasury

## Governance

1. The proposal for a Mayoral Combined Authority is subject to the final formal consent of the Combined Authority (Leadership Board), the constituent councils, agreement of ministers, and to the Parliamentary process for the necessary primary legislation (The Cities and Local Government Devolution Bill and the proposed Buses Bill) and subsequent orders. This agreement is also conditional on the outcome of the Spending Review.
2. The Mayor will be the Chair and a Member of the North East Combined Authority and subject to the Authority's Constitution and associated procedures (to be amended in the light of the introduction of a Mayor). The powers contained in this deal document will be devolved from Government to the Mayoral Combined Authority. The Mayor will exercise certain powers with personal accountability to the electorate, devolved from central Government and set out in legislation:
  - Responsibility for a devolved and consolidated transport budget, with a multi-year settlement to be agreed at the Spending Review
  - Responsibility for franchised bus services and, through Rail North, franchised rail services, contributing to the delivery of smart and integrated ticketing across the North East.
  - Powers over strategic planning, including the responsibility to create a North East Planning Development Framework and to chair a new North East Land Commission to release land for development.
  - Powers to place a supplement on business rates to fund infrastructure, with the agreement of the local business community through the local enterprise partnership, up to a cap.
3. The North East Combined Authority (NECA), working with the Mayor, will receive the following powers:
  - To create a North East Combined Authority Investment Fund, bringing together funding for devolved powers and used to deliver a 15 year programme of transformational investment in the region.
  - Control of a new £30 million a year funding allocation over 30 years, to be included in the NECA Investment Fund and invested to boost growth.
  - Joint responsibility for an Employment and Skills Board, that will undertake a comprehensive review and redesign of the post-16 education, skills and employment support system in the North East, delivered through the area-based review of post-16 provision, devolution of adult skills funding by 2018/19 and co-design by Government and NECA of employment support for harder-to-help claimants
  - Responsibility for a devolved approach to business support from 2017, including further responsibility for UKTI export advice services, to be developed in partnership with Government.
  - Joint responsibility for the rollout of broadband across the North East.
  - Increased devolved responsibility for rural growth.
4. Other members of the North East Combined Authority Leadership Board (to be renamed as a Cabinet) will become portfolio leads for the Combined Authority's responsibilities, on the basis to be set out in its Constitution, and take on delegated powers as agreed with the Mayor. Cabinet portfolios will be established for all leaders, building on the existing arrangements established within the Combined Authority.



5. The Mayor for the North East will be elected by the local government electors for the areas of the constituent councils of the North East Combined Authority. Subject to parliamentary time allowing for the passage of legislation through parliament, the first election will be held in May 2017.
6. Proposals for decision by the Combined Authority may be put forward by the Mayor or any Cabinet Member. All members including the Mayor will have one vote. Any questions that are to be decided by the Combined Authority are to be decided by a majority of the members present and voting, unless otherwise set out in legislation. Decisions by the Combined Authority should have the support of the Mayor, unless set out otherwise in the Authority's Constitution, or specifically delegated to Cabinet members. The Cabinet will examine the Mayor's draft annual budget, plans and strategies and will be able to amend them if two-thirds of the members who have been appointed by the constituent authorities agree to do so.
7. The Overview and Scrutiny arrangements currently established for the Combined Authority will be retained, subject to any amendments required to reflect the introduction of the Mayor and any new statutory provisions.
8. Any transfer to the Combined Authority or Mayor of existing powers or resources currently held by the constituent authorities must be by agreement, unless set out in legislation.
9. The Combined Authority will work with partners across the North of England to promote opportunities for pan-Northern collaboration, including Transport for the North, to drive northern productivity and build the Northern Powerhouse.
10. Arrangements will be made to ensure a strengthened role for business working with the Mayor and Combined Authority.

## **Finance and Funding**

11. Future funding outcomes under this agreement should take account of:
  - a. The scale of opportunities presented in the overall devolution portfolio.
  - b. Ensuring the North East is not disadvantaged in relation to the fiscal freedoms granted to the Scottish Government.
  - c. Ensuring the North East does not suffer disproportionately from future reductions in funding through a fair funding settlement.
  - d. The ability for the Combined Authority to bid into any additional resources that becomes available over the 15 year period, on a fair and equitable basis.
12. The North East Combined Authority will create a fully devolved funding programme covering all budgets for devolved functions ("The North East Investment Fund"), accountable to the Combined Authority. The Fund will operate as a single programme, bringing together resources for economic growth, skills and employability, regeneration, transport and housing; including allocations from the Local Growth Fund

13. The Combined Authority will use the North East Investment Fund to deliver a 15 year programme (2016-2031) of transformational long-term investment. A minimum commitment of capital and revenue spending from Government will be set by agreement through the Spending Review.
14. As an initial allocation to the Investment Fund, an allocation of £30 million a year for 30 years (2016-46) in revenue funding for capital financing and other costs will be made, allowing the North East Combined Authority to create an investment fund up to £1.5 billion, subject to 5-yearly gateway assessments to confirm the investment has contributed to national growth. In addition, the Mayor will be given the power to place a supplement on business rates to fund infrastructure, with the agreement of the local business community through the local enterprise partnership, up to a cap. In the North East this could provide up to an additional £30 million a year in revenue funding to double the size of the Fund.
15. In addition, the North East will bring forward a proposal for consideration by Government for a single allocation of the Local Growth Fund to support a programme of investment, including an element of flexible revenue funding, committed over a 5 year period, and devolved to the Combined Authority.
16. The costs of the Mayoral Combined Authority will be met from within the overall resources devolved to the Combined Authority.
17. Where functions are agreed to be devolved or to be jointly accountable, the Spending Review will identify a fair level of revenue funding for those functions over the Spending Review period, in the form of a place-based funding settlement for the North East Combined Authority.
18. Within its powers and resources, the Combined Authority will have full flexibility, without reference to government departments, to:
  - a. Make multi-year commitments to projects and programmes
  - b. Secure substantial private and public sector leverage
  - c. Vire resources between projects and programmes, and across financial years
  - d. Use capital receipts from asset sales as revenue funding for public service transformational initiatives.
19. The Cities and Local Government Devolution Bill currently in Parliament makes provision which will govern further prudential borrowing for Combined Authorities. Following Royal Assent, Central Government will work with the Combined Authority to determine how these powers could apply within a framework of fiscal responsibility and accountability to the Combined Authority and local authorities.
20. The North East will receive additional Enterprise Zones and/or extension of existing zones, subject to the current bidding round for further Enterprise Zones.
21. The Combined Authority and Government will pilot a scheme which will enable the Combined Authority to retain all business rate growth that would otherwise have been paid as central share to government, above an agreed baseline, for an initial period of five years. Government and the Combined Authority will also discuss wider localisation of business rates.

22. The Government agrees to delegate to the North East Combined Authority project selection powers for the European Regional Development Fund and the European Social Fund. The Combined Authority will be granted Intermediate Body status to deliver these delegated powers. This will allow the North East to integrate and align investments with other aspects of the devolution deal, to select projects for investment, to improve performance and maximise economic impact. The Government will work with the Combined Authority to agree the detail of this delegation and, subject to agreement, it is expected to begin from April 2016.
23. Government will ensure fair funding for the constituent authorities, and the Combined Authority will publish an annual report setting out the overall extent of, and prospects for, public funding within its area.

## **Human Capital Development**

24. The North East Combined Authority will create an integrated employment and skills system tailored to the specific needs of the area, and thereby raise labour market participation and skills at all levels, to increase productivity, improve the life chances of young people, help people into work and meet the skills shortages experienced by North East employers.
25. This process will be overseen by an Employment and Skills Board with dual accountability to both the North East Combined Authority and to Government. The Board will bring together relevant senior representation from the Combined Authority; the Department for Business, Innovation and Skills; Department for Education; Department for Work and Pensions; the Regional Schools Commissioner (with their agreement); appropriate representation from business; and, HM Treasury. The Board will be chaired by the Commercial Secretary to the Treasury, Lord O'Neill.
26. The Board will:
  - a. Undertake a comprehensive review and redesign of the post-16 education and skills system and employment support for harder-to-help claimants in the North East. This will encompass the current area-based review of post 16 education and training institutions. The Board will subsequently evaluate the strategic fit and effectiveness of this system in meeting the future needs and demands of the local labour market.
  - b. Facilitate the full devolution to the Combined Authority of the 19+ adult skills budget, at the latest by 2018, subject to agreement on readiness to take on these responsibilities.
  - c. Develop key local strategies and plans for post-16 learning provision.
  - d. Collaborate to maximise the opportunities within the North East presented by the introduction of the apprenticeship levy and any annual underspends within the national Employer Ownership of Skills pilot programme (subject to the Spending Review).
  - e. Actively stimulate, promote and champion initiatives that seek to strengthen and deepen partnerships between education and business to provide a focus upon economically-driven activity, such as vocational training (including 19+ apprenticeships and traineeships); experience of work; and, enterprise learning.

- f. Facilitate joint responsibility between Government and the Combined Authority to co-design the future employment support from April 2017 for harder-to-help claimants, many of whom are currently referred to the Work Programme and Work Choice.
  - g. Examine the case for further devolution of employment and skills powers and budgets and bring forward proposals to government for potential transfer of accountability to the North East Combined Authority, in time to implement any resulting reforms by April 2019.
27. The Combined Authority will create a Service Transformation Fund, to support early intervention to support individuals and families with complex needs, to reduce high dependency on public services and support economic participation, supported by a data sharing agreement and other measures to promote the integration of local public services.

### **Supporting and Attracting Business and Innovation**

28. The North East Combined Authority will simplify and strengthen the support available for business growth, innovation and global trade in the North East in order to create more and better jobs. To deliver this commitment:
- a. Working within the scope of existing contracts (2015/16 and 2016/17), the Government will work with the North East to align the Business Growth Service and other national services with local business support through its Growth Hub, to give businesses a joined-up, simplified service that meets their needs. The North East will take full responsibility for a devolved approach to business support from 2017 onwards.
  - b. The Government and North East Combined Authority will work to devolve further responsibility for UK Trade and Investment (UKTI) Export Advice services. This will include ring-fencing and a dual key approach to activities, and enhanced reporting on outputs and outcomes by UKTI.
  - c. Government and the Combined Authority will take joint responsibility for the delivery of inward investment into the region. There will be a strengthened partnership between locally delivered services and UKTI, with a quarterly board to follow-up on progress. The Government will consider the case for creating a Northern Powerhouse hub for foreign investment, in discussion with key partners including the North East. This approach will be focused on maximising high level jobs and long-term economic impact.
  - d. Government will offer the Combined Authority expert advice and support to put forward a strong proposal for a science and innovation audit. The audit would allow the Combined Authority to work with its universities and businesses to map the strengths of the North East. This would provide a new and powerful way to understand the region's strengths and how to maximise the economic impact from the UK's research and innovation investment nationally. The audit would, for example, provide Government with part of the evidence base on which to make decisions on any further catapults and could be used to explore the North East's potential in smart data.

29. Government and the Combined Authority will agree a joint programme to create the right environment to drive the commercial rollout of ultrafast broadband following successful testing and to ensure 4G services are available to at least 95% of the North East's population. Government will also support the Combined Authority to reinvest funds into creative solutions to supply superfast broadband to remaining premises. The Combined Authority will work with businesses and universities in the North East to develop applications for 5G technology.
30. The Combined Authority will commission a feasibility study into the establishment of a National Smart Data Institute in the North East.

### **Health and Social Care Integration**

31. The North East Combined Authority and the NHS will jointly establish a Commission for Health and Social Care Integration, chaired by a senior national figure, to establish the scope and basis for integration, deeper collaboration and devolution across the Combined Authority's area, in order to improve outcomes and reduce health inequalities. It will report by Summer 2016. Terms of reference, agreed between the Combined Authority and NHS England, are attached.
32. The Commission will look across the whole system, including acute care, primary care, community services, mental health services, social care and public health. It will strengthen the NHS in the North East Combined Authority area, and continue to uphold its values, standards and constitution. The commission will build on best practice, including pioneer status, and the experience of integration in Northumberland.

### **More and Better Homes**

33. The Combined Authority and its constituent authorities will support an ambitious target for the increase in new homes, and will report annually on progress against this target. To ensure delivery of this commitment, the Combined Authority and Government agree to:
- a. Establish a North East Land Board to review all land and property held by the public sector, and all suitable brownfield land, to identify surplus land in suitable locations for housing or economic development use.
  - b. Devolve statutory planning powers, including Compulsory Purchase Order powers and those powers available to the Homes and Communities Agency. These powers would be exercised, where needed, by the Mayor, with the consent of the Combined Authority and member(s) appointed to the Combined Authority by the relevant local authority in which the powers are exercised, to drive housing delivery and improvements in the stock of housing in the North East.
  - c. The creation of a North East Planning Development Framework (not a regional spatial strategy) led by the Mayor, to enable the constituent authorities to deliver on housing growth. This will create an overarching framework for development in the North East, delivering the National Planning Policy Framework according to the specific needs of communities in the North East, supporting local development frameworks, and incorporating the duty to cooperate between the constituent local authorities.
  - d. Support effective close working between the Housing and Communities Agency and the Combined Authority to ensure a focus on delivering housing on growth sites within the region.

## Transport

34. The Mayor and the Combined Authority, will create the UK's first fully integrated transport system, with the ambition to bring together responsibilities for rail, local highways, metro, buses and ferries, for both urban, sub-urban and rural communities. To achieve this ambition:
- a. The Government is bringing forward legislation, as part of the Cities and Local Government Devolution Bill, to allow for the devolution of transport powers and funding to the Combined Authority to be exercised by the Mayor.
  - b. Specific delivery arrangements will reflect the particular transport needs and challenges of areas within the region, including the option for the Mayor to delegate specific responsibilities to the Combined Authority or individual Cabinet members, for example over rural transport.
  - c. Government will devolve a consolidated local transport budget with a multi-year settlement to be agreed at the Spending Review, including all relevant local highways and sustainable travel funding.
  - d. Government will consider establishing and devolving a long-term funding programme to support investment in the Metro. This will include, :
    - a. Considering, through the spending review, setting a multi-year funding allocation for Metro reinvigoration phase 2, committed up to 2020-21,
    - b. The Combined Authority producing a business case, for consideration by Government, for investment in the Metro network to 2030, including the upgrade of the Metro fleet, potential expansion, and future integration of the Metro with the rail network.
  - e. Rail North will, in partnership with DfT, assume full responsibility for oversight of the Northern and TransPennine Express franchises from April 2016, with the aim of delivering further improvements in rolling stock quality, frequency and quality of services, and new connections. As part of this arrangement, the Mayor and Combined Authority, with Tees Valley, Cumbria and North Yorkshire, will oversee rail matters included within the North East Business Unit area. As part of this, the Combined Authority and Government will consider a business case for the re-establishment of passenger services on the Ashington, Blyth and Tyne line.
  - f. Longer-term, the Mayor and the Combined Authority, will bring forward a business case, for consideration by Government, for the unification and full devolution (beyond the forthcoming Northern franchise) of the management of rail and metro services within the North East, with the aim of creating the UK's first integrated regional rail network combining light and conventional rail.
  - g. The Mayor and the Combined Authority will deliver a fully multi-modal smart ticketing and transport information network across the North East, aligned with the plans of Transport for the North on the implementation of integrated smart ticketing across the North.

- h. The Combined Authority will take forward, in accordance with the quality contract process, its existing proposals for the franchising of bus services from 2017, with the ambition for further extension to communities in Durham and Northumberland. Government will work with the Combined Authority to support the delivery of effective bus services in the North East, with the option for the Mayor to use additional powers through the Buses Bill, subject to necessary legislation and local consultation.
- i. On strategic, inter-regional transport issues and investment, DfT, Network Rail, Highways England and HS2 will continue to work with the North East Combined Authority and Mayor through Transport for the North, which will be put on a statutory footing by 2017.
- j. To support better integration between local and national networks, the Government and the North East Combined Authority will enter into joint working with Highways England and Network Rail on operations, maintenance and local investment through a new joint agreement on the delivery of investment and operations, which will be established by 2016.

### **Rural Growth and Stewardship**

- 35. Government will support the existing North East Rural Growth Network and approved LEADER programmes, and will work towards the devolution of rural growth programmes to the North East, including closer coordination of future stewardship and environmental programmes, to a timetable to be agreed by 2016.
- 36. The Government will explore with the Combined Authority and Northumberland National Park Authority the options to give the Park Authority greater commercial freedom.

### **Regulatory Powers**

- 37. Government and the Combined Authority will review which regulatory and planning powers that are currently held by ministers and public authorities should be transferred to the Combined Authority, to be exercised with the agreement of, or following a proposal from, the constituent authority or authorities in which those powers are applied. The powers to be reviewed include those that:
  - a. support the Combined Authority's transport, regeneration and housing functions;
  - b. promote safe and high quality neighbourhoods and town centres;
  - c. support housing growth;
  - d. support improvements in the quality of housing and challenge poor quality landlords; and
  - e. promote public health by addressing obesity, smoking and substance misuse

### **Events**

- 38. The Combined Authority will work with the Government to identify ways for the North East to play a major role in the UK's programme of business, cultural and sporting events.

## Other areas

39. This deal represents a first step in a progressive process of devolution of funding, powers and responsibilities to the North East. As well as the areas set out in this deal, the Combined Authority and Government will consider further opportunities for devolution, including but not limited to:
- a. Business cases for the relocation of significant government functions from London to the North East;
  - b. Devolution of funding and assets held by central government which could be devolved to support faster housing and regeneration;
  - c. Devolution of climate change initiatives, support for investment in energy efficiency and technological development;
  - d. Measures to implement the Prime Minister's commitment to protect Newcastle Airport from the impact of devolution of Air Passenger Duty to Scotland;
  - e. Opportunities for joint initiatives between the North East and Scotland, in areas such as tourism, culture, transport and industrial collaboration.
  - f. Proposals for an appropriate relationship between the functions of a Mayor and future role of the Police and Crime Commissioners, including in relation to fire services, to be developed, subject to local consent and a business case developed jointly by PCCs and council leaders, and in consultation with the Fire and Rescue Authorities.

## Delivery, Monitoring and Evaluation

40. The North East Combined Authority will work with the Government to develop an agreed implementation, monitoring and evaluation plan in advance of implementation, which sets out the proposed approach for evaluating the impact of devolution.
41. The North East Combined Authority and Government will agree a process to manage local financial risk across local public bodies and will develop written agreements to agree accountability between local and national bodies on the basis of the principles set out in this document.
42. The provisions of this deal will be monitored by a Steering Group of senior officials from the Combined Authority and Government, meeting at least quarterly, with any issues of concern escalated to Ministers and Leaders to resolve, in keeping with the letter and spirit of this deal.



## **NE COMBINED AUTHORITY AND THE NHS**

### **COMMISSION ON HEALTH AND SOCIAL CARE**

#### **TERMS OF REFERENCE**

The North East Combined Authority and the NHS will jointly establish a Commission for Health and Social Care Integration, chaired by a senior national figure, to establish the scope and basis for integration, deeper collaboration and devolution across the Combined Authority's area<sup>1</sup>, in order to improve outcomes and reduce health inequalities.

The Commission will look across the whole system, including acute care, primary care, community services, mental health services, social care and public health. It will strengthen the NHS in the North East Combined Authority area, and continue to uphold its values, standards and constitution.

Membership will be determined by agreement, and include representation from the Department of Health, NHS England, the Combined Authority, Clinical Commissioning Groups, the Voluntary and Community Sector, and Providers.

The Commission will produce a report, by Summer 2016, setting out the case for further devolution and integration, and the steps that would be required to deliver them, with a view to:

- Ensuring that the system is financially sustainable, with a clear and credible plan, by identifying areas for investment of the North East's fair share of the additional resources available for the NHS, demonstrating how efficiencies can be secured through integrated delivery of services and service transformation, and reinvesting savings to improve health outcomes.
- Establishing a mechanism for the North East to input into decisions about the use of NHS capital investment in the area.
- Advising on which additional services commissioned by NHS England might be suitable for either co-commissioning with CCGs or for devolution, driven by a principle of subsidiarity.
- Setting out a plan for improvement of public health outcomes across the North East, narrowing health inequalities within and beyond the region.

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<sup>1</sup> "North East" in this context means the area covered by the North East Combined Authority (Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland).

- Establishing a close link with the Combined Authority's proposals for devolution of human capital development, in particular measures to address worklessness and inequality; assessing the feasibility of options for the devolution of powers to address public health challenges, including obesity, smoking and substance misuse; and linking to plans for innovation and economic growth.
- Proposing the most appropriate governance mechanism for devolution or joint accountability arrangements for any aspect of NHS spending, commissioning and performance management which the Commission recommends are devolved.
- Establishing the basis for democratic, legal and financial accountability to local leaders and communities and to NHS England, ministers and parliament.
- Developing an appropriate joint management regime between councils and NHS partners, effective operational and risk management arrangements, and a clear plan and timeline for transition.
- Ensuring that service delivery operates on the basis of subsidiarity, with local partnerships meeting the diverse needs of local communities on the basis of clear locality plans executed within an agreed framework.
- Recognising interdependencies and involving health and social partners in surrounding areas which would potentially be affected, or where there is potential benefit from delivering services in partnership.
- Identifying opportunities to accelerate progress in implementing the Five Year Forward View, building on existing initiatives.

In recognition of the progress already made towards integration and new models of care by particular areas in the North East, the Commission may make recommendations that allow for a faster pace of change in areas that have already made significant progress.

Any resulting devolution proposals will need to be formally agreed by the Combined Authority and either the NHS England Board (thereby ensuring consistency with NHS England's principles and criteria for devolution) or, depending on the nature of the proposal, the Department of Health.

## CONDITIONAL REQUIREMENTS OF THE PROPOSED DEVOLUTION AGREEMENT

### Background

#### The Proposed Agreement

1. The proposed Agreement is attached to this Report at **Appendix 1**. The proposed Agreement is clear that it is conditional on a number of factors, including the legislative process, outcome of the Spending Review, further public consultation, agreement of the Constituent Authorities and final formal consent of the NECA.
2. In relation to the proposal for an Elected Mayor, the proposed Agreement states that “A Mayor for the North East would be established, working as part of the Combined Authority and subject to local democratic scrutiny, and with a strong partnership with business. Elections will take place in 2017.” There is therefore a clear expectation from Government that the NECA will have an Elected Mayor by 2017. The devolution of powers is therefore conditional on the establishment of an Elected Mayor.
3. Each of the Combined Authority areas that entered into a proposed Devolution Agreement with the Government set out what powers it was envisaged the Elected Mayor would have. Insofar as the NECA is concerned it is proposed that the Mayor would have personal accountability for the following:-
  - Responsibility for a devolved and consolidated transport budget, with a multi-year settlement to be agreed at the Spending Review.
  - Responsibility for franchised bus services and, through Rail North, franchised rail services, contributing to the delivery of smart and integrated ticketing across the North East.
  - Powers over strategic planning, including the responsibility to create a North East Planning Development Framework and to chair a new North East Land Commission to release land for development.
  - Powers to place a supplement on business rates to fund infrastructure, with the agreement of the local business community through the Local Enterprise Partnership, up to a cap.
4. The Leadership Board, made up of the Leaders and Elected Mayor of the Constituent Authorities would be renamed as the ‘Cabinet’ of the NECA (NECA Cabinet) and, working with the Elected Mayor, would have the following powers:-
  - To create a North East Combined Authority Investment Fund, bringing together funding for devolved powers and used to deliver a 15 year programme of transformational investment in the region.
  - Control of a new £30 million a year funding allocation over 30 years, to be included in the NECA Investment Fund and invested to boost growth.
  - Joint responsibility for an Employment and Skills Board, which will undertake a comprehensive review and redesign of the post-16 education, skills and employment support system in the North East, delivered through the area-

based review of post-16 provision, devolution of adult skills funding by 2018/19 and co-design by Government and the NECA of employment support for harder-to-help claimants.

- Responsibility for a devolved approach to business support from 2017, including further responsibility for UKTI export advice services, to be developed in partnership with Government.
- Joint responsibility for the rollout of broadband across the North East.
- Increased devolved responsibility for rural growth.

5. Although the Mayor would become the Chair and a member of the Cabinet, which would also include the Leaders and Elected Mayor of the Constituent Authorities, all elected Cabinet members would have the same voting rights with no casting vote for the Chair. Further detail in relation to proposed arrangements for future decision making within the NECA are set out in The Legal section below.
6. The NECA Cabinet will also be permitted to examine the Mayor's draft annual budget, plans and strategies and will be able to amend them if two-thirds of the members agree to do so.
7. The proposed Agreement then sets out in more detail the proposed powers to be devolved from central Government, either to the Elected Mayor or the NECA Cabinet.
8. Dealing with each of these conditional requirements set out on **paragraph 1** in turn:-

### **Final Formal Consent**

9. The formal consent to the NECA becoming a Mayoral Combined Authority will be considered by Cabinet at a meeting in March 2016, taking into account the outcome of the consultation exercise and the views of Council. Ultimately however, the question of consent to the creation of a Mayoral Combined Authority is a matter for Cabinet alone. It will also be necessary for the NECA Leadership Board to give consent to the NECA becoming a Mayoral Combined Authority and to an Order being made providing for the proposal for an Elected Mayor for the NECA. This decision will be made following the decisions of each individual authority's Cabinet.
10. An Order providing for the NECA to have an Elected Mayor can only be made by the Secretary of State if the NECA and at least two Constituent Authorities consent to such an Order being made.
11. If the proposals proceed with a reduced number of Authorities, any non-consenting Constituent Authorities must be removed from the NECA by an Order of the Secretary of State.
12. Given the significance of the decision that Cabinet will take in March 2016, Cabinet has sought to ascertain the views of Council regarding the proposals.

### **Agreement of Ministers and to the Parliamentary Process for the necessary primary legislation**

13. The Cities and Local Government Devolution Act received Royal Assent on 28 January 2016 and will be in force in late March 2016. This provides the power to the Secretary of State to establish Mayoral Combined Authorities provided the consent of the relevant authorities has been given.

### **New Secondary Legislation (“Orders”)**

14. To bring into effect a new Mayoral Combined Authority, including provision for an election of a Mayor proposed for May 2017, the allocation of new powers and responsibilities to the NECA and the allocation of some of those responsibilities to a new Mayor, the extension of the powers of the Overview and Scrutiny Committee to provide for “Call-in” and any necessary amendments to the original NECA Order, new secondary legislation will be required. The Department of Communities and Local Government have advised that the legislation is proposed to be created in two phases, an initial Order providing for the change to a Mayoral Combined Authority and the timing of an election of a Mayor (and term of office) and subsequent Orders providing for the remaining matters outlined above. For the proposed timetables to be achieved, DCLG have advised that the initial Order must be in place by 4 November 2016 and so commence relevant Parliamentary processes in early May and be laid before Parliament prior to the summer recess. Subsequent Orders, which require additional public consultation before being made, must be in place early in 2017. The substance of the Orders would need to be agreed by the Authorities’ before they progress through Parliament.

### **Finance and other resources**

15. The Devolution agreement includes the provision of a revenue grant of £30million a year for 30 years to help create a transformational North East Investment Fund. This extra grant of £900million is equivalent to an extra £997 per dwelling across the NECA area over 30 years. The ‘revenue’ nature of this grant provides the opportunity to significantly increase the level of investment that can be delivered over the initial 15 year period, with the grant received in the last 15 years helping to finance the upfront capital loan for investment, as well as funding some new investment over the last 15 years of the scheme.
16. Our proposed Agreement includes the flexible use of the grant to finance an accelerated capital investment programme and to provide an investment fund, to support business growth, while generating income that could be reinvested over the period. This approach could significantly increase the level of investment that can be actually delivered with this grant. It is estimated that this could be between £1,000million to £1,400million in the first 15 years; rising to between £1,600million to more than £1,800million over the whole 30 year period. The flexibility of this grant funding has the potential to boost the level of investment from the £900m cash receivable to the figures shown above, because of the ability and opportunity to recycle and reinvest some of the grant several times over the full 30 year period.
17. The range of potential investment reflects a level of uncertainty over the details of the gateway arrangement in future years and the level of recyclable investment that can actually be achieved. The level of additional investment that could be generated from the £30million a year extra grant does not include the substantial level of private or public sector investment that could also be generated.

18. This grant is subject to a gateway test every 5 years and NECA is working with the Government to ensure that the gateway test is reasonable to enable the maximum grant to be released over the period and to give the funding certainty needed to support prudential borrowing for capital investment purposes. A pipeline of potential capital projects and opportunities for Investment and Business Finance are currently being developed for consideration by the NECA Leadership Board later this year, with decisions for investment in future years being taken by the NECA Cabinet, which will include the Mayor.
19. This grant is also intended to fully cover the costs of the devolution agreement, including the cost of the capacity needed to achieve the devolution objectives; the cost of mayoral elections and the costs of the mayoral combined authority in the next two years. The legislation enables the Mayor to raise a council tax precept in the following years to fund the cost of the Mayor's budget. The earliest that this could occur is likely to be 2018/19. It is unclear what these cost will be, as this will be a decision to be made by the elected Mayor and the level of any precept is likely to be constrained by limits to be determined by the Government. To put this in context, a purely illustrative £1million budget could be funded by an average Band D council Tax precept of around £2 a year for every dwelling in the NECA area. This would be equivalent of a council tax increase of less than 0.2%.
20. The costs that will need to be incurred and funded from within the £30million annual grant over the first two years will be the cost of the Mayoral election (indicatively estimated at around £2million) and the cost of the capacity needed to develop and deliver the devolution agenda and the various work streams. This is indicatively estimated at between £1.5million and £2million a year, and will be subject to the activity that may be required following the Health and Social Care Commission report and the activity needed in 2017/18 in order to devolve skills funding from 2018/19.
21. The Mayor would also have the opportunity to raise a supplementary business rate from 2018/19 or in future years, with the support of business, to fund major infrastructure projects, within a cap set by the Government. There would be flexibility about the geographic area that this could cover and the types of businesses that would be asked to pay the supplement. The nature of any proposal would be a matter for the Mayor to decide, in consultation with the NECA Cabinet and the business community. The level of infrastructure investment that this could generate is potentially substantial, but would come from within the region and as the level of funding is uncertain, it has not been included in the additional investment figure.
22. The agreement enables NECA to submit a proposal for a 5 year Local Growth Fund grant. The multi-year nature of the grant would provide greater funding certainty and flexibility and greater local control over how the money is to be invested, which should help accelerate the delivery of high priority capital investment programmes. The national level of available funding is expected to be confirmed after the March 2016 Budget and the proposal that is being developed will seek to continue the region's success in securing an above average share of this resource, which could range from £120million to £260million over the next 5 years, subject to the level of national resource that is available.
23. Work is underway to secure a substantial place based delegated Transport Budget for 2016/17 onwards, including highway and transport capital and revenue grants.

The scale of this budget is expected to be announced shortly and this resource would also be included in the Investment Fund.

24. NECA will also receive 100% of business rates growth over the next five years, without any loss if business rates fall in some of the constituent authorities. At this stage it is not prudent to prejudge the level of growth that could be secured and it is likely that it will be relatively modest. Decisions on the use of any growth will be taken in future years once the income has been secured.

#### A Fair Funding Settlement

25. The Devolution agreement included a clause ensuring the North East does not suffer disproportionately from future reductions in funding through a “fair funding settlement”. The 2015 Spending Review made clear that austerity will continue for Local Government until at least 2020. The results of the Local Government Revenue Grant Settlement for 2016/17 did not change the fact that North East has been the hardest hit by the withdrawal of Government funding since 2010 and has had the largest cut in spending power, while facing above average cost pressures.
26. The provisional grant settlement for 2016/17 published in December 2015 was ‘fairer’ than in previous years, in that the average percentage cut in total Grant and Business Rate income funding for Councils in the NECA area was below the national average. However, the cut in ‘core spending power’, which includes the ability of councils to raise income from council tax is still showing a slightly higher cut than in other regions, although the difference is less than in previous years. However, the inclusion of an additional £150million of transitional grant and extra rural grant funding in the final settlement took no account of the ability of councils to raise council tax income, and as a result gave additional funding to some of the wealthiest areas of the country. This resulted in the NECA area receiving only £0.3million of the extra transitional grant funding while Surrey County Council alone received nearly £12million. This meant that the cut in grant and business rate income in the 2016/17 Final Local Government Settlement for the NECA area of -9.7% was slightly higher than the national average cut of -9.6%. The cut in ‘core spending power’ in 2016/17, which includes an assumed increase in council tax income, for the NECA area is -£61.7million, -£68/dwelling (-3.6%). This is higher than the national average cut in ‘core spending power’ of -£43/dwelling (-2.3%).
27. The indicative grant settlement information covering the next four years shows that the reduction in grant and estimated business rate income announced for the NECA area by 2019/20 is £196million, (-19.8%). This is proportionately less than the national average grant and business rate income cut, which is (-24.5%). This is an improvement on the previous four years, where grant cuts were disproportionately higher than the national average. When estimated council tax income is also included, DCLG’s indicative figures for core spending power in 2019/20, show a cut of £32m, which is a cut of £36 / dwelling (-1.9%). This is a higher cut than the estimated national average cut of £8 / dwelling (-0.4%). The estimated change in spending power for individual councils does vary across the area.
28. The region is expecting to face higher cost pressures, due to the higher demand on services in the region, which is no longer adequately taken into account in grant distribution. This would mean that the real gap between spending power and spending pressures would be even higher.
29. The improvement in the fairness of the grant distribution within core spending power is not directly linked to the Devolution agreement itself. The NECA area still faces

an above average reduction in its estimated core spending power, once the lower ability of councils to raise income from council tax and differences in spending pressures is properly taken into account. These are important issues and opportunities to further improve the fairness of the funding settlement will be the subject of future discussion with the Government as part of the consideration and consultation on changes to the Local Government funding arrangements.

30. There is no evidence that the NECA area has suffered disproportionately in other grant funding decisions.

## **Legal**

31. All decisions relating to the proposed Devolution Agreement including formal consent on behalf of the Authority to the Agreement being implemented including the proposal for an Elected Mayor for the NECA are the responsibility of Cabinet.
32. The Cities and Local Government Devolution Act 2016, enables the creation of Mayoral Combined Authorities. A key principle of the legislation is that changes to the powers and responsibilities of the NECA (and therefore an elected Mayor) can only proceed with the agreement of the Constituent Authorities of which Gateshead Council is one, together with the Combined Authority itself. In addition, the introduction of an elected Mayor for a Combined Authority and the allocation of specific decision making responsibilities to a Mayor require the consent of the Constituent Authorities and the NECA. These responsibilities will then be established in legislation. Any responsibility which is not specifically allocated to the Mayor remains the responsibility of the Leadership Board which will be renamed the Cabinet.
33. The proposed devolution agreement provides that the Mayor will be the Chair of the Cabinet but the Mayor will not have a casting vote. Unless there is a contrary intention set out in the legislation, or NECA's Constitution, any decision taken by the NECA should have the support of Mayor. This does not mean that the Mayor has a veto regarding the NECA Cabinet matters, merely that it is expected that the Mayor will support such decisions. This will need to be enshrined in the Constitution. Decisions taken by the new Cabinet and decisions that are the responsibility of the Mayor are to be subject to "Call in" by the Overview and Scrutiny Committee. Where a Mayor is not supportive of decision taken by Cabinet, they will also have the power to ask for such a decision to be reconsidered but, if reconfirmed, the matter will proceed without Mayoral support. The current NECA Order provides for some decisions to be taken on a unanimous basis but such stipulations are proposed to be adjusted to require 2/3 majority under the proposed new arrangements.
34. Decisions in relation to the responsibilities of the NECA (Cabinet) may, like now, be taken by Committees, sub Committees and Officers if delegated. A Mayor would also have the option to delegate their decision making responsibilities.
35. The responsibilities of the Mayor not otherwise funded through government grants will be funded through a precept. The budget proposed by the Mayor for their responsibilities may be changed with the agreement of 2/3 of the Constituent Authorities' Leaders/Elected Mayor on the Cabinet. The budget for the remaining responsibilities of the NECA will be funded in accordance with the current



arrangements through by government grants, Constituent Authority contributions and appropriate levies.

## Consultation and community engagement

### Gateshead Consultation

36. Gateshead hosted a local facilitated event in November 2015, one of six taking place across the NECA area. In total 374 people attended these local events. This followed on from a local event in March 2015 which was part of the earlier consultation on the publication of the initial devolution proposals prior to the proposed devolution agreement.
37. Four key questions formed the basis of the consultation; however, the discussion was cross-cutting and the feedback below therefore highlights the key emerging themes, including views on the proposals, suggestions for additionality and some issues to be considered further.
- a) **Governance:** There was wide discussion on governance issues at all events across the region. In particular, queries on the power of the elected mayor and future governance arrangements of the Combined Authority. Discussions stressed the need for clarity regarding scrutiny and monitoring, the balance of power and decision making both within the Combined Authority and between the NECA and the constituent authorities. This also including ensuring that local authorities do not lose powers in the future.

Questions were raised about the selection and election of the elected mayor, as well as future cost of the mayor and administrative office. It was suggested that governance should be discussed in more detail at future events.

- b) **Finance and Funding:** Participants at four events questioned the impact that the £30m per annum funding for 30 years covering seven local authority areas would have. The impact of the comprehensive spending review was also raised.

Suggestions for discussion with government in the future included:

- Tax raising powers
- The equity of central government funding to the north east compared to other regions

It was suggested that future events should discuss resources and fair funding in more detail.

- c) **Business:** Discussions stressed the need to focus on economic growth, including encouraging enterprise, inward investment and innovation. Participants at four events also discussed the need to have a clear relationship with the LEP.
- d) **Employment, skills and education:** Participants across the region raised specific issues around: the skills shortage, job creation and ensuring a range of employment opportunities exist across the area.

The need to review and reorganise post-16 education and apprenticeships to broaden opportunities was highlighted. The need to link with pre-16 education

providers to ensure they feed into the range of opportunities available was also highlighted.

- e) **Health and Social Care:** Participants across all events discussed the importance of health and social care, stressing a need for further information particularly in relation to government funding and sustainability. The governance of the proposed Commission for Health and Social Care was discussed including how the various partners will be able to influence and shape the direction and decisions.

The question of how the inclusion of health and social care in the proposals would improve the quality of health care was raised, including how this would be measured.

- f) **Engagement:** Participants across all events discussed communications and engagement and stressed the need to raise awareness of the North East Combined Authority amongst the public. It was emphasised that there should be a continued dialogue and messages should be clear, simple and impartial. Suggestions included themed events and reaching out to communities. There was particular emphasis on the need to involve the following groups:

- The voluntary and community sector - the need to understand the voluntary sector was stressed to ensure the sector is able to contribute to delivering the proposals.
- Parish and Town Councils
- Young people.

- g) **Transport:** There was strong support for the inclusion of an integrated transport infrastructure, including rural areas and single ticketing with a regional coordinating body. The key link between the transport network and access to work and training was also highlighted.

- h) **Boundaries and Geographical issues:** The boundaries of the Combined Authority were discussed, including the size and diverse needs of the area as well as the urban and rural mix. The fact that the combined authority boundary is not coterminous with organisational boundaries such as Fire and Police was highlighted as a particular issue for consideration.

- i) **European Funding** The most significant issue raised was in relation to accountability.

- j) **Additional Areas:** Participants were asked to identify additional areas to consider in future discussions with Government on extending devolved powers. The key areas identified were culture and tourism, which, it was stressed, should feature as an element in the current agreement given its key economic role. There were also suggestions that the environment and housing should be included as key themes.

- k) **Stakeholder engagement:** Stakeholders were asked what they saw as their role in the implementation of the proposals. A range of issues about engagement, communications and future governance emerged.

- The need for community engagement
- The role of the voluntary sector, trade unions and partners such as health, police, fire service, universities
- Links to Town and Parish Councils

- The importance of clear and ongoing communication messages using existing networks.

38. Gateshead undertook a survey on the consultation portal of Gateshead Council's website between 4 December and 30 January 2016. There were 81 responses submitted with 62% agreeing with the focus of the proposed agreement. 38% of respondents suggested other areas to consider as part of the devolution agreement. These ranged from a fairer share of funding for Gateshead and the North East, private landlords, economic planning, education and health. 90% of responses were from Gateshead residents, with the remainder coming from business and VCS sector. Feedback from the survey aligned with the results of the local consultation events outlined in paragraph 28. Other comments made included;
- Clarification on the role and responsibilities of an Elected Mayor
  - Questioning the need for further devolution in the region and references to the previous referendum.

### **External Consultation/Engagement**

39. The North East Combined Authority has undertaken a wide range of consultation and engagement activity over the last year to obtain views on the devolution proposals. This has generated over 750 responses using a variety of consultation methods across a wide range of public and private sector stakeholders, the voluntary and community sector and members of the public, in addition to consultation activity undertaken at local level.
40. Consultation on the devolution proposals took place in two phases – in March 2015 on the initial proposals, then between November 2015 and January 2016 on the proposed devolution agreement. A range of methods was used to gather views, including:
- a) A series of local facilitated events across the NECA area
  - b) A regional stakeholders event
  - c) A trade union event
  - d) A Voluntary, Community and Social Enterprise Sector event
  - e) Meetings of the NECA Overview and Scrutiny Committee
  - f) A meeting of North East MPs and Lords at Westminster
  - g) The opportunity to submit comments via the NECA website through an online questionnaire.
41. As well as the public meetings coordinated centrally by the NECA, the constituent authorities have continued to gather views locally from residents and stakeholders in their area.
42. Members of the North East Leadership Board also attended a regional business sector event in February 2016.
43. Responses across the full range of stakeholders have been positive overall, welcoming the opportunities offered by the devolution agenda and the progress made on key areas of priority. Support has been expressed for the issues identified as areas of priority in the outline proposals as they have been translated into the specific proposals in the proposed devolution agreement, with clear views

expressed around extending the scope to consider culture, tourism and the environment in any future discussions with Government. Respondents have been keen to obtain more detailed information on the individual proposals as they develop and are particularly interested in how the new governance arrangements will operate in practice, following the introduction of an elected mayor.

44. The consultation process generated a high level of interest across the North East and a clear message across all stakeholders that they want to remain involved as further progress is made. The detailed comments, suggestions and concerns raised in responses will be noted as activity moves towards implementation, should the proposed agreement be formally agreed. The full range of activity enabled engagement with over 750 stakeholders including residents, political representatives, business representatives and members of the voluntary and community sector. The full results of the regional consultation exercise are detailed in the report attached at Appendix 3.

# Devolution to the North East

## Consultation and Engagement Report – February 2016

### 1. Introduction

In establishing the North East Combined Authority, a key driver underpinning the move to strengthened governance arrangements was to position the North East to take on significant devolved powers and resources from central government. Following the Scottish referendum and the negotiation of the Greater Manchester deal in 2014, the Chancellor of the Exchequer issued a challenge to other city-regions to come forward with proposals, demonstrating strong leadership to boost their economy.

In January 2015, the North East Combined Authority agreed initial proposals for devolution in order to accelerate economic growth in the North East. The outline proposals were endorsed as the basis for the Combined Authority to engage with government ministers and other stakeholders, in securing greater devolution of funding, powers and responsibilities.

A series of meetings with local and regional stakeholders, as well as MPs and House of Lords members, took place in March 2015 to test the initial proposals. The overarching message from responses indicated strong support for devolution to the North East from communities, businesses and partners and broad agreement with the proposed priorities.

The feedback from the initial consultation exercise was used to inform the development of the NECA Statement of Intent, submitted to Government in September 2015 as an expression of interest in the devolution of powers, responsibilities and resources from central Government to the North East.

On 23 October 2015, the North East Combined Authority (NECA) Leadership Board signed a proposed agreement for devolution to the North East with the Chancellor and Commercial Secretary. The proposed agreement provides for the transfer of significant powers for employment and skills, transport, housing, planning, business support and investment from central government to the North East. It also paves the way for further devolution over time, and for the reform of public services, including health and social care, to be led by the North East. Final agreement to the devolution proposals is conditional on a range of factors set out in the proposed agreement: the legislative process, the Spending Review, further public consultation, agreement by the constituent councils, and formal endorsement by the Leadership Board and Ministers.

Following publication of the proposed agreement, further public consultation on the proposals took place with a further series of meetings organised across the NECA area between November 2015 and January 2016, to continue the conversation about devolution and capture the views of partners, stakeholders and residents on key issues within the proposals. This report summarises the consultation and engagement activity that has taken place in relation to the devolution proposals and the key messages emerging from the feedback.

### 2. Approach to consultation

Consultation on the proposals took place in two phases – in March 2015 on the initial proposals, then between November 2015 and January 2016 on the proposed devolution agreement. A range of methods has been used to gather views, including local events across the NECA area where participants received a presentation on the proposals, then participated in round table discussions followed by a question and answer session. Participants at these sessions were also provided with individual feedback forms, with an online version also available for completion via the NECA website.

In each phase of activity, the consultation exercise and local events were publicised through press releases, individual local authority websites and on social media, gaining interest from local and national media and helping to raise awareness of the both the North East Combined Authority and the devolution proposals.

The full range of opportunities to gather views included:

- h) A series of local facilitated events across the NECA area
- i) A regional stakeholders event
- j) A trade union event
- k) A Voluntary, Community and Social Enterprise Sector event
- l) Meetings of the NECA Overview and Scrutiny Committee
- m) A meeting of North East MPs and Lords at Westminster
- n) The opportunity to submit comments via the NECA website through an online questionnaire.

As well as the public meetings coordinated centrally by NECA, the constituent authorities are continuing to gather views locally from residents and stakeholders in their area and Leaders and the Elected Mayor were also invited to an event hosted by the regional business sector on 3 February 2016 to consider the opportunities presented by the devolution proposals.

The full range of activity enabled engagement with over 750 stakeholders, including residents, political representatives, business representatives and members of the voluntary and community sector.

### **3. Responses**

#### **3.1 Consultation on initial proposals – March 2015**

Publication of the devolution proposals and the subsequent consultation activity generated a significant level of interest and debate, including local and national media interest. 290 people signed in at the local events and others submitted written responses through the NECA website or completed an online feedback form. In addition to the local events, a meeting was held with regional stakeholders, in addition to separate meetings at Westminster with North East MPs and members of the House of Lords.

Overall, the feedback demonstrated strong support among a wide range of stakeholders from communities, businesses and partners for the principle of devolution to the North East. Respondents felt that the North East loses out under current arrangements and there was broad positive agreement with the 12 individual proposals. Stakeholders were keen that the devolution ask of government should be ambitious and set out the potential for North East growth within the context of supporting national growth.

Further engagement of stakeholders on an ongoing basis was a key theme emerging from each event and a commitment was made to feedback on the outcome of the exercise after the election as well as providing regular updates and further opportunities for discussion. The consultation feedback was shared with stakeholders that attended the events or submitted a written response and was made available on the NECA website. The outcome was also detailed in a report considered by the NECA Leadership Board in June 2015. An overview of the outcomes from the March consultation activity is included in Annex A.

### 3.2 Consultation on Proposed Devolution Agreement – November 2015 – January 2016

#### Six local facilitated events across the NECA area

The second phase of consultation on the devolution proposals commenced in November 2015, with a series of six local events, attended by 374 people. Four key questions formed the consultation; however the discussion was cross cutting and the feedback below therefore highlights the key emerging themes, including views on the proposals, suggestions for additionality and some issues to be considered further.

- l) **Governance:** There was wide discussion on governance issues at all events across the region (25 tables). In particular, 20 tables queried the power of the mayor and future governance arrangements of the Combined Authority. Discussions stressed the need for clarity regarding scrutiny and monitoring, the balance of power and decision making both within the Combined Authority and between NECA and the constituent authorities. This also including ensuring that local authorities do not lose powers the in the future.

Questions were raised about the selection and election of the mayor (13 tables) as well as future cost of the mayor and administrative office (five tables).

It was suggested by 12 tables at four events that governance should be discussed in more detail at future events.

- m) **Finance and Funding:** 20 tables across four events questioned the impact that the £30m per annum funding for 30 years covering seven local authority areas would have. The impact of the comprehensive spending review was raised by four tables.

Suggestions for discussion with government in the future included:

- Tax raising powers (six tables)
- The equity of central government funding to the north east compared to other regions (three tables).

It was suggested that future events should discuss resources and fair funding in more detail.

- n) **Business:** Discussions by eight tables stressed the need to focus on economic growth including encouraging enterprise, inward investment and innovation. 12 tables across four events also discussed the need to have a clear relationship with the LEP.
- d) **Employment, skills and education:** 35 tables across the region raised specific issues around: the skills shortage, job creation and ensuring a range of employment opportunities exist across the area.

The need to review and reorganise post-16 education and apprenticeships to broaden opportunities was highlighted by four tables. The need to link with pre-16 education providers to ensure they feed into the range of opportunities available was also highlighted (six tables).

- o) **Health and Social Care:** 29 tables across all events discussed the importance of health and social care, stressing a need for further information particularly in relation to government funding and sustainability. The governance of the proposed Commission for Health and Social Care was discussed, including how the various partners will be able to influence and shape the direction and decisions.

The question of how the inclusion of health and social care in the proposals would improve the quality of health care was raised including how this would be measured.

- p) **Engagement:** 30 tables across all events discussed communications and engagement and stressed the need to raise awareness of the North East Combined Authority amongst the public. It was emphasised that there should be a continued dialogue and messages should be clear, simple and impartial. Suggestions included themed events and reaching out to communities. There was particular emphasis on the need to involve the following groups:
- The voluntary and community sector (19 groups). The need to understand the voluntary sector was stressed to ensure the sector is able to contribute to delivering the proposals.
  - Parish and Town Councils (five groups)
  - Young people (three groups).
- q) **Transport:** There was strong support for the inclusion of an integrated transport infrastructure, including rural areas and single ticketing with a regional coordinating body. The key link between the transport network and access to work and training was also highlighted.
- r) **Boundaries and Geographical issues:** The boundaries of the Combined Authority were discussed, including the size and diverse needs of the area as well as the urban and rural mix. The fact that the combined authority boundary is not coterminous with organisational boundaries such as Fire and Police was highlighted as a particular issue for consideration.
- s) **European Funding** The most significant issue raised was in relation to accountability.
- t) **Additional Areas:** Participants were asked to identify additional areas to consider in future discussions with Government on extending devolved powers. The key areas identified were culture and tourism, which it was stressed, should feature as an element in the current agreement given its key economic role. There were also suggestions that the environment and housing should be included as key themes.
- u) **Stakeholder engagement:** Stakeholders were asked what they saw as their role in the implementation of the proposals. A range of issues about engagement, communications and future governance emerged.
- The need for community engagement
  - The role of the voluntary sector, trade unions and partners such as health, police, fire service, universities
  - Links to Town and Parish Councils
  - The importance of clear and ongoing communication messages using existing networks.

## Regional online consultation and comments

92 people used the opportunity to respond to the questions posed at the events through a regional online questionnaire on the NECA website.

The responses were diverse; however strong themes emerged which reflect similar outcomes of the other consultation methods. These include:

- A strong agreement that the proposal could encourage inward investment, enterprise and innovation to support growth
- The need to look at an integrated transport infrastructure, including rural areas and single ticketing with a regional coordinating body



- The additional areas suggested for future consideration were culture and tourism as well as the environment.

In relation to governance, there was significant support for ensuring robust scrutiny and monitoring. Also mentioned was the need to clarify the relationships with other levels of government such as local authorities, parish or town councils and central government.

The importance of grass roots bottom-up engagement was stressed, as well as the importance of local consultations.

### **Overview and Scrutiny Committee – 1 December 2015**

The NECA Overview and Scrutiny Committee discussed the proposed agreement with a number of Leaders and the Elected Mayor at their meeting on 1 December 2015. Governance arrangements under a Mayoral CA were highlighted as a key issue in moving forwards including the ongoing role of Overview and Scrutiny in the new arrangements. Members also emphasised the importance of fiscal devolution to accompany new powers and responsibilities and the need to fully understand the potential implications of the proposals on business rates. A summary of the committee's discussion is attached at Annex B.

### **Meeting with Trade Unions – 11 January 2016**

A positive meeting was held with Trade Union representatives on 11 January 2016, indicating a keen interest for unions to be involved in developments as they progressed and the importance of their relationship with NECA. Key issues covered by the discussion included the need for accountability and transparency moving forwards, the proposed governance arrangements, and finance and funding issues. Concerns were raised around how the proposals could affect national pay bargaining, and the need to protect local services under new arrangements.

### **Voluntary, community and social enterprise sector – 18 January 2016**

An event facilitated by VONNE was held on 18 January 2016, with 62 delegates representing voluntary organisations and groups from across the region. Delegates felt that the proposed agreement covered the issues, barriers and challenges to economic growth facing the north east but that it was difficult to visualise what the interventions and changes would look like. It was recognised that working collaboratively could counter balance budget reductions.

It was emphasised that whilst the proposals must have an economic focus, any economic strategy must be underpinned by a locally focused social strategy. It was highlighted that the VCSE sector could be a conduit to making devolution real for people in communities, helping people to have a voice and co-design/co-produce interventions recognising the assets in communities to design own solutions. The need for continued dialogue, ongoing communications and simple and clear messages was also highlighted. A summary of the feedback is attached at Annex C.

### **Engagement with the business sector**

The NECA Leadership Board has committed to work with business leaders to determine arrangements for a strengthened role for business within the region, which would reflect any new responsibilities for the combined authority and ensure the private sector is able to influence and advise decision-making in the region. Leaders and the Elected Mayor were invited to an event hosted by the regional business sector on 3 February to consider this further. Whilst formal feedback from the session is still awaited, initial soundings indicate that discussions at the event were extremely positive with attendees supportive of the proposals, eager that the North East

takes advantage of the opportunities presented by the devolution agenda and keen that the business community remains involved on an ongoing basis.

#### **4. Conclusions**

The North East Combined Authority has undertaken a wide range of consultation and engagement activity over the last year to obtain views on the devolution proposals. This has generated over 750 responses from across a variety of sources including a wide range of public and private sector stakeholders, the voluntary and community sector and members of the public, in addition to consultation activity undertaken at local level.

Responses across the full range of stakeholders have been positive overall, welcoming the opportunities offered by the devolution agenda and the progress made on key areas of priority. Support has been expressed for the issues identified as areas of priority in the outline proposals as they have been translated into the specific proposals in the proposed devolution agreement, with clear views expressed around extending the scope to consider culture, tourism and the environment in any future discussions with Government. Respondents have been keen to obtain more detailed information on the individual proposals as they develop and are particularly interested in how the new governance arrangements will operate in practice following the introduction of an elected mayor.

The consultation process generated a high level of interest across the North East and a clear message across all stakeholders that they want to remain involved as further progress is made. The detailed comments, suggestions and concerns raised in responses will be noted as activity moves towards implementation should the proposed agreement be formally agreed.

## **ANNEX A - Consultation on initial proposals – March 2015**

The following questions were used to seek their views on the proposed prospectus and to help to identify the areas of focus in discussions with Government.

- Do you think the NECA proposals are the right areas to concentrate on?
- Are there any other areas or themes that should also be included?
- How would you like to be involved in the work of the NECA in future?

The key messages emerging from the engagement exercise are set out below.

### **Support for the Devolution Proposals**

There is strong support for the broad principle of devolution from communities, businesses and partners.

- During facilitated discussions, 37 groups (97%) recorded support for the devolution proposal.
- Participants, in particular businesses, commented that the devolution request to the government needs to be ambitious and clearly set out the potential for growth in the North East that will ultimately support the economic growth of the entire country.
- There is a feeling demonstrated by 18 groups (47%) that an overarching vision should be developed which clearly reflects the ambition for the North East.

### **Support for the 12 Priorities and comments received**

The consultation identified broad positive support for the 12 proposals or 'asks'.

- 27 groups, (71%) agreed that the proposals were correct for the area.
- 17 groups (45%) suggested that that NECA should initially focus only on the 12 priorities, in order to achieve quick wins and demonstrate the ability and capacity to deliver.

### **Additional Comments regarding the 12 proposed priorities**

Although there was broad support for including all 12 proposals, specific priorities were identified as being of particular significance. It was stressed that some of these are key priorities, underpinning the others. Detailed comments about specific proposals are included in Appendix Six, however repeated comments included;

- Proposal 5, 'Investment in our major transport infrastructure' was highlighted across the region as being of key importance as it underpins progress towards the achievement of other growth ambitions. The particular importance of ports was stressed and it was felt that there should be a strong emphasis on ports and rivers as these are a major asset to the North East. There was a suggestion by 6 groups (16%) that ports should be included as a separate priority.
- Proposal 9, 'Devolution of skills funding' was also highlighted across the region as being of key importance. It was thought that skills training must reflect the needs of the region and local business to allow the North East to progress. The importance of appropriate local careers advice and apprenticeships was also stressed.
- Proposal 1, 'A North East Investment fund' was also stressed as being of central importance. A suggestion that there should be a regional bank was highlighted in both the facilitated discussions and written responses.

## Additional Priorities

Analysis shows, despite receiving suggestions from 6 groups (16%), that we should concentrate on the 12 priorities or even phase or combine them; when prompted, all groups went on to suggest additional priorities.

In terms of additional priorities for NECA to include or consider in future, a range of suggestions were recorded as follows:

○ Health, social care and wellbeing	27 groups (71%)
○ Education and Universities	18 groups (47%)
○ Housing	14 groups (37%)
○ Community Safety, including police and fire	9 groups (23%)
○ Climate change and environmental issues	9 groups (23%)
○ Business Rates	9 groups (23%)
○ Technology, communications and infrastructure	7 groups (18%)
○ Strategic and spatial planning and land use	4 groups (10%)
○ Public sector spending and uniformity	3 groups (8%)
○ Job creation for the region	3 groups (8%)
○ Welfare	1 group (3%)
○ Sport	1 group (3%)
○ Early Years	1 group (3%)

## Development Needs and Future Considerations

- Issues of governance were raised frequently across the region by 22 groups (58%) with additional, more specific, comments about the need to consider and develop;

○ Terms of reference	22 groups (58%)
○ Structures to ensure shared approaches and ownership	20 groups (52%)
○ A clear decision making process	19 groups (50%)
○ Leadership	14 groups (37%)
○ A clear communications plan	12 groups (32%)
○ Underpinning principles	10 groups (26%)
○ Processes to monitor and evidence achievements	4 groups (10%)
○ Clarity of roles	4 groups (10%)

- It was suggested that the Combined Authority should focus initially on those areas where we can build on the successful partnership working in the region, such as sustainable energy, given our pioneering work in this field and potential to do more.
- Some groups felt that the approach is worth pursuing if the area will benefit from inward investment to help make the area more sustainable and maximise funds to a fuller potential. 10 groups (26%)

### Future Involvement and Consultation

- The principle of engaging a broad range of stakeholders in the development and continued work of the Combined Authority was discussed by participants and suggested by 19 groups (50%).
- Reference was made by all groups to working with existing partnerships and networks, local businesses and the voluntary sector, including;
  - Existing consultation and engagement mechanisms including partnerships and working groups 23 groups (61%)
  - The voluntary sector (local and regional) 19 groups (50%)
  - Local businesses and the business sector 10 groups (26%)
  - Town and Parish Councils 5 groups (13%)
  - Young people and youth organisations 4 groups (10%)
  - Organisations representing protected characteristics 2 groups (5%)
- 18 groups (47%) expressed the need to ensure that that the wider community are kept aware of NECA activities, the devolution proposals and progress, and to be provided with opportunities to have their say and shape proposals in order to ensure buy in at local, area and regional levels.
- The consultation identified a range of considerations and methods for informing, engaging and consulting with communities including;
  - Use of social media, website and emails 11 groups (29%)
  - Clear communications policy and mechanisms 10 groups (26%)
  - Regular update meetings 6 groups (16%)
  - Stakeholder and thematic groups 7 groups (18%)
  - Promotion and marketing to raise awareness 2 groups (5%)
  - Clear and easy to use web site 2 groups (5%)
  - Leaflet drops, bulletins and door knocking 2 groups (5%)
  - Be innovative 1 group (3%)

### Areas for consideration

Analysis shows that there were some recurring issues raised during the consultation process that need further consideration, including the following:

- Although there was general support for devolution, 13 groups (34%) felt that care must be taken to avoid creating bureaucracy. Associated issues that need to be considered include additional costs, staff resources, local access and local influence. Whilst 7 groups (18%) felt that it would be sensible for NECA to have dedicated resources including staff, finance to enable it to achieve these priorities.
- It is necessary to engage and consult on a local and regional basis; it is also important to consider how NECA will engage and work with regional organisations covering a wider geographic and administrative area.

- There was an indication that some areas of work are best planned and delivered at a wider regional level, an example being health care. This did, however, include a strong feeling that NECA should have a role in ensuring that relevant local needs are met and recognised at both regional and national level.
- The need for the relationship between the NELEP and the Combined Authority to be considered and clearly set out was raised by 7 groups (18%).
- Concern was raised by 9 groups (24%) about the Government's ongoing and future commitment to devolution due to political uncertainty and change linked to the forthcoming election.
- The need to ensure that the work of NECA addresses the whole of the area equally whether urban, rural or those on the peripheries, and to consider the unique issues when planning and delivering on priorities, was stressed by 24 groups (63%) across the area.
- It was recognised that Tees Valley is not included in NECA area; however, it was raised by 15 groups (39%) that we need to ensure that we work with the Tees Valley area and beyond (Cumbria), to create a stronger voice for the region.
- Some indicated that they would like to see both Combined Authorities come together into one combined authority in the future - 3 groups (8%).
- 4 groups (11%) suggested that we should observe and learn from the experiences of Greater Manchester Combined Authority.

### **Feedback from the MPs and Lords meetings – 18 March 2015**

In addition to the local and regional stakeholder events, meetings were also held with North East MPs and Lords to discuss the proposals and direction of travel. 15 MPs and Lords from the area participated in very positive discussions at each meeting and the Combined Authority was congratulated on its achievements so far.

In each session, all participants were supportive of the broad principle of devolution to the North East and felt there was a need for NECA to be ambitious in its proposals and demonstrate an ability to deliver.

There was strong support for the work of NECA and clear recognition of the importance of maintaining close links with neighbouring areas, including working with the emerging combined authority in Tees Valley and the area's Local Enterprise Partnership. The potential for working with Scotland and Cumbria was also highlighted as an important area for exploration. The need to recognise the diversity of the NECA area was emphasised and, in particular, ensuring rural issues are addressed within the wider agenda.

The approach to inward investment was also discussed, including consideration of how the NECA works with UKTI. The skills agenda was identified as an area of priority with local control and influence of skills provision viewed as essential. It was also felt that more emphasis was needed on joining-up schools, colleges and businesses.

Suggestions for consideration alongside the initial proposals included looking at any opportunities for the North East to maximise the benefit from surplus government-owned land and assets in the area. It was also suggested that NECA seek greater influence over the distribution of the energy networks in the region. This was felt to be a key factor in attracting foreign investment to particular sites.

The capacity to deliver on such an ambitious agenda was discussed and emphasis placed on the need to be able to prioritise investment across the NECA area through a strategic plan. Both groups were keen to assist and champion the proposals and to maintain an ongoing dialogue with NECA as it enters negotiations with government.

## **Regional Stakeholder Event held on 9<sup>th</sup> March 2015**

### **Introduction**

The regional event was held at the start of the consultation process and brought together partners from the public, private and voluntary sectors across the region, particularly those with a regional focus.

The format of the event mirrored that of the local events; however, participants suggested changes to the format of the facilitated table discussions which were implemented. Therefore it is not possible to align the outcomes from this event with the following local events.

The main points from the discussions groups were as follows:

- a) It was suggested that all the proposals are interlinked and none are more important than others. Therefore we need to take a holistic approach and through the consultation, ask if they are the right proposals rather than which are the top priorities.
- b) Participants commented that the devolution request to the government needs to be ambitious and focus on what we can achieve not just for the region but also for the UK with devolved powers.
- c) It was suggested that the Combined Authority should build on the successful partnership working in the region, such as Rural Growth Network where we have exceeded targets in developing the rural economy by getting women into enterprise and sustainable energy; and potential to do more. This would demonstrate our track record as well as benefits of the critical mass and a bigger voice.
- d) Need to build trust and credibility locally and nationally by starting with some quick wins. We have to demonstrate that we have the capacity, resources and skills to deliver.
- e) In order to demonstrate identity and cohesion in the NE, it was suggested that clarity will be needed on roles and how organisations will interact in the future. For example Local Authorities, NECA, the NE LEP, the Tees Valley CA as well as the wider north of England.
- f) It was suggested that the issues of inequalities, deprivation and social inclusion need to remain at the forefront of the debate as it relates to how we present the case to Government.
- g) The proposals should demonstrate the 'social value' and wider benefit so that the general public can understand what they are being asked to support. For example, benefits for the long term unemployed or people with disabilities accessing work.

- h) We need to be mindful about building the evidence for the proposals and what they can achieve. We are very good at collecting information at a Local Authority level but not necessary at a NECA level.
- i) The current proposed powers should be left as they are and we should be asking if there is anything to add at a later date (e.g. stage two).
- j) It was suggested that NECA should initially focus only on the 12 proposals, in order to achieve quick wins and demonstrate the ability and capacity to deliver and that any additional priorities should be built into a stage two set of devolution proposals.
- k) Other comments included;
  - More detail will be required around the 12 proposals
  - We should observe and learn from the experiences of Greater Manchester Combined Authority
  - Need clear leads for all the themes and sectors
  - We need to identify what would have the largest impact and also what barriers stand in the way of achieving our ambition
  - Longer term commitment is a priority and should be integral in the ask of Government
  - Need to build in democracy and accountability.
- l) In terms of broad future engagement, regional stakeholders suggested the following methods;
  - Meetings with business organisations
  - Flow of information
  - Ensure the man in the street can understand the proposals
  - Have detailed discussions to ensure the proposals are robust.

### **NECA Overview and Scrutiny Committee – 24 March 2015**

The NECA Overview and Scrutiny Committee were consulted on the Combined Authority's devolution proposals at their meeting on 24 March 2015. There was broad agreement from the Committee to the outline proposals and strong support for the overall principle of devolution.

Suggestions for consideration alongside the initial proposals included establishing a North East Investment Bank, following the example of existing institutions in Germany, and having a joined up approach to strategic planning across the Combined Authority area.

Concerns were expressed about the potential impact that any devolution of health and social care budgets could have at both national and local level, and in particular whether it could result in less provision at a local level. It was felt that there was a risk of the region becoming isolated if other areas pursue devolution deals with Government and the North East does not.

The Committee discussed the need to establish strong public support for the proposals and were concerned that the next iteration of the document must capture the public's imagination. They recognised that more detail was needed, and suggested including some key examples of the difference that having devolved powers and funding could mean within the region. They also discussed the need to address the outcome of the 2004 referendum - explaining how the new



proposals differ from that offer - and to address the issue of governance models, including the potential for having an elected mayor.

## **ANNEX B**

### **NECA Overview and Scrutiny Committee – 1 December 2015**

The NECA Overview and Scrutiny Committee considered the proposed devolution agreement at their meeting on 1 December in discussion with three members of the NECA Leadership Board.

Following discussion on the consultation exercise itself and the different approaches taken by constituent local authorities, members then considered the detail of the proposals. With regard to accountability going forward, it was hoped that the scrutiny arrangements would remain as now. It was recognised that although the agreement was a significant milestone, there was much more work still to be done and the committee discussed the conditions set out in the proposed agreement that needed to be met before formally progressing to the next stage of devolved arrangements, as well as receiving an update on the progress of the Cities and Local Government Devolution Bill through Parliament.

The committee discussed the governance implications and potential views among residents in relation to the principle of self-determination through devolution, but noting that there was likely to be some division and significant concern on an elected mayoral system. The committee noted the position of Government on the inclusion of an Elected Mayor as a mandatory element of the package of devolution proposals and discussed how the Mayor would work with the Leaders of the 7 local authorities as a Cabinet with appropriate checks and balances in place. It was felt that an elected mayor would have a key role in preparing a vision for the North East that all residents could sign up to and that civil society had to play a part in shaping the mayoral vision.

Discussion emphasised the importance of fiscal devolution to help shape the future of the region, particularly in relation to transport and potential investment in the Metro, buses, airports and ports.

It was highlighted that a directly elected mayor for the CA area would be a very different model to what was currently known; the role was about skills and investment in the region and it was therefore important to get the constitution right, with Overview and Scrutiny written into the checks and balances processes.

The committee felt that NECA provided an opportunity to increase economic capacity and to operate on a global level and that decisions would be better made locally. Proposed changes to the business rates system were discussed, along with the provisions of the Bill that covered a Mayoral precept.

The importance of ongoing consultation with all stakeholders was emphasised and the committee noted that an implementation plan was being developed, including consideration of the appropriate capacity to progress the various work streams related to the devolution agenda and the themes of the proposed agreement.

## ANNEX C

### NECA – Proposed Devolution Agreement – Consultation Events

#### Analysis of VONNE Stakeholder Event held on 18<sup>th</sup> January 2016

##### Introduction

The event was held at MEA house with 62 delegates representing voluntary organisations and groups from across the region.

The event opened with a short introduction by Councillor Simon Henig on the aims of the North East Combined Authority, progress made so far, the Devolution Agreement and the next steps including further engagement and consultation with all stakeholders.

Adam Wilkinson – Acting Head of Paid Service then gave a short presentation on the Devolution Agreement followed by Jane Hartley – Chief Executive VONNE on devolution and the role of VONNE in the devolution proposals and delivery.

There was a short question and answers session with the panel and then delegates split into 6 groups to consider four set questions regarding the devolution agreement and the next steps to progress the debate/implementation of the agreement.

A summary of the main points from the discussion groups on each of the questions were as follows:

#### **1. Does the proposed agreement focus on the right issues to drive growth in the North East?**

- a) It was felt that the devolution statement covered the issues, barriers and challenges to economic growth facing the North East; however, it was difficult to visualise what the interventions/and changes will look like. An action plan/ time line would assist.
- b) The inclusion of the Human Capital strand was welcomed; however, it was felt the statement overlooked the need to develop human capital at grass roots level. There needed to be more emphasis on capacity building in communities and community development work using an asset based approach.
- c) The theme of inequality across the Country; Region, within work force gender, race and age cut across all of the various agenda in the Devolution Statement cut across re was no mention of support for under 16s and it was felt early years intervention was needed to make step change in employment and skills. These had to be given a priority when moving the proposals forward.
- d) The proposals currently have an economic focus rather than a VCSE focus. The reasons for this were understood but any economic strategy must be underpinned by a locally focussed Social Strategy.
- e) There was a need to ensure that those outside the job market (e.g. young, old and those unable to work through mental or physical disability) benefitted from the devolution agreement. Need to be in provision for structured approach to apprenticeships not just the traditional focus on higher education for training of young people.

#### **2. Devolution is not just about drawing down powers and responsibilities from central Government to the North East Combined Authority – we want to work in partnership with**

**our stakeholders and local communities. What do you see as your role and the sector's role in the implementation of the proposals?**

- a) It was felt the VCSE sector could be a conduit to “making devolution real for people in communities” helping people to have a voice and co-design/co-produce interventions recognising the assets in communities to design own solutions (community resilience)
- b) VCSE sector organisations can be a key player in innovating new services – Co-production/Co-Design; sharing best practice – showcasing success through forums, networks and case studies
- c) VCSE representatives could play a pivotal role as a reference group for devolution initiatives using existing forums e.g. VONNE Health & Well Being and could be a core deliverer of services especially at grass roots level e.g. capacity building, pre employability work etc.
- d) VCSE involvement in the process could be held back due to lack of capacity and funding

**3. Which areas of the proposed agreement do you want to discuss in more detail at future engagement events?**

- a) The Health and Social Care Commission – more clarity required about what it is, its role, and principles.
- b) NECA structures and where VCSE sector fits in.
- c) The development of an action plan, timeline or road map to guide and communicate devolution developments.
- d) Resource Mapping across the area as a whole so that an overall view of the assets, talents, opportunities and strengths there are across the region
- e) Further discussions around Human Capital Theme with a focus on community capacity building and development with a shift in focus from Joint Strategic Needs Assessment to Asset Based Community Development
- f) Governance structures and how neca will work with Tess Valley CA for the benefit of the whole region
- g) Resourcing, including impact of reduced resource allocation to the public sector and existing Local Councils, funding of projects and programmes across borders with adjoining councils and how resources will be allocated post devolution

**4. Which areas of the proposed agreement do you want to discuss in more detail at future engagement events?**

- a) Unified Procurement Mechanism – There are currently 7 different approaches to the implementation of the Social Value Act in procurement across the neca Region.
- b) The development of a Community Engagement Plan ensuring hard to reach groups are brought in

- c) The Rural Dimension and Social Enterprise need to be considered and taken into account in future discussions and action planning.
- d) In order to demonstrate identity and cohesion in the NE, it was suggested that clarity will be needed on roles and how organisations will interact in the future. For example Local Authorities, NECA, the NE LEP, the Tees Valley CA as well as the wider north of England.
- e) It was suggested that the issues of inequalities, deprivation and social inclusion need to remain at the forefront of the debate as it relates to how we present the case to Government.

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## COUNCIL MEETING

25 February 2016

## HOUSING REVENUE ACCOUNT AND HOUSING CAPITAL PROGRAMME

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**Jane Robinson, Chief Executive**

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### EXECUTIVE SUMMARY

1. The purpose of this report is to seek approval of:
  - the Housing Revenue Account (HRA) budget for 2016/17, including proposed savings
  - the proposed rent changes from 1 April 2016
  - the detailed proposals for fees and charges
  - the proposed phased removal of subsidy for sheltered services support
  - the proposed Housing Capital Programme for the next five years (2016/17 to 2020/21)
  - amendments to the council house repair policy
  - amendments to the council house rent policy
2. The Local Government and Housing Act 1989 (Part VI) states that the Council has a duty to prevent a debit balance on the Housing Revenue Account.
3. Historically the Council has followed Government formula and guidelines to set the rent level. This report recommends that the Council follows the revised Government Guidance by reducing rent by 1% for all housing tenancies, with the exception of supported housing which will be increased by 1.8%
4. A detailed review of fees and charges is carried out each year to ensure the HRA recovers the full costs associated with providing services to tenants. The Housing Capital Programme is a rolling programme and is funded from revenue raised from rents. Considering the HRA and the Housing Capital Programme together allows the Council to consider the choices necessary to maintain and enhance housing stock in the future.
5. The Government has also announced its intention to introduce the sale of high value assets in relation to the Council's housing stock and charging market rent for households earning above £30,000 per year, although there are no specific details available at the moment this is potentially a significant risk to the sustainability of the HRA.
6. The proposed Housing Revenue Account for 2016/17 is set out in full detail in the attached report. As a result of the Government policy to reduce rents the capital programme has been reduced in the coming years. The proposed allocation of resources from the HRA to support a Capital Programme for the next five years is set out in full detail in the attached report.

7. 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**

8. It is recommended that Council:
  - i) Approves the Housing Revenue Account as set out in Appendix 2, including The Gateshead Housing Company management fee, the repairs and management budget and savings detailed in Appendix 3 of the attached report
  - ii) Approves the weekly rent reduction of 1% from 1 April 2016 in relation to non- supported housing
  - iii) Approves the weekly rent increase of 0.9% in relation to all supported housing
  - iv) Approves the fees and charges schedule as detailed in Appendix 4 of the attached report
  - v) Approves the phased removal of subsidy for sheltered services support
  - vi) Approves the Housing Capital Programme for the five years 2016/17 to 2020/21 as set out in Appendix 6 of the attached report
  - vii) Approves the amendments to the Repairs Policy to facilitate the achievement of the agreed savings to be delegated to the Strategic Director, Communities & Environment in consultation with the Leader and the Cabinet Member for Housing
  - viii) Approves the amendment to the rent policy to increase rent on vacant properties to target social rent and such detailed amendments to be delegated to the Strategic Director, Communities and Environment in consultation with the Leader and Cabinet Member for Housing



**TITLE OF REPORT:** Housing Revenue Account and Housing Capital Programme

**REPORT OF:** Darren Collins, Strategic Director, Corporate Resources  
Paul Dowling, Strategic Director, Communities and Environment

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### **Purpose of the Report**

1. Cabinet is asked to recommend that Council approve;
  - the Housing Revenue Account (HRA) budget for 2016/17, including proposed savings.
  - the proposed rent changes from 1 April 2016, in line with Government's policy on rent setting.
  - the detailed proposals for fees and charges.
  - the proposed phased removal of subsidy for sheltered services support
  - the proposed Housing Capital Programme for the next five years (2016/17 to 2020/21).
  - amendments to the council house repair policy.
  - amendments to the council house rent policy

### **Background**

2. The Local Government and Housing Act 1989 (Part VI) states that the Council has a duty to prevent a debit balance on the Housing Revenue Account. Part of setting the HRA budget includes the consideration of possible rent increases or decreases as the Council is required to set rents at a level that sustains the HRA.
3. Historically the Council has followed Government formula and guidelines to set the rent level. The self-financing model assumed that if the Government formula was followed then the housing stock could be sufficiently maintained; although in the last two years the guidance has changed. This report recommends that the council follows the revised Government Guidance by reducing rent by 1% for all housing tenancies, with the exception of supported housing which will be increased by 0.9%.
4. In July 2015 the Government announced that rents in social housing would be reduced by 1% a year for 4 years, this results in a funding gap of £24m for the period 2016/17 to 2020/21. As a result of this savings have been identified within the HRA, The Gateshead Housing Company management fee and repairs and maintenance expenditure.

5. A detailed review of fees and charges is carried out each year to ensure the HRA recovers the full costs associated with providing services to tenants.
6. The Housing Capital Programme is a rolling programme and is funded from revenue raised from rents. The detail of the proposed programme for the next five years (2016/17 to 2020/21) is included in this report. Considering the HRA and the Housing Capital Programme together allows the Council to consider the choices necessary to maintain and enhance housing stock in the future.
7. Along with the changes to the rent setting guidelines welfare reform continues to be one of the most significant risks to the HRA in terms of sustainability and work continues to mitigate the impact.
8. The Government has also announced its intention to introduce the sale of high value assets in relation to the Councils' housing stock and charging market rent for households earning above £30,000 per year, although there are no specific details available at the moment this is potentially a significant risk to the sustainability of the HRA. Financial projections are revised on an ongoing basis and any significant changes to the overall financial position will be reported where appropriate.

## **Proposals**

9. The proposed Housing Revenue Account for 2016/17 is set out in Appendix 2 which includes;
  - As prescribed by Government a decrease in the average weekly rent of 1% for all housing tenancies as at 8th July 2015, with the exception of supported housing tenancies which will be increased by 0.9%, giving an average rent reduction of £0.71 from £80.54 to £79.83 per week (over 50 weeks).
  - Savings totalling £5.77m over the next 2 years as set out in Appendix 3, where impact has been identified draft Comprehensive Impact assessments (CIA's) have been undertaken.
  - A Management Fee of £13.749m for The Gateshead Housing Company to carry out its functions, including the management of the HRA Capital Programme, on behalf of the Council, including savings of £1m as detailed in Appendix 3.
  - A repairs and maintenance budget of £20.579m, including savings of £0.85m as detailed in Appendix 3.
  - The following proposals for fees and charges (details set out in Appendix 4);
    - An increase to all charges of 0.8% (RPI as at September 2015). Except for those detailed below.
    - An increase to full cost recovery in relation to the Regent Court fire safety system.

- A stepped increase towards full cost recovery in relation to multi storey flats, sheltered scheme utility bills, communal areas cleaning and repairs and maintenance along with Sheltered Schemes Officers, Mobile Sheltered Schemes Officers and Angel Court salaried employees. These increases have been phased in over 5 years to mitigate the effect on tenants of the increases required.
  - No increases are proposed in relation to the gardening scheme, dispersed homeless units, concessionary TV licences, concierge/caretaking & cleaning and kitchen appliances. This is as a result of either the prices being set nationally, an increase influencing demand, there being a fixed charge applied or continuing full cost recovery where applicable.
  - The removal of subsidy for sheltered scheme wardens over the next 5 years. The proposed removal of subsidy is covered in more detail in Appendix 1 para's 25 to 28.
  - Amendments to the Councils housing repairs policy to facilitate the achievement of the repairs and maintenance savings.
10. As a result of the Government policy to reduce rents the capital programme has been reduced in the coming years. The proposed allocation of resources from the HRA to support a Capital Programme for the next five years (2016/17 to 2020/21) is set out at Appendix 5, these proposals include;
- A Housing Capital Programme totalling £94.9m over five years, which will be kept under regular review by Cabinet.

## Recommendations

11. Cabinet is asked to recommend to Council:
- (i) The Housing Revenue Account as set out in Appendix 2, including The Gateshead Housing Company management fee, the repairs and management budget and savings detailed in Appendix 3.
  - (ii) The weekly rent reduction of 1% from 1 April 2016 in relation to non-supported housing.
  - (iii) The weekly rent increase of 0.9% in relation to all supported housing.
  - (iv) The fees and charges schedule as detailed in Appendix 4.
  - (v) The phased removal of subsidy for sheltered services support.
  - (vi) The Housing Capital Programme for the five years 2016/17 to 2020/21 as set out in Appendix 6.
  - (vii) Amendments to the Repairs Policy to facilitate the achievement of the agreed savings to be delegated to the Strategic Director, Communities & Environment in consultation with the Leader and the Member for Housing..
  - (viii) Amendment to the rent policy to increase rent on vacant properties to target social rent and such detailed amendments to be delegated to the Strategic Director, Communities & Environment in consultation with the Leader and the Member for Housing.

For the following reasons:

- (i) To set a Housing Revenue Account for 2016/17 that is not in debit as required under the Local Government and Housing Act 1989 (Part VI).
- (ii) To realise the Council's policies and objectives in relation to Housing Strategy in order to maintain and enhance Council Housing Provision in Gateshead.

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**THE HOUSING REVENUE ACCOUNT (HRA) AND HOUSING CAPITAL PROGRAMME**

**Policy Context**

1. The proposals are consistent with Vision 2030, and in particular support “Sustainable Gateshead”.

**Review of HRA Budget**

2. In order to facilitate decision making and strategically plan for Housing in the future the Council continually updates its 30 year HRA Business plan. This plan considers the long term future of the housing stock alongside the short term plans. The plan contains information on estimates regarding the level of capital investment (including estate regeneration and maintaining decency), the anticipated levels of voids and right to buy sales and also the assumed level of income from rents and service charges. It also includes a provision for the Gateshead Housing Company’s management fee and plans around borrowing and repaying debt in the future. The HRA has £93m worth of loans maturing in the next five years.
3. The main changes in the variances between the estimated and expected 2015/16 figures in the HRA (Appendix 2) relate to an identified capital underspend on a number of capital projects , alongside a reduced cost of borrowing due to loans being refinanced at lower interest rates than anticipated and increased income from service charges.
4. The main changes in the estimated projections in the HRA for 2016/17 (also Appendix 2) are a reduction to the repairs and maintenance budget managed by the Gateshead Housing Company (TGHC), alongside a reduction to the management fee paid to TGHC and the supervision and management costs delivered by the Council, which is partly offset by the estimated set up cost of implementing the new repairs and maintenance contract from 1<sup>st</sup> April 2017, which is included in the contingency budget. There has also been a decrease to the estimated cost of borrowing and a reduction to the capital programme to allow the required level of savings to be achieved.
5. Although it is projected that the HRA reserve will stand at £18.363m as at the end of March 2017 the impact of welfare reform, the required sale of high value properties and other pressures arising from Government guidance the Housing Capital Programme will deplete this reserve in coming years.
6. To protect the Council in a self financing regime a minimum balance for the HRA of £3m was approved by Council in February 2012. It is proposed that this level remains in place, although it may be necessary to review this in coming years. The current assumptions and projections in the 30 year HRA business plan are that this minimum balance will be reached by 2022/23 and the HRA will no longer have reserves to the level held currently. The savings that have been proposed enables the levels of reserves to be maintained at this position which is the same as that prior to the reductions in rental income as a result of the Government guidelines.

This business plan and the assumptions contained within it will be kept under regular review.

### **Proposed Savings**

7. As a result of the Government prescribed 1% rent reduction, the need to continue to invest in the capital programme and maintain the housing stock the decision has been made to apply a 15% savings target to all areas of the HRA budget. This will deliver a £4m saving in 2016/17. This incorporates a £1m saving to the Gateshead Housing Company management fee and £0.85m to the repairs and maintenance budget. A further £1.39m has been identified across all areas of the HRA budget, details are provided in Appendix 3. The remaining £0.94m has been identified during the budget setting process.
8. The savings will allow the Council to continue to invest in the housing stock although changes may be required to some Council policies to allow the savings to be made. In particular, to achieve the identified repairs and maintenance savings a number of changes to the Council's repairs policy are required. It is proposed that the required changes to the repairs policy are delegated to the Strategic Director, Communities & Environment in consultation with the Leader and the Member for Housing
9. The human resource implications of the proposals arise from the deletion of a number of posts on the current structure. The Council remains committed to seeking to avoid compulsory redundancies with vacant post identified for deletion in the first instance, and, wherever possible, approving voluntary redundancies. If full savings are not achieved a forced compulsory redundancy situation will be required.
10. The Department of Business Innovation and Skills will be notified of anticipated redundancies (Form HR1) and Section 188 'notice of potential redundancy letters' will be issued to Trade Unions and employees.
11. Employees and Trade Unions will be consulted throughout the process to discuss possible ways to mitigate against compulsory redundancy. Where a compulsory redundancy situation is unavoidable the Council Redundancy criteria will be applied.

### **Proposed Rent Changes**

12. Up to 2014-15 rents were set using a government prescribed formula of RPI + ½% + up to £2. This formula for rent setting was expected to run until April 2016 and allowed up to £2 per week to be added to the inflationary element of the increase. The rationale for adding the additional £2 was to move social housing rents to a target rent over time which replicated the rents of Registered Social Landlord's (i.e. converge).
13. In May 2014, the Department for Communities and Local Government (DCLG) published guidance aimed at stock-owning local authorities on rents for social housing from 1 April 2015, setting out a 10 year policy from 2015/16 to 2025/26 changing the prescribed formula to CPI +1% with a view to bringing long term certainty to landlords to plan future investment, therefore removing convergence.

14. On 8<sup>th</sup> July 2015 the Chancellor announced that rents in social housing would be reduced by 1% a year for 4 years resulting in a 12% reduction in average rents by 2020 it is assumed that the previous policy will be suspended for the relevant period and then reinstated. The policy applies to all tenancies in place prior to this date and any subsequent tenancies awarded.
15. Further guidance was received in January 2016 giving an exemption to the 1% rent reduction for supported housing as currently set out in the rent standard guidance. This includes homeless accommodation, refuges, sheltered housing, extra care housing and supported accommodation for young people, people with disabilities and mental health problems. This exemption allows the Council to continue to follow the prescribed formula set in May 2014 of CPI + 1%. Therefore it is proposed that rent on these properties will be increased by 0.9% from 1<sup>st</sup> April 2016.
16. Using the Government's guidance the proposed average rent decrease for 2015/16 is 0.89% (£0.71 per week to £79.83 per week over 50 weeks).
17. Under the self-financing regime, the Government calculated the resources required to maintain our housing stock over 30 years. The rental income required was based upon a prescribed calculation (including convergence) which means that lower rent may jeopardise the Council's ability to maintain the current housing stock in Gateshead. The rent proposals for 2016/17 are as per government guidance this will have a significant impact on the HRA in future years and as such savings have been identified to mitigate the reduced level of income to the HRA for the next 4 years.
18. Previous guidance gave Local Authorities some discretion over the rent for individual properties to take account of local factors; this is described as rent flexibility. This flexibility allows Local Authorities to set new rents up to 5% above formula rent and 10% above formula rent for supported housing and sheltered accommodation. This flexibility was expected to be removed due to the revised Government guidance to reduce all rent by 1%. It is now expected that the 10% flexibility for relet supported housing and sheltered accommodation will continue, although this is yet to be confirmed by Government. Once confirmed the impact of this will be assessed taking into consideration the other proposed changes in these service areas and where necessary any proposed changes will be brought back to Cabinet for approval.
19. Government expectation is that all rents will have moved to formula rent prior to the current Government guidance being applied; this is not the case for all of Gateshead's properties. The majority of the Council's rents are lower than formula rent and the impact is that approximately 17,000 properties will not have converged by 2016/17. Convergence can be achieved by increasing rents on relet properties to target rent. This option is still available, indicative figures show that if this policy had been in place during 2015/16 additional income of £102,000 could have been generated. It is proposed that rents on relet properties be increased to target social rent and that the necessary amendments to the rent policy are delegated to the Strategic Director, Communities & Environment in consultation with the Leader and the Member for Housing.

20. At present Gateshead has two rent-free weeks at Christmas to help customers meet seasonal costs whilst avoiding falling into rent arrears. It is proposed that this arrangement continues in 2016/17 with the intention of moving to 52 weeks when Universal Credit is introduced in full in Gateshead. This will reflect the changes to payments made to tenants as a result of Universal Credit and also make the Council's rent more comparable to the private sector when tenants are comparing the costs of both. If the average rent were to be paid over 52 weeks it would be £76.80 per week rather than £79.88. Any proposed changes would be brought to a future meeting of Cabinet for approval.

## **Fees and Charges**

21. There are different types of fees and charges in the HRA some of which are mandatory; such as energy costs and services, sheltered scheme officers, caretaking, cleaning and concierge and some are discretionary (i.e. the tenant has a choice to take up the service; such as leased furniture packages, gardening and garages). Out of the circa 19,600 dwellings, approximately 7,300 are liable for service charges.
22. Fees and Charges for Housing currently generate approximately £2.6m but this is after concessions of £1.3m that are given to tenants in relation to sheltered scheme officers and care call.
23. A total of 62% of Council tenants receive Housing Benefit and a number of the Council charges for services are eligible for housing benefit; these are primarily services associated with buildings and cover charges such as cleaning, concierge, caretaking and Sheltered Scheme Wardens. The majority of the proposed increases are either eligible for Housing Benefit or are a discretionary charge.
24. Guidance from Central Government is that fees and charges should be recovered in full where applicable. This is to protect other tenants from essentially contributing to costs that they are not responsible for.
25. The review of the sheltered scheme service that has been carried out during 2015/16 identified the full cost of providing the sheltered scheme officer (SSO's), mobile officer (MSSO's) and extra care scheme officers service which has resulted in an increase to the charges included in the fees and charges.
26. The proposed inflationary increases detailed in Appendix 4 of the report do not recover the full cost of certain charges. As agreed in previous reports further work has been undertaken to understand the impact of moving to full cost recovery for all charges over the next five years. It is proposed that this approach be implemented in relation to gas, electricity and heating costs in multi storey flats, sheltered scheme officers and Angel Court extra care scheme along with the charges for repairs and cleaning of communal areas. The appendix also analyses the proposed stepped charges for the next five years that will achieve full cost recovery by 1<sup>st</sup> April 2020.

## **Sheltered Schemes**

27. The review of the various elements of the sheltered scheme service provision during the current financial year highlighted a number of subsidies awarded to SSO's, MSSO's and extra care scheme service users. These subsidies have been in place for a number of years with the cost being borne by the HRA. There is an additional



cost to the HRA of approximately £598,000 per year, based on 2015/16 actual costs to September 2015. It should be noted that some tenants receive more than one subsidy and some do not receive any at all. If subsidies are maintained there will continue to be a cost to the HRA although it is anticipated that no further subsidies will be awarded to ensure that the cost to the HRA does not increase.

28. Current subsidies were implemented due to the removal of the Supporting People grant in December 2005 and have been subsequently allowed for tenants who would have received this grant if it had still been in place. At the time of implementation no end date was agreed.
29. It is proposed that the subsidies be reduced and removed over the next five years by 20% per year until all users are paying for the full cost of the service by 1<sup>st</sup> April 2020. Tenant impact assessments and individual examples are included in Appendix 5.
30. There are 1,537 tenants using the services, 1,333 of which are awarded one or more subsidy, including 1,094 (76%) who are in receipt of Housing Benefit. An impact assessment is provided in Appendix 5 which shows the impact of the proposal to move to full cost recovery for all HRA fees and charges and the reduction of subsidy over the next three years. The impact has been partially mitigated by the phased implementation of full cost recovery for the other fees and charges associated with sheltered schemes, as well as the housing benefit eligibility of the service provided which is up to 49% of the service charge.
31. There are risks to the HRA associated with the withdrawal of subsidy and the increase to full cost recovery, in that it may cause rental income to reduce as tenancies may become unaffordable to tenants or the level of bad debt may increase. These risks have been considered and it is anticipated that these risks will be mitigated by decreasing the subsidy being met by the HRA.
32. There are also risks to tenants that must be considered, in that the increases to the rent and increases to service charges due to reduced subsidy may cause financial hardship in some cases. Where this is the case consideration for applications for discretionary housing payments will be assessed on a case by case basis.

### **Housing Capital Programme 2016/17 to 2020/21**

33. As part of the self-financing process, it is important to balance the capital expenditure needs with the resources that are available within the HRA.
34. Council approved a five year Housing Capital Programme for the period 2015/16 to 2019/20 on 5<sup>th</sup> February 2015. This programme is subject to ongoing review to ensure that the planned investment remains to be a high priority and can be supported by the resources available within the HRA.
35. Capital investment within the HRA is funded from the Major Repairs Reserve through a combination of the depreciation charged each year to the HRA and using additional voluntary HRA revenue contributions where possible to maximise the level of planned investment in the stock. The depreciation charge is met from rental income in the HRA, meaning that investment in the Housing Capital Programme is effectively funded via the rental income that is generated.

36. The reductions in the projected level of rental income over the medium term have meant that previous investment plans have been re-prioritised and some of the proposed allocations have been re-profiled and reduced in order to reflect the resource constraints. Based on the existing HRA Business Plan and taking account of the proposed £5.7m savings included, it is estimated that £95m will be available to support capital investment within the HRA over the next five years. The position regarding the HRA balance will continue to be reviewed to determine whether any additional capital investment can be supported
37. The following principles continue to be applied to assist in prioritising capital investment within the HRA:
- Health and safety, safeguarding and statutory requirements;
  - Investing in identified decent homes improvements, including window replacement
  - Improving the sustainability and energy efficiency of the housing stock; and
  - Estate regeneration.
38. The planned investment in the Housing Capital Programme is flexible and is subject to ongoing review which is informed by the outputs from stock condition surveys. At this stage it is envisaged that over the next five years the investment will include:
- Over £59m of investment in undertaking estate based major works in accordance with the Decent Homes standard, including the replacement of kitchens, bathrooms and electrical improvements in addition to a £4.5m programme to replace back boilers in a phased manner following a change in legislation and almost £4m to continue the rolling window replacement programme;
  - Almost £17m of investment in general stock improvements, including the renewal of lifts, communal electrics and investment in external insulation to improve thermal efficiency of existing dwellings as well as the continuing provision of major and minor adaptation works to dwellings;
  - Over £14m of investment in exceptional extensive works, including £4.5m to replace the façade and boilers within Regent Court as well as a proposed contribution towards an £11m energy efficiency scheme seeking to undertake improvements to some of the Council's tower blocks;
  - £3m of potential investment relating to the delivery of contingent major works which deal with additional improvements that have been identified outside of the pre-planned schemes, such as additional boiler replacements;
  - £2m is retained to complete the decommissioning of former estates as part of the ongoing Estate Regeneration projects at Clasper Village, Bleach Green and Dunston.
39. Opportunities continue to be explored to utilise maintaining decency resources to attract external funding, such as ECO funding, to undertake additional stock improvements and energy efficiency improvements. These works help to increase the sustainability of the Council's housing stock whilst ensuring the HRA is not required to meet the full cost of the scheme given the constraints on the resources within the HRA.

40. The proposed programme includes investment in innovative energy efficiency improvements to Harlow Green and Bensham Court tower blocks as part of a proposed £11m project to provide low carbon, low cost heating systems. The scheme is seeking to undertake fabric improvements and implement a Combined Heat and Power (CHP) heating network at Harlow Green and a Ground Source Heat Pump system at Bensham Court and requires a total contribution of £4.3m (including window replacement) from the HRA to support the scheme. The ability to proceed with the project as envisaged will be dependent upon the success of an ERDF funding application, which is seeking £3.3m of external resources. Alternative delivery options will be considered in the event that the current funding application is not successful.
41. The Council is also continuing to liaise with the HCA around the provision of an assisted living scheme at Winlaton which is estimated to cost in the region of £2.6m and would potentially benefit from £0.4m of HCA grant funding. It is proposed to utilise former Right to Buy receipts to fund this investment on the basis that this will generate income for the HRA in the future and this will be included within the capital programme when the scheme details have been finalised.
42. The proposed Housing Capital Programme for the period from 2016/17 to 2020/21 is set out in Appendix 6. The future allocations will continue to be reviewed regularly to reflect the progress on committed projects and the availability of resources within the HRA to support capital investment.

### **Next Steps**

43. In order to assess the full impact of housing reform the Council continues to develop the 30 year HRA business plan. The plan will take into account factors mentioned in this report such as income from rents, decisions regarding repayment of debt, the Housing Capital Programme provision, a minimum HRA reserve of £3m and the impact of welfare reform on rent collection. The model will be the subject of a future report.
44. A strategic review of the HRA together with a comprehensive Rent Policy review will be undertaken, taking into consideration the information on conditions, voids, supply requirements and demographics and any changes following the election. This will inform the future vision and the direction of the HRA business plan.

### **Consultation**

45. Consultation has taken place with the Leader and Deputy Leader and Cabinet Members for Housing and The Gateshead Housing Company. The proposals were also the subject of a Members' Seminar on 3 February 2016.

### **Alternative Options**

46. There are no alternative options proposed.

## Implications of Recommended Options

### 47. Resources

- a) **Financial Implications** – The Strategic Director, Corporate Resources, confirms that the financial implications are reflected in Appendices 1, 2, 3, 4, 5 and 6.
- b) **Human Resources Implications** – Nil.
- c) **Property Implications** – Nil.

48. **Risk Management Implications** – The added risks arising from self-financing and welfare reform means that the Council must continue to manage and maintain its housing stock from the rents collected. The 30 year HRA business plan is being updated to enable this to be monitored and to ensure that decisions are made, where appropriate, to ensure the housing stock is maintained in the future.

49. **Equality and Diversity Implications** – Nil

50. **Crime and Disorder Implications** – Nil

51. **Health Implications** – Nil

52. **Sustainability Implications** – The report contains a number of measures, which will help deliver a more Sustainable Gateshead and ensure sustainable use of the Council's resources in delivering corporate priorities.

53. **Human Rights Implications** – Nil

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

## Background Information

Rent Standard Guidance April 2015

The Housing Revenue Account Self Financing Determinations February 2012.

## Housing Revenue Account - Income and Expenditure Account

	Budget	Expected Outturn	Budget
	2015/16 £'000	· £'000	2016/17 £'000
<b>Income</b>			
Dwelling rents (gross)	(77,152)	(77,187)	(75,932)
Non-dwelling rents (gross)	(1,358)	(1,413)	(1,357)
Charges for services and facilities	(2,765)	(3,000)	(3,146)
Leaseholders charges for services & facilities	(261)	(295)	(299)
Contribution towards expenditure	(942)	(950)	(932)
HRA investment income	(140)	(110)	(110)
Gain on Sales of Assets			
	<b>(82,618)</b>	<b>(82,955)</b>	<b>(81,777)</b>
<b>Expenditure</b>			
Supervision and Management	26,068	25,910	26,321
Repairs and Maintenance	19,278	19,307	18,636
Interest on borrowing	16,492	16,268	15,943
Capital Programme Funding	24,100	19,833	22,270
Increased provision for bad and doubtful debts	500	500	550
Amortised premiums and discounts	12	12	13
Debt management expenses	345	345	345
Impairment of Fixed Assets			
	<b>86,795</b>	<b>82,175</b>	<b>84,078</b>
<b>Net Operating Cost</b>	<b>4,177</b>	<b>(780)</b>	<b>2,302</b>

## HRA &amp; TGHC Saving Proposals

Cabinet Category	Ref	Area/ Service	Function	Council Plan Strategy	Option Description	2016-18				
						Budget Option 16/17 £'000	FTE's 16/17	Budget Option 17/18 £'000	FTE's 17/18	Options 2016-18 £'000
Housing	1	GHC	GHC	Reducing Costs	Reductions in pre-contract development work	171	4.5			171
Housing	2	GHC	GHC	Reducing Costs	Resign of voids team	28	1.0			28
Housing	3	GHC	GHC	Reducing Costs	Reduction former tenants officers	50	2.0			50
Housing	4	GHC	GHC	Reducing costs	Reduction repairs management posts	77	3.0			77
Housing	5	GHC	GHC	Reducing costs	Reduce ASB service	48	1.0			48
Housing	6	GHC	GHC	Reducing costs	Reduce sheltered housing service management	17	0.4			17
Housing	7	GHC	GHC	Reducing costs	Close two housing offices and relocate services	238	10.0			238
Housing	8	GHC	GHC	Reducing costs	Review ICT service	41	1.3			41
Housing	9	GHC	GHC	Reducing costs	Review performance service	28	1.0			28
Housing	10	GHC	GHC	Reducing costs	Review admin support	40	2.0			40
Housing	11	GHC	GHC	Reducing costs	Review Comms provision	42	1.0			42

Cabinet Category	Ref	Area/ Service	Function	Council Plan Strategy	Option Description	2016-18				
						Budget Option 16/17 £'000	FTE's 16/17	Budget Option 17/18 £'000	FTE's 17/18	Options 2016-18 £'000
Housing	12	GHC	GHC/Council support services	Reducing costs	Reduction in SLAs with Council	220	0.0			220
Housing	13	GHC	GHC / Council support services	Reducing Costs	Management fee year 2 savings			1,000		1,000
Housing/ Environment	14	Waste Serv/ Grounds Maintenance/ Fleet Management	Grounds Maintenance	Reducing Costs	Reduction, cessation and redesign of services to deliver need, priority and compliance work only (Grounds Maintenance, Weed Control, Countryside Team, Parks & Open Spaces, Street Cleansing teams, Arboriculture, management restructure)	150	5.0	1,050	83	1,200
Housing/ Social care	15	Care Wellbeing & Learning	Fees & Charges	Increasing income	Additional income generated in 2016/17 by moving towards full cost recovery	80		70		150
Housing/ Social care	16	Care Wellbeing & Learning	Transitional Grant	Reducing Costs / Increasing Income	Remove transitional grant for sheltered support services	300		100		400

Cabinet Category	Ref	Area/ Service	Function	Council Plan Strategy	Option Description	2016-18				
						Budget Option 16/17 £'000	FTE's 16/17	Budget Option 17/18 £'000	FTE's 17/18	Options 2016-18 £'000
Housing	17	Central Services	Finance	Reducing costs	Savings in borrowing costs	542		0		542
Housing/ Social care	18	GHC	Repairs & Maintenance	Reducing Costs	Reduction in R&M spend and contingencies			30		883
			Repairs	Reducing Costs	Stop providing Tenant Improvement Loans (TILS)	15				
			Repairs	Reducing Costs	Stop repairing and renewing toilet seats and shower curtains	20				
			Relets	Reducing Costs	End the provision of decoration vouchers to tenants when they move into a property	156				
			Gas Servicing	Reducing Costs	Review provision of gas servicing and CO detectors	30				
			Painting Programme	Reducing Costs	Reduce painting programme by 15%	225				
			Cyclical Repairs	Reducing Costs	Reduce cyclical repairs servicing and remedial works budgets by 15%	69				



Cabinet Category	Ref	Area/ Service	Function	Council Plan Strategy	Option Description	2016-18				
						Budget Option 16/17 £'000	FTE's 16/17	Budget Option 17/18 £'000	FTE's 17/18	Options 2016-18 £'000
			Environmental Works	Reducing Costs	End the provision of free pest control services for properties and gardens	75				
			Energy Performance Certificates	Reducing Costs	Review need and subsequent provision of energy performance certificates	10				
			Software Development	Reducing Costs	Remove the software development budget as BARIS has now gone live	50				
			Contingency	Reducing Costs	Reduce R&M contingency budget	203				
<b>Housing/ Social care</b>	19	Care Wellbeing & Learning	Employees	Reducing Costs	15% reduction in HRA funded posts in Sheltered Schemes	33	1.5	100	4.5	133
<b>Housing/ Social care</b>	20	Communities & Environment	Employees	Reducing Costs	15% reduction in HRA funded posts in Neighbourhood Management (inc. Community Centres)	9	0.5	27	1	36

Cabinet Category	Ref	Area/ Service	Function	Council Plan Strategy	Option Description	2016-18				
						Budget Option 16/17 £'000	FTE's 16/17	Budget Option 17/18 £'000	FTE's 17/18	Options 2016-18 £'000
Housing/ Social care	21	Communities & Environment/ Economic Growth /Carewellbeing & Learning	Employees	Reducing Costs	15% reduction in HRA funded posts in Housing Management	4	0.0	13	0.5	17
Housing/ Social care	22	Communities & Environment/ Economic Growth /Carewellbeing & Learning	Employees	Reducing Costs	15% reduction in HRA funded posts in Housing Management	28	0.0	0	0	28
Housing/ Social care	23	Care Wellbeing & Learning	Employees	Reducing Costs	15% reduction in HRA funded posts in Supported Housing	56	1.8	169	5.25	225
Housing/ Social care	24	Care Wellbeing & Learning	Employees	Reducing Costs	15% reduction in HRA funded posts in Right to Buy/Housing Enablement	39	1.0	118	4	157
<b>HRA SAVINGS</b>						<b>3,094</b>	<b>32</b>	<b>2,250</b>	<b>83</b>	<b>5,771</b>

## Housing Revenue Account, Fees and Charges 2016/17 Proposals

Ref	SERVICES	VAT	CURRENT CHARGE 2015/16	PROPOSED CHARGE 2016/17	Increase	COMMENTS
			£ per Week	£ per Week	£ per Week	0.8% RPI at Sept 2015
	<b>WARWICK COURT MULTI STOREY</b>					
	<u>Gas Heating</u>					
1	Bed-sit	O/S	3.75	3.83	0.08	
2	One Bed Flat	O/S	5.52	5.65	0.13	
	<u>Repairs &amp; Maintenance of Communal Areas</u>					
3&4	Bed-sit & One Bed Flat	O/S	3.14	3.63	0.49	
	<b>EAST ST FLATS</b>					
	<u>Gas Heating &amp; Hot Water</u>					
5	Bed-sit	O/S	6.60	6.60	0.00	
6	One Bed Flat	O/S	8.39	8.68	0.29	
7	Two Bed Flat	O/S	10.03	10.51	0.48	
8	Three Bed Flat	O/S	11.77	12.51	0.74	
	<b>ANGEL COURT EXTRA CARE SCHEME</b>					
9	Gas & Electric	O/S	8.05	9.00	0.95	
	<u>Communal Facilities</u>					
10	Maintenance of Communal Areas - Flats	O/S	10.47	12.18	1.71	
11	Maintenance of Communal Areas - Bungalows	O/S	1.65	1.92	0.27	
12	Furnishings and laundry - Flats	O/S	9.36	9.43	0.07	
13	Furnishings and laundry - Bungalows	O/S	1.94	1.96	0.01	
14	Scheme manager	O/S	12.05	12.41	0.36	
15	Cleaning of corridors and windows	O/S	6.07	6.12	0.05	
16	Provision of domestic home support	O/S	8.71	8.71	0.00	
	<b>SHeltered ACCOMMODATION</b>					
	<u>Gas Heating</u>					
17	Bedsit	O/S	7.41	7.41	0.00	
18	Flat	O/S	10.43	10.67	0.24	
19	Sheltered Scheme Officer Properties	O/S	11.73	12.16	0.43	
20	Communal Areas	O/S	1.29	1.47	0.18	
	<u>Electricity</u>					
21	Flat	O/S	2.78	3.19	0.41	
22	Sheltered Scheme Officer Properties	O/S	7.20	7.20	0.00	
23	Communal Areas	O/S	1.60	2.30	0.70	
24	Repairs & Maintenance of Communal Areas (contained units only)	O/S	1.51	2.07	0.56	
	<u>Cleaning</u>					
25	Cleaning (communal areas for contained units only)	O/S	4.22	4.55	0.33	
26	Cleaning (communal lounge for separate units only)	O/S	0.71	0.71	0.00	
	<u>Sheltered Scheme Officers</u>					
27/28	Sheltered Scheme Officer	O/S	11.38	11.90	0.52	
29	Mobile Sheltered Scheme Officer	O/S	0.99	1.16	0.17	
30	Concessionary TV Licence (£7.50 p.a per room)	E	0.15	0.15	0.00	Statutory charge

<b>LOW RISE BLOCKS</b>							
31	Communal Areas - Cleaning	O/S	0.90	1.02	0.12		
<b>MID RISE BLOCKS</b>							
32	Communal Areas - Cleaning	O/S	2.17	2.49	0.32		
<b>MULTI STOREY FLATS</b>							
33	Concierge & cleaning	O/S	13.19	13.19	0.00		
34	Caretaking & cleaning	O/S	7.21	7.21	0.00		
<b>REGENT COURT</b>							
35	Maintenance of fire safety system	O/S	0.31	0.31	0.00		
<b>DISPERSED HOMELESS UNITS</b>							
<u>Heat &amp; light</u>							
36	Sharing Bed-sit (each)	O/S				Charges set in line with LHA rates (52 week charge)	
37	Two Bed Flat	O/S					
38	Three Bed Flat	O/S					
<u>Furnishings</u>							
39	Sharing Bed-sit (each)	O/S					
40	Two Bed Flat	O/S					
41	Three Bed Flat	O/S					
42	Warden	O/S					
43	Laundry	O/S					
44	Cleaning	O/S					
<b>OUTSIDE USE OF COMMUNAL LOUNGES</b>							
45	Up to 1 hour	E	7.01	7.07	0.06	0.8% RPI Inflation	
46	Up to 2 hours	E	12.90	13.00	0.10	0.8% RPI Inflation	
47	1 Session (2 - 4 hours)	E	19.87	20.03	0.16	0.8% RPI Inflation	
48	2 Sessions	E	36.53	36.82	0.29	0.8% RPI Inflation	
49	3 Sessions	E	50.64	51.05	0.41	0.8% RPI Inflation	
<b>USE OF GUEST ROOMS AT SHELTERED ACCOMMODATION</b>							
<u>No en-suite amenities</u>							
50	Single (charge per night)	S	7.17	7.23	0.06	0.8% RPI Inflation	
51	Couple (charge per night)	S	8.16	8.23	0.06	0.8% RPI Inflation	
<u>Partial en-suite</u>							
52	Single (charge per night)	S	8.89	8.96	0.07	0.8% RPI Inflation	
53	Couple (charge per night)	S	9.40	9.48	0.07	0.8% RPI Inflation	
<u>Full en-suite</u>							
54	Single (charge per night)	S	10.13	10.21	0.08	0.8% RPI Inflation	
55	Couple (charge per night)	S	11.16	11.25	0.09	0.8% RPI Inflation	
<b>KITCHEN APPLIANCES</b>							
56	Portobello	S	0.41	0.41	0.00		
57	Cranesville	S	2.71	2.71	0.00		
58	Millbrook	S	1.70	1.70	0.00		
59	Norfolk Place	S	2.71	2.71	0.00		
60	Hallgarth	S	1.70	1.70	0.00		
<b>FURNITURE CHARGES (UP TO APRIL 2010)</b>							
61	Bed Sit (package)	O/S	7.22	7.22	0.00		
62	One Bed Flat (Package)	O/S	13.14	13.14	0.00		
63	Two Bed Flat (Package)	O/S	19.57	19.57	0.00		
64	Three Bed House (Package)	O/S	26.14	26.14	0.00		

	<b>(NEW TENANTS APRIL 2010 onwards)</b>					
65	Mini Package	E	9.94	9.94	0.00	No increase proposed from Your Homes Newcastle
66	Package Option 1	E	18.24	18.24	0.00	
67	Package Option 2	E	25.86	25.86	0.00	
68	Package Option 3	E	33.47	33.47	0.00	
69	Package Option 4	E	41.05	41.05	0.00	
70	Admin Charge	E	2.64	2.64	0.00	
	<b>GARAGES</b>					
71	Brick Garages (Council)	O/S	5.28	5.32	0.04	0.8% RPI Inflation
72	Brick Garages (Private)	S	8.90	8.97	0.07	0.8% RPI Inflation
73	Commercial Use	S	11.64	11.73	0.09	0.8% RPI Inflation
74	Commercial Storage	S	19.45	19.61	0.16	0.8% RPI Inflation
75	Parking Bays	S	20.78	20.95	0.17	0.8% RPI Inflation
76	<b>DIGITAL AERIAL PROVISION</b>	S	0.09	0.09	0.00	
	<b>CARE ALARMS - LIFELINES / DISPERSED ALARMS</b>					
77	52 week charge	S*	4.30	4.35	0.05	
77 a	50 week charge	S*	4.47	4.52	0.05	
78	Mortgage questionnaire	S	77.53	78.15	0.62	0.8% RPI Inflation
79	Rent reference	S	38.79	39.10	0.31	0.8% RPI Inflation
80	<b>GARDENING SCHEME</b>	S	6.05	6.05	0.00	
	<b>Charges are 50 week charge unless otherwise stated</b>					
	* Where installation of alarm is requested by tenant VAT is standard rated. If alarm is already built into property and part of rent or is part of care package VAT is outside the scope.					
	Tenants with disabilities VAT is zero-rated.					

## Housing Revenue Account, Fees and Charges 2016/17 Proposed Stepped Options

Ref	SERVICES	VAT	CURRENT CHARGE 2015/16	2016/17	2017/18	2018/19	2019/210	1st April 2020 Full Cost Recovery
			£ per Week	£ per Week	£ per Week	£ per Week	£ per Week	£ per Week
<b>WARWICK COURT MULTI STOREY</b>								
<u>Gas Heating</u>								
1	Bed-sit	O/S	3.75	3.83	3.90	3.98	4.05	4.13
2	One Bed Flat	O/S	5.52	5.65	5.78	5.91	6.03	6.16
<u>Repairs &amp; Maintenance of Communal Areas</u>								
3	Bed-sit	O/S	3.14	3.63	4.13	4.62	5.12	5.61
4	One Bed Flat	O/S	3.14	3.63	4.13	4.62	5.12	5.61
<b>EAST ST FLATS</b>								
<u>Gas Heating &amp; Hot Water</u>								
6	One Bed Flat	O/S	8.39	8.68	8.98	9.28	9.57	9.87
7	Two Bed Flat	O/S	10.03	10.51	11.00	11.48	11.97	12.45
8	Three Bed Flat	O/S	11.77	12.51	13.24	13.98	14.71	15.45
<b>ANGEL COURT EXTRA CARE SCHEME</b>								
9	Gas & Electric	O/S	8.05	9.00	9.95	10.90	11.85	12.80
<u>Communal Facilities</u>								
10	Maintenance of Communal Areas - Flats	O/S	10.47	12.18	13.89	15.60	17.32	19.03
11	Maintenance of Communal Areas - Bungalows	O/S	1.65	1.92	2.19	2.46	2.73	3.00
14	Scheme Manager	O/S	12.05	12.41	12.77	13.12	13.48	13.84
<b>SHELTERED ACCOMMODATION</b>								
<u>Gas Heating</u>								
18	Flat	O/S	10.43	10.67	10.90	11.14	11.37	11.61
19	Sheltered Scheme Officer Properties	O/S	11.73	12.16	12.59	13.02	13.45	13.88
20	Communal Areas	O/S	1.29	1.47	1.65	1.84	2.02	2.20
<u>Electricity</u>								
21	Flat	O/S	2.78	3.19	3.61	4.02	4.43	4.84
23	Communal Areas	O/S	1.60	2.30	3.00	3.70	4.40	5.10
24	Repairs & Maintenance of Communal Areas (contained units only)	O/S	1.51	2.07	2.62	3.17	3.73	4.28
<u>Cleaning</u>								
25	Cleaning (communal areas for contained units only)	O/S	4.22	4.55	4.88	5.21	5.54	5.87
<u>Sheltered Scheme Officers</u>								
27/28	Sheltered Scheme Officer	O/S	11.38	11.90	12.42	12.94	13.46	13.98
29	Mobile Sheltered Scheme Officer	O/S	0.99	1.16	1.33	1.50	1.67	1.84
<b>LOW RISE BLOCKS</b>								
31	Communal Areas - Cleaning	O/S	0.90	1.02	1.14	1.27	1.39	1.51
<b>MID RISE BLOCKS</b>								
32	Communal Areas - Cleaning	O/S	2.17	2.49	2.81	3.14	3.46	3.78

## Sheltered Scheme Impact Assessments

Summary of Movement	No. of tenants		
	Overall charge	Service Charges only	Rent & Water only
Reduction	18,043	-	18,164
No change	-	16,884	-
Increase up to £1	121	1,378	1,439
£1 to £2	103	269	60
£2 to £3	264	15	-
£3 to £4	26	62	-
£4 to £5	51	-	-
£5 to £6	-	-	-
£6 to £7	-	13	-
£7 to £8	48	815	-
£8 to £9	853	153	-
£9 to £10	80	41	-
£10 to £11	74	33	-
£11 to £12	-	-	-
Over £12	-	-	-
<b>Total Tenants</b>	<b>19,663</b>	<b>19,663</b>	<b>19,663</b>

Summary of Movement	% of tenants		
	Overall charge	Service Charges only	Rent & Water only
Reduction	91.8%	0.0%	92.4%
No change	0.0%	85.9%	0.0%
Increase up to £1	0.6%	7.0%	7.3%
£1 to £2	0.5%	1.4%	0.3%
£2 to £3	1.3%	0.1%	0.0%
£3 to £4	0.1%	0.3%	0.0%
£4 to £5	0.3%	0.0%	0.0%
£5 to £6	0.0%	0.0%	0.0%
£6 to £7	0.0%	0.1%	0.0%
£7 to £8	0.2%	4.1%	0.0%
£8 to £9	4.3%	0.8%	0.0%
£9 to £10	0.4%	0.2%	0.0%
£10 to £11	0.4%	0.2%	0.0%
£11 to £12	0.0%	0.0%	0.0%
Over £12	0.0%	0.0%	0.0%
<b>Total Tenants</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Summary of Movement	SHELTERED SCHEMES ONLY		No. of tenants	
	Overall charge	Overall charge	Overall charge	Overall charge
Reduction	-	-	-	12
No change	-	-	-	-
Increase up to £1	-	-	-	1
£1 to £2	54	54	284	284
£2 to £3	253	253	995	995
£3 to £4	26	26	58	58
£4 to £5	51	51	89	89
£5 to £6	-	-	-	-
£6 to £7	-	-	-	-
£7 to £8	48	48	-	-
£8 to £9	853	853	-	-
£9 to £10	80	80	-	-
£10 to £11	74	74	-	-
£11 to £12	-	-	-	-
£12 to £13	-	-	-	-
<b>Scheme Tenants</b>	<b>1,439</b>	<b>1,439</b>	<b>1,439</b>	<b>1,439</b>
<b>Other Tenants</b>	<b>18,224</b>	<b>18,224</b>	<b>18,224</b>	<b>18,224</b>
<b>Total Tenants</b>	<b>19,663</b>	<b>19,663</b>	<b>19,663</b>	<b>19,663</b>

## Impact of Extra Care Sheltered Scheme Officer Relief Reduction

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Angel Court ECSSO		2015/16 Charges			2016/17 Proposed			
2 bed		Non-HB	HB Eligible		Non-HB Tenant		HB Eligible Tenant	
		£	£		£	Increase £	Movement £	
<b>Cost</b>	Rent	75.82	75.82	0.9% increase	76.49		76.49	
	Water	6.11	6.11	*	6.17		6.17	
	SSO	12.05	12.05	* SSO Service HB	6.08		6.08	
				SSO Charge	6.33		6.33	
	SSO Credit	0.00	-12.05	SSO Charge Credit	0.00		-4.93	
	Cleaning	6.07	6.07		6.12		6.12	
	Domestic Home Support	8.71	8.71	*	8.71		8.71	
	Domestic Home Support Credit	0.00	-8.71		0.00		-8.71	
	Utilities	8.05	8.05		9.00		9.00	
	Communal Charge	10.47	10.47		12.18		12.18	
	Furniture	9.36	9.36		9.43		9.43	
	Care Call	4.47	4.47	*	4.52		4.52	
	Care Call credit	0.00	-4.47	*	0.00		-4.52	
		<b>141.11</b>	<b>115.88</b>		<b>145.03</b>	<b>3.92</b>	<b>126.87</b>	<b>10.99</b>
<b>Income</b>	Payable by tenant	141.11	6.11	*	145.03	3.92	7.57	1.46
	Covered by HB	0.00	109.77		0.00	0.00	119.30	9.53
		<b>141.11</b>	<b>115.88</b>		<b>145.03</b>	<b>3.92</b>	<b>126.87</b>	<b>10.99</b>



## Impact of Sheltered Scheme Officer Relief Reduction

Greenfields		2015/16 Charges		2016/17 Proposed				
		Non-HB	HB Eligible	Non-HB Tenant		HB Eligible Tenant		
1 Bed		£	£	Movement		Movement		
				£	£	£	£	
<b>Cost</b>	Rent	74.63	74.63	0.9% increase	75.30		75.30	
	Water	6.13	6.13 *		6.19		6.17	
	SSO	11.38	11.38 *	SSO Service HB	5.65		5.65	
				SSO Charge	6.38		6.38	
	SSO Credit	0.00	-11.38	SSO Charge Credit	0.00		-5.41	
	Cleaning	0.71	0.71		0.71		0.71	
	Utilities	1.29	1.29		1.52		1.52	
	Communal Charge	1.51	1.51		2.20		2.20	
	Care Call	4.47	4.47 *		4.52		4.52	
	Care Call credit	0.00	-4.47 *		0.00		-4.52	
		<b>100.12</b>	<b>84.27</b>		<b>102.47</b>	<b>2.35</b>	<b>92.52</b>	<b>8.25</b>
<b>Income</b>	Payable by tenant	100.12	6.13 *		102.47	2.35	7.14	1.01
	Covered by HB	0.00	78.14		0.00	0.00	85.38	7.24
		<b>100.12</b>	<b>84.27</b>		<b>102.47</b>	<b>2.35</b>	<b>92.52</b>	<b>8.25</b>

Greenfields		2015/16 Charges		2016/17 Proposed				
		Non-HB	HB Eligible	Non-HB Tenant		HB Eligible Tenant		
2 Bed		£	£	Increase		Increase		
				£	£	£	£	
<b>Cost</b>	Rent	84.95	84.95	0.9% increase	85.71		85.71	
	Water	6.93	6.93 *		7.00		7.00	
	SSO	11.38	11.38 *	SSO Service HB	5.59		5.59	
				SSO Charge	6.31		6.31	
	SSO Credit	0.00	-11.38	SSO Charge Credit	0.00		-4.82	
	Cleaning	0.71	0.71		0.71		0.71	
	Utilities	1.29	1.29		1.47		1.47	
	Communal Charge	1.51	1.51		2.07		2.07	
	Care Call	4.47	4.47 *		4.52		4.52	
	Care Call credit	0.00	-4.47 *		0.00		-4.52	
		<b>111.24</b>	<b>95.39</b>		<b>113.38</b>	<b>2.14</b>	<b>104.04</b>	<b>8.65</b>
<b>Income</b>	Payable by tenant	111.24	6.93 *		113.38	2.14	8.49	1.56
	Covered by HB	0.00	88.46		0.00	0.00	95.55	7.09
		<b>111.24</b>	<b>95.39</b>		<b>113.38</b>	<b>2.14</b>	<b>104.04</b>	<b>8.65</b>

Impact of standard multi storey communal charge increases

Warwck Ct 1 bed		2015/16 Charges		2016/17 Proposed		Movement	
		HB £	Non-HB £	HB £	Non-HB £	HB £	Non-HB £
<b>Cost</b>	Rent	67.85	67.85	67.17	67.17		
	Water	7.15	7.15	7.22	7.22		
	Cleaning	13.19	13.19	13.19	13.19		
	Heating	5.52	5.52	5.65	5.65		
	Communal Area	3.14	3.14	3.63	3.63		
	Care Call						
	Care Call credit						
		<b>96.85</b>	<b>96.85</b>	<b>96.86</b>	<b>96.86</b>	<b>0.01</b>	<b>0.01</b>
<b>Income</b>	Payable by tenant	12.67	96.85	12.87	96.86	0.20	0.01
	Covered by HB	84.18	0.00	83.99	0.00	-0.19	0.00
		<b>96.85</b>	<b>96.85</b>	<b>96.86</b>	<b>96.86</b>	<b>0.01</b>	<b>0.01</b>

## Appendix 1 – Capital Programme 2016/17 to 2020/21

Project	16/17 (£'000)	17/18 (£'000)	18/19 (£'000)	19/20 (£'000)	20/21 (£'000)
<b>Improvement Works</b>					
Lift Replacement/Refurbishment	700	500	500	500	500
Replacement of Communal Electrics	250	250	250	250	250
Boiler Plant Renewal	200	200	200	300	300
External Wall Insulation Works to Non-Traditional Properties	455	210	0	400	0
T-fall Insulation	150	150	120	0	0
Warden Call Renewal	250	250	250	250	250
Door Entry System Upgrades	250	250	250	250	250
Adaptations	1,500	1,500	1,500	1,500	1,500
<b>Total Improvement Works</b>	<b>3,755</b>	<b>3,310</b>	<b>3,070</b>	<b>3,450</b>	<b>3,050</b>
<b>Exceptional Extensive Works</b>					
Equality Act Works - Multi Storey Flats	250	250	250	250	250
Equality Act Works - Communal Lounges	50	50	50	50	50
Fire Safety Works - General	100	100	100	100	100
Tower Block Energy Efficiency Improvements	2,000	285	3,265	0	0
Regent Court	1,500	1,500	1,500	0	0
Risers (Services)	400	400	400	400	400
<b>Total Exceptional Extensive Works</b>	<b>4,300</b>	<b>2,585</b>	<b>5,565</b>	<b>800</b>	<b>800</b>
<b>Catch Up Works and Major Future Works</b>					
Decent Homes - Investment Programme	6,500	6,500	6,750	7,000	7,500
Decent Homes – Backlog/Ad-hoc Works	300	300	300	350	350
Back Boiler Renewal	1,000	1,000	1,000	1,000	500
Programme Management	1,000	1,000	1,000	1,000	1,000
Strategic Maintenance	2,000	2,000	2,000	2,000	2,000
Window Replacement	750	750	750	750	750
<b>Total Catch Up Works and Major Future Works</b>	<b>11,550</b>	<b>11,550</b>	<b>11,800</b>	<b>12,100</b>	<b>12,100</b>
<b>Contingent Major Works</b>					
One-off Heating Replacement	450	475	475	500	600
Timber Replacements	100	100	100	100	100
<b>Total Contingent Major Works</b>	<b>550</b>	<b>575</b>	<b>575</b>	<b>600</b>	<b>700</b>
<b>Estate Works</b>					
Estate Regeneration	2,115	0	0	0	0
<b>Total Estate Works</b>	<b>2,115</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Planned HRA Investment</b>	<b>22,270</b>	<b>18,020</b>	<b>21,010</b>	<b>16,950</b>	<b>16,650</b>

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**COUNCIL MEETING**

**25 February 2016**

## **CAPITAL PROGRAMME 2016/17 TO 2020/21**

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**Jane Robinson, Chief Executive**

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### **EXECUTIVE SUMMARY**

1. The purpose of this report is to approve the capital programme for the next five years to provide significant levels of strategic investment to deliver priority outcomes within the Council Plan.
2. The Council's existing Medium Term Financial Strategy, approved by Council in July 2015, maintained a provision to fund sufficient prudential borrowing to support the proposed capital programme. Prudential borrowing remains the only available source of funding for a number of schemes as the opportunity to secure external funding or generate capital receipts continues to be limited.
3. Local authorities are free to invest in General Fund capital schemes so long as their capital spending plans are affordable, prudent, and sustainable. There is an increasingly important link with the revenue budget, especially in the light of the significant reductions in available capital and revenue resources.
4. The 2016/17 programme totals £71.1m, with £48.8m being funded from the General Fund. Over the five years to 2020/21, the level of capital investment is forecasted to be £250.6m, of which £155.7m relates to General Fund schemes. Despite the current pressure on resources this represents a significant level of strategic investment in the Council's assets to deliver Vision 2030.
5. The proposed capital programme includes all commitments and schemes identified as high priority. The proposed capital programme is included in Appendix 2 of the attached report and the provisional capital financing is set out in Appendix 3 of the attached report.
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) Approves the capital programme for 2016/17, and the provisional programmes for 2017/18 to 2020/21, as set out in Appendix 2 of the attached report, subject to external funding approvals being received.

- (ii) Notes the provisional capital financing for the programme, as set out in Appendix 3 of the attached report, and delegate authority to the Strategic Director, Corporate Resources to enter into prudential borrowing which is consistent with the requirements of the capital programme and the Council's Treasury Management Strategy.
  
- (iii) Notes the position in relation to the additional flexibility regarding the application of capital receipts to fund the revenue costs of transformational projects outlined in Appendix 4 of the attached report and agrees to receive further updates to confirm specific investment plans as part of the capital programme monitoring reports during the year.

**TITLE OF REPORT:** Capital Programme 2016/17 to 2020/21

**REPORT OF:** Darren Collins, Strategic Director, Corporate Resources

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### **Purpose of the Report**

1. Cabinet is asked to recommend that Council approve the proposed capital programme for the next five years to provide significant levels of strategic investment to deliver priority outcomes within the Council Plan.

### **Background**

2. In line with good practice, the Council continues to set a rolling capital programme with an annual review. The capital programme has been prepared for the next five years to ensure that the financial implications can be incorporated within the Council's Medium Term Financial Strategy (MTFS) and is aligned to the delivery of the outcomes within the Council Plan. Each annual review therefore builds on existing commitments.
3. The Council's existing MTFS, approved by Council in July 2015, maintained a provision to fund sufficient prudential borrowing to support the proposed capital programme. Prudential borrowing remains the only available source of funding for a number of schemes as the opportunity to secure external funding or generate capital receipts continues to be limited.
4. Local authorities are free to invest in General Fund capital schemes so long as their capital spending plans are affordable, prudent, and sustainable. There is an increasingly important link with the revenue budget, especially in the light of the significant reductions in available capital and revenue resources.
5. On 9 February 2016 Cabinet agreed to recommend to Council the Housing Revenue Account (HRA) budget for 2016/17 and a proposed five year capital programme. As part of self-financing, the housing capital programme must be supported from the resources available within the HRA. The position will continue to be reviewed on an annual basis to ensure that the proposed level of capital investment can be supported. Investment within the housing capital programme remains a significant part of the Council's wider capital investment plans.

### **Proposal**

6. The 2016/17 programme totals £71.1m, with £48.8m being funded from the General Fund and this is proposed to be recommended to Council for approval. Over the five years to 2020/21, the level of capital investment is forecasted to be £250.6m, of which £155.7m relates to General Fund schemes. Despite the current pressure on resources this represents a significant level of strategic investment in the Council's assets to deliver Vision 2030.
7. Capital investment has a significant impact on the local economy within Gateshead. The investment in schemes to encourage economic and housing growth in particular are estimated to attract almost £1bn of private investment to Gateshead over the lifetime of

the schemes, helping to facilitate the development of up to 5,500 new homes and 250,000m<sup>2</sup> of commercial floor space with the potential to generate Business Rates and Council Tax of around £40m per annum when the schemes are fully developed.

8. The programme includes projects that are key to delivering Vision 2030 and comprises:
  - Projects that enable wider regeneration and generate economic and housing growth within Gateshead;
  - Projects that are considered to be essential from a health and safety or statutory perspective;
  - Projects where the Council has made a previous commitment to fund and the planned investment remains a high priority;
  - Projects that improve the sustainability of the Council's assets and which help to improve energy efficiency and reduce carbon emissions;
  - Projects that attract significant amounts of external funding; and
  - Projects that are essential to deliver revenue savings and facilitate changes to the way that the Council delivers its key services.
9. The capital programme provides a framework for strategic investment and detailed business cases are required for a number of key schemes prior to the commencement of projects. This will ensure that the investments will contribute towards the achievement of budget savings and will not increase pressure on the Council's revenue budget.
10. There may be opportunities to include additional schemes in the capital programme should a business case demonstrate that capital investment will achieve savings to at least meet the associated borrowing costs to satisfy the prudential framework, or in the event that additional external resources, such as capital grants or developer contributions, or capital receipts become available to support capital investment.
11. The proposed capital programme includes all commitments and schemes identified as high priority. The proposed capital programme is included in Appendix 2 and the provisional capital financing is set out in Appendix 3.

## **Recommendations**

12. Cabinet is asked to recommend that Council:
  - (i) Approve the capital programme for 2016/17, and the provisional programmes for 2017/18 to 2020/21, as set out in Appendix 2, subject to external funding approvals being received.
  - (ii) Note the provisional capital financing for the programme, as set out in Appendix 3, and delegate authority to the Strategic Director, Corporate Resources to enter into prudential borrowing which is consistent with the requirements of the capital programme and the Council's Treasury Management Strategy.
  - (iii) Note the position in relation to the additional flexibility regarding the application of capital receipts to fund the revenue costs of transformational projects outlined in Appendix 4 and agree to receive further updates to confirm specific investment plans as part of the capital programme monitoring reports during the year.



for the following reasons:

- (i) To provide significant strategic investment to deliver priority outcomes within the Council Plan.
- (ii) To realise the Council's policies and objectives in relation to maximising resources available within its capital programme.
- (iii) To assist with the medium and longer term financial sustainability of the Council.

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## APPENDIX 1

### Policy Context

1. All Council capital expenditure is consistent with delivery of Vision 2030. The approach, agreed by Cabinet, ensures schemes that make up the capital programme can demonstrate delivery of priority outcomes within the Council Plan.

### Background

2. Details of potential future capital schemes for the 2016/17 to 2020/21 capital programme were collated and considered alongside the schemes within the existing three-year capital 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 and HRA.
3. The basic principle of the prudential system is that local authorities are free to borrow so long as their capital spending plans are affordable, prudent and sustainable. There is, therefore, an explicit link with the Council's revenue spending plans which have been considered as part of the MTFS process and setting the 2016/17 revenue budget.
4. The self-financing implications have been considered as part of setting the HRA capital programme, and have been addressed as part of the process to set the HRA budget for 2016/17. The five year capital programme was updated to cover the period 2016/17 to 2020/21 and was agreed by Cabinet to be recommended to Council on 9 February 2016.

### Capital Programme 2016/17 to 2020/21 Scheme Selection

5. The basis for considering the programme for 2016/17 was the current system for prioritising capital investment that gives priority to schemes which:
  - are consistent with the corporate priorities to deliver Vision 2030;
  - generate economic and housing growth within Gateshead;
  - are essential from a health and safety perspective;
  - meet mandatory and/or statutory requirements, including those set out in the Equality Act (2010);
  - relate to commitments from previous years which remain to be high priority;
  - address strategic maintenance needs of existing assets identified within the Council's Asset Management Plan;
  - assist the maintenance of existing service provision;
  - maximise the availability of external funding for priority issues to enhance value for money; and
  - achieve efficiencies to assist the Council in meeting the required budget savings.
6. A number of schemes have been identified where delivery is considered to be essential to ensure the sustainability of key services. These have been included within the proposed capital programme and include the following schemes:
  - Delivery of the Council's Technology Plan;
  - Health and Safety schemes;
  - Strategic Maintenance of Council buildings and transport infrastructure; and
  - The replacement of fleet vehicles, including refuse collection vehicles.

7. A number of schemes which have been approved in previous capital programmes have ongoing commitments. All of these commitments have been reviewed in setting the capital programme to ensure they are still required in line with the Council's priorities and remain to be high priority.

8. The commitments include the continuation of significant investment in the following key areas:

- **Economic Growth**

Investment of £26m has been identified over the next five years within the Accelerated Development Zone to encourage Economic Growth within Gateshead, helping to facilitate development and generate additional income for the Council in the form of retained business rates. The Council is currently working with Ask Real Estate, our development partner, to identify specific projects at Gateshead Quays with the development value expected to exceed £200m upon its completion. In addition potential investment proposals are being developed at Baltic Business Quarter including a proposal for an Office development and the creation of a Northern Centre for Emerging Technologies which is seeking £3.2m of ERDF funding as part of a potential £6.5m project with the funding award decision expected early in the 2016/17 financial year following a review of the detailed business case.

- **Investing in Decent Homes Improvements**

Investment of over £59m has been set aside within the HRA over the five year period to undertake a rolling programme of improvements to the Council's housing stock in accordance with the decent homes standard. A further £17m of investment is also included over the same period aimed at undertaking general improvements to the housing stock, continuing to invest in heating upgrades, insulation measures and external improvement works. Exceptional extensive works have been identified amounting to over £14m which are seeking to address sustainability issues, which includes a contribution towards a potential £11m scheme seeking ERDF funding to implement energy efficiency works to some of the Council's tower blocks.

- **Housing Regeneration**

The Council continues to invest in assembling and preparing sites for future redevelopment. This includes planned investment of £0.7m as part of the Council's Joint Venture Vehicle, with works now underway as part of the first phase of major housing developments in Birtley, Bensham and Saltwell. A further £2.1m has also been identified to complete the site preparation works as part of the existing estate regeneration programme within the HRA which will help to facilitate the redevelopment of a number of former estates. An allocation of £1.7m has been included to support interventions to facilitate additional development of potential sites identified by the Council's Land Development Group as part of the Development Site Preparation allocation. Finally, the programme also includes £2.25m of loans to Keelman Homes to facilitate the development of additional affordable housing at West Park within Gateshead which will benefit from the application of grant funding from the Homes and Communities Agency (HCA).

- **Carbon Management and Sustainability**

A total of £9.6m has been included within the capital programme relating to the Gateshead Town Centre Energy Network, which will provide low carbon energy within the Town Centre, Quays and Baltic Business Quarter and encourage redevelopment. The scheme is expected to be operational in 2016. In addition, £0.5m of resources have also been included to complete the Council's existing

Street Lighting upgrade programme, replacing existing lanterns in residential areas with energy efficient LED lanterns.

9. All commitments identified as being high priority and a limited number of new schemes have been included in the proposed capital programme in Appendix 2.
10. The proposed capital programme allows for investment of £71.1m in 2016/17 and £250.6m over the five year programme.

### **Capital Resources Available**

11. The provisional local government finance settlement for 2016/17 continued to outline significant reductions to local government funding which has significant implications on the resources available to support capital investment.
12. The Council continues to maximise the use of external funding where possible and a number of capital grants have been included within the capital programme including:
  - Over £20m of investment over the next five years in improving the Council's transport infrastructure in accordance with the principles set out in the Council's Highways Asset Management Plan;
  - An estimated £10m of externally funded investment in the Council's Schools, helping to address both condition and capacity issues as part of the Capital Maintenance, Basic Need and Targeted Basic Need programmes;
  - Outline applications are currently being considered seeking over £4m of European Regional Development Funding to support proposed investment in extensions to the District Energy Network along with the potential development of a Northern Centre for Emerging Technologies.
13. The Council has the ability to fund schemes through prudential borrowing. This allows the Council more flexibility to fund capital projects, however in practice this is limited by pressures on revenue budgets and the need to generate budget savings. An allowance has been made in the revenue budget for the costs associated with the level of prudential borrowing required to support the capital programme set out in Appendix 2.
14. The development of detailed business cases to support capital investment helps to ensure that the proposed capital schemes do not add to the existing funding gap. It is important to identify a guaranteed income stream or sufficient revenue savings to support the costs associated with prudential borrowing.
15. Capital investment within the Accelerated Development Zone area can be supported from the retention of all business rates arising as a result of the generation of economic growth. Work is ongoing with our development partner, Ask Real Estate, to help develop schemes to ensure that the Council can maximise the revenue income stream resulting from the planned capital investment in Gateshead Quays.
16. The final source of funding currently available to support the capital programme is through the use of capital receipts received from the sale of Council land and buildings. The Council has a five year rolling programme of disposals which is used to identify the level of receipts available however a degree of uncertainty remains over when the receipts can be realised and on the final amounts that will be received. The difficulty in disposing of properties for their full market value and the reduced demand for development land is likely to continue in the medium term. In order to mitigate the volatility of capital receipts, the full amount of the projected capital receipt income is not included as an available capital resource at this stage. Upon confirmation of the

amounts and timing of receipts, these will then be included within the capital programme, displacing planned borrowing or enabling the introduction of additional capital projects.

17. Following the November 2015 Spending Review, the Government announced that it would introduce additional flexibility for the period of the Spending Review to enable Local Authorities to use capital receipts from the sale of non-housing assets to fund the up-front revenue costs of service reform and transformation provided there is a clear link to the generation of future ongoing revenue savings. Further information regarding the Council's ability to utilise this flexibility is set out in Appendix 4. In developing the Council's capital programme and setting the revenue budget, potential schemes that may benefit from this flexibility have been considered to determine whether they are likely to include qualifying expenditure. At this stage this includes the revenue costs associated with the proposed investment in the Digital Gateshead project, which is subject to the development of the detailed business case, and additional schemes may emerge for consideration during the financial year.

### **Proposed Capital Programme 2016/17 – 2020/21**

18. In addition to supporting existing commitments, which account for around 90% of the planned investment, a number of additional projects have been proposed which are considered to be high priority. The following additional projects are recommended for inclusion within the capital programme:

- **Extensions of the District Energy Network**

Almost £3m has been identified to invest in infrastructure to extend the Council's District Energy Network with proposals being developed to connect to the Trinity Square development, also helping to provide the opportunity for further connections within the urban core to encourage redevelopment, as well as a separate extension to reach the Gateshead Leisure Centre and neighbouring public sector buildings, subject to the award of ERDF funding.

- **Street Lighting LED Upgrade**

An additional £4.3m scheme has been developed to upgrade existing street lighting lanterns with the latest LED technology. This investment will install long-life LED lanterns, helping to avoid future maintenance costs, and reduce carbon emissions by a further 40%. The project is expected to generate revenue savings in excess of £0.25m per annum upon its completion and is projected to have a net revenue benefit of over £1m over the lifetime of the project after meeting the associated capital financing costs.

- **Cemetery Extensions**

Investment of £2.3m has been identified to fund the expansion of cemeteries in Birtley and Saltwell. This investment will enable the necessary site preparation works to be undertaken to ensure that there is additional burial capacity available when the existing cemeteries reach their capacity over the next 10-15 years.

- **Digital Gateshead**

Proposed investment of £0.6m in the infrastructure required to deliver the Council's Digital Strategy and improve the delivery of digital services within Gateshead. This is expected to generate significant savings for the Council's revenue budget and each investment proposal will be subject to the development of a detailed business case which confirms the revenue benefit associated with the investment. This approach will also enable the Council to determine whether any of the initial revenue costs

associated with the implementation of the project are able to benefit from the additional flexibility regarding the application of capital receipts that are generated during the financial year.

- **Flood Defence Infrastructure**

Investment in the creation of sustainable surface water management schemes to reduce the risk of flooding within Gateshead as part of the Environment Agency's Flood Defence Grant in Aid scheme which could benefit from over £1.3m of external funding over the medium term.

19. The proposed capital programme is shown in Appendix 2 and the proposed financing of programme is detailed in Appendix 3.
20. Additional schemes may be added to the programme throughout the year if business cases can be made to justify invest to save schemes or if additional resources become available through external funding opportunities. The ability to fund any additional schemes will also be considered in light of any in-year slippage of expenditure and an assessment of the Council's ability to generate additional capital receipts. The availability of additional resources will be reviewed throughout 2016/17 as part of the capital monitoring process.

## **Conclusion**

21. There continues to be significant pressure on the resources available to support capital projects. The planned investment of £71.1m in 2016/17 has been set at a level which is considered to be sustainable and the impact of this has been included within the Council's revenue budget and HRA. This level of capital programme represents a significant investment in the local economy and forms a key part of the delivery of Vision 2030.
22. Capital investment has a significant impact on the local economy within Gateshead. The investment in schemes to encourage economic and housing growth in particular are estimated to attract almost £1bn of private investment to Gateshead over the lifetime of the schemes, helping to facilitate the development of up to 5,500 new homes and 250,000m<sup>2</sup> of commercial floor space with the potential to generate Business Rates and Council Tax of around £40m per annum when the schemes are fully developed.
23. The benefits associated with investment in capital projects are ultimately reflected in individual service budgets. Over the medium term the benefits are expected to include:
  - Projected additional revenue income of £0.6m in 2016/17 relating to investment in energy infrastructure, which is expected to increase by a further £0.5m by 2020/21 as a result of the additional planned investment;
  - Additional revenue savings rising to £0.25m per annum as a result of the continued investment in upgrading street lighting, which have already seen the annual running costs reduce by £0.5m;
  - Projected business rate income of over £1.5m per annum by 2020/21 as a result of the planned investment in the Accelerated Development Zone;
  - Additional Council Tax income of £0.5m per annum by 2020/21 as a result of additional investment in preparing sites for housing development as part of the Council's Housing Joint Venture; and
  - Potential revenue savings of £0.5m relating to the investment in delivering the Council's Digital Strategy.

24. The limitations on both revenue and capital resources mean that whilst the current commitments within the capital programme can be supported, there are still a number of capital projects that cannot be fully supported as part of the proposed capital programme. Work will continue to progress additional schemes and source alternative funding or consider alternative delivery models where appropriate.
25. Additional schemes may be added to the capital programme following the completion of a detailed business case provided that they generate sufficient revenue savings to satisfy the prudential framework, or utilise available external funding, and do not add additional pressure on the revenue budget.

### **Consultation**

26. The development of detailed project proposals arising from this report will involve consultations with all stakeholders.

### **Alternative Options**

27. No alternative options were considered.

### **Implications of Recommended Option**

28. **Resources:**

- a) **Financial Implications** -The Strategic Director, Corporate Resources confirms that the financial implications are set out in the report and appendices. The proposed capital programme can be accommodated from within the provision currently included within the Council's MTFS, with an expected reduction in the associated capital financing costs of £2m in 2016/17 and £8m over the medium term.
- b) **Human Resources Implications** – Capital projects require project management resources to ensure that the planned investment is successfully delivered. In accordance with accounting regulations, where it can be demonstrated that a project management resource is integral to the delivery of major capital investment this cost can be capitalised and funded as part of the specific project. The human resources implications of individual schemes are considered prior to implementing a project.
- c) **Property Implications** - Capital investment optimises the use of property assets to support the delivery of Council Plan priority outcomes. The property implications of individual schemes will be considered and reported separately.

29. **Risk Management Implication** - There is a risk that resources identified to fund the proposed programme are not realised. The impact of this will be managed through the monitoring process and reported to Cabinet on a quarterly basis.

30. **Equality and Diversity Implications** - The framework for the Equalities Impact Assessment of the Council's spending plans is based on legislative and policy priorities of the Council which include:

- The Equality Act 2010;
- The Local Government Improvement and Development Equalities Framework;
- The Council Plan.

The Equality and Diversity implications will be considered for each individual scheme within the capital programme. In addition, a total allocation of £0.6m has been incorporated into the proposed three year capital programme to carry out necessary works to ensure that the Council complies with the Equality Act 2010.

31. **Crime and Disorder Implications** - There are no direct crime and disorder implications arising directly from this report.
32. **Health Implications** - There are no health implications arising directly from this report.
33. **Sustainability Implications** - The capital programme will provide a framework for ensuring a sustainable financial position over the medium and longer term. The proposed works will help to deliver high standards of environmental sustainability through the delivery of energy efficiency measures and the use of more energy efficient materials and practices in the refurbishment of existing Council buildings and the construction of new buildings. Projects will strictly follow the Council's Sustainable Construction policy.
34. **Human Rights Implications** - There may be interference or disturbance to tenants and residents while works are carried out. However, such interference or disturbance will be kept to a minimum and the works will result in benefits to tenants and residents.
35. **Area and Ward Implications** - The proposals will have implications for all areas and wards in Gateshead.
36. **Background Information** - The following background papers have been used in preparing this report:
  - (i) Report for Cabinet, 19 January 2016 – Capital Programme 2014/15 – Third Quarter Review
  - (ii) Report for Cabinet, 9 February 2016 – Housing Revenue Account and Housing Capital Programme
  - (iii) Report for Cabinet, 14 July 2015 – Medium Term Financial Strategy
  - (iv) Report for Cabinet, 24 February 2015 – Capital Programme 2015/16 to 2017/18



## Appendix 2 – Capital Programme 2016/17 TO 2020/21

CAPITAL INVESTMENT	BRIEF DESCRIPTION	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
<b>GENERAL FUND CAPITAL PROGRAMME</b>						
<b>Mandatory/Health and Safety Schemes</b>						
All Round Camera System for Collection Vehicles	Implementation of a 360 degree camera system on refuse and recycling vehicles.	65	-	-	-	-
Disabled Facilities Grants	Grants to private individuals to facilitate adaptations to their homes, helping to ensure people can live independently in their own homes.	1,750	1,750	1,750	1,750	1,750
Equality Act	Ongoing improvement programme to ensure Council buildings comply with the Equality Act.	200	150	150	150	150
Falls Prevention	Extending the existing programme of works to undertake improvements to prevent falls in and around the home.	100	100	100	-	-
Health & Safety	Works to address health and safety related issues in Council land/buildings.	500	500	500	500	500
Street Lighting Column Replacement	Phased replacement of the Council's concrete lighting columns with galvanised steel columns.	2,000	1,950	250	250	250
Telecare Equipment	Provision of telecare equipment to clients over 75 helping to preserve their independence.	75	75	75	75	75
<b>Total Mandatory/Health and Safety Schemes</b>		<b>4,690</b>	<b>4,525</b>	<b>2,825</b>	<b>2,725</b>	<b>2,725</b>
<b>Strategic Transport Investment</b>						
Bus Based Major Transport Scheme	Provision of a proposed park and ride scheme at Eighton Lodge to support growth in the urban core.	90	3,150	4,860	-	-
City Boulevard	The scheme will complete the design of the City Boulevard, which aims to create a gateway into Gateshead to act as a positive stimulus for development and regeneration.	50	-	-	-	-
Flood Defence	Investment to create sustainable surface water management schemes to reduce the risk of flooding in Gateshead.	210	530	115	45	785
Great North Cycleway	Sustainable transport improvements as part of an externally funded scheme to develop the Great North Cycleway.	70	630	-	-	-

<b>CAPITAL INVESTMENT</b>	<b>BRIEF DESCRIPTION</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>
Highway Infrastructure Strategic Maintenance	Investment to support the delivery of the Council's Highways Asset Management Plan (HAMP).	750	750	750	500	500
Local Transport Plan	Externally funded investment in improving the Borough's transport network, including highway maintenance and improvement, sustainable transport infrastructure, traffic management and road safety.	4,900	3,790	3,550	3,550	3,550
Team Valley Flood Alleviation	Contribution to a proposed £3m EA scheme to develop flood infrastructure and reduce the risk of flooding at Team Valley as part of their regional investment programme.	40	60	20	-	-
<b>Total Strategic Transport Investment</b>		<b>6,110</b>	<b>8,910</b>	<b>9,295</b>	<b>4,095</b>	<b>4,835</b>
<b>Core Service Delivery</b>						
Agresso Development	Investment in developing additional modules to enhance the functionality of the Council's financial system.	100	-	-	-	-
Birtley Cemetery Extension	Investment to provide additional burial space in the Birtley area.	140	240	400	400	400
Civic Centre Workspace Strategy	Completion of the Civic Centre workspace scheme by refurbishing the public areas, helping to improve service delivery and accessibility.	800	700	-	-	-
Digital Gateshead	Investment in the development of the Council's Digital Platform to improve the delivery of Digital services in Gateshead.	450	110	65	-	-
Gateshead Millennium Bridge Strategic Maintenance	Replacement of key components within the bridge in accordance with lifecycle requirements.	150	-	-	-	-
Replacement of Fleet and Horticultural Equipment	Continuation of the ongoing replacement programme for the Council's vehicle assets and horticultural equipment according to their expected life and operational requirements.	2,600	2,750	2,500	1,350	1,750
Saltwell Cemetery Extension	Investment to extend the existing cemetery to provide additional burial space in Saltwell.	-	130	100	275	200
Strategic Maintenance	Planned improvement works to the Council's operational buildings.	1,250	750	750	750	750

<b>CAPITAL INVESTMENT</b>	<b>BRIEF DESCRIPTION</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>
Technology Plan – Infrastructure	Ongoing replacement of desktop equipment, network infrastructure and the refresh of desktop software and multi-year licence arrangements.	2,785	1,400	3,500	1,300	1,450
Technology Plan - Transformation Programme	Investing in the increased use of mobile devices and the associated infrastructure to increase efficiency within the Council.	1,500	500	500	275	300
<b>Total Core Service Delivery</b>		<b>9,775</b>	<b>6,580</b>	<b>7,815</b>	<b>4,350</b>	<b>4,850</b>
<b>Energy &amp; Sustainability</b>						
Energy Network Extension - Gateshead Leisure Centre	Extension of the Council's District Energy Network to serve the Leisure Centre and surrounding Council buildings.	-	2,160	-	-	-
Energy Network Extension - Trinity Square	Extensions of the Council's Energy Network to encourage potential regeneration, support existing businesses and reduce carbon emissions.	400	410	-	-	-
Gateshead Town Centre District Energy Network	Investment in the development of a district heating scheme to support the Council's objectives around regeneration, the environment, health and fuel poverty.	9,200	450	-	-	-
Small Energy Efficiency Works	Ongoing energy improvement works to deliver revenue savings with each demonstrating up to a 5 year payback period.	200	250	250	250	250
Street Lighting Phase 3 LED Lanterns	Completes the existing £9m investment programme to replace street lighting in residential areas.	250	250	-	-	-
Street Lighting LED Replacement - Phase 4	Investment to replace 10,000 existing lanterns with latest generation LED lanterns to reduce energy consumption and carbon emissions.	600	2,320	1,380	-	-
Tower Block Energy Scheme	A proposed scheme seeking ERDF funding to install a district energy system to serve 6 tower blocks at Harlow Green and a ground source heating system at Bensham Court.	-	1,000	1,800	-	-
Waste Infrastructure	Ongoing externally funded investment in waste management infrastructure.	125	-	-	-	-
<b>Total Energy &amp; Sustainability</b>		<b>10,775</b>	<b>6,840</b>	<b>3,430</b>	<b>250</b>	<b>250</b>

CAPITAL INVESTMENT	BRIEF DESCRIPTION	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
<b>Investment in Schools</b>						
Additional Childcare Provision	Funding to develop additional capacity for childcare provision within the borough.	280	-	-	-	-
Ravensworth Terrace Primary	Construction of a new 2 form entry Primary School at Birtley to address capacity issues.	4,845	693	98	-	-
School Basic Need Investment	External funding awarded to address capacity issues within Gateshead Schools.	-	845	-	-	-
School Condition Investment	External funding awarded to address condition issues within the Council's Schools.	1,529	1,529	1,500	1,500	1,500
<b>Total Investment in Schools</b>		<b>6,654</b>	<b>3,067</b>	<b>1,598</b>	<b>1,500</b>	<b>1,500</b>
<b>Regeneration and Economic Growth</b>						
ADZ Investment – BBQ	Proposed investment in Office development within BBQ to encourage economic growth and generate additional business rate income for the Council.	5,500	8,100	1,500	-	-
ADZ Investment - Gateshead Quays	Investment within the Council's ADZ area to provide infrastructure to support the proposed mixed use development and generate additional business rate income for the Council.	650	5,150	5,200	-	-
Bensham & Saltwell Site Assembly (Housing JV)	This relates to the required costs to complete the land acquisition and necessary site preparations to deliver cleared sites for development as part of the Housing Joint Venture.	300	50	-	-	-
Brandling Site Assembly (Housing JV)	The completion of the final site assembly to facilitate future redevelopment by the Housing Joint Venture.	350	-	-	-	-
Broadband Delivery UK	Investment in the provision of high speed broadband to rural areas as part of the Broadband Delivery UK Project, a key part of the Governments Digital agenda.	85	385	200	20	-
Chase Park Restoration	Investment in the restoration of Chase Park as part of a £1m Heritage Lottery Funded project.	490	17	-	-	-

CAPITAL INVESTMENT	BRIEF DESCRIPTION	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Coatsworth Road Redevelopment	This relates to a Townscape Heritage Initiative scheme, now in progress, which will improve the public realm and restore architectural features along Coatsworth Road. The project is primarily externally funded by Heritage Lottery Funding.	580	590	-	-	-
Development Site Preparation Works	Works to facilitate future redevelopments within Gateshead	520	300	300	300	300
Empty Property Refurbishment	Investment in bringing long term privately owned empty properties back into use, utilising grant funding from the HCA.	145	145	-	-	-
Keelman Homes - Affordable Housing Development	A loan facility to support the development of affordable housing within Gateshead as part of the HCA 2015-18 Affordable Homes Programme.	500	1,750	-	-	-
Land of Oak and Iron	A £3m HLF Landscape Partnership to develop a range of natural, cultural and Heritage projects in the Derwent Valley.	195	-	-	-	-
Metrogreen	Development of Delivery Strategy and Action Plan for Metrogreen.	200	130	100	-	-
New Build Housing	Construction of a house for commercial sale as a pilot scheme to inform future development activity.	210	-	-	-	-
Public Realm Improvement	A rolling programme to improve street furniture such as public seating, fencing, signage, bins and recycling banks.	80	60	60	50	50
Urban Core - Creative Quarter	Undertaking technical studies to inform the future mixed use development of the area surrounding Gateshead Old Town Hall.	50	-	-	-	-
Urban Core - Exemplar Neighbourhood	Continuing the property acquisitions programme within High St South and undertaking technical studies to facilitate the future redevelopment.	350	-	-	-	-
Urban Core - Retail Quarter	Undertaking technical studies to inform the future mixed use development of the area surrounding the Council owned land at Jackson St and Bewick Way.	90	-	-	-	-
Crawcrook Quarry Restoration	Contribution towards the potential restoration of the disused quarry to create a local wildlife site, offsetting the potential loss of biodiversity arising from proposed development.	100	-	-	-	-

<b>CAPITAL INVESTMENT</b>	<b>BRIEF DESCRIPTION</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>
Non Operational Portfolio - Strategic Investment Plan	Ongoing investment targeted specifically towards the Council's tenanted non-operational portfolio, seeking to enhance the performance of the existing portfolio and address urgent building condition and energy efficiency needs.	400	200	-	-	-
<b>Total Regeneration and Economic Growth</b>		<b>10,795</b>	<b>16,877</b>	<b>7,360</b>	<b>370</b>	<b>350</b>
<b>TOTAL GENERAL FUND CAPITAL INVESTMENT</b>		<b>48,799</b>	<b>46,799</b>	<b>32,323</b>	<b>13,290</b>	<b>14,510</b>
<b>HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME</b>						
<b>Improvement Works</b>						
Lift Replacement/Refurbishment	This scheme will carry out essential works to replace lifts within the Council's housing stock in accordance with their lifecycle requirements.	700	500	500	500	500
Replacement of Communal Electrics	This scheme will carry out essential works to upgrade communal electrics circuits and services in accordance with stock condition needs.	250	250	250	250	250
Boiler Plant Renewal	Planned replacement of communal boiler plant with modern efficient boilers.	200	200	200	300	300
External Wall Insulation Works to Non-Traditional Properties	A programme of investment in improving the fabric of the Council's housing stock to improve energy efficiency, including enveloping works and insulation measures.	455	210	-	400	-
T-fall Insulation	Targeted insulation works to reduce the risk of condensation.	150	150	120	-	-
Warden Call Renewal	The replacement of equipment to utilise Gateshead Council's Care Call scheme, an emergency service which supports older, disabled and vulnerable people allowing them to live safely and independently in their home.	250	250	250	250	250
Door Entry System Upgrades	Investment in upgrading door entry systems in low rise properties.	250	250	250	250	250
Adaptations	To carry out identified adaptations to Council Dwellings to enable people to live safely and independently within their home.	1,500	1,500	1,500	1,500	1,500
<b>Total Improvement Works</b>		<b>3,755</b>	<b>3,310</b>	<b>3,070</b>	<b>3,450</b>	<b>3,050</b>

CAPITAL INVESTMENT	BRIEF DESCRIPTION	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
<b>Exceptional Extensive Works</b>						
Equality Act Works - Multi Storey Flats	Includes improvements to ensure the Councils Multi Storey Flats comply with the provisions in the Equality Act 2010.	250	250	250	250	250
Equality Act Works - Communal Lounges	Includes improvements to ensure the Councils communal areas comply with the Equality Act 2010.	50	50	50	50	50
Fire Safety Works - General	Works to address required fire safety improvements in response to ongoing risk assessments.	100	100	100	100	100
Tower Block Energy Efficiency Improvements	A proposed scheme seeking ERDF funding to install a district energy system to serve 6 tower blocks at Harlow Green along with window replacement as well as a ground source heating system at Bensham Court.	2,000	285	3,265	-	-
Regent Court	Investment to replace the existing façade at Regent Court.	1,500	1,500	1,500	-	-
Risers (Services)	Refurbishment and renewal of communal services such as risers, ventilation and water hygiene in tower blocks.	400	400	400	400	400
<b>Total Exceptional Extensive Works</b>		<b>4,300</b>	<b>2,585</b>	<b>5,565</b>	<b>800</b>	<b>800</b>
<b>Catch Up Works and Major Future Works</b>						
Decent Homes - Investment Programme	The project continues the planned improvement work to the Council's housing stock in accordance with the Decent Homes standard and prioritised in line with stock condition data.	6,500	6,500	6,750	7,000	7,500
Decent Homes – Backlog/Ad-hoc Works	Investment to address improvement works in the Council's housing stock to specific properties in accordance with the Decent Homes standard.	300	300	300	350	350
Back Boiler Renewal	The project funds the replacement of back boilers in a phased manner following the change in legislation.	1,000	1,000	1,000	1,000	500
Programme Management	The allocation is used to fund the programme management costs and associated fees relating to the delivery of all capital schemes within the Housing Capital Programme.	1,000	1,000	1,000	1,000	1,000
Strategic Maintenance	This scheme carries out significant capital works identified by the repairs and maintenance contractor, undertaking improvements to help reduce the level of responsive repairs	2,000	2,000	2,000	2,000	2,000

<b>CAPITAL INVESTMENT</b>	<b>BRIEF DESCRIPTION</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>
Window Replacement	This project continues the window replacement programme to replace existing single glazed windows with double glazing	750	750	750	750	750
<b>Total Catch Up Works and Major Future Works</b>		<b>11,550</b>	<b>11,550</b>	<b>11,800</b>	<b>12,100</b>	<b>12,100</b>
<b>Contingent Major Works</b>						
One-off Heating Replacement	The project funds the replacement of failed and obsolete boilers, upgrading them with more efficient solutions to help address fuel poverty issues	450	475	475	500	600
Timber Replacements	Planned timber renewals/replacement identified through the prior to painting programme.	100	100	100	100	100
<b>Total Contingent Major Works</b>		<b>550</b>	<b>575</b>	<b>575</b>	<b>600</b>	<b>700</b>
<b>Estate Works</b>						
Estate Regeneration	Completion of the decommissioning, demolition and site preparation works as part of the regeneration of Bleach Green, Chandless, Clasper and Dunston	2,115	-	-	-	-
<b>Total Estate Works</b>		<b>2,115</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL HOUSING REVENUE ACCOUNT CAPITAL INVESTMENT</b>		<b>22,270</b>	<b>18,020</b>	<b>21,010</b>	<b>16,950</b>	<b>16,650</b>
<b>TOTAL PLANNED COUNCIL CAPITAL INVESTMENT</b>		<b>71,069</b>	<b>64,819</b>	<b>53,333</b>	<b>30,240</b>	<b>31,160</b>



### Appendix 3 – Capital Programme Financing 2016/17 TO 2020/21

<b>CAPITAL RESOURCE</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>
<b>Confirmed Capital Grants</b>					
Department for Transport	4,970	4,420	3,550	3,550	3,550
Disabled Facilities Grant Funding (Better Care Fund)	1,480	-	-	-	-
Heritage Lottery Funding	1,085	472	-	-	-
School Capital Maintenance	1,529	1,529	-	-	-
Other Capital Grants/Contributions	290	145	-	-	-
<b>Total Confirmed Capital Grants</b>	<b>9,354</b>	<b>6,566</b>	<b>3,550</b>	<b>3,550</b>	<b>3,550</b>
<b>Anticipated Capital Grants</b>					
Department for Transport	50	500	75	35	660
Disabled Facilities Grant Funding (Better Care Fund)	-	1,000	1,000	1,000	1,000
ERDF	2,250	1,860	-	-	-
North East Combined Authority	-	2,320	2,670	-	-
School Basic Need	312	1,538	98	-	-
School Capital Maintenance	-	-	1,500	1,500	1,500
Other Capital Grants/Contributions	280	-	-	-	-
<b>Total Anticipated Capital Grants</b>	<b>2,892</b>	<b>7,218</b>	<b>5,343</b>	<b>2,535</b>	<b>3,160</b>
General Fund Prudential Borrowing	32,723	32,015	18,430	7,205	6,300
<b>Total Prudential Borrowing</b>	<b>32,723</b>	<b>32,015</b>	<b>18,430</b>	<b>7,205</b>	<b>6,300</b>
Capital Receipts	3,830	1,000	5,000	-	1,500
<b>Total Capital Receipts</b>	<b>3,830</b>	<b>1,000</b>	<b>5,000</b>	<b>-</b>	<b>1,500</b>
Major Repairs Reserve (Housing Revenue Account)	22,270	18,020	21,010	16,950	16,650
<b>Total HRA Resources</b>	<b>22,270</b>	<b>18,020</b>	<b>21,010</b>	<b>16,950</b>	<b>16,650</b>
<b>TOTAL CAPITAL FINANCING</b>	<b>71,069</b>	<b>64,819</b>	<b>53,333</b>	<b>30,240</b>	<b>31,160</b>

## Appendix 4 – Additional Flexibility Regarding the Application of Capital Receipts

1. In the Spending Review 2015, the Government announced that Local Authorities could use capital receipts (excluding housing receipts) to meet the revenue costs associated with the delivery of transformational and reform projects. The key criteria is that the expenditure must generate ongoing savings to the Council's net service expenditure.
2. The guidance suggests that:
  - The Council can only use capital receipts generated from the sale of property, plant and equipment in the years in which the flexibility is offered and any existing capital receipts cannot be used to finance the revenue costs of service reform;
  - Qualifying expenditure is considered to be up-front revenue costs that will generate future ongoing savings and transform service delivery. This includes initial set up and implementation costs but excludes any ongoing revenue costs of the new processes;
  - In applying the flexibility, the Council must have regard to the requirements of the Prudential Code and CIPFA Local Authority Code of Practice; and
  - The Council must confirm the plans for the proposed use of this flexibility for the relevant financial year and provide details of the expected costs, funding sources and benefits associated with specific projects and the impact on the Prudential Indicators.
3. Examples of types of qualifying expenditure include:
  - Driving a digital approach to the delivery of more efficient public services;
  - Funding the cost of service reconfiguration or rationalisation where this leads to ongoing efficiency savings or service transformation;
  - Setting up commercial or alternative delivery models to deliver services more efficiently and generate revenue income;
  - Integrating service delivery with other public sector bodies to generate savings; and
  - Improving systems and processes to tackle fraud and corruption in line with the Local Government Fraud and Corruption Strategy.

### 2016/17 Investment

4. At this stage it is envisaged that this additional flexibility may be useful to support the Council's investment in delivering the Digital Gateshead Strategy which is seeking to:
  - Transform how, where and when services are delivered;
  - Change the way that our councillors and employees work; and
  - Facilitate new ways of working with partners.
5. In addition to the proposed investment in the Digital Gateshead capital project, initially geared towards the implementation of a new digital platform, there are estimated to be revenue costs associated with redesigning business processes as part of the delivery of the scheme which include staff resources, marketing and content development.
6. The detailed business case and specific investment plans are currently being developed following an initial review of existing processes and this will confirm the potential future revenue savings (estimated to be in the region of £1m within the 2016-2018 budget options) as well as the initial resource requirement. The aim is to develop Digital services as the preferred way to request information and services, with a target of 80% of transactions being carried out online via a digital service by 2020, which can be up to 50 times cheaper than existing arrangements.

7. The investment plans and use of the additional flexibility will be confirmed during the financial year as part of the ongoing monitoring of the capital programme and revenue budget and will be subject to the availability of resources.
8. The ongoing monitoring process will also include any amendments to the Council's Prudential Indicators that may arise as a result of an investment decision. The Council must balance the availability of receipts for this purpose with the assumptions that have already made around their application to support existing capital investment within the Medium Term Financial Strategy to ensure the capital investment plans remain affordable and that the benefit arising from the available resources is maximised for the Council.
9. The Council's Change Programme may also identify further investment proposals to help deliver transformational projects and this may result in additional invest to save opportunities being considered throughout the year, provided they can satisfy the required criteria to benefit from using this additional flexibility and that sufficient eligible capital receipts are generated.

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## COUNCIL MEETING

25 February 2016

## FEES AND CHARGES 2016/17

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**Jane Robinson, Chief Executive**

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### EXECUTIVE SUMMARY

1. The purpose of this report is to agree the level of fees and charges for the Council for 2016/17.
2. It is normal practice for the Council to review fees and charges annually and propose revised new charges from 1 April each year.
3. As part of the annual review, all fees and charges have been considered. Where inflationary increases have been proposed, these have been uplifted with the September inflation rate of 0.8%.
4. A summary of the proposed changes to Fees and Charges for 2016/17 is presented in Appendix 1 of the attached report and the full listing is presented in Appendix 2 of the attached report.
5. Additional income generated as a result of the proposed changes to Fees and Charges have been included in the budget options for 2016/17 and this is estimated at £608,000.
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) Approves the Fees and Charges as set out for 2016/17 in Appendix 2 of the attached report
  - ii) Authorises the Strategic Director, Corporate Resources to make any necessary adjustments to correct any errors in the schedule of Fees and Charges

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**TITLE OF REPORT:** Fees and Charges 2016/17

**REPORT OF:** Darren Collins, Strategic Director, Corporate Resources

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### **Purpose of the Report**

1. A review of fees and charges is an integral part of the annual budget process. The purpose of this report is to set the level of fees and charges for the Council for 2016/17.

### **Background**

2. The Council currently raise in the region of £17.8m per annum from fees and charges of which around £3.3m relate to statutory charges and £14.5m relate to non-statutory charges.
3. The largest areas of non-statutory charges relate to Adult Services, Car Parking, Waste Services and Grounds Maintenance and Leisure which account for over £12m of the total charges, with Leisure being the largest amount of income generated. The largest areas of statutory charges relate to Cemeteries and Crematoria, Planning and Car Parking.
4. It is normal practice for the Council to review fees and charges annually and propose revised and new charges from 1 April each year. As part of the annual review, all fees and charges have been considered. Where inflationary increases have been proposed, these have been uplifted with the September 2015 inflation rate of 0.8%.
5. In the Councils' Constitution under delegations to individual managers, the Strategic Director, Corporate Resources has delegated authority to:
  - Amend statutory fees and charges and those tied to service level agreements or charged annually; and
  - To amend fees and charges during the financial year for any changes in legislation, changes to statutory fees or any changes to the rate of VAT.

### **Proposal**

6. A summary of the proposed changes to Fees and Charges for Gateshead Council in 2016/17 is presented in Appendix 1 and the full listing is presented in Appendix 2.
7. Additional income generated as a result of the proposed changes to Fees and Charges have been included in the budget options for 2016/17 and this is estimated at £608,000.

## **Recommendations**

8. Cabinet is requested to recommend that Council agree the following:
- (i) the Fees and Charges as set out for 2016/17 in Appendix 2; and also
  - (ii) authorise the Strategic Director, Corporate Resources to make any necessary adjustments to correct any errors in the schedule of Fees and Charges.

For the following reason:

- To ensure that Fees and Charges are set in accordance with Council priorities, which will support the delivery of the Council's budget and Council Plan outcomes.



**Policy Context**

1. The proposals in this report are consistent with the Council's vision and medium term objectives as set out in Vision 2030 and the Council Plan, in particular 'Ensuring a Sustainable Gateshead' by ensuring best use of resources to deliver value for money services and long-term financial sustainability.
2. In the Councils' Constitution under delegations to individual managers, the Strategic Director, Corporate Resources has delegated authority to:
  - Amend statutory fees and charges and those tied to service level agreements or charged annually; and
  - To amend fees and charges during the financial year for any changes in legislation, changes to statutory fees or any changes to the rate of VAT.
3. Groups and Services have explored the potential for new fees and charges for discretionary services afforded to the Council under its trading and charging powers to support the delivery

**Background**

4. A review of fees and charges has taken place and the outcome of this review has informed the changes to fees and charges for 2016/17.
5. As part of the annual review all fees and charges have been considered. Where inflationary increases have been proposed; these have been uplifted with the September 2015 inflation rate of 0.8%, or have had a nominal increase applied in order to take account of rounding's.
6. Proposals have been made to increase 11% of charges by the September RPI inflation rate of 0.8% or by a nominal amount of less than £1.00 to take account of rounding's.
7. It is proposed that 20% of charges will increase above inflation to maximise income and ensure full cost recovery whilst being mindful of the current economic climate. In doing so demand and delivery of Council objectives will not be adversely affected.
8. 9% of charges are proposed to reduce which is mainly as a result of carrying out detailed reviews of service provision and market testing with a view to retaining market share or attracting more customers. 60% of charges remain unchanged.

**Changes to Fees and Charges**

9. The main changes to proposed fees and charges are listed below and the full listing of all fees and charges for 2016/17 is attached at Appendix 2:

### ***Adult Social Services***

10. A new charge is proposed for Special Olympics and Other Supported Day Services of £9.50 per hour. This is a service already offered to eligible residents as part of care packages, however this charge is for non-residents, or those residents who are not eligible for adult social care services, as neighbouring Councils do not offer this service.

### ***Children's Services***

11. A number of new charges are proposed for Childminder training courses at a charge of between £70.00 and £300.00.

### ***Building Control***

12. These charges are set in agreement with other Tyne and Wear Authorities and no proposals have been made to change any of these charges.

### ***Car Parking***

13. Annual permit charges have increased by between 0% and 9.4%. Off-street parking charges are proposed to increase at some car parks with the highest increases being at Civic Centre (all tariffs increased by 25%), South Shore Road and Mill Road (one hour tariffs increased by 20%) and Charles Street (all tariffs increased by 20%). On-street parking charges for Church Street are proposed to increase by 50%, with the rest remaining unchanged.
14. The statutory parking charges (penalty charges) remain unchanged. There are no proposed increases on staff permits following a 20-30% increase in 2015/16. There are no increases to residents' permits, resident zone business permits or blue badges.
15. A new charge is proposed for an Annual permit for Pipewellgate car park at £640.00. Some new charges for Seasonal Permits for specified days are also proposed at several off-street car parks, and a new charge for Bus Lane Enforcement is proposed of £70.00.
16. The proposed changes to fees and charges within Car Parking are estimated to generate an additional £66,000 in income from off-street and £17,000 from seasonal permits. This income is included within the budget options.

### ***Cemeteries and Crematoria***

17. Most burial and cremation fees have been increased above inflation by circa 5%. However, the Council's fees remain cheaper than neighbouring authorities.

18. Increases in charges for gravestones, tablets and monumental inscriptions, memorial plaques and some miscellaneous charges such as replacement memorial stones and kerbstones are proposed at 0%-6.5%, which equates to monetary increases of between £0 and £40.00. Entries in the book of remembrance are proposed to increase by between £2.00 and £6.00.
19. New charges are proposed for interments for exclusive rights for the period of 60-90 years at between £451.00 and £1,161.00, and additional crematorium time at £60.00 for 20 additional minutes.
20. The increase in fees is anticipated to generate a £100,000 saving that has been included in the budget options.

### ***Development and Public Protection***

21. The hourly rates for an Inspector and Support Staff for Trading Standards are proposed to increase by between 19.7%-26.4%, and Land contamination queries are proposed to increase from £188.03 to £250.00 in order to recover costs.
22. All statutory Trading Standards fees remain the same. New charges are proposed for the Registered Trader Scheme of £150 for initial registration and £100 per annum thereafter. A new charge of £25.00 is also proposed for the sale of the Core Strategy & Urban Plan in line with Newcastle City Council's charge.

### ***Highways and Transport***

23. Charges for Road Opening Notices and Permission to maintain apparatus in the public highways are proposed to increase by between £30.00 and £60.00. Local Transport Plan charges are proposed to increase by £5.00. Above inflationary increases of between £20.00 and £150.00 are also proposed to Bridge Banner charges, as the current fees do not reflect the actual cost of the works involved.
24. Statutory Highways charges in relation to National Road & Street Works Act (NRASWA) inspections remain the same. However two new charges are proposed: NRASWA Penalty charge of £120 and NRASWA S74 charge for overruns. These charges are mainly to utility companies. Additional income from NRASWA inspections is anticipated to be £13,000 with an additional £17,000 from the introduction of the fixed penalty notice income. This income has been included within the budget options.

### ***Hire of Facilities***

25. The following changes to room hire have been proposed:
  - an uplift of between 1.9% and 5.3% for multipurpose buildings and the Elgin Centre;
  - an uplift of 5% for rooms at the Civic Centre;
  - an uplift of circa 3% for charges at Dryden with the exception of hiring the Conference Hall to theatre groups on weekdays which has been reduced by 14.7% to £145.00 per 3 hour session, and hiring of rooms for up to 10 people to commercial organisations at weekends have been increased by between 15% and 22.7%.

26. The uplift in prices is estimated to provide an additional £5,000 per annum and will contribute towards delivery of the budget options.

### ***Licensing***

27. There is a mixture of statutory and non-statutory charges within Licensing and there are no proposed increases to statutory charges, although most non-statutory charges will either remain the same or be subject to an increase of circa 1%, although acupuncture/tattooing fees are proposed to double to reflect the actual administration and enforcement involved.
28. Some new charges have also been proposed, for example the provision of food safety and licensing advice at £75.00 per hour and Hackney carriage and private hire expedited processing fees which is subject to a separate report to Cabinet.
29. Income generated from new fees is within a budget proposal in Development and Public Protection and is estimated at £5,000.

### ***Sport and Leisure***

30. The service is working to increase income to bridge the ongoing shortfall and is implementing a number of measures including a review of fees and charges.
31. On 15 December 2015 Cabinet approved changes to: concessions, increasing the adult age ceiling from 60+ to 65+; GO membership, increasing charges for students and 65+ and joint membership; removing the distinction between residents and non-residents for Active cards (except Juniors); and agreeing increased casual swimming charges.
32. In reviewing increases, the charges of neighbouring authorities and of competitors have been considered, together with advice from leisure consultants. Many charges remain the same however the changes have resulted in higher than average increases on some charges of between 8% and 30% for 65+, students and Active Access Adults.
33. GO memberships are presently based on 12 month contracts, where members can access gym, swim and fitness classes. In order to increase income, the service is proposing a non-contract membership of £35.00 per month where members pay on a monthly basis (students and juniors presently do this) and also a membership swim only at Birtley Leisure Centre of £20.00 for adults and £15.00 for other concessions and a gym only membership at Gateshead International Stadium of £19.00 for adults and £15.00 for other concessions.
34. A new charge has been introduced for Family swims.
35. Cabinet in December 2015 authorised the Strategic Director, Communities and Environmental (in consultation with Strategic Director, Corporate Resources, Strategic Director, Corporate Services and Governance) to implement flexible pricing arrangements to increase income.

### ***Libraries***

36. The majority of charges remain unchanged although there are slight reductions in some reservation fees.

### ***Waste Services and Grounds Maintenance***

37. Charges for the delivery of replacement and new property bins are proposed to increase to more closely reflect full cost recovery: the charge for blue bins will increase from £11.00 to £25.00, and refuse wheeled bins from £23.00 to £35.00. Income from the increase is anticipated to generate £38,000.
38. Green waste charges for 2015/16 were approved at Cabinet in October 2015: residents signing up before 31 January 2016 pay £25 and £27 thereafter. Additional income of circa £140,000 is anticipated from the fee increase.
39. Increases for Bulky Household Special Collections are proposed which will generate additional income of £7,000.

### ***Planning***

40. The majority of these fees are statutory and have not changed however increases of between 9.6% and 10.3% are proposed for the carrying out of any operations connected with exploratory drilling for oil or natural gas in order to reflect actual cost.

### ***Recreation***

41. Charges for Seasonal Bowls Permit and hire of Football Pitches will remain the same but will be subject to a separate report to Cabinet later in the year as alternative management models are developed and further consultation with service users undertaken.
42. Cabinet approved a report on 9 February 2016 requesting an increase in allotment rents of between £14.00 and £25.50 per plot as the Council subsidises allotment provision to the value of £25,000.
43. Lettings for Fairgrounds and Open Spaces are proposed to increase by 10.4%-17.6% in order to recover the costs.

### ***Business Centres***

44. Charges for some meeting rooms are proposed to increase by between 0% and 19% with the maximum increase being £11.00 for a 12 person meeting room at Baltimore House. These increases will bring all of the fees and charges at each Business Centre in to line with each other.

### ***Corporate Services***

45. The maximum charges for Funeral and Protection of Property are proposed to increase from £500 to £1,000 in order to cover increased costs of administration. Also the maximum charges for Appointeeship cases are proposed to increase from £350 to £500 following a benchmarking exercise against the private sector. These charges will also be based upon a client's ability to pay.

46. New charges are proposed for administering deferred payments and for arranging care packages for self-funders. Cost recovery only is permitted by the Care Act and the estimated set up cost are between £250.00 and £350.00. A report is due to go to Cabinet on the Deferred Payments Policy on 17 March 2016.

### ***Registrars***

47. The priority guaranteed next day delivery application fee is proposed to increase from £21.00 to £25.00, and the Premises fees for Ravensworth are proposed to increase by between 2.4% and 7.1% which equates to monetary increases of between £4.00 and £10.00.
48. The registration of premises for marriage and civil partnerships was reduced from £2,000 to £1,750, however this reduction is offset by introduction of new charge for 3 year renewal of registration of premises for Marriage and Civil Partnership at £1,500.00.
49. These increases support a budget proposal and will generate £12,000.

### ***Property and Land***

50. A full review has been carried out on Property and Land charges as a result of a recent change in VAT treatment from outside of the scope to standard rate. This has resulted in some nominal increases and some significant reductions in charges in order to better reflect the actual cost of service, to continue to retain current business and to increase competitiveness.

### **Consultation**

51. The Budget Consultation 2016-18, which closed on 30 December 2015, sought the views of people who live, work and do business in Gateshead, on proposals to help close the budget gap, some of which relate to Fees and Charges. Community groups have also been consulted separately on areas that may specifically affect them.

### **Alternative Options**

52. There are no alternative options proposed.

### **Implications of Recommended Option**

53. **Resources**

- a. Financial Implications** – The Strategic Director, Corporate Resources, confirms that the financial implications are detailed in the attached appendices and that the full financial implications of this report are included in Council's Budget report presented elsewhere on the agenda. The additional income generated as a result of proposed fees and charges increases that are included in budget proposals for 2016/17 is estimated at £608,000

**b. Human Resources 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.

54. **Risk Management Implications** - The risks associated with the impact on demand for services have been assessed when considering increases in fees and charges.
55. **Equality and Diversity Implications** - These are reflected in the proposed fees and charges, which also consider where appropriate the individual's ability to pay. Comprehensive Impact Assessments (CIA) have been completed and used to evaluate and take action, if necessary, to mitigate the effects of any equality and diversity implications.
56. **Crime and Disorder Implications** – There are no immediate crime and disorder implications arising from this report.
57. **Sustainability Implications** – There are no immediate sustainability implications arising from this report.
58. **Health Implications** - There are no immediate health implications arising from this report.
59. **Human Rights Implications** - There are no immediate Human Rights implications arising from this report.
60. **Area and Ward Implications** – The recommendations apply to all Areas and Wards.

#### **Background Information**

61. Cabinet Report Budget Consultation 2016/17.

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ADULT SOCIAL SERVICES	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>Residential Accommodation for Older People</b>			
Minimum (per week)	O/S	£92.00	£92.75
Maximum - Gateshead residents (per week)	O/S	£806.70	£813.15
<b>Charge to external organisations</b> (including rehab costs)			
Residential Accommodation (per week)	O/S	£1,000.10	£1,008.10
Promoting Independence Centres (per week)	O/S	£1,168.00	£1,177.35
<b>Short Term Residential Accommodation for all Adults</b>			
All Establishments (per week)	O/S	£109.10	£110.00
<b>Transport to Day Centre (per journey)</b>	O/S	£1.50	£1.50
Home Care Service* (per hour)	O/S	£11.90	£13.01
Extra Care (H21) (per hour)	O/S	£10.62	£10.62
Day Services* (per day)	O/S	£14.00	£14.00
Day Services* (per half day)	O/S	£7.00	£7.00
* Excluding referrals under S117 of Mental Health Act 1983			
Service users whose income is below income support levels will be exempt from charges. All other service users will be financially assessed. The assessment includes a £20.60 disregard for disability related expenditure and a tariff income for savings between £14,250 and £23,250. The maximum charge is £205 per week.			
<b>Day Care Attendance -Other Local Authorities</b> (per day) (inclusive of transport)	O/S	£99.50	£100.00
<b>Provision of Meals</b>			
Day Centres (per meal)	O/S	£3.40	£3.45
<b>Telephones for Chronically Sick and Disabled Persons</b>	O/S	50% of rental	50% of rental
<b>Care Alarms</b>			
Lifelines / Dispersed Alarms (per week)	S*	£4.30	£4.35
Tenants and private residents who received this service following a social care assessment may be exempt from this charge following a financial assessment.			
<b>Special Olympics and other Supported Day Services</b> (per hour)	O/S	£0.00	£9.15
S* where installation of the alarm is requested by tenant VAT is standard rated. If alarm is already built into the property and part of the rent or is part of care package VAT is outside the scope. Tenants with disabilities VAT is zero-rated.			

CHILDREN'S SERVICES	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>Replacement of lost Bus Passes (Age 11-16 only)</b>	O/S	£5.83	£6.00
<b>Soft Play</b>			
Admission (per child)	O/S	£0.50	£0.55
Party Bookings (Room Hire) (plus a returnable £10.00 deposit)	E	£10.50	£10.60
<b>Equipment Hire</b>			
Electric Breast Pump (with a returnable £5.00 deposit)	S	£25.00	£25.00
TENS machine (with a returnable £5.00 deposit)	S	£10.85	£11.00
<b>Equipment Purchase</b>			
Manual Breast Pump	S	£16.27	£16.50
<b>Toy Library - Chowdene Childrens Centre</b>			
Parent Membership			
6 months	S	£4.80	£4.85
1 year	S	£8.50	£10.00
Small organisation membership - 1 year	S	£10.60	£11.00
Large organisation membership - 1 year	S	£52.80	£53.50
Toy loans - per item dependent upon item and will range between	S	£0.25 - £5.50	£0.25 - £5.50
<b>Active Kidz</b>			
Per day	O/S	£14.55	£14.55
Per week (Mon-Fri)	O/S	£72.75	£72.75
<b>Elgin Centre</b>			
Sensory Room (per hour)	O/S	£7.00	£7.10
Community Play Provision (per session)	O/S	£1.00	£1.05
<b>Early Years Childcare Service</b>			
Childminders Pre-registration Course	S	N/A	£125.00
Paediatric First Aid Training	S	N/A	£70.00
Child Protection Training	S	N/A	£300.00
<b>Children's Centres</b>			
Celebration Activities (per session)	O/S	N/A	£1.00

BUILDING CONTROL	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>Standard Charges for New Build Houses</b>			
<b>1 Dwelling</b>			
Plan Charge	S	£213.60	£213.60
Inspection Charge	S	£626.40	£626.40
Building Notice Charge	S	£840.00	£840.00
Regularisation charge	O/S	£1,050.00	£1,050.00
<b>2 Dwellings</b>			
Plan Charge	S	£302.40	£302.40
Inspection Charge	S	£712.80	£712.80
Building Notice Charge	S	£1,015.20	£1,015.20
Regularisation charge	O/S	£1,269.00	£1,269.00
<b>3 Dwellings</b>			
Plan Charge	S	£392.41	£392.41
Inspection Charge	S	£886.80	£886.80
Building Notice Charge	S	£1,279.21	£1,279.21
Regularisation charge	O/S	£1,599.00	£1,599.00
<b>4 Dwellings</b>			
Plan Charge	S	£481.20	£481.20
Inspection Charge	S	£1,059.61	£1,059.61
Building Notice Charge	S	£1,540.81	£1,540.81
Regularisation charge	O/S	£1,926.00	£1,926.00
<b>5 Dwellings</b>			
Plan Charge	S	£570.00	£570.00
Inspection Charge	S	£1,232.41	£1,232.41
Building Notice Charge	S	£1,802.41	£1,802.41
Regularisation charge	O/S	£2,253.00	£2,253.00
<b>6 Dwellings</b>			
Plan Charge	S	£658.80	£658.80
Inspection Charge	S	£1,436.41	£1,436.41
Building Notice Charge	S	£2,095.21	£2,095.21
Regularisation charge	O/S	£2,619.00	£2,619.00
<b>7 Dwellings</b>			
Plan Charge	S	£687.60	£687.60
Inspection Charge	S	£1,640.41	£1,640.41
Building Notice Charge	S	£2,328.01	£2,328.01
Regularisation charge	O/S	£2,910.00	£2,910.00
<b>8 Dwellings</b>			
Plan Charge	S	£715.20	£715.20
Inspection Charge	S	£1,844.41	£1,844.41
Building Notice Charge	S	£2,559.61	£2,559.61
Regularisation charge	O/S	£3,199.50	£3,199.50
<b>9 Dwellings</b>			
Plan Charge	S	£744.00	£744.00
Inspection Charge	S	£2,048.41	£2,048.41
Building Notice Charge	S	£2,792.41	£2,792.41
Regularisation charge	O/S	£3,490.50	£3,490.50
<b>10 Dwellings</b>			
Plan Charge	S	£772.80	£772.80
Inspection Charge	S	£2,252.41	£2,252.41
Building Notice Charge	S	£3,025.21	£3,025.21
Regularisation charge	O/S	£3,781.50	£3,781.50
<b>11 Dwellings</b>			
Plan Charge	S	£780.00	£780.00
Inspection Charge	S	£2,456.41	£2,456.41
Building Notice Charge	S	£3,236.41	£3,236.41
Regularisation charge	O/S	£4,045.50	£4,045.50
<b>12 Dwellings</b>			
Plan Charge	S	£787.20	£787.20
Inspection Charge	S	£2,647.20	£2,647.20
Building Notice Charge	S	£3,434.40	£3,434.40
Regularisation charge	O/S	£4,293.00	£4,293.00
<b>13 Dwellings</b>			
Plan Charge	S	£794.40	£794.40
Inspection Charge	S	£2,839.20	£2,839.20
Building Notice Charge	S	£3,633.60	£3,633.60
Regularisation charge	O/S	£4,542.00	£4,542.00
<b>14 Dwellings</b>			
Plan Charge	S	£801.60	£801.60
Inspection Charge	S	£3,031.20	£3,031.20
Building Notice Charge	S	£3,832.80	£3,832.80
Regularisation charge	O/S	£4,791.00	£4,791.00
<b>15 Dwellings</b>			
Plan Charge	S	£810.00	£810.00
Inspection Charge	S	£3,222.01	£3,222.01
Building Notice Charge	S	£4,032.01	£4,032.01
Regularisation charge	O/S	£5,040.00	£5,040.00
<b>16 Dwellings</b>			
Plan Charge	S	£817.20	£817.20
Inspection Charge	S	£3,414.01	£3,414.01
Building Notice Charge	S	£4,231.21	£4,231.21
Regularisation charge	O/S	£5,289.00	£5,289.00
<b>17 Dwellings</b>			
Plan Charge	S	£824.40	£824.40
Inspection Charge	S	£3,605.92	£3,605.92
Building Notice Charge	S	£4,430.40	£4,430.40
Regularisation charge	O/S	£5,538.00	£5,538.00

BUILDING CONTROL	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>18 Dwellings</b>			
Plan Charge	S	£831.61	£831.61
Inspection Charge	S	£3,796.80	£3,796.80
Building Notice Charge	S	£4,628.41	£4,628.41
Regularisation charge	O/S	£5,785.50	£5,785.50
<b>19 Dwellings</b>			
Plan Charge	S	£838.81	£838.81
Inspection Charge	S	£3,988.80	£3,988.80
Building Notice Charge	S	£4,827.61	£4,827.61
Regularisation charge	O/S	£6,034.50	£6,034.50
<b>20 Dwellings</b>			
Plan Charge	S	£847.20	£847.20
Inspection Charge	S	£4,179.61	£4,179.61
Building Notice Charge	S	£5,026.81	£5,026.81
Regularisation charge	O/S	£6,283.50	£6,283.50
For applications with number of dwellings in excess of 20 – please contact the Building Control team to discuss the relevant charge. Email D&E Building Control			
An additional charge becomes payable when electrical work is <b>not</b> carried out by a Part P Registered Electrician and is set to recover additional Local Authority costs – currently set at £425.53 + VAT per unit.			
A Part P Registered Electrician is a qualified electrician who also has the necessary Building Regulations knowledge to enable his accreditation body to certify his work.			
<b>Domestic Extensions to a Single Building</b>			
<b>Single storey extension floor area not exceeding 10m<sup>2</sup></b>			
Plan Charge	S	£168.52	£168.52
Inspection Charge	S	£240.00	£240.00
Building Notice Charge	S	£408.52	£408.52
Regularisation Charge	O/S	£510.65	£510.65
Additional Charge*	S	£510.65	£510.65
<b>Single storey extension floor exceeding 10m<sup>2</sup> but not exceeding 40 m<sup>2</sup></b>			
Plan Charge	S	£168.52	£168.52
Inspection Charge	S	£408.50	£408.50
Building Notice Charge	S	£577.02	£577.02
Regularisation Charge	O/S	£721.28	£721.28
Additional Charge*	S	£510.64	£510.64
<b>Single storey extension floor exceeding 40m<sup>2</sup> but not exceeding 100m<sup>2</sup></b>			
Plan Charge	S	£168.52	£168.52
Inspection Charge	S	£602.56	£602.56
Building Notice Charge	S	£771.07	£771.07
Regularisation Charge	O/S	£963.84	£963.84
Additional Charge*	S	£510.64	£510.64
<b>Two storey extension not exceeding 40 m<sup>2</sup></b>			
Plan Charge	S	£168.52	£168.52
Inspection Charge	S	£602.56	£602.56
Building Notice Charge	S	£771.07	£771.07
Regularisation Charge	O/S	£963.84	£963.84
Additional Charge*	S	£510.64	£510.64
<b>Two storey extension to a dwelling house exceeding 40 m<sup>2</sup> but not exceeding 200m<sup>2</sup></b>			
Plan Charge	S	£168.52	£168.52
Inspection Charge	S	£643.40	£643.40
Building Notice Charge	S	£811.92	£811.92
Regularisation Charge	O/S	£1,014.90	£1,014.90
Additional Charge*	S	£510.64	£510.64
<b>Loft conversion</b>			
Plan Charge	S	£168.52	£168.52
Inspection Charge	S	£510.64	£510.64
Building Notice Charge	S	£679.15	£679.15
Regularisation Charge	O/S	£848.94	£848.94
Additional Charge*	S	£510.64	£510.64
<b>Erection or extension of a non exempt attached or detached single storey domestic garage or carport up to 100m<sup>2</sup></b>			
Plan Charge	S	£168.52	£168.52
Inspection Charge	S	£183.83	£183.83
Building Notice Charge	S	£352.34	£352.34
Regularisation Charge	O/S	£440.43	£440.43
Additional Charge*	S	£510.64	£510.64
<b>Conversion of a garage to a dwelling to a habitable room(s)</b>			
Plan Charge	S	£168.52	£168.52
Inspection Charge	S	£102.12	£102.12
Building Notice Charge	S	£270.64	£270.64
Regularisation Charge	O/S	£338.30	£338.30
Additional Charge*	S	£510.64	£510.64
<b>Alterations to extend or create a basement up to 100m<sup>2</sup></b>			
Plan Charge	S	£168.52	£168.52
Inspection Charge	S	£510.64	£510.64
Building Notice Charge	S	£679.15	£679.15
Regularisation Charge	O/S	£848.94	£848.94
Additional Charge*	S	£510.64	£510.64
* An additional charge is for work when the relevant building work, or part thereof, has not been carried out by a person referred to in regulation 7(5) (g) or (h) of the Building (Local Authority Charges) Regulations 2010 applies. It is additional to the inspection charge, building notice charge or regularisation charge			

BUILDING CONTROL	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>Domestic Alterations to a Single Building</b>			
<b>Underpinning</b>			
<i>Basis of Charge - Fixed Price</i>			
Plan Charge	S	£168.52	£168.52
Inspection Charge	S	£219.58	£219.58
Building Notice Charge	S	£388.09	£388.09
Regularisation Charge	O/S	£485.12	£485.12
<b>Renovation of a thermal element to a single dwelling</b>			
<i>Basis of Charge - Fixed Price</i>			
Plan Charge	S	£102.13	£102.13
Inspection Charge	S	£102.13	£102.13
Building Notice Charge	S	£204.26	£204.26
Regularisation Charge	O/S	£255.30	£255.30
<b>Internal alterations, installation of fittings (not electrical) and/or, structural alterations (If ancillary to the building of the extension no additional charge)</b>			
<i>Basis of Charge - Fixed Price based on estimated cost bands:</i>			
<i>Estimated cost less than £2,000</i>			
Building Notice Charge	S	£180.00	£180.00
Regularisation Charge	O/S	£225.00	£225.00
<i>Estimated cost exceeding £2,000 up to £5,000</i>			
Plan Charge	S	£102.13	£102.13
Inspection Charge	S	£153.19	£153.19
Building Notice Charge	S	£255.32	£255.32
Regularisation Charge	O/S	£319.16	£319.16
<i>Estimated cost exceeding £5,000 up to £25,000</i>			
Plan Charge	S	£102.13	£102.13
Inspection Charge	S	£357.44	£357.44
Building Notice Charge	S	£459.58	£459.58
Regularisation Charge	O/S	£574.47	£574.47
<i>Estimated cost exceeding £25,001 up to £50,000</i>			
Plan Charge	S	£102.13	£102.13
Inspection Charge	S	£561.71	£561.71
Building Notice Charge	S	£663.84	£663.84
Regularisation Charge	O/S	£829.80	£829.80
<i>Estimated cost exceeding £50,001 up to £75,000</i>			
Plan Charge	S	£102.13	£102.13
Inspection Charge	S	£868.09	£868.09
Building Notice Charge	S	£970.22	£970.22
Regularisation Charge	O/S	£1,212.77	£1,212.77
<b>Window replacement (non competent persons scheme)</b>			
<i>Basis of Charge - Fixed price grouped by numbers of windows:</i>			
<i>Per installation up to 20 windows</i>			
Building Notice Charge	S	£102.13	£102.13
Regularisation Charge	O/S	£127.67	£127.67
<i>Schemes over £100,000 estimate of cost to be individually determined – please contact the Building Control team – the charge will be confirmed in writing.</i>			
<b>Electrical work (carried out by installer not registered to an approved self-certifying Competent Persons Scheme).</b>			
<i>Basis of Charge - Fixed price based on extent of works</i>			
<i>Any electrical work other than the rewiring of a dwelling:</i>			
Building Notice Charge*	S	£102.13	£102.13
Regularisation Charge**	O/S	£638.29	£638.29
<i>The re-wiring or new installation in a dwelling:</i>			
Building Notice Charge*	S	£204.26	£204.26
Regularisation Charge**	O/S	£638.29	£638.29
<i>Installation of Heating of Micro-generation equipment:</i>			
Plan Charge	S	£102.13	£102.13
Inspection Charge	S	£102.13	£102.13
Building Notice Charge*	S	£204.26	£204.26
Regularisation Charge**	O/S	£638.29	£638.29
* If controllable electrical work is not carried out by a person qualified to inspect and test the installation in acc. with BS 7671, an additional charge of £425.53 + vat will be incurred by the applicant to cover the costs of the Council or its appointed consultant carrying out the completion inspection and testing of the electrical installation.			
** Electrical work Regularisation Charge is 150% of the additional charge (£425.53 x 150% = £638.29) exclusive of vat.			
<b>Other, Non-Domestic Work - Extensions and New Build</b>			
<b>Floor area not exceeding 10m<sup>2</sup></b>			
<b>Other Residential (Institution and Other)</b>			
Plan Charge	S	£229.79	£229.79
Inspection Charge	S	£342.13	£342.13
Regularisation charge	O/S	£714.90	£714.90
<b>Assembly and Recreational use</b>			
Plan Charge	S	£229.79	£229.79
Inspection Charge	S	£388.09	£388.09
Regularisation charge	O/S	£772.35	£772.35
<b>Industrial and Storage usage</b>			
Plan Charge	S	£229.79	£229.79
Inspection Charge	S	£360.51	£360.51
Regularisation charge	O/S	£737.87	£737.87

BUILDING CONTROL	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>All Other use Classes</b>			
Plan Charge	S	£229.79	£229.79
Inspection Charge	S	£377.87	£377.87
Regularisation charge	O/S	£759.57	£759.57
<b>Floor area exceeding 10m<sup>2</sup> but not exceeding 40m<sup>2</sup></b>			
<b>Other Residential (Institution and Other)</b>			
Plan Charge	S	£229.79	£229.79
Inspection Charge	S	£520.85	£520.85
Regularisation charge	O/S	£938.30	£938.30
<b>Assembly and Recreational use</b>			
Plan Charge	S	£229.79	£229.79
Inspection Charge	S	£618.89	£618.89
Regularisation charge	O/S	£1,060.86	£1,060.86
<b>Industrial and Storage usage</b>			
Plan Charge	S	£229.79	£229.79
Inspection Charge	S	£503.49	£503.49
Regularisation charge	O/S	£916.60	£916.60
<b>All Other use Classes</b>			
Plan Charge	S	£229.79	£229.79
Inspection Charge	S	£770.04	£770.04
Regularisation charge	O/S	£1,249.80	£1,249.80
<b>Floor area exceeding 40m<sup>2</sup> but not exceeding 100m<sup>2</sup></b>			
<b>Other Residential (Institution and Other)</b>			
Plan Charge	S	£229.79	£229.79
Inspection Charge	S	£788.43	£788.43
Regularisation charge	O/S	£1,272.77	£1,272.77
<b>Assembly and Recreational use</b>			
Plan Charge	S	£229.79	£229.79
Inspection Charge	S	£975.32	£975.32
Regularisation charge	O/S	£1,506.39	£1,506.39
<b>Industrial and Storage usage</b>			
Plan Charge	S	£229.79	£229.79
Inspection Charge	S	£662.81	£662.81
Regularisation charge	O/S	£1,115.75	£1,115.75
<b>All Other use Classes</b>			
Plan Charge	S	£229.79	£229.79
Inspection Charge	S	£850.72	£850.72
Regularisation charge	O/S	£1,350.65	£1,350.65
The amount of time to carry out the building regulation functions varies, dependent on the different use categories of buildings.			
<b>All Non-Domestic Buildings, Domestic Alterations and Extensions</b>			
<b>Estimated Cost of Work £0-£5,000</b>			
Plan Charge	S	£120.00	£120.00
Inspection Charge	S	£180.00	£180.00
Building Notice Charge	S	£300.00	£300.00
Regularisation charge	O/S	£375.00	£375.00
<b>Estimated Cost of Work £5,001-£6,000</b>			
Plan Charge	S	£120.00	£120.00
Inspection Charge	S	£199.20	£199.20
Building Notice Charge	S	£319.20	£319.20
Regularisation charge	O/S	£399.00	£399.00
<b>Estimated Cost of Work £6,001-£7,000</b>			
Plan Charge	S	£120.00	£120.00
Inspection Charge	S	£208.80	£208.80
Building Notice Charge	S	£328.80	£328.80
Regularisation charge	O/S	£411.00	£411.00
<b>Estimated Cost of Work £7,001-£8,000</b>			
Plan Charge	S	£120.00	£120.00
Inspection Charge	S	£219.61	£219.61
Building Notice Charge	S	£339.61	£339.61
Regularisation charge	O/S	£424.50	£424.50
<b>Estimated Cost of Work £8,001-£9,000</b>			
Plan Charge	S	£120.00	£120.00
Inspection Charge	S	£229.21	£229.21
Building Notice Charge	S	£349.21	£349.21
Regularisation charge	O/S	£436.50	£436.50
<b>Estimated Cost of Work £9,001-£10,000</b>			
Plan Charge	S	£120.00	£120.00
Inspection Charge	S	£240.00	£240.00
Building Notice Charge	S	£360.00	£360.00
Regularisation charge	O/S	£450.00	£450.00
<b>Estimated Cost of Work £10,001-£11,000</b>			
Plan Charge	S	£120.00	£120.00
Inspection Charge	S	£249.60	£249.60
Building Notice Charge	S	£369.60	£369.60
Regularisation charge	O/S	£462.00	£462.00
<b>Estimated Cost of Work £11,001-£12,000</b>			
Plan Charge	S	£120.00	£120.00
Inspection Charge	S	£260.41	£260.41
Building Notice Charge	S	£380.41	£380.41
Regularisation charge	O/S	£478.00	£478.00

BUILDING CONTROL	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>Estimated Cost of Work £12,001-£13,000</b>			
Plan Charge	S	£120.00	£120.00
Inspection Charge	S	£271.20	£271.20
Building Notice Charge	S	£391.20	£391.20
Regularisation charge	O/S	£489.00	£489.00
<b>Estimated Cost of Work £13,001-£14,000</b>			
Plan Charge	S	£120.00	£120.00
Inspection Charge	S	£280.80	£280.80
Building Notice Charge	S	£400.80	£400.80
Regularisation charge	O/S	£501.00	£501.00
<b>Estimated Cost of Work £14,001-£15,000</b>			
Plan Charge	S	£120.00	£120.00
Inspection Charge	S	£291.61	£291.61
Building Notice Charge	S	£411.61	£411.61
Regularisation charge	O/S	£514.50	£514.50
<b>Estimated Cost of Work £15,001-£16,000</b>			
Plan Charge	S	£120.00	£120.00
Inspection Charge	S	£301.21	£301.21
Building Notice Charge	S	£421.19	£421.19
Regularisation charge	O/S	£526.50	£526.50
<b>Estimated Cost of Work £16,001-£17,000</b>			
Plan Charge	S	£120.00	£120.00
Inspection Charge	S	£312.00	£312.00
Building Notice Charge	S	£432.00	£432.00
Regularisation charge	O/S	£540.00	£540.00
<b>Estimated Cost of Work £17,001-£18,000</b>			
Plan Charge	S	£120.00	£120.00
Inspection Charge	S	£320.41	£320.41
Building Notice Charge	S	£440.41	£440.41
Regularisation charge	O/S	£550.50	£550.50
<b>Estimated Cost of Work £18,001-£19,000</b>			
Plan Charge	S	£120.00	£120.00
Inspection Charge	S	£333.60	£333.60
Building Notice Charge	S	£453.60	£453.60
Regularisation charge	O/S	£567.00	£567.00
<b>Estimated Cost of Work £19,001-£20,000</b>			
Plan Charge	S	£120.00	£120.00
Inspection Charge	S	£343.20	£343.20
Building Notice Charge	S	£463.20	£463.20
Regularisation charge	O/S	£579.00	£579.00
<b>Estimated Cost of Work £20,001-£100,000</b>			
Plan Charge for each £1,000 (or part thereof) over £20,001-£100,000	S	POA	POA
Inspection Charge or each £1,000 (or part thereof) over £20,001-£100,000	S	POA	POA
Building Notice Charge or each £1,000 (or part thereof) over £20,001-£100,000	S	POA	POA
Regularisation charge or each £1,000 (or part thereof) over £20,001-£100,000	O/S	POA	POA
<b>Demolition Charge</b>	O/S	£200.00	£200.00
<b>Window Replacement up to 20 windows</b>			
Building Notice Charge	S	£102.13	£102.13
Regularisation charge	O/S	£127.67	£127.67
Schemes over £100,000 estimate of cost to be individually determined – please contact the Building Control team – the charge will be confirmed in writing.			
<b>Skips *</b>			
Annual Permit Scheme Membership	O/S	£50.00	£50.00
Standard Permit (Permit Scheme Member)	O/S	£20.00	£20.00
Standard Permit (Non Permit Scheme Member)	O/S	£25.00	£25.00
Retrospective	O/S	£90.00	£90.00
Renewal (Permit Scheme Member)	O/S	£10.00	£10.00
Renewal (Non Permit Scheme Member)	O/S	£15.00	£15.00
* The skip provider/supplier is responsible for payment. Copy of waste carrier licence and public liability insurance must be provided.			
<b>General</b>			
Copies of Approvals and Certificates	O/S	£24.67	£24.67
<b>Scaffold and hoardings</b>			
12 weeks permit	O/S	£125.00	£125.00
12 weeks permit (competent contractor with appropriate, current qualifications)	O/S	£75.00	£75.00
If a site visit is required	O/S	£50.00	£50.00
For up to 28 days extension	O/S	£25.00	£25.00
Re-inspection fee	O/S	£50.00	£50.00



CAR PARKING	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>CAR PARKS - OFF STREET</b>			
<b>Off-Street Penalty Charge (Statutory Charge)*</b>			
Minimum	O/S	£50.00	£50.00
Maximum	O/S	£70.00	£70.00
*Charge is dependent on seriousness of contravention and set by Government. Discounted by 50% for prompt payment			
<b>Back Regent Terrace / Back Walker Terrace Car Park</b> (Monday - Sunday 8.00am - 6.00pm 3hr max stay)			
Up to 1 hour	S	£1.00	£1.00
Up to 2 hours	S	£1.80	£2.00
Up to 3 hours	S	£2.60	£3.00
Seasonal Permit (Monday - Friday)	S	£745.00	£815.00
Seasonal Permit (All days)	S	£965.00	£1,050.00
Seasonal Permit (specified days) (1/5th of the "Monday-Friday" rate, per day)	S	N/A	£163.00
<b>Charles Street Car Park</b> (Monday - Sunday 8.00am - 6.00pm 3hr max stay)			
Up to 1 hour	S	£1.00	£1.20
Up to 2 hours	S	£2.00	£2.40
Up to 3 hours	S	£3.00	£3.60
<b>Church Street Car Park</b> (Monday - Sunday 8.00am - 9.00pm)			
Up to 1 hour	S	£1.30	£1.30
Up to 2 hours	S	£2.60	£2.60
Up to 3 hours	S	£3.90	£3.90
Over 3 hours/All Day	S	£5.20	£5.20
Seasonal Permit (Monday - Friday)	S	£905.00	£905.00
Seasonal Permit (All days)	S	£1,305.00	£1,305.00
Seasonal Permit (specified days) (1/5th of the "Monday-Friday" rate, per day)	S	N/A	£181.00
<b>Civic Centre Car Park A</b> (Monday - Friday 9.00am - 5.00pm max stay 4hrs)			
First 20 minutes	S	Free	Free
Up to 1 hour	S	£0.80	£1.00
Up to 2 hours	S	£1.60	£2.00
Up to 3 hours	S	£2.40	£3.00
Up to 4 hours	S	£3.20	£4.00
Saturday & Sunday fixed daily charge	S	£1.00	£1.00
Annual staff permit	S	£400.00	£400.00
<b>Coach Park</b> (Monday - Sunday 8.00am - 9.00pm)			
Up to 1 hour	S	£1.00	£1.00
Up to 2 hours	S	£2.00	£2.00
Up to 3 hours	S	£3.00	£3.00
Over 3 hours/All Day	S	£4.00	£4.00
<b>Computer House Car Park</b> Annual staff permit			
	S	£240.00	£240.00
<b>Cross Keys Lane Car Park</b> (Monday - Saturday 9.00am - 5.30pm)			
All Day	S	£0.30	£0.30
Seasonal Permits (All days)	S	£1.20	£1.50
	S	£100.00	£100.00
<b>Felling Metro Car Park</b> (Monday - Saturday 7.00am - 8.00pm)			
Up to 2 hours	S	£2.00	£2.00
All day	S	£2.60	£3.00
Sunday (Fixed daily charge)	S	£1.20	£1.20
<b>Garden Street Car Park (Oakwellgate)</b> (Monday - Sunday 8.00am - 9.00pm)			
Up to 1 hour	S	£1.30	£1.30
Up to 2 hours	S	£2.60	£2.60
Up to 3 hours	S	£3.90	£3.90
Over 3 hours/All Day	S	£5.20	£5.20
Seasonal Permit (Monday - Friday)	S	£905.00	£905.00
Seasonal Permit (All days)	S	£1,305.00	£1,305.00
Seasonal Permit (specified days) (1/5th of the "Monday-Friday" rate, per day)	S	N/A	£181.00
<b>Gateshead Leisure Centre Car Park</b> Annual staff permit			
	S	£240.00	£240.00
<b>Heworth North Car Park (Metro station)</b> (Monday - Saturday 7.00am - 8.00pm)			
All Day	S	£2.10	£2.20
Sunday (Fixed daily charge)	S	£1.20	£1.20
Seasonal Permit (Monday - Friday)	S	£370.00	£390.00
Seasonal Permit (All days)	S	£505.00	£525.00
Seasonal Permit (specified days) (1/5th of the "Monday-Friday" rate, per day)	S	N/A	£78.00

CAR PARKING	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>Heworth South Car Park (Metro station)</b> (Monday - Saturday 7.00am - 8.00pm 4hr max stay )			
Up to 2 hours	S	£2.00	£2.00
Up to 4 hours	S	£2.80	£3.00
Sunday (Fixed daily charge)	S	£1.20	£1.20
<b>Hilda House Car Park</b> Annual staff permit	S	£240.00	£240.00
<b>Lowrey's Lane Car Park</b> (Monday - Saturday 9.00am - 5.30pm)			
First 20 minutes	S	Free	Free
Per hour	S	£0.30	£0.30
All day	S	N/A	£1.50
<b>Mill Road Car Park</b> (Monday - Sunday 8.00am - 11.00pm)			
Up to 1 hour	S	£1.50	£1.80
Up to 2 hours	S	£3.00	£3.30
Up to 3 hours	S	£4.50	£4.80
All Day	S	£6.00	£6.30
Seasonal Permit ( Monday - Friday)	S	£1,060.00	£1,115.00
Seasonal Permit ( All days)	S	£1,535.00	£1,610.00
Seasonal Permit (specified days) (1/5th of the "Monday-Friday" rate, per day)	S	N/A	£223.00
<b>Pipewellgate Car Park</b> (Monday - Sunday 8.00am - 6.00pm)			
Up to 2 hours	S	£2.00	£1.00
All Day	S	£4.00	£2.50
Seasonal Permit ( All days)	S	N/A	£640.00
<b>Regent Court Car Park</b> (Monday - Sunday 8.00am - 6.00pm)			
Up to 2 hours	S	£1.80	£1.90
Up to 3 hours	S	£2.60	£2.80
Up to 4 hours	S	£3.40	£3.70
All day	S	£4.20	£4.60
Sunday (Fixed daily charge)	S	£1.20	£1.20
Seasonal Permit (Monday - Friday)	S	£745.00	£815.00
Seasonal Permit (All days)	S	£965.00	£1,050.00
Seasonal Permit (specified days) (1/5th of the "Monday-Friday" rate, per day)	S	N/A	£163.00
<b>South Shore Road Car Park</b> (Monday - Sunday 8.00am - 9.00pm)			
Up to 1 hour	S	£1.50	£1.80
Up to 2 hours	S	£3.00	£3.30
Up to 3 hours	S	£4.50	£4.80
All Day	S	£6.00	£6.30
Seasonal Permit ( Monday - Friday)	S	£1,060.00	£1,115.00
Seasonal Permit ( All days)	S	£1,535.00	£1,610.00
Seasonal Permit (specified days) (1/5th of the "Monday-Friday" rate, per day)	S	N/A	£223.00
<b>Sunderland Road (Tynegate) Car Park</b> (Monday - Sunday 8.00am - 6.00pm)			
Up to 2 hours	S	£1.20	£1.20
All day	S	£2.00	£2.00
Annual Staff Permit	S	£240.00	£240.00
<b>Swinburne Street Car Park</b> (Monday - Sunday 8.00am - 6.00pm )			
Up to 1 hour	S	£1.00	£1.00
Up to 2 hours	S	£1.80	£1.90
Up to 3 hours	S	£2.60	£2.80
Up to 4 hours	S	£3.40	£3.70
All Day	S	£4.20	£4.60
Sunday (Fixed daily charge)	S	£1.20	£1.20
Annual Staff Permit	S	£300.00	£300.00
<b>Town Hall Car Park</b> (Monday - Sunday 8.00am - 6.00pm)			
Up to 1 hour	S	£1.00	£1.00
Up to 2 hours	S	£1.80	£1.90
Up to 3 hours	S	£2.60	£2.80
Up to 4 hours	S	£3.40	£3.70
All day	S	£4.20	£4.60
Sunday (Fixed daily charge)	S	£1.20	£1.20
Annual Staff Permit	S	£300.00	£300.00
<b>Whickham Shopping Centre (East) Car Park (short stay)</b> (Monday - Saturday 9.00am - 5.30pm 4hr max stay)			
Per hour	S	£0.30	£0.30

CAR PARKING	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>Whickham Shopping Centre (West) Car Park (long stay)</b> (Monday - Saturday 9.00am - 5.30pm)			
Per hour	S	£0.30	£0.30
All Day	S	£1.20	£1.50
Seasonal Permit (All days)	S	£100.00	£100.00
<b>Windmill Hills Car Park</b> Annual Staff Permit	S	£240.00	£240.00
<b>ON STREET PARKING</b>			
<b>On Street Penalty Charge (Statutory Charge) *</b>			
Minimum	O/S	£50.00	£50.00
Maximum	O/S	£70.00	£70.00
*Charge is dependent on seriousness of contravention and set by Government. Discounted by 50% for prompt payment			
<b>Church Street, Gateshead</b> (All days 8.00am - 6.00pm 3hr max stay)			
Up to 1 hour	O/S	£1.00	£1.50
Up to 2 hours	O/S	£2.00	£3.00
Up to 3 hours	O/S	£3.00	£4.50
<b>Ely Street, Gateshead</b> (Monday - Friday 9.00am - 6.00pm 2hr max stay)			
Up to 20 mins	O/S	£0.20	£0.20
Up to 40 mins	O/S	£0.40	£0.40
Up to 1 hour	O/S	£0.60	£0.60
Up to 1 hr 20 mins	O/S	£0.80	£0.80
Up to 1 hr 40 mins	O/S	£1.00	£1.00
Up to 2 hours	O/S	£1.20	£1.20
<b>Half Moon Lane/Hudson Street/Wellington St, Gateshead</b> (Monday - Friday 9.00am - 6.00pm 2hr max stay)			
Up to 1 hour	O/S	£0.50	£0.50
Up to 2 hours	O/S	£1.00	£1.00
<b>High Street, Gateshead</b> (All days 8.00am - 6.00pm 2hr max stay)			
Up to 20 mins	O/S	£0.50	£0.50
Up to 40 mins	O/S	£1.00	£1.00
Up to 1 hour	O/S	£1.50	£1.50
Up to 1 hr 20 mins	O/S	£2.00	£2.00
Up to 1 hr 40 mins	O/S	£2.50	£2.50
Up to 2 hours	O/S	£3.00	£3.00
<b>Hopper Street, Gateshead</b> (Monday - Saturday 8.00am - 6.00pm 2hr max stay)			
Up to 1 hour	O/S	£0.80	£0.80
Up to 2 hours	O/S	£1.60	£1.60
<b>Mulgrave Terrace, Gateshead</b> (Monday - Saturday 8.00am - 6.00pm)			
Per hour	O/S	£0.40	£0.40
<b>Peterborough Close, Gateshead</b> (Monday - Saturday 9.00am - 6.00pm)			
Per Hour	O/S	£0.40	£0.40
<b>Queen Elizabeth Avenue</b> (Monday - Friday 9.00am - 6.00pm 2hr max stay)			
Up to 1 hour	O/S	£0.50	£0.50
Up to 2 hours	O/S	£1.00	£1.00
<b>Swinburne Street/Swinburne Place, Gateshead</b> (All days 8.00am - 6.00pm 2hr max stay)			
Up to 1 hour	O/S	£0.50	£0.50
Up to 2 hours	O/S	£1.00	£1.00
<b>Bensham Rd (Walker Terrace), Gateshead</b> (All days 8.00am - 6.00pm 2hr max stay)			
Up to 20 mins	O/S	£0.50	£0.50
Up to 40 mins	O/S	£1.00	£1.00
Up to 1 hour	O/S	£1.50	£1.50
Up to 1 hr 20 mins	O/S	£2.00	£2.00
Up to 1 hr 40 mins	O/S	£2.50	£2.50
Up to 2 hours	O/S	£3.00	£3.00
<b>Warwick Street, Gateshead</b> (Monday - Saturday 8.00am - 6.00pm 2hr max stay)			
Up to 1 hour	O/S	£0.80	£0.80
Up to 2 hours	O/S	£1.60	£1.60

CAR PARKING	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>Worcester Green access road, Gateshead</b>			
(Monday - Friday 9.00am - 6.00pm 2hr max stay)			
Up to 20 mins	O/S	£0.20	£0.20
Up to 40 mins	O/S	£0.40	£0.40
Up to 1 hour	O/S	£0.60	£0.60
Up to 1 hr 20 mins	O/S	£0.80	£0.80
Up to 1 hr 40 mins	O/S	£1.00	£1.00
Up to 2 hours	O/S	£1.20	£1.20
<b>BUS LANE ENFORCEMENT (subject to Council and Secretary of State approval)</b>			
Penalty Charge Notices under S144 Transport Act 2000 for being in a bus lane	O/S	N/A	£70.00 (discounted by 50% if paid within a statutory period)
<b>Resident Zone Annual Permit - Residents (per permit)</b>			
First Permit	O/S	£25.00	£25.00
Second permit (if applicable)	O/S	£50.00	£50.00
Third permit (if applicable)	O/S	£75.00	£75.00
<b>Resident Zone Annual Permit - Residents' Visitor</b>			
Book (10 vouchers) (3hr max stay)	O/S	£5.00	£5.00
OAP/Blue Badge Residents (3hr max stay) permit valid for 3 years	O/S	£10.00	£10.00
Resident Zone Annual Permit - Businesses (charge per permit)	O/S	£100.00	£100.00
Blue Badge (Statutory Charge)	O/S	£10.00	£10.00
Replacement permit charge	O/S	£20.00	£20.00
Change of vehicle charge	O/S	£10.00	£10.00
Health Professionals' permit	O/S	£50.00	£50.00
Parking Dispensation Notice (charge per bay per day)	O/S	£20.00	£22.50
Suspension Notice (Parking Bays) (charge per bay per day)	O/S	£20.00	£22.50

CEMETERIES AND CREMATORIA	VAT	2015-16 CHARGE	2016-17 CHARGE
<b>Interments</b>			
For the interment in a grave taken in rotation of an adult 18 years of age or over. (This does not include the Exclusive Rights of Burial)	O/S	£757.00	£795.00
Additional cost of a grave taken out of rotation	O/S	£64.00	£67.00
For the interment of cremated remains in any grave	O/S	£215.00	£226.00
Interment fee Mon - Fri 2pm - 4pm	O/S	£942.00	£989.00
Interment weekend up to 3pm	O/S	£1,514.00	£1,590.00
For any interment taking place more than 15 minutes before or after the appointment time, an additional fee for every further 15 minutes or fractional part thereof	O/S	£48.00	£50.00
Exclusive Rights of Burial (Full) in Earthen or Walled Graves or Vaults. For the exclusive right of burial in a grave space taken in rotation in any part of the burial ground. NOTE - All new graves must be purchased. Total term cannot exceed 100 years. Fee for the following duration:			
For period of 50 years	O/S	£614.00	£645.00
For period of 60 years	O/S	N/A	£774.00
For period of 70 years	O/S	N/A	£903.00
For period of 80 years	O/S	N/A	£1,032.00
For period of 90 years	O/S	N/A	£1,161.00
Exclusive Rights of Burial (Cremated Remains) in Earthen or Walled Graves or Vaults. For the exclusive right of burial in a grave space taken in rotation in any part of the burial ground for cremated remains. NOTE - All new graves must be purchased. Total term cannot exceed 100 years. Fee for the following duration:			
For period of 50 years	O/S	£358.00	£376.00
For period of 60 years	O/S	N/A	£451.00
For period of 70 years	O/S	N/A	£526.00
For period of 80 years	O/S	N/A	£601.00
For period of 90 years	O/S	N/A	£676.00
Exclusive rights of burial of a child (not compulsory with burial) for the following duration (total term cannot exceed 100 years):			
For period of 50 years	O/S	£358.00	£376.00
For period of 60 years	O/S	N/A	£451.00
For period of 70 years	O/S	N/A	£526.00
For period of 80 years	O/S	N/A	£601.00
For period of 90 years	O/S	N/A	£676.00
NOTE - All new graves must be purchased			
Note- The fees indicated include the Deed of Grant and all expenses thereof. On the expiry of original term referred to above, an option may be exercised to extend the period of Exclusive Right of Burial for a further period (total term must not exceed 100 years).			
<b>Note - Charges for all non-residents are double those fees listed above</b>			
<b>Gravestones, Tablets and Monumental Inscriptions</b>			
For the right to erect or place a grave or vault in respect of which the Exclusive Right of Burial has been granted:			
A memorial stone 450mm up to 915mm in height and 450mm to 915mm in width (vertical)	O/S	£256.00	£269.00
NB All stones over 915mm in height or width will be priced on application	O/S	POA	POA
Additional inscription on a headstone	O/S	£52.00	£55.00
Half kerbstones - lawned section width of stone 600mm in front (full burials only)	O/S	£164.00	£172.00
Kerbstones or border stones enclosing a space not exceeding the measurements specified in the Regulations.	O/S	£328.00	£344.00
Horizontal Plaque to be placed between kerb stones not exceeding 750mm x 750mm.	O/S	£62.00	£65.00
<b>Note</b> - The fees indicated include the right to make inscriptions, for the first interment only. No kerbs or border stones are allowed on any lawn section. The fees, payments and sums indicated apply where the person to be interred, or in respect of whom the right is granted is, or immediately before his death was, an inhabitant of the Borough of Gateshead or a parishioner of any parishes comprised therein, or, in the case of a stillborn child, where the parents (or one of them) are, at the time of interment were, such inhabitants or parishioners. In other cases, the fees, payments and sums to be doubled, except where the Exclusive Right of Burial in the grave in question or the right to construct the grave or vault, was acquired at the single fee.			
<b>A Memorial Seat</b>			
Memorial seat without the need for a base to be constructed	O/S	£1,300.00	£1,300.00
Memorial Seat with the need for a base to be constructed	O/S	£2,000.00	£2,000.00
Memorial cast iron plaque on existing seat in Saltwell Park for 10 years	O/S	£520.00	£546.00
Memorial cast iron plaque on existing seat in Saltwell Park for the lifetime of the seat	O/S	£800.00	£840.00
Additional or replacement plaque on an existing seat	O/S	£180.00	£189.00
<b>Miscellaneous Charges</b>			
Exhumation fees (excluding charges for re-interring)	S	POA	POA
Free standing vase, tablet, or flower stand (right to place) up to 450mm x 300mm	O/S	£26.00	£27.00
Coffin Cover	E	£584.00	£613.00
Register transfer of ownership of grave or vault	E	£36.00	£38.00
Use of cemetery chapel for services (only if available) fee is in addition to interment fee.	E	£82.00	£86.00
Replacement memorial stone	O/S	£62.00	£65.00
Replacement kerbstone (Half Kerbs)	O/S	£82.00	£86.00
Replacement kerbstone (Full Kerbs)	O/S	£164.00	£172.00
Renovation - repairs, cleaning (Admin Fee)	O/S	£36.00	£38.00
Service cancellation (less than 72 hours notice)	O/S	£154.00	£162.00

CEMETERIES AND CREMATORIA	VAT	2015-16 CHARGE	2016-17 CHARGE
<b>Cremation</b>			
Of the body of a person whose age at the time of death exceeded 18 years	E	£604.00	£634.00
Environmental Surcharge	E	£43.00	£45.00
Non-Resident Surcharge	E	£35.00	£35.00
Additional service time of 20 mins at Saltwell Crematorium for 12 noon & 3 pm services only	E	N/A	£60.00
<b>Note</b> - These fees apply where a cremation takes place between the hours of 9.00am and 3.30pm on weekdays, in any other cases, the fee will be increased as follows: On Saturdays after 11.30 am, at any time on Sundays and on Public Holidays, by 100% at other times 50%. The cremation fee includes: Use of Chapel, waiting room, etc, and all attendance after coffin placed on catafalque by undertaker. The fees include the disposal of cremated remains in the garden of remembrance and a polycontainer for cremated remains.			
<b>Entries in Book of Remembrance including touch screen visual display of entry accessible throughout the year</b>			
For a double line entry	S	£62.00	£65.00
For each additional line	S	£31.00	£33.00
For Crest or Service Badge	S	£103.00	£108.00
Coat of Arms	S	£123.00	£129.00
Token Entry charged at actual cost plus:			
Admin fee	S	£30.00	£32.00
<b>Miscellaneous Charges</b>			
Medical Referee	O/S	£35.00	£37.00
Disposal in Garden of Remembrance of a person cremated elsewhere	E	£52.00	£55.00
Family search (searches for children, siblings, parents, grandparents are free). Charge applicable for all other searches. Charge is for one name, at one location.	S	£31.00	£33.00
Memorial Wall Plaque for 10 years	S	£410.00	£431.00
Replacement Memorial Wall Plaque for 10 years	S	N/A	£242.00
Memorial Kerb Tablet including plaque, inscription & vase (for a period of 10 years)	O/S	£715.00	£751.00
Memorial Kerb Tablet - replacement plaque	O/S	£180.00	£189.00
Dignified disposal of body parts - charged at 50% of the appropriate charge for an interment or a cremation.		50%	50%

DEVELOPMENT AND PUBLIC PROTECTION	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>Trading Standards</b>			
Fees for the purpose of any work carried out under the provisions of Weights and Measures Act 1985 and for any other metrological activity. For the testing of any equipment, the fee will be determined by the hourly rate of the Weights and Measures Inspector and will include a fee for time for preparation and travelling to the place of verification or testing. Where the nature of the equipment requires the presence of support staff, an additional fee will be charged to include an hourly rate for the member of staff and will include travelling to the place of verification or testing. An additional charge will be made to cover the cost of hiring any additional equipment required for the test.			
Hourly rate for an Inspector of Weights and Measures	O/S	£59.10	£70.73
Hourly rate for a member of support staff	O/S	£35.60	£45.00
<b>Authorisations under the Environmental Protection Act 1990 / Pollution Prevention and Control Act 1999 Local Authority Pollution Control</b>			
<b>Application Fee - All charges are Statutory</b>			
Standard Process	O/S	£1,579.00	£1,579.00
Additional fee for operating without a permit	O/S	£1,137.00	£1,137.00
PVR 1 & dry cleaners	O/S	£148.00	£148.00
PVR 1 & 2 combined	O/S	£246.00	£246.00
Vehicle refinishers & other reduced fee activities	O/S	£346.00	£346.00
Reduced fee activities*: Additional fee for operating without a permit	O/S	£68.00	£68.00
Mobile screening and crushing plant	O/S	£1,579.00	£1,579.00
For the third to seventh applications	O/S	£943.00	£943.00
For the eighth and subsequent applications	O/S	£477.00	£477.00
Where an application for any of the above is for a combined Part B and waste application, an extra charge is added to the above amounts	O/S	£294.00	£294.00
<b>Annual Subsistence Charge</b>			
Standard Process - Low Risk	O/S	£739	£739
Standard Process - Low Risk additional amount which must be charged where a permit is for a combined Part B and waste installation	O/S	£99.00	£99.00
Standard Process - Medium Risk	O/S	£1,111.00	£1,111.00
Standard Process - Medium Risk additional amount which must be charged where a permit is for a combined Part B and waste installation	O/S	£149.00	£149.00
Standard Process - High Risk	O/S	£1,672.00	£1,672.00
Standard Process - High Risk additional amount which must be charged where a permit is for a combined Part B and waste installation	O/S	£198.00	£198.00
Reduced fee activities - Low Risk - Statutory Charge	O/S	£76.00	£76.00
Reduced fee activities - Medium Risk - Statutory Charge	O/S	£151.00	£151.00
Reduced fee activities - High Risk - Statutory Charge	O/S	£227.00	£227.00
Petroleum Vapour Recovery stage I and II - Low Risk	O/S	£108.00	£108.00
Petroleum Vapour Recovery stage I and II - Medium Risk	O/S	£216.00	£216.00
Petroleum Vapour Recovery stage I and II - High Risk	O/S	£326.00	£326.00
* Reduced fee activities are service stations, vehicle refinishers, dry cleaners			
Vehicle refinishers, Low Risk**	O/S	£218.00	£218.00
Vehicle refinishers, Medium Risk**	O/S	£349.00	£349.00
Vehicle refinishers, High Risk**	O/S	£524.00	£524.00
Odourising of natural gas, Low Risk - Statutory charge	O/S	£76.00	£76.00
Odourising of natural gas, Medium Risk - Statutory charge	O/S	£151.00	£151.00
Odourising of natural gas, High Risk - Statutory charge	O/S	£227.00	£227.00
Mobile screening and crushing plant, Low Risk - Statutory charge	O/S	£618.00	£618.00
Mobile screening and crushing plant, Medium Risk - Statutory charge	O/S	£989.00	£989.00
Mobile screening and crushing plant, High Risk - Statutory charge	O/S	£1,485.00	£1,485.00
For the third to seventh authorisations, Low Risk - Statutory charge	O/S	£368.00	£368.00
For the third to seventh authorisations, Medium Risk - Statutory charge	O/S	£590.00	£590.00
For the third to seventh authorisations, High Risk - Statutory charge	O/S	£884.00	£884.00
For the eighth and subsequent authorisations, Low Risk - Statutory charge	O/S	£189.00	£189.00
For the eighth and subsequent authorisations, Medium Risk - Statutory charge	O/S	£302.00	£302.00
For the eighth and subsequent authorisations, High Risk - Statutory charge	O/S	£453.00	£453.00
Additional charge if subsistence payment is made by quarterly instalments - Statutory charge	O/S	£36.00	£36.00
**Where part B installation is subject to reporting under the E-PRTR Regulation, an extra £98.00 must be added to the above amounts.			
<b>Transfer and surrender - All charges are Statutory</b>			
Standard process transfer	O/S	£162.00	£162.00
Standard process partial transfer	O/S	£476.00	£476.00
Surrender: all Part B activities	O/S	N/A	N/A
Reduced fee activities***: transfer	O/S	N/A	N/A
Reduced fee activities***: partial transfer	O/S	£45.00	£45.00
(2010/11) New Operator at low risk reduced fee activity	O/S	£75.00	£75.00
<b>Temporary Transfers for Mobiles - All charges are Statutory</b>			
First Transfer	O/S	£51.00	£51.00
Repeat following enforcement or warning	O/S	£51.00	£51.00

DEVELOPMENT AND PUBLIC PROTECTION	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>Substantial Changes (Sections 10 and 11 of the Act) - All charges are Statutory</b>			
Standard Process	O/S	£1,005.00	£1,005.00
Standard process where the substantial change results in a new PPC activity	O/S	£1,579.00	£1,579.00
Reduced fee activities***	O/S	£98.00	£98.00
***All above charges include the extra £98 for reporting under the E-PRTR Regulation			
<b>Local Authority Integrated Pollution Prevention and Control - All charges are Statutory</b>			
Application	O/S	£3,218.00	£3,218.00
Additional fee for operating without a permit	O/S	£1,137.00	£1,137.00
Annual Subsistence - Low	O/S	£1,384.00	£1,384.00
Annual Subsistence - Medium	O/S	£1,541.00	£1,541.00
Annual Subsistence - High	O/S	£2,233.00	£2,233.00
Additional charge of subsistence payment is made by quarterly instalments	O/S	£36.00	£36.00
Late Payment Fee	O/S	£50.00	£50.00
Substantial Variation	O/S	£1,309.00	£1,309.00
Transfer	O/S	£225.00	£225.00
Partial Transfer	O/S	£668.00	£668.00
Surrender	O/S	£668.00	£668.00
<b>LAPC and LAPPC mobile plant charges (Application/ Subsistence) - All charges are Statutory</b>			
1 authorisation, Application fee	O/S	£1,579.00	£1,579.00
1 authorisation, Subsistence Low risk	O/S	£618.00	£618.00
1 authorisation, Subsistence Medium risk	O/S	£989.00	£989.00
1 authorisation, Subsistence High risk	O/S	£1,484.00	£1,484.00
2 authorisations, Application fee	O/S	£1,579.00	£1,579.00
2 authorisations, Subsistence Low risk	O/S	£618.00	£618.00
2 authorisations, Subsistence Medium risk	O/S	£989.00	£989.00
2 authorisations, Subsistence High risk	O/S	£1,484.00	£1,484.00
For the third to seventh authorisations, Application fee	O/S	£943.00	£943.00
For the third to seventh authorisations, Subsistence Low risk	O/S	£368.00	£368.00
For the third to seventh authorisations, Subsistence Medium risk	O/S	£590.00	£590.00
For the third to seventh authorisations, Subsistence High risk	O/S	£884.00	£884.00
For the eighth and subsequent authorisations, Application fee	O/S	£447.00	£447.00
For the eighth and subsequent authorisations, Subsistence Low risk	O/S	£189.00	£189.00
For the eighth and subsequent authorisations, Subsistence Medium risk	O/S	£302.00	£302.00
For the eighth and subsequent authorisations, Subsistence High risk	O/S	£453.00	£453.00
<b>Fees for the purpose of the Poisons Act 1972</b>			
Initial registration	O/S	£46.10	£46.10
Re-Registration	O/S	£23.10	£23.10
Change in details of registration	O/S	£12.70	£12.70
<b>Registered Trader Scheme</b>			
Initial Registration	S	£0.00	£150.00
Annual membership thereafter	S	£0.00	£100.00
<b>Land Contamination queries</b>			
General Queries	S	£188.03	£250.00
Large or Complex Queries - actual cost using hourly charge out rates	S	Actual cost	Actual cost
<b>Core Strategy &amp; Urban Plan</b>			
<i>Postage and packaging is in addition to these charges:</i>			
Copy	S	N/A	£25.00



HIGHWAYS AND TRANSPORT	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>Road Opening Notice</b>			
Section 171 Licence (Road Opening Notice)	O/S	£195.00	£225.00
Amendments to Section 171 Licence	O/S	N/A	£50.00
<b>Permission to maintain apparatus in Public Highways</b>			
Section 50 Licence - New Roads & Street Works Act (new apparatus)	O/S	£490.00	£550.00
Section 50 Licence - New Roads & Street Works Act (existing apparatus)	O/S	£245.00	£275.00
Amendments to Section 50 Licence	O/S	N/A	£50.00
<b>Highways Inspection Reports</b>			
Highways Inspection Reports (per street per year)	O/S	£49.50	£49.50
Request for Service / Complaint Records (per street per year)	O/S	£49.50	£49.50
Works Orders (per street per year)	O/S	£49.50	£49.50
Street Works Records (per street per year)	O/S	£33.00	£33.00
Plan extract of adoption records (additional/follow up) (per OS plan used)	O/S	£11.35	£11.35
Plan extract of adoption records (duplicate) (per OS plan used)	O/S	£22.70	£22.70
Standard search additional questions (per question)	O/S	£12.50	£12.50
Non-Standard search additional questions (per question)	O/S	£19.30	£19.30
<b>NRASWA Inspection Fees (Statutory fees)</b>			
Sample Inspection Fee - Statutory Fee	O/S	£50.00	£50.00
Defective Reinstatement Inspection Fee - Statutory Fee	O/S	£47.50	£47.50
Third Party Inspection Fee - Statutory Fee	O/S	£68.00	£68.00
Traffic Regulation Orders	O/S	Actual Cost	Actual Cost
<b>NRASWA Penalty Charges (Statutory fees)</b>			
Sample Inspection Fee - Statutory Fee	O/S	N/A	£120.00 (£80.00 if paid within a statutory period)
<b>NRASWA S74 Charges (Statutory fees)</b>			
Overrun charges under S74	O/S	N/A	Variable
<b>Bridge Banners</b>			
Application Fee	O/S	£55.00	£75.00
Banner per week	O/S	£25.00	£50.00
Fee for the removal of banner (Late Removal)	O/S	£100.00	£250.00
<b>Local Transport Plan</b>			
Traffic and Accident Data - 1-4 items	O/S	£120.00	£125.00
Unit - Charge for Data for each subsequent item	O/S	£30.00	£35.00
<b>Transport Costs Associated with Development</b>			
Where changes to the transport network are required in order to accommodate development.			
Checking of Designs - Estimated cost of works:			
<£25,000	O/S	£500.00	£500.00
£25,000 - £75,000	O/S	£1,000.00	£1,000.00
£75,000 - £250,000	O/S	£2,000.00	£2,000.00
> £250,000	O/S	£5,000.00	£5,000.00
This does not include any charges for checking the design of highway structures, exceptional or complex works or traffic signals.			
<b>Supervision/ Inspection of Works - A charge of 8% of the estimated cost of the works will be levied. - (This charge may be varied by agreement in exceptional circumstances).</b>			

HIRE OF FACILITIES	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>Multipurpose Buildings</b>			
<b>Room Bookings Hourly Rate</b>			
<i>Small room (less than 10 people)</i>			
Weekday	E	£16.40	£17.00
Saturday	E	£21.00	£22.00
Sunday	E	£26.75	£28.00
<i>Medium room (11-20 people)</i>			
Weekday	E	£20.00	£21.00
Saturday	E	£25.50	£26.00
Sunday	E	£33.75	£35.00
<i>Large Room (more than 20 people)</i>			
Weekday	E	£24.50	£25.00
Saturday	E	£26.50	£27.00
Sunday	E	£33.75	£35.00
<b>Room Bookings Daily Rate</b>			
<i>Small room (less than 10 people)</i>			
Weekday	E	£108.00	£111.00
Saturday	E	£148.00	£152.00
Sunday	E	£189.00	£195.00
<i>Medium room (11-20 people)</i>			
Weekday	E	£139.00	£143.00
Saturday	E	£179.00	£184.00
Sunday	E	£237.00	£244.00
<i>Large Room (more than 20 people)</i>			
Weekday	E	£170.00	£175.00
Saturday	E	£186.00	£192.00
Sunday	E	£237.00	£244.00
<b>Elgin Centre</b>			
Meeting Room - as per small room hire shown above			
Multi Use Games Area (per hour)	E	£11.25	£12.00
Sports Hall (per hour)	E	£38.90	£40.00
Sports Hall (per day)	E	£269.00	£277.00
<b>LIBRARIES</b>			
<b>Caedmon Hall* - day time rate</b>			
up to 2 hour session - use of room	E	£119.00	£125.00
up to 5 hour session - use of room	E	£190.00	£200.00
up to 8 hour session - use of room	E	£305.00	£320.00
*A discount of 20% is available for voluntary groups, internal hire and Gateshead based not-for-profit organisations). All evening hires incur an additional £20 per hour cost for staffing. Caedmon Hall requires 2 additional members of staff after the day time occupancy hours for safety due to the design of the building and the location of the hall. Technicians charges, use of piano and extra staff are costed at the actual rate of the charge to the council as they are sourced externally			
<b>Community Library Rooms - Central Library - day time rate</b>			
up to 2 hour session - use of room	E	£30.00	£31.00
up to 3 hour session - use of room	E	£45.50	£48.00
up to 4 Hour Session - use of room	E	£63.00	£66.00
8 hour hire	E	£113.50	£119.00
<b>Community Library Rooms - Whickham and Blaydon Library - day time rate</b>			
up to 2 hour session - use of room	E	£30.00	£31.00
up to 3 hour session - use of room	E	£45.50	£48.00
up to 4 Hour Session - use of room	E	£63.00	£66.00
8 hour hire	E	£113.50	£119.00
<b>Cancellation of Bookings - Central Library</b>			
Within 48 hours of intended use	O/S	100% of hire charge	100% of hire charge
Within two weeks prior to date of the event	O/S	75% of hire charge	75% of hire charge
Between two and four weeks prior to date of the event	O/S	50% of hire charge	50% of hire charge
<b>St Mayr's Heritage Centre**</b>			
Daytime rate			
Main Hall (per hour)	E	£59.34	£59.34
Chancel (per hour)	E	£34.05	£34.05
**A discount of 20% is available for voluntary groups, internal hire and Gateshead not-for-profit organisations. A discount of 20% is available for hire of the whole building. All evening hires incur an additional £20 per person per hour cost for staffing.			

HIRE OF FACILITIES	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>SALTWELL PARK</b>			
<b>Weekdays</b>			
Wailes Room (half day)	E	£100.00	£100.00
Wailes Room (full day)	E	£200.00	£200.00
Training Room (half day)	E	£50.00	£60.00
Training Room (Full day)	E	£90.00	£90.00
Saltwell Towers (evening 7pm to midnight)	E	£500.00	£500.00
Saltwell Towers Gallery (half day)	E	£250.00	£500.00
Saltwell Towers Gallery (full day)	E	£500.00	£1,000.00
<b>Saturday</b>			
Wailes Room (half day)	E	£150.00	£150.00
Wailes Room (full day)	E	£250.00	£250.00
Training Room (half day)	E	£60.00	£60.00
Training Room (Full day)	E	£100.00	£100.00
Saltwell Towers (evening 7pm to midnight)	E	£500.00	£500.00
Saltwell Towers Gallery (half day)	E	£500.00	£500.00
Saltwell Towers Gallery (full day)	E	£1,000.00	£1,000.00
<b>Sunday</b>			
Wailes Room (half day)	E	£150.00	£150.00
Wailes Room (full day)	E	£250.00	£250.00
Training Room (half day)	E	£60.00	£60.00
Training Room (Full day)	E	£100.00	£100.00
Saltwell Towers (evening 7pm to midnight)	E	£500.00	£500.00
Saltwell Towers Gallery (half day)	E	£500.00	£500.00
Saltwell Towers Gallery (full day)	E	£1,000.00	£1,000.00
Where hire of room is for wedding facilities (ceremony, wedding breakfast or evening reception the whole charge is standard rated).			
<b>CIVIC CENTRE</b>			
Bewicks B (half day)	E	£125.00	£131.25
Bewicks B (full day)	E	£225.00	£236.25
Bewicks A&B (half day)	E	£250.00	£262.50
Bewicks A&B (full day)	E	£450.00	£472.50
The Lamesely Room (per session)	E	£155.00	£162.75
The Bridges Room (per session)	E	£155.00	£162.75
The Whickham Room (per session)	E	£155.00	£162.75
The Blaydon Room or Saltwell Room (per session)	E	£155.00	£162.75
The Council Chamber (per session)	E	£330.00	£346.50
<b>PARKS AND PAVILIONS</b>			
Where the charge is negotiable – A session is of no fixed period but is dependent upon the needs of the individual organisation.			
<b>DRYDEN CENTRE</b>			
<b>Non Commercial Organisations **</b>			
<b>Weekdays</b>			
<i>(Discount of 20% if five consecutive weekdays (Mon-Fri 18:00 - 22:00) booked. May be subject to sole user charge £50.00)</i>			
Conference Hall (per hour)	E	£61.00	£63.00
Conference Hall (per 3 hour session)	E	£169.00	£174.00
Conference Hall (per hour) Theatre Groups	E	£47.00	£48.00
Conference Hall (per 3 hour session) Theatre Groups	E	£170.00	£145.00
Rooms Up to 10 People (per hour)	E	£15.00	£15.00
Rooms Up to 10 People (per 3 hour session)	E	£45.00	£46.50
Rooms Up to 20 People (per hour)	E	£23.00	£24.00
Rooms Up to 20 People (per 3 hour session)	E	£62.00	£64.00
Rooms 21 - 30 People (per hour)	E	£27.00	£28.00
Rooms 21 - 30 People (per 3 hour session)	E	£79.00	£81.50
Conference Room (per hour)	E	£31.00	£32.00
Conference Room (per 3 hour session)	E	£92.00	£95.00
Theatre package for amateur operatic, dramatic or other performances including rehearsals. ***	S	£141.00	£145.00
<b>Saturday</b>			
Conference Hall (per hour)	E	£90.00	£93.00
Conference Hall (per 3 hour session)	E	£253.00	£261.00
Conference Hall (per hour) Theatre Groups	E	£57.00	£59.00
Conference Hall (per 3 hour session) Theatre Groups	E	£169.00	£174.50
Rooms Up to 10 People (per hour)	E	£20.00	£21.00
Rooms Up to 10 People (per 3 hour session)	E	£60.00	£62.00
Rooms Up to 20 People (per hour)	E	£28.00	£29.00
Rooms Up to 20 People (per 3 hour session)	E	£83.00	£85.50
Rooms 21 - 30 People (per hour)	E	£29.00	£30.00
Rooms 21 - 30 People (per 3 hour session)	E	£86.00	£89.00
Conference Room (per hour)	E	£36.00	£37.50
Conference Room (per 3 hour session)	E	£103.00	£106.50
Theatre package for amateur operatic, dramatic or other performances including rehearsals. ***	S	£169.00	£174.50

HIRE OF FACILITIES	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>Sunday and Bank Holiday</b>			
Conference Hall (per hour)	E	£106.00	£109.50
Conference Hall (per 3 hour session)	E	£294.00	£303.00
Conference Hall (per hour) Theatre Groups	E	£57.00	£59.00
Conference Hall (per 3 hour session) Theatre Groups	E	£169.00	£174.50
Rooms Up to 10 People (per hour)	E	£22.00	£23.00
Rooms Up to 10 People (per 3 hour session)	E	£66.00	£68.00
Rooms Up to 20 People (per hour)	E	£36.00	£37.50
Rooms Up to 20 People (per 3 hour session)	E	£101.00	£104.50
Rooms 21 - 30 People (per hour)	E	£39.00	£40.50
Rooms 21 - 30 People (per 3 hour session)	E	£112.00	£115.50
Conference Room (per hour)	E	£42.00	£43.50
Conference Room (per 3 hour session)	E	£119.00	£123.00
Theatre package for amateur operatic, dramatic or other performances including rehearsals. ***	S	£169.00	£174.50
Photocopying - per copy	S	£0.10	£0.10
<b>Commercial Organisations **</b>			
<b>Weekdays</b>			
Conference Hall (per hour)	E	£71.00	£73.50
Conference Hall (per 3 hour session)	E	£213.00	£219.50
Rooms Up to 10 People (per hour)	E	£18.00	£19.00
Rooms Up to 10 People (per 3 hour session)	E	£54.00	£56.00
Rooms Up to 20 People (per hour)	E	£28.00	£29.00
Rooms Up to 20 People (per 3 hour session)	E	£84.00	£87.00
Rooms 21 - 30 People (per hour)	E	£36.00	£37.50
Rooms 21 - 30 People (per 3 hour session)	E	£108.00	£111.50
Conference Room (per hour)	E	£42.00	£43.50
Conference Room (per 3 hour session)	E	£126.00	£130.00
<b>Saturday</b>			
Conference Hall (per hour)	E	£108.00	£111.50
Conference Hall (per 3 hour session)	E	£324.00	£334.00
Rooms Up to 10 People (per hour)	E	£20.00	£23.00
Rooms Up to 10 People (per 3 hour session)	E	£60.00	£68.00
Rooms Up to 20 People (per hour)	E	£39.00	£40.50
Rooms Up to 20 People (per 3 hour session)	E	£117.00	£121.00
Rooms 21 - 30 People (per hour)	E	£42.00	£43.50
Rooms 21 - 30 People (per 3 hour session)	E	£126.00	£130.00
Conference Room (per hour)	E	£48.00	£49.50
Conference Room (per 3 hour session)	E	£144.00	£148.50
<b>Sunday and Bank Holiday</b>			
Conference Hall (per hour)	E	£123.00	£127.00
Conference Hall (per 3 hour session)	E	£369.00	£380.50
Rooms Up to 10 People (per hour)	E	£22.00	£27.00
Rooms Up to 10 People (per 3 hour session)	E	£66.00	£80.50
Rooms Up to 20 People (per hour)	E	£47.00	£48.50
Rooms Up to 20 People (per 3 hour session)	E	£141.00	£145.50
Rooms 21 - 30 People (per hour)	E	£53.00	£55.00
Rooms 21 - 30 People (per 3 hour session)	E	£159.00	£164.00
Conference Room (per hour)	E	£58.00	£60.00
Conference Room (per 3 hour session)	E	£174.00	£179.50
Photocopying - per copy	S	£0.20	£0.20
Refreshments - Buffet Lunch menu available for choices and price.	S		
<b>Cancellation of Bookings</b>			
Up to 2 weeks' notice	O/S	50% of Hire Charge	50% of Hire Charge
Up to 5 working days notice	O/S	75% of Hire Charge	75% of Hire Charge
Up to 2 working days notice	O/S	100% of Hire Charge	100% of Hire Charge
Cancellation on day of hire	O/S	100% of Hire Charge	100% of Hire Charge
** Equipment hire is included in relevant charges above. Where a separate identifiable charge is made for equipment hire this will be subject to VAT at the standard rate.			
***Includes use of specialist sound and lighting equipment and access to stage, under stage area, use of piano i.e. all specialist facilities for a stage performance.			

HOUSING RELATED CHARGES AND LICENSING	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>Baltic Road Gypsy and Traveller's Site</b>			
Entry Deposit	E	£200.00	£200.00
Site Rental Double Pitch - per week	E	£51.00	£51.00
Electricity sale tariffs to be adjusted in line with Electricity Board increases			
<b>Service of Notices</b>			
Housing Act Notices - Charge imposed when Housing Act notices are serviced under Part 1 of the Act (except Hazard Awareness Notices)	O/S	£350.00	£350.00
Works in default - A charge for the administration of carrying out works in default for notices served under Housing, Public Health, Environmental Protection, Protection of Damage by Pests and Building Acts. £220.00 or 20% is charged whichever is the greater.	O/S	Minimum £220.00 or 20%	Minimum £220.00 or 20%
<b>Mandatory HMO Licencing*</b>			
Standard Fee (5 Bedrooms)	O/S	£830.00	£830.00
Charge for each additional bedroom	O/S	£13.00	£13.00
<b>Renewal of Mandatory HMO Licencing*</b>			
Standard Fee (5 Bedrooms)	O/S	£460.00	£460.00
Charge for each additional bedroom	O/S	£13.00	£13.00
<b>Immigration Inspections</b> - Charge imposed when EHO's inspect properties in respect of immigration and visa purposes.	O/S	£115.00	£115.00
<b>Housing Grants</b>			
Support fee on Housing Grants - A 10% support fee is charged for the administration of all private sector home repair, renovation and disabled facility grants.	O/S	10%	10%
<b>Selective Licensing - Central Gateshead Ph 1 and Swalwell*</b>			
Standard Fee for a duly made application	O/S	£550.00	£550.00
Reduction in fee for subsequent application	O/S	£40.00	£40.00
Administration charge for each incomplete application submission	O/S	£25.00	£25.00
Administration charge for variation of Licence	O/S	£25.00	£25.00
Administration charge for arrangement of phased, fee payment plan, over more than one month	O/S	£25.00	£25.00
*Discount for GPLA or other nationally recognised landlord association/scheme £75.00. Discount for accredited			
<b>Smoke and Carbon Monoxide Alarm Regulations</b>			
Penalty Charge for 1st offence*	O/S	£1,000.00	£1,000.00
Penalty Charge for 2nd Offence	O/S	£2,000.00	£2,000.00
Penalty Charge for 3rd Offence	O/S	£3,000.00	£3,000.00
Penalty Charge for 4th Offence	O/S	£4,000.00	£4,000.00
Penalty Charge for 5th or more Offence(s)	O/S	£5,000.00	£5,000.00
*Penalty Charge imposed for non compliance with Remedial Notice. Reduced to £750 if paid within 14 days			
**No discount will be given for prompt payment after the first occasion.			
<b>Redress Schemes for Lettings Agency Work and Property Management</b>			
Penalty Charge - First Warning Letter Issued	O/S	£100.00	£100.00
Penalty Charge - Non Compliance with Warning Letter and First Non-Compliance Notice of Intent Served*	O/S	£3,000.00	£3,000.00
Penalty Charge - Non Compliance with Warning Letter and Second Non-Compliance Notice of Intent Served	O/S	£4,000.00	£4,000.00
Penalty Charge - Non Compliance with Warning Letter, persistent and multiple non-compliance - Notice of Intent Served	O/S	£5,000.00	£5,000.00
* Reduced to a penalty of £2000 where the agent has failed to comply with the requirements under the regulations, but has ceased to operate in that capacity at the time of the issue of a Notice of Intent			

LICENSING	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>Licences</b>			
Pet Animals Act 1951 - Pet Shop Licence*	O/S	£90.00	£91.00
Animal Boarding Establishment Act 1963 - Licence*	O/S	£90.00	£91.00
Dog Breeders - Licence*	O/S	£90.00	£91.00
Dangerous Wild Animals Act - Licence	O/S	£140.00	£141.00
Riding Establishment Act 1964 & 1970 - Licence*	O/S	£100.00	£101.00
Performing Animals Act 1925 Registration	O/S	£90.00	£91.00
Performing Animals - Amendment to a current listed above	O/S	£15.00	£15.00
Performing Animals - Copies of licence	O/S	£15.00	£15.00
Zoo Licensing Act 1981*	O/S	£250.00	£252.00
Home Boarding (ABE Act 1963)	O/S	£60.00	£61.00
* Plus cost of veterinary inspection			
<b>Scrap Metal Dealers Act 2013</b>			
New Application (3yrs) - Site Licence	O/S	£346.00	£350.00
New Application (3yrs) - Collector Licence	O/S	£142.00	£144.00
Renewal Application (3yrs) - Site Licence	O/S	£256.00	£259.00
Renewal Application (3yrs) - Collectors Licence	O/S	£77.00	£78.00
Variation Application - Site Licence	O/S	£68.00	£69.00
Variation Application - Collector Licence	O/S	£38.00	£38.50
Variations (address/ vehicles/ contact details)	O/S	£10.00	£10.50
Replacement Licence or Badge	O/S	N/A	£9.15
<b>Practice of acupuncture or the business of tattooing, semi-permanent skin-colouring, cosmetic piercing or electrolysis</b>			
Person (one off charge)	O/S	£61.00	£120.00
Premises (one off charge)	O/S	£121.00	£240.00
<b>Hackney Carriage &amp; Private Hire Licences</b>			
Vehicle Licence - Hackney Carriage	O/S	£180.30	£180.30
Vehicle Licence - Private Hire	O/S	£180.30	£180.30
Test Fee - Hackney Carriage	O/S	£54.85	£54.85
Test Fee - Private Hire	O/S	£54.85	£54.85
A full refund (less a variable administration fee) on any licence fee will only be made following a written request made within 28 days of the licence having been processed. After 28 days, the value of the refund will equal the vehicle plate deposit, plus (if the 6 month test has not been taken) the vehicle test fee.			
Private Hire Operators Licence	O/S	£157.00	£157.00
Operators Annual Fee (Years 2-5)	O/S	N/A	£105.00
Hackney Carriage Drivers Licence (1 year)	O/S	£51.90	£51.90
Hackney Carriage Drivers Licence (2 years)	O/S	£86.90	£86.90
Hackney Carriage Drivers Licence (3 years)	O/S	£121.90	£121.90
Private Hire Drivers Licence (1 year)	O/S	£51.90	£51.90
Private Hire Drivers Licence (2 years)	O/S	£86.90	£86.90
Private Hire Drivers Licence (3 years)	O/S	£121.90	£121.90
Dual Driver Licence (1 year)	O/S	£84.00	£84.00
Dual Driver Licence (2 years)	O/S	£119.00	£119.00
Dual Driver Licence (3 years)	O/S	£154.00	£154.00
Replacement of Licence or Badge	O/S	£9.15	£9.15
Vehicle Plate Deposit	O/S	£14.25	£14.25
Locality Test Fee	O/S	£14.25	£14.25
Transfer of vehicle proprietor or change of vehicle	O/S	£27.00	£27.00
<b>Expedited Applications (48 hour response)</b>			
Vehicle Licence - Hackney Carriage	O/S	N/A	£230.30
Vehicle Licence - Private Hire	O/S	N/A	£230.30
Hackney Carriage Drivers Licence (1 year)	O/S	N/A	£101.90
Hackney Carriage Drivers Licence (2 years)	O/S	N/A	£136.90
Hackney Carriage Drivers Licence (3 years)	O/S	N/A	£171.90
Private Hire Drivers Licence (1 year)	O/S	N/A	£101.90
Private Hire Drivers Licence (2 years)	O/S	N/A	£136.90
Private Hire Drivers Licence (3 years)	O/S	N/A	£171.90
Dual Driver Licence (1 year)	O/S	N/A	£134.00
Dual Driver Licence (2 years)	O/S	N/A	£169.00
Dual Driver Licence (3 years)	O/S	N/A	£204.00
<b>Pleasure Craft Licences</b>			
Vessel (Annual)	O/S	£70.60	£71.00
Person (Annual)	O/S	£21.70	£22.00
<b>Sex Establishments</b>			
Sex Shop	O/S	£1,905.00	£1,926.00
Sex Cinema	O/S	£1,905.00	£1,926.00
Sexual Entertainment Venue	O/S	£1,905.00	£1,926.00
Sex Establishment Variation/ Transfer Fee	O/S	£853.00	£862.00
<b>Food Safety</b>			
Food Safety and Food Safety Advice - per hour	S	£0.00	£75.00
Food Safety export certificates	S	£0.00	£75.00 + £75.00 per hour*
* additional hourly charge when a visit to premises is required			
<b>Licensing Advice - per hour</b>	S	£0.00	£75.00

LICENSING	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>Copy of CSE Course Attendance Certificate</b>	S	£0.00	£10.50
<b>Initial purchase fee for a Club Premises Certificate or Premises Licence - Statutory Charges</b>			
<b>Rateable Value</b>			
£0 - £4,300	O/S	£100.00	£100.00
£4,301 - £33,000	O/S	£190.00	£190.00
£33,001 - £87,000	O/S	£315.00	£315.00
£87,001 - £125,000	O/S	£450.00	£450.00
£87,001 - £125,000 (primarily selling alcohol)	O/S	£900.00	£900.00
£125,001 & Over	O/S	£635.00	£635.00
£125,001 & Over (primarily selling alcohol)	O/S	£1,905.00	£1,905.00
<b>Annual renewal fee for a Club Premises Certificate or Premises Licence - Statutory Charges</b>			
<b>Rateable Value</b>			
£0 - £4,300	O/S	£70.00	£70.00
£4,301 - £33,000	O/S	£180.00	£180.00
£33,001 - £87,000	O/S	£295.00	£295.00
£87,001 - £125,000	O/S	£320.00	£320.00
£87,001 - £125,000 (primarily selling alcohol)	O/S	£640.00	£640.00
£125,001 & Over	O/S	£350.00	£350.00
£125,001 & Over (primarily selling alcohol)	O/S	£1,050.00	£1,050.00
<b>Other Statutory Charges</b>			
Minor Variation of Premises Licence or Club Premises Certificate	O/S	£89.00	£89.00
Theft/Loss of Club Premises Certificate, Premises Licence or Summary	O/S	£10.50	£10.50
Change to Name or Address	O/S	£10.50	£10.50
Change of Club Name or Alteration to Rules	O/S	£10.50	£10.50
Change of Registered Address of Club	O/S	£10.50	£10.50
Additional fees for Premises (Large Scale Venues) Contact Licencing Section on 0191 433 4741 or <a href="mailto:licencing@gateshead.gov.uk">licencing@gateshead.gov.uk</a>			
Variation of DPS on Premises Licence	O/S	£23.00	£23.00
Application to Transfer Premises Licence	O/S	£23.00	£23.00
Interim Authority for Premises Licence	O/S	£23.00	£23.00
Disapplication of a Mandatory Alcohol Condition	O/S	£23.00	£23.00
Interest in Premises (Right of Freeholder to be Notified)	O/S	£21.00	£21.00
Temporary Event Notice	O/S	£21.00	£21.00
Theft/Loss of Temporary Event Notice	O/S	£10.50	£10.50
Provisional Statement	O/S	£315.00	£315.00
Theft/Loss of Provisional Statement	O/S	£10.50	£10.50
Personal Licence (Grant or Renewal)	O/S	£37.00	£37.00
Change to Name or Address	O/S	£10.50	£10.50
Theft/Loss of Personal Licence	O/S	£10.50	£10.50
<b>Unlicensed Family Entertainment Centre Gaming Machine Permits - Statutory Charges</b>			
Grant	O/S	£300.00	£300.00
Renewal	O/S	£300.00	£300.00
Existing Operator Grant	O/S	£100.00	£100.00
Change of Name	O/S	£25.00	£25.00
Copy of Permit	O/S	£15.00	£15.00
<b>Prize Gaming Permits - Statutory Charges</b>			
Grant	O/S	£300.00	£300.00
Renewal	O/S	£300.00	£300.00
Existing Operator Grant	O/S	£100.00	£100.00
Change of Name	O/S	£25.00	£25.00
Copy of Permit	O/S	£15.00	£15.00
<b>Club Gaming Permits - Statutory Charges</b>			
Grant	O/S	£200.00	£200.00
Grant (Club Premises Certificate Holder)	O/S	£100.00	£100.00
Existing Operator Grant	O/S	£100.00	£100.00
Variation	O/S	£100.00	£100.00
Renewal	O/S	£200.00	£200.00
Renewal (Club Premises Certificate Holder)	O/S	£100.00	£100.00
Annual Fee	O/S	£50.00	£50.00
Copy of Permit	O/S	£15.00	£15.00
<b>Club Gaming Machine Permits - Statutory Charges</b>			
Grant	O/S	£200.00	£200.00
Grant (Club Premises Certificate Holder)	O/S	£100.00	£100.00
Existing Operator Grant	O/S	£100.00	£100.00
Variation	O/S	£100.00	£100.00
Renewal	O/S	£200.00	£200.00
Renewal (Club Premises Certificate Holder)	O/S	£100.00	£100.00
Annual Fee	O/S	£50.00	£50.00
Copy of Permit	O/S	£15.00	£15.00

LICENSING	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>Licensed Premises Gaming Machine Permits - Statutory Charges</b>			
Application Fee	O/S	£150.00	£150.00
Existing Operator Grant	O/S	£100.00	£100.00
Variation	O/S	£100.00	£100.00
Transfer	O/S	£25.00	£25.00
Annual Fee	O/S	£50.00	£50.00
Change of Name	O/S	£25.00	£25.00
Copy of Permit	O/S	£15.00	£15.00
<b>Licensed Premises Automatic Notification Process - Statutory charge</b>			
Notification	O/S	£50.00	£50.00
<b>Small Lottery Registration - Statutory Charges</b>			
Grant	O/S	£40.00	£40.00
Annual Fee	O/S	£20.00	£20.00
<b>Street Trading Consent</b>			
1 Day (1 to 6 days)	O/S	£25.00	£25.00
1 Week	O/S	£93.36	£100.00
Summer Season ( 1 May to 31 October)	O/S	£426.88	£425.00
Winter Season (1 November to 30 April)	O/S	£426.88	£425.00
12 Months	O/S	£754.69	£750.00
<b>Consent for Markets with Multiple Traders (per stall)</b>			
Daily (1-6 market days)	O/S	N/A	£25.00
1 Week	O/S	N/A	£100.00
Summer Season	O/S	N/A	£425.00
Winter Season	O/S	N/A	£425.00
12 Months	O/S	N/A	£750.00
<b>Market</b>			
Daily per stall per day (1-6 market days)	O/S	N/A	£25.00
Up to monthly per stall (7-12 market days)	O/S	N/A	£100.00
Up to weekly per stall (13-52 market days)	O/S	N/A	£425.00
<b>Block Consent Annual Fee</b>	O/S	N/A	£1,620.00
<b>Gambling Act Fees</b>			
<b>Bingo Club</b>			
New Application (maximum prescribed £3,500)	O/S	£1,878.00	£1,899.00
Annual Fee (maximum prescribed £1,000)	O/S	£1,000.00	£1,000.00
Application to Vary (maximum prescribed £1,750)	O/S	£1,750.00	£1,750.00
Application to Transfer (maximum prescribed £1,200)	O/S	£1,060.00	£1,072.00
Application for Re-instatement (maximum prescribed £1,200)	O/S	£1,060.00	£1,072.00
Provisional Statement (maximum prescribed £3,500)	O/S	£1,878.00	£1,899.00
New with Provisional Statement (maximum prescribed £1,200)	O/S	£1,200.00	£1,200.00
Copy Licence (maximum prescribed £25)	O/S	£25.00	£25.00
Notification of Change (maximum prescribed £50)	O/S	£50.00	£50.00
<b>Betting Premises</b>			
New Application (maximum prescribed £3,000)	O/S	£1,504.00	£1,520.00
Annual Fee (maximum prescribed £600)	O/S	£600.00	£600.00
Application to Vary (maximum prescribed £1,500)	O/S	£1,500.00	£1,500.00
Application to Transfer (maximum prescribed £1,200)	O/S	£1,060.00	£1,072.00
Application for Re-instatement (maximum prescribed £1,200)	O/S	£1,060.00	£1,072.00
Provisional Statement (maximum prescribed £3,000)	O/S	£1,504.00	£1,504.00
New with Provisional Statement (maximum prescribed £1,200)	O/S	£1,192.00	£1,205.00
Copy Licence (maximum prescribed £25)	O/S	£25.00	£25.00
Notification of Change (maximum prescribed £50)	O/S	£50.00	£50.00
<b>Track betting</b>			
New Application (maximum prescribed £2,500)	O/S	£1,878.00	£1,899.00
Annual Fee (maximum prescribed £1,000)	O/S	£1,000.00	£1,000.00
Application to Vary (maximum prescribed £1,250)	O/S	£1,250.00	£1,250.00
Application to Transfer (maximum prescribed £950)	O/S	£950.00	£950.00
Application for Re-instatement (maximum prescribed £950)	O/S	£950.00	£950.00
Provisional Statement (maximum prescribed £2,500)	O/S	£1,878.00	£1,899.00
New with Provisional Statement (maximum prescribed £950)	O/S	£950.00	£950.00
Copy Licence (maximum prescribed £25)	O/S	£25.00	£25.00
Notification of Change (maximum prescribed £50)	O/S	£50.00	£50.00
<b>Adult Gaming Centres</b>			
New Application (maximum prescribed £2,000)	O/S	£1,325.00	£1,340.00
Annual Fee (maximum prescribed £1,000)	O/S	£1,000.00	£1,000.00
Application to Vary (maximum prescribed £1,000)	O/S	£1,000.00	£1,000.00
Application to Transfer (maximum prescribed £1,200)	O/S	£1,060.00	£1,072.00
Application for Re-instatement (maximum prescribed £1,200)	O/S	£1,060.00	£1,072.00
Provisional Statement (maximum prescribed £2,000)	O/S	£1,325.00	£1,340.00
New with Provisional Statement (maximum prescribed £1,200)	O/S	£1,060.00	£1,072.00
Copy Licence (maximum prescribed £25)	O/S	£25.00	£25.00
Notification of Change (maximum prescribed £50)	O/S	£50.00	£50.00



LICENSING	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>Family Entertainment</b>			
New Application (maximum prescribed £2,000)	O/S	£1,325.00	£1,340.00
Annual Fee (maximum prescribed £750)	O/S	£750.00	£750.00
Application to Vary (maximum prescribed £1,000)	O/S	£1,000.00	£1,000.00
Application to Transfer (maximum prescribed £950)	O/S	£950.00	£950.00
Application for Re-instatement (maximum prescribed £950)	O/S	£950.00	£950.00
Provisional Statement (maximum prescribed £2,000)	O/S	£1,325.00	£1,340.00
New with Provisional Statement (maximum prescribed £950)	O/S	£950.00	£950.00
Copy Licence (maximum prescribed £25)	O/S	£25.00	£25.00
Notification of Change (maximum prescribed £50)	O/S	£50.00	£50.00
<b>Highway Licensing</b>			
<b>Planting Trees, Shrubs in the Highway</b>			
New Licence Application (subject to additionally)	O/S	£250.00	£255.00
Annual Inspection and monitoring fee (this is due on every anniversary of the licence being granted)	O/S	£75.00	£76.00
Licence transfer	O/S	£25.00	£25.00
<b>Hoardings</b>			
Per Hoarding - Up to 6 months	O/S	£100.00	£101.00
<b>Portable Cabins (including storage containers)</b>			
Up to 28 days	O/S	£55.00	£56.00
Up to 28 days extension	O/S	£25.00	£25.00
<i>Where cabins or containers are required for considerably longer than 56 days, contact should be made directly with Officers.</i>			
<b>Building Materials, Rubbish, etc.</b>			
Up to 10 days	O/S	£30.00	£31.00
Up to 10 days extension	O/S	£20.00	£25.00
<i>Building materials will not be permitted in the highway for longer than 20 days.</i>			
<b>Buildings</b>			
0 - 5 years	O/S	£1,250.00	£1,265.00
For every 5 years thereafter	O/S	£625.00	£635.00
Annual inspection fee	O/S	£125.00	£127.00
To transfer the licence	O/S	£25.00	£25.00
The annual inspection fee is due on every anniversary of the licence being granted.			
<b>Bridges over the Highway*</b>			
0 - 5 years	O/S	£1,250.00	£1,265.00
For every 5 years thereafter	O/S	£625.00	£635.00
Annual Inspection fee	O/S	£125.00	£127.00
To Transfer the Licence	O/S	£25.00	£25.00
<b>Beams, Cables, Wires and Pipes along over or across the highway*</b>			
0 - 5 years	O/S	£325.00	£330.00
For every 5 years thereafter	O/S	£165.00	£167.00
Annual Inspection fee	O/S	£75.00	£76.00
To transfer the licence	O/S	£25.00	£25.00
<b>Cellars and Vaults under the Highway*</b>			
0 - 5 years	O/S	£1,250.00	£1,265.00
For every 5 years thereafter	O/S	£625.00	£635.00
Annual Inspection fee	O/S	£125.00	£127.00
To transfer the licence	O/S	£25.00	£25.00
<b>Openings into Cellars and Vaults under the streets*</b>			
Additional fees may be incurred where there are multiple openings.			
0 - 5 years	O/S	£250.00	£255.00
For every 5 years thereafter	O/S	£125.00	£127.00
Annual Inspection fee	O/S	£75.00	£76.00
To transfer the licence	O/S	£25.00	£25.00
*The annual inspection fee is due on every anniversary of the licence being granted.			
<b>Crane Oversailing (fixed)</b>			
Site inspections will be required in the case of complex applications.			
0 - 6 months	O/S	£650.00	£655.00
For every 3 months thereafter	O/S	£125.00	£127.00
Variation of Licence	O/S	£125.00	£127.00
Site Inspection fee	O/S	£75.00	£76.00
To transfer the Licence	O/S	£25.00	£25.00
<b>Crane Oversailing (mobile)</b>			
Site inspections will be required in the case of complex applications.			
Per day	O/S	£150.00	£153.00
Part Day (4 hours)	O/S	N/A	£100.00
Multiple sites (2 or more)	O/S	N/A	£100.00
- thereafter (per site)	O/S	N/A	£45.00
Variation of the Licence	O/S	£50.00	£51.00
<b>A Boards</b> (annual licence fee)	O/S	£0.00	£36.00
<b>Pavement Displays</b> (annual licence fee)	O/S	£0.00	£36.00
<b>Pavement Cafes</b> (annual licence fee)	O/S	£0.00	£120.00

LICENSING	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>Projecting signs, canopies and projections from buildings Licence Fee</b>			
For 5 Years	O/S	£0.00	£300.00
For every five years thereafter	O/S	£0.00	£125.00
Annual inspection fee	O/S	£0.00	£75.00
To transfer the licence	O/S	£0.00	£25.00

SPORT AND LEISURE	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<i>(Adults - 17-64, Juniors - 0-18 in full-time education, Students - 19+ in full-time education)</i>			
Use of coin retain locker	S	£0.20	£0.20
Use of showers, changing facilities	S	£3.60	£4.00
<b>Activity Charges</b>			
<b>Table Tennis per table per hour</b>			
Group 1 - Standard charge (no Active Card)	S	£5.10	£5.20
Group 2 - Adult (Active Card)	S	£4.40	£4.50
Group 3 - 65+ & Students (Active Card)	S	£2.55	£3.30
Group 4 - Juniors (Active Card), Adults (Active Access)	S	£2.55/£2.35	£2.60
Group 5 - Juniors (Active Access)	S	£2.05	£2.05
<b>Badminton per court per hour</b>			
Group 1 - Standard charge (no Active Card)	S	£10.60	£10.60
Group 2 - Adult (Active Card)	S	£9.40	£9.40
Group 3 - 65+ & Students (Active Card)	S	£5.40	£7.00
Group 4 - Juniors (Active Card), Adults (Active Access)	S	£5.40/£5.00	£5.40
Group 5 - Juniors (Active Access)	S	£4.20	£4.20
<b>Major Games (4 Badminton courts per hour)</b>			
Standard charge (no Active Card)	S	£51.15	£55.00
Active Card	S	£44.00	£45.00
Club hire	S	POA	POA
<b>Ancillary Hall (Birtley Leisure Centre) per hour</b>			
Standard charge (no Active Card)	S	£35.00	£35.00
Active Card	S	£30.00	£30.00
<b>Hire of Equipment</b>			
Group 1 - Standard charge (no Active Card)	S	£3.50	£3.50
Group 2 - Adult (Active Card)	S	£2.95	£2.95
Group 3 - 65+ & Students (Active Card)	S	£1.75	£1.75
Group 4 - Juniors (Active Card), Adults (Active Access)	S	£1.75/Free	Free
Group 5 - Juniors (Active Access)	S	Free	Free
<b>Fitness Room</b>			
Group 1 - Standard charge (no Active Card)	S	£6.35	£6.50
Group 2 - Adult (Active Card)	S	£5.40	£5.50
Group 3 - 65+ & Students (Active Card)	S	£3.30	£4.00
Group 4 - Juniors (Active Card), Adults (Active Access)	S	£3.30/£2.85	£3.30
Group 5 - Juniors (Active Access)	S	£2.55	£2.60
<b>Fitness Room (Birtley Leisure Centre)</b>			
Standard charge (all users)	S	£7.65	£7.65
<b>Coaching Fees - Keep Fit classes</b>			
Group 1 - Standard charge (no Active Card)	E	£5.70	£5.70
Group 2 - Adult (Active Card)	E	£4.70	£4.70
Group 3 - 65+ & Students (Active Card)	E	£2.95	£3.60
Group 4 - Juniors (Active Card), Adults (Active Access)	E	£2.95/£2.65	£2.95
Group 5 - Juniors (Active Access)	E	£2.25	£2.25
<b>Squash (per court per session)</b>			
Group 1 - Standard charge (no Active Card)	S	£8.50	£8.50
Group 2 - Adult (Active Card)	S	£7.15	£7.15
Group 3 - 65+ & Students (Active Card)	S	£4.60	£5.60
Group 4 - Juniors (Active Card), Adults (Active Access)	S	£4.60/£3.90	£4.60
Group 5 - Juniors (Active Access)	S	£3.40	£3.40
<b>Track</b>			
Group 1 - Standard charge (no Active Card)	S	£4.75	£4.75
Group 2 - Adult (Active Card)	S	£4.05	£4.05
Group 3 - 65+ & Students (Active Card)	S	£2.40	£3.00
Group 4 - Juniors (Active Card), Adults (Active Access)	S	£2.40/£2.15	£2.40
Group 5 - Juniors (Active Access)	S	£1.95	£1.95
<b>Track Pass (Outdoor track only) - 3 months</b>			
Group 2 - Adult (Active Card)	S	£35.00	£35.00
Group 3 - 65+ & Students (Active Card)	S	£17.50	£22.50
Group 4 - Juniors (Active Card), Adults (Active Access)	S	£17.50	£17.50
<b>Hire of Track and Field (Gateshead International Stadium)</b>			
	S	£90.00 for the first hour, and then £45.00 thereafter	£90.00 for the first hour, and then £45.00 thereafter
<b>Artificial Turf Pitches (Gateshead International Stadium)</b>			
Lower Field	S	£35.00	£35.00
3rd Generation pitches (per half pitch)	S	£40.00	£40.00
Club hire	S	POA	POA

SPORT AND LEISURE	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>Blaydon Rugby pitch &amp; football pitches at Blaydon, Heworth &amp; Birtley</b>			
- per game	S	£30.00	POA
- per season	S	POA	POA
<b>Floodlights (main arena)</b>		Recharge for electricity consumed	Recharge for electricity consumed
<b>Creche - per child per session</b>			
Standard charge (no Active Card)	E	£5.10	£5.10
Active Card	E	£4.10	£4.10
Active Access	E	£3.10	£3.10
<b>Soft Play - per hour</b>			
Standard charge (no Active Card)	S	£2.60	£2.60
Active Card	S	£2.20	£2.20
Active Access	S	£1.55	£1.55
<b>Swimming</b>			
Group 1 - Standard charge (no Active Card)	S	£4.50	£4.60
Group 2 - Adult (Active Card)	S	£3.40	£3.60
Group 3 - 65+ & Students (Active Card)	S	£2.00	£2.50
Group 4 - Juniors (Active Card), Adults (Active Access)	S	£2.00/£1.80	£2.00
Group 5 - Juniors (Active Access)**	S	£1.50	£1.50
Children under 4 years		Free	Free
** casual swimming is free for children enrolled on Council-run swimming lessons with a paying adult			
<b>Family Swim (up to 2 adults and 2 children)</b>			
Standard price (no Active Card)	S	N/A	£15.00
Active Card	S	N/A	£10.00
Active Access	S	N/A	£6.00
<b>Pool hire</b>			
Small Pools per hour	S	£23.00	POA
Club Hire	S	POA	POA
<b>One-to-one swimming lesson (per half hour)</b>			
Adult	E	N/A	£20.00
Junior	E	£13.30	£15.00
Active Access (Adult / Junior)	E	£9.15	N/A
<b>School swimming per pupil</b>	E	£2.40	£2.50
<b>Flowrider</b>			
Group 1 - Standard charge (no Active Card)	E	£15.00/£10.00	£10.00
Group 2 - Adult (Active Card)	E	£8.50	£8.50
Group 3 - 65+ & Students (Active Card)	E	£6.75	£7.50
Group 4 - Juniors (Active Card), Adults (Active Access)	E	£6.75	£6.75
Group 5 - Juniors (Active Access)	E	N/A	£5.00
<b>Sauna per 2 hour sessions</b>			
Group 1 - Standard charge (no Active Card)	S	£6.95	£7.00
Group 2 - Adult (Active Card)	S	£5.90	£5.90
Group 3 - 65+ & Students (Active Card)	S	£3.50	£4.00
Group 4 - Juniors (Active Card), Adults (Active Access)	S	£3.50/£3.10	£3.50
Group 5 - Juniors (Active Access)	S	£2.75	£2.75
<b>Coaching fees - per person per course - 10 lessons</b>			
Group 1 - Standard charge (no Active Card)	E	£77.00	£77.00
Group 2 - Adult (Active Card)	E	£65.50	£65.50
Group 3 - 65+ & Students (Active Card)	E	£46.00	£50.00
Group 4 - Juniors (Active Card), Adults (Active Access)	E	£46.00/£39.00	£46.00
Group 5 - Juniors (Active Access)	E	£34.00	£34.00
<b>GO Unlimited Membership (12 month contract) - per month*</b>			
GO Unlimited - Adult	S	£28.50	£28.50
GO unlimited - 65+ & students	S	£19.00	£23.00
GO unlimited - Junior / Active Access	S	£19.00/£15.00	£19.00
GO unlimited - Joint	S	£50.00	£52.00
GO unlimited - Group	S	£19.00	£19.00
* Direct debit payment			
<b>GO Unlimited Non-contract Membership - per month</b>			
GO Unlimited - Adult	S	N/A	£35.00
<b>Swim only pass - Birtley Swimming Centre (12 month contract) - per month*</b>			
Adult	S	N/A	£20.00
All other concessions	S	N/A	£15.00
* Direct debit payment			

SPORT AND LEISURE	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>Gym only pass - Gateshead International Stadium (12 month contract) - per month *</b>			
Adult	S	N/A	£19.00
All other concessions	S	N/A	£15.00
* Direct debit payment			
<b>Gateshead Active Card</b>			
Adult	S	£10.00	£10.00
65+ & Students	S	£10.00	£10.00
Juniors	S	£1.00	£1.00
Juniors (non-resident)	S	£2.00	£2.00
<b>Birtley Leisure Centre membership</b>			
18+	S	£34.00	£34.00
Joint 18+	S	£63.00	£63.00
Juniors/60+/Students (concession)	S	£19.00	£19.00

LIBRARIES	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>ICT Membership</b>			
Per Annum	S	£3.50	£3.50
Per Annum under 16	S	£1.00	£1.00
<b>Reservations</b>			
Adult Books - on shelves (per item)	O/S	£0.50	£0.25
Adult Books - on loan or on order (per item)	O/S	£0.90	£0.75
Junior Books - on shelves	O/S	Free	Free
Junior Books - on loan or on order (per item)	O/S	£0.45	£0.25
Pensioners Books - on shelves (per item)	O/S	£0.45	£0.25
Pensioners Books - on loan or on order (per item)	O/S	£0.60	£0.50
Audio Visual (per item)	O/S	£0.25	£0.25
Vocal Scores (per item)	O/S	£1.20	£1.20
Item borrowed from other library service (per item)	O/S	£4.00	£4.00
<b>Audio / Visual Loans</b>			
Compact Discs	O/S	£0.90	£0.90
<b>Fines</b>			
Books and CD's - per item per day (limit £9.25 per item)	O/S	£0.18	£0.18
Books (Pensioners) - per item per day (limit £4.60 per item)	O/S	£0.10	£0.10
Books (Children)		Exempt	Exempt
Books and Audio Visual items not returned by borrower - Current value of item to be repaid, with 10% reduction per year after 2 years subject to minimum replacement charge. Minimum replacement charge:			
Hardback	O/S	£9.70	£9.70
Paperback	O/S	£4.80	£4.80
Audio/Visual	O/S	£9.70	£9.70
<b>Lost Library Tickets</b>			
Replacement of tickets	O/S	£2.25	£2.25
<b>Photocopying</b>			
A4 B & W per sheet	S	£0.10	£0.10
A3 B & W per sheet	S	£0.20	£0.20
A4 Colour per sheet	S	£0.50	£0.50
A3 Colour per sheet	S	£0.90	£0.90
Microfilm/Microfiche printouts (A4)	S	£0.60	£0.60
Microfilm/Microfiche printouts (A3)	S	£1.10	£1.10
Electronic Copies / Printouts (A4) B & W per sheet	S	£0.10	£0.10
Electronic Copies / Printouts (A4) Colour per sheet	S	£0.50	£0.50
Electronic Copies / Printouts (A3) B & W per sheet	S	£0.20	£0.20
Electronic Copies / Printouts (A3) Colour per sheet	S	£0.80	£0.80
<b>Fax Service</b>			
Outgoing UK only (Initial Sheet)	S	£1.00	£1.00
Outgoing UK only (any additional sheets)	S	£0.80	£0.80
International:			
Bands 1-6	S	£1.45	£1.45
Bands 7-13	S	£2.05	£2.05
Incoming	S	£1.25	£1.25
<b>Writeable CD's (per disk)</b>	S	£1.25	£1.25
<b>Exhibition Service</b>			
Providing arts exhibition sales facilities - minimum 20% commission on sales	S	20%	20%
Booking charge for selling exhibitions (non-returnable in case of customer cancellation)	S	£7.50	£8.00
<b>Local History Service</b>			
Photographs - price varies depending on format, quality and size (price quoted is minimum)	S	£5.20-£10.30	from £0.50
Initial enquiry to Local History Service is free of charge. Each subsequent enquiry	O/S	£20.60	£20.60
Local history talks (other than to local history groups)	E	£38.00	£38.00

WASTE SERVICES AND GROUNDS MAINTENANCE	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>Trade Refuse</b>			
Standard Dustbins per bin per week	O/S	POA	POA
<b>Wheel Bins</b>			
240 litres	S	POA	POA
360 litres	S	POA	POA
1100 litres	S	POA	POA
<b>Supply and delivery of replacement and new property bins</b>			
Refuse Wheeled Bin	O/S	£23.00	£35.00
Recycling (Blue) Wheeled Bin	O/S	£11.00	£25.00
Garden Waste Wheeled Bin	O/S	£23.00	£35.00
Blue Bin Decontamination Charge	O/S	£11.00	£11.00
<b>Green Waste Charges</b>	O/S	£20.00	£27.00
<b>Bulky Household Waste - Special Collection Charges</b>			
<b>Each item from the list below:</b>			
Garage Door, Bathroom Suite, Dismantled Shed, Window Frames	O/S	£41.00	£42.00
<b>3 items from the list below:</b>			
Mattress, Carpet, Bed, Fridge/Freezer, Large Table, Wardrobe, Door, Washer, Armchair, Cabinet, Sofa	O/S	£16.50	£17.00
<b>8 items from the list below:</b>			
Bag of Household Waste, Bag of Garden Rubbish, Boxes, Small Table, Vacuum Cleaner, Headboard, Television Stand, Lawnmower	O/S	£12.50	£13.00
<b>Asbestos removal</b>	O/S	POA	POA
<b>Graffiti Removal</b>			
Removal of non offensive graffiti from private property.	O/S	POA	POA
Removal of syringes from private property	O/S	POA	POA
<b>Supply and delivery of bagged rock salt to e.g. hospitals, emergency services properties etc. per bag</b>	S	£7.10	£7.30
<b>Floristry service products</b>	S	POA	POA
<b>Clearance of stopped private drains</b>			
Normal Hours	S	£109.00	£109.00
Other Times	S	£217.00	£217.00
<b>MOT Tests</b>			
Class IV Vehicles	O/S	£54.85	£54.85
Class IV Vehicles 9 - 12 seats	O/S	£57.30	£57.30
Class IV Vehicles 9 - 12 seats (with seat belt check)	O/S	£64.00	£64.00
Class V Vehicles 13 - 16 seats	O/S	£59.55	£59.55
Class V Vehicles 13 - 16 seats (with seat belt check)	O/S	£80.50	£80.50
Class V Vehicles over 16 seats	O/S	£80.65	£80.65
Class V Vehicles over 16 seats (with seat belt check)	O/S	£124.50	£124.50
Class VII Vehicles	O/S	£58.60	£58.60
<b>Hackney Carriage Tests</b>			
Repeat Hackney Carriage Test (major)	S	£54.85	£54.85
Repeat Hackney Carriage Test (minor)	S	£27.42	£27.42
Duplicate Section 50 Certificate	S	£17.84	£17.84
MOT (at same time as Section 50 test)	O/S	£27.00	£27.00
Passenger Assistant Training Scheme (per person) (Training for taxi/minibus operators on securing wheelchairs in vehicles as well as customer care skills)	E	£50.00	£50.00
ID Badge for Central Transport Unit contractors (per badge) (this is needed for contracted runs)	S	£5.00	£5.00
Installation of Vehicle Crossings - Base price will be £700 but subject to survey	O/S	POA	POA
Private Hardstands (private driveways)	S	POA	POA
<b>Disinfestation</b>			
<b>Social Landlords / Gateshead Council Houses / Business Premises / Private Houses / Allotments</b>			
Standard Treatment	S	POA	POA
Special Treatment	S	Actual Cost	Actual Cost
<b>Rodent Control</b>			
<b>Social Landlords / Gateshead Council Houses / Business Premises / Allotments / Private Houses</b>			
Standard Treatment	S	POA	POA
Special Treatment	S	Actual Cost	Actual Cost
<b>Other pests</b>			
Feral cats	O/S	£94.00	POA
<b>Recovery of stray dog from kennels</b>			
Statutory Fee	O/S	£27.00	£27.00
Administrative Fee	S	£25.00	£30.00

PLANNING	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
Copy planning consents (each)	S	£0.50	£0.51
Formal confirmation that planning application conditions have been fulfilled*	S	£13.20	£13.55
*An additional hourly rate is applied to the above charge (per hour)	S	£61.20	£61.87
<b>Pre Planning Advice</b>			
Householder enquiry as to whether a development needs planning permission	S	£25.00	£25.00
Householder enquiry for pre planning application following advice that their development needs permission	S	£20.00	£20.00
Householder enquiry for pre planning advice	S	£40.00	£40.00
Non householder enquiry as to whether a development needs planning permission	S	£45.00	£45.00
Telecommunications enquiry for pre planning application	S	£200.00	£200.00
Advert pre application advice	S	£50.00	£50.00
Minor Development enquiry for pre planning advice	S	£200.00	£200.00
Revised Minor Development enquiry for pre planning advice within 3 months of advice (per additional request)	S	£100.00	£100.00
Major Development enquiry for pre planning advice	S	£1,000.00	£1,000.00
Major Development enquiry for pre planning advice within 3 months of advice (per additional request)	S	£500.00	£500.00
Strategic Development Enquiry (additional charges may apply)	S	£2,000.00	£2,000.00
<b>Planning History Search (per hour)</b>			
Major Applications	S	£64.70	£65.41
Minor Applications	S	£44.20	£44.69
Other and householders applications	S	£23.70	£23.96
<b>PLANNING APPLICATIONS FEES - STATUTORY CHARGES</b>			
<b>1a. The erection or creation of a dwelling where the application is for Outline permission:</b>			
Where the site area does not exceed 2.5 hectares (per 0.1 hectare)	O/S	£385.00	£385.00
Where the site area exceeds 2.5 hectares (price for the first 2.5 hectares) plus an additional charge set out below:	O/S	£9,527.00	£9,527.00
For each 0.1 hectare in excess of 2.5 hectares (per 0.1 hectare)	O/S	£115.00	£115.00
<i>A maximum charge of £125,000 applies</i>			
<b>1b. The erection or creation of a dwelling</b>			
Where the number of dwellings to be created is 50 or fewer (per dwelling)	O/S	£385.00	£385.00
Where the number of dwellings to be created exceeds 50 (charge for the first 50 dwellings) plus an additional charge below:	O/S	£19,049.00	£19,049.00
For each additional dwelling in excess of 50 (per dwelling)	O/S	£115.00	£115.00
<i>A maximum charge of £250,000 applies</i>			
<b>2a. The erection of buildings where the application is for Outline permission (other than buildings in categories 1,3,4,5, or 7)</b>			
Where the site area does not exceed 2.5 hectares (per 0.1 hectare)	O/S	£385.00	£385.00
Where the site area exceeds 2.5 hectares (charge for the first 2.5 hectares) plus an additional charge set out below:	O/S	£9,527.00	£9,527.00
For each 0.1 hectare in excess of 2.5 hectares (per 0.1 hectare)	O/S	£115.00	£115.00
<i>A maximum charge of £125,000 applies</i>			
<b>2b. The erection of buildings (other than buildings in categories 1,3,4,5, or 7)</b>			
Where floor space is created or the gross floor space created does not exceed 40sq.m	O/S	£195.00	£195.00
The gross floor space created exceeds 40sq.m but does not exceed 75sq.m	O/S	£385.00	£385.00
The gross floor space created exceeds 75sq.m but does not exceed 3,750sq.m (charge for each 75sq.m)	O/S	£385.00	£385.00
The development exceeds 3,750sq.m (charge for 3,750sq.m.) plus an additional charge below:	O/S	£19,049.00	£19,049.00
For each additional 75sq.m	O/S	£115.00	£115.00
<i>A maximum charge of £250,000 applies</i>			
<b>3. The erection of buildings to be used for agricultural purposes on agricultural land where the application is for Outline permission (other than a building in category 4)</b>			
Where the gross floor area does not exceed 465sq.m	O/S	£80.00	£80.00
The gross floor space created exceeds 465sq.m but does not exceed 540sq.m	O/S	£385.00	£385.00
The floor area exceeds 540sq.m but does not exceed 4,215sq.m £385 for the first 540 sq.m then an additional £385 for each 75sq.m in excess of 540 sq.m	O/S	£385.00	£385.00
The gross floor area exceeds 4,215sq.m (charge for 4,215sq.m) plus an additional charge set out below:	O/S	£19,049.00	£19,049.00
For each additional 75sq.m in excess of 4,215sq.m (per 75sq.m)	O/S	£115.00	£115.00
<i>A maximum charge of £250,000 applies</i>			
<b>4. The erection of glasshouses on agricultural land</b>			
The gross floor space does not exceed 465sq.m £80	O/S	£80.00	£80.00
The gross floor space does exceed 465sq.m £2,150	O/S	£2,150.00	£2,150.00
<b>5. The erection, alteration or replacement of plant and machinery</b>			
The site area does not exceed 5 hectares (charge per 0.1 hectare)	O/S	£385.00	£385.00
The site area exceeds 5 hectares (price for the first 5 hectares) plus an additional charge set out below:	O/S	£19,049.00	£19,049.00
For each 0.1 hectare in excess of 5 hectares (per 0.1 hectare)	O/S	£115.00	£115.00
<i>A maximum charge of £250,000 applies</i>			
<b>6. The enlargement/alteration to a dwelling</b>			
1 dwelling	O/S	£172.00	£172.00
2 or more dwellings (flat rate)	O/S	£339.00	£339.00
<b>7. The carrying out of operations within the curtilage of a dwelling including the erection of walls/fences (flat rate)</b>			
	O/S	£172.00	£172.00



PLANNING	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>8. The construction of car parks, service roads and other means of access where the development is incidental to the existing use of the land</b>	O/S	£195.00	£195.00
<b>9. The carrying out of any operations connected with exploratory drilling for oil or natural gas</b>			
The site area does not exceed 7.5 hectares (charge per 0.1 hectare)	O/S	£385.00	£423.00
The site area exceeds 7.5 hectares (price for the first 7.5 hectares) plus an additional charge set out below:	O/S	£28,750.00	£31,725.00
For each 0.1 hectare in excess of 7.5 hectares (per 0.1 hectare)	O/S	£115.00	£126.00
<i>A maximum charge of £250,000 applies</i>			
<b>10. Other operations not coming within any other category</b>			
In the case of operation for the winning and working of minerals where the site area does not exceed 15 hectares (charge per 0.1 hectare)	O/S	£195.00	£195.00
Where the site area exceeds 15 hectares (price for the first 15 hectares) plus an additional charge set out below:	O/S	£29,112.00	£29,112.00
For each 0.1 hectare in excess of 15 hectares (per 0.1 hectare)	O/S	£115.00	£115.00
<i>A maximum charge of £65,000 applies</i>			
In the case of operation for the winning and working of oil and natural gas where the site area does not exceed 15 hectares (charge per 0.1 hectare)	O/S	N/A	£214.00
Where the site area exceeds 15 hectares (price for the first 15 hectares) plus an additional charge set out below:	O/S	N/A	£32,100.00
For each 0.1 hectare in excess of 15 hectares (per 0.1 hectare)	O/S	N/A	£126.00
<i>A maximum charge of £65,000 applies</i>			
<b>11. The change of use/conversion of a building to one or more dwellings</b>			
As category 1b creation of a dwelling (maximum £250,000)	O/S		
<b>12. Use of land for waste disposal or mineral storage or external mineral storage</b>			
The site area does not exceed 15 hectares (charge per 0.1 hectare)	O/S	£195.00	£195.00
The site area exceeds 15 hectares (price for the first 15 hectares) plus an additional charge set out below:	O/S	£29,112.00	£29,112.00
For each 0.1 hectare in excess of 15 hectares (per 0.1 hectare)	O/S	£115.00	£115.00
<i>A maximum charge of £65,000 applies</i>			
<b>13. Change of use</b>	O/S	£385.00	£385.00
<b>Application for a non-material change to a planning permission</b>			
<b>permission</b>			
Householder applications	O/S	£28.00	£28.00
Any other applications	O/S	£195.00	£195.00
<b>Application for a grant of replacement planning permission subject to a new time limit</b>			
Householder applications	O/S	£57.00	£57.00
Major developments	O/S	£575.00	£575.00
Any other applications	O/S	£195.00	£195.00
Variation of condition including renewals of temporary permissions (unless submitted within 12 months of permission - if so no fee) equalling that for a full application for entire site	O/S	£195.00	£195.00
Reserved Matters where applicants earlier reserved matters applications have incurred total fees equalling that for a full application for entire site	O/S	£385.00	£385.00
Advertisement specifically relating to the site where they are displayed or 'advance signs'	O/S	£110.00	£110.00
All other advertisements	O/S	£385.00	£385.00
<b>Prior Approval</b>			
Determination of Prior approval - Agricultural and Forestry buildings and operations or Demolition of buildings	O/S	£80.00	£80.00
Determination of Prior approval (telecommunications)	O/S	£385.00	£385.00
Notification for Prior approval for a change of use where there are no associated building operations	O/S	£172.00	£80.00
Notification for Prior approval for a change of use with associated building operations	O/S	£172.00	£172.00
Playing fields for (non profit maling sports clubs etc)	O/S	£385.00	£385.00
<b>Lawful Development Certificates</b>			
Existing use	O/S	Normal fee	Normal fee
Proposed use	O/S	Half normal fee	Half normal fee
Applications by Parish etc Councils	O/S	Half normal fee	Half normal fee
Development crossing planning authority boundaries, requiring several applications. Only one fee, paid to the authority having the larger site but calculated for the whole scheme.	O/S		
Alternative applications for one site. Highest of fees applicable for each alternative and a sum equal to half the rest.	O/S		
Applications required only because of the removal of permitted development rights, by a condition restricting changes of use within a class, or by an Article 4 direction		No Fee	No Fee
Works to improve a disabled person's access to a public building, or to improve his/her access, safety, health or comfort at his/her dwelling house		No Fee	No Fee
One revised or fresh application by the same applicant for the same character or description with 12 months of receiving permission or refusal, or the making of the application if withdrawn.		No Fee	No Fee
<b>Formal Discharge of Planning Conditions</b>			
Conditions imposed on householder approvals (per request)	O/S	£28.00	£28.00
Conditions imposed on non-householder approvals (per request)	O/S	£97.00	£97.00

RECREATION	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>BOWLS</b> Seasonal Permit (Club Members Only)	S	£40.00	£40.00
<b>FOOTBALL PITCHES (including electricity)</b> <b>With Changing Rooms</b> Seniors per season (alternate weeks) Juniors per season (alternate weeks)	E E	£573.00 £235.00	£573.00 £235.00
<b>Additional Games</b> Casual booking per game: Seniors (without seasonal booking) Juniors (without seasonal booking)	S S	£62.00 £31.00	£62.00 £31.00
<b>Without Changing Rooms</b> Seniors per season (alternate weeks) Juniors per season (alternate weeks)	E E	£287.00 £123.00	£287.00 £123.00
<b>Additional Games</b> Casual booking per game: Seniors (without seasonal booking) Juniors (without seasonal booking)	S S	£41.00 £20.50	£41.00 £20.50
<p>Lettings are normally standard rated, however, the letting of such facilities may be exempt if there is a series of lettings to the same person over a period of time. The granting of such facilities for a series of ten or more periods to a school, club or association or an organisation representing affiliated clubs, would be an exempt supply for VAT purposes if:</p> <p>(i) each period is in respect of the same activity carried on at the same place; (ii) the interval between each period is not less than one day and not more than fourteen days; (iii) consideration is payable by reference to the whole series and is evidenced by written agreement; and (iv) the grantee has exclusive use of the facilities</p> <p>Additional games added separately to the seasonal hire will be standard rated (S) for VAT purposes unless the additional games added qualify in their own right under the above rule.</p>			
<b>CRICKET PITCHES</b> Hire per season Casual booking per game	E S	£410.00 £51.00	£410.00 POA
<b>ALLOTMENTS</b> Rents per annum Area up to 200m <sup>2</sup> 201m <sup>2</sup> - 300m <sup>2</sup> 301m <sup>2</sup> - 400m <sup>2</sup> Rents above 400m <sup>2</sup> to be charged the 400m <sup>2</sup> fee together with the next band fee appropriate to make up the size e.g. a 600m <sup>2</sup> allotment will be charged at the 400m <sup>2</sup> and 200m <sup>2</sup> combined total	O/S O/S O/S	£24.00 £33.00 £44.50	£38.00 £52.00 £70.00
<b>Lettings for Fairgrounds and open space events - (charges per day)</b> To set up and dismantle To operate	E E	£51.00 £154.00	£60.00 £170.00

BUSINESS CENTRES	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>Blaydon, Greenesfield and Gateshead International Business Centres, Northern Design Centre</b>			
<b>Occupancy Fees - per sq ft</b>			
Blaydon Business Centre (Workshop)	N	£8.00	£8.00
Blaydon Business Centre (Office)	N	£14.20	£14.50
Greenesfield Business Centre	N	£26.65	£27.00
Gateshead International Business Centre	N	£26.00	£24.50
Northern Design Centre	S	£24.00	£24.50
Baltimore House	S	£19.00	£20.00
Virtual Office Service (GIBC, GBC, BLBC, BH)	N	£50.00	£50.00
Virtual Office Service (NDC)	N	£100.00	£100.00
Virtual Office & Access to Lounge (GIBC)	N	£100.00	£100.00
Virtual Office and Access to Lounge (NDC)	N	£150.00	£150.00
Use of Additional Office/Unit for Temporary Storage - 50% of standard licence fee (Licence agreements for storage last for 3 months and can be renewed once. Thereafter a full licence agreement must be entered into).	E		
<b>Telephony Fees</b>			
Telephone charges	N	plus 25%	plus 25%
Line rental - per month	N	£32.00	£32.00
Handset rental - per month	N	£3.70	£3.70
<b>Gateshead International Business Centre *</b>			
20 people meeting room - per day	E	£91.00	£95.00
20 people meeting room - per half day	E	N/A	£50.00
20 people meeting room - per hour	E	N/A	£15.00
12 people meeting room - per day	E	£66.00	£75.00
12 people meeting room - per half day	E	N/A	£40.00
12 people meeting room - per hour	E	N/A	£12.00
5 people meeting room - per day	E	£52.00	£55.00
5 people meeting room - per half day	E	N/A	£30.00
<b>Northern Design Centre *</b>			
5 people meeting room - per day	E	£42.00	£50.00
5 people meeting room - per half day	E	£27.00	£27.00
5 people meeting room - per hour	E	£7.00	£8.00
12 people meeting room - per day	E	£84.00	£95.00
12 people meeting room - per half day	E	£47.00	£50.00
12 people meeting room - per hour	E	£13.00	£15.00
<b>Greenesfield Business Centre *</b>			
12 people meeting room - per day	E	£78.00	£80.00
12 people meeting room - per half day	E	£46.00	£46.00
12 people meeting room - per hour	E	£26.00	£15.00
<b>Blaydon Business Centre</b>			
8 person meeting room - Occupiers		Included in rent	Included in rent
8 person meeting room - per day (non-occupiers)	E	£44.00	£50.00
8 person meeting room - half day (non-occupiers)	E	£26.00	£30.00
<b>Baltimore House *</b>			
6 person meeting room - per day	E	£42.00	£50.00
6 person meeting room - half day	E	£27.00	£27.00
6 person meeting room - per hour	E	£7.00	£8.00
12 person meeting room - per day	E	£84.00	£95.00
12 person meeting room - half day	E	£47.00	£50.00
12 person meeting room - per hour	E	£13.00	£15.00
* Room Hire for non-occupiers plus 50% of the agreed charge.			
<b>Sponsorship</b>			
Business briefing or similar publication - annual 12 Editions	O/S	£1,059	£1,200
Business briefing or similar publication - per edition	O/S	£106	£200
Business Forum or similar event - 6 events	O/S	£2,118	£2,200
Business Forum or similar event - per event	O/S	£530	£600
Sponsorship of boardrooms at Business Centres (each)	O/S	£2,647	£3,000
<b>Photocopying / Black &amp; White Printing</b>			
A4	N	£0.20	£0.25
A4 (double sided)	N	£0.20	£0.25
A3	N	£0.20	£0.25
A3 (double sided)	N	£0.30	£0.40
Multiple copies /colour printing charged at cost from Central Print Unit plus 25%			
<b>Laptop Hire</b>			
Per day	N	£28.60	£30.00
Per half day	N	£0.00	£20.00
Per hour	N	£0.00	£10.00

BUSINESS CENTRES	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
Tea / Coffee - per cup	N	£1.00	£1.00
Biscuits - per plate	N	£3.10	£3.10
Additional Refreshments (not buffets) available at cost plus 200%		Cost + 200%	Cost + 200%
Stationery available at cost plus 25%	N	Cost + 25%	Cost + 25%
Replacement or additional key fobs and keys	S or N	Cost + 25%	Cost + 25%
<b>Business Support Services**</b>			
Business Development Consultancy (per day)	N	£272 - £539	£300 - £600
Business Planning Support - subject to negotiation up to	N	£1,187	£1,200
**These are discretionary services to be delivered subject to availability and demand to potential and existing occupiers of business centres. It is likely that costs will be met via third party public funding.			

CORPORATE SERVICES	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
Charge for Funeral and protection of property arrangements	O/S	Up to a maximum of £500	Up to a maximum of £1,000
Charge for appointeeship cases	S	Up to a maximum of £350	Up to a maximum of £500
Charge for administering deferred payments	S	N/A	Actual cost
Charge for arranging care packages for self funders	S	N/A	Actual cost The lower of 1.15% or the rate set by the Department of Health
Deferred payment interest rate	O/S	N/A	N/A
<b>Access to Information</b>			
Complying with requests for information under the Local Government (Access to Information) Act 1985 and the Freedom of Information Act 2000.			
Photocopying - per A4 sheet	S	£0.20	£0.21
Postage	S	Actual cost	Actual cost
Subject access requests under the Data Protection Act 1998 - Statutory Charge	O/S	£10.00	£10.00
<b>Disclosure and Barring Service</b>			
Enhanced Check (includes administration fee of £10)	S	£54.00	£54.00
Standard Check (includes administration fee of £10)	S	£36.00	£36.00
<b>Identity Cards</b>			
Charge per card	S	£2.10	£2.15
Charge per card (chipped)	S	£5.80	£5.85
Design Fee	S	£22.50	£22.50
Clip	S	£0.22	£0.23
Lanyard	S	£0.32	£0.33
Card Holder	S	£0.32	£0.33
Yo-Yo	S	£0.38	£0.40
<b>Electoral Services</b>			
Street Index	O/S	£11.50	£11.50
Confirmation of entry on Electoral Register	O/S	£15.00	£15.00
Registers - paper - Statutory Charge	O/S	£10.00 plus £5.00 per 1,000 entries	£10.00 plus £5.00 per 1,000 entries
Registers - data - Statutory Charge	O/S	£20.00 plus £1.50 per 1,000 entries	£20.00 plus £1.50 per 1,000 entries
Monthly register updates	O/S	As above	As above
<b>Copies of marked register</b>			
Paper Copy - Statutory Charge Restricted	O/S	£10.00 plus £2.00 per 1,000 entries	£10.00 plus £2.00 per 1,000 entries
Data Copy - Statutory Charge Restricted	O/S	£10 plus £1.00 per 1,000 entries	£10 plus £1.00 per 1,000 entries

REGISTRARS	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>BIRTH, MARRIAGE AND DEATH CERTIFICATES</b>			
<b>From the Registrar who registered the birth, death or marriage (Statutory Charges):</b>			
Standard Certificate at the time of registration	O/S	£4.00	£4.00
Standard Certificate after the time of registration	O/S	£7.00	£7.00
Short Birth Certificate (One Short Birth Certificate is issued free of charge at the time of registering the birth)	O/S	£7.00	£7.00
Certificates are available from the Registrar only at the time of registration or shortly afterwards. Once a register is filled, it is passed to the Superintendent Registrar and certificates are no longer available from the Registrar.			
<b>From the Superintendent Registrar:</b>			
Standard Certificate in Person at Registered Office (collection within 5 working days) - Statutory Charge	O/S	£10.00	£10.00
Short Birth Certificate in Person at Registered Office (collection within 5 working days) - Statutory Charge	O/S	£10.00	£10.00
Application and receipt of certificate same day service (in person or post)	O/S	£16.00	£16.00
Priority guaranteed next day delivery - application made by 13:00pm	O/S	£21.00	£25.00
<b>Searches</b>			
General searches at a Superintendent Registrar's Office - Statutory Charge	O/S	£18.00	£18.00
Any certificates purchased as a result of a search are subject to charges above - Statutory Charge	O/S	As shown in above	As shown in above
<b>Marriages</b>			
<b>From the Superintendent Registrar:</b>			
For attending a marriage at the residence of a housebound person to attest notice of marriage - Statutory Charge	O/S	£47.00	£47.00
For attending a marriage of a detained person to attest notice of marriage - Statutory Charge	O/S	£68.00	£68.00
For entering notice of marriage in a marriage notice book (notice to be given in each area in which party resides) - Statutory Charge	O/S	£35.00	£35.00
For attending a marriage at the residence of a housebound person - Statutory Charge	O/S	£84.00	£84.00
For attending a marriage of a detained person - Statutory Charge	O/S	£94.00	£94.00
<b>From the Registrar:</b>			
For attending a marriage solemnized in a register office Mon-Thursday only (Includes cost of certificate so no actual change) - Statutory Charge	O/S	£46.00	£50.00
For attending a marriage at the residence of a housebound person - Statutory Charge - Reduced by the General Registry Office	O/S	£81.00	£81.00
For attending a marriage at the residence of a housebound or detained person - Statutory Charge	O/S	£88.00	£88.00
<b>Certificate for Worship and Registration for Marriage</b>			
<b>From the Superintendent Registrar</b>			
Certification of a place of meeting for religious worship - Statutory Charge	O/S	£29.00	£29.00
Registration of a building for the solemnization of marriages - Statutory Charge	O/S	£123.00	£123.00
<b>Registered Buildings</b>			
Registrar Attendance (church) - Statutory Charge (additional £4 for cost of certificate also applies)	O/S	£86.00	£86.00
Registration of a building for the solemnization of marriages of same sex couple (previously registered for marriage) - Statutory Charge	O/S	£64.00	£64.00
Registration of a building for the solemnization of marriages of same sex couples (not previously registered for marriage) - Statutory Charge	O/S	£123.00	£123.00
Registration of a building for the solemnization of equal marriage - Statutory Charge	O/S	£123.00	£123.00
Change the time or date of wedding	S	N/A	£15.00
<b>Ravensworth - Premises Fee (including cost of certificate)</b>			
Monday to Thursday	E	£140.00	£150.00
Friday to Sunday	E	£166.00	£170.00

REGISTRARS	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>Tyne Suite - Premises Fee</b> (including cost of certificate)			
Monday to Thursday	E	£90.00	£90.00
Friday to Sunday	E	£100.00	£100.00
<b>Mayor's Parlour - Premises Fee</b> (including cost of certificate)			
Monday to Thursday	E	£320.00	£320.00
Friday to Sunday	E	£370.00	£370.00
<b>Bewicks</b>			
Monday to Thursday	E	£300.00	£300.00
Friday to Sunday	E	£350.00	£350.00
<b>Blaydon Room</b> (including cost of certificate)			
Monday to Thursday	E	£260.00	£260.00
Friday to Sunday	E	£286.00	£286.00
<b>Lamesley Room</b> (including cost of certificate)			
Monday to Thursday	E	£260.00	£260.00
Friday to Sunday	E	£286.00	£286.00
<b>Civil Partnership</b>			
Notice of Civil Partnership (per person) - Statutory Charge	O/S	£35.00	£35.00
Formation of Civil Partnership in a register office (with or without a ceremony) Statutory Charge - Additional £4.00 for cost of certificate also applies	O/S	£46.00	£46.00
Full certification at the time of formation - Statutory Charge	O/S	£4.00	£4.00
Extract at time of formation - Statutory Charge	O/S	£4.00	£4.00
Full extract or certificate after the time of formation - Statutory Charge	O/S	£10.00	£10.00
On giving notice to a registration authority under the Civil Partnership Order 2005 (Certificate of No Impediment) - Statutory Charge	O/S	£35.00	£35.00
Attendance of the civil partnership registrar for the purpose of signing the civil partnership schedule for housebound person - Statutory Charge	O/S	£81.00	£81.00
Attendance of the civil partnership registrar for the purpose of signing the civil partnership schedule for detained person - Statutory Charge	O/S	£88.00	£88.00
<b>Civil Marriages and Civil Partnerships</b>			
Attendance at an approved premises (inclusive of formation and certificates)			
Monday to Thursday	O/S	£395.00	£395.00
Friday to Sunday	O/S	£445.00	£445.00
<b>Civil Partnership Conversion to Marriage</b>			
Administration Service Conversion Only in Superintendent Registrars Office	O/S	£45.00	£45.00
Administration Service Conversion 2 stage	O/S	£27.00	£27.00
<b>Re-Affirmation of Vows - at the Register Office</b>			
Monday to Thursday	O/S	£160.00	£160.00
Friday to Sunday	O/S	£260.00	£260.00
<b>Re-affirmation of Vows - at an Outside Venue</b>			
Monday to Thursday	O/S	£240.00	£240.00
Friday to Sunday	O/S	£320.00	£320.00
<b>Conversion Marriage Certificates</b>			
On the day	O/S	£4.00	£4.00
Thereafter	O/S	£10.00	£10.00
<b>Certification of a building as a place of worship</b>	O/S	£29.00	£29.00
<b>Registration of Approved Premises</b>			
Registration of Premises for Marriage and Civil Partnership	O/S	£2,000.00	£1,750.00
Renewal of Registration of Premises for Marriage and Civil Partnership - 3 years	O/S	N/A	£1,500.00
<b>Registering a building for the solemnisation of marriages</b>			
Fee for Certification of Approved Premises	O/S	£123.00	£123.00
<b>British Citizenship Ceremony</b>			
Personal British Citizenship Ceremony (at Civic Centre)	O/S	£150.00	£150.00
<b>Nationality Checking Service</b>			
Adult	S	£55.00	£55.00
Child	S	£30.00	£30.00
<b>Child Naming and Reaffirming of Vows</b>			
<b>At the Register Office</b>			
Monday to Thursday	S	£160.00	£160.00
Friday to Sunday	S	£260.00	£260.00
<b>At an Outside Venue</b>			
Monday to Thursday	S	£240.00	£240.00
Friday to Sunday	S	£320.00	£320.00

PROPERTY AND LAND	VAT	2015-16 AGREED CHARGE	2016-17 PROPOSED CHARGE
<b>Property Transactions</b>			
Registration of assignments and mortgages on Commercial Leases	E	£110.20	£110.20
Registration of dealings on Residential Lease (Former Council Flats) (Per Dealing)	E	£73.50	£73.50
Consent to assign on Commercial Leases (charge dependent on time spent) (a minimum charge applies)	*	£107.40	£108.50
Application for depositing landowner statements and declarations	*	£400.00	£404.00
For each additional parcel of land contained within a statement and declaration	*	£90.00	£91.00
Retrospective Consent on alteration to former Council House	*	£96.90	£98.00
Consent to Postponement of charge on borrowing on former Council House - Consent given by letter	*	£59.20	£60.00
Consent to Postponement of charge on borrowing on former Council House - Lender requires formal Deed sealed	*	£86.90	£88.00
Redemption of Council Mortgage on residential property	*	£144.00	£145.50
Engrossment of Standard Council House Transfer	*	£36.10	£36.50
<b>Copying Charges for all Legal Documents</b>			
Standard retrieval fee	*	£61.60	£62.50
Copy charges A4	*	£0.20	£0.21
Copy Charges A3	*	£0.30	£0.31
Per Plan	*	£6.10	£6.20
<b>Copy extract of Covenants</b>			
Standard retrieval fee	*	£25.60	£25.60
Copy charges A4	*	£0.20	£0.21
Copy Charges A3	*	£0.30	£0.31
Per Plan	*	£6.10	£6.20
<b>Draft and negotiate s.106 Agreements</b>			
Commercial	S	£1,302.80	£1,315.00
Non-Commercial	S	£651.40	£657.50
Licence	*	£443.80	£448.50
Draft and negotiate s.278 s.38 Agreements	*	£1,857.60	£1,876.00
Emergency Road Closure	O/S	£154.80	£156.50
Temporary Traffic Orders	O/S	£258.00	£261.00
Permanent Traffic Orders	O/S	£619.20	£625.50
Stopping Up Orders	O/S	£1,960.80	£1,980.00
<b>Local Land Charges - Cost of Tailored Report</b>			
<b>Commercial Property</b>			
<b>Non-Electronic</b>			
Search LLC1	O/S	£27.30	£27.30
Enquiries CON29 (R)	O/S	£161.50	£90.46
Both	O/S	£188.80	£117.76
<b>Electronic</b>			
Search LLC1	O/S	£21.10	£21.10
Enquiries CON29 (R)	O/S	£155.30	£85.46
Both	O/S	£176.40	£106.56
<b>Residential</b>			
<b>Non-Electronic</b>			
Search LLC1	O/S	£27.30	£27.30
Enquiries CON29 (R)	O/S	£108.00	£71.32
Both	O/S	£135.30	£98.62
<b>Electronic</b>			
Search LLC1	O/S	£21.10	£21.10
Enquiries CON29 (R)	O/S	£100.40	£65.32
Both	O/S	£121.50	£86.42
<b>Additional Property</b>			
<b>Electronic and Non-Electronic</b>			
Search LLC1	O/S	£2.50	£2.50
Enquiries CON29 (R)	O/S	£11.20	£11.20
Both	O/S	£13.70	£13.70
<b>Additional Enquiry Customers Own</b>			
<b>Electronic and Non-Electronic</b>			
Enquiries CON29 (R)	O/S	£27.30	£27.30
<b>Personal Searches</b>			
<b>Electronic and Non-Electronic</b>			
Single Property	O/S	Free	Free
Additional Property	O/S	Free	Free
* If the charge relates to a commercial property for which no option to tax has been made, the charge will be exempt from VAT. If the charge relates to a commercial property for which an option to tax is in place, the charge will be subject to VAT at the standard rate. If the charge relates to a residential Council property, it will be considered to be non-business.			





**COUNCIL MEETING**

**25 February 2016**

**BUDGET AND COUNCIL TAX LEVEL 2016/17**

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**Jane Robinson, Chief Executive**

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

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## **EXECUTIVE SUMMARY**

1. This report sets out the Budget and Council Tax level for 2016/17. As part of the council tax setting process the Council is asked to approve the prudential indicators and Minimum Revenue Provision Statement set out in the attached report.
2. 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**

3. It is recommended that Council approve the recommendations set out in section 18 of the attached report.

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**TITLE OF REPORT: Budget and Council Tax Level 2016/17****REPORT OF: Jane Robinson - Chief Executive**  
**Darren Collins - Strategic Director, Corporate Resources**

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**Purpose of Report**

1. To request Cabinet to recommend to Council on 25 February 2016 the Budget and Council Tax level for 2016/17. As part of the council tax setting process, Cabinet is also asked to recommend to Council the prudential indicators and Minimum Revenue Provision (MRP) Statement set out in this report.

**Background**

2. On 14 July 2015, the Council agreed the Medium Term Financial Strategy (MTFS) that covered the period 2016/17 to 2020/21 and identified a very challenging financial position over the medium term and funding gap of over £77 million in the period with over £50 million of the gap in the first two years.
3. On 3 November 2015, Cabinet approved the basis for undertaking public consultation on budget proposals for 2016 - 2018 which took place between 3 November and 30 December 2015.
4. On 15 December 2015, Cabinet agreed the Local Council Tax Support Scheme for 2016/17.
5. On 17 December 2015, the Government announced the Provisional Local Government Finance Settlement for 2016/17.
6. On 19 January 2016, Cabinet agreed the Council Tax and Business Rates base forecasts for 2016/17.
7. On 19 January 2016, Cabinet noted the Provisional Local Government Funding Settlement and update of the funding gap for 2016/17. This identified a revised funding gap of £25.5 million that the Council was required to close in the 2016/17 financial year.
8. On 8 February 2016, the Final Local Government Funding Settlement was laid before Parliament. For this Council the final settlement was consistent with the provisional settlement reported to Cabinet on 19 January 2016 with no additional resources made available from Government. Public Health allocations were confirmed by Public Health England on 11 February 2016.
9. In relation to the financial year beginning in April 2016, the Secretary of State has determined (and the House of Commons has approved) a referendum threshold of 4% (comprising 2% for expenditure on adult social care and 2% for other expenditure) for adult social care authorities.
10. This report represents the final stage of the budget setting process in determining the budget and council tax level for 2016/17.

## Proposal

11. The proposed base budget for 2016/17 before savings is £217.679m. Funding for 2016/17 is £198.883m based on the final settlement and including a council tax increase of 3.99%, council tax income and Collection Fund transfers leaving a budget savings requirement of £18.796m which can be summarised as follows:

<b>Budget Savings Requirement 2016/17</b>	<b>£m</b>
Net Budget brought forward into 2016/17	207.387
Plus, Inflation, New Burdens & Pressures & New Responsibilities	10.292
<b>Equals Provisional Net Budget</b>	<b>217.679</b>
Budget Savings Requirement	(18.796)
<b>Proposed Net Budget 2016/17</b>	<b>198.883</b>

12. The budget proposals approved for consultation by Cabinet on 3 November 2015 of £34.4m covering 2016/17 to 2017/18 have been reviewed to reflect the responses to consultation. The revised budget proposals result in savings of £18.796m for 2016/17 which closes the funding gap for the year.
13. This report proposes a budget in 2016/17 that includes £18.796m of savings in response to government funding reductions and service demand pressures. The budget has been balanced without recourse to the General Reserve in line with the Council's Medium Term Financial Strategy. However a total of £4.409m from reserves has been earmarked to mitigate some areas of savings over a 12 month period to allow service transformation, further consultation, timings of contractual delivery and ensure Council Plan priorities can be delivered. This includes the deployment of £3.971m from the Council's General Reserve and £0.438m from the ring-fenced Public Health reserve to be used in 2016/17.
14. The proposed budget will result in a council tax increase of 1.99% for residents of the Borough of Gateshead in respect of Gateshead Council expenditure which will generate additional income of £1.478m. This report recommends a 1.99% council tax increase in the Council's band D council tax in 2016/17.
15. The proposed budget will also result in a council tax increase of 2% for residents of the Borough of Gateshead in respect of a new charge for Adult Social Care expenditure which will generate income of £1.485m. This report recommends a further 2% council tax increase in the Council's band D council tax in 2016/17.
16. This will result in a combined council tax increase of 3.99% for residents of the Borough of Gateshead (excluding precepts) resulting in a 75 pence a week rise for the majority of council tax payers in Gateshead who live in the lowest value properties (Band A).
17. In developing the proposed budget for 2016/17 the Council recognises the impact of a possible council tax increase on some of the most vulnerable in society and particularly those on fixed incomes. Due to a combined effect of continued budget pressures and significant funding reductions, locally raised revenue increases in importance to protect vital services and it is on this basis that the proposal for an increase has been restricted to the minimum level within referendum principles that will protect the delivery of essential Council services to the residents of Gateshead.

## Recommendations

18. Cabinet is requested to make the following recommendations to the Council:
- (1) That Gateshead's Band D council tax for 2016/17 is increased by 3.99% to £1,530.03
  - (2) The revenue estimates of £198.883m for 2016/17 be approved.
  - (3) That use of £3.971m from the Council's General Reserve and £0.438m from the Public Health Reserve be agreed to mitigate the impact of budget proposals in 2016/17.
  - (4) That the indicative schools funding presented in Appendix 2 be agreed.
  - (5) That the recommendations of the Strategic Director, Corporate Resources in respect of the robustness of estimates and adequacy of reserves identified in appendix 5 be noted.
  - (6) That the Prudential and Treasury Indicators set out in Appendix 6 to this report be agreed.
  - (7) That the method of calculating the Minimum Revenue Provision (MRP) for 2016/17 as set out in Appendix 7 be approved.
  - (8) That the Budget Proposals following the outcome of consultation in Appendix 2 be noted.
  - (9) That it be noted that at its meeting on 19 January 2016, Cabinet calculated the following amounts for the year 2016/17 in accordance with regulations made under Section 31B(3) of the Local Government Finance Act 1992 as amended by the Localism Act 2011:-
    - (a) **50,480.1** being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as its Council Tax base for the year;
    - (b) **1,184.7** for Lamesley Parish being the amount calculated by the Council, in accordance with regulation 6 of the Regulations, as the amount of its Council Tax base for the year for dwellings in those parts of its area to which special items relate.
  - (10) That the following amounts be now calculated by the Council for the year 2016/17 in accordance with Sections 31A, 31B and 34 to 36 of the Local Government Finance Act 1992, as amended by the Localism Act 2011 ('the Act'): -
    - (a) **£574,790,475** being the aggregate total of the expenditure amounts, which the Council estimates for the items, set out in Section 31A(2) of the Act taking into account the precept issued by Lamesley Parish Council
    - (b) **(£497,545,093)** being the aggregate total of the income amounts, which the Council estimate for the items, set out in Section 31A(3) of the Act
    - (c) **£77,245,382** being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year including Lamesley Parish Council

- (d) **£1,530.2145** being the amount at (c) above, all divided by the amount at (9)(a) above, calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year including Lamesley Parish Council
- (e) **£9,258.36** being the aggregate amount of all special items (Lamesley Parish Council) referred to in Section 34(1) of the Act
- (f) **£1,530.0311** being the amount at (d) less the result given by dividing the amount at (e) above by the amount at (9)(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item (Lamesley Parish Council) relates
- (g) Part of the Council's area: Lamesley Parish  
**£1,537.8461** being the amounts given by adding to the amount at (f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at (9)(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items (Lamesley Parish Council) relate.

(h)

Valuation Band	Lamesley Parish £	All other parts of the Council's area £
A	5.21	1,020.02
B	6.08	1,190.02
C	6.95	1,360.03
D	7.81	1,530.03
E	9.55	1,870.04
F	11.29	2,210.04
G	13.02	2,550.05
H	15.62	3,060.06

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

- (11) That it be noted that for the year 2016/17, the Police and Crime Commissioner for Northumbria, and Tyne and Wear Fire and Rescue Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below: -

Valuation Band	Police and Crime Commissioner for Northumbria £	Tyne and Wear Fire and Rescue Authority £
A	62.22	50.74
B	72.59	59.20
C	82.96	67.65
D	93.33	76.11
E	114.07	93.02
F	134.81	109.94
G	155.55	126.85
H	186.66	152.22

- (12) That, having calculated the aggregate in each case of the amounts at (10)(h) and (11) above, the Council in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2016/17 for each of the categories of dwellings shown below: -

Valuation Band	Lamesley Parish £	All other parts of the Council's area £
A	1,138.19	1,132.98
B	1,327.89	1,321.81
C	1,517.59	1,510.64
D	1,707.28	1,699.47
E	2,086.68	2,077.13
F	2,466.08	2,454.79
G	2,845.47	2,832.45
H	3,414.56	3,398.94

- (13) That under section 52ZB of the Local Government Finance Act 1992 (as amended by the Localism Act 2011), the Council's relevant basic amount of council tax for 2016/17 is not excessive in accordance with the principles determined under section 52ZC of the Act.

For the following reason:

- To fulfil the Council's statutory duty to set the Budget and Council Tax for 2016/17.

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**CONTACT:** Darren Collins, extension 3582

**PLAN REF:**

## Policy Context

1. The proposals in this report support the vision for Gateshead as set out in Vision 2030 and the Council Plan 2015 to 2020. In particular the budget will ensure that resources are focussed on the delivery of the Council's priorities, thus ensuring a sustainable financial position.
2. The Council is operating in a challenging national policy context which has been compounded by Government funding reductions and unfunded cost pressures. The Government's methodology for funding local authorities is inextricably linked to the performance of the local economy in the local authority areas via New Homes Bonus Funding arrangements, Business Rate Retention and Local Council Tax Reduction Schemes.

## Background

3. The Council has approached the budget consultation for 2016 to 2018 based on the Council Plan for 2015 to 2020 to:
  - Meet the needs of Gateshead based on a Strategic Needs Assessment.
  - Sustain Vision 2030 and uphold the Council's values.
  - Reach decisions and manage change in a principled way.
4. This report comes from a background of the Council finding £110m savings since 2010 as well as over 2,100 fewer people working for the organisation.
5. The Council Plan has been refreshed to cover the period 2015 to 2020 and sets the focus for the development of individual business plans for each of the council's services over the next five years as;
  - Maximising Growth - Doing all we can to support economic growth and revenue generation – given reductions in central government funding, success in this area will enable the Council to redirect resource to activities which protect the most vulnerable.
  - Focusing on managing demand (particularly in social care) with a targeted approach, emphasising early intervention and prevention.
  - Increasing collective responsibility – encouraging and supporting local people, partner organisations, businesses and local communities to play a more active role in achieving the outcomes for Gateshead.
  - Continuing to drive efficiencies through changes to the way the Council works, for example, through exploiting new technology, consolidation of buildings and services, reducing complex processes and increased trading.
6. The Council's budget estimates for 2016/17 attached at Appendix 2 have been prepared in accordance with the MTFS framework.



## Considerations

7. In finalising the budget and council tax for 2016/17, the following issues require consideration and are set out in the body of this appendix:-
- Medium Term Financial Strategy – Key Principles
  - Settlement 2016/17;
  - Projected revenue outturn 2015/16;
  - Budget guidance & base budget requirements 2016/17;
  - Budget Proposals 2016 to 2018 following consultation; (see also appendix 2 and 3)
  - Business Rates 2016/17
  - Council Tax 2016/17
  - Adequacy of reserves and robustness of budget estimates; (see also appendix 4 and 5)
  - Approval of prudential indicators for 2016/17 (see also appendix 6);
  - Minimum Revenue Provision (MRP) (see also appendix 7)

### Medium Term Financial Strategy - Key Principles

8. The MTFS is based on the following principles:
- 1) The overall financial strategy will be to ensure that the Council's resources are directed to achieving Vision 2030 and the outcomes set out in the Council Plan.
  - 2) Overall Council spending should be contained within original estimates. If, following monthly revenue monitoring, service budgets are projected to exceed original estimates, plans should be prepared setting out the actions required to ensure spending at the end of the year does not exceed original estimates.
  - 3) The Council will maintain its general reserve at a minimum of 3% of the net revenue budget to cover any major unforeseen expenditure. The Council will aim to balance its revenue budget over the period of the MTFS without reliance on the use of the general reserve.
  - 4) The Council will maintain earmarked reserves for specific purposes which are consistent with achieving its key priorities. The use and level of earmarked reserves will be reviewed annually.
  - 5) The Council will continue to improve its approach to efficiency, commissioning and procurement to ensure value for money and minimise the impact of budget savings on front line services.
  - 6) The Council recognises the impact of increases in council tax levels and fees and charges in an area of relatively low income and low wealth and will therefore balance the need for any increases against the delivery of Vision 2030.
  - 7) The Council will consider the use of prudential borrowing to support capital investment to deliver Vision 2030 and will ensure that the full costs of borrowing are taken into account when investment decisions are taken.

- 8) Opportunities for working in collaboration and partnership and new innovative ways of working will be identified and developed where this will support the Council's priorities and improve service efficiency and delivery. This will include the use of well-being powers, development of trading opportunities and the sourcing and securing of external funding.
- 9) The Council will aim to promote and stimulate strong and sustainable economic growth leading to wellbeing and prosperity for residents and communities and this will be supported by a planned approach to strategic investment managed through the Council's capital programme.
- 10) The Council's business planning framework will inform the review of the MTFS on an annual basis. The annual review will include an update of the five year budget forecast, expected demand in services, changes to legislation and outcomes from performance management framework.

## Settlement 2016/17

9. The Council's Medium Term Financial Strategy 2016/17 to 2020/21 (MTFS) outlines a funding gap of £50.6 million for the next two years (2016/17 – 2017/18) and £77.7 million over the 5 year period. These continue to be the best estimates of the financial challenge facing the Council. The MTFS will be fully refreshed in summer 2016.
10. The provisional Local Government Finance Settlement for 2016/17 was announced on 17 December 2015 and was reported to Cabinet on 19 January 2016 which confirmed less front loading than the MTFS projections and a revised funding gap for 2016/17 of £25.5m.
11. On 8 February 2016, the Final Local Government Funding Settlement was laid before Parliament. The final settlement was consistent with the provisional settlement reported to Cabinet on 19 January 2016. Subsequently Public Health allocations were confirmed by Public Health England on 11 February 2016.
12. The final settlement includes details of core grants including Revenue Support Grant and Business Rates 'Top Up' Grant. The table below highlights the 2016/17 reduction in the Settlement Funding Assessment (SFA). It is important to note that the Business Rates figure in the settlement below is a 'notional' figure published by the Government.

**Table 1 -2016/17 Settlement Funding Assessment**

Funding Stream	Actual	Settlement	Variance
	2015/16 £m	2016/17 £m	
SFA -Revenue Support Grant RSG	(47.767)	(37.258)	(10.509)
SFA -Retained Business Rates	(44.772)	(43.559)	(1.213)
SFA -Top Up Grant	(9.869)	(9.951)	0.082
<b>Total SFA</b>	<b>(102.408)</b>	<b>(90.768)</b>	<b>(11.640)</b>

13. Table 1 highlights that the SFA reduced by 11% in 2016/17. The government announced that specific grants in relation to both the Care Act and Local Lead Flood Authorities have been transferred into RSG. In 2015/16 the Council received £1.079m in relation to these funding streams. After taking these into account the true reduction in RSG in 2016/17 is therefore £11.588m (as opposed to £10.509) or 24%.

14. In addition to the above 'core' grants the Council continues to face reductions in Specific Grants with examples detailed below.

**Table 2 - 2016/17 Specific Grant Changes**

<b>Funding Stream</b>	<i>Actual</i>	<i>settlement</i>	<b>Variance</b>
	<b>2015/16</b>	<b>2016/17</b>	
	<b>£m</b>	<b>£m</b>	<b>£m</b>
NHS support to Social Care	(5.808)	(5.808)	0.000
Education Services Grant	(1.997)	(1.831)	0.166
S31 Business Rates Grant	(2.148)	(1.959)	0.189
New Homes Bonus plus top slice return	(2.502)	(3.231)	(0.729)
Adult Social Care New Burdens	(1.065)	0.000	1.065
DOH -Local Reform & Community Voices*	(0.153)	0.000	0.153
DOH -Lead local flood	(0.014)	0.000	0.014
Public Health (Ring Fenced Grant)	(16.837)	(17.380)	(0.543)
<b>Total</b>	<b>(30.524)</b>	<b>(30.209)</b>	<b>0.315</b>

\* Removed as 2016/17 allocation still to be confirmed

15. It should be noted that the Public Health grant in 2016/17 includes transfer of £3.974m for additional responsibilities for 0-5 year olds. Furthermore all grants except the New Homes Bonus were excluded from the government's future funding figures therefore the majority of these grants are expected to further reduce significantly in the next few years.
16. In the final settlement, government announced £150m of transitional funding for the next two financial years targeted to authorities whose RSG has reduced by the highest percentage. This is considered to be an unfair approach as this only considers one element of funding in isolation and not the whole package of funding available to Councils. Additional rural services delivery grant was also announced targeted to authorities deemed to be in the top 20% nationally in terms of sparsity. Gateshead has not been allocated any amounts from either of these additional funding pots.
17. The government's forecast reduction in core spending power per dwelling over the next four years for Gateshead is quoted as 1.2% compared to an England average of -0.4%. This position is not considered a true reflection and it is important to note the following points;
- The government's future Council Tax figures assume average growth for each authority as well as an annual consumer price index (CPI) increase (which is an annual average of 1.75%) as well as the 2% social care charge. It is assumed this occurs each year over the period up to 2019/20. This assumes that a local area can not only grow its base substantially year on year but that its residents will be willing and able to pay uplifts of up to 4% year on year. This moves funding for essential council services from government funding to local residents. This does not take into account the mix of a Councils tax base and their ability to pay. In Gateshead 60% of our residents are in band A, the lowest property value banding.
  - Business rates also include notional projections of growth of circa 3% per year. The retained rates that Gateshead Council will have available for funding will depend on the extent to which business growth can be supported in the area as well being influenced by loss of income through the cost of appeals, refunds, changes in collection rates and the impact of rate avoidance.

- c. New homes bonus allocations are notional future estimates and cannot be taken with any certainty as the whole system is subject to change following consultation.
  - d. Figures include £13.89m over 2017/18 to 2019/20 for the improved Better Care Funding which aims to redress some balance of need. This news is welcome, however, the funding will only impact towards the end of parliament when the funding is desperately needed now.
  - e. Only potential funding has been considered in this projection with no consideration given of the impact of the increasing costs in social care from increased demand, contractual inflationary increases and the costs of implementing the National Living Wage. Similar cost pressures are also seen in children's social care and other Council services arising from inflation, pay increases, changes in national insurance contributions and additional transfers of responsibilities, many of which will wipe out the increases shown, when only looking at the potential resources available.
  - f. Furthermore analysis per dwelling does not take account of the levels of deprivation of an area resulting in more demand for services such as children's social care, homelessness and welfare support. More affluent areas benefit more from increases in their council tax bases and residents are more able to contribute to the cost of their service provision.
18. The Government have said they will reduce RSG to individual local authorities in a way that ensures that councils delivering the same set of services receive the same percentage change in settlement core funding for these services. Taking council tax into account when calculating this adjustment is a change in central government policy. As part of future reforms government have said that the main local government grant will be phased out and additional responsibilities devolved to local authorities.
19. Even the government figures highlight significant challenges ahead for councils who will have to make savings, despite receiving a flat-cash settlement over the next four years, sufficient to compensate for any additional cost pressures they face. These include those arising from general inflation, cost pressures in the care sector, increases in the number of adults and children needing support and rising levels of need, increases in demand for everyday services as the population grows, pressure on homelessness budgets and increases in core costs such as national insurance, the National Living Wage and pension contributions.
20. Government also confirmed the intention to move to 100% rates retention by 2020. Devolution announcements made as part of the Spending Review require local authorities to make efficiency savings, but in return offers them new levels of power to generate growth for their area. The Government will allow local government to keep the rates they collect from businesses, give councils the power to cut business rates to boost growth, and give elected city-region mayors the power to levy a business rates premium for local infrastructure projects – with the support of local businesses. This will see a shift of reliance on government funding to a reliance on locally raised income through business rates and council tax.

21. The overall approach brings additional risks that were formally managed nationally and will now be transferred to local government, namely;
- Risks in wider economic regeneration and downturns in the local economy in areas that suffer weaker national average economic performance;
  - Increased risks in greater numbers of benefits claimants under the local council tax reduction scheme that transferred to local authorities in 2013/14;
  - The government have confirmed that additional responsibilities will be transferred to local government in the move towards 100% retention. Indications at this stage are that Public Health funding and attendance allowance payments (currently administered by Department for Work and Pensions) will transfer. This places any risks of increasing demand in these areas and any others transferred onto the Council;
  - Risks of welfare reforms and the impact on collection rates of both council tax and business rates.
22. Department for Communities and Local Government (DCLG) have indicated that they will be writing to each council shortly setting out the details of the multi-year settlement offer and the process for acceptance. It is their intention that plans are locally driven and that they should show the further saving opportunities created by the greater certainty of a 4-year budget. Councils have until Friday 14 October 2016 to respond to the offer. Final guidance on the capital receipt flexibility for revenue reforms is also expected shortly.

### **Schools Funding**

23. In 2016/17 the Council will also receive an indicative £135.8m Dedicated Schools Grant (DSG), ring-fenced for the education of children. From this amount the Department for Education (DfE) will recoup the funding for academies in Gateshead which is estimated to be £39m. The £96.8m retained after recoupment for academies is allocated between High needs, Schools, Early Years providers and other centrally held service areas. Funding for maintained schools and the providers of early years education is distributed on a formula basis in accordance with the Schools and Early Years Finance (England) Regulations. Funding for 2 year olds has been estimated by the DfE for 2016/17 at £1.6m as this will be confirmed in July 2016 based on actual take up.
24. In addition, the Pupil Premium for 2016/17 will be £1,320 for primary school children and £935 for secondary school children. This amount is paid per pupil entitled to a free school meal at any time in the last six years. Looked after Children receive Pupil Premium Plus at £1,900 per eligible child. The estimated entitlement for schools in Gateshead is £9.7m, of which an estimated £2.5m will be recouped for Academies.
25. From 2017/18 there will be a new national funding formula for the early years block of the DSG. 2 year old funding is already distributed on a national formula basis. Mainstream schools funding will also have a new national funding formula from 2017/18, and a national funding formula will be implemented for the calculation of the high needs block.
26. 2017/18 will also see the introduction of the 30 hours free entitlement for 3 & 4 year olds with working parents and the introduction of the apprentice levy on schools.

## **Projected Revenue Outturn 2015/16**

27. The agreed revenue budget for 2015/16 was set at £205.400m, rising to £207.387m in October 2015 following a half year transfer of the 0-5 year old provision within Public Health (£1.987m). On 19 January 2016, Cabinet received a report on projected spending taking into account performance to 31 December 2015. The 2015/16 projected outturn is £208.247m, a projected over spend of £0.860m for the year.
28. There continues to be projected over spends in a number of areas, notably demand for children's social care and under achievement of income from leisure facilities. Continued monitoring within services, reports to senior management and the delivery of action plans to address budget variances will aim to ensure that spending for the year is contained within the original estimate. Given the significant financial challenges ahead officers are actively looking in year at ways to recover costs, increase income and achieve underspends wherever feasible. This is good financial management that aids financial sustainability. The council has a strong track record in delivering the outturn on the revenue account within budget.
29. The final outturn position will be reported to cabinet in June 2016 however it is anticipated that the position will be brought back within budget estimates.

## **Budget Guidance and Base Budget Requirement 2016/17**

30. The following key assumptions have been made in development of the 2016/17 budget;
  - A cash reduction in revenue support grant of £10.509m.
  - An increase of £0.659m over settlement figures in business rates income to be retained by the council, split between growth due to an increase in the multiplier set by government and growth in the base.
  - An increase to £77.236m in the amount of council tax income receivable split between growth in the tax base (£0.818m) and proposed agreement of council tax increases (1.99%, £1.478m general, 2.0% £1.485m social care precept).
  - Contractual inflation and modest amounts of general inflation on areas such as utilities, insurance premiums and business rates payable by the council.
  - Assumed 1.0% pay award in line with national offer and specific pressures resulting from instances of incremental progression (£1.7 million).
  - Impacts of implementing the National Living Wage (£1.0 million).
  - An increase in the employer's national insurance rate due to changes in the state pension and the cessation of 'contacted out' occupational pension schemes (£2.0 million).
  - The full year impact arising from the transfer of responsibilities for 0-5 year olds is included in Public Health budgets (£3.974m)
  - Provision has been made in the budget for the North East Combined Authority Transport Levy of £11.671m (3.3% decrease) and for the Environment Agency of £0.161m (1% increase). Both of these levies have been confirmed. The Combined Authority for the North East (NECA) is the Local Transport Authority, with the power to issue a levy on constituent authorities to meet transport related expenditure.

31. The base budget for 2016/17 before budget savings is £217.679m. This is an increase of £10.292m reflecting new burdens, inflation and service pressures outlined in the MTFS as shown below;

	MTFS NET Budget £m	REVISED NET Budget £m
<b>Base 2015/16</b>	<b>205.400</b>	<b>207.387</b>
Base Adjustments	2.874	1.592
General Inflation (inc Utilities, salary etc)	0.950	1.360
Contractual Inflation	0.400	0.337
Council wide Pressures (Pensions, Living Wage etc)	5.639	5.030
Service Pressures	2.000	1.973
Strategic Investment (Capital programme)	1.581	0.000
	<b>218.844</b>	<b>217.679</b>

32. Growth in the Council budget has been kept to a minimum with provision being made in a contingency of £7.380m to manage risks in relation to the ongoing contribution to the costs of managing the workforce, demand pressures, and the cost of additional winter maintenance. The base budget for 2016/17 also includes recognition of a £1.000m surplus in respect of Construction Services' income based on this sustained level of performance in previous years.
33. Funding for 2016/17 is £198.883m based on the final settlement funding including projected council tax and business rate income increases and Collection Fund transfers leaving a budget savings requirement of £18.796m which will be met through budget proposals. The overall position can be summarised as follows:

2015-16 £m	Local Government Settlement Position	2016/17 £m
207.387	<b>Base Budget</b>	<b>217.679</b>
	<b><u>Funding Stream:</u></b>	
(47.767)	Settlement Funding Assessment - Revenue Support Grant	(37.258)
(43.199)	Settlement Funding Assessment -Retained Business Rates	(43.559)
(1.573)	Additional Retained Business Rates (NNDR 1)	(0.659)
(9.869)	Settlement Funding Assessment -Top Up Grant	(9.951)
(73.455)	Council Tax Requirement (including uplifts)	(77.236)
	<u>Other Grants</u>	
(5.808)	NHS support to Social Care	(5.808)
(1.997)	Education Services Grant	(1.831)
(2.148)	S31 Business Rates Grant	(1.959)
(2.502)	New Homes Bonus plus top slice return	(3.231)
(1.065)	Adult Social Care New Burdens Funding	0.000
(0.153)	DOH -Local Reform & Community Voices Funding	0.000
(0.014)	DOH -Lead Local Flood Funding	0.000
(16.837)	Public Health (Ring Fenced Grant) - including Transfer of 0-5	(17.380)
(1.000)	Collection Fund Transfer	(0.011)
<b>(207.387)</b>	<b>Total Funding</b>	<b>(198.883)</b>
<b>0.000</b>	<b>Revised Net Position</b>	<b>18.796</b>

34. The base budget figures and proposals are presented in Appendix 2, including all comparative figures for 2015/16.

### **Budget Proposals 2016 to 2018 – Outcome of Consultation**

35. At its meeting on 3 November 2015, Cabinet approved the public consultation which set out the budget proposals in order to bridge an estimated funding gap of £50.6m by 2018. The consultation ran from 3 November 2015 to 30 December 2015 on proposals totalling £34.4m. The responses to the consultation and equality assessments are included at Appendix 3.
36. Following consultation, the potential for mitigations to issues raised through the process have been considered. Following consideration of a number of factors including the overall financial position of the Council, the level of reserves and priorities identified in the Council Plan, it has been possible to mitigate some of the budget proposals and through the use of reserves allow an opportunity in other areas to support delivery of proposed savings over a 12 month period.
37. As an outcome of the consultation the following proposals have been removed from the proposed savings for 2016/17 namely;
- Environment (£554,000) – for the reduction, cessation and redesign of services to deliver need, priority and compliance work only for grounds maintenance, weed control, arboriculture, countryside, parks and open spaces and street cleansing – the provision of these services will be subject to a full review and the Council will continue to develop approaches to build capacity in communities through Achieving More Together and to increase trading income to enable service provision to continue.
  - Public Health -Oaktrees drug rehabilitation saving has been removed (£104,000) to ensure continuation of this important rehabilitation element of the Substance misuse programme, based on evidence submitted in the consultation. Stop Smoking Services saving has been reduced by £32,000 to reflect further analysis undertaken during the consultation process. The Live Well proposal has reduced by £200,000 to protect the continued effectiveness of the programme.
38. Within the proposed budget for 2016/17 the following budget proposals are mitigated through reserves:

**Adult Social Care** £2.933m mitigation from reserves to allow extra time for recommissioning exercises to be completed and implementation of new delivery models. Mitigation mainly relates to;

- £0.875m of a £1.75m saving to review support for people to live independently. Use of reserves reflects 6 months movement to allow Clinical Commissioning Group (CCG) review to be completed.
- £0.675m of a £1.35m saving to reduce residential care admissions.
- £0.500m of a £0.500m saving for recommissioning of Day Services to allow time for a recommissioning exercise.
- £0.300m of a £3.3m saving to allow time to move to a revised demand management model for Adult Social Care.
- £0.225m of a £0.675m saving for recommissioning of Learning Disability Care Packages. Use of reserves reflects 12 weeks movement to allow recommissioning exercise to be completed.



- £0.133m of a £0.800m saving to reduce Domiciliary Care Packages by enhanced early intervention. Use of reserves reflects 8 weeks movement to allow for full implementation of a new reablement model.
- £0.117m to mitigate in full a saving from the reconfiguration of housing Adaptations/ Occupational therapy service.
- £0.108m out of £0.650m for recommissioning of Independent Supported Living Schemes. Use of reserves reflects 8 weeks movement to allow recommissioning exercise to be completed.

**Children's Services** £0.814m mitigation from reserves to allow time to recommissioning and moving to new service provision methods and redesign. This includes;

- £0.280m to mitigate the full saving for 12 months to allow a review of the future of Grove House following concerns expressed at consultation.
- £0.218m of a £0.435m saving for the recommissioning of looked after children's residential placements and closure of in-house provision.
- £0.114m of a £0.902m saving relating to reconfiguration of early help service part way through 2016.
- £0.102m mitigation to reflect a reshaping and revision of our approach to Home to School Transport to reflect achievement within an academic year.
- £0.075m saving of a £0.300m Recommissioning of Contact Service and review of administrative support.
- £0.025m out of a £0.100m to allow timing for implementation of increased use of technology to improve efficiencies within children's social work.

**Communities and Environment** £0.174m support from reserves agreed for;

- £0.100m to assist with the timing of the implementation of the library review to enable partnership working and integration with other services to avoid any library closures in year 1.
- £0.074m support agreed to fully mitigate for 12 months the saving in relation to refuse collection and recycling to allow a full service review and the identification of alternative means of delivery of the saving within the service.

**Governance & Resources** £0.050m support from reserves agreed for ICT Services staffing savings to allow time for a planned transition whilst supporting delivery of Digital Strategy.

39. It is proposed that a further £0.438m from the ring-fenced Public Health Reserve is applied in 2016/17 to support mitigation of proposals in this area allowing time for transitional planning, re modelling of delivery and timing issues relating to contractual obligations. All expenditure would be contained within the ring-fenced Public Health budget totals for 2016/17 and 2017/18.
40. The Restructure of Care, Wellbeing and Learning proposal has a full saving of £3.3m to be achieved in 2016/17 with agreed mitigation to assist in timing of delivery of £0.300m. The new model of Adult Social Care, that includes parts of Children's services and Public Health, is predicated on maximising people's independence, enabling individuals to remain in their own homes and be active in their own communities. The model removes duplication across the group in Commissioning, policy and performance, ensuring that best use of resources and greater efficiencies are delivered. The model has been the subject of consultation with councillors via Corporate Resources Advisory Group and portfolio meetings, and with employees and trade unions via briefing sessions.

41. The full effect of the budget proposals for 2016/17 is detailed in Appendix 2.
42. The consultation also covered 2017/18 as part of the rolling two year approach to the budget. The Council faces a funding gap for 2017/18 that is currently estimated at £25m. The size of this shortfall represents a continuing and increasing challenge to the Council's effective financial planning and medium term financial sustainability.
43. The Council continues to look ahead and work towards achieving priority outcomes within the Council plan. It is looking at the services it needs to provide to fulfil its duties; these include enabling democratic leadership, keeping residents safe and setting a strategic direction for Gateshead. In addition, the Council is still working towards achieving sustainable economic growth and wellbeing for the borough and its residents, whilst supporting vulnerable people and building capacity within communities. The intention is to extend the planning horizon for the rolling budget approach from two to four years.

### **Business Rates 2016/17**

44. As part of the 2016/17 settlement, the Government provided a baseline figure for retained business rates. The National Non-Domestic Rates Return 1 (NNDR1) 2016/17 submitted to the Department for Communities and Local Government on 31 January 2016 estimated that the Council's retained element will be £44.218m (adjusted for cost of collection) which is £0.659m greater than the baseline estimated in the Government's final settlement. This estimated additional income assists in closing the Council's funding gap. The collection rate remains forecast at 97.75%. The exact amount of compensation payment for small business relief is yet to be confirmed, an estimate of £1.959m is included in the base budget funding based on the NNDR1 return that was submitted to Government on 31 January 2016.
45. The business rate multiplier for 2016/17 will be 49.7 pence, with the small business multiplier being 48.4 pence. Top-ups and tariffs will be uprated by 0.8 per cent; in line with the increase in the September 2015 Retail Price Index.

### **Council Tax 2016/17**

#### **Statutory Requirements: Calculation of Council Tax Requirement**

46. Section 30 of the Local Government Finance Act 1992 requires the Council to set an amount of Council Tax for each financial year for each category of dwellings in its area. For a category of dwellings the amount of Council Tax is the aggregate of:-
  - (i) the amount of tax in relation to the year that the Authority itself has calculated, and
  - (ii) the sum of the amounts of tax in relation to the year that major precepting authorities have calculated in precepts issued to the authority by major precepting authorities.
47. Sections 31A, 31B and 34 to 36 of the 1992 Act (the 1992 Act) require the Authority to calculate its own amount of tax for each category of dwellings in its area, reflecting its council tax requirement. In calculating its council tax requirement, the Authority must make the following calculations:-

48. (1) In relation to each financial year a billing authority in England must make the calculations required by the section 31A of the 1992 Act.
- (2) The Authority must calculate the aggregate of:-
- (a) the expenditure which the Authority estimates it will incur in the year in performing its functions and will charge to a revenue account, other than a Business Improvement District (BID) Revenue Account, for the year in accordance with proper practices;
  - (b) such allowance as the Authority estimates will be appropriate for contingencies in relation to amounts to be charged or credited to a revenue account for the year in accordance with proper practices;
  - (c) the financial reserves which the Authority estimates it will be appropriate to raise in the year for meeting its estimated future expenditure;
  - (d) such financial reserves as are sufficient to meet so much of the amount estimated by the Authority to be a revenue account deficit for any earlier financial year as has not already been provided for;
  - (da) any amounts which it estimates will be transferred in the year from its general fund to its collection fund in accordance with regulations under section 97(2A) of the 1988 Act;
  - (e) any amounts which it estimates will be transferred in the year from its general fund to its collection fund in accordance with section 97 (4) of the Local Government Finance Act 1998 (the 1988 Act);
  - (f) Any amounts which it estimates will be transferred from its general fund to its collection fund pursuant to a direction under section 98(5) of the 1988 Act and charged to a revenue account for the year.
- (3) The aggregate of:-
- (a) the income which it estimates will accrue to it in the year and which it will credit to a revenue account, other than a BID Revenue Account, for the year in accordance with proper practices;
  - aa) any amounts which it estimates will be transferred in the year from its collection fund to its general fund in accordance with regulations under section 97(2A) of the 1988 Act;
  - (b) any amount which it estimates will be transferred in the year from its collection fund to its general fund in accordance with section 97 (3) of the 1988 Act;
  - (c) any amounts which it estimates will be transferred from its collection fund to its general fund pursuant to a direction under section 98(4) of the 1988 Act and will be credited to a revenue account for the year, and

- (d) the amount of the financial reserves which the authority estimates it will use in order to provide for the items mentioned in subsection (2)(a), (b), (e) and (f) above.
- (4) If the aggregate calculated under (2) above exceeds that calculated under (3) above, the authority must calculate the amount equal to the difference; and the amount so calculated is to be its council tax requirement for the year.
- (5) In making the calculation under subsection (2) above the authority must ignore payments which must be met from its collection fund under section 90(2) of the 1988 Act or from a trust fund and, subject to paragraphs (da), (e) and (f) of subsection (2) above, sums which have been or are to be transferred from its general fund to its collection fund.
- (6) In estimating under subsection (2)(a) above the authority must take into account:-
- (a) the amount of any expenditure which it estimates it will incur in the year in making any repayments of grants or other sums paid to it by the Secretary of State, and
- (b) the amount of any precept issued to it for the year by a local precepting authority and the amount of any levy or special levy issued to it for the year.
- (7) But (except as provided by regulations under section 41 of the 1992 Act or regulations under section 74 or 75 of the 1988 Act) the authority must not anticipate a precept, levy or special levy not issued.
- (8) For the purposes of subsection (2)(c) above an authority's estimated future expenditure is:-
- (a) that which the authority estimates it will incur in the financial year following the year in question, will charge to a revenue account for the year in accordance with proper practices and will have to defray in the year before the following sums are sufficiently available:-
- i. sums which will be payable for the year into its general fund and in respect of which amounts will be credited to a revenue account for the year in accordance with proper practices, and
- ii. sums which will be transferred as regards the year from its collection fund to its general fund, and
- (b) that which the authority estimates it will incur in the financial year referred to in paragraph (a) above or any subsequent financial year in performing its functions and which will be charged to a revenue account for that or any other year in accordance with proper practices.
- (9) In making the calculation under subsection (3) above the authority must ignore:-
- (a) payments which must be made into its collection fund under section 90(1) of the 1988 Act or to a trust fund, and

- (b) subject to paragraphs (aa), (b) and (c) of subsection (3) above, sums which have been or are to be transferred from its collection fund to its general fund.
- (10) The Secretary of State may by regulations do either or both of the following:-
- (a) alter the constituents of any calculation to be made under subsection (2) or (3) above (whether by adding, deleting or amending items);
  - (b) alter the rules governing the making of any calculation under subsection (2) or (3) above (whether by deleting or amending subsections (5) to (9) above, or any of them, or by adding other provisions, or by a combination of those methods).
- (11) Calculations to be made in relation to a particular financial year under this section must be made before 11th March in the preceding financial year, but they are not invalid merely because they are made on or after that date.
- (12) This section is subject to section 52ZS of the 1992 Act (which requires a direction to a billing authority that the referendum provisions in chapter 4ZA of the 1992 Act are not to apply to the authority for a financial year to state the amount of the authority's council tax requirement for the year).

**Calculation of Basic Amount of Tax**

- (13) In relation to each financial year a billing authority in England must calculate the basic amount of its council tax by applying the formula:-

$$\frac{R}{T}$$

where:-

- R is the amount calculated (or last calculated) by the authority under section 31A(4) of the 1992 Act as its council tax requirement for the year;
- T is the amount which is calculated by the authority as its council tax base for the year and, where one or more major precepting authorities have power to issue precepts to it, is notified by it to those authorities ("the major precepting authorities concerned") within the prescribed period.

- (14) Where the aggregate calculated (or last calculated) by the authority for the year under subsection (2) of section 31A does not exceed that so calculated under subsection (3) of that section, the amount for item R above is to be nil.
- (15) The Secretary of State must make regulations containing rules for making for any year the calculation required by item T above; and a billing authority must make the calculation for any year in accordance with the rules for the time being effective (as regards the year) under the regulations.
- (16) Regulations prescribing a period for the purposes of item T above may provide that, in any case where a billing authority fails to notify its calculation to the major precepting authorities concerned within that period, that item must be determined in the prescribed manner by such authority or authorities as may be prescribed.

- (17) The Secretary of State may by regulations do either or both of the following:-
- (a) alter the constituents of any calculation to be made under subsection (14) above (whether by adding, deleting or amending items);
  - (b) provide for rules governing the making of any calculation under that subsection (whether by adding provisions to, or deleting or amending provisions of, this section, or by a combination of those methods).

### **Council Tax Bandings**

49. There are eight council tax bands ranging from Band A for dwellings valued at less than £40,000 on 1 April 1991 to Band H for dwellings valued at more than £320,000 on that date. Within an authority, the council tax for each valuation band is a fixed ratio to that for Band D. Dependent on their assigned council tax band dwellings pay a proportion of the Band D council tax set for the authority and local authorities set their council tax on the basis of the number of Band D equivalent properties in their area. Bands are assigned by the Valuation Office Agency (VOA).
50. Band D council tax is the usual standard measure of council tax and is the council tax payable on a Band D dwelling occupied as a main residence by at least two adults, before any reductions due to discounts, exemptions or local council tax support schemes. This definition is widely regarded as a benchmark when comparing council tax levels in different areas or over time. In addition to measuring council tax by Band D it can also be measured in average council tax per dwelling terms.

### **Council Tax Increase and Freeze Grant**

51. As part of the 2016 settlement announcements there was no offer of a council tax freeze grant therefore this is no longer an option which in past years equated to the value of £0.892m.
52. Against the backdrop of continued government funding reductions, new burdens and spending pressures which cumulatively are having a significant impact on the Council's ability to deliver its priorities during 2016/17, this report recommends that Gateshead Council agrees a council tax increase of 3.99% (including a 2% adult social care charge) This will mean the Council will be exempt from the government's excessiveness principles outlined below as the proposed increase is less than 4%.

### **Council Tax Referendums**

53. A council tax bill is made up of a number of different elements. Alongside the element to fund council services which includes the costs of councils pay in levies or special levies to any number of bodies, there can be precepts which consist of council tax that will be redistributed to bodies to provide specific services to the area. For Gateshead these are for the Police and Crime Commissioner for Northumbria, the Tyne and Wear Fire and Rescue Authority and Lamesley Parish.
54. Each year ministers set out in advance what they deem to be an excessive tax rise. This report has been prepared in accordance with published guidance "The referendums relating to council tax increases (Principles) (England) report 2016/17" and the principles outlined in annex A of the guidance.

55. For the referendum regime, the Localism Act 2011 defined a new measure - the relevant basic amount of council tax. The 'relevant basic amount' is a measure that aims to focus purely on the element of the council tax bill relating to council services. It is calculated by subtracting any levy or special levy payments from the overall council tax requirement then dividing that figure by the council tax base.
56. Under section 52ZB of the 1992 Act, each billing authority must determine whether its relevant basic amount of council tax for the financial year (the year under consideration) is excessive. A referendum is triggered by whatever the secretary of state says is an excessive increase in the 'relevant basic amount of council' tax.
57. Under section 52ZC of the 1992 Act, the question of whether an authority's relevant amount of council tax is excessive must be decided in accordance with a set of principles determined by the Secretary of State. A set of principles may contain one principle or two or more principles and must constitute or include a comparison between the authority's relevant basic amount of council tax for the year under consideration and its relevant basic amount of council tax for the financial year immediately preceding the year under consideration.
58. The Spending Review announced that local authorities responsible for adult social care will be given 2% additional Council Tax flexibility, on top of their existing 2% referendum threshold, for the rest of the Parliament on the understanding that they use all additional revenue for adult social care services.
59. For authorities with adult social care responsibilities the referendum cap is thus set at 4% and above. This comes with conditions requiring the authority to evidence that the additional funds raised from the 2% flexibility will be applied for social care purposes and will be required in subsequent years of the Parliament.
60. Therefore for 2016/17, the relevant basic amount of council tax of an authority which belongs to the category in paragraph 2(a) of the Secretary of State Report 'The Referendums Relating to Council Tax Increases (Principles) (England) Report 2016/2017' made under section 52ZD(1) of the 1992 Act "any relevant local authority" is excessive if the authority's relevant basic amount of council tax for 2016/17 is 4% (comprising 2% for expenditure on adult social care and 2% for other expenditure) or greater than 4% of its relevant basic amount of council tax for 2015-16.
61. For 2016/17, the relevant basic amount of council tax of an authority which belongs to the category in paragraph 2(d) of the Secretary of State Report 'The Referendums Relating to Council Tax Increases (Principles) (England) Report 2016/2017' made under section 52ZD(1) of the 1992 Act "any relevant police and crime commissioner" is excessive if the authority's relevant basic amount of council tax for 2016/17 is more than £5.00 greater than its relevant basic amount of council tax for 2015-16.
62. Where a major precepting authority determines that its council tax increase is excessive it must notify the billing authority to which it issues a precept. The billing authority will then be required to make arrangements to hold a referendum in relation to the precepting authority's council tax increase. The costs of holding the referendum are the sole responsibility of the authority which triggered it. Consequently, billing authorities are entitled to recover from a precepting authority the expense incurred in holding a referendum on its behalf.

63. No principles are specified for local precepting authorities (Lamesley Parish), although the Secretary of State may revisit this issue in future. However, the usual general administrative law principles will apply to the Parish Council's own decision setting the budget i.e. they must act reasonably; they will have to take the decision based on all material considerations, discarding immaterial considerations and the incurring of expenditure must be relevant to the needs of the Parish as well as being in accordance with their own financial rules.
64. The consequences of setting an increase in the relevant basic amount of council tax which is excessive would mean that the Council would have to make arrangements to hold a referendum and make "substitute calculations" of a relevant basic amount of council tax which does not exceed the excessiveness principles. The substitute calculations would automatically take effect in the event that voters reject the Council's increase.
65. Under section 52ZB of the 1992 Act the proposed council relevant basic amount of council tax for 2016/17 is not excessive in accordance with the principles determined under section 52ZC of the Act.

### **Council Tax Requirement 2016/17**

66. The Localism Act 2011 changed some of the details governing the calculation of council tax. The Council must set a Council Tax Requirement.
67. The Council's Budget for 2016/17 totals £198.883m after budget savings (net of schools spending).
68. In calculating the Council's council tax requirement as required by the legislation, the Lamesley Parish precept must be added to the figure above.
69. The Parish of Lamesley has issued a budget precept for 2016/17 of £10,000, an increase on 2015/16 which was £7,500. This is cited as being due to increasing cost pressures following no increase in the precept for over ten years alongside reducing investment interest. The Council has allocated grant funding to recognise the impact of the Local Scheme for Council Tax on Lamesley Parish meaning the precept for 2016/17 is £9,258.36. Grant funding of £741.64 will top-up the precept to enable a budget of £10,000 to be funded.
70. In arriving at the Council's council tax requirement, general grants such as Settlement Funding Assessment (Revenue Support Grant, retained Non-domestic Rates transferred from the Collection Fund and Top Up Grant), other grants in Revenue Spending Power and Public Health must be deducted.
71. Any amount transferred from the collection fund to the general fund in relation to council tax must also be deducted. For 2016/17 this figure has been estimated to be £0.011m.



72. The Council Tax Requirement 2016/17, based on an increase of 3.99%, can now be summarised as follows: -

	£
<b>Net Budget 2016/17 Gateshead Council</b>	198,883,217
<i>Add - Lamesley Parish Precept</i>	9,258
<b>Budget Requirement 2016/17 (including Lamesley Parish Precept)</b>	198,892,475
<i>Less - Settlement Funding Assessment (SFA)*</i>	(91,426,911)
<i>Public Health</i>	(17,380,000)
<i>Other Grants</i>	(12,829,182)
<i>Balance to be raised locally</i>	77,256,382
<i>Transfer from Collection Fund (Council Tax)</i>	(11,000)
<b>Council Tax Requirement (including Lamesley Parish Precept)</b>	<b>77,245,382</b>

\* Includes transfer from Collection Fund for retained business rates

### Council Tax Resolution

73. The council tax for Gateshead is calculated by dividing the council tax requirement by the Council Tax base of 50,480.1 (agreed at Cabinet on 19 January 2016). This calculation gives a basic amount of Council Tax of £1,530.2145. However, from this figure, the legislation requires the Parish element to be deducted (£0.1834). This gives a Band D Council Tax for Gateshead of £1,530.0311. Section 36 of the 1992 Act requires the Council Tax to be calculated by reference to Band D, although 90% of households in Gateshead are in Bands A to C.
74. The amount payable for dwellings in different valuation bands is calculated using the following proportions for each valuation banding: -

A	6/9
B	7/9
C	8/9
D	9/9
E	11/9
F	13/9
G	15/9
H	18/9

Thus giving the following Council Tax amounts for the Gateshead area, (excluding precepts but including a 2% precept to fund adult social care)

Valuation Band	Gateshead Council £
A	1,020.02
B	1,190.02
C	1,360.03
D	<b>1,530.03</b>
E	1,870.04
F	2,210.04
G	2,550.05
H	3,060.06

75. The Council Tax for the Parish area is calculated by dividing the Parish precept by the Council Tax base for the Parish area (agreed at the Cabinet meeting on 19 January 2016). This calculation gives a Band D precept of £7.8149 for Lamesley Parish area in 2016/17 which is an increase of 36.99% (£2.11) from 2015/16 (£5.7047)

76. These result in the following additional Council Tax amounts for the Lamesley Parish area (excluding Police and Crime Commissioner and Fire precepts) following application of the proportions in the table at point 74 above.

Valuation Band	Lamesley Parish £
A	5.21
B	6.08
C	6.95
D	<b>7.81</b>
E	9.55
F	11.29
G	13.02
H	15.62

77. To these must be added the precepts of the Police and Crime Commissioner (PCC) for Northumbria and the Tyne and Wear Fire and Rescue Authority. The PCC agreed the precept for 2016/17 on 11 February 2016 with the decision to increase the Band D charge by the £5 permitted under the current referendum principles. The Tyne and Wear Fire and Rescue Authority precept was agreed on 15 February 2016, at an increase of 1.99%. These are as follows:-

Valuation Band	Police and Crime Commissioner for Northumbria £	Tyne and Wear Fire and Rescue Authority £
A	62.22	50.74
B	72.59	59.20
C	82.96	67.65
D	<b>93.33</b>	<b>76.11</b>
E	114.07	93.02
F	134.81	109.94
G	155.55	126.85
H	186.66	152.22

These precepts result in a Band D Council Tax (excluding Lamesley Parish Precept) of £1,699.4711 which has increased from £1,634.2889 in 2015/16.

78. These result in the following total Council Tax amounts (including precepts).

Valuation Band	Lamesley Parish £	All other parts of the Council's area £
A	1,138.19	1,132.98
B	1,327.89	1,321.81
C	1,517.59	1,510.64
D	<b>1,707.28</b>	<b>1,699.47</b>
E	2,086.68	2,077.13
F	2,466.08	2,454.79
G	2,845.47	2,832.45
H	3,414.56	3,398.94

## Adequacy of Reserves and Robustness of Budget Estimates

79. The Council keeps a level of reserves to strengthen the Council's financial position so that it has sufficient reserves and balances to protect against the risk of any uncertainties or unforeseen events without jeopardising key services and delivery outcomes. This is considered best practice and demonstrates sound financial planning. The Council's policy on reserves is outlined in the Medium Term Financial Strategy (MTFS).
80. The Local Government Act 2003 requires the Strategic Director, Corporate Resources to undertake an assessment of the robustness of budget estimates and the adequacy of reserves.
81. In assessing the robustness of the budget, the Strategic Director, Corporate Resources has considered the following issues:
  - The general financial standing of the Council
  - The adequacy of the budget monitoring and financial reporting arrangements
  - The adequacy of the Council's internal control system
  - The future budget pressures faced by the Council, as identified in the Council's MTFS
  - The impact of reduced income and funding
  - The proposed Capital programme
  - The delivery of agreed budget savings
82. In addition to the above, the Strategic Director, Corporate Resources has undertaken a risk assessment of the underlying budget assumptions applied to income and expenditure estimates. This includes an assessment of the estimates for inflationary increases. Further details are shown at Appendix 4.
83. The Strategic Director, Corporate Resources has also considered the adequacy of reserves to cover any potential financial risks faced by the Council. The Council's general and earmarked reserves are maintained at a prudent level and are subject to continuous review. Appendix 5 to this report shows the opening balances as at 1 April 2015 and an estimate of reserves through to 31 March 2017 subject to the proposals in this report and the agreed MTFS. The position on reserves will be further reviewed following revenue outturn and as part of the review of the MTFS in summer 2016.
84. The Council maintains a general fund reserve which acts as a contingency and allows the Council to meet any unforeseen expenditure. This currently stands at £23.386m which is above the minimum level of 3% net revenue budget agreed by cabinet and council in July 2015 as part of the MTFS. This figure includes £7.816m LMS Schools reserves which are ring-fenced and £15.570m General Reserve.
85. Some reserves are agreed by Council to be set earmarked and held for specific strategic purposes. This may be to help achieve key priorities, for example the economic growth reserve to achieve growth and support the local economy. Or held for specific purposes primarily to mitigate risk or provide insurance.
86. Other reserves are ring fenced and committed to be used for specific projects or activities, usually prescribed by Government, and cannot support the general council budget such as schools reserves, developer contributions and the Public Health reserve.

87. As at 31 March 2016 it is estimated that the Council's general reserve will be £21.427m (including £6.816m LMS ring-fenced reserve) supplemented by approximately £27.558m earmarked reserves, £8.089m of which are ring-fenced and cannot be used to support the revenue budget.
88. Reserves can only be used once and are therefore not a sustainable source of financing without placing the Council's financial position at risk. This is an area of interest to external audit who will look at both how the Council has planned to use and actually uses its reserves. Due to the reduced funding from government coupled with increasing demand, the Council will be required to find a permanent solution to the funding gap, rather than a short-term solution by using reserves.
89. The Council has policies, procedures and guidance in place to manage changes in the workforce whether they come from budgetary pressures or other operational or organisational changes. These have been successfully applied in the past but the extent of the savings required to balance the budget has put pressure on all budgets, including staffing.
90. The proposals within the budget will result in major organisational change in many services across the Council, and changes in the way the Council delivers services and works for and with, the community.

### **Workforce Management**

91. The Council will still be a major employer and it will continue its existing good employment practices and further develop its commitment to its workforce, as set out in the Workforce Strategy and Plan 2015 to 2020 including: employee engagement, learning and development, and health and well-being. The Council will continue to work with employees and trade unions to protect priority services and ensure, as part of the Workforce Strategy, that employees have the skills they need to work efficiently and effectively. Through the application of the Council's commissioning framework, new ways in which to deliver best value for the community will be considered, including new business models and delivery vehicles.
92. The Council remains committed to seeking to avoid compulsory redundancies (CRs), and wherever possible it will continue to support employees who wish to volunteer for redundancy (VR). The Council has a successful track record of redeploying staff and it will continue to support employees at risk of redundancy to seek external job opportunities, become self-employed, or start a new business and generally to manage these major changes in life.
93. In light of the required savings the Council gave notice in February 2016 to the Department of Business Innovation and Skills (Form HR1) of the number of anticipated redundancies. It also issued Section 188 "notice of potential redundancy letters" to employees. The Council has worked with trade union representatives and employees to discuss possible ways forward that avoid or reduce the number of redundancies required, and in particular compulsory redundancies; actual numbers are therefore expected to be significantly lower than the figures originally notified. The cost of redundancies will require a significant one-off cost in terms of redundancy payments and pension costs. The majority of redundancy costs will need to be met from revenue or reserves.

94. The proposed FTE reduction is set out in the table below, along with an estimated breakdown of CRs, VRs, and vacant posts based on information to date:

<b>FTE reduction Pre Mitigation</b>	<b>VRs FTE</b>	<b>CRs FTE</b>	<b>Vacant Posts FTE</b>	<b>Other</b>
<b>335.8</b>	138.4	89.3	77.8	30.3

95. It should be noted that the actual number of CRs is likely to be considerably fewer than the figure shown in the table, as work is ongoing to confirm exact numbers of VRs, vacant posts and opportunities for redeployment which will reduce the need for CRs. Due to mitigating measures being applied (if approved) to a number of budget proposals to allow time for further development of new or revised service delivery approaches or commissioning exercises, it is estimated that compulsory redundancy notices will be issued on 26 February in relation to no more than 38 FTEs; however, the total figure for CRs for 2016/17 will only be determined once all of the proposals are finalised. (NB In the table the column labelled “Other” FTEs refers to posts proposed to be supported by reserves for the full year 2016/17 or where the saving is being achieved through reductions in hours.)

96. The Strategic Director, Corporate Resources confirms that, after taking account of these issues, the revenue estimates are considered robust and that the level of reserves is considered adequate to cover the financial risks faced by the Council in the medium term. This assessment is based on the requirement that spending will be reduced to meet the funding gap in the MTFs as any shortfall will put the Council’s sustainable financial position at risk.

**Prudential and Treasury Indicators**

97. CIPFA’s Prudential Code is a professional code of practice to support local authorities in taking decisions about capital investment. All local authorities are required to have regard to the Prudential Code under the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 made under Section 3 of the Local Government Act 2003 and the Code of Practice for Treasury Management in the Public Services. The Prudential Framework for Local Authority Capital Investment was introduced from 1 April 2004.

The key objectives of the Codes are:-

- To ensure that the capital investment plans of local authorities are affordable, prudent and sustainable;
- To ensure that treasury management decisions are taken in line with good professional practice and in a manner which supports prudence, affordability and sustainability;
- To ensure consistency with local strategic planning, asset management and option appraisal.

The Prudential Code and the revised Code of Practice for Treasury Management in the Public Services sets out a range of prudential and treasury indicators that need to be agreed by the Council.

In setting and revising prudential and treasury indicators, the Council is required to take account of the following issues:-

- affordability, including the impact on council tax;
- prudence and sustainability;
- value for money;
- stewardship of assets and asset management planning;
- service objectives;
- practicality.

98. Appendix 6 to this report details the prudential indicators required under the Prudential Code and the Code of Practice for Treasury Management in the Public Services recommended for approval

### **Minimum Revenue Provision (MRP)**

99. MRP is the amount that needs to be charged to revenue to reflect the repayment of debt. It is proposed that the Council continue to use the annuity method for charging MRP in respect of PFI contracts, the regulatory method on supported expenditure and the asset life method on self-financed expenditure. The Council's annual MRP statement for 2016/17 is attached at Appendix 7.

### **Consultation**

100. Section 65 of the 1992 Act requires the Council to consult with persons or bodies subject to non-domestic business rates in Gateshead about spending proposals. A meeting was held with the North East Chamber of Commerce on 19 January 2016. The outcome of the meeting was positive and supportive of the Council's aim to stimulate the local economy to generate business growth.
101. There has been public consultation on budget proposals for 2016/17 as reported to Cabinet on 3 November 2015 and the responses are included at Appendix 3 of this report.

### **Alternative Options**

102. There are no alternative options. The Council is statutorily required to agree a lawful budget each year. To not identify savings in order to bridge the funding gap, would be to jeopardise this requirement and put the Council's financial sustainability at risk.

### **Implications of Recommended Option**

103. **Resources**
- Financial Implications** – The Strategic Director, Corporate Resources confirms that these are set out in the report and appendices.
  - Human Resource Implications** – Implications for the Council's workforce are considered within the report.
  - Property Implications** – The Strategic Director, Corporate Services & Governance confirms the implications for the Council's asset portfolio will be set out in detail in future separate reports.

104. **Risk Management Implications** – Appendix 4 to this report is a financial risk assessment of the budget.
105. **Equality and Diversity Implications** – Appendix 3 provides an overview of the Equality Impact Assessments which are available on the Council’s website.
106. **Crime and Disorder Implications** – There are no direct implications set out in this report.
107. **Health Implications** – Appendix 3 highlights health and wellbeing impact as well as a carers impact assessment.
108. **Sustainability Implications** – The proposals in this report will ensure a sustainable financial position for the Council.
109. **Human Rights Implications** – Nil.
110. **Area and Ward Implications** – The proposals in this report cover the whole of Gateshead.

## REVENUE BUDGETS 2016/17

Budget 2015/16 £000	Group and Service (Net Budgets)	Budget Pre Savings 2016/17 £000	Proposed Savings 2016/17 £000	Proposed Budget 2016/17 £000
	<b><u>Care, Wellbeing &amp; Learning</u></b>			
20,515	Social Work - Children & Families	20,969	(1,145)	19,824
4,934	Children & Families Support	5,077	(902)	4,175
4,684	Children's Commissioning	4,700	(245)	4,455
2,452	Learning & Schools	2,575	(390)	2,185
66,486	Adult Social Care & Independent Living	67,029	(9,075)	57,954
3,231	Adult Care Commissioning & Business Development	3,275	0	3,275
111	Housing General Fund	122	(117)	5
16,838	Public Health	18,825	(1,445)	17,380
	<b><u>Communities &amp; Environment</u></b>			
1,933	Development & Public Protection	2,273	(159)	2,114
(416)	Council Housing, Design & Technical Services	(45)	(658)	(703)
1,933	Transport Strategy	2,482	(233)	2,249
6,911	Culture, Communities, Leisure & Volunteering	7,563	(643)	6,920
3,076	Commissioning & Business Development	129	(47)	82
2,027	Facilities Management	2,134	(268)	1,866
10,046	Waste Services, Grounds Maintenance & Fleet Management	13,545	(746)	12,799
4,050	Construction General Fund	4,238	(482)	3,756
	<b><u>Policy, Economic Growth and Transformation</u></b>			
1,938	Policy, Transformation & Communications	2,049	(232)	1,817
1,287	Economic & Housing Growth	1,350	0	1,350
	<b><u>Corporate Services and Governance</u></b>			
833	Democratic, Legal and Property Services	1,373	(109)	1,264
2,265	Human Resources & Litigation	2,414	(173)	2,241
417	Corporate Commissioning & Procurement	486	(29)	457
	<b><u>Corporate Resources</u></b>			
1,119	Corporate Finance	1,232	(141)	1,091
3,541	Customer and Financial Services	4,147	(853)	3,294
(711)	Housing Benefits	(406)	0	(406)
2,092	ICT Services	2,539	(380)	2,159
(1,456)	Other Services	(509)	(324)	(833)
4,884	Contingencies	7,380	0	7,380
30,139	Capital Financing Costs and Investment Income	28,901	0	28,901
	<b><u>Levies</u></b>			
159	Environment Agency	161	0	161
12,069	Tyne and Wear ITA	11,671	0	11,671
<b>207,387</b>	<b>Total Net Budget</b>	<b>217,679</b>	<b>(18,796)</b>	<b>198,883</b>
	<b><u>Financed By</u></b>			
(102,408)	Settlement Funding Assessment (SFA)	(91,427)		(91,427)
(13,687)	Other Grants	(12,829)		(12,829)
(16,837)	Public Health	(17,380)		(17,380)
(73,455)	Council Tax (Excluding Parish Precept)	(77,236)		(77,236)
(1,000)	Collection Fund	(11)		(11)
<b>(207,387)</b>	<b>Total Funding</b>	<b>(198,883)</b>	<b>0</b>	<b>(198,883)</b>



**SCHOOLS - ESTIMATES 2016/17**

<b>Section 1 - Net Cost of Current Levels of Service</b>						
	<b>2015/16</b>			<b>2016/17</b>		
	Gross Exp £000s	Gross Income £000s	Net Budget £000s	Gross Exp £000s	Gross Income £000s	Net Budget £000s
Dedicated Schools Grant (Indicative)	134,534	(134,534)	0	135,841	(135,841)	0
Less: Recoupment for Academies and commissioned Non-Maintained Special Schools	(38,338)	38,338	0	(39,031)	39,031	0
Total Retained in Council	96,196	(96,196)	0	96,810	(96,810)	0
Less: DSG funding allocated to High Needs, Early Years and other service areas	(22,627)	22,627	0	(22,900)	22,900	0
<b>Schools Budget (Maintained)</b>	<b>73,569</b>	<b>(73,569)</b>	<b>0</b>	<b>73,910</b>	<b>(73,910)</b>	<b>0</b>
Pupil Premium	9,708	(9,708)	0	9,748	(9,748)	0
Less: Academies Recoupment	(2,450)	2,450	0	(2,543)	2,543	0
<b>Pupil Premium (Maintained)</b>	<b>7,258</b>	<b>(7,258)</b>	<b>0</b>	<b>7,205</b>	<b>(7,205)</b>	<b>0</b>
<b>Section 2 - Savings</b>						<b>0</b>
<b>TOTAL SCHOOLS BUDGET 2016/17</b>						<b>0</b>

1. The Council will also receive an indicative £136m Dedicated Schools Grant (DSG), ring-fenced for the education of children. From this amount the Department for Education (DfE) will recoup the funding for academies in Gateshead which based on current academies is estimated to be £39m. Funding for schools and the providers of early years education is distributed on a formulaic basis in accordance with the Schools and Early Years Finance (England) Regulations. Funding for 2 year olds is estimated at £1.6m 2016/17 and will be confirmed in July 2016 based on actual take up.

2. In addition, the Pupil Premium for 2016/17 will be £1,320 for primary school children and £935 for secondary school children. This amount is paid per pupil entitled to a free school meal at any time in the last six years. Looked After Children receive Pupil Premium Plus at £1,900 per eligible child. Service Children Pupil Premium is £300 per eligible pupil. The estimated entitlement for schools in Gateshead is £9.7m, of which an estimated £2.5m will be recouped for academies.

Early Years Pupil Premium was introduced in 2015/16 for eligible 3 & 4 year olds at £300 for a full financial year. This will be paid on a participation basis of £0.53 per hour and the DfE have provided an estimated allocation within the DSG of £0.205m.

**CARE, WELLBEING & LEARNING - ESTIMATES 2016/17**

**SOCIAL WORK - CHILDREN & FAMILIES**

<b>Section 1 - Net Cost of Current Levels of Service</b>						
	<b>2015/16</b>			<b>2016/17</b>		
	Gross Exp £000s	Gross Income £000s	Net Budget £000s	Gross Exp £000s	Gross Income £000s	Net Budget £000s
Social Work - Children & Families	21,633	(1,118)	<b>20,515</b>	22,087	(1,118)	<b>20,969</b>
<b>Section 2 - Savings</b>						
<b>Children's</b>						
Increased use of technology to improve efficiencies within children's social work	(100)	0	(100)			
Recommissioning of Contact Service and review of administrative support	(300)	0	(300)			
Reviewing our approach to Adoption Services and consolidation of marketing activities between adoption and fostering	(30)	0	(30)			
Recommissioning Looked After Children's Residential Placements and closure of in-house provision	(435)	0	(435)			
Review of respite care for disabled children	(280)	0	(280)			
	<b>(1,145)</b>	<b>0</b>	<b>(1,145)</b>			
<b>Total Social Work - Children &amp; Families 2016/17</b>	<b>20,942</b>	<b>(1,118)</b>	<b>19,824</b>			

**CARE, WELLBEING & LEARNING - ESTIMATES 2016/17**

**CHILDREN & FAMILIES SUPPORT**

<b>Section 1 - Net Cost of Current Levels of Service</b>						
	<b>2015/16</b>			<b>2016/17</b>		
	Gross Exp £000s	Gross Income £000s	Net Budget £000s	Gross Exp £000s	Gross Income £000s	Net Budget £000s
Children & Families Support	12,040	(7,106)	<b>4,934</b>	11,806	(6,729)	<b>5,077</b>
<b>Section 2 - Savings</b>						
<b>Children's</b>						
Early Help - Reconfiguration of service				(902)	0	(902)
				<b>(902)</b>	<b>0</b>	<b>(902)</b>
<b>Total Children &amp; Families Support 2016/17</b>				<b>10,904</b>	<b>(6,729)</b>	<b>4,175</b>

**CARE, WELLBEING & LEARNING - ESTIMATES 2016/17**

**CHILDREN'S COMMISSIONING**

<b>Section 1 - Net Cost of Current Levels of Service</b>						
	<b>2015/16</b>			<b>2016/17</b>		
	Gross Exp £000s	Gross Income £000s	Net Budget £000s	Gross Exp £000s	Gross Income £000s	Net Budget £000s
Children's Commissioning	18,362	(13,678)	<b>4,684</b>	19,319	(14,619)	<b>4,700</b>
<b>Section 2 - Savings</b>						
<b>Children's</b>						
Reshape and revise our approach to Home to School Transport	(245)	0	(245)	(245)	0	(245)
	<b>(245)</b>	<b>0</b>	<b>(245)</b>	<b>(245)</b>	<b>0</b>	<b>(245)</b>
<b>Total Children's Commissioning 2016/17</b>	<b>19,074</b>	<b>(14,619)</b>	<b>4,455</b>	<b>19,074</b>	<b>(14,619)</b>	<b>4,455</b>

**CARE, WELLBEING & LEARNING - ESTIMATES 2016/17**

**LEARNING & SCHOOLS**

<b>Section 1 - Net Cost of Current Levels of Service</b>						
	<b>2015/16</b>			<b>2016/17</b>		
	Gross Exp £000s	Gross Income £000s	Net Budget £000s	Gross Exp £000s	Gross Income £000s	Net Budget £000s
Learning & Schools	25,125	(22,673)	<b>2,452</b>	21,683	(19,108)	<b>2,575</b>
<b>Section 2 - Savings</b>						
<b>Children's</b>						
Learningskills Review	0	(50)			(50)	(50)
School Improvement service income and efficiencies	(340)				0	(340)
	<b>(340)</b>				<b>(50)</b>	<b>(390)</b>
<b>Total Learning &amp; Schools 2016/17</b>				<b>21,343</b>	<b>(19,158)</b>	<b>2,185</b>

**CARE, WELLBEING & LEARNING - ESTIMATES 2016/17**

**ADULT SOCIAL CARE & INDEPENDENT LIVING**

<b>Section 1 - Net Cost of Current Levels of Service</b>						
	<b>2015/16</b>			<b>2016/17</b>		
	Gross Exp £000s	Gross Income £000s	Net Budget £000s	Gross Exp £000s	Gross Income £000s	Net Budget £000s
Adult Social Care & Independent Living	90,793	(24,307)	<b>66,486</b>	95,918	(28,889)	<b>67,029</b>
<b>Section 2 - Savings</b>						
<b>Adult Social Care</b>						
Recommission Independent Supported Living Schemes	(650)	0	(650)			
Increase income to Care Call	0	(50)	(50)			
Recommissioning Learning Disability Care Packages	(675)	0	(675)			
Review of support for people to live independently	0	(1,750)	(1,750)			
Reduction in Domiciliary Care Packages by enhanced early intervention	(800)	0	(800)			
Reduction in Residential Care Admissions	(1,350)	0	(1,350)			
Recommission Day Services	(500)	0	(500)			
Revised demand management model for Adult Social Care	(3,300)	0	(3,300)			
	<b>(7,275)</b>	<b>(1,800)</b>	<b>(9,075)</b>			
<b>Total Adult Social Care &amp; Independent Living 2016/17</b>	<b>88,643</b>	<b>(30,689)</b>				<b>57,954</b>

**CARE, WELLBEING & LEARNING - ESTIMATES 2016/17**

**ADULT CARE COMMISSIONING & BUSINESS DEVELOPMENT**

<b>Section 1 - Net Cost of Current Levels of Service</b>						
	<b>2015/16</b>			<b>2016/17</b>		
	Gross Exp £000s	Gross Income £000s	Net Budget £000s	Gross Exp £000s	Gross Income £000s	Net Budget £000s
ACC & Business Development	3,406	(175)	<b>3,231</b>	3,450	(175)	<b>3,275</b>
<b>Section 2 - Savings</b>				0	0	0
				<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Adult Care Commissioning &amp; Business Development 2016/17</b>				<b>3,450</b>	<b>(175)</b>	<b>3,275</b>

**CARE, WELLBEING & LEARNING - ESTIMATES 2016/17**

**HOUSING GENERAL FUND**

<b>Section 1 - Net Cost of Current Levels of Service</b>						
	<b>2015/16</b>			<b>2016/17</b>		
	Gross Exp £000s	Gross Income £000s	Net Budget £000s	Gross Exp £000s	Gross Income £000s	Net Budget £000s
Housing General Fund	1,012	(901)	<b>111</b>	2,056	(1,934)	<b>122</b>
<b>Section 2 - Savings</b>						
<b><u>Adult Social Care</u></b>						
Reconfiguration of Housing Adaptations/ Occupational therapy service				(117)	0	(117)
				<b>(117)</b>	<b>0</b>	<b>(117)</b>
<b>Total Housing General Fund 2016/17</b>				<b>1,939</b>	<b>(1,934)</b>	<b>5</b>



**CARE, WELLBEING & LEARNING - ESTIMATES 2016/17**

**PUBLIC HEALTH**

<b>Section 1 - Net Cost of Current Levels of Service</b>						
	<b>2015/16</b>			<b>2016/17</b>		
	Gross Exp £000s	Gross Income £000s	Net Budget £000s	Gross Exp £000s	Gross Income £000s	Net Budget £000s
Public Health	16,896	(58)	<b>16,838</b>	18,883	(58)	<b>18,825</b>
<b>Section 2 - Savings</b>						
<b>Public Health</b>						
Reducing elements of the Drug and Alcohol programme				(448)	0	(448)
Stop funding provision for Balance It Programme				(105)	0	(105)
Withdrawing funding contribution to Gateshead NHS Trust – Breastfeeding Nurse post				(15)	0	(15)
Move to a charging approach with schools for the Healthy Schools Programme				(60)	0	(60)
Withdrawing funding for the Labriut Healthy Living Centre				(66)	0	(66)
Reducing funding for the LiveWell Gateshead programme				(100)	0	(100)
Reducing funding for NHS Health Checks				(60)	0	(60)
Withdrawal of funding to NHS trust for Public Health Midwife post				(53)	0	(53)
Public Health Team efficiencies				(60)	0	(60)
Reducing access to stop smoking services				(313)	0	(313)
Withdraw funding for the Whoops! Child Safety Project				(30)	0	(30)
Remodelling 0-5 (Early Years) and Children's Public Health Services				(95)	0	(95)
Reductions in Sexual health Funding – MESMAC and Sexual Health Tariff				(40)	0	(40)
				<b>(1,445)</b>	<b>0</b>	<b>(1,445)</b>
<b>Total Public Health 2016/17</b>				<b>17,438</b>	<b>(58)</b>	<b>17,380</b>

**COMMUNITIES & ENVIRONMENT - ESTIMATES 2016/17**

**DEVELOPMENT & PUBLIC PROTECTION**

<b>Section 1 - Net Cost of Current Levels of Service</b>						
	<b>2015/16</b>			<b>2016/17</b>		
	Gross Exp £000s	Gross Income £000s	Net Budget £000s	Gross Exp £000s	Gross Income £000s	Net Budget £000s
Development & Public Protection	3,913	(1,980)	<b>1,933</b>	4,231	(1,958)	<b>2,273</b>
<b>Section 2 - Savings</b>						
<b><u>Environment</u></b>						
Service Review				(113)	0	(113)
Additional Income				0	(46)	(46)
				<b>(113)</b>	<b>(46)</b>	<b>(159)</b>
<b>Total Development &amp; Public Protection 2016/17</b>				<b>4,118</b>	<b>(2,004)</b>	<b>2,114</b>

**COMMUNITIES & ENVIRONMENT - ESTIMATES 2016/17**

**COUNCIL HOUSING, DESIGN & TECHNICAL SERVICES**

<b>Section 1 - Net Cost of Current Levels of Service</b>						
	<b>2015/16</b>			<b>2016/17</b>		
	Gross Exp £000s	Gross Income £000s	Net Budget £000s	Gross Exp £000s	Gross Income £000s	Net Budget £000s
Council Housing, Design & Tech Services	98	(514)	<b>(416)</b>	469	(514)	<b>(45)</b>
<b>Section 2 - Savings</b>						
<b><u>Economic Growth</u></b>						
Increased Traded Income from implementation of District Energy Scheme (DES).				0	(658)	(658)
				<b>0</b>	<b>(658)</b>	<b>(658)</b>
<b>Total Council Housing, Design &amp; Technical Services 2016/17</b>				<b>469</b>	<b>(1,172)</b>	<b>(703)</b>

**COMMUNITIES & ENVIRONMENT - ESTIMATES 2016/17**

**TRANSPORT STRATEGY**

<b>Section 1 - Net Cost of Current Levels of Service</b>						
	<b>2015/16</b>			<b>2016/17</b>		
	Gross Exp £000s	Gross Income £000s	Net Budget £000s	Gross Exp £000s	Gross Income £000s	Net Budget £000s
Transport Strategy	5,371	(3,438)	<b>1,933</b>	6,082	(3,600)	<b>2,482</b>
<b>Section 2 - Savings</b>						
<b>Environment</b>						
Staffing reductions and termination of Quaylink bus contract	(120)	0	(120)			
Additional income – off-street parking, bus lane enforcement and network management	0	(113)	(113)			
	<b>(120)</b>	<b>(113)</b>	<b>(233)</b>			
<b>Total Transport Strategy 2016/17</b>	<b>5,962</b>	<b>(3,713)</b>				<b>2,249</b>

**COMMUNITIES & ENVIRONMENT - ESTIMATES 2016/17**

**CULTURE, COMMUNITIES, LEISURE & VOLUNTEERING**

<b>Section 1 - Net Cost of Current Levels of Service</b>						
	<b>2015/16</b>			<b>2016/17</b>		
	Gross Exp £000s	Gross Income £000s	Net Budget £000s	Gross Exp £000s	Gross Income £000s	Net Budget £000s
CCL & Volunteering	13,262	(6,351)	<b>6,911</b>	13,224	(5,661)	<b>7,563</b>
<b>Section 2 - Savings</b>						
<b><u>Communities and Volunteers</u></b>						
Review of Libraries (subject to public consultation on specific proposals)				(250)	0	(250)
Increased income from St Mary's Heritage Centre				0	(36)	(36)
Review of partner funding arrangements – Sage Gateshead at Old Town Hall				(108)	0	(108)
Review Partner Funding Arrangements, Review Commission to GVOC, Sage Gateshead, TWAM and BALTIC				(100)	0	(100)
Review of community centres				(49)	0	(49)
Reduction in Capacity Building Fund				(100)	0	(100)
				<b>(607)</b>	<b>(36)</b>	<b>(643)</b>
<b>Total Culture, Communities, Leisure &amp; Volunteering 2016/17</b>				<b>12,617</b>	<b>(5,697)</b>	<b>6,920</b>

**COMMUNITIES & ENVIRONMENT - ESTIMATES 2016/17**

**COMMISSIONING & BUSINESS DEVELOPMENT**

<b>Section 1 - Net Cost of Current Levels of Service</b>						
	<b>2015/16</b>			<b>2016/17</b>		
	Gross Exp £000s	Gross Income £000s	Net Budget £000s	Gross Exp £000s	Gross Income £000s	Net Budget £000s
Commissioning & Business Developmnt	5,161	(2,085)	<b>3,076</b>	319	(190)	<b>129</b>
<b>Section 2 - Savings</b>						
<b><u>Governance and Resources</u></b>						
Staffing reductions				(27)	0	(27)
South Tyne and Wear Waste Management Partnership non staffing savings				(20)	0	(20)
				<b>(47)</b>	<b>0</b>	<b>(47)</b>
<b>Total Commissioning &amp; Business Development 2016/17</b>				<b>272</b>	<b>(190)</b>	<b>82</b>

**COMMUNITIES & ENVIRONMENT - ESTIMATES 2016/17**

**FACILITIES MANAGEMENT**

<b>Section 1 - Net Cost of Current Levels of Service</b>						
	<b>2015/16</b>			<b>2016/17</b>		
	Gross Exp £000s	Gross Income £000s	Net Budget £000s	Gross Exp £000s	Gross Income £000s	Net Budget £000s
Facilities Management	12,518	(10,491)	<b>2,027</b>	12,946	(10,812)	<b>2,134</b>
<b>Section 2 - Savings</b>						
<b>Governance and Resources</b>						
Additional income – leasing of space to external partners				0	(80)	(80)
Reconfiguration of the Bewicks Catering Service				(100)	0	(100)
Reduction in cleaning of Council Buildings				(88)	0	(88)
				<b>(188)</b>	<b>(80)</b>	<b>(268)</b>
<b>Total Facilities Management 2016/17</b>				<b>12,758</b>	<b>(10,892)</b>	<b>1,866</b>

**COMMUNITIES & ENVIRONMENT - ESTIMATES 2016/17**

**WASTE SERVICES, GROUNDS MAINTENANCE & FLEET MANAGEMENT**

<b>Section 1 - Net Cost of Current Levels of Service</b>						
	<b>2015/16</b>			<b>2016/17</b>		
	Gross Exp £000s	Gross Income £000s	Net Budget £000s	Gross Exp £000s	Gross £000s	Net Budget £000s
WSGM & Fleet Management	14,232	(4,186)	<b>10,046</b>	19,639	(6,094)	<b>13,545</b>
<b>Section 2 - Savings</b>						
<b><u>Environment</u></b>						
Review services to deliver refuse and recycling				(74)	0	(74)
Increase fees and charges for garden waste, gardening scheme & bin replacements				0	(224)	(224)
Grow tradeable services – bereavement & trade waste				0	(252)	(252)
Stop non-profitable services – schools grounds maintenance & clinical waste				(196)	0	(196)
				<b>(270)</b>	<b>(476)</b>	<b>(746)</b>
<b>Total WSGM &amp; Fleet Management 2016/17</b>				<b>19,369</b>	<b>(6,570)</b>	<b>12,799</b>



**COMMUNITIES & ENVIRONMENT - ESTIMATES 2016/17**

**CONSTRUCTION GENERAL FUND**

<b>Section 1 - Net Cost of Current Levels of Service</b>						
	<b>2015/16</b>			<b>2016/17</b>		
	Gross Exp £000s	Gross Income £000s	Net Budget £000s	Gross Exp £000s	Gross Income £000s	Net Budget £000s
Construction General Fund	4,050	0	<b>4,050</b>	4,238	0	<b>4,238</b>
<b>Section 2 - Savings</b>						
<b><u>Environment</u></b>						
Highways Budget Reductions				(482)	0	(482)
				<b>(482)</b>	<b>0</b>	<b>(482)</b>
<b>Total Construction General Fund 2016/17</b>				<b>3,756</b>	<b>0</b>	<b>3,756</b>

POLICY, ECONOMIC GROWTH & TRANSFORMATION - ESTIMATES 2016/17

POLICY, TRANSFORMATION & COMMUNICATIONS

<b>Section 1 - Net Cost of Current Levels of Service</b>						
	<b>2015/16</b>			<b>2016/17</b>		
	Gross Exp £000s	Gross Income £000s	Net Budget £000s	Gross Exp £000s	Gross Income £000s	Net Budget £000s
Policy, Transformation & Comms	2,014	(76)	<b>1,938</b>	2,082	(33)	<b>2,049</b>
<b>Section 2 - Savings</b>						
<b><u>Governance and Resources</u></b>						
Organisational review				(232)	0	(232)
				<b>(232)</b>	<b>0</b>	<b>(232)</b>
<b>Total Policy, Transformation &amp; Communications 2016/17</b>				<b>1,850</b>	<b>(33)</b>	<b>1,817</b>

POLICY, ECONOMIC GROWTH & TRANSFORMATION - ESTIMATES 2016/17

ECONOMIC & HOUSING GROWTH

<b>Section 1 - Net Cost of Current Levels of Service</b>						
	<b>2015/16</b>			<b>2016/17</b>		
	Gross Exp £000s	Gross Income £000s	Net Budget £000s	Gross Exp £000s	Gross Income £000s	Net Budget £000s
Economic & Housing Growth	3,743	(2,456)	<b>1,287</b>	3,851	(2,501)	<b>1,350</b>
<b>Section 2 - Savings</b>				0	0	0
				<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Economic &amp; Housing Growth 2016/17</b>				<b>3,851</b>	<b>(2,501)</b>	<b>1,350</b>

**CORPORATE SERVICES & GOVERNANCE - ESTIMATES 2016/17**

**LEGAL, DEMOCRATIC & PROPERTY SERVICES**

<b>Section 1 - Net Cost of Current Levels of Service</b>						
	<b>2015/16</b>			<b>2016/17</b>		
	Gross Exp £000s	Gross Income £000s	Net Budget £000s	Gross Exp £000s	Gross Income £000s	Net Budget £000s
Legal, Democratic & Property Services	4,886	(4,053)	<b>833</b>	5,423	(4,050)	<b>1,373</b>
<b>Section 2 - Savings</b>						
<b><u>Governance and Resources</u></b>						
Organisational Review of Corporate Services and Governance				(109)	0	(109)
				<b>(109)</b>	<b>0</b>	<b>(109)</b>
<b>Total Legal, Democratic &amp; Property Services 2016/17</b>				<b>5,314</b>	<b>(4,050)</b>	<b>1,264</b>

**CORPORATE SERVICES & GOVERNANCE - ESTIMATES 2016/17**

**HUMAN RESOURCES & LITIGATION**

<b>Section 1 - Net Cost of Current Levels of Service</b>						
	<b>2015/16</b>			<b>2016/17</b>		
	Gross Exp £000s	Gross Income £000s	Net Budget £000s	Gross Exp £000s	Gross Income £000s	Net Budget £000s
Human Resources & Litigation	3,095	(830)	<b>2,265</b>	3,262	(848)	<b>2,414</b>
<b>Section 2 - Savings</b>						
<b><u>Governance and Resources</u></b>						
Organisational Review of Corporate Services and Governance				(161)	0	(161)
Registrars Charging for Services				0	(12)	(12)
				<b>(161)</b>	<b>(12)</b>	<b>(173)</b>
<b>Total Human Resources &amp; Litigation 2016/17</b>				<b>3,101</b>	<b>(860)</b>	<b>2,241</b>

**CORPORATE SERVICES & GOVERNANCE - ESTIMATES 2016/17**

**CORPORATE COMMISSIONING & PROCUREMENT**

<b>Section 1 - Net Cost of Current Levels of Service</b>						
	<b>2015/16</b>			<b>2016/17</b>		
	Gross Exp £000s	Gross Income £000s	Net Budget £000s	Gross Exp £000s	Gross Income £000s	Net Budget £000s
Corp Commissioning & Procuremnt	875	(458)	<b>417</b>	944	(458)	<b>486</b>
<b>Section 2 - Savings</b>						
<b><u>Governance and Resources</u></b>						
Organisational Review of Corporate Services and Governance				(29)	0	(29)
				<b>(29)</b>	<b>0</b>	<b>(29)</b>
<b>Total Corporate Commissioning &amp; Procurement 2016/17</b>				<b>915</b>	<b>(458)</b>	<b>457</b>

**CORPORATE RESOURCES - ESTIMATES 2016/17**

**CORPORATE FINANCE**

<b>Section 1 - Net Cost of Current Levels of Service</b>						
	<b>2015/16</b>			<b>2016/17</b>		
	Gross Exp £000s	Gross Income £000s	Net Budget £000s	Gross Exp £000s	Gross Income £000s	Net Budget £000s
Corporate Finance	2,328	(1,209)	<b>1,119</b>	2,367	(1,135)	<b>1,232</b>
<b>Section 2 - Savings</b>						
<b>Governance and Resources</b>						
Service review of Corporate Finance				(141)	0	(141)
				<b>(141)</b>	<b>0</b>	<b>(141)</b>
<b>Total Corporate Finance 2016/17</b>				<b>2,226</b>	<b>(1,135)</b>	<b>1,091</b>

**CORPORATE RESOURCES - ESTIMATES 2016/17**

**CUSTOMER & FINANCIAL SERVICES**

<b>Section 1 - Net Cost of Current Levels of Service</b>						
	<b>2015/16</b>			<b>2016/17</b>		
	Gross Exp £000s	Gross Income £000s	Net Budget £000s	Gross Exp £000s	Gross Income £000s	Net Budget £000s
Customer & Financial Services	8,338	(4,797)	<b>3,541</b>	8,601	(4,454)	<b>4,147</b>
<b>Section 2 - Savings</b>						
<b><u>Governance and Resources</u></b>						
Service review - Staffing				(613)	0	(613)
Service review - Non staffing				(190)	(50)	(240)
				<b>(803)</b>	<b>(50)</b>	<b>(853)</b>
<b>Total Customer &amp; Financial Services 2016/17</b>				<b>7,798</b>	<b>(4,504)</b>	<b>3,294</b>



**CORPORATE RESOURCES - ESTIMATES 2016/17**

**HOUSING BENEFITS**

<b>Section 1 - Net Cost of Current Levels of Service</b>						
	<b>2015/16</b>			<b>2016/17</b>		
	Gross Exp £000s	Gross Income £000s	Net Budget £000s	Gross Exp £000s	Gross Income £000s	Net Budget £000s
Housing Benefits	83,292	(84,003)	<b>(711)</b>	85,660	(86,066)	<b>(406)</b>
<b>Section 2 - Savings</b>				0	0	0
				<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Housing Benefits 2016/17</b>				<b>85,660</b>	<b>(86,066)</b>	<b>(406)</b>

**CORPORATE RESOURCES - ESTIMATES 2016/17**

**ICT SERVICES**

<b>Section 1 - Net Cost of Current Levels of Service</b>						
	<b>2015/16</b>			<b>2016/17</b>		
	Gross Exp £000s	Gross Income £000s	Net Budget £000s	Gross Exp £000s	Gross Income £000s	Net Budget £000s
ICT Services	4,228	(2,136)	<b>2,092</b>	4,566	(2,027)	<b>2,539</b>
<b>Section 2 - Savings</b>						
<b><u>Governance and Resources</u></b>						
ICT Services Review - Staffing				(235)	0	(235)
ICT Services Review - Non Staffing				(145)	0	(145)
				<b>(380)</b>	<b>0</b>	<b>(380)</b>
<b>Total ICT Services 2016/17</b>				<b>4,186</b>	<b>(2,027)</b>	<b>2,159</b>

**CORPORATE RESOURCES - ESTIMATES 2016/17**

**OTHER SERVICES**

<b>Section 1 - Net Cost of Current Levels of Service</b>						
	<b>2015/16</b>			<b>2016/17</b>		
	Gross Exp £000s	Gross Income £000s	Net Budget £000s	Gross Exp £000s	Gross Income £000s	Net Budget £000s
Capital Financing & Investment Income	31,510	(1,371)	<b>30,139</b>	30,500	(1,599)	<b>28,901</b>
Contingencies	4,884	0	<b>4,884</b>	7,380	0	<b>7,380</b>
Other Services	1,530	(2,986)	<b>(1,456)</b>	2,498	(3,007)	<b>(509)</b>
<b>Total</b>	<b>37,924</b>	<b>(4,357)</b>	<b>33,567</b>	<b>40,378</b>	<b>(4,606)</b>	<b>35,772</b>
<b>Section 2 - Savings</b>						
<b><u>Economic Growth</u></b>						
Reduced funding to NewcastleGateshead Initiative				(74)	0	(74)
New Build Housing Income				0	(100)	(100)
<b><u>Governance and Resources</u></b>						
Review of Insurance Fund				0	(150)	(150)
				<b>(74)</b>	<b>(250)</b>	<b>(324)</b>
<b>Total Other Services, Contingencies, Capital Financing and Investment Income 2016/17</b>				<b>40,304</b>	<b>(4,856)</b>	<b>35,448</b>

<b>SUMMARY OF BUDGET SAVING PROPOSALS BY THEME</b>	<b>AMOUNT £000s</b>
Adult Social Care Budget Saving Proposals	(9,192)
Children's Budget Saving Proposals	(2,682)
Communities and Volunteers Budget Saving Proposals	(643)
Economic Growth Budget Saving Proposals	(832)
Environment Budget Saving Proposals	(1,620)
Governance and Resources Budget Saving Proposals	(2,382)
Public Health Budget Saving Proposals	(1,445)
<b>TOTAL</b>	<b>(18,796)</b>

<b>Adult Social Care Budget Saving Proposals</b>	<b>(9,192)</b>
Increase income to Care Call	(50)
Recommission Day Services	(500)
Recommission Independent Supported Living Schemes	(650)
Reduction in Domiciliary Care Packages by enhanced early intervention	(800)
Reduction in Residential Care Admissions	(1,350)
Review of support for people to live independently	(1,750)
Revised demand management model for Adult Social Care	(3,300)
Recommissioning Learning Disability Care Packages	(675)
Reconfiguration of Housing Adaptations/ Occupational therapy service	(117)

<b>Children's Budget Saving Proposals</b>	<b>(2,682)</b>
Early Help - Reconfiguration of service	(902)
Reshape and revise our approach to Home to School Transport	(245)
Learningskills Review	(50)
School Improvement service income and efficiencies	(340)
Increased use of technology to improve efficiencies within children's social work	(100)
Recommissioning Looked After Children's Residential Placements and closure of in-house provision	(435)
Recommissioning of Contact Service and review of administrative support	(300)
Reviewing our approach to Adoption Services and consolidation of marketing activities between adoption and fostering	(30)
Review of respite care for disabled children	(280)

<b>Communities and Volunteers Budget Saving Proposals</b>	<b>(643)</b>
Reduction in Capacity Building Fund	(100)
Review Partner Funding Arrangements, Review Commission to GVOC, Sage Gateshead, TWAM and BALTIC	(100)
Review of Libraries (subject to public consultation on specific proposals)	(250)
Increased income from St Mary's Heritage Centre	(36)
Review of partner funding arrangements – Sage Gateshead at Old Town Hall	(108)
Review of community centres	(49)

<b>Economic Growth Budget Saving Proposals</b>	<b>(832)</b>
Increased Traded Income from implementation of District Energy Scheme (DES)	(658)
Reduced funding to NewcastleGateshead Initiative	(74)
New Build Housing Income	(100)

<b>Environment Budget Saving Proposals</b>	<b>(1,620)</b>
Highways Budget Reductions	(482)
Additional income	(46)
Service Review	(113)
Staffing reductions and termination of Quaylink bus contract	(120)
Additional income – off-street parking, bus lane enforcement and network management	(113)
Review services to deliver refuse and recycling	(74)
Increase fees and charges for garden waste, gardening scheme & bin replacements	(224)
Grow tradeable services – bereavement & trade waste	(252)
Stop non-profitable services – schools grounds maintenance & clinical waste	(196)

<b>Governance and Resources Budget Saving Proposals</b>		<b>(2,382)</b>
Staffing reductions		(27)
South Tyne and Wear Waste Management Partnership non staffing savings		(20)
Organisational Review of Corporate Services and Governance		(29)
Service review of Corporate Finance		(141)
Service review - Staffing		(613)
Service review - Non staffing		(240)
Reconfiguration of the Bewicks Catering Service		(100)
Additional income – leasing of space to external partners		(80)
Reduction in cleaning of Council Buildings		(88)
Organisational Review of Corporate Services and Governance		(161)
Registrars Charging for Services		(12)
Service review - Staffing		(235)
Service review - Non staffing		(145)
Organisational Review of Corporate Services and Governance		(109)
Organisational review		(232)
Review of Insurance Fund		(150)

<b>Public Health Budget Saving Proposals</b>		<b>(1,445)</b>
Public Health Team efficiencies		(60)
Reducing access to stop smoking services		(313)
Reducing elements of the Drug and Alcohol programme		(448)
Reducing funding for NHS Health Checks		(60)
Reducing funding for the LiveWell Gateshead programme		(100)
Remodelling 0-5 (Early Years) and Children's Public Health Services		(95)
Stop funding provision for Balance It Programme		(105)
Withdraw funding for the Whoops! Child Safety Project		(30)
Withdrawal of funding to NHS trust for Public Health Midwife post		(53)
Move to a charging approach with schools for the Healthy Schools Programme		(60)
Reductions in Sexual health Funding – MESMAC and Sexual Health Tarriff		(40)
Withdrawing funding for the Labriut Healthy Living Centre		(66)
Withdrawing funding contribution to Gateshead NHS Trust – Breastfeeding Nurse post		(15)

<b>Total</b>		<b>(18,796)</b>
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## Analysis of Gateshead Council's Budget Consultation 2016-2018

### Introduction

1. To ensure the Council manages its resources effectively in financially challenging times, we have continued with our approach of adopting a two year rolling programme for budget planning which allows for greater flexibility and resilience.
2. In developing the draft proposals, the Council looked at the services it needs to provide to fulfil its duties, including enabling democratic leadership, keeping residents safe and setting a strategic direction for Gateshead, as set out in the Council Plan 2015-2020.
3. Draft proposals for the period 2016-2018 were presented for consultation to inform the preparation of the Council's budget for 2016/17, and budget planning for 2017/18, at the Cabinet meeting on 3 November 2015. The consultation closed on 30 December 2015.

### Method

4. The Council regularly consults residents to seek their views on proposed changes to council services, plans, policies and other issues.
5. The full budget consultation document was available via the Council's website, with feedback enabled via the Council's consultation portal which attracted over 570 respondents. Paper copies of the budget consultation form were also available on request and placed in the civic centre, leisure centres, libraries and Gateshead Housing Company offices. Alternative formats were also available on request.
6. The demography of the respondents who provided details of their age, gender, disability, religion and ethnicity is provided later in this report.
7. The budget consultation was publicised through local press and media and through Council News.
8. A series of Corporate Resources Advisory Groups were held for councillors to consider and comment on the context, approach and the draft budget proposals.
9. Meetings were held with key stakeholders including trade unions, partnerships and community and voluntary organisations, including:
  - Gateshead Diversity Forum
  - Gateshead Carers Partnership
  - Gateshead Older People's Partnership
  - Gateshead Youth Assembly
  - Gateshead Access Panel
  - Gateshead Voluntary Organisations Council
  - Jewish Community Council of Gateshead
  - Healthwatch Gateshead
  - Health and Wellbeing Board

- Gateshead Carers Association
- Gateshead Integrated Care Programme Board
- Sage Gateshead
- BALTIC
- Tyne and Wear Archives and Museums
- NewcastleGateshead Initiative
- Newcastle Gateshead Clinical Commissioning Group
- Gateshead's Learning Disability Partnership Board & Involvement Now
- Physical Disability and Sensory Impairment Partnership
- Parents and carers regarding Grove House and Blaydon Lodge
- North East Chamber of Commerce

### Feedback

10. There were over 950 comments made via the consultation portal.
11. Numerous letters, emails and documents relating to the draft proposals were also received from members of the public, parents and carers, local businesses and organisations.
12. Several petitions were also received:
  - Save Grove House
  - Labriut Healthy Living Centre
  - Stop the Cuts to Gateshead Carers – removing the contract with Gateshead Carers Association for the provision of services to carers supporting someone affected by alcohol and substance misuse
  - Stop the Cuts to Gateshead Carers – increasing the demands on already overstretched unpaid carers
  - Reducing the number of Countryside Rangers from 2 to 1
  - Angel Court
  - Stop the closure of the Adult Disabled Services Marquisway and Blaydon Lodge Respite
13. Overall, there has been recognition and appreciation of the scale of the financial challenges the Council is facing, and that difficult decisions needed to be made. However, there has also been general concern that the Council is considering proposals that could potentially impact on some of Gateshead's most vulnerable residents.
14. **Adult Social Care**
  - Angel Court petition, relating to the proposal to Reprovide Extra Care Schemes – 70 signatures
  - Stop the Cuts to Gateshead Carers – increasing the demands on already overstretched unpaid carers – 509 signatures
  - Stop the closure of the Adult Disabled Services Marquisway and Blaydon Lodge Respite – 2,208 signatures

- Via the consultation portal:
  - 94 comments made in support of the current services provided in relation to domiciliary care, day services, extra care schemes, independent supported living and the promoting independent centres, many citing personal stories and reasons why these services should be maintained.
  - 25 comments stated there should be no proposals that affect vulnerable people.
  - 17 comments relayed an acceptance that adult social care services could be reviewed as long as the individual service user was not adversely affected.
  - 49 comments were made in support of not reducing the funding allocated to housing adaptations.
  
- The Involvement Now team who undertake work for the Gateshead Learning Disability Partnership Board, gathered information from 22 service users who attend Marquisway, Wrekenton and Winlaton Base. They asked the service users what they enjoyed about the day services and what they would miss and what people thought about the proposed changes. Key themes that emerged were that people wanted to feel safe and included in a community. They valued friendships and relationships with other service users and staff. They felt the activities that people are supported to do through day services, improve their health and wellbeing and that the roles they have as part of day services make them feel valued.
  
- Gateshead Voluntary Organisations Council undertook a consultation exercise across the voluntary and community sector networks on the Council's budget proposals. A detailed document has been submitted to the Council of the outcome of the consultation. In relation to Adult Social Care, some of the views expressed included that the proposals could have an effect on quality of life and the quality of services, there could be social isolation and effects on health, more pressure put on family, friends and carers, and the inability of the VCS to support vulnerable people due to reduced funding and capacity.
  
- Healthwatch Gateshead undertook an engagement event that focused on the budget proposals relating to social care. A detailed document has been submitted which includes detail on the workshops held, a snapshot of some of the comments made and a summary of the key concerns that focus on what is felt to be a detrimental impact on the voluntary and community sector, on carers and on service users:
  - The VCS felt that the major impact of reductions in council services would fall on them and they felt they were already struggling to meet increased demands.
  - Service users want the focus to be on preventative services and interventions. There should be a recognition that service users and carers still need to have an element of independence, choice and have a voice in the services they receive. There was concern about changes in reassessments and eligibility criteria of services and the cost of contributing to services. Carers of older people believe that putting services in place earlier is more cost effective in the long term.



- Gateshead Health NHS Trust provided responses to the budget consultation primarily related to Adult Social Care and Public Health proposals. The Trust has concerns that a number of the proposals will have a potentially detrimental effect on local health services unless the health and social care systems work collaboratively to ease the financial burden, but still provide services.
- Gateshead Carers Association provided a detailed response to the Council's budget proposals with a focus on a number of proposals across Adult Social Care and Children's Services that they feel directly impact on carers. Their document also included the outcome of a Carers survey they undertook in 2014 which highlighted the pressures faced by carers on a day to day basis.
- Gateshead Access Panel (GAP) provided a detailed account of meetings and experiences of GAP members, volunteers and employees and their involvement and support to other disabled persons and carers in Gateshead. Their focus of concern was primarily in relation to social care, health and wellbeing and disability issues and the impact on individuals, families and carers. GAP sought assurance that future reviews and reassessments of packages of care etc., would be undertaken with service users and parents/carers, with advocate support provided where required.
- Letter from the Chief Officer, Newcastle Gateshead Clinical Commissioning Group outlining their willingness to continue discussions with the Council in relation to proposals that may impact on health services across Gateshead.
- Comments from a meeting with parents and carers related to concerns about the adult care proposals, in particular that the Council could breach its statutory duty, a view that there was a lack of provision to meet need relating to day services and Blaydon Lodge, that carers needs should be taken into account and a reduction in adaptations could result in delays and unintended consequences for families.
- 5 letters and emails in support of Blaydon Lodge from parents of service users.
- 3 letters of support for the care services received at Angel Court.
- Comments received from Gateshead Carers Partnership included their concern for vulnerable people, especially those with dementia and the proposal to reduce residential care admissions and reduction in domiciliary care packages. They also felt there was a lack of detail in relation to the impact on carers.
- 5 emails and letters from families of service users worried about the Day Services proposal relating to Marquisway.
- 2 emails from residents indicating the reduction of housing adaptations would affect some of the most vulnerable residents of Gateshead.

### 15. **Children's Services**

- Facebook online petition Save Grove House – in excess of 8,000 respondents.
- Via the consultation portal:
  - 43 comments were concerned with the reprovision of respite care for disabled children and the recommissioning of Looked After Children's residential placements.
  - 10 comments made did not agree with the proposal relating to Home to School Transport, however 5 comments did support the proposal.

- Gateshead Youth Assembly recognised the difficult situation the Council is in and that no-one really wants to be making these decisions. They had a number of concerns relating to the proposals for children and young people, but were also interested in the impact on the public health proposals relating to Whoops and sexual health services. They also felt the Council could improve on its ability to trade and get better value for money from IT contracts.
- Comments from a meeting with parents and carers related to concerns about alternative provision to Grove House, lack of quality services and poor experiences in the past relating to Home to School Transport and general concern about the Council's ability to support children and families in need.
- 7 emails and letters from individuals, including young service users and parents, expressing concern at the proposal affecting Grove House.
- 2 emails and letters from parents of disabled children who are not supportive of the proposal relating to home to school transport.
- Letter from Aiming High for Gateshead (a group of parents of children with additional needs) who are concerned about the impact of the proposed budget savings on meeting their children's needs. They indicate that some of the proposals will leave the council unable to fulfil its statutory duties, either by not complying with the law or by being unworkable in practice. With other proposals having a disproportionate impact on some of the most vulnerable members of the community.
- GVOC's consultation session also made several comments relation to Children's Services. There were concerns expressed in relation to fostering services, the potential closure of children's residential homes, the potential risk of abuse and reduced quality of care. It was also felt that the proposals amounted to a small amount of savings for the high risk involved.

**16. *Communities and Volunteers***

- Via the consultation portal:
  - 15 comments accepting the proposed reduction in funding to Sage Gateshead, BALTIC, GVOC and Tyne and Wear Archives and Museums (TWAM)
  - 10 comments disagreeing with the leisure proposal, however 7 comments were supportive of potential to close a leisure facility or privatise facilities
  - 8 comments relayed concerns at the potential for less library provision, however 7 comments agreed with the proposal
  - 8 comments received disagreeing with reduction in Capacity Building Fund (CBF)
  - 5 comments saying community centres should remain open
- GVOC's consultation session provided comments in relation to Communities and Volunteers:
  - there were differing views expressed in relation to the proposal to reduce the Capacity Building Fund, however overall there was a clear consensus that the VCS strongly opposed the loss of this investment in their ability to meet the needs of the people of Gateshead.

- there were also different views expressed in relation to implementation of the library review, with people feeling that libraries are seen as the social fabric of communities and organisations would not like to see them closed. They wondered whether better use could be made of the mobile library and some expressed concern as to whether community run libraries were viable in the long term.
- Specific consultation with the trustees of volunteer managed libraries at Lobley Hill, Low Fell, Ryton, Sunderland Road and Winlaton. They were consulted regarding the proposal to remove the mainline library service budget for volunteer buildings. Written feedback was received from Low Fell Library Association, which expressed the desire to ensure the long-term sustainability of the library, and their concern about the removal of mainline budgets.
- Organisations raised concern about reduced access and the increased cost of leisure services in the proposed changes.
- It was felt that reduced support to community centres could mean centres would be less able to deliver preventative interventions resulting in an increase in support needs and therefore costs at a later stage. A number of organisations shared the view that the increased expectations placed on volunteers to run effective community centres was unrealistic and that adequate support should be available to support them.
- Tyne and Wear Archives and Museums (TWAM) Service have formally responded with a proposal for savings in Gateshead Council's contribution to TWAM over the next two years.

**17. *Economic Growth***

- Via the consultation portal, 5 comments supported reduction in NGI funding, however 4 comments disagreed with proposal
- Letter from the Chair of NewcastleGateshead Initiative outlining the likely negative impact on the borough if there was a reduction in their funding from the Council.
- Letter from the Local Engagement Advisor: North East, Historic England indicating that whilst they were supportive of the Council's attempts to actively explore alternative options for service design, funding and business model of the Development and Public Protection Service, they would caution against any proposals to reduce in-house expertise on historic buildings and areas, feeling that any reduction would compromise the ability of the Council to discharge its statutory functions in relation to historic environment planning.

**18. *Environment***

- Petition relating to Reducing the number of Countryside Rangers from 2 to 1 – 39 signatures.
- Via the consultation portal:
  - 92 comments were received in relation to the Refuse and Recycling proposal – all preferring not to see a reduction in the level of service currently being provided.
  - 38 comments were also made in relation to the visual impact of the environment and not wanting to see further reductions in this area.

- 21 comments were against the highway budget reductions
- 18 comments suggesting support for the Grow Tradeable Services proposal
- 9 comments were made suggesting the Council should work with residents to look after the environment.
- GVOC's consultation exercise made comments in relation to the environment, some of the concerns expressed related to potential further reduction in grass cutting in the borough, the reduction in countryside rangers would impact on the training and management of volunteers, health and safety issues eg visibility at junctions if trees and hedge cutting wasn't maintained. However, there were also helpful suggestions put forward as to how communities could get more involved in environmental work.
- The Friends of Saltwell Park raised their concerns regarding the proposal that could mean a reduction in the level of maintenance provided in parks and open spaces. The group are keen to work with the Council to ensure Saltwell Park remains a safe and welcoming environment.
- Email from resident opposing proposals for parks and green spaces
- The Jewish Community Council of Gateshead were concerned that a change in refuse and recycling collections would have a significant and disproportionate impact upon their community due to the large household sizes. They also felt that risk assessments should be undertaken in relation to street light dimming, which takes account of safety and security.
- 3 emails from residents opposing the refuse and recycling proposal.
- Email from resident complaining about the irregularity of current grass cutting cycle.

#### 19. **Public Health**

- Petition relating to Labriut Healthy Living Centre – 640 signatures.
- Petition relating to Stop Gateshead Council's Budget Proposals Affecting Carers - Drug and Alcohol Programme - 351 respondents.
- Via the consultation portal:
  - 113 comments were made in support of the current services provided in relation to Public Health – over half were in favour of keeping the funding for the Labriut Healthy Living Centre, the other main services supported were for the sexual health services, Family Nurse Partnership and the Drug and Alcohol programme. 12 comments were received in agreement with the Public Health proposals.
- The Health and Wellbeing Board discussed the budget proposals at their meeting in November 2015. It was noted that in terms of prevention, many authorities are not contemplating reducing investment in smoking prevention initiatives. The VCS representatives expressed the hope that as well as service provision arrangements being reviewed, the needs of users of those services are considered in tandem, as there is concern for the most vulnerable. The Board agreed there was a need to work collectively to help reduce gaps in services and address the financial challenges facing Gateshead's health and care economy.
- There were numerous letters and emails received in support of the services provided by the Labriut Healthy Living Centre, including from health organisations, users of the Centre, and local residents.

- Gateshead Health NHS Trust has concerns that a number of the proposals will have a potentially detrimental effect on local health services unless the health and social care systems work collaboratively to ease the financial burden, but still provide services.
- Letter from the Chief Executive Officer of County Durham and Darlington NHS Foundation Trust, providing commentary on a number of the proposals relating to health and wellbeing, including offering suggestions as to where they believed efficiencies could be found.
- There were numerous letters and emails received in support of the Drug and Alcohol Programme, including:
  - representation from Gateshead Carers Association who have a contract with the Council to provide support to carers of people with substance misuse issues.
  - 4 identical letters from residents expressing concern at the proposal that could affect Gateshead Carers Association's contract with the Council to deliver services to unpaid carers of people affected by alcohol and drug misuse.
  - Changing Lives provided over 60 letters and case studies of people with drug and alcohol issues, who had accessed the Oaktrees programme which provides a specialist intensive abstinence programme.
  - 8 emails and letters concerned at the proposed withdrawal of funding for the Oaktrees Programme.
  - Email from an attendee of the Oaktrees programme who did not have a positive experience of the programme and would therefore be in support of the proposal.
- Email from a consultant paediatrician advocating retention of the funding for the weight management service for children in Gateshead.
- 2 emails received opposing the proposal to reduce funding for sexual health services.
- Letter from the Chief Executive, Action on Smoking and Health (ASH) expressing their concern in relation to the proposal that could mean a 50% reduction to the FRESH budget in 2017/18. A detailed response was provided that highlighted the impact of smoking on Gateshead and their evidence base to support the continued funding of the FRESH programme.

## 20. **Governance and Resources**

- Via the consultation portal:
  - 48 comments were related to reducing governance and structures
  - 32 comments suggesting the Council should do more to contract out services, or integrate services and generate more income
  - 14 comments made related to doing more in respect of selling off council land and assets
  - 7 comments made did not agree with proposal relating to Bewicks Catering Service, however 2 comments made were supportive
- The Gateshead Older People's Partnership indicated their concern at the potential closure of Bewicks restaurant, as well as offering some practical suggestions to support the budget consultation.
- Letter signed by 17 Gateshead residents who feel that Bewicks restaurant in the Civic Centre should remain open as they view it as a much needed resource for vulnerable people.
- Email from a resident seeking information in relation to the Council's reserves.

## 21. **Efficiency and Effectiveness Projects**

- Via the consultation portal:
  - 17 comments suggested saving money on services that have less impact and being more efficient in general
  - 4 suggestions were made to make available the Council News electronically and only provide paper copies in public buildings.
- As the Council is aiming to seek greater efficiencies through its Digital Gateshead strategy, the Physical Disability and Sensory Impairment Partnership asked whether there would be training available for those people who cannot use technology.

## 22. **Council Tax**

A question was asked via the Budget Consultation relating to whether people would accept a Council Tax rise. 507 respondents answered this question via the consultation portal, with 53% indicating they would accept a rise, and 46% indicating they would not. Many of the respondents agreed to a rise if the additional income could be used to keep a service they had commented on which was at risk of a reduction in funding.

## 23. **Other public consultation**

There have been other public consultation and engagement activities throughout the past 12 months that have informed the development of the Council's budget planning for 2016/17, including:

- Services and Activities for Young People in Gateshead – seeking views from young people to help shape future youth service provision
- Devolution – North East Combined Authority sought views on the proposed Devolution Agreement between the Government and the North East. The Agreement to devolve powers, funding and responsibilities to the region will change the way in which decisions will be made in the future about transport, investment, funding, skills training, business support, housing and strategic planning.
- Proposed changes to Gateshead's Local Council Tax Support Scheme – each year the Council is required to review this scheme which helps people on low incomes pay their Council Tax. The scheme needs to reflect the needs of the community and make it as fair as possible with the funding available to the Council.
- Short breaks for Disabled Children and their Families – the Council sought views from children and young people with disabilities, their parents and any other interested parties, on a new Short Breaks statement which included the short breaks available, as well as the eligibility criteria.
- Gateshead Town Centre Survey 2015 – this survey sought views on what people thought needed improving and what type of new investment should be attracted in the future.
- A residents' survey was undertaken by the Council in June 2015 with 935 survey forms being completed, summary can be found [here](#).
- Improving Carers Quality of Life Survey (unpaid carers only) – the aim of this short survey was to gauge views from carers as to whether the services currently provided in Gateshead were the right ones and if not, what would be of benefit.

## Demography of Respondents to Council's Budget Consultation 2016-2018

Step 1:5.00-1:Gender		
This single response question was answered by 489 respondents.		
Response	Number of Respondents	Percentage of Respondents
Male	217	44.38%
Female	272	55.62%
Step 1:7.00-1:Age		
This single response question was answered by 486 respondents.		
Response	Number of Respondents	Percentage of Respondents
Under 25	23	4.73%
25 to 34	75	15.43%
35 to 44	94	19.34%
45 to 54	123	25.31%
55 to 64	94	19.34%
65 and over	77	15.84%
Step 1:8.00-1:Disability		
This single response question was answered by 478 respondents.		
Response	Number of Respondents	Percentage of Respondents
Yes	71	14.85%
No	407	85.15%
Step 1:9.00-1:Religion		
This single response question was answered by 444 respondents.		
Response	Number of Respondents	Percentage of Respondents
Buddhism	1	0.23%
Christianity or Christian denominations	220	49.55%
Hinduism		
Islam	3	0.68%
Judaism	62	13.96%
Sikhism	1	0.23%
Other religion	11	2.48%
No religion	146	32.88%
Step 1:10.00-1:Ethnicity		
This single response question was answered by 462 respondents.		
Response	Number of Respondents	Percentage of Respondents
White British	435	94.16%
White Other	12	2.60%
Mixed/Multiple	3	0.65%
Asian/Asian British	1	0.22%
Black/Black British	2	0.43%
Other	9	1.95%

## Equality Assessment of the Budget Proposals 2016/17

The Council maintains its strong commitment to equality, believing that all groups and individuals within the community and its workforce, have equal opportunity to benefit from the services and employment it provides.

The Council's budget planning framework is supported by the development of Equality Impact Assessments (EIAs) for the budget proposals, identifying possible disproportionate impact in relation to the protected characteristics as described within the Equality Act 2010. The EIAs will also identify potential mitigation where applicable.

EIAs help the Council to arrive at informed decisions and to make the best judgements about how to target resources.

An overarching assessment of how different protected characteristics are affected by the Council's Budget 2016/17 is provided below:

### Age

#### *Children and Young People*

The reviews of **Early Help Services** and **Approach to Adoption Services** will mean that these services are more targeted towards delivering the right support at the right time to improve outcomes for children and young people.

The Council has a duty to promote contact for children in care and their parents/carers, friends or relatives etc, unless it is not reasonably practical or consistent with the child's welfare. The proposal to commission the **Contact Service** does impact on children looked after by the local authority, however any contract with an independent provider, would be robust in ensuring no disruption is caused.

The proposal to **recommission Looked After Children's residential placements and close in-house provision** has an obvious impact on the young people currently in those placements. However every effort will be made to ensure the individuals who require future placements, have their needs taken into consideration.

There are 3 public health proposals that directly impact on children and young people. Gateshead has one of the highest rates of excess weight in children in the region. As the **children's weight management programme Balance It** is not achieving the desired outcomes in terms of supporting a reduction in obesity levels, a new approach is being developed.

The key focus of the proposal to **Remodel 0-5 (Early Years) and 5-19 Children's Public Health** is to improve health and wellbeing and reduce inequalities in outcomes for children and young people.

The **Whoops! Child Safety Project** supports families with children aged 0 – 14 years. There is no alternative service within Gateshead that offers the same level of accident prevention support and guidance, however there will be some elements that can be integrated into the 0-5 children's public health offer.



## Older People

The Council runs four promoting independent centres, two offer assessment and respite beds for the over 65s, one is a specialist dementia centre offering respite and assessment beds and the other offers intermediate care. The **review of support for people to live independently** will impact on the people who access these services, as well as their families/carers.

By having a proactive prevention approach, getting things right first time, and thereby reducing demand for statutory services, the impact of **reducing domiciliary care packages by enhanced early intervention** such as the extended use of the Rapid Response Service, Short Term Assessment and Reablement Team and community based NHS Care, should mean that new referrals to Adult Social Care will require less support in the longer term.

The impact of the proposed **reduction in residential care admissions** should mean that on assessment of an older person's needs, alternative more cost effective measures could be put in place, thereby reducing the number of over 65s being admitted to residential care.

The Director of Public Health's assessment of the budget proposals has identified that the **reduction in funding for NHS Health Checks**, which are available to people in the age bracket of 40 – 75 years, could lead to a failure to identify people with high risk of cardiovascular disease, if uptake is limited by budget reductions.

## Disability

The Council has a statutory duty to ensure that **Home to School Transport** is provided and is free for all children and young people with special educational needs, who qualify under the age of 16. This entitlement would remain, however the means of provision is likely to change. Young people aged 16+ and their families will potentially be required to pay a contribution towards the cost of home to school/college transport organised by the Council.

The proposal to **reprovide respite care for disabled children** will impact on children with disabilities, as well as their families/carers. The Council will work with service users, parents and carers with regard to future service provision.

The Council runs a number of **independent supported living schemes** to help people with learning disabilities to live independently in shared homes. Taking into account responsibilities to safeguard vulnerable people, the Council will review the care packages in place with the aim of reducing spend if appropriate.

The **recommissioning of day service** provision will take place during 2016/17 and impact on people with learning and physical disabilities.

The Council is taking the opportunity to **recommission the learning disability care packages** it has with the independent sector, which currently supports approximately 600 people with learning disabilities. It should mean that the packages available will provide more choice and control for the individual, as well as providing better value for money.

The Director of Public Health's assessment of the budget proposals has identified that **reducing elements of the Drug and Alcohol Programme** could lead to mental health issues for carers of people who have substance misuse issues, unless alternative support is delivered via the review of carers support services proposed in mitigation.

## Gender

The **Family Nurse Partnership (FNP)** element of the proposed remodelling of 0-5 (Early Years) and 5-19 Children's Public Health Services could impact on vulnerable first time young

mothers under the age of 19. However, work will continue to ensure support is provided to the most vulnerable families in Gateshead.

The proposal to **withdraw funding to the NHS Trust for the public health midwife post** will impact on expectant and new mothers in that there will be no dedicated provision. However, it is the Council's intention to negotiate for this function to be delivered as part of the main Midwifery service contract which is commissioned by the Clinical Commissioning Group (CCG).

The **withdrawal of the Council's funding contribution to Gateshead NHS Trust for the Breast feeding nurse post** could impact on new mothers in that there may be a reduced offer in supporting women to initiate or continue with breast feeding. Mitigation would be an agreement with the CCG to include this function as part of the midwifery contract.

## Sexual Orientation

The proposal to stop **funding for the MESMAC service** will impact on men. MESMAC provides targeted counselling, preventative health promotion interventions and HIV testing. Men will still be able to access the service's website and online information resources and the Gateshead Sexual Health Service will still take referrals as they do now.

## Religion or belief

Although the black and minority ethnic population is relatively small in Gateshead, there is a significant Jewish community, whose health and wellbeing needs are supported by the **Labriut Healthy Living Centre**. The Centre provides a range of health interventions, as well as promoting public health agendas. The Council will work with the community and partners to identify alternative funding or future delivery of these types of services.

Equality Impact Assessments are available for the budget proposals, via the Council's website [here](#).

## Carers Impact Assessment of the Budget Proposals 2016/17

The 2011 Census identified 22,220 people providing unpaid care in Gateshead, 11.1% of the population which is higher than the England average of 10.3%. The number of unpaid carers in Gateshead increased by around 1,000 between 2001 and 2011. <sup>1</sup>

Breakdown by age of carers who provide unpaid care is as follows:

Age 0 – 15	477
Age 16 – 24	1,203
Age 25 to 34	1,998
Age 35 – 49	5,885
Age 50 – 64	7,791
Age 65 and over	4,866

Almost one third (30%) of carers had responsibility for other dependants in addition to the person or people they care for. This is an increase from 20% in 2011. In addition, self reported health of carers appears to have worsened between 2011 and 2014, with 74% of respondents indicating their health was worse as a result of their caring role. Although more than 85% of carers reported that they were quite, very or extremely satisfied with the care they receive from social services <sup>2</sup>, many carers in Gateshead report poor or very poor quality of life and unmet need. <sup>3</sup>

<sup>1</sup> ONS Census, 2011

<sup>2</sup> Personal Social Services User Survey of Carers in England, Summary of Survey Results, 2014/15

<sup>3</sup> Gateshead Carer Survey Report, Gateshead Carers Association, May 2014

The Council conducted a Carers Survey in 2014 to determine whether services received by carers supported them in their caring role - 81% of carers report that they have been included or consulted in discussions about the person they care for. During 2014/15, 194 referrals were received by Crossroads Young Carers Service and 178 assessments/support plans were completed. 193 new carers have signed up to the Carers Emergency Response Service. <sup>4</sup>

## **Impact of Budget Proposals**

Whilst this is an uncertain time for carers as they are anxious about the future of some of the Council's services, and what it will mean for them and the people they care for, the Council will still have a responsibility to ensure the safeguarding of vulnerable people.

The potential impact of Gateshead Council's budget proposals on carers is summarised below:

### ***Carers of Children and Young People***

Cumulative impact is likely to be felt by parents and carers who have childcare responsibilities, in relation to the proposals identified below:

- Reprovide respite care for disabled children
- Reshape and revise our approach to Home to School Transport
- Reconfigure Early Help Services
- Recommission Looked After Children's residential placements and closure of in-house provision
- Remodel 0-5 (Early Years) and 5-19 Children's Public Health Services
- Labriut Health Living Centre

Should these proposals be taken forward for implementation from April 2016 onwards, the involvement of carers and those they care for, in the care, planning and support and management of change will be paramount in ensuring a smooth transition and reduced levels of anxiety, as a result of any changes in service provision.

### ***Carers of Adults***

Cumulative impact is likely to be felt by carers of adults in relation to the proposals identified below:

- Review of support for people to live independently
- Reduce Residential Care Admissions
- Recommission Day Services
- Recommission Independent Supported Living schemes
- Recommission Learning Disability Care Packages
- Reduce domiciliary care packages by enhanced early interventions
- Revise demand management model for Adult Social Care

Should the above proposals be taken forward for implementation from April 2016 onwards, every care will be taken to ensure appropriate reassessment of need is undertaken and that correct levels of support are provided. Consideration will always be taken of the individual need of carers and those they care for. As part of any implication, a key priority will be to listen to carers, involve carers in the care, planning and support and management of change.

The Council has an ongoing commitment to offer carer assessments. The Care Act 2014 makes carer's assessments more widely available to people in caring roles. The assessment looks at what things could make a carer's role easier. It will therefore be important for carers

<sup>4</sup> Adult Social Care Local Account 2014/15

to request this service should they feel they require support, guidance or advice if they feel these proposals could add additional strain on their caring role.

Carers assessments would take into account:

- Carers choices, ie how much care they are able and want to offer to the person they care for, so they have a genuine choice regarding the caring role.
- Carers ability to stay in work , or return to work, education or training
- Carers wellbeing , and access to leisure
- Carer quality of life

### ***Cross cutting (ie carers of adults and children and young people)***

The public health budget proposal to reduce elements of the Drug and Alcohol Programme could have a disproportionate impact on the carers of both adults and young people.

The Council recognises the important role carers have in supporting people with substance misuse issues. It is estimated there are potentially nearly 6,000 family members who may need family/carer support in Gateshead <sup>5</sup>. The Council will work with the current provider of support for carers to identify possible courses of action.

<sup>5</sup> Research by ADFAM (Families, Drugs and Alcohol), Supporting Families Affected by Drugs and Alcohol (2007) shows that at least 3 family members are affected by substance misuse at any one time

## Health and Wellbeing Assessment of the Budget Proposals 2016/17

The assessment of health impact for this report presents an overview of risk and impact of the budget proposals.

### Environment

Whilst several of the Environment proposals should have little or no impact on health, for example income generation through growing tradeable services, other proposals can be expected to have a negative effect.

Reduced roads and paths maintenance could lead to more accidents, for example trips and falls, but a recent study<sup>6</sup> reported there was no evidence of an association between reduced lighting and night-time traffic collisions across England and Wales (although earlier studies concluded that there are positive safety benefits). There is a public perception that street lighting improves safety: feeling unsafe influences behaviour in some groups (for example women may be less physically active<sup>7</sup>). The impact of these measures should be able to be reduced through the planned consultation process, and accident rates should be robustly monitored in selected areas.

### Economy

The health of the local economy is a key influence on the health of the population of Gateshead, and any proposal likely to have a negative impact upon the local economy is therefore also likely to have an adverse impact upon health, particularly among groups already suffering from financial exclusion and reduced likelihood of employment (eg people living with disabilities, those from some racial and/or faith communities). Reduction in funding for the Newcastle Gateshead Initiative may have an impact on the visitor economy, but this will be difficult to quantify, and may be mitigated by the response from local businesses.

Public protection services such as Trading Standards contribute valuably to ongoing enforcement around age-controlled sales and trade in illicit alcohol and tobacco. Loss of capacity for such enforcement would have a negative impact on health, and this would be most likely to affect poorer communities.

Much of the saving in this service area will come from income generation and reconfiguration of services, which should have minimal negative impact and will help mitigate the other measures that have to be taken.

### Communities and Volunteers

Generally, participation in public life through arts, culture and learning tends to improve health and mental wellbeing, reduce social isolation and improve an individual's sense of purpose and worth.

Libraries, community centres and arts facilities all promote and enable activities that support health and wellbeing, either directly (for example physical activity) or indirectly (for example providing access to information). The health impact of reductions in these services will depend on several factors, for example localities, with the potential that this could increase the inequalities that already exist in Gateshead. The impact could also be mitigated by supporting community capacity building, but libraries and community centres themselves provide a resource for community capacity development, so these and other proposals could reduce resources for such work. The Digital Strategy could also provide some mitigation, by enabling alternative means of access to information.

<sup>6</sup> see <http://www.rospa.com/road-safety/advice/roads/street-lighting/>

<sup>7</sup> see <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC203979/>

## **Adult services**

The proposals in respect of adult social care represent a significant change in strategic direction for these services, at a time when demand can be expected to rise due to the increasing numbers of older people in the borough. The uncertainty for current users in changing arrangements is likely to cause anxiety, and breakdowns in packages of care could lead to increases in hospital admissions. Reductions in service levels could also lead to higher numbers of delayed transfers of care from hospital. If levels of support are reduced there may be increased social isolation, which could also lead to demands on other services, such as GPs. Nevertheless, the changes should in some ways – particularly the emphasis on prevention, early intervention and rehabilitation – have a positive impact on the health of the local population in the longer-term.

The key mitigation for these proposals will be the success in developing alternative models of provision, working across health and social care, the development of preventive and rehabilitation services, for example through joint work with Live Well Gateshead and the CCG, and increased community resilience through working in partnership with local communities and groups to support people to help themselves and reduce demand on the services. If these measures are successful, whilst there may be increased short-term pressures, in the longer term this should be less of an issue. The reduction in support for the capacity building work that is required to underpin the changes proposed is commented on elsewhere in this report.

## **Children & Young People's Services**

As with Adult Services, the proposals in respect of children and young people's services represent a significant change in strategic direction. The proposed emphasis on a whole system approach to early intervention, and efforts to stop the escalation of issues, structured around the individual and family, supported by working in partnership across health and social care, could have a positive impact on the health of the local population in the longer-term. However, the impact will be negative if the risks around individual cases are not robustly managed, with children not achieving their potential and not becoming independent adults in stable, loving families: this could mean increased demand for services and poorer outcomes for some of the most vulnerable people in our community.

There are other proposed changes that may cause considerable anxiety and stress for parents of children with disabilities, for example in respect of respite care and transport. Whether this is a short- or long-term impact will be dependent on the success of the alternative arrangements put in place.

The key mitigations for these proposals will be in the effective management of risk, the targeting of effort on those in greatest need, the commissioning of alternative providers, communication with those affected and strong partnership working.

## **Public Health**

The proposals to reduce spend on public health programmes will clearly have a negative impact on the health of the local population, in a number of ways. Some proposals may directly affect the health, mental health and wellbeing of individuals, unless mitigation strategies are deployed, and reduction in the NHS Health Checks programme could lead to a failure to identify those with high risk of cardiovascular disease. Other proposals, such as efficiencies in the Public Health function would reduce the capacity of the team to support implementation of the Council Plan. Reducing funding for stop smoking services and the Live Well programme could affect an individual's likelihood of make healthy choices about smoking, physical activity, etc. Other proposals, such as the remodelling of children's services will impact on access to health and care services. The reduction of funding to the regional

programmes Fresh and Balance could undermine this effective delivery model to drive population focussed campaigns and influencing strategies on national policy, which appear to be making a significant impact on reducing smoking prevalence in the North East.

The impact of the proposals will be mitigated by working in collaboration with other Council departments (such as Children's & Young People's services) and the NHS to secure the best value we can from the resources available, and to tackle the wider determinants of health, taking a strategic approach to prevention and early intervention and targeting prevention activity on those communities within the local population with the highest rates of early death from cancer and cardiovascular disease. The remodelled Live Well service will remain a key element in the Council's overall approach, not least the focus on prevention in the proposed social care reforms. The development of the programme needs to be considered along with the development of leisure service options and neighbourhood capacity building approaches, to ensure the best use of limited resources in the future.

### **Other factors, including employees**

There is not likely to be any direct impact on the health of the local population from the savings proposed by Governance and Resources.

We must acknowledge however the negative impact on health for those employees who will be affected by the changes across the Council, particularly those who will be made redundant. The actual impact will depend on whether and how long it takes these individuals to find alternative employment. Work is generally good for people's health and wellbeing – but unemployment puts health at risk, and the risk is higher in regions such as the North East where unemployment is widespread. There are three core ways in which unemployment affects health:

- Financial problems;
- Distress, anxiety and depression; and
- Impacts on health behaviours (e.g. smoking and alcohol consumption and decreased physical exercise).

These effects start when people first feel their jobs are threatened.

The impact on employees can be reduced by avoiding compulsory redundancies wherever possible, and providing support and guidance to those at risk. Such measures are planned.

The Director of Public Health's full assessment can be found on the Council's website [here](#).

## Financial Risk Assessment

Risk	Likelihood	Impact	Risk Management
Collection rates for retained business rates and council tax lower than anticipated	Possible	High	Impact mitigated by the review of bad debt provisions. Proactive approach to stimulating economic growth including pump priming from reserves. Monitoring of Collection Fund to be formally incorporated into monthly revenue monitoring process during 2016/17. Regular reporting and monitoring of collection rates into senior management.
Volatility of Business Rates funding given uncertainty around impact of appeals	Likely	Medium	Volatility of funding stream outside of Council control but impact mitigated by establishment of specific earmarked reserve and financial monitoring framework.
Pay Awards, fee increases and price inflation higher than assumed	Possible	Medium	Impact of potential increases mitigated by central contingency budget for pay, price increases and care fees.
Future spending plans underestimated	Possible	Medium	Service planning process identifies future budget pressures and these have informed the indicative Budget Forecasts and planned into the MTFs.
Anticipated savings/ efficiencies not achieved	Possible	High	There is a risk that the proposed savings will not be delivered. This is mitigated by robust budgetary control and a provision in contingencies to reflect the timing of the achievement of savings. Non achievement of savings require action plans outlining compensating reductions in planned spending within services.
Income targets not achieved	Possible	Medium	Current economic climate likely to impact. Regular monitoring and reporting. Full review of fees and charges is undertaken on an annual basis.
Budget monitoring not effective	Unlikely	High	High risk budgets are monitored monthly. Regular monitoring and reporting in line with corporate framework. Action plans developed to address problem areas. Regular reports to Strategy Group and Cabinet. Track record of delivering budget.
General and earmarked reserve balances are insufficient	Unlikely	High	A strategy to maintain the General Reserve at a minimum of 3% of the net revenue budget. Reserves are reviewed annually both in budget setting and in the Council's MTFs. The General Reserve is supplemented by earmarked reserves that are side aside to cover material risk or events.



Risk	Likelihood	Impact	Risk Management
Loss of principal deposit	Unlikely	Medium	Limited by the controls in the Treasury Management Strategy which prioritise security of deposit over returns. Impact limited due to the strategy of a diverse portfolio with top rated institutions backed by Government guarantees and internal funding.
Interest rates lower than expected	Unlikely	Low	Regular review, monitoring and reporting on interest rates. Prudent assumptions on likely interest rates for 2016/17 and onwards have been incorporated into the MTFS.
Lack of internal controls	Unlikely	Medium	The risk that internal controls are not sufficient is mitigated by the Council's system of internal control, as set out in the Council's Constitution. The system of internal control is continuously reviewed by the Council's Internal Audit service, which reports on its planning and performance to the Audit & Standards Committee on a quarterly basis.
Capital financing charges exceed budget	Unlikely	Medium	Ensuring that the majority of total borrowing is taken as fixed rate loans.  Using the Council's Treasury management advisors to assist in determining the most appropriate time to undertake new borrowing and rescheduling of existing loans.  Monitoring of external funding of capital projects is undertaken monthly and reported to Cabinet on a quarterly basis as part of the capital monitoring process.

**Conclusion;**

Although the financial context continues to be increasingly challenging, the Council has a track record of identifying and delivering significant savings and achieving budget out-turn within agreed budget supported by a framework of effective financial planning. This approach will need to continue to ensure that a sustainable medium-term financial position can be maintained.

## ESTIMATED USE OF RESERVES

<b>Gateshead Reserves</b>	<b>ACTUAL</b>	<b>ESTIMATED PROJECTIONS</b>			
	<b>Balance</b>	<b>Balance</b>		<b>Balance</b>	
	<b>01-Apr-15</b>	<b>Movement</b>	<b>31-Mar-16</b>	<b>Movement</b>	<b>31-Mar-17</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>General Fund</b>					
General Reserve	(15,570)	959	(14,611)	3,971	(10,640)
LMS (School) Budget Share Reserve	* (7,816)	1,000	(6,816)	1,000	(5,816)
<b>Total General Fund Reserve</b>	<b>(23,386)</b>		<b>(21,427)</b>		<b>(16,456)</b>
<b>Earmarked Fund Reserves</b>					
Insurance	(3,000)	0	(3,000)	0	(3,000)
Grant Clawback	(1,314)	515	(799)	0	(799)
Gateshead Development Pool	(6,009)	2,000	(4,009)	1,000	(3,009)
Developers' Contributions	* (2,295)	(312)	(2,607)	0	(2,607)
Dedicated Schools Grant	* (2,828)	908	(1,920)	500	(1,420)
Unapplied Revenue Grants	* (3,667)	783	(2,884)	600	(2,284)
Economic Growth	(3,644)	157	(3,487)	500	(2,987)
Business Rates	(5,000)	1,000	(4,000)	1,000	(3,000)
Budget Flexibility	(1,883)	820	(1,063)	178	(885)
Discretionary Social Fund	(1,167)	356	(811)	350	(461)
Public Health	* (2,035)	1,357	(678)	438	(240)
Strategic Change	(2,500)	200	(2,300)	1,250	(1,050)
<b>Total Earmarked Fund Reserves</b>	<b>(35,342)</b>		<b>(27,558)</b>		<b>(21,742)</b>
<b>Total Reserves</b>	<b>(58,728)</b>	<b>9,743</b>	<b>(48,985)</b>	<b>10,787</b>	<b>(38,198)</b>

\* Ring fenced - not available to support the revenue budget & council tax requirement

**General Fund**

The General Fund is made up from two reserves:

- The General Reserve exists to protect the Council against unexpected events and to finance future revenue or capital expenditure. A minimum balance of 3% of the net revenue budget has been agreed by Council.
- Schools Reserves which are ring-fenced and cannot be used to support the revenue budget and reduce the council tax requirement.

**Strategic Reserves**

The **Economic Growth Reserve** was created to help achieve key objectives of Vision 2030 and the Council Plan to stimulate the local economy. Use of this reserve will enable the Council to support emerging opportunities to accelerate development and incentivise economic growth on a business case basis within the framework of the Gateshead Economic Growth Acceleration Plan 2013-18.

**Strategic Change Reserve** was created in 2015/16 to support the delivery of the refreshed Council Plan over the period to 2020.

**Budget Flexibility Reserve** was created as part of the ongoing work on the budget framework, this new reserve was created to allow flexibility to carry-forward appropriate under spend balances for reinvestment the following year.

The **Insurance Reserve** is to allow for possible claims against the Council which are not covered by external policies and to cover insured liability claims falling within the claims excess and policy stop loss. The reserve is based on an assessment of both insured and uninsured liabilities and claims potentially falling on the Council.

The **Grant Clawback Reserve** is for grant received which may need to be repaid. The reserve exists to mitigate the risk of potential clawback of funding following the implementation of projects. The risk is particularly high in relation to European funding, including ERDF, where it takes several years to audit and close their funding programmes.

The **Gateshead Development Pool Reserve** has been used successfully to deliver a number of priorities since 2002. A revised set of principles for the further use of the reserve were agreed in 2007. A significant proportion of this reserve has been used to support the redundancy scheme in previous years and further support to workforce management may be needed in future years.

**Business Rates Reserve** was created in the 2014/15 review to mitigate the risk of current and future business rate valuation appeals and other risks associated with the business rates retention scheme. This area of risk was previously explicitly covered by the General Reserve.

**Discretionary Social Fund Reserve** created to support the social fund as the Government have indicated that funding for this initiative will cease from 2015/16 onwards.

### **Ring Fenced General Fund Reserves**

The **LMS (Schools) Reserve**, combined with the General Reserve, this reserve forms the General Fund but use is ring-fenced to schools.

- **Developers' Contribution Reserve** this reserve, is ring-fenced and consists of developer contributions in respect of agreed regeneration schemes following Section 106 agreements. The movement on the reserve will fluctuate depending on the use of the contributions to support regeneration schemes such as play areas in areas of new housing.
- **Dedicated Schools Grant (DSG) Reserve** ring-fenced for schools use and cannot be used for other priorities within the Council. Use of this reserve will be agreed by Schools Forum.
- **Revenue Grants / Receipts Unapplied Reserve** was created as a result of changes to the Accounting Code of Practice whereby unused grants and contributions, without conditions attached, should be appropriated to reserves to fund future expenditure rather than creating creditors on the Balance Sheet.
- **Public Health** following the transfer of responsibility for Public Health to local authorities on the 1 April 2013, the funding in this reserve is ring-fenced for future Public Health use.

**PRUDENTIAL AND TREASURY INDICATORS**

1. The actual capital expenditure that was incurred in 2014/15 and the estimates of capital expenditure to be incurred for the current and future years that are recommended for approval are: -

<b>Capital Expenditure</b>						
	<b>2014/15 £000 Actual</b>	<b>2015/16 £000 Estimate</b>	<b>2016/17 £000 Estimate</b>	<b>2017/18 £000 Estimate</b>	<b>2018/19 £000 Estimate</b>	<b>2019/20 £000 Estimate</b>
Non-HRA	42,581	48,799	46,799	32,323	13,290	14,510
HRA	20,610	22,270	18,020	21,010	16,950	16,650
<b>Total</b>	<b>63,191</b>	<b>71,069</b>	<b>64,819</b>	<b>53,333</b>	<b>30,240</b>	<b>31,160</b>

2. Estimates of the ratio of financing costs to net revenue stream for the current and future years, and the actual figures for 2014/15 are: -

<b>Ratio of Financing Costs to Net Revenue Stream</b>						
	<b>2014/15 Actual</b>	<b>2015/16 Estimate</b>	<b>2016/17 Estimate</b>	<b>2017/18 Estimate</b>	<b>2018/19 Estimate</b>	<b>2019/20 Estimate</b>
Non-HRA	11.66%	14.17%	13.77%	15.73%	17.01%	18.34%
HRA	46.18%	49.33%	46.36%	41.81%	45.28%	41.40%

The estimates of financing costs include current commitments and the proposals in this budget report.

3. Estimates of the end of year Capital Financing Requirement (excluding PFI) for the Council for the current and future years and the actual Capital Financing Requirement at 31 March 2015 are: -

<b>Capital Financing Requirement</b>						
	<b>31/03/15 £000 Actual</b>	<b>31/03/16 £000 Estimate</b>	<b>31/03/17 £000 Estimate</b>	<b>31/03/18 £000 Estimate</b>	<b>31/03/19 £000 Estimate</b>	<b>31/03/20 £000 Estimate</b>
Non-HRA	279,930	291,018	317,655	334,057	337,961	339,786
HRA	345,505	345,505	345,505	345,505	345,505	345,505
<b>Total</b>	<b>625,435</b>	<b>636,523</b>	<b>663,160</b>	<b>679,562</b>	<b>683,466</b>	<b>685,291</b>

4. The Capital Financing Requirement measures the Council's underlying need to borrow for a capital purpose. In accordance with best professional practice, the Council does not associate borrowing with particular items or types of expenditure. The Council has an integrated treasury management strategy and has adopted the CIPFA Code of Practice for Treasury Management in the Public Services. The Council has, at any point in time, a number of cash flows both positive and negative, and manages its treasury position in terms of its borrowings and investments in accordance with its approved treasury management strategy and practices. In day to day cash management, no distinction can be made between revenue cash and capital cash. External borrowing arises as a consequence of all the financial transactions of the Council and not simply those arising from capital spending. In contrast, the Capital Financing Requirement reflects the Council's underlying need to borrow for a capital purpose.
5. CIPFA's Prudential Code for Capital Finance in Local Authorities includes the following as a key indicator of prudence: -

*"In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of Capital Financing Requirement in the preceding year plus the estimates of any additional Capital Financing Requirement for the current and next two financial years."*

The Strategic Director, Corporate Resources reports that the Council had no difficulty meeting this requirement in 2014/15, nor are any difficulties envisaged for the current or future years. This view takes into account current commitments, existing plans, and the proposals in this budget report.

The following table shows the actual external debt against the underlying capital borrowing need (the Capital Financing Requirement), highlighting any over or under borrowing.

<b>Gross Debt and the Capital Financing Requirement</b>						
	<b>31/03/15</b>	<b>31/03/16</b>	<b>31/03/17</b>	<b>31/03/18</b>	<b>31/03/19</b>	<b>31/03/20</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
Actual gross debt at 31 March	605,685	616,778	643,415	659,817	663,721	665,546
Capital Financing Requirement	625,435	636,523	663,160	679,562	683,466	685,291
Under / (over) borrowing	19,750	19,745	19,745	19,745	19,745	19,745

6. In respect of its external debt, it is recommended that the Council approves the following Authorised Limits for its total external debt gross of investments for the next three financial years, and agrees the continuation of the previously agreed limit for the current year since no change to this is necessary. These limits separately identify borrowing from other long term liabilities. The Council is asked to approve these limits and to delegate authority to the Strategic Director, Corporate Resources within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long term liabilities, in accordance with option appraisal and best value for money for the Council. Any such changes made will be reported to the Council at its next meeting following the change.

<b><i>Authorised Limit for External Debt</i></b>				
	<b>2016/17 £000</b>	<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>
<b>Borrowing</b>	<b>750,000</b>	<b>765,000</b>	<b>770,000</b>	<b>770,000</b>

7. The Strategic Director, Corporate Resources reports that these Authorised Limits are consistent with the Council's current commitments, existing plans and the proposals in this budget report for capital expenditure and financing and with its approved treasury management policy statement and practices. The Strategic Director, Corporate Resources confirms that they are based on the estimate of most likely, prudent but not worst case scenario, with sufficient headroom over and above this to allow for operational management, for example unusual cash movements. Risk analysis and risk management strategies have been taken into account, as have plans for capital expenditure, estimates of the Capital Financing Requirement and estimates of cash flow requirements for all purposes. These limits include amounts in relation to The Gateshead Housing Company.
8. The Council is also asked to approve the following Operational Boundary for external debt for the same time period. The proposed Operational Boundary for external debt is based on the same estimates as the Authorised Limit, but reflects directly the Strategic Director, Corporate Resources estimate of the most likely, prudent but not worst case scenario, without the additional headroom included within the Authorised Limit to allow, for example, for unusual cash movements, and equates to the maximum of external debt projected by this estimate. The Operational Boundary represents a key management tool for in year monitoring by the Strategic Director, Corporate Resources. Within the Operational Boundary, figures for borrowing and other long term liabilities are separately identified. The Council is also asked to delegate authority to the Strategic Director, Corporate Resources within the total Operational Boundary for any individual year, to effect movement between the separately agreed figures for borrowing and other long term liabilities, in a similar fashion to the Authorised Limit. Any such changes will be reported to the Council at its next meeting following the change. These limits include amounts in relation to The Gateshead Housing Company.

<b><i>Operational Boundary for External Debt</i></b>				
	<b>2016/17 £000</b>	<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>
<b>Borrowing</b>	<b>725,000</b>	<b>740,000</b>	<b>745,000</b>	<b>745,000</b>

9. The Council's actual external debt at 31 March 2015 was £605.685m comprising £605.685m borrowing and no other long term liabilities. 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.
10. In taking its decisions on this budget report, the Council is asked to note that the Authorised Limit determined for 2016/17 (see paragraph 6 above) will be the statutory limit determined under Section 3(1) of the Local Government Act 2003.

11. A key measure of affordability is the incremental impact on the council tax as a result of the Council's capital and revenue plans. The Council is asked to approve these indicators.

The incremental impact on Band D Council Tax that would result for the Council for 2016/17 from the totality of the capital and revenue plans recommended in this budget report is £1.54.

12. Forward estimates for the incremental impact on Band D council tax levels for 2017/18 is £1.58, 2018/19 is £1.68 and 2019/20 is £1.68. These forward estimates are not fixed and do not commit the Council. They are based on the Council's existing commitments, current plans and the totality of the capital and revenue plans recommended in this budget report. There are no known significant variations beyond this timeframe that would result from past events and decisions or the proposals in this budget report.
13. With respect to the Housing Revenue Account (HRA), the average incremental impact on weekly rent that would result for 2016/17 from the totality of the capital and revenue plans recommended in this budget report is £0.02.
14. Forward estimates for the incremental impact on housing rents for 2017/18, 2018/19 and 2019/20 are £0.03. Again, these forward estimates are not fixed and do not commit the Council. They are based on the Council's existing commitments, current plans and the totality of the capital and revenue plans recommended in this budget report. There are no known significant variations beyond this timeframe that would result from past events and decisions or the proposals in this budget report.
15. The Council has adopted the CIPFA Code of Practice for Treasury Management in the Public Services (2011), which requires three key Treasury Management indicators.
16. The purpose of these indicators is to contain the activity of the treasury function within certain limits, thereby reducing the risk or likelihood of an adverse movement in interest rates or borrowing decisions impacting negatively on the Council's overall financial position. However, if these indicators were set to be too restrictive, they will impair the opportunities to reduce costs.
17. It is recommended that the Council sets an upper and lower limit on its fixed and variable interest rate exposures for 2016/17, 2017/18, 2018/19 and 2019/20 as follows. The figures are expressed in terms of net outstanding principal sums.

<b>UPPER AND LOWER LIMIT ON FIXED AND VARIABLE INTEREST RATES EXPOSURES</b>				
<b>Range</b>	<b>2016/17 £000</b>	<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>
Fixed Rate	624,164 357,170	622,283 333,322	620,814 342,848	608,993 302,019
Variable	152,227 (30,000)	192,476 (30,000)	186,854 (30,000)	229,508 (20,000)

18. It is recommended that the Council sets upper and lower limits for the maturity structure of its borrowings as follows: -

	<b>Upper Limit</b>	<b>Lower Limit</b>
Under 12 months	20%	0%
12 months and within 24 months	20%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	50%	0%
10 years and within 20 years	50%	0%
20 years and within 30 years	50%	0%
30 years and within 40 years	50%	0%
40 years and within 50 years	60%	0%
50 years +	30%	0%

19. It is recommended that the Council sets an upper limit on its principal sums invested for periods longer than 364 days for 2016/17, 2017/18, 2018/19 and 2019/20 as follows: -

<b><i>Upper Limit on amounts invested beyond 364 days</i></b>				
	<b>2016/17 £000</b>	<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>
Investments	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>



## MINIMUM REVENUE PROVISION (MRP) STATEMENT 2016/17

The Minimum Revenue Provision (MRP) is the charge made to the revenue account to reflect the repayment of borrowing. This is the mechanism by which council tax payers fund capital expenditure that has been supported by borrowing.

In accordance with regulations the Council is required to calculate an amount of MRP each year which is considered to be prudent. Four methods of calculating MRP are set out in the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 [Si 2008/414] and statutory guidance regarding the calculation of MRP was issued by CLG in February 2012. The four possible methods are set out below:

### Option 1: Regulatory Method

MRP is equal to the amount determined in accordance with the former regulations 28 and 29 of the 2003 Regulations, as if they had not been revoked by the 2008 Regulations. This is calculated as 4% of the Council's general fund capital financing requirement, adjusted for factors arising from the transition to the prudential capital financing regime in 2003.

### Option 2: CFR Method

MRP is equal to 4% of the non-housing Capital Financing Requirement at the end of the preceding financial year. This does not adjust for the transition to the prudential capital financing regime in 2003.

### Option 3: Asset Life Method

Where capital expenditure on an asset is financed wholly or partly by borrowing or credit arrangements, MRP is to be determined by reference to the life of the asset. There are two main methods by which this can be achieved, as described below:

#### (a) Equal instalment method

MRP is the amount given by the following formula:

$$\frac{A - B}{C}$$

Where:

**A** is the amount of the capital expenditure in respect of the asset financed by borrowing or credit arrangements;

**B** is the total provision made before the current financial year in respect of that expenditure;

**C** is the inclusive number of financial years from the current year to that in which the estimated life of the asset expires.

#### (b) Annuity method

The annuity method links the MRP to the flow of benefits from an asset where they are expected to increase over time. The MRP is the principal element for the year of the annuity required to repay the amount of capital expenditure financed by borrowing or credit arrangements over the life of the asset.

Under both asset life variations, additional voluntary revenue provision can be made in any year, which can result in reductions to the MRP charge for future years.

MRP commences in the financial year following the one in which the asset became operational and the estimated life of the asset is determined in the year that MRP commences and is not subsequently revised.

The estimated useful life is aligned to the Council's asset register where possible; however the Council does have the flexibility to assign an alternative life to capital expenditure, provided this can be justified and still satisfies the requirement to make a prudent provision.

If no life can reasonably be attributed to an asset, such as freehold land, the life is taken to be a maximum of 50 years. However, in the case of freehold land on which a building or other structure is constructed, the life of the land may be treated as equal to that of the structure, where this exceeds 50 years.

Where borrowing is used to meet expenditure which is treated as capital expenditure by virtue of a capitalisation direction, the life is set at a maximum of 20 years in accordance with the statutory guidance.

#### **Option 4: Depreciation Method**

MRP is calculated by applying standard depreciation accounting procedures to any asset where expenditure has been financed by borrowing or credit arrangements. This includes any amount for impairment chargeable to the Income and Expenditure Account.

MRP is only made annually until the cumulative amount of such provision is equal to the expenditure originally financed by borrowing or credit arrangements.

On disposal of an asset, the MRP charge should continue in accordance with the depreciation schedule as if the disposal had not taken place. However, capital receipts or other funding sources can be applied at any time to repay all or part of the outstanding debt and cease making MRP charges.

Where the percentage of the expenditure on the asset financed by borrowing or credit arrangements is less than 100%, MRP is calculated by applying the same percentage to the provision required under depreciation accounting.

#### **Proposed 2016/17 MRP Calculation Method**

The statutory guidance, issued by CLG in February 2012, confirmed that options 1 and 2 may only be used for capital expenditure incurred before 1 April 2008 or for any Supported Capital Expenditure, and advised that Authorities should use option 3 for capital expenditure incurred after this time.

It is proposed that for 2016/17 Gateshead Council follows the statutory guidance and adopts the following approach to calculating the MRP charge:

- The Regulatory Method (Option 1) continues to be used relating to any historic capital expenditure incurred prior to 1 April 2008;
- The Asset Life Equal Instalment Method (Option 3(a)) continues to be used relating to historic capital expenditure incurred between 1 April 2008 and 31 March 2013;

- The Asset Life Method will be used for any capital expenditure incurred after 1 April 2013 that has been financed using borrowing, adopting the following principles:
  - a) The Equal Instalment Method (Option 3(a)) will be applied for schemes that have an expected useful life of less than 25 years;
  - b) The Annuity Method (Option 3(b)) will be applied for schemes that have an expected useful life of 25 years or more.

For any transactions relating to PFI contracts, the Council will continue to use the Asset Life Annuity Method (Option 3 (b)) in accordance with the statutory guidance.

Where long-term loans have been issued to third parties for capital purposes, the Council will make MRP using the principal element of the loan repayment that is received.

The Strategic Director, Corporate Resources has the discretion to make additional voluntary provision.

In managing the HRA debt and considering the HRA business plan there is no mandatory requirement to make provision in the HRA for annual MRP payments. The provision to repay debt within the HRA is balanced with the need for investment in the stock and any voluntary provision to repay debt will be determined when closing the HRA subject to affordability considerations.

**MRP Statement 2016/17**

		Projected MRP Charge £m
Option 1	Regulatory Method – Supported Borrowing and Prudential Borrowing prior to 1 April 2008	5.129
Option 2	Asset Life Method – Equal Instalment	7.208
	Asset Life Method – Annuity Method	0.515
PFI	Annuity Method	2.929
Loans	Third Party Loans – Equal Instalment/Annuity	0.064
Voluntary Provision	General Fund	0.000
	Housing Revenue Account	0.000
<b>Total Projected MRP Charge</b>		<b>15.845</b>

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