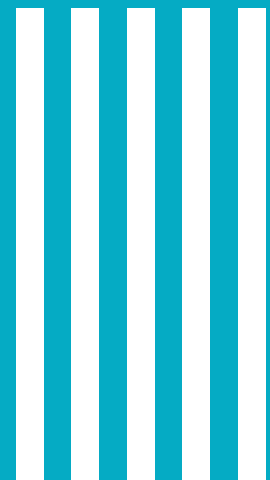


# Delivering for our communities

Our medium-term  
financial plan for  
2023-24 to 2025-26

Draft



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## Introduction by the Leader of the Council

Listening to our residents and delivering services that meet their needs is at the heart of what the council does. In everything we do, our residents come first.

The services we provide make a real impact on day-to-day quality of life for residents and communities, and as your Council Leader, I am determined that we will use every power we have to invest public money in what is right for our residents and our city.



This medium-term financial plan is based around our three overarching priorities and the individual priorities of each portfolio area. It sets out how our services, both those we are obliged to provide and those that we choose to provide to support the city, will support the delivery of our priorities to residents and the city over the next three years and shows the breadth and vital importance of the services that we provide, how those services are changing in order to do things better, and how the council itself is changing to become more responsive to what our residents tell us they need.

In delivering our priorities and spending our budget wisely to do so, we propose to invest in the services that keep our residents safe from harm, build their health and wellbeing, and enable them to live happier and more productive lives. We want our services to support our residents to contribute to the success of our city by living their best lives, ones that are not constrained by ill health, poverty, poor education, or the many other factors that too often limit potential. Our commitment is all the more important now, when so many of our residents are facing real hardship and an uncertain future.

As an anchor institution in the city, we employ thousands of people who contribute to Newcastle's success. We have made a commitment to support our own staff through paying the Real Living Wage, and to work with our contracted service providers to do the same. We want other employers in the city to follow our lead, lifting more of our residents out of poverty and building Newcastle's resilience to economic and social shocks.

Our council is managed well, with a clear plan to transform our services to support our residents, businesses, and communities, and put our residents at the heart of decision-making. We are reviewing our strategies for an inclusive economy, housing and culture as key areas for development, because their impact on our health and prosperity will be crucial in the coming years, and we must take action now to shape a more successful future.

Inevitably, the increasing financial pressure on councils everywhere means that our budgets cannot stretch as far as we would wish. These budget proposals must be seen in the context of a decade of austerity, cuts to public service budgets, unfunded cost pressures of over £330 million from the council budget, and increasing demand for our services. Central government has failed to provide adequate and long-term funding to enable local authorities to deliver essential services to our residents, and these circumstances have meant that the council has had to continue to make tough decisions, but we have made these decisions based on the needs of our residents ensuring that we continue to deliver the very best services.

**Councillor Nick Kemp, Leader of the Council**

## Introduction

Our medium-term financial plan is a key part of Newcastle City Council's policy and budget framework, in which the council sets out our commitment to providing services that meet the needs of residents.

Medium-term financial planning is critical to ensuring that the council has a clear understanding of available resources, the costs of delivering services and shapes our plans for new services and efficiencies. The plan is subject to iterative review and consultation, helping to ensure our financial planning is responsive to changing national and local factors, taking into account emerging risks and to protect our financial health. This plan covers the period 2023-24 to 2025-26, and it should be read alongside the following supporting documents:

- Appendix 1 –revenue and capital plan
- Appendix 2 –summary of 2023-24 savings proposals
- Integrated impact assessments for changes to services in 2023-24
- Appendix 3 - consultation and engagement plan

All these documents are available on our website.

## Listening and learning

Residents are at the heart of everything we do.

The proposals we make in this plan are built on information that we regularly gather from people about what we should do, do differently, and do better.

We would like to hear your views on this plan, and we welcome your suggestions for changes.

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

All the feedback we receive 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 2023. Cabinet will be asked to recommend the updated documents to City Council who will debate and vote on the plan at their meeting on 1 March 2023.

## Our financial strategy

Putting residents at the heart of everything we do, the council's financial strategy supports the delivery of our vision, our overarching priorities, and the priority outcomes for each portfolio area

The strategy also supports a firm commitment to our residents that we will do everything we can to get the basics right.

Underpinning all of this is our commitment to being an efficient council, transforming our organisation to be as efficient and productive as possible within our financial constraints, so we can support our residents better through the incredible range of services we provide.

Our financial strategy in Year 1 (2023-24) of this plan is to:

- improve our organisational efficiency and effectiveness;
- promote independence and build community resilience; and
- generate income to support our services.

Our approach to investing in services in Years 2 and 3 is set out later in this document and reflects the challenging nature of preparing a medium-term financial plan when the government will not provide a multi-year financial settlement for councils.

## **Financial Context**

Our strategy for investing in services is inevitably in the context of the very real challenges of the UK's economic position, including rising energy and living costs, interest rates and inflation, and potential reductions to public spending. Policy and fiscal decisions made by government, some of which we set out below, have a very direct impact on our spending and the decisions we make.

While all councils have to operate in that context, we must be proactive in making decisions about services that best support our residents and take control of what we can locally. This includes deciding how and where we invest our finite resources, and freezing charges to residents for local services as far as possible in 2023-24, to help mitigate the impact of the cost of living crisis.

We will look with fresh eyes at many of our services, including for example reviewing our delivery of housing and culture to enable us to reshape those services to better meet residents' needs, and creating a new approach to inclusive economic development to ensure our local economy works better for all our residents.

We have faced an extended period of financial uncertainty and challenge. The economic impact of COVID 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.

We regret any increase to the Council Tax bill that our residents receive, however central Government has yet again assumed an increase of 1.99% in their calculation before we have the chance to make any decision. To lessen the impact of this we have a Council Tax Reduction Scheme, this is one of the most generous schemes in the country which writes off nearly a quarter of the council's tax intake. We plan to significantly increase this in 2023-24, of the £2.4m council tax income for this year, £2.0m will go directly back to residents on low incomes.

In further response, to the challenges faced by our residents, we have innovated, transformed and streamlined services and sought to drive growth, both to create good quality jobs for our residents and to fund our ambitions for the city. We have areas of great success in the ways we live and work in Newcastle - our diverse

economy is driven by the values of residents, the enterprise of local businesses and skills grown by our leading education sector. Almost half of jobs in our city are in publicly funded sectors, making the actions and influence of our anchor organisations instrumental in creating equitable health and wealth for all. The number of self-employed people in Newcastle has doubled in the last decade, demonstrating the desire and capacity of our residents to be innovative in growing our local economy. We have excellent further and higher education providers in our city, growing the skills that together with employment opportunities and real community links, encourage students to invest their futures in Newcastle. We have significant strengths in business and professional services, health and life sciences and the low carbon energy sector. We have one of the fastest growing digital sectors in the country and some fantastic manufacturing businesses.

But we also have stark health and wealth inequalities that have been made worse by austerity, the pandemic, sustained cuts by government to public services and the cost of living crisis. Newcastle is ranked 41 out of 326 authorities in England in the indices of multiple deprivation 2015 (IMD), where a ranking of 1 is the most deprived. IMD combines information across seven domains of deprivation, including income, employment, health, disability, education, skills and training, barriers to housing and services, living environment and crime. Child poverty rates in the city are amongst the highest in the UK at 42.4%<sup>1</sup>, with Newcastle recently seeing the highest rate of increase amongst North East Councils. Employment rates remain lower in the city than the national average, as does the median weekly wage and the number of children who achieve the threshold of a 'strong pass' with a grade of 5 or more in English and Mathematics GCSEs.

We will tackle these inequalities by reducing the impact of poverty on residents through targeted funding and development of our core services across all portfolios of council activity, and long-term investment in early intervention and prevention both through our own services and those in which we collaborate with our partners. This plan sets out how.

## **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 £120 million must be allocated to schools, £120 million is ring-fenced for services for tenants who live in council-owned properties and £620 million is used 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.

## **Glossary**

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<sup>1</sup> [Local-child-poverty-indicators-report-2022\\_FINAL.pdf \(endchildpoverty.org.uk\)](#)

- **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:** This covers 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, New Homes Bonus)
- **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 design and buy goods, works and services: investing in local, green and sustainable community focused and ethical activity.

In developing our medium-term financial strategy, our planning assumption is that we are facing a financial gap of over £60 million over 2023-24 to 2025-26.

This planning assumption, and this plan, are by necessity prepared in advance of the government’s Autumn Statement planned for the 17<sup>th</sup> November, and the annual Local Government Finance Settlement published in late December. Our assumptions are therefore prudent, given the national financial context, but will be updated to reflect those announcements prior to the publication of the medium-term financial plan for formal approval by Cabinet and City Council in 2023.

Full details of our draft budget for 2023-24 are set out within Appendix 1 – revenue and capital plan. Details of all proposed service savings are set out within Appendix 2 – summary of 2023-24 savings proposals.

In setting our budget for 2023-24, we have worked both within the overall financial envelope set out above, but also reviewed all of our services through the lens of the priorities set out in the subsequent section of the plan.



# Investing wisely: delivering our council priorities in 2023-24

## Investment shaped by residents

As well as the many statutory duties we provide, over 2,000 of them, our approach to investing in services in 2023-24 is driven by three critical issues facing our residents – and which we have committed to tackling as our key priorities. We will invest in services that deliver these priorities, and all the proposals we set out in this plan have been challenged to ensure they support their delivery. They are:

### The cost of living crisis

Rising inflation, rising energy costs, and rising costs of food and other essentials, are putting pressure on more and more of our residents. We have produced a regularly updated [guide](#) to support the city and we continue to identify ways in which our own services can be focused to meet the needs of residents as a result of the crisis.

### Poverty

Our work to tackle the impact of the cost of living crisis is already informing a longer-term approach to investment and inclusive economic development in tackling all forms of poverty in the city. The cost of living crisis is compounded by increasing vulnerability and decreasing resilience to economic conditions and shocks such as the pandemic, rising energy costs, and rapidly rising inflation. Poverty is the key factor in these rising levels of vulnerability and demand for our services, and we are now seeing how relative poverty puts more and more people at risk of falling into real crisis when shocks happen. By tackling poverty, and promoting independence and building resilience in our communities, we can mitigate the worst impacts of shocks like the cost of living crisis, and economic events to come.

### Carbon neutral

Our work to deliver our net zero and carbon neutrality commitments is already well established: we are recognised globally as a climate change leader and have made a significant reduction in our own organisational emissions. We will continue to invest in this critical area. You can read more about this priority under ‘A Clean and Connected City’ below.

We know residents feel prouder of their city when they see it is clean, safe and well-looked after, so we have also committed as an administration to doing everything we can to **get the basics right**. We are investing in our local services and waste management to keep our neighbourhoods clean and green, and in 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. We’re also improving our play areas and green spaces, making sure residents have access to these facilities and that they are always ready for use.



## Vision

Newcastle - A friendly, proud inclusive city where everyone reaches their potential.

*Leader of the Council, Cllr Nick Kemp*

## Overarching Priorities

poverty



cost of living crisis



carbon zero



## Priority outcomes



### A Resilient City

To build a city where everyone has the chance to improve, succeed and access quality employment and training, regardless of where in Newcastle they live.

*Cllr Alex Hay*



### A Healthy, Caring City

Supporting people to live as healthily, safely and independently as possible, for as long as possible in their own homes and communities

*Deputy Leader of the Council, Cllr Karen Kilgour*



### A Vibrant City

Shaping safe, cohesive neighbourhoods and communities where everyone can participate in cultural and sporting events and activities.

*Cllr Lesley Storey*



### A Connected, Clean City

Working with communities to create a clean, green city that's easy to move around in.

*Cllr Jane Byrne*



### An Efficient Council

To deliver a transparent and equitable budget that makes the best use of the council's resources and values staff.

*Cllr Paul Frew*



### A Growing City

Putting children and young people at the heart of our city by providing excellent services that support, care and offer opportunities so that they will have the best start in life and be confident about their future.

*Cllr Sylvia Copley*



### A Dynamic City

To provide good quality housing in safe environments and ensure we encourage development for the benefit of our people.

*Cllr Irim Ali*

## **A Healthy, Caring City: supporting people to live as healthily, safely and independently as possible, for as long as possible in their own homes and communities**

We will invest in building resilience and promoting independence in our communities, increasing our efforts to help and support individuals and families at the early stages of an issue to prevent a more substantial statutory need.

Newcastle has an ageing population, with changing health needs and abilities that reflect that. 70% of the thousands of adults who receive long-term social care services from the council do so in their community rather than in a residential care home or nursing care home, and there are over 1,500 carers in the city who access our support services. There is increased demand for our services for learning disability, autism and mental health support, with increased complexity of requests, and we maintain dynamic, close working relationships with other health partners in the city. In this changing environment, we must work with people differently, drawing and building on the support that exists in their community, as well as joining up professional disciplines to support people. Central to this is a need to join up, integrate and reform services using data and insight to reach out and identify the help and support they need and finding the resources and solutions that already exist, often in the community, to meet that need.

Our approach will continue the work the Council has already undertaken in respect of the Newcastle Neighbourhoods project and the development of Family Hubs, that enables a network of resources and support to grow and be sustained. Working in this way, we can better support individuals and communities to build resilience.

We will invest in the region of £105.4m in services supporting people and communities, making it one of the council's largest areas of spend.

We are investing in the following key areas to deliver our priorities

- **Person Centred Care:** Our aim is to support people to live the lives that they want to lead, doing the things that are important to them, in the places that matter to them, with the people they love. To do this, we provide many building-based services and outreach services, including residential care, home care, supported living, learning disability and autism services, services for carers, information and advice services, equipment services, reablement and rehab services are all unique, with our own strengths, desires, and goals, and yet too often traditional care has supported people as though we are all the same. We want to radically change this. To make this vision a reality, we have developed a transformative approach to home care which will enable providers to work directly with the person drawing on care to design the support they need and want. That support will be flexible to the person's own needs and can (and should) change over time as the person's circumstances and goals change.
- **Dementia Friendly City:** We want to create a city that is inclusive and enabling for those people who have dementia, their families, and their carers, knowing that getting things right for people with dementia can also help others too. Over the rest of this year, we will continue to implement our action plan including:
  - Developing Dementia Spaces within neighbourhoods

- Continuing to work with Newcastle Carers to ensure that carers of people with dementia, who may have experienced difficulties during the pandemic, are well supported
- Deepening our conversations with people in neighbourhoods to better understand how services and support can be improved, and work with people to co-produce solutions
- Work with city anchor institutions to combine our efforts and maximise the impacts of our joint activity in people's lives
- Reaching out to local businesses to raise awareness and seek their commitment to being dementia friendly

We will continue to invest in activities to tackle tobacco control, substance prevention, health protection, public dental health, public mental health, obesity – adults and children, physical activity – adults and children and health at work and supporting cross-council working on preventative action that address the wider determinants of health, focusing on mental wellbeing, healthy weight, and premature mortality health outcomes. This will build on existing practice that promotes better mental health and physical activity.

- Neighbourhood social work models: There is incredible strength in our communities which we want to harness to make all of our neighbourhoods places where people can support one another, lead healthy and active lives, and ultimately feel happy and fulfilled. Through our Newcastle Neighbourhoods work, we will enhance the range and strength of the community support that exists in our neighbourhoods, so that if and when people do need care and support, they have a true choice to seek some of that support in their own neighbourhoods from the people they know, and in the places that matter to them.

## Our service spending in 2023-24

Service Area	Expenditure	Income	Net
Adult Social Care including: <ul style="list-style-type: none"> <li>● Adults with long-term social care needs</li> <li>● In house and commissioned care services</li> <li>● Learning disabilities, autism</li> <li>● Mental health</li> <li>● Prevention</li> <li>● Specialist services</li> <li>● Social care business continuity and risk</li> <li>● Social care finance</li> <li>● Safeguarding</li> <li>● Dementia friendly city</li> </ul>	£169.7m	(£79.7m)	£90.0m

<ul style="list-style-type: none"> <li>Support to unpaid carers to improve their health, wellbeing &amp; quality of life.</li> </ul>			
<p>Health and Social Care integration:</p> <ul style="list-style-type: none"> <li>Collaborative Newcastle</li> <li>Adult social care financial viability</li> <li>Joint funding with Health (Better Care Fund and the Improved Better Care Fund)</li> <li>Intermediate Care</li> <li>Integrated Care System (ICS)</li> <li>Housing with specialised support</li> <li>Political leadership in relation to legislation and guidance</li> </ul>	£21.5m	(£9.3m)	£12.2m
<p>Public Health:</p> <ul style="list-style-type: none"> <li>Delivery of the statutory public health outcomes framework</li> <li>Preventative health</li> <li>Embedded public health across council activity</li> <li>Promotion of healthy neighbourhoods</li> <li>Covid-related public health infrastructure and community support</li> </ul>	£18.6m	(£19.7m)	(£1.0m)
Welfare Catering	£0.6m	(£0.7m)	(£0.1m)
Democratic Services	£2.2m	(£0.1m)	£2.1m
Legal Services	£3.5m	(£1.3m)	£2.2m
<b>Total</b>	<b>£216.2m</b>	<b>(£110.7m)</b>	<b>£105.4m</b>

## **A Dynamic City – creating decent neighbourhoods that provide a sense of community, putting residents at its heart, and making Newcastle a great place to live.**

Housing is a key determinant of health and wellbeing, life chances and overall quality of life. We will invest to improve people's lives by ensuring we have the right number, type and quality of homes in Newcastle that meet the needs and aspirations of our current and future residents, and that housing makes its contribution to the climate emergency and future sustainable living. We're undertaking a housing review that will deliver a fundamental look at requirements for all housing across the city, including current council-owned stock to ensure we:

- Support the delivery of sustainable housing and economic growth
- Improve health and wellbeing and life chances
- Prevent and tackle the root causes of homelessness
- Contribute to a better environment for future generations; and
- Build respect and community cohesion within our neighbourhoods

A wide range of planning services deliver Newcastle's integrated approach to developing buildings, civic spaces and our resilience in dealing with emergencies. The impact of these services on the wellbeing of residents is both profound and far reaching and contributes greatly to the council's three overarching priorities.

Regulatory services are also at the forefront of keeping residents and workers safe and are key in tackling the wider determinants of health and health inequalities, creating a healthier and safer environment for all.

We propose investing in the region of £1.4m in services supporting people and communities under this priority.

We are investing in the following key areas to deliver our priorities

- Creating a place to call home within good quality neighbourhoods by delivering 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 their own home for as long as possible.
- Keeping our citizens and workers safe from threats such as poor housing, fire safety in high rise buildings, noise and anti-social behaviour, food poisoning, health and safety, event safety, air quality and pollution prevention control, weights and measures, unsafe or fake goods, and scams.
- Develop a new Local Plan which will set out the city's development priorities and growing the city, as well as providing development management and building control services to ensure the city grows in a sustainable and managed way.

## Our service spending in 2023-24

Service Area	Expenditure	Income	Net
Fairer Housing Unit	£3.5m	(£3.5m)	-
Development Management	£2.5m	(£2.2m)	£0.3m
Homelessness (part of Active Inclusion)	£1.0m	(£0.4m)	£0.6m
Building Control	£0.6m	(£0.8m)	(£0.2m)
Regulatory Services	£4.5m	(£4.1m)	£0.4m
Resilience Planning	£0.2m	(£0.1m)	£0.1m
<b>Total</b>	<b>£12.4m</b>	<b>(£11.0m)</b>	<b>£1.4m</b>

## **A Vibrant City – shaping safe, cohesive neighbourhoods and communities where everyone can participate in cultural and sporting events and activities**

We know that for neighbourhoods to thrive, we must invest to maintain the important services we deliver that together create a safe, inclusive city. The council leads Safe Newcastle, a multi-agency partnership to tackle crime, alcohol, drugs and anti-social behaviour, and build stronger communities.

We are a City of Sanctuary – proud to humanely respond to the needs of and delivering vital services that make a material difference to the lives of sanctuary seekers in our city.

Communities make our city work, building strong networks of communication, support and action. We will invest to deliver a service infrastructure that nurtures and protects these networks by creating good quality places to meet, opportunities to improve and promote their health and wellbeing, and the resources needed to empower residents and community groups to shape and improve the places in which they live.

Newcastle is diverse and distinctive, with a proud heritage and a welcoming culture based on exceptional museums and galleries. We attract visitors and new residents from far and wide, sharing and celebrating the city's great assets. We will continue to invest in our cultural infrastructure so that more of our residents can participate in it and benefit from it, regardless of where they live.

We propose investing in the region of £4.5m in services supporting people and communities under this priority

We are investing in the following key areas to deliver our priorities

- Improving outcomes for all our communities in relation to community safety, tackling crime and anti-social behaviour, and supporting Safe Newcastle, the community safety partnership for the city.
- Enhancing our leisure offer and widening access and participation to our sports and leisure facilities, including the development of the multi-million pound flagship Outer West leisure facility.
- Developing the city's cultural offer to create vibrancy, animation, and economic growth, including developing a culture, heritage, and events and sports strategy.
- Delivering our community hubs and libraries which play a key role in supporting digital, financial and social inclusion and literacy, as well as providing warm and welcoming spaces for our residents to meet and enjoy leisure time.



## Our service spending in 2023-24

Service Area	Expenditure	Income	Net
Cemeteries and Crematoria	£1.9m	(£3.5m)	(£1.5m)
Registrars	£0.7m	(£0.8m)	(£0.1m)
Community Safety	£0.5m	(£0.2m)	£0.4m
Communities	£1.0m	(£0.4m)	£0.5m
Museums, Arts and Culture	£2.0m	(£0.4m)	£1.6m
Leisure Services, Sports and Physical Activity	£1.8m	(£1.8m)	-
Libraries, Community Hubs, Parks	£11.5m	(£8.0m)	£3.5m
<b>Total</b>	<b>£19.5m</b>	<b>(£15.0m)</b>	<b>£4.5m</b>

## **A Clean, Connected city - working with communities to create a clean, green city that's easy to move around in**

Delivering a successful net zero transition requires innovative action by the council and our city partners to decarbonise the impact of our activity, and our influence on businesses and communities to embed sustainable practices. We will continue to drive change to meet green milestones set in our Net Zero Action Plan by prioritising biodiversity and clean air, and proactively redesigning and delivering key services to be sustainable and reduce our impact on the environment.

We will also ensure that our city is clean and accessible to everyone, so that people can move around the city in the ways they need, as conveniently as possible. Roads and transport planning and infrastructure are a central focus of our plans, with effective waste and cleaning services equally important to create places that residents are proud to live and work in.

We propose investing in the region of £23.1m in services supporting people and communities under this priority.

We are investing in the following key areas to deliver our priorities

- Investing in the city's transport infrastructure for the benefit of residents and businesses as well as reducing our carbon footprint and helping to deliver our Net Zero Newcastle: 2030 Action Plan.
- 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.
- Investing in local services and waste management to keep our neighbourhoods clean and green, and 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.
- Investing in modern vehicles, equipment and digital technologies to improve efficiency and effectiveness of waste collection, and in enforcement and monitoring activities to ensure waste is disposed of properly and those who dump rubbish in our city are pursued.

## Our service spending in 2023-24

Service Area	Expenditure	Income	Net
Facilities Services & Civic Management (includes building cleaning, caretaking, street wardens)	£13.0m	(£10.5m)	£2.5m
Local Services	£35.9m	(£9.2m)	£26.8m
Operations (includes transport, energy, buildings)	£10.0m	(£9.9m)	£0.1m
Repairs & Construction Services	£45.8m	(£51.2m)	(£5.4m)
Car Parking	£7.4m	(£19.8m)	(£12.4m)
Transport	£34.5m	(£22.9m)	£11.5m
<b>Total</b>	<b>£146.6m</b>	<b>(£123.5m)</b>	<b>£23.1m</b>

## **A Resilient city - building a city where everyone has the chance to improve, succeed and access quality employment and training, regardless of where in Newcastle they live**

We have areas of great economic success in the city, with growing business sectors, strongly performing universities and college, and record levels of inward investment. We have had success in attracting over £60m of public funding for capital and revenue programmes including £39.8 million Levelling Up Funds, £15 million North of Tyne Combined Authority (NTCA) and Northeast Local Enterprise Partnership (NELEP) funding for the North Bank of Tyne Programme, £1.9 million NTCA for the Newcastle East High Street Project, £1.5 million from NTCA for the Creative Cultural Zone project. More recently, we have submitted a £19.4 million Levelling Up Fund (LUF) bid to build essential regeneration infrastructure supporting the economic activities along the River Tyne. All these activities have enabled us to safeguard existing employment and create new jobs by sustaining and growing local economies and key sectors across the city.

But employment rates remain lower in the city than the national average, as does the median weekly wage. Educational attainment, a key factor in employment and earnings, is below the national average at secondary level, although we have some exceptional primary schools. And too much of our economic success is concentrated rather than distributed across our city.

Many of the services in this portfolio are not statutory, but we will continue to invest in them as we know the capacity they have to improve the economic and social fortunes of our residents. We want to take a values-driven approach to economic growth which will empower the council and its partners to use all available economic levers to support fair work, local spending, and real community benefits. Sustainable inward investment in growth sectors, targeted development of key employment areas and connected education and skills provision will bring equal access to jobs and opportunity to residents.

We propose investing in the region of £2.4m (excluding the property portfolio, which has a net income target of £7.2m) in services supporting people, communities, and business under this priority

We are investing in the following key areas to deliver our priorities

- Developing an Inclusive Economic Development Strategy that creates the foundations for a more equitable and inclusive city, creating opportunities for all and the capacity for our residents to build wealth in their own communities
- Establish a new Employment and Skills Plan and city-wide Partnership for Newcastle that will build on the excellent joint working across the city between providers. This will bring partners together to ensure that everyone can access the employment opportunities across the city, regardless of where they live, their background or circumstances. We will also ensure that employers are supported to create opportunities, to fill these with capable and flexible people and to improve the skills of their workforce. We will continue to encourage employers to provide quality employment opportunities for all, promoting apprenticeships and the North of Tyne Good Work Pledge.

- Encouraging businesses to invest in Newcastle and creating a minimum of 500 new jobs in the city across a range of sectors and including entry level positions with the opportunity to develop skills and progress.
- Improve, strengthen and empower our Newcastle Learning Service to support more residents seeking employment, working in partnership with both providers and employers to match supply and demand.
- Double the number of apprenticeships offered by the City Council and Your Homes Newcastle.

## Our service spending in 2023-24

Service Area	Expenditure	Income	Net
Adult Education and Skills	£4.0m	(£4.2m)	(£0.2m)
Active Inclusion	£2.7m	(£1.3m)	£1.4m
Economic Development (including North of Tyne Combined Authority)	£1.5m	(£0.6m)	£0.9m
Development Management	£0.4m	-	£0.4m
Major Projects	£0.9m	(£1.0m)	(£0.1m)
<b>Total</b>	<b>£9.5m</b>	<b>(£7.1m)</b>	<b>£2.4m</b>

## **A Growing city - putting children and young people at the heart of our city by providing excellent services that support, care and offer opportunities so that they will have the best start in life and be confident about their future**

Around 24% of the city's population is aged between 0-19. Whilst our children and young people are an incredible asset to the city, and many go on to forge incredible futures, some face some real challenges in having the best start in life and being confident about that future, with the proportion of children eligible for and claiming free school meals in primary schools and secondary schools well above the national average, and the city having the largest proportion of children in poverty in the North East. The proportion of children in care is also higher than the national average. We are building on our recent 'Good' rating from OFSTED by continuing to invest in services that promote earlier intervention and that build resilience and support children, young people and families before issues require a statutory intervention. We propose investing in the region of £56.2m in services supporting people and communities under this priority.

We are investing in the following key areas to deliver our priorities:

- Moving forward on the delivery of our Evry Plan, including
  - embedding the voice and influence of children and young people in local decision making,
  - an enhanced holiday period offer,
  - breakfast clubs in every primary school
  - an annual transition event to support young people moving into employment or further on in education
  - more affordable travel for young people including care leavers
- Our responsibilities for safeguarding, children in care and young people, and care leavers, providing 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. 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
- Seeking to recruit high quality staff in Children Social Care and regularly reviewing demand and caseload pressures. We plan to continue building on work through the Family Valued programme by extending ways of working with wider family members and community assets to consider alternatives to entering care
- Our Children and Families Newcastle project, which works with families to build trusting relationships that empower families to make and sustain positive changes and connect families into their communities. This enables them to access help earlier and signposts to training, development and employment opportunities or professional support, depending on their needs.

## Our service spending in 2023-24

Service Area	Expenditure	Income	Net
Children's Social Care	£51.9m	(£4.5m)	£47.4m
Early Help and Family Support	£8.4m	(£5.8m)	£2.6m
Education	£49.6m	(£44.9m)	£4.6m
Schools	£121.6m	(£121.6m)	-
Strategy & Commissioning	£1.2m	(£0.1m)	£1.1m
School Meals	£8.9m	(£8.6m)	£0.3m
<b>Total</b>	<b>£241.6m</b>	<b>(£185.5m)</b>	<b>£56.2m</b>

## **An Efficient Council - delivering a transparent and equitable budget that makes the best use of the council's resources and values staff**

In a period of decreasing support from central government, being an efficient and productive organisation helps us deliver our services more effectively and means we can spend more on services delivering directly to our residents. The council already performs strongly when compared with our peers across a range of corporate services, but we continue to transform our ways of working and systems and processes to make our funding go even further.

We propose investing in the region of £24.5m in services supporting people and communities under this priority

We are investing in the following key areas to deliver our priorities

- Becoming a Real Living Wage employer, putting millions into the pockets of our own employees and those we contract with.
- Setting an ambition to keep the Newcastle Pound local by awarding more contracts to local businesses, providing training and good jobs for our residents
- 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.
- Ensuring the council is financially sound and compliant with various legislation.
- Providing 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.
- Maintaining our strong record of financial control and governance and continue to support the efficient and effective operation our services.
- Maintaining 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.



## Our service spending in 2023-24

Service Area	Expenditure	Income	Net
Assistant Chief Executive (including Communications and Policy and Performance)	£1.6m	(£0.6m)	£0.9m
Audit, Risk and Insurance	£0.9m	(£0.4m)	£0.5m
Financial Services (including Exchequer Services, Finance, Procurement and Revenues and Benefits)	£11.0m	(£6.6m)	£4.4m
Business Management	£9.0m	(£1.6m)	£7.4m
ICT	£10.4m	(£4.5m)	£5.9m
Office Accommodation	£6.2m	(£2.8m)	£3.4m
HR	£3.0m	(£1.1m)	£1.9m
<b>Total</b>	<b>£42.1m</b>	<b>(£17.6m)</b>	<b>£24.5m</b>

## Years 2 and 3 of our medium-term financial plan

Our approach to financial planning for Years 2 and 3 of this medium-term financial plan is impacted by the challenging nature of short term, single year Government funding settlements for councils, and the lack of clarity over future funding. However, in developing our financial plans for years 2 and 3 we will be building a programme around the following pillars, informed by our priorities and commitment to put residents at the heart of all we do:

### Efficient Council

Being an efficient, agile and productive organisation will help us deliver our services more effectively. The Council spends in the region of £325m on contracts and we will continue to review our operations to secure resource efficiencies in procurement as well as our day-to-day operations. We will also seek where possible, to use our buying power to support local businesses to grow the local economy and protect local jobs.

### Service Optimisation

In order to transform our organisation to both meet resident needs and reflect future financial challenges, changes to our services, systems and processes to make our funding go further is essential. Transformation is a vital part of changing how the council operates and engages with residents and partners enabling us to design and deliver services more effectively, improve access and participation and maximise opportunities to partner with other organisations. We will explore transformational opportunities including digital to deliver our services better, faster, and at greater value for money.

## **Policy, priorities and growth**

Our priorities are profoundly linked with improved economic and health outcomes and access for all. We'll work to create a fairer, more inclusive city with an economy that works for everyone. However, we urgently need to tackle the structural constraints to unlocking the investment, jobs, innovation, and social outcomes that we want to deliver, and which are crucial to long-term prosperity. We will work with partners, and lobby Government, to achieve this goal.

## **Building Resilience and Independence in our Communities**

We will work with people differently, drawing and building on the powerful social capital and strength that exists in our communities. We will join up professional disciplines both within the council and outside it to work with communities to build their resilience and independence. Our approach will build on the work the council has already undertaken through the Newcastle Neighbourhoods project and the development of family hubs, which enables a network of community-based resources and support to be identified, grown and sustained. Working in this way, we can deliver improved outcomes for residents through building both individual and community-based resilience and strength.

## **Assessing potential impacts**

### **Our workforce**

We estimate that our proposals for 2023-24 will result in a reduction of around 53 full time equivalent posts. We anticipate that around 40 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, 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 (IIAs) 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.

IAs 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 IAs 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.