



Northumberland County Council

Your ref:

Our ref:

Enquiries to: Karon Hadfield

Email:

Democraticservices@northumberland.gov.uk

Tel direct: 0345 600 6400

Date: Monday, 4 September 2023

Dear Sir or Madam,

Your attendance is requested at a meeting of the **CABINET** to be held in **COUNCIL CHAMBER - COUNTY HALL** on **TUESDAY, 12 SEPTEMBER 2023** at **10.00 AM**.

Yours faithfully

Dr Helen Paterson

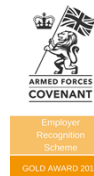
Chief Executive

To Cabinet members as follows:-

G Renner-Thompson, J Riddle, G Sanderson (Chair), J Watson, R Wearmouth (Vice-Chair), C Horncastle, W Pattison, W Ploszaj, D Ferguson and G Stewart



Dr Helen Paterson, Chief Executive
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AGENDA

PART I

It is expected that the matters included in this part of the agenda will be dealt with in public.

1. APOLOGIES FOR ABSENCE

2. MINUTES

(Pages 1
- 18)

Minutes of the meeting of the following meetings of Cabinet, as circulated, to be confirmed as a true record and signed by the Chair:-

- a. Tuesday 11 July 2023
- b. Tuesday 20 July 2023.

3. DISCLOSURE OF MEMBERS' INTERESTS

Unless already entered in the Council's Register of Members' interests, members are required where a matter arises at a meeting;

- a. Which **directly relates to** Disclosable Pecuniary Interest ('DPI') as set out in Appendix B, Table 1 of the Code of Conduct, to disclose the interest, not participate in any discussion or vote and not to remain in room. Where members have a DPI or if the matter concerns an executive function and is being considered by a Cabinet Member with a DPI they must notify the Monitoring Officer and arrange for somebody else to deal with the matter.
- c. Which **directly relates to** the financial interest or well being of a Other Registrable Interest as set out in Appendix B, Table 2 of the Code of Conduct to disclose the interest and only speak on the matter if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain the room.
- c. Which **directly relates to** their financial interest or well-being (and is not DPI) or the financial well being of a relative or close associate, to declare the interest and members may only speak on the matter if members of the public are also allowed to speak. Otherwise, the member must not take part in discussion or vote on the matter and must leave the room.
- d. Which **affects** the financial well-being of the member, a relative or close associate or a body included under the Other Registrable Interests column in Table 2, to disclose the interest and apply the test set out at paragraph 9 of Appendix B before deciding whether they may remain in the meeting.

- e. Where Members have or a Cabinet Member has an Other Registerable Interest or Non Registerable Interest in a matter being considered in exercise of their executive function, they must notify the Monitoring Officer and arrange for somebody else to deal with it.

NB Any member needing clarification must contact monitoringofficer@northumberland.gov.uk. Members are referred to the Code of Conduct which contains the matters above in full. Please refer to the guidance on disclosures at the rear of this agenda letter.

- 4. REPORT OF THE LEADER** (Pages 19 - 24)
- BEST: Delivery Partner Delegated Decision**
- To seek delegated authority for the Council's Executive Director of Transformation and Resources to enter into a contract for the BEST Delivery Partner in consultation with the Leader of the Council and the Portfolio Holder for Corporate Services (**Appendix A**).
- 5. REPORT OF THE DEPUTY LEADER AND CABINET MEMBER FOR CORPORATE SERVICES** (Pages 25 - 62)
- Financial Performance 2023-24 – Position at the end of June 2023**
- The purpose of the report is to ensure that the Cabinet is informed of the current financial position for the Council against the Budget for 2023-24 (**Appendix B**).
- 6. REPORT OF THE DEPUTY LEADER AND CABINET MEMBER FOR CORPORATE SERVICES** (Pages 63 - 66)
- Loan to Whittingham, Callaly and Alnham Parish Council**
- The report provides details of a potential loan facility to Whittingham, Callaly and Alnham Parish Council (WCAPC) of £4,435 towards the capital reserve (**Appendix C**).
- 7. REPORT OF THE DEPUTY LEADER AND CABINET MEMBER FOR CORPORATE SERVICES** (Pages 67 - 82)
- Summary of New Capital Proposals considered by Officer Capital Strategy Group**
- The report summarises proposed amendments to the Capital Programme considered by the officer Capital Strategy Group (**Appendix D**).
- 8. REPORT OF THE CABINET MEMBER FOR CARING FOR ADULTS** (Pages 83 - 94)
- Additional Market Sustainability and Improvement Grant**
- This report presents outline proposals for the use of additional grant

funding announced by the Government on 28 July 2023, and requests delegated authority to resolve details to ensure that the grant can be spent effectively (**Appendix E**).

9. URGENT BUSINESS (IF ANY)

To consider such other business as, in the opinion of the Chair, should, by reason of special circumstances, be considered as a matter of urgency.

IF YOU HAVE AN INTEREST AT THIS MEETING, PLEASE:

- Declare it and give details of its nature before the matter is discussed or as soon as it becomes apparent to you.
- Complete this sheet and pass it to the Democratic Services Officer.

Name:		Date of meeting:	
Meeting:			
Item to which your interest relates:			
Nature of Interest i.e. either disclosable pecuniary interest (as defined by Table 1 of Appendix B to the Code of Conduct, Other Registerable Interest or Non-Registerable Interest (as defined by Appendix B to Code of Conduct) (please give details):			
Are you intending to withdraw from the meeting?		Yes - <input type="checkbox"/>	No - <input type="checkbox"/>

Registering Interests

Within 28 days of becoming a member or your re-election or re-appointment to office you must register with the Monitoring Officer the interests which fall within the categories set out in **Table 1 (Disclosable Pecuniary Interests)** which are as described in "The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012". You should also register details of your other personal interests which fall within the categories set out in **Table 2 (Other Registerable Interests)**.

"Disclosable Pecuniary Interest" means an interest of yourself, or of your partner if you are aware of your partner's interest, within the descriptions set out in Table 1 below.

"Partner" means a spouse or civil partner, or a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners.

1. You must ensure that your register of interests is kept up-to-date and within 28 days of becoming aware of any new interest, or of any change to a registered interest, notify the Monitoring Officer.
2. A 'sensitive interest' is as an interest which, if disclosed, could lead to the councillor, or a person connected with the councillor, being subject to violence or intimidation.
3. Where you have a 'sensitive interest' you must notify the Monitoring Officer with the reasons why you believe it is a sensitive interest. If the Monitoring Officer agrees they will withhold the interest from the public register.

Non participation in case of disclosable pecuniary interest

4. Where a matter arises at a meeting which directly relates to one of your Disclosable Pecuniary Interests as set out in **Table 1**, you must disclose the interest, not participate in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest, just that you have an interest.

Dispensation may be granted in limited circumstances, to enable you to participate and vote on a matter in which you have a disclosable pecuniary interest.

5. Where you have a disclosable pecuniary interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.

Disclosure of Other Registerable Interests

6. Where a matter arises at a meeting which **directly relates** to the financial interest or wellbeing of one of your Other Registerable Interests (as set out in **Table 2**), you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

Disclosure of Non-Registerable Interests

7. Where a matter arises at a meeting which **directly relates** to your financial interest or well-being (and is not a Disclosable Pecuniary Interest set out in **Table 1**) or a financial interest or well-being of a relative or close associate, you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.
8. Where a matter arises at a meeting which **affects** –
- a. your own financial interest or well-being;
 - b. a financial interest or well-being of a relative or close associate; or
 - c. a financial interest or wellbeing of a body included under Other Registrable Interests as set out in **Table 2** you must disclose the interest. In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied
9. Where a matter (referred to in paragraph 8 above) **affects** the financial interest or well- being:
- a. to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
 - b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest

You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise, you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

Where you have an Other Registerable Interest or Non-Registerable Interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.

Table 1: Disclosable Pecuniary Interests

This table sets out the explanation of Disclosable Pecuniary Interests as set out in the [Relevant Authorities \(Disclosable Pecuniary Interests\) Regulations 2012](#).

Subject	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain. [Any unpaid directorship.]
Sponsorship	Any payment or provision of any other financial benefit (other than from the council) made to the councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a councillor, or towards his/her election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract made between the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the council — (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land and Property	Any beneficial interest in land which is within the area of the council. ‘Land’ excludes an easement, servitude, interest or right in or over land which does not give the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners (alone or jointly with another) a right to occupy or to receive income.
Licenses	Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer
Corporate tenancies	Any tenancy where (to the councillor’s knowledge)— (a) the landlord is the council; and (b) the tenant is a body that the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.
Securities	Any beneficial interest in securities* of a body

	<p>where—</p> <p>(a) that body (to the councillor’s knowledge) has a place of business or land in the area of the council; and</p> <p>(b) either—</p> <ul style="list-style-type: none"> i. the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or ii. if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the councillor, or his/ her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners has a beneficial interest exceeds one hundredth of the total issued share capital of that class.
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* ‘director’ includes a member of the committee of management of an industrial and provident society.

* ‘securities’ means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

Table 2: Other Registrable Interests

You have a personal interest in any business of your authority where it relates to or is likely to affect:

- a) any body of which you are in general control or management and to which you are nominated or appointed by your authority
- b) any body
 - i. exercising functions of a public nature
 - ii. any body directed to charitable purposes or
 - iii. one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)

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Agenda Item 2

NORTHUMBERLAND COUNTY COUNCIL

CABINET

At a meeting of the Cabinet held at County Hall, Morpeth on Tuesday 11 July 2023 at 10.00 am.

PRESENT

Councillor G. Sanderson
(Leader of the Council, in the Chair)

CABINET MEMBERS

Horncastle, C.	Stewart, G.
Jones, V.	Watson, J.
Pattison, W.	Wearmouth, R.
Renner Thompson, G.	

OFFICERS IN ATTENDANCE

Bradley, N.	Executive Director for Adults, Aging & Wellbeing
Gerrard, S.	Director of Law and Corporate Governance
Hadfield, K.	Democratic and Electoral Services Manager
Hunter, P.	Director of Strategy and Communications
Kingham, A.	Executive Director for Children, Young People & Education
Masson, N.	Deputy Monitoring Officer
Neilson, S.	Executive Director for Place and Regeneration
O'Neill, G.	Executive Director for Public Health (DPH), Inequalities & Stronger Communities
Paterson, Dr H.	Chief Executive
Willis, J. (Remote)	Executive Director for Resources & Transformation (S151)

13. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Ploszaj and Riddle.

14. MINUTES

RESOLVED that the minutes of the meeting of Cabinet held on Tuesday 13 June 2023, as circulated, be confirmed as a true record and signed by the Chair.

15. REPORT OF THE COMMUNITIES AND PLACE OVERVIEW AND SCRUTINY COMMITTEE

Firefighters Decontamination

Cabinet was asked to consider a report from the Committee on the above (copy attached to the signed minutes as Appendix A).

Cabinet fully supported the proposals.

RESOLVED that that Cabinet approve the recommendation of the Communities and Place Overview and Scrutiny Committee that financial support for the recommendations made by the fire and rescue service be provided to ensure that Northumberland leads the way to reduce the risk of contamination and support fire and rescue personnel.

16. REPORT OF THE LEADER

District Heating Update and Partnership Procurement

The report provided a summary of the progress made across the eight District Heating studies completed for the county, feedback on proposed delivery models for the schemes and seek approval to proceed with the next phase of activity (copy attached to the signed minutes as Appendix B).

The report was presented by the Leader.

Councillor Wearmouth supported the initiative and felt this was a great opportunity for Northumberland, where sources of industrial heat were readily available to access. This would allow the supply of clean and green energy and insulate the Council from the effects of external factors such as the war in Ukraine.

Councillor Horncastle was fully supportive. There were many opportunities around the County to harness these types of energy.

RESOLVED that:-

(a) Cabinet agree that the council's preferred delivery option for District Heating is Model 3 (Supply Framework). Under this model the Council will enter into a framework agreement with a Heat Provider and agree a form of connection and supply agreement to be used for the supply of heat to the Council across the eight towns, namely Alnwick, Ashington, Berwick, Blyth, Cramlington, Hexham, Morpeth and Prudhoe on a town-bytown basis as the schemes go-live;

(b) Cabinet approve a procurement exercise to select and appoint a legal and commercial advisor to support the procurement activities needed to appoint a Heat Provider. The forecast cost of the external legal and commercial advisor support is ~£160,000, which it is expected will be 100% funded through the NELEP Energy Accelerator Fund at no additional cost to

NCC. In the unlikely case that the NELEP do not fund the project a separate request for NCC to provide funding will be made;

(c) Cabinet resource and undertake a procurement exercise to appoint a Heat Provider;

(d) Cabinet agree to the inclusion of the council's future heat load to be in scope for commercially viable District Heating schemes in each of the eight locations, provided the commercial, economic and net zero tests are met by the Heat Provider; and

(e) the timescales for delivery given market competition, be noted.

17. REPORT OF THE LEADER

Northumberland Stewardship and Rural Growth Investment Programme – Nature Recovery Response

The report outlined the Council's role in leading the region's response to nature recovery as set out in the North East Devolution Deal and, within this context, seek consideration to the declaration of an ecological emergency in Northumberland (copy attached to the signed minutes as Appendix C).

The report was presented by the Leader. The investment programme would provide funding to help the Council meet its obligations to encourage and support people to move forward.

Councillor Watson supported this and felt that the report sent the message that the Authority took this seriously. He suggested that a progress report come back in six months, which was seconded by the Leader.

Councillor Wearmouth commented this was another example of where the Authority could lead on the rural agenda. It linked in with the £9m investment plan for rural initiatives and he looked forward to seeing it being taken forward.

Councillor Renner Thompson welcomed the funding for the Northumberland Coast AONB. This was another example of Northumberland leading the way. The Government was very interested in what Northumberland was doing and the Great Northumberland Forest was a great example of this.

The Leader commented that one of the recommendations to come from the Farming Group was to have a conference with Defra to see how the Authority could move the agenda forward with farmers. He hoped that Lord Benyon would visit in early Autumn and meet some of the members of the Farming Commission.

RESOLVED that:-

(a) Cabinet accept, in principle and subject to the approval of the North of Tyne Combined Authority (NTCA) Cabinet, the role of leading the

development of the statutory North of Tyne Local Nature Recovery Strategy (LNRS) on behalf of the Combined Authority;

(b) Cabinet endorse the Council's role as accountable body for the participation of the English part of the Borderlands area in the Government's Local Investment in Natural Capital (LINC) programme;

(c) Cabinet accept the anticipated grant awards of £0.285 million and £1.000 million respectively for the development of the North of Tyne LNRS and the delivery of the Borderlands LINC into the Council's revenue budget;

(d) Cabinet agree to declaring an ecological emergency to further strengthen the Council's commitment to rural stewardship and to demonstrate the significant role of nature recovery in mitigating the climate emergency;

(e) Cabinet develop a response, within the context of our Climate Change Action Plan, to the ecological emergency using our new obligations under the Environment Act 2021 as a framework; namely the development of a Local Nature Recovery Strategy; the strengthened duty to conserve and enhance biodiversity with a requirement to publish action plans and progress reports; and the introduction of mandatory biodiversity net gain in the planning system; and

(f) A progress report be made to Cabinet in six months.

18. REPORT OF THE DEPUTY LEADER AND CABINET MEMBER FOR CORPORATE SERVICES

Asset Management Framework

The report provided Cabinet with information relating to the new Asset Management Framework for 2023-2026 that has been developed to guide decision making and clearly outline the strategic plans for the estate to 2026 (copy attached to the signed minutes as Appendix D).

The report was presented by Councillor Wearmouth and he detailed the key points.

RESOLVED that:-

(a) Cabinet note the purpose and content of the Asset Management Framework for 2023-2026; and

(b) Cabinet agree to:

- The new Asset Management Framework; as attached at Appendix 1 – and
- Receive further updates on the delivery of the Asset Management Framework on a quarterly basis.

19. REPORT OF THE DEPUTY LEADER AND CABINET MEMBER FOR CORPORATE SERVICES

Financial Performance 2022-23 – Final Outturn (subject to audit)

The report presented the final outturn position (subject to audit) for the Council against the Budget for 2022-23 (copy attached to the signed minutes as Appendix E).

The report was presented by Councillor Wearmouth.

The Leader commented on the overspend of £2m in the SEND budget around transport and asked Councillor Renner Thompson how this would be dealt with. Councillor Renner Thompson reminded members that the school transport review had recently been approved and as a result an independent team of travel experts had been brought in to support SEND pupils where appropriate to use public transport. Families who wanted to transport their children themselves had been given greater financial support and a pilot scheme was running on devolving transport funding to schools to co-ordinate their own transport.

RESOLVED that:-

(a) Cabinet approve:

- the new grants and amendments to existing grants at Appendix A and the required changes to the budgets.
- the net re-profiling to the Capital Programme of £23.940 million from 2022-23 to 2023-24 to reflect expenditure levels in the financial year; and .

(b) Cabinet note:

- A balanced position following a transfer of £5.916 million to the General Fund, after the transfers to Earmarked Reserves agreed as part of the Provisional Outturn report at the Cabinet meeting on 9 May 2023.
- that this final outturn is based on the draft Statement of Accounts and is subject to external audit.
- the delivery of the approved savings at Appendix B.
- the use of the contingency shown at Appendix Q.
- the use of reserves shown at Appendix R. • the virements requested by services shown at Appendix S.

20. REPORT OF THE DEPUTY LEADER AND CABINET MEMBER FOR CORPORATE SERVICES

Summary of New Capital Proposals considered by Officer Capital Strategy Group

The report summarised proposed amendments to the Capital Programme considered by the officer Capital Strategy Group (copy attached to the signed minutes as Appendix F).

RESOLVED that:-

(a) Children’s Residential Homes:

a) Cabinet approve the reallocation of capital funds of £1.260 million in 2023-24 from Black Close House to purchase six private residential properties which will support the development of multi-building children’s residential homes in Northumberland.

b) Cabinet approve that delegated authority is given to the Executive Director for Children, Young People and Education to enter into a contract(s) for the acquired units as and when they are identified up to the approved budget limit.

(b) BT Openreach Gainshare receipt

a) Cabinet approve the receipt of BT Openreach gainshare funding amounting to £2.145 million.

b) Cabinet approve the addition of £2.145 million to the Council’s capital expenditure budget in 2023-24 to be split as follows:

- i) Repayment to Building Digital UK (BDUK) of £0.989 million (46.11% of the total gainshare receipt) as per terms of the Contract; and,
- ii) £1.156 million into Community Broadband in respect of enabling additional premises to access the £2,500 top up voucher to help provide gigabit connectivity in the hardest to reach areas

(c) Levelling Up Funding for Rapid Electric Vehicle (EV) Chargers:

a) Cabinet approve the receipt of Levelling Up funding amounting to £0.453 million awarded to the Council for the provision of ten new rapid EV chargers to be delivered between April 2023 and March 2025, split as follows: £0.347 million in 2023-24; and, £0.106 million in 2024-25.

b) Cabinet note the match funding NCC contribution of £0.050 million (10%) from the existing capital allocation in the Climate Change Capital Fund in 2024-25, creating a total budget of £0.503 million.

(d) Alnwick Playhouse – Replacement of Lighting Rig:

a) Cabinet approve the creation of a new capital project in 2023-24 for the installation of a new lighting rig at Alnwick Playhouse to ensure that the main auditorium is fully health and safety compliant.

b) Cabinet approve the reallocation of capital funds of £0.100 million in 2023-24 from Ashington North East Quarter Redevelopment (Phase 2) to Alnwick Playhouse Lighting Rig to fund installation of the new rig.

c) Cabinet note that the Strategic Regeneration Projects budget will reallocate £0.100 million to the Ashington North East Quarter Redevelopment (Phase 2) project in 2024-25.

21. REPORT OF THE CABINET MEMBER FOR SUPPORTING BUSINESS AND OPPORTUNITIES

Energising Blyth Programme: Levelling Up Deep Dive

The report updated Cabinet regarding the establishment, development and delivery of the £20.71m Levelling Up Deep Dive (LUDD) funding awarded to Blyth earlier this year. The report explained how this funding would be added to the Energising Blyth programme in the town to have a catalytic impact on the town's economy and drive forward the implementation of the Blyth Town Investment Plan. The report also sought approval to accept this funding award from UK Government and to take a number of key early steps to enable the implementation of key projects (copy attached to the signed minutes as Appendix G).

The report was presented by Councillor Wearmouth.

Councillor Renner Thompson commented that it had been great to see in person all the work which had gone on and the impact this was having on the lives of young people.

The Leader endorsed these comments, adding that his aim now was to address some of the housing in Blyth which was not up to standard. The amount of money coming into Northumberland now from Government was the highest it had ever been.

Councillor Watson remarked on some of the projects in the report which had been achieved and he acknowledged the role Advance Northumberland had played in this as the Council's partner. It was great to see the Energy Park progressing.

Councillor Horncastle referred to the proposal to return 250 properties back to the housing stock. This was of great benefit because of the anti-social behaviour empty properties attracted so funding to remedy this problem was very welcome.

The Leader wished to place on record his thanks to Blyth Town Council for their work and support on this.

RESOLVED that:-

(a) Cabinet accept the award of £20.71m Levelling Up Deep Dive capital and revenue funding from the Department for Levelling Up, Housing and Communities (DLUHC) and its use as follows;

- Add £19,630,000 to the Capital Programme as an identified budget allocation for the capital projects identified in this report.

- Add £1,080,000 as an identified revenue budget for the revenue funded projects and programme management arrangements outlined in this report;

(b) Cabinet note that the funding will be used to deliver new initiatives to support the delivery of the Blyth Town Investment Plan as part of the Energising Blyth Programme including 'Welcoming and Safe Blyth', 'Housing Renewal and Town Centre Living' and 'Energy Central Campus: Technical Training Kit';

(c) Cabinet approve the associated financial profiles as set out in the report fully funded by the Levelling Up Deep Dive and agree to:

- Establish a new Blyth Empty Homes Team in 2023 for two years from appointment
- Authorise the S151 officer in consultation with the Executive Director of Place and Regeneration to enter into internal grant funding agreement for the empty homes team revenue costs subject to confirmation of funding being in place and local assurance being followed
- Authorise the S151 officer in consultation with the Executive Director of Place and Regeneration to approve initial design fees up to the value of £1,993,469 across the programme
- The associated programme management and assurance arrangements to support the programme's delivery as set out in the report. This includes the appointment of a Senior Programme Officer in 2023 to support the programme funded for two years from appointment drawn from the revenue budget above.

22. REPORT OF THE CABINET MEMBER FOR LOOKING AFTER OUR COMMUNITIES

Environmental Enforcement Fixed Penalty Notice and Penalty Notice Policy 2023

The report presented the revised Environmental Enforcement Fixed Penalty and Penalty Notice Policy 2023 for consideration and adoption (copy attached to the signed minutes as Appendix H).

The report was presented by Councillor Stewart.

Councillor Horncastle supported this but commented that there was a lot of litter dropped which people were not held responsible for and he did not feel there were enough fixed penalty notices being issued. Regarding flytipping, he felt the message needed to be communicated that persistent offenders who went to court could receive very substantial fines or end up in prison.

Councillor Stewart responded that the Government recommendation for a FPN for flytipping was £1,000. Regarding the number of FPNs which were issued, all staff did a tremendous job, but from September the message would be reinforced through the civil enforcement officers that Northumberland was not the place to drop litter or flytip.

RESOLVED that:-

(a) Cabinet agree and adopt the proposed policy (See Appendix 1 to the report); and

(b) Cabinet agree and adopt the fine levels given in the schedule of the policy (see Appendix 1 to the report).

23. REPORT OF THE CABINET MEMBER FOR IMPROVING PUBLIC HEALTH AND WELLBEING

Drug and Alcohol Treatment and Recovery Service for Northumberland – Permission to Award Contract

The report provided the background to the need to provide a drug and alcohol treatment and recovery service as part of the Council’s statutory public health functions, to confirm that the procurement exercise had commenced, and sought permission to award the contract once the exercise is complete (copy attached to the signed minutes as Appendix I).

The report was presented by Councillor Jones.

RESOLVED that Cabinet approve the award of the contract to the successful contractor for £3,356,709 per annum. The maximum contract period is October 2023 – March 2030.

CHAIR.....

DATE.....

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NORTHUMBERLAND COUNTY COUNCIL

CABINET

At a meeting of the Cabinet held at County Hall, Morpeth on Thursday 20 July 2023 at 10.00 am.

PRESENT

Councillor G. Sanderson
(Leader of the Council, in the Chair)

CABINET MEMBERS

Horncastle, C.
Pattison, W.
Ploszaj, W.

Riddle, J.
Stewart, G.
Watson, J.
Wearmouth, R.

OFFICERS IN ATTENDANCE

Aviston, A.
Bradley, N.

Gerrard, S.
Hadfield, K.

Hunter, P.
Kingham, A.

Neilson, S.

O'Neill, G

Paterson, Dr H.
Street, D.

Willis, J.

Head of School Organisation
Executive Director for Adults, Aging & Wellbeing
Director of Law and Governance
Democratic and Electoral Services Manager
Director of Strategy and Communications
Executive Director for Children, Young People & Education
Executive Director for Place and Regeneration
Executive Director for Public Health (DPH), Inequalities & Stronger Communities
Chief Executive
Director of Education, SEND and Skills
Executive Director for Resources & Transformation (S151)

24. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Jones.

25. REPORT OF THE CABINET MEMBER FOR INSPIRING YOUNG PEOPLE

Outcomes of Statutory Consultation on Proposals for the Berwick Partnership

The report set out an analysis of the representations and responses received from interested parties and stakeholders during the four-week statutory consultation, which commenced on 11 May and closed on 8 June 2023, in relation to proposals for schools in the Berwick Partnership.

Cabinet was asked to make a final decision on whether or not to approve the proposals, including school closures, set out in the statutory proposal. At the same time, Cabinet was requested to make a final decision on whether or not to approve the non-statutory proposals relating to the voluntary schools within the Berwick Partnership as set out in the Report of the Executive Director of Children, Young People and Education, Berwick Partnership Organisation, 9th May 2023.

In making its final decision, Cabinet was asked to note the decision of the DfE's Advisory Board acting on behalf of the Regional DfE Director North East arising from its meeting of 13 July 2023 with respect to the proposed changes to St Cuthbert's Catholic First School and Berwick Academy which form an integral part of the overall proposed reorganisation of the Berwick Partnership. A copy of the FACS OSC had been circulated (copy attached to the signed minutes, along with the report).

The report was introduced by Councillor Renner Thompson. He detailed the key points for members and moved the recommendations, which was seconded by Councillor Sanderson.

Councillor Watson commented on the number of schools involved and asked when all the parts of the proposals would be complete. Councillor Renner Thompson advised that much would depend on planning permission being secured by 2025. Work would begin on this as soon as Cabinet made its decision with the aim of the schools which were planned for closure closing in 2026, assuming planning permission was granted.

The Leader commented on the provision for skills training and SEND provision which was an important element of the proposals. Councillor Renner Thompson agreed that there was no point in implementing a modern industrial strategy to bring new jobs for the future if these jobs were not being filled by the young people of the County. The development of adult education skills in this area were a priority and the Academy was on board with this.

The Leader noted the report from FACS OSC and their agreement with the proposals. He thanked them for their debate on this matter and asked the Director of Law and Governance to advise members on the legal position.

The Director advised that all the information members needed was contained in the report and confirmed that the consultation process and the report had been carried out in compliance with the school organisation guidance and regulations. The report and supporting documents and written representations contained all of the relevant considerations members needed to make their decision. The proposal was set out in the recommendations.

The Leader drew members attention to the recommendations detailed in the report which would commit the Authority to taking the action it wished to take for the benefit of the whole of the north of the County.

RESOLVED that:-

- (a) In the light of the prescribed changes set out in the statutory proposal published on 11 May 2023 for schools in the Berwick Partnership and all the information provided in the report (taking into account the Statutory Guidance from the Department for Education's (DfE) 'Opening and closing maintained schools Statutory guidance for proposers and decision makers January 2023' attached at Appendix 2 and 'Making significant changes ('prescribed alterations') to maintained schools Statutory guidance for proposers and decision makers January 2023' attached at Appendix 3, Cabinet agree to:
- Approve for implementation the Council's statutory proposal to close
 - Berwick Middle School with effect from 31 August 2026;
 - Glendale Middle School with effect from 31 August 2026, noting that the school is classed as a rural secondary and in light of the presumption against the closure of rural schools set out in the DfE guidance 'Opening and closing maintained schools Statutory guidance for proposers and decision makers January 2023' at page 24 of the guidance, consider and take into account the factors set out in the guidance as referenced at para. 43 of this report;
 - Tweedmouth Community Middle School with effect from 31 August 2026.
 - Approve for implementation the Council's statutory proposal to extend the age ranges of the following schools;
 - Scremerston First School from an age 4 to 9 first school to an age 4 to 11 primary school in a phased way with effect from 1 September 2025.
 - Spittal First School from an age 4 to 9 first school to an age 4 to 11 primary school in a phased way with effect from 1 September 2025.
 - Tweedmouth Prior Park First School from an age 3 to 9 first school to an age 3 to 11 primary school in a phased way with effect from 1 September 2025.
 - Tweedmouth West First School from an age 4 to 9 first school to an age 4 to 11 primary school in a phased way with effect from 1 September 2025.
 - Wooler First School from an age 2 to 9 first school to an age 2 to 11 primary school in a phased way with effect from 1 September 2025.

- Approve for implementation the Council's statutory proposal to establish a SEN Unit at the site of Berwick St Mary's Church of England First School with 30 places for children diagnosed with special educational needs, primarily those with Autistic Spectrum Disorder (ASD), Social, Emotional and Mental Health (SEMH), Speech Language and Communication (SLCN) and Moderate Learning Difficulties (MLD) with effect from 1 September 2025.

All of the above approvals conditional upon the granting of planning permission under Part 3 of the Town and Country Planning Act 1990 by 31 August 2025 in relation to the proposed building works at the above First Schools, as detailed in para 42. Table 2.

- Linked to the above statutory proposals for Scremerston and Spittal, approve the reduction of the planned admission numbers (PAN) of those schools as follows;
 - Scremerston First School to reduce its PAN from 18 to 10 with effect from 1 September 2025.
 - Spittal Community First School to reduce its PAN from 40 to 30 with effect from 1 September 2025.

(b) In the light of the non-statutory changes consulted on at Phase 2 pre-statutory consultation and referenced in the above statutory proposal for information, approve for implementation the Council's non-statutory proposals to extend the age ranges of the following schools;

- Berwick St Mary's Church of England First School from an age 3 to 9 first school to an age 3 to 11 primary school with effect from 1 September 2025.
- Holy Trinity Church of England First School from an age 3 to 9 first school to an age 3 to 11 primary school with effect from 1 September 2025.
- Holy Island Church of England First School from an age 3 to 9 first school to an age 3-11 primary school with effect from 1 September 2025.
- Hugh Joicey Church of England First School from an age 4 to 9 first school to an age 4 to 11 primary school with effect from 1 September 2025.
- Lowick Church of England Voluntary Controlled First School from an age 2 to 9 first school to an age 2 to 11 primary school with effect from 1 September 2025.
- Norham St Ceolwulf's C of E Controlled First School from an age 3 to 9 first school to an age 3 to 11 primary school with effect from 1 September 2025.

(c) In formulating its decision, Cabinet has taken into account:

- In relation to Glendale Middle School, the guidance in relation to the presumption against the closure of a rural school as set out at Recommendation 1 above and referenced at para. 43.
 - The responses received to the Statutory Proposal and the commentary contained within the report at paras. 26-35.
 - The implications of the proposals on schools and the local community as set out in the Statutory Proposals contained within Appendix 1.
 - The implications for Home to School Transport of the statutory proposals as set out in the report.
 - The decision of the DfE's North East Advisory Board on 13 July 2023 to approve the change of age range of St Cuthbert's Catholic First School from an age 3-9 to an age 3-11 primary academy with effect from 1 September 2025 and to approve the change of age range of Berwick Academy from an age 13 to 18 to an age 11 to 18 secondary academy and to establish an SEN unit for students with primary needs in SEMH, ASD, SLCN and MLD both with effect from 1 September 2026. Cabinet also note that these approvals are conditional upon Cabinet's approval for implementation of Recommendations 1 and 2.
- (d) Approve the allocation of £41.177m from the funding sources set out at para. 42, Table 2 towards the capital costs required to support the implementation of the prescribed changes set out in Recommendation 1 and 2 above. Full details of the capital costs required for implementation are set out at para. 42.
- (e) Cabinet authorise the Cabinet Member for Children's Services and the Executive Director of Children, Young People and Education to approve the award of contract to the preferred contractor following the procurement process for the works required to support the changes for the first schools to become primary currently estimated to be £5.777m capital expenditure from the overall project budget of £41.177m.
- (f) Cabinet approve the allocation of £250k in order to develop an Outline Business Case for investment in Berwick Academy noting that the outcomes will be reported back to cabinet at a later date. Cabinet also note that the decision to invest in the refurbishment/rebuilding of Berwick Academy is not predicated on these reorganisation proposals. Cabinet also note that officers are in discussions with DfE with regard to a contribution from the department towards the capital costs of refurbishment/rebuilding of Berwick Academy; and
- (g) the report of the FACS OSC be noted.

Having considered all of the responses to the statutory consultation Cabinet agreed that the above proposals should be adopted and implemented without modification for the following reasons:

- 1) In relation to the proposal to establish a 2-tier(primary/secondary) organisation of schools within the Berwick Partnership, the Governing Bodies of 11 of the schools and academies in the partnership gave their full support to the statutory and non-statutory proposals for the community and voluntary schools, with only the 2 middle schools in Berwick overtly opposing the proposal. 4 other schools remained neutral (albeit 2 of these stated they would implement the approved system while 1 is already a primary), and 1 school did not respond to the statutory proposal.
- 2) The Trustees of Berwick Academy have gained the approval of the DfE Regional Director of the North East to extend the academy's age range from 11 to 18 with effect from 1 September 2026, while the Trustees of Bishop Bewick Catholic Education Trust (in relation to St Cuthbert's Catholic First School) have gained the Director's approval to extend the age range of the academy to an age 3 to 11 primary with effect from 1 September 2025. This will enable whole partnership reorganisation.
- 3) The CE and RC Dioceses continue to support the proposal to reorganise to a 2-tier(primary/secondary) structure in the Berwick Partnership.
- 4) As part of reorganisation, an additional 70 places would be provided within the partnership for students with primary needs in SEMH, ASD, SLCN and MLD through the creation of SEN units at St Mary's CE First School and Berwick Academy, enabling them to be educated within or closer to their home communities, reducing the need for long journeys to school and supporting their ability to make local friendships.
- 5) Cabinet continues to support the educational rationale put forward by the educationalists in support of reorganisation to a 2-tier(primary/secondary) structure at Phase 2 consultation as follows:
 - There would be only one transition point between primary and secondary education at the end of Key Stage 2 for pupils to cope with and schools to manage. Furthermore, having just one transition would be of particular benefit to pupils with special educational needs and this was supported by the North Northumberland Autistic Society in Phase 2 consultation;
 - Schools would have responsibility for whole key stages (primary schools for EYFS, KS1 and KS2 and Berwick Academy for KS3, KS4 and KS5) allowing for consistency of curriculum and planning and this matches the National Curriculum and is the predominant structure across the country;
 - Teachers are trained in either the primary or secondary system; there is no longer specific middle school teacher training;
 - First school teachers are primary trained, with many having worked in primary schools, and already teach the first half of KS2. Therefore, the expertise and knowledge to deliver good outcomes at KS2 already exists in these schools (noting that currently in the 3-tier system when pupils are assessed at KS2 at the end of Year 6, they have been educated in first schools for five of their seven years in statutory education at that point);

- Schools would have longer to develop relationships with pupils and their families;
 - Students joining Berwick Academy in Year 7 would have two years to settle and become familiar with specialist subjects while teachers would have the opportunity to learn about their students in order to advise them before making critical subject choices for GCSE in Year 9. It is expected that this will be a key factor in delivering steady and significant improvement in outcomes at KS4 over time;
 - It is expected that a 2-tier organisation of schools would support recruitment and retention of teaching staff, with wider opportunities for within individual schools;
 - Pupils on roll in first schools becoming primary, especially the rural village schools would be able to be educated within their local communities for an additional two years; this will be of particular benefit to those pupils with SEN.
 - Education in Years 5 and 6 would continue to be provided in the North of Berwick.
- 6) £41.177m will be invested into the buildings of Berwick Partnership to support the reorganisation and to provide new/refurbished buildings for Berwick Academy which would also include an enhanced post 16 and post 18 offer.
 - 7) Parents will retain the ability to express a preference for a place for their child in any school in Northumberland or another local authority.
 - 8) The consultation on this proposal has been very extensive, reasonable and robust.

CHAIR.....

DATE.....

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Northumberland County Council

CABINET

12 SEPTEMBER 2023

BEST: DELIVERY PARTNER DELEGATED DECISION REPORT

Report of Cabinet Member: Councillor Glen Sanderson, Leader of the Council
Lead Officer: Jan Willis, Executive Director of Transformation and Resources (Section 151 Officer)

Purpose of report

To seek delegated authority for the Council's Executive Director of Transformation and Resources to enter into a contract for the BEST Delivery Partner in consultation with the Leader of the Council and the Portfolio Holder for Corporate Services.

Cabinet Recommendation

To delegate authority to the Executive Director of Transformation and Resources to enter into a contract for the BEST Delivery Partner in consultation with the Leader of the Council and the Portfolio Holder for Corporate Services following the conclusion of the procurement process up to a maximum of £3 million (exclusive of VAT and risk/reward element).

Link to Corporate Plan Priorities

This report is relevant to "Best Value", "Driving Economic Growth" and "Tackling Inequalities" priorities included in the NCC Corporate Plan 2023-2026. BEST also supports the implementation and embedding of the Caller Programme Work Packages i.e., Corporate Plan, Enhanced Performance framework, Best Value Council, Data and BI Strategy and Council Values

Background

The Business Case agreed by Cabinet on 17 January 2023 set out changes to ways of working that will make the Council more modern, efficient, and fit for purpose whilst delivering sustainable financial savings. This is not about cutting services, but about transforming the way services are delivered and how the Council operates to deliver value for money and achieve the best outcomes for our customers and residents. In summary, the key aims of the Business Case are:

- Improved Customer Experience
- Enhanced Experience for Staff
- Improved Efficiency and Effectiveness Following a Best Value Approach

The Business Case and subsequent delivery of projects within the programme supports the Council to deliver its three priorities of economic growth, addressing inequalities, and value for money.

On 14 March 2023, Cabinet made the key decision to proceed with the tendering and procurement of a Delivery Partner who will be engaged to assist the Council in delivering the priorities identified in the strategic business case and supporting the design and delivery of projects falling within the scope of the programme. Some of the benefits identified from engaging a delivery partner were as follows:

- The Council receives the highly specialist support and advisory that it needs to deliver.
- Our current workforce will have an opportunity to learn from industry experts.
- BEST opportunities and benefits are achievable, and opportunities are maximised.
- New opportunities are identified.
- We use experienced professionals who have worked in multiple councils and private sector organisations.
- The procurement process will support the delivery of Social Value outcomes and ensure value for money.
- Opportunity to agree 'payment by results' mechanism to incentivise Partner's performance, encourage innovation and increase risk transfer.

As noted in the March report engaging a Delivery Partner is viewed as a critical enabler to deliver multiple projects within the programme. Without the engagement of highly specialist advisory, it is unlikely that BEST and the opportunities set out in the Business Case agreed by Cabinet, can be achieved.

One of the key deliverables within the Best Value for Money workstream is the introduction of VFM Assessments across all Council services. Each service will be required to carry out a baseline VFM assessment, highlighting any opportunities for improvement. These assessments will then be used the basis for the forward plan and prioritisation of service reviews to ensure that the biggest impact is achieved, and the reviews are the most efficient and effective use of Council resources. The core team will work alongside the delivery partner to develop this need VFM Framework and ensure it is successfully implemented across the Council.

The Delivery partner will also be critical in supporting Benefits Realisation and will work with the core team to ensure that both financial and non-financial benefits are maximised, tracked, delivered and reported.

Delivery Partner Resourcing

At the Cabinet meeting held on 14 March 2023, approval was given to commence a procurement process for a Delivery Partner to support the design, delivery, and implementation of the BEST programme, on the basis that this is a critical investment to maximise the realisation of benefits set out in the Business Case.

A Procurement Working Group was set up comprising senior officers with subject matter expertise (BEST Workstream Leads) and led by the Head of Corporate Commissioning and Procurement.

Early market engagement was completed to gauge market interest and utilise market knowledge and expertise which in turn has helped inform the scope of services and the contracting model. A contract notice was subsequently published on 16 June 2023 on the Government's Find a Tender Service inviting interested suppliers to complete and submit a Selection Questionnaire by 17 July 2023.

Following a technical and financial evaluation of 18 responses, the 5 highest scoring suppliers have been invited to tender. The tender response deadline is 25 August after which submissions will be evaluated in accordance with the following award criteria:

Criteria	Subcriteria	Weighting %
Quality (70%)	Approach and methodology	25
	Application of experience and capabilities	15
	Communication	10
	Risk and reward methodology	10
	Social value	10
Fees (30%)	Overall cost for core deliverables	25
	Risk/Reward for non-core deliverables	5

Due to mandatory timescales under the Public Contract Regulations 2015, the procurement will not be concluded until approximately 2 October. The recommendation to appoint the preferred bidder will be considered at the BEST Working Board on 22 September 2023.

However, in order to prevent any delay in the mobilisation of the successful tenderer, permission is requested to delegate the approval of the contract award (following conclusion of the procurement) to the Director of Transformation and Resources in consultation with the Leader of the Council and the Portfolio Holder for Corporate Services. It is anticipated that the value of the contract will not exceed £3 million (exclusive of VAT and risk/reward element) which is to be funded from the Transformation reserve.

In the event that the value of the contract exceeds £3 million then a further report will be prepared for Cabinet, however, this will delay the award of the contract and then impact on the timing of the delivery of the benefits outlined in the business case.

Implications

Policy	N/A
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<p>Finance and value for money</p>	<p>Savings</p> <p>Collectively, the Business Case for BEST agreed by Cabinet on 17 January 2023 sets out changes to ways of working that will deliver recurrent Council wide savings of more than £20m (Low: £17.9 million and High: £38.5 million). Savings will be incrementally achieved over the next 3 years, as and when change projects are delivered. Resourcing the programme is a critical enabler to mobilisation and the key decision to tender and procure a Delivery Partner is essential to support the delivery of projects and to achieve the cashable and non-cashable benefits. Without the support of highly specialist change resources, many projects will not be delivered, and the savings opportunities set out in the Business Case cannot be met. The approved MTFP provides for funding of £3m per annum for BEST implementation costs for the 3-year period from 2022/23 to 2024/5.</p>
<p>Legal</p>	<p>The Local Government Act 1999 imposes a duty for Local Authorities to make arrangements for the achievement of best value in the performance of their functions.</p> <p>Best value for these purposes is described as securing continuous improvement in the exercise of all functions undertaken by the authority, whether statutory or not, having regard to a combination of economy, efficiency, and effectiveness.</p> <p>Within the design stages of workstream projects, regular assessment of any legal requirements / legal constraints will be identified, and advice taken where necessary. When needed, legal issues will be escalated to Programme Board and / Executive Team for strategic advisory and decision.</p> <p>The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 confirm that the matters within this report are not functions reserved to Full Council.</p>
<p>Procurement</p>	<p>The procurement has been conducted in accordance with the Restricted Procedure under the Public Contracts Regulations 2015 and the Public Services (Social Value) Act 2012</p>
<p>Human Resources</p>	<p>Within the design stages of workstream projects, regular assessment of any HR/OD requirements or constraints will be identified and advice taken where necessary. When needed, HR/OD issues will be escalated to Programme Board and / Executive Team for strategic advisory and decision.</p>
<p>Property</p>	<p>Delivery Partner will be expected to work on site at County Hall and potentially other corporate buildings on a regular basis. It is</p>

	likely that hot desking space will be required to accommodate Delivery Partner colleagues.
Equalities (Impact Assessment attached) Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A <input type="checkbox"/>	N/A
Risk Assessment	If approval to delegate to the S151 Officer in consultation with the Portfolio Holder to award the contract is not granted, further delay will impact on the delivery of the identified benefits and Delivery Partner mobilisation
Crime & Disorder	N/A
Customer Consideration	Residents First is a primary objective of BEST and 'Best Service to Customers' is identified as a specific workstream in the business case. Key improvement projects identified for delivery, will focus on improvements to customer access, customer contact and engagement. Implementation of the improvement projects set out in the business case are also anticipated to achieve a reduction in the volume of customer complaints.
Carbon reduction	The business case sets out multiple projects for delivery within the Programme. Following the design phase of each project, an individual project Carbon Impact Assessment (CIA) will be completed based on design options set out in an Options Appraisal for consideration and decision by Programme Board. CIA's will be subject to consultation with the Council's Climate Change specialists and will be subject to frequent review and update based on the chosen option. Positive contributions to the Council's carbon reduction targets will be monitored and mitigation will be sought for any negative impacts identified as a result of changes.
Health and Wellbeing	BEST is intricately linked to work set out in the Inequalities Programme. The design options for each workstream project, will be viewed through the 'inequalities lens' to ensure cohesion of delivery priorities. Director leads and programme/project managers from BEST and the Inequalities programme, will maintain regular contact to ensure that dependencies across programmes are known and understood.
Wards	BEST is 'Council wide' therefore, all wards benefit equally from the change, improvements, and cost savings of BEST and the support provided by Delivery Partner

Lead Members:

- Lead Members, Cllr Glen Sanderson and Cllr Richard Wearmouth were consulted throughout Programme Phase 1 'Discovery' and the development of Strategic Change Business Case.
- Lead Members, Cllr Glen Sanderson and Cllr Richard Wearmouth are consulted through BEST Working Board for the development of this report and the 'key decision' that is needed by Cabinet to proceed with the procurement of a Delivery Partner.
- Cllr Glen Sanderson and Cllr Richard Wearmouth are consulted as part of regular portfolio holder briefings.

Linked report:

- Business Case was approved by [Cabinet](#) on 17 January 2023

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Northumberland County Council

CABINET

12 September 2023

Financial Performance 2023-24 – Position at the end of June 2023

Report of Councillor Richard Wearmouth, Deputy Leader and Portfolio Holder for Corporate Services

Executive Director: Jan Willis, Executive Director of Transformation & Resources

1. Purpose of report

- 1.1 The purpose of the report is to ensure that the Cabinet is informed of the current financial position for the Council against the Budget for 2023-24.

2. Recommendations

- 2.1 Members are requested to:

- Recommend that County Council approves the use of £1.855 million from contingency to partly fund the shortfall in the expected cost of pay awards for 2023-24.
- Approve the re-profiling to the Capital Programme of £15.902 million from 2023-24 to 2024-25 to reflect estimated expenditure levels in the current financial year.
- Approve the transfer of £1.556 million from the Public Health main grant reserve to provide additional services to reduce poverty and health inequalities.

- 2.2 Members are requested to note:

- the projected overspend on services of £4.115 million and the assumptions outlined in this report.
- the projected net overspend of £4.471 million after accounting for outstanding inflationary pressures and the utilisation of the Exceptional Inflation Reserve and contingency. The financial monitoring process is a continuous process, and it is not unusual to predict an overspend in the first formal monitoring report as pressures in the system are recognised and realised. Services are now taking appropriate action to bring the budget back into balance and corporately work is underway to ascertain if rising interest rates will ensure a favourable return to the Council and

improve the position further. An updated position for the 6 months to September 2023 will be presented to Cabinet on 12 December 2023.

- the supplementary estimates at Appendix A and the required changes to the budgets.
- the delivery of the approved savings at Appendix B.
- the use of the contingency shown at Appendix L.
- the use of reserves shown at Appendix M.
- the virements requested by services shown at Appendix O.

3. Link to Corporate Plan

3.1 The Council's budget is aligned to the priorities in the Corporate Plan 2023-26 with significant investment in each of the priorities; achieving value for money, tackling inequalities and driving economic growth as well as specific funding set aside to deliver Best Value through the BEST work.

4. Key issues

4.1 Overall Position

4.1.1 The report provides information and analysis on the Council's financial performance and use of resources to the end of June 2023. The Council set its budget for 2023-24 on 22 February 2023 and this report focuses on the financial performance to the end of June 2023 and the projected year end position at that point in time.

5. Projected Revenue Outturn 2023-24

5.1 The Council's projected revenue outturn position, within each service area is shown in summary at Section 6 of the report (figures in brackets denote an underspend); and in detail within Appendices C - K of the report.

5.2 The Council's overall annual revenue expenditure is managed across a number of areas:

- a. The General Fund with a net budget of £401.910 million, providing revenue funding for the majority of the Council's services.
- b. The Dedicated Schools Grant (DSG) of £160.155 million in 2023-24, which is ring-fenced for schools funding, overseen by the Schools' Forum, and managed within the Children, Young People and Education Directorate.
- c. Public Health, a ring-fenced grant of £17.932 million in 2023-24, must be spent to support the delivery of the Public Health Outcomes Framework and is managed within Public Health, Inequalities and Stronger Communities.

- d. The Housing Revenue Account (HRA) with a gross expenditure budget of £42.625 million in 2023-24, is ring-fenced, and reported separately from the General Fund, and is managed within the Place and Regeneration Directorate. The HRA forecast is detailed in Appendix L.

6. General Fund

6.1 The following table provides a summary of how each Directorate is performing against the General Fund revenue budget for the 2023-24 financial year.

Service	Budget	Forecast Outturn	Variance
	£m	£m	£m
Adults, Ageing & Wellbeing	130.223	130.354	0.131
Chief Executive	34.497	34.409	(0.088)
Children, Young People & Education	86.612	89.680	3.068
Place and Regeneration	82.093	83.500	1.407
Public Health, Inequalities & Stronger Communities	12.971	12.721	(0.250)
Transformation & Resources	27.440	27.110	(0.330)
Total Services	373.836	377.774	3.938
Corporate Expenditure and Income	28.074	28.251	0.177
Total Net Expenditure	401.910	406.025	4.115
Budget funded by:			
Council Tax	(231.720)	(231.720)	-
Retained Business Rates (including grants)	(92.863)	(92.863)	-
Revenue Support Grant	(12.430)	(12.430)	-
Other Corporate Grants	(47.014)	(47.014)	-
Earmarked Reserves	(17.883)	(17.883)	-
Total Funding of Services	(401.910)	(401.910)	-
Net Total	-	4.115	4.115

6.2 Inflationary Pressures

- 6.2.1 During the preparation of the 2023-24 budget and the Medium Term Financial Plan (MTFP) a significant sum of money was earmarked to deal with “routine inflation” and what the Council referred to as “hyper-inflation”. It was anticipated that the hyper-inflation would continue for two years and money has been set aside in reserves to fund these additional costs.
- 6.2.2 The forecast position shown in section 6.1 includes most inflationary increases, however the actual cost of pay inflation has not been included where pay awards have not yet been agreed. The expected cost of pay awards for 2023-24 is anticipated to be significantly more than the 4.0% set aside in the 2023-24 budget. Based on the current pay offer, the shortfall in funding is expected to be £3.228 million. The £1.017 million set aside in the Exceptional Inflation Reserve at the end of 2022-23 and the use of £1.855 million which is the balance in the contingency, pending County Council approval, will be utilised to offset this, leaving a net shortfall of £0.356 million.
- 6.2.3 The net forecast position, after accounting for outstanding inflationary pressures and the utilisation of the Exceptional Inflation Reserve and contingency, is shown below:

	£m
Overspend on services as per Section 6.1	4.115
Pay award funding shortfall (estimate)	3.228
Transfer from Exceptional Inflation Reserve	(1.017)
Use of contingency	(1.855)
Net overspend	4.471

7. Other General Fund Items

- 7.1 Appendix A is a schedule of all supplementary estimates, including new grants and amendments to existing grants (capital and revenue) which the Council has been awarded during April to June 2023.
- 7.2 The Council at its meeting in February 2023 agreed to implement a range of savings and efficiencies totalling £17.045 million in 2023-24. A recent review of the delivery of those savings has been conducted and the results are illustrated at Appendix B.
- 7.3 Appendix L is a schedule of all items which have been released from contingency during April to June 2023.
- 7.4 Appendix M is a schedule of the movement in the Council’s Reserves.
- 7.5 Appendix O is a schedule of virements during April to June 2023.

8. CAPITAL PROGRAMME

8.1 The Capital Programme for 2023-24 totalling £222.949 million was agreed by full Council on 22 February 2023.

8.2 The Capital Programme has changed during the year as the phasing of schemes was reviewed at the end of the previous financial year with £72.638 million re-profiled from 2022-23 to 2023-24 and further approvals totalling £26.771 million have been agreed by Cabinet for additional schemes.

8.3 The following table sets out the position as at the end of June:

Directorate	Original Budget	Approved Adjustments	Revised Budget	Expenditure to date	Forecast Expenditure	Net Variance	Over / (Under) spend	Reprofiling
	£m	£m	£m	£m	£m	£m	£m	£m
Adults, Ageing and Wellbeing	4.427	2.433	6.860	0.275	5.380	(1.480)	-	(1.480)
Chief Executive	2.016	0.500	2.516	0.639	2.516	-	-	-
Children, Young People and Education	32.622	9.107	41.729	2.032	39.672	(2.057)	(0.032)	(2.025)
Place and Regeneration	166.270	78.038	244.308	21.134	234.246	(10.062)	(0.915)	(9.147)
Public Health, Inequalities and Stronger Communities	0.800	1.085	1.885	0.845	2.085	0.200	0.200	-
Transformation and Resources	16.814	8.246	25.060	0.879	21.810	(3.250)	-	(3.250)
Total Programme	222.949	99.409	322.358	25.804	305.709	(16.649)	(0.747)	(15.902)
Financed by:								
Capital Receipts	5.589	-	5.589					
External Grants	96.863	58.475	155.338					
GF Borrowing	106.236	35.177	141.413					
GF Revenue Contributions (RCCO)	0.250	5.757	6.007					
HRA Contributions (MRR & RCCO)	14.011	-	14.011					
Total Financing	222.949	99.409	322.358					

- 8.4 Year-to-date capital expenditure is £25.804 million with forecast expenditure of £305.709 million. The major areas of capital investment during the year to date are as follows:
- i. £15.789 million invested in transport schemes including infrastructure, traffic management, integrated transport schemes and the reintroduction of the Northumberland Line.
 - ii. £1.937 million invested in fleet replacement.
 - iii. £3.103 million invested in the Council's housing stock.
- 8.5 There is a net forecast underspend of £16.649 million across the 2023-24 Capital Programme comprising of £15.902 million net reprofiling from 2023-24 to 2024-25 and £0.747 million underspend. A summary of the significant variances can be found at Appendix K with an explanation of those greater than £0.250 million.
- 8.6 It is recommended that Cabinet notes estimated net reprofiling of £15.902 million from 2023-24 to 2024-25.

9. Capital Receipts

- 9.1 The level of capital receipts available to support the 2023-24 Capital Programme was estimated to be £5.589 million (£1.700 million General Fund and £3.889 million HRA). The following table shows the current position regarding asset disposals:

Asset Disposals	General Fund £m	HRA £m
Completed and available for use in year	0.002	0.399
On the market	1.195	-
Terms Agreed	1.892	-
Contracts exchanged	0.744	-

- 9.2 The closing balance on the Capital Receipts Reserve at 31 March 2023 was £8.329 million (£0.092 million General Fund and £8.237 million HRA).

10. TREASURY MANAGEMENT

10.1 The Treasury Management Strategy Statement for 2023-24 was agreed by full Council on 23 February 2023.

10.2 The following table summarises the Council's quarterly borrowing activity for April to June 2023:

	Previous Quarter	Movement - June 23	Current
Outstanding principal - at quarter end (£m)	745.378	(0.502)	744.876
Weighted average interest rate - year to date (%)	3.147	-	3.147
Quarter end external borrowing as % of Operational Boundary (Borrowing)	71.396	5.866	77.262

10.3 Whilst the Council has an overall cap on borrowing through an Authorised Limit, the Operational Boundary is where the Council would expect its borrowing to be. At the end of June 2023, the Council's external borrowing represented 77.26% of its Operational Boundary, which was approved as part of the Treasury Management Strategy for 2023-24. The Operational Boundary is only a guide and may be breached or undershot without significant concern, with borrowing driven by economic and market considerations as well as interest rates.

The table below demonstrates that in the quarter to 30 June 2023 the Council has maintained gross borrowing within its authorised limit and operational Boundary.

	Authorised Limit for External Debt £m	Operational Boundary for External Debt £m	Actual 30 June 2023 £m
External Borrowing	1,156.913	964.094	744.876

10.4 The following table provides an analysis by type of the quarterly borrowing activity for April to June 2023:

Lender Category	Repayment Type	Opening Balance £m	Repaid – Apr - Jun 2023 £m	New Borrowing Apr - Jun 2023 £m	Closing Balance £m
PWLB	EIP	3.501	(0.500)	-	3.001

Lender Category	Repayment Type	Opening Balance	Repaid – Apr - Jun 2023	New Borrowing Apr - Jun 2023	Closing Balance
PWLB	Annuity	0.540	-	-	0.540
Salix	EIP	0.033	(0.002)	-	0.031
PWLB	Maturity	445.704	-	-	445.704
Other Local Authorities	Maturity	50.000	-	-	50.000
Other/Market	Maturity	245.600	-	-	245.600
Total		745.378	(0.502)	-	744.876

10.5 Measuring the maturity structure of borrowing ensures a reasonable spread of maturing debt as a safety mechanism to ensure significant amounts of debt do not mature at a time when interest rates for refinancing the debt may be high. The following table demonstrates the maturity structure of the Council's borrowing at 30 June 2023, against the prescribed limits:

Maturity Structure	Upper Limit for 2023-24	Actual 30 June 2023
Under 12 months	25%	7%
1 year - 2 years	40%	1%
2 years within 5 years	60%	3%
5 years within 10 years	80%	7%
10 years and above	100%	82%

10.6 The following table summarises the Council's quarterly investment activity for April to June 2023:

	Previous Quarter	Movement - Apr - June 2023	Current
Outstanding principal - at month end (£m)	114.450	40.100	154.550
Weighted average interest rate - year to date (%)	4.160	0.284	4.444

10.7 The following table provides an analysis by type of the investment activity for the quarter April to June 2023:

Category	Opening Balance	Repaid – Apr - Jun 2023	New Investment Apr - Jun 2023	Closing Balance
	£m	£m	£m	£m
Term Deposit Banks	-	-	25.000	25.000
Term Deposit Building Societies	-	(10.000)	20.000	10.000
Term Deposit Other Local Authorities	25.000	(25.000)	35.000	35.000
Money Market Funds	79.450	(168.250)	163.350	74.550
Debt Management Office (DMO)	-	-	-	-
Notice Accounts	10.000	-	-	10.000
Total	114.450	(203.250)	243.350	154.550

10.8 The movement in the Money Market Funds represents daily deposits and withdrawals to manage cashflow.

10.9 Limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year-end. The table below summarises performance against the prescribed limits for the year to 30 June 2023:

	Limit 2023-2024 £m	Actual Highest £m	Actual 30 June 2023 £m
Principal sums invested > 364 days	120.000	-	-

11. Transformation Fund Reserve (BEST)

11.1 The Council at its budget meeting on 23 February 2022 agreed to invest £3.000 million per annum for three years in a strategic change programme, now known as BEST programme of work.

11.2 To date a number of commitments have already been made against that fund as follows:

	2022-23	2023-24	2024-25	2025-26	Total
	£m	£m	£m	£m	£m
Council Investment	3.000	3.000	3.000	-	9.000
Commitments to 30 June 2023	0.738	2.203	2.081	1.131	6.153
Balance Available	2.262	0.797	0.919	(1.131)	2.847

11.3 Projects have already been approved by the Transformation Board, including for example, Fix My Street, Living Leader and the Labman management system. In addition to this, it will be necessary to recruit to a number of fixed term roles in order that the project can progress, and the service improvements can be delivered quickly. The roles will be required for a maximum of three years and approval has been given for the estimated cost of £2.567 million.

11.4 It will also be necessary to involve a number of staff across the Council in the BEST programme of work. However, their roles within the workstreams will require a full-time commitment so it is recommended that the Transformation Fund is also used to fund the temporary backfill for those staff involved in the work. Approval has been given for the estimated cost of this, which is £0.661 million over the next three years.

11.4 It is likely that the profiling of the commitments will extend into 2025-26. The expenditure and commitments to 30 June are as follows

	2023-24 Approved requests	2023-24 Expendi ture to 30 June	2023-24 Commit ments July to Mar	2023-24 Forecast Expendit ure	2023-24 Forecas t Varianc e
	£m	£m	£m	£m	£m
Opening Balance	3.000				
Total as at 30 June	2.203	0.101	1.510	1.611	(0.592)
Balance Remaining at 30 June	0.797				1.389

Implications

Policy	The report provides information and analysis on the Council's financial performance against budget as set in the Medium-Term Financial Plan 2023-27 which supports the priorities outlined in the Corporate Plan 2023-26.
Finance and value for money	The report is of a financial nature and the detail is contained within the body of the report.
Legal	There are no immediate legal implications arising from the recommendations within this report.
Procurement	There are no specific procurement implications within this report.
Human Resources	There are no specific human resources implications within this report.
Property	There are no specific property implications within this report.
Equalities (Impact Assessment attached)	There are no specific equalities implications within this report.
Risk Assessment	The risks associated with the budget were considered in February 2023 and were considered to be acceptable.
Crime & Disorder	There are no specific crime and disorder implications within this report.
Customer Consideration	There are no specific customer consideration implications within this report.
Carbon reduction	There are no specific carbon reduction implications within this report.
Health & Wellbeing	The Council's budget is founded on the principle of promoting inclusivity.
Wards	All wards.

Background papers

Cabinet 14 February 2023 and Council 22 February 2023: Budget 2023-24 and Medium-Term Financial Plan 2023-27

Report sign off

	Name
Monitoring Officer/Legal	Stephen Gerrard
Section S151 Officer/Executive Director	Jan Willis
Chief Executive	Helen Paterson
Portfolio Holder(s)	Cllr Richard Wearmouth

Author and Contact Details

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Directorate:	Adults, Ageing & Wellbeing
Grant Awarding Body:	Department of Health & Social Care
Name of Grant:	Client Level Data (CLD) and Short and Long Term (SALT) Data Collections Dual-Run
Purpose:	To provide support to local authorities during the transition of the SALT return to CLD return which will be dual-run in financial year 2023-24
Value:	£18,831
Recurrent/Non-recurrent:	Non-recurrent

Directorate:	Adults, Ageing & Wellbeing
Grant Awarding Body:	North East and North Cumbria Integrated Care Board
Name of Grant:	Better Care Fund
Purpose:	Inflationary uplift to the Adult Social Care allocation from the NHS minimum contribution to the Better Care Fund
Value:	£995,475
Recurrent/Non-recurrent:	Recurrent

Directorate:	Children, Young People and Education
Grant Awarding Body:	Department for Education
Name of Grant:	Dedicated Schools Grant
Purpose:	The grant is paid in support of the local authority's school budget. The grant allocation was updated in March 2023 to reflect school academy conversions and updated high needs place funding for academies.
Value:	£131,580 reduction in grant
Recurrent/Non-recurrent:	Recurrent

Directorate:	Children, Young People and Education
Grant Awarding Body:	Department for Education
Name of Grant:	Family Hubs and Start for Life Programme Revenue Funding
Purpose:	To improve the Start for Life offer and transform the delivery of family services in local authorities with the highest levels of deprivation and poor health and support the government's levelling up ambitions.
Value:	£7,300 additional grant 2023-24 (£1,376,200 revenue funding)
Recurrent/Non-recurrent:	Non-recurrent

Directorate:	Children, Young People and Education
Grant Awarding Body:	Department for Education
Name of Grant:	Implementation of supported accommodation reforms
Purpose:	To support local authorities to offset increased costs associated with reforms to supported accommodation from October 2023
Value:	£120,136 per annum
Recurrent/Non-recurrent:	Confirmed for 2023-24 and 2024-25 (indicative)

Directorate:	Children, Young People and Education
Grant Awarding Body:	Department for Education
Name of Grant:	Leaving Care allowance uplift implementation Grant
Purpose:	To support local authorities to increase the minimum leaving care allowance to £3,000
Value:	£46,042 per annum
Recurrent/Non-recurrent:	Confirmed for 2023-24 and 2024-25

Directorate:	Children, Young People and Education
Grant Awarding Body:	Department for Education
Name of Grant:	Supporting Families programme
Purpose:	Supporting vulnerable families through whole family working to achieve positive and sustainable outcomes.
Value:	£187,870 potential additional grant (final allocation based upon successful outcomes)
Recurrent/Non-recurrent:	Non-Recurrent

Directorate:	Children, Young People and Education
Grant Awarding Body:	Department for Levelling Up, Housing and Communities
Name of Grant:	Domestic Abuse Duty – New burdens funding
Purpose:	Provision of support to victims of domestic abuse and their children residing within refuges and other safe accommodation.
Value:	£14,070 additional grant received, £655,784 for 2023-24
Recurrent/Non-recurrent:	Recurrent

Directorate:	Place and Regeneration
Grant Awarding Body:	Department for Levelling Up, Housing & Communities
Name of Grant:	Homelessness Prevention Grant – 2023-24 Homes for Ukraine Funding Top-Up
Purpose:	To alleviate pressures on homelessness services by supporting guests into suitable sustainable accommodation.
Value:	£338,650
Recurrent/Non-recurrent:	Non-Recurrent

Performance against the 2023-24 savings targets is shown in the table below. The savings have been RAG rated based on the ability to meet the savings target within the year.

Directorate	Red	Amber	Green	Total
	£m	£m	£m	£m
Adults, Ageing & Wellbeing	-	-	4.679	4.679
Chief Executive	-	0.183	0.268	0.451
Children, Young People & Education	0.301	0.063	0.388	0.752
Place and Regeneration	0.566	-	3.270	3.836
Public Health, Inequalities & Stronger Communities	-	-	0.870	0.870
Transformation & Resources	-	0.051	2.008	2.059
Corporate	-	-	4.398	4.398
Total	0.867	0.297	15.881	17.045

Key

Red – saving not expected to be delivered in year

Amber – saving at risk of non-delivery in year

Green – saving delivered or expected to be delivered in year

Children, Young People & Education

£0.285 million under-achievement in relation to the reduction in the cost of external residential placements. The saving was linked to the capital development of a new NCC children’s home that was originally due to open in May 2023. Delays to the capital works have led to an expected opening date in Autumn 2023 and intake to the additional 4 beds will be staggered over the opening months. The running costs of the home from May 2023 had also been budgeted for and will underspend by £0.322 million depending on the opening date.

Place and Regeneration

£0.382 million under-achievement of Planning Fee income. The budget was increased by £0.782 million as part of the 2021-22 and 2023-24 budget setting process in anticipation of an increase to the national planning fee structure. The changes to the planning application fee system have been considered by the Department for Levelling Up, Housing and Communities (DLUHC) and draft regulations reflecting the fee increase have been laid before Parliament, albeit later than expected. The proposed fee increase is now subsequently progressing, but an indicative timeframe of April 2024 means that this saving will not be achieved in this financial year.

The savings target of £0.124 million for Tourist Information Centres (TICs) is not expected to be achieved in this financial year. The TICs are continuing to operate on a business-as-usual basis, and this is expected to remain the case until January 2024 at the earliest.

Forecast Revenue Outturn - Detailed budget summary by Service

Service: Adults, Ageing & Wellbeing

Summary by Service	2022-23 Outturn	Budget	Forecast Outturn	Variance
Service	£m	£m	£m	£m
Assessment & Safeguarding	22.238	21.178	21.271	0.093
Integrated Commissioning	84.011	97.592	98.327	0.735
Business Support	4.315	2.773	2.651	(0.122)
In-House Provider Services	6.128	7.484	6.930	(0.554)
Executive Director	0.698	1.196	1.175	(0.021)
Total Adults, Ageing & Wellbeing	117.390	130.223	130.354	0.131

NOTES - Predicted Year End Variances of £0.250 million or more

The main reasons for the forecast position for Adults, Ageing & Wellbeing are outlined below:

- a. Assessment & Safeguarding is forecast to overspend by £0.093 million. This is due to the following:
 - i. Staffing-related budgets are forecast to underspend by £0.174 million as a result of vacant posts;
 - ii. The delay in the redesign of the Telecare service will result in £0.366 million of the 2021-22 approved saving not being achieved again this financial year. It is anticipated that this will be made in full in 2024-25.
- b. Integrated Commissioning is forecast to overspend by £0.735 million. This is due to the following:
 - i. There continues to be an upward trend in the growth in demand for services to support vulnerable people with complex care needs. The service is currently reviewing all care packages in order to manage resources and meet the £3.000 million saving target within this area.
- c. In-House Provider Services is forecast to underspend by £0.554 million. This is due to the following:
 - i. Staffing-related budgets are forecast to underspend by £0.236 million because of vacant posts;
 - ii. Transport related expenditure including client transport costs are forecast to underspend by £0.179 million: and,
 - iii. Income from North East and North Cumbria Integrated Care Board for clients who have been assessed as being eligible for Continuous Health Care (CHC) or S117 funding under the Mental Health Act is anticipated to be £0.196 million more than budget.

Note - The difference between the figures shown in the table and the explanations above consist of a number of minor variations within each area.

Forecast Revenue Outturn - Detailed budget summary by Service

Service: Chief Executive

Summary by Service	2022-23 Outturn	Budget	Forecast Outturn	Variance
Service	£m	£m	£m	£m
Chief Executive	0.344	0.452	0.412	(0.040)
Fire and Public Protection	22.119	22.396	22.467	0.071
Strategy and Communications	1.104	1.189	1.189	-
Law and Corporate Governance	6.309	6.040	6.116	0.076
Workforce	4.168	4.420	4.225	(0.195)
Total Chief Executive	34.044	34.497	34.409	(0.088)

NOTES - Year End Variances of £0.250 million or more

The main reasons for the forecast position for Chief Executive are outlined below:

- a. Within Fire and Public Protection, there is a forecast underspend of £0.264 million as a result of vacant posts, offset by forecast overtime costs of £0.212 million.
- b. Within Legal Services there is a forecast overspend of £0.076 million. £0.173 million relates to staff regrades which are being paid by the service without corresponding budget, and the cost of the temporary Director of Law and Corporate Governance of £0.066 million prior to the Senior Management restructure, offset by vacancies of £0.111 million. In addition, there is an underspend of £0.050 million in court fees within professional services due to fewer childcare cases progressing through the courts.

Note - The difference between the figures shown in the table and the explanations above consist of a number of minor variations within each area.

Forecast Revenue Outturn - Detailed budget summary by Service

Service: Children, Young People and Education

Summary by Service	2022-23 Outturn	Budget	Forecast Outturn	Variance
Service	£m	£m	£m	£m
Children, Young People and Families	50.226	53.085	55.534	2.449
Education, SEND & Skills	34.980	33.527	34.146	0.619
Total Children, Young People and Education	85.206	86.612	89.680	3.068
Dedicated Schools Grant	(1.532)	162.385	163.043	0.658

NOTES - Year End Variances of £0.250 million or more

The main reasons for the forecast position for Children, Young People and Education are outlined below:

Children, Young People and Families

- a. The Commissioned Placements and Support Services budgets is forecast to overspend by £3.768 million.
 - i. There is a £3.713 million overspend on external residential care placements. The number of placements has risen from 41 in September 2022 to 59 for June 2023 with a surge in demand for emergency provision for young people aged 16 and over. This is partially offset by an underspend detailed below within Early Help on supported accommodation of £0.883 million where there is currently a lack of suitable provision in the region. In addition, a saving of £0.285 million was proposed for 2023-24 which will not be achieved. This was linked to the opening of 4 new beds within residential Children's homes. However, delays to the capital programme will result in a delay in opening the new home until at least October 2023;
- b. The Residential and Family Placement budget is forecast to underspend by £0.597 million due to:
 - i. There is an expected overspend of £0.718 million on foster care allowances (both in-house and independent agencies) adoption allowances and special guardianship allowances. Whilst there has been some growth in the number of SGO allowances, the pressure has largely arisen due to a mandatory inflation rise of 12.43% on the allowances that was announced after the council budget for 2023-24 had been agreed and exceeded the estimated inflation by 7%; and,
 - ii. The new children's home was originally due to open in May 2023, but this is now expected to be October 2023 at the earliest. This will result in an underspend of £0.322 million on the running costs of the home which offsets the saving that will not be achieved on external placements.
 - iii. Kyoeloe House is expected to run at an underspend of £1.086 million. This assumes the unit will maintain occupancy levels of 12 beds throughout the year and follows an increase in the bed price for the 2023-24 financial year.
- c. The Early Help, Northumberland Adolescent Service (NAS) and Disabled Children's Service is forecast to underspend by £1.254 million due:

- i. There is a forecast underspend of £0.883 million on supported accommodation. There is currently a shortage of suitable placements across the county which has led to an increase in short-term emergency provision for young people aged 16+. From 28 October 2023 all providers are required to apply for Ofsted registration which could exacerbate the problem further; and,
- ii. The Unaccompanied Asylum-seeking Children grant has exceeded the budget by £0.191 million.
- d. The Safeguarding service is forecast to overspend by £0.683 million, this is due to the following:
 - i. There is an expected overspend of £0.566 million across the service on client transport. This results from a combination of increased demand for the service and the current high inflationary environment.

Education, SEND & Skills

- a. There is an overspend of £0.720 million on the cost of SEN transport for the 432 routes currently transporting 1,620 pupils and escorts. This is forecast to rise over the year up to 1,713 pupils. The additional demand is expected to be 3.0% more than the growth figure estimated in 2022-23 (12.38%).

Dedicated Schools Grant

- a. The forecast overspend on SEN top-ups is £0.621 million based on expected growth of 16% for the 2023-24 academic year across both mainstream and special schools in the authority.

Note - The difference between the figures shown in the table and the explanations above consist of several minor variations within each area.

Forecast Revenue Outturn - Detailed budget summary by Service

Service: Place and Regeneration

Summary by Service	2022-23 Outturn	Budget	Forecast Outturn	Variance
Service	£m	£m	£m	£m
Economic Development and Growth	7.045	7.232	7.352	0.120
Environment and Transport	71.455	73.121	73.517	0.396
Housing and Planning	5.435	1.740	2.631	0.891
Total Place and Regeneration	83.935	82.093	83.500	1.407

NOTES - Year End Variances of £0.250 million or more

The main reason for the forecast position for the Place and Regeneration Directorate is outlined below:

- a. Environment and Transport is forecast to overspend by £0.396 million.
 - i. The Waste PFI Contract is forecast to overspend by £0.577 million. As of 1 January 2023, the Environment Agency have banned the disposal of upholstered furniture containing Persistent Organic Pollutants (POPs) from recycling or landfill. The additional cost to handle this separately from other bulky waste is estimated at £0.311 million but work is being undertaken to explore how this can be mitigated. Final Annual Unitary Charge (AUC) inflation rates were higher than the estimates used in budget setting, causing the budget to be exceeded by £0.103 million, and increased waste volumes in quarter one has resulted in forecast additional costs through the AUC of £0.097 million.
- b. Housing and Planning is forecast to overspend by £0.891 million mainly due to:
 - i. £0.782 million underachievement of planning fee income. The income budget was increased by £0.782 million as part of the 2021-22 and 2023-24 budget setting process in anticipation of an increase to the national planning fee structure. The changes to the planning application fee system have been considered by the Department for Levelling Up, Housing and Communities (DLUHC) and draft Regulations reflecting the fee increase have been laid before Parliament, albeit later than expected. The proposed fee increase is now subsequently progressing, but an indicative timeframe of April 2024 means that this saving will not be achieved in this financial year.

Note - The difference between the figures shown in the table and the explanations above consist of a number of minor variations within each area.

Forecast Revenue Outturn - Detailed budget summary by Service

Service: Public Health, Inequalities and Stronger Communities

Summary by Service	2022-23 Outturn	Budget	Forecast Outturn	Variance
Service	£m	£m	£m	£m
Public Health	0.064	(0.229)	(0.229)	-
Stronger Communities	23.138	13.200	12.950	(0.250)
Total Public Health, Inequalities and Stronger Communities	23.202	12.971	12.721	(0.250)

NOTES - Year End Variances of £0.250 million or more

The main reason for the forecast position for Public Health, Inequalities and Stronger Communities is outlined below:

- a. Public Health:
 - i. The terms of the main grant allow unspent allocations to be carried over into the next financial year. Public Health carried forward a reserve of £5.540 million to financial year 2023-24. It is anticipated that £1.556 million of the reserve will be utilised in year to provide additional services to reduce poverty and health inequalities.
 - ii. The budget also includes an unallocated saving of £0.250 million which will be achieved by utilising the Public Health grant to fund activity currently funded by other Council services.
- b. Community Services:
 - i. Within Registrars there is a forecast overspend of £0.269 million on staffing and travel costs which is offset by an increased income forecast of £0.242 million. These variances are due to the increase in price and volume of weddings and certificate processing, and the associated staffing costs to meet this demand.

Note - The difference between the figures shown in the table and the explanations above consist of a number of minor variations within each area.

Forecast Revenue Outturn - Detailed budget summary by Service

Service: Transformation and Resources

Summary by Service	2022-23 Outturn	Budget	Forecast Outturn	Variance
Service	£m	£m	£m	£m
Digital & IT	10.375	10.799	10.799	-
Finance and Procurement	5.139	5.891	5.560	(0.331)
Strategic Change & Service Improvement	4.620	6.621	6.622	0.001
Audit and Risk Management	0.838	0.853	0.853	-
Executive Director of Transformation and Resources	46.422	3.276	3.276	-
Total Finance	67.394	27.440	27.110	(0.330)

NOTES - Year End Variances of £0.250 million or more

There are no significant variances to date.

Forecast Revenue Outturn - Detailed budget summary by Service

Service: Corporate Expenditure and Income

Summary by Service	2022-23 Outturn	Budget	Forecast Outturn	Variance
Service	£m	£m	£m	£m
Corporate Items	(7.944)	33.125	33.302	0.177
Treasury Management	(26.442)	(23.243)	(23.243)	-
Capital Financing	93.046	18.192	18.192	-
Corporate Funding	(470.047)	(401.910)	(401.910)	-
Total Other Corporate Expenditure & Income	(411.387)	(373.836)	(373.659)	0.177

NOTES - Year End Variances of £0.250 million or more

There are no significant variance to date.

Forecast Revenue Outturn - Detailed budget summary by Service

Service: Housing Revenue Account

Summary by Service	2022-23 Outturn	Budget	Forecast Outturn	Variance
Service	£m	£m	£m	£m
Housing Management	6.312	7.023	6.631	(0.392)
Housing Special	0.891	1.015	1.025	0.010
Repairs and Maintenance	9.540	9.029	10.002	0.973
Housing Capital Works	0.494	0.707	0.707	-
Other HRA Services	13.663	14.829	15.074	0.245
HRA Income	(30.175)	(32.916)	(32.664)	0.252
Total HRA Expenditure & Income	0.725	(0.313)	0.775	1.088

NOTES - Year End Variances of £0.250 million or more

The main reasons for the forecast variance for the Housing Revenue Account are as follows:

- a. Housing Management is forecast to be underspent by £0.392 million mainly due to part year vacancies.
- b. Repairs and Maintenance is forecast to be overspent by £0.973 million. The main reasons are:
 - i. £1.130 million is due to the use of external contractors on more specialised areas of work including surveyors' inspections, provision of expert reports and completion of remedial works in relation to damp and disrepair. The Repair and Maintenance team are looking to create a team dedicated to Housing Disrepair to identify and address issues more quickly to avoid the potential for claims. The team will proactively discourage any potential claims. The team will be funded through posts already within the structure; and
 - ii. There is a forecast underspend of £0.232 million on salaries due to part year vacancies.
- c. Other HRA Services is forecast to overspend by £0.245 million. The main reasons are:
 - i. Interest payable on HRA borrowing has increased by £0.338 million. This is due to the internal borrowing rates payable to the general fund, which are based on the 30-year PWLB rates. They are forecast to increase from 4.5% to 5.5% following a rise in the Bank of England base rate;
 - ii. Interest received on balances is forecast to increase by £0.267 million. This is due to an increase in the 3-year Sterling Overnight Index Average (SONIA) rate which is forecast to average at 3.7% for the current year. The budget was set at an interest rate of 3.0%; and,
 - iii. Depreciation has increased by £0.182 million following an upward revaluation of Council dwellings by the Council's external valuers.

- d. HRA Income is forecast to underachieve by £0.252 million mainly due to dwelling rent income. Voids are currently running at 3.65% rather than the budgeted figure of 3.0%.

Note - The difference between the figures shown in the table and the explanations above consist of a number of minor variations within each area.

Key Capital Movements by Service

Service: Adults, Ageing & Wellbeing – Forecast variance (£1.480) million		
Summary by Project	Under/ Overspend	Reprofiling
	£m	£m
Adult Social Care Capital Fund	-	-
Disabled Facilities Grant	-	(1.078)
Person Centred Care Information System (SWIFT)	-	(0.402)
Sea Lodge Wet Room	-	-
Tynedale House Fire Doors	-	-
Total	-	(1.480)

NOTES - Year End Variances of £0.250 million or more

The main reasons for the forecast variance for Adults, Ageing & Wellbeing are outlined below:

- a. Based on the forecast level of referrals, £1.078 million can be reprofiled to financial year 2024-25.
- b. The contracted payments schedule for the SWIFT system replacement is based on key milestones across the term of the project. As a result, £0.402 million budget is required to be reprofiled to financial year 2024-25. It is anticipated that the project will complete by March 2025.

Service: Chief Executive – forecast variance £ Nil		
Summary by Project	Under/ Overspend	Reprofiling
Project	£m	£m
Fire and Rescue - Fleet	-	-
Fire and Rescue - Equipment	-	-
Fire and Rescue - Berwick Fire Station	-	-
Fire and Rescue - Fire Control and Communication Equipment	-	-
Total	-	-

NOTES - Year End Variances of £0.250 million or more

There are no significant variances to report.

Service: Children, Young People and Education – Forecast variance (£2.057) million		
Summary by Project	Under/ Overspend	Reprofiling
	£m	£m
Basic Needs Programme	-	(0.722)
Children’s Homes Provision	-	(0.500)
High Needs Provision Capital Allocation	0.087	-
Northumberland Skills	(0.119)	-
School Led (Devolved Formula Capital and Energy Efficiency Capital Allocation)	-	(0.025)
Schools Condition Improvement Programme (SCIP)	-	(0.778)
Total	(0.032)	(2.025)

NOTES - Year End Variances of £0.250 million or more

The main reason for the forecast variance for Children’s Services are outlined below:

- a. Basic Needs Programme - The 2023-24 programme includes the relocation of the Pupil Referral Unit (PRU) and the creation of a Mobile Classroom at Cramlington Learning Village. Works are underway and are aiming to complete in year. However, there are no plans to start additional work to be funded out of Basic Need Grant in 2023-24 and so to meet future requirements, reprofiling is needed.
- b. Children’s Homes Provision – The original capital submission was to build two 4-bed residential homes for young people with the opening of one home expected in the Autumn term. A report has since been approved by cabinet to agree a change in strategy involving the purchase of up to six smaller properties creating a multi-sit residential home. Delays to the original profiling are now expected whilst new properties are sought.
- c. Schools Building Programme (SCIP) - Mobile Classroom refurbishment projects are due to complete in 2023-24 at Seaton Sluice Middle School, Bedlington Station Primary School, Felton Primary School and Shilbottle Primary School. No additional mobile classroom projects have been identified through the SCIP programme, therefore £0.675 million will be reprofiled for future projects. SCIP funding of £0.250 million has been earmarked to assist Northumberland Schools with Energy Efficiency Capital Allocation (EECA) projects, of which £0.103 million has been allocated to works being undertaken in 2024-25 and therefore requires reprofiling to meet the programme.

Service: Place and Regeneration – forecast variance (£10.062) million		
Summary by Project	Under/ Overspend	Reprofiling
Project	£m	£m
Members Local Improvement Schemes	-	(0.680)
Affordable Homes Programme	-	(1.813)
Community Housing Fund	-	(0.679)
Borderlands – Carlisle Station	-	(3.461)
Great Northumberland Forest	-	(0.300)
Rural Business Growth Scheme	(0.896)	-
Property Stewardship	-	(0.214)
Cowley Road Depot Refurbishment and Car Park	-	(2.000)
Yourlink Refurbishment	(0.019)	-
Total	(0.915)	(9.147)

NOTES - Year End Variances of £0.250 million or more

The main reasons for the forecast variance for Place and Regeneration are outlined below:

- a. Members Local Improvement Schemes based on estimated levels of expenditure incurred in previous financial years with expenditure tending to increase towards the end of the administration period.
- b. Affordable Homes Programme due to increases in construction prices there have been delays to some projects whilst revised delivery models are prepared.
- c. Community Housing Fund predominantly due to the Berwick Youth Project not proceeding due to difficulties in sourcing match funding. The budget will be required in 2024-25 to support new projects that are currently being developed.
- d. Borderlands – Carlisle Station is behind schedule due to the recent Local Government Reorganisation in Cumbria.
- e. Great Northumberland Forest due to the level of applications received to date and the expected level of payments due to be made in the current financial year. The next funding panel will meet in September to consider new applications.
- f. Rural Business Growth Scheme has underspent due to the level of applications received. There were fewer applications received than originally envisaged due to the requirement of recipients having to find match funding from their own resources and a reluctance for this due to the current economic conditions some businesses operate in. The scheme has now concluded with the final

claims submitted to the funders.

- g. Cowley Road Depot Refurbishment and Car Park has been placed on hold pending the outcome of the depot review. It is envisaged any works will now commence in 2024-25 following the conclusion of the review.

Service: Public Health, Inequalities and Stronger Communities – forecast variance £0.200 million		
Summary by Project	Under/ Overspend	Reprofiling
Project	£m	£m
Provision of Leisure Facilities within Morpeth	0.200	-
Total	0.200	-

NOTES - Year End Variances of £0.250 million or more

Overspend due to additional car parking drainage works. Officers are currently reviewing options to fund this from the Essential Leisure Remedial Works budget.

Service: Transformation and Resources – forecast variance (£3.250) million		
Summary by Project	Under/ Overspend	Reprofiling
Project	£m	£m
Capital Contract Price Inflation	-	(3.250)
Hardware Infrastructure	0.100	-
IT Backup and Recovery	(0.100)	-
Local Full Fibre Network	(0.029)	-
Community Broadband	0.029	-
Total	-	(3.250)

NOTES - Year End Variances of £0.250 million or more

The main reason for the forecast variance for Transformation and Resources is outlined below:

- a. Capital Contract Price Inflation – £3.250 million is required to be reprofiled due to approvals being granted for the Northumberland Line (£2.000 million) and Prudhoe Water World refurbishment (£1.250 million) in 2024-25.

Items approved from the Council's Contingency

The following items have been approved from the Council's contingency during April to June 2023.

Recurrent Funding	2023-24	2024-25
	£	£
Release of Firefighters' prior year pay award	200,490	200,490
Restructuring adjustment	(18,450)	(18,450)
Total amount drawn from Contingency recurrently	182,040	182,040

Non-Recurrent Funding	2023-24	2024-25
	£	£
Vehicle Livery	16,500	-
Realignment of Housing Benefit budgets	300,800	-
Armed Forces outreach workers	70,460	-
Total amount drawn from Contingency non-recurrently	387,760	-

Movement in the Council's Reserves

	Opening Balance at 1 April 2023*	Movement in Reserve	Commitments	Forecast Closing Balance at 31 March 2024
	£m	£m	£m	£m
General Reserves/Balances				
General Fund	(50.955)	-	-	(50.955)
Total General Reserve	(50.955)	-	-	(50.955)
Ring-Fenced Reserves/Balances				
Housing Revenue Account	(29.147)	-	2.087	(27.060)
Major Repairs (HRA)	(9.855)	-	1.542	(8.313)
HRA Capital Investment	(1.740)	-	1.630	(0.110)
Total Earmarked HRA Reserves	(40.742)	-	5.259	(35.483)
Specific Reserves/Balances				
Capital Grants Unapplied	(63.478)	-	-	(63.478)
Capital Receipts	(0.093)	-	-	(0.093)
Capital Receipts - HRA	(8.237)	-	-	(8.237)
Total Specific Reserves/Balances	(71.808)	-	-	(71.808)

	Opening Balance at 1 April 2023*	Movement in Reserve	Commitments	Forecast Closing Balance at 31 March 2024
	£m	£m	£m	£m
Earmarked Reserves				
ADC Section 106	(0.002)	-	0.002	-
Balances held by Schools	(8.941)	8.341	(6.955)	(7.555)
Borderlands Energy Masterplan	(0.808)	-	0.808	-
Business Recovery Reserve	(2.322)	-	-	(2.322)
Collection Fund Smoothing	(1.944)	-	1.944	-
Community Led Housing	(0.605)	-	0.071	(0.534)
Contain Outbreak Management	(0.260)	0.260	-	-
Council Commissioned Services	(7.520)	-	7.352	(0.168)
Council Transformation Fund	(17.144)	-	3.051	(14.093)
Council Tax Hardship & Discount Scheme	(6.588)	-	5.324	(1.264)
Dedicated Schools Grant	(4.501)	-	2.888	(1.613)
Economy & Regeneration Investments	(0.050)	-	0.050	-
Empty Dwelling Management Order	(0.077)	-	(0.017)	(0.094)
Estates Rationalisation	(6.257)	0.037	2.350	(3.870)
Exceptional Inflationary Pressures	(1.017)	-	1.017	-
FPF Admin Grant	(0.033)	-	-	(0.033)
FRS HMICFRS Improvement	(0.026)	-	0.018	(0.008)
Firefighters' Immediate Detriment	(0.200)	-	0.100	(0.100)
Food Waste	(0.058)	-	0.058	-
Haltwhistle Repairs Reserve	(0.036)	-	-	(0.036)
Highways Commuted Maintenance Funds	(1.127)	0.054	-	(1.073)
Highways Maintenance Investments	(0.225)	-	0.225	-
Home for Ukraine	(4.586)	-	4.586	-

	Opening Balance at 1 April 2023*	Movement in Reserve	Commitments	Forecast Closing Balance at 31 March 2024
	£m	£m	£m	£m
Insurance	(7.822)	-	0.500	(7.322)
Legal Challenge	(1.071)	-	0.172	(0.899)
NCC Economic Regeneration	(0.138)	-	0.138	-
Open Spaces Maintenance Agreements	(0.094)	-	0.013	(0.081)
Parks and Green Spaces	(0.250)	-	-	(0.250)
Planning Delivery	(1.078)	-	0.545	(0.533)
Problematic Empty Properties	(0.047)	-	0.016	(0.031)
Recruitment & Retention	(0.439)	-	0.010	(0.429)
Regeneration Additional Capacity Reserve	(0.405)	-	-	(0.405)
Regeneration Development Reserve	(2.952)	-	1.602	(1.350)
Repair and Maintenance	(0.250)	-	-	(0.250)
Replacement of Defective Street Lanterns	(2.930)	-	-	(2.930)
Restructuring Reserve	(0.838)	0.014	0.101	(0.723)
Revenue Grants	(20.353)	6.561	2.355	(11.437)
School Libraries	(0.007)	-	-	(0.007)
Sealodge	(0.010)	-	-	(0.010)
Section 106	(14.697)	-	(0.050)	(14.747)
Severe Weather	(7.500)	-	5.000	(2.500)
Social Fund	(0.493)	-	0.120	(0.373)
Sports Development	(0.297)	-	0.010	(0.287)
Storm Arwen	(0.193)	-	0.193	-
Strategic Management Reserve	(49.708)	-	12.812	(36.896)
Transformation of the Revenues & Benefits Service	(0.215)	-	0.060	(0.155)
Violence Reduction	(0.039)	-	0.039	-

	Opening Balance at 1 April 2023*	Movement in Reserve	Commitments	Forecast Closing Balance at 31 March 2024
	£m	£m	£m	£m
Winter Services	(2.000)	-	-	(2.000)
Women's Safety in Public Places	(0.022)	-	0.022	-
Total Earmarked Reserves	(178.175)	15.267	46.530	(116.378)
Total Usable Reserves	(341.680)	15.267	51.789	(274.624)

	Opening Balance at 1 April 2023*	Movement in Provision	Commitment s	Forecast Closing Balance at 31 March 2024
	£m	£m	£m	£m
Provisions				
Redundancy	(0.545)	0.031	0.514	-
NNDR Appeals	(5.212)	-	(1.750)	(6.962)
Estates Rationalisation Project	(0.577)	-	0.450	(0.127)
Compensation Claims	(0.080)		0.042	(0.038)
Contractor Claims	(0.330)	-	0.330	-
Total Provisions	(6.744)	0.031	(0.414)	(7.127)
Total Reserves & Provisions	(348.424)	15.298	51.375	(281.751)

*Provisional un-audited opening balance figure

Virements April to June 2023

Directorate	Reason for Virement	Virement from	Virement to	£
There were no virements to report.				

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Northumberland County Council

Cabinet

Tuesday, 12 September 2023

Loan to Whittingham, Callaly and Alnham Parish Council

Report of Councillor Richard Wearmouth, Deputy Leader and Portfolio Holder for Corporate Services

Lead Officer: Jan Willis, Executive Director for Resources & Transformation (S151)

1. Purpose of report

1.1 The report provides details of a potential loan facility to Whittingham, Callaly and Alnham Parish Council (WCAPC) of £4,435 towards the capital reserve.

2. Recommendations

2.1 It is recommended that Cabinet:

- Approve a loan facility of £4,435 to WCAPC subject to the following:
 - WCAPC agreeing to the proposed terms and conditions; and
 - NCC's Legal Team completing a legal agreement with WCAPC in advance of any loan drawdown by WCAPC, containing the terms and conditions set out within this report.

3. Link to Priorities of the Corporate Plan

3.1 The report is aligned to the priorities outlined in the Corporate Plan 2023-26.

Achieving value for money: *"We must ensure we are delivering Best Value through efficient, effective and accessible services that respond to and meet the needs and expectations of our residents. "*

4. Key issues

4.1 The Council has been approached for a loan facility of up to £4,435 from WCAPC.

4.2 The proposed loan facility would be subject to the terms and conditions identified within the main body of the report.

4.3 The loan request was considered by NCC's Risk Appraisal Panel on 6 July 2023. The panel were supportive of the loan subject to the terms and conditions set out being agreed with WCAPC.

5. Background

- 5.1 WCAPC is a Parish Council in Northumberland covering the three former separate parishes of Alnham, Callaly and Whittingham.
- 5.2 WCAPC made an error on their 2023-24 precept form whereby instead of entering the full precept required for the year, the increase in the precept from 2022-23 to 2023-24 was entered. This has resulted in WCAPC only receiving a £600 precept rather than £5,035.
- 5.3 A substantial proportion of the 2023-24 precept is planned to be used to hire a Clerk for WCAPC. The Clerk role is currently filled by a Parish Councillor. The remainder of the precept will support planned expenditure within the parish area during 2023-24.
- 5.4 In order to compensate for the shortfall in the precept, the chairman of WCAPC has requested a loan facility of £4,435 from the Council. The loan repayments will be deducted directly from WCAPC 2024-25 precept. In order to make the repayments WCAPC will increase their precept in 2024-25.

6. Financial Appraisal

- 6.1 No financial appraisal has been carried out as the loan repayments will be deducted from the precept which means that there is no financial risk. The WCAPC precept form for 2024-25 will be reviewed to ensure the precept has been increased sufficiently to enable WCAPC to make the loan repayments.

7. Key Risks

- 7.1 Given that the repayments will be deducted directly from WCAPC precept the risks associated with this loan are minimal.

Subsidy Control

- 7.2 The provision of a loan at less than market rate will constitute a Subsidy. The Subsidy Control Act 2022 came into force from 4 January 2023, with the rules applying to awards of financial assistance made by public authorities to businesses and any other organisations engaged in economic activity.
- 7.3 It is proposed to charge the Parish Council an interest rate of 7.13%. This is deemed to be comparable to a market rate of interest therefore there are no subsidy implications.

8. Summary

- 8.1 Due to the error made by WCAPC and the incoming clerk appointment WCAPC the proposed loan is required for upcoming expenditure in 2023-24. Without the loan WCAPC would not have the funds to hire a Parish Council Clerk.
- 8.2 The risks associated with this loan are minimal. There is no risk of bad debt as the repayments will be deducted directly from the precept.

8.3 In light of the Subsidy Control requirements it is suggested that an interest rate of 7.13% would be appropriate.

9. Loan terms and conditions

9.1 WCAPC have requested financial assistance of £4,435. As this request for financial assistance did not form part of the Council's Medium Term Financial Plan and the Council faces its own financial challenges the Executive Director - Transformation and Resources suggested that a loan of up to £4,435 would be the best option.

9.2 The loan will have the following terms and conditions:

- (a) Subject to condition 2, WCAPC can commence drawdown of the loan once NCC's legal department are in receipt of the signed legal agreement between the Council and Whittingham, Callaly and Alnham Parish Council; and the other conditions of the loan agreement are met.
- (b) Maximum loan value of £4,435.
- (c) Repayment of principal and interest will be deducted from the precept by the Council in 2024-25. The repayments will be deducted equally over two precept payments, the first in April 2024 and the second in September 2024.
- (d) WCAPC may repay the Loan in whole or in part at any time prior to the end of the loan term. In doing so they will provide notification in writing to the Council no less than 5 working days prior to the prepayment. Where necessary a revised payment schedule will be produced by the Council and issued to the Borrower.
- (e) The interest rate will be the 7.13% fixed rate over the term of the loan.
- (f) Note the loan will not be secured or guaranteed.
- (g) Compliance with the Subsidy Control Act 2022, by the identification of a complaint solution.

10. Legal Power to Grant the loan

10.1 The legal powers which enable the Council to enter into this Agreement and to make the loan available, are under the Localism Act 2011.

11. Implications

Policy	We must ensure we are delivering Best Value through efficient, effective and accessible services that respond to and meet the needs and expectations of our residents.
Finance and value for money: eg: What are the financial implications and how will this be funded.	WCAPC will repay the loan in line with the payment scheduled issued by the Council. Interest on the loan will be charged at the rate of interest of 7.13%. Provision of the loan will be funded from the Council's Capital Third Party Loan allocation within the 2023-24 Budget.
Legal	The proposal will be subject to a signed legal agreement.

	A compliant subsidy control solution has been identified prior to the loan agreement being entered into (and therefore funding drawn down) which ensures ongoing compliance with the Subsidy Control Act 2022 All other legal implications have been addressed within the body of this report.
Procurement	None
Human Resources	None
Property	None
Equalities Act: is a full impact assessment required and attached?" Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	The loan will allow WCAPC to operate as planned during 2023-24.
Risk Assessment	The perceived risks of the project are outlined in the report.
Crime & Disorder	None
Customer Consideration	None
Carbon reduction	None
Health and Wellbeing	None
Wards	Rothbury;

12. Author and Contact Details

Gemma Simpson,

Gemma.Simpson@northumberland.gov.uk

13. Final Sign Off by Statutory Officers

Director of Law and Governance and Monitoring Officer	Date: 08/08/2023
Executive Director of Resources and Transformation (S151 Officer)	Date: 07/08/2023
Chief Executive	Date: 08/08/2023



Northumberland County Council

Cabinet

TUESDAY, 12 SEPTEMBER 2023

Summary of New Capital Proposals considered by Officer Capital Strategy Group

Report of Councillor Richard Wearmouth, Deputy Leader and Portfolio Holder for Corporate Services

Responsible Officer: Jan Willis, Executive Director for Resources & Transformation (S151)

1. Purpose of Report

This report summarises proposed amendments to the Capital Programme considered by the Capital Strategy Group.

2. Recommendations

Cabinet is recommended to:

2.1 Family Hub grant

- a) Approve the receipt of the capital element of the Family Hub grant of £0.063 million in 2023-24 and £0.059 million in 2024-25 and update the capital programme.
- b) Grant delegated authority for the Executive Director of Children, Education and Young people to enter into contracts for the appropriate items of capital expenditure as and when they are identified up to the approved total budget limited.

2.2 Flood and Coastal Erosion Risk Management schemes

- a) Approve the updated expenditure of £0.118 million and the amendment of the budget allocations within the Capital Programme for Otterburn Surface Water Flood Alleviation Scheme and Red Row Surface Water Flood Alleviation Scheme.

2.3 Lilidorei Play Village – Additional funding from Department of Levelling Up, Communities and Housing (DLUCH)

- a) Approve the inclusion of the £0.500 million funding already received from DLUCH and update the Capital Programme.

2.4 Levelling Up Funds – Hexham to Corbridge and Bedlington East to West

- a) Accept the funds from the Levelling up Fund Tranche 2 of £14.712 million.
- b) Approve funds in line with the costs outlined in the table set out in paragraph 9.5.
- c) Approve the reallocation in the Capital Programme of £2.000 million from the existing allocation for Local Cycling and Walking Programme.

2.5 Queen Elizabeth II Memorial Garden, Bedlington Cemetery

- a) Approve capital expenditure totalling £0.043 million for improvements to the West Bedlington Cemetery Garden of Remembrance.
- b) Approve the reallocation in the Capital Programme of £0.027 million from the existing Parks Enhancement Capital Programme and £0.017 million from Cllr Malcolm Robinson’s Members’ Local Improvement Scheme Funds.

2.6 Telecare Digital Switch

- a) Approve the allocation of £0.547 million from the Adult Social Care Capital Grant in the Capital Programme to implement the capital project.

3. Links to Corporate Plan

The Council’s Capital Programme is consistent with the priorities in the Corporate Plan 2023-2026, in particular the ‘Achieving Value for Money’ And ‘Tackling Inequalities’ priorities.

4. Background

This paper summarises reports considered by the officer Capital Strategy Group on the allocation of funding within the Medium-Term Financial Plan to specific projects. The amendments to the Programme were considered by the officer Capital Strategy Group (CSG) via email on 1 August 2023.

SUMMARY OF NEW CAPITAL PROPOSALS CONSIDERED BY OFFICER CAPITAL STRATEGY GROUP VIA EMAIL ON 1 AUGUST 2023

5. Family Hub Grant

- 5.1 CSG was asked to note the receipt of the capital element of the Family Hub Grant of £0.063 million in 2023-24 and £0.059 million in 2024-25 and consider an addition to the Council's capital programme.

Background

- 5.2 Family hubs are a place-based way of joining up locally in the planning and delivery of family services. They bring services together to improve access, improve the connections between families, professionals, services and providers, and put relationships at the heart of family support. Family hubs offer support to families from conception and to those with children of all ages, which is 0-19 or up to 25 for those with special educational needs and disabilities (SEND), with a great Start for Life offer at their core.
- 5.3 The total grant for the programme in 2023-24 is £1.446 million (capital element £0.063 million) and in 2024-25 is £1.197 million (capital element £0.059 million).
- 5.4 The proposed capital spend will focus on adaption of existing buildings; improving accessibility and enabling multi agency working, which may include: IT upgrades, signage, improving building space, new furniture to ensure suitability for older children, and new equipment to support to co-location of the start for life workforce.
- 5.5 Procurement will follow the Council's standard procedures and financial rules. The Corporate Procurement team will be consulted as appropriate.
- 5.5 This programme will improve the experience of families with children aged 0-19 and 25 with SEND by joining up and enhancing services delivered through transformed family hubs in local authority areas, ensuring all parents and carers can access the support they need when they need it. Parents and carers will feel supported and empowered in caring for and nurturing their babies and children, ensuring they receive the best start in life. This in turn will improve health and education outcomes for babies and children and enable them to thrive in later life.

6. Flood and Coastal Erosion Risk Management (FCERM) schemes

- 6.1 CSG was asked to consider an update to the expenditure for two FCERM schemes, being Otterburn Surface Water Flood Alleviation Scheme (Otterburn SWFAS) £0.056 million and Red Row Surface Water Flood Alleviation Scheme (Red Row SWFAS) £0.062 million to reflect inflationary pressures and changes to final scheme details, with both schemes still being 100% externally funded.

Background

- 6.2 In July 2020, the Council submitted details of coast protection and flood alleviation schemes to the Environment Agency (EA) to be included in the 6 year Medium Term Plan (2021-22 to 2026-27), with funding to be provided from the EA in the form of

FCERM Grant in Aid (GiA) and Local Levy (LL), with contributions from the Council and other bodies. Since this time, the programme has been refreshed to ensure it reflects the priorities of risk management authorities and remains on course to deliver the Government's national target of 336,000 homes better protected.

- 6.3 Agreement to include the update within the Council's MTFP and approve the expenditure for the financial year 2023-24 will ensure the substantial GiA and LL funding can be secured and these important measures to reduce flood risk are implemented.

Scheme Details

Otterburn Surface Water Flood Alleviation Scheme

- 6.4 The scheme was accepted onto the Council's MTFP in 2021 following Outline Business Case (OBC) approval by the EA. Since the OBC was approved in August 2021, works have been constructed to the north of the A696 carriageway. The scheme has also been revised on the south side of the carriageway due to difficulties in securing agreement with a landowner – and quotes have been sourced for the revised works.
- 6.5 Due to additional works introduced, and inflation since submission of the OBC, the remaining budget is insufficient to cover the remaining works.
- 6.6 When originally included in the MTFP the scheme had a budget of £0.058 million to be funded by GiA £0.028 million and LL £0.030 million. Owing to the delays in implementing the scheme the costs in doing so have now increased to £0.094 million, further GiA and LL has now been applied for to cover the increased costs, the scheme will now be funded by GiA £0.037 million and LL £0.057 million.
- 6.7 Prior to 2023-24 scheme costs incurred totaled £0.038 million, therefore the remaining budget seeking approval for 2023-24 is £0.056 million.
- 6.8 The scheme will significantly reduce flood risk to 2 properties as well as alleviating highway flooding issues at this location.

Red Row Surface Water Flood Alleviation Scheme

- 6.9 The scheme was accepted onto the Council's MTFP in 2021 following OBC approval by the EA. Since the OBC was approved in August 2021, the scheme has been finalised and quotes sourced for construction. Although there has been no change in scope, the quotes received have been higher than was costed in the OBC.
- 6.10 This is in large due to the significant inflation since production of the OBC.
- 6.11 The original allocation in the MTFP was a budget of £0.044 million to be funded by GiA. Owing to the delays in implementing the scheme the costs in doing so have now increased to £0.063 million, further GiA and LL has now been applied for to cover the

increased costs, the scheme will now be funded by GiA £0.050 million and LL £0.013 million.

6.12 Prior to 2023-24 scheme costs incurred totaled £0.001 million, therefore the remaining budget seeking approval for 2023-24 is £0.062 million.

6.13 The scheme will significantly reduce flood risk to 2 properties as well as alleviating highway flooding issues at this location.

6.14 Indicative Funding Profile

Scheme	Total Expenditure to Scheme Completion (£)	Year	Funding distribution:	
			NCC (£)	EA (£)
Otterburn SW FAS	56,593	23-24	-	56,593
Red Row SW FAS	61,779	23-24	-	61,779
Totals	118,372		-	118,372

7. Lilidorei Play Village

7.1 CSG was asked to note funding received from DLUCH of £0.500 million for Lilidorei and additional capital spend and subsequently update the capital programme.

Background

7.2 The Borderlands Inclusive Growth Deal (the Deal) was signed in March 2021 and provides up to £452.000 million of investment across the region, made up of funding from the UK Government, Scottish Government and local contributions. The Borderlands Partnership is made up of Cumberland Council, Dumfries and Galloway Council, Northumberland County Council, Scottish Borders Council, and Westmorland and Furness Council.

7.3 The Council acts as the Accountable Body for the Deal in England, receiving funding from the Government (Department of Levelling Up, Communities and Housing) and managing the grant claims process with approved projects to pay out the money in line with the grant funding agreements.

7.4 The funding is included as part of the Strategic Regeneration Investment Programme, based on the agreed profiles for the projects and programmes of the Deal in England.

7.5 The creation of the Lilidorei play village at The Alnwick Garden is included within the Deal, with a funding contribution from the UK Government approved, in March 2019, as an accelerated project, in advance of the Deal being signed.

- 7.6 Based on a mythical Elf Kingdom, the play village incorporates adventure pathways throughout the structure offering options for all age groups to explore, be challenged by, and enjoy. The village, which will be in character with the existing treehouse and forest environment at The Garden, includes a settlement of 30 small, earthy wooden houses located in a clearing, together with an enormous play structure. This consists of 27 separately roofed structures stretched across a three-tower climbing construct. The village has its own backstory, mythology and characters forming the basis of a range of imagination-prompting activity.
- 7.7 The investment will transform The Alnwick Garden and the wider area into a multi-day, all-year visitor destination, which will significantly boost the local economy around Alnwick and north Northumberland, via the following delivery outcomes:
- Attract an additional 169,000 domestic and international visitors
 - Generate additional visitor spend of £12.100 million per annum in the local economy
 - Support 224 gross additional FTE jobs, including 57 new FTEs directly created at The Alnwick Garden and 167 in the wider visitor economy (87 net FTE jobs)
 - Generate approximately £2.800 million net addition GVA across the Borderlands economy
- 7.8 The project started on site in March 2020 and the attraction opened to the public in late May 2023. MGM are filming a 6-part documentary for Channel 4, which will screen in 2023, providing invaluable national/international publicity. As a result it is expected that the original outputs forecasted in terms of additional visitors and visitor spend across the region will be increased.
- 7.9 The construction costs of the scheme increased for three key, and largely unforeseen, reasons. Firstly, Covid-19 and Brexit related supply issues has resulted in a significant inflation rise within the main contractors' costs, estimated at 9%. Secondly, during enabling works, it was discovered that one of the main surface water drains for Alnwick town is failing, this culvert passes through the middle of the Lilidorei site. As a result, the project has had to make significant investment to improve the surface drainage for the town, for the wider benefit of the community, as well as redesigning and moving play structure off the poor ground. Finally, with the need for the Trust to provide evidence of match funding prior to Borderland's approval; the Trust had incurred finance costs for the borrowed investment. This has seen the total cost of the scheme rise from £15.000 million to £21.000 million.
- 7.10 To mitigate this, the Alnwick Garden Trust undertook a robust process of value engineering which has identified savings of £2.000 million. however, excluding the additional financial borrowing costs (£2.000 million) that were incurred prior to the start, the project was still around £2.000 million over the original budget of £15.000 million, an increase of 13%. A summary of the movement in project costs is summarised in the table below:

Table 1 – Revised project costs for Lilidorei	£million
Original project estimate (2019-2020)	15.000
Est. increase due to construction inflation (9%)	1.400
Est. increase due to culvert drainage works	2.600
Finance charges*	2.000
Sub-total	21.000
Less value engineering savings	(- 2.000)
Revised total project cost	19.000

*Finance charges incurred by Trust for £10.000 million loan that had to be secured prior to start

- 7.11 The Trust had already secured £15.000 million of funding, £5.000 million from Borderlands and £10.000 million from investment borrowed in 2020. Thanks to successful trading during the pandemic, the Trust has been able to meet the additional £2.000 million of finance costs and raise a further £1.500 million from a further issue of retail bonds.
- 7.12 This project submitted a change request to the Borderlands Partnership, for the shortfall in funding of £0.500 million. The revised funding profile for the project is outlined in the table below:

Table 2 – Revised Funding Profile for Lilidorei	£million
Borderlands Grant	5.000
TAG Loan (match funding)	10.000
TAG additional match funding (finance costs)	2.000
TAG proposed additional borrowing 2022	1.500
Additional funding from Borderlands Inclusive Growth Deal	0.500
Total funding secured	19.000

- 7.13 The Change Control, for additional funding of up to £0.500 million was approved by the Borderlands Partnership in March 2023 and agreed by the DLUCH in March 2023. The funding was paid to Northumberland County Council in May 2023 and now needs to be added to the Strategic Regeneration Reserve so that it can be paid out to the project.
- 7.14 This will be subject to the usual submission of evidence of defrayal and match funding as well as the completion of the project closure report and evidence, as set out in the grant funding agreement between The Alnwick Garden and Northumberland County Council.

8. Levelling Up Funds – Hexham to Corbridge and Bedlington East to West

- 8.1 CSG was asked to note the funds from the Levelling Up Fund Tranche 2 of £14.712 million and consider the costs of the project of £16.712 million which include a reallocation from the Local Cycling and Walking Programme budget allocation.

Background

8.2 The two schemes submitted as a bid to LUF Tranche 2 in summer 2022 were Hexham to Corbridge and Bedlington, East to West. The bid was approved and the award made in 2023.

8.3 Hexham to Corbridge will provide an active travel link between Hexham train station and Corbridge, enhancing both local connections within the town of Hexham and facilitating active travel trips between Hexham and Corbridge. The estimated cost of this scheme is £8.997 million. The aim of the scheme is to improve multi-modal transport options to better connect local people to employment, education and transport hubs. Creating an active corridor between Hexham and Corbridge in line with LTN/120 guidance.

8.4 Bedlington active travel corridor will provide new and upgraded active travel infrastructure which will enhance the east to west link across the town. This scheme will connect the western extent of Bedlington, key residential and employment areas with the proposed Northumberland Line train station and the eastern coastal area. Additional benefits to this route include a connection towards schools across the town to facilitate active travel. The estimate cost of this scheme is £7.716 million. The aim of this scheme is to improve multi-modal transport options to better connect local people to employment, education and transport hubs. Creating an active travel corridor in line with LTN/120 guidance.

8.5 The overall funding breakdown for the scheme is shown in the table below:

LUF project	Funding		
	External (LUF) £million	NCC contribution £million	Total £million
Hexham to Corbridge	7.944	1.000	8.944
Bedlington East to West	6.768	1.000	7.768
Total	14.712	2.000	16.712

8.6 The forecast spend profile has been summarised below, identifying the LUF funding and the Council's contribution:

LUF Project	2023-24			2024-25			2025-26			Total
	Cost £million	LUF £million	NCC £million	Cost £million	LUF £million	NCC £million	Cost £million	LUF £million	NCC £million	
Hexham to Corbridge	0.129	0.129	-	4.590	4.590	-	4.225	3.225	1.000	8.944
Bedlington East to West	0.110	0.110	-	3.910	3.910	-	3.748	2.748	1.000	7.768
Total	0.239	0.239	-	8.500	8.500	-	7.973	5.973	2.000	16.712

8.7 All maintenance obligations and associated costs will fall under the purview of the Council and, as such, will be fulfilled as part of the maintenance regime operated by the Council.

9. Queen Elizabeth II Memorial Garden, Bedlington Cemetery

9.1 CSG was asked to consider the capital expenditure totalling £0.043 million for the Memorial Garden with reallocations in the Capital Programme of £0.027 million from the existing Parks Enhancement Capital Programme and £0.016 million from Cllr Malcolm Robinson's Members' Local Improvement Scheme Funds.

Background

9.2 Following the death of HRH Queen Elizabeth II a programme of commemoration projects was agreed by the Council that involve a wide range of improvements to parks and green spaces across the county. Whilst not part of the current approved programme, Cllr Malcolm Robinson has proposed an additional QEII commemoration scheme that involves the current garden of remembrance and memorial garden at West Bedlington Cemetery being redeveloped to improve accessibility, landscaping, seating and entrance features at this green space to provide an area for quiet reflection and tranquility for those visiting the cemetery.

9.3 It is proposed to redevelop the current garden of remembrance at West Bedlington cemetery and create a memorial garden in memory of HRH Queen Elizabeth II. The proposed scheme involves the following works:

- Remove all broken flags in the current Garden of remembrance (photo 1)
- Reduce the height of the rear hedge to open this area up (photo 1)
- Rebuild the small, retaining wall (photo 1)
- Create a small, stepped section at the right side of the area (photo 1)
- Resurface the paved area with a black tarmac with red flecks (photo 2)
- Install 2 x memorial benches, 1 x memorial arch as an entrance feature into the memorial garden & 1 x silhouette of HRH QEII
- Following the removal of old bushes, introduce new more sustainable shrubs to support sustainability and introduce colour into this section of the cemetery.
- Regrade and resurface the footpath from Netherton Lane, running between St Bennet Biscop's Catholic Academy and Bedlington Cemetery
- Rebuild existing pillars of the footpath photo and install 1 x steel craft memorial arch at the entrance of the path, on the pillars (photo 3)

9.4 **Photo 1**



Photo 2



Photo 3



Front Entrance to Public Path which runs down the side of Bedlington Cemetery from Netherton Lane

- 9.5 The works detailed above will be undertaken between the Council's Bereavement Services team and specialist contractors.
- 9.6 The respective costs for each aspect are shown below:

Description	£
Remove all broken flagstones	3,166
Raise height of original retaining wall	1,110
Landscaping works & planting	3,506
Resurfacing with tarmac (black & red chips)	8,929
Provision and installation of 2 x benches and 1 x silhouette including concrete basis, plus 2 x commemorative arches	16,500
Removal and disposal of all waste materials	1,266
Regrade and resurface crushed stone path	2,639
Reconstruct stone entrance pillars and wall	3,500
Sub Total	40,616
Contingency (7%)	2,843
Total	43,459

- 9.7 The capital funding for the scheme is shown below:

Description	£
NCC Parks Enhancement Capital Programme	26,959
Cllr Robinson MLIS	16,500
Total	43,459

10. Telecare Digital Switch

10.1 CSG was asked to consider the allocation of £0.547 million from the Adult Social Care Capital Grant for capital expenditure to transition the Telecare clients from analogue to digital lifelines.

Background

10.2 The UK Communications Providers (Openreach, BT, Virgin Media, TalkTalk, Sky, etc) are transforming the telecommunications network in the UK from the traditional phone-line system to one which is based entirely upon movement of “packets” of digital information (so called All-IP networks).

10.3 By December 2025, the majority of UK businesses and residential premises will be accessing high speed connectivity for voice and data services in place of phone line technology. Premises may migrate entirely to optical fibre infrastructure or to a mix of both copper and optical fibre, depending on geography. The original plans have been somewhat delayed due to the impact of Covid-19, voluntary migration has already started and it is still expected that full switch over to digital will be complete by 2025. New analogue lines are no longer provided.

10.4 Once all the All-IP networks are in place all telephone communication will need to take place via devices connected to a router and over an internet protocol (IP) network, or via mobile networks. This changes that way that existing lifeline alarm systems operate.

10.5 The systems and devices employed in the Telecare sector need to be migrated quickly to technologies which are designed to operate reliably over digital landline and/or mobile networks, whilst meeting relevant product standards.

10.6 Northumberland Telecare currently has 2,883 clients (at date of report) across the county who will need to have equipment replaced to ensure continuity of service. As analogue telephones are switched to digital, the current infield equipment will no longer be able to make or receive calls thus making the telecare package redundant. All calls will need to be made through a broadband router or via mobile networks.

10.7 Ordinarily the lifelines would need to be replaced every ten years on a rolling programme from within existing budgets, due to the digital switch, it will be necessary to replace all 2,883 lifelines before the end of December 2025.

10.8 There has been a delay to the planned implementation of the roll out over a three-year period due to difficulty with supply of digital equipment caused by a worldwide shortage of microchips following the pandemic. This means that there is now some urgency to the proposal in order to get the equipment updated ahead of the December 2025 deadline. Ideally, the majority of units should be switched within the next 12 to 18 months to be ahead of the deadline and to allow for any unforeseen delays.

10.9 It should be noted that this is a one-off request due to the need to switch all existing lifelines in the community from analogue to digital versions. The ongoing replacement of equipment when it reaches end of lifespan will be funded via the weekly fees charged to clients of the Northumberland Telecare Service.

10.10 There are three options for the capital project. Which are summarised below:

Option 1

10.11 Option 1 involves replacing all lifeline equipment during the routine data check starting with the oldest equipment. All new lifelines being installed are now Smart Hubs.

10.12 The details of option 1 are shown below:

- The Smart Hub allows for remote programming, monitoring of battery levels, signals strength and adjustments that would normally require a staff visit – cost saving on staffing resource
- Plug directly into a broadband router with a built-in roaming SIM card allowing undisturbed service in the event of a power outage.
- 24-hour backup battery.
- Future proofed technology to allow a more diverse service delivery.
- Plug and play technology with remote programming and updating lending itself to hospital discharge support.
- Fully compatible with all current in field equipment.
- Non-reliant on communication providers should there be a power outage.

10.13 The costs for option include capital spend of £0.547 million with revenue costs of £0.130 million for sim cards. The approximate annual replacement cost will be £0.110 million.

Option 2

10.14 Option 2 involves adding a SIM based booster to existing equipment allowing the unit to make and receive calls.

10.15 The details of option 2 are shown below:

- Non-reliant on communication providers should there be a power outage
- Compatible with DDA sensory equipment and all peripherals
- 24-hour battery backup

10.16 The costs for option include capital spend of £0.899 million with revenue costs of £0.225 million for sim cards. The approximate annual replacement cost will be £0.258 million.

Option 3

10.17 Option 3 involves replacing L/L Vi+ with GSM Lifeline Cares

10.18 The details of option 3 are shown below:

- 24- hour battery backup
- Non-reliant on Communication Providers should there be a power outage

10.19 The costs for option include capital spend of £0.597 million with revenue costs of £0.225 million for sim cards. The approximate annual replacement cost will be £0.120 million.

Options appraisal

10.20 The preferred option is option 1 as it is the most cost effective and provides options to future proof the service as more digital technology is explored. Options 2 and 3 work on 3G being phased out and it is not known if costs will increase when this happens, and they both require a constant call connection. Additionally, option 2 results in more equipment to service and maintain and option 3 uses older technology that the current equipment supplier is no longer developing.

10.21 Although the work will be carried out over 2023-24 and 2024-25 the full cost is requested in 2023-24. This is to allow the order of equipment to be processed and received within timescales that will enable planning of installation to meet the tight deadline.

10.22 Procurement will follow the Council's standard procedures and financial rules. The Corporate Procurement team will be consulted as appropriate.

11. Implications

Policy	The schemes identified in the report support the priorities within the Corporate Plan 2023-26, in particular the 'Achieving Value for Money' And 'Tackling Inequalities' priorities.
Finance and value for money: e.g.: What are the financial implications and how will this be funded.	The report outlines proposed project allocations and amendments to the approved Capital programme 2023-24. The financial implications of these proposals are outlined in the main body of the report. The projects and the proposals identified in the report will be funded from the existing capital programme and external funding.
Legal	Subject to any contractual implications arising from the receipt of grant funding, there are no direct legal implications. The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 confirm that the matters within this report are not functions reserved to Full Council
Procurement	Procurement will follow the Council's standard procedures and financial rules. The Corporate Procurement team will be consulted as appropriate.
Human Resources	Not applicable.
Property	The properties affected by the proposals are identified in the main body of the report.
Equalities Act: is a full impact assessment required and attached?" Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	Not applicable.
Risk Assessment	The risks associated with the proposals are regarded as acceptable but these risks will continue to be reviewed up to and during implementation of the proposals.
Crime & Disorder	There are no specific crime and disorder implications within this report.
Customer Consideration	The proposals will carefully consider the impact upon both customers and residents of Northumberland.
Carbon reduction	Carbon Reduction measures have been considered within the proposals.
Health and Wellbeing	The Council's Capital budget is founded on the principle of promotion inclusivity.
Wards	(All Wards);

12. Background papers

22 February 2023 Report to full Council: Budget 2023-24 and Medium-Term Financial Plan 2023-27

13. Author and Contact Details

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14. Report sign off:

Authors must ensure that officers and members have agreed the content of the report:

	Name
Director of Law and Governance	Stephen Gerrard
Executive Director of Transformation and Resources (Section 151 Officer)	Jan Willis
Portfolio Holder	Richard Wearmouth



Northumberland County Council

Cabinet

Tuesday, 12 September 2023

Additional Market Sustainability and Improvement Grant

Report of Councillor: Wendy Pattison, Cabinet Member for Caring for Adults

Responsible Officer: Neil Bradley, Executive Director for Adults, Ageing & Wellbeing

1. Link to Key Priorities of the Corporate Plan

The proposals are relevant to the Council's key priority of tackling inequalities, and in particular to the intention to "coordinate the Council's resources to address the key long-term strategic challenges facing adult social care, including the sufficiency of the care workforce".

2. Purpose of report

This report presents outline proposals for the use of additional grant funding announced by the Government on 28 July 2023, and requests delegated authority to resolve details to ensure that the grant can be spent effectively.

3. Recommendations

3.1 The Cabinet is recommended:

- a) To endorse the overall approach to the use of the additional Market Sustainability and Improvement Fund (MSIF) set out in paragraphs 6.28 to 6.30 of this report
- b) To authorise the Executive Director for Adults, Ageing & Wellbeing to agree detailed allocations of expenditure within that overall approach, and to manage the overall resources available from the MSIF and the Adult Social Care Discharge fund flexibly to as to maximise the benefits for people with care and support needs, subject to consultation with the Cabinet Member for Caring for Adults, and the Executive Director of Transformation and Resources

4. Forward plan date and reason for urgency if applicable

The report was published in the Forward Plan on 23 August. The notice given was less than 28 days because of the need for early decisions about funding announced four months into this financial year which is required to be spent before the end of

the year. Outline confirmation of plans for the use of this funding and of arrangements for delegated decisions about details is urgently needed to ensure that effective use can be made of the grant.

5. Background

- 5.1 The Cabinet approved at its meeting on 9 May plans for the use of the Market Sustainability and Improvement Fund (MSIF), which allocated the whole of the £3,563K grant allocated to the Council for 2023/24, and committed £4,563K of the £5,357K grant expected to be available in 2024/25.
- 5.2 On 28 July, the Government announced that a further £600m is to be allocated to local authorities over the same two years. Of this, £30m will be targeted on areas where the NHS is under particular pressure, which are not expected to include Northumberland, and £570m has been allocated as additional MSIF funding. Northumberland's additional allocation is £2.314m in 2023/24, and will be £1.3m in 2024/25 if the same allocation formula is used.
- 5.3 The additional funding is described as the "Market Sustainability and Improvement Fund - Workforce Fund", and the accompanying policy statement says that its purpose is:
- "to improve and increase adult social care provision, with a particular focus on workforce pay. We expect this additional funding to support more workforce and capacity within the adult social care sector. This will help to ensure that appropriate short-term and intermediate care is available to reduce avoidable admissions and support discharge of patients from hospital when they are medically fit to leave."
- 5.4 The grant conditions, however, do not require the additional funding to be spent on workforce costs, but impose only the conditions which attached to the initial MSIF allocation, which included a requirement that it must be used to make improvements in at least one of three Target Areas:
- a) Increasing fee rates paid to adult social care providers in local areas
 - b) Increasing adult social care workforce capacity and retention
 - c) Reducing adult social care waiting times
- 5.5 A further requirement is that "the recipient authority must allocate its full funding allocation from the grant on adult social care, as part of a substantial increase in planned adult social care spending". DHSC indicated in previous guidance an intention to assess whether this condition had been met by comparing overall financial returns made by local authorities showing their budgets for each service area. The funding must be spent in the financial year for which it is allocated.
- 5.6 The policy statement on the additional MSIF funding states an expectation that local authorities will submit to DHSC by 28 September "a summary description, aligned to NHS winter surge plans, of how they will ensure sufficient capacity to meet potential adult social care surges in demand over winter, including through use of this fund". This is not strictly a grant condition, but local authorities will presumably become objects of ministerial concern if they fail to submit this report, which will be the fourth planning document required from local authorities since March on capacity planning in adult social care. We have to date received no feedback on any of the

previously-submitted plans, other than being asked to resubmit a spreadsheet return about capacity in services because we had not understood how DHSC had expected the figures to be calculated. We understand that many other local authorities received similar requests to resubmit and this is likely to be because the guidance was not entirely clear about what was required.

- 5.7 While additional funding for adult social care is welcome, the receipt of additional funding at this point in the financial year, with a requirement to spend it during the year, makes it difficult for local authorities to plan expenditure and manage their budgets effectively. The proposals in this report are not necessarily those which would have been recommended if this funding had been announced as part of the local government financial settlement in the usual manner, with sufficient notice to make it possible to plan and implement service developments in a more considered way.

6. Options open to the Council and reasons for the recommendations

- 6.1 In broad terms, the options open to the Council for the use of this additional grant (which could be combined in varying proportions) are:
- a) General increases to fees paid to care providers, aimed at addressing the gap which some provider representatives argue exists between local authority fee rates and the costs of providing services.
 - b) More targeted long-term targeted increases to the fees paid to care providers, potentially accompanied by revised contractual conditions designed to maximise the overall impact across the system on the recruitment and retention of care workers, and to encourage the development of services better aligned with assessed care and support needs.
 - c) Time-limited increases to fees aimed at supporting the recruitment and retention of care workers during the winter months.
 - d) Other initiatives aimed at reducing waiting times for *services* during periods of peak pressure on the NHS
 - e) Time-limited initiatives to eliminate waiting lists for *assessments or reviews*.
- 6.2 The timing and grant conditions for this funding restrict the scope for expenditure which would incur longer-term commitments. The £2.3m additional funding in 2023/24 will in effect have to be spent within six months or less, and the additional funding in 2024/25 is £1.3m, which represents less than a third of the full-year effect of any recurring increases to expenditure during the second half of 2023/24 – and this gap would be greater for any recurring expenditure which could not start immediately from the beginning of October because of a need for consultations or other preparatory work.
- 6.3 As the table below shows, the plans for the use of the MSIF grant adopted by the Cabinet in May 2023 did not fully commit the MSIF funding which was already expected to be allocated to the Council in 2024/25, which means that it would in principle be possible to make use of some or all of that uncommitted funding to meet the costs of new recurring commitments. The overall uncommitted MSIF funding in 2024/25 is now just under £2.1m.

	2023/24		2024/25	
	Total	Committed	Total	Committed
MSIF allocated in May	£3,563K	£3,563K	£5,357K	£4,563K
Additional MSIF	£2,314K		£1,300K	
Total	£5,877K	£3,563K	£6,657K	£4,563K
Total unallocated	-		£2,094K	

- 6.4 There are, however, a number of reasons for caution about making further recurring commitments now which would be costed against the anticipated 2024/25 grant:
- a) The 2024/25 costings for the MSIF schemes approved by the Cabinet in May are at 2023/24 prices. While future rates of inflation remain uncertain, the cost of these schemes will undoubtedly be higher at next year's prices.
 - b) Projected figures for MSIF allocations in 2024/25 are estimates based on the assumption that the funding will be allocated between local authorities in the same proportions next year as this. The Government has not confirmed that assumption.
 - c) The Council has previously decided to treat the original MSIF allocations as effectively additions to its base budget, though formally they have been announced only for the years 2023/24 and 2024/25. It is not yet clear whether it would be reasonable to treat the additional funding in the same way, given that the amount announced is lower in the second year than the first; the Council will need to make a decision about this in preparing the Medium Term Financial Plan for the period starting in April 2024, but in the meantime it is appropriate to be cautious.
 - d) There can also be no certainty about the grant conditions that may apply to the MSIF in 2024/25. The MSIF grant circulars published in March and July set out conditions only for the 2023/24 funding; it seems likely that conditions will be similar in 2024/25, but this cannot be relied on.
 - e) Long-term decisions about issues such as the fee levels and fee structures for commissioned services are best not made in haste. In particular, the Council's current three-year contract with care homes for older people comes to an end in March 2024, and care providers have a reasonable expectation that there will be a significant period of consultation before any changes are made to contract terms, and that they will have an opportunity to make out a case for any changes to the fee structure that they would prefer.

6.5 Specific options under each of the headings listed in paragraph 6.1 are discussed further in the following paragraphs.

Option A: general increases to fees

6.6 As was reported to the Cabinet in October 2022, we do not currently have any clear evidence that there is a need to increase fees to meet a general gap between their current level and the "fair cost of care", in either care homes for older people or home care, which are the two services for which the Government required local authorities to carry out a detailed survey of costs and analyse these on a prescribed basis, and in officers' view there is no reason to think there is a gap of this kind in other commissioned care services.

- 6.7 It remains likely that, if a future government were to decide to proceed with the charging reforms originally proposed for implementation from October this year, which have now been deferred until October 2025 at earliest, there would be a need to review fee arrangements for care homes for older people, which would be the sector in which the reforms would most substantially affect the functioning of the market. Officers' current view is that in that situation fee increases would be most likely to be called for in areas where there is only one care home serving a large geographical area, with insufficient demand to sustain an additional home, and with the care home currently requiring a mix of private and publicly funded residents to remain viable. However further analysis and consultation would be needed to confirm this view, and it would in any case be premature to make increases to fees on these grounds at a time when reforms are at least two years in the future.
- 6.8 Care homes for older people have already been allocated a time-limited general fee increase of 1.5% in the current financial year, on top of the fee uplift provided for in the Council's existing contract, in recognition of financial pressures including short-term increases in some of their costs which are not fully recognised by the contract inflation formula. We anticipate that Care North East, a trade association representing a minority of the care homes in Northumberland, and some individual care home operators, will be arguing for an increase to base fee levels in the new contract expected to commence in April 2024, and will be wishing to discuss the future inflation formula, but it would be premature to make now a decision based on anticipating the outcome of those discussions.
- 6.9 In the home care sector, a two-stage fee increase funded from the original MSIF was agreed by the Cabinet in May, and is being implemented in the current year, though this was felt to be necessary primarily because of the severe capacity issues in the sector rather than because of concerns as to whether providers were being paid a "fair cost". Officers are not currently aware of evidence that funding levels for any other category of service are generally failing to meet providers' costs.
- 6.10 This option would undoubtedly be welcomed by whichever care providers received fee uplifts, and the additional funding might to a greater or lesser degree contribute to improvements in service quality, but the benefits are uncertain, and it would reduce the Council's financial ability to provide more targeted support in future.

Option B: targeted long-term fee increases

- 6.11 In some specific instances, there is a case for immediate fee increases which would incur longer term commitments, targeted at improving capacity to meet needs for which we currently struggle to find satisfactory solutions.
- 6.12 One particular issue continues to be finding care home accommodation for older people whose dementia causes them to behave in ways that create risks for themselves or others. Officers have for some months been in discussion with care home operators about possible enhancements to the Council's existing scheme offering a fee premium to reflect the additional staffing costs likely to be incurred if they accept residents with needs of this kind. Some further work is still needed on the details of an enhanced scheme, but if remaining issues can be resolved it would be highly desirable to have this in place in time for the coming winter, since older people with these needs are often particularly difficult to discharge from hospital when their medical treatment has been completed.

- 6.13 Because of its importance for hospital discharge, this scheme is also potentially chargeable against the separate Adult Social Care Discharge Fund, but to ensure that the Council has sufficient financial flexibility to meet the unpredictable demands which we have been asked to plan for this winter, it would be helpful to have the option of funding it from the MSIF. It might be possible to introduce some elements of an enhanced scheme could be introduced on a pilot basis, without long-term commitments, but the scheme would be likely to include higher payments and broader eligibility, both of which could not be time-limited.
- 6.14 It may also be helpful to be able to treat part of the additional MSIF funding as available if necessary to supplement the funding for the MSIF schemes involving long-term fee increases approved by the Cabinet in May. For instance consultations with home care providers are still in progress on the home care worker guarantee scheme planned for implementation in October, and costings have not been finalised. The MSIF itself may also have an indirect impact on costs for Northumberland if neighbouring local authorities' fee increases mean that the costs of out-of-county placements increase by more than was budgeted for.

Option C: time-limited increases to fees

- 6.15 A time-limited increase in fees could be either an unconditional increase or an increase with specific conditions attached. For the reasons set out in the discussion above of Option A, officers' advice is that there is no clear need for a further unconditional fee increase in any care sector, beyond the 1.5% time-limited increase already agreed by the Cabinet in May.
- 6.16 In each of the past two winters, some care services in Northumberland have received additional funding in return for a commitment to implement early the wage increases which would ordinarily have been introduced from the following April. In the winter of 2021/22, a scheme of this kind covering most care services was funded by NHS clinical commissioning groups across the North East; in the winter of 2022/23 the Council used funding from the Adult Social Care Discharge Fund to introduce a scheme specifically for home care workers.
- 6.17 The additional MSIF was announced specifically as a "workforce fund", with "a particular focus on workforce pay" though it is not restricted to that use. One obvious option for the use of this funding in the current year, which we understand is being considered by some neighbouring local authorities, is to repeat in some form the scheme funding early implementation of pay increases.
- 6.18 One issue about this option is that we do not at present know what the April 2024 rates will be either of the statutory National Living Wage (NLW) or of the non-statutory Real Living Wage (RLW), set by the Living Wage Foundation, which has for the past two years been used to set the minimum wage level which care providers have been required to commit to to qualify for additional funding from the Council. The Living Wage Foundation intends to publish the new RLW rate in the last week of October, and the new rate of the NLW is likely to be announced at around the same time. In the case of the NLW, the Low Pay Commission consulted between March and June this year on an increase of between 4.6% and 9.7%. The level of uncertainty about the cost of any specific scheme to bring increases forward is illustrated by the fact that the additional cost of an increase at the top of this range would be more than double the cost at the lowest end of the range.

- 6.19 There are a number of ways in which any scheme could be adjusted to bring its costs within available funding, including varying the range of service types for which a pay increase was funded and varying the date from which it started, but it would be premature to make a specific proposal at this point.

Option D: other initiatives to reduce waiting times for services

- 6.20 During the winter of 2022/23, the Council allocated part of the Adult Social Care Discharge Fund grant to a scheme in which temporary additional funding was allocated to the Joint Equipment Loan Service (JELS), to fund an increased stock of equipment and a temporary arrangement in which an additional delivery van was hired and staffed to make it possible to deliver equipment within 24 hours when that was necessary to enable someone to return home quickly when they no longer needed to be in hospital. The total cost of these temporary enhancements to the service during that winter was £182,969.
- 6.21 The scheme was significantly more expensive than the usual operation of JELS, but did mean that, at times of peak demand on hospital services, 38 patients were able to be discharged more rapidly than would ordinarily have been possible, as well as making possible some improvements to delivery times more generally.
- 6.22 There is a case for introducing a similar scheme during the coming winter, possibly with some changes to its detailed operation based on lessons learned from last year. If the scheme was repeated, it would be best to make a judgement about its duration and scale nearer the time, as the scale of demand pressures on the NHS becomes clearer.
- 6.23 There may also be other opportunities to introduce smaller initiatives to reduce waiting times for patients to return home, though Northumberland already has a low number of delayed discharges by national standards, so the scale of improvement is likely to be modest.

Option E: initiatives to reduce waiting lists for assessment

- 6.24 One of the objectives of the MSIF which the Council did not set any funding aside for in May is to reduce waiting lists for assessments. The measures being implemented with the aim of improving capacity in care services will, if successful, reduce the number of people who have to wait for the *service* which they have been assessed as needing, but will not increase capacity for assessing people's needs. The absence of any proposal of this kind for the initial MSIF funding reflected officers' view that the most immediately urgent issues were about service capacity.
- 6.25 In general, the Council does not at present have long waiting lists for needs assessment or for reviews, though frontline teams are currently under pressure, with recruitment and retention difficulties and a higher than usual level of staff sickness, and there is work in progress on developing improved assessment arrangements. It might be reasonable to consider these as potential longer-term uses of MSIF funding. However changes would be likely to require some significant changes to staff working arrangements which would need to be fully consulted on, and would probably need to be piloted in one part of the County before being rolled out generally. On the timetable for the 2023/24 MSIF, there are too many issues still to be resolved for it to be sensible to commit any of this funding to support mainstream needs assessment processes.

- 6.26 However there is one specific statutory assessment function for which there has been a significant waiting list for a number of years. The Council has a duty to carry out a specific assessment in any situation where it becomes aware that a person's care arrangements amount to a "deprivation of liberty" which the person does not have the mental capacity to agree to. Ever since the Supreme Court decided in 2014 that the legal definition of a "deprivation of liberty" includes a much broader range of situations than had previously been supposed, Northumberland, in common with many other local authorities, has struggled to meet the statutory time scales for carrying out these "deprivation of liberty safeguards" (DoLS) assessments. Recently, the position has been that the DoLS team has the capacity to maintain the waiting list at its current level, but has not been able to clear a list which at any one time typically stands at between 350 and 400. The existence of this waiting list creates legal and reputational risks, and we cannot be certain that there may not be some people are experiencing levels of supervision and control which are unnecessary and may be infringing their human rights, though we prioritise DoLS assessments to ensure that we see quickly the people where the risk that this might be the case appears to be highest.
- 6.27 In this situation, the obvious means of becoming compliant with statutory requirements would be to fund a one-off programme of assessments of cases on the waiting list, in the expectation that it would afterwards be possible to meet statutory timetables within existing resources. The difficulty has been that there is currently no capacity available regionally within the usual arrangements for commissioning independent social workers with the required statutory qualification. We have, however, become aware through the regional DoLS network of a company which has supplied us with details of a proposal to carry out an intensive programme of assessments over a 16-week period to clear the backlog. At least one local authority in the region has already made use of this service. The costs of clearing the backlog in this way would be substantially higher than the usual cost of commissioning assessments carried out by independent social workers, with a projected overall cost of the order of £300K, when usual arrangements, if available on the scale required, would have incurred a cost of less than half that sum, but we have been unable to identify any alternative option which would enable us to meet this statutory duty on a reasonable timetable.

The proposed approach

- 6.28 The timing and conditions of this grant significantly constrain the Council's ability to make considered plans for its use, and effectively rule out in the current financial year some of the ways of using the funding which might have been most effective in increasing the capacity of care services to meet needs. The suggested approach is to include elements of each of the potential options other than option A (a general increase in long-term fees). At this stage, it is recommended that the allocation of funding between these elements should be regarded as indicative and provisional. It is also recommended that MSIF funding and funding from the separate Adult Social Care Discharge Fund should be managed flexibly, to achieve the best overall outcome, and in particular to maximise the effectiveness of the available funding in addressing the unpredictable challenges of the coming winter, when it is widely expected that health services may come under exceptional pressure, and depend heavily on the capacity of adult social care.
- 6.29 With these qualifications, the table below shows *indicative* expenditure for each of the schemes which it is proposed to fund through the additional MSIF.

Scheme	Indicative cost	
	2023/24	2024/25
Bring forward some pay increases from April 2024	£1,664K	-
Enhanced funding for complex dementia in care homes	£100K	£250K
Enhanced capacity during winter in JELS	£200K	-
Clear backlog of DoLS assessments	£300K	-
Other costs within MSIF grant conditions (including further increased cost of out of area placements)	£50K	£100K
Total	£2,314K	£350K

6.30 None of these figures is a firm projection, for a number of reasons:

- a) The amount of funding available for **bringing forward pay increases** may need to be adjusted depending on revised estimates of other costs, and the period of time and the range of services to be covered by this scheme will depend on the levels at which the NLW and RLW are set
- b) The cost of the enhancements to the scheme for **residents with dementia in care homes** whose behaviour creates risks for themselves or others will depend on how much revised premiums increase take-up of the scheme, which is not wholly predictable
- c) The estimated cost of **clearing the DoLS assessments backlog** is based on a per-assessment quote, and the actual numbers of assessments required may be lower or higher than anticipated
- d) **Other costs**, such as further increases in the cost of out-of-county placements because of the use made of the additional MSIF by other local authorities, may be largely outside the Council's control
- e) **Flexible use of funding between the two available grant schemes** may also change the balance between expenditure headings. In particular, either funding source could within the grant conditions be used to fund support for care homes accepting residents with dementia whose behaviour is difficult to manage, and additional capacity in JELS

7. Implications

Policy	The proposals are designed to support the key policy objective of increasing the capacity of care and support services.
Finance and value for money	Grant conditions require that this funding must be added to the Council's adult social care budget, and must be spent in the current financial year. As explained in the body of the report, the recommendations are designed to ensure that any financial commitments beyond the current financial year total substantially less than the projected uncommitted funding from this grant in 2024/25.

Legal	Section 5 of the Care Act (2014) sets out duties on local authorities to facilitate a diverse, sustainable high quality market for their whole local population, including those who pay for their own care and to promote efficient and effective operation of the adult care and support market as a whole. Alongside this, the Council has a critical role in local market shaping to encourage quality, choice and sufficiency of provision. The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 confirm that the matters within this report are not functions reserved to Full Council.
Procurement	Procurement issues relating to the proposed use of an external company to clear the backlog of deprivation of liberty assessments are under discussion.
Human resources	There are no direct implications for Council-employed staff, other than some addition to the workload of back-office staff in functions whose capacity is already stretched. The proposals aim so far as possible to minimise that additional workload.
Property	No implications identified.
Equalities Act: is a full impact assessment required and attached?	No - not required at this point Screening has identified no issues requiring a full impact assessment. The proposals will primarily benefit disabled people; individual assessments will address any issues related to other protected characteristics of those disabled service users.
Risk assessment	A full risk assessment is not required.
Crime and disorder	No implications identified.
Customer considerations	The proposals are intended to improve the capacity of services to meet people's care and support needs, and the legal protections for the rights of people with limited mental capacity.
Carbon reduction	No implications identified.
Health and wellbeing	The proposals aim to improve the capacity of services crucial for the health and wellbeing of people with a disability or a long-term health condition.
Wards	(All Wards)

8. Background papers

[Market Sustainability and Improvement Fund 2023 to 2024 \(guidance\)](#), published on www.gov.uk 28 March 2023, updated 2 June 2023

[Market Sustainability and Improvement Fund Grant Determination 2023 to 2024](#), published on www.gov.uk 28 March 2023, updated 4 April 2023

[Market Sustainability and Improvement Fund - Workforce Fund: policy statement](#), published on www.gov.uk 28 July 2023

[Market Sustainability and Improvement Fund - Workforce Fund: grant determination and conditions 2023 to 2024](#), published on www.gov.uk 28 July 2023

[Adult social care winter letter 2023 to 2024](#), published on www.gov.uk 28 July 2023

9. Links to other key reports already published

Cabinet report 11 October 2022: [The Market Sustainability and Fair Cost of Care Fund 2022 to 2023](#)

Cabinet report on a delegated decision, 17 January 2023: [Use of Adult Social Care Discharge Fund](#)

Cabinet report 13 March 2023: [Market Sustainability Plan for Adult Social Care](#)

Cabinet report 10 May 2023: [The Market Sustainability and Improvement Fund 2023/24](#)

Health and Wellbeing Board report: [Better Care Fund Plan 2023/25](#)

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