



A clean, green and inclusive city for all

Our medium-term financial planning for 2022-23 to 2023-24

DRAFT



Contents

Foreword.....	3
Financial assurance statement	4
Introduction.....	5
Our medium-term financial planning	6
Financial context.....	6
Our budget	7
Financial strategy	8
Delivering our council priorities in 2022-23	10
Adult Social Care and Integrated Services	10
Children, Education and Skills	12
Operations and Regulatory Services	13
Place	14
City Futures	16
Public Health	17
Resources	18
Balancing our budget in 2023-24 and 2024-25	20
Assessing potential impacts	22
Our workforce	22
Residents, partners and businesses	22
Conclusion.....	24

Foreword



Pulling together a council budget when we know that demand for services is greater than the resources that we have been provided with is a difficult task, although one we have become all too familiar with.

In this context, and with the continuing uncertainty about the future given COVID-19, and Brexit, planning for the future is a huge challenge. Both COVID-19 and Brexit will cast a shadow over budgets in the city for several years.

The government's announcement of more money for local government comes with many constraints, and will not be enough to cover the significant pressures facing the council. This funding needs to accommodate rises in the National Living Wage and National Insurance – not just for our own workforce but our commissioned services - also wage increases for our staff, and the challenge of inflation which could rise to 5% next year – the highest it has been for 10 years. There is very little left for the core services we continue to deliver to those most in need in our city.

This means that the austerity and cuts we have had to face in the last decade are far from over. We anticipate that we need to cut £12 million a year for the next three years – that's on top of £335 million we have had to save since 2010 – equivalent to a loss of £2,454 per household. Councils all around the country will be forced to make severe cuts this year to balance their books.

When allocating funding, the government expects councils to increase Council Tax and apply the adult social care precept, so we are left, yet again, with very little room to tackle the financial challenges ahead. Sadly, our call to government to stop the squeeze on household budgets by ruling out unfair Council Tax rises has fallen on deaf ears. I know that many people in the city are facing a growing cost of living crisis, but the government has left us with no option.

We have never shied away from making difficult decisions to put and keep the council on a sound financial footing – but it will still be tough. Nevertheless, we remain confident that we can still improve services, facilities and the environment. We hope to provide resources to deliver improvements in our neighbourhoods, focusing on getting the little things right for residents. We remain an ambitious city with a strong commitment to climate change initiatives through our net zero action plan. Our vision for a net zero city by 2030 is the foundation for our economic vision.

I would like to encourage residents, businesses, communities, and partners to take part in the budget consultation. We face difficult choices, and we must decide how we best cut our cloth in these trying times. There is certainly more pain to come. But, as ever, our commitment to maintaining Newcastle as a great city remains. However, I am confident we can balance our budget and continue our work to make Newcastle a clean, green, and inclusive city.

Councillor Nick Forbes, Leader of the Council

Financial assurance statement



The council must set a balanced budget each year. As the council's designated finance officer, I have a legal duty to report to City Council in March 2022 on the robustness of the council's budget and the adequacy of reserves.

The council has a strong track record of developing and delivering robust financial plans. Since 2012, the council has endeavoured to set out an appropriate medium-term financial plan which left us better prepared to support the city through a prolonged period of reduction in public sector spending.

In 2019, we set out our approach to adapting to further anticipated budget reductions over the medium-term to 2022. This was against a continued very challenging fiscal backdrop, which has seen concerns raised about the financial sustainability of many high-profile councils, requiring specific government intervention. Last year, given the short-term nature of government Spending Rounds and the high volatility of the financial outlook given the implications of COVID-19, we set out our financial plans to 2022-23.

The government set out its high-level spending plans for 2022-23 to 2024-25 in the Comprehensive Spending Review announced on 27 October 2021. Although the government has published figures for a three-year period, those figures are currently at a national level and we will have to wait until the Provisional Local Government Finance Settlement to understand what that will mean for Newcastle. There is a level of uncertainty as to whether the settlement will provide three-year figures at a local authority level or they will be a single year given anticipated reform in future years.

My current assessment is although the council is facing some in-year pressures, I anticipate the council will deliver a balanced budget for 2021-22. However, this may require calling on some of our reserves set aside for this purpose. The proposals set out can secure a balanced budget for 2022-23 and provide a firm basis for the development of the budget for future years.

Reserves, whilst relatively low, are adequate for the risks we face and can support our medium-term financial plan and transformation programme as set out. However, reserves are a one-off source of funding and the council needs to make permanent reductions in its net expenditure. As a result, reserves cannot be used to avoid permanent savings.

I am also confident that, subject to the approval of individual business cases, the plans outlined for capital investment can be funded through available capital receipts and resources and the income or cost reductions from those investments.

Tony Kirkham, Director of Resources

Introduction

Our medium-term financial planning is a key part of Newcastle City Council's policy and budget framework. Driven by our Council Plan and the priorities within it, it sets out our strategic approach to the management of our finances, within which delivery of our priorities will be progressed.

This draft document covers the period 2022-23 to 2024-25. It outlines in broad terms the specific service and funding issues over a three-year period and how our services will, within our financial constraints, fund our priorities and areas for focus whilst ensuring financial sustainability and resilience.

This is a living document that is subject to annual review and consultation. This helps to ensure our financial planning is responsive to changing national and local factors, taking into account emerging risks and to protect our financial health.

It should be read alongside supporting documents, all available on our website at: www.newcastle.gov.uk/budget2022

- Appendix 1 – 2022-23 revenue and capital plan
- Appendix 2 – 2022-23 summary of service proposals
- Integrated impact assessments for changes to services in 2022-23
- Draft budget pages
- Draft Council Plan
- Summary consultation plan

We are publishing this draft plan now to allow residents, businesses and organisations to understand our proposals and comment on them. We welcome views on our draft proposals and ideas for how else we might set a balanced budget.

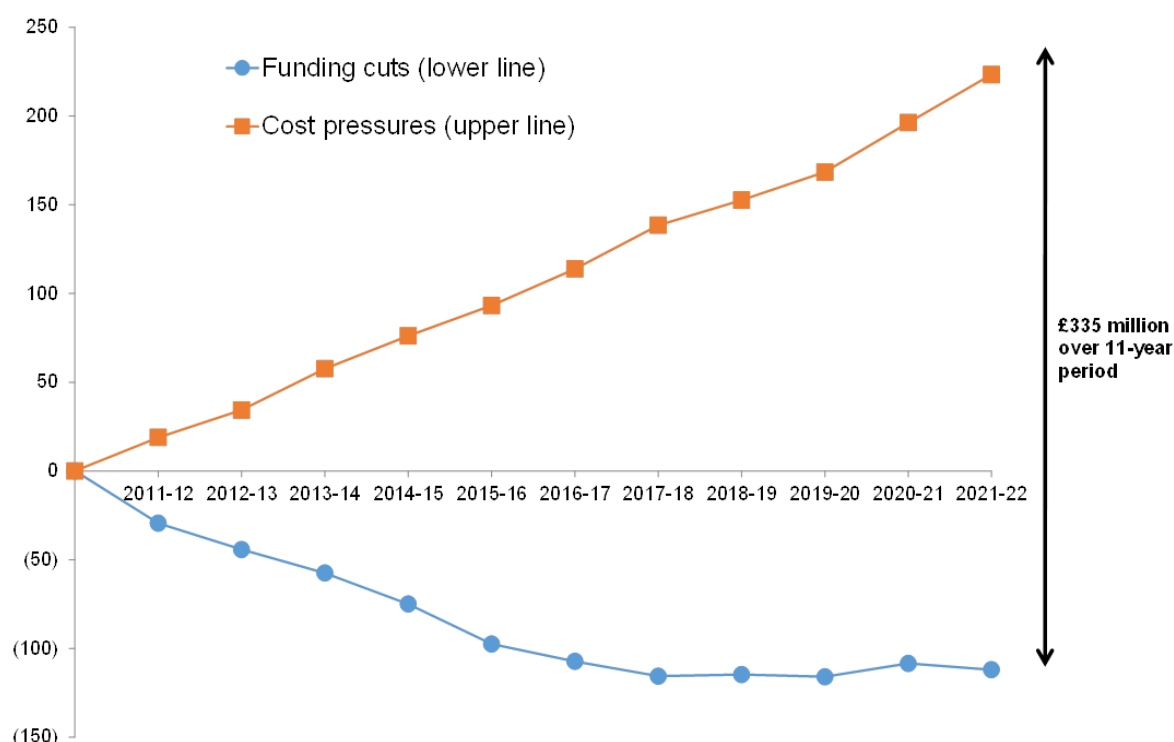
Details of how to have your say can also be found on our website.

All feedback received will be considered along with any announcements that may impact our financial position. An updated version of this suite of documents will be presented to Cabinet in February reflecting any changes made. Cabinet will be asked to recommend the updated documents to City Council who will debate and vote on the plan for 2022-23 at their meeting on 2 March 2022.

Our medium-term financial planning

Financial context

We have faced an extended period of financial uncertainty and challenge. The economic impact of COVID-19 following a decade of austerity with government-imposed funding cuts and unfunded cost pressures has had a profound impact on our budget and therefore services for the city.



Since 2010, we have had to make savings of £335 million which has significantly altered our financial landscape for years to come. A series of one-year financial settlements from government further exacerbated the financial uncertainty and made taking a long-term view of services and finance extremely difficult. Whilst we have a good record of achieving required savings and delivering a balanced budget, financial uncertainty and challenges inevitably result in detrimental impacts on residents, neighbourhoods, businesses and the Newcastle economy.

In response to the continued challenge, we have innovated, transformed and streamlined services and we continue to drive growth in all that we do, both to create jobs and to help fund our ambitions for the city. Notable achievements include Invest Newcastle facilitating a record number of new investments and expansions, creating and safeguarding more than 2,500 jobs and two successful Levelling Up Fund bids that secured nearly £40 million investment for the city. We've also continued to lever in private sector investment into the city which includes academic, commercial and residential developments like the Lumen and the Rise in Scotswood. We're continuing to work with partners to secure better outcomes, including joint commissioning where appropriate to achieve scale and drive value in all that we do.

The strength of the relationships with our communities and our strong collaborative arrangements will support us in ensuring we provide better opportunities for all.

There is strong progress in growing our economy but there is still a long way to go to tackle the legacy of inequalities and deprivation that remains. We continue to advocate for a fair and sustainable financial settlement and we're also using our recovery and renewal from the public health crisis as an opportunity to resolve some of the city's most intractable problems.

Our budget

As a council, we spend in the region of £1 billion each year across the General Fund, Housing Revenue Account and capital programme. Of this, approximately £140 million must be allocated to schools, £130 million to pay housing benefit to residents on behalf of the government and £110 million is ring-fenced for services for tenants who live in council-owned properties. This leaves us with around £500 million to meet our wide range of statutory requirements and the needs of residents and the city. We monitor the amount we spend with local suppliers and providers and use this to drive our approach to social value – getting the most out of the 'Newcastle pound' for our residents. Our capital expenditure on our physical assets (such as buildings) is separate to revenue expenditure on day-to-day services and amounts to approximately £120 million per annum.

- **General Fund:** Our revenue budget; this includes all income and expenditure related to day to day running of our services
- **Housing Revenue Account:** A separate 'ring-fenced' account for the management of our social housing stock, for example, rental income, repairs and maintenance
- **Capital programme:** Capital is our expenditure on physical assets (buying new or improving existing). It is separate from our revenue budget and is funded by a combination of government grants, third-party contributions, capital receipts from the sale of assets and borrowing. We cannot use borrowing or capital receipts to pay for the day-to-day running of services.
- **Cost pressures:** Unfunded cost pressures arise due to pay and price increases (for example, staff pay, utilities), increasing demands for services (for example, social care services) and changes to external funding (for example, grants to administer housing benefits)
- **Social value:** Value that accrues in our local communities – what residents say is valuable to them. This is built in to how we seek to buy goods, works and services: green and sustainable, buying local, community focussed, ethical.

In developing our three-year financial strategy, our planning assumptions is that we are facing a financial gap of over £36 million over 2022-23 to 2024-25. This would require us to make service savings of £12 million per year.

Financial planning has been undertaken at a time of continued uncertainty as a result of:

- Increasing demand for some of our services and the support people need because of COVID-19, for example, in areas including mental health and family support.
- The on-going financial impact and scarring of COVID-19, combined with the impact of Brexit, such as energy price increases, building materials price increase and shortages, reduced income from fees and property and unclear levels of on-going government support.
- The changing needs of our ageing population and an increasing number of people with complex or high needs.
- Awaiting details about the introduction of a Fairer Funding Formula and the impact of the recently announced 1.25% health and social care levy.

This planning assumption was developed before the Autumn Budget and Comprehensive Spending Review announced by the Chancellor on 27 October 2021. For local government this included an additional national allocation of £1.6 billion which must be used to meet the additional expenses of:

- Increased costs of social care commissioning from National Living Wage and National Insurance increases.
- Increased National Insurance costs for our own employee pay bill and a fair but affordable increase in wages.
- Pressures arising from increased inflation.

Assessments to understand what the national allocation means for Newcastle will have to wait until the Provisional Local Government Finance Settlement is announced. However, our analysis of the information published to date is that we must continue to be cautious, and we will continue to require service savings of £12 million per year.

Financial strategy

The priorities and commitments set out within our draft Council Plan have driven our medium-term planning and service planning.

Our financial strategy continues to be to achieve savings through service transformation, efficiency and appropriate inflationary price increases whilst delivering our priorities and meeting legal duties. We continue to explore innovative opportunities for delivering services more efficiently and will support the development and implementation of this by providing resources to enable service change and reconfiguration through transformation.

We will continue to keep our finances on track, sustain vital services, protect the most vulnerable in the city, make prudent investments in future growth and assets, achieving savings and managing cost pressures.

In calculating our spending power, the government has assumed a 2% increase to Council Tax and that councils will apply a 1% adult social care precept to Council Tax bills. The funds raised through the precept can only be spent on the delivery of

adult social care. Our requirement to save £12 million per year assumes these increases in each of the next three years.

We are proposing to increase Council Tax by 1.949% and apply the government's social care precept of 1% to Council Tax bills. Overall, this will increase the Council Tax bill for a Band D property by £52.87 for the year. Without this, we would need to find a further £2.3 million of savings from services each year.

Through our Council Tax support scheme, 13,000 households will continue to be supported, with the majority receiving full assistance for their Council Tax bill. We are consulting on changes to our support scheme for 2022-23 which will simplify the process and increase support available.

Last year, we set out indicative plans to achieve £11.5 million of savings in 2022-23. We have assessed these plans and believe that the majority of these savings remain deliverable. Some further proposals have been needed to ensure we meet our legal duty to set and operate within a balanced budget.

Looking ahead to 2023-24 and 2024-25, the scale of the savings we need to make to balance our budget means we will need to carry out further reviews of our services which will seek to identify any efficiency and income generating opportunities. More information about the shape of the reviews is set out later in this document.

Full details of our draft budget for 2022-23 are set out within Appendix 1 – 2022-23 Revenue and capital plan. Details of all proposed service savings are set out within Appendix 2 – 2022-23 Summary of service proposals.

The next section of this plan sets out how our services will invest the resources we have to help deliver our priorities, continue to meet our many legal duties and how they'll contribute to the savings required.

Delivering our council priorities in 2022-23

The draft Council Plan endorsed by Cabinet in October 2021 restated our five themed priorities which focus our efforts and resources:

- **Creating more and better jobs: Employment**
- **The best learning opportunities for all: Education and skills**
- **A healthy, caring city: Health and social care**
- **More and better homes: Housing**
- **A clean, green and safe city: The environment**

It also set out four key areas of focus for the coming three years:

- Working better for all our neighbourhoods
- Delivering our net zero ambitions
- The future of the city
- Civic pride and celebrating our diversity

Outlined below are more details about the services we will continue to deliver, the contributions they will make to delivering our priorities and commitments, how we will invest our resources and summarises how we will make the savings required to balance the budget in 2022-23.

Adult Social Care and Integrated Services

Adult Social Care and Integrated Services is the principal service area delivering our 'healthy, caring city' priority. It also contributes to 'creating more and better jobs' through improving residents' circumstances and capacity to engage with the world of work, and 'the best learning opportunities for all'. In addition to the services we provide, there are around 9,300 people working in the social care sector in Newcastle delivering the many services we commission on behalf of service users.

The services we deliver include:

- **Safeguarding adults** – work to keep vulnerable adults safe.
- **Reablement** – we provide a short-term service to help people to recover and live independently at home, for example, after a hospital stay.
- **Community health and social care direct** – this is the first point of contact for people or carers who think they have a social care need.
- **Hospital discharge and social work** – working with people to plan safe discharges and when out of hospital completing social care needs assessments where longer-term support needs are identified.
- **Adult community team** – a social work team that works with adults who have an eligible social care need and their carers.
- **Learning disability and autism team** – A social work team that works with adults with a primary support need of learning disability and/or autism and their carers.
- **Mental health** - working with adults with mental health needs and their carers and undertake Mental Health Act assessments.
- **Active Inclusion** – homelessness prevention services, debt advice and supported employment.

- **Day, intermediate care and short break services** – support for people who have a learning disability and/or autism, older people and people living with dementia.
- **Commissioning** – works to ensure we have the right services in place to help us deliver on our priorities and checking the quality of those services.

Most of our resources are used to fund care and support – from care in a person's home, reablement to help people get better, protecting vulnerable adults from abuse, residential care, supporting people with learning disabilities to lead independent lives, social workers, through to support to prevent homelessness.

While most of this support is delivered on our behalf by care and support providers based in our city, all of it is designed with the aim of reducing and preventing needs and supporting people to live independent lives doing the things they want to within their own communities. Neighbourhood working empowers local people to take an active role in their health and wellbeing with greater choice and control.

Key priorities for the Adult Social Care and Integrated Services directorate are:

- **Supporting everyone to have the right to live a fulfilled life** – for people with care and support needs this could mean we provide support to help residents with a variety of issues including personal dignity, physical and mental health and emotional wellbeing, protection from abuse and neglect, participation in work, education, training or recreation and social and economic wellbeing.
- **Keeping people safe from abuse or neglect** – an important part of our statutory duties is to protect adults who are at risk of abuse or neglect. We work with partners through our Newcastle Safeguarding Adults Partnership to prevent abuse and neglect, and to tackle it at the earliest possible opportunity where it does arise. Throughout the pandemic we saw a 42% increase in the number of safeguarding concerns reported, many of which were linked to the changes in people's social and financial circumstances. The high number of reports shows the depth of the impact that the pandemic has had on people's lives. It also shows that people can and do trust our safeguarding services to take their concerns seriously and to find resolutions.
- **Being well in communities** – we're focussed on promoting wellbeing and preventing need. We're working to transform the way social care and support is delivered across our city. We will design services around neighbourhoods, connecting people, organisations and community groups together. This will empower people to create their own personalised support drawing on the networks that exist in their local area.

To help us to operate within a balanced budget in 2022-23, Adult Social Care and Integrated Services will deliver nearly £4.5 million savings by:

- Continuing to deliver new supported housing that promotes independence in communities for people with learning disabilities and/or autism. This includes further developing our Shared Lives model of support.
- Implementing the national 'discharge to assess' policy and operating model.
- Changing how we commission some of our key social care services.

Children, Education and Skills

The Children, Education and Skills directorate is primarily focused on our priorities of 'the best learning opportunities' and 'creating more and better jobs'. This means that we are focused on a shared ambition to make Newcastle a great place to live, grow and achieve, where all children and young people can have the best start in life, attend and achieve in learning and inspire young people as they move into adulthood. Achieving this requires effective services and strong partnerships across the city and in neighbourhoods that deliver improved outcomes and experiences for young people.

A significant proportion of our resources are used to deliver services that include:

- **Statutory responsibilities for safeguarding, children in care and young people, care leavers** – this includes the initial response service that acts as the first point of contact for anyone who is worried about a child's safety or welfare. We also provide social care support to young people over the age of 16 and care leavers, including unaccompanied asylum-seeking minors. Children with special educational needs and disabilities and young people working with youth justice services are also supported. We run five children's homes across the city which provide a range of support from short breaks for children with disabilities, to emergency and longer-term homes for young people with complex needs. We also have an in-house fostering team responsible for the recruitment, assessment and support of foster carers.
- **Education and skills services** – services for both schools and young people, including statutory responsibilities and the promotion of lifelong learning through Newcastle City Learning.
- **Special educational needs and disabilities services** – a wide range of supporting services including transport for children with special educational needs and disabilities, assessment and review teams, outreach and sensory services.
- **Services that promote earlier intervention** – services that build resilience and support children, young people and families before issues get worse. These include youth services and work with partners through Children and Families Newcastle.

Key priorities for Children Education and Skills directorate are:

- **To deliver our statutory duties** for education, safeguarding, children in care, care leavers and to maintain a stable and skilled workforce who feel valued.
- **Continue to invest in Children and Families Newcastle**, our work with families to build trusting relationships that empower families to make and sustain positive changes and connect families into their communities is essential. This enables them to access help earlier and signposts to training, development and employment opportunities or professional support, depending on their needs. Securing sustainable funding for this vital service is a key priority.
- **Participation in learning** – we will continue to embed locality inclusion panels, bringing community assets and partners together for the benefit of young people in the city.

To help us to operate within a balanced budget in 2022-23 Children, Education and Skills will deliver nearly £3 million savings by:

- Reducing the use of external placements for children in care.
- Embed new models including 'family group conferencing' to continue to safely reduce the number of children in our care.
- Consolidating services which assist school leavers with special educational needs into appropriate pathways.

Operations and Regulatory Services

The Operations and Regulatory Services directorate plays a critical role in the delivery of diverse frontline operational services and principally supports our priority of 'a clean, green and safe city'.

The services we deliver include:

- **Car parks and parking services** – the management of car parks, parking enforcement and permits and shop mobility services.
- **Community hubs, libraries and open spaces** – key support across the city for social inclusion and promoting digital, financial and literacy skills.
- **Bereavement and registrars services** – registering of births, deaths, partnerships and marriages in the city.
- **School meal service** – supporting the wellbeing and learning of children in over 80 schools, by providing 3,000,000 nutritionally balanced meals each year.
- **Public protection, regulatory and environmental services** – a range of services that contribute to keeping the public safe.
- **Waste and recycling** – the implementation of measures set out in the Newcastle Waste Strategy.
- **Neighbourhood services** – services such as grounds maintenance, grass cutting and shrubs maintenance.
- **Resilience planning** – ensuring we are compliant with the Civil Contingencies Act 2004.

Our resources will continue to be targeted to deliver clean, green and safe neighbourhoods including:

- Investing in local services and waste management to keep our neighbourhoods clean and green, including working with communities, partners and businesses to deliver our waste strategy action plan.
- Investing in modern vehicles, equipment and digital technologies to improve efficiency and effectiveness, and in enforcement and monitoring activities to ensure waste is disposed of properly and those who dump rubbish in our city are pursued.
- Developing the capacity to respond to the Environment Bill, to begin to prepare to model and implement the city's new waste collection system for recycling food and garden waste, as well as delivering a refreshed offer at our household waste recycling centres.
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and garden waste, as well as delivering a refreshed offer at our household waste recycling centres.

- Providing a range of public protection, regulatory and environmental services, ranging from responding to complaints about noise, littering, dog fouling, fly-tipping, vandalism and graffiti, to inspecting premises, health and safety enforcement, trading standards, and licensing management.
- Being responsible for community safety, including working with the youth offending team, schools, community groups and police to tackle issues and reduce community tensions and anti-social behaviour when they surface, and supporting Safe Newcastle, the community safety partnership for the city.
- Delivering our community hubs and libraries which play a key role in supporting digital, financial and social inclusion and literacy.

Key priorities for Operations and Regulatory Services are to:

- **Increase our neighbourhood investment programme** – we are committed to developing pride in our city and will be delivering significant additional services in our neighbourhoods that helps make Newcastle cleaner, greener and safer.
- **Promote best practice for waste management** and supporting our net zero aims.

To help us to operate within a balanced budget in 2022-23 Operations and Regulatory Services will deliver over £1.5 million savings by:

- Increasing income by securing new contracts in our building cleaning service and caretaking.
- Reduce costs through more efficient use of our waste contracts.
- Reduce our waste disposal costs by engaging with residents to recycle more effectively, and by increasing the efficiency of our waste disposal methods.
- Increased efficiencies in our enforcement service.
- Reducing the number of pool cars as staff increasingly work from home.
- Apply increases to parking to manage the highways network.

Place

The Place directorate supports our priorities of ‘**more and better homes**’, ‘**a clean, green and safe city**’, and ‘**creating more and better jobs**’.

The services we deliver include:

- **Commercial development and property** – strategic asset management of our property assets and the operation and management of our commercial property portfolio.
- **Housing** – delivery of affordable, specialist and market housing, oversight of the Housing Revenue Account and the management of the private rented service.
- **Major projects** – our capital investment planning which includes funding applications and investment business cases. The team is also responsible for the development of our project pipeline.
- **Planning** – setting out the city’s development priorities in the Local Plan and delivering this through development management.

- **Transport** – transport policy, road safety and network management. The team are also responsible for our highway and structures maintenance, regional traffic signal management and highways and public realm design and construction.

Our resources will continue to be targeted to:

- Deliver an asset and investment plan for our council housing, encouraging modernisation, supporting the demolition of redundant stock and building new where appropriate, to maintain a healthy stock and pipeline.
- Delivering a range of supported and specialist housing, continuing to provide advice support and information to vulnerable people to help them secure and sustain their accommodation and providing Disabled Facility Grants to assist people to live independently in a home of their choice.
- Prioritise 'brownfield' sites for new housing development wherever possible and look to how we can develop more housing in the city centre to encourage a wider range of uses of the city centre.
- Work towards net zero new homes standards and explore new technologies to retrofit existing homes with carbon reducing schemes such as ground and air source heat pumps.
- Support the delivery of capital investment programme, in particular the delivery of school decarbonisation projects to improve school facilities.
- Develop a new Local Plan which will set out the city's development priorities and help us to create the spatial expression of our commitment to renewal and the Council Plan, as well as providing development management and building control services to ensure the city grows in a sustainable and managed way.
- Preparing land and facilities to drive our net zero ambitions, as well as the development of employment sites to support the city's jobs growth potential.
- Making our neighbourhoods safe, clean and green through our network plan for safe walking and cycling routes.
- Delivering a programme of targeted measures to lower traffic levels in residential neighbourhoods, including the roll out of School Streets and Play Streets, and supporting the roll out of electric vehicle chargers in residential areas.
- Creating welcoming places in our communities and neighbourhoods, making the city more accessible and inclusive and using our capital programme to develop new schools, transport infrastructure and other facilities to support the delivery of new homes on our strategic housing sites.
- Investing and upgrading our city infrastructure to deliver improved resilience and safety, better opportunities for data collection and use of sensors, and improved digital offer for cultural and retail experiences across the city.
- Extend our commitment to biodiversity by installing bee-friendly roofs on bus shelters and other appropriate locations, introducing wildflower verges and other spaces, and supporting wildlife habitats and corridors across our city.

Key priorities for the Place directorate include:

- Continuing to **drive our capital programme** that will both drive recovery and deliver our priorities. Our capital programme will see us invest over £100

million in projects across the city over the year, with an additional £40 million planned from the Housing Revenue Account.

- We will continue to **invest in the city's transport infrastructure** for the benefit of residents and businesses as well as the benefit of reducing our carbon footprint and helping to deliver our Net Zero Newcastle: 2030 Action Plan.
- **Support the introduction of a Clean Air Zone** in 2022 that will reduce air pollution and reduce carbon emissions from vehicles as drivers switch to cleaner modes of transport.

To help us to operate within a balanced budget in 2022-23, Place will deliver over £500,000 savings including:

- Reduced expenditure and increased income secured by the office accommodation project.
- Implementing the recommendations of the property and land portfolio review.
- Increasing fees in line with inflationary costs.

City Futures

The City Futures directorate primarily supports our priorities of '**creating more and better jobs**', as well as '**a clean, green and safe city**'. The directorate also leads on the delivering our net zero ambitions and the actions set out within the Net Zero Action: 2030 Action Plan and the 'future of the city' areas of focus.

The services we deliver include:

- **Policy development** – supporting officers and members to develop and implement policy to support the Council Plan and ensuring compliance with our public sector equalities duty.
- **Economic development** – supporting economic growth in the city.
- **Net Zero** – strategic leadership of our net zero work and supporting council-wide delivery of Net Zero Newcastle: 2030 Action Plan.
- **Communications and public engagement** – including our communities team which has been providing welfare and wellbeing support to the city throughout the pandemic.
- **Culture and arts development** – including cultural venues, creating and delivering events.
- **Digital transformation** – working with resources to adapt new technologies to drive service improvement.

Key priorities for the City Futures directorate are:

- Delivering our **net zero ambitions**.
- **Growing our economy in an inclusive way**, for the benefit of all in the city, driven by innovation, skills and infrastructure.
- **Communicating and consulting effectively** with our residents and stakeholders.
- **Improving our use of evidence and data** to support decision-making and improvement.
- **Developing the city's cultural offer** to support a creative city, contributing to vibrancy, animation, and economic growth.

- Continuing to **use innovation, data and digital technology** to develop modern, user-focussed services – building on services like Wastebot and www.howbusyistoon.com to allow citizens to interact with us and the city in a way which meets their needs, while also improving our ways of working within services.

To help us to operate within a balanced budget in 2022-23, City Futures will deliver over £19,000 savings by:

- Reducing our spending on goods and services.

Public Health

Public Health services make a significant contribution to a ‘**healthy, caring city**’. The importance of good public health to the health and wellbeing of all, and the impacts of the wider determinants of health across a whole range of issues, means public health principles underpin all of our priorities.

The services we deliver include:

- **COVID-19 response** – leading Newcastle’s response to the public health crisis.
- **Active Newcastle** – services commissioned to encourage people of all ages to live active, healthy lives.
- **Drugs and alcohol programme** – addressing both causes and effects of drug and alcohol misuse.
- **Sexual health programme** – work with communities to promote sexual health and wellbeing.
- **Healthy schools / plus programme** – supports schools to be more health promoting, taking a whole school approach to support and influence children and young people’s health, helping them to reach their full potential.
- **Stop smoking programme** – work with individuals to encourage smoking cessation.

The principles of public health and wellbeing improvement are embedded in our thinking on all aspects of council action, including:

- Better integrating and investing in public health support in early years, critical to present and future physical and mental health of our residents.
- Supporting colleagues to create and nurture green space across the city, accessible to all, which has measurable individual health benefits.
- Working with colleagues and partners to ensure action to achieve carbon neutrality has the greatest possible impact on population health improvement, as well as our net zero targets.
- Safety and health protection across all sectors, working to establish better detection and response systems, not only for COVID-19 but for a range of health threats, building upon smart city approaches and incorporating, for example, improved water and air monitoring.

We continue to allocate funding to public health services in line with the value of our ring-fenced funding which limits our scope for savings in this critical area. We are targeting our resources to:

- Provide support for Newcastle's World Health Organisation Healthy City status, coordinating with other policy initiatives to ensure optimal benefit.
- Provide substantial input to Children and Families Newcastle, integrating additional elements of early years and school provision to maximise benefit and equality.
- Work closely through Collaborative Newcastle to ensure optimal integration of services and policy implementation to improve health for all, but particularly for the most vulnerable.
- Through public health approaches to wider determinants of health, help to build support and empowerment for communities and neighbourhoods. Our working practices and team will be better structured to support these aims. Services to be commissioned will allow better diet and physical activity support. We will work to secure additional resources in tackling upstream determinants of health.

Resources

The Resources directorate is predominantly an enabling and supporting directorate that contributes to all of our priorities. Services it provides include:

- Ensuring the council is **financially sound** and **compliant with various legislation**.
- Services to our workforce such as **human resources** and **information communications technology**.
- Services to ensure the **democratic process** is observed including managing elections and freedom of information functions.

The Resources directorate will continue to support services to ensure we are a fit for purpose council by:

- **Improving efficiency:**
 - Enabling the standardisation and simplification of the way we work to reduce costs and increase income, whilst maintaining high quality services.
 - Supporting services to further develop their self-service offers.
 - Providing and supporting remote working technologies and mobile devices to facilitate flexible working arrangements that meet the needs of the organisation and support staff in an agile working environment.
 - Working in partnership with internal and external clients, customers and suppliers to ensure high quality and cost-effective outcomes.
- **Adding value through insight and innovation**
 - Supporting transformation – reviewing the ways in which we can better deliver our services and understand our customer's needs through the innovative use of technology and insightful data analysis.
- **Ensuring the maintenance of appropriate compliance and controls**
 - Enabling us to meet all legal obligations, minimise risks and liabilities.

Key priorities for the Resources directorate are:

- Continue to provide **support to vulnerable groups** in the city through services like the Council Tax support scheme, Council Tax hardship, crisis support and our household support fund.

- Maintain our strong record of **financial control and governance** and continue to support the efficient and effective operation of our services.
- Ensure we maintain our consistently **high track record of performance** which includes some of the highest collection rates for Council Tax and business rates in the North East.

To help us to operate within a balanced budget in 2022-23, Resources will deliver over £600,000 savings including:

- Maximising income by applying appropriate inflationary increases to our fees and charges.
- Reducing expenditure on external legal services.
- Reductions to our electoral budget following a review of anticipated costs for future elections.
- Securing savings following a streamlining of Council Tax Support Scheme including deleting vacant posts.

Balancing our budget in 2023-24 and 2024-25

This plan sets out our continued strong emphasis on transforming our services and ways of working to deliver greater efficiency. Given the scale of the savings we have needed to make over the last 11 years, and the scale of change that has meant for our services, it has been incredibly difficult to develop detailed proposals for 2023-24 and 2024-25.

Where possible we have captured savings that we believe can be achieved through continued transformation, efficiency and appropriate inflationary increases to income. However, we have not yet been able to develop detailed plans to achieve all savings required in those future years – our planning to date sets out potential proposals to achieve £7.4 million of the £12 million required in 2023-24 and £2.9 million of the £12 million in 2024-25.

We have needed to prioritise meeting our legal duty to set a balanced budget in 2022-23 within this document alongside the size and scale of the on-going challenge for the remainder of the medium-term planning period. We will continue to develop plans for the future years whilst consulting on and delivering the plan for 2022-23.

To develop those more detailed plans, we need to carry out a range of significant reviews of our services and ways of working. Reviews will take place throughout the remainder of this financial year and 2022-23. Areas within the scope of this are set out below – many of which will inform and shape each other and not all of which will deliver savings, but will contribute to improved service delivery:

- **All of our operating costs** – we'll review again how much our services cost compared to those of our other councils with similar services and demands and consider different delivery models. We will review our operating structure and associated costs, further driving down costs such as overtime and use of more expensive agency staff. Due to the scale of savings required, it is anticipated that this programme of reviews will result in job losses across our directorates.
- **Health and Social Care Integration** – we'll continue with our health and social care integration through Collaborative Newcastle, enhancing the model to be more community-based and increase personalisation. We'll need to look at how we work with health partners to better pool resources.
- **Neighbourhoods** – whilst we are proposing to increase our neighbourhood investment programme to help make Newcastle cleaner, greener and safer, we will look more broadly at how we work in neighbourhoods across a range of services, including for example, adults and children's social care, our community hubs, open spaces, play areas, transport and housing services. We'll seek to develop a new way of working that increases visibility and accessibility to these services and well as responding to the needs of communities whilst ensuring value for money. We will also look at how we support, involve and engage with our ward councillors.
- **Housing** – we will take a fundamental look at requirements for all housing across the city, including current council-owned stock. This will support delivery of our commitments to develop new housing, expand the current affordable housing offer and diversify and modernise the council-owned stock, bring forward brownfield land for development and to meet requirements for

specialist housing and housing with care and or support. It will also inform the review of the management agreement with Your Homes Newcastle which is due in 2026.

- **Transport and parking** – we will review all elements of transport and parking policy and delivery, with delivery of our Net Zero Newcastle: 2030 Action Plan and legal requirements to address air quality at the forefront of this. We will seek to align policies to reflect how people move around the city and to we ensure a more sustainable way of working and living.
- **Local Plan** – we will begin work to develop a new Local Plan which will be based on a fundamental review of spatial planning and allocations, again with delivery of our Net Zero Newcastle: 2030 Action Plan at the forefront and supporting renewal and recovery from COVID-19. This spatial planning will incorporate transport, housing, open spaces and trees, as well use of digital technologies.

Through the reviews we will set out transformation plans to deliver essential savings, whilst continuing to deliver on our priorities and what we know is important for our residents and meeting our many statutory duties.

We will put in place internal governance that ensures the reviews are robust and challenged and bring in external expertise to help where appropriate.

The plans emerging from the reviews will be shared as part of the budget setting process for future years and in some cases, be subject to separate statutory consultation, for example, on development of the new Local Plan.

The scoping of the reviews will also be informed by the feedback received through consultation on our medium-term financial planning proposals and we welcome the views of residents, partners and businesses about how we might address our financial challenges in those future years.

Given the need to carry out these significant reviews, we will continue to allocate a base budget of £1 million per year to invest in one-off transformation development and project delivery to help deliver the required savings in future years. We will ensure that this investment is based on robust business cases that deliver substantial efficiencies and improved outcomes for people.

Assessing potential impacts

Our workforce

We estimate that our proposals for 2022-23 will result in a reduction of around 11 full time equivalent posts. We anticipate that the majority of these will be achieved through the management of vacant posts. We will better understand the potential impact upon our workforce in future years as we complete the programme of reviews.

We remain committed to avoiding compulsory redundancies wherever possible and have an established range of support for employees should they find themselves at risk of redundancy. Positive relationships with our trade unions are crucial to making sure we deal with change sensitively and effectively and we will continue to work closely and constructively with them to ensure they can support their members. We will follow our existing consultation guidance and trade union and employee engagement will be pivotal ahead of any proposed changes.

The wellbeing of our employees is paramount, never more so than during the COVID-19 pandemic, and our ongoing commitment to support their wellbeing and health remains as important as ever. We continue to review and develop our wellbeing offer to all our employees, which includes access to 24-hour telephone and online support, support with mental health issues, dealing with change and access to Learning Zones for frontline colleagues with support from our trade unions.

Residents, partners and businesses

We carry out integrated impact assessments (IIA's) of proposals that will result in a change to services or policies in the next financial year. This helps us to meet both our commitment to a 'fairness test' for key decisions and our legal obligations under the Equality Act 2010.

IIA's are key to making decisions based on the fullest possible understanding of how proposals to change services or policies are likely to affect people and places in the city, particularly the most vulnerable residents and communities. We publish these as part of our consultation and feedback we receive is used to further review and refine our proposals. Updated IIAs are provided to Cabinet and City Council post-consultation to support their formal decision-making on the budget for the coming year.

We go beyond our legal duty to consider how proposals might affect those people and groups with characteristics protected under the Equality Act 2010. We also consider broader areas of potential impact such as people vulnerable to socio-economic impacts, businesses, geography, community cohesion, community safety and climate.

Further to this, we also assess any issues that could increase the impact on those groups because of changes resulting from government decisions or wider economic, social and environmental conditions. We do this through a cumulative impact

assessment which will be published alongside the updated, post-consultation, version of this document in February to support decision-making and reflecting other impacts identified through consultation feedback.

Conclusion

This document has summarised Newcastle City Council's medium-term financial planning. All proposals within this document will be subject to consultation with residents, businesses and partners to ensure the optimal choices are made and changes are introduced on a fully informed basis.

We've maintained our strong commitment to our priorities, they and the areas of focus within our Council Plan have guided and informed our proposals about where to target our resources.

Our medium-term financial planning sets out the areas in which we will continue to invest with a clear focus on ensuring a cleaner, greener and more climate resilient city which supports the health and well-being of our residents in every part of the city, reinforcing our continuing commitment to shaping a clean, green and inclusive city for all.