

Cabinet

10 September 2018

Present: Mrs N Redfearn (Elected Mayor) (in the Chair)
Councillors G Bell, C Burdis, S Cox, S Day, P Earley,
R Glindon, M Hall, C Johnson and C B Pickard

In Attendance: P Arnold (Young Mayor)
D Bavaird (Business Sector)
P Wonders (Voluntary and Community Sector)
R Layton (North Tyneside Joint Trade Union Committee).

CAB32/09/18 Apologies

Apologies were received from A Caldwell (Age UK), J Hutton, Northumbria Police and L Young-Murphy (North Tyneside Clinical Commissioning Group)

CAB33/09/18 Declarations of Interest and Dispensations

There were no declarations of interest or dispensations reported.

CAB34/09/18 Minutes

Resolved that the Minutes of the meeting held on 30 July 2018 be confirmed and signed by the Chair.

CAB35/09/18 Report of the Young Mayor

The Young Mayor, Poppy Arnold, reported on the following activities in which she, Young Cabinet Members and/or Youth Councillors had been involved:

- Many had taken part in the National Citizenship Service and working at their part time jobs over the summer holidays.
- Youth council working group meetings had been held to create a debate topic for the youth council annual debate also taking part in the debate training workshops. On 16 October 2018 during Local Democracy week, youth councillors would be involved in debate and would vote for one of the topics which would become next year's campaign for the year.
- Fundraising for The Bay Foodbank, with bag packs at Morrisons and the sale of goods and tombola, name the teddy and guess how many sweets competitions; in total raising £600.
- Attendance at the Young People's Tyne & Wear Nexus Transport Forum, which had helped to create a workshop which would be facilitated by young people at the North East British Youth Council Convention in October.
- Attendance by MYP Abbie at a workshop to develop a strategy of how to increase the number of students having their say through the Make Your Mark ballot. A short film had been created with support from the Communications team which had been sent to schools and colleges to be shown to students.

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Abbie had also facilitated a Make Your Mark workshop for youth councillors to enable them to support their school/students to participate. The consultation of young people was well under way and it was hoped that the number of young participants would be increased.

- The Ready for Life working group had received a visit from Westminster Outreach Services and they had been advised on how to develop their school lesson plans to take forward their pledge to have political education in more schools.
- The Children's Council members had attended a summer activity at St Mary's Lighthouse, which involved team games, a nature walk, rock-pooling and a litter pick.
- The Deputy Young Mayor had attended the unveiling of a time capsule and plaque for the Silverlink roundabout development.

The Mayor thanked the Young Mayor for her update.

CAB36/09/18 Tender for the supply of Frozen Foods (All Wards)

Cabinet received a report seeking approval to undertake a tendering exercise for the supply of frozen foods.

The Authority currently operated a very successful catering service that provided in excess of two million high quality, nutritional, healthy school meals per year. The service also provided a community meals service and operated other catering outlets.

Following a procurement exercise in March/April 2017, the Authority had in place various contractual arrangements for food service delivery. The procurement exercise was split into lots for groceries (school catering); frozen food (school catering); and delivery of general provisions to High Borrans Outdoor Activity Centre. A contract was in place with one provider for all lots.

Since the commencement of the contract in September 2017, the supplier had repeatedly failed to deliver the standard of services required under Contract 2 (frozen food). As a result of those contractual failings, the Authority and the supplier had mutually agreed to the termination of the frozen food contract on 24 November 2017. An alternative supplier had been appointed for a year to allow an appropriate procurement exercise to be undertaken. This procurement sought to secure a new contract for the supply of frozen food once the interim arrangement came to an end in November 2018.

Cabinet considered the following decision options: to either approve the recommendations as set out in section 1.2 of the report, or alternatively, to not approve the recommendations.

Resolved that the Head of Commissioning and Investment, in consultation with the Head of Finance, the Senior Manager Legal Services and Information Governance, the Cabinet Member for Children, Young People and Learning and the Cabinet Member for Finance and Resources, be authorised to undertake a procurement exercise for the provision of frozen food and award a contract for the provision of frozen food to a provider whose tender is the most economically advantageous to the Authority.

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(Reasons for decision: this will allow a procurement exercise to commence immediately and will mean the Authority is ready to award a new contract to start upon the expiry of the existing contract. This will ensure continuity of service provision and increase opportunities to secure better value from the market.

If not approved, this will mean that the Authority will not be able to enter into a new arrangement with effect from November 2018 and delivery of services to supply school meals and community meals will be affected.)

CAB37/09/18 Advice and Information Services - Procurement (All Wards)

Cabinet received a report seeking approval to undertake a procurement exercise to secure advice and information services for residents of North Tyneside.

In 2013, the Authority had undertaken a procurement exercise that had resulted in the contract for advice and information services being awarded to Citizens Advice Bureau North Tyneside from 1 April 2014, initially for three years. This contract had been extended for a further two years and would expire on 31 March 2019.

The proposed new contract would be for a period of three years, with an option to extend for two further one year periods. Last year this service had helped residents by helping to secure over £2.7 million of debt write off and almost £5.8 million of income and benefit gains. At a time of economic hardship this made a significant difference to the lives of residents of North Tyneside. In addition, the service had assisted with over 52,000 advice issues.

This service was an important part of the Authority's work to tackle deprivation and was closely linked to the Elected Mayor's Welfare Reform Task Force. It was anticipated that the proposed new service would commence on 1 April 2019, and a procurement timetable was attached to the report at Appendix 1.

The Cabinet Member for Community Safety and Engagement undertook to work with Cabinet colleagues to look at all contracts for the provision of advice and information with a view to consolidating them to achieve value for money.

Cabinet considered the following decision options: to either approve the recommendations as set out in section 1.2 of the report, or alternatively, to not approve the recommendations, and decide to deliver this support in a different way.

Resolved that (1) a procurement exercise be undertaken to secure advice and information services for residents of North Tyneside for the next three years commencing on 1 April 2019 with an option of two further one year extensions; and (2) the Head of Commissioning and Investment, in consultation with the Cabinet Member for Community Safety and Engagement, the Cabinet Member for Finance and Resources, the Senior Manager, Legal Services and Information Governance and the Head of Finance, be authorised to undertake a procurement exercise to identify a contractor for the above purposes in accordance with all procurement rules.

(Reasons for decision: This service has helped residents deal with millions of pounds of debt, giving trusted advice and information to residents, including helping residents to

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navigate through the welfare reform changes. Without this service many North Tyneside residents would not receive support with helping them to address and manage their debts, or have access to confidential and trusted advice.)

CAB38/09/18 Data and Analytics Solution (All Wards)

Cabinet received a report seeking approval to undertake a procurement exercise to secure a data and analytics solution as part of the Authority's digital strategy to better share intelligence and to support front line service delivery and improve evidence based decision making.

The trial of a data and analytics solution had demonstrated that such a system could assist in removing data silos, reducing repetitive work through automation, could support the self-serve agenda and provided advanced analytical techniques to gain new insights from the data that the Authority held. Data quality issues and the level of officer time involved to produce reports could be greatly reduced.

The trial had further demonstrated that the standard and timeliness of performance reporting across the organisation could be improved and provided more flexibility in reporting. This would ensure greater insights into performance data for the services as well as significant savings in officer time and an improved analytics function for high level performance information. A data and analytics platform could play a pivotal role in producing the monthly performance reports to the Senior Leadership Team drawing together data from across local authority services to present in a single report, as well as supporting the production of the Our North Tyneside Plan performance report, ward profiles and borough profiles to support the North of Tyne development work.

The trial had been particularly successful in social care with both Children's and Adults Services benefiting from the ability to extract, analyse and produce reports directly from the new social care systems providing officers with automated reports and real time intelligence on caseloads. Social Care Managers/Officers had been able to self-serve for their teams' performance information, which was in line with the Authority's Target Operating Model.

The trial had further demonstrated that a data and analytics solution could play a key role in supporting successful Ofsted Inspections and could assist in drawing together data from a wide variety of systems, both internally to the Authority and from its wider partners to build up a rich picture of demand and where resources needed to be targeted. This had proved to be a notable success with regards to the national Troubled Families Programme.

In recognition of how dynamic the market place currently was, there was a need to ensure that the Authority retained flexibility to review the contract on an annual basis should the procured solution not meet future requirements or a new provider entered the market.

Cabinet considered the following decision options: to either approve the recommendations as set out in section 1.2 of the report, or alternatively, to not approve the recommendations.

Resolved that the Head of Corporate Strategy, in consultation with the Senior Manager, Legal Services and Information Governance, the Head of Finance and the Deputy Mayor, be authorised to:

- (1) undertake a procurement exercise to identify a contractor to provide a data and analytical solution for the Authority in accordance with the Authority's Contract Standing Orders and the Public Contract Regulations 2015 including authority to approve (a) the specification and procurement documentation; and (b) the evaluation criteria; and
- (2) following the procurement exercise, to award a three year contract to the winning tenderer on terms approved by the Senior Manager, Legal Services and Information Governance.

(Reasons for recommended option: to ensure the Authority is able to process large amounts of data to inform policy choices and target services effectively and efficiently.)

CAB39/09/18 Hartley Cove to River Tyne Coastal Defence Strategy (All Wards)

Cabinet received a report seeking approval for an updated Coastal Defence Strategy. There was a requirement from the Department for Environment, Food and Rural Affairs (Defra) that coastal protection authorities produced a strategy setting out how their coastal defence assets would be managed.

The Hartley Cove to River Tyne Coastal Strategy, attached as Appendix 2 to the report, set out the Authority's long term approach for managing coastal defences (available online at <https://my.northtyneside.gov.uk/meeting/21475>). An executive summary was provided at Appendix 1 to the report.

North Tyneside's Coastal Strategy had first been published in 2007, in line with good practice, and now required updating. This set out how the Authority managed coastal defences along its coastline. The Environment Agency (EA) managed national flood defence on behalf of Defra. Although not a statutory requirement, there was an expectation that local authorities making bids to the EA for grant funding for coastal schemes had a coastal strategy in place. Under the Coast Protection Act 1949 the Authority, as a coast protection authority, had a statutory duty to manage coastal erosion having regard to the national flood and coastal erosion strategies.

The current Strategy had enabled the Authority to manage its coastline effectively and had facilitated numerous successful EA grants resulting in the delivery of various coastal defence schemes, as outlined in the report.

The proposed new Strategy had been developed in accordance with national guidance from the EA. Consultation with key stakeholders such as the North East Coastal Group and various local interest groups had helped to shape the Strategy. The proposed Strategy was based on six strategic objectives which mirrored national coastal defence policy. These were:

- i) to protect lives, homes and property from flooding and/or erosion;
- ii) to prevent loss, damage or disruption to infrastructure;
- iii) to maintain access to the coast for tourism and leisure, including access points, car parking, promenades and cycle networks;
- iv) to protect commercial assets and use of the coast;

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- v) to maintain or improve the quality of environmentally designated sites, including promoting biodiversity and maintaining conservation value; and
- vi) to maintain the conservation value of and access to historic assets on the coast.

The Strategy complemented the work undertaken by the North Tyneside Surface Water and Drainage Partnership which followed similar aims and objectives, but from a surface water management perspective.

The Strategy divided the North Tyneside coastline into subsections known as policy units. Each policy unit had its own recommended maintenance and management approach. This would often be “hold the line” which meant maintaining the existing sea defence infrastructure in its current form. Occasionally, where there were no major assets at risk from coastal flooding, the policy would be “managed retreat” which meant allowing the coast to naturally erode in a managed way.

Cabinet considered the following decision options: to either approve the recommendations as set out in section 1.2 of the report, or alternatively, to not approve the recommendations.

Resolved that the Hartley Cove to River Tyne Coastal Strategy, as set out in Appendix 2 on the Authority’s website, detailing the Authority’s long term approach for managing coastal defences, be approved.

(Reason for decision: to have in place a Coastal Strategy to enable the effective management of the Authority’s coastal defence assets and support the Authority’s ability to secure grant funding through future bids.)

CAB40/09/18 2018/19 Financial Management Report to 31 July 2018 (All Wards)

Cabinet considered the second monitoring report on the Authority’s 2018/19 financial position which provided an update on the expected revenue and capital financial position of the Authority as at 31 March 2019.

The report covered the forecast outturn of the Authority’s General Fund and Housing Revenue Account (HRA) revenue budget including management mitigations where issues had been identified; the delivery of 2018/19 approved budget savings plans; and an update on the Capital Investment Plan, including details of variations and reprogramming, that were recommended for approval.

The forecast overall pressure on the General Fund was estimated at £3.826 million against the approved net budget. This was driven mainly by continued pressure in Children’s Services of £3.924 million and Adult Services of £3.167 million, partly mitigated by the contingency balances that had been created as part of the 2018/19 budget setting process and were held centrally to reflect the on-going pressures in social care being felt locally and nationally.

Included in this projection was £3.199 million of pressures in Corporate Parenting and Placements, £2.706 million in Wellbeing and Assessment and £1.367 million in

Disability and Mental Health. The drivers for these pressures continued from 2017/18, as outlined in the report.

Service areas had continued to develop further actions to mitigate identified financial pressures. It was anticipated that the out-turn forecast would improve over the course of the financial year as planned remedial actions began to impact on both expenditure and income.

The HRA was forecast to have year-end balances at 31 March 2019 of £4.559 million, which was £1.889 million higher than budget which was set at £2.670 million. The higher than forecast balances were mainly as a result of higher opening balances due to the impact of the previous year's financial performance (£1.443 million) but there was also an in-year estimated overall underspend of £0.446 million, against an in-year budget of £1.970 million, due to additional income of £0.458 million partially offset by additional expenditure of £0.012 million, mainly for HRA management costs.

Universal Credit had been fully implemented across North Tyneside on 2 May 2018. As of July 2018, 769 North Tyneside Homes tenants had moved on to Universal Credit and a team was working proactively with tenants to minimise arrears. This position would be closely monitored as the year progressed to identify any adverse impacts on the budget position.

The Annex to the report included an update in respect of work in progress with regard to school funding. Nine schools had been given deficit approval for 2018/19 and further work was on-going with Beacon Hill school to agree the appropriate level of funding required.

The 2018-2021 Investment Plan, adjusted for proposed programming, totalling £178.507 million (£82.396 million 2018/19) was detailed in the Annex to the report. The Annex also set out delivery progress to date, planned delivery for 2018/19, reprogramming and other variations identified through the Investment Programme governance process.

New revenue grants totalling £0.122 million had been received during June and July 2018, further details of which were set out in the report.

The Authority had plans in place to deliver all elements of the Council Plan and performance against those plans was carefully monitored. The area under most financial pressure was Health, Education, Care and Safeguarding.

In Adult Social Care the focus remained on providing preventative services keeping people living at home for as long as possible. There was an increase in short term placements to residential care and reablement in-house provision as a result of a lack of capacity in the local domiciliary care market and this was driving some of the cost pressure within Adult Social Care.

In Children's Services good progress continued to be made on engaging with children in the early years of life to ensure that they were ready for school. Safeguarding vulnerable children and maximising their educational attainment remained key priorities.

The levels of looked after children (LAC) and children who required supervision after leaving care continued to generate a significant financial pressure. In year data suggested that the Authority's LAC levels, whilst fluctuating were, on average, relatively stable but there was a wide range of levels of care provided, with more complex and therefore more expensive cases now being faced. Current demand continued to drive financial pressures in 2018/19. The new model for children had been designed in part to address the financial pressures and more details were set out in the Annex to the report.

In terms of the impact of empty homes on the financial picture to date, rates were below 2017/18 levels overall so far this year and this continued the trend over the last couple of years for empty home rates following the completion of the North Tyneside Living schemes. Numbers of empty homes continued to reduce both in sheltered and general needs stock.

An officer led review of the Investment Plan had resulted in proposals for reprogramming of £0.164 million from 2019/20 into 2020/21 and variations of £4.251 million (£4.111 million in 2018/19) more details of which were set out in the Annex to the report. The revised Investment plan stood at £82.396 million for 2018/19 and to the end of July 2018 spend of £16.098 million had been incurred which represented 19.54% of the revised plan. This was the highest percentage and the highest actual spend reported in July budget monitoring reports for the last five years and reflected an improvement in delivery against the phased plan.

In response to a query by Mr Layton, the Cabinet Member for Finance and Resources indicated that North Tyneside Trading Company was doing all it could with the resources available to deliver homes and that the Government had not yet agreed to local authorities being given greater freedom to borrow to build.

Cabinet considered the following decision options: either to approve the recommendations as set out in paragraph 1.2 of the report, or alternatively, to not approve the recommendations.

Resolved that (1) the forecast budget monitoring position for the General Fund, Schools' Finance and Housing Revenue Account as at 31 July 2018, as set out in the Annex to the report, be noted;
(2) the receipt of £0.122 million new revenue grants be approved;
(3) the Authority's Investment Plan spend of £16.098 million to 31 July 2018 and the financing of the Plan to the end of the year be noted; and
(4) the variations of £4.251 million within the 2018-2021 Investment Plan of which £4.111 million relates to 2018/19 and £0.164 million reprogramming between 2019/20 and 2020/21, 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.)

CAB41/09/18 2019-2023 Financial Planning and Budget Process incorporating the associated Engagement Strategy (All Wards)

Cabinet considered a report seeking approval to the proposed 2019-23 Financial Planning and Budget process including information on the key decision milestones; and as part of the process, the proposed approach to Budget Engagement.

The report outlined the national context within which local authorities were required to manage their finances. The financial outlook for local government and public services as a whole remained challenging. Local government had faced significant funding reductions and these were likely to continue into the future.

The Fair Funding review was scheduled for implementation from April 2020 alongside a move to 75% Business Rates Retention (BRR). There was no certainty as to future local government allocations beyond this point and there was no clarity on how funding would be distributed at this stage. There were significant risks to the Authority's funding depending on the principles agreed for fair funding distribution and how the move to 75% BRR was implemented.

The current Medium Term Financial Plan (MTFP) covered the period to the end of 2019/20. Whilst there was a great deal of financial uncertainty, recommended practice suggested that due consideration was given not only to the short term but to how the Authority would continue to finance its activities in the medium term. It was therefore recommended at this stage that the MTFP covered the four year period 2019/20 to 2022/23 which took plans to the end of the current four year confirmed settlement in 2019/20, plus a further three years.

The Medium Term Financial Strategy (MTFS) was a key part of the Authority's Budget and Policy Framework which aimed to ensure that the Authority had the financial capacity and capability to achieve its strategic aims with due consideration to the long term financial sustainability of the organisation. As part of the 2019-23 Financial Planning Process a further review of the MTFS would be carried out. It was proposed this would set out the following:

- Analysis of the current financial situation, which included the main sources of income, the main financial commitments and the levels of reserves currently held;
- Provision of a longer term financial "vision" for the authority which was consistent with the overall strategic aims; and
- A set of actions that set out how the financial vision was to be achieved with appropriate timescales that could be integrated into the medium and short term financial plans.

As 2019/20 was the final year of the current Efficiency Statement the intention was that the Statement would be reviewed as part of this process and integrated into the overarching financial strategy.

The Authority had previously agreed a set of principles as part of the process to develop the Financial Plan and budget. These were set out in detail in the report and would also be refreshed as part of the update to the Financial Strategy.

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The HRA continued to face significant challenges, as Government legislation continued to embed and develop with potential implications for housing i.e. the Welfare Reform and Work Act 2016, and the Housing and Planning Act 2016. The Authority had continued with the implementation of the Government's policy to reduce rent by 1% for 2019/20 (final of four years) for all housing stock including PFI sheltered accommodation homes. The Authority was also facing the impact of the continued roll-out of Universal Credit and other welfare reforms.

These challenges continued to be considered as part of the updating of the 30-year plan which aimed to ensure the long-term viability of the HRA in line with the policy direction of the Mayor and Cabinet and the needs of tenants. For the purposes of the current Financial Planning and Budget process a four-year revenue plan would be updated and presented in line with the approach adopted for the General Fund.

The 2019/23 Financial Plan and Budget process would include a review of the current plan and the Investment Strategy with a view to the development of a five-year Investment Programme for the period 2019/20 to 2023/24.

The Treasury Management Strategy would be reviewed in light of the refreshed Investment Plan, and the overall MTFP for both the General Fund and the HRA.

In terms of the 2019-2023 General Fund Financial Plan, although there was a great deal of uncertainty, overall it was estimated currently that the Authority would need to close a funding gap of £52.871 million by 2022/2023. This funding gap was summarised in Table 1 of the report. The figures included in the table did not include any assumptions on Council Tax increases in the period of the plan.

Reserves were reviewed during the financial year and Table 2 in the report showed the estimated use, following review of all revenue reserves over the period to March 2023.

In assessing the adequacy of reserves, consideration was given to the level of un-earmarked reserves available for the management of financial risk to the Authority. Table 3 set out the level of un-earmarked general fund reserves held at the end of the 2018/19 financial year and the forecast position at 31 March 2023 as a proportion of Gross Expenditure budget and General Fund net revenue budget. There was anticipated use of the Redundancy Reserve and the Support Change Reserve over the period of the MTFP leaving the Strategic Reserve as the only material un-earmarked reserve. Table 3 set out the level of un-earmarked reserves as a proportion of the estimated gross and net budget over the period of the financial plan.

Those reserves were lower than most in the region; however the Chief Finance Officer considered that those reserve levels were just adequate, particularly when considered against the degree of uncertainty surrounding local government finance. She also considered that the Strategic Reserve should be sustained at least at this level over the period of the four year medium term financial plan.

The Authority had specific responsibilities under the Equality Act 2010 and Public Sector Equality Duty. Part of this was to ensure that the potential effects of decisions on those protected by the Equalities legislation were considered prior to any decision

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being made. The effect of the Authority's budget setting process and decision-making would continually be monitored by using Equality Impact Assessments.

Full impact assessments would be included in all proposals going forward for inclusion with the initial Budget proposals in November 2018 in order to be available to Cabinet when it further considered the Financial Plan and Budget proposals on 26 November 2018. An Equality Impact Assessment would be carried out on the proposed Council Plan and Budget Engagement Strategy.

Key aspects of the 2019/2023 Financial Planning and Budget process timetable were set out at Appendix A to the report. This highlighted key decision milestones in the process. A revised Appendix A was circulated at the meeting which reflected a change in the approach to the involvement of overview and scrutiny in the process.

The Elected Mayor and Cabinet were responsible for formulating the Council Plan and the Authority's Budget. The Cabinet Member for Finance and Resources, in close consultation with the Elected Mayor, had been nominated as the lead Cabinet Member for the overarching 2019-2023 Financial Planning and Budget Process. The Head of Finance would be the project sponsor.

Through its overarching corporate Engagement Strategy approved by Cabinet on 14 September 2015, the Authority was committed to being a resident-focused and listening Authority and encouraged residents and other stakeholders to help to shape its decision-making. Engagement with residents took place throughout the year and the information gathered would be used to inform the Financial Planning and Budget process. There would also be specific engagement activities as part of the budget setting process where residents and other key stakeholders would be able to be involved.

The programme of the engagement activity would ensure that all stakeholders were informed about the Budget proposals, given an opportunity to be listened to and comment on the proposals, and receive feedback on outcomes from the engagement. The feedback from the engagement activities would form part of reports to Cabinet and Council to support decision-making.

Details of the Budget Engagement Strategy for 2019/2020 were set out at Appendix B to the report.

Mr Bavaird welcomed the opportunity for businesses to be involved in the budget engagement process and requested that a dedicated session be arranged for the business sector similar to last year.

Cabinet considered the following decision option: to agree the recommendations as set out in paragraph 1.2 of the report. The Authority's Constitution and Budget and Policy Framework Procedure Rules set out the stages to be completed in relation to agreeing the Budget of the Authority. There were no other options available in relation to this. The Budget Engagement Strategy formed part of the 2019-2023 Financial Planning and Budget Process.

Resolved that (1) the proposed outline 2019-2023 Financial Planning and Budget Process, which incorporates the key decision milestones and dates as set out at Appendix A to the report, revised as circulated at the meeting, be approved; and (2) the Budget Engagement Strategy as part of the 2019-2023 Financial Planning and Budget Process, set out at Appendix B to the report, be approved.

(Reason for decision: The recommendations are mainly legal in nature, as stated in paragraphs 2.1 and 2.2 of the report.)

CAB42/09/18 Council Tax Support Scheme 2019/20 (All Wards)

A report was submitted which requested Cabinet to consider what changes, if any, should be made to the Council Tax Support (CTS) Scheme for 2019/20 so that a public consultation exercise could be undertaken on any proposed changes to the CTS Scheme if necessary.

The current CTS was a means tested support which, to promote simplicity, generally followed the Housing Benefit rules around entitlement. From April 2018 maximum support for working age claimants had been reduced from 87.5% to 85% of the claimant's liability for Council Tax. Pensionable age claimants received support based on 100% of their Council Tax liability as prescribed under national rules.

Any changes proposed to the Scheme must be subject to consultation, although the level and period of consultation would depend on the proposed level of change to the Scheme. As part of that consultation the Authority should, before revising its Scheme:

- a) consult any major precepting authority which had power to issue a precept to it,
- b) publish a draft Scheme in such manner as it thought fit, and
- c) consult such other persons as it considered were likely to have an interest in the operation of the Scheme.

The final decision on the implementation of any revised CTS Scheme was a matter for Council. Any revision to the CTS Scheme that Cabinet recommended would be considered by Council on 17 January 2019.

As at 30 June 2018 there were 18,511 claimants receiving CTS. This was split between pensioner claims totalling 8,362 (45%) and working age claims 10,149 (55%). The majority of CTS claimants lived in a band A property. At around the same time last year the case load was 19,129 split between 8,761 (46%) pensionable age and 10,368 (54%) working age. The caseload had reduced each year since the Scheme had first been introduced in 2013/14 as more people moved into employment, as claimants' incomes increased, or they no longer qualified for support.

The forecast cost of the Scheme for 2018/19 was currently around £14.7 million.

There had been minimal reaction to the Scheme since it had been introduced in April 2013. Table 1 in the report showed the in-year collection of Council Tax since 2012/13 and how from 2013/14 the reductions to support and additional charges raised for empty property discount changes had impacted on collection rates. Additionally, the

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generally effects of a difficult economic climate caused by the impacts of welfare reforms had also had some impact on in-year collection.

For those Council Tax payers who defaulted on payment the Authority could collect £3.75 per week by attachment to benefits once a liability order had been obtained. However, the minimal level of Council Tax that residents on Council Tax Support now had to contribute was at a point where it could not be collected in year by an attachment once a liability was in place and now took collection into the following financial year. This had the effect of delaying collection for the following year's Council Tax. There was currently £1.9 million Council Tax debt to be collected by attachment to state benefits which could not be attached until the previous year's Council Tax debt was collected. Adding to this by increasing the contribution would only compound this issue.

All Billing Authorities were able to make a Scheme they considered best supported their residents taking into consideration the finances available to the Authority. Table 2 of the report showed the current Schemes that were in place in the North East region's Billing Authorities and the in-year collection rate for 2016/17 and 2017/18.

In terms of options for the Scheme for 2019/20, Universal Credit had been rolled out in North Tyneside at the beginning of May 2018 and this was still very new so the Authority had not seen the full effects on residents and whether this would impact on Council Tax collection. Whilst a number of options to change elements of the Scheme had been considered and modelled, without fully understanding the underlying effect of Universal Credit, these were not considered appropriate at this time. However due to budgetary pressures two options reducing the maximum percentage of support available for working age claimants had been modelled and were provided in Table 3 in the report. As both passed on a greater amount of Council Tax liability to the claimant this would have the effect of reducing the cost of the Scheme and, as such, provide savings to the Authority.

Table 3 showed the financial effect on both the claimant and savings to the Authority if the maximum level of Council Tax Support was reduced for working age claimants to 82.5% or 80% from its current 85%. Figures were based on the current level of Council Tax.

The report invited Cabinet to consider the Schemes below and to determine which of the options, if any, should be consulted on:

Scheme 1 – keep the current level of Council Tax Support available at 85% for working age claimants.

Scheme 2 – Reduce the maximum level of Council Tax Support available from 85% to 82.5% for working age claimants.

Scheme 3 – Reduce the maximum level of Council Tax Support available from 85% to 80% for working age claimants

The estimated cost of each of those options was set out in table 4 in the report.

Cabinet considered the following decision options:

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Option1: To agree to keep the current level of support for working age claimants and make no changes to the Scheme for 2019/20.

Option 2: Authorise the Head of Finance to undertake consultation between September 2018 and November 2018 on all/some Schemes as considered appropriate by Cabinet as set out in paragraph 1.6 of the report.

Option 3: Refer the matter back to officers for the consideration of an alternative CTS Scheme.

Resolved that the current level of Council Tax Support available for working age claimants be maintained and no changes be made to the Scheme for 2019/20.

(Reasons for decision: The Scheme has been revised for the last three financial years and the minimum contribution for working age claimants has increased from 7% to 15%. In a climate of welfare benefit changes and freezing of working age state benefits the increases that has taken place has put a greater burden on low income working age residents. Council Tax Support claimants are likely to find further increases more difficult to make.

The continued increase in contribution along with the general increases in Council Tax has now meant that in year collection via attachment to benefits cannot be achieved and is becoming more difficult to collect. Keeping the current % contribution would not add a greater burden to in year collection.

The effects of Universal Credit on residents and the collection of Council Tax are still to be known and further understanding of this is required before implementing reductions in support to ensure that the Scheme offered meets the needs of residents and remains affordable for the Authority.)

CAB43/09/18 Regional Adoption Agency (All Wards)

Cabinet received a report detailing the progress of the development of a proposed delivery model for the Regional Adoption Agency (RAA); and seeking approval for North Tyneside Council to act as host authority for the RAA with the other participating authorities delegating their adoption functions, pursuant to the Local Government Act 2000, to North Tyneside Council. (Previous Minute CAB13/06/18).

In June 2018, the Constituent Authority Cabinets had agreed that the preferred delivery model for the RAA be the local authority hosted model (Option 1). The Cabinets had also agreed that North Tyneside Council, subject to the final approval, would undertake the role of the lead and host authority for the RAA.

Since the decision on the preferred model had been made in June 2018, the Project and specialist work streams created to deliver the RAA proposals had worked to develop the arrangements to implement the Preferred Option. The various work streams had focused on issues relating to the transfer of functions from the four Constituent Councils, to North Tyneside Council, details of which were set out in the Business Case at Appendix 1 to the report.

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To make the hosted model operate effectively, the four transferring Constituent Councils were required to delegate their adoption services functions to the Host Authority pursuant to Sections 9EA and 9EB of the Local Government Act 2000 and the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012. Each Cabinet of the Constituent Authorities was therefore required to make a resolution that its Adoption Functions be delegated to North Tyneside Council. North Tyneside Council also had to make a resolution to accept the delegations from the other four Constituent Councils. The Adoption Functions to be delegated to North Tyneside Council were:

- recruitment and assessment of prospective adopters;
- matching and placement - to match prospective adopters with children in need of adoption;
- post placement and post Adoption Order support (3 year limit);
- support and advice to all affected by adoption;
- develop and manage all forms of post adoption contact (Post Box) between adopted children and their birth families;
- step parent adoption; and
- inter-country adoption.

Further details of the Adoption functions to be undertaken by North Tyneside Council were set out in the Business Case at Appendix 1 to the report.

The arrangements for the delivery of the RAA services by the lead and host authority would be supported by an appropriate legal agreement being entered into by the Constituent Councils. Heads of Terms for the Shared Services Agreement had been developed between the Constituent Authorities. The draft Head of Terms, if approved, would set out the overall legal, financial and operational principles under which the shared arrangements pursuant to the preferred option would operate. The draft Heads of Terms were attached at Appendix 2 to the report.

The report outlined how the RAA would operate at a practical level, including staffing and arrangements to ensure communication and engagement between the Constituent Councils.

The Shared Services Agreement would also provide for a formal dispute resolution process, should issues in relation to the delivery of the RAA develop. The RAA would have its own budget and medium term financial plan. An agreed budget would be produced no later than November each year, for incorporation into the overall budget of North Tyneside Council. The Shared Services Agreement would also provide, should the situation arise, for the termination of the agreement and thereby termination of the delivery of the functions of the RAA by North Tyneside Council.

It was proposed that where one of the Constituent Councils gave notice to terminate this would cause a termination event and would bring an end to the whole arrangement. 12 months' notice would be required by any of the Constituent Councils to terminate the shared service arrangement.

The financial model proposed for the RAA sought to ensure that each local authority would continue to contribute the average net cost that they had paid from figures

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2015/16- 2016/17. The financial modeling had attempted to ensure that no local authority was required to pay more. The anticipated contribution from North Tyneside Council fell within the existing budget envelope for the current Adoption service. Any variations to this position would be reported to Cabinet through the usual financial management reporting processes. Table 1 in the report set out the current average net cost for services of each Constituent Authority and their proposed future contributions under the RAA.

The contribution proposed from each of the five Constituent Authorities for the RAA was less than their current net cost. The difference was as a result of economies of scale, realised through combining functions for all support services. A proposed budget for a North Tyneside Council hosted model was shown in Table 2 in the report.

There were a number of assumptions to note in the proposed budget:

- The RAA would generate income from recruiting, training and making available to other adoption agencies at a cost 21 adopters each year and any income generated from selling these placements was retained by the RAA.
- There were no redundancy costs anticipated as part of the set-up of the hosted service.
- All set-up costs (including ICT, premises, and additional staffing resource required by the host authority) would be fully funded from the DfE implementation grant held by Newcastle.

It was suggested that a ring-fenced reserve was established from any potential surplus, the value of any contribution to a reserve to be agreed between the Chief Finance officers. This would include consideration of any future years' pressures, particularly in relation to risk areas such as achieving income from selling placements, and to develop the service moving forward. Any remaining surplus would be redistributed in accordance with the agreed mechanism.

Under the proposed Host and Lead Authority arrangement approximately fifty staff from across the Constituent Councils would come together under the employment of North Tyneside Council as detailed in the report.

Details of engagement and consultation undertaken on the proposals to develop a RAA were set out in the report. The initial results of the consultation were attached at Appendix 3 to the report. Details of the completed consultation summary had subsequently been circulated to Cabinet Members in advance of the Cabinet meeting.

The preferred identity and branding option was attached at Appendix 4 to the report.

An Equality Impact Assessment under the terms 'Adopt North East' was attached to the report at Appendix 5.

Cabinet considered the following decision options: to agree the recommendations as set out in section 1.2 of the report; or alternatively, to not approve the recommendations and request officers to undertake more work in relation to the development of proposals for a Regional Adoption Agency.

Resolved that (1) the progress and in particular the outcome of public consultation with respect to the proposal for the adoption services of Gateshead MBC, Newcastle City Council, North Tyneside Council, Northumberland County Council and South Tyneside Council to be combined to create a Regional Adoption Agency (RAA), be noted;

(2) the Business Case associated with the delivery of the RAA and the associated funding arrangements in relation to the local authority hosted model, as set out at Appendix 1 to the report, be noted;

(3) the preferred business model for the RAA be a local authority hosted model which will operate through the delegation of the Constituent Councils' Adoption Functions as detailed in the report to a host local authority pursuant to Sections 9EA and 9EB of the Local Government Act 2000 and the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012;

(4) approval be given to North Tyneside Council acting as the Lead and Host Authority for the RAA and the new arrangements commence on 1 December 2018;

(5) the Heads of Terms, as set out at Appendix 2 to the report, for the Shared Services Agreement between the Constituent Councils which will govern the provision of the RAA, be approved;

(6) the delegation to accept the Adoption Functions, as detailed in the report, pursuant to Sections 9EA and 9EB of the Local Government Act 2000 and the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012, from each of the Constituent Councils, be approved;

(7) the Senior Manager; Legal Services and Information Governance, in consultation with the Head of Health, Education, Care and Safeguarding, the Head of Finance and the Cabinet Members for Children, Young People and Learning, Finance and Resources and the Deputy Mayor, be authorised to negotiate, finalise and complete the Shared Services Agreement between the Constituent Authorities prior to the arrangements set out above commencing; and

(8) the RAA be known as "Adopt North East", and the identity and branding proposal as set out in Appendix 4 to the report, be approved.

(Reason for decision – Option 1 meets the requirements being placed on the Authority by the Government in relation to the regionalisation of adoption services and is the most financially and legally efficient available option.)

CAB44/09/18 Complaints Service Report 2017-18 (All Wards)

Cabinet considered a report which detailed complaint related activity during 2017-18 and which complied with the requirement to publish a report on complaints under the relevant statutory complaints legislation.

The Authority undertook millions of transactions with its 206,000 residents and over five million visitors to the Borough, throughout the year. Against that background, the number of complaints received by the Authority remained consistently low, reflecting the excellent services the Authority's customers received and its ability to resolve swiftly any issues that did arise at the first point of contact.

Customer satisfaction with the complaints process remained relatively high and the Authority continued to resolve the vast majority of complaints at Stage 1. The Authority

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welcomed complaints as valuable feedback from its customers and complaint outcomes provided valuable lessons learned to further improve and enhance the Authority's services and procedures.

The Authority operated statutory complaint procedures for Adult Social Care and Children and Young People's Services and Public Health. It also provided a corporate complaints procedure for all other services.

During 2017-18, the Authority had responded to Local Government and Social Care Ombudsman (LGSCO) enquiries in a timely fashion and was well within the required timescale for response of 28 days. The LGSCO's annual review of complaints for 2017-18 was detailed in the report at Appendix 2. Complaints referred to the Housing Ombudsman were also referred to in the report.

The Authority's complaints service report for 2017-18 at Appendix 1 showed that the overall number of formal complaints had remained similar to 2016-17 when 1,107 complaints had been registered in comparison to 1,196 during 2017-18.

There were 992 corporate complaints received during 2016-17, this had increased to 1070 in 2017-18. The Authority recognised that it was important to deal with complaints well as this was central to providing a good customer service. Services sought to address complaints and learn from these complaints so the Authority could continually improve services.

The number of social care complaints (relating to both Adult Social Care and Children and Young People's Services) had increased slightly from 115 in 2016-17 to 126 in 2017-18. This equated to 64 cases in Children's Social Services and 62 cases in Adult Social Care.

A breakdown of the numbers and categories of complaints was provided in the report.

A survey of complainants' experiences of, and satisfaction with, the complaints service undertaken in respect of complaints handled during 2017-18 had resulted in 15% of forms being returned. The majority of those who responded had found it easy to find information about the service and said that staff were helpful, that they were happy with the length of time taken to respond to their complaint, and that the content of the response letter had been easy to understand. Overall 65% of customers thought the complaints process was good.

One key aim of the complaint process was 'learning' from complaints and this was a core driver in all future developments. A number of changes had been made to procedures and practice in services as a result of complaints resolved during 2017-18, examples of which were detailed in the report.

A continuing area of development was partnership working, where services were provided on behalf of the Authority in conjunction with other public, voluntary and private sector organisations. Such change had potential for complaint processes to become complex, so arrangements were in place to ensure the customer's experience was as straightforward as possible. Securing the efficient handling of complaints was a vital

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component of ongoing arrangements with the Authority's current and any potential future partners.

Complaints were now widely recognised as integral to the provision of quality services at both individual and strategic levels. The Authority's successful history and current good practice in effective complaint handling would be an integral service improvement driver in the current rapidly changing culture. The demands of maintaining, and increasing levels of customer satisfaction, coupled with organisational changes across public and partner sectors, would be well supported by the current robust complaint handling procedures and electronic system in place.

The Mayor and Deputy Mayor referred to the comparatively low level of complaints and referrals to the LGSCO and thanked the staff for their efforts particularly in the light of increasing pressures on local authority services and the number and complexity of services provided by the Authority.

Cabinet considered the following decision options: to agree the recommendations as set out in section 1.2 of the report; or alternatively, to not approve the recommendations and refer back to officers and request that further analysis and information is provided.

Resolved that (1) the complaint related activity during 2017-18, as set out in the complaints service report, at Appendix 1, be noted;
(2) the complaints service report be approved for publication by the Acting Chief Executive; and
(3) the Local Government and Social Care Ombudsman's annual review of complaints concerning North Tyneside Council for 2017-18, as set out in Appendix 2 to the report, be noted.

(Reason for decision – All local authorities providing social service functions including North Tyneside Council are required to publish an annual report on complaints received. Publication of a report also supports community engagement and promotes transparency and opportunities for organisational improvement.)

CAB45/09/18 Date and Time of Next Meeting

Monday 15 October 2018 at 6.00pm.

Minutes published on Thursday 13 August 2018.

The decisions contained within these Minutes may be implemented (unless called in by 3 Non-Executive Members for consideration by the Overview, Scrutiny and Policy Development Committee) immediately following the expiry of the call-in period; i.e. 5.00pm on Thursday 20 September 2018.