

Public Document Pack

Date of meeting **Wednesday, 4th November, 2015**
Time **7.00 pm**
Venue **Committee Room 1, Civic Offices, Merrial Street,
Newcastle-under-Lyme, Staffordshire, ST5 2AG**
Contact **Justine Tait**

Finance, Resources and Partnerships Scrutiny Committee

AGENDA

PART 1 – OPEN AGENDA

- 1 Apologies**
- 2 DECLARATIONS OF INTEREST**
To receive Declarations of Interest from Members on items included in the agenda
- 3 MINUTES OF THE PREVIOUS MEETING** **(Pages 3 - 8)**
To consider the minutes of the previous meeting held on Thursday 3rd September 2015.
- 4 Review of Changes to the Committee Arrangements** **(Pages 9 - 22)**
- 5 Quarter Two Financial and Performance Review** **(Pages 23 - 36)**
- 6 Medium Term Financial Strategy** **(Pages 37 - 70)**
- 7 WORK PLAN** **(Pages 71 - 76)**
To discuss and update the work plan to reflect current scrutiny topics
- 8 PUBLIC QUESTION TIME**
Any member of the public wishing to submit a question must serve two clear days' notice, in writing, of any such question to the Borough Council.
- 9 URGENT BUSINESS**
To consider any business which is urgent within the meaning of Section 100B (4) of the Local Government Act 1972.
- 10 DATE AND TIME OF NEXT MEETING**
Thursday 3rd December 2015, 7.00pm in Committee Room 1.

Members: Councillors Fear, Hambleton, Huckfield, Loades, Pickup, Stubbs (Chair),
Sweeney, Wallace (Vice-Chair), Waring, Wilkes and Williams

PLEASE NOTE: The Council Chamber and Committee Room 1 are fitted with a loop system. In addition, there is a volume button on the base of the microphones. A portable loop system is available for all other rooms. Should you require this service, please contact Member Services during the afternoon prior to the meeting.

Members of the Council: If you identify any personal training/development requirements from any of the items included in this agenda or through issues raised during the meeting, please bring them to the attention of the Democratic Services Officer at the close of the meeting.

Meeting Quorums :- 16+= 5 Members; 10-15=4 Members; 5-9=3 Members; 5 or less = 2 Members.

FIELD_TITLE

Officers will be in attendance prior to the meeting for informal discussions on agenda items.

Agenda Item 3

FINANCE, RESOURCES AND PARTNERSHIPS SCRUTINY COMMITTEE

Thursday, 3rd September, 2015

Present:- Councillor Mike Stubbs – in the Chair

Councillors Fear, Hambleton, Huckfield, Loades, Sweeney, Wallace, Waring, Wilkes and Williams

Portfolio Holder for Town Centres, Business and Assets

Officers Executive Director Resources and Support Services
Business Improvement Manager
Business Improvement Officer (Performance and Procurement)
Scrutiny Officer

1. **APOLOGIES**

No apologies were received.

2. **DECLARATIONS OF INTEREST**

There were no declarations of interest.

3. **MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on Monday 15th June 2015 were agreed as a true and accurate record.

4. **CONSTITUTION REVIEW WORKING GROUP**

The following topics were considered at the last Constitution Review Working Group held on the 14th July 2015:-

Procedure Rules for Committees

The Group considered the recent changes that had been made to Section 3.1(a) and 3.1(b) regarding changing an earlier resolution.

Resolved:-

That a future update be brought back to Scrutiny on whether Appendix 9 of the Constitution, section 3.1(b) was required.

Access to Information Rules

Resolved:-

Committee agreed to the updated access to information rules which are found at Appendix 11 of the Constitution.

Chief Officer Appointments, Dismissal, Review and Appeals Committee

It was advised this was an ad hoc Committee. Those Members nominated would be given the appropriate training.

A Member disagreed as it was up to the group leaders from every group to attend and felt the existing people on the Committee were adequately trained.

Resolved:-

That the Chair would seek the views of the group leaders and the Democratic Services Manager.

Planning Committee Members' Protocol

Legal advice was still awaited from the Legal Advisor at Stoke-on-Trent City Council.

Resolved:-

- (a) That the Protocol be forwarded to Members for consideration prior to the next meeting of Scrutiny.
- (b) That the Protocol be submitted to Full Council.

5. QUARTER ONE FINANCIAL AND PERFORMANCE REVIEW

Quarter One Finance Position 2015/2016

At the end of the first quarter, the general fund budget showed an adverse variance of £55,000. The main reasons to date were:-

- (a) The implementation of the staff related savings required to deliver the 2015/2016 target of £50k was still in progress.
- (b) Jubilee 2 and Kidsgrove Sports Centre were both operating at a net overspend, primarily due to income shortfall. Officers were looking at ways to both retain current income levels and pursue additional income.
- (c) Income from commercial rents was below the amount budgeted for. Active marketing of properties was continuing in order to try and secure new tenancies.

With regard to 5.2 of the report a further payment had now been received and would be included in the quarter two financial report.

The Executive Director Resources and Support Services advised that there was no anticipated over spend on any capital schemes.

Further meetings with the trade unions were scheduled for September with implementation on the 1st October 2015.

The total staff related savings in the current financial year would amount to approximately £15,000.

A Member asked if the overspend from Jubilee 2 and Kidsgrove Sports Centre would be ongoing.

The Chair advised that this question would be passed to an Officer within the Leisure Section.

Resolved:-

- (a) That a marketing plan for Jubilee 2 and Kidsgrove Sports Centre be circulated to Committee showing ways to retain current income levels and pursue additional income.

Quarter One Performance Review 2015/2016

The Committee received the Performance Management report to the end of Quarter One (April-June) 2015. Five indicators were off target:-

- 1.7 The amount of residual waste per household.
- 2.6 Percentage of minor planning applications determined within time.
- 2.7 Percentage of other planning applications determined within time.
- 4.3 Average number of days per employee lost to sickness.
- 4.5 % Unmet demand (number of calls not answered as a % of total call handling volume) – these were confirmed as external calls and were being managed. Four of the sickness cases were in Customer Services Division and the staff had returned to work.

Concern was raised regarding sickness. The Executive Director Resources and Support Services advised that unfortunately there had been a series of serious operations and illnesses during the first quarter. There was only one case relating to stress in the workplace. The short term sickness figures were very low.

It was asked under 1.1, Percentage of food premises that have a zero or one national food hygiene rating, if it was due to deterioration or to a new business opening up?

The Business Improvement Officer (Performance and Procurement) advised that the programme covered a range of premises. A breakdown of what the programme covered would be supplied to Committee at the next meeting.

Indicator 1.7, the amount of residual waste per household. These were seasonal figures. There was a slight improvement compared to quarter 1.

Resolved:-

- (a) That a detailed breakdown is produced for the next meeting, in relation to the percentage of food premises that have a zero or one national food hygiene rating.
- (b) That a comparative report is produced showing the number of homelessness cases where positive action was successful preventing homelessness, to see if the system was working.
- (c) That the percentage of minor planning applications determined within time be noted in the quarterly monitoring reports.
- (d) Indicator 3.4, number of referrals from GPs to organised sporting activity and indicator 3.5, percentage of people referred for exercise by GPs whose health improves. Both of these indicators to be monitored as there had been a drop in Jubilee 2 referrals and a drop in the public seeking the recreational facilities.

6. NEWCASTLE PARTNERSHIP COMMISSIONING PROSPECTUS

The Business Improvement Manager presented the report which highlighted the progress on the delivery and ongoing development of the Newcastle Partnership Commissioning Prospectus 2015-17.

The Newcastle Partnership launched the Newcastle Partnership Commissioning Prospectus 2015-17 in December 2014 which set out a number of 'lots' and service outlines, inviting local service providers to submit delivery proposals to address two commissioning priorities, within the Borough:-

- Enhancing economic growth
- Tackling vulnerability

The closing date for the submission of service proposals to address the identified priorities within the 'Commissioning Prospectus' was 4th February 2015, with the Partnership receiving a total of 55 applications across the 12 lots established. The total values of the applications received were in excess of £780,000. No applications were received for 2 of the 12 lots. Following a series of panel evaluations a total of 16 projects were awarded in Phase 1 comprising of Arch, Street Chaplains, Loggerheads Parish Council, Social Youth Clubs etc. An engagement process had been undertaken with each of the successful providers, where KPIs had been established; monitoring frequencies agreed and payment schedules in line with each communicated.

Following the closing date of Phase 2 on the 21st August 2015, 26 applications had been received with the total value in year 1 in excess of £315,000 with a budget of £220,000. Year 2 was estimated in excess of £115,000

A multi-agency working group continues to meet on a fortnightly basis to begin to realign some of the processes and try to improve the engagement in the market place.

Resolved:-

That a complete list of the projects and services available be circulated to Committee.

7. PORTFOLIO HOLDER QUESTION TIME

Portfolio Holder for Town Centres, Business and Assets presented Committee with an informative presentation on the subjects of land and property disposals and Newcastle Business Improvement District.

It was asked if the May Bank land disposal consultation was authorised, which the Portfolio Holder confirmed it was and planning applications were being submitted to the Planning Committee.

A Member asked if a profile paragraph could be included in the planning report as there seemed to be no investment in the rural areas.

It was asked if a gradual increase in rates could be considered but was advised that business rates were governed by central government regulations.

A report would be made available on Tuesday 8th September 2015 concerning the Ryecroft redevelopment, with a Special Council meeting to be held on Wednesday 23rd September 2015.

Resolved:-

(a) That information from consultations is included in a newsletter.
That a profile paragraph be included in the planning report concerning investment in the rural areas.

8. **WORK PLAN**

Resolved:-

That the following items are included on the work plan:-

Wednesday 4th November 2015

Co-operative Council

Thursday 3rd December 2015

Procurement Champion

Future Items; Newcastle Partnership Board, Putting People First and Workforce Development

9. **PUBLIC QUESTION TIME**

There were no public questions submitted.

10. **URGENT BUSINESS**

There was no urgent business.

COUNCILLOR MIKE STUBBS
Chair

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REPORT ON CHANGES TO COMMITTEE ARRANGEMENTS

Submitted by: Democratic Services Manager

Portfolio: Communications, Policy & Partnerships

Wards affected: All

Purpose

To provide Members with feedback from the Committees in relation to the review undertaken by a Local Government Association peer review team of the democratic decision-making structures of the Council.

RECOMMENDATIONS:-

- (a) That the Committee consider the recommendations listed in the original report (Appendix A) in light of the comments and feedback received.

Context

In June 2015 the Committee received the attached report in relation to the LGA peer review.

Members were concerned that the report had not been discussed and recommended that the report be presented to each Committee to seek Members views. Once collated a further report would be submitted to Finance, Resources and Partnerships Scrutiny Committee then to Council.

The Committee resolved:-

That the report is presented to each Committee to seek Members views with a further report being submitted back to this Committee then to Council.

The feedback from each Committee is attached at Appendix B.

A copy of the report has been emailed to all members of the Staffing Committee for comments.

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REPORT ON CHANGES TO COMMITTEE ARRANGEMENTS

Submitted by: Democratic Services Manager

Portfolio: Communications, Policy & Partnerships

Wards affected: All

Purpose

To update Members on the outcome of a review undertaken by a Local Government Association peer review team of the democratic decision-making structures of the Council. To make recommendations to the Council to implement changes to the Council's Committee arrangements in line with the recommendations of the Peer Review report.

RECOMMENDATIONS:-

- (a) That the Council approves the following changes to the Committee arrangements
 - i. Merge the Audit and Risk and Standards Committees
 - ii. Disband the Staffing Committee
 - iii. Disband the Joint Parking Committee
 - iv. Disband the Member Development Committee
 - v. To create the Constitution Working Group as a Committee of the Council and to title it the Constitution Review Committee.
- (b) That the number of places on the Public Protection Committee be set at 15.
- (c) That the Constitution Working Party be asked to make recommendations for changes to the Council's Constitution to give effect to recommendation (a) above and make a report to the next meeting of the Council.
- (d) That the Council approves the Audit and Risk Committee and Standards Committees to operate as a combined Committee until the appropriate changes are made to the Council's Constitution as required consequentially by recommendation (a) above to request the Group Leaders to nominate the same named individuals to both the Audit and Risk Committee and the Standards Committee with immediate effect.
- (e) That the Group Leaders be requested to nominate the same named individuals to both the Licensing Committee and the Public Protection Committee with immediate effect.
- (f) That the Constitution Working Party be asked to undertake a review of the Council's scrutiny arrangements and to bring forward recommendations consistent with the objectives and recommendations of the Peer Review to improve the efficiency of the Council's democratic arrangements.
- (g) That the Council approves the transfer of the powers and duties of the Staffing Committee to the Head of Paid Service acting with the agreement of the Portfolio Holder for human resources with immediate effect and until the appropriate changes

are made to the Council's Constitution as required consequentially by recommendation (a) above.

- (h) That the Constitution Working Party be asked to consider recommending to the Council conventions which could be adopted to improve the efficiency of formal meeting which are consistent with promoting effective debate, efficient use of Member and officer time, and facilitate the involvement of the public, consultees and others in the work of the Council's formal meetings.

1. Context

- 1.1 In December 2014 the Council invited an LGA Peer Review team to conduct a review of its democratic decision making structures. The review reported in January 2015 and a copy of the report is contained in full at Appendix 1 of this report.
- 1.2 The review was commissioned as part of a wider organisational drive for further efficiency. It was specifically designed to help the council look at the way in which its various committees and panels are organised and identify potential options to consider.

2. Findings of the Peer Review

- 2.1 The Peer Review noted that the current democratic decision making arrangements demand a lot of time from both Members and officers. This arises from the extensive array of formally constituted committees and panels. The review team noted that the number of committees and committee positions is very large when compared with similar district and borough councils benchmarked by the team. They noted that the number of meetings (well over 100 per year) is amongst the highest of the benchmark authorities. Similarly the number of committee positions is 3.6 per councillor for this councillor compared to an average of 2.6 amongst the comparator councils.
- 2.2 The Peer Review team undertook a detailed analysis of the implications of these headline findings and these are set out in the report.

2.3 Peer Review recommendations

The Peer Review Report makes recommendations for a number of committees to be merged, combined or disbanded. The specific recommendations are as follows:

- Merge / amalgamate the Public Protection Committee and Licensing Committees
- Merge / amalgamate the Audit and Risk and Standards Committees
- Merge / amalgamate the Active and Cohesive Communities and Health and Well Being Scrutiny Committee
- Review the continued need for the Staffing Committee
- Review some of the historical / legacy arrangements, such as the Joint Parking Committee and Conservation Advisory Working Party, and whether the Council should continue to service these bodies

Each of these recommendations is considered in detail below.

Merge / amalgamate the Public Protection Committee and Licensing Committees

The Peer Review Report proposes that the Public Protection Committee and the Licensing Committee be amalgamated. It is noted that a single committee covering all of the functions of those two committees is common practice in other councils. However, it should be noted that these two Committees are responsible for two discrete areas of licensing working under two distinct sets of statutory provisions. The Public Protection Committee under the provisions of the local government Act 1972 and the Licensing Committee under the Licensing Act 2003 and Licensing Act 2005.

Given the semi-judicial nature of these Committees care needs to be taken to ensure that Members serving on them are given adequate training. Members will be aware that to facilitate the participation of businesses and their representatives where this is required sub-committees of the Licensing Committee have met during the daytime. It should be noted that on occasion, due to other commitments on the part of some Committee Members, it has been challenging for a suitable quorum of Members to be assembled. It may therefore be prudent in making changes to these committees to enlarge the size of the Public Protection Committee to standardise the number of Members on each Committee at 15 places. In making nominations, Group Leaders should advise their Members of the daytime meeting requirements of these roles.

Whilst the Peer Review recommendation to amalgamate the two committees has merit, some eminent legal authorities maintain that Parliament's intention under the Licensing Act 2003 was to create a standalone licensing committee. This being the case it may be prudent at this time for the Council to retain the separate entities of a Licensing Committee and a Public Protection Committee but that identical nominations be made to the two Committees and that meetings be scheduled so that they run sequentially on the same occasion. On the basis of the amount of business over recent years for the two committees this is considered to be a practical proposal. This arrangement would give efficiencies since the officer time required in supporting the meeting would be less where the businesses of the two Committees is conducted on a 'back-to-back' basis.

It is proposed therefore to accept the principle of Peer Review recommendation and to bring together the operation of two existing committees but to retain the two legally distinct Committee roles.

Merge / amalgamate the Audit and Risk and Standards Committees

The Peer Review report makes the case for the Audit and Risk and Standards Committees to be merged to create an Audit and Governance Committee. There is a high degree of synergy between the work of the two existing committees and it is therefore proposed to accept the Peer Review recommendation and to merge the two existing committees.

Merge / amalgamate the Active and Cohesive Communities and Health and Well Being Scrutiny Committee

In relation generally to the work of the Overview and Scrutiny Committees the Peer Review team observed that they “appear to operate like service committees”. However, the only proposed change to scrutiny arrangements made by the Peer Review team is the merger of the Active and Cohesive Communities and Health and Well Being Scrutiny Committee.

Feedback from Members has indicated a strong desire to retain a separate Health and Wellbeing Scrutiny Committee. In light of the experience of Stafford Borough and the comments made by the Francis Inquiry (in relation to Stafford General Hospital) it would be advisable at this time to recommend the retention of the separate Health and Wellbeing Scrutiny Committee. It is suggested that the Constitution Working Group should be asked to review and recommend the revision of the terms of reference of the Health and Wellbeing Scrutiny Committee to ensure that recommendations from the Francis Report and the experience of Stafford Borough Council have been embedded in this Council’s arrangements.

However, in light of the comments made by the Peer Review about the work of scrutiny committees it is recommended that the Constitution Working Group be asked to undertake a short task and complete piece of work to make recommendations for improvements to be made to the Council’s scrutiny arrangements particularly to ensure that these are efficient and effective and in line with best practice.

Review the continued need for the Staffing Committee

The Peer Review report states that the team was not certain of the role of the Staffing Committee and how it adds value to decision-making. Concerns were expressed that it may add unnecessary delay to the process of getting relatively minor policy updates approved, or escalates issues which might be resolved more quickly and collaboratively at a lower level. The team expressed the view that most of the functions of the Staffing Committee “appear to be in the remit of the Head of Paid Service”. It is therefore proposed to disband the Staffing Committee and to amend the Constitution to pass the functions currently performed by the Committee to be discharged by the Head of Paid Service in consultation with the Cabinet Portfolio Holder for human resources as appropriate. The Constitution Working Group will be asked to oversee the task of recommending the required changes to the Constitution.

Review some of the historical / legacy arrangements, such as the Joint Parking Committee and Conservation Working Group, and whether the Council should continue to service these bodies

The Joint Parking Committee has naturally come to an end with effect from 1 April 2015 as a result of the County Council’s decision to commission its Civil Parking Enforcement service through a single provider. It is therefore recommended that this Committee be disbanded.

The Conservation Advisory Working Party is an advisory Committee which makes comments to the Planning Committee on matters which affect the historic built environment and in particular on applications for planning permission in Conservation Areas, listed building consent, conservation area consent, consents for advertisements, passing comment on applications for historic building grants and to

recommend on conservation policy. It is held on a 3-weekly cycle in order to facilitate efficient decision-making on applications for permission or consent. Its members are drawn from Borough Councillors (5), 7 representatives of local organisations and a representative of each Parish Council.

In terms of officer resources it is supported by one specialist member of staff. In view of the importance of achieving good quality design in historically important parts of the built environment it is considered that there is merit in retaining this advisory group, particularly in view of the relatively modest demands placed upon the Council. It is proposed that the Conservation Advisory Working Party be retained in its current form.

The Member Development Committee was set up on a task and complete basis to advise on improvements to the support arrangements for elected Members. The Committee has reviewed the arrangements and recently made recommendation for the future use of ICT arrangements in line with those which exist for officers and in accordance with good practice. It may be considered that the Committee has now completed its task and should be disbanded.

The Constitution Working Group is technically a Committee of the Council. When this was first established it was done on a task and complete basis with the remit to update the Council's Constitution. Whilst the bulk of the substantive task was completed a year or so ago, the Council has subsequently retained the good practice of keeping the Constitution updated on a rolling basis and the Constitution Working Group has continued to undertake this work. The working group has been kept small and operated on a cross-party basis. It is proposed that this group should become a full Committee of the Council and that the Constitution should be amended to reflect this.

At its meeting on 26 November 2014 the Council established a Committee to look at the future of election cycles and the size of the council. This Governance Committee was established on a task and complete basis with a requirement to report its findings to the Council no later than September 2015. It is proposed that this Committee be retained for the duration of its current remit.

Timing of meetings

Although not considered as part of the brief of the Peer Review there has been discussion within the Council about the timing of meetings. By convention the majority of the council's formal meetings start at 7pm. As part of wider moves to ensure that the council is efficient in the way it conducts its business it has been suggested that consideration be given by Members about whether this is the most convenient time in view of the other demands on the time of both Members and officers.

It is suggested that the Constitution Working Party be asked to give this matter greater consideration and to make recommendations for whether there are ways in which meetings could be scheduled to be more efficient on the time of Members and officers. In doing this the Working Group would also be asked to make recommendations about other practices which could be adopted by convention which may assist the business management of meetings to promote efficient use of time and also to consider this in relation to meetings where members of the public, consultees or others are in attendance.

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Responses to the LGA Peer Review

A. Member Development Panel

1. Amalgamation of Public Protection and Licensing: No comments as a Member stated that this could not be done.
2. Audit and Risk and Standards Merger: Could not see any relevance in merging
3. Merging Active and Cohesive and Health: Would this make meetings too lengthy?
4. Staffing Committee: Rather than losing the Committee could it not be ad hoc?
5. Joint Parking has now gone
6. Conservation needs to stay. Officer support i.e. Conservation officer knowledge is invaluable.
7. Members Info Bulletin: Agreed this was a good idea that could be part of the Members Web page.
8. Report formats. Needs addressing, less lengthy with links to relevant areas.
9. Did not feel that the demands on their time were excessive.
10. Meetings should remain at 7pm.
11. Frequency of elections: Good as a cost saving but should there be an entirely new council there could be a risk of a loss of expertise
12. Reduction of the number of Councillors: Good as a cost savings but would recommend no less than two members per ward
13. Delegating more to officers: Councillors are taking on the responsibility of decision making and any bad decisions made would reflect on Members
14. Member Development Panel: This should remain but instead of six set meetings per year, just have three set around election time and the rest be on an ad hoc basis.

B. Comments from the Cleaner Greener Scrutiny Committee

1. Timing of Meetings

Members felt that, as a lot of Members worked, the 7pm start of meetings should remain. There was understanding that Licensing Hearings should remain in the mornings as licensees need to be at their Public House in an afternoon/evening.

2. Merging of Licensing and Public Protection

Mixed views. The two committees deal with separate issues but, the main business of licensing only lasts thirty minutes so it shouldn't be a problem to merge these two.

3. Staffing

This is an important committee and therefore should remain.

4. CAWP

One Member felt that this was important to retain the heritage of the Borough and therefore should be kept.

5. Attendance at meetings

Members felt that it was not a strain on their time to attend the meetings they represent. They are on committees that they have an 'interest' in the subject so it helps to keep them knowledgeable and gives a greater interest in those areas..

6. Extensive Structures

One Member stated that sometimes delegations were required and it also makes the process more democratic.

7. & S Standing Committees and Task and Finish

It depends on what is to be scrutinised. Although the Task and Finish Groups are important as they give an actual end date to a project. No actual clear answer was given as to whether Standing Committees were required but there was a lot of importance placed upon T&F.

8. Health and Wellbeing and Active and Cohesive

These two committees should be merged.

9. Members Bulletin

Agreed that this would be useful..

10. Frequency of Elections

Agreed that going to all out elections would be an effective way to save the Council money and would save officer and Member time.

Has the possibility of electing by halves rather than by thirds been investigated?

11. Reducing Councillors

Members agreed that this would be a cost saving to the authority but the boundaries would need to be closely looked at.

12. Member Development

No overall view but one Member stressed the importance of the 'Member-led' approach.

13. Reports

No views

14. Current Structure

No views

15. Good recommendations in principal. Could the changes ie to committees be trialled for one municipal year to assess the effectiveness?

C. Comments from Active and Cohesive Scrutiny Committee comments:

1. Amalgamation of Public Protection and Licencing.

This cannot be done. Technically it would have to be two separate meetings on the same night so not feasible.

2. Amalgamation of Standards and Audit and Risk

This is an understandable move as Standards rarely meets,

3. Amalgamation of Active and Cohesive and Health and Wellbeing

This could create long meetings. Health Scrutiny can be an intensive meeting and may result in extra meetings to complete unfinished business, thus defeating the object. Further, Active and Cohesive could suffer if concentration was placed on Health Scrutiny. Prefer to stay as they are.

4. Review the need for the Staffing Committee

No comments on this

5. Joint Parking Conservation

No comments on this

6. Reintroduce a Members Bulletin

This would be useful and could be part of the Members Web page

7. Demands on Members Time

This is not excessive. That is what they are elected for

8. 7pm start for Meetings

Happy for this to stay as it is. Especially for the Members who work.

9. Frequency of Elections

No real comments although, should a totally new Council be elected (on all outs) a lot of experience could be lost in one go.

10. Reducing the number of Councillors

This needs a bigger debate

11. Report formats and Size

Some can be lengthy and need shortening

12. Delegating more decisions to officers

This would have to be dependent upon the decision

13. Disbanding of Member Development Panel

Not a good idea. It is crucial for member-led practices and Member Development.

General Comment: Courier service was stopped too soon. It should have continued until every Member had an Ipad.

D. Comments from Economic Development Scrutiny Committee

1. Information items to be received electronically and not presented to Committee for discussion.
2. More notice of proposed developments prior to being submitted to Committee.
3. The start times of meetings to be more flexible and to look at consolidating meetings to the day.

E. Comments from the Licensing Committee and the Public Protection Committee

That the Public Protection Committee and the Licensing Committee should not be merged nor should meetings of the Committees run one after the other.

The Committees considered advice provided by James Button which stated that the correct approach was to have 2 licensing committees and that using one committee for both was not lawful (a copy of this guidance is attached).

Members considered that having one committee constituted of the same members would put significant pressure on those members to receive training and to be sufficiently competent in dealing with the various pieces of legislation covering the different committees. Having both meetings at the same time would also put additional pressure on officers to prepare reports.

Both Committees deal with important issues that affect peoples' livelihoods and the safety of the residents of the Borough, to have one meeting after the other on the same day could lead to errors in judgement and very lengthy meetings.

F. Comments from the Health and Wellbeing Scrutiny Committee

1. Merge the Active and Cohesive Communities and Health and Well Being Scrutiny Committees

There was unanimous opposition to this recommendation stating that, if implemented, it would adversely affect this committee's ability to deliver effective and robust scrutiny of health related issues. In addition it was considered whilst the use of Task and Finish Groups was a valuable tool in the scrutiny process and should be continued they needed to be more streamlined and time limited.

In addition the committee supported the suggestion that the Council's Constitution Working Group should be requested to review and make recommendations to change this Committee's terms of reference to ensure that the lessons learned from the issues at Stafford Hospital and from the resultant Francis Report are embedded into this Council's arrangements.

2. Timing of Meetings

The committee supported the current practice of the majority of the Council's meetings starting at 7pm.

Members did not feel that evening meetings placed excessive demands upon their time but considered that the Constitution Working Group should look at ways in which meetings could be better managed particularly in respect of those meetings where members of the public, Consultees and others were in attendance.

3. Re-introduction of Members Information Bulletin

The committee supported this recommendation suggesting that it be incorporated into the Members website when it was up and running.

An alternative to this was that Members only receive information about matters affecting their own and adjoining Wards.

4. Reduce Frequency of Local Elections
5. Reduce the Number of Councillors
6. Delegating More Decisions to the Cabinet and Officers.

Although the committee acknowledged the importance of the above issues they considered it premature to comment at this time assuming that all councillors would have the opportunity to debate them at a later date.

G. Audit and Risk Committee

Members agreed in principle with the merging of the Audit and Risk Committee and the Standards Committee.

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February 2014 No 2

Licensing Committees, Taxi Licence Fees, Licensing Act Licence Fees, Draft Mandatory Condition, Member Training

2 Licensing Committees?

There is currently some discussion around the workings of licensing committees. It is clear that a number of authorities only have one committee discharging Licensing Act, Gambling Act, taxis, street trading, sex establishments and many other licensing functions, whilst others have two - the statutory committee for Licensing Act and Gambling Act matters, and the discretionary committee for all other licensing functions. This matter was addressed in "*PH Law*" December 2007 (available in the subscribers' area of our website) but it is worth revisiting.

In my view, the correct approach is to have two licensing committees, and using one committee for all licensing functions is not lawful.

My reasoning for this is as follows.

The Licensing Act 2003 section 6(1) is quite specific that a licensing committee must be established;

"(1) Each licensing authority must establish a licensing committee consisting of at least ten, but not more than fifteen, members of the authority."

For the remainder of this note, this committee will be referred to as the "statutory licensing committee".

Section 7 of the Act then regulates the exercise and delegation of licensing functions (defined in section 4(1) as being all functions under the Licensing Act - ". . . functions under this Act ("licensing functions") . . . "). Section 7(1) makes it clear that all licensing functions should be discharged via the statutory licensing committee;

"(1) All matters relating to the discharge by a licensing authority of its licensing functions are, by virtue of this subsection, referred to its licensing committee and, accordingly, that committee must discharge those functions on behalf of the authority."

Section 9 allows the statutory licensing committee to establish sub-committees (consisting of 3 members of the licensing committee).

It can be seen therefore that Licensing Act 2003 functions (and Gambling Act 2005 (“the 2005 Act”) functions by virtue of section 154 of the 2005 Act) are generally discharged by the statutory licensing committee established under the 2003 Act. There are some exceptions (statements of licensing policy etc) but this is the general position. The statutory licensing committee can then delegate to a sub-committee or an officer under the provisions of section 10 of the 2003 Act (again there are some functions cannot be discharged by an officer).

It is also clear that a matter that is not a licensing function governed by the 2003 Act, or related to such a function, cannot be discharged by the statutory licensing committee. This is by virtue of section 7(3) which states:

- “(3) A licensing authority may arrange for the discharge by its licensing committee of any function of the authority which—
- (a) relates to a matter referred to that committee by virtue of subsection (1), but
 - (b) is not a licensing function.”

There is no mechanism for the statutory licensing committee to consider any matter which is not a licensing function within the meaning of the 2003 Act or which is related to a licensing function.

This is why a second or “other licensing committee” is required to discharge licensing activities which are not governed by the 2003 or 2005 Acts. The mechanism to enable the local authority to discharge these matters is contained in sections 101 and 102 of the Local Government Act 1972 (unless the matter is an Executive function, which relates to certain taxi matters under the Local Government (Miscellaneous Provisions) Act 1976, and the whole of the Scrap Metal Dealers Act 2013).

Accordingly in my view it is necessary to have two distinct committees: the statutory licensing committee and the other licensing committee.

They must be separately constituted. The statutory licensing committee does not need to be politically balanced (although it can be) as it is not a committee created under the Local Government Act 1972. However, the other licensing committee does have to be politically balanced. Subject to that, they can have the same members, and a similar structure with regard to sub-committees.

In addition they will run under different rules – The Licensing Act 2003 (Hearings) Regulations 2005 and The Gambling Act 2005 (Proceedings of Licensing Committees and Sub-committees) (Premises Licences and Provisional Statements) (England and Wales) Regulations 2007 for the statutory licensing committee as opposed to the Council Constitution and Standing Orders for the other licensing committee.

It can be seen that as the statutory licensing committee does not have any power to deal with non Licensing Act and Gambling Act matters, and the other licensing committee does not have the power to deal with such matters, if there is only one

committee in existence discharging all of these functions, then some of them will be determined *ultra vires* the power of the particular committee.

In a situation where there is only one licensing committee, the consequences will depend on how that committee is actually constituted. If it is constituted under section 6 of the 2003 Act, then it will not have had any power to determine other matters including taxi licensing, street trading, sex establishment licensing etc. Conversely if it is constituted under section 101 of the 1972 Act, it will have been acting *ultra vires* if it has determined Licensing Act and Gambling Act functions.

As I mentioned earlier, the two committees can have the same members and indeed can meet on the same day, one after the other, but there must be a clear separation of roles. This includes separate agendas, committee reports and minutes.

What then are the consequences if a local authority only has one licensing committee? In relation to previous decisions made by one committee, my view would be to keep quiet. There is no advantage to the Council or to any licensee in revealing that a licence may have been granted *ultra vires* (and therefore void). If such discoveries are made by an unsuccessful applicant, then a potential challenge may lie, but that would have to be by judicial review, in all probability within 3 months of the decision so hopefully the realistic risk of challenge is slim.

There is also a risk of a third party recognising the deficiency as well. This could be the police or a local resident who could then argue that a premises licence had been granted unlawfully and therefore did not exist. Again, practically speaking it is hoped that that risk is also minimal, but if such a challenge is brought it could be problematic.

For authorities that do anyhow one licensing committee, my suggestion would be to designate the existing licensing committee as the statutory licensing committee and constitute a second licensing committee as the other licensing committee. I would then suggest delegating all other Council (as opposed to Executive) licensing functions which are not governed by the 2003 or 2005 Acts to the other licensing committee.

Taxi Licensing Fees

Licensing fees were examined in the *Bulletin* February 2013 (available in the subscribers' area of our website) but another point needs clarification.

The licence fee levying provisions contained in sections 53 and 70 of the Local Government (Miscellaneous Provisions) Act 1976 contain limiting factors as to what can actually be recovered (examined in the earlier *Bulletin*) but it should also be recognised that in both cases the fee can only be levied on the grant of the licence.

This has two important consequences.

Firstly, if an application fails and no licence is granted, no fee can be levied. There is no mechanism to deduct any “administrative costs” for the costs to the authority of processing a failed application. These costs can be significant, and may well include committee time as well as the officer time of dealing with the application itself. However these are the overall costs associated with the licensing regime, and under the ruling in *R v Manchester City Council, ex p King*¹, the licence fees can be used to recover those costs. This is obviously subject to the limiting factors contained in sections 53 and 70, but it seems clear that this activity will fall within the concept of “administration”. Accordingly, those costs can be recovered as part of the overall cost and levied as part of the licence fee paid by successful applicants.

Secondly, there is no mechanism to charge for any additional items during the period of the licence. This would include transfers of vehicle ownership, replacement plates, badges and other signage, charging for changes of address, replacement licences and so on. Once again, those costs can be recovered as they are part of “administration”, but must be factored into the overall costs paid by the licensee as part of the licence fee for the grant of the licence.

Licensing Act 2003 Locally Set Fees

At last we have some progress on the long-running saga of locally set fees under the Licensing Act. You will recall that the statutory provisions allowing locally set fees (197A and 197B of the Licensing Act 2003) were contained in the Police Reform and Social Responsibility Act 2011, but only now is formal consultation on those proposals taking place. This is contained in “*A consultation on fees under the Licensing Act 2003*”² which has a closing date for responses of 10th of April 2014. A detailed analysis of this document will feature in the next *Bulletin*.

Selling Alcohol at below Duty+VAT

As a follow-on to the article in the last *Bulletin* about the Guidance, the Draft Order containing the additional mandatory condition itself is now available.³

The proposed condition reads as follows:

- “1. A relevant person shall ensure that no alcohol is sold or supplied for consumption on or off the premises for a price which is less than the permitted price.

2. For the purposes of the condition set out in paragraph 1—

¹ (1991) 89 LGR 696, DC

² Available at <https://www.gov.uk/government/consultations/locally-set-licensing-fees>

³ <http://www.legislation.gov.uk/ukdsi/2014/9780111109120/contents>

(a) “duty” is to be construed in accordance with the Alcoholic Liquor Duties Act 1979;

(b) “permitted price” is the price found by applying the formula—

$$P = D + (D \times V)$$

where—

- (i) P is the permitted price,
- (ii) D is the rate of duty chargeable in relation to the alcohol as if the duty were charged on the date of the sale or supply of the alcohol, and
- (iii) V is the rate of value added tax chargeable in relation to the alcohol as if the value added tax were charged on the date of the sale or supply of the alcohol;

(c) “relevant person” means, in relation to premises in respect of which there is in force a premises licence—

- (i) the holder of the premises licence,
- (ii) the designated premises supervisor (if any) in respect of such a licence, or
- (iii) the personal licence holder who makes or authorises a supply of alcohol under such a licence;

(d) “relevant person” means, in relation to premises in respect of which there is in force a club premises certificate, any member or officer of the club present on the premises in a capacity which enables the member or officer to prevent the supply in question; and

(e) “valued added tax” means value added tax charged in accordance with the Value Added Tax Act 1994.”

It can be seen that this condition will apply to on and off licences, and clubs. However as drafted it does not apply to alcohol supplies under a temporary event notice. Whether this is a loophole which will be exploited remains to be seen, but it is an odd omission.

There is also the strange situation that the existing additional mandatory conditions apply to a “responsible person”, whereas this additional mandatory condition applies to a “relevant person”.

A “responsible person” under the 2010 Order⁴ is defined with reference to s153(4) of the 2003 Act:

“(4) In this section “*responsible person*” means—

- (a) in relation to licensed premises—
 - (i) the holder of a premises licence in respect of the premises,
 - (ii) the designated premises supervisor (if any) under such a licence, or

⁴ Licensing Act 2003 (Mandatory Licensing Conditions) Order 2010/860

- (iii) any individual aged 18 or over who is authorised for the purposes of this section by such a holder or supervisor,
- (b) in relation to premises in respect of which there is in force a club premises certificate, any member or officer of the club present on the premises in a capacity which enables him to prevent the supply in question, and
- (c) in relation to premises which may be used for a permitted temporary activity by virtue of Part 5—
 - (i) the premises user, or
 - (ii) any individual aged 18 or over who is authorised for the purposes of this section by the premises user.”

However for the purposes of this condition, the definition of “relevant person” is different (see above). If there is any rational reason for this, it would be helpful if the Home Office explained that, and in the absence of any explanation it does suggest a certain lack of understanding of their own legislation.

Beyond that, it remains to be seen when this condition will be brought into effect.

Training for Licensing Committees

Many local authorities have elections in May this year which will result in new members on licensing committees. As the council elections are later in the month than usual (22nd May) to coincide with the European elections, there is a limited amount of time for member training before the summer recess (realistically only June and July). We have many years experience of training licensing committee members and an in-house course can be tailored to your particular requirements. If you are interested, please contact us as soon as possible as dates are already booking up.

James Button

14th February 2014

For further information please contact James Button on 01629 735566 or james@jamesbutton.co.uk

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James T H Button, BA, Solicitor, CIOl, MCI Arb – Principal.

1. FINANCIAL AND PERFORMANCE MANAGEMENT REPORT TO END OF QUARTER TWO (July -September) 2015

Submitted by: Executive Management Team

Portfolio: Policy, People & Partnerships
Finance, IT & Customer

Wards Affected: All

Purpose

To provide Finance, Resources & Partnerships Scrutiny (FRAPS) Committee with the Financial and Performance Review report with the Financial and Performance Review report - second quarter 2015/16.

Recommendations

- (a) **That Members note the contents of the attached report and agrees to the recommendation that the Council continues to monitor and scrutinise performance alongside the latest financial information for the same period.**

Reasons

The Financial and Performance Management monitoring reports provide information on a quarterly basis regarding the performance of individual council services, alongside related financial information on the organisation. This report will be presented to Cabinet on 11 November 2015.

1. Background

- 1.1 This quarterly report provides Members with a detailed update on how the Council has performed during the second quarter of 2015/16 by presenting performance data set within a financial context.
- 1.2 This report provides broad financial information (Appendix A) and also detailed analysis of performance (Appendix B) for the second quarter of 2015/16.
- 1.3 A summary of the overall performance picture is presented in section 3 of this report and members will note that performance is generally progressing well.

2. 2015/16 Revenue and Capital Budget Position

- 2.1 The Council approved a general fund revenue budget of £13,830,450 on 25 February 2015. Further financial information is provided in Appendix A.

3 Performance

- 3.1 The latest performance information is reported and attached as Appendix B.
- 3.2 Any indicators failing to meet the set targets are reported, by exception, in the table found in section 3.6.
- 3.3 The information found in Appendix B is presented in four sections against each corporate priority and detailed results and progress towards identified outcomes for the Council is presented here as well.

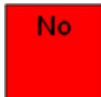

3.4 The number of indicators monitored in this report for quarter two 2015-16 is 27 in total, and the proportion of indicators which have met their target during this period stands at 85.2%.

3.5 The report contains five columns designed to show achievement:

- The “Good is” column denotes whether ‘low’ or ‘high’ figures are good and allows the reader to analyse the results in detail;
- There are two columns included showing comparative quarterly performance for 2014-15 and 2015-16 – this allows the reader to gain some insight into annual trends;
- The fourth column shows the annual target for 2015-16 (in some cases a quarterly target may be provided when relevant and necessary) and;
- In the last column one set of symbols (icons) show whether performance is on target or not at this time.

3.6 Four indicators from Appendix B are off target this quarter and are reported by exception in the table below, together with commentary.

Exception Report Quarter 2, 2015 (July - September)						
Ref	Indicator	Result	Target	Status	Officer	Portfolio holder
2.6	Percentage of Minor Planning Applications determined within time	64.7% (cumulative)	75%	No	Guy Benson	Cllr. Proctor
Comment	Performance with respect to this target during the quarter was significantly better than in the preceding quarter. However the cumulative result was inevitably affected by the number of already out of time applications in the system and two long term staff absences in a small team due to illness. Proposals to address staff resourcing/capacity were agreed by July Cabinet which should help to improve the Service’s performance in the latter part of 2015/16, with additional staffing resources already employed towards the end of the quarter. A Development Management Performance Action Plan submitted to Planning Committee 18 th August sets out these proposals along with further measures to address the underperformance.					
3.6	Number of people accessing leisure and recreational facilities	158,971 (324,631 cumulative)	670,000	No	Rob Foster	Cllr. Rout
Comment	The annual target set of 670,000 attendances was a stretched target when compared to the 2014/15 outturn of 597,805. However there has been a positive growth in attendances when compared to the same cumulative period in 2014, with an increase of 24,769 attendances. It should be noted that there was a three week closure of the swimming pools at Kidsgrove Sports Centre in July 2015, which would have an impact on attendances during the second quarter. In addition, the reduction in car parking provision at Kidsgrove Sports Centre may now be having an impact on the number of attendances at the centre and this will be monitored throughout the third quarter.					

Exception Report Quarter 2, 2015 (July - September)						
Ref	Indicator	Result	Target	Status	Officer	Portfolio holder
4.3	Average number of days per employee lost to sickness	4.77 days (long term 3.34 and short term 1.43 days)	3.75 days		Sarah Taylor	Cllr. Shenton
Comment	In Qtr. 2 we have seen the number of long term sickness cases greatly reduced to 6, which was previously 23 cases in Qtr. 1. Although improvement is evident, due to the cumulative collection of the indicator and the impact of many cases in Qtr. 1 on the result, the indicator remains off target in Qtr. 2. Both short term and long term sickness cases are continuing to be pro-actively managed with HR and Occupational Health support and are monitored monthly at Executive Management Team and Departmental meetings.					
4.4	Percentage of requests resolved at first point of contact	96%	97%		Jeanette Hilton	Cllr. Turner
Comment	Although there is a slight reduction this quarter, this still constitutes a high percentage of requests resolved given the number of staff corporately available to deal with service requests during the peak summer holidays.					

Officers consider that the performance against these indicators does not give rise to serious cause for concern at present, and the management of each of the service areas concerned continue to monitor and take steps to deal with under achievement of targets where possible and/or appropriate.

Further quarterly updates will be provided for Members in future reports.

- 3.7 Positive performance can be seen in a range of services and members will note that some services are affected by both seasonal and external factors. It should also be noted for consideration that some indicators have stretched targets set and local targets that are higher than the national ones.
- 3.8 In response to questions raised at the previous Scrutiny meeting - 3 September 2015;
- Appendix C informs members how the programme of food inspections are decided upon and details of the work undertaken for the National Food Hygiene Rating Scheme.
 - A short presentation to be given by the Housing Strategy Officer explaining the work undertaken to prevent homelessness.

4. Outcomes Linked to Sustainable Community Strategy and Corporate Priorities

- 4.1 All indicators link to corporate priorities set out in the Council Plan and/or Service Plans.

5. Legal and Statutory Implications

- 5.1 The Council has a duty to set targets for performance of a range of functions and needs to monitor these closely.

6. Equality Impact Implications

6.1 There are no differential equality issues arising directly from this monitoring report.

7. Financial and Resource Implications

7.1 Any positive variance for the full year on the General Fund Revenue Account will enable that amount to be transferred to the Budget Support Fund and will be available in future years for use as the Council considers appropriate. Conversely, if there is an adverse variance, the amount required to cover this will have to be met from the Budget Support Fund.

8. Major Risks

8.1 The ongoing changing market conditions represents the greatest risk to the revenue budget, particularly with regard to the impact it may have upon income receivable in relation to services where customers may choose whether or not to use Council facilities or in the case of the waste/recycling service where the volume of recycled materials is liable to fluctuate. The situation will be monitored through the normal budget monitoring procedures.

8.2 The capital programme will require regular monitoring to identify any projects which are falling behind their planned completion dates. This will be carried out by the Capital Programme Review Group, which meets on a monthly basis together with quarterly reports to Cabinet.

8.3 The above represents a high level view of risk. There are detailed risk registers available if members wish to see them.

9. List of Appendices

Financial information (Appendix A), Performance report (Appendix B) and Information on Food Hygiene inspections & the National Food Hygiene Rating Scheme (Appendix C) are attached.

10. Background Papers

Working papers held by officers responsible for calculating indicators.

11. Management sign off

Each of the designated boxes need to be signed off and dated before going to Executive Director/Corporate Service Manager for sign off.

	Signed	Dated
Financial Implications Discussed and Agreed		
Risk Implications Discussed and		

Agreed		
Legal Implications Discussed and Agreed		
H.R. Implications Discussed and Agreed		
ICT Implications Discussed and Agreed		
Report Agreed by: Executive Director/ Head of Service		

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Financial Position Quarter Two 2015/16

1. General Fund Revenue Budget

- 1.1 The Council approved a General Fund Revenue Budget of £13,830,450 on 25 February 2015. The actual position compared to this budget is continuously monitored by managers, EMT and Portfolio Holders in order to detect any significant variances of expenditure or income from the approved amounts contained in the budget.

2. Capital Programme

- 2.1 A Capital Programme totalling £9,390,300, covering the two years 2014/15 to 2015/16, was approved at the same Council meeting. Of this total, £5,564,000 was estimated to be spent in 2015/16.

3. Revenue Budget Position

- 3.1 At this point in the financial year, we would have expected to have spent approximately £10,224,864; we have actually spent £10,263,109. Therefore, as at the end of the second quarter, the general fund budget shows an adverse variance of £38,245. This is a reduction to the variance of £54,798 reported at the end of the first quarter.

- 3.2 The main reasons for the overall adverse variance to date are:

- a. The implementation of the staff related savings required to deliver the 2015/16 target of £50k has now been concluded and a Collective Agreement has been signed. It is anticipated that savings of £15k will be made this year and £30k in a full financial year.
- b. Jubilee 2 and Kidsgrove Sports Centre are both operating at net overspends primarily due to income shortfall. Officers are looking at ways to both retain current income levels and pursue additional income to eradicate the current shortfalls. At the last meeting of Finance Resources and Partnerships Scrutiny Committee (FRAPSC), members requested that a copy of the marketing and promotion plan that has been put in place to deal with this issue. This has been circulated to members of FRAPSC.
- c. Income from commercial rents and car parking is below the amount budgeted for. Active marketing of properties is continuing in order to try and secure new tenancies and a review of car parking income is underway.

There are also a number of favourable variances, the main ones being:

- a. Employee costs in respect of a number of vacant posts and flexible retirements that have taken place across the Council.

- b. Additional interest income as a result of increased amounts available to invest following sales of land and buildings together with a one off receipt in respect of a covenant release fee.

4. Capital Programme Position

- 4.1 The Capital Programme approved by Council in February 2015 has been updated to take account of slippage in 2014/15. Where planned expenditure did not occur last year, this has been added to the budget for 2015/16 (apart from any cases where costs have been reduced or expenditure will no longer be incurred). The revised budget for capital projects in 2015/16 totals £7,559,700.
- 4.2 £1,455,000 of the revised budget was expected to be spent by 30 September; the actual amount spent was £1,361,866 resulting in a variance at the end of quarter two of £93,134. This is due to savings made on a number of projects which forms part of the additional £500,000 that was included in the funding proposals for the new Civic Hub.









5. Investment Counterparties

- 5.1 Investment counterparties with whom money is invested, as at 30 September 2015 are as follows (with the parent company shown in brackets, where applicable):







Halifax Bank of Scotland
Barclays Bank
Nationwide Building Society
Coventry Building Society
Santander
Heritable Bank (*Landsbanki*)

- 5.2 With regard to the Council's frozen investment in Heritable Bank, a further payment was received in August which means the total amount repaid now totals £2,457,623, which is 98% of the total that was frozen.




Corporate Performance Scorecard
Quarter 2 2015-16
Priority 1: A clean, safe and sustainable Borough

Outcomes: Our borough will be safer, cleaner and sustainable						
Ref	Indicator	Good is	Result 2014/15 Qtr 2	Result 2015/16 Qtr 2	Target 2015/16	Status
1.1	Percentage of food premises that have a zero or one national food hygiene rating.	Low	1.02% (8 out of 780 published premises)	1.36% (10 out of 734 published premises)	2.25%	
1.2	The percentage of food establishments which are broadly compliant with good hygiene law	High	95.03% (1072 out of 1128 premises)	92.29% (1042 out of 1129 premises)	85%	
1.3	The area of contaminated land that has been remediated or is determined suitable for use	High	42.42 Ha	2.78 Ha	-	-
1.4	Number of incidents of violence with injury	Low	248	274	-	-
1.5	Number of incidents of anti-social behaviour	Low	1035	1004	-	-
1.6	Number of incidents of serious acquisitive crime	Low	223	154	-	-
1.7	The amount of residual waste per household	Low	108.39	103.04kgs	415kgs (annual)	
1.8	Percentage of household waste sent for reuse, recycling and composting	High	53.17%	54.67%	55%	
1.9	Levels of street and environment cleanliness (LEQ survey) free / predominantly free of litter, detritus, graffiti and fly-posting)	High	92.33% 96.27% 99.17% 99.83%	94.33% 97.45% 99.67% 99.83%	91% 91% 97% 99%	
1.10	Number of community volunteer groups/hours spent caring for their local green spaces and neighbourhoods	High	2,681 hrs	2,761.5 hrs	2,350 hrs (Qtr 2)	
1.11	Town Centre Vacancy Rate	Low	13.5%	13.8%	15%	
1.12	Percentage of investment portfolio (NBC owned) vacant	Low	8.6%	6.2%	12%	



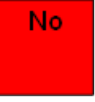





Priority 2 : Borough of Opportunity




Outcomes: Newcastle is a great place to live, work and do business						
Ref	Indicator	Good is	Result 2014/15 Qtr 2	Result 2015/16 Qtr 2	Target 2015/16	Status
2.1	Number of hours worked by volunteers in council co-ordinated activities (museum)	High	363hrs	374hrs	375 hrs	
2.2	Percentage of minor adaptations delivered within four months (approval to payment for works under £5000)	High	86%	93%	75%	
2.3	Number of homelessness cases where positive action was successful preventing homelessness	High	141	192	600	
2.4	Average stall occupancy rate for markets	High	78.5%	78%	55%	
2.5	Percentage of Major Planning Applications determined within time	High	85.7%	89.5% (Cumulative)	70%	
2.6	Percentage of Minor Planning Applications determined within time	High	75.7%	64.7% (Cumulative)	75%	No
2.7	Percentage of Other Planning Applications determined within time	High	85%	84.7% (Cumulative)	85%	

Priority 3 : A Healthy and Active Community

Outcomes: Everyone has the chance to live a healthy, independent life, access to high quality leisure and cultural facilities/activities and the opportunity to get involved in their community						
Ref	Indicator	Good is	Result 2014/15 Qtr 2	Result 2015/16 Qtr 2	Target 2015/16	Status
3.1	Number of parks which have Green Flag status	High	11	9	9	
3.2	Level of satisfaction with Council run parks and open spaces	High	70%	70% (Annual survey)	70%	
3.3	Number of people visiting the museum	High	31,363	37,761 (cumulative)	60,000	
3.4	Number of referrals from GPs to organised sporting activity	High	n/a	60	-	-
3.5	Percentage of people referred for exercise by GPs whose health improves	High	n/a	75%	-	-
3.6	Number of people accessing leisure and recreational facilities	High	145,731	324,631	670,000	No

Priority 4 : A Co-operative Council, delivering high-quality, community driven services

Outcomes: Your council is efficient, open and innovative in its work, with services designed and delivered co-operatively and communities are strong and well supported						
Ref	Indicator	Good is	Result 2014/15 Qtr 2	Result 2015/16 Qtr 2	Target 2015/16	Status
4.1	Percentage attendance at planned meetings by members	High	77.28%	84%	80%	
4.2	Percentage projected variance against full year council budget	Low	0.3%	0 %	No variance	
4.3	Average number of days per employee lost to sickness	Low	3.33 days (long term 1.88 and short term 1.45 days)	4.77 days (long term 3.34 and short term 1.43 days)	3.75 days	
4.4	Percentage of requests resolved at first point of contact	High	96%	96%	97%	
4.5	% Unmet demand (number of calls not answered as a % of total call handling volume)	Low	5.9%	4.5%	7%	
4.6	Time taken to process Housing/Council Tax Benefit new claims and change events	Low	9.42 days	7.36 days	10 days	
4.7	Percentage of Council Tax collected	High	52.8%	52.8%	50.11%	
4.8	Percentage of National non-domestic rates collected	Hlgh	57.5%	58.1%	58.3%	

Key	Performance information not available at this time or due to be provided at a later date.	n/a
	Performance is not on target but direction of travel is positive	
	Performance is not on target where targets have been set	
	Performance is on or above target.	

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INFORMATION NOTE – FOOD HYGIENE INSPECTIONS & THE NATIONAL FOOD HYGIENE RATING SCHEME

1.0 Who carries out food hygiene inspections and issues Food Hygiene Rating Scores?

Inspectors in the Food & Safety Team carry out planned, unannounced inspections and issue Food Hygiene Rating Scores. In the year 2015/2016 there are 646 premises due for inspection. New businesses are inspected once they have registered with the Council, with advice being given prior to inspection to those who request it. The Team also investigate complaints from members of the public, such as allegations of unhygienic practises/premises, suspected food poisoning, foreign objects found in food, etc.

2.0 How often are food businesses inspected?

How often inspections take place depends on the potential risk to people's health if something goes wrong. This depends on the type of food being handled and the type of processes that is carried out before the food is sold or served to the public. Inspections are undertaken at frequencies between 6 months and 5 years. Poorer performing businesses will be inspected at least every 6 months and revisits will also be made in between these full inspections.

3.0 What is the National Food Hygiene Rating Scheme?

Each business is given their hygiene rating following their food hygiene inspection. The officer inspecting the business checks how well the business is meeting the law by looking at: how hygienically the food is handled – how it is prepared, cooked, re-heated, cooled and stored; the condition of the structure of the buildings; the cleanliness, layout, lighting, ventilation etc.; and how the business manages and records what it does to make sure food is safe. A business can be given one of these ratings:



Currently the Borough has 735 0 to 5 Ratings published on the Food Standards Agency website. The numbers of businesses within each rating band are as follows:

Businesses scoring **5** – 471 or **64%**
Businesses scoring **4** – 161 or **11%**
Businesses scoring **3** – 81 or **22%**

Businesses scoring **2** – 11 or **1.5%**
Businesses scoring **1** – 11 or **1.5%**
Businesses scoring **0** – 0 or **0%**

The businesses scored 3 to 5 are classed as 'broadly compliant' with the law and make up **97%** of the total published on the website.

4.0 What can be done if a business gets a poor rating (0, 1 or 2)?

The Team have a range of options available to them in order to help businesses improve and ultimately achieve the highest score. Authorised Officers can:

- Close down businesses, or prevent the use of equipment, or the use of a process or treatment where there is an 'imminent risk of injury to health';
- Secure longer term improvements by serving Hygiene Improvement Notices;

- Provide information, advice and support; and
- Carry out revisits to make sure that required works have been completed.

However, in serious cases prosecution is also recommended.

5.0 If a business makes improvements does their Food Hygiene Rating score change?

Once the Food Hygiene Rating has been issued it is retained by the business until the next routine inspection unless they submit an application to 'Request a revisit'. On receipt of a valid application an officer will carry out an inspection and a new Rating will be issued based on the conditions found; the Rating can go up, stay the same or go down.

The inspecting Officers make sure that the businesses have made improvements, however, despite making improvements some businesses do not apply for a revisit and their poor score will remain on the FSA website until their next routine inspection.

The Team has recently been joined by a Regulatory Business Support Officer whose role is aimed at targeting the poorer performing businesses offering information, support and guidance driven by the requirements of the business in order to improve their Rating. The Officer will also be providing this support to new businesses. The Regulatory Business Support Officer does not have enforcement powers.

It is anticipated that the Regulatory Business Support Officer will provide up to 3 mentoring visits to 0, 1 and 2 rated businesses after which the business will be re-inspected. It is hoped that this targeted work will improve the overall Ratings of these businesses.

[More information can be found on the Council website in the Environment section or on the Food Standards Agency website at \[www.ratings.food.gov.uk/\]\(http://www.ratings.food.gov.uk/\)](#)

Report to the Finance Resources and Partnerships Scrutiny Committee

4 November 2015

Medium Term Financial Strategy 2016/17 to 2020/21



Report Author: Kelvin Turner
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Introduction

To provide the Committee with an opportunity to scrutinise the Medium Term Financial Strategy (MTFS). This is due to be considered by the Cabinet at their meeting on 11 November.

Background

The attached Cabinet report provides the relevant background for consideration of this matter. The MTFS document is in the same format as that used in the previous 2 years. This received positive comments from members in respect of being user friendly and easy to understand. The main changes to the document have been in respect of updating the figures and assumptions.

Questions to be Addressed

1. Are members satisfied with the form and content of the strategy?
2. Are members in agreement with the assumptions being made? (Noting the comments made in paragraphs 2.4 and 2.5 of the covering report) – see *paragraph 2.8 of the MTFS*.
3. Are members in agreement with the areas being looked at as part of the formulation of the budget strategy to eliminate the shortfalls? – see *paragraphs 2.13 to 2.16 of the MTFS*.
4. Are members in agreement with the budget timetable for 2016/17? In particular, following the comments received from this committee and other elected members it is not proposed to hold a budget scrutiny café event – see *paragraphs 3.1 to 3.6 of the MTFS*.

Outcomes

That the Scrutiny Committee recommends to the Cabinet approval of the Medium Term Financial Strategy 2016/17 to 2020/21.

That any comments on the strategy are reported back to the Cabinet.

Supporting Information

The covering report to the Cabinet is attached.

The MTFS document is attached.

Relevant Portfolio Holder(s)

Councillor Turner – Portfolio holder for Finance IT and Customer

Local Ward Member (if applicable)

All

MEDIUM TERM FINANCIAL STRATEGY 2016/17 TO 2020/21

Submitted by: Executive Director – Resources and Support Services

Portfolio: Finance IT and Customer

Ward(s) affected: All

Purpose of the Report

To provide the background on the financial strategy for the Council over the next five years in the light of the national and local financial situation and taking account of the Council's priorities.

Recommendations

To approve the Medium Term Financial Strategy for 2016/17 to 2020/21.

Reasons

The Medium Term Financial Strategy underpins the whole financial planning structure of the Authority. It is closely aligned to the Council Plan and focuses on targeting its financial resources in line with its stated aims and objectives.

1. **Background**

- 1.1 The Borough Council is committed to deliver high quality services. Integral to this ambition is the need to effectively target its financial resources in line with its stated aims and objectives.
- 1.2 The document attached as an Appendix, the Medium Term Financial Strategy (MTFS) for the period from 2016 to 2021, demonstrates alignment with the Council Plan and will be the main vehicle in assessing the Council's financial position, ensuring efficiency in service delivery and targeting resources to agreed priority areas.

2. **Issues**

- 2.1 Local government in general and district councils in particular continue to face the prospect of operating within a severely challenging financial environment. With further large decreases in general government funding forecast, the Council must review the services that it provides and its approach to value for money to keep council tax increases as low as possible.
- 2.2 Central Government support is in the form of Revenue Support Grant (RSG) and a Baseline Funding amount related to Business Rates. The amounts of funding will be notified later in the financial year, most likely in December 2015. The government has given limited information about the amounts of funding for next year and subsequent years. Indications are that there is likely to be a further substantial reduction in 2016/17 and continuing significant reductions for at least the following three years.

- 2.3 Revised arrangements in respect of business rates have applied from 1 April 2013, allowing local authorities to retain part of any growth in rate income. These arrangements, which are fairly complex, are outlined in the MTFS report. Additionally, the Council is a member of the Stoke on Trent and Staffordshire Business Rates Pool, which enables it to retain more rates income than it otherwise would have done by avoiding payment of a levy on rates income growth to the government. It is anticipated that the Council will benefit from rates retention, although it is difficult to estimate precisely how much additional income it will be able to retain.
- 2.4 The Chancellor of the Exchequer announced a series of major reforms to local government finance on 5 October 2015. These included:
- That by the end of the Parliament, local government will be able to retain 100 per cent of local taxes including all revenue from business rates.
 - The government will abolish the Uniform Business Rate and give local authorities the power to cut business rates to boost economic activity in their areas.
 - Local authorities who have directly elected mayors will be able to add a premium to business rates to pay for new infrastructure.
 - Local areas which successfully promote growth and attract businesses will keep all of the benefit from increased business rate revenues.
 - The core grant funding from Central Government will be phased out and local government will take on new responsibilities.
- No further details on timescales have yet been announced. It is expected that further information will be given in the Spending Round announcement as part of the Chancellor's Autumn Statement on 25 November 2015.
- 2.5 The attached MTFS was prepared before the Chancellor's announcement. However, as the implementation of the changes are likely to take a number of years, and no further information is available, it is recommended that the current version is adopted and then as further details are forthcoming the document will be updated and reported back to Cabinet.
- 2.6 Housing is an important source of economic growth. For each new-build home, conversion and long-term empty home which has been brought back into use, the Council receives New Homes Bonus Grant which is based on the extra Council Tax revenue generated by these homes. It is therefore both economically and financially important to support housing growth.
- 2.7 The purpose of the comprehensive five year MTFS is to predict likely budget totals, if services are maintained at current levels, by projecting forward the different elements of the 2015/16 budget, such as employee pay or supplies and services, based on assumptions as to likely changes or specific pressures, such as pay increases or price increases or any agreed changes which will affect service levels. These assumptions are all set out in the MTFS. It also illustrates how the Council Plan is driving the medium term financial plan over the next five years. Whilst standing on its own as a strategy, it is an integral part of the Council's overall planning process comprising service delivery plans, the Council Plan and the Borough's Sustainable Community Strategy.

- 2.8 The MTFs identifies significant budgetary shortfalls over the next five years that will need addressing with robust financial and budget strategies. The amounts for each year are set out below:

2016/17 £1.478m
2017/18 £1.109m
2018/19 £1.153m
2019/20 £0.422m
2020/21 £0.646m

The detailed MTFs shows how these amounts arise and what measures are being proposed to address them.

- 2.9 The Council Leader and the Portfolio Holder for Finance IT and Customer are members of the Budget Review Group. The Budget Review Group will continue to oversee all aspects of the budget process, including service review and challenge, longer term planning, development of budget options including proposals for savings and increasing income, agreeing consultation arrangements and consideration of feedback and seeking to deliver service models that drive improvement to front-line services whilst offering value for money.
- 2.10 The budget options developed by the Budget Review Group will be available for consideration by December and the MTFs amended, where necessary, to take account of them. Cabinet will consider these proposals, in the form of a draft budget for 2016/17 at its meeting on 20 January, to enable this to be submitted to the Finance, Resources and Partnerships Scrutiny Committee on 27 January.
- 2.11 It is also envisaged that as in previous years, the first draft of the savings plans for 2016/17 will be available for the meeting of the Finance Resources and Partnerships Scrutiny Committee on 3 December.
- 2.12 The MTFs was considered by the Finance Resources and Partnerships Scrutiny Committee at their meeting on 4 November. Feedback from their meeting will be provided at the Cabinet meeting.

3. **Proposal**

- 3.1 That Members approve the Medium Term Financial Strategy for 2016/17 - 2020/21.

4. **Reasons for Preferred Solution**

- 4.1 Without an MTFs it would be difficult to demonstrate the alignment of resources with the Council Plan. It is also the main vehicle for assessing the Council's position, ensuring efficiency in service delivery and targeting resources to agreed priorities.

5. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

- 5.1 The MTFs identifies the resources to deliver the corporate priorities of the Authority linked to expected outcomes.

6. **Legal and Statutory Implications**

6.1 The MTFS is not a statutory document but it is considered best practice.

7. **Equality Impact Assessment**

7.1 Differential equality impact issues will be identified against the key strategies, policies and functions of the Council and will be considered in producing future service improvements, which will then be reflected within the Council's budgets.

8. **Financial and Resource Implications**

8.1 The MTFS identifies future years' shortfalls in financial resources which will need to be addressed as part of the Council's budget strategies.

9. **Major Risks**

9.1 Section 25 of the Local Government Act 2003 places a duty on the Chief Finance Officer to report on the robustness of the budget. The main risks to the budget include:

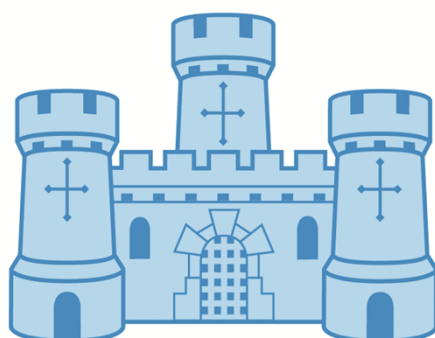
- Spending in excess of the budget
- Income falling short of the budget
- Unforeseen elements, e.g. changes in interest rates

Such risks require regular and careful monitoring and it is essential that the council has sufficient reserves to call on if required, e.g. the council has a general fund balance of £1.20 million and a minimum balance of £0.100m in the Contingency Reserve. In previous years the Chief Finance Officer has believed that the assurance required under Section 25 can be given and, with careful budget planning, robust monitoring and adequate level of reserves, there should be no reasons to alter that view.

10. **List of Appendices**

Appendix - Medium Term Financial Strategy 2016/17 to 2020/21.

Medium Term Financial Strategy 2016/17 to 2020/21



**NEWCASTLE
UNDER LYME**
BOROUGH COUNCIL

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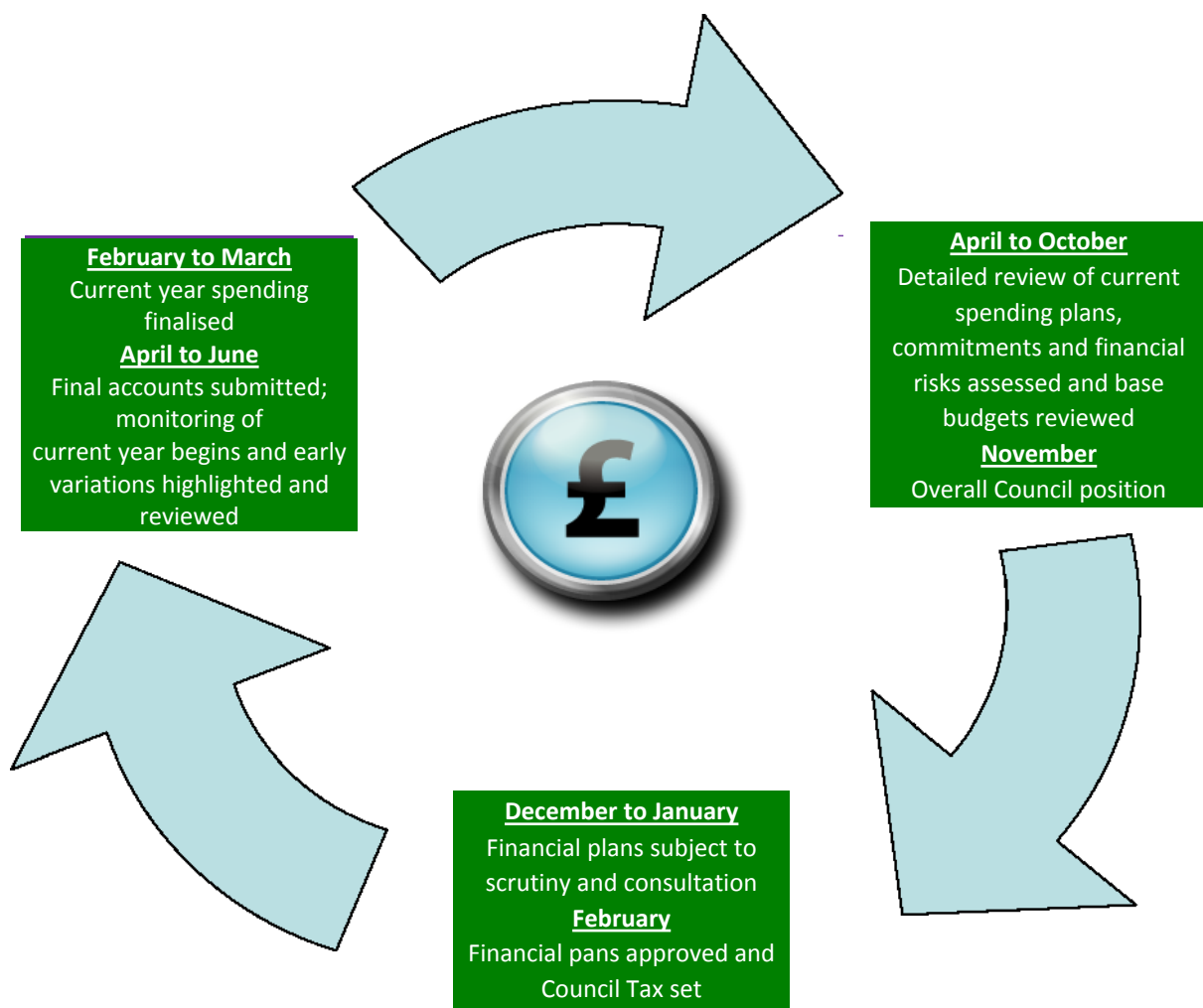
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MEDIUM TERM FINANCIAL STRATEGY 2016 to 2021

1. INTRODUCTION

- 1.1 This document provides details of the Council's medium term financial plans and projected financial position to 2021.
- 1.2 It sets out how the Council spends the money it receives from the residents and businesses of Newcastle-under-Lyme and Central Government, to provide services and to meet the priorities identified in the Council Plan.
- 1.3 The formulation of this medium term strategy is part of the wider financial strategy and framework at the Council. Financial planning is an on-going process and this strategy is reviewed and updated on a regular basis.

The Annual Financial Cycle



A Longer-Term View

- 1.4 The Council plans its finances over a 5-year rolling programme. This longer-term view is designed to highlight at an early stage where the Council may have financial challenges and the level of resources it is likely to have available beyond the current financial year.
- 1.5 This helps to identify future issues in order that a timely and planned approach can be taken to address a shortfall in resources, a reprioritisation of spending or indeed where additional resources are available, where they should be invested.

The Budget Review Group

- 1.6 A Budget Review Group was established to ensure that the budget setting process consults all interested parties in a transparent manner. The Council Leader and the Cabinet Portfolio Holder for Finance IT and Customer are members of the group, together with the Chief Executive, Executive Director of Resources and Support Services, Executive Director of Regeneration and Development and the Executive Director of Operational Services.
- 1.7 The remit of the group is to oversee all aspects of the budget process, including service review and challenge, longer term planning, development of budget options, agreeing consultation arrangements and consideration of feedback and seeking to deliver service models that drive improvements to front line services whilst offering value for money.

The Council plans its finances over a 5-year rolling programme. This longer-term view is designed to highlight at an early stage where the Council may have financial challenges and the level of resources it is likely to have available beyond the current financial year.

The Council Plan

- 1.8 The Council Plan describes the key actions that the Council will take in order to create a borough that is prosperous, clean, healthy and safe. It sets out the Council's priorities and focuses on delivering these and ensuring that we continue to deliver high quality services for the Council's customers and bring real improvements in services for all in the Borough.
- 1.9 The Plan is updated annually to ensure that the Council's corporate objectives and priorities for action are helping to achieve the Council's Vision and reflect community priorities in the services that it provides.
- 1.10 In these very challenging times, the Council continues to have its funding reduced by Central Government and legislative changes to the responsibilities of local councils means there will be some tough decisions ahead. For these reasons alone it is important that resources are used prudently and effectively and to review the way in which we do things and consider what is important for the borough. There is thus a clear and direct link to the Medium Term Financial Strategy (MTFS) from the Council Plan.

The Council's Role

- 1.11 The Council wants Newcastle-under-Lyme to be a borough in which people are proud to live, work, visit and do business. Moreover, it is important that the council be an open and transparent organisation which is accountable to local people and which, through co-operation with partners, will work together to improve where we all live. By trying to deliver better services and focused on the needs of local people, the council's aim is to create an organisation which is responsive and in touch with the people it serves. Consequently, the Council's Vision is:

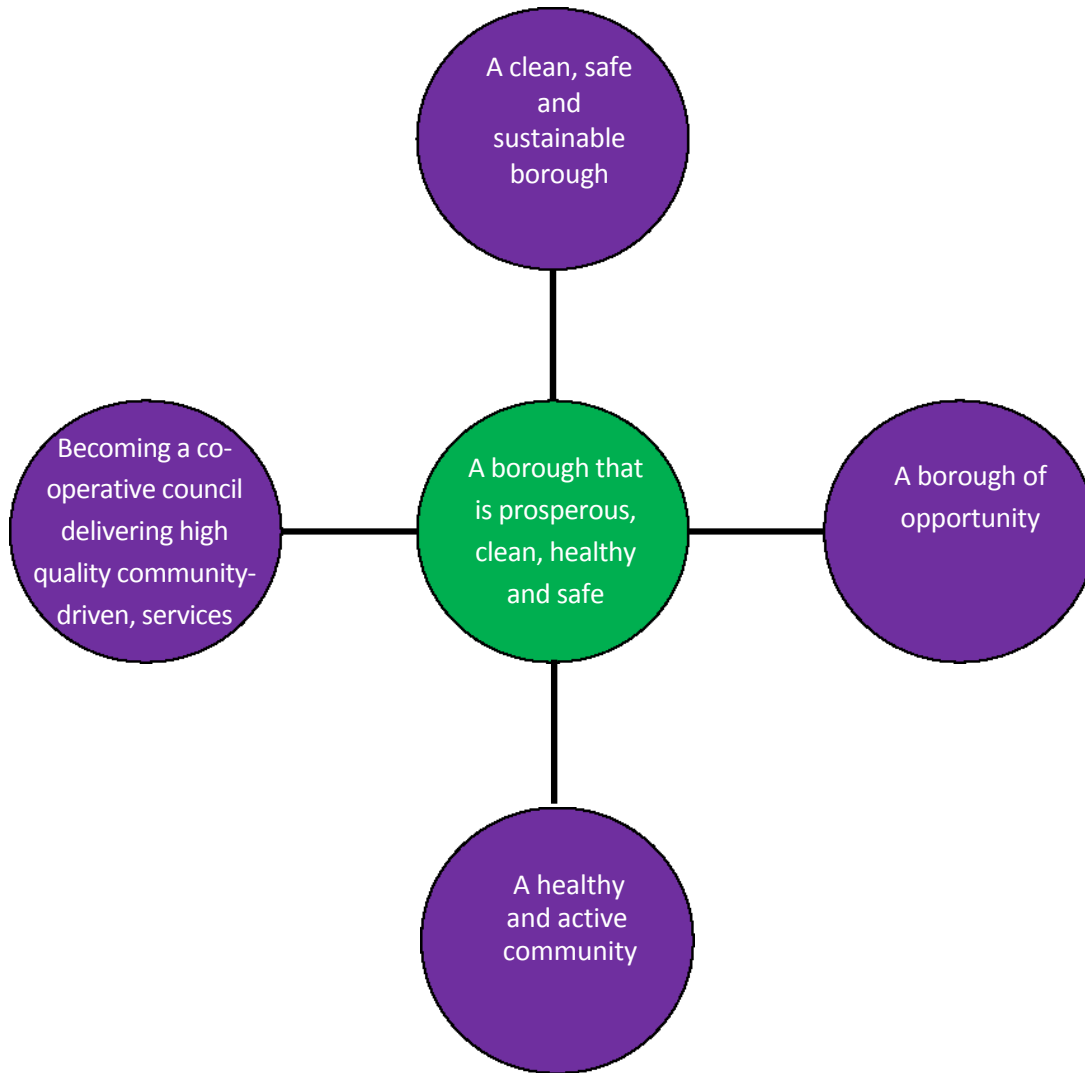
“To create a borough that is prosperous, clean, healthy and safe”

Priorities and Outcomes

- 1.12 In order to deliver this vision, the Council has developed 4 “priorities” under which there are a series of outcomes and activities. These priorities and outcomes are reviewed and monitored on an annual basis. Progress against targets is reported to Cabinet and the Finance Resources and Partnerships Scrutiny Committee.
- 1.13 The full Plan with targets for 2015/16 can be accessed on the Council's web site at:
www.newcastle-staffs.gov.uk

Priorities

1.14 Effectively, the Plan covers all aspects of life in all areas of the borough.



- **A clean, safe and sustainable borough** – To improve the environment so that everyone can enjoy our safe, sustainable and healthy borough.
- **A borough of opportunity** – To work with our partners to maximise investment and encourage enterprise and employment – generating activities that will create opportunities for improving the wealth, prosperity and housing choices of our residents.

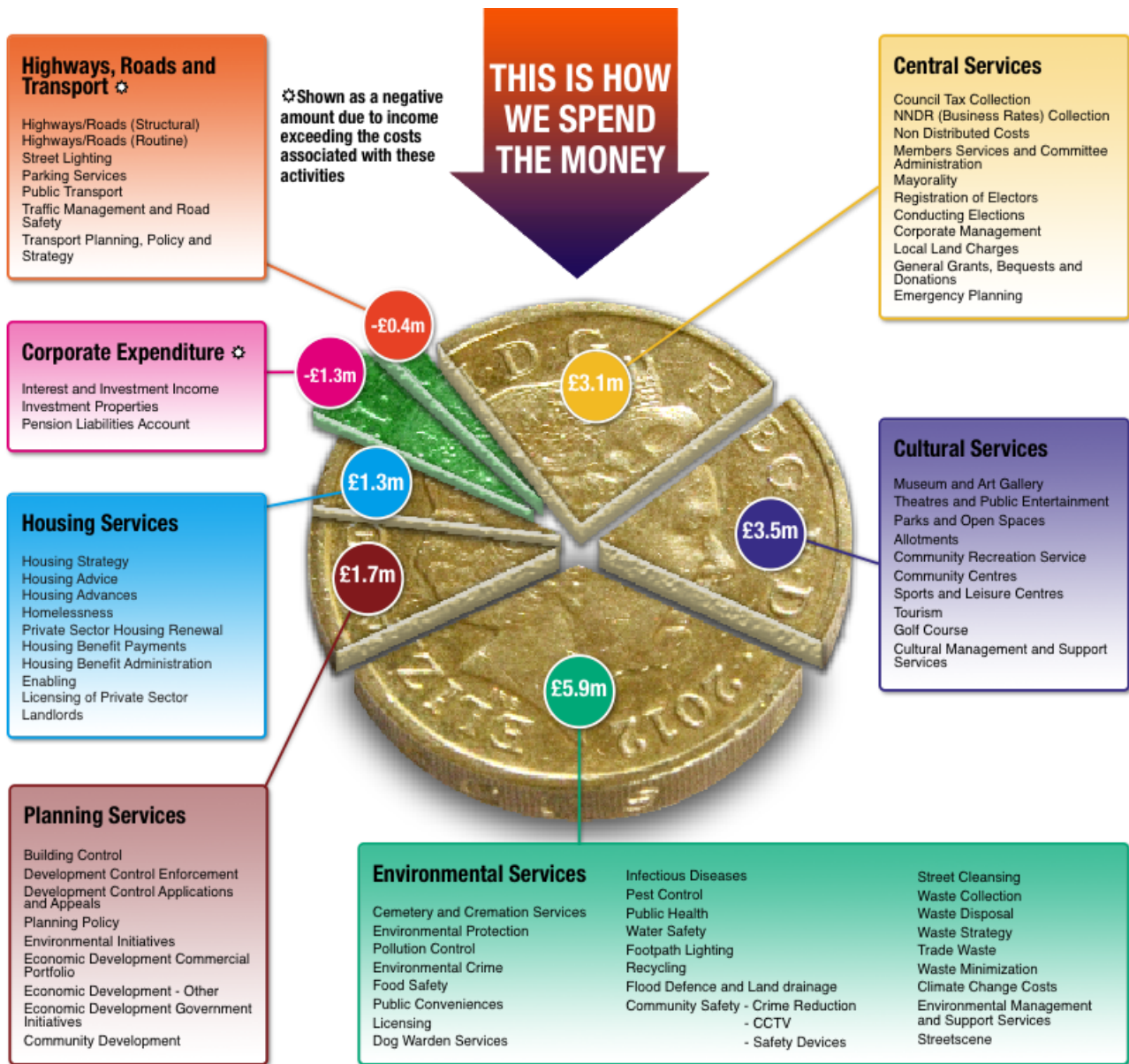
MEDIUM TERM FINANCIAL STRATEGY 2016 to 2021

- [A healthy and active community](#) – To work with partners to make sure residents and visitors are able to access a range of facilities and support activities that will enable them to improve their health and quality of life.
- [Becoming a co-operative council which delivers high quality, community-driven, services](#) – Newcastle-under-Lyme Borough Council is working towards being a co-operative council which means working together with residents, partners and local organisations to collectively deliver the best using available resources.

Links with the Medium Term Financial Strategy

- 1.15 The financial planning framework is integrated with the corporate planning process. The Council Plan aims to identify the specific services and issues as to where the Council should prioritise its resources and the Council's budgetary plans reflect this.
- 1.16 The net revenue budget for 2015/16 has been allocated across services provided as shown in the chart below.

MEDIUM TERM FINANCIAL STRATEGY 2016 to 2021



Links to other strategies and plans

1.17 The MTFS has links to a number of other Council and wider community strategies and plans. Where these have financial consequences for the Council, these are reflected in the MTFS.

The Council has three main strategies linked to its priorities:

- Economic Development Strategy
- Health and Wellbeing Strategy
- Stronger and Safer Communities Strategy

Others which have a particularly significant input are:

Capital strategy and capital programme

1.18 The Capital Strategy sets out how the Council proposes to deploy its capital resources in order to assist it to achieve its corporate and service objectives. It also takes into account the resources which are likely to be available to the Council to fund capital investment and the effect of that investment on the Council's revenue budget. The Council's detailed capital investment plan is contained in its Approved Capital Programme. The current programme was approved by Full Council on 25 February 2015. This programme provides for £5.5 million of investment during 2015/16 in projects across all of the Council's priority areas.

1.19 The Capital Strategy has been prepared against a background of unprecedented reductions in funding provided to local authorities by central government and its agencies, arising from the need to restrain public expenditure owing to the ongoing economic recession and to rebalance public finances. At the same time, the Council's own resources available to finance capital projects are running out and will need replenishing before any substantial further capital investments can be made. Whilst the Council has benefited from an ability to recycle income derived from the disposal of land and property over many years, a more focused programme of asset disposals has been agreed via the Asset Management Strategy to counteract the effects of reduced external finance.

1.20 The Council is presently debt free, having no long term loans outstanding. However, if further capital receipts do not materialise borrowing may be the only option to finance proposed capital expenditure in future years. This will have an effect on the general fund revenue account through financing charges and reduced investment income.

Asset management strategy

1.21 The asset management strategy encapsulates the Council's response to national policies and guidelines; it sets out the processes for the strategic management of the Council's property assets in order to ensure the best use of assets to meet corporate objectives in an efficient and effective manner. These processes resonate with the Capital Strategy and in turn may result in projects being included in the capital programme.

- 1.22 Through a planned and ongoing review of the asset register, against current and anticipated usage, disposal of assets provide investment into the Council's capital programme. In parallel the Council will seek partner contributions (for example through external grants, partner organisation use of Council assets to contribute to revenue streams and joint venture opportunities).

Treasury management strategy

- 1.23 This is approved annually and sets out the Council's strategy for investment of its funds. The investment strategy, together with the prevailing market conditions in relation to interest rates and counterparty security will be the major factor in determining the return which is obtained on investments. Interest on investments is a source of income in the revenue budget.

Workforce development plan

- 1.24 The workforce development plan provides the strategic linkages in people performance and management to enable the Council to meet the Council Plan objectives. The plan sets out how the Council will develop the skills and capacity of its staff. Where there are costs associated with this, these will be included in the MTFS.

Charging policy

- 1.25 The policy sets out what the Council intends to achieve through the charges it makes and the criteria which it will use to determine the level of charge for individual services. The annually approved scale of fees and charges is compiled in line with the principles set out in the policy. Income from fees and charges comprises a significant proportion of the income included in the revenue budget.

Reserves and balances strategy

- 1.26 The Council's Reserves and Balances Strategy indicates that, following a risk assessment, the minimum prudent level of general fund balance to hold is £1.2 million and that there should also be a contingency reserve of £100,000. Current indicators are that this strategy will be delivered.

Departmental service delivery plans

- 1.27 Service Plans are an integral part of the Council's planning process and demonstrate the actions and targets of each directorate in order to achieve the Council's corporate objectives and priorities.

Other strategies which may influence the MTFS

1.28 There are a number of other Council strategies whose contents may have implications for the MTFS:

- Procurement Strategy
- North Staffs Green Spaces Strategy
- Private Sector Housing Renewal Strategy
- Housing Strategy
- Arts and Cultural Strategy
- Energy Efficiency and Climate Change Strategy and Carbon Reduction Plan
- North Staffs Core Spatial Strategy
- Saved Local Plan Policies (emerging)
- Co-operative Council Strategy
- Sustainable Community Strategy

2. THE COUNCIL'S OVERALL FINANCIAL POSITION

2.1 The Council's overall financial position has been relatively strong over recent years, this has arisen both from prudent financial management, together with a programme of efficiency savings from transformation, procurement, service delivery and the generation of additional income. These savings have helped to sustain the Council's financial position against a background of reducing resources.

The National Context

2.2 Similar to other areas of the Public Sector, local authorities have had to lower costs as their main source of funding, i.e. Central Government Grant has reduced by 55 per cent since 2010. This is a result of the Government's Policy to address the national budget deficit and this is expected to be on-going over the life of this Medium Term Financial Strategy.

2.3 Central government support for local authorities revenue budgets is provided in the form of Revenue Support Grant (RSG) plus a Baseline Funding amount relating to Business Rates. The amounts to be paid to local authorities as a whole and to individual authorities are announced via the annual local government finance settlement, provisional figures being announced usually in December and final ones in January.

2.4 The Local Government Finance Act 2012 introduced business rate retention for local authorities and for the localisation of council tax benefit, i.e. for local authorities to assume responsibility for devising schemes for making payments to claimants, instead of acting as agents for the Department of Work and Pensions.

- 2.5 The revised arrangements took effect from 1st April 2013. The Council still bill and collect business rates, but instead of contributing all business rates into the central pool and receiving formula grant plus a baseline funding amount, a proportion of the business rates is retained by the Council.
- 2.6 A baseline level of funding was set so that at the start of the system, the amount received is equivalent to what it would have been under the previous system, less the reductions arising from the Local Government Resources Review. From then on the Council's funding may grow if the business rates base in Newcastle-under-Lyme grows, but could also fall if the business rate base declines.

Compilation of the MTFS

Principles

- 2.7 The MTFS considers changes to the 2015/16 base budget by breaking this budget down into its subjective cost and income components; pay, pensions, utilities, fuel, supplies and services, investment income, income from fees and charges, etc. An assessment is then made, in respect of each of these components, of the factors which might affect their cost or the amount of income receivable and whether there is likely to be a change in this cost or income, and if so how much it will amount to, in each year over the five year period. Also taken into consideration are any additional pressures which may apply to services over the five year period, plus any savings which have been identified and agreed or approved investments in services over the five years. The MTFS therefore shows the changes from the initial 2015/16 base budget through to 2020/21, demonstrating the variances between each of the years.

Base budget components assessed for cost variances

- 2.8 These are set out in detail in section 2.12, which shows by how much in monetary terms the estimated budget for each of the five years varies by comparison to the previous year on account of these factors alone. Also shown are the assumptions about price changes that have been made in respect of each component. In summary, the components examined and the factors which were taken into account to assess the changes were:

MEDIUM TERM FINANCIAL STRATEGY 2016 to 2021

- Levels of central government funding (estimated) as referred to in the National Context section of the strategy (page 9);
- Pay awards and incremental pay increases;
- National Insurance increases, linked to increased pay and the abolishment of the current basic state pension and state second pension resulting in the end of “contracting-out”. The abolition of contracting-out will therefore have cost implications for both employers and employees because of the loss of the NIC rebates. As a result, employers' Class 1 NICs will increase by 3.4% (of relevant earnings) and employees' Class 1 NICs will increase by 1.4% (of relevant earnings).
- Superannuation increases, both to take account of increased pay and changes in contributions to the pension fund;
- Energy costs, based on advice from the Council's Procurement Officer;
- Business rates increases on Council properties;
- Fuel for vehicles, based on advice from the Council's Procurement Officer and Freight Transport Association and allowing for changes to fleet numbers and in vehicle types;
- Inflationary increases built into current contracts
- Levels of grants and contributions paid by the Council to external bodies;
- Increase in income from customer receipts;
- Changes in specific government grants receivable;
- Changes in amounts of investment income receivable, both as a result of changes in forecasted interest rates and changes in relation to the capital sums available for investment;
- Contributions from reserves and ongoing effects of previous savings exercises or investments associated with them

The following key assumptions have been made:

- Full provision for known pay increases from incremental progression.
- A 1 per cent pay award each year in line with the announcement made in the recent national budget.
- Central Government funding will decrease by 25 per cent in 2016/17. The government has given limited information about the amounts of funding for subsequent years. Indications are that there is likely to be a further substantial reductions. The MTFs has assumed a 29 per cent reduction for 2017/18 followed by 38 per cent in 2018/19, 14 per cent in 2019/20 and 25 per cent in 2020/21. Funding for 2016/17 will not be confirmed until the local government finance settlement in December.

- A 2.9 per cent increase in transport fuel for 2016/17 followed by 3.4 per cent in 2017/18 and 3.6 per cent in each of the following three years, as per the forecast provided by Staffordshire County Council and their fuel procurement framework.
- An increase in pension contributions.
- Energy costs are based on an assessment by the Council's energy management advisors and the Council's Facilities Manager.
- Increases in line with inflation for most income heads.
- Interest rates based on forecasts supplied by the Council's treasury management advisors.
- Investment income takes account of the latest capital programme expenditure forecasts.

2.9 Whilst all of these are important and of some significance, a sensitivity analysis has been undertaken on the following four issues for which the main findings are:

- The level of central government funding which is received
These support a large per cent of the budget so have a major impact. A variation of 1 per cent in the level of external support via these two sources (see paragraph 2.3) would amount to £60,000.
- How movements in interest rates will affect the Borough Council
The Council has no external debt at the current time but does generate income from its investment portfolio. The Bank of England base rate is currently 0.50 per cent. It is estimated that a change of 0.50 per cent in the interest levels on the Council's investments would lead to £33,000 (based on anticipated investment levels) more or less interest.
- How changes in nationally agreed pay awards will impact
There is provision for a 1 per cent pay award in each year. With a pay bill of £16.6m, a change of 0.50 per cent would save or cost £83,000.

Assessment of what the MTFs means

2.10 The implications of the MTFs forecast will be taken into consideration in the preparation of detailed budgets for 2015/16 and give guideline figures for the budgets for the following four financial years. Details of the timetable, which is being followed, are shown later.

2.11 The summarised MTFFS illustrates that the Council would have the following shortfalls over the next five years which need to be addressed.

- £1.478m in 2016/17
- £1.109m in 2017/18
- £1.153m in 2018/19
- £422,000 in 2019/20
- £646,000 in 2020/21

2.12 As a percentage of the net budget, the potential shortfall in 2016/17 represents 11 per cent of the current year's net revenue budget. In recent years, the shortfalls have been met by a combination of efficiency measures, better procurement, increased income generation, council tax freeze grant, support from reserves, etc. The continued severity of Central Government funding reductions together with other pressures outlined will mean that together with a continuation of the above strategies, more radical solutions may need to be formulated e.g. shared services, alternative service delivery models and reduction in services.

Newcastle 2020

2.13 In view of the MTFFS forecasts a project called Newcastle 2020 was started at the end of 2013. This is looking at how the Council's ever decreasing resource base can be best used to meet the needs of the population of the Borough.

2.14 The project consists of a number of different work streams, all of which will provide a perspective on the future role and funding of the council. Some of the work that has already been undertaken includes:-

- ***Financial Modelling***

Heads of Service were asked to model what their services would look like with a 20 per cent, 40 per cent and 60 per cent reduction in resources.

MEDIUM TERM FINANCIAL STRATEGY 2016 to 2021

- ***Income***

This has involved an analysis of the Council's future tax resource base. This is essential in the content of the changes in respect of business rates and the incentives created in respect of the New Homes Bonus. (These are outlined elsewhere in the MTFS). In addition, further work is ongoing to maximize income from fees and charges.

- ***Reducing Bureaucracy***

Work has been undertaken to ease the burden of carrying out administration tasks across the Council.

- ***Delivery Models***

A number of options are being looked at which could assist the council to sustain services with significantly reduced resources. Areas being looked at include demand management, self-service delivery, procurement and cost sharing with partners and other organisations.

Budget Strategy 2016/17

2.15 The shortfall identified for 2016/17 needs to be managed so that a balanced budget is compiled with spending matched with resources.

2.16 The potential savings, efficiencies and areas of increased income identified for 2016/17, predominately as part of the Newcastle 2020 project, currently include:

- Procurement savings resulting from the negotiation of contracts and annual uplifts incurred, also from determining the actual need for goods, works or services and through ensuring that the Council commissions and procures quality services and supplies, as cost effectively as possible
- Additional areas of income generation including areas where services are performing above their targets, a review of current fees and charges in comparison to other authorities and competitors and a review of areas where we provide a service for free or have the potential to provide a charge for service together with new initiatives
- Staffing efficiencies including a review of vacant posts within the Council, the need to recruit to these posts, a number of service restructures following the departures of senior staff and a number of flexible retirements

- Good housekeeping efficiencies including a comprehensive review of services expenditure budgets that are underutilised and reductions in fees that are required to be paid to external bodies
- Better use of assets including a review of their usage or potential usage and the costs associated with the continued usage or occupation of these assets
- Alternative sources of funding, e.g. New Homes Bonus contributions, Business Rates Retention Scheme and other grants.

3. TIMETABLE AND PROCEDURE

- 3.1 A Budget Review Group was established in 2012. The Council Leader and the Portfolio Holder for Finance IT and Customer are members of the group, together with the Chief Executive, Executive Director of Resources and Support Services, Executive Director of Regeneration and Development and the Executive Director of Operational Services.
- 3.2 The remit of the group is to oversee all aspects of the budget process, including service review and challenge, longer term planning, development of budget options, agreeing consultation arrangements and consideration of feedback and seeking to deliver service models that drive improvement to front line services whilst offering value for money.
- 3.3 A service challenge process was conducted by the Budget Review Group in 2012 with the Newcastle 2020 project being established in 2013. Heads of Service have put forward options for improved service delivery and efficiency savings together with suggestions for 'invest to save' proposals whereby continuing increased efficiency can be obtained in return for a proportionally modest initial outlay.
- 3.4 The early results from the Newcastle 2020 project have formed the basis of the formulation and preparation of both the current year's budget and the 2016/17 budget.
- 3.5 The Budget Review Group will also consider the capital programme for 2016/17 and beyond and the resources available to finance it. There will be the opportunity for members to review and comment on this during the scrutiny process.
- 3.6 The budget timetable as regards member involvement and the completion of key stages in the process is set out in the table below:

Event	Body Affected	Date
Scrutiny of MTFS	FRAPSC*	4 November
Consideration of MTFS and feedback from FRAPSC*	Cabinet	11 November
Initial budget strategy and savings options	FRAPSC*	3 December
Draft Budget proposals including options approved	Cabinet	20 January
Scrutiny of draft budget	FRAPSC*	27 January
Budget proposals recommended for approval by Full Council	Cabinet	10 February
Full Council to approve Budget	Full Council	24 February

* FRAPSC = Finance Resources and Partnerships Scrutiny Committee

4. RISK

Risk Statement

- 4.1 Section 25 of the Local Government Act 2003 places a duty on the Chief Finance Officer to report on the robustness of the budget. The main risks to the budget include, spending in excess of the budget, income falling short of the budget and unforeseen elements, e.g. changes in interest rates and budget strategies and savings that do not have robust plans.
- 4.2 Such risks require regular and careful monitoring and it is essential that the Council has sufficient reserves to call on if required, e.g. the Council has a general fund balance of £1.2 million. In previous years the Chief Finance Officer has believed that the assurances required under Section 25 can be given and, with careful budget planning, robust monitoring and an adequate level of reserves, there should be no reasons to alter that view.

Risk Analysis

- 4.3 These risks are managed through a series of mitigation measures included in the financial planning and are monitored on an on-going basis via the Council's risk management process, the Budget Review Group and regular reports to Members.

5. THE COUNCIL'S FINANCIAL STRATEGY

- 5.1 The Council is committed to delivering high quality services and considerable progress has been made over the last year with significant improvements in performance indicators and positive feedback from external auditors. Integral to this ambition is the need to effectively target its financial resources in line with the priorities of the Council.
- 5.2 It is the Council's ambition to continue to substantially improve its service delivery over the next five years. Sound and effective financial planning has a vital role to play in ensuring that ambition is realised, through providing sufficient resources to enable the services that matter most to our citizens to be delivered and to respond to the increased demands placed upon the Council.
- 5.3 The current economic climate and the reductions in central government support to local authorities, particularly for second tier district councils such as Newcastle-under-Lyme, reinforces the need for sound financial planning, not just for the year immediately ahead (2016/17) but over the medium term as well.
- 5.4 To meet this need, the Medium Term Financial Strategy (MTFS) has been developed for a period spanning five years, from 2016/17 to 2020/21. The MTFS demonstrates alignment with the Council Plan and will be the main vehicle in assessing the Council's financial position, ensuring efficiency in service delivery and targeting resources via a transparent process to agreed priority areas. It illustrates how the Council Plan is driving the medium term financial plans for each block of services over the next five years.
- 5.5 It is a key document informing the 2016/17 budget process. The assumptions about future costs and income together with those relating to investment and efficiency savings will be incorporated in the 2016/17 budget and will account for the majority of the change in net spending between the 2016/17 budget and that for 2015/16. The indications given in the MTFS concerning the gap between future years' expenditure levels and available resources will enable the Council to draw up an informed strategy, that reflects the priorities of the Council, to bridge those shortfalls.

MEDIUM TERM FINANCIAL STRATEGY 2016 to 2021

- 5.6 The MTFS will be used during 2016/17 as the basis for reviewing the Council's financial position. The assumptions contained in it will be regularly reviewed and amendments made to the plan, where necessary. If any consequences in terms of significant adverse budget variations become apparent, this information will be used to formulate an action plan to deal with the budget shortfall. Conversely, if a significant positive variance is indicated, and likely to persist, this knowledge will enable the Council to decide whether to use this to increase reserves or to reallocate some or all of it to additional investments in line with corporate priorities.
- 5.7 Whilst the MTFS stands on its own as a strategy, it is an integral part of the Council's overall planning process comprising service delivery plans, the Council Plan and the Borough's Sustainable Community Strategy.

The current economic climate and the reductions in central government support to local authorities reinforces the need for sound financial planning.

MEDIUM TERM FINANCIAL STRATEGY 2016 to 2021

The Financial Framework

5.8 Within the overall strategy, a framework is effectively cascaded down and detailed in other plans and policy documents, as set out in the following table.

Medium Term Financial Strategy	This document sets out the medium term financial plans of the Council.
Treasury Management Strategy	Setting out how cash and investments are managed. This is designed to ensure the security and liquidity of any council money invested.
Financial Regulations	Setting out the procedures to ensure that the use of finance is legal, properly authorised, reported and provides value for money. These are the detailed rules which are used by Council officers on a daily basis to govern their operations.
Internal Audit Plan	Setting out when fundamental financial and other systems will be reviewed over time to test the effectiveness of internal control. This Plan is approved and monitored by the Council's Audit and Risk Committee.
Capital Strategy and Capital Programme	Setting out how major investment is planned and managed and helps to deliver the Council's priorities.
Asset Management Strategy	Setting out the management of land and property and identifying assets for disposal.

6. GOVERNMENT FUNDING FOR REVENUE PURPOSES

6.1 In various forms, the Council receives a substantial part of its funding from central government.

- 6.2 Besides receiving a general grant (Revenue Support Grant), it also receives funding through a New Homes Bonus and specific grants earmarked for certain services. The overall level of grant is reducing nationally, although allocations to the Council from the New Homes Bonus have increased over the last 3 years.

The Council's Financial Settlement 2016/17

The National Picture

- 6.3 On 1st April 2013, the national distribution of local authority funding changed significantly. The system moved away from being based on central funding allocation, to a model based on retaining a proportion of local business rates. However, nationally the Government will still control the overall level of resources for local authorities.
- 6.4 These resources are to continue to reduce. Due to certain services receiving protection (Education and Social Services) the largest impact of the reductions is likely to fall on district councils. Core funding was reduced by an average of 15.6 per cent for district councils in 2015/16. A further reduction of 25 per cent is estimated in 2016/17, with indications of a further reduction of 29 per cent from 2017/18 followed by 38 per cent in 2018/19, 14 per cent in 2019/20 and 25 per cent in 2020/21.
- 6.5 Newcastle-under-Lyme Borough Council will be in a position to partly offset these decreases through the Business Rates Retention Scheme and the New Homes Bonus. Overall however, it is likely that all councils will continue to see diminishing resources for the foreseeable future.

How the New System Works

- 6.6 Under the new system, a start-up funding assessment was established for each council. It is calculated broadly in the same way as Formula Grant was under the previous system.
- 6.7 This assessment is then split between Revenue Support Grant (RSG) and Business Rates Retention (BRR – a Baseline Need). Once set each year, the RSG element is guaranteed, whilst the BRR element is not.

6.8 Therefore, overall funding levels are not guaranteed; ultimately the level of business rates collected by councils during the year will determine a significant part of overall funding - the Baseline Need is only the starting point.

The Baseline

6.9 To fund the Baseline, councils had an expected level of National Domestic Rates (NNDR Income) to collect. This is based on the projected level of business rates to be collected nationally as determined by the Government.

6.10 50 per cent of this amount is paid over to the Government, with 10 per cent paid over to the County Council and the Fire Authority (combined) in two tier areas. The remaining 40 per cent is effectively the business rates to be retained by the Council.

6.11 For councils with a need higher than their Baseline, a **Top Up grant** is paid and this will be fixed. Conversely, for councils with a need lower than their Baseline, a **Tariff** is paid to the Government. This funds the national redistribution mechanism.

6.12 Councils that see a higher level of NNDR income compared to their Baseline will be rewarded through the scheme as they will be able to retain an element of the associated increase in revenues. However, councils that have a lower level of NNDR income will see a decline in their resources and, subject to a safety net, will not be compensated.

A Damping Mechanism

6.13 The new scheme contains a mechanism to limit individual gains and losses. A **Safety Net** limits losses and this is funded through a Levy (or charge) on disproportionate gains.

6.14 The Safety Net applies when a council's income falls by more than 7.5 per cent from its original baseline funding level, set on transition to the new system on 1st April 2013; the level is then fixed and increased by inflation each year.

6.15 The Levy limits what councils can gain in cash terms for any given level of NNDR growth. This has been set at 1:1, meaning that a 1 per cent increase in NNDR growth cannot increase overall resources by more than 1 per cent, but subject to a limit of 50p in the pound.

MEDIUM TERM FINANCIAL STRATEGY 2016 to 2021

- 6.16 The calculation is complicated, but does allow councils to gain from incremental growth even after paying a levy.
- 6.17 Where councils actually collect business rates at their NNDR target, the level of resources that they would receive (through retained business rates and RSG) will be their start-up funding assessment; i.e. they would neither gain nor lose. The Council is a member of the Stoke-on-Trent and Staffordshire Business Rates Pool, which enables it to retain more rates income than it otherwise would have done by avoiding payment of a levy on rates income growth to the government. It is anticipated that the Council will benefit from rates retention, although it is difficult to estimate precisely how much additional income it will be able to retain.

Reviewing the System

- 6.18 The Government intends that Baselines will be set until 2020, up rated each year for inflation. However, the Government reserve the power to review and if necessary reset the system in exceptional circumstances at anytime. However, they have indicated that a review will not occur within the first 3 years of the new system.

New Homes Bonus (NHB)

- 6.19 This was introduced in 2011/12 and will continue to be paid in the new system in addition to RSG and retained business rates.
- 6.20 Where authorities gain in NHB due to growth, RSG will be reduced. However, the overall system is designed to benefit those authorities who achieve residential growth (including new affordable housing) together with good management of empty properties.
- 6.21 Similar to RSG and retained business rates, the NHB is a flexible, unringfenced fund and is part of the support package that central government will continue to pay to local councils.
- 6.22 In the 2013 Autumn Statement the Chancellor announced that the Government is considering the option of withholding payments to councils where planning permission is granted on appeal. The intention is to make councils think twice about opposing schemes, adding greater weight to the presumption in favour of sustainable development as enshrined in the National Planning Policy Framework.

MEDIUM TERM FINANCIAL STRATEGY 2016 to 2021

7. COUNCIL TAXBASE AND COLLECTION FUND

- 7.1 The Council's taxbase represents the average "value" of the properties in its area as set against a standard band D property. For example a band D property is expressed as one whilst a lower value band A property is calculated as 6/9 of the band D. On the other hand, the highest value property is band H which is calculated at 18/9 of band D.
- 7.2 The calculation of the taxbase has an important effect on the level of council tax in that an increase in the taxbase (say, from new building) will mean that the amount to be raised is spread over more properties whilst a reduction (say, from demolitions) will mean that it has to be spread over fewer properties. For 2015/16 the taxbase was calculated at 35,242 properties.
- 7.3 The collection fund is the vehicle through which all council tax is collected. The Council makes an assumption as to the percentage of council tax which will be ultimately collected. That decision will be made in January 2016. If that target is not met then there will be a deficit which will have to be accounted for in the next financial year whilst if there is a surplus then this can be used to offset whatever council tax is levied in the next financial year.
- 7.4 Only a certain proportion of the overall council tax bill is attributable to the Council's services. The Council also collects the proportions due to other public bodies that provide services within Staffordshire. These are;
- **Staffordshire County Council** (Education, Social Services, Highways, Libraries, Waste Disposal and Trading Services)
 - **Office of the Police and Crime Commissioner Staffordshire** (Day to Day Policing and Crime Prevention)
 - **Staffordshire Fire and Rescue Service** (Fire Fighting and Accident Prevention)
 - **Local Parishes** (Community Facilities)

MEDIUM TERM FINANCIAL STRATEGY 2016 to 2021

7.5 The split of the overall bill for 2015/16 at Band D level is;

Overall Band D Council Tax	2015/16 £:p
Newcastle-under-Lyme Borough Council	176.93
Staffordshire County Council	1,047.28
Office of the Police and Crime Commissioner Staffordshire	177.61
Staffordshire Fire and Rescue Service	68.96
Sub-total	1,470.78
Parish Council (Average)	21.45
TOTAL	<u>1,492.23</u>

7.6 Local Parish Councils set various rates that are additional to the Band D levels above for residents in those areas. There are 10 parished areas in the District and the Parish levy for 2015/16 at Band D ranges from £11.98 to £44.60.

8. Environmental footprint

8.1 One of the four priorities in the Council Plan is “A clean, safe and sustainable Borough” so it is clear that there is a wide understanding of the impact and implications of the Council’s policies on the environment and hence the need to develop and maintain a sustainable approach. In formulating the MTFs as a means of enabling the achievement of its priorities and to improve service delivery, it is essential that all staff, members and stakeholders are aware of the requirement to consider the environmental impact of their actions.

8.2 In response to such environmental issues the Council has prepared plans, most notably a Carbon Management Plan, which focus upon saving energy with a view to both saving costs and minimising our environmental footprint. The main three avenues of interest for achieving such efficiencies are around premises related energy saving measures, waste recycling and reducing vehicle fleet fuel consumption.

9. Procurement

9.1 The Council has an approved Procurement Strategy which encompasses every aspect of the purchasing process from determining the need for goods, works or services, to buying and delivery in order to help achieve the Council’s key priorities and outputs.

9.2 The procurement role is to ensure the Council commissions and procures quality services and supplies, as cost effectively as possible. The Council must understand the market and seek to influence and develop it for the benefit of delivering low council tax. As part of this role all contracts that the Council currently has are to be reviewed in order to ensure that they are efficient and cost effective.

10. Equalities

10.1 Differential equality impact issues will be identified against the key strategies, policies and functions of the Council and will be considered in producing future service improvements, which will then be reflected within the Council's budgets.

Classification: NULBC UNCLASSIFIED

MEDIUM TERM FINANCIAL STRATEGY 2016 to 2021

Summary	2016/17	2017/18	2018/19	2019/20	2020/21	Notes
Changes to Base Budget	£'000	£'000	£'000	£'000	£'000	
Employees:						
▪ Incremental Increases	44	22	17	9	2	As per Salaries Estimates
▪ Pay Awards	123	125	126	128	129	1% increase per year
▪ Superannuation Increases	197	25	24	23	22	2016/17 includes £168k lump sum increase
▪ National Insurance	343	20	20	19	18	Per incremental increases & pay awards plus 3.4% in 2016/17 re: discontinuation of discount for contracted out employees following re. single tier state pension
Premises (e.g. Business Rates)	25	31	34	35	36	Based on increases as per DCLG
Transport (e.g. Fuel)	11	14	15	15	16	Based on increases of 2.9% 2016/17, 3.4% 2017/18, 3.6% 2018/19, 3.6% 2019/20 and 3.6% for 2020/21
Other Costs (e.g. Inflation, Uplifts)	39	0	0	42	0	General inflation on energy contracts
One Off Budget Items Removed 2015/16 Budget	67	58	36	0	0	Expenditure taken from/income added to budget
Investment Income	(58)	(70)	(49)	0	0	Based on forecast interest rates
New Homes Bonus	0	264	513	154	364	
Government Grants	670	583	543	124	190	Per LG Futures forecast re. RSG
Business Rates Baseline Funding	(68)	(104)	(107)	(108)	(108)	Per LG Futures forecast re. Business Rates Baseline Funding
Council Tax Freeze Grant	70	0	0	0	0	A Council Tax freeze grant was given by Government in 2014/15 which was given until 2015/16 only.
New Pressures	130	256	100	100	100	Revenue funding from reserves, Planning Staffing, BID, Insurance Tax, Debit Cards, Depot Rent, Staffordshire Connects
Fees & Charges & other Income	(115)	(115)	(119)	(119)	(123)	Increase based on 2%
TOTAL MTFs SHORTFALLS	1,478	1,109	1,153	422	646	

Classification: NULBC UNCLASSIFIED



Members: Ms Pickup, Stringer, Mrs Williams, Sweeney, Loades, Fear, Waring, Wilkes, Huckfield

FINANCE, RESOURCES AND PARTNERSHIPS SCRUTINY

Chair: Councillor Stubbs
Vice Chair: Councillor Wallace

Portfolio Holder(s) covering the Committee's remit:
Councillor Elizabeth Shenton (Policy, People and Partnerships)
Councillor Terry Turner (Finance, IT and Customer)
Councillor John Williams (Town Centres, Business and Assets)

Work Plan correct as at: Friday 23rd October 2015

Remit:

Finance, Resources and Partnership Scrutiny Committee is responsible for:

- Communications and consultation
- Council structure and democracy and constitutional review
- Customer contact and customer service centres
- Member development and support
- Neighbourhood and locality working
- Partnerships: Newcastle Partnership Strategic Board
- Performance management and monitoring
- Putting people first
- Risk champion
- Transformation programme
- Accountancy
- Budget
- Capital and revenue expenditure
- Efficiency savings
- Health and safety champion
- Human Resources
- Information and communication technology
- Procurement champion
- Treasury management
- Workforce development

Date of Meeting	Item	Reason for Undertaking
15th June 2015 (agenda dispatch Friday 5th June 2015)	Financial and Performance Management Report to end of Quarter 4 (March) 2015	To provide Finance, Resources and Partnerships (FRAP) Scrutiny Committee with the Financial and Performance Review, Fourth Quarter 2014/2015
	Review of changes to the Committee arrangements	To update Members on the outcome of a review undertaken by a Local Government Association peer review team of the democratic decision-making structures of the Council.
	Constitution Review Working Group	To receive an update by the Democratic Services Manager
	Finance, Resources and Partnership Scrutiny Committee Work Plan	To discuss the work plan and potential topics that Committee Members would like to scrutinise over the forthcoming year
3rd September 2015 (agenda dispatch 21st August 2015)	Quarter One Financial and Performance Review	To provide Scrutiny with the Financial and Performance Review, Quarter One 2015/2016
	Newcastle Partnership Commissioning Prospectus	A report to be presented on the collective approach to delivering key services in the future. This is based on a clear single vision for the Borough; shared priorities and shared outcomes, allied to shared resources in terms of commissioning and delivery
	Constitution Review Working Group	It was resolved at the last meeting that Group Leaders are asked to re-elect Members to the Working Group, with an update being received on the recommendations that had been put forward.
	Portfolio Holder(s) Question Time	Opportunity for the Committee to question the Portfolio Holder(s) on their priorities and work objectives for the next six months and to address any issues or concerns that they may be facing
	Finance, Resources and Partnership Scrutiny Committee Work Plan	To discuss the work plan and potential topics that Committee Members would like to scrutinise over the forthcoming year
4th November 2015 (agenda dispatch 23rd October 2015)	Quarter Two Financial and Performance Review	To provide Scrutiny with the Financial and Performance Review, Quarter Two 2015/2016
	Medium Term Financial Strategy	An update to be provided on the Medium Term Financial Strategy for 2016/2017 and the following four years, indicating the projected budgets for these years and the shortfall compared to available resources

Date of Meeting	Item	Reason for Undertaking
	Review of changes to the Committee arrangements	To provide Members with feedback from each Committee regarding the review undertaken by a Local Government Association peer review team of the democratic decision-making structures of the Council
	Finance, Resources and Partnership Scrutiny Committee Work Plan	To discuss the work plan and potential topics that Committee Members would like to scrutinise over the forthcoming year
3rd December 2015 (agenda dispatch 20th November 2015)	Revenue Budgets 2016/17 – First Draft Savings Plan	To review progress on the completion of the revenue and capital budgets for 2016/2017 to enable a robust and affordable budget for 2016/2017 to be approved
	Capital Strategy Update	An update to be provided on how the Council deploys its capital resources in order to assist it to achieve its corporate and service objectives
	Asset Management Strategy Update	An update to be provided on the finance and resource implications of the Asset Management Strategy 2014-2017
	Planning Committee Members' Protocol	To receive an update from the Constitutional Review Working Group
	Scale of Fees and Charges	Review of the fees and charges which the Council makes in order to keep them in line with the cost of service provision and to establish the amounts to be included in the 2016/2017 budget
	Procurement Champion	An overview to be received from the Business Improvement Manager on the procurement structure and processes within the organisation
	Finance, Resources and Partnership Scrutiny Committee Work Plan	To discuss the work plan and potential topics that Committee Members would like to scrutinise over the forthcoming year
13th January 2016 (agenda dispatch 8th January 2016)	Budget Review	The Budget Review is an information gathering workshop and will give Members a chance to ask any questions relating to the budget setting process
27th January 2016 (agenda dispatch 15th January 2016)	Quarter Three Financial and Performance Review	To provide Scrutiny with the Financial and Performance Review, Quarter Three 2015/2016
	Treasury Management Strategy 2016/2017	To approve the Strategy to be followed by the Council in carrying out its treasury management activity in the forthcoming year 2016/2017
	Revenue and Capital Budgets	To consider the final version of the Revenue and Capital Budget

Date of Meeting	Item	Reason for Undertaking
	2016/2017	2016/2017 before it is considered by Council on 24 th February 2016.
	Budget Review 13 th January 2016	To consider feedback received from the Budget Scrutiny Café held on the 13 th January 2016
	Community Infrastructure Levy	An overview to be presented to Members on the financial contribution each type of development can make to new infrastructure through a Community Infrastructure Levy (CIL)
	Finance, Resources & Partnership Scrutiny Committee Work Plan	To discuss the work plan and potential topics that Committee Members would like to scrutinise over the forthcoming year
14th March 2016 (agenda dispatch 4th March 2016)	Portfolio Holder(s) Question Time - Councillors Elizabeth Shenton (Policy, People and Partnerships) and Terry Turner (Finance, IT and Customer) to be invited to attend	Opportunity for the Committee to question the Portfolio Holder(s) on their priorities and work objectives for the next six months and to address any issues or concerns that they may be facing
	Annual Work Plan	To review outcomes, recommendations, feedback and further action required on items submitted over the past twelve months
15th June 2016 (agenda dispatch 3rd June 2016)	Financial and Performance Management Report to end of Quarter Four (March) 2016	To provide Finance, Resources and Partnerships (FRAP) Scrutiny Committee with the Financial and Performance Review, Fourth Quarter 2015/2016
	Finance, Resources & Partnership Scrutiny Committee Work Plan	To discuss the work plan and potential topics that Committee Members would like to scrutinise over the forthcoming year

Task and Finish Groups:	
Future Task and Finish Groups:	
Suggestions for Potential Future Items:	<ul style="list-style-type: none"> • Constitution Review Working Group – Future Work Plans • Workforce Development • Partnerships: Newcastle Partnership Strategic Board • Transformation Programme • Putting People First

DATES AND TIMES OF CABINET MEETINGS:

Wednesday 10 th June 2015, 7.00pm, Committee Room 1
Wednesday 22 nd July 2015, 7.00pm, Committee Room 1
Wednesday 16 th September 2015, 7.00pm, Committee Room 1
Wednesday 14 th October 2015, 7.00pm, Committee Room 1
Wednesday 11 th November 2015, 7.00pm, Committee Room 1
Wednesday 9 th December 2015, 7.00pm, Committee Room 1
Wednesday 20 th January 2016, 7.00pm, Committee Room 1
Wednesday 10 th February 2016, 7.00pm, Committee Room 1
Wednesday 23 rd March 2016, 7.00pm, Committee Room 1
Wednesday 8 th June 2016, 7.00pm, Committee Room 1

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