

Narrative Report

2017/18



Newcastle
City Council 

1. Introduction

The accounts of such a large and diverse organisation as Newcastle City Council are by their nature both technical and complex. This report provides an explanatory narrative to key elements of the statements and sections in the accounts and also provides a summary of the Council's financial performance for 2017/18 and its future financial prospects.

This report provides the reader with:

- A guide to the different financial statements within the Statement of Accounts
- An overview of the activities and significant matters which occurred during the year
- A summary of the Council's financial performance during the year ended 31 March 2018 and its financial position at that date
- A look ahead to 2018/19 and beyond

The Statement of Accounts sets out the financial performance of the Council for the year ended 31 March 2018 and its financial position at that date. They have been prepared in accordance with proper practices as set out in the Chartered Institute of Public Finance & Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The Code requires that the accounts give a true and fair view of the financial position of the Council. In line with the Code, suitable accounting policies have been applied, and where necessary prudent judgements and estimates have been made.

The accounts feature four main financial statements:

- Movement in Reserves Statement
- Comprehensive Income and Expenditure Statement
- Balance Sheet
- Cash Flow Statement

The purpose of each of the above statements is described at the end of this report. The actual statements are contained within the accompanying Statement of Accounts document, which also includes detailed notes providing further explanation in relation to specific amounts and balances.

The main statements are supplemented by four further sections:

- Explanatory Notes to the Core Statements
- Housing Revenue Account (HRA)
- Collection Fund
- Group Financial Statements

These statements and accounts collectively provide a comprehensive view of the Council's financial position during the period to which they relate.

The Council seeks to make best possible use of resources available with regard to economy, efficiency and effectiveness. This responsibility is shared by Members and officers of the Council along with the Director of Resources having a specific role in ensuring the adequacy of resources and proper financial administration. Our budget proposals for 2018/19 (Budget 2018-19 - Newcastle 2020: Investing in a fairer future - One year on) updates on the three year plan published in February 2017 (Newcastle 2020: Investing for a fairer future). The accompanying Statement of Accounts looks back at our performance over the past year. Reviewed together they provide the reader with an understanding of the financial position of the Council.

In order to obtain a wider view of activities, priorities and plans, the Council produces a Council Plan setting priorities for the year ahead and detailing the values that underpin our work. By explaining what the Council will do to improve outcomes for people in the City, it helps staff see how the work they do makes a difference to the lives of people who live, work and learn in Newcastle. The plan informs the allocation of resources through our revenue budget and capital investments, creates the basis for the planning of services across the Council and makes the Council's contribution to citywide issues clear to its partners.

Key points to note from the Statement of Accounts are as follows:

- The Council's underlying financial position is sound, the 2017/18 actual spend was £0.3m less than the agreed net revenue budget of £227.5m.
- The General Fund unearmarked reserve was maintained at £10.1m which represents no movement on the previous year.
- Net assets/total reserves decreased slightly during the year from £360.6m to £360.2m. Within this, General Fund earmarked reserves decreased from £97.3m to £94.3m. Note 34 to the accounts on page 76 gives a full breakdown of these reserves.
- Total capital investment during the year was £127.1m (£123.4m in 2016/17) through the capital programme. No assets were acquired through a finance lease during the year (£3.189m in 2016/17). There were PFI related capital enhancements of £0.271m during the year (£0.264m in 2016/17).

2. Revenue Financial Summary 2017/18

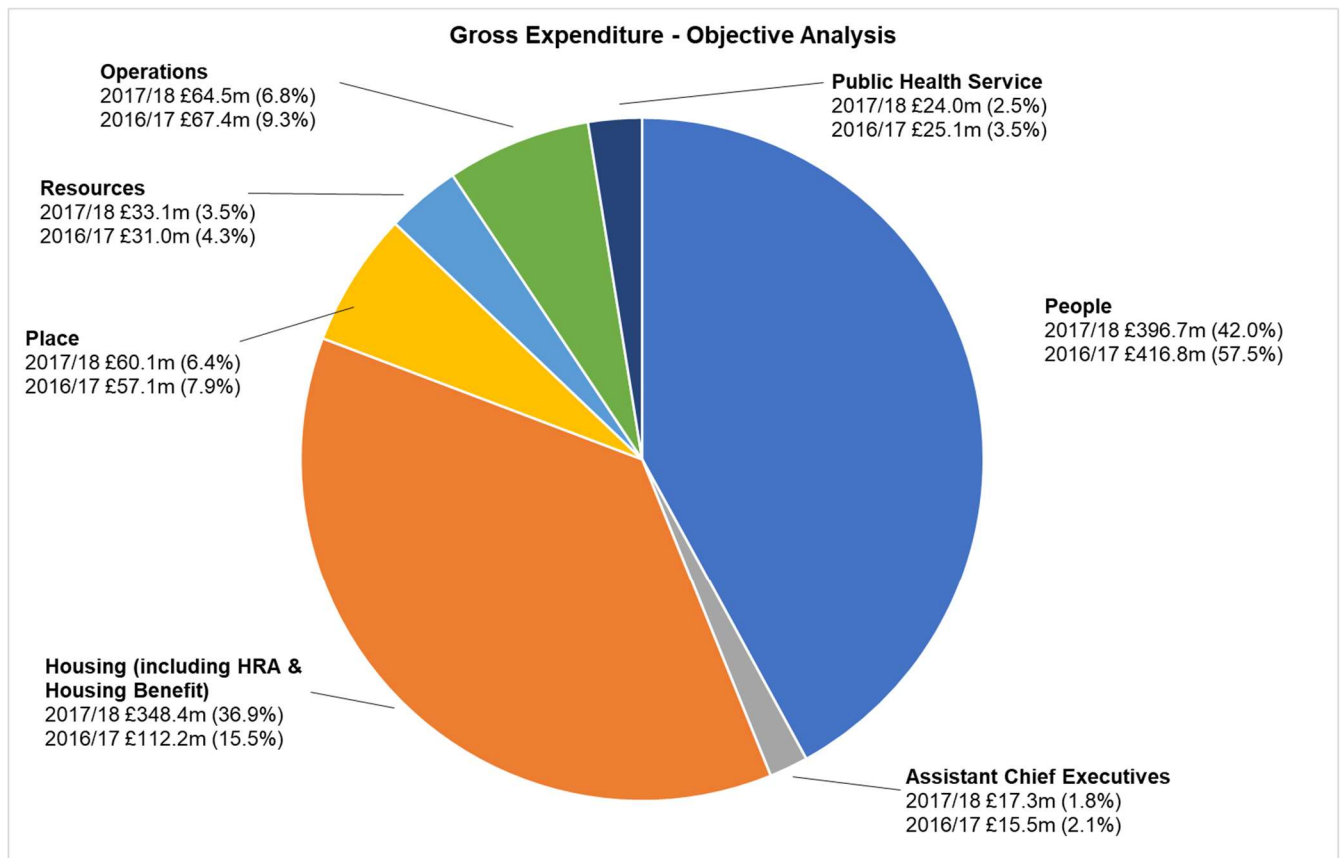
Revenue expenditure covers the cost of the Council's day to day operations and contributions to and from reserves.

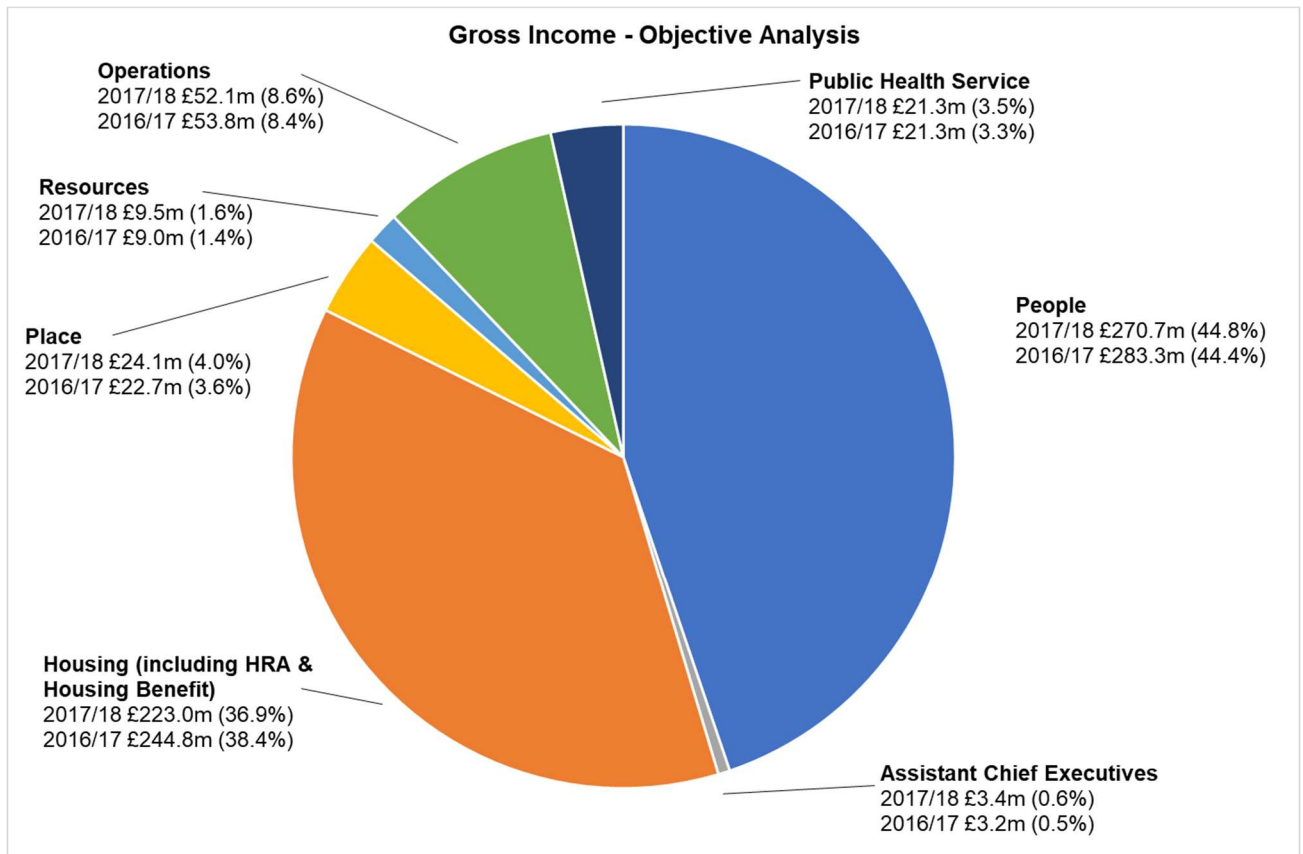
Within the accompanying Statement of Accounts document, the Comprehensive Income & Expenditure Statement (CI&ES, page 9) sets out the Council's financial position for the year before taking account of statutory adjustments required to be made to the accounts. The Movement in Reserves Statement (MIRS, page 8) reflects these statutory adjustments and shows how the financial performance for the year has impacted on the Council's reserves.

The gross cost of services during the year was £918.2m (£728.3m in 2016/17) and this is shown within the CI&ES on page 9 of the Statement of Accounts. This includes both General Fund services and the Housing Revenue Account (HRA).

After deducting specific grants and income from fees and charges, the net cost of services was £311.4m (£87.7m in 2016/17) which again is shown within the CI&ES on page 9 of the Statement of Accounts. The movement primarily relates to the Housing Revenue Account which can be seen in greater detail from page 122 of the Statement of Accounts with the main change being the treatment of depreciation in line with recommended accounting practice. This reflects charges for depreciation and reversals of impairments where a change in treatment was required during 2017/18. These charges are reversed out through the HRA Movement in Reserves Statement so they do not have any impact on the underlying level of resources available to the Council.

The breakdown of gross expenditure and gross income between the different service areas is shown in the following charts and corresponds to the Comprehensive Income & Expenditure Statement presentation. Corporate costs have been excluded from the analysis on the basis that this includes technical pension adjustments:





Revenue expenditure covers the cost of the Council's day to day operations and contributions to and from reserves. This expenditure is offset by various types of income received by the Council.

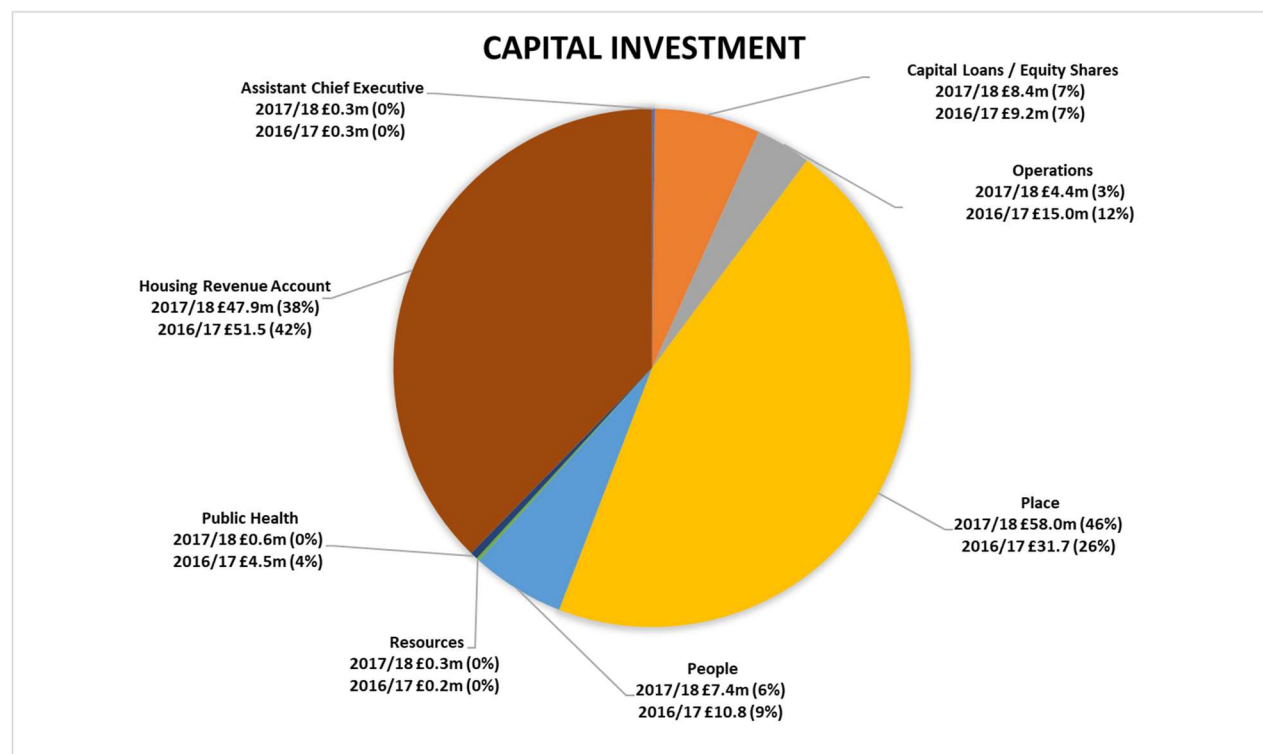
The net cost of service of £311.4m (page 9 of the Statement of Accounts) was funded from a range of sources including Revenue Support Grant, Business Rates and Council Tax. The average band D Council Tax for 2017/18 for the Council was £1,682.34 (£1,604.79 in 2016/17), with an average Council Tax per dwelling of £906.03 (£836.12 in 2016/17). This ranked the Council as the 16th lowest out of 325 local authorities for the average Council Tax amount per dwelling (the lower the ranking the lower the level of Council Tax).

The Comprehensive Income & Expenditure Statement on page 9 of the Statement of Accounts shows a net deficit for the year of £0.4m (2016/17 net surplus of £61.2m) which is after re-measurement of the defined benefit pension liability and revaluations of property. These charges are reversed out through the Movement in Reserves Statement (MIRS, page 8) so they do not have any impact on the underlying level of resources available to the Council.

3. Capital Investment

Capital investment during the year totalled £127.1m (£123.4m in 2016/17). This consisted of £118.7m (£114.2m in 2016/17) direct capital expenditure incurred by the Council and £7.4m (£9.2m in 2016/17) capital expenditure via long-term capital loans

to third parties. An analysis of capital investment by Directorate and funding source are shown in the following charts:



The significant capital projects / programmes by Directorate were as follows (figures in brackets represent total capital investment, which is funded from a range of sources):

Place

- Newcastle Lab Life Science Incubation Hub (£8.7m)
- Civic Centre Refurbishment (£8.3m)
- Killingworth Road Highways Scheme (£6.9m)
- Science Central Infrastructure Phase 1b (£1.8m)
- Westgate College Building Improvements (£1.7m)
- Riverside Dene A Fairer Future (£1.3m)
- North Tyneside City Cycle Ambition Fund Contribution (£1.3m)
- Tyne Headwater Works (£1.2m)
- Allendale Road Building Improvements (£1.1m)
- Gateshead City Cycle Ambition Fund Contribution (£1.0m)
- Road & Footpath Maintenance (£2.4m)
- Disabled Facilities Grant (£2.0m)
- Throckley Assisted Living (£1.3m)
- Sage Warehouse Acquisition £1.6m

Housing Revenue Account

- Housing Revenue Account (£47.9m)

Operations

- Communal & Litter Bins (£1.8m)

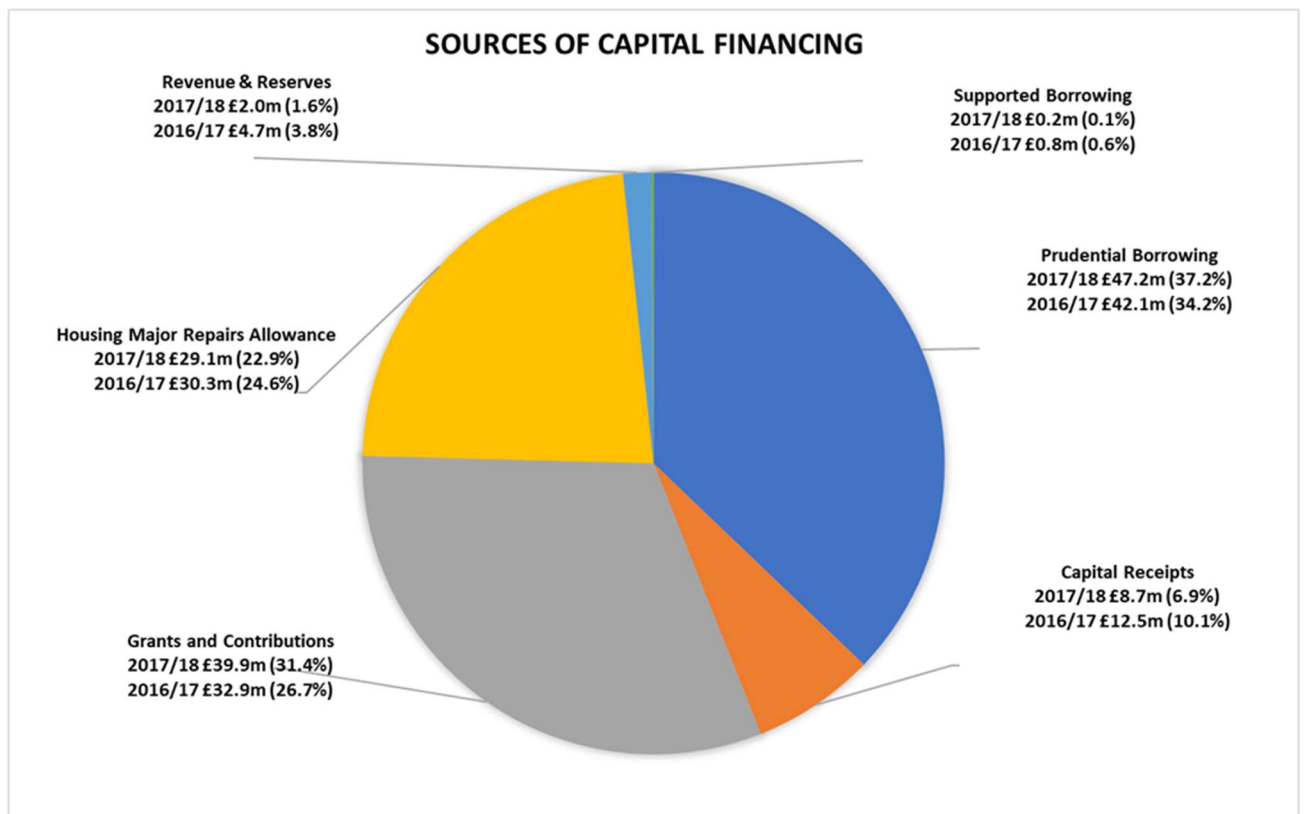
People

- Dunblane Crescent (£1.6m)

Capital Loans / Equity Shares

- Leazes Homes Loan - Dinnington Site (£3.8m)
- Leazes Homes Loan - Dorcas Avenue (£1.8m)
- Leazes Homes Loan - Former Springfield Site (£1.7m)

An analysis of how this capital investment was financed is shown in the following chart:



4. Housing Revenue Account (HRA)

The HRA Income & Expenditure Statement on page 122 of the accounts sets out the financial position for the year before taking account of statutory adjustments required to be made to the accounts. The Statement of Movement on the Housing Revenue Account on page 123 reflects these statutory adjustments and shows how the financial performance for the year has impacted on HRA reserves.

The HRA Income & Expenditure Statement shows a net deficit for the year of £136.861m (net surplus of £123.211m in 2016/17). This largely reflects charges for

depreciation and reversals of impairments where a change in treatment was required during 2017/18. These charges are reversed out through the HRA Movement in Reserves Statement so they do not have any impact on the underlying level of resources available to the Council.

5. Treasury Management

The Balance Sheet on page 10 shows external borrowing of £680.6m as at 31st March 2018, which is split between short term borrowing (£74.7m) and long term borrowing (£605.9m). This compares to total external borrowing of £674.7m as at 31st March 2017 (£82.8m short term borrowing and £591.9m long term borrowing).

The Balance Sheet also shows that there were no short term external investments at 31st March 2018 compared to £4.0m at the end of the previous year which represented short term bank deposits.

6. Debtors

The Balance Sheet on page 10 shows short term debtors of £109.3m as at 31st March 2018 compared to £84.0m at the end of the previous year. These balances are analysed in more detail in Note 23 on page 62. The main reasons for the movement during the year include a net increase in sundry debtors contained within monies owed by 'Other Entities & Individuals' of £26.1m, a net increase in Collection Fund debtors of £2.6m, an increase in PFI debtors of £1.4m, an increase in amounts owed by other organisations of £6.2m, a net reduction in amounts owed by Central Government Bodies of £7.8m and a net reduction in amounts owed by NHS bodies and other local authorities of £3.6m.

7. Income Collection

96.9% (96.9%, 2016/17) of Council Tax and 99.1% (99.1%, 2016/17) of Business Rates due in the year were collected, this is consistent with the collection on the previous year. The in-year collection rates for both council tax and business rates are still amongst the highest when compared with Core Cities and other North East local authorities.

99.2% (99.6%, 2016/17) of housing rents due in the year were collected, which is a slight decrease on the previous year and reflects the impact of the continuing roll out of Universal Credit. This was however, higher than the 98.72% target set by the Council as part of the management fee agreement with YHN.

89.7% (94.3% in 2016/17) of sundry debt was cleared within 90 days. The Council is proactively taking measures to improve debt collection rates moving forwards.

8. Schools Balances

Individual school balances at the end of the year totalled £8.219m compared to £10.462m at the end of the previous year. These balances will change year on year as schools utilise or increase their balance. Balance levels also change where a school converts to an academy and the retained balance transfers on conversion. Schools hold balances to mitigate against a range of financial risks or to provide for planned large items of one-off expenditure. Schools holding balances need to be able to illustrate that the balance is held for a specific purpose and will be spent within a defined timescale and have been approved by governors. This process is monitored and subject to annual review by the Schools Forum.

Schools are planning for changes to the way they are funded through the implementation of a national school funding formula. Schools also hold balances to mitigate against known cost pressures and forecast variations in pupil numbers.

9. Pensions Costs

The Council is a member of the Tyne and Wear Pension Fund (the pension fund), which is part of the Local Government Pension Scheme, which provides defined benefits based on members' final pensionable salary and years of service. In accordance with IAS19, the Council is required to value all pension liabilities that have accumulated at the end of the year consisting of:

- Pension benefits that are being paid out to former employees who have retired
- Pension benefits earned to date by current employees but not yet paid out

IAS19 also requires the Council to value all investments held by the pension fund at market value at the end of the year.

When assets and liabilities at year-end are compared this results in a surplus or deficit.

At the end of the year there was a pension fund deficit of £708.5m and this is disclosed on the Balance Sheet on page 10. This compares with a deficit of £679.3m at the end of the previous year. The level of deficit can vary year on year due to the assumptions made by the pension fund actuary in determining the discount factor used when assessing the fund. This can significantly change the fair value of fund liabilities. The actuary valuation is influenced by a number of economic factors and this includes the potential impact of BREXIT.

Further disclosures related to the pension fund are included in Note 31 on page 68.

The sustainability of public sector pension schemes is dependent on the funds ability to generate returns (hence the use of equities in the main which tend to out perform other asset classes over the longer term) sufficient to cover the future payments to

pensioners. There are a number of factors that cause volatility in the valuation of the pension assets and liabilities which are used by the fund actuary to calculate the accounting values on the fund as follows:

- Equities (shares) which can be very volatile in the short term. This could lead to significant movements in the asset values between years but in the long term equity values generally increase.
- Bond yields can also be very volatile. A decrease in bond yields will increase the value of the liabilities but this is marginally offset by an increase in the fund assets.
- Pension fund liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to an increase in the pension funds liabilities.
- Life expectancy is increasing which means that the future liabilities are increasing in line with the expectations of pension payments to existing and future pensioners.

Assumptions are made by the actuary on all of the above based on information available to them from the pension fund and national data. Being a funded scheme means that any deficits must be picked up by the employers within the fund based on a tri-annual valuation.

10. Material Items of Income and Expenditure

During 2017/18 there were a number of material items of income or expenditure warranting separate disclosure, as detailed below and in Note 7 on page 28.

- **Pension Liability** – At the end of the year there was a pension fund deficit of £708.5m which is an increase of £29.2m on the deficit of £679.3m in 2016/17. The changes are determined by an actuary who makes assumptions that cover average life expectancy, inflation which affects pension increases, the ability of investments to generate returns and salary increases which increase member contributions. The increase in deficit relating to the remeasurement of the defined benefit liability was £37.0m in 2017/18 (£74.9m in 16/17), reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services was £63.1m in 2017/18 (£56.3m in 16/17) and Employer's pensions contributions and direct payments to pensioners payable in the year was £70.9m in 2017/18 (£46.4m in 2016/17). Further detail can be seen within note 35 on page 82.
- In December 2009 the Council issued a 25 year lease to Carillion for the tenancy of Partnership House. Following the collapse of Carillion in January 2018 a revaluation of the building was undertaken which led to an **impairment charge** in the 2017-18 accounts of £8.2m.
- HRA assets were **componentised** between land and buildings during the year. This led to reductions in the value of the building element generating a technical accounting charge of £121m in 2017-18. The calculation to depreciate Council dwellings within the Housing Revenue Account changed in 2017-18 from using

the MRA (Major Repairs Allowance) as a proxy for depreciation and componentisation of council houses to depreciating on an asset life basis in line with recommended accounting practice. Further detail can be found within the Statement of Accounting Policies used to prepare the annual accounts (note 44 starting page 91, specific reference on page 111).

- **Asset Disposals** - During the year Westgate Primary School and Linhope Pupil Referral Unit converted to academies. The value of the assets at that point were written out of the balance sheet, leading to a charge to the CI&ES of £12.3m.

11. Restatement

There were no circumstances identified during 2016/17 which required a prior period adjustment to the accounts.

12. Group Results

The Group Accounts included as part of the Statement of Accounts fully incorporate the results of Your Homes Newcastle Group (YHN). Full details of the relationship can be found in the Group Introduction on page 136 of the Statement of Accounts.

The Group results show a deficit for the year of £3.7m (surplus of £55.2m in 2016/17). The net assets of the Group stood at £341.1m at 31st March 2018 (£344.8m in 2016/17).

Other entities which fall within the potential group boundary, but which are not consolidated into the Group Accounts as they are not considered to be material, are detailed within the Related Parties Note 17 within the Statement of Accounts on page 39.

13. Accounting Developments

The main changes in the current year are as follows:

- **Faster Closure of Accounts** – The deadline for faster closure of accounts from 2017/18 is that draft accounts are required to be prepared and signed by the S151 officer by 31st May annually and for approval and publication of financial statements with audit opinion by 31st July annually.
- **Housing Revenue Account Depreciation** - The calculation to depreciate Council dwellings within the Housing Revenue Account has changed in 2017-18 from using the MRA (Major Repairs Allowance) as a proxy for depreciation and componentisation of council houses to depreciating on an asset life basis in line with recommended accounting practice. Council dwellings have been componentised into land and buildings and an average depreciation life has been calculated. The existing use value has then been divided by this average life to determine the in-year depreciation amount for 2017-18. Further detail can be found within the Statement of Accounting Policies (note 44 page 91) used to prepare the annual accounts

Additional accounting developments have been reviewed and determined to have no impact on the Council, see Note 40 (page 86) within the Statement of Accounts.

14. Financial Planning - Priorities

It is essential the Council is clear on the outcomes to be achieved for residents so that we can prioritise how we use resources accordingly.

Following the recent local elections, the political leadership team have announced details of the council's new priorities – Employment, Education & Skills, Environment, Health & Social Care and Housing. Reporting and monitoring mechanisms will be developed and reported on in due course.

During 2017/18 the four council priorities were: Working City, Decent Neighbourhoods, Tackling Inequalities and a Fit for Purpose Council. The following outlines each priority and shows for each a dashboard of performance information designed to show staff, residents and partners the council's progress in achieving its ambitions.

- **A Working City** – creating good quality jobs and helping local people develop the skills to do them

Dashboard information is published quarterly and the latest published information is available through the following link: [A Working City | Newcastle City Council](#).

- **Decent Neighbourhoods** – working with local communities to look after each other and the environment

Dashboard information is published quarterly and the latest published information is available through the following link: [Decent neighbourhoods | Newcastle City Council](#)

- **Tackling Inequalities** – tackling discrimination and inequalities which prevent people from fulfilling their true potential

Dashboard information is published quarterly and the latest published information is available through the following link: [Tackling inequality | Newcastle City Council](#)

- **A Fit for Purpose Council** – a council which leads by enabling others to achieve

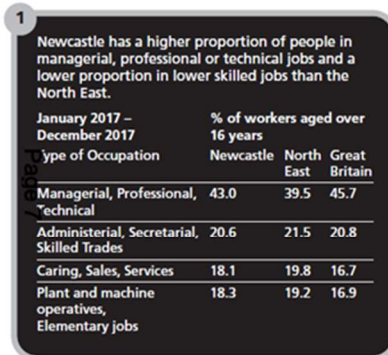
Dashboard information is published quarterly and the latest published information is available through the following link: [Fit for purpose council | Newcastle City Council](#)

The latest dashboard information for each priority at the time of preparation of this report (quarter 4) is shown on the following pages:

A working city

Creating good quality jobs and helping local people develop the skills to do them.

What does Newcastle look like today?



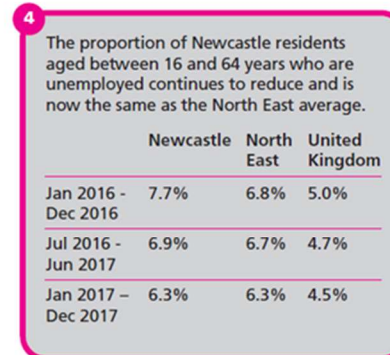
Source: Office for National Statistics



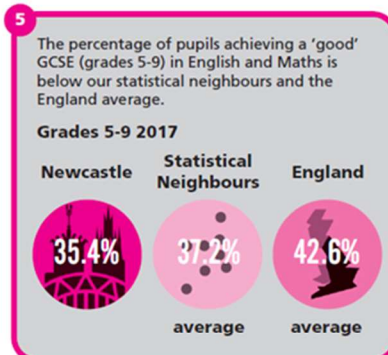
Source: Office for National Statistics



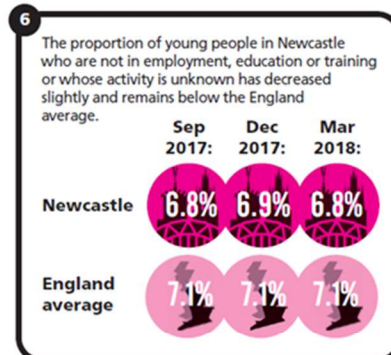
Source: Inter Departmental Business Register (ONS)



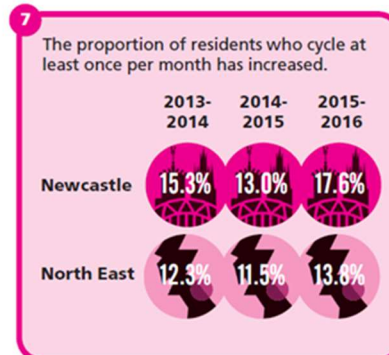
Source: Office for National Statistics



Source: Department for Education



Source: Connexions and Department for Education



Source: Department for Transport



Source: Traffic Accident Data Unit, Gateshead Council

What sort of a city do we want to be?

★ A city with more and better jobs

★ A city which helps people to find work

★ A city with a modern sustainable transport system



January – March 2018

A working city



What are some of the things we're doing to make a difference?

- **New and safeguarded jobs:** New and safeguarded jobs for the final quarter of the year, are 89 and 250 respectively; the latter being an addition to a previously reported British Airways project from 2016-17, with a further 250 technology jobs being recorded through key account management activity. For the whole year, there were 565 new jobs (151% target) and 438 safeguarded jobs (391% target). (Boxes 1, 3 and 4)
- **Invest Newcastle:** In the final quarter of the year, there were two new investments and three expansions in the city. New investments came from Collingworth Consulting, a digital tech consultant (five jobs), and Luminous, a London-based creative agency expanding to the North (ten jobs). Expansions include Non-linear Dynamics, a life sciences tech business (ten jobs), 4Projects, a US-owned technology business (60 jobs), and The Tin, a London-based creative agency (four jobs). This brings final performance for the year to 120% target of new investments (12 new) and 180% expansions (nine expansions). (Boxes 1, 2 and 3)
- **Newcastle Futures:** An arms-length organisation we jointly fund with Jobcentre Plus to support unemployed residents in Newcastle in to work. They have a delivery focus on the most deprived areas of the city and on customers with significant barriers to employment. 154 new customers were registered between January and March 2018, 57 of whom secured placements. Overall, 565 people registered and we helped to place 215 people, just short of our targets of 600 and 220 respectively. (Boxes 1 and 4)
- **Generation North East:** We manage the Generation NE project on behalf of the North East Combined Authority. This gives young people the opportunities and experience they need to kick-start their career and provides impartial, tailor-made support. To date, 428 young people from Newcastle have been placed in employment, with 15 starting between January and March 2018. (Box 1, 4 and 6)
- **Skills Hub:** Since April 2017, the Skills Hub partner organisations have supported 131 people to secure a job, 36 of which were achieved between January and March 2018 as well as one apprenticeship and five into volunteering or work experience. In the final quarter of the year, the Skills Hub held 546 face-to-face appointments. Their programme of support includes CV workshops, interview preparation sessions, a job club and online basics IT course specifically for over 50s. In March 2018, an event was held at the City Library in partnership with YHN to provide tenants with the opportunity to meet employers and find out about the Skills Hub services. 123 people attended, the majority of whom were unemployed. (Boxes 1, 4 and 6)
- **Unemployment:** Unemployment is dropping, going from 7.6% in 2016 to 6.3% in 2017, a higher rate of reduction than the UK and North East average. 16+ employment has also fallen slightly while 16+ economic inactivity has increased by 1.3% in the same period. This suggests that falls in unemployment are not translating into increases in employment but are driven by movement to economic inactivity. Older people in Newcastle are doing relatively better in both employment increases and unemployment and economic inactivity decreases with recent significant increases in economic inactivity rates of those aged 20-24 a particular factor. It should be acknowledged that there can be short term volatility in these measures and longer-term trends have been generally downward. Claimant Count continues to rise in Newcastle as more people move onto Universal Credit. (Box 4)
- **Business and Intellectual Property Centre:** During the last quarter, seven business support and start-up events were delivered by BIPC, attracting 125 delegates. 45 one-to-one surgeries were held and 47 enquiries dealt with by BIPC staff. Three Trademark searches are being undertaken for business clients. The 'Experts in residence' programme saw 48 one-to-one appointments on a range of business topics. (Box 3)
- **Newcastle Helix:** Science Central, a partnership between the council, Newcastle University and Legal & General has been renamed Newcastle Helix, in recognition of the move to a new phase of development and collaboration. Newcastle Helix is already home to Newcastle University's Urban Sciences Building and The Core, a seven-storey home for knowledge based science and technology small and medium enterprises. The third building, the Newcastle Laboratory, will open later this year to provide laboratories and offices for a wide range of scientific based companies, primarily in life science and healthcare.
- **Educational attainment:** The percentage of pupils achieving 'good' GCSE grades in English and Maths is 35.4%, below the England average of 42.6%. A new model of school effectiveness and a supporting implementation plan has been established led by schools and academies with support from the council. (Box 5)
- **NEET:** Despite an increase in the third quarter of the year, the number of young people not in education, employment or training (NEET) has fallen over the last three years. Vulnerable pupils are identified in Year 9 through rigorous data tracking and personal contact and appropriate support is provided. Working with partners we have also reduced the number of 'not known' students to ensure appropriate offers are made to them. There has been a focus on those young people who face the greatest barriers to education, employment and training through developments such as the Skills Hub. (Box 6)
- **Learning disability and paid employment:** We support 901 adults with learning disabilities with social care support services. Of these, 47 are in paid employment (5.2%), with a further 101 people in education or training, 80 undertaking unpaid voluntary work, one in work experience and two in supported permitted work. We perform better than our statistical neighbours whose average is 4.3%.
- **Air quality:** Newcastle, Gateshead and North Tyneside councils submitted a successful bid to the Government's Joint Air Quality Unit, securing £1.7 million to improve air quality in the region. The money will be invested in improvements to cycle and walking routes and upgrades to traffic signals which will be able to better manage the flow of traffic.

What do we spend in this area?

This year we have spent £52.5 million to help create conditions necessary to stimulate growth and maximise the positive impact our strengthening local and regional economy will have on our residents and communities. Work at The Helix, formerly Science Central, is continuing with the Urban Science Building opening and work on other buildings on the site continuing. Projects in the city centre are also going well with changes at John Dobson Street, East Pilgrim Street and the Central Gateway where work on Stephenson's Pocket Park has started. The extensive transport programme is also continuing with work completed between Cowhill and Grandstand Road / Kenton Road junction and John Dobson Street.

In 2017-18 the cost of running council services which help to create a working city was net -£5.1 million. Services which contribute most to this priority generated more income than expenditure.

The biggest risk

The council and partners fail to identify appropriate opportunities to maximise economic growth and employment in the city – with adverse consequences to residents, local businesses and the council's budget.

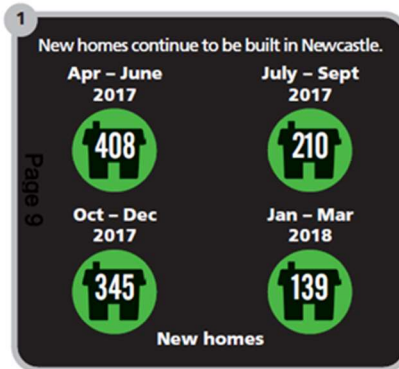
What are we doing about it?

The council and partners have developed a strategic economic plan in response to the review of the North East economy. This provides the context for the economic programme over the next five years to boost skills, transport and economic development.

Decent neighbourhoods

Working with local communities to look after each other and the environment.

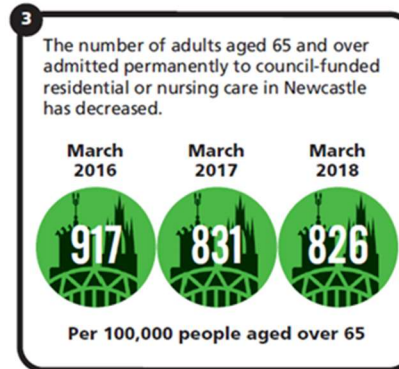
What does Newcastle look like today?



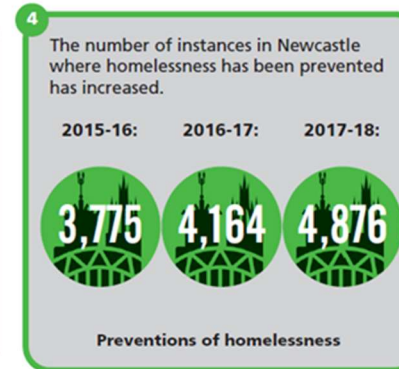
Source: Gazetteer Team, NCC



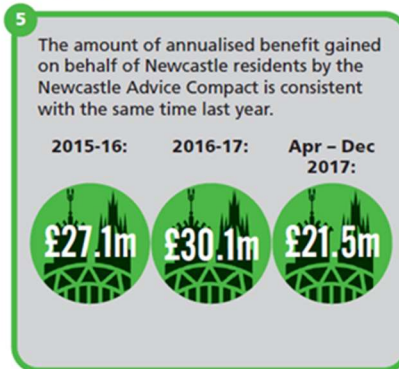
Source: Office for National Statistics



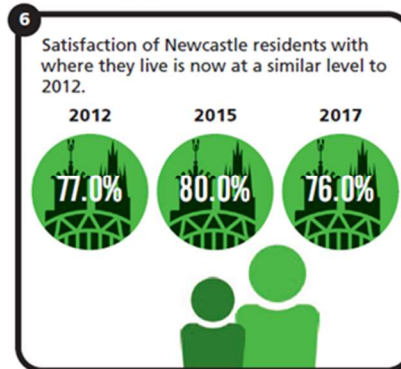
Source: Department of Health



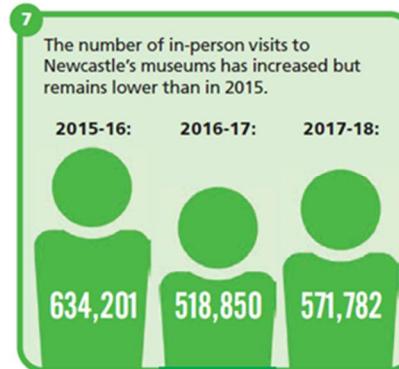
Source: Active Inclusion Network



Source: Newcastle Advice Compact



Source: Residents' Survey



Source: Tyne and Wear Museums and Archives

8 Enforcement action, including those for littering and waste offences, in Newcastle remains at high levels.

	Prosecutions	Fixed Penalty Notices
April to June 2017	201	773
July to Sept 2017	240	746
Oct to Dec 2017	313	805
Jan to Mar 2018	243	1,184

Source: Regulation and Development, NCC

What sort of a city do we want to be?

★ A city with more and better homes

★ A city where people can live their lives and age well

★ A well-kept city with cultural vibrancy



January – March 2018

Decent neighbourhoods



What are some of the things we're doing to make a difference?

- Homes:** Over 1,100 new homes were completed between April 2017 and March 2018 exceeding the target of 1,000 for the year. 447 of these were affordable, again exceeding our 2017-18 target of 300. (Box 1)
- Homes:** Our award winning Empty Homes Team had a target of bringing 400 empty private sector homes back into use in 2017-18. In the 12 months a total of 528 was achieved. (Box 1)
- Homes:** We provided 475 home adaptations in 2017-18 to help make day to day tasks easier for people with disabilities, giving them more independence and enabling them to continue living in their own home. These adaptations will include widening doors, improving access to homes and making changes to bathrooms. The target for the year was 300. (Box 1 and 3)
- Learning disability and settled accommodation:** We support 901 adults with learning disabilities with social care support services. Of these, 79.1% live in their own home or with family. This represents a 12.1% improvement compared to 2016-17. We perform better than our statistical neighbours whose average is 76.2%.
- Crime:** Northumbria Police have been working with partners for some time to increase victim confidence to report crimes to the police, in particular for traditionally under-reported issues like domestic abuse, sexual violence and hate crime. These changes have contributed to an overall increase in recorded crime in Newcastle. A very high proportion of respondents to the 2017 Residents' Survey reported that they feel safe outside in their local area (87%) and outside in Newcastle city centre (81%). (Box 2)
- Homelessness:** There were 4,876 homelessness preventions between April 2017 and March 2018. There were 3,775 preventions recorded in 2015-16 and 4,164 in 2016-17 and this year's projection shows a continual increase over the three years. Our high level of homelessness prevention is maintained through our partnership approach. The new Homelessness Prevention Trailblazer will help to increase prevention activity by raising awareness of the barriers to stability and making prevention 'everyone's business'. (Box 4)
- Newcastle Advice Compact:** Between April 2017 and December 2017, the Newcastle Advice Compact supported 4,535 people to better manage their expenditure. Over the same period, the Compact has supported Newcastle residents to access £21.5m million of additional benefit claims (annualised) and write off debts to the value of £1.7 million. (Box 5)
- Museums:** Overall visitor performance for the year 2017-18 has maintained the upward trend; 10% higher than last year. Again, performance has varied across the different venues. Footfall at the Discovery Museum grew by 17% with a varied programme, including the opening of 'Charge!', the story of England's Northern Cavalry, Discovery Days holiday programme, popular Play + Invent space, Uniformed Group Badge Day and BBC Children in Need in November. In-person visits at the Laing Art Gallery in the same period were the same as last year's; the new exhibition Paul Nash from Tate, which opened in September, and the major Bomberg exhibition which opened in February, plus talks, tours and workshops, encouraged the continued in visitor interest. (Box 7)
- Great Exhibition of the North:** The NewcastleGateshead Initiative secured £5 million to host the Great Exhibition of the North. The 80-day Exhibition will take place from 22 June to 9 September celebrating the great art and culture, design and innovation from across the North. The programme for the Exhibition was published in February 2018, including A Great Northern Soundtrack hosted by Lauren Laverne, the return of Stephenson's Rocket and a new solo exhibition from Turner Prize winner Lubaina Himid. People will also get the chance to see the best in Northern creativity from pop art pioneer Richard Hamilton, renowned sculptor Anthony Gormley and live music performances.
- Parks:** Cabinet approved the creation of a charitable trust to look after Newcastle's parks in November 2017. Four feedback sessions were held in February to make the public and stakeholders aware of the decision, with one dedicated to allotments. The Board of Trustees is being appointed to and we are working with a recruitment agency to recruit the Chair of the Board and a Chief Executive for the Trust. It is hoped that this will be complete by July 2018. The Project Team continue to work with the National Trust, the Parks Team and other partners to ensure that the transition of the Parks Service happens as smoothly as possible by early 2019.
- Parklife:** An expression of interest we submitted in partnership with Northumberland FA and Newcastle United Foundation has been accepted, enabling us to progress to the next stage of the Parklife programme. This is a nationwide project driven by the FA, the Premier League and Sport England aimed at improving football facilities. Two specialist hubs with artificial grass pitches will be developed in Newcastle; the proposed locations are Blakelaw Park and Bullocksteads in Kingston Park.
- Recycling:** Our refuse and recycling collection fleet have new branding explaining what can be recycled from around the home and highlighting the most common items people are unsure about recycling. Households have also received a collection calendar with more detailed information on what can and cannot be recycled, and this was reinforced by articles in the Spring edition of CityLife and on social media. Groups and communities have also been engaged and, working together with partners, we are starting to see levels of contamination reduce in blue bins, but there is still work to do. Household Waste Recycling Centre improvements have included new and clearer signage, more visible uniforms for staff, enforcing the existing height restriction and the full implementation of the text system for permits, the 'Waste Bot', all helping to deliver more separation of materials and increased recycling at the sites.
- Spring Clean:** A spring clean of the city started in February 2018 to clean up the city ahead of the Great Exhibition of the North. Extra staff were employed to tackle fly-tipping, litter, dog fouling and graffiti and provide additional shrub maintenance. This involves ten ward teams, five city-wide teams, four open space teams, two extra mechanical sweepers and a graffiti team. The teams helped to remove more than 80 tonnes of rubbish, filled 4,000 black bags with rubbish and litter, removed over 180 bulky items and cleaned up more than 120 fly-tipping incidents.
- Waste Commission:** In March 2017, we established the Waste Commission to take a radical new look at how the city deals with waste. Every year Newcastle produces 142,000 tonnes of waste – enough to fill St James' Park entirely to the top every three years. In February 2018, the Commission published their report, "No Time to Waste" which set out ideas and actions to dramatically cut the amount of waste we produce. This included a voluntary ban on single use plastics and drinking straws, setting an ambitious target to be a zero-food waste city, setting up a re-use mall for small items and a citywide partnership to share more ideas and good practice.
- Newcastle Street Charter:** We have worked with the Royal Institute of Blind People and 18 pan-disability organisations to develop Newcastle's Street Charter, pledging to work with local disabled people to tackle the growing issue of street clutter and improve accessibility in the city. It aims to address street obstacles including bollards, advertising boards, bins, cars parked on pavements and shared-space schemes.

What do we spend in this area?

A total of £65.2 million has been spent this year on capital investment to improve our neighbourhoods. We have improved the range of housing available to our residents; exceeding our target for new affordable homes being made available and increasing the number of homes for older people and those with disabilities. We have also improved the standard of Your Homes Newcastle homes and adapting homes to help those with disabilities. Capital funding has also been used for the roll out of shared bins in some areas of the city as well as maintaining and improving highways and footpaths.

In 2017-18 the cost of running council services which help to create decent neighbourhoods was £117.2 million.

The biggest risk

Failure to deliver sustainable development (physical, economic and social elements).

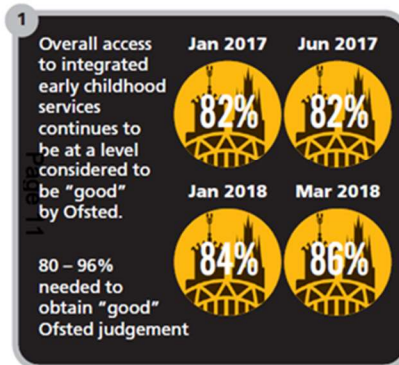
What are we doing about it?

Planning for the Future – Core Strategy and Urban Core Action Plan for Gateshead and Newcastle has identified the strategic locations for key employment and housing development to meet the needs of the city to 2030.

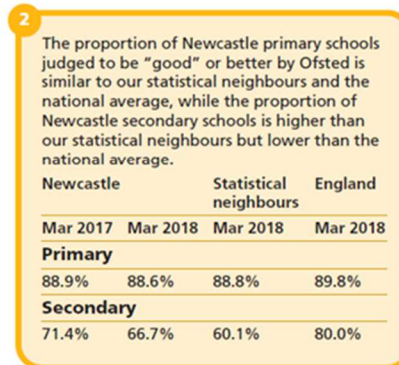
Tackling inequalities

Tackling discrimination and inequalities which prevent people from fulfilling their true potential.

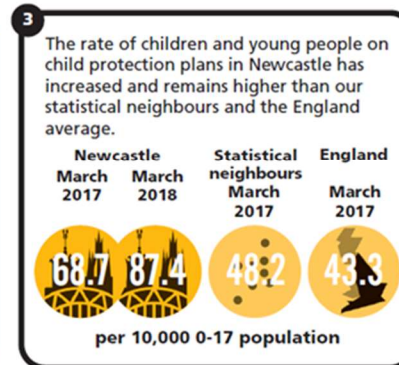
What does Newcastle look like today?



Source: E-Start and Capita



Source: Department for Education



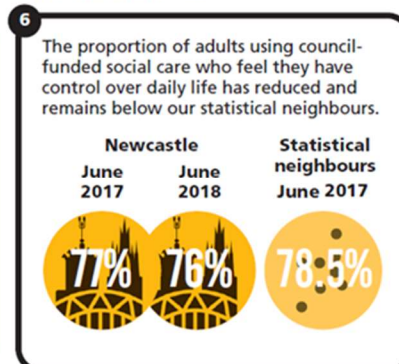
Source: Department for Education



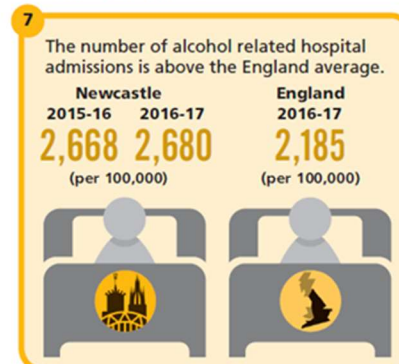
Source: Department for Education



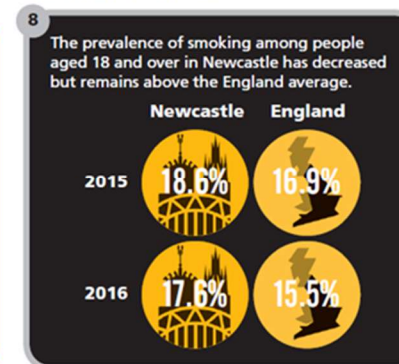
Source: Adult Social Care User Survey, Health and Social Care Information Centre



Source: Adult Social Care User Survey, Health and Social Care Information Centre



Source: Public Health England



Source: Annual Population Survey

What sort of a city do we want to be?

★ A city that gives the young people the best start in life

★ A city with healthy communities

★ A city which shields the most vulnerable from harm

let's talk Newcastle

January – March 2018

Tackling inequalities



What are some of the things we're doing to make a difference?

- Early Years:** There are 1,369 children accessing the two-year-old offer in Newcastle, more than the number initially identified as being eligible. The two-year old offer seeks to support families by offering 15 hours per week of free early education and child care at a playgroup, day nursery, childminder or nursery school. All our community nurseries were rated as "good" or "outstanding" by Ofsted, and showed improvement on the Early Years Foundation Stage Profile developmental measure. (Box 1)
- Early Help Plans:** There have been 277 early help plans commenced this quarter, fewer than the previous quarter. There has also been a significant increase in the number of contacts to Children's Social Care with an outcome of 'early help recommended', over double the number in the previous quarter. (Box 1)
- Child Protection Plans:** The number and rate of children becoming subject to Child Protection (CP) Plans has increased, with 499 children subject to CP plans in the final quarter compared to 475 at quarter three, 460 at quarter two and 436 at quarter one. The data shows a continuing pattern of concerns in which neglect and emotional abuse remain the largest categories of CP plan with the greatest specific concerns being child abuse and neglect and the toxic trio – domestic abuse, mental ill-health and substance misuse. 121 children (20.3%) who started a CP Plan in the year have been subject to one or more CP plans previously. At the end of the year, five children (1.0%) had been on a CP plan for two years or more, an improvement from 14 children (3.2%) reported in quarter one and a steady decrease from 11 in quarter two and seven in quarter three. The Newcastle Safeguarding Children's Board has identified the increase in CP figures as an area for further interest and further analysis will be undertaken to investigate this. (Box 3)
- Looked After Children:** There were 558 Looked After Children at the end of the year, a rate of 97.8 per 10,000 0-17-year-old population, an increase from 544 in quarter three. In quarters one and two, Looked After Children numbers were 561 and 549 respectively. Our current rate is higher than the latest known comparator group average of 95 per 10,000 0-17-year-old population. (Box 4)
- Looked After Children:** The placement stability experienced by our Looked After Children is above the national average. 10.8% of our Looked After Children experienced three or more placements in the 12 months to 31 March 2018, compared to the latest known England average of 10%. Of the children who have been looked after for longer than two and a half years, 67.3% have been in the same placement for over two of those years, in line with the latest known national average of 68%. (Box 4)
- Looked After Children:** We aim to secure permanency and stability for Looked After Children as we know that volatility and uncertainty can adversely affect a child's ability to achieve their potential in childhood and in later life. In the 12 months to up to 31 March 2018, 53 children have been placed permanently with a Special Guardian, whereby the child or young person is placed permanently with a family member or friend. In the same period, 42 children have left care through a permanent adoptive placement. (Box 4)
- Delayed transfer from care:** These occur when a person is medically fit for discharge from hospital but Community Health and/or Social Care are unable to arrange a package of support to facilitate timely and safe discharge. There have been 5,261 delay days experienced by Newcastle residents during 2017-18. Of these, 365 days were attributable to a social care delay. Newcastle residents continue to experience comparatively fewer delay days than in other comparable areas in England. (Boxes 5 and 6)
- Residential and nursing care:** In the twelve months to 31 March 2017, there were 13 permanent admissions to residential or nursing care for people aged 18-64 and 346 for people aged 65 and over. Through a range of community-based supported accommodation options such as Independent Supported Living and Extra Care, we continue to provide safe alternatives to residential care; 2017-18 saw 34 fewer admissions to residential care than in 2016-17 and 57 fewer than in 2015-16. (Boxes 5 and 6)
- User Survey:** Our latest Adult Social Care Service User Survey results show that 68% of respondents were "extremely satisfied" or "very satisfied" when asked; "Overall, how satisfied are you with the support or services you and the person you care for have received from Social Services in the last 12 months?" This is an increase of 5.6% compared to 2016-17. 72% of respondents also reported that they found it "very" or "quite" easy to find information about services. This is a reduction of 4.3% on 2016-17. It should be noted that commentary upon services is not solely limited to those services provided through Adult Social Care, and will also include user's perceptions of health and other services.
- Smoking:** The latest available data (2016) shows that smoking prevalence is estimated at 17.6% of the adult population, similar to the England average of 15.5%, but has reduced from 23.7% in 2012. In the second quarter of 2017-18, 492 people set a quit date, with 188 successfully quitting after four weeks, a quit rate of 38%. (Box 8)
- Digital Inclusion:** Funding for our Get Online partnership with YHN has now ended. However, YHN continue to support residents to gain digital skills and become Get Online Champions by sharing their knowledge within the city's local communities. We are a national Digital Leader for getting people online, improving digital literacy, building confidence, nurturing wellbeing, promoting employability, and enhancing social connectivity. We have continued to develop our digital inclusion offer. 583 people attended basic online skills training, of which 204 were YHN tenants. There are ten Get Online Champions, who have volunteered over 1,400 hours training fellow tenants.
- Universal Credit Support:** As a result of funding from the Department for Work and Pensions and YHN, the Library service has appointed a team of officers to deliver Assisted Digital Support to customers making their initial Universal Credit claim. The service is aimed at those customers who lack the skills or confidence to make a Universal Credit claim alone and is delivered in Community and Information Hubs, Housing Offices and at Job Centres. Since April 2017, the team have supported 876 people to make their initial Universal Credit claim.

What do we spend in this area?

In 2017-18 we invested £7.4 million from our capital programme to help tackle inequalities. This has been used to make improvements to our school and nursery buildings which will help to improve the educational attainment of our children.

In 2017-18 the cost of running council services which help to tackle inequalities was £49.2 million.

The biggest risk

Changes in the level and entitlement to welfare benefits creates significant and widespread hardship within Newcastle and imposes pressures on council services.

What are we doing about it?

The council has established a strong partnership of organisations in the statutory and voluntary sector, working with the most affected communities to mitigate the impact of poverty and homelessness and to respond to people in crisis.

A fit for purpose council

A council which leads by enabling others to achieve.

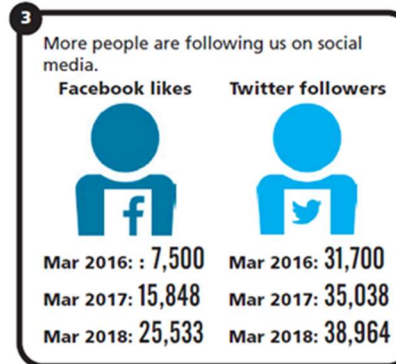
What does the council look like today?



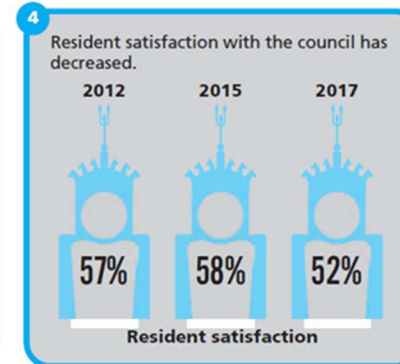
Source: Community Hubs, Libraries and Parks, NCC



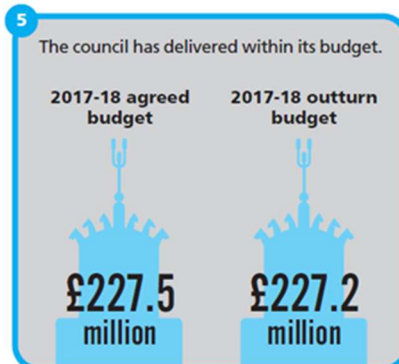
Source: Policy and Communication, NCC



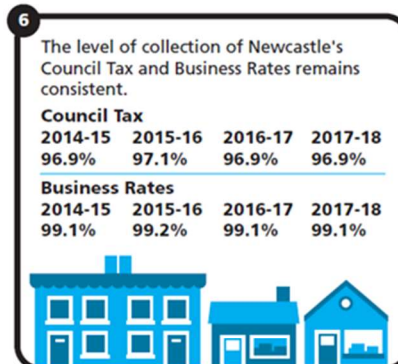
Source: Policy and Communication, NCC



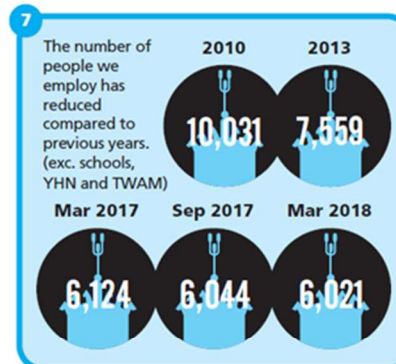
Source: Residents' Survey 2017



Source: Financial Services, NCC



Source: NCC, Financial Services



Source: Payroll system, NCC



Source: Financial Services, NCC

What sort of a city do we want to be?

★ A city with effective public services



A fit for purpose council



What are some of the things we're doing to make a difference?

- **Website:** The number of pages viewed on our website has increased. There are a number of reasons why the number of page views fluctuates, for example, we have stopped using our website as the homepage on the public use computers in our libraries and many residents view the school webpages for information about any closures when there is bad weather. We are reviewing our website design and the next phase of development will improve transactional process, in line with our move to digital by choice for accessing services. The website will include more information about what is happening in the city, including major capital developments, stories about individuals and organisations, local community events and more. (Box 2)
- **Virtual Advisor:** We have developed a Community Health and Adult Social Care Virtual Advisor with input from service users and Adult Social Care staff. This is now live on our website and can be used anytime. It assists users by responding to basic queries and signposting to the most appropriate website, service or list of options. This helps to free up the Health and Adult Social Care team to handle calls about more complex needs or for those who may not be as confident or capable of using the Virtual Advisor. We will continue to develop new and improved versions over the coming months based on feedback and the types of queries the Virtual Advisor is asked.
- **Wastebot:** The Wastebot is a text based system for residents to request a permit to take a van to the Household Waste Recycling Centres. It has reduced the process from approximately 14 days to 90 seconds. We now have over 1,900 users and over 85% of customers have feedback that the services as "good / excellent". The number of calls received by our Contact Centre to request HWRC permits has reduced from 231 between January and March 2017 to 34 in the same period this year.
- **Communications awards:** Our communications team has again seen success at the Chartered Institute of Public Relations North East PRide awards. The team won Gold awards, in the Community Relations category for our 'Safer Partying' campaign and in the Best Use of Digital category for our 'A digital blueprint for local democracy' for the People's Budget. A Silver award was achieved in the Public Sector Campaign

category, also for the 'Safer Partying' campaign and the team were finalists in the Low Budget Campaign for their work on 'Supporting Ouseburn Farm'.

- **2017-18 Budget:** In 2017-18 we were required to achieve savings of £33.0 million to balance our budget due to government funding cuts and the unfunded cost pressures we faced, as set out in 'Newcastle 2020: Investing in a fairer future', agreed by City Council in March 2017. At the end of the year, net expenditure on General Fund services was £227.2 million. When compared with the net revenue budget of £227.5 million this produced an underspend of £0.3 million. Within this overall position Local Services, Transport and Children's Social Care were overspent on their net budgets but this was off-set by underspends in Facilities Services and Civic Management and corporate items. The Housing Revenue Account underspent by £3.1 million, due mainly to lower than expected bad debt costs. We also spent £127.1 million on a range of General Fund and Housing Revenue Account capital projects. (Box 5)
- **2018-19 Budget:** City Council approved 'Newcastle 2020: Investing in a fairer future – One year on' in March. This provided an update on our three-year financial plan and provided more details of how £13.3 million savings will be achieved in 2018-19. (Box 5)
- **Social Value:** 45.3% of Commissioning and Procurement influenceable expenditure is with providers based within Newcastle and 66.8% with suppliers across the North East. These figures are higher than the averages for the combined North East local authorities; 57% expenditure with suppliers based within their own authority area and 34% with North East based suppliers. Newcastle's influenceable expenditure has increased on the previous year where it was 40% with Newcastle based suppliers and 60% with suppliers based in the region. (Box 5)
- **Stonewall Workplace Equality Index:** We have been ranked as one of the best employers in the country for our commitment to equality and diversity according to Stonewall, the national LGBT (lesbian, gay and bisexual and transgender) charity. We have been placed 9th in the Stonewall Workplace Equality Index 2018 which is a leap of 29 places

from last year and have also been ranked as the top-rated local authority. The free to enter index looks at how employers support their LGBT staff in the workplace and ranks the best top 100. All too often lesbian, gay, bisexual and transgender people are not supported to be open about who they are in the workplace which can not only impact on an employee's performance but ultimately on their health and wellbeing.

- **Shared Services:** In January 2018, Cabinet approved the business case to develop shared transactional services with Northumberland County Council. This includes council tax, business rates, staff payroll and revenues and benefits. This is in line with national and local government reform and is expected to save each council almost £1.8 million over the next three years.
- **Devolution:** The three North of Tyne authorities are nearing completion of the formal process to establish a new Mayoral Combined Authority for Newcastle, Northumberland and North Tyneside. Following agreement by the North East Combined Authority (NECA) Leadership Board to amend the geographical boundaries to remove the three authorities from its existing area, the next formal stage is to lay the legislative Order for the new North of Tyne authority before Parliament. This stage is expected in summer and will enable delivery of the devolution deal for the transfer of significant powers, funding and responsibility to the North of Tyne area.
- **GDPR:** The General Data Protection Regulation (GDPR) comes into effect on 25 May 2018. The regulations will set new standards for protecting personal data and will provide one set of rules for all UK and EU citizens. GDPR will update the Data Protection Act to take better account of modern technology and further protect the rights of individuals. Penalties for non-compliance will be significantly increased. In preparation we have provided GDPR training to all employees, begun to audit all personal data used by our services, assigned a designated Data Protection Officer and begun a review all related policies and procedures. Details of our personal data processing activities are set out within our Privacy Notice.

What do we spend in this area?

We spent £2.0 million from our capital programme this year on ensuring we are customer focused and efficient. Most of this was used for the purchase of a building in which to relocate some operational services. The move will generate a number of financial and operational benefits including increased revenue streams, ensuring that we maximise the efficiency of our assets.

In 2017-18 the cost of running council services which help to make it fit for purpose was £28.5 million.

The biggest risk

Failure to deliver services.

What are we doing about it?

The Council is transforming its services and doing things differently, for example, making more services available online. By innovating in this way, the council will continue to play a vital role in providing essential services for local people and providing the leadership to take our city forward.

Direct input from residents is actively encouraged via [Let's Talk Newcastle](#) through mediums such as the [Let's talk Newcastle website](#).

Let's Talk Newcastle is just one of the ways that we engage with our city. It is really important that residents, businesses and other stakeholders in the city are given the opportunity to have their say about Council priorities and how we spend our money, helping us to take these views and those of the wider community into account.

15. Looking Ahead / Economic Position

The Council continues to face significant government funding cuts now and in future years. Combined with unavoidable cost pressures arising from increased demand for services and the economic position, it means that savings totalling £33.0m were required in 2017/18, with a further £13.3 million required in 2018/19 and a further £15.9 million in 2019/20. An update on how this will be achieved can be viewed within [Budget 2018-19 - Newcastle 2020: Investing in a fairer future - One year on](#).

The Council's net revenue budget for 2018/19 will be £228.4m which compares to £227.5m in 2017/18. The anticipated net revenue budget for 2019/20 is £225.1m.

The Council's agreed 2018/19 capital programme is £138.1m (£128.6m in 17/18) of which £94.3m is General Fund (£78.3m in 17/18) and £43.9m is HRA specific (£50.4m in 17/18). The anticipated capital programme in 2019/20 is £121.0m of which £10.8m is General Fund, £40.2m is HRA specific and £70.0m is classed as 'Pipeline' which are capital projects which are yet to be fully assessed in detail and approved by Cabinet.

£28.7m of the 2018/19 capital programme will be funded from grants and contributions (£42.3m in 17/18), £7.3m will be financed by capital receipts (£12.5m in 17/18), £31.3m (£35.4m in 17/18) will be financed from revenue (mainly HRA), and up to £70.8m will be financed by borrowing (£38.3m in 17/18). The majority of planned borrowing will be undertaken on a self-financing basis, i.e. the revenue costs associated with the borrowing will be funded by efficiency savings or income generated as a direct result of the capital investment and will not therefore result in a cost pressure on the revenue budget. Looking further ahead into 2019/20 the funding of Pipeline projects will be confirmed as part of the specific Cabinet approval for each approved project.

The medium term financial plan is underpinned by the following key principles:

- Prudent assessment of future resources and unfunded cost pressures
- Maximisation of income generated across all areas of the Council and prompt collection of all amounts owed to the Council / minimisation of bad debts
- Prudent assessment of provisions required to mitigate potential future liabilities
- Risk-assessed level of reserves and balances held corporately to mitigate potential financial liabilities / commitments
- Prudent and planned use of reserves to fund permanent expenditure
- Maximisation of capital receipts from asset disposals to fund capital investment in line with our priorities

- Maximisation of external grant funding that meets our priorities
- Prudent use of the Council's borrowing powers to undertake capital investment that is not funded by capital receipts, grants or contributions from third parties
- Promotion of 'invest to save' opportunities via detailed assessment of business cases
- Effective management and forecasting of the Council's day to day and longer-term cash flow requirements
- Minimisation of longer term treasury management risks, including smoothing out the debt maturity profile, by gradually reducing our reliance on short-term borrowing
- Full integration of revenue and capital financial decision-making processes, to ensure the revenue implications of capital projects are accurately reflected in the medium term financial plan and the annual budget
- Production of detailed implementation plans for all savings proposals
- Sign-off of all revenue budgets by the relevant senior manager before the start of the financial year
- Regular monitoring of budgets and robust management action to address any unplanned variances that arise

16. The Statement of Accounts

The Statement of Accounts is set out in the accompanying document. They consist of the following statements that are required to be prepared under the Code of Practice:

Movement in Reserves Statement (Statement of Accounts page 8)

This statement shows the movement during the year on the different reserves held by the Council, analysed into usable and unusable reserves. Usable reserves may be used to fund expenditure or reduce local taxation subject to the need to maintain a prudent level of reserves and any statutory limitation on their use (e.g. the Capital Receipts Reserve may only be used to fund capital expenditure or repay debt). Unusable reserves usually have a specific legislative or accounting purpose and generally consist of timing differences between accounting requirements and the underlying resource position of the Council. The surplus or deficit on the provision of services shows the full cost of providing services during the year, more detail of which is shown in the Comprehensive Income & Expenditure Statement.

This is different from the amounts required to be charged to the General Fund unearmarked reserve and the Housing Revenue Account unearmarked reserve for Council Tax setting and dwellings rent setting purposes. The statement also shows discretionary transfers to/from earmarked reserves.

Comprehensive Income and Expenditure Statement (Statement of Accounts page 9)

This statement shows the full cost of providing services during the year in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Local authorities raise taxation to cover expenditure in

accordance with regulations, which may be different from the cost of services in accounting terms.

The Comprehensive Income & Expenditure Statement on page 9 reflects the current Directorate reporting structure in order to report the service analysis on the basis of the organisational structure under which the local authority operates. The services contained within each Directorate heading are as follows:

People

- Adult Social Care
- Business Management
- Children's Social Care
- Inclusion, Commissioning and Procurement
- Education

Place

- Capital Investment
- Development Management
- Fairer Housing Unit
- Strategic Property Services
- Transportation
- Economic Development
- Public Safety and Regulation

Resources

- ICT
- Business Management
- Human Resources
- Financial Services
- Audit, Risk & Insurance
- Legal Services

Operations

- Building and Commercial Enterprise
- Facilities Services & Civic Management
- Local Services
- Community Hubs
- Parking
- Highways

Assistant Chief Executives

- Democratic services
- Policy, Communications & Performance
- Museums, Arts and Culture
- Cooperative Community Services

Public Health

- Public Health

Balance Sheet (Statement of Accounts page 10)

The Balance Sheet shows the value of all assets and liabilities at the start and end of the year. The net assets of the Council (i.e. assets less liabilities) are matched by the Council's reserves.

Cash Flow Statement (Statement of Accounts page 11)

This statement shows the changes in cash and cash equivalents of the Council during the year. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The 'net cash flow from Operating Activities' is a reflection of the extent to which the operations of the Council are funded from taxation, grant income and /or fees and charges. 'Investing Activities' reflects the extent to which the Council has invested in assets that will be used to deliver services over a number of years. 'Financing Activities' reflects the extent to which the Council has sought additional funding to support its capital investment plans.

Housing Revenue Account - HRA (Statement of Accounts pages 122 to 128)

This account reflects the statutory obligation to 'ring-fence' and show separately the major elements of the housing revenue expenditure (repairs and maintenance, administration and capital financing costs) and how this is met by rents, subsidies and other income. Included within the section on the HRA is the Statement of Movement on the HRA, which discloses how the HRA Income & Expenditure Account surplus or deficit for the year reconciles to the movement on the HRA balance for the year.

Collection Fund (Statement of Accounts pages 129 to 132)

This statement summarises the transactions of the Collection Fund, a statutory fund distinct from the General Fund of the Council. The Collection Fund accounts independently for income relating to Council Tax and Business Rates on behalf of those bodies (including the Council's own General Fund) for whom the income has been raised.

The costs of administering the Collection Fund are accounted for in the General Fund. Collection Fund balances are consolidated in the Council's balance sheet.

Group Financial Statements and Notes (pages 134 to 158)

These statements report the financial picture of all activities conducted by the Council, including those delivered through partnership and separate undertakings owned by the Council.

17. Annual Governance Statement

To accompany the Narrative Report and Statement of Accounts, the leadership of the Council prepares an Annual Governance Statement that sets out the principal arrangements that operate to ensure proper governance of the Council's affairs and the stewardship of resources at its disposal. It also outlines the principal arrangements that are in place to ensure that a sound system of internal control is maintained.

18. Statement of Responsibilities

A requirement from the 2017/18 *Code of Practice on Local Authority Accounting in the United Kingdom* is that each local authority should provide a Statement of Responsibilities which sets out the responsibilities of the authority and the chief financial officer in respect of the Statement of Accounts:

The Authority's Responsibilities

The authority is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the chief financial officer
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- approve the Statement of Accounts (England and Wales only).

The Chief Financial Officer's Responsibilities

The chief financial officer is responsible for the preparation of the authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* (the Code).

In preparing this Statement of Accounts, the chief financial officer has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the local authority Code.

The chief financial officer has also:

- kept proper accounting records which were up to date

- taken reasonable steps for the prevention and detection of fraud and other irregularities.

19. Further Information Available to Council Tax Payers

Access to this report, the accounts and the Annual Governance Statement will be made available to the general public via the Council's website. If, however, you wish to purchase copies, a nominal charge of £5.00 will usually be requested to cover printing costs. If this information is needed in another format or language please use the contact details below.

As part of the Council's programme of continuous improvement we are striving to improve our system of reporting back to users of services. If you have any problems understanding this publication, any general enquiries on the accounts or have any suggestions on how it may be improved, please contact:

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