

Public Document Pack



PLEASE NOTE THAT PRAYERS WILL BE HELD AT 6.50PM BEFORE THE COMMENCEMENT OF THE BUSINESS OF THE COUNCIL.

THE MAYOR REQUESTS THAT ANY MEMBER WISHING TO PARTICIPATE IN PRAYERS BE IN ATTENDANCE IN THE COUNCIL CHAMBER BY NO LATER THAN 6.45PM.

SECOND SUPPLEMENTARY AGENDA

Dear Sir/Madam,

You are summoned to attend the meeting of the Borough Council of Newcastle-under-Lyme to be held in the **Council Chamber, Civic Offices, Merrial Street, Newcastle-under-Lyme, Staffordshire, ST5 2AG** on **Wednesday, 24th February, 2016** at **7.00 pm**.

BUSINESS

(i) Apologies

a Revenue and Capital Budgets and Council Tax 2016-17

(Pages 5 - 12)

Yours faithfully

A handwritten signature in black ink, appearing to be 'S.M.', written over a horizontal line.

Chief Executive

NOTICE FOR COUNCILLORS

1. Fire/Bomb Alerts

In the event of the fire alarm sounding, leave the building immediately, following the fire exit signs. Do not stop to collect personal belongings, do not use the lifts.

Fire exits are to be found either side of the rear of the Council Chamber and at the rear of the Public Gallery.

On exiting the building Members, Officers and the Public must assemble at the car park at the rear of the Aspire Housing Office opposite to the Civic Offices. DO NOT re-enter the building until advised to by the Controlling Officer.

2. Attendance Record

Please sign the Attendance Record sheet, which will be circulating around the Council Chamber. Please ensure that the sheet is signed before leaving the meeting.

3. Mobile Phones

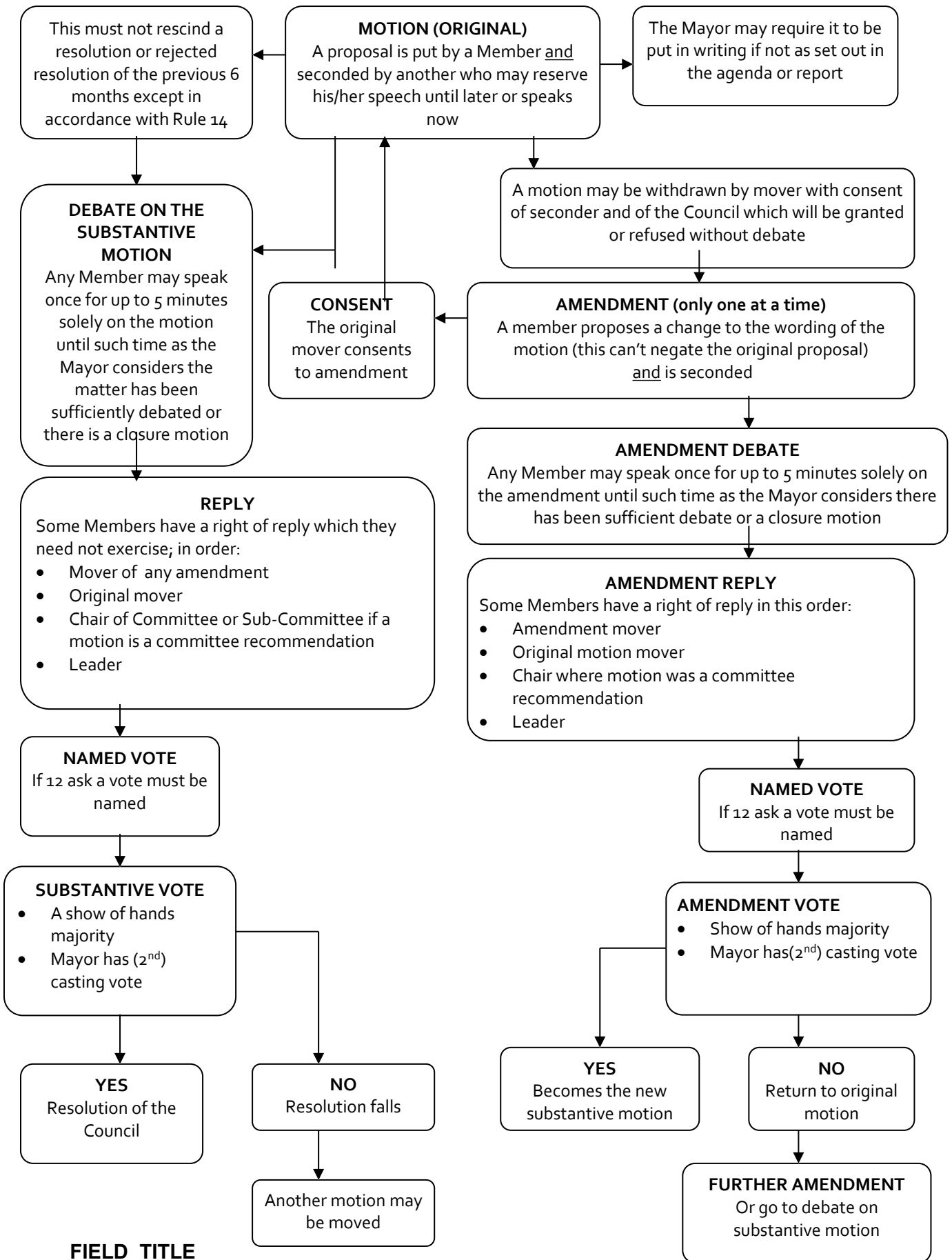
Please switch off all mobile phones before entering the Council Chamber.

4. Tea/Coffee

Refreshments will be available at the conclusion of the meeting, or in the event of a break occurring, during that break.

5. Notice of Motion

A Notice of Motion other than those listed in Standing Order 19 must reach the Chief Executive ten clear days before the relevant Meeting of the Council. Further information on Notices of Motion can be found in Section 5, Standing Order 20 of the Constitution of the Council.



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Council 24 February 2016

Agenda Item 4 – Revenue and Capital Budgets and Council Tax 2016/2017

Proposed Amendments

The current proposed budget includes a Cabinet recommended proposal of a 1.99% increase in council tax 2016/17

Having reviewed the current presented budget and proposed a number of areas where we had concern and alternative initiatives we wish to amend this budget for 2016/17

Tax increase of 1.5% resulting in a band D council Tax of £179.58

This will result in a number of amendments that have been considered by our Chief Financial Officer (CFO) officer as shown in the attached document Appendix A

In working with the Executive Director / Resources and Support Services, we have identified a need for a reduction of £31,000 to enable a balanced budget to be set.

We looked at many ways to achieve the above reduction and we were advised that to make any major changes to the budget which we had presented to the CFO we would have to consider the impact on producing a balanced budget and the officer time to do so at this stage.

We propose to only put forward to achieve this reduction minor alterations to the revenue budget.

Proposal.

To cease production of the Councils Reporter newspaper from the 1st April 2016 saving £31,000.

This mode of reporting council achievements has become a luxury item that can be replaced through professional use of local press articles.

To reduce the General Fund budget contribution to the Revenue Investment Fund by £31000.

This will result in a number of amendments to Appendix B as shown in the attached document.

The above savings taken together give more than the required amount of £31,000 and the remainder ie £31,000 should be used to support vulnerable families in our borough who would make better use of the support than both the above items.

Proposed by Cllr David Loades

Seconded by Cllr Stephen Sweeney

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Schedule of detailed recommendations

The following recommendations set out the decisions needed for the Council to set its own budgets and Council Tax for 2016/17.

Recommendations

- (a) That the Revenue Budget for 2016/17 be approved, as set out in **Appendix B**.
- (b) That the Council Tax at Band 'D' be **£179.58**.
- (c) That the Capital Programme to 2016/17 be approved as set out in Appendix F, together with the Prudential Indicator relating to the Incremental Impact of Capital Investment Decisions on the Council Tax, as set out in paragraph 8.5.
- (d) That the minimum balances requirement be confirmed as £1,300,000, unchanged from a year ago.
- (e) That an additional contribution of £50,000 be made to the Renewals and Repairs Fund and a contribution of £69,560 be made to the Insurance Provision, to be funded from the estimated Council Tax Surplus of £119,560 which will be transferred to the revenue account in 2016/17.
- (f) That it be noted that at its meeting on the 20 January 2016 the Cabinet calculated the following amounts for the year 2016/17:

- (i) 36,078 being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as its council tax base for the whole Council area for the year (Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act"))
- (ii) For dwellings in those parts of the Council's area to which a Parish precept relates as in the table below:

Kidsgrove	6,536
Loggerheads	1,878
Audley	2,510
Betley, Balterley and Wrinehill	576
Chapel and Hill Chorlton	192
Keele	332
Madeley	1,445
Maer	260
Silverdale	1,457
Whitmore	814

- (g) That the Council Tax requirement for the Council's own purposes for 2016/17 (excluding Parish precepts) is **£6,478,890**.
- (h) That the following amounts be calculated for the year 2016/17 in accordance with Sections 31 to 36 of the Act:
 - (i) **£72,961,662** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act taking into account all precepts issued to it by Parish Councils.

- (ii) £66,087,400 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.
- (iii) £6,874,262 being the amount by which the aggregate at (h)(i) above exceeds the aggregate at (h)(ii) above, calculated by the Council, in accordance with Section 31A (4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
- (iv) £190.54 being the amount at (h) (iii) above (Item R), all divided by Item T (f) (i) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- (v) £395,372 being the aggregate amount of all special items (Parish precepts) referred to in Section 34 (1) of the Act.
- (vi) £179.58 being the amount at (h) (iv) above less the result given by dividing the amount at (h) (v) above by item T (f) (i) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item (Parish precept) relates.
- (vii) **Part of the Council's Area**

	£ p
Audley Parish Council	221.43
Betley, Balterley and Wrinehill Parish Council	196.84
Chapel and Hill Chorlton Parish Council	195.26
Keele Parish Council	203.38
Kidsgrove Town Council	198.00
Loggerheads Parish Council	200.66
Madeley Parish Council	223.20
Maer Parish Council	198.22
Silverdale Parish Council	191.56
Whitmore Parish Council	209.22

Being the amounts given by adding to the amount at (h) (vi) above, the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above, divided in each case by the amount at (f) (ii) above calculated by the Council in accordance with Section 34(3) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

(viii)

Valuation Bands

	A	B	C	D	E	F	G	H
<u>Part of the Council's Area</u>	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Kidsgrove Town Council	131.99	154.00	175.99	198.00	242.00	286.00	329.99	396.00
Loggerheads Parish Council	133.76	156.07	178.35	200.66	245.25	289.84	334.42	401.32
Audley Parish Council	147.61	172.22	196.82	221.43	270.64	319.84	369.04	442.86
Betley, Balterley and Wrinehill Parish Council	131.22	153.10	174.96	196.84	240.58	284.32	328.06	393.68
Chapel and Hill Chorlton Parish Council	130.16	151.87	173.55	195.26	238.65	282.04	325.42	390.52
Keele Parish Council	135.58	158.18	180.77	203.38	248.58	293.77	338.96	406.76
Madeley Parish Council	148.79	173.60	198.39	223.20	272.80	322.40	371.99	446.40
Maer Parish Council	132.14	154.17	176.19	198.22	242.27	286.32	330.36	396.44

Classification: NULBC **PROTECT** Organisational

Whitmore Parish Council	139.47	162.73	185.96	209.22	255.71	302.21	348.69	418.44
Silverdale Parish Council	127.70	148.99	170.27	191.56	234.13	276.70	319.26	383.12
Other Parts of Borough Area	119.71	139.67	159.62	179.58	219.49	259.39	299.29	359.16

Being the amounts given by multiplying the amounts at (h)(vi) and (h)(vii) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- (i) That it be noted that for the year 2016/17 the major precepting authorities have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwelling shown below:-

<u>Precepting Authority</u>	<u>Valuation Bands</u>							
	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Staffordshire County Council	725.77	846.73	967.69	1088.65	1330.57	1572.49	1814.42	2177.30
Staffordshire Fire Authority	46.89	54.70	62.52	70.33	85.96	101.59	117.22	140.66
Office of the Police and Crime Commissioner Staffordshire	118.41	138.14	157.88	177.61	217.08	256.55	296.02	355.22

- (j) That having calculated the aggregate in each case of the amounts at (h) (viii) and (i) above, the Council, in accordance with Section 30(2) of the Act, hereby sets the following amounts as the amounts of Council Tax for the year 2016/17 for each of the categories of dwelling shown below:

<u>Part of the Council's Area</u>	<u>Valuation Bands</u>							
	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Kidsgrove Town Council	1023.06	1193.57	1364.08	1534.59	1875.61	2216.63	2557.65	3069.18
Loggerheads Parish Council	1024.83	1195.64	1366.44	1537.25	1878.86	2220.47	2562.08	3074.50
Audley Parish Council	1038.68	1211.79	1384.91	1558.02	1904.25	2250.47	2596.70	3116.04
Betley, Balterley and Wrinehill Parish Council	1022.29	1192.67	1363.05	1533.43	1874.19	2214.95	2555.72	3066.86
Chapel and Hill Chorlton Parish Council	1021.23	1191.44	1361.64	1531.85	1872.26	2212.67	2553.08	3063.70
Keele Parish Council	1026.65	1197.75	1368.86	1539.97	1882.19	2224.40	2566.62	3079.94
Madeley Parish Council	1039.86	1213.17	1386.48	1559.79	1906.41	2253.03	2599.65	3119.58
Maer Parish Council	1023.21	1193.74	1364.28	1534.81	1875.88	2216.95	2558.02	3069.62
Whitmore Parish Council	1030.54	1202.30	1374.05	1545.81	1889.32	2232.84	2576.35	3091.62
Silverdale Parish Council	1018.77	1188.56	1358.36	1528.15	1867.74	2207.33	2546.92	3056.30
Other Parts of Borough Area	1010.78	1179.24	1347.71	1516.17	1853.10	2190.02	2526.95	3032.34

Revenue Budget 2016/17**REVENUE ESTIMATES 2016/17****STATEMENT OF NET EXPENDITURE AND COUNCIL TAX REQUIREMENTS**

Topic Area	2015/16 General Fund		2016/17 General Fund		See Note
	Estimate 2015/16	Basic Band D Council Tax	Estimate 2016/17	Basic Band D Council Tax	
	£	£ p	£	£ p	
Administration Before Recharges to Services	7,357,290	208.76	7,258,000	201.18	
Less Recharges to Services	(7,357,290)	(208.76)	(7,258,000)	(201.18)	
Total Administration Net of Recharges	-	-	-	-	
Holding Accounts Before Recharges to Services	2,461,980	69.86	2,760,350	76.51	1
Less Recharges to Services	(2,461,980)	(69.86)	(2,760,350)	(76.51)	
Total Holding Accounts Net of Recharges	-	-	-	-	
Central Services	3,440,410	97.62	3,521,710	97.61	
Cultural Services	4,408,180	125.08	4,292,690	118.98	
Environmental Services	6,664,780	189.11	6,822,370	189.10	
Planning	1,729,380	49.07	1,633,700	45.28	
Transport	(10,710)	(0.30)	34,490	0.96	2
Housing	1,217,070	34.53	1,666,920	46.20	3
Net Cost of Services	17,449,110	495.11	17,971,880	498.13	
Pensions Liabilities Account - Interest Costs Less Return on Assets	(61,700)	(1.75)	(61,700)	(1.71)	
Investment Properties	(315,030)	(8.94)	(58,290)	(1.62)	4
Interest and Investment Income	(43,450)	(1.23)	(101,180)	(2.80)	5
Net Operating Expenditure	17,028,930	483.19	17,750,710	492.00	
Contribution to/(from) Revenue Reserves	(589,530)	(16.73)	(30,650)	(0.85)	6
Contribution to/(from) Capital Reserves	(2,608,950)	(74.03)	(3,612,900)	(100.14)	7
Amount to be met from Government Grant and Local Taxpayers	13,830,450	392.43	14,107,160	391.01	
Revenue Support Grant	(2,370,960)	(67.27)	(1,813,980)	(50.27)	
Other Non-Specific Grants	(1,834,700)	(52.06)	(1,786,880)	(49.53)	
Business Rates Retention Funding	(4,050,140)	(114.92)	(4,184,110)	(115.97)	
Collection Fund Deficit/(Surplus)	660,720	18.75	156,700	4.34	8
Borough Council Tax Requirement	6,235,370	176.93	6,478,890	179.58	
Staffs C.C. Precept		1,047.28		1,088.65	
Fire Authority Precept		68.96		70.33	
Police Authority Precept		177.61		177.61	
Total Council Tax Requirement		1,470.78		1,516.17	

The Council Tax Base used in the above table was set by the Cabinet at its meeting on 20 January 2016 at 36,078

Further Notes and a Glossary of Terms are shown on the following page.

NOTES

1. Holding Accounts expenditure has increased mainly because of additional impairment charges in respect of capital expenditure not enhancing asset values of £102k and changes to depreciation charges of £99k.
2. Transport expenditure has increased mainly because of additional impairment charges and depreciation charges.
3. Housing expenditure has increased mainly because of additional net REFCUS expenditure of £445k.
4. Investment Properties net income has decreased largely because the amount of impairment charges has increased by £239k.
5. Investment income has increased in line with the latest forecast of interest rate trends.
6. Contribution to/(from) Revenue Reserves has changed mainly because the transfer from the Business Rates Reserve to fund the previous year's business rates collection fund deficit reduces from £800k to £276k in line with current collection fund forecasts.
7. Contribution to/(from) Capital Reserves has changed mainly because of an increase in the amount of appropriations to reverse impairment and REFCUS charges of £909k.
8. Collection Fund Deficit/(Surplus) comprises a council tax fund surplus of £120k and an NNDR fund deficit of £276k. The NNDR deficit arises because the original estimated income for previous years was not achieved, mainly due to backdated appeals.

GLOSSARY OF TERMS

Depreciation. The measure of the cost or revalued amount of the benefits of a fixed asset that have been consumed during the year. Consumption includes wearing out, using up or other reduction in the useful life of a fixed asset whether arising from use, passage of time or obsolescence. Depreciation charges are offset by a transfer from the Capital Adjustment Account in order to ensure that they do not count against the council tax.

Impairment. A reduction in the value of a fixed asset below its carrying amount on the balance sheet. In this case, certain assets will have works of repair or improvement or other work to assets is planned to take place in 2016/17, which might be expected to result in an addition to the balance sheet carrying amount of the same amount as the expenditure incurred. However, it is likely that in fact the value will not be increased because the valuation principles employed do not recognise any increase in the real value of the assets. In such cases, the amount of non-value adding expenditure is classed as impairment and is written off as an impairment charge. These impairment charges are offset by a transfer from the Capital Adjustment Account in order to ensure that they do not count against the council tax.

REFCUS (Revenue Expenditure Funded from Capital Under Statute). Expenditure which does not result in the creation of a fixed asset and which is classified as capital for funding purposes but is chargeable to the Revenue Budget as revenue expenditure. Any grants or contributions towards such expenditure are also chargeable to the Revenue Budget. An appropriation is made to the Revenue Budget from the Capital Adjustment Account of the amount of net expenditure financed from capital resources in order to ensure that it does not count against the council tax.

Collection Fund. A fund accounting for Council Tax and Non-Domestic Rates received by the Council and the payments which are made from the fund including precepts to other authorities, the Council's own demand and shares of business rates receipts. The surplus or deficit for the year (essentially the difference between the amounts collected and the amounts paid out of the Fund) must be cleared by a transfer out of or into the Fund in the following year by the Council and the other major precepting authorities.

Contributions to/(from) Capital Reserves. Comprises transfers to or from the Capital Adjustment Account. This account is used to eliminate capital transactions, such as depreciation and impairment charges, which have to be debited or credited to the revenue account in order to comply with proper accounting practice but which statutorily cannot count against the council tax. It is also used to make good any shortfall in revenue financing of REFCUS expenditure, where this excess expenditure is financed from capital resources, such as capital receipts.

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