

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

REPORT OF THE EXECUTIVE MANAGEMENT TEAM TO COUNCIL

24 FEBRUARY 2016

REVENUE AND CAPITAL BUDGETS AND COUNCIL TAX 2016/17

Submitted by: Executive Director (Resources and Support Services)

Portfolio: Finance IT and Customer

Wards(s) affected: All

Purpose of the Report

This report sets out the recommendations of Cabinet for the Revenue and Capital Budgets for 2016/17 and sets out the recommendations for setting the 2016/17 Council Tax.

Recommendations

That the Council approve the recommendations set out in Appendix 'A'.

1. Background

- 1.1 This report is the culmination of the 2016/17 budget process, which started before the current 2015/16 budget was set. The Cabinet and three meetings of the Finance, Resources and Partnerships Scrutiny Committee (FRAPSC) have already considered the content of the 2016/17 Budget and the resultant Council Tax which is recommended. Cabinet met on 10 February 2016 and, after considering comments made by the FRAPSC, recommend a Council Tax for this Council in 2016/17 of £180.45 (based on Band D), as set out in Appendix B. This is an increase of 1.99 per cent compared with the 2015/16 amount of £176.93.

2. General Fund Budget 2015/16 - Projected Outturn

- 2.1 Monthly reports monitoring actual spending against budget have shown overall relatively small variances throughout the first ten months of the year.
- 2.2 Within the overall position there are a number of significant variances, as referred to in the Budget and Performance Monitoring report considered by Cabinet on 10 February. These 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 have looked at ways to both retain current income levels and pursue additional income to eradicate the current shortfalls. This review has resulted in the Jubilee 2 shortfall stabilising.
 - 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.

2.3 Taking account of the above factors it appears likely that the outturn for 2015/16 will not differ significantly from the budget.

2.4 Resources provided within the revenue and capital budgets has enabled a number of notable achievements to be accomplished in 2015/16. These are set out at Appendix G.

3. Revenue Budget 2016/17

3.1 Excluding levies for Town and Parish Councils the recommended Borough Council Tax for a 'Band D property' is £180.45, a 1.99 per cent increase compared with 2015/16, based on a Borough Council Tax requirement of £6,510,280, as set out below.

	Estimated Expenditure	Rate of Council Tax (Band D)
	£	£ p
Borough Council requirements -		
Total Net Expenditure	11,586,710	321.16
Less: External Support	<u>(5,233,130)</u>	<u>(145.05)</u>
	6,353,580	176.11
Less:		
Collection Fund (Surplus)/Deficit 2015/16		
- Council Tax	(119,560)	(3.31)
- Business Rates	276,260	7.65
Borough Council Tax Requirement	<u>£6,510,280</u>	<u>£180.45</u>

There is no Council Tax Freeze Grant for 2016/17.

Appendix 'B' sets out the budget summarised over services. Copies of detailed budgets are available on request.

In addition to the basic Council Tax the Council is required to levy additional charges in the following parishes. These are shown below:

<u>Parish</u>	<u>Rate of Council Tax (Band D)</u>
	<u>£ p</u>
Audley	41.85
Betley, Balterley and Wrinehill	17.26
Chapel and Hill Chorlton	15.68
Keele	23.80
Kidsgrove	18.42
Loggerheads	21.08
Madeley	43.62
Maer	18.64
Silverdale	11.98
Whitmore	29.64

4. Medium Term Financial Strategy and Budgets for 2016/17

4.1 The Council's updated Medium Term Financial Strategy (MTFS), as reported to Cabinet, indicated a forecast budget shortfall of £1.834m for 2016/17, with additional shortfalls of £1.109m for 2017/18, £1.153m for 2018/19, £0.422m for 2019/20 and £0.646m for 2020/21. If the Council accepts the government's offer of a four year financial settlement up to 2019/20 (see paragraph 4.8), these gaps

would become £1.317m for 2017/18, £1.088m for 2018/19 and £0.818m for 2019/20. The current anticipated shortfalls need to be addressed by a combination of measures such as efficiency savings, reductions in expenditure or income increases and consideration of the need for Council Tax increases. Work is ongoing by officers, working in conjunction with the Budget Review Group, to identify solutions as part of the Newcastle 2020 project. The Budget Review Group will continue to develop a strategy for bridging the 2017/18 gap and for eliminating the shortfalls in respect of the remaining years up to 2020/21.

- 4.2 The 'gap' between expenditure and resources for 2016/17 of £1.834m arises from the factors set out in the table below:-

<u>CHANGES TO BASE BUDGET</u>	£'000
<u>ADDITIONAL INCOME</u>	
Fees and Charges	85
Investment Income	58
TOTAL ADDITIONAL INCOME (A)	143
<u>ADDITIONAL EXPENDITURE & LOSS OF INCOME</u>	
Reduction in Government Funding	840
Provision for Pay Awards	123
Incremental Pay Rises for Staff	44
Superannuation increase in employers contribution	197
Additional National Insurance re increases in Pay	23
Additional cost of National Insurance re discontinuation of discount for contracted out employees	320
Price Increases e.g. energy, fuel, rates, insurances, supplies & services	75
Adjustments re One-Off items in 2015/16	67
Council Tax Freeze Grant re 2014/15 ceases	70
Reduction in Housing Benefit Administration Grant	88
TOTAL ADDITIONAL EXPENDITURE AND LOSS OF INCOME (B)	1,847
<u>OTHER ITEMS</u>	
<u>NEW PRESSURES</u>	
Business Improvement District levy re Council Properties	25
Planning – Additional Staffing Resources	60
Insurance Tax increased	14
Debit Card Charges	18
Depot Rent no longer receivable	5
Staffordshire Connects Hosting Costs re ICT systems	8
TOTAL NEW PRESSURES (C)	130
NET INCREASE IN BASE BUDGET (B + C - A)	1,834

- 4.3 In addition the Council also has a medium term capital programme. Details of this can be found in Section 8 of this report and Appendix F.
- 4.4 Savings and funding strategies have been identified and agreed with managers as being feasible and sustainable in order to bridge the £1.834m "Gap". Some consist of savings in expenditure whilst others involve increasing income. These proposals total £1.834m and are summarised in the table below and set out in detail at Appendix C.

Category	Amount £'000	Comments
Procurement	201	Smarter procurement and reductions in the amount of supplies procured, insurance premium renewals
Additional Income	351	Net savings arising from New Waste and Recycling Service plus other additional income
Staffing Efficiencies	321	No redundancies are anticipated to arise from these proposals
Good Housekeeping Efficiencies, General Other Savings, Changes in Base Budgets	113	Various savings arising from more efficient use of budgets
Alternative Sources of Finance/ Other Savings	848	Additional contribution to the revenue budget from New Homes Bonus funding, savings from advance payments of superannuation contributions, effect of forecast Council Tax Base increase.
Total	1,834	

- 4.5 Cabinet recommends an increase in council tax for 2016/17 of 1.99 per cent. The government is not offering a Council Tax Freeze Grant for 2016/17 as it did in respect of each of the five years from 2011/12 to 2015/16 in order to encourage local authorities to freeze their tax at the same amount as the previous year.
- 4.6 Noteworthy activities which are planned to achieve Council Plan outcomes in 2016/17 to be met from provision within the revenue or capital budgets are shown at Appendix H.
- 4.7 Bringing together all the above, the result is a balanced budget, as shown in the table below:

	£'000	Report Reference
Changes to Base Budget	1,834	4.2
Savings/Increased Income	(1,834)	4.4
BUDGET SHORTFALL ('GAP')	0	

- 4.8 The government have now notified the Council of the final amount of its formula grant for 2016/17. This is in line with the provisional settlement figure, which represents a 13.8% reduction. The government has also offered councils a four year funding settlement, which will provide them with provisional allocations for the following three years, 2017/18 to 2019/20. This is subject to councils publishing an efficiency plan, details of which are awaited. Indicative allocations were published with the 2016/17 funding settlement. These show that in 2017/18 funding would reduce by a further £0.687m, which is a 13.1% reduction compared to the 2016/17 settlement, by a further £0.368m (8.1%) in 2018/19 and by £0.412m (9.9%) in 2019/20. Altogether this is an overall decrease of £2.307m (38%) over the next four years. Councils have until 14 October 2016 to accept the offer of a four year settlement. The final settlement also contained an announcement by the government that district councils will be able to increase their council tax levies for 2016/17 by either up to 2.00 per cent or by an additional £5.00, whichever gives the highest tax yield, without triggering the need for a council tax referendum. Cabinet decided at its meeting on 10 February, after considering these revised rules, to apply a 1.99% tax increase, resulting in a recommended Band D tax levy of £180.45, which is £1.48 (yielding £54,000 tax) less than the levy of £181.93 which is the maximum now allowable without a referendum. It would appear that district councils will be able to apply a £5.00 increase in each of the following 3 years so this will be something for the Council to consider when determining the tax levy for 2017/18, 2018/19 and 2019/20.

5 **Balances and Reserves**

- 5.1 The Council's Balances and Reserves Strategy for 2015/16 is that there should be a minimum General Fund balance of £1.2m and a minimum balance on the Contingency Reserve of £100,000. The Council currently holds these reserves.
- 5.2 A review of all the Council's Balances and Reserves together with a risk assessment has been carried out. Details of these are included in Appendices D and E.
- 5.3 The review and risk assessment indicate the following:
- Overall reserves are still adequate to meet normal levels of expenditure although the Renewals and Repairs Fund will require topping up.
 - The level of minimum balances required after considering the risk assessment remains at £1.3m.
- 5.4 Based on these minimum levels of reserves being sustained the Executive Director (Resources and Support Services) is of the opinion that the Revenue Budget is robust and that the Council's Revenue Reserves are adequate to support it based on the assumptions set out in this report.
- 5.5 Cabinet at their meeting on 20 January approved the award of a new contract in respect of the Council's insurance policies. The cost of the contract is £201,000 less than the current budget provision. The cost reduction has been partly achieved through more favourable market conditions and partly because a higher claims excess figure has been accepted. Acceptance of a higher excess does mean that if there are claims, the Council will have to meet more of the cost of the claim. In recognition of this Cabinet agreed that the full saving would not be taken as a budget reduction, only £150,000 being applied to reduce the budget gap. The remaining £51,000 is to be paid into the Insurance Provision to meet possible additional claims costs.
- 5.6 As is usual and required by council tax legislation, an estimate has been made of the current year outturn position in relation to the Council Tax Collection Fund. It is estimated that there will be a surplus of some £993,880 for 2015/16. The legislation requires an estimated surplus on the Collection Fund to be transferred to the major precepting authorities in the following year and included in their revenue budgets for that year, in proportion to their respective council tax levies. This Council's share of the estimated surplus is £119,560. Presently, the Medium Term Financial Strategy does not include an amount in respect of a Collection Fund transfer in 2016/17. The transfer of £119,560 will, therefore, be additional income to the revenue account.
- 5.7 Cabinet has recommended that the Collection Fund Surplus be used as follows:
- to top up the Renewals and Repairs Fund by £50,000;
 - the balance of £69,560 be paid into the Insurance Provision as further provision to meet the cost of claims excesses;

6 **Finance, Resources and Partnerships Scrutiny Committee**

- 6.1 The Medium Term Financial Strategy and the budget proposals have been considered by the FRAPSC at their meetings on 4 November 2015, 3 December 2015 and 28 January 2016. Following the January FRAPSC meeting, the Committee's comments were fed back to the Cabinet at their meeting on 10 February 2016.

7. **Risks**

- 7.1 Appendix 'E' shows the risk assessment in relation to the 2016/17 General Fund Revenue Budget.

8. Capital Programme 2015/16 - 2016/17

8.1 The Newcastle Capital Investment Programme Report considered by Cabinet on 5 February 2014 (see 8.4 below) set out the essential capital investment needed over the four years 2015/16 to 2018/19. This report, together with the associated "Funding the Council's Capital Investment Programme" report was endorsed by Full Council when it approved the Capital Strategy 2015-2019, to which these were appended, in February 2015. The capital expenditure proposed for 2016/17 reflects the needs identified in the report updated to take account of current priorities and resources expected to be available for funding purposes.

8.2 Attached at Appendix F is the updated capital programme 2015/16 to 2016/17 based on current commitments and agreed schemes plus a number of new schemes which are vital to ensure continued service delivery. New schemes total £7.030m. The remainder of items included in the Programme relate to continuing expenditure on current schemes, funding for which has already been approved. Particular points to note are:

- a) Consideration has been given to requirements for essential plant and equipment replacements, buildings repairs and maintenance and other work which will be needed over the next few years to enable services to be continued at acceptable levels or to safeguard income from commercial properties. The most urgently required items have been included in the proposed capital programme.
- b) The additional capital investment required to complete the implementation of the new waste recycling service approved by Cabinet on 23 July 2014 has been included as follows:

	2015/16	2016/17
	£m	£m
Depot modifications	0.060	0.100
Recycling Containers		<u>0.495</u>
Total	<u>0.060</u>	<u>0.595</u>

These additional costs were approved by Cabinet at its meeting on 16 September 2015.

- c) The programme provides for the scheduled replacement of existing waste collection vehicles in the amount of £1.935m as approved by Cabinet at its meeting on 16 September 2015.
- d) The Housing Programme provides for the continuation of a number of existing activities, including disabled facilities grants which have provisionally been allocated a contribution of £0.654m from the Staffordshire Better Care Fund.
- e) A sum of £0.015m has been included to progress more of the actions identified in the Council's Carbon Management plan.
- f) £0.200m is included to complete the facilities at the Wammy Neighbourhood Park.
- g) £0.040m is included in respect of demolition costs and provision of temporary changing facilities in respect of the former Knutton Recreation Centre
- h) In summary, expenditure of £14.249m shown in the proposed programme for 2016/17 at Appendix F comprises:

	£m
a) New Schemes funded by the Council from Capital Receipts	6.001
b) New Schemes funded from New Homes Bonus	0.375
c) New Schemes partly funded from external sources	<u>0.654</u>
New Schemes shown in table below	7.030
d) ICT Projects funded via the ICT Development Programme	0.205
e) Balance of Civic Hub Costs funded from earmarked capital receipts and Right to Buy sales	<u>4.200</u>
Total New Schemes	11.435

f) Schemes brought forward from the original 2015/16 Programme	<u>2.814</u>
Grand Total	<u>14.249</u>

- Item (a) and part of (f) (£2.624m) are to be funded by capital receipts
- Funding for Item (f) has already been approved in February 2015 when the 2015/16 Capital programme was approved. This comprises a number of projects, most significantly: new vehicles required for the new waste service, which will be ordered for delivery in 2016/17 (£1.540m); replacement vehicles where purchase has been delayed until the current vehicle becomes unserviceable (£0.300m); site disposal costs of sale owing to delay in approving the sale of some of these sites (£0.243m); disabled facilities grants (£0.150m).
- Item (d) will be funded from the ICT Development Fund
- Item (e) will be funded from new capital receipts arising from asset sales and RTB sales as set out in the report to Full Council on 23 September 2015.

i) The proposed programme of new projects is dependent upon the successful completion, resulting in the anticipated capital receipts, of the approved sale of a number of sites. If it appears likely that any of these sales will not take place before 31 March 2017 or receipts will be substantially less than anticipated, some of the proposed projects may have to be curtailed or the Council may have to enter into temporary borrowing arrangements.

A summary of all of the new items included in the Programme and how they are proposed to be funded is set out in the table on the following page:

Scheme	Cost	Funding		
		New Homes Bonus	Other External Funding	Capital Receipts
	£'000s	£'000s	£'000s	£'000s
Housing Programme				
Disabled Facilities Grants	894	240	654	
Warm Zone Affordable Warmth	30	30		
PSH/Emergency HHSRS Grants/Vulnerable Households	100			100
Empty Homes	30	30		
Loans to Vulnerable Households	75	75		
Landlord Accreditation Scheme	40			40
Replacement Vehicles and Equipment				
Vehicles Replacement	2,086			2,086
Waste Bins	100			100
Stock Condition Works				
Commercial Portfolio	102			102
Car Parks	110			110
Parks Pavilions	17			17
Knutton Lane Depot – Garage Repairs, resurfacing of yard and other works	50			50
Newcastle Cemetery - Path and Ground Works	15			15
Ski Slope - Car Park and Path replacements	15			15
Knutton Community Centre	61			61
Public Railings Painting	50			50
Water Courses	85			85
Engineering Structures	100			100
Parks and Open Spaces				
Footpath Repairs	50			50
Play Area Refurbishment	75			75
Railings/Structures Repairs	25			25
The Wammy Neighbourhood Park	200			200
Tree Work	20			20
Westlands Sports Ground	50			50
Community Green Space Projects - Match Funding	25			25
Other Projects				
New Waste Recycling Service	595			595
Knutton Recreation Centre - Demolition Costs and Provision of Temporary Changing Facilities	40			40
Cemetery Memorial Survey Works	10			10
Cremated Remains Garden Phase 8	15			15
Crematorium - Monthly Gardens	5			5
Traveller Encroachment	15			15
Street Furniture Replacement	10			10
Jubilee 2 Part Redecoration	20			20
Carbon Management Plan	15			15
Civic Hub - Amount to be funded from Council's resources	1,900			1,900
TOTAL	7,030	375	654	6,001

- 8.3 Continuation of the capital programme beyond 2016/17 is dependent upon the achievement of a programme of receipts from the disposal of assets. It is essential that sufficient capital receipts are generated from these asset sales to enable essential capital investment to take place.
- 8.4 Two key reports have been considered by Cabinet in relation to future capital investment needs. These are the Newcastle Capital Investment Programme (Cabinet 5 February 2014) and Funding the Council's Capital Investment Programme (Cabinet 15 October 2014). The first report set out the amount of capital investment required over the four year period 2015/16 to 2018/19 in order to maintain service continuity and to safeguard income from the commercial property portfolio. The second report set out options for funding the capital investment identified in the preceding report. It concluded that the only realistic option to meet investment needs is a systematic programme of surplus land disposal, which will also enable the Council to deliver its policy objective of bringing forward more affordable and social housing by the release of some of its land holdings. The alternative of borrowing to part fund the programme is seen to be a more expensive option owing to the cost of servicing the debt. Accordingly it was resolved: ***"That Cabinet agrees with the principle that the Council, as a first resort, will seek to fund its future known capital programme needs through the annual asset management planning process by the identification of land or property in its ownership that is capable of, and appropriate for disposal"***. Full Council at its meeting on 27 January 2016 to consider the report of the Asset Policy Committee re-affirmed this approach which was subsequently endorsed by Cabinet at its meeting of 10 February 2016.
- 8.5 The Chartered Institute for Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance, which the Council has adopted, requires the calculation of a Prudential Indicator in relation to the capital programme. This is to demonstrate the incremental impact of capital investment decisions upon the council tax, in other words what the additional cost to the General Fund Revenue Account will be as a result of carrying out the projects contained in the proposed capital programme, compared to the situation which existed based on the programme approved at last year's council tax setting Council meeting. The Indicator shows that the incremental impact is estimated to be £55,250 (in a full year once the projects are complete and operational), which equates to a council tax levy of £1.53, using the 2016/17 council tax base for calculation purposes. This is based on £10.2m additional capital expenditure funded from Council resources and an assumed interest rate of 0.8 per cent. Provision has been made in the 2016/17 budget for the cost of funding the capital programme in terms of reduced interest as a result of using capital receipts and reserves arising from the profiled capital spend.

9. List of Appendices

- A Recommendations
- B Revenue Budget 2016/17
- C Savings and Funding Strategies
- D Actual and Estimated Reserves at 31 March 2015 to 31 March 2017
- E Risk Assessment
- F Capital Programme 2015/16 to 2016/17, including financing of expenditure
- G Notable Achievements in 2015/16
- H Activities planned to achieve Council Plan outcomes in 2016/17

Schedule of detailed recommendations

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

Recommendations

- (a) That the Revenue Budget for 2016/17 be approved, as set out in Appendix B.
- (b) That the Council Tax at Band 'D' be £180.45.
- (c) That the Capital Programme to 2016/17 be approved as set out in Appendix F, together with the Prudential Indicator relating to the Incremental Impact of Capital Investment Decisions on the Council Tax, as set out in paragraph 8.5.
- (d) That the minimum balances requirement be confirmed as £1,300,000, unchanged from a year ago.
- (e) That an additional contribution of £50,000 be made to the Renewals and Repairs Fund and a contribution of £69,560 be made to the Insurance Provision, to be funded from the estimated Council Tax Surplus of £119,560 which will be transferred to the revenue account in 2016/17.
- (f) That it be noted that at its meeting on the 20 January 2016 the Cabinet calculated the following amounts for the year 2016/17:
- (i) 36,078 being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as its council tax base for the whole Council area for the year (Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act"))
 - (ii) For dwellings in those parts of the Council's area to which a Parish precept relates as in the table below:
- | | |
|---------------------------------|-------|
| Kidsgrove | 6,536 |
| Loggerheads | 1,878 |
| Audley | 2,510 |
| Betley, Balterley and Wrinehill | 576 |
| Chapel and Hill Chorlton | 192 |
| Keele | 332 |
| Madeley | 1,445 |
| Maer | 260 |
| Silverdale | 1,457 |
| Whitmore | 814 |
- (g) That the Council Tax requirement for the Council's own purposes for 2016/17 (excluding Parish precepts) is £6,510,280.
- (h) That the following amounts be calculated for the year 2016/17 in accordance with Sections 31 to 36 of the Act:
- (i) £72,993,052 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act taking into account all precepts issued to it by Parish Councils.

- (ii) £66,087,400 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.
- (iii) £6,905,652 being the amount by which the aggregate at (h)(i) above exceeds the aggregate at (h)(ii) above, calculated by the Council, in accordance with Section 31A (4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
- (iv) £191.41 being the amount at (h) (iii) above (Item R), all divided by Item T (f) (i) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- (v) £395,372 being the aggregate amount of all special items (Parish precepts) referred to in Section 34 (1) of the Act.
- (vi) £180.45 being the amount at (h) (iv) above less the result given by dividing the amount at (h) (v) above by item T (f) (i) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item (Parish precept) relates.

(vii) **Part of the Council's Area**

	£ p
Audley Parish Council	222.30
Betley, Balterley and Wrinehill Parish Council	197.71
Chapel and Hill Chorlton Parish Council	196.13
Keele Parish Council	204.25
Kidsgrove Town Council	198.87
Loggerheads Parish Council	201.53
Madeley Parish Council	224.07
Maer Parish Council	199.09
Silverdale Parish Council	192.43
Whitmore Parish Council	210.09

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

(viii)

Valuation Bands

	A	B	C	D	E	F	G	H
<u>Part of the Council's Area</u>	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Kidsgrove Town Council	132.57	154.68	176.76	198.87	243.06	287.26	331.44	397.74
Loggerheads Parish Council	134.34	156.75	179.13	201.53	246.31	291.10	335.87	403.06
Audley Parish Council	148.19	172.90	197.59	222.30	271.70	321.10	370.49	444.60
Betley, Balterley and Wrinehill Parish Council	131.80	153.77	175.73	197.71	241.65	285.58	329.51	395.42
Chapel and Hill Chorlton Parish Council	130.74	152.55	174.33	196.13	239.71	283.30	326.87	392.26
Keele Parish Council	136.16	158.86	181.55	204.25	249.64	295.03	340.41	408.50
Madeley Parish Council	149.37	174.28	199.16	224.07	273.86	323.66	373.44	448.14
Maer Parish Council	132.72	154.85	176.96	199.09	243.33	287.57	331.81	398.18
Whitmore Parish Council	140.05	163.40	186.74	210.09	256.78	303.46	350.14	420.18
Silverdale Parish Council	128.28	149.67	171.04	192.43	235.19	277.95	320.71	384.86
Other Parts of Borough Area	120.29	140.35	160.39	180.45	220.55	260.65	300.74	360.90

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

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

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

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

<u>Part of the Council's Area</u>	<u>Valuation Bands</u>							
	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Kidsgrove Town Council	1023.64	1194.25	1364.85	1535.46	1876.67	2217.89	2559.10	3070.92
Loggerheads Parish Council	1025.41	1196.32	1367.22	1538.12	1879.92	2221.73	2563.53	3076.24
Audley Parish Council	1039.26	1212.47	1385.68	1558.89	1905.31	2251.73	2598.15	3117.78
Betley, Balterley and Wrinehill Parish Council	1022.87	1193.34	1363.82	1534.30	1875.26	2216.21	2557.17	3068.60
Chapel and Hill Chorlton Parish Council	1021.81	1192.12	1362.42	1532.72	1873.32	2213.93	2554.53	3065.44
Keele Parish Council	1027.23	1198.43	1369.64	1540.84	1883.25	2225.66	2568.07	3081.68
Madeley Parish Council	1040.44	1213.85	1387.25	1560.66	1907.47	2254.29	2601.10	3121.32
Maer Parish Council	1023.79	1194.42	1365.05	1535.68	1876.94	2218.20	2559.47	3071.36
Whitmore Parish Council	1031.12	1202.97	1374.83	1546.68	1890.39	2234.09	2577.80	3093.36
Silverdale Parish Council	1019.35	1189.24	1359.13	1529.02	1868.80	2208.58	2548.37	3058.04
Other Parts of Borough Area	1011.36	1179.92	1348.48	1517.04	1854.16	2191.28	2528.40	3034.08

Revenue Budget 2016/17

REVENUE ESTIMATES 2016/17

STATEMENT OF NET EXPENDITURE AND COUNCIL TAX REQUIREMENTS

Topic Area	2015/16 General Fund		2016/17 General Fund		See Note
	Estimate 2015/16	Basic Band D Council Tax	Estimate 2016/17	Basic Band D Council Tax	
	£	£ p	£	£ p	
Administration Before Recharges to Services	7,357,290	208.76	7,289,000	202.03	
Less Recharges to Services	(7,357,290)	(208.76)	(7,289,000)	(202.03)	
Total Administration Net of Recharges	-	-	-	-	
Holding Accounts Before Recharges to Services	2,461,980	69.86	2,760,350	76.51	1
Less Recharges to Services	(2,461,980)	(69.86)	(2,760,350)	(76.51)	
Total Holding Accounts Net of Recharges	-	-	-	-	
Central Services	3,440,410	97.62	3,552,710	98.47	
Cultural Services	4,408,180	125.08	4,292,690	118.98	
Environmental Services	6,664,780	189.11	6,791,370	188.24	
Planning	1,729,380	49.07	1,633,700	45.28	
Transport	(10,710)	(0.30)	34,490	0.96	2
Housing	1,217,070	34.53	1,666,920	46.20	3
Net Cost of Services	17,449,110	495.11	17,971,880	498.13	
Pensions Liabilities Account - Interest Costs Less Return on Assets	(61,700)	(1.75)	(61,700)	(1.71)	
Investment Properties	(315,030)	(8.94)	(58,290)	(1.62)	4
Interest and Investment Income	(43,450)	(1.23)	(101,180)	(2.80)	5
Net Operating Expenditure	17,028,930	483.19	17,750,710	492.00	
Contribution to/(from) Revenue Reserves	(589,530)	(16.73)	740	0.02	6
Contribution to/(from) Capital Reserves	(2,608,950)	(74.03)	(3,612,900)	(100.14)	7
Amount to be met from Government Grant and Local Taxpayers	13,830,450	392.43	14,138,550	391.88	
Revenue Support Grant	(2,370,960)	(67.27)	(1,813,980)	(50.27)	
Other Non-Specific Grants	(1,834,700)	(52.06)	(1,786,880)	(49.53)	
Business Rates Retention Funding	(4,050,140)	(114.92)	(4,184,110)	(115.97)	
Collection Fund Deficit/(Surplus)	660,720	18.75	156,700	4.34	8
Borough Council Tax Requirement	6,235,370	176.93	6,510,280	180.45	
Staffs C.C. Precept		1,047.28		1,088.65	
Fire Authority Precept		68.96		70.33	
Police Authority Precept		177.61		177.61	
Total Council Tax Requirement		1,470.78		1,517.04	

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

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

NOTES

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

GLOSSARY OF TERMS

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

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

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

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

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

2016/17 Savings and Funding Strategies

Ref	Service Area	Description	£000's	% of Budget Line(s)	Detail
Procurement					
P1	Business Improvement and Partnerships	Third Sector Commissioning	13	6.0%	Reduction in budgetary requirement from collaboration with Staffordshire County Council and Locality Commissioning
P2	Finance	Payment Card Contract	7	20.0%	Procurement savings from tendering exercise for a new payment card contract as approved by Cabinet on 11 November 2015
P3	Housing and Regeneration	Housing Advice Contract	31	9.3%	Saving per awarded contract value for 2016/17
P4	Business Improvement and Partnerships	Insurance Premium Renewal	150	29.5%	Overall saving and acceptance of increased excesses
			201		
Income					
I1	Recycling and Fleet	Waste and Recycling Review	316	9.6%	Bringing in house of external contracts, full review and rationalisation of service (further savings of £184k to be achieved in 2017/18)
I2	Revenues and Benefits	Summons Costs	30	4.5%	Additional income from summons costs
I3	Communications	Advertising Income	5	12.5%	Additional income from advertising income project (i.e. billboards and car parks)
			351		
Staffing Related Efficiencies					
S1	Assets	Restructure of Service/Handy Person Post	30	8.2%	Savings from finalisation of restructure of the Assets Service including the establishment of an in house handy person post (savings in contractor payments)
S2	Finance	Car Leasing Scheme	3	0.8%	Car leases not renewed following expiry
S3	Leisure and Cultural	Sports and Active Lifestyles Review	45	4.6%	Total savings of £95,000 over 2015/16 and 2016/17 from review of staffing of the service
S4	Operational Services	Temporary Contract	4	3.2%	Temporary contract of Landscape Technical Assistant not renewed (2 months saving, 10 months saving in 2015/16)

Ref	Service Area	Description	£000's	% of Budget Line(s)	Detail
S5	Operational Services	Public Conveniences	10	50.0%	Redeployment of Public Conveniences Attendant following reduction in facilities provided
S6	Operational Services	Park Attendant Service	68	33.5%	Total savings of £138,000 over 2015/16 and 2016/17 from review of service and staffing of the service
S7	Operational Services	Business Manager Review	50	17.2%	Business Manager review in Operational Services
S8	Revenues and Benefits	Modernisation of the Revenues and Benefits Service	100	7.0%	Implementation of Citizens Access resulting in additional staffing capacity. Staffing capacity reduced by flexible retirements and removal of vacant post
S9	Central Services	Restructure of Democratic Services	6	5.3%	Savings from the minor restructure of Democratic Services
S10	Human Resources	Human Resources staffing	5	2.1%	Changes in hours of existing posts

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Good Housekeeping/General Other Savings/Changes in Base Budgets

G1	Communications	Jazz and Blues Festival	3	100.0%	Removal of contribution to the Town Centre Partnership re. Jazz and Blues Festival
G2	Customer and ICT Services	Review of the Customer Service Centres	20	4.6%	Review of the Guildhall and Kidsgrove Customer Service Centres, savings include income from the provision of additional services (e.g. First Bus)
G3	Customer and ICT Services	Reduction in Computer Software Costs	3	1.7%	Reduction in budgetary requirement for computer software costs
G4	Finance	External Audit Fees	18	22.2%	Reduction in the fees charged to the Council by Grant Thornton
G5	Finance	Business Rates on Council Owned Properties	13	46.4%	Reduction in business rates for which the Council is liable (Knutton Recreation Centre)
G6	Housing and Regeneration	Destination Staffordshire	2	20.0%	Reduction in contribution required to the Destination Staffordshire partnership (tourist board for Staffordshire)
G7	Housing and Regeneration	Town Centre Partnership Contribution	23	100.0%	Final phased removal of contribution to the Town Centre Partnership (£7,500 in 2015/16 and £22,500 in 2016/17)

Ref	Service Area	Description	£000's	% of Budget Line(s)	Detail
G8	Leisure and Cultural	Community Centres	14	13.3%	Reduction in grant given by the Council and reduction in repairs and maintenance following grant of full leases to Community Centre committees, agreed as part of the 2015/16 budget setting process
G9	Leisure and Cultural	New Victoria Theatre Grant	10	11.4%	Phased reduction of grant given over a 5 year period agreed as part of the 2015/16 budget setting process
G10	Housing and Regeneration	Business Improvement District Levy	5	20.0%	Actual levy chargeable to the Council is less than provisionally allowed for
G11	Environmental Health	Environmental Health Software Support	2	11.1%	Reduction in the level of support required from Stafford Borough Council re. the administration of Environmental Heath software
			113		
Alternative Sources of Finance/Other					
A1	Corporate	Invest to Save Savings	4	10.3%	Savings following financing of invest to save schemes (e.g. Civic Offices water heater)
A2	Corporate	Superannuation Lump Sum	58	5.3%	Discount for payment to the Pensions Actuary in advance of superannuation lump sums
A3	Corporate	Council Tax Base	145	2.3%	Increase in Council Tax Base (increase in residential properties from 35,242 to 36,078 at £176.93 per property per tax base calculation)
A4	Corporate	New Homes Bonus contribution	517	28.5%	Further additional funding to be received in 2015/16 (£347k) and transfer of part of capital funding to revenue (£170k)
A5	Corporate	Council Tax Increase	124	1.99%	Assumed increase of 1.99%. An increase of 2% or above will require the Council to undertake a referendum
			848		
Grand Total			1,834		

Actual and Estimated Reserves at 31 March 2015 to 2017 (Before recommendations included in the report are actioned)

Reserve	Actual Balance at 31 March 2015	Estimated Net movement in 2015/16	Estimated Balance at 31 March 2016	Estimated Net movement in 2016/17	Estimated Balance at 31 March 2017	Purpose	Notes
	£'000s	£'000s	£'000s	£'000s	£'000s		
General Fund Balance	1,200	-	1,200	-	1,200	Working balance to cover unforeseen adverse events affecting the budget	Approved minimum balance to be £1,200,000, as confirmed by risk assessment
Contingency Reserve	276	(93)	183	-	183	To meet cost of unforeseen contingencies or for any other purpose approved by the Council	Approved minimum balance is £100,000
Equipment Replacement Fund	375	92	467	42	509	To pay for the replacement of certain items of plant and equipment, eg cremators	
Renewals and Repairs Fund	3	5	8	10	18	To meet the cost of repairs and maintenance of Council owned buildings and structures	
ICT Development Fund	253	(63)	190	(142)	48	To meet the cost of new IT requirements	balance committed to finance capital expenditure
New Initiatives Fund	57	(10)	47	(4)	43	To fund new initiatives, both capital and revenue	Also earmarked to contribute towards costs arising from loss of exempt VAT status
Budget Support Fund	296	(119)	177	7	184	To support the General Fund revenue budget or to meet the cost of specific items approved by the Council, including "Invest to Save" projects, funding to be repaid as savings occur.	
Revenue Investment Fund	112	(78)	34	35	69	To fund projects in accordance with corporate priorities	
Conservation and Heritage Fund	37	-	37	-	37	To provide grants to owners of historic buildings to maintain their repair	
Museum Purchases Fund	68	(5)	63	(5)	58	To purchase exhibits and to conserve and enhance the display of exhibits	
Maintenance Contributions	76	-	76	-	76	To hold maintenance contributions pending use	Sums are received from developers to pay for a period of maintenance costs, e.g. following transfer of land to the Council
Standards Fund	7	-	7	-	7	To ensure the Council meets its responsibilities under the ethical and other standards frameworks	
Deposit Guarantee Reserve	36	-	36	-	36	To hold balances relating to rent guarantees	
New Homes Bonus Reserve	-	-	-	-	-	To hold New Homes Bonus grant payments pending use	
NNDR Reserve	1,475	(510)	965	(276)	689	To hold NNDR revenue account surpluses	First call on the reserve is to meet NNDR collection fund deficits
Keele Master Plan Reserve	-	69	69	(69)	-	To meet the costs of the Keele Masterplanning exercise	

Risk Register**Project – Budget Forecast 2016/17 – Required Balances/Contingency Reserve**

Impact (I)	Likelihood (L)	Score	Risk rating
5 - catastrophic >£1m	5 - Frequent / very likely	16 - 25	Extreme Risk
4 - critical <£1m	4 - Probable	9 - 15	High Risk
3 - serious <£250,000	3 - Possible	3 - 8	Moderate Risk
2 - Marginal <£50,000	2 - Remote Chance	1 - 2	Low Risk
1 - Negligible <£25,000	1 - Extremely Unlikely		

Note: All these risks relate to the following Business Objective: To set a balanced, affordable and achievable budget.

All of the risks fall into the “Finance” Category

Item No.	Risk	Potential Consequences	Risk Score I * L	Risk Rating	Specify Existing Control Measures	Final Score I * L	Final Risk Rating	Further Action Required	Owner	Target Date
1	Increase in fees and charges does not result in higher income levels	Shortfall in income leading to overspends	3 x 4	High	Included in calculation of prudent minimum balances.	3 x 3	High	None	Exec Mgt Team	N/a
2	Income cannot be collected because of non-availability of service (e.g. through closure of facilities for repairs)	Shortfall in income leading to overspends	3 x 3	High	Included in calculation of prudent minimum balances.	3 x 3	High	None	Exec Mgt Team	N/a
3	Income falls short of Budget because of general reduction in activity, eg because of economic recession	Shortfall in income leading to overspends	3 x 5	High	Included in calculation of prudent minimum balances.	3 x 3	High	None	Exec Mgt Team	N/a
4	Bad debts reduce the Council's income	Shortfall in income leading to overspends Need to top up Bad Debts Provision	3 x 4	High	The Council has a bad debts provision (£312k balance at 31/03/15). £30k contribution to provision included in the base budget.	3x 3	High	Increase monitoring of collection performance	Exec Dir Resources	N/a
5	Employee budgets – The budget is discounted on the	Vacancies do not occur leading to additional costs	3 x 3	High	The budget assumes a vacancy factor of 2.0%. This is realistic	3 x 3	High	None	Exec Mgt	N/a

Item No.	Risk	Potential Consequences	Risk Score I * L	Risk Rating	Specify Existing Control Measures	Final Score I * L	Final Risk Rating	Further Action Required	Owner	Target Date
	assumption there will be vacancies. The impact of 1% vacancy is about £100,000				compared with experience from previous years.				Team	
6	Employee Budgets - The 2016/17 employee pay settlement results in an increase higher than included in the budget.	Additional unbudgeted costs	3 x 1	Moderate	Balances sufficient to deal with any additional costs, plus reduced job security in economy.	3 x 1	Moderate	None	Exec Mgt Team	N/a
7	Problems with staff recruitment/retention result in significant use of agency/interim staff at extra cost or the payment of market supplements	Additional unbudgeted costs	3 x 3	High	Situation subject to ongoing review.	3 x 3	High	None	Exec Mgt Team	N/a
8	Council becomes liable to pay compensation or legal fees or other unforeseen commitment arises.	Additional unbudgeted costs	3 x 3	High	Included in calculation of prudent minimum balances	3 x 3	High	None	Exec Mgt Team	N/a
9	Inflation relating to supplies and services exceeds the allowance in the budget.	Additional unbudgeted costs	3 x 3	High	Included in calculation of prudent minimum balances	3 x 3	High	None	Exec Mgt Team	N/a
10	Existing commitment(s) missed out of budget	Additional unbudgeted costs	3 x 2	Moderate	Budgets subject to checking at several levels. Preparation of standstill budget for comparison.	3 x 2	Moderate	None	Exec Mgt Team	N/a
11	Fall in interest rates reduces income to the Council.	Investment income targets not met	4 x 4	Extreme	Rates are very low now. A decrease would make only a relatively small difference. Included in calculation of prudent minimum balances	3 x 3	High	None	Exec Mgt Team	N/a
12	Profile of capital spend differs adversely from that assumed in the investment interest calculation	Investment income targets not met	3 x 3	High	Capital Budgets have been realistically set. Due to low interest rates investment income is no longer significant.	3 x 3	High	None	Exec Mgt Team	N/a
13	Fuel costs increase by more than allowed for in budget.	Additional unbudgeted costs	3 x 3	High	Realistic increases included in base budget.	2 x 3	Moderate	None	Exec Dir Op Serv	N/a
14	Energy costs increase by more	Additional unbudgeted	3 x 3	High	Realistic increases included in	2 x 3	Moderate	None	Exec	N/a

Item No.	Risk	Potential Consequences	Risk Score I * L	Risk Rating	Specify Existing Control Measures	Final Score I * L	Final Risk Rating	Further Action Required	Owner	Target Date
	than allowed for in budget.	costs			base budget.				Mgt Team	
15	Unforeseen major repairs needed to Council properties.	Additional unbudgeted costs	4 x 3	High	Planned maintenance programme in place and stock condition survey.	3 x 2	Moderate	None	Exec Mgt Team	N/a
16	Insurances – unexpected increases in premiums.	Additional unbudgeted costs	3 x 3	High	Included in calculation of prudent minimum balances	3 x 3	High	None	Chief Exec	N/a
17	Insurances - high level of excesses to be met by Council or uninsured losses	Additional unbudgeted costs	3 x 3	High	Included in calculation of prudent minimum balances. Insurance Provision established.	3 x 3	High	Monitor level of Insurance Provision	Chief Exec	N/a
18	Government increase NI rates during 2016/17. An increase of 1% adds about £100,000 to the Council's costs	Additional unbudgeted costs	3 x 3	High	Included in calculation of prudent minimum balances	3 x 3	High	None	Exec Dir Resources	N/a
19	Loss of VAT Exempt Status	Additional unbudgeted costs	3 x 3	High	None	3 x 2	Moderate	Continue to monitor position regularly	Exec Mgt Team	N/a
20	Savings built into Budget are not realised	Additional unbudgeted costs	3 x 3	High	Regular Budget Monitoring	3 x 3	High	None	Exec Mgt Team	N/a
21	New Legislation imposes extra costs but provides insufficient resources	Additional unbudgeted costs	3 x 3	High	Contingency Reserve available. Included in calculation of prudent minimum balances.	3 x 3	High	None	Exec Mgt Team	N/a
22	Partnerships - expenses falling on Council as accountable body	Additional unbudgeted costs	3 x 3	High	Monitor partnership activities and ensure carried out according to agreements.	3 x 3	High	None	Exec Mgt Team	N/a
23	Civil Emergency	Additional unbudgeted costs	5 x 2	High	Bellwin Scheme should meet 85% of cost	4 x 2	Moderate	None	Exec Mgt Team	N/a
24	Investment Counterparty (including own bank re current account, etc) fails to meet its financial commitments	Loss of interest due Ongoing loss of interest owing to loss of capital	4 x 3	High	Use of credit rating agencies Counterparty list based on minimum ratings with CDS overlay. Limits to investments with one counterparty (£7m)	3 x 3	High	Frequent reviews of investment strategy	Exec Dir Resources	N/a

Item No.	Risk	Potential Consequences	Risk Score I * L	Risk Rating	Specify Existing Control Measures	Final Score I * L	Final Risk Rating	Further Action Required	Owner	Target Date
25	Municipal Mutual Insurance (MMI) Clawback	Additional unbudgeted costs	4 x 4	Extreme	MMI Provision	4 x 3	High	Consider increasing amount of provision if reports from administrator indicate it to be necessary	Exec Dir Resources	N/a
26	Localised Council Tax Support Scheme is oversubscribed	Additional unbudgeted costs	3 x 3	High	Local scheme	3 x 3	High	None	Exec Dir Resources	N/a
27	Data Protection breach resulting in fine	Additional unbudgeted costs	3 x 3	High	Data Protection Policy Reminders to staff	3 x 3	High	None	Exec Mgt Team	N/a
28	Failure of Banking Services provider	Frozen Funds Additional unbudgeted costs	5 x 3	High	Business Continuity Plan	2 x 3	Moderate	None	Exec Dir Resources	N/a
29	Members act against officer advice resulting in cost to the Council	Additional unbudgeted costs	3 x 3	High	Agenda pre-meetings. Liaison with members	3 x 3	High	None	Exec Mgt Team	N/a

NEWCASTLE-U-LYME BOROUGH COUNCIL CAPITAL PROGRAMME 2015/16 TO 2016/17

PROJECTS WITHIN CAPITAL PROGRAMME THEMES	2015/16 Est Exp	2016/17 Est Exp	Total Exp	External Contribn	Council Financing
	£	£	£	£	£
IMPROVING HOUSING IN THE BOROUGH					
Disabled Facilities Grants	726,500	1,044,000	1,770,500	1,548,000	222,500
Energy Efficiency Grants	20,000	90,000	110,000	30,000	80,000
PSH/Emergency HHSRS Grants Vul H	30,000	135,000	165,000	0	165,000
Empty Homes	30,000	30,000	60,000	35,000	25,000
Loans to Vulnerable Households	25,000	100,000	125,000	75,000	50,000
Landlord Accreditation	40,000	40,000	80,000	40,000	40,000
Choice Based Lettings	5,600	20,000	25,600	0	25,600
IMPROVING HOUSING IN THE BOROUGH SUB TOTAL	877,100	1,459,000	2,336,100	1,728,000	608,100
INVESTING IN COMMUNITY FACILITIES					
Footpath Repairs	17,500	50,000	67,500	0	67,500
Play Area Refurbishment	49,600	75,000	124,600	0	124,600
Railing/Structures Repairs	12,100	25,000	37,100	0	37,100
The Wammy Neighbourhood Park	0	200,000	200,000	0	200,000
Thistleberry Parkway	0	83,000	83,000	83,000	0
Westlands Sports Ground	0	50,000	50,000	0	50,000
Traveller Encroachment	12,600	15,000	27,600	0	27,600
Cemetery Memorial Survey Works	5,400	10,000	15,400	0	15,400
Tree Work	0	20,000	20,000	0	20,000
Cremated Remains Garden - Phase 8	0	15,000	15,000	0	15,000
Crematorium - Monthly Gardens	0	5,000	5,000	0	5,000
Street Furniture Replacement	0	10,000	10,000	0	10,000
Community Green Space Projects - Match Funding	0	25,000	25,000	0	25,000
Ski Slope - Car park & path replacements	0	15,000	15,000	0	15,000
Birchenwood Sports Complex - pavilion - shower replacement and tiling	19,000	10,000	29,000	0	29,000
Roe Lane Pavilion - shower replacement	14,000	0	14,000	0	14,000
Wolstanton Marsh Pavilion	0	7,000	7,000	0	7,000
Jubilee 2 - part redecoration	0	20,000	20,000	0	20,000
Wolstanton Marsh Improvements	3,000	0	3,000	0	3,000
Silverdale Community Facilities	7,500	0	7,500	0	7,500
Clayton Sports Centre Works	217,000	0	217,000	217,000	0
Pooldam Marshes Nature Reserve	0	47,000	47,000	47,000	0
S106 Works Lowlands Road	162,600	15,000	177,600	177,600	0
INVESTING IN COMMUNITY FACILITIES SUB TOTAL	520,300	697,000	1,217,300	524,600	692,700

PROJECTS WITHIN CAPITAL PROGRAMME THEMES	2015/16 Est Exp	2016/17 Est Exp	Total Exp	External Contri	Council Financing
	£	£	£	£	£
COMMUNITY CENTRES					
Clayton CC - Stock Condition Work	15,000	0	15,000	0	15,000
Knutton CC - Roof and Windows	0	60,950	60,950	0	60,950
Knutton CC - Stock Condition Work	0	30,000	30,000	0	30,000
Red Street CC - Stock Condition Work	0	5,000	5,000	0	5,000
Silverdale CC	0	20,000	20,000	0	20,000
COMMUNITY CENTRES SUB TOTAL	15,000	115,950	130,950	0	130,950
SAFEGUARDING THE BOROUGH'S HERITAGE					
Museum - Boiler replacement, electrical refurb & window replacements	45,000	0	45,000	0	45,000
Newcastle Cemetery - Path & Ground Works	0	15,000	15,000	0	15,000
Public Railings - painting	10,000	90,000	100,000	0	100,000
SAFEGUARDING THE BOROUGH'S HERITAGE SUB TOTAL	55,000	105,000	160,000	0	160,000
INVESTING FOR THE FUTURE					
Newcastle Town Centre Public Works	5,500	0	5,500	0	5,500
Strategic Investment Framework	2,800	10,000	12,800	0	12,800
Ryecroft Development	50,000	40,000	90,000	0	90,000
Subway Improvement Programme	91,000	0	91,000	91,000	0
Civic Offices/Public Buildings Stock Condition Works	104,700	0	104,700	0	104,700
Merial Street/ St. Georges Chambers	0	40,000	40,000		40,000
King St. Car park - Newcastle	50,000	0	50,000	0	50,000
Surface Car Parks Audley	0	30,000	30,000	0	30,000
Other car parks	20,000	80,000	100,000	0	100,000
Midway Car Park Safety Works	60,000	0	60,000	45,000	15,000
Water courses - Kidsgrove	0	25,000	25,000	0	25,000
Water courses - Others	0	60,000	60,000	0	60,000
Knutton Depot - garage repairs/resurfacing of yard	0	70,000	70,000	0	70,000
Commercial Portfolio Stock Condition Works	66,000	113,150	179,150	0	179,150
Engineering Structures - Provisional Sum	80,000	120,000	200,000	0	200,000
Carbon Management Plan	0	30,000	30,000	15,000	15,000
Knutton Recreation Centre – demolition costs and provision of temporary changing facilities	0	40,000	40,000	0	40,000
Site Disposal Tranche 2 Fees	200,000	242,800	442,800	200,000	242,800
New Waste Service Fleet	0	1,540,000	1,540,000	0	1,540,000
New Waste Service Sorting Equipment	275,000	0	275,000	0	275,000
PROJECTS WITHIN CAPITAL	2015/16	2016/17	Total Exp	External	Council

INVESTMENT PROGRAMME THEMES	Est Exp	Est Exp		Contribn	Financing
	£	£	£	£	£
New Waste Service - Recycling Boxes	0	495,000	495,000	0	495,000
New Waste Service - Depot Modifications	185,000	100,000	285,000	0	285,000
ICT Projects	144,600	230,000	374,600	0	374,600
PC Replacements	7,100	5,000	12,100	0	12,100
Customer Relationship Management	21,500	15,000	36,500	0	36,500
Civic Hub	0	6,100,000	6,100,000	0	6,100,000
INVESTING FOR THE FUTURE SUB TOTAL	1,363,200	9,385,950	10,749,150	351,000	10,398,150
VEHICLES AND PLANT					
Vehicles	800,000	2,386,000	3,186,000	285,000	2,901,000
Waste Bins	100,000	100,000	200,000	0	200,000
VEHICLES AND PLANT SUB TOTAL	900,000	2,486,000	3,386,000	285,000	3,101,000
GRAND TOTAL	3,730,600	14,248,900	17,979,500	2,888,600	15,090,900

Sources of Funding	2015/15 Est Exp	2016/17 Est Exp	Total Exp
	£	£	£
Other Revenue Funds	173,200	250,000	423,200
Capital Receipts (Civic Hub)	0	5,400,000	5,400,000
Right to Buy Receipts (Civic Hub)	0	700,000	700,000
Capital Receipts (remainder of projects)	1,842,800	6,724,900	8,567,700
External Grants/Contributions	1,714,600	1,174,000	2,888,600
Capital Programme	3,730,600	14,248,900	17,979,500

Notable Achievements in 2015/16**A Co-operative Council which delivers high-quality, community driven services**

- a) The successful Shared Apprenticeship scheme continues to work with partners and seek government funding to increase the number of employment opportunities for young people. To date, there are twelve apprentices with a 100% retention rate last year and a further two to start in January 2016. The scheme enables the young people to gain valuable work experience and a meaningful qualification.
- b) Every service now has a Workforce Development Plan in place which ensures that we have the right people, in the right place and with the right skills.
- c) A number of Health and Wellbeing initiatives have been rolled out across the Council to support people in the workplace and improve attendances.
- d) Work undertaken towards the reassessment for Investors in People (IIP) accreditation to Gold standard for the Council in March 2016.
- e) New website designed, developed and launched by Communications and ICT with a focus on customer transactions. The new site focuses on increased transactional delivery, self-service, ease of access and relevant content to meet customer expectations.
- f) Grant funding gained from the Local Government Association to implement a Customer Self-Serve portal on the Council's website to provide access to Council Tax services online. The redesign has resulted in reduced processing time and, since September, used over 2000 times by either staff or the public.
- g) Improvements in the corporate telephony system include a revised menu structure based on customer demand, improvements to the voice recording system to provide increased security, and automated customer call backs.
- h) Delivery of a digital solution to Members, together with training, has resulted in over 30 Members now using Council iPads as part of their daily activities, and the removal of the Council's courier service.
- i) Improvements to the taxi licensing service to make applications and renewals for taxi-related licences available online, as well as service redesign to make it more responsive to customers and improve efficiency in the back office.
- j) Customer Services has maintained its Customer service Excellence (CSE) accreditation by demonstrating continuous improvement in all areas of the Standard. Mandatory training has been given to all staff on the principles of Customer Service Excellence. There is a programme of providing support for relevant front line services to achieve accreditation, with the Planning service achieving accreditation in October 2015 with partial compliance.
- k) The Council continues to demonstrate compliance with the Public Services Network (PSN) Code of Connection, the Payment Card Industry (PCI) and the National Land and Property Gazetteer (NLPG) Standards.
- l) Completion of EU INSPIRE Directive requirements for the publication of spatial data to enable the sharing of this data across all European organisations.
- m) Review and revision of the Complaints, Compliments and Comments Policy to ensure that it continues to reflect the needs of the Council and customers.
- n) Effective management of a number of difficult cases under the Council's Case Management Policy.
- o) Multi-functional device contract completed with savings in excess of £100,000 achieved during the life of the contract and reductions in the Council's carbon footprint.
- p) First project of its kind in the country launched involving the Council and private sector partners to generate income from Council assets for advertising/marketing purposes.
- q) Pilot project launched involving the Borough Council and Stoke-on-Trent City Council for print and associated services.
- r) SubLyme Creative Solutions Limited – a company 100 per cent owned by the Council – is formally established with the potential to generate income for communications related activities.
- s) The Council passes the 5,000 mark for followers of its official Twitter account.

- t) Officers have continued to identify potential savings from either the re-procurement of existing suppliers and/or services and new procurements either Capital or Revenue, for example the Council's Long Term Agreement (LTA) for Insurance (to be awarded February).
- u) Delivery of the procurement action plan that supports the Procurement Strategy.
- v) Identified opportunities for district procurement collaborations, for example the recent tyre replacement and repair contract with the City Council.
- w) Delivery of Newcastle Commissioning Prospectus Round 1 & 2 with a total of £429,416 awarded.
- x) The Community Centre Review identified the five community centres that are nearly out of lease as part of the action plan from the review.
- y) Work undertaken by Leisure & Cultural services for the Customer Service Excellence with accreditation likely in March and customer comments cards introduced at Jubilee2 to gain valuable feedback.

A Clean, Safe and Sustainable Borough

- a) The Operations Service gained the Gold Standard award in Britain in Bloom for 14th year running and also Green Flag Awards for 9 of its parks and green spaces.
- b) Public Toilets in the towns achieved several quality standard awards.
- c) Local Environment Quality (LEQ) scores for litter, detritus, graffiti and flyposting continue to be good and are ahead of target at present.
- d) The Council was a finalist in the APSE Performance Networks Best Performer in Street Cleansing Award 2015.
- e) Expanded the "Planting Pledge" and "Litter Pledge" initiatives where over 50 schools and businesses signed up to improve their local environment.
- f) New recycling service will do away with bags being used for collections, which will improve the local amenity, reduce litter, and improve quality of the materials, especially plastics collected for recycling, as the Council will be running its own Sorting and Bailing Facility.
- g) Bereavement Services gained the Gold standard in the ICCM Charter for the Bereaved for the 12th year running, and continue to progress with the Memorial Safety Inspections in the borough's cemeteries.
- h) Delivery of Local Police and Crime Plan 2014 – 2017 including priorities around domestic abuse, anti-social behaviour and alcohol harm reduction.
- i) Continued delivery of the Council's Anti-Social Behaviour (ASB) service including research and development of the new ASB tools following introduction of ASB, Crime and Policing Act 2014.
- j) Revise and refresh the Safeguarding Children and Adults at risk of abuse and neglect Policy 2015, including co-ordination and delivery of Safeguarding children training for staff and members.
- k) Purple Flag renewal for Newcastle Town Centre.
- l) Develop the Council's approach to Suicide Prevention including delivery of the Midway project.
- m) Contributing to the development of the North Staffs Youth Violence Strategy including preparation for a Home Office Local Assessment.
- n) Introduction to PREVENT (Counter Terrorism) and contribution to the County's PREVENT Board.
- o) Development of the Financial Inclusion agenda and contribution to the County's Families agenda.
- p) Locality Action Partnerships (LAP) development and capacity building.
- q) Review of the Grant Funding Process with recommendations for efficiencies and improvements.
- r) Delivery of an empowerment project for young women at risk of Child Sexual Exploitation (CSE).
- s) Establishment and co-ordination of the Newcastle Safer Neighbourhood Panel for the Office of the Police and Crime Commissioner.

A Borough of Opportunity

- a) Improved 138 homes with serious hazards to health, making them safe to occupy.
- b) Newcastle Town Centre Partnership has delivered a wide range of activities in line with their business plan; this has included the Jazz and Blues Festival, Lymelight Musical Festival, Global Groove, The Homecoming circus event which was supported by a successful Arts Council bid and a weekend of activities around the Christmas Lights switch on. Working in partnership, support has been given with parking free for major events, and after 3pm for the Christmas period.
- c) The Newcastle town centre businesses have also been successful in securing business support for a Business Improvement District which commenced on 1st October and will run for 5 years. The new company has recruited staff to deliver the objectives set out in the Business Plan.
- d) Kildgrove Town Centre Partnership has worked hard to purchase new Christmas Lights and worked alongside the Town Council to support the launch at the Victorian market.
- e) Another successful Business Boost competition and awards event held at the Keele Sustainability Hub.
- f) Subway refurbishment has been completed in Friars Street utilising s106 funding from the new Aldi development and has been painted with local heritage schemes incorporating scenes of the local history.
- g) Provided financial assistance to 131 disabled residents to assist with adaptations to their home.
- h) Carried out pro-active inspections of 97 private sector shared housing (HMO's) to ensure good quality housing standards are achieved and maintained.
- i) Continued promotion of the Accredited Landlord Scheme to support good landlords and active enforcement to ensure landlords comply with minimum standards.
- j) Launched a loan scheme to enable low income owner occupiers to repair their homes to a decent standard.
- k) Made a commitment with partner agencies to develop Ryecroft for retail led scheme including student accommodation, to support the regeneration of the town centre. Committed to developing a new Civic Hub to provide good customer services with other statutory partners.
- l) Maintaining the vacancy rates in respect of the commercial portfolio at 6.2% despite difficult economic conditions thereby generating about £1.3m of revenue to support the Council's general fund.
- m) Disposing of a number of property assets to assist with funding the Council's capital programme including premises known formerly as "The Square" (in Newcastle town centre), former Jubilee Baths and premises at both Hassell Street and Brunswick Street, Newcastle which has realised approximately £3.75m.
- n) The business case for a new Public Sector Partnership Hub has been completed and Council approval granted to proceed with partners to proceed with implementation of the scheme.
- o) A development partner has been secured (legal documentation to be completed) to take forward the redevelopment of the Ryecroft site for a major new retail-led, mixed-use development and car park.
- p) Commenced implementation of a land/property disposal programme in accordance with the approved Asset Management Strategy with the aim of generating capital receipts to fund the Council's capital programme and to facilitate development needs of the borough.
- q) Achieved revenue savings in respect of business rates payable on a number of Council owned premises, including the former Jubilee Baths, Jubilee 2, the former Knutton Recreation Centre and Knutton Depot.
- r) Partnership funded Resonance Great War exhibition through Staffordshire Museums Consortium.
- s) A £12,500 grant obtained to upgrade the gallery space to allow loans from national museums.
- t) The museum has new branding and name - The Brampton Museum, and has undergone exterior redecoration, improved electrics and new boilers.
- u) Adoption of the Council's Playing Pitch Strategy in June 2015.

A Healthy and Active Community

- a) A total of 2813.5 volunteer hours were given from volunteer groups and individuals in the first six months of the year to care for the local green spaces and neighbourhoods through the delivery of the Community Engagement Framework.
- b) A second annual "Communities Day" was held in June and a total of twenty five groups participated in a range of community events.
- c) The Acre Allotments were successfully transferred into community management in partnership with Silverdale Parish Council.
- d) The Council was a finalist in the Keep Britain Tidy Community Awards (results in February 2016).
- e) Local priority projects were delivered at Douglas Road, Newchapel Recreation Ground, Gloucester Road, Clough Hall Park and other sites.
- f) Delivered improvement schemes at Wolstanton Marsh and Cotswold Avenue children's playgrounds.
- g) The Community Food Garden project continues to be delivered at Queen Elizabeth Park, Chesterton Park and Clough Hall Park.
- h) Commissioned review of Green Space Strategy.
- i) Improvement and community art projects delivered at Lyme Brook, Brampton Park and Nelson Place.
- j) Programme of collections rationalisation in line with ongoing work towards the museum accreditation.
- k) Continued to support the Friends of the museum.
- l) Work undertaken with the New Vic Borderlines to deliver the Artefactual project at the museum.
- m) Delivery of the Police and Crime Commissioner's SPACE programme in the Borough.
- n) Awarded funding from the Newcastle Partnership Commissioning Prospectus to deliver Active2 & This Girl Can projects in the borough to improve health and activity.
- o) Continuation of the GP referral programme following withdrawal of funding from Public Health.
- p) Improved signage to the Brampton Museum for visitors.
- q) Submitted a Stage 1 Heritage Lottery Funding bid for Museum redevelopment and also a Stage 1 HLF submission in partnership with the universities and other local partners to deliver a Philip Astley project.
- r) Contribution to the further development of Health and Wellbeing work.

Activities planned to achieve Council Plan outcomes in 2016/17**A Co-operative Council which delivers high-quality, community driven services**

- a) Continue to develop the Community Engagement and Participation Framework to encourage volunteer groups to care for their green spaces and neighbourhoods.
- b) Review potential for community management of local facilities and continue to work with partners to deliver locally important projects.
- c) Continue to organise and run community events including Communities Day, the Community Forum and Clean for the Queen.
- d) Reviews and implementation of new strategies and policies over a wide range of services.
- e) Implementation of a new cloud based e-payments system will begin in the New Year, working in partnership with four other Staffordshire local authorities.
- f) Increase in the ICT Service Desk hours of availability to address the needs of staff.
- g) Investigating a Hybrid Mail solution, with a proof of concept pilot taking place January to March 2016.
- h) Support the delivery of ICT and integrated customer services solutions for the planned Public Sector Hub. This includes the development of the data centre at Kidsgrove Customer Service Centre, Electronic Document & Records Management and Agile working facilities.
- i) Telephony improvements – investigate the potential for Web Chat.
- j) Increase customer self - serve as part of a Staffordshire wide approach to joined up service delivery.
- k) Implement a new Markets Management system to enable electronic payments, increase security and remove the requirement for paperwork.
- l) Continue to embed Social Value and the use of the e-tendering portal in future procurements.
- m) Quarterly reporting of contract spend and opportunities linked to the LA Transparency Code 2014 which supports ongoing spend analysis.
- n) Planning and delivery of the Modern Workforce Agenda to reduce costs and efficiencies.
- o) Developing new Recycling collection service to become operational July 2016, with weekly recycling and food waste. Residents to be provided with food waste liners to further enhance the service.
- p) Support the Waste & Recycling service to TUPE transfer waste recycling contract staff in-house.
- q) Review current service contract implications of the move to a new Civic Hub 2016 to 2018.
- r) Identify training and information needs as a result of the Procurement Regulations 2015.
- s) Review, refine and continue to develop and deliver the Newcastle Partnership Commissioning Prospectus.
- t) Development and Delivery of an Electronic Document Record Management Solution.

A Clean, Safe and Sustainable Borough

- a) Continue to expand the Pledge initiatives with schools and businesses.
- b) Seek to retain Green Flag Awards and achieve Gold Standard in Britain in Bloom and aim to maintain high standards for Local Environment Scores.
- c) Review consultation results on priorities for Streetscene Service.
- d) Seek to retain Gold Standard in ICCM Charter for the Bereaved.
- e) Moving forward with developing the revised Recycling and Waste Service, to be more efficient, looking at increasing participation in separate food waste collections, and focusing on reducing quantities of non-recyclable (residual) waste.
- f) Further development of the PREVENT (Counter terrorism) agenda e.g. WRAP awareness training.
- g) Delivery of Child Sexual Exploitation (CSE) prevention and awareness training.
- h) Further development of the Commissioning Prospectus to deliver the priorities of the Newcastle Partnership subject to available funding.
- i) Continued delivery of the Local Police and Crime Plan including priorities around domestic abuse, anti-social behaviour and alcohol harm reduction.

- j) Preparation for the refresh of the local police and crime plan for 2017 and beyond.
- k) Co-ordination and delivery of Safeguarding Adults at Risk of Abuse and Neglect training for everyone.

A Borough of Opportunity

- a) Continue to work with the Stoke and Staffordshire Local Enterprise Partnership (LEP) to secure European funding for the borough.
- b) To continue the partnership working to deliver the new Civic Hub and Ryecroft development.
- c) Continued support for the Newcastle Business Improvement District and Kidsgrove Town Centre Partnership.
- d) Work with partner agencies to ensure that the needs of vulnerable disabled residents continue to be recognised with the Better Care Fund, to ensure that adaptations can be delivered effectively.
- e) Continue to seek the improvement of private sector homes removing hazards to health as necessary and appropriate.
- f) Proactive housing inspection projects to tackle the poorest conditions.
- g) To work with the County Council and partners in construction of the Public Sector Partnership Hub on the site of the Former St. Giles and St Georges School to enable occupation by the end of April 2017.
- h) To work with the Council's development partner and the County Council to facilitate commencement of the redevelopment of the Ryecroft site.
- i) To continue with implementation of a Land Disposals programme in accordance with the forthcoming refresh of the Asset Management Strategy.
- j) To continue working with the tenants in our commercial properties to optimise occupation of our stock and maximise revenue income from rental payments.
- k) Masterplanning and options appraisal for Newcastle Western Extension.
- l) Development of the museum website to enhance the marketing aspect and the visitor experience.
- m) Development of the virtual access to collections in the museum galleries and new education space.

A Healthy and Active Community

- a) To launch a culture and dance programme and introduction of a weight referral programme at Jubilee 2.
- b) Development of a feasibility study in partnership with the county for a replacement sports centre at Kidsgrove.
- c) Development of an Active in Age programme in partnership with the Beth Johnson Foundation, Aspire Housing and AgeUK in the borough.
- d) Stage 1 HLF bid for Museum redevelopment to develop a new gallery, with research and meeting space areas.
- e) Develop a project for Queens Gardens to complement Public Sector Hub.
- f) Deliver an externally funded improvement scheme at Thistleberry Parkway.
- g) Complete the review of the Green Space Strategy.
- h) Development of a community art project on Ring Road.
- i) Deliver an externally funded improvement scheme at the Wammy.