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All Members of the Council

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

Contact Karen Robson
Tel: 0191 4332129

Date: 2 November 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 **2.35 pm** on **Thursday, 10 November 2016** to transact the following business:-

- 1 To confirm the Minutes of the meetings held 22 September 2016** (Pages 3 - 10)
- 2 Official Announcements**
(announcements may be made by the Mayor, Leader of the Council or the Chief Executive)
- 3 Petitions**
(to receive petitions submitted under Council Procedure Rule 10)
- 4 Questions from Members of the Public**
(to consider any questions submitted under Council Procedure Rule 7)
- 5 Presentation by Laura Pidcock, Show Racism the Red Card**
- 6 Representation on Gateshead Health and Wellbeing Board** (Pages 11 - 12)

RECOMMENDATIONS FROM CABINET

- 7 Revenue Budget - Second Quarter Review 2016/17** (Pages 13 - 24)

- 8 **Capital Programme and Prudential Indicators 2016/17 - Second Quarter Review** (Pages 25 - 42)

- 9 **Gateshead Community Infrastructure Levy (CIL)** (Pages 43 - 86)

- 9a **Restructuring and Reallocation of Housing and Construction Functions** (Pages 87 - 88)

- 10 **Report from the Cabinet** (Pages 89 - 98)

MOTIONS AND QUESTIONS

- 11 **Notice of Motion**
(to consider any notices of motion submitted in accordance with Council Procedure Rule 9.1)
 - 11a Notice of Motion - The Bus Services Bill (Pages 99 - 100)
 - 11b Notice of Motion - Developing Tourism (Pages 101 - 102)

- 12 **Questions**
(to deal with any questions submitted in accordance with Council Procedure Rule 8.1)



Mike Barker
Acting Chief Executive

GATESHEAD METROPOLITAN BOROUGH COUNCIL

COUNCIL MEETING

Thursday, 22 September 2016

PRESENT: THE MAYOR COUNCILLOR A THOMPSON (CHAIR)

Councillors: J Adams, R Beadle, C Bradley, M Brain, B Clelland, P Craig, D Davidson, W Dick, S Dickie, K Dodds, C Donovan, A Douglas, D Duggan, John Eagle, K Ferdinand, M Gannon, A Geddes, B Goldsworthy, T Graham, J Green, L Green, S Green, G Haley, S Hawkins, M Hood, H Hughes, J Kielty, L Kirton, J Lee, P Maughan, K McCartney, J McClurey, J McElroy, C McHatton, E McMaster, P Mole, R Mullen, B Oliphant, C Ord, S Ronchetti, J Turnbull, L Twist, J Wallace and A Wheeler

APOLOGIES: Councillors: P Dillon, L Caffrey, M Charlton, S Craig, M Foy, P Foy, M Goldsworthy, J Graham, M Hall, M Henry, C McHugh, P McNally, M McNestry, M Ord, I Patterson, C Simcox, J Simpson and N Weatherley

CL32 HONORARY ALDERMEN OF THE BOROUGH

On the motion of Councillor M Gannon, duly seconded:

COUNCIL RESOLVED - That Gateshead Metropolitan Borough Council, under the provisions of the Local Government Act 1972, hereby confers the title of Honorary Alderman upon the following former councillors in recognition of their eminent service to the Council:

- Brian Coates (1996 – 2016)
- John Hamilton (2000 – 2016)
- Ian Mearns (1983 – 2010)
- Joe Mitchinson (1996 – 2014)
- Pat Ronan (1994 – 2016)

And accordingly admits the above former councillors to be Honorary Aldermen.

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GATESHEAD METROPOLITAN BOROUGH COUNCIL

COUNCIL MEETING

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PRESENT: THE MAYOR COUNCILLOR A THOMPSON (CHAIR)

Councillors: J Adams, R Beadle, C Bradley, M Brain, B Clelland, P Craig, D Davidson, W Dick, S Dickie, K Dodds, C Donovan, A Douglas, D Duggan, John Eagle, K Ferdinand, M Gannon, A Geddes, B Goldsworthy, T Graham, J Green, L Green, S Green, G Haley, S Hawkins, M Hood, H Hughes, J Kielty, L Kirton, J Lee, P Maughan, K McCartney, J McClurey, J McElroy, C McHatton, E McMaster, P Mole, R Mullen, B Oliphant, C Ord, S Ronchetti, J Turnbull, L Twist, J Wallace and A Wheeler

APOLOGIES: Councillors: P Dillon, L Caffrey, M Charlton, S Craig, M Foy, P Foy, M Goldsworthy, J Graham, M Hall, M Henry, C McHugh, P McNally, M McNestry, M Ord, I Patterson, C Simcox, J Simpson and N Weatherley

Reverend Asif Karam from the Leam Methodist Church and Superintendent Minister to the Bede Circuit gave the opening address.

CL33 TO CONFIRM THE MINUTES OF THE MEETING HELD 14 JULY 2016

COUNCIL RESOLVED – That the minutes of the meeting held 14 July 2016 be approved as a correct record

CL34 OFFICIAL ANNOUNCEMENTS

There were no official announcements.

CL35 QUESTIONS FROM MEMBERS OF THE PUBLIC

Mr Paul Watson submitted the following questions:

“Please can the Council tell me what action it intends to take following the recent report published by ‘Together for Short Lives’ which awarded Gateshead Council 1 star out of 5 for the services it commissions for children with severe disabilities”.

Councillor A Douglas, Cabinet Member for Children and Young People responded to the question.

Mr Watson asked a supplementary question which was responded to by Councillor Douglas.

“Please can the Council inform me what figure they have used as the cost to meet their minimum legal duties when deciding if further budget cuts are possible, and how long does the Council estimate it will be before the Council’s budget falls before that level?”

Councillor M Gannon, Leader of the Council responded to the question.

Mr Watson asked a supplementary question which was responded to by Councillor Gannon.

CL36 PRESENTATION BY ABIGAIL POGSON, MANAGING DIRECTOR SAGE GATESHEAD

Abigail Pogson gave a presentation that provided an update on the work of Sage Gateshead.

CL37 PETITIONS

There were no petitions submitted

CL38 MULTI YEAR SETTLEMENT AND EFFICIENCY PLAN

Consideration was given to a report seeking acceptance of the Government offer of a multi-year financial settlement to 2019/20 and approval of the proposed efficiency plan submission to Government.

COUNCIL RESOLVED - That the multi-year settlement offer from Government to Gateshead be accepted and that the proposed efficiency plan be approved.

CL39 AMENDMENT TO THE TREASURY POLICY STATEMENT AND TREASURY STRATEGY 2016/17 TO 2018/19

Consideration was given to a report seeking approval of an amendment to the Treasury Policy Statement and Treasury Strategy for 2016/17 to 2018/19.

COUNCIL RESOLVED – That the following changes to the Treasury Strategy be approved:

- Section 6. Investment Strategy 2016/17 to 2018/19 to change to reflect the exclusion of the UK from the requirement to have a sovereign rating of AA+ as shown in Appendix 2.

CL40 ANNUAL REPORT OF THE AUDIT AND STANDARDS COMMITTEE 2015/16

Consideration was given to a report seeking approval of the annual report of the Audit and Standards Committee for 2015/16.

COUNCIL RESOLVED - That the annual report of the Audit and Standards Committee for 2015/16 be approved.

CL41 LETTINGS POLICY REVIEW

Consideration was given to a report seeking approval of proposed changes to the lettings policy to improve accessibility for customers and support the sustainability of the Housing Revenue Account.

COUNCIL RESOLVED - i) That the revised policy at Appendix 2 of the attached report be approved.

ii) That the Lettings Policy is continued with a second report to be presented to Cabinet outlining changes necessary to address the implications of the Housing Planning Act 2016, once regulatory guidance has been released in the autumn.

CL42 CHARGING STRUCTURE FOR GARDEN WASTE COLLECTIONS 2017

Consideration was given to a report seeking approval of the charging structure for garden waste collections 2017.

COUNCIL RESOLVED - i) That the charging structure for garden waste collections for 2017 as set out in the report be approved.

ii) That the inclusion of the £31 and £33 charges on the fees and charges schedule for 2016/17 be approved so that payments can be taken from November 2016.

CL43 STRATEGIC REVIEW OF FLOODING RESPONSE AND DISTRIBUTION OF SANDBAGS

Consideration was given to a report informing of the findings and outcomes from a Strategic Review of Flooding Response and to seek approval of a Sandbag Policy for Gateshead.

COUNCIL RESOLVED - That the Sandbag Policy for Gateshead as set out in Appendix 3 be approved.

CL44 ANNUAL YOUTH JUSTICE STRATEGIC PLAN 2016/17

Consideration was given to a report seeking endorsement of the Annual Youth Justice Strategic Plan for 2016/2017.

COUNCIL RESOLVED - That that the Annual Youth Justice Strategic Plan 2016/17 be endorsed.

CL45 REPORT FROM THE CABINET

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

COUNCIL RESOLVED - That the information be noted

CL46 NOTICE OF MOTION - DEVOLUTION

Councillor M Gannon moved the following motion (altered in accordance with Council Procedure Rule 12.2):

“This Council confirms its commitment to genuine and democratically accountable regional devolution. Gateshead Council calls upon Government to continue discussions to implement fairly funded devolution across the North East region and commits to working jointly with all North East Local Authorities to achieve this.

Council further calls upon NECA to facilitate a constitutional convention to prepare proposals for regional devolution as a basis for negotiation with Government”

On the motion being put it was declared to be carried.

CL47 NOTICE OF MOTION - DEVOLUTION

As this motion had been incorporate into the altered motion (above), the proposer of this motion informed Council that it had been withdrawn.

CL48 NOTICE OF MOTION - ROAD SAFETY

Councillor M Brain move the following motion (altered in accordance with Council Procedure Rule 12.2):

“Council notes the recent tragic loss of life in road traffic accidents in Gateshead and asks the Communities and Place Overview and Scrutiny Committee to review the work of all relevant agencies holding road safety responsibilities”.

On the motion being put it was declared to be carried

CL49 NOTICE OF MOTION - GRAMMAR SCHOOLS

Councillor A Douglas moved the following motion:

“Council notes the continuing improvement in GCSE and ‘A’ Level results in the Borough.

This has not been achieved by selection by ability but by a commitment to helping every child reach their potential regardless of starting point.

Gateshead Council takes pride in the achievements of all its children and young people through the provision of good quality education available to all students, not just a select few. Council notes with regret the Government’s decision to introduce elitist and socially divisive new Grammar Schools in England and calls upon Government and all Secondary Schools in the Borough to reject this proposal”.

On the motion being put it was declared to be carried.

CL50 QUESTIONS

Councillor D Duggan submitted the following question:

“Can assurances be given that Full Council and/or Cabinet will discuss the proposed Public Space Protection Orders once the public consultation has been completed?”

Councillor L Green, Cabinet Member for Communities and Volunteering responded to the question.

Councillor Duggan asked a supplementary question to which Councillor Green replied.

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COUNCIL MEETING

10 November 2016

REPRESENTATION ON GATESHEAD HEALTH AND WELLBEING BOARD

Mike Barker, Acting Chief Executive

EXECUTIVE SUMMARY

1. The purpose of this report is to appoint an additional representative to Gateshead Health and Wellbeing Board (the Board).
2. The Board moved from shadow status to a statutory committee of the Council in April 2013. Most of the Board's membership is defined by legislation however, there is provision to allow the Council, following consultation with the Board, to appoint additional members.
3. It is proposed that membership be expanded to include a representative of Tyne and Wear Fire and Rescue Service. The Board endorsed this proposal at its meeting on 21 October 2016.

RECOMMENDATIONS

4. It is recommended that Council:
 - (i) Approve the appointment, with full voting rights, of one representative of Tyne and Wear Fire and Rescue Service; and
 - (ii) Amend article 11 of the Council's Constitution accordingly.

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COUNCIL MEETING

10 November 2016

REVENUE BUDGET – SECOND QUARTER REVIEW 2016/17

Mike Barker, Acting Chief Executive

EXECUTIVE SUMMARY

1. The purpose of this report is to inform of the latest monitoring position on the 2016/17 revenue budget at the end of the second quarter to 30 September 2016 and to recommend a budget virement in relation to Adult Social Care.
2. Council agreed the original revenue budget for 2016/17 on 23 February 2016 and this was set at £198.883m. Without any further action, the projected outturn for 2016/17 at 30 September 2016 is £202.232m compared to the estimate of £198.883m. There is an expected increase in funding from original budget of £0.048m and this results in a projected over spend of £3.397m. The projection for the year includes the use of £89.877m of reserves, including £3.847m from the General Reserve.
3. Key budget variances have been identified in the second quarter review in respect of the Social Work – Children and Families Service and Adult Social Care. Specific action plans have been prepared to address the areas of over spend and these will remain under review.
4. It is important that effective budget monitoring and action planning is in place to ensure that spending in 2016/17 is contained within approved budgets as this will contribute to a sustainable financial position for the Council.
5. A budget virement is required in order to re-align budgets relating to the delivery of the agreed saving of £3.300m for a Revised Demand Management Model for Adult Social Care.
6. The Cabinet has considered the facts and issues arising from the report including alternative options and took all relevant advice before formulating their recommendation.

RECOMMENDATION

7. It is recommended that Council:
 - i) Approves the budget virement in relation to the Adult Social Care saving as set out in paragraph 8 of the attached report.
 - ii) Notes the Council's revenue expenditure position at 30 September 2016 as set out in Appendix 1 of the attached report.

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TITLE OF REPORT: Revenue Budget - Second Quarter Review 2016/17

REPORT OF: Darren Collins, Strategic Director, Corporate Resources

Purpose of the Report

1. This report sets out the latest monitoring position on the 2016/17 revenue budget at the end of the second quarter to 30 September 2016. Cabinet is asked to note the contents of the report and to recommend to Council a budget virement in relation to Adult Social Care.

Background

2. Cabinet receives quarterly reports on the agreed revenue budget so that any variances can be identified and addressed. This report sets out the revenue monitoring position at 30 September 2016.
3. Council agreed the original revenue budget for 2016/17 on 23 February 2016. This was set at £198.883m.

Proposal

4. Without any further action, the projected outturn for 2016/17 at 30 September 2016 is £202.232m compared to the estimate of £198.883m. There is an expected increase in funding from original budget of £0.048m and this results in a projected over spend of £3.397m. The projection for the year includes the use of £8.877m of reserves, including £3.847m from the General Reserve. A comparison of projected use of reserves against original estimated use is presented in Appendix 3.
5. Continued monitoring within services, regular reports to Strategy Group and the delivery of action plans to address budget variances and shortfall on savings targets will aim to ensure that spending for the year remains contained within the current estimate. No change in the total revenue budget is therefore recommended in this report.
6. Key budget variances have been identified in the second quarter review in respect of the Social Work - Children and Families Service and Adult Social Care. These areas of budget pressure are currently partially offset by under spends in Contingencies, Capital Financing Costs and Traded Income. Specific action plans have been prepared to address the areas of over spend and these areas will remain under review. The agreed savings for 2016/17 continue to be actively monitored to facilitate delivery of the original budget.
7. It is important that effective budget monitoring and action planning is in place to ensure that spending in 2016/17 is contained within approved budgets as this will

contribute to a sustainable financial position for the Council. Any overspend at the end of the financial year will result in the 2017/18 funding gap being increased.

8. A budget virement is required in order to re-align budgets relating to the delivery of the agreed saving of £3.300m for a Revised Demand Management Model for Adult Social Care. The net budget movement required in order to accurately reflect the delivery of the saving within revenue monitoring is set out below; this has a neutral impact on the budget overall:

- Development and Public Protection to be reduced by £0.106m
- Housing General Fund to be reduced by £0.122m
- Commissioning and Quality Assurance to be reduced by £0.983m
- Early Help to be reduced by £0.018m
- Social Work Children and Families to be reduced by £0.033m.
- Adult Social Care to be increased by £1.262m

Recommendations

9. It is requested that Cabinet:
- i. Recommend to Council the budget virement in relation to the Adult Social Care saving as set out in Paragraph 8.
 - ii. Notes the Council's revenue expenditure position at 30 September 2016, as set out in Appendix 1.

For the following reason:

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

CONTACT: Deborah Clark - Extension 2093

Policy Context

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

Background

2. The Accounts and Audit Regulations 2015, which represent financial management good practice, recommend that councillors should receive regular reports on performance against revenue and capital budgets. The frequency of the reports is determined following a risk assessment of the budget, and Cabinet currently receives a report on a quarterly basis.
3. This report sets out the latest position on the 2016/17 revenue budget as at 30 September 2016 and projects spending and income to the end of the financial year.
4. Council agrees the revenue budget and it also approves variations and revisions to the original budget.
5. Council agreed the original revenue budget for 2016/17 on 23 February 2016. This was set at £198.883m.
6. Appendix 2 details the agreed budget for 2016/17 compared to an assessment of the projected outturn for the year. At the end of the second quarter of the year, the projected outturn of £202.232m is £3.349m more than the agreed budget and the revenue financing is £0.048m less than the agreed budget which results in a total projected under spend of £3.397m.
7. Appendix 3 details the expected use of reserves for 2016/17. At the end of the second quarter of the year the projected use of reserves is £8.877m.

Variations

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

Care, Wellbeing and Learning

9. There has been a re-alignment of budget responsibilities within Care, Wellbeing and Learning following a service review. This has resulted in a new service: Commissioning and Quality Assurance which combines the Children's and Adult's Commissioning functions, and Children and Families Support has been renamed Early Help and Education. Budget responsibilities have mainly been re-aligned across Early Help and Education, Commissioning and Quality Assurance and Adult Social Care.
10. The projected over spend of £1.662m on Social Work - Children and Families relates to placement expenditure for Looked After Children in Out of Borough Residential, Independent Fostering and In-House Fostering. Action planning is

continuing in this area which is linked to the Children's Social Care Financial Strategy.

11. The projected over spend of £0.804m on Early Help and Education relates to Home to School/College transport costs, with specific focussed action planning continuing to address the over spend.
12. The projected over spend of £1.635m on Adult Social Care relates to an over spend on employee costs, higher than expected care costs for Older People and Learning Disabilities, and a delay in the service review which has resulted in an underachievement of savings.
13. The expectation remains that expenditure on Public Health will be managed to ensure that the outturn will be consistent with the ring-fenced allocation and any over spends will be funded from the ring fenced Public Health reserve.

Communities and Environment

14. The projected over spend of £0.703m on Housing General Fund relates mainly to delays in the delivery of agreed savings.
15. The projected over spend of £0.255m on Council Housing, Design and Technical Services relates mainly to an underachievement of income.
16. The projected over spend of £0.250m on Culture, Communities, Leisure and Volunteering relates mainly to an over spend on employee costs at Birtley Leisure Centre and an underachievement of income across all leisure facilities.
17. The projected over spend of £0.351m on Waste Services, Grounds Maintenance and Fleet Management relates mainly to an under achievement of income.

Corporate Resources

18. The projected over spend of £0.318m on Housing Benefits relates mainly to a projected underachievement of income due to the ongoing impact of Welfare Reform.

Other Services and Contingencies

19. The projected under spend of £0.619m relates to under spends on debt management expenses within Other Services, and in the expected use of Contingencies.

Capital Financing Costs

20. The projected under spend of £0.629m on Capital Financing Costs is mainly due to a lower than expected revenue requirement for the Capital Programme financing for 2016/17, a reduction in the Bank of England base rate which has brought down investment and borrowing costs, and active management of the Council's cash balances.

Traded and Investment Income

21. The projected under spend of £0.597m relates to an increase in Investment Income and an increase in expected income from the Trinity Square Partnership with Northumbria University in 2016/17.
22. The Council received a dividend of £2.897m from Newcastle Airport beyond the second quarter on 6 October 2016 arising from a refinancing exercise. This income has not been included within the projections for the year end position as Cabinet will determine its use.

Reserves

23. A summary of the intended use of reserves is attached at Appendix 3. It was estimated that £11.431m would be required to support the revenue budget in 2016/17 and projections currently show that £8.877m will be required. This usage includes £3.847m from the General Reserve.

Virement

24. Work is progressing on a new staffing model in order to achieve the agreed saving of £3.300m in 2016/17 for a Revised Demand Management Model for Adult Social Care. A first phase saving of £2.096m has been delivered which impacts budgets across Groups and Services. The budget movement set out below is required in order to accurately reflect the expected delivery of the saving within revenue monitoring; this has a neutral impact on the budget overall:
 - Development and Public Protection to be reduced by £0.106m
 - Housing General Fund to be reduced by £0.122m
 - Commissioning and Quality Assurance to be reduced by £0.983m
 - Early Help to be reduced by £0.018m
 - Social Work Children and Families to be reduced by £0.033m.
 - Adult Social Care to be increased by £1.262m

Summary

25. The projected over spend as at 30 September 2016 of £3.397m is after the application of reserves in line with the usage agreed as part of 2016/17 budget and the 2015/16 revenue outturn report.
26. For all projected over spends, regular monitoring will continue to take place with action plans being monitored with the aim of containing spending within the original budget. Plans will be incorporated into the internal monthly revenue monitoring timetable with regular updates to Strategy Group and with updates to Cabinet.

Balance Sheet Management

27. Balance Sheet control accounts, which cover the Council's assets and liabilities, are reconciled on a quarterly basis. In addition, a number of key Balance Sheet control accounts are now reconciled on a monthly basis as part of the revenue monitoring process. This is part of a proactive approach to Balance Sheet management which,

if carried out on a timely basis, ensures the early identification of problems which could impact on the Council's financial position.

28. Key control accounts are assessed based on experience from previous years, materiality and reliance on third party data. Those key control accounts reconciled as at 30 September 2016 are operating satisfactorily.

Consultation

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

Alternative Options

30. There are no alternative options proposed.

Implications of Recommended Option

31. Resources

a. Financial Implications – The Strategic Director, Corporate Resources confirms these are as set out in the report and Appendix 2 and 3.

b. Human Resource Implications – There are no direct Human Resource implications as a consequence of this report.

c. Property Implications – There are no direct property implications as a consequence of this report.

32. Risk Management Implication

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

33. Equality and Diversity Implications - Nil.

34. Crime and Disorder Implications - Nil.

35. Health Implications - Nil

36. Sustainability Implications – Regular budget monitoring and allocated actions contributes to the financial sustainability of the Council.

37. Human Rights Implications - Nil.

38. Area and Ward Implications - Revenue spending supports the delivery of services across the whole of Gateshead.

Appendix 2 - Revenue Monitoring Summary 2016/17

Service	Revised Budget £'000	Projected Outturn £'000	Variance £'000
<u>Care, Wellbeing & Learning</u>			
Social Work - Children & Families	19,961	21,623	1,662
Early Help & Education	7,448	8,252	804
Commissioning & Quality Assurance	8,347	8,253	-94
Learning & Schools	2,162	1,874	-288
Adult Social Care	55,081	56,716	1,635
Public Health	17,380	17,380	0
<u>Communities & Environment</u>			
Housing General Fund	-27	703	730
Development & Public Protection	2,475	2,507	32
Council Housing, Design & Technical Services	-754	-499	255
Transport Strategy	2,090	2,050	-40
Culture, Communities, Leisure & Volunteering	6,893	7,143	250
Commissioning & Business Development	3,645	3,662	17
Facilities Management	2,197	2,004	-193
Waste Services, Grounds Maintenance & Fleet Management	9,816	10,167	351
Construction General Fund	3,816	3,816	0
Economic & Housing Growth	1,375	1,294	-81
<u>Office of the Chief Executive</u>			
Policy, Performance, Communications and Change	1,777	1,782	5
<u>Corporate Services & Governance</u>			
Legal, Democratic & Property Services	1,240	1,159	-81
Human Resources & Litigation	2,324	2,261	-63
Corporate Commissioning & Procurement	411	407	-4
<u>Corporate Resources</u>			
Corporate Finance	1,094	1,093	-1
Customer & Financial Services	3,469	3,445	-24
Housing Benefits	-406	-88	318
ICT Services	2,229	2,234	5
Other Services & Contingencies	7,023	6,404	-619
Capital Financing Costs	30,500	29,871	-629
Traded and Investment Income	-2,620	-3,217	-597
Expenditure Passed outside the General Fund	-1,896	-1,896	0
Levies	11,832	11,832	0
NET BUDGET	198,883	202,232	3,349
<u>Financed By</u>			
Settlement Funding Assessment (SFA)	-91,427	-91,134	293
Other Grants	-12,829	-13,074	-245
Public Health	-17,380	-17,380	0
Council Tax	-77,236	-77,236	0
Collection Fund (Council Tax)	-11	-11	0
TOTAL FUNDING	-198,883	-198,835	48
PROJECTED (UNDER) / OVER SPEND	-0	3,397	3,397

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Appendix 3

Reserves Summary 2016/17

	Original Estimated Use 2016/17 £'000	Projected Use 2016/17 £'000
General Reserves		
SAVINGS MITIGATION		
Adult Social Care	2,933	2,933
Children's Services	814	814
Communities and Environment	174	100
Governance and Resources	50	0
TOTAL SAVINGS MITIGATION	3,971	3,847
Earmarked Funds		
STRATEGIC RESERVES		
Budget Flexibility Reserve	2,563	1,993
Economic Growth Reserve	500	8
Discretionary Social Fund Reserve	250	250
Strategic Change Reserve	1,600	1,600
TOTAL STRATEGIC RESERVES	4,913	3,851
RINGFENCED RESERVES		
Unapplied Revenue Grants	1,252	621
Developer's Contributions	446	395
Public Health Reserve	849	163
TOTAL RINGFENCED RESERVES	2,547	1,179
TOTAL USE OF RESERVES	11,431	8,877

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COUNCIL MEETING

10 November 2016

CAPITAL PROGRAMME AND PRUDENTIAL INDICATORS 2016/17 – SECOND QUARTER REVIEW

Mike Barker, Acting Chief Executive

EXECUTIVE SUMMARY

1. The purpose of this report is to inform of the latest position on the 2016/17 Capital Programme and Prudential Indicators at the end of the first quarter to 30 September 2016. The report also considers the impact of CIPFA's Prudential Code on the capital programme and the monitoring of performance against the Statutory Prudential Indicators.
2. The original budget for the capital programme for 2016/17, as agreed by Council on 23 February 2016 totalled £71.069m which was then revised to £76.297m as part of the first quarter review. The second quarter review now projects the year end expenditure to be £73.346m.
3. The proposed slippage in the capital programme is resourced by external funding and prudential borrowing and the Council continues to manage the available resources in a flexible manner to ensure that the use of external resources is maximised where possible.
4. CIPFA's Prudential Code advised the regular monitoring of performance against prudential indicators which regulate borrowing and investment. Targets and limits for the prudential indicators for 2016/17 were agreed by Council on 23 February 2016 and borrowing and investment levels have remained within these limits.
5. The Cabinet has considered the facts and issues arising from the report including alternative options and took all relevant advice before formulating their recommendation.

RECOMMENDATION

6. It is recommended that Council:
 - i) Approve all variations to the 2016/17 Capital Programme, as detailed in Appendix 2 of the attached report, as the revised programme.
 - ii) Approve the financing of the revised programme.
 - iii) Confirm that the capital expenditure and capital financing requirement indicators have been revised in line with the revised budget and that none of the approved Prudential Indicators set for 2016/17 have been breached.

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TITLE OF REPORT: Capital Programme and Prudential Indicators 2016/17
 – Second Quarter Review

REPORT OF: Darren Collins, Strategic Director, Corporate Resources

Purpose of the Report

1. This report sets out the latest position on the 2016/17 capital programme and Prudential Indicators at the end of the first quarter to 30 September 2016. The report assesses reasons for the variances from the approved programme and details the proposed financing of the capital programme. In addition the report considers the impact of CIPFA's Prudential Code on the capital programme and the monitoring of performance against the statutory Prudential Indicators.

Background

2. The original budget for the capital programme for 2016/17, as agreed by Council on 23 February 2016, totalled £71.069m, which was then revised to £76.297m as part of the first quarter review. The second quarter review now projects the year-end expenditure to be £73.346m.
3. The proposed reduction to the capital programme at the second quarter comprises of the following movements:

	£m
Slippage of planned capital expenditure from 2015/16	0.050
Increased borrowing/external funding/contributions	3.869
Re-profiling of capital expenditure to future years	(5.414)
Re-profiling of planned HRA Investment	(1.256)
Other reductions	(0.200)
Total Variance	(2.951)

4. The proposed slippage in the capital programme is resourced by external funding and prudential borrowing, and the Council continues to manage the available resources in a flexible manner to ensure that the use of external resources is maximised where possible.
5. A total of £5.414m of slippage has been identified on a number of key schemes throughout the capital programme where expenditure has been re-profiled into 2017/18. This includes £2.412m relating to potential development at Baltic Business Quarter, relating to a planned delay in the progression of the speculative office development element of the scheme. The Council's resources are currently focussed instead on progressing the Northern Centre for Emerging Technology scheme which is expected to utilise external funding from ERDF and the Local Growth Fund.

6. The slippage to future years also includes:
 - £0.590m relating to the proposed Street Lighting LED replacements following delays in the procurement process which means installation is unable to commence in the current financial year;
 - £0.500m relating to potential investment in Gateshead Quays. Work is ongoing to develop specific investment proposals with our Development Partner which will then inform the Council's investment plans within the future Capital Programme;
 - £0.400m relating to the proposal to reconfigure the Public Spaces within the Civic Centre. This will be considered alongside potential opportunities to improve the use of the building and explore options to work with other Public Sector organisations;
 - £0.400m relating to the planned extension of the Energy Network to Trinity Square as commercial negotiations with potential end users continue.

7. Additions to the programme identified during the second quarter review amount to £3.869m. This includes the proposed acquisition of retail and residential units as an investment at St Mary's Green in Whickham. The retail units will form part of the non-operational portfolio whilst the residential units utilise HRA capital receipts and will form part of the HRA in a manner consistent with the Council's existing assets held at St Mary's Green.

8. Other significant value additions also included:
 - £0.380m relating to the proposed £11.56m High-rise Energy Infrastructure scheme at Harlow Green and Regent Court, which is seeking ERDF funding, to fund the required pre-construction costs and undertake the detailed design;
 - £0.340m relating to the £0.85m Battery Storage project which is linked to the Council's District Energy Scheme and provides the opportunity to store surplus electricity for re-supply at peak periods;
 - £0.300m relating to the £3.1m development of the New Build Assisted Living Schemes within the HRA to provide enhanced specialist housing for people with learning disabilities and autism. The investment in the current year will progress the design and site investigations elements of the scheme with construction work expected to commence next year.

9. During the second quarter there have also been a number of changes to re-profile planned investment to future years within the HRA amounting to £1.256m including:
 - £0.387m of investment in Decent Homes works, primarily as a result of revising the scope of required works. Potential reserve schemes are being developed for consideration;
 - £0.366m of investment in Service Risers pending the outcome of CCTV survey's required to inform the design work;
 - £0.187m relating to the delivery of the ongoing multi-year lift replacement and refurbishment programme, reflecting the contractors proposed delivery plans;
 - £0.117m relating to Estate Regeneration commitments, with the remaining acquisitions likely to require a CPO to progress;
 - £0.114m relating to investment in Door Entry system upgrades as a result of performance issues with the system which has resulted in a decision to defer the planned investment until the issues have been resolved.

Proposal

10. The report identifies planned capital expenditure of £73.346m for the 2016/17 financial year. The expected resources required to fund the 2016/17 capital programme are as follows:

	£m
Prudential Borrowing	34.823
Capital Grants and Contributions	13.627
Major Repairs Reserve (HRA)	21.226
Capital Receipts	3.670
Total Capital Programme	73.346

11. CIPFA's Prudential Code advises the regular monitoring of performance against the prudential indicators which regulate borrowing and investment. Targets and limits for the prudential indicators for 2016/17 were agreed at Council on 23 February 2016 and borrowing and investment levels have remained within these limits.

Recommendations

12. Cabinet is asked to:
- (i) Recommend to Council that all variations to the 2016/17 Capital Programme as detailed in Appendix 2 are agreed as the revised programme.
 - (ii) Recommend to Council the financing of the revised programme.
 - (iii) Confirm to Council that the capital expenditure and capital financing requirement indicators have been revised in line with the revised budget and that none of the approved Prudential Indicators set for 2016/17 have been breached.

For the following reasons:

- (i) To ensure the optimum use of the Council's capital resources in 2016/17.
- (ii) To accommodate changes to the Council's in-year capital expenditure plans.
- (iii) To monitor performance within the approved Prudential Limits.

CONTACT: David Mason extension 3686

Policy Context

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

Background

2. The original budget for the capital programme for 2016/17, as agreed by Council on 23 February 2016, totalled £71.069m. This was revised to £76.297m at the first quarter review.
3. The projected year-end expenditure is £73.346m at the end of the second quarter.
4. The £2.951m variance is due to a combination of the review of existing schemes and re-profiling of resources to future years, the receipt of additional resources and other variances. All variations in the programme during the second quarter are detailed in Appendix 2.
5. Appendix 3 summarises the original budget and actual year end payments by Corporate Priority. The budget, projected year end payments and comments on the progress of each scheme are detailed in Appendix 4.
6. The Prudential Code sets out a range of Prudential Indicators that were agreed by the Council on 23 February 2016. Performance against the indicators for 2016/17 is set out in Appendix 5.

Consultation

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

Alternative Options

8. The proposed financing arrangements are the best available in order to ensure the optimum use of the Council's capital resources in 2016/17.

Implications of Recommended Option

9. Resources:

- a) **Financial Implications** – The Strategic Director, Corporate Resources confirms that the financial implications are as set out in the report.
- b) **Human Resources Implications** – There are no human resources implications arising from this report.
- c) **Property Implications** - There are no direct property implications arising from this report. Capital investment optimises the use of property assets to support the delivery of corporate priorities. The property implications of individual schemes will be considered and reported separately.

10. **Risk Management Implication** - Risks are assessed as part of the process of monitoring the programme and in respect of treasury management. The Cabinet will continue to receive quarterly reports for recommendation of any issues to Council, together with any necessary action to ensure expenditure is managed within available resources.
11. **Equality and Diversity Implications** - There are no equality and diversity implications arising from this report.
12. **Crime and Disorder Implications** - There are no direct crime and disorder implications arising from this report.
13. **Health Implications** - There are no health implications arising from this report.
14. **Sustainability Implications** - The works will help to make the environment more attractive and reduce health and safety hazards.
15. **Human Rights Implications** - There are no direct human rights implications arising from this report.
16. **Area and Ward Implications** - Capital schemes will provide improvements in wards across the borough.
17. **Background Information**
 - i. Report for Cabinet, 23 February 2016 (Council 25 February 2016) - Capital Programme 2016/17 to 2020/21.
 - ii. Report for Cabinet, 12 July 2016 - Capital Programme and Prudential Indicators 2016/17 – Second Quarter Review.

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Reason for Movement	Vision 2030	Group	Project Title	Variance (£'000)
Increases				
Additional External Funding	Sustainable Gateshead	CAE	Flood Alleviation Investment	152
		CWL	Schools Devolved Formula Funding	250
			School Capital Improvements	188
	Active & Healthy Gateshead	CAE	Fixed Play S106	70
Slippage from Previous Years	Sustainable Gateshead	CAE	Health & Safety	50
Other Increases	City of Gateshead	CSG	Non Operational Portfolio - Strategic Investment Plan	1,830
	Sustainable Gateshead	CAE	Battery Storage	340
			CIL System	30
			Leisure ICT Infrastructure	60
		CWL	ASC System Improvements	75
		HRA	External Wall Insulation Works to Non-Traditional Properties	194
			Tower Block Energy Efficiency Improvements	380
			New Build	300
Total Increases				3,919
Other Reductions	Sustainable Gateshead	CAE	Team Valley Flood Alleviation	-29
		CRS	Digital Gateshead	-50
		HRA	Boiler Replacement Investment (Including Back Boiler Renewal)	-95
			Equality Act Works	-4
			T-fall Insulation	-22
Slippage to future years	City of Gateshead	CAE	ADZ Investment – BBQ	-2,412
			ADZ Investment - Gateshead Quays	-500
			Coatsworth Road Regeneration - THI	-377
			Empty Property Programme 2015/18	-39
			New Build Housing (Weathercock Lane)	-210
			Urban Core - Exemplar Neighbourhood	-329

Reason for Movement	Vision 2030	Group	Project Title	Variance (£'000)
	Sustainable Gateshead	CAE	Civic Centre Workspace Strategy	-400
			Energy Network Extension - Trinity Square	-400
			Gateshead Millennium Bridge Strategic Maintenance	-114
			Land of Oak and Iron	-43
			Street Lighting LED Replacement - Phase 4	-590
		HRA	Decent Homes Investment Programme	-387
			Door Entry System Upgrades	-114
			Estates Regeneration	-117
			Fire Safety Works - General	-57
			Lift Replacement / Refurbishment	-187
			Replacement of Communal Electrics	-28
			Risers (Services)	-366
		Total Reductions		
Grand Total				-2,951

Vision 2030	Revised Forecast Q1 30/06/2016	Revised Forecast Q2 30/09/2016	Variation as at 30/09/2016	Actual Spend as at 30/09/2016
	£000	£000	£000	£000
Active & Healthy Gateshead	4,707	4,777	70	2,370
City of Gateshead	9,775	7,738	-2,037	906
Creative Gateshead	139	139	0	36
Gateshead Goes Global	5,125	5,125	0	1,380
Sustainable Gateshead	56,551	55,567	-984	15,562
TOTAL	76,297	73,346	-2,951	20,254

Vision 2030	Group	Project Title	Approved Budget Q1 (£000)	Revised Budget Q2 (£000)	Comments	
Active & Healthy Gateshead	CAE	Chase Park Restoration	572	572		
		Equality Act 2010 (former DDA)	200	200		
		Falls Prevention	100	100		
		Fixed Play S106	0	70	Additional external funding (Developer Contributions)	
	CSG	Northside Birtley	1,730	1,730		
	CWL	Disabled Facilities Grants (DFGs)	1,750	1,750		
		Telecare Equipment	75	75		
		Changing Lives	280	280		
	Total Active & Healthy Gateshead			4,707	4,777	
	City of Gateshead	CAE	ADZ Investment – BBQ	5,500	3,088	Slippage to future years (Borrowing)
ADZ Investment - Gateshead Quays			650	150	Slippage to future years (Borrowing)	
City Boulevard			130	130		
Coatsworth Road Regeneration - THI			580	203	Slippage to future years (Borrowing and HLF Grant)	
Development Site Preparation Works			520	520		
Empty Property Programme 2015/18			145	106	Slippage to future years (HCA Grant)	
Housing JV - Brandling			350	350		
Keelman Homes - Affordable Housing Development			500	500		
New Build Housing (Weathercock Lane)			210	0	Slippage to future years (Receipts)	
Urban Core - Creative Quarter			50	50		
Urban Core - Exemplar Neighbourhood			350	21	Slippage to future years (Borrowing)	
Urban Core - Retail Quarter			90	90		
Housing JV - Bensham & Saltwell			300	300		
CSG		Non Operational Portfolio - Strategic Investment Plan	400	2,230	Other Increases (Borrowing and HRA Receipts)	
Total City of Gateshead			9,775	7,738		
Creative Gateshead	CAE	GRP Public Art	54	54		
	CRS	Broadband Delivery UK	85	85		
	Total Creative Gateshead			139	139	
Gateshead Goes Global	CAE	Ravensworth Terrace Primary School	4,845	4,845		
	CWL	Additional Childcare Provision	280	280		
	Total Gateshead Goes Global			5,125	5,125	

Vision 2030	Group	Project Title	Approved Budget Q1 (£000)	Revised Budget Q2 (£000)	Comments
Sustainable Gateshead	CAE	All Round Camera System for Collection Vehicles	88	88	
		Birtley Cemetery Extension	140	140	
		Bus Based Major Transport Scheme	175	175	
		Civic Centre Workspace Strategy	800	400	Slippage to future years (Borrowing)
		Crawcrook Quarry Restoration	100	100	
		Energy Network Extension - Trinity Square	400	0	Slippage to future years (Borrowing)
		Flood Alleviation Investment	600	752	Additional External Funding (Environment Agency)
		Gateshead Millennium Bridge Strategic Maintenance	180	66	Slippage to future years (Borrowing)
		Gateshead Town Centre District Energy Network	10,385	10,385	
		Great North Cycleway	881	881	
		Health & Safety	500	550	Slippage from previous years (Borrowing)
		Land of Oak and Iron	227	184	Slippage to future years (Borrowing)
		Local Transport Plan	4,825	4,825	
		Metrogreen	200	200	
		Public Realm Improvement	113	113	
		Quay Wall	90	90	
		Replacement of Fleet and Horticultural Equipment	2,600	2,600	
		Salix Energy Efficiency Works	210	210	
		Strategic Maintenance	1,250	1,250	
		Street Lighting Column Replacement	2,135	2,135	
		Street Lighting LED Replacement - Phase 4	600	10	Slippage to future years (Borrowing)
		Street Lighting Phase 3 LED Lanterns	250	250	
		Team Valley Flood Alleviation	40	11	Other Reductions (Borrowing)
		Waste Infrastructure Grant	125	125	
		Highways Strategic Maintenance	750	750	
		Infant Free School Meals Funding	40	40	
	s106 Highways Works Boroughwide	18	18		
	Battery Storage	0	340	Other Increases (Borrowing)	
	CIL System	0	30	Other Increases (Borrowing)	
	Leisure ICT Infrastructure	0	60	Other Increases (Borrowing)	
	CRS	Agresso Development	100	100	
		Digital Gateshead	450	400	
		Technology Plan: Infrastructure	2,875	2,875	
Technology Plan: Transformation Through Technology		1,042	1,042		
CWL	School Capital Improvements	2,183	2,371	Other Increases (School and DSG Contributions)	
	Schools Devolved Formula Funding	150	400	Additional external funding (EFA)	
	ASC System	0	75		

Vision 2030	Group	Project Title	Approved Budget Q1 (£000)	Revised Budget Q2 (£000)	Comments
Sustainable Gateshead	HRA	Aids and Adaptations	1,500	1,500	
		Decent Homes – Backlog/Ad-hoc Works	300	300	
		Decent Homes - Investment Programme	7,390	7,003	Slippage to future years
		Door Entry System Upgrades	411	297	Slippage to future years
		External Wall Insulation Works to Non-Traditional Properties	979	1,173	Other Increases
		Fire Safety Works - General	157	100	Slippage to future years
		Lift Replacement / Refurbishment	710	523	Slippage to future years
		Boiler Replacement Investment (Including Back Boiler Renewal)	1,450	1,355	Other Reductions
		Programme Management	1,000	1,000	
		Regent Court Improvement Works	150	150	
		Replacement of Communal Electrics	260	232	Other Reductions
		Risers (Services)	400	34	Slippage to future years
		Strategic Maintenance	2,000	2,000	
		T-fall Insulation	176	154	Other Reductions
		Timber Replacements	105	105	
		Tower Block Energy Efficiency Improvements	2,000	2,380	
		Warden Call	250	250	
		Window Replacement	750	750	
		Improvement Works - Boiler Plant Renewal	235	235	
		Equality Act Works	300	296	Other Reductions
Estates Regeneration	1,422	1,305	Slippage to future years		
New Build	0	300	Other Increases (HRA resources and HCA funding)		
South End Garage Clearance	84	84			
Total Sustainable Gateshead			56,551	55,567	
Grand Total			76,297	73,346	

PRUDENTIAL INDICATORS 2016/17

The 2016/17 Prudential Indicators were agreed by Council on 23 February 2016 (column 1). This is now compared with the 2016/17 actual position as at the end of the second quarter, 30th September 2016 (column 2).

Certain Treasury Management indicators must be monitored throughout the year on a regular basis in order to avoid breaching agreed limits. The capital expenditure and capital financing requirement indicators have been revised in line with the revised budget and none of the other approved Prudential Indicators set for 2016/17 have been breached.

<i>Capital Expenditure</i>		
	2016/17 £000 Reported Indicator	2016/17 £000 Projection for the Year at Q2
Non-HRA	48,799	51,820
HRA	22,270	21,526
Total	71,069	73,346
To reflect the reported capital monitoring agreed by Council during the year		

<i>Ratio of Financing Costs to Net Revenue Stream</i>		
	2016/17 Reported Indicator	2016/17 Projection for the Year at Q2
Non-HRA	13.77%	N/A
HRA	46.36%	N/A

<i>Capital Financing Requirement</i>		
	2016/17 £000 Reported Indicator	2016/17 £000 Projection for the Year at Q2
Non-HRA	286,297	308,144
HRA	345,505	345,505

Authorised Limit for External Debt	
	2016/17 £000 Reported Indicator
Borrowing	750,000
Other Long Term Liabilities	0
Total	750,000
Maximum YTD £617.319m	

Operational Boundary for External Debt	
	2016/17 £000 Reported Indicator
Borrowing	725,000
Other Long Term Liabilities	0
Total	725,000
Maximum YTD £617.319m .	

The Council's actual external debt at 30th September 2016 was £593.721 million. It should be noted that actual external debt is not directly comparable to the Authorised Limit and Operational Boundary, since the actual external debt reflects the position at one point in time.

Estimated Incremental Impact on Council Tax and Housing Rents

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

Adherence to CIPFA code on Treasury Management

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

UPPER LIMIT ON FIXED AND VARIABLE INTEREST RATES EXPOSURES		
Range	2016/17 £000 Reported Indicator	2016/17 £000 YTD Position
Fixed Rate	624,164 357,170	Act 493,470 max 504,433 min 468,307
Variable	152,227 (30,000)	Act 37,000 max 41,000 min 18,000
All within agreed limits. (Max and Min YTD.)		

Upper / Lower Limits for Maturity Structure of Fixed Rate Borrowing				
	2016/17 £000 Reported Indicator		2016/17 £000 Actual Position	
	Upper Limit	Lower Limit	Actual Percentage	Maximum YTD
Under 12 months	20%	0%	1.61%	6.18%
12 months to 24 months	20%	0%	9.31%	10.50%
24 months to 5 years	50%	0%	17.73%	19.61%
5 years to 10 years	50%	0%	6.65%	8.06%
10 years to 20 years	50%	0%	15.39%	15.39%
20 years to 30 years	50%	0%	0.00%	0.00%
30 years to 40 years	50%	0%	11.60%	11.60%
40 years to 50 years	60%	0%	27.95%	28.79%
50 years and above	30%	0%	6.40%	6.40%
All within agreed limits.				

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

Upper Limit on amounts invested beyond 364 days			
	2016/17 £000 Reported Indicator	2016/17 £000 Actual Position	2016/17 £000 Maximum YTD
Investments	15,000	0	0

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COUNCIL MEETING

10 November 2016

GATESHEAD COMMUNITY INFRASTRUCTURE LEVY (CIL)

Mike Barker, Acting Chief Executive

EXECUTIVE SUMMARY

1. The purpose of this report is to inform of the outcome of the Examiners report on the Gateshead Community Infrastructure Levy (CIL) Draft Charging Schedule, the proposed minor modification to the final Charging Schedule and associated policies. It also proposes formal adoption of the Charging Schedule and associated policies with a proposed implementation date of 1 January 2017.
2. It was agreed by Cabinet at its meeting in March 2015 [Minute C184] that the Council would undertake the necessary processes to become a CIL charging authority.
3. The CIL is a non-negotiable charge based on floor area of new buildings within a development and a rate per square metre (m²) as set out in the Charging Schedule. In Gateshead there are a range of rates for different types of development in different zones. It is charged on most buildings/extensions over 100m² and dwellings of any size based on a net increase in floor space. It will not be charged on social housing, charities, self-build or householder extensions. CIL becomes liable on the grant of planning permission but payment is not due until development commences on site.
4. To ensure that the necessary infrastructure is in place to support and mitigate economic and housing growth within the Borough it is recommended that Council adopts the Charging Schedule and maps, appended to this report, to take effect on 1 January 2017.
5. The Cabinet has considered the facts and issues arising from the report including alternative options and took all relevant advice before formulating their recommendation.

RECOMMENDATION

6. It is recommended that Council:
 - i) Notes the Report on the Examination of the Gateshead and Newcastle Community Infrastructure Levy (CIL) Draft Charging Schedules (August 2016).
 - ii) Approves the content of the CIL Charging Schedule.

- iii) Formally adopts the CIL Charging Schedule and approves that it shall take effect from 1 January 2017.

TITLE OF REPORT: Gateshead Community Infrastructure Levy (CIL)

REPORT OF: Paul Dowling, Strategic Director, Communities and Environment

Purpose of the Report

1. This report explains the outcome of the Examiner's report on the Gateshead CIL Draft Charging Schedule, the proposed minor modifications to the final Charging Schedule and associated policies and proposes formal adoption of the Charging Schedule and associated policies with a proposed implementation date of 1st January 2017. The Charging Schedule and policies are attached as appendices.
2. To request Cabinet to recommend Council to
 - i. Note the Report on the Examination of the Gateshead and Newcastle Community Infrastructure Levy (CIL) Draft Charging Schedules (August 2016).
 - ii. Adopt the Gateshead Community Infrastructure Levy Charging Schedule to take effect on 1st January 2017 to help secure a source of funding for infrastructure provision which will enable the growth of Gateshead in accordance with the Planning for the Future Core Strategy and Urban Core Plan for Gateshead and Newcastle (2015) and the Infrastructure Delivery Plan.
 - iii. Agree the CIL Instalments Policy.
 - iv. Note the attached Regulation 123 Infrastructure List which CIL monies will help to fund.

Background

3. Cabinet agreed at its meeting in March 2015 [Minute C184] that the Council would undertake the necessary processes to become a CIL charging authority. Consultation commenced on a Preliminary Draft Charging Schedule in between April and June 2015. Authority was delegated to the Strategic Director, Communities and Environment, and the Strategic Director, Corporate Services and Governance following consultation with the Cabinet Members for Environment and Transport and Economy, to progress the CIL through to submission and independent examination.
4. The CIL is a non-negotiable charge based on floor area of new buildings within the development and a rate per square metre (m²) as set out in the Charging Schedule. In Gateshead there are a range of rates for different types of development in different zones. It is charged on most buildings/extensions over 100m² and dwellings of any size based on a net increase in floorspace. It will not be charged on social housing, charities, self-build or householder extensions. CIL

becomes liable on the grant of planning permission but payment is not due until development commences on site.

5. The Council submitted the CIL Draft Charging Schedule to the Planning Inspectorate in February 2016, following extensive consultation on:
 - Preliminary Draft Charging Schedule (2012 & 2015)
 - Viability Assumptions (2013)
 - Draft Charging Schedule (2015)
6. A joint examination took place between 21-22 April 2016, in respect of separate charging schedules for Newcastle City Council and Gateshead Council and the Examiner's report, attached as Appendix 2 was published on 17 August 2016, concluding that:

“Gateshead and Newcastle Councils have worked constructively together in the production of Charging Schedules for their respective areas, building on the work undertaken on the recently adopted Core Strategy. Both Councils have a positive growth agenda, and in setting the CIL rates have had regard to detailed evidence.... The proposed rates will not put the development of the area at risk, but will help to fund new infrastructure required to support growth. Overall, I conclude that, subject to the modifications, an appropriate balance will be achieved between the desirability of funding infrastructure whilst ensuring that a range of development remains viable across the charging areas.”
7. The Inspector's recommended modifications needed for the Charging Schedule to meet the statutory requirements comprised minor modifications to improve clarity and have been incorporated into the final Charging Schedule and related maps which are attached at Appendix 3.
8. The proposed infrastructure to be funded through CIL, as required to support the growth in the Core Strategy and Urban Core Plan and associated Infrastructure Delivery Plan, is set out in the Regulation 123 Infrastructure List attached at Appendix 5. The broad categories of development which will benefit from CIL are strategic transport infrastructure, primary schools, strategic green infrastructure and at Metrogreen, water and flood alleviation and mitigation, and green infrastructure. The investment in infrastructure will be delivered as part of the Council's Capital Programme.
9. Legislation restricts the use of planning obligations for the CIL funded infrastructure, and the Council is therefore in the process of reviewing and republishing a CIL compliant Planning Obligations Supplementary Planning Document (SPD). Planning obligations (secured by s.106 agreements) will still be required to address site specific issues such as the need for affordable housing, local infrastructure enhancements or site specific issues relating to mitigating the impact of a development. However, regulations restrict the pooling of planning obligations to a maximum of five in respect of any infrastructure project or type of infrastructure.

10. In addition, it is proposed that the Council allow persons liable to pay CIL to do so by instalments and the proposed Instalments Policy is attached at Appendix 4.

The Proposal

11. To ensure that the necessary infrastructure is in place to support and mitigate economic and housing growth within the Borough it is proposed that Cabinet notes the Examiners report on the CIL, including the modifications as incorporated into the charging schedule and maps, and recommends that Council adopts the Charging Schedule and maps to take effect on 1 January 2017. Cabinet is further requested to approve the content of the Regulation 123 List and the Instalments Policy.

Recommendations

12. It is requested that Cabinet recommends that Council:

- I. Notes the Report on the Examination of the Gateshead and Newcastle Community Infrastructure Levy (CIL) Draft Charging Schedules (August 2016).
- II. Approves the content of the CIL Charging Schedule.
- III. Formally adopts the CIL Charging Schedule and approves that it shall take effect from 1st January 2017.

13. It is further recommended that Cabinet:

- IV. Approves the Gateshead CIL Instalments Policy and Regulation 123 Infrastructure List.
- V. Agrees that as required following monitoring, revisions to any of the matters listed in (iv) above going forward can be approved by the Strategic Director, Communities and Environment under delegated authority.
- VI. Agrees that the Service Director, Transport, Development and Public Protection is the officer responsible for CIL implementation.

14. For the following reasons:

- (i) To ensure that sufficient infrastructure is provided at both a local and strategic level to facilitate and accommodate the growth proposed in the Plan.
- (ii) To ensure that Gateshead's CIL is adopted and implemented in accordance with statutory requirements.
- (iii) To facilitate persons liable to pay CIL to make payments by instalments.

Policy Context

1. The timely provision of supporting infrastructure is essential to achieve Gateshead's ambition of delivering sustainable economic and population growth, and to support health and wellbeing, as set out in Vision2030 and the Planning for Future Core Strategy and Urban Core Plan for Gateshead and Newcastle (2015).
2. The CIL was introduced by the Planning Act 2008 and is a charge that Local Authorities in England and Wales can choose to levy on new developments in their area, taking into account viability. The money raised can be used to fund infrastructure that the council, local community and neighbourhoods need. It is the Government's preferred mechanism for collecting contributions from developers to pay for offsite infrastructure needs brought about by their developments.
3. In setting CIL rates the Council needs to ensure an 'appropriate balance' is struck between the desirability/necessity to fund new infrastructure and the need to ensure development remains economically viable. The Council has been working with Newcastle City Council in the development of separate CIL Charging Schedules (the document that sets out the rates), but sharing methodology, approach and appraisal work.
4. CIL takes the form of a charge per m² of additional floorspace of development and is applied to:
 - a. new developments of more than 100m².
 - b. new development of less than 100m² that results in the creation of a new dwelling.
 - c. the conversion of a building that is not in lawful use which results in new dwellings.

Main Issues

5. The CIL Examination report states that the Examiner considers the Council has sufficient evidence to support the CIL Charging Schedule and can show that the levy is set at a level that will not put the overall development of the Borough at risk. The Examiner recommends that the Charging Schedule should be approved in its published form subject to some minor modifications to improve clarity. The Examiner is satisfied that the Council has a positive growth agenda, and in setting the CIL rates has had regard to detailed evidence on infrastructure planning and the economic viability of the development market.
6. The proposed rates will not put the development of the Borough at risk, but will help to fund new infrastructure required to support growth, concluding that, subject to the modifications, an appropriate balance will be achieved between the desirability of funding infrastructure whilst ensuring that a range of development remains viable across the Borough. The Council's Instalments Policy for paying CIL is an additional means by which development proposals can come forward viably.

Final Charging Schedule

7. The Inspector's recommended modifications needed for the Charging Schedule to meet the statutory requirements comprised minor modifications to improve clarity. These have been incorporated into the final Charging Schedule and related maps for adoption which are attached at Appendix 3 (N.B. with additional front cover to be added), and are:
 - a. Insert reference to a Zone C on the residential zones map to clarify the locations in Gateshead where no charges are liable.
 - b. For chargeable retail development include the reference "net floorspace" to clarify how the threshold floorspace size is measured.
 - c. Revision to the residential Zone B boundary to exclude land at Whinfield (due to it being in a mid-value area and not a high value area).
 - d. The addition of clear OS Grid Lines on the charging zone maps.

Regulation 123 List

8. Currently the Council requires many developments to pay contributions towards greenspace, education, open space and play via planning obligations which are pooled to deliver infrastructure. Following the implementation of CIL and infrastructure identified in the Regulation 123 List will no longer be collected via s.106 planning obligations. Therefore the Regulation 123 List sets out those projects and infrastructure types that it intends will be, or may be, wholly or partly funded through CIL.
9. CIL payments will be collected and pooled into a central fund and the Council will publish an annual report setting out how this fund has been utilised. Infrastructure that is required but is not specified on the list will be sought via a planning obligation under S106 of the Town and Country Planning Act 1990 (as amended) or another source of funding may be pursued to deliver the relevant infrastructure item.
10. The Regulation 123 Infrastructure List is attached as Appendix 5.

Instalments Policy

11. In accordance with CIL Regulations, the Council, in line with the approach of many other charging authorities, can set out a policy to allow CIL to be paid by instalments, which helps viability, especially for larger developments. The proposed Instalments Policy was submitted as a supporting document at the examination, and is attached at Appendix 4.

Spending and Apportionment

12. Decisions on spending and priorities are not the subject of this report. There are various options available to the Council in deciding such matters which will be the subject of further discussions with stakeholders. The investment in infrastructure will be delivered as part of the Council's Capital Programme. However, in relation to a Parish Council the CIL Regulations require that 15% of CIL receipts for chargeable development within the parish boundary are passed on to the parish

council (capped at £100 per existing council tax dwelling in each financial year). This will therefore apply to Lamesley Parish.

13. The CIL Regulations require local authorities to comply with statutory procedures prior to adoption of the CIL Charging Schedules. At the time the Council adopts a charging schedule the date it will take effect must also be specified so that developers and applicants seeking planning permission are clear when charges will commence.
14. CIL will apply to certain types of development within the charging zones identified on the maps attached at Appendix 3, and when it comes into effect any planning permission granted in respect of chargeable development will attract the levy.

Alternative Options

15. Although adoption of CIL is not a mandatory requirement, authorities without a charging schedule from April 2015 are severely restricted in pooling planning obligation contributions towards new infrastructure. Therefore, there are limited genuine alternative options to adopting the CIL charging schedule. The charging zones and rates set out have been informed by government guidance, evidence (including on viability) and extensive consultation, and further to the examination has been concluded to be appropriate and balanced.

Implications of the recommended option

16. Resources:

- a) **Financial Implications** – The Strategic Director, Corporate Resources confirms that any costs of CIL implementation will be met from existing budgets. The adoption of the CIL Charging Schedule will provide a capital income stream to contribute towards the delivery of infrastructure to support growth in Gateshead as part of the Council's Capital Programme. CIL Regulations allow the Council to use up to 5% of funds from CIL to recover the costs of its administration.

The proposed arrangements will allow developers to pay CIL in instalments to reduce the potential impact upon scheme viability. This may mean that it could take up to two years following the commencement of the relevant phase of development activity to receive the final instalment as set out within the proposed CIL Instalment Policy.

- b) **Human Resources Implications** – There are no human resource implications arising from this report.
- c) **Property Implications** - There are no direct property implications arising from this report. However the implementation of the CIL Charging Regime may have an impact on a limited number of Council owned sites when brought to the market for sale. The direct implications of which will be highlighted in the Cabinet report relating to that disposal.

- 17. Risk Management Implication** – Since 6 April 2015, the Council has been restricted in the types of infrastructure monies it can collect via s.106 planning obligations. Adopting CIL in Gateshead will provide an opportunity to receive monies in respect of infrastructure which would otherwise not be available. This will maximize the Council's ability to support growth across the borough without placing a strain on existing infrastructure, whilst the Instalments Policy will facilitate the payment of CIL and therefore site development.
- 18. Equality and Diversity Implications** – There are no equality and diversity implications arising from this report.
- 19. Crime and Disorder Implications** – There are no crime and disorder implications arising from this report.
- 20. Health Implications** – There are no health implications arising from the report
- 21. Sustainability Implications** – The provision of strategic infrastructure is essential in ensuring that development and growth in Gateshead, as set out in the Plan, is sustainable, and the adoption of CIL will contribute to this goal.
- 22. Human Rights Implications** - There are no human rights implications arising from this report.
- 23. Area and Ward Implications - All**

Appendix

Appendix 2: Report on the Examination of the Gateshead and Newcastle Community Infrastructure Levy (CIL) Draft Charging Schedules (August 2016)

Appendix 3: Gateshead Charging Schedule and Maps (November 2016)

Appendix 4: Gateshead Instalments Policy (November 2016)

Appendix 5: Regulation 123 - List of Recipient Infrastructure (November 2016)

Background papers

CIL Background Paper (February 2016)

<http://www.gateshead.gov.uk/DocumentLibrary/Building/PlanningPolicy/CIL/Evidence/P01-CIL-BKD-PAPER-Feb-2016.pdf>

National Planning Practice Guidance (Beta, DCLG)

<http://planningguidance.communities.gov.uk/blog/guidance/community-infrastructure-levy/>

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Report to Gateshead Council and Newcastle City Council

by Katie Child BSc (Hons) MA MRTPI

an Examiner appointed by the Councils

Date: 17 August 2016

PLANNING ACT 2008 (AS AMENDED)

SECTION 212(2)

REPORT ON THE EXAMINATION OF THE GATESHEAD AND NEWCASTLE COMMUNITY INFRASTRUCTURE LEVY (CIL) DRAFT CHARGING SCHEDULES

Charging Schedules submitted for examination on 8 February 2016

Examination hearings held on 21 and 22 April 2016

File Ref: PINS/H4505/429/2 and PINS/M4510/429/6

Non-Technical Summary

This report concludes that, subject to modifications, the Gateshead and Newcastle Charging Schedules provide an appropriate basis for the collection of the levy in the respective charging areas. The Councils have sufficient evidence to support the schedules and can show that the levies are set at a level that will not put the overall development of the areas at risk.

The modifications which are needed to meet the statutory requirements can be summarised as follows:

Gateshead and Newcastle:

- Insert reference to Zone C £0 per square metre (psm) in the Charging Schedule and maps.
- Amend the descriptions of small retail, supermarkets and retail warehousing to clarify that 280 square metres (sqm) relates to net floorspace.

Gateshead:

- Amend the Residential Charging Zone Map to exclude land in the vicinity of Rowlands Gill from Zone B and include it in Zone C.
- Insert clear Ordnance Survey grid lines on the Residential Charging Zone Map.

Newcastle:

- Amend the description of shared/student accommodation to clarify it relates to purpose built student accommodation.
- Amend the Residential CIL Zones Map to exclude 'Interest Area 4' from Zone A and include it in Zone C.

The specified modifications recommended in this report are based on matters discussed during the public hearing sessions and do not significantly alter the basis of the Councils' overall approach or the appropriate balance achieved.

Introduction

1. This report contains my assessment of the Gateshead and Newcastle Community Infrastructure Levy (CIL) Charging Schedules in terms of Section 212 of the Planning Act 2008. It considers whether the schedules are compliant in legal terms and whether they are economically viable as well as reasonable, realistic and consistent with national guidance¹.
2. To comply with the relevant legislation, local charging authorities have to submit a charging schedule which sets an appropriate balance between helping to fund necessary new infrastructure and the potential effects on the economic viability of development across an area.
3. Gateshead Council and Newcastle City Council have produced separate Charging Schedules covering their respective areas. However, the Councils have worked together in preparing the Schedules and have produced a joint CIL evidence base. The Charging Schedules were submitted for joint examination.
4. Consultation on the Draft Charging Schedules (DCSs) took place between 26 October and 7 December 2015 for Gateshead and 30 October and 6 December for Newcastle². In order to correct a mapping error, an updated DCS for Gateshead (document GS02) was published for consultation between 21 December 2015 and 24 January 2016. Statements of Proposed Modifications (GP04 and NP06) were published separately by the Councils for consultation between 8 February and 7 March 2016.
5. Consequently, the basis for the examination is the DCSs as amended by the Statements of Modifications. This is the same as the submission Draft Charging Schedules for each authority (February 2016) (GP01 and NP1-3).
6. Following the hearing, additional evidence and information was produced by the Councils and published for consultation between 6 and 20 May 2016 and 28 June to 12 July 2016 (EX23 and EX30). I have taken the representations received on the Statements of Modifications and the post-hearing work into account in writing this report.
7. The Councils propose three geographical charging zones for residential development. Zones A and B, with rates of £60 and £30 per square metre (psm) respectively are clearly defined in the tables and maps in the submission DCSs. It can logically be deduced that a £0 rate would apply elsewhere, and this is confirmed in other evidence documents. However, this is not clearly explained in the submission DCSs. I therefore recommend modifications (**EM/G1, EM/N1**) to the tables in the Charging Schedules to include an additional column appertaining to 'Residential Zone C' where a £0

¹ CIL section in the National Planning Policy Guidance (NPPG) ID 25.

² Gateshead DCS October 2015 (GS12) and Newcastle DCS October 2015 (NS02).

rate would apply. The residential maps in the submission DCSs should also be modified (**EM/G2, EM/N2**) to identify the £0 'Zone C' within the key.

8. The Councils also propose three different geographical charging zones for commercial development. The zone boundaries are shown in the submission DCS maps. Charges are proposed for hotel, supermarket, small retail, and retail warehousing development in both Gateshead and Newcastle. A charge for shared/student accommodation is proposed for Newcastle only. The commercial charges in the submission DCSs are summarised below:

Development and Use Class	Zone 1	Zone 2	Zone 3
Hotels (C1)	£0	£40 psm	£0
Small retail (A1) units ≤ 280 sqm	£0	£30 psm	£0
Supermarket (A1) > 280 sqm	£10 psm	£10 psm	£10 psm
Retail warehousing (A1) > 280 sqm	£0	£50 psm	£50 psm
Shared/student accommodation (C3, C4, sui generis) – Newcastle only	£50 psm	£50 psm	£0

9. The Councils have confirmed that the category of 'shared/student accommodation' is intended to cover purpose built student accommodation typically provided with some element of shared communal facilities, and is not intended to capture other forms of shared accommodation. Student accommodation is tested in the viability work and is referred to in other supporting evidence. I therefore recommend that a modification (**EM/N3**) is made to the description in the Newcastle Charging Schedule to clarify this position. Consequently, in the remainder of this report I refer to 'student accommodation' in lieu of 'shared/student accommodation'.
10. All other development, including offices, industrial development and other forms of retail development, would be subject to a nil charge.

Are the charging schedules supported by background documents containing appropriate available evidence?

Development plans

11. The Core Strategy and Urban Core Plan for Gateshead and Newcastle upon Tyne 2010-2030 (the 'Core Strategy') was adopted in March 2015 (PO7). It sets out the main elements of growth that will need to be supported by further infrastructure in the charging areas in the period up to 2030. The Core Strategy makes provision for approximately 30,000 new dwellings and at least 150 hectares of additional employment land over the Plan period. It identifies a range of key development opportunity sites and allocations for residential, employment and/or mixed use development across the Plan area, including the Urban Core, Neighbourhood Growth Areas and Village Growth Areas.

12. The Councils are currently preparing separate plans in support of the Core Strategy that will identify additional detailed allocations and policies³. Nevertheless, the Core Strategy sets out the broad quantum of development in Gateshead and Newcastle over the Plan period and identifies key strategic sites for future development. As such I consider it provides an appropriate basis to implement CIL.

Infrastructure planning evidence

13. The Councils have prepared a joint Infrastructure Delivery Plan (IDP) (2014) (PO5) which identifies key infrastructure likely to be required over the Plan period up to 2030. The IDP was updated in February 2016 (PO6) and the latest version outlines local community requirements and infrastructure needs totalling some £236 million (m) for Gateshead and £262 m for Newcastle.
14. Having regard to current known funding sources, a funding gap of about £214 m and £239 m remains for Gateshead and Newcastle respectively. Additional funding may be secured in the future, via infrastructure providers or other sources including Section 106 agreements and Government grant funding. However, there is no evidence before me to indicate that such funding would be sufficient to deliver the necessary infrastructure in either charging areas over the Plan period.
15. Concerns have been raised regarding the accuracy of the updated IDP (2016), in the context of a number of emerging Council studies, omitted projects, and key allocation sites. Infrastructure planning is, by its very nature, an on-going process which is subject to change. Nevertheless, the document covers a wide range of infrastructure requirements, and identifies schemes where firm plans are being progressed. There is also evidence that the Councils have worked closely with key developers and landowners to identify infrastructure requirements arising from allocations. Although some future changes are likely as schemes progress, overall I consider the Councils' CIL infrastructure planning work to be robust and proportionate for the purpose.
16. Gateshead Council estimates that dwellings liable for CIL could generate at least £12.5 m of receipts up to the year 2030. A further £220,900 is anticipated from retail development charges. Newcastle City Council estimates that about £24.5 m could be raised from chargeable residential development, nearly £4 m from student accommodation, and about £277,000 from retail development. As such, CIL could make a useful contribution to the funding gap for infrastructure in both charging areas. The Councils' evidence on infrastructure requirements and funding demonstrates the need to levy CIL in order to help deliver the Core Strategy.

³ Newcastle City Council's 'Development and Allocations Plan' and Gateshead Council's 'Making Spaces for Growing Places Plan'.

17. The Councils have produced Draft Regulation 123 lists (February 2016) (GP05 and NP07) which identify the types of infrastructure to which CIL funds would contribute in each area. Both lists include strategic transport infrastructure, green infrastructure, flood alleviation and primary schools places, and exclude infrastructure required to mitigate the impact of site-specific development. Gateshead Council confirmed at the hearing that there is no identified need for additional secondary school provision in the borough, and accordingly this is omitted.
18. I consider the Draft Regulation 123 lists to be clear regarding the type of infrastructure that would be supported by CIL. There is no evidence before me that 'double-dipping' would occur (e.g. paying for the same infrastructure twice under a Section 106 obligation and CIL). The legislative requirements on the use of planning obligations would, in themselves, help to ensure that planning obligations are appropriately applied. The Councils have provided transparency, and the items in the list should clearly assist the delivery of the adopted Core Strategy, as a whole. Additional information on the operation of Section 106 and CIL is included in the Councils' Supplementary Planning Documents (SPD) on Planning Obligations⁴.
19. In summary, I conclude that the submission DCSs of both Councils are supported by detailed evidence of infrastructure needs, which provides a robust and proportionate basis to inform the Charging Schedules.

Economic viability evidence

20. The Councils commissioned a joint CIL Viability and Deliverability Report (VR) (PO3), dated February 2014, to inform production of the Preliminary Draft Charging Schedules. This built on an earlier joint viability assessment, carried out in 2012 (PDCS1-6). The VR 2014 was updated in October 2015 to accompany publication of the DCS, and again in February 2016 (the 'VR update') (PO4) to accompany submission of the DCSs and publication of the Statements of Modifications. The viability work was undertaken in-house. However, the Councils used a consultant to test the adopted assumptions⁵.
21. Further viability buffer workings for a range of development types are set out in the Councils' Examination Statement (April 2016) (EX09), along with updated viability results relating to sheltered housing. The Councils' post-hearing work (EX23 and EX30) also includes viability buffer workings on retail development, and additional viability appraisals for retail and hotel development and student accommodation, as well as other background data. Within this report I refer collectively to this whole body of evidence as 'the Councils' viability work'.

⁴ Gateshead Planning Obligations SPD (December 2015) (GP06) and Newcastle Planning Obligations SPD (January 2015) (NP09).

⁵ DTZ, now known as Cushman and Wakefield - Appendix 9 of the Viability and Deliverability Report Annex Update (Feb. 2016) (PO4).

22. The Council's viability work uses a residual valuation approach. This approach involves estimating the value of a completed development and subtracting development costs (with the exception of land purchase) to obtain a residual value. The price which a landowner would be prepared to sell the land (the 'threshold land value') is then subtracted from the residual value, along with estimated Section 106 costings, to obtain a 'headroom' figure or theoretical maximum CIL charge. The CIL charge may be taken from this figure providing there is an adequate viability buffer.
23. Concerns have been raised that the Councils' method of calculating headroom does not build in finance costs for CIL, Section 106 and specific infrastructure costs, as they are deducted separately from the residual land value. However, there is no substantive evidence before me to indicate that any such costs, where they exist, would be significant enough to affect whether a scheme is viable or not, particularly in the context of other conservative cost estimates and built in-flexibility, as referred to in the section below.
24. The viability work distinguishes between broad value areas and between urban and non-urban sites. Non-urban is defined as land within the Green Belt as set out in the Gateshead Unitary Development Plan (UDP) (2007) and the Newcastle UDP (1998), therefore incorporating the strategic release allocations and other land released from the Green Belt in the Core Strategy (2015). Urban land is defined as land outside the Green Belt, as set out in the aforementioned UDPs.
25. The viability work incorporates modelling of residential development, including sheltered housing. Commercial development is also modelled, including student accommodation, hotels, retail development, industrial development and offices.

Residential viability evidence

26. The assumptions used in the modelling are critical to determining viability and therefore CIL rates. Representations in response to the DCSs and Statements of Modifications raised particular concerns regarding a number of assumptions used in the residential appraisals. This includes site typologies, threshold land values, sales values, build costs, abnormals, externals, Section 106 costs, policy requirements and profit levels. These are addressed in turn below.
27. The viability work includes modelling of hypothetical residential sites, ranging between 1 and 100 units and reflecting different densities and mixes of house types. The typologies are tested across five value zones, for urban and non-urban sites. Specific allocation sites from the Core Strategy have also been tested for viability, ranging from about 40 to 3000 units in size.
28. The viability testing incorporates a policy compliant rate of 15% affordable housing, as defined in Core Strategy Policy CS11. The Councils' evidence indicates a fair degree of success in securing this rate of affordable housing in

both areas in recent years⁶. The Councils' threshold of 15 or more units for seeking affordable housing also exceeds the minimum thresholds in the updated NPPG⁷, and on this basis it would appear that no related adjustments to the viability testing are necessary.

29. The size mix in the generic testing reflects Core Strategy requirements for family sized housing (Policy CS11). There is no substantive evidence that the mix would be undeliverable, nor that additional testing on dwelling form (e.g. detached, semi-detached) is necessary in the context of a broad area-wide appraisal. Overall I find that the Councils have tested an appropriate range of residential typologies and specific sites, which relate to the majority of development likely to come forward in the charging area over the Plan period.
30. The threshold land values (TLVs) have been informed by transactional data from Gateshead and Newcastle, and tested against information from other local authority areas. The transactional data is limited due to issues of commercial confidentiality, and shows a range of results. The Councils', however, have taken a cautionary approach by applying a further 50% contingency buffer to the average figures used in the appraisals, in order to ensure that viability is not compromised.
31. Further TLV transactional evidence submitted by one representor includes several higher figures. Nonetheless, this data is primarily taken from other local authority areas, and no information is provided regarding the value profile of the locations. I am also mindful that the TLVs used by the Councils are averages in an area-wide approach, and therefore some sites will have higher or lower values. Overall, I consider that there is no substantive evidence before me that the Councils' TLV figures, including the applied gross to net ratios for developable areas, are unreasonable or that alternative values should apply.
32. Sales values have been informed by an assessment of local property market data from various sources, including Land Registry, Valuation Office, Council transactional data, active house builders, and property websites. The data includes a mix of houses and flats from both Gateshead and Newcastle, mainly relates to prices achieved, and includes some details relating to floorspace and values per square metre. The data has been used to inform value zone maps for each local authority area.
33. The sales values used in the Councils' viability work have been disputed by a number of representors as being too high, both generically and in relation to a number of specific allocation sites including those at Kibblesworth, Ryton and Callerton. A range of alternative evidence has been submitted by representors, including Land Registry data and assessments focused on specific sites.

⁶ Table 1 in the Councils' CIL Background Paper (February 2016) (PO1).

⁷ NPPG paragraph 031, reference ID: 23b-031-20160519.

34. In relation to Gateshead, the Councils' post-hearing evidence shows that average sales prices in high-mid value areas, including Kibblesworth and Ryton, fall slightly short of the £2,250 psm average value used in the appraisal work. However, the VR update (PO4) highlights a potential upward movement in sales values since 2014 which has not been substantively counteracted by representors, and there is evidence of recent strong market activity and high levels of recent completions⁸. Significant buffers have also been incorporated into the viability work as discussed in the section below. Therefore, having regard to these factors in the round, I consider that the £2,250 psm sales figure for high-mid value areas is broadly reasonable as applied to Gateshead.
35. In reaching this conclusion I have had regard to alternative data on Gateshead submitted by representors. However, overall I consider that the Councils' data is more extensive and provides a reasonable overview of the market across the borough and within specific localities. The Council data on Kibblesworth and Ryton, despite being based on a small sample and including some post-2014 and non-new build data, includes a range of sites within both villages and close to the allocations. The alternative Kibblesworth data appears to focus on a site which involved the part renewal of a local authority housing estate, whilst some of the alternative Ryton data covers a wide postcode area. The average sales figures for other value areas of Gateshead have not been substantially challenged and there is no compelling evidence to suggest they should be altered.
36. The Councils' assessment of Land Registry data for Newcastle, utilising dwelling types and average dwelling sizes, appears to be relatively simplistic. Nevertheless, the average sales values used in the Councils' appraisal work appear to be exceeded in many instances, and are also supported by evidence in the Councils' New Build Sales Survey (EX23). I am also mindful that CIL involves an area-wide approach and as such is a relatively broad assessment. In this context I am therefore satisfied that the sales values in the Councils' viability work are broadly reasonable as they apply to Newcastle.
37. Alternative evidence submitted by representors in relation to Callerton⁹ shows sales values in the locality below the Councils' rate of £2,250 psm. However, given the scale of the scheme and having regard to the pockets of high value in the vicinity, I am of the view that a well-designed Callerton development could create its own value and raise higher values than the surrounding area, including at Upper Callerton. On this basis, and having regard to the modest difference between the Councils and representors values, I consider that an average sales value of £2,250 psm applied to Callerton is broadly reasonable. I also note that this rate has been applied in the alternative viability appraisal submitted by representors (Appendix 2 in EX10).

⁸ Housing trajectories in the Councils' Examination Statement (April 2016) (EX09).

⁹ Hearing Statement EX10 Appendix 3 and Report of Representations (Regulation 19(c) (February 2016) (NP05) – Taylor Wimpey.

38. The Councils have confirmed that an incorrect build cost figure was applied in the workings for the Upper Callerton appraisal. However, although the application of the correct rate would decrease the amount of available headroom, there is no firm evidence before me that it would render the Callerton scheme unviable. Accordingly, this matter does not alter my conclusion above.
39. Representors have questioned whether the Councils' sales data takes account of incentives that may be offered for new build properties. However, such incentives may not apply in all cases. Furthermore, Land Registry data is based on net prices paid, and accordingly should capture some of the incentive discounts. There is also no firm evidence before me to suggest that the Councils' data is overly focused on 'premium' new built dwellings, nor contains significant numbers of errors to the extent that overall conclusions would be substantially altered.
40. Representors have suggested that the value maps are too simplistic and the number of areas should be increased to more closely reflect the different sale prices across Gateshead and Newcastle. However, I deem the Councils' proposed approach, which is based on extensive evidence and purports a fairly simple pattern of value areas, to be suitable and proportionate, and to avoid undue complexity. A number of minor changes were made to the value maps at submission stage, and these are discussed in the section below on Charging Zone boundaries.
41. Affordable housing revenues of about 59% of market value are used in the Councils' viability work. Whilst I note the recent Government rent regime changes, there is no substantive evidence before me to suggest that alternative figures should apply.
42. Residential build costs are based on RICS¹⁰ Building Cost Information Service (BCIS) localised figures, rebased to the fourth quarter 2014. The Councils have taken a tapered approach, with median costs applied to high value areas, and lower quartile costs applied to low value zones.
43. There was some challenge to the tapering approach, as well as to the use of a 15 year sampling period, with views expressed that build costs were consequentially too low. However, in other respects I note the Council has adopted a cautious approach; for example, through the use of higher 'Housing Mixed Development' BCIS costs, by not applying the BCIS reduction rate for large contracts, and by increasing the rates for the Newcastle Central Area to reflect particular costs of developing in a historic urban location. Taking account of these factors in the round, and the high level nature of the assessment, I am satisfied that the build cost figures in the Councils' viability work are reasonable and represent a proportionate approach.

¹⁰ Royal Institution of Chartered Surveyors.

44. One representor has suggested that the most up to date build costs should be used. However, other variables, including house prices, are likely to have changed. It would skew the findings of the viability work if certain data only were to be updated, and it therefore makes sense to have a common base date for all assumptions made.
45. The Councils have made additional cost allowances for abnormals, externals and contingencies. The abnormals and externals rates have been challenged as being too low, with representors indicating that the existence of old mine workings in the local area can lead to higher abnormal costs. However, many of the alternative abnormals examples submitted by representors relate to sites outside Newcastle and Gateshead, whilst the list of abnormals supplied by a representor in relation to the Ryton allocation appears to include CIL and Section 106 costs (EX11). I also note that the representor's alternative viability appraisal for Ryton retains the Councils abnormals and contingencies rates, stating that *'whilst arguably one could include a high abnormal allowance, these are both within the acceptable ranges I would adopt for a viability of this nature.'*
46. Overall, I consider there is no compelling evidence before me that the Councils' abnormals, externals and contingency cost allowances are inappropriate, or that alternative rates should apply. In reaching this conclusion I have taken into account that significant abnormal costs, where they exist, may potentially be reflected in a lower land price, and that cumulatively the abnormals, externals and contingency rates are equivalent to an additional 20% of build costs.
47. The VR update includes a Section 106 assumption of £2,000 per dwelling for urban sites. This rate has been informed by requirements in the Councils' SPDs on Planning Obligations and in the context of the Councils' draft Regulation 123 lists, and appears to be reasonable.
48. A base Section 106 rate of £8,740 per dwelling has been applied to non-urban sites, with individual costings applied where known for specific sites. In relation to the Callerton allocation, interim total Section 106 costings of £36 m have been broadly agreed by the main parties, notwithstanding the potential additional cost of £656,240 to refurbish the Parkway Medical Centre¹¹. This total is less than the £40 m figure included in the Councils' appraisal. In the case of Ryton, representors have suggested that a rate of £0 should apply. However, having regard to scale of the scheme and the Council's SPD on Planning Obligations, I consider that this would be unrealistically low. For other sites it appears that infrastructure planning work is on-going. In summary, there is no firm evidence before me that the Councils' Section 106 base rate or estimates for specific sites are wholly inaccurate or unreasonable.

¹¹ See documents EX23 and EX25.

49. The VR update includes cost allowances for other elements, including legal fees, professional fees, marketing and NHBC¹² warranty costs. The applied rates appear to accord with industry norms, and capture national and local policy costs where relevant. No substantive evidence has been submitted to justify alternative figures.
50. The VR update assumes a 20% profit on Gross Development Value (GDV) for private housing and 6% profit on GDV for affordable housing. The affordable housing rate has been disputed as being too low. However, the profit figures in the VR update conform with industry standards, and there is no substantive evidence to suggest that alternative figures should apply.
51. The viability work also includes modelling of assisted living housing. One sheltered housing provider has queried several inputs, including build costs and sales values. The Councils' build cost of £984 psm is lower than the BCIS rate for 'sheltered housing general', but between the BCIS rates for 'sheltered housing 2 storey' and 'general sheltered housing'. Nevertheless, in the context that the Councils anticipate that most future development in Zone B will be in the latter two forms, I consider that the applied figures are broadly appropriate. There is also no firm evidence before me to suggest a contrary figure to the Councils' 30% uplift above market value. In many respects I note that the Councils have taken a cautious approach, with the application of unit sizes which exceed those recommended in the Retirement Housing Group Guidance, and further refinement regarding estimated Section 106 costs¹³.
52. In summary, in relation to residential development, I conclude that the submitted DCSs are supported by detailed evidence relating to economic viability from a wide range of sources. There are some different views on particular assumptions, and I recognise that small variations could cumulatively have an effect on overall viability. Nevertheless, viability testing does not involve absolute answers, and the assumptions made by the Councils in the main reflect appropriate industry standards and are not set significantly low or high. Furthermore, the inclusion of abnormals and contingency rates in the Councils work, along with viability buffers, should help to provide additional capacity to absorb any variations in costs or revenues.

Commercial viability evidence - general

53. The viability work incorporates modelling of various types of commercial development schemes, including student accommodation, hotels, retail development, industrial development and offices. The submitted evidence indicates that these uses represent the types of schemes most likely to come forward over the Plan period. The viability evidence for each is addressed in turn below.

¹² National House Building Council.

¹³ Table 4 in Appendix 3 in the Councils' Examination Statement (April 2016) (EX09).

54. The value zone maps and the threshold land values used in the commercial viability work are based on a range of data sources, and have not been significantly challenged.

Student accommodation viability evidence

55. A range of typologies are tested in the VR update, incorporating a different mix and number of cluster and studio flats. The range appears to be broadly appropriate, taking account of the type and location of new build student accommodation schemes which have recently come forward in Newcastle and Gateshead.
56. The Councils' use of a 51 week tenancy period in the revenue assumptions is based on recent private sector schemes in the city and appears to be broadly proportionate. It contrasts with the 38 week period which Newcastle University indicate is typically provided in University owned accommodation. Nonetheless, at the hearing Newcastle City Council indicated that University accommodation may also be rented out during holiday periods, which would increase revenues. Furthermore, on the basis of recent market activity it appears likely that the majority of CIL-liable student accommodation over the Plan period will be provided by the private sector, although some refurbishment and demolition and rebuild University schemes are anticipated by the City Council.
57. The sensitivity testing in the VR update applies lower yields and higher build costs based on the fourth quarter 2015. It has not been significantly challenged, and represents an up to date position on costs and revenues. There is also no firm evidence before me that the Councils' use of established and industry standard BCIS build costs is inappropriate.
58. Overall, in relation to student accommodation, I conclude that the submission DCSs are supported by viability work that is reasonable, proportionate and appropriate.

Hotel viability evidence

59. The Councils' viability work includes testing of a budget hotel across the value zones, and a larger more upmarket hotel typology in the city centre. Increased build costs and space standards have been applied to the upmarket hotel typology, reflecting its higher specification. Based on the Councils' evidence of historical supply and future demand, the typology testing appears to be appropriate.
60. The assumptions in the hotel viability work, including rental income, yields, build costs, fees and profit levels have not been significantly challenged, and appear to be reasonable. The Councils have also adopted a cautious approach by including a further abnormal rate in the city centre to reflect the particular costs of constructing in a historic urban environment. Overall, I consider the

Councils' hotel viability work provides an appropriate evidence base for the Charging Schedules.

Retail viability evidence

61. Viability testing has been undertaken for a range of retail formats, including supermarkets, discount supermarkets, retail warehousing, small retail units, and larger scale comparison development.
62. A number of concerns have been raised in terms of the typologies tested and the general suitability of the proposed charging rates. The Councils sought to address many of these issues at modification stage by undertaking further modelling and sensitivity testing on supermarkets and retail warehousing in the VR update. This included adjustments to yields and profits, and testing of smaller retail warehousing typologies.
63. Overall, taking account of the Councils' updated viability work, I consider the testing covers a reasonable range of typologies, which broadly reflect the type of recent retail development in Gateshead and Newcastle. The individual assumptions in the modelling, including rents, yields, build costs and profit levels also appear reasonable and have not in themselves been significantly challenged. Overall, I am satisfied that the retail modelling provides a reasonable basis to inform the Charging Schedules.

Industrial and office viability evidence

64. The typologies and assumptions used in the Councils' industrial and office modelling work have not been significantly challenged, and appear to be reasonable.

**Are the charging rates informed by and consistent with the evidence?
Would they put the overall development of the area at serious risk?**

CIL rates for residential development

65. The submission DCSs recommend that three residential charging rates (£60, £30 and £0 psm) should apply in Gateshead and Newcastle, differentiated in terms of geographical zones.

Charging zone boundaries

66. The Councils' evidence shows clear viability differences between residential schemes on a geographical basis across the charging areas. Schemes within high-mid value non-urban areas and high value urban areas have been assigned charges of £60 psm and £30 psm respectively, with a £0 charge applying elsewhere.
67. As set out in the above section, a number of representors have questioned the inclusion of several sites in high-mid value non-urban areas and therefore

within Charging Zone A, including strategic allocations at Callerton, Kibblesworth, Ryton and Dunston Hill. Some have suggested that a £0 rate should apply to particular sites, whilst others have indicated that the rate should be lower than £60 psm. However, as previously established, the Councils' viability work supports the inclusion of these sites in high-mid value areas and therefore Charging Zone A, and no compelling alternative evidence has been submitted to the contrary.

68. The boundaries of the £60 and £30 psm charging zones broadly accord with those of the aforementioned value areas. There are some small differences where areas of public open space or golf courses have been excluded from the charging zones, on the basis that development is unlikely to be appropriate in these localities.
69. The Councils have highlighted a small number of cartographic errors in the charging zone boundaries, where pockets of land have been incorrectly included in Zones A/B. In Newcastle this concerns 'Interest Area 4'¹⁴ which is identified as a mid value area on the residential value areas map. Accordingly, I recommend a modification to the Newcastle Residential CIL Zones Map **(EM/N4)** to remove the area from Zone A, and include it in the £0 Zone C.
70. In Gateshead a number of boundary errors have been identified on land west of Rowlands Gill, as shown on Map 2A in the Councils' Response to Post-Hearing Note (EX23). One of the sites is within a mid value area on the value zone map, but is incorrectly shown on the Residential Charging Zone Map within Zone B. Two further areas are identified as high value on the value zone maps but post-hearing evidence submitted by the Councils suggest the boundaries do not relate to physical features on the ground, and should logically be identified as mid value areas. Accordingly, I recommend modifications to the Gateshead Residential Charging Zone Map **(EM/G3)** to remove the areas from Zone B and include in the £0 charge zone. I am satisfied that the recommended Newcastle and Gateshead map changes would not adversely affect the viability of housing schemes or prejudice interests, as they would involve reducing the CIL charge.
71. Gateshead Council has also highlighted some minor errors in the value zone map in the vicinity of Birtley. This involves two small areas that should have been included in high-mid value zones, in order to reflect urban/non-urban characteristics and existing physical boundaries. However, the proposed changes to the values areas do not affect the boundaries of the charging zones. One of the value zone map errors was made at submission stage only and was not reflected in the submission DCS maps. The other site comprises an embankment which the Council state would not be developable.

¹⁴ Map 3, Appendix 4 of the Councils' Examination Statement (April 2016) (EX09).

Overall viability and deliverability

72. The Councils' updated headroom workings¹⁵ show sizable buffers for most residential typologies and specific sites in high-mid value non-urban areas and high value urban areas, ranging predominantly from about 45% to 90%. In relation to Callerton the revised total Section 106 costings discussed above could potentially have a further positive impact on scheme viability. Smaller buffers are recorded for sheltered housing schemes in high-mid non-urban areas, and the Wideopen site, although still at reasonable rates of 20-21%.
73. The appraisal evidence also shows that 1 unit schemes in both areas, and schemes of 100 units in high value urban areas may not have sufficient headroom to support the proposed CIL charge. However, the Councils' evidence indicates that this type/location of development will provide a modest source of future housing supply. Overall I therefore consider the proposed £60/30 psm residential charges in Zones A and B appear to be justified, and would not significantly affect overall housing supply.
74. The Councils' updated viability work also shows that some schemes may be viable in other value areas. However, in most cases this is modest and relates to a limited range of typologies which are not anticipated to form the bulk of development in these locations. In the case of high value non-urban areas there are no strategic releases proposed from the Green Belt. Accordingly, I consider that the proposed £0 charge outside Zones A and B is justified.
75. In summary, I conclude that the proposed residential rates of £60 psm and £30 psm, when applied to much of the qualifying development that is likely to come forward, incorporate a significant margin or viability buffer. This would allow for potential variations in the costs and value of particular developments, or changes in the market over time, whilst making a useful contribution towards infrastructure needed to support development. On this basis the proposed residential charging rates of £60 psm and £30 psm are reasonable and would not put residential development required by the Plan at serious risk.
76. This conclusion is supported by evidence that the proposed £60 psm CIL charge would represent an average of about only 2.5% of gross development value (GDV), as applied to the Plan allocation sites¹⁶. Although this represents a modest proportion of overall costs, it is still an additional cost for developers to bear. Nevertheless, there are signs that the housing market in Newcastle and Gateshead is relatively strong, with reasonable levels of recent completions against targets in the Core Strategy, and no substantive evidence of significant problems with the delivery of strategic sites or the identification of a five year housing land supply. Furthermore, I note that the proposed charges would apply to only about 31% and 22% of the total housing to be

¹⁵ See document EX09.

¹⁶ Table 5 in the Councils' CIL Background Paper Appendices (February 2016) (PO2).

delivered in Newcastle and Gateshead respectively over the Plan period¹⁷.

Commercial charging rates - general

77. A number of CIL charges are proposed for commercial development in Gateshead and Newcastle, within three separate charging zones.
78. The boundaries of the charging zones broadly correspond with the value areas identified in the Councils' viability work, with low and medium value areas classified as Zone 3, high value as Zone 2, and central areas as Zone 1. The two exceptions are Gateshead Quays and industrial land at Follingsby, which although falling within high value areas, are included in Zone 3. The Councils' have indicated that Gateshead Quays is excluded due to particular constraints including contamination and topography, whilst the latter site is an industrial area where there is potential for industrial growth. Based on the evidence before me I consider these differences, and the general charging zone boundaries, to be broadly reasonable.

CIL rate for student accommodation

79. The viability evidence shows clear differentials in student accommodation viability across Newcastle, with a sizable headroom of about 70% for the updated base typology in the Newcastle Central Area and high value areas. Elsewhere in Newcastle the workings show insufficient viability to accommodate a CIL charge.
80. Representors have indicated that the proposed CIL charge of £50 psm in Zones 1 and 2 would represent a significant increase above Section 106 rates which have recently been secured in association with Newcastle schemes. However, the proposed charge is supported by the viability evidence, and there is no compelling evidence before me that it would threaten the delivery of the majority of future student accommodation development. There is evidence of strong on-going demand for accommodation in the city, and significant recent market activity. The Council has also responded to the latest costs and revenues evidence by reducing the rate from £80 psm, as set out in the DCS. The proposed £0 charge in Zone 3 in Newcastle is also supported by the Councils' viability evidence.
81. The Gateshead submission DCS proposes a £0 charge for student accommodation. The viability work shows insufficient headroom in the Gateshead Central Area, and there appears to be low market demand for such schemes in the borough. Overall I consider the Council has adopted a suitably cautious approach with the setting of a nil CIL charge.

¹⁷ Paragraph 4.17 in the Councils' Examination Statement (April 2016) (EX09).

CIL rate for hotel development

82. The Councils' viability work shows that hotel development is viable in high value areas in Newcastle and Gateshead, with reasonable buffers of 79%. The proposed charge of £40 psm in Zone 2 in both charging areas therefore appears to be reasonable, and on this basis would not put the delivery of future development at serious risk.
83. The modelling in Newcastle Central Area provides mixed results, with viability shown for budget hotels but not for upmarket hotels. However, the City Council has highlighted a particular need for additional upmarket 4 star hotels, and suggest this will form the majority of new future build schemes in Newcastle City Centre. In relation to the Gateshead Central Area, the Councils' evidence highlights potential delivery issues, with only one recent hotel scheme progressing successfully without public sector intervention. Accordingly, on the basis of viability and market evidence before me, I consider the proposed £0 charge in the Newcastle and Gateshead Central Areas is reasonable. The £0 charge for hotel development in Zone 3 is also supported by the modelling work, which shows insufficient headroom to support a CIL charge.

CIL rates for retail development

84. The submission DCSs propose a rate of £50 psm for retail warehousing in Zones 2 and 3, £30 psm for small retail development in Zone 2, and £10 psm for supermarket development across all zones. Other forms/locations would be subject to a £0 charge.

Retail differentiation and definitions

85. The Councils' viability work shows clear differences between the viability of various types and scales of retail development, in different geographical locations. For example, small retail development shows viability of about 94% in Zone 2, and supermarket development in general has some form of viability across all zones, whilst large scale comparison development shows a lack of viability. I therefore consider that the use of differentiated charges based upon the type, size and location of retail use to be appropriate.
86. Small retail, supermarket and retail warehousing development is defined in the submission DCSs with reference to a floorspace threshold of 280 square metres (sqm). The Councils have confirmed that this is a net figure relating to the sale or display of goods, as derived from thresholds established in Sunday Trading Act. Accordingly, for the purposes of clarity, I recommend that the retail descriptions in the tables in the Charging Schedules are altered to include reference to net floorspace (**EM/G4, EM/N5**).

Retail viability and deliverability

87. The retail warehousing charge in Zones 2 and 3 appears to be reasonable and justified by the Councils' viability work, which shows viability buffers of 22% and 87% respectively. Retail warehousing does not appear to be a typical form of development in Zone 1, and there is no evidence that it could viably pay a CIL charge in this location. Thus a zero rate in Zone 1 appears to be proportionate and appropriate.
88. The Councils' modelling shows that small A1 retail schemes below a threshold of 280 sqm have a sizeable viability buffer of about 94% in Zone 2. The modelling indicates that larger comparison schemes are not viable, and this is supported by market evidence which indicates a lack of schemes above 280 sqm coming forward. In contrast, there appear to have been a significant number of recent completions of small scale convenience stores below the size threshold, albeit in some cases involving conversion rather than new build development. Having regard to the submitted evidence, and the differences in operating models arising from the Sunday Trading Act, I am satisfied that the proposed £30 psm CIL charge in Zone 2 and the £0 charge elsewhere is broadly reasonable.
89. The Councils' modelling work shows that different forms of supermarket development are viable in different parts of the charging areas. General supermarkets show sizable viability buffers of 57% to 98% across all areas with the exception of low value areas, whilst, conversely, discount supermarkets show viability in low value zones only. In relation to discount supermarkets, the market evidence lends some support to this position, with recent completions in low and medium value areas. However, few general supermarket schemes appear to be coming forward across the charging areas, although there is no firm evidence to suggest that this will continue over the Plan period. Taking account of both the viability and market evidence I consider the Councils have taken a suitably cautious approach to supermarket rate setting, with a rate of £10 psm across all zones.
90. In summary, based on the evidence before me I conclude that the proposed retail rates for both Gateshead and Newcastle appear to be reasonable and proportionate. The charging rates incorporate a reasonable viability buffer to allow for uncertainties relating to development costs and values and variations associated with specific schemes. The supermarket and retail warehousing charges have also been markedly reduced from those put forward in the DCSs following a review of the evidence base. Overall, there is no substantive evidence that the proposed charges in the submission DCSs would put the delivery of supermarket, retail warehousing and small retail development at risk overall or on key strategic sites.

Other development

91. The Councils' viability testing of industrial development and offices demonstrates that these uses would be unable to support CIL charges. The proposed nil CIL charges for these development types therefore appears to be justified.

Other Matters

92. A number of representations were made on the Councils' use of Exceptional Circumstances Relief, and how the spending of CIL monies would be prioritised between different projects or localities. However, these matters are within the Councils' discretion, and it is not the role of the examination to appraise them.
93. A number of representors have raised concerns about different CIL rates in adjoining authorities and elsewhere. However, in terms of the proposed rates before me, I am satisfied that these are justified by the viability evidence, as it applies to Gateshead and Newcastle.
94. One representor has expressed concern that the draft Gateshead instalments policy would have significant cash flow implications for large sites where schemes may take a number of years to build out. However, large schemes may come forward in separate phases, and there is no compelling evidence before me to indicate that the viability of large schemes would be significantly affected. Furthermore, the instalments policy is in draft form only, and the Council has indicated it welcomes receipt of specific concerns from developers.
95. The submission DCSs show grid numbers and lines on the charging zone maps, in accordance with Regulation (2)(c)(iii). However, in the Gateshead document the grid lines on the Residential Charging Zone Map are obscured by the Zone A shading. Accordingly, I recommend that the map is redrafted to clearly show the grid lines **(EM/G5)**.

Conclusion

96. Gateshead and Newcastle Councils have worked constructively together in the production of Charging Schedules for their respective areas, building on the work undertaken on the recently adopted Core Strategy. Both Councils have a positive growth agenda, and in setting the CIL rates have had regard to detailed evidence on infrastructure planning and the economic viability of the development market.
97. The proposed rates will not put the development of the area at risk, but will help to fund new infrastructure required to support growth. Overall, I conclude that, subject to the modifications, an appropriate balance will be achieved between the desirability of funding infrastructure whilst ensuring that a range of development remains viable across the charging areas.

98. Nevertheless it would be prudent for the Councils to review the schedules within 2 years of adoption to ensure that overall approaches taken remain valid, that development remains viable, and that an appropriate balance is being struck.

LEGAL REQUIREMENTS	
National Policy/Guidance	Subject to the recommended modifications the Charging Schedules comply with national policy/guidance.
2008 Planning Act and 2010 Regulations (as amended)	The Charging Schedules comply with the Act and the Regulations, including in respect of the statutory processes and public consultation, consistency with the Core Strategy and Infrastructure Delivery Plan and are supported by an adequate financial appraisal.

99. I conclude that, subject to the modifications set out in Appendix A, the Gateshead and Newcastle submission Draft Charging Schedules satisfy the requirements of Section 212 of the 2008 Act and meet the criteria for viability in the 2010 Regulations (as amended). I therefore recommend that the Charging Schedules be approved.

Katie Child

Examiner

Appendix A (attached) – Examiner's Recommended Modifications

Appendix A – Examiner's Recommended Modifications

These are the modifications recommended by the Examiner so that the Gateshead and Newcastle Charging Schedules may be approved. In some cases the modifications relate to both Charging Schedules, in other cases one only. This is indicated by the reference numbers in the first column below, where EM/G relates to Gateshead and EM/N relates to Newcastle.

Where relevant, additional text is shown in bold, and deleted text is shown using strikethrough.

Reference number	Modification
EM/G1 & EM/N1 Gateshead & Newcastle	Insert new column in the table in the Charging Schedules after 'Residential Zone B', entitled 'Residential Zone C' with a rate of £0 psm.
EM/G2 & EM/N2 Gateshead & Newcastle	Amend the key in the Charging Schedule residential zone maps, using appropriate shading, to refer to the £0 psm 'Zone C'.
EM/N3 Newcastle	Delete the word 'shared' from the description of development in the third row of the table in the Newcastle Charging Schedule, as follows: ' Shared /student accommodation (C3, C4, Sui Generis)' Insert associated new footnote as follows: ' Purpose built student accommodation which usually has an element of communal facilities '.
EM/N4 Newcastle	Amend the Newcastle Residential CIL Zones Map by deleting 'Interest Area 4' (as identified in Map 3, Appendix 4 of the Council's Examination Statement EX09) from Zone A and including it in the £0 psm Zone C.
EM/G3 Gateshead	Amend the Gateshead Residential Charging Zone Map by deleting the area bounded in red on Map 2A of the Councils' Response to Post-Hearing Note (EX23) from Zone B, and including it in the £0 psm Zone C.

<p>EM/G4 & EM/N5</p> <p>Gateshead & Newcastle</p>	<p>Insert reference to net floorspace in the description of small retail, supermarket and retail warehousing development in the table in the Charging Schedules, as follows:</p> <p>'Small retail (A1) units \leq 280 sqm net floorspace' 'Supermarket (A1) ** $>$ 280 sqm net floorspace' 'Retail warehousing (A1) *** $>$ 280 sqm net floorspace'</p>
<p>EM/G5</p> <p>Gateshead</p>	<p>Insert clear OS grid lines in the Gateshead Residential Charging Zone Map.</p>

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Appendix 3

Gateshead Community Infrastructure Levy Charging Schedule (November 2016)

Please refer to the residential and Commercial Zones identified in the Residential and Commercial Zone Maps .

Development and use class	Residential Zone A	Residential Zone B	Residential Zone C	Gateshead Commercial (Central Area) Zone 1	Gateshead Commercial Zone 2	Gateshead Commercial Zone 3
Dwellings* (inc. sheltered housing) (C3)	£60/sqm	£30/sqm	£0	-	-	-
Hotels (C1)	-	-	-	£0	£40/sqm	£0
Small retail (A1) units equal to or less than 280sqm net floorspace	-	-	-	£0	£30/sqm	£0
Supermarket** (A1) greater than 280sqm net floorspace	-	-	-	£10/sqm	£10/sqm	£10/sqm
Retail warehousing*** (A1) greater than 280sqm net floorspace	-	-	-	£0	£50/sqm	£50/sqm
All other development****	£0	£0	£0	£0	£0	£0

* **Dwellings**- refers to houses and flats

** **Supermarkets** are convenience-led stores selling mainly everyday essential items, including food, drinks, newspapers/ magazines and confectionary, and where it is intended to utilise less than 50% of the gross retail floor area for the sale of comparison goods and where, depending on scale, weekly food shopping needs are met. In addition, the area used for the sale of goods will generally be above that applied for the purposes of the Sunday Trading Act of 280sq. m.

*** **Retail warehouses** are usually large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods. They can be stand-alone units, but are also often developed as part of retail parks. In either case, they are usually located outside of existing town centres and cater mainly for car-borne customers. As such, they usually have large adjacent, dedicated surface parking.

******For Clarity this Includes** Offices, Use Class B (business, industry, storage and distribution); Shared/ Student Accommodation (C3, C4, Sui Generis) and Extra Care accommodation (Use Class C2)

Calculating the Chargeable amount of CIL

CIL is charged on all new developments which create more than 100m² of floor space and on those developments which create 1 or more new dwellings, even where the floor space is less than 100m². The chargeable amount of CIL is calculated on the gross internal area of the net increase in floor area. The amount to be charged for individual developments will be calculated in accordance with Regulation 40 of the Community Infrastructure Levy Regulations 2010, as amended.

Name of Local Authority – **Gateshead Council**

The Charging Schedule was **approved by Gateshead Council on 10th November 2016.**

The Charging Schedule will **take effect on 1st January 2017**

Gateshead Community Infrastructure Levy Charging Schedule Residential Charging Zone Map

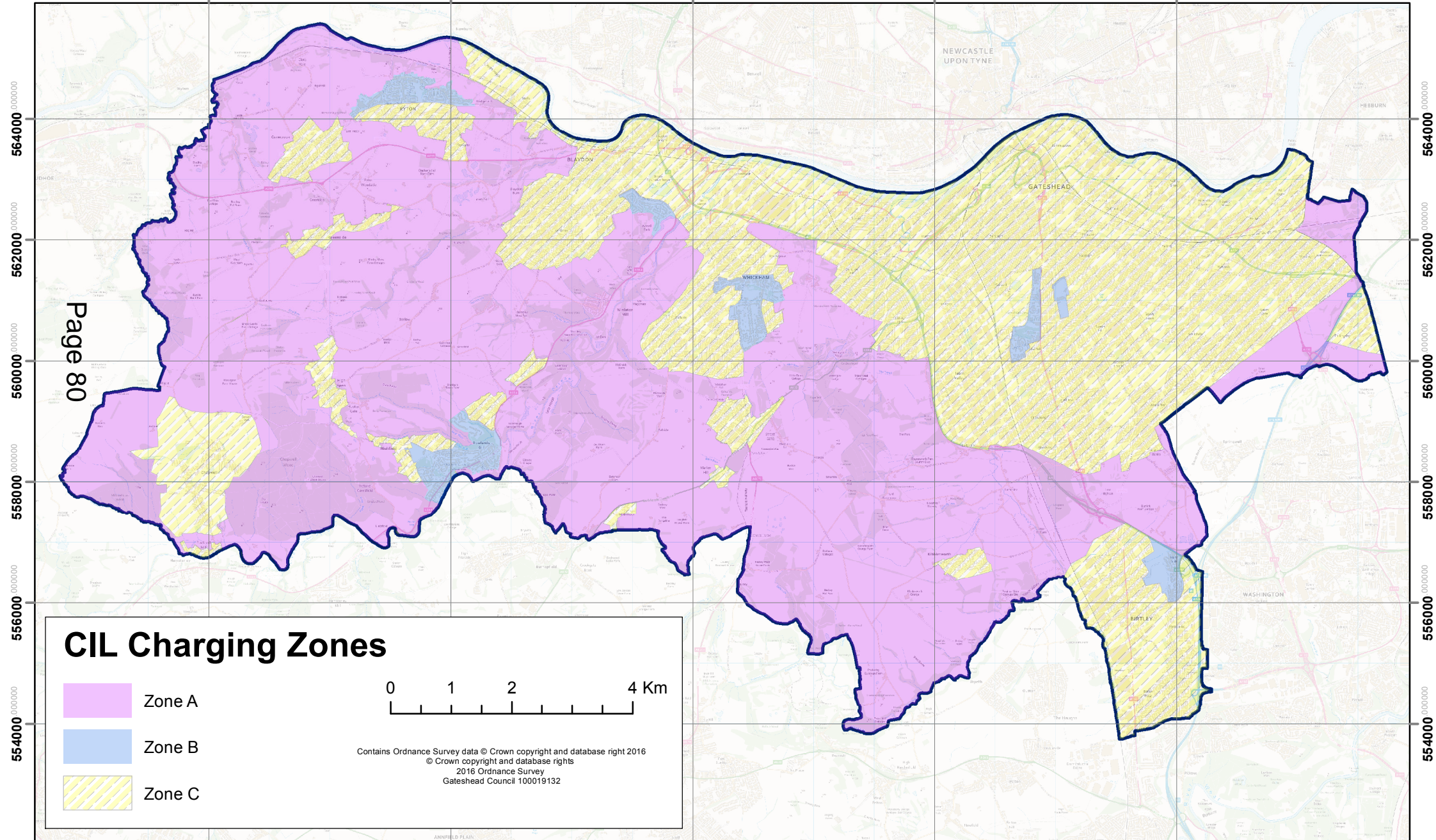
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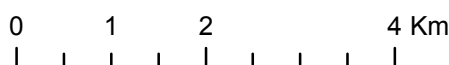
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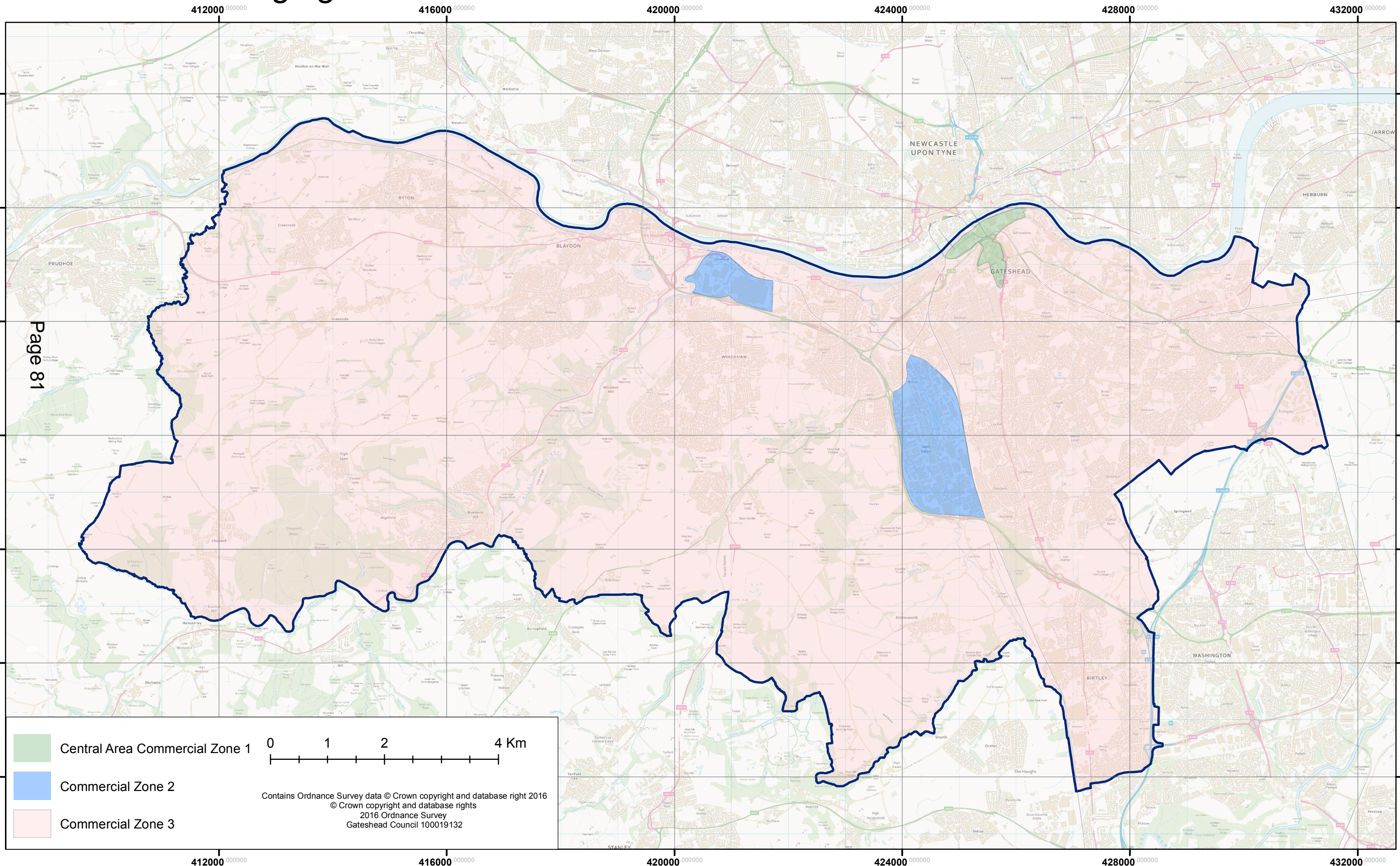
CIL Charging Zones

-  Zone A
-  Zone B
-  Zone C



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Gateshead Council 100019132

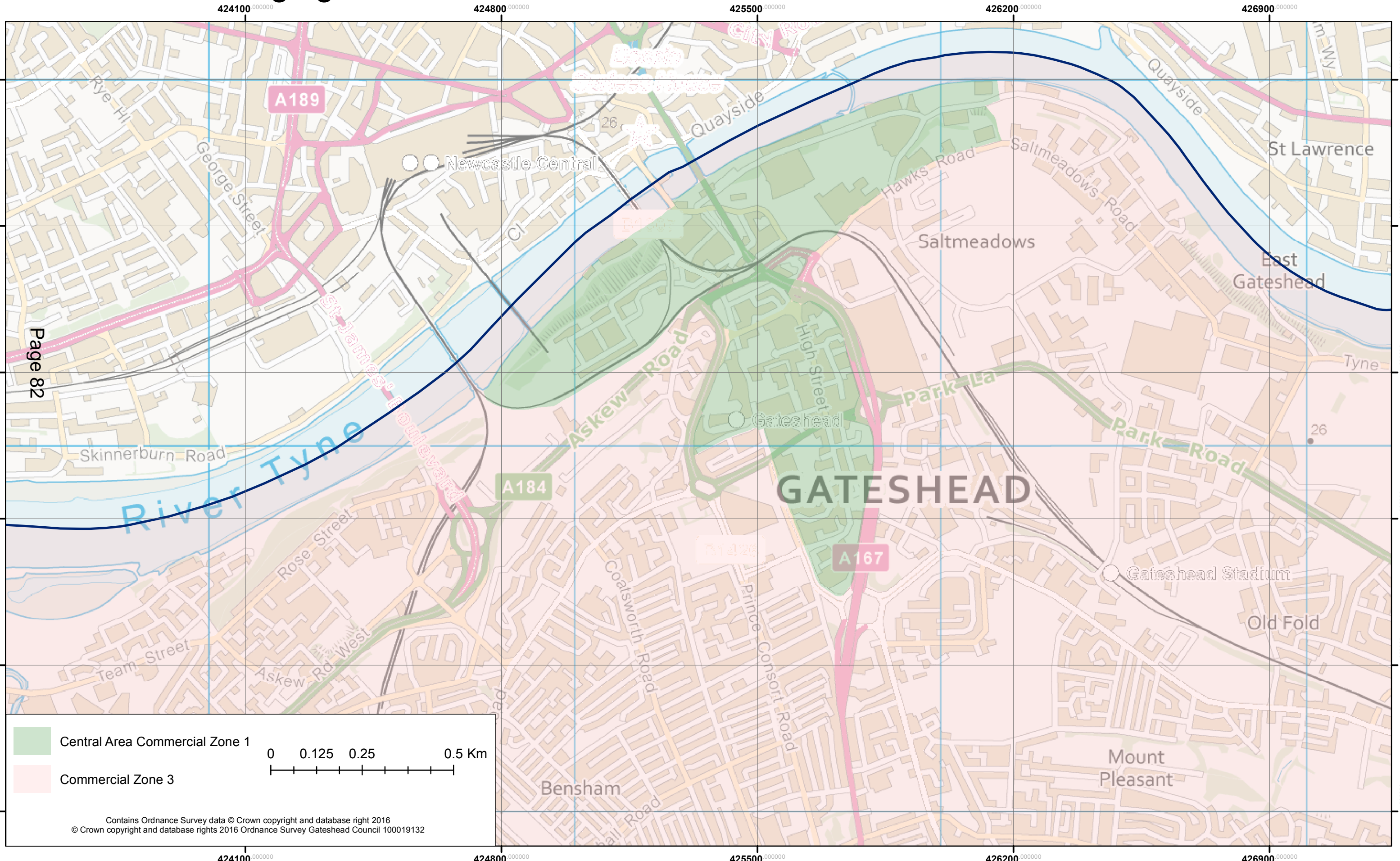
Gateshead Community Infrastructure Levy Charging Schedule Commercial Charging Zones



Gateshead Community Infrastructure Levy Charging Schedule Commercial Charging Zones Inset



November 2016



Gateshead Council

Gateshead CIL - Instalments Policy (November 2016)

(This policy takes effect on 01/01/2017)

Instalment policy

In accordance with Regulation 69B of the Community Infrastructure Levy Regulations 2010 (as amended), Gateshead Council (the charging authority) will allow the payment of CIL by instalments as set out in the table below:

Chargeable Amount	Number of Instalments	Payment Due
Less than £10,000	0	Required in full within 60 days of the commencement date.
From £10,000 to £49,999	2	Two equal instalments 60 and 540 days after the commencement date.
£50,000 or more	3	Three instalments of 33%, 33% and 34% on 60, 540 and 720 days after the commencement date.

*

CIL Instalment Policy Guidance Notes

CIL becomes payable when development commences. The Regulations define this as “the earliest date on which any material operation begins to be carried out” and confirm that ‘material operation’ has the same meaning as in section 56(4) of the Town and Country Planning Act 1990 (time when development begun).

In some circumstances the Council will accept a land payment in satisfaction of the whole or part of CIL due. These will be negotiated on a case by case basis with the planning officer dealing with the case.

Where a planning application is subdivided into ‘phases’ for the purposes of the levy each phase will be treated as a separate chargeable development and therefore liable for payment in line with this instalment policy. The principle of phased delivery must be apparent from the planning permission. The Council will work positively with developers to allow such developments to be delivered in phases.

The CIL instalment policy will apply in the following circumstances:

1. Where the Council has received the CIL [Assumption of Liability form](#) prior to commencement of the development.
2. Where the Council has received a CIL [Commencement Notice](#) prior to commencement of the development

If either of the above requirements are not complied with, the total CIL will become payable in full on the intended commencement date.

Once the development has commenced the CIL payments must be made in accordance with this instalment policy. Where there is a breach in payments, the total CIL liability will become payable in full immediately.

Enforcement

If the correct payments are not received at the right time, the council has the power to issue a range of surcharges, stop notices and if necessary to recover funds through legal action. The enforcement tools available to the Council are set out in regulations 80-107 of the CIL Regulations 2010,(as amended) and can be viewed using the following link:

<http://planningguidance.planningportal.gov.uk/blog/guidance/community-infrastructure-levy/collecting-the-levy/>

Gateshead Regulation 123 - List of Recipient Infrastructure

November 2016

Regulation 123 provides for the Council to set out a list of those infrastructure projects or types of infrastructure that it intends will be, or may be, wholly or partly funded through the Community Infrastructure Levy (CIL).

The purpose of the list is to differentiate between those types of infrastructure that the authority intends to fund through CIL and those areas where a planning obligation under S106 of the Town and Country Planning Act 1990 (as amended) or another source of funding may be pursued to deliver the relevant infrastructure item.

The list below sets out those infrastructure projects or types of infrastructure that Gateshead Council intend will be, or may be, wholly or partially funded by CIL. In accordance with Regulation 123, when the Gateshead CIL is operational, developer contributions to the projects listed will not be sought through planning obligations or S278 of Highways Act 1980.

DRAFT CIL INFRASTRUCTURE LIST <i>Plan Ref (CS and UC), IDP Ref (IDP)</i>	EXCLUSIONS <i>Plan Ref (CS and UC), IDP Ref (IDP)</i>
Transport	
Strategic transport infrastructure including transport corridor improvements (CS13(1)), cycle network improvements (CS13(1)) and key junction/road improvements (CS13(2))	Infrastructure needed to mitigate the impact of a specific development and to make it acceptable in planning terms
Removal of Gateshead Highway flyover and creation of tree lined boulevard from Durham Rd to Redheugh Bridge (Gateshead Boulevard) (CSSG1(v), IDP SG6/7)	
Durham Rd Bus Corridor Phases 4-6 (IDP T5)	
A694 corridor (CS13, GV1(2), IDP GA3.1, GA3.8-3.14)	
A695 Corridor (CS13, GV2 & GV6; IDP GA3.3, GA3.6, GA3.7, GA3.8 & GA3.20)	A695/Greenside Road Junction Improvement (CS GV2 (7ii), IDP GA3.2)
Angel Cycle Route (west) (UC6/GA5.7)	
New park and ride facilities at Eighton Lodge and Follingsby (CS13(1), IDP T7, T8)	Park and ride provision required for the Dunston Hill Neighbourhood Growth Area (CS GN1(1ii), IDP T9)
Heworth Roundabout Improvements (A184 / A185) (CS13, IDP T35)	Lamesley Roundabout Improvements (CS GV5 (1), IDP GA5.1)
A195 (New Rd) Bus Lane (IDP GA6.2)	
Schools	
Provision of new primary school places	
Additional primary school provision required under CS policies GN1, GV1-7 and IDP GA3.18/GA4.8/GA5.2	
Water, Flood and Green Infrastructure	
Strategic Green infrastructure (CS18)	Infrastructure needed to mitigate the impact of a specific development and to make it acceptable in planning terms, including site specific SuDS,
MetroGreen Strategic Flood Alleviation & Mitigation and Green Infrastructure (CS17, CS18 & AOC2;	

IDP G1 & W1) including strategic land drainage network, tidal flood defence along the River Tyne and strategic compensatory storage in the River Derwent	flood mitigation and green infrastructure.
--	--

Strategic Infrastructure- provides for infrastructure that can mitigate unacceptable impacts of development, or cumulative impact of a number of sites, and can refer to off-site provision serving a wider area.

The inclusion of a project or type of infrastructure in this list does not signify a commitment from the Council to fund (either in whole or in part) the listed project or type of infrastructure through CIL. Nor does the list identify priorities for spending within it, or any apportionment of the CIL funds across the authority.

Future updates of this list will take place on a periodic basis, and will be subject to appropriate local consultation, and will also have regard to:

- monitoring of the collection and spending of CIL funds
- updates to the Council's Infrastructure Delivery Plan
- changes to the CIL regulations



COUNCIL MEETING

10 November 2016

RESTRUCTURING AND REALLOCATION OF HOUSING AND CONSTRUCTION FUNCTIONS

Mike Barker, Acting Chief Executive

EXECUTIVE SUMMARY

1. Cabinet at its meeting on 8 November 2016 considered a report on the proposed restructuring and reallocation of Housing and Construction functions.
2. Cabinet has recommended that Council approve the re-organisation of housing and construction functions within the Council's management structure and The Gateshead Housing Company (TGHC), subject to TGHC approval.
3. The Council's recognised trade unions have been consulted on the proposals.
4. The Cabinet has considered the facts and issues arising from the report including alternative options and took all relevant advice before formulating their recommendation. The report can be accessed via the Cabinet agenda for 8 November 2016.

RECOMMENDATION

5. It is recommended that Council approve the recommendations as detailed within the Cabinet report.

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COUNCIL MEETING

10 November 2016

GATESHEAD COUNCIL

REPORT FROM THE CABINET

1. PURPOSE OF THE REPORT

This is the report from the Cabinet. Its purpose is to report on issues for the period September – November 2016.

PROGRESS ON KEY ISSUES

2. PEOPLE

Children and Young People

Ofsted inspection of Roman Road Primary School

Roman Road Primary School was inspected by Ofsted in June 2016, with an overall outcome of Outstanding. Previously the school had been judged as Good.

The inspectors noted that the “inspirational head teacher has fostered a culture of high expectations, where barriers to learning are not accepted and a ‘can do’ approach informs every action” and that leadership is the responsibility of all staff. It was also noted that the quality of teaching, learning and assessment was outstanding.

The inspectors commented that the pupils have a keen sense of right and wrong and a highly developed understanding of fairness and acceptance towards those from backgrounds and lifestyles different from their own. It was noted that pupils at key stage 2 are making exceptional progress and most go on to achieve beyond expectations in reading, writing and mathematics.

Ofsted suggested one improvement linked to the school continuing to improve the rate of progress children make in the early years so that it matches that seen in the rest of the school.

National Adoption Week

Each year a national campaign is ran to both raise the profile of adoption and recruit prospective adoptive families. The campaign is led by First4Adoption, the national information service for people interested in adopting a child in England, and this year’s theme was represented by the hashtag “#Support Adoption”. As in previous years, the need to find families for some of our most vulnerable children remained at the heart of the campaign but it also aims to paint a true picture of what adoption is actually like today.

The Council’s Adoption Service recruits adopters all year round to meet the needs of the service but always supports the national campaign in order to further raise our profile locally and increase the impact of the national message.

This year the campaign activities included:

- bridge banners on Felling bypass and civic centre perimeter fencing,
- information in Council Info/Council News,
- promotional advert on plasma screen in Gateshead Civic Centre,
- information included in “Gateshead Now” direct email, and
- a week long social media campaign.

The Adoption Service does not typically experience an immediate increase in enquiries following National Adoption Week but all promotional activities are worthwhile as they raise awareness of the need for adopters and promote “how to get in touch”. Whilst there was not a notable increase in enquiries during National Adoption Week, there was an immediate response to the social media campaign. Messages were posted all week on the Service’s Facebook page as well as the Council’s Facebook and Twitter pages. The results of the local Facebook campaign saw an increase in of 8.5% in the number of likes. The number following the joint Fostering & Adoption Facebook page has risen from 483 on Sunday 16 October to 524 on Monday 25 October. This increase in followers means that we will reach more people in future when using this tool.

The Adoption Service will continue its recruitment activities in order to increase the number of adoptive families.

Celebrating Achievement event for Looked After Children

It’s now 16 years since the Council introduced the Annual Celebrating Achievement Awards for Gateshead’s Looked After Children and Young People. This year, the event took place on 27 October 2016 at the Lancastrian Suite, Dunston.

The event was well attended with 346 young people nominated to receive awards by social workers, foster carers, teachers and other professionals. The nomination categories were:

- Be Healthy
- Enjoy and Achieve
- Make a Positive Contribution
- Achieve Economic Wellbeing

As well as the standard nomination areas listed, young people were also nominated for several special awards including the Lorna Gallagher Award for outstanding achievement in sport or performing arts, The Finton O’Regan Award for most improved attendance since coming into care, and the Virtual School Head Awards linked to educational attainment.

The awards were supported by The Gateshead Housing Company and Intu Metrocentre.

Health and Wellbeing

LGC Awards Submission 2016 – Hot Food Takeaway SPD

The Council’s ‘pioneering fight against obesity’ has been submitted to the LGC Awards. The Hot Food Takeaway Supplementary Planning Document was the first in the UK to go beyond traditional planning considerations and tackle health issues head on.

Officers developed a Hot Food Takeaway Supplementary Planning Document (SPD) based on up to date research to justify criteria, based purely on health, which allows the limitation of the proliferation of hot food takeaways selling unhealthy foods and actively encourage those that sold healthier options. Recognition of the pioneering nature of the Hot Food Takeaway Supplementary Planning Document has already been recognised at the National Planning Award 2016 a Finalist in the Best Health Scheme Category.

Alcohol Related Hospital Admission and Health Inequalities

Balance (The North East Regional Alcohol Office) recently participated in a piece of research analysing the patterns of inequality for alcohol-specific hospital admissions over the time period, 2006-2015.

This shows that nationally there has been a rise in admission rates for alcohol-specific conditions, and that the rates are much higher in the more deprived areas. However, there is some progress on closing the inequality gap between the most and least deprived areas, with a smaller (23%) increase in the rate in the most deprived wards, compared to the larger (50%) increase in the rate in the least deprived wards. In more deprived wards the rates have now started to fall, whilst they continue to rise in the more affluent wards.

Whilst the North East mirrors the national trend, the figures are positive for Gateshead. Gateshead shows an overall decrease in the rates of alcohol-specific hospital admissions in both the most and least deprived wards. This reduction is greater in the most deprived wards (49.3%), with only a 14.1% reduction in the least deprived wards, therefore reducing the health inequalities gap.

These findings must be held in context. Gateshead currently has the 7th highest rate of alcohol related admissions to hospital in England (2014/15), though these figures show an early indication of a positive downward trend. In 2014/15 there were 494 alcohol-specific admissions, and 2615 alcohol-related (which has a wider definition) admissions per 100,000 people in Gateshead.

Public health will continue to monitor these trends to inform service development. The decline in admission rates may be linked to austerity, with the poorest reducing alcohol consumption because of cost. This highlights the fact that cost affects consumption and supports the introduction of a minimum unit price to reduce harm in the most deprived wards, where the most low-cost, high volume alcohol is consumed and the need to continue to work together to make sure that alcohol related harm does not increase when we return to economic prosperity. Furthermore, Gateshead also shows a marked increase in the rate of female admissions for alcohol-specific conditions, which is an area of concern. The current draft Substance Misuse Strategy will also use these findings to inform the strategy and subsequent action planning.

World Mental Health Day

World Mental Health Day is a significant date in the health calendar each year as it helps to highlight the importance of mental health in everyday life. Good mental health is important to each and every person

Gateshead celebrated World Mental Health Day on 10 October 2016 when 34 Mental Health related organisations came together to raise awareness of mental health and to provide advice, information and support about dealing with mental health issues, and ways to take positive steps to improve and protect mental wellbeing. A free event at

Gateshead Leisure Centre ran from 10.30am till 2.30pm and was attended by over 100 members of the public.

A wide range of activities were available for attendees to try including zumba, badminton, table tennis, yoga, tai chi, boccia (a precision ball sport, similar to bocce, and related to bowls and pétanque) as well as time and space to relax, and take in acoustic sessions on the main stage in the main hall. There were also relaxation sessions including an introduction to massage and mindfulness and for younger children who could also participate in face painting and soft play.

Mental health can be a focus for all of us every day, however it's important that the mental health community (those engaged in supporting people with Mental Health issues) comes together in events across the world on October 10th. This event in Gateshead celebrates the work being done in local communities and recognises and promotes the support that is available to those who need it.

Responses from some of the members of the public who attended the event in Gateshead included:

"I enjoyed talking to people it makes me feel more confident about my mental health"

"I have enjoyed the whole Event. I have picked up some useful information and feel better in approaching people for help"

"I am very mindful of my situation now and know that I am not alone in the world"

Adult Social Care

Armed Forces Outreach Scheme

A one off opportunity has arisen for Gateshead to work in partnership with Durham and Northumberland County Councils to submit a bid to the Armed Forces Covenant Fund for 2016-17 to extend our award winning Armed Forces Outreach Service by creating Outreach Worker posts in these local authority areas. The Outreach Service is a crisis prevention service, staffed by ex-service leavers, that supports individuals within the Armed Forces community facing difficulties as a result of their or their family members' service and provides direct assistance, support and signposting to other relevant organisations. The Service is well regarded and has a proven track record of positive joint working across several local authority areas and won a prestigious local government award, the Municipal Journal "Delivering Better Outcomes Award" in 2013.

If the bid is successful it will lead to the Service covering approximately half of the region. It will also provide a range of benefits as it will prevent members of the armed forces community from experiencing issues such as homelessness; the need for urgent medical assistance and referrals to the criminal justice system. It will also enable savings to be made the local authorities and partners. At the end of the period of bid funding, each of the authorities wishing to sustain the Service will need to fund the costs of their individual outreach workers. Applications were submitted on 27 October 2016 and awards will be made between £20,000 and £500,000.

3. PLACE AND ECONOMY

Environment and Transport

SOCITM Website Inspection Result – Pay a Parking Fine

The Society of Information Technology Management, (SOCITM) promotes the effective and efficient use of Information Technology in Local Government and the Public Sector. Since 1999, the annual SOCITM Better Connected website inspection survey has been the definitive benchmark of all local authority websites.

This year they opened up the inspection by publishing all results online one scenario at a time with an individual star rating. The first scenario they reviewed was 'Pay a Parking Fine' and this was recently published on their website.

Gateshead achieved the maximum 4 star rating. We were one of just 12 commended websites for this scenario. The associated observation stated that the Gateshead approach was a "great example of how to keep it simple and faultless navigation".

Trading Standards & Northumbria Police & Operation Halt & Friends Against Scams

The Council's Trading Standards Service have signed an agreement to work in partnership with Northumbria Police in order to protect vulnerable persons, in particular in relation to the tackling of on-line and postal fraud and similar scams.

The aim of Operation Halt is to reduce harm posed by organised crime to the victims within Gateshead and elsewhere. Trading standards and Northumbria police will assist each other to share information with respect to potential victims and gather intelligence on identified frauds and create partnerships to improve knowledge and awareness.

Trading standards staff have been trained by the National Trading Standards Scams Team (NTSST) on the Friends Against Scams initiative. The training was developed to help trading standards deliver key messages to community groups in order to identify people in the community who can help those affected by scams. This training is also being offered to post office sorting staff so that they can identify if a person is receiving a lot of scam mail.

Housing

Assisted Living Scheme

An assisted living scheme for people with autism/learning disabilities and their carers is being developed on three separate sites in Winlaton and Blaydon.

The scheme will be for rent, and will be managed by the Gateshead Housing Company and the Council. The development is designed by Council Housing, Design and Technical Services and the build managed by Construction Services.

Funding for the scheme has been obtained from the Homes and Communities Agency conditional on completion by June 2019.

Economy

Education and Business Partnership

The Council, working with businesses across Gateshead and the region, is helping to facilitate a partnership, whose objectives are to deliver a series of business-led events and interventions aimed at inspiring young people with the range of careers available to them. The partnership, through developing closer relationships with schools, hopes to give young people the opportunity to be engaged with business, have clear direction and be confident in making choices about their future.

4. COMMUNITIES

Communities and Volunteering

Marine Management Volunteers Day

On 4 October, the Council working with local community groups, arranged a volunteer experience for 200 employees of the Marine Management Organisation (MMO) who were in the area to attend their annual conference. Employees volunteered to help out with four community projects:

- Springwell – 30 employees supported Cumbric who are located in the former Springwell Community centre. The volunteers helped with the Community Garden, the Sliverline's garden, and also litter picking in the general area and removing some large household items that have been dumped in the area.
- Dodds Dene – 20 employees were assigned to Dodds Dene based at Low Fell. They were supporting the Friends of Low Fell with planters, and planting some bulbs in the local dene.
- Felling Allotment – 50 employees were helping out at Felling Allotments based near the former Brandling Community Centre. They were helping to clear an allotment for the Platform project and generally clearing the local area.
- Friars Goose – 100 employees focussed on the Friars Goose site located behind Gateshead Stadium. Volunteers helped the Countryside Ranger Volunteers to remove a large stretch of fence at the site which will open the place up to the community and enable more wildlife growth.

There are Council officers assigned to each of the projects as well as officers from the MMO.

Culture, Sport and Leisure

Celebrate Lottery Programme

Big Lottery Fund launched the Celebrate England funding programme in July 2016.

The aim of the programme is to enable communities to celebrate through bringing people together to create a sense of community spirit. This could be to celebrate something in around local history, culture or a local community hero, to mark something important to the community such as the Queen's 90th Birthday, or simply to get to know neighbours better.

A total of £3.875m has been made available across England to apply for grants of between £300 and £10,000. The Council has been successful in securing £10,000.

Over the last two years, the Council has worked closely with a range of voluntary and community organisations to help facilitate and develop a co-ordinated approach to support the delivery of 'Fill the Holiday Gap' projects across the Borough. The projects successfully supported children and families, who normally receive free school meals, in some of the most deprived communities across the Borough during the school holidays in 2015 and 2016.

The Gateshead Together at Christmas project will be funded from the Celebrate programme aims to build on this success and widen the offer to the whole community by bringing residents, of all ages, together. The aim is to help alleviate the problems and disadvantage faced by individuals and families who struggle to meet the costs of feeding themselves and their families over the Christmas period and encourage greater social interaction. Volunteers will help to address the feelings of social isolation often experienced by residents and increase community cohesion and future resilience within neighbourhoods.

The funding will enable volunteers from across community organisations in Gateshead to deliver activities in 15 priority neighbourhoods during the Christmas holidays. Each community organisation will develop its own event which will include a Christmas lunch together with a range of activities for their neighbourhood based on the needs they have identified through a consultation carried out in 2015.

Get Active Boccia Tournament – Celebrating Older Persons Person's Day

On 5 October, Gateshead Leisure Centre played host for the second year to the Get Active Boccia tournament to coincide with the celebration of older person's day. The event, delivered by officers in partnership with the Gateshead Housing Company, engaged over 60 residents from ten sheltered accommodation schemes across the Borough. Ten young volunteers from the Council's Inclusive Futures young volunteer scheme provided invaluable support to the older people playing as well as receiving sporting event experience.

Boccia, a game similar to bowls, is ideal for all ages as it can be enjoyed by participants with a range of different physical ability levels.

Fourteen of Gateshead's Sheltered Housing Schemes now run regular weekly sessions within their community lounges as part of a formal Get Active Boccia League. The schemes play matches both home and away on a regular basis which gives the residents the opportunity to travel to different schemes, and widen their social circle as well as continuing to be active.

Fill the Gap – Holiday Hunger Programme

As part of the Live Well programme funded through Public Health, the officers have worked closely with local partner organisations to facilitate the delivery of the "Fill the Holiday Gap" programme for Gateshead in 2016. A range of partner organisations, including Northumbria University, Children and Families Support, Gateshead food-bank and community volunteers worked together to develop a co-ordinated approach.

In-kind support came from a number of businesses in Gateshead:

- Gateshead Food-bank (5Tonnes)
- Tesco
- Domino Pizza
- Co-op
- The Greggs Foundation
- Hilton Hotel
- A number of very local shops

A strategic steering group is to oversee the development of a sustainable Gateshead wide approach to support families during school holidays in particular the summer holidays.

An initial target of two primary schools in each Neighbourhood Management area has been agreed in principle. Work with Schools on these proposed projects with start in October 2016.

Christmas Shoe Box Appeal

In 2015, the Council supported a Christmas Shoe Box Appeal project. The project collected donations from the public and presented these to young adults leaving Gateshead Council care at Christmas.

Officers collated the donations and invited Council volunteers to attend a wrapping event at the Civic Centre. Over 60 shoe boxes were presented to young people.

As the project was so successful, volunteers who helped out last year have asked if the appeal could be repeated this Christmas. The Neighbourhood Management and Volunteering team will once again co-ordinate the project.

eDay5

Over 350 people attended eDay 5 at the Central Library on 1 October to take part in a wide range of drop in sessions and workshops, all showcasing the latest technology.

The event is an excellent example of partnership working. Gateshead Libraries co-ordinates and markets the event and delivery comes from local business, the voluntary sector, and academic partners.

The event was also part of the Digital Makings programme of participatory digital arts activities currently being delivered by the Council.

The ongoing success of eDay and also the monthly coderdojo coding club at the Central Library helps to cement Gateshead's leading position in libraries providing cutting edge digital activities.

Enchanted Parks

The annual evening event, now in its 11th year, sees specially commissioned artists transform Saltwell Park into a magical and mythical wonderland. This year has been extended to include an additional night to meet overwhelming public demand. More than 25,000 people will be visiting Enchanted Parks this year to experience the amazing installations, projections, lighting and sculpture. Tickets for the event sold out within days of being released.

The theme for this year's Enchanted Parks is inspired by the 400th anniversary of William Shakespeare death and takes place from 6 - 11 December.

The commissioned artworks are being created by professional national and regional artists as well as a number of student commissions from Sunderland's Glass and Ceramics course.

Enchanted Parks is funded by Arts Council England and the Council. It is developed and commissioned by NewcastleGateshead Initiative in partnership with the Council.

Bonfire Night Update

Various services in the Council worked with Tyne and Wear Fire and Rescue Service, The Gateshead Housing Company and Northumbria Police in the run up to Bonfire Night. The aim was to co-ordinate a partnership approach for the prevention, detection and removal of illegal bonfires throughout Gateshead, and therefore reduce deliberate anti-social fires.

Saltwell Park staged the annual Firework Spectacular which was promoted and hosted by Metro Radio. Metro Radio secured sponsorship for the event from Intu/ Metrocentre and Eldon Square.

This year's event featured live bands on stage as well as the Metrognomes, a huge bonfire and small fairground rides. The fairground rides and small number of concessions stalls have enabled us to negotiate the return of the bonfire with Metro Radio – this approach ensures that basic overhead costs can be covered to make the event viable. Displays also took place at Blaydon Rugby Club and Barmoor.

5. CONCLUSION

The Council is asked to note this report.

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COUNCIL MEETING

10 November 2016

GATESHEAD METROPOLITAN BOROUGH COUNCIL

NOTICE OF MOTION

Councillor M Brain will move the following motion:

“This Council notes:

1. The Bus Services Bill passing through Parliament proposes measures which would effectively prohibit a Local Authority from forming a company for the purposes of providing a local bus service.
2. That the Localism Act (2011) provides general powers of competence to local authorities.
3. That municipal bus companies provide some of the best bus services in the country and have a successful track record of increasing bus passenger numbers and providing high quality bus services.
4. That public ownership of bus companies commands widespread public support.

This Council resolves:

To promote the principle of public ownership of public transport systems, and instructs the Chief Executive to write to Government stating our objection to any legislation which restricts Local Authority powers to deliver this.

Proposed by: Councillor M Brain

Seconded by: Councillor B Goldsworthy
Supported by: Councillor M Goldsworthy
Councillor J McElroy
Councillor L Twist
Councillor C Donovan

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COUNCIL MEETING

10 November 2016

GATESHEAD METROPOLITAN BOROUGH COUNCIL

NOTICE OF MOTION

Councillor R Beadle will move the following motion:

“This Council believes that developing tourism is vital for the future growth of the economy in Gateshead and the North East.

This Council welcomes the announcement that Gateshead and Newcastle will host the Great Exhibition of the North in 2018 and congratulates the Newcastle Gateshead Initiative on securing this event.

This Council believes that hosting major events in the region helps build the visitor economy and therefore welcomes and supports the bid by Sunderland to be UK City of Culture 2021”.

Proposed by: Councillor R Beadle

Seconded by: Councillor J Wallace

Supported by: Councillor S Hawkins
Councillor M Ord
Councillor P Maughan
Councillor I Patterson
Councillor D Duggan

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