

Cabinet

9 September 2013

Present: N Redfearn (Elected Mayor) (in the Chair)
Councillors EN Darke, CA Gambling, R Glindon, I Grayson,
JLL Harrison, F Lott, L Spillard and JJ Stirling

In Attendance: P Clow (North Tyneside Clinical Commissioning Group)
A Esson (Business Representative)
L Goodwin (VODA)
R Layton (JTUC)
I Sidney (Young Mayor)
D Titterton (Voluntary Sector).

CAB76/09/13 Apologies

Apologies were received from Councillor CB Pickard, A Caldwell (Age UK North Tyneside), M Cushlow (North Tyneside Clinical Commissioning Group) and S Neill (Northumbria Police).

CAB77/09/13 Declarations of Interest

There were no declarations of interest made.

CAB78/09/13 Minutes

Resolved that the Minutes of the meeting held on 12 August 2013, be confirmed.

CAB79/09/13 Report of the Young Mayor

The Young Mayor reported on the following activities in which he and/or Young Cabinet members had been involved:

- Young Cabinet reshuffle
- Dragons Den Panel for the National Citizenship Service social action projects
- Opening of Phoenix Youth Detached Project dance space at Parks Leisure Centre
- Review of the recent European Exchange visit which had been hosted in North Tyneside
- Meeting visitors from North Tyneside's Twin Town of Oer-Erkenschwick
- Involvement with the editing of the One to One Centre's sexual health DVD
- Mindful Mentoring training.

The Mayor thanked the Young Mayor for his report and the good work being undertaken.

CAB80/09/13 2013/14 Financial Management Report to 31 July 2013 (All Wards)

Cabinet considered a report detailing the budget monitoring position as at 31 July 2013, and included forecast outturn positions for 2013/14 for the General Fund, the Housing Revenue Account (HRA) and the Capital Plan, including a summary of schemes delivered. It also included an update on Schools' finances.

As at 31 July 2013, the forecast year-end position reflected in-year pressures of £1.786m. The forecast reflected the challenging conditions that continued to be faced by councils nationally in managing increased demand in some areas and a reduction in resources from Central Government. Some of the pressure was in respect of CEI savings where activity was underway to deliver savings targets but confirmation of the savings had not yet been secured. Services were developing plans and actions to ensure the budget was brought in on target. These actions included managing non-essential expenditure to ensure all unnecessary spend was avoided, and maximising savings or additional income where possible.

The Authority's external auditors, Mazars, would shortly conclude their detailed audit testing on the draft 2012/13 Annual Financial Report which would be approved by Council on 26 September 2013.

The HRA was forecast to have year-end balances at 31 March 2014 of £2.459m, which was £0.753m higher than budget. The higher than forecast balances were mainly as a result of higher opening balances due to the impact of previous years' financial performance (£0.578m).

As reported in the outturn report and draft Statement of Accounts, school balances had reduced slightly to £6.054m as at 31 March 2013. These balances included a significant amount of committed funds and the permitted carry forward of grants for the remainder of the academic year. School balances continued to be monitored closely and once the "Consistent Financial Reporting" submission had been verified by the Department for Education, further details of the year-end balances could be provided.

The Capital Plan budget for 2013/14, adjusted for various revisions approved by Cabinet and Council, was £79.130m. Variations of £0.222m and reprogramming of £0.095m in 2013/14 were proposed in the report. The report sets out some of the achievements in terms of delivery of projects in the first four months of the financial year, as well as summarising the level of spend on projects for the year.

Cabinet considered the following decision options: either to agree the recommendations as set out in section 1.2 of the report, or alternatively to disagree with the proposals.

Resolved that (1) the budget monitoring position, including the application of the Contingency Budget as at 31 July 2013, be noted;
(2) the receipt of new revenue grants, set out in the report, be approved;
(3) the level of spend on the Capital Plan as at 31 July 2013 be noted; and
(4) the variations of £0.222m and reprogramming of £0.095m within the Capital Plan, be approved.

(Reason for Decision – It is important that Cabinet continues to monitor performance against the budget, especially given the current level of financial pressures faced by the public sector. The variations to the Capital Plan will enable the use of grants awarded for 2013/14.)

CAB81/09/13 Discretionary Local Taxation Policy (All Wards)

Cabinet considered a report requesting approval of a policy for the use of discretionary powers the Council had to reduce the level of Council Tax or Business Rates payable by an individual or a business.

Section 13A(1)(c) of The Local Government Finance Act of 1992 (as amended) gave the Authority the ability to reduce the level of Council Tax paid by an individual as it saw fit.

This discretion was exercised on the understanding that for any discount awarded the loss of income would have to be met in full by the Authority.

Due to the fact the cost of any award of discount under this category must be met in full by the Authority, and therefore by the Council Tax payers as a whole, the discount had only ever been used in exceptional circumstances to date.

The discount had been used in 2007 to assist residents affected by flooding, caused by exceptional weather conditions, mainly in the Longbenton area. Discount was awarded to residents who remained in their flood damaged homes, who did not qualify for statutory Council Tax exemptions, which they would have received had they vacated their homes. Approximately £5,000 in total of this Council Tax discount was awarded at that time.

This discount was used again in June 2012 when severe flooding hit many parts of North Tyneside. On this occasion over eighty homes had been awarded assistance amounting to £8,605 in total.

Section 47 of the Local Government Finance Act 1988 as amended permitted Councils to reduce the Business Rates of any local ratepayer. This could only be done if the Authority was satisfied it would be reasonable to do so, having regard to the interest of persons liable to pay Council Tax set by it. This was because the cost of any award of this discretionary discount had to be met in full by the Authority and therefore ultimately by the Council Tax payers. No award of discount under this provision had been made.

There were a number of other schemes, which were detailed in the report, available to support residents and businesses with their Council Tax and Business Rates liability other than the discretionary powers

Other support was offered to residents through the Discretionary Housing Payment Policy and the Local Welfare Provision.

Cabinet considered the following decision options: either to agree the recommendations as set out in section 1.2 of the report, or alternatively to disagree with the proposals and refer the report back to officers for further consideration.

Resolved that (1) it be noted that the Authority already has a comprehensive policy covering Discretionary Relief of Business Rates for charitable organisations, or organisations which are established and conducted on a non profit making basis, as set out at appendix A of the report;

(2) it be noted that the Authority already has a hardship rate relief scheme for Business Rate payers and has a Local Council Tax Support Scheme for residents.

(3) the proposed Discretionary Local Taxation Policy, as set out in Appendix B, be approved.

(Reason for decision – it reflects the fact that other avenues of support are available and promoted to residents and businesses. It recognises that the full cost of any award under the Discretionary Local Taxation Policy must be met in full by the Council Tax payers and should therefore only be used in exceptional circumstances.)

CAB82/09/13 2014-2018 Financial Planning and Budget Process, Incorporating the Associated Engagement Strategy (All Wards)

Cabinet considered a report which sought approval to the proposed 2014-2018 Financial Planning and Budget Process and as part of the process, the 2014/15 Budget Engagement Strategy.

The report gave details of the 2015/16 spending round and of the 2014/15 and 2015/16 Local Government Finance Settlement were subject to technical consultation, with a closing date for responses of 2 October 2013.

The 2015/16 Spending Round of 26 June 2013 announced a 10% real terms reduction for Local Government from the Department of Communities and Local Government (DCLG) for 2015/16. The national Local Government Departmental Expenditure Limit (DEL) would fall from £25.6bn in 2014/15 to £23.5bn in 2015/16. The 2014/15 and 2015/16 Local Government Finance Technical Consultation confirmed these figures and also sets out that the overall reduction to funding is 2.3% in real terms when the resources from other budgets are taken into account, though this includes a number of existing funding streams.

The Consultation set out a worsening of the overall funding position for Local Government since the 2015/16 Spending Round, with an additional cut to Local Government of another £800m, bringing the overall reduction for 2015/16 to £2.9bn. The core area of Revenue Support Grant funding would see very significant reductions in funding for 2015/16. The national total would reduce from £12.537bn in 2014/15 to £9.124bn in 2015/16, a reduction of 27.2% in one year.

Taking the above factors together, the overall funding through the Settlement Funding Assessment would see an average 13% cash reduction, for England, which was a 15% real terms reduction between 2014/15 and 2015/16.

The detailed financial implications of this Technical consultation paper for the Authority were currently being assessed. The implications would be detailed in the reports produced throughout the 2014-2018 Financial Planning and Budget process as more detailed financial information became available.

The Our North Tyneside Plan was currently being developed to reflect the priorities of the new administration and would be submitted to Council on 26 September 2013 for approval. It would provide the policy direction for the Authority's Financial Planning and Budget process for 2014/15 and the following three years. It would be delivered in partnership with local people, communities, businesses and other local public sector and voluntary organisations. The Authority and North Tyneside Strategic Partnership had agreed that the Plan would also replace the Sustainable Community Strategy.

A Financial Strategy was critical in order to ensure that the Authority made decisions by focussing on strategic priorities and had a clear financial vision and direction for the medium term. The strategy needed to link to the Our North Tyneside Plan which ultimately drove Council resources. The Authority's budget setting process helped the Authority respond appropriately to responsibilities and duties placed upon Local Government through legislative requirements and the Government's drive for a deliverable programme of efficiency savings.

Financial planning was of critical importance during the period of the Government's own Spending Review and beyond, given the potential scale of future challenges. This planning was supported by the continuing need to integrate revenue, capital, asset and treasury planning, driven further by the Prudential Code requirements in relation to longer-term capital investment. In formulating the financial plan, the impact of priorities, objectives and preferred options needed to be fully evaluated.

Whilst decisions around budget-setting were approved on an annual basis, the Authority had to demonstrate medium-term financial and resource planning. Annual budget decisions had to be taken in the context of the overall financial plan that looked at all Authority services and took into account the Government's Local Government Finance agenda.

An important element of the overall Financial Strategy was the Authority's Change Efficiency and Improvement (CEI) Programme which was now, as far as possible, protecting staff jobs and service delivery by giving services opportunities to grow and explore other means of investment and job opportunities. The only way this could be achieved was to look at how services could be delivered in a different way in the future. It was structured in three themes (A – Education, Skills and Adults; B – Business and C – Environment). Each theme had been allocated a savings target which had been weighted in line with the Authority's priorities. Best practice highlighted the need for medium-term planning horizons. The Authority's four-year planning timeframe would assist in ensuring there was a clear demonstration of sustainability in its plans for the future.

The approach to resource planning for 2014-2018 would continue to concentrate on ensuring that all key drivers for change were embedded into the decision-making process for the allocation and re-direction of the Authority's finite resources, financial and otherwise. In addition, there would be the annual detailed review of the current financial plan forecasts and commitments for revenue, capital investment and housing finance. The Financial Strategy would be subject to its usual annual review.

The key components and principles adopted for the 2014-2018 Financial Strategy had been fully reviewed as part of the current year's process and were summarised in the report.

The report also provided information in relation to Equality and Diversity, the 2014/15 Financial Planning and Budget Process Timetable of key Decision Milestones.

North Tyneside Council was committed to being a resident-focused Authority. Engagement with residents took place throughout the year and information gathered during the year would be used to inform the budget proposals for 2014/15. Ensuring residents' views were gathered and considered during the annual Budget Setting process was part of this ongoing programme.

This year the Authority had spent time over the summer seeking the views of residents on the Our North Tyneside Plan. The Plan would influence the budget proposals. Information on the budget proposals would be made available to residents on the Authority's website and some targeted community engagement would take place. Comments and suggestions would be included in the reports to Cabinet and Council in January and February 2014. The Budget Engagement Strategy for 2014/15 was detailed in the report.

Cabinet considered the following decision option: to agree the recommendations as set out in section 1.2 of the report.

Resolved that (1) the proposed outline 2014-2018 Financial Planning and Budget Process, incorporating the key decision milestones and dates as set out at Appendix A of the report; and,
(2) the 2014/15 Budget Engagement Strategy as part of the 2014-2018 Financial Planning and Budget Process, be approved.

(Reason for decision –Decisions on the budget in relation to the general fund, housing revenue account, schools' funding and the Capital Plan need to be made within the overall context of the resources available to the Authority and within the legal framework for setting budgets. The Authority will need to examine closely the links with key funding partners and their proposed financial plans, including an assessment of the impact of any grant fall-out over the proposed four-year resource planning period.

Cabinet and Council need to have due regard to the Chief Finance Officer's advice in relation to the levels of reserves and balances proposed as part of the four-year financial plan for 2014-2018 in accordance with the Authority's Reserves and Balances Policy most recently agreed by Council on 5 March 2013.

The only direct financial implications arising from this report will be any residual costs arising from support for area based engagement, Residents' Panel and any other specific engagement events and the possible use of an "on-line" model. These costs will be met from existing budgets.

The Budget Engagement Strategy for 2014/15 will in part help to inform decisions about what will be included in the four-year Financial Plan for 2014-2018. Decisions on the budget for general fund, capital plan, housing revenue account and schools' funding will need to be made within the overall context of the resources available to the Authority and within the legal framework for setting budgets.

The Local Government Finance Act 1992 requires the Authority to set a balanced budget in the context of the resources available, including central government grants, business rates and council tax income.

The Local Government Act 2003 imposes duties on local authorities in relation to budget setting. The Act requires that, when an authority is deciding its annual budget and council tax level, members and officers must take into account a report from the Chief Finance Officer on the robustness of the budget and the adequacy of the authority's financial reserves. The Government has a back-up power to impose a minimum level of reserves on an authority that it considers to be making inadequate provisions.

The 2014-2018 Financial Planning and Budget process has been prepared to comply with the time-scales required within the Budget and Policy Framework Procedure Rules contained in the Authority's Constitution.

Last year legal advice confirmed that functions relating to the Housing Revenue Account are the sole responsibility of the executive (Cabinet). As a result, decision making in relation to the Housing Revenue Account is the responsibility of the Cabinet, in accordance with section 9D of the Local Government Act 2000 (as amended).

CAB83/09/13 2013/14 In-Year Budget Changes to the General Fund Budget (All Wards)

Cabinet considered a report requesting approval to the proposed in-year budget changes that had arisen following a review of the General Fund budget envelope for 2013/14.

In May 2013, the Elected Mayor and Cabinet requested a review of the details within the General Fund budget envelope, with a particular view to the Change, Efficiency and Improvement Programme for 2013/14, to ensure the projects aligned to the newly agreed Council Plan priorities approved by Cabinet on 24 June 2013 (Minute CAB34/06/13 refers). The review did not consider any change to the overall budget envelope as agreed by Council on 5 March 2013 (C155/03/13 refers).

A summary of the proposed changes were detailed in the report as follows:

Directorate	Change £ (+)	Change £ (-)
Children, Young People & Learning	243,406	-
Community Services	130,000	130,000
Chief Executive's Office	5,000	10,000
Finance and Resources	-	-
Corporate Accounting*	-	238,406
Totals	378,406	378,406

The report provided further information on each of the proposed changes, including how each change would be funded.

The Mayor referred to library provision in the Borough and indicated that the service would be fully reviewed before any decision on future library provision throughout the Borough was made.

The net effect of the above in-year changes would increase general fund expenditure by +£378,406 which would be offset by equivalent savings of -£378,406. This would leave the General Fund revenue budget in a balanced position i.e. no change to the budget envelope agreed by Council on 5 March 2013 and the budget would remain financed in accordance with the provisions of the Local Government Act 1992.

Cabinet considered the following decision options: either to agree the recommendations as set out in section 1.2 of the report, or alternatively to disagree with the proposals.

Resolved that (1) the proposed in-year budget changes for 2013/14 as set down in Table 1 of the report, be approved; and
(2) the Finance Sub-Committee be requested to monitor the changes as an integral part of the regular financial management reporting already undertaken.

(Reason for decision – to ensure transparency and clarity of how the budget envelope is to be spent in-year and to reflect the financial implications of the policy changes proposed in this report.)

CAB84/09/13 Council Tax Support Scheme 2014/2015 (All Wards)

Cabinet considered a report which requested consideration of a Council Tax Support Scheme for 2014-2015, and to approval to consult on the scheme.

On 1 April 2013 the national Council Tax Benefit scheme was abolished and in its place Local Authorities received funding to provide a local scheme. The purpose of the local scheme was to help residents with low household income pay their Council Tax. Local Authorities could decide entitlement rules for working age claimants however any local scheme also had to adopt prescribed pensionable age rules around entitlement along with some prescribed rules for working age claimants, decided by the Department for Communities and Local Government (DCLG). The definition of working age was also prescribed by DCLG.

In accordance with the Local Government Finance Act 1992 as amended by the Local Government Finance Act 2012, Council had agreed a scheme on 30 January 2013 for the financial year 2013-14, which was implemented on 1 April 2013.

The agreed scheme worked in a similar way to the old Council Tax Benefit scheme in that it was a means tested discount.

The maximum Council Tax Support that a working age claimant could be entitled to was 93% rather than 100% under the old Council Tax Benefit scheme. Pensionable age claimants are still entitled to support based on 100% of the Council Tax liability as this was prescribed in legislation.

The Local Government Finance Act 1992 as amended, stated 'For each financial year, each billing authority must consider whether to revise its scheme or replace it with another scheme'. The authority 'must make any revision to its scheme, or any replacement no later than 31 January in the financial year preceding that for which the revision or replacement scheme is to have effect'.

A further provision within the legislation was 'If any revision to a scheme, or any replacement scheme, has the effect of reducing or removing a reduction to which any class is entitled, the revision or replacement must include such transitional provision relating to that reduction or removal as the authority thinks fit'.

Any scheme proposed for 2014-2015 should be subject to consultation, although the level and period of consultation was likely to depend on the level of change, if any, to the scheme. As part of that consultation Local Authorities should before making a scheme:

- a) consult any major precepting authority which has power to issue a precept to it,
- b) publish a draft scheme in such manner as it thinks fit, and
- c) consult such other persons as it considers are likely to have an interest in the operation of the scheme.

The current scheme was funded in four ways:

- a) £14,152,350 funding identified specifically for Council Tax Support within the 2013/14 Local Government Finance Settlement.
- b) £386,000 Transition Funding Grant as the scheme meets certain conditions
- c) Further funding provided by the Authority
- d) Contribution by Precepting Authorities, (Police and Fire).

The decision to fund the shortfall was due to additional funding being generated through changes to Council Tax discounts and exemptions. The Transition Grant of £386,000 will not be available for 2014-2015 as this was only available for the first year of Council Tax Support Schemes.

The number of claimants in receipt of Council Tax Support fluctuated over the year. As at 29 July 2013 the current number of 'live' cases receiving Council Tax Support was 22,617. This was split between 10,881 (48%) pensionable age claimants and 11,736 working age claimants (52%). This was less than the original estimates of 23,500. The reduction in claimants seemed to have been repeated across the North East region with neighbouring Local Authorities also reporting a reduction in claimants.

To date the amount of Council Tax Support awarded to claimants since April 2013 was £16,548,940. The initial estimated cost of the current scheme based on the caseload of 23,500 was £17.12 million. The collection rate of the current scheme for those having to pay 7% who did not pay anything under Council Tax was encouraging and showed that:

- 70% were keeping their payments up to date,
- 13% had made some payment but are not up to date; and
- 17% had made no payment at all.

Early indications were collection levels for 2013-2014 were favourable in comparison with neighbouring Local Authorities.

The Authority had taken a more supportive approach to recovery for first time payers for the first year, with a gentle reminder and offers of support before starting the statutory recovery process.

1,937 summonses had been issued to the 17% who had not paid anything. This allowed the Authority to obtain a Liability Order from the Court that permitted deductions directly from an individual's State Benefits towards the payment of the outstanding Council Tax debt. This was currently set at just under £4.00 per week and would see Council Tax liability cleared in the financial year. Additionally costs were kept to an absolute minimum of £10.00 per annum instead of the normal £80.00 per annum.

Cabinet considered the following decision options: either to agree the recommendations as set out in section 1.2 of the report, or alternatively to disagree with the proposals and request Officers to revise the Scheme, taking account of Cabinet's suggestions.

Resolved that (1) the current Council Tax Support Scheme, as detailed in the report, be the scheme proposed to Council for the 2014-15 financial year; and (2) a consultation exercise be carried out on the proposed scheme.

(Reason for decision – the Scheme operates in the same way as the current scheme which Council Tax Support claimants and partner organisations are familiar with. It continues with the current maximum Council Tax Support available of 93% for working age claimants. It keeps the reduction in support to the lowest amount possible. The recovery rate of the current scheme is encouraging, showing that the majority of Council Tax Support claimants now having to pay a contribution are able to meet their obligations. Recovery by attachment of benefits within the financial year is still obtainable, as the amount to be recovered is within the attachment of income limit. The potential impact on the Collection Fund is kept to a minimum by keeping the percentage of Council Tax not available for support to a minimum.

CAB85/09/13 Response to Overview and Scrutiny Report on Transition of Public Health into the Local Authority (All Wards)

Cabinet considered a report which responded to the recommendations of the Overview and Scrutiny Committee in its report to Cabinet on 8 July 2013, on the Transition of Public Health into the Local Authority (Minute CAB40/07/13 refers). A proposed Action Plan which included responses to the recommendations, was detailed at Appendix A of the report.

The Public Health Transition Sub-Group had been established by the Adult Social Care, Health and Wellbeing Sub-Committee to investigate the transfer of public health from NHS North of Tyne to North Tyneside Council. The main objective was to seek assurance that the transfer would be smooth and had adequate resources to create a high quality and locally accountable health system.

As part of their investigation, Members met with officers of the Council between 15 January and 16 May 2013 in order to gather evidence and the information needed to formulate recommendations.

The Sub-Group examined the public health grant for 2013/14, and gained assurance that this was adequate to put plans in place to deliver on statutory responsibilities for public health and improve the health of the local population. However, Members were concerned, that as the Council continued to be under pressure to make savings further demands would be placed on the public health grant. The Sub-Group believed that the production of a medium to long term strategic plan for public health could prevent funding being vired into other areas.

In relation to the governance arrangements for public health, Members concluded that it would be beneficial to establish a member led committee or board which could provide additional assurance to the council and lead integration of public health functions across all portfolios. After considering a number of options the sub-group recommend the establishment of a Public Health Advisory Board.

The Sub-Group also discussed the plans for future commissioning of public health improvement contracts and services. The Director of Public Health had developed a North Tyneside Health Improvement Commissioning Strategy and a Procurement Programme 2013-15. Members felt it was important that the Council had an overarching public health policy statement or vision which would give direction to service specifications and the re-procurement of public health services.

The Director of Public Health had presented a report to Cabinet on 14 January 2013 (Minute CAB165/01/13 refers). 'Transfer of Public Health Functions from North Tyneside PCT to North Tyneside Council', outlining the progress in relation to transferring public health functions from North Tyneside PCT to North Tyneside Council in line with the requirements of the Health and Social Care Act 2012. Cabinet had been appraised of transition plans and governance arrangements so that it could be assured that the change was being managed in line with national guidance and milestones.

The Director of Public Health had also presented a report to Cabinet on 11 March 2013 (Minute CAB227/03/13 refers), detailing the 'Final Transfer Scheme for Public Health' to ensure that the transfer was undertaken in accordance with the Health and Social Care Act 2012 and by the deadline of 1 April 2013. The sign off of the Final Transfer Scheme for Public Health was approved by Cabinet.

Cabinet considered the following decision options:

Option 1 – approve the recommendations in paragraph 1.2 of the report;

Option 2 – not approve the recommendations in paragraph 1.2 of the report.

Option 3 – accept, reject or amend any of the proposed responses detailed in Appendix A of the report.

Option 4 – refer the matter back to Officers for further consideration of particular issues.

Resolved that the proposed responses to the recommendations identified in the Cabinet report on 8 July 2013 from the Overview and Scrutiny Committee on 'Transition of Public Health into the Local Authority', as detailed in Appendix A of the report, be approved.

(Reason for decision – it will enable Cabinet's response to be fed back to the Adult Social Care and Health and Wellbeing Overview and Scrutiny Committee. The Committee will monitor progress on implementing the recommendations with the Director of Public Health.)

CAB86/09/13 Traffic Regulation Order – Service Yard to the Side of North Shields Metro Station (All Wards)

Cabinet considered a report detailing an objection received to the proposal to introduce parking restrictions in the service yard to the north side of North Shields Metro Station.

Parking proposals were subject to statutory legal process and schemes had to be advertised on site and in the local press. This would enable members of the public or businesses to object to the proposal. Any objectors were first sent a detailed response and invited to reconsider their objection. Any objections not withdrawn were referred to Cabinet for its consideration.

One objection had been received. The full text of the objection and officer response was included in Appendix 1 of the report.

Cabinet considered the following decision options: either to agree the recommendations as set out in section 1.2 of the report, or alternatively to disagree with the proposals.

Resolved that (1) the objection be set aside in the interest of improved taxi management, to facilitate the free flow of traffic and to support the operation of bus services in the area; and
(2) the North Tyneside (Prohibition and Restriction of waiting and Loading)(Consolidation) Order 2012 Variation Order No. 4 2013, North Shields Metro Station, be approved.

(Reason for decision – to provide an effective facility to accommodate the numerous Hackney Carriage vehicles that use the ranks in this area. Relocating the majority of Hackney Carriage vehicles off the public highway will aid traffic movements and Public Transport Services operating in the area.)

CAB87/09/13 Council Plan 2014-2018 (Previous Minute CAB69/08/13) (All Wards)

Cabinet considered a report which gave an update on the progress to develop the 2014-2018 Council Plan “Our North Tyneside”.

The new Plan was being developed to ensure that the Authority was working toward the priorities of the new administration. Developing the Plan at this stage would also provide the policy direction for the Financial Planning and Budget process for 2014/2015 and the following three years.

The Our North Tyneside Plan would need to be delivered by the Authority in partnership with local people, communities, businesses and other local public sector and voluntary organisations. Both the Authority and North Tyneside Strategic Partnership had agreed that the Our North Tyneside Plan would replace the Sustainable Community Strategy in the future.

The initial Our North Tyneside Plan proposals were based on an analysis of need for the Borough. This had been developed using current performance information, views of local residents and by considering future trends, such as an ageing population and reduction in national government funding. The initial priorities had been tested with local people during three weeks of engagement during July 2013 and 83% had agreed that the priorities made sense.

The final proposals for the Our North Tyneside Plan 2014-2018 were being developed along with an Action Plan which would explain the actions to be taken to deliver the Plan. The Action Plan would be updated each year.

The final proposals for the Our North Tyneside Plan 2014-2018 had been considered by the Overview and Scrutiny Committee on 2 September 2013. A supplementary report had been circulated under separate cover which outlined the final proposal following their consideration by the Overview and Scrutiny Committee. Overview and Scrutiny Committee had made no recommendations and had agreed to the Plan being submitted to Council on 26 September 2013.

The final proposals would also be presented to the North Tyneside Strategic Partnership on 11 September 2013.

Cabinet considered the following decision options: either to agree the recommendations as set out in section 1.2 of the report, or alternatively to disagree with the proposals.

Resolved that (1) the progress made in relation to developing the Council Plan 2014-2018 'Our North Tyneside', be noted; and (2) the Strategic Manager Policy, (Partnerships, Performance and Communications) in consultation with the Elected Mayor and Deputy Mayor, be authorised to finalise the Council Plan proposals taking account of any comments from the Overview and Scrutiny Committee on 2 September 2013 and the North Tyneside Strategic Partnership on 11 September 2013, in order for the Council Plan proposals to be presented to Council for approval on 26 September 2013.

(Reason for decision – this will enable the Council Plan 2014–2018 “Our North Tyneside” to be presented for final approval to Council on 26 September 2013.)

CAB88/09/13 Annual Review of Council Policy on Covert Surveillance (All Wards)

Cabinet considered a report which sought approval of an updated Covert Surveillance Policy. In accordance with the Codes of Practice applying to the Regulation of Investigatory Powers Act 2000 (RIPA) the Council Policy should be reviewed annually. A copy of the revised draft Policy was attached at Appendix 1 of the report.

The Regulation of Investigatory Powers Act 2000 (RIPA) put covert surveillance on a statutory basis. RIPA enabled certain public authorities to carry out surveillance operations with statutory protection from legal challenge. It was often referred to as the “RIPA shield”.

The report detailed the three covert investigatory techniques available to local authorities under RIPA.

The RIPA provisions could only be used to authorise surveillance activities in order to detect and prevent serious crime and any authorisation is subject to a requirement to seek authorisation from an ‘Authorising Officer’ and to obtaining judicial approval from the Magistrates’ Court before any surveillance was undertaken. All authorisations would be subject to an internal scrutiny process prior to being submitted for judicial approval.

The aims of the Authority’s Policy were to:

- Set out the Authority’s arrangements for complying with RIPA; the relevant Codes of Practice and guidance issued by the Home Office; and guidance from the Office of the Surveillance Commissioner (OSC) and the Interception of Communications Commissioner’s Office (IOCCO);
- Give effect to the rights of citizens to respect for their private and family lives (pursuant to the Human Rights Act 1998); and
- Protect the Authority from legal challenge when undertaking surveillance.

Local authorities could undertake surveillance for other purposes but such surveillance would not benefit from the RIPA shield and would leave a local authority more vulnerable to challenge. For this reason all surveillance activity undertaken by the Authority, whether inside or outside of the RIPA regime, must be appropriately authorised by one of the Authorising Officers and was subject to central monitoring and challenge.

The Authority’s current Surveillance Policy had been approved by Cabinet in November 2012 (Minute CAB125/11/12 refers) and was subject to annual review.

The Policy had been reviewed and the revised draft policy reflected the comments and recommendations made following an inspection by the Assistant Surveillance Commissioner, HH Norman Jones QC of the Officer of Surveillance Commissioners. The draft Policy had been considered by the Regulation and Review Committee.

The Authority had a Central Register of all RIPA and non-RIPA surveillance activity, which was held and monitored by the Head of Law and Governance. The Head of Law and Governance was also the Senior Responsible Officer.

The report also gave details of:

- the RIPA inspection process and issues that had been identified following the North Tyneside inspection and actions used to address those issues. A number of minor amendments had been made to the Policy as a result of the inspection.
- summary of use of surveillance
- acquisition of communications data
- covert human intelligence source provisions.
- corporate responsibilities
- compliance and oversight
- closed Circuit television (CCTV)

Cabinet considered the following decision options: either to agree the recommendations as set out in section 1.2 of the report, or alternatively ask officers to revise the draft Policy and/or provide additional information regarding any matters contained in the report.

Resolved that (1) the Authority's draft Policy on Covert Surveillance, be approved; and (2) the use of surveillance by the Authority in the preceding year, be noted.

(Reason for decision – it will secure adherence to the recommended best practice contained within the Codes of Practice. In particular, paragraph 3.30 of the Code of Practice – Covert Surveillance and Property Interference indicates that elected members should review the Authority's use of Part II of the Regulation of Investigatory Powers Act 2000 and set the policy at least once a year.)

CAB89/09/13 North Tyneside Statement of Community Involvement (All Wards)

Cabinet considered a report which explained the background to the production of the Statement of Community Involvement (SCI), gave an overview of the contents of the SCI and where it sat within the planning process; outlined the responses received to a recent six-week public consultation exercise, and proposed how these would be addressed in the SCI; and requested adoption of the SCI as planning policy.

The Local Plan would replace the existing North Tyneside Unitary Development Plan and combine work already progressed on the Core Strategy and Area Actions Plan in order to move away from a number of separate documents and to one single document. The aim of this was to provide clarity to its readers whilst also avoiding un-necessary duplication of policies.

The purpose of the SCI was to set out the standards to be achieved by the Local Authority in relation to meeting its statutory obligations of involving the community in the planning process. This related to the preparation, alteration and continuing review of the Local Plan (and any supporting documents); and the consideration of planning applications on a day to day basis.

The SCI should provide a clear guide to how and when community involvement would be sought, who would be consulted and the range of methods to be adopted in engaging those groups and individuals.

The current SCI was being reviewed to align it with recent changes to statutory regulations relating to the procedure of producing a Local Plan and with developments to consultation policy and practice. The revised SCI sets out the new procedures and processes for producing a Local Plan, which had changed since the adoption of the current SCI. The revised SCI was a more simplified document than its predecessor, clearly setting out how the people of North Tyneside could become involved in the Planning system. The revised SCI had undergone a complete restructure with some additional chapters added such as 'Neighbourhood Planning' and had been re-written to ensure it was fully compliant with regulations.

Consultation was undertaken on the revised SCI between 8 July and 19 August 2013 and the document amended where appropriate. Full details of consultation and responses were detailed in the report.

Cabinet considered the following decision options:

Option 1 – approve the recommendations contained in paragraph 1.2 of the report.

Option 2 – approve the revised Statement of Community Involvement 2013, but with modifications to the document.

Option 3 – not approve the recommendations contained in paragraph 1.2 of the report, and refer the content of the report to officers for further consideration.

Resolved that the Statement of Community Involvement be approved and adopted as North Tyneside Planning Policy.

(Reason for decision – it will permit the carrying out of an important stage of the preparation of the North Tyneside Local Plan, and is a key step in producing an up to date Development Plan for the Borough.)

CAB90/09/13 Northern Grid For Learning – Transition to Lead Authority Model (All Wards)

Cabinet considered a report which requested approval for the Authority to assume responsibility as the lead authority for the management and development of the business currently carried out by Northern Grid For Learning (NGFL) for itself and on behalf of the other NGFL member authorities, namely the Borough Councils of South Tyneside, Redcar and Cleveland, Stockton on Tees, Darlington Middlesbrough and Hartlepool.

NGFL was not as it stood sustainable as an independent entity since it relied upon the administrative support and day to day direction of the NGFL Authorities and the Authority. The Authority had effectively, with the support of the other Member Authorities, assumed de facto control of the NGFL activities and it was currently doing so on the basis only of a non legally binding memorandum of understanding. If the Authority was to continue to do this it should do so on a properly regulated contracted basis. Should NGFL cease to operate this would not only result in significant detriment and disruption to the services received by all its customers, but it would also lead to significant costs for all NGFL Authorities, and in any event there was considered to be real benefit and value in what NGFL could provide.

Any proposals to restructure the NGFL business would be implemented on the basis that they did not materially worsen the financial position of the Authority from that which presently existed, and that whilst there may be a reorganisation of the relationship between the NGFL Authorities the underlying responsibilities of the NGFL Authorities to each other and to NGFL would not change, but NGFL should be in a position where it could deliver its services in a more effective and efficient way and from a significantly lower cost base.

The report outlined the background to the establishment of the NGFL and referred to a recent review of the business which recommended radical changes for its future operation.

The removal of a number of non-core activities from the business of NGFL meant that a number of staff posts, including those of some senior managers, became redundant and as a consequence of this in the short term the need to meet the redundancy, pensions and restructuring costs placed significant pressure on the cash flow position of NGFL. This caused the NGFL Authorities to review the position of NGFL to determine how best to proceed. One option open to the NGFL Authorities was to fund the short term cash flow requirements of NGFL by way of loans or cash injection. The medium term projections for the business showed no long term financial problems as long as the projections were correct, but the NGFL Authorities were reluctant to put further funds into the business when the business was contracting, and because of the staff changes there was uncertainty about its ability to operate effectively to meet the projected income targets. A second option for the NGFL Authorities was to place NGFL into liquidation. This would have caused a liability to the Fund to crystallise. As the NGFL Authorities were ultimately liable for any such liability, this was not an attractive option. Liquidation would also have led to large contractual claims from BT in respect of a recently procured contract for the delivery of a broadband network, and this possibility coupled with the fact that all NGFL Authorities actually wanted the service offered by NGFL to continue, meant there was no benefit to be gained from closing down the business.

Following consideration by the NGFL Board, it was concluded that if appropriate arrangements could be made to undertake the most cost effective and appropriate solution, of an NGFL Member assuming responsibility for the activities of NGFL as a lead authority, taking over all necessary assets, dealing with any liabilities and then NGFL could be wound up. The NGFL would then be governed by a contractual arrangement rather than through the constitution of a jointly controlled company.

As North Tyneside Council had access to the contract management and IT resource delivered under its partnership with Balfour Beatty Workplace Limited, and was actively involved in seeking to resolve the issues facing NGFL, it was proposed that North Tyneside should take the lead in trying to create appropriate conditions for a transition to a lead authority model. This work had been underway for some months and it was now considered that the obstacles to transition have been or could be appropriately addressed.

The key issues that had arisen in relation to the proposed transition, and the proposals for dealing with them, were:

- Network provision and support contract with BT
- Staffing Issues and Pension Costs
- Premises and Operating Costs
- Finance, Assets and Liabilities
- Capacity and costs

Although under the terms of a Lead Authority agreement the NGFL business must be managed on the agreed basis and for the benefit of all NGFL Authorities, there were inevitably benefits arising from the position as Lead Authority to identify new opportunities to develop the business and the services delivered by the business which may sit well with other wider objectives of the Authority. There would also be a benefit to the arrangement in that the Authority would be in a better position to influence matters.

Cabinet considered the following decision options:

Option 1 – grant the Approvals and Authorisations requested in the report and authorise the Authority to assume a position as Lead Authority for the ongoing conduct of the NGFL activities.

Option 2 – not grant the requested Approvals and Authorisations and take no alternative action.

Option 3 – Propose an alternate NGFL Member be appointed as Lead Authority.

Resolved that (1) the proposal that the Authority take responsibility as lead authority, under the terms of a contractual arrangement with the NGFL Authorities, for the future management of the activities of NGFL, and assume the assets and liabilities of NGFL on that basis, be approved;

(2) the Director of Children, Young People and Learning in consultation with the Head of Law and Governance, The Strategic Director of Finance and Resources and the Cabinet Member for Children Young People and Learning, be authorised to agree and conclude an appropriate commercial agreement with NGFL and the NGFL Authorities on such terms as are deemed appropriate to give effect to the proposal referred to in item (1) above, and to agree and conclude such ancillary agreements relating to the contracts, liabilities and assets of NGFL as may be necessary to achieve that transition;

(3) the provision of a guarantee to the Tyne and Wear Pension Fund (the Fund) by the Authority in respect of the liabilities of NGFL to the Fund, and the entry by the Authority into an agreement for the subsumption of the pension liabilities and assets of NGFL into those of the Authority, be approved, in each case on the basis that the Authority secures appropriate and proportionate indemnities and contribution agreements from the other NGFL Authorities in respect of any future liabilities to the Fund that may arise under that guarantee or subsumption;

(4) the Strategic Director of Finance, in consultation with the Director of Children, Young People and Learning, the Head of Law and Governance and the Cabinet Member for Finance, be authorised to agree and conclude such forms of guarantee, subsumption agreement, indemnities and contribution agreements as may be necessary and appropriate to give effect to the matters approved in Resolution 3; and

(5) the Director of Children, Young People and Learning, be authorised to do such things and agree such matters as may be ancillary to the matters authorised and are considered reasonably necessary to give effect to their intention, including following the transition contemplated above, to take steps to effect a solvent and orderly winding up of NGFL.

(Reason for decision - following the cost driven changes to its business, NGFL is not operationally sustainable and cannot effectively manage its affairs without direct support from the member authorities. The NGFL Authorities and the NGFL Directors consider that this support is best provided by a single member authority in consultation with the others, and delivered under a contractual model. This avoids any need for short term additional revenue funding for NGFL.

The original justification for the corporate structure of NGFL no longer exists and whilst what it can deliver continues to be necessary, the structure of the business is now overly costly and unwieldy.

The ongoing commitments of NGFL mean that winding up the Company and failing to put in place suitable alternative arrangements to take over these liabilities and obligations would give rise to the crystallisation of significant liabilities for all NGFL Authorities. All NGFL Authorities value what NGFL does and wish to see this continue. The proposed model represents a more efficient way of delivering the NGFL offering, but with a significantly reduced cost base, and allows all NGFL Authorities the opportunity to make savings on the underlying costs previously associated with the NGFL business.

There are currently issues within NGFL and its arrangements with its customers and suppliers that require clarification and strengthening. It is possible to achieve this as part of the arrangements that give effect to the transition to a lead authority model.

The change to a lead authority model will not lead to any increased financial risk or costs to any NGFL Authorities, and in the case of the Authority the assumption of the position of pensions guarantor will not ultimately increase any financial liability beyond that which already exists.

It would be inefficient to have the business managed by the Authority while pensions matters were dealt with elsewhere, and to bring all of the administrative aspects of the business together is considered the most efficient solution.

By assuming lead authority status the Authority would have greater control of the delivery of the NGFL service and have greater opportunity to develop this and to propose initiatives for its enhancement. The Authority also has access to the ICT and contract management resources of Balfour Beatty Workplace Limited who will support the proactive monitoring and management of the BT supply contract.

Option 2 would leave the Authority with an assumed management role for aspects of NGFL without any contractual framework to support this and may potentially result in significant costs for all Member Authorities should NGFL fail.

It is not considered that any other Member Authority has the capacity or inclination to assume the position as lead authority.)

CAB91/09/13 Health & Social Care Integration Programme (All Wards)

Cabinet considered a report which gave details of the work done to further integrate health and social care services for everyone who lived in North Tyneside or who was registered to be treated in the Borough, requested approval of the areas of focus and that delegated authority be granted to the Elected Mayor, Cabinet Members and Officers to make appropriate arrangements where greater integration would mean the service was more effective.

As a consequence of the national priority and the accompanying reservations the Chief Executive of North Tyneside Council, Chief Officer of North Tyneside Clinical Commissioning Group and Chief Executive of Northumbria Healthcare Foundation Trust, with the agreement of the Elected Mayor at that time, commissioned a project by the Strategic Director of Community Services. The purpose of that project was to describe the health and social care landscape in North Tyneside, suggest the priorities for health and social care and propose a programme for action.

That project included an extensive document review, structured interviews with the top team and conclusions drawn from wider integration discussions. The final conclusions had been tested by the senior teams in each organisation and tested with the Elected

Mayor and Cabinet Members for Adult Social Care and Children, Young People and Learning.

The report provided a summary of the following:

- The Health and Social Care Landscape in North Tyneside
- The Priorities
 - i. Improving the health and wellbeing of families
 - ii. Improving mental health and emotional wellbeing
 - iii. Addressing premature mortality to reduce the life expectancy gap
 - iv. Improving healthy life expectancy
 - v. Reducing avoidable hospital and care home admissions.
- Scope
- Areas for Focus in the Proposed Programme for Action
 - i. Supporting older people with complex conditions at home and treating them more effectively if they need to go into
 - ii. Integrated Disability and Additional Needs – 0 to 25 years
 - iii. Integrated Commissioning for Adults with a Learning Disability
 - iv. Creating a Health Living Service for North Tyneside
- National developments

Cabinet considered the following decision options: either to agree the recommendations as set out in section 1.2 of the report, or alternatively to disagree with the proposals and request that further work be done to develop the policy options.

Resolved that (1) the work done to date, be noted and the areas for focus as detailed in the report, be approved

(2) the Adult Social Care, Health and Wellbeing and Children, Young People and Learning Sub Committees of Overview and Scrutiny be asked to consider this work and, as it develops, make any recommendations to Cabinet, and

(3) the Strategic Director of Children, Young People and Learning, the Director of Public Health and the Strategic Director of Community Services in consultation with the Elected Mayor, the Cabinet Member for Children, Young People and Learning and the Cabinet Member for Adult Social Care, be authorised to make appropriate arrangements where greater integration will mean the service is more effective: Including using Section 75 of the National Health Services Act 2006 to pool funding.

(4) update reports be submitted to Cabinet, as the work develops.

(Reason for decision – it is based on robust research of health and social care in North Tyneside and has the support of North Tyneside Clinical Commissioning Group and Northumbria Healthcare Foundation Trust.)

CAB92/09/13 Exclusion Resolution

Resolved that under Section 100A (4) of the Local Government Act 1972 (as amended) and having applied a public interest test as defined in Part 3 of Schedule 12A of the Act, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act.

CAB93/09/13 North Bank of the Tyne (All Wards)

Cabinet considered a report which gave an update on the development of the North Bank of the Tyne in relation to the delivery of the Swans Enterprise Zone site following the appointment of the preferred developer partner and sought approval of the key principles of the specification for the quay operator at the Swans site and proposals regarding the termination of a licence at the Swans site. The report also provided an update following procurement challenges received in relation to the appointment of the preferred developer and judicial review proceedings commenced against the Authority and their settlement.

Cabinet considered the following decision options: either to agree the recommendations as set out in section 1.2 of the report, or alternatively to disagree with the proposals.

Resolved that (1) the Head of Business and Economic Development in consultation with the Elected Mayor, be authorised to approve the specification for the quay operator procurement in accordance with the principles set out in the report; (2) the update provided in relation to the legal proceedings issued against the Authority concerning the procurement of a developer to undertake the design and build of advanced manufacturing units on the Swans site, be noted; and (3) the agreed terms of settlement, be noted and the Head of Law and Governance in consultation with the Elected Mayor, Head of Business and Economic Development and Strategic Director of Finance and Resources, be authorised to agree and finalise a settlement agreement in relation to the termination of a licence at the site in accordance with the principles set out in the report.

(Reason for decision – it will ensure redevelopment of the site continues with the procurement of a quay operator. It will also ensure that the Authority complies with the terms of the settlement agreement with the unsuccessful bidder.)

CAB94/09/13 Date and Time of Next Meetings

6.00pm on Monday 14 October 2013.

Minutes published on Thursday 12 September 2013.

The decisions contained within these Minutes may be implemented (unless called in by 3 Non-Executive Members for consideration by the Overview and Scrutiny Committee) immediately following the expiry of the call-in period; ie 5.00pm on 19 September 2013.