

Portfolio Report Update: March 2023

Leader of the
Council

Cllr Nick Kemp

Introduction:

I'm pleased to present this 6-month update on achievements and progress made against the council's three overarching priorities, to support our residents to mitigate the impacts of the cost of living, to tackle poverty in Newcastle, and to achieve our Net Zero ambitions. My first portfolio report as Leader of the Council in 2022 introduced these new priorities and set out plans for their delivery.

This report also shows the progress we are making in Getting the Basics Right for residents - a principle that underpins all of our activity. I am proud of the scale of actions taken by council officers and our city partners to focus impact in these new priority areas in the last six months, and I am clear that we have much more to do.

Delivering structural change across priority areas requires strategic and operational attention that engages and involves residents, communities, businesses and other city partners to ensure that it truly benefits all. It is testament to the council and the city's commitment to change that we have designed and delivered four key milestones for Newcastle:

- **Cost of Living Support for Newcastle Guide**
A dedicated resource for people in Newcastle, regularly updated to bring together available support from the council and its partners
- **Net Zero Newcastle Priority Actions Update (2021 – 22)**
Setting out our progress against priority actions in key areas of energy, transport and waste
- **Anti - Poverty Strategy for Newcastle**
Uniting city partners to tackle the causes and impacts of poverty through action.
- **Inclusive Economic Strategy: Wealth that flows to all**
A whole-city vision for change, detailing areas for priority action



You can access these key documents at the end of this report.

In our first six months as Leader and Cabinet, we have also worked together with elected members and council officers to upscale our scrutiny practices. These changes are intended to maintain the structural integrity of our organisation to deliver the depth and breadth of high quality services our residents need. I look forward to working with members, officers and city stakeholders to shape transparent processes that ensure we are fit for the future.

Cost of living:

The cost-of-living crisis facing the UK continues to escalate. The prices of essentials such as housing, food, and energy continue to rise and our residents are experiencing this impact, with many of our most vulnerable struggling disproportionately to pay for the bare essentials.

It is our priority to support our residents to mitigate the impact of this crisis on their lives, and our Cost of Living Guide has been a key resource for information, advice and access to support services. Our entire organisation pulled together to create this live resource, and our residents have one place to look for comprehensive information, backed up by a seven day a week council helpline.

We have also delivered local action above and beyond central government initiatives, to meet the real needs of Newcastle residents:

Our winter programme of action has had a sizeable impact on day to day living and wellbeing for residents, including:

- Delivery of emergency food parcels, energy vouchers being issued, supplementary baby care and hygiene items to 770 households.
- Winter wellbeing grant funds of £400k, to support voluntary and community sector organisations (VCS) to continue to deliver their services.
- A network of winter wellbeing spaces providing not just warmth, but a warm welcome and a place to coming together to drink, eat, socialise and learn new skills like getting online or home cooking.
- The directory of wellbeing hubs now includes 94 settings from libraries, art galleries, community centres, sports clubs, and faith centres. 14 hubs provide food bank services, and 35 provide nutritional/food services such as hot food and drinks.

It is critical that we provide our residents with the help they need to cover the rising costs of energy bills. We launched the Prescribing Heat Scheme to support residents who are most vulnerable to the serious health impacts of cold homes/fuel poverty. The scheme:

- Identifies and supports households with residents who have chronic lung disease and who can benefit from a tailored approach to prescribe a heating plan to keep homes at temperatures recommended by public health guidance.
- Mitigates the risk of hospital admissions and links people into the appropriate advice and grants for longer-term help.

We are committed to supporting residents, businesses and community organisations to contribute to an inclusive, fair local economy. This means focusing on fair distribution of wealth that directs and retains investment in our city. We and other anchor organisations in Newcastle need to lead by example in spending ethically and locally. In the last financial year, 61% of the council's overall influenceable spend was with North East suppliers, 39% of which was with Newcastle-based companies. Inevitably, massive and sustained cuts to our funding over the last ten years has impacted the ways we and other public bodies spend, but we must take every opportunity afforded by public procurement regulations to drive our investment in growing local markets that support the services our residents need and provide good quality employment for all.

Poverty:

We are taking action to tackle all forms of poverty across our city. The rate of poverty has been exacerbated by austerity, the pandemic, sustained cuts by government to public services and the cost-of-living crisis. Much action needs to be taken by central government to change the chronic practices of underinvestment in early intervention and prevention activity that have contributed to Newcastle's child poverty rate of 42.4%, but the council is also joining forces with others in the city to use every lever and power available to us to

make change locally. We have led the development of two significant whole-city strategies that will provide the basis for us to bring this change together. They are:

- An Anti-Poverty Strategy to drive not only the reduction of poverty through action which unites city partners to think differently to create systemic and structural change, and support the needs of people who are struggling now.
- Our Inclusive Economic Strategy to fundamentally change the way we grow our economy to become fairer, more sustainable and greener, so every citizen can contribute and benefit. Our vision for change recognises the interdependencies of all our actions on our local economy and is rooted in partnerships, with businesses, residents and anchor institutions working together to solve some of Newcastle's toughest challenges.

The following activity describes some of the practical support we have delivered as a council or with partners in the city to help residents tackle the impact of poverty in their lives.

- Welfare rights service helped 19,360 households to gain over £20m in unclaimed benefits in the last financial year.
- In partnership with VCS organisations, the Holiday Activity Fund (HAF) has provided 9,623 children and young people in receipt of free school meals, the opportunity to access free Easter, Summer, and Christmas holiday activities across 140 venues in the city in 2022. This programme included:
 - Providing a healthy and nutritious meal
 - Fun physical activities
 - Places to be social and feel safe
 - Opportunities to take part in enriching activities such as learning to cycle, cook, leaning to dance and attend dance performances, learning outdoor skills, trips, and days out, volunteering opportunities and active learning and coaching experience for teenagers
- Newcastle Futures has helped 641 residents gain employment in the last 3 years
- Newcastle Financial Inclusion Group is established with partners to jointly tackle poverty issues
- Newcastle City Council has gone above and beyond to improve the pay of our employees by becoming an accredited Real Living Wage Employer in November 2022. The Real Living wage rises in line with the wage announced every year by the national body, the Living Wage Foundation, which this September increased pay from £9.90 to £10.90. We have raised the wage for around 800 of the lowest paid Council employees and we do not intend to stop here. We are determined to influence our contractors and other city employers to apply the Real Living Wage to build a network of accredited employers in the city. This will have a significant impact on not just the lives and wellbeing of residents of our great city, but the region and wider economy more broadly.
- The North of Tyne Child Poverty Prevention programme has tested three pillars of intervention with schools and employers
- NCC is one of only two local authorities in the North East to implement the Socioeconomic Duty, making living in poverty a protected characteristic.
- With StreetGames and the National Lottery Fund, investment in youth services has increased by 90%
- £35m of Council Tax Support has been provided in the last financial year, including exemptions and reductions in bills for working households and care leavers
- Over 3,100 homes have been helped to improve their insulation and heating systems

- The Partnerships for People and Place project with West End Foodbank has led to an increase in earlier identification of adult safeguarding risks and earlier support.
- Children and Families Newcastle provides services, advice and opportunities for babies, children and families, including support to mitigate poverty.



Net Zero:

Our net zero ambitions continue at pace.

In July 2022, we held a Youth Climate Change Summit, where we heard from young people aged between 14 and 18 on why climate change is important to them and what changes they'd like to see in Newcastle. A Youth Climate Mandate for the city was born and will hold our actions to account.

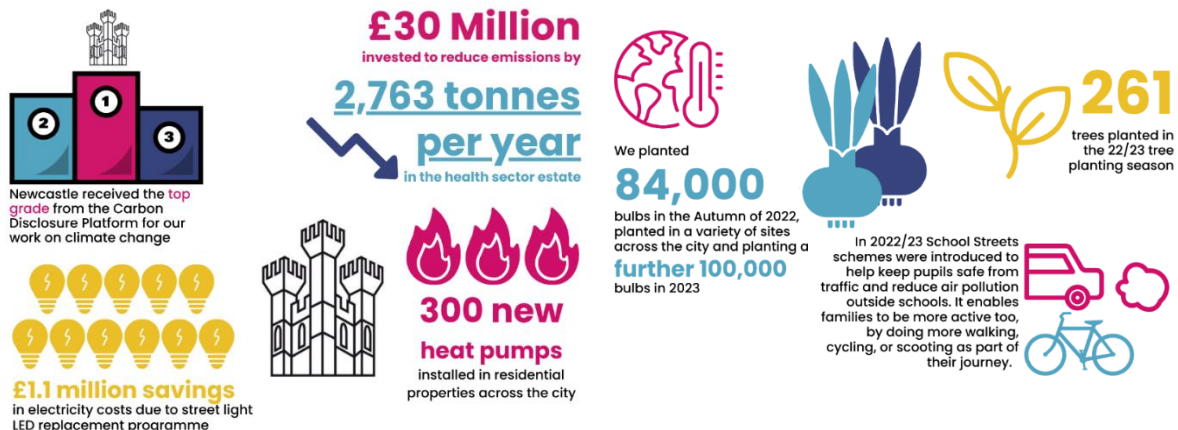
We commissioned Met Office analysis of climate change impacts over the coming decades to help us plan for changes in our local climate that will result in extreme weather and impact on our city.

We declared a biodiversity emergency in 2022 and committed the council to protecting and restoring our natural environment. This will help mitigate against the impact of severe weather events, such as flooding and extreme heat.

Newcastle's Scope 1 and 2 citywide emissions have shown to be reducing, and in 2022, we reported a 14% reduction in organisational emissions from 2020/21 making a 52% reduction since 2009/10.

For the third year in a row, Newcastle has been recognised as one of the world's leading cities for tackling climate change. We retained our Grade A status from international climate change research provider CDP, making us one of 19 places in the UK and 122 worldwide to hold this accolade.

We published a comprehensive Priority Actions Update of our Net Zero Action Plan in 2022, clearly setting out our progress and our next steps for more than 100 priority actions in key areas of energy, transport and waste.



Getting the Basics Right:

We want to ensure our residents can access the services they need so our communities can thrive and have the building blocks to live happily and successfully. By applying this simple, fundamental principle to all of our decision making, we will ensure that our actions have the greatest impact for the most people.

Examples of getting the basics right in practice this year include:

- We've handed over 57 affordable homes in Walker, with more in the pipeline including 38 sheltered/supported accommodation units for people with a learning disability.
- We are offering accommodation-based services and services that support our most vulnerable people to learn and develop new life skills and to manage their recovery from substance abuse.
- We have prevented 4,569 cases of homelessness and our policy agreement with YHN and Home Group of having no evictions into homelessness has led to a reduction from 197 YHN cases in 2007 to 1 in 2022.
- We have ensured low levels of households in temporary accommodation (in June 2022, Government published data showed there were 8,312 children in temporary accommodation in Birmingham, 3,649 in Manchester and 57 in Newcastle)
- We have supported 19,360 households gain £20,276,427 in unclaimed benefits and 3,452 residents to write off £1,311,155 in problematic debt
- We have supported 574 households to remain in the community through the Supporting Independence Scheme
- We have provided free training to 606 staff and volunteers to help make financial inclusion and homelessness prevention everyone's business.

We want our residents to be proud of where they live, in clean and safe environments. We know these foundations build strong community connections. Our action includes:

- £1.2m further investment into Newcastle neighbourhoods, providing new services such as neighbourhood cleans.
- Bin monitoring sensors to significantly reduce overfilled bins, ensure street bins have adequate capacity and are located in the most appropriate neighbourhood sites to minimise littering.
- Better Lives, Safer Communities Funding for an additional graffiti team till March 2024, and additional street wardens to highlight fly tipping.
- Launching Empowering People in Communities as part of the Councils Better Lives, Safer Communities programme, which enables local people to come together and develop actions plans to improve their communities

Finally, and importantly, we know that in order to place residents at the heart of everything we do, we need to prioritise resident and community voice in the design, delivery and evaluation of our services. Public engagement and consultation this year includes:

- Newcastle East High Streets, shaping our investment plan to bring together space, communities and businesses in the Inner East of the city
- City Centre transformation traffic interventions
- Multiple School Streets pilots, trialling safer, greener environments around primary and secondary schools in the city
- Better Lives, Stronger Communities, shaping delivery of action to tackle anti-social behaviour in the city

- Electric scooters traffic regulation, for access to selected bus and cycle lanes in the city
- Social housing allocation, shaping how we deal with successions and assignments of existing tenancies.
- Talk to us, hearing views about life in Newcastle, local services and our online consultation portal
- Delivering for our communities, shaping our budget proposals for 2023/24
- Being well in communities, balancing social care support with community networks and resources
- Children's services, shaping the ways we can reduce demand for services and keep families safely together
- Council tax, understanding the impact of increasing the council tax rate including the adult social care precept
- Commissioning and procurement stakeholder engagement and consultations, gaining the views of service providers, goods and works suppliers, service users, residents and others to design our commissioned services.
- Evry, a new eight-year plan responding to the 'No Child Left Behind' consultation with under 25s in Newcastle. The project brings together a broad alliance in a bold and common purpose to make Newcastle a place where all under 25s can live, thrive, and be heard. These commitments include:
 - Free travel for vulnerable and young people
 - Commitments regarding youth development
 - An integrated and inclusive summer offer
 - Increasing and exciting opportunities e.g., free Theatre Royal and sporting tickets and started work on 500 entry level employment opportunities

Governance and Funding:

Devolution:

I am very pleased to be able to include information on the North East's Devolution 'Minded to' Deal in this update. From the very start, my Cabinet and I have promised to put residents at the heart of everything we do, and our input into the deal has been no different; we have worked earnestly and comprehensively to secure the maximum possible benefit for Newcastle. I am proud of Newcastle's role in uniting the LA7 and challenging the partnership to be as ambitious as we can. The shift of funding and decision-making powers from Whitehall to local people has been long anticipated and long overdue.

The signed deal offers £4.2bn of investment into the region, including:

- An investment fund of 1.4bn, or £48m a year, to support inclusive economic growth and our regeneration priorities
- An indicative budget of around £1.8bn, or £60 a year, for adult education and skills- to meet local skills priorities and improve opportunities for residents
- A £900m package of investment to transform our transport system, with £563m from the City Regional Sustainable Transport Fund, on top of funding already announced for our buses and metro system.
- £69 million of investment in housing and regeneration, unlocking sites to bring forward new housing and commercial development

It is expected to create 24,000 extra jobs, deliver 70,000 courses per year to give people the skills to access good jobs, and leverage £5 billion of private sector investment. I am

confident that together, bolstered by the great determination of our city, we will be able to lay the foundations for a more inclusive future.

Budget:

It is our ultimate priority to ensure that every citizen of Newcastle can lead a healthy and happy life, and we know that high-quality, accessible public services are central to creating the right conditions for residents to thrive.

However, over a decade of sustained cuts to our budgets from central government have made delivery of these services increasingly difficult for the council. To put it in stark terms, Newcastle has had 30% of its funding cut since 2010, simultaneously driving up need for our services and reducing our capacity to meet that need. The inequality that these cuts create in our society, and the growing need for council services have been compounded by the cost of living crisis and the COVID-19 pandemic.

There was little comfort in the Local Government Financial Settlement this year. I voiced concerns to the Chancellor of the Exchequer about the implications of continued underfunding of local authorities, the inherent unfairness of using council tax to fund social care, and the overdue requirement for a reset of business rates and their distribution across the UK's local authorities on the basis of need. Until these fundamental issues are addressed by central government, balancing Newcastle's budget with need will be exponentially more difficult.

I am understandably very proud of the commitment and expertise that cabinet and council officers have demonstrated in balancing our budget well in the Council's Medium Term Financial Plan (MTFP) in 2023. This MTFP presents innovative and inclusive plans to not only fulfil our statutory duties, but also to protect and invest in the early intervention and prevention activity that we know will reduce need and pressure on our crisis services in years to come.

The MTFP explains *how* we will deliver safely and sufficiently by:

- Improving our organisational efficiency and effectiveness
- Promoting independence and building community resilience
- Generating income to support our services

in a council that is well run, transparent and accountable to residents

Transparency

Good governance is crucial to the successful delivery of this MTFP and we must maintain robust and fit for purpose practices that provide a clear framework for the flexible planning, delivery and evaluation of council action.

In our first six months, elected members and council officers have worked together to upscale and expand our scrutiny processes, strengthening the structural integrity of our organisation and enabling more non-executive members to shape the future direction of the Council. This demonstrates our intention to prioritise democratic participation and engagement across all members of council to assist the development of policy and provide an opportunity for robust and constructive challenge around decision making.

The council's Constitutional Committee agreed:

- That the current Overview and Scrutiny Committee would take on a wider co-ordinating role across all scrutiny, and be renamed as the Overview and scrutiny Co-ordination Committee;
- That Health and Scrutiny Committee would be renamed as the Health and Social care Scrutiny Committee, reflecting its remit;
- That the remit of the current Finance and Budget Monitoring Scrutiny Sub-Committee would be expanded to encompass corporate finance and governance as a whole, and become an overview and scrutiny committee in its own right;
- To establish a new scrutiny committee with a remit to focus on the city's economy, jobs and skills.

Useful Links

1. [**Cost of Living Support for Newcastle Guide**](#)
2. [**Net Zero Newcastle Priority Actions Update \(2021 – 22\)**](#)
3. [**Inclusive Economic Strategy: Wealth that flows to all**](#)
4. [**Anti - Poverty Strategy for Newcastle**](#)
5. [**Delivering for our communities: Our Medium Term Financial Plan 2023/24 – 2025/26**](#)
6. [**Portfolio Report: Leader of the Council September 2022**](#)