

# Public Document Pack

**Date of meeting** Monday, 10th December, 2012  
**Time** 7.00 pm  
**Venue** Committee Room 1. Civic Offices, Merrial Street,  
Newcastle-under-Lyme, Staffs ST5 2AG  
**Contact** Louise Stevenson ext 2250

## **Transformation and Resources Overview and Scrutiny Committee**

### **AGENDA**

#### **PART 1- OPEN AGENDA**

- 1 Apologies**
- 2 MINUTES OF PREVIOUS MEETINGS (Pages 1 - 6)**  
To consider the minutes of the previous meeting of this Committee held on 19 November 2012.
- 3 DECLARATIONS OF INTEREST**  
To receive Declarations of Interest from Members on items included in the agenda
- 4 THE BUDGET CONSULTATION PROCESS (Pages 7 - 22)**  
To consider a report to be received by Cabinet, which provides information relating to the outcomes of the budget consultation process.
- 5 CAPITAL STRATEGY 2013-2016 (Pages 23 - 38)**  
To consider the Capital Strategy 2013 to 2016.
- 6 REVENUE AND CAPITAL BUDGETS 2013/14 (Pages 39 - 46)**  
To consider a report informing the Committee of the current proposals being considered to balance the 2013/14 revenue budget.
- 7 DISCLOSURE OF EXEMPT INFORMATION**  
To resolve that the public be excluded from the meeting during consideration of the attached report, because it is likely that there will be disclosure of exempt information as defined in paragraph 3 in Part 1 of Schedule 12A of the Local Government Act 1972.
- 8 ASSET MANAGEMENT STRATEGY 2012-2015 (Pages 47 - 86)**  
To consider the Asset Management Strategy 2012-2015.

## 9 URGENT BUSINESS

To consider any business which is urgent within the meaning of Section 100B (4) of the Local Government Act 1972.

**Members:** Councillors Mrs Burgess, Clarke, Fear, Hambleton, Mrs Hambleton, Mrs Heames (Vice-Chair), Howells, Jones, Lawton, Mrs Peers, Mrs Shenton (Chair), Stringer and Waring

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

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

# Public Document Pack Agenda Item 2

## TRANSFORMATION AND RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Monday, 19th November, 2012

**Present:-** Councillor Mrs Elizabeth Shenton – in the Chair  
Councillors Mrs Burgess, Clarke, Hambleton, Mrs Hambleton,  
Mrs Heames, Howells, Mrs Peers, Stringer and Waring

### 1. APOLOGIES

Apologies were received from Councillor White.

### 2. DECLARATIONS OF INTEREST

There were no declarations of interest.

### 3. MINUTES OF PREVIOUS MEETINGS

Members noted the selection of efficiencies and the Town Centre Manager job description, as referred to in the minutes of the previous meeting, had not been received. A list of vacant posts and the job description were distributed to the Committee with time for them to consider the documents.

Members questioned what the rationale was for offering each of the vacant posts for deletion. A categorical reason could not be given for each post; the positions had been offered as potential savings by the Wider Management Team (WMT), no decision had yet been made and a strategic view could not be given. Members further questioned what brief the Portfolio Holder had received from Officers regarding the posts inclusion on the list. WMT had been given more powers to move the budget forward how they felt best. Members questioned the removal of the Housing Market Renewal Officer post, and it was clarified the post was for the renewal of the housing market and was different to the empty property officer. Renewal funding had supported the Housing Market Renewal Officer position, but this funding was no longer received and Aspire now provided the service. The Committee could expect to be informed of the decision regarding the vacant posts at the meeting on 10 December and were asked to keep the documents that had been distributed for that meeting. There would also be an update regarding recruiting for the Town Centre Manager position at the 10 December meeting.

**RESOLVED:** (a) The minutes of the meeting held on 30 October 2012 be agreed as a correct record.

(b) That the Committee be informed of the decision regarding vacant posts and receive an update regarding recruiting for the Town Centre Manager position at the 10 December meeting.

### 4. THE MODERNISATION OF THE POST OFFICE NETWORK

The Committee received a presentation from Richard Lynds, Senior Stakeholder Manager for the Post Office, in order to consider the modernisation of the Post Office

network, in particular the possibility of partnership working, as a potential new scrutiny topic for the Committee.

The modernisation programme would create two types of branches: larger main branches and smaller local models. There would be no branch closures and it was hoped the number of branches would increase as they became more profitable. Half of the Borough's branches would be modernised, with any changes communicated to the Council in advance. Two branches within the Borough had indicated that they wished to be part of the modernisation programme and it was expected that in the next twelve months another ten would be added to them. It was requested that the contact details for all Parish Councils within the Borough be provided to Richard Lynds to allow him to pass communications to them.

The Post Office was looking at how they could work with local government and in the last twelve months had worked with 25 pathfinder councils. They had a good I.T. platform and infrastructure that could work well with both local authority and customer systems. A tender from the Post Office to a Council would depend on the services required by the Council, and could be a single item tender or a framework agreement. Some services could be implemented immediately, whereas others could be developed. In Birmingham, a customer facing computer room had been installed in a Post Office to enable public access to the Council's website and online forms. Members highlighted that some members of the public did not have internet access. The Post Office wished to help the eight million people in the country who were not online, and were encouraging and assisting people to do so.

Members questioned how new services would be incorporated into Post Office franchises; would the Post Office or the franchise fund them. It would depend on the facility, but the Post Office would provide the products, computers, kits etc. There was a transactional link between the Post Office and the franchises, with a small fee based upon the transactions conducted being received from the franchises. The difference between Newcastle-under-Lyme and the London authorities the Post Office was working with was noted by Members. The Borough Council was a two-tier authority with Staffordshire County Council, with different services provided by the two authorities and Members questioned how services delivered by the Post Office would work. It was for the Council to specify what they would like the Post Office to help them with. For example if a bin collection had been missed, the Post Office could provide an online notification. The Post Office was working with county councils and in Warwick there was a branch in a library.

Members noted that if the Post Office was to take on Council work this could have implications for Council employees. Some of the suggestions made would take away frontline staff, but it would be up to the Council to respond to this in a way that they saw fit. Members considered it was a topic the Committee may very well wish to investigate further, but that employees would look on it with trepidation. At other councils there had been a shift from frontline to back office staff to support the digital delivery of services.

The Local Government Association was undertaking a piece of work with around 25 councils regarding the issue, the results of which were expected to be published imminently. The Committee would await the results of this work before moving forward with scrutiny. If it was considered prudent to proceed, then a scrutiny brief would be provided at a future meeting of the Committee.

**RESOLVED:** That the information be received.

5. **TREASURY MANAGEMENT STRATEGY 2013/14**

The Committee considered the Treasury Management Strategy 2013/14. This was an annual strategy that would be considered by Full Council on 27 February 2013, and had been brought to scrutiny for consideration beforehand. It would be for Full Council to take the decision regarding the strategy in February, however any recommendations or suggestions from the committee would be taken on board and the strategy could be amended if necessary.

The strategy set down the parameters for Officers to operate over the coming year and dealt mainly with investments and borrowing. However, as the Council was not currently borrowing funds, the borrowing element had less relevance at the present time. The Council had adopted the CIPFA Treasury Management Code of Practice and there was a requirement to produce the strategy as part of this.

Officers clarified the position with regard to recommendation 'c' of the report. This was for the current contract with Sector Treasury Services Ltd to be extended for a further twelve months. There had been a contract for three years already, with one twelve month extension. If the contract was extended for a further twelve months, it would be the last contract extension and a tendering exercise would then be undertaken.

Members questioned whether the figure of £4.5 million available for investment would alter by the time the strategy was considered by Full Council in February. Officers advised the figure was not expected to change much. It had been proposed that training on treasury management be provided to Members in the new financial year. The Committee were in support of the strategy and all three of the recommendations.

**RESOLVED:** (a) That the information be received.

(b) That the Committee were in support of the strategy and the three recommendations provided on the report.

6. **FINANCIAL AND PERFORMANCE MANAGEMENT REPORT TO END OF QUARTER TWO (SEPTEMBER) 2012**

The Committee received the Financial and Performance Management Report to the end of Quarter Two (September) 2012.

The revenue budget showed a favourable variance of £15,000. Members noted there was a significant shortfall in parking income and Officers advised that areas where this was occurring were being looked at as part of the scale of fees and charges review. Members questioned whether the figures for Jubilee 2 were still in deficit. It was expected that Jubilee 2 would be slightly in surplus, with some additional expenditure due to the facility being used more.

The quarterly performance report was in the process of changing to a new style of measuring and reporting performance, and was now split into the four corporate priorities. There would be a more detailed approach in the next financial year. 75% of indicators were on target with the direction of travel positive overall.

The Leader advised the report was being received by scrutiny prior to Cabinet, and the Committee's contribution would be valued. There were three issues on the report

relating to crime where figures had not been provided by partners, and were therefore showing as not applicable. With regard to anti-social behaviour, 70% of cases were being dealt with satisfactorily. Closure interviews were being conducted, and all of the 70% mentioned were satisfied with the conclusion. The Leader considered that the community safety team were doing a good job and that this should be highlighted.

With regard to cleanliness, the Leader stated that the figures were not satisfactory and the relevant Portfolio Holder had been asked to meet with the Head of Service to establish what had caused the problems. Members considered that there had been a significant percentage increase in littering offences and questioned how the statistics were obtained. It was acknowledged that more clarification regarding the reason for the increase was required. Members questioned whether the figures were due to an increase in littering activity or the same amount of littering activity that was not being dealt with. This would be clarified further for the January meeting of the Committee. Overall, if there were any issues that were not shown positively on the report then these would be reported back to the Committee with a summary of what had been done to address the problems. Further information was not available at the meeting, but the Portfolio Holder had been asked to establish the reason and come back with a plan to tackle the problem. When the report was received in January 2013, the Leader would provide an update regarding the issue, with an explanation of the reasons for the increase in the figures and the result of meetings between the Portfolio Holder and the Head of Service on this subject.

The percentage of major planning applications determined within time had not met its target in quarter two, but was on target for the current quarter. The number of people accessing leisure and recreational facilities had not met its target and this was attributed to Kidsgrove Sports Centre being closed. The sports centre had reopened and it was hoped that a marked improvement and an increase in the number of people using facilities would be seen. The average number of days lost due to staff sickness was over target due to a small number of staff being off with long term illness. This was being managed in the appropriate way and was not a problem throughout the Council.

Members were of the opinion that the figures in the report did not mean very much and questioned when the new format report would be received. The report would be developed further in quarters three and four, with the report completely in the new format in the new financial year.

Members noted the positive performance figures for the number of cases where positive action was successful in preventing homelessness, and considered that the Council were really helping people in the cold weather during the lead up to Christmas. Homelessness was an issue the Leader was acutely aware of due to welfare reform, and it would be necessary to protect what the Council was doing in order to try and avoid a spike in the statistic.

It was also noted by Members that the figures for the number of invoices paid on time were up, which they considered welcome news for small businesses. This issue had been questioned previously by the Committee. Officers advised that there was also a local indicator for invoices being paid within ten days to local businesses, and 60-65% of these invoices were being paid within ten days.

**RESOLVED:** (a) That the information be received.

(b) That an update be provided at the 24 January 2012 meeting regarding improvement in street and environment cleanliness, with an explanation of the reasons for the increase in the figures and the result of meetings between the Portfolio Holder and the Head of Service.

**7. REVIEW OF THE CONSTITUTION**

The Committee considered a briefing note regarding the Constitution Working Party's meeting on 7 November 2012. The working group would be looking at the saying of prayers at Full Council meetings. It had been acknowledged that there was an issue, but the working group had progressed no further with the issue. The working group would be looking at best practice and the views of all Members would be sought. It was requested that Members highlight any problems they encountered with the working group.

Members considered the saying of prayers at Full Council was a cross party issue that was about abiding with the law and where the Council sat in comparison to neighbouring authorities. It was suggested Members could have their own time for their beliefs before the Mayor arrived. The Chair concurred the start of the meeting was viewed to be when the Mayor's procession arrived. It was also necessary to be mindful of Officers as well as Members. It was also noted that it was necessary to be in line with the Bideford Case. This was a High Court ruling that Bideford Town Council had acted unlawfully by allowing prayers to be said at meetings. It was ruled that the prayers were not lawful under Section 111 of the Local Government Act 1972. However, prayers could be said as long as councillors were not formally summoned to attend a meeting. Members did not want the Council to be in the same position as Bideford and considered that people with different faiths should be allowed to do as they wish.

Other Members did not agree and considered the saying of prayers should remain as it is, with prayers being said with the Mayor and Mayor's Chaplain.

**RESOLVED:** That the information be received.

**8. WORK PLAN**

It was noted that two items needed to be added to the work programme. The Committee could expect to receive an update regarding Universal Credit at the March meeting. The Asset Management Strategy overlapped the Economic, Development and Enterprise and Transformation and Resources scrutiny committees. This would be received by Transformation and Resources on 10 December.

**RESOLVED:** (a) That the information be received.

(b) That an updated work plan be distributed to the Committee members.

**9. URGENT BUSINESS**

There was no urgent business considered.

**COUNCILLOR MRS ELIZABETH SHENTON**

**Chair**



## **BUDGET CONSULTATION**

**Submitted by:** Head of Communications

**Portfolio:** Communications, Transformation and Partnerships

**Ward(s) affected:** All

### **Purpose of the Report**

To provide Cabinet with information relating to the outcomes of the budget consultation process.

### **Recommendations**

(a) Cabinet notes the outcomes of the budget consultation process.

(b) Cabinet authorises the Portfolio holders for Communications, Transformation and Partnerships and Budget and Financial Management to review the consultation process with the Head of Communications and consider how budget consultations could be developed for the future.

### **Reasons**

The six-week process held during October and November was the first major budget consultation for a number of years. The responses and comments from the public – which are attached as an Appendix to this report - will help the borough council as it considers spending pressures and priorities over the next two financial years.

## 1. **Background**

- 1.1 In December 2004, the borough council took part in a budget consultation exercise with residents using a process called “SIMALTO” – Simultaneous Multi-Attribute Level Trade-Off. More than £15,000 was spent on the exercise which involved a private sector company carrying out interviews with residents and then also hosting a series of workshops and focus groups.
- 1.2 The findings of the consultation were reported to members for their consideration. Since that time there have been no further significant consultation exercises organised by the borough council as part of its budget deliberations.
- 1.3 Cabinet members agreed this year that a consultation exercise would be organised to enable residents to have an influence in shaping spending priorities for the financial years 2013/14 and 2014/15 with the council’s budget forecasts indicating savings of at least £2.5 million being required.
- 1.4 Members of the Cabinet agreed to lead the process with officers from the Communications Department – which has corporate responsibilities for consultation and engagement at the borough council - working alongside.

## 2. **Issues**

- 2.1 It was agreed at the beginning of the consultation that the process would try to deliver on three guiding principles. The goal was to be:-

- (a) Inclusive
- (b) Innovative
- (c) Extensive

2.2 ***Inclusive – to try and engage with all sections of our community***

- (i) Focus on using a range of engagement channels – public meetings, face-to-face, electronic, social media, posters and flyers.
- (ii) Aim communications at all age groups.
- (iii) Discussions with partners and other key stakeholders

2.3 ***Innovative – to try new and different consultation mechanisms***

- (i) Reception room one at the Civic Offices in Newcastle was turned into a “living room” for a day as part of a drop-in coffee morning session.
- (ii) A special budget edition “mini” Reporter was produced and distributed.
- (iii) A budget questionnaire produced and distributed with “Freepost” address. The special edition Reporter gave the financial context to the questionnaire and this is why it was distributed as a “pair” with the questionnaire itself. These are attached as Appendices B and C to this report.
- (iv) Pop-up adverts used on key landing pages on the council’s website.
- (v) Bluetooth and Wi-fi messaging used.

2.4 ***Extensive – to try and carry out as much customer focused activity as possible***

- (i) Seven public meetings arranged.
- (ii) 10 face-to-face events held.
- (iii) E-panel consulted.
- (iv) Special budget edition Reporters distributed.
- (v) All councillors given Reporters and questionnaires to distribute in their communities.
- (vi) Bespoke budget consultation content and questionnaire on council’s website – this was viewed by 1,229 unique users.
- (vii) Flyers and posters distributed.
- (viii) Young people contacted online.
- (ix) Discussion with Newcastle Partnership Strategic Board.
- (x) Press releases, media interviews, briefing notes produced to generate local coverage of the consultation.

2.5 The questionnaires asked residents to decide how important some key service areas were to them. They then had to mark the services on a five point scale with one end of the scale being “Of no importance” and the other end of the scale being “Extremely important.”

2.6 There was also an opportunity on the questionnaire for residents to outline other service areas - other than the 10 listed – which were important to them and also to indicate how they thought the council could save money.

2.7 In total, 635 questionnaires have been returned to the borough council. A detailed breakdown of the responses and comments is provided as Appendix A to this report.

2.8 However, as well as generating a significant number of responses, the process has also resulted in a significant amount of information being distributed throughout the borough which will raise awareness of budgetary issues at the borough council.

2.9 Of the total number of responses received, 393 were received through electronic channels; 91 were received through the post; 120 came from face-to-face sessions and 31 from public meetings.

2.10 By adding the “extremely important” and “important” responses together it can be seen that “Keeping streets and open spaces clean and clear” together with “Vibrant, active and safe town centres” were the two most important areas for those who responded to the questionnaire.

2.11 Using the same criteria, the survey shows that among those who responded “Cultural activity and promotion of the arts” and “Improving housing standards and choices” were the two least important areas.

### **3. Proposal and Reasons for Preferred Option**

3.1 As a result of the consultation process, the borough council has received a significant amount of up-to-date information from residents concerning their priorities for service areas.

3.2 This will undoubtedly play an important part in the budget setting process which the council began some time ago with budget service reviews involving all services at the council throughout the summer and more recently the publication of the Medium Term Financial Strategy.

### **4. Outcomes linked to Sustainable Community Strategy and Corporate Priorities**

4.1 In its new Council Plan, the borough council includes for the first time the corporate priority of “Becoming a Co-operative Council delivering high quality, community driven services.”

4.2 One of the key outcomes which will undoubtedly enable the borough council to fulfil its obligations within that corporate priority is that it will be an “open, honest and transparent organisation which undertakes regular consultation with its residents and listens to their views.”

### **5. Legal and Statutory Implications**

5.1 There is no legal or statutory duty on the council to carry out a consultation which relates to setting its budget.

### **6. Equality Impact Assessment**

6.1 Although an Equality Impact Assessment was not carried out on the budget consultation exercise, the diversity of the channels used ensured there was no negative impact on any section of the borough’s community.

6.2 All of the work carried out was in line with the council’s Communications Strategy – which includes a section on consultation. This strategy and an associated Equality Impact Assessment was approved by Cabinet in March 2012.

### **7. Financial and Resource Implications**

7.1 At its meeting on 30 October 2012, the Transformation and Resources Overview and Scrutiny Committee considered the issue of the budget consultation.

7.2 Members asked that some consideration be given by the council’s officers over the resources used during the consultation process and that this be reported to Cabinet and the meeting of the scrutiny committee on 10 December when it was due to consider the outcomes of the consultation process.

- 7.3 As far as human and material resources are concerned, it is estimated that during the course of the budget consultation process:-
- 5,600 mini budget edition Reporters were distributed together with the same number of questionnaires.
  - 3,100 A5 flyers promoting the consultation and events were handed out and 81 A3 posters displayed in shops, businesses and other public areas.
  - A total of 44 hours were spent by staff in the production and printing of material associated with the consultation – mini Reporter, questionnaire, pop-ups, flyers and posters, website content.
  - 28 hours were spent by staff distributing materials – flyers, posters to promote events.
  - 45 hours were spent by a number of staff supporting Cabinet members at sessions with the public – the coffee morning, public meetings and face-to-face sessions. Some of these hours were paid overtime as they took place at weekends and in the evenings.
  - Approximately 25 hours has been spent collating and evaluating data received during the process.
- 7.4 As far as finances are concerned, it is estimated that:-
- £600 has been spent on printed materials – all of this work has been carried out in-house by the council's design and print service.
  - £130 spent on pop-up promotional banners.
  - £425 on venue hire, transport costs, refreshments for those who attended the public meetings and face-to-face sessions.
  - £45 for Freepost costs.
- 7.5 All of the costs identified above – including the overtime payments to staff – can be met from within existing budgets for consultation at the borough council.
- 7.6 As far as the human resources are concerned, the focus on the budget consultation has been very resource intensive both for Cabinet members and for the Communications Service at the borough council.
- 7.7 Cabinet members have been on hand at public engagements to ensure any political questions could be answered and dealt with. Presentations outlining the budget issues facing the council have also been delivered by the Cabinet Portfolio holder responsible for finance and budget management. Members have also been in attendance at the face-to-face sessions.
- 7.8 Devoting officer time to supporting the initiative has had an impact on the Communications Service as staff from all sections of the department have been involved in the events schedule. This has meant some lower priority work being re-scheduled, other elements being postponed and in some instances work has been cancelled such as pro-active media releases.
- 7.9 This has been a significant piece of work for the borough council and the first process of its magnitude as far as budget issues are concerned for eight years. If Cabinet is mindful to repeat budget consultation exercises on an annual basis then there is a reasonable expectation that now the public has been given an opportunity to have some input there may be a greater response in future years.
- 7.10 With that in mind, it may assist the borough council if a "lessons learned" evaluation process took place involving the Portfolio holders for Communications, Transformation and

Partnerships and Budget and Financial Management to review the consultation process with the Head of Communications and consider how budget consultations could be developed for the future.

8. **Major Risks**

There are no major risks associated with this report.

9. **Earlier Cabinet/Committee Resolutions**

There are no earlier Cabinet/Committee resolutions relevant to this report.

10. **Background Papers**

Appendix A is a detailed breakdown of the results of the budget consultation process which ran from Monday, 1 October to Friday, 9 November 2012.

Appendix B is a PDF of the four-page “mini” budget Reporter produced for the consultation.

Appendix C is a PDF of the questionnaire distributed as part of the process.

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## **Appendix A – evaluation of budget consultation responses**

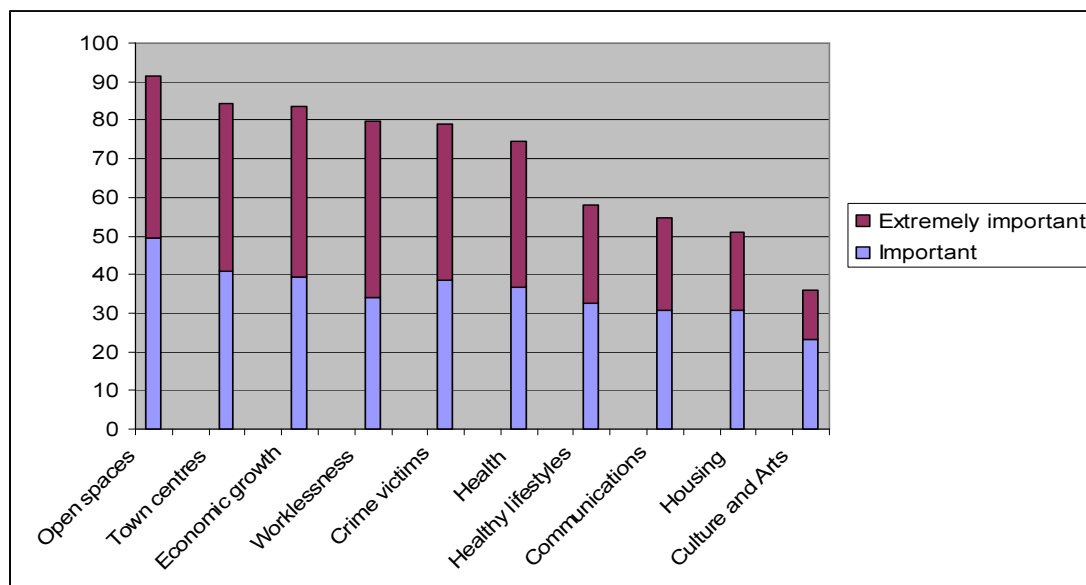
As the report to Cabinet indicates, the budget consultation process ran for six weeks from 1 October to 9 November 2012.

The first graph illustrates the relative levels of importance which residents who returned the questionnaire during the process placed on the 10 core themes.

The five categories used in the questionnaire were:-

- Extremely Important
- Important
- Neither nor
- Not important
- Of no importance at all

By adding the “extremely important” and “important” responses together, we can weight the 10 themes against each other in terms of their overall importance to the 635 residents who responded.



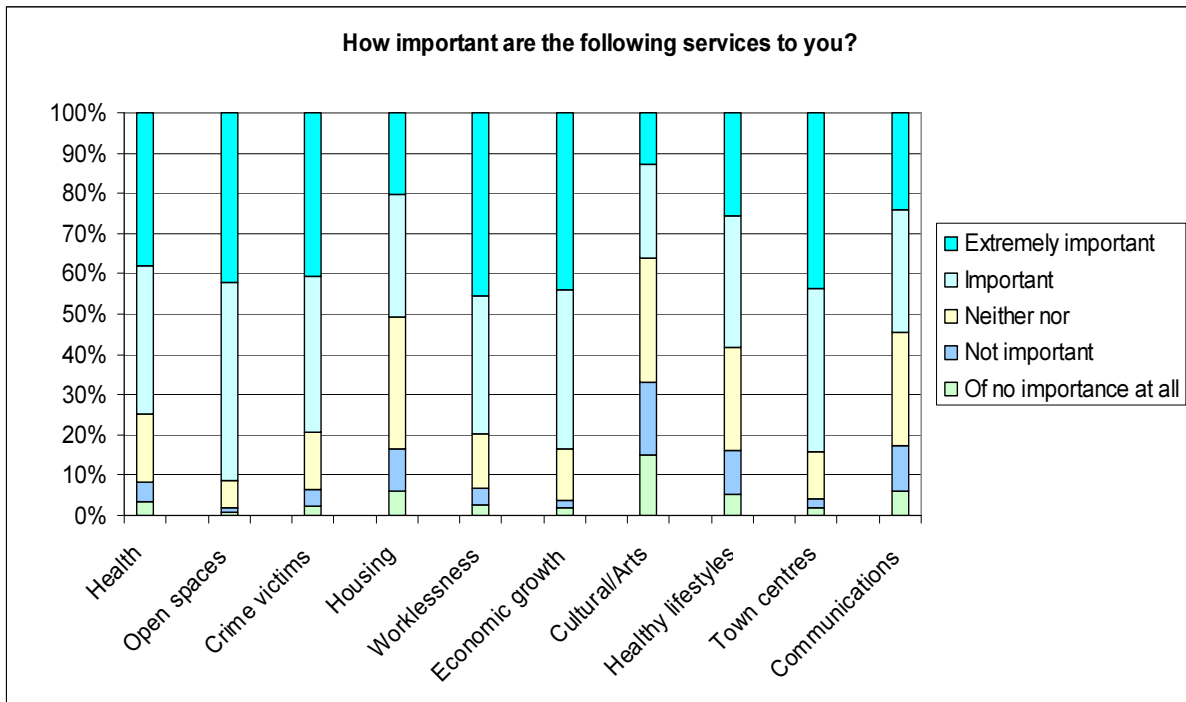
Analysis of this feedback shows three groupings of responses in terms of levels of importance.

In the upper group are economy and environmental issues with keeping streets and open spaces clean and clear; vibrant, active and safe town centres and promoting economic growth regarded as the three most important areas for residents.

In the next grouping are reducing worklessness; supporting victims of crime and vulnerable citizens and improving public health.

And in the final grouping, which could be assessed as being of lower importance, are promoting healthy lifestyles; improving the way the council communicates; improving housing standards and choices; cultural activity and promotion of the arts.

This second graph below shows how all 10 themes scored overall against each other in the five weighted areas.



As well as being asked to assess the importance of the 10 themed areas, residents who took part in the consultation were also asked to answer two supplementary questions.

Question One - *Please tell us of any other services, not mentioned above, which are provided by the borough council and which are important to you.*

Analysis and evaluation of these comments enables us to pinpoint some key themes which have emerged from residents who answered this question.

The first point of interest here is that the theme of economic regeneration and vibrant town centres is a theme which follows through from the “prompt” sections above through to this “unprompted” section where residents can raise points and issues of their choice.

A total of 23 people identified regeneration, particularly for the borough’s town centres, as an area which they regard as important.

The cleaner and greener agenda is also picked up strongly with this question. The single most common service identified as being important to residents - with 53 individual responses – was maintaining the level of the council’s national award winning recycling service.

The borough’s transport infrastructure – roads, clean and clear streets, maintenance of good public transport services and street lighting – emerged as another key area for residents with a combined total of 57 responses on these issues.



There was also a clear message from residents who answered the questionnaire that young people, play areas and leisure are important to them. In total, there were 37 separate responses which identified these as important.

Question Two - *How do you think the council could save money?*

There was a much more diverse response to this particular question however, analysis does point to a cluster of themes once more.

Encouraging the council to be more efficient and effective is certainly a common theme put forward through a variety of comments.

This theme covers a range of comments from residents and includes reducing bureaucracy and being more efficient (combined total of 28 comments); working more effectively with the Third Sector (16); shared services and greater collaboration with other councils (15); collecting all fines and taxes efficiently (13).

Reducing the level of recycling services offered in the borough (13) and scaling back initiatives for young people were also put forward (12).

A number of residents also urged the council to consider carefully the issue of staff and overheads. There seemed to be an appetite from residents who returned the questionnaire for “cuts” both in terms of council staff related issues but also councillor related issues. However, it must be said that there is nothing sitting below the headline comments which offers greater insight into the reasoning behind the proposals.

### The consultation process

As the main report to Cabinet indicates, this is the first time in eight years that the borough council has carried out a significant exercise relating to budget consultation.

As a result, levels of participation may be expected to grow in future years if the consultation process becomes a more recognised and regular feature of the Budget setting process in Newcastle-under-Lyme.

The report also highlights the substantial amount of work which has gone in to generate the 635 responses received. The number of people eligible to vote in the borough is 97,669 so the level of returns represents less than one per cent of that total.

So, although the responses should be treated with a degree of caution, the total number of 635 still provides Cabinet with a substantial body of evidence for it to consider in its Budget deliberations.

Moving forward, one of the recommendations being considered by Cabinet is that a “lessons learned” process involving key portfolio holders and officers takes place. This would most certainly help Cabinet identify how the process can be improved if Members decide to repeat the consultation on a more regular basis.

## Conclusion

From the consultation, we can conclude that residents have clearly identified six areas at the top end of their scale of importance – open spaces; town centres; economic growth; employment; supporting victims of crime and health.

This mirrors the key streams of work which are already under way at the borough council as identified in the Council Plan and also key strategies approved by the authority.

Phil Jones  
Head of Communications

**SPECIAL BUDGET EDITION**

This has been produced as part of a consultation exercise which Newcastle-under-Lyme Borough Council is running from 1 October to 11 November.

The purpose of this exercise is to find out what local people think about some really important things linked to their Council Tax bills.

You probably already know from the television and newspapers that the Government has been reducing the amount of money it gives councils for local services.

The huge cut in support from Government means there is less to go round so your borough councillors need to prioritise where money is spent. Reduced cash for councils inevitably means we can't go on doing everything that has been done before.

But before the borough council makes any decisions, we want to hear what you have to say first.

This consultation exercise will enable you to do that and to make your voices heard BEFORE any decisions on where to spend money are made.

And once your borough councillors have heard what you have to say in this consultation exercise, they will then sit down and make some tough decisions on where to prioritise what your cash is spent on locally.



**Cllr. Gareth Snell**  
 Leader of the borough council



**Cllr. Mike Stubbs**  
 Cabinet member for finance and budget management

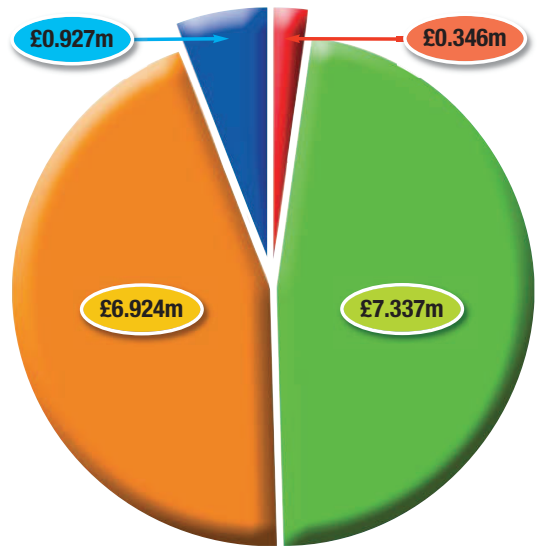
## Council Tax - the facts...

An average household in Newcastle-under-Lyme pays **£1,450.99** in Council Tax each year.

The borough council collects all of this money from residents - but we only keep 12 per cent (**£176.93**) to pay for the services we run. The rest goes to:-

- **Staffordshire County Council £1,028.81**
- **Staffordshire Police £177.61**
- **Staffordshire Fire and Rescue Service £67.64**
- **Plus parish and town council precepts if you live in areas where they are in place.**

## Where the money comes from...



- Council Tax paid by you
- Contributions from council reserves
- Non-specific grants such as the one-off Council Tax freeze grants
- Central Government funding

### How you can get involved

#### FACE-TO-FACE MEETINGS

MONDAY 1 OCTOBER	11AM TO 2PM	KING STREET, KIDSGROVE
FRIDAY 12 OCTOBER	11AM TO 2PM	TESCO, KIDSGROVE
SATURDAY 13 OCTOBER	10AM TO MIDDAY	MUSEUM, BRAMPTON
FRIDAY 19 OCTOBER	10AM TO 3PM	FARMERS' MARKET, NEWCASTLE
FRIDAY 26 OCTOBER	10AM TO 3PM	OUTSIDE GUILDHALL, NEWCASTLE
SATURDAY 3 NOVEMBER	10AM TO MIDDAY	JUBILEE2, NEWCASTLE TOWN CENTRE
MONDAY 5 NOVEMBER	11AM TO 2PM	KEELE UNIVERSITY, CHANCELLOR'S BLDG
THURSDAY 8 NOVEMBER	11AM TO 2PM	KEELE UNIVERSITY, STUDENTS' UNION

#### PUBLIC MEETINGS

WEDNESDAY 3 OCTOBER	6.30PM TO 7.30PM	KIDSGROVE TOWN HALL
MONDAY 8 OCTOBER	6.30PM TO 7.30PM	WYE ROAD COMMUNITY CENTRE, CLAYTON
THURSDAY 11 OCTOBER	6.30PM TO 7.30PM	RAMSEY RD COMM. CENTRE, CROSS HEATH
WEDNESDAY 24 OCTOBER	5.30PM TO 6.30PM	WHITFIELD COMM. CENTRE, THISTLEBERRY
FRIDAY 26 OCTOBER	6.30PM TO 7.30PM	CHESTERTON COMM. CENTRE, LONDON RD
WEDNESDAY 31 OCTOBER	6.30PM TO 7.30PM	MADELEY CENTRE
TUESDAY 6 NOVEMBER	6.30PM TO 7.30PM	AUDLEY METHODIST CHAPEL

OR have your say on our website [www.newcastle-staffs.gov.uk/budget](http://www.newcastle-staffs.gov.uk/budget)  
 OR collect a budget consultation form from the Guildhall, Kidsgrove Customer Service Centre, the Madeley Centre, Jubilee2, Kidsgrove Leisure Centre and the Civic Offices.  
 Fill it in and send it back to us FREE.

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✧ Shown as a negative amount due to income exceeding the costs associated with these activities

### Corporate Expenditure ✧

Interest and Investment Income  
Investment Properties  
Pension Liabilities Account

### Highways, Roads and Transport ✧

Highways/Roads (Structural)  
Highways/Roads (Routine)  
Street Lighting  
Parking Services  
Public Transport  
Traffic Management and Road Safety  
Transport Planning, Policy and Strategy

**THIS IS HOW WE SPEND THE MONEY**

Newcastle-under-Lyme Borough Council currently spends £15.5 million providing our services to you.

From this £15.5 million we need to save approximately £2.5 million - a reduction of 16%, in the budget setting process for 2013/14 and 2014/15. (£2.5 million in total).



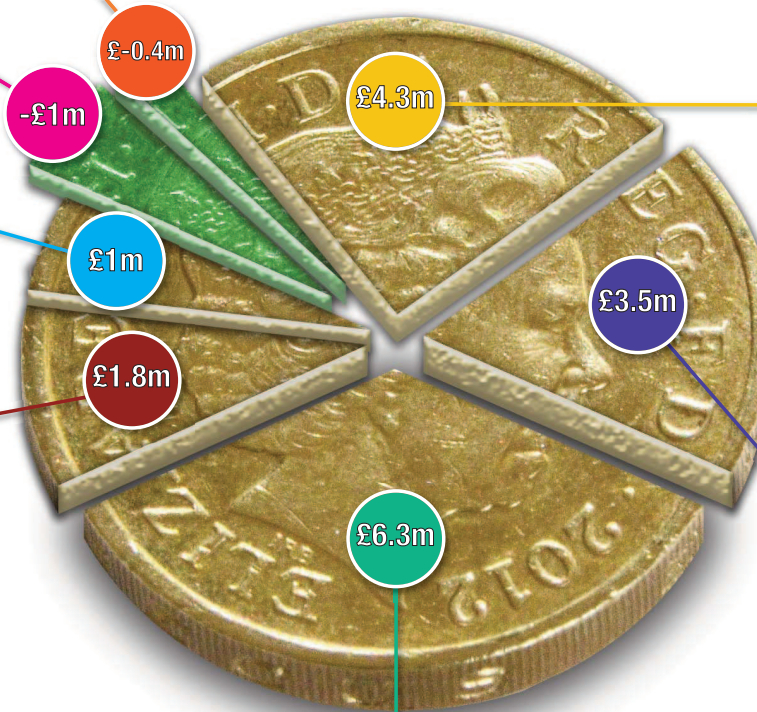
### Housing Services

Housing Strategy  
Housing Advice  
Housing Advances  
Homelessness

Private Sector Housing Renewal  
Housing Benefit Payments  
Housing Benefit Administration  
Enabling  
Licensing of Private Sector Landlords

### Planning Services

Building Control  
Development Control Enforcement  
Development Control Applications and Appeals  
Planning Policy  
Environmental Initiatives  
Economic Development Commercial Portfolio  
Economic Development - Other  
Economic Development Government Initiatives  
Community Development



### Central Services

Council Tax Collection  
NNDR (Business Rates) Collection  
Non Distributed Costs  
Members Services and Committee Administration  
Mayoralty  
Registration of Electors  
Conducting Elections  
Corporate Management  
Local Land Charges  
General Grants, Bequests and Donations  
Emergency Planning



### Cultural Services

Museum and Art Gallery  
Theatres and Public Entertainment  
Parks and Open Spaces  
Allotments  
Golf Course  
Community Recreation Service  
Community Centres  
Sports and Leisure Centres  
Tourism  
Cultural Management and Support Services

### Environmental Services

Cemetery and Cremation Services  
Environmental Protection  
Pollution Control  
Environmental Crime  
Food and Safety  
Public Conveniences  
Licensing  
Dog Warden Services

Infectious Diseases  
Pest Control  
Public Health  
Water Safety  
Community Safety - Crime Reduction  
Community Safety - CCTV  
Community Safety - Safety Devices  
Footpath Lighting  
Flood Defence and Land drainage  
Street Cleansing

Waste Collection  
Recycling  
Waste Disposal  
Waste Strategy  
Trade Waste  
Waste Minimization  
Climate Change Costs  
Environmental Management and Support Services  
Streetscene



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## **CAPITAL STRATEGY**

**Submitted by:** Head of Finance

**Portfolio:** Finance and Budget Management

**Wards Affected:** All

### **Purpose**

To consider the Capital Strategy 2013 to 2016.

### **Recommendation**

**That the contents of the Capital Strategy be noted and any comments forwarded to the Cabinet for further consideration.**

### **Reason**

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.

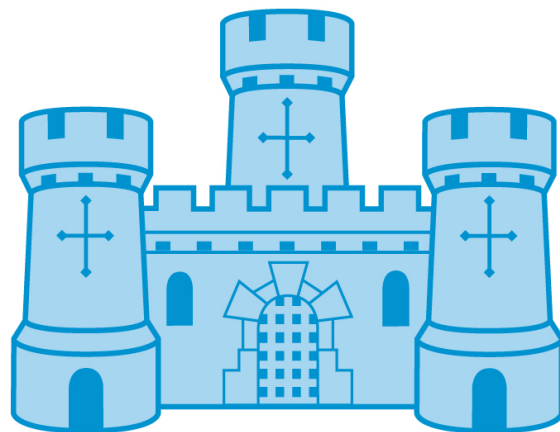
## **1. Background and Issues**

- 1.1 The purpose of the Capital Strategy is to set out how the Council proposes to deploy its capital resources in order to assist it to achieve its corporate and service objectives. It takes into account other relevant Council strategies, policies and plans and the views of partners and stakeholders with whom the Council is involved. It also takes account of 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. It covers the period 2013 to 2016 and serves as a useful point of reference when determining or reviewing the Council's Capital Programme.
- 1.2 The 2013 to 2016 Capital Strategy is appended to this report at Appendix A.
- 1.3 Following consideration by Cabinet on 16 January 2013, the Strategy will be submitted to Council on 27 February 2013 for final approval.

## **2. List of Appendices**

Appendix A - Capital Strategy 2013 to 2016.

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**NEWCASTLE  
UNDER LYME**  
**BOROUGH COUNCIL**

## CAPITAL STRATEGY 2013 to 2016

Submitted to Cabinet 16 January 2013

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2. KEY OBJECTIVES AND PRIORITIES
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5. RESOURCES AVAILABLE TO FINANCE CAPITAL INVESTMENT
6. REVENUE IMPLICATIONS
7. APPRAISAL OF INVESTMENT PROPOSALS
8. MONITORING ARRANGEMENTS AND PROJECT MANAGEMENT
9. STATUTORY FRAMEWORK
10. PROCUREMENT
11. FUTURE CAPITAL PROGRAMME

## **1. INTRODUCTION**

- 1.1 The purpose of the Capital Strategy is to set out how the Council proposes to deploy its capital resources in order to assist it to achieve its corporate and service objectives. It takes into account other relevant Council strategies, policies and plans and the views of partners and stakeholders with whom the Council is involved. It also takes account of 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. It will serve as a useful point of reference when determining or reviewing the Council's Capital Programme.
- 1.2 The Council's current detailed capital investment plan is contained in its Approved Capital Programme. A two year programme was approved by Full Council on 22 February 2012. This programme provides for £18,480,800 of investment over the two-year period in projects across all of the Council's priority areas, of which £4,457,200 was programmed to be spent in 2012/13. Since then, programmed expenditure for 2012/13 has been reviewed, resulting in a revised 2012/13 outturn figure of £5,418,300 being agreed. This takes account of slippage coming forward from 2011/12. Full Council will consider a capital programme to continue investment beyond 2012/13 on 27 February 2013.
- 1.3 The Strategy has been prepared against a background of continuing 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 have reduced to a very low level and will need replenishing before any substantial further capital investments can be made. As a result the Council is considering and consulting upon a programme of asset disposals to address this situation. In the interim period, before asset sales can provide these additional resources, the current approved Capital Programme was restricted to cover a two year period, 2011/12 to 2012/13. This included only £0.5m of new projects in 2012/13 funded from the Council's own resources, all of which were essential to maintain operational continuity.

## **2. KEY OBJECTIVES AND PRIORITIES**

- 2.1 The Council's Priority Areas contained in its (2013/14 to 2015/16) Council Plan are:
- A Clean, Safe and Sustainable Borough
  - A Borough of Opportunity
  - A Healthy and Active Community
  - Becoming a Co-operative Council delivering high quality, community driven services
- 2.2 Capital investment projects will be included in the Council's Capital Programme on the basis that they address issues arising from one or more of the Priority Areas contained in the Council Plan. An indication is shown against each project in the Programme of the area or areas whose issues it addresses.
- 2.3 New proposals for capital investment will be assessed against the corporate priority areas to ensure that they will contribute towards achieving the aims expressed. This assessment will be carried out as part of the appraisal process for new projects.
- 2.4 The Council will also endeavour, through its programme of capital investment, to maintain its assets to a standard such that they remain fit for purpose, enabling continuity of service delivery. In particular, it will carry out regular surveys of its stock of buildings and structures to ascertain their state of repair and any remedial works which may be necessary. Repair or improvement works arising from such surveys will be carried out subject to the availability of resources and consideration of the role the building plays in

service delivery and the need to continue the relevant service in order to contribute to meeting corporate priorities. If a building is no longer required for service delivery, it will either be considered for alternative use by the Council or its partners or disposed of and the proceeds made available for future capital investment in priority areas. All property assets are held to either (i) provide Council services, (ii) provide an investment return or (iii) to further regeneration projects.

- 2.5 Regular reviews of the property portfolio will be carried out by the Assets Review Group, chaired by the Executive Director (Regeneration and Development). This action has identified properties or land which could potentially be disposed of, following a consultation process in the case of significant proposals, and a capital receipt obtained from the sale. However, because of the currently poor market conditions arising from the economic recession it is unlikely that significant sales will take place in the short term, both because of lack of demand and the need to obtain the best sale price.
- 2.6 Where suitable “Invest to Save” projects can be identified the Council will actively pursue such projects as it recognises the benefits, in the form of reduced costs falling on the General Fund Revenue Account, that can result from such investment.
- 2.7 The Council will seek, where practicable and economically justifiable, to develop its investment projects having regard to principles of sustainability, for example in relation to materials used and environmentally friendly modes of operation once in use, following construction or purchase.

### **3. LINKS WITH OTHER STRATEGIES, POLICIES AND PLANS**

- 3.1 As well as the Council Plan and the Capital Programme the Capital Strategy has clear links to many of its other strategies, policies and plans, the most significant of which are:
  - Asset Management Strategy
  - Medium Term Financial Strategy
  - Service and Financial Plans
  - Value For Money Strategy
  - Procurement Strategy
  - Economic Development Strategy
  - North Staffs Green Spaces Strategy
  - Leisure Strategy
  - Private Sector Housing Renewal Strategy
  - Housing Strategy
  - Cultural Strategy
  - Customer Access Strategy
  - Energy Efficiency and Climate Change Strategy and Carbon Reduction Plan
  - Treasury Management Strategy
  - Performance Plan
- 3.2 An important link is to the Asset Management Strategy (AMS) in that many capital investment projects are related to the Council’s fixed assets, such as its stock of buildings. Needs and priorities identified in the AMS will require consideration for inclusion in the Council’s Capital Programme and have wider financial consequences.
- 3.3 The Medium Term Financial Strategy will take account of the revenue effect of capital investment.
- 3.4 Capital investment proposals are contained in the Service and Financial Plans produced as part of the annual budget cycle. Some of these proposals may be included in the Capital Programme.

- 3.5 Appraisal, procurement and management of capital projects needs to be carried out with regard to the objectives and methodologies contained in the Value for Money Strategy and the principles and practices set out in the Procurement Strategy.
- 3.6 The various service based strategies will inform the Council's capital investment process through their identification of areas for action and of priorities within individual service areas.
- 3.7 The Treasury Management Strategy needs to reflect planned capital spend, particularly with regard to setting limits for tying up money over the longer term and the limits relating to the amount of permitted borrowing.
- 3.8 The Performance Plan contains the same data regarding Priority Areas as the Council Plan together with similar actions proposed to achieve the aims expressed in relation to the Priority Areas so by linking to the Council Plan the same link is made to the Performance Plan.
- 3.9 In addition the Capital Strategy will be influenced by the results of any Service Reviews which have been carried out by the Council, either as part of the budget preparation process or as one-off exercises. Where these reviews identify areas of service which are to be discontinued, this may give rise to surplus assets which will be available for disposal and possibly generate a capital receipt which will be available for funding further capital investment. Alternatively reviews may identify areas for investment, including potential "invest to save" projects, some of which may be capital investment.

#### **4. EXTERNAL INFLUENCES, PARTNERS AND CONSULTATION WITH STAKEHOLDERS**

- 4.1 The Council's capital investment plans are influenced by a number of external parties and factors: central government and its agencies, legislation requiring capital works, partner organisations, businesses, developers and by its stakeholders' needs and views, particularly those of Borough residents.
- 4.2 Government sponsored initiatives and programmes will influence the projects which the Council will include in its capital investment plans. In particular, its Housing Investment Programme in which the Council participates with regard to Disabled Facilities Grants is a major area of investment where funding is provided by Government to meet a proportion of the costs of some of these activities. This funding largely consists of grant payments to partially meet the cost of disabled facilities grants payable to eligible applicants.
- 4.3 Where it may be required by legislation to carry out works of a capital nature, such as to comply with the Disablement Disability Act or Health and Safety requirements, or anti-pollution regulations, the Council will consider the most effective way to discharge its obligations and appropriate provision will be made in its Capital Programme once it has determined that it shall carry out the necessary work and that this should be capitalised.
- 4.4 The Council works with a wide range of partners from the public, private, voluntary and community sectors, all of which have an influence over its spending priorities. Relationships with partners, including those concerning capital matters, will be governed by the Council's Partnerships Code of Practice. Wherever possible the Council will seek to work in partnership with others to deliver its capital investment programme in order to provide facilities which meet its own and partners needs. When working with the private sector, the objective will be to maximise the benefits to the Council and the community from any projects, both in terms of outputs and in relation to obtaining funding for the project.

- 4.5 The Council is a participant in the Local Strategic Partnership (LSP) and will have regard to the content of its Sustainable Community Strategy together with any other elements of the partnership which relate to capital investment and may be able to use the capital programme as a means of fulfilling some of its obligations to the LSP.
- 4.6 Projects for consideration for inclusion in the Capital Programme may arise from the Council's participation in the Staffordshire and Stoke on Trent Local Enterprise Partnership (LEP)
- 4.7 The Council intends to establish a Town Centre Partnership, together with relevant stakeholders such as representatives of retailers and businesses in the town centres of Newcastle and Kidsgrove. The partnership will be able to identify proposals for town centre improvements which could be incorporated in future capital programmes. It may also present an opportunity for costs to be shared between the parties likely to benefit from their implementation.
- 4.8 The availability of external funding will also influence the projects which the Council will include in its capital investment plans. This is referred to in the following section of the Strategy.
- 4.9 Regard will be had to the Council's obligations under Disabled Access requirements in putting forward proposals for capital investment and in the design of any facilities which are proposed.
- 4.10 Wherever possible the principles of sustainability will be incorporated into any capital projects.

## **5. RESOURCES AVAILABLE TO FINANCE CAPITAL INVESTMENT**

5.1 Capital investment may be financed by any one or a combination of the following:

- Use of Capital Receipts
- Use of Reserves
- Government Grants
- Contributions from External Parties
- Directly from the General Fund Revenue Account
- Private Finance Initiative (PFI) or similar schemes
- Borrowing

5.2 The Council is presently debt free, having no long term loans outstanding. Its current policy, expressed in its Treasury Management Strategy for 2012/13, approved by Council on 22 February 2012, is that it is not intended to utilise borrowing to fund the capital programme in view of the Council currently possessing sufficient reserves and useable capital receipts to finance capital expenditure from those sources. It is stated that borrowing may become an option in future years only if these resources become sufficiently depleted, that they are insufficient to finance proposed capital expenditure and, if the costs of borrowing compare favourably with those of alternatives such as using unapplied capital receipts. It is probable that for a period of time during the span of the Capital Strategy capital resources will be depleted to the extent that they are insufficient to finance further significant capital investment, including in projects necessary to ensure operational continuity.

5.3 Capital Receipts have been the major source of funding for the Capital Programme in recent years. The amount of useable capital receipts in hand at 1 April 2012 was £2.4m. The majority of capital receipts are committed to finance the currently approved Capital Programme. Additional capital projects may be financed from capital receipts obtained by asset sales or other new capital streams.



5.4 In the normal run of events, new sources of capital receipts are somewhat limited. A previously significant source has been the Council's continuing right to a share of receipts arising from tenants of Aspire Housing under the Right to Buy legislation. However, Right to Buy sales have diminished both because of the present depressed property market and there being fewer potential purchasers as time goes by. These receipts are fully committed to finance the cost of the Renewal and Disabled Facilities Grants not met from Government Grant. Government attempts to increase the sale of public sector housing, through changes to the rules governing their sale, could increase activity and lead to a small revival in these receipts. In addition there are usually some small receipts from the sale of minor pieces of land or property but these are unlikely to be significant in amount over the two year period.

5.5 The Council has established a number of reserves which are available to finance capital investment. These are as follows:

- ICT Development Fund
- New Initiatives Fund
- LSVT Capital Fund

The ICT Development Fund is specifically earmarked for meeting the costs of ICT development, both capital and revenue. The balance on the Fund at 1 April 2012 was £0.7m.

The New Initiatives Fund's purpose is to finance new initiatives, both capital and revenue, not currently provided for in the Council's budgets. The balance on the Fund at 1 April 2012 was £0.1m, all of which will be required to meet the cost of ongoing revenue account initiatives or earmarked for covering costs which may arise if the Council suffers the loss of its exempt VAT status for a period.

The LSVT Capital Fund was established to receive the principal element of leasing charges made to services under the internal leasing scheme, which has been used to charge financing costs to users of ICT and other equipment where the initial purchase of that equipment was financed by using capital receipts arising from the disposal of the housing stock referred to above. This mechanism is intended to ensure that a sum equivalent to the capital receipt used is made available to finance future capital investment. The entire balance on the Fund was utilised in 2011/12 to finance capital expenditure, resulting in a nil balance at 1 April 2012. In future the only income to the fund will be contributions from revenue in respect of internal leasing repayments, which will amount to around £0.13m in 2012/13, reducing over time, until all existing leases have expired.

5.6 The use of capital receipts and reserves to finance new capital projects has an effect upon investment income receipts and hence the General Fund Revenue Account. At current investment interest rates of around 1.0% (rates available in the market currently pay a premium of up to an additional 0.5% above the base rate of 0.5%), every £100,000 of such capital receipts or reserve balances used will cost £1,000 to the revenue account on an ongoing basis. The use of capital receipts and reserves to finance the Capital Programme 2011/12 to 2012/13 was taken account of in the Medium Term Financial Strategy and in the 2012/13 Revenue Budget. Any receipts generated from the sale of assets will be invested until they are required to finance capital expenditure.

5.7 Wherever Government grants are available to meet all or part of the cost of capital projects the Council will ensure that these are applied for and used to maximise the amount of investment which can be made and the benefit which will result from that investment. Currently, the Council apply New Homes Bonus grant in a 50/50 proportion, half in support of the revenue budget and half to finance housing capital projects included

in the housing investment element of the capital programme, in accordance with the 2012/13 budget report considered by Full Council on 22 February 2012.

- 5.8 Wherever possible and appropriate, funding will be sought towards the cost of capital projects from external parties. These will include property developers, government agencies, funding from the European Union (normally channelled via a UK Government Department), funding bodies such as the National Lottery or the Football Foundation, and partner organisations that may join with the Council to bring forward particular projects of mutual benefit. In the current climate, however, the Council may find such sources of funding to be limited compared with previous years.
- 5.9 A Community Infrastructure Levy will be introduced in respect of new developments from 2013/14 onwards. This will provide funding for capital investment required as a result of a development taking place, for example new roads or footpaths. It will partially replace "Section 106" contributions payable by developers as a condition of being granted planning permission.
- 5.10 As a result of changes to the treatment of business rates collected by councils (to be implemented by the Local Government Finance Act 2012), which will allow part of the amount collected to be retained by them, there are proposals for a Stoke on Trent and Staffordshire Business Rates Pool to pool retained rates relating to a number of Staffordshire authorities, including Newcastle Borough Council. This has benefits with regard to maximising the total amount retained, with the additional amount gained by pooling being available to participating authorities in a number of ways. One of the features of the pooling arrangement will be the establishment of an investment fund to finance projects which will contribute to economic regeneration within the areas of the participating authorities.
- 5.11 Proposals for Staffordshire authorities to pool the additional income arising from the implementation of council tax technical reforms, if agreed, would enable the establishment of a further investment fund to assist economic development within Staffordshire, including Newcastle.
- 5.12 There is no intention to charge any capital investment directly to the General Fund Revenue Account.
- 5.13 The Council does not presently intend to consider the use of Private Finance Initiative type arrangements or tax increment financing to meet the cost of capital investment.
- 5.14 The Executive Director (Resources and Support Services) will prepare estimates of the resources which are presently in hand plus those likely to be available in future to finance capital investment. He will keep these estimates up to date and periodically report upon them to Cabinet and Council, particularly when the Capital Programme is being considered. The Council will decide on the appropriate form of financing for projects included in the Capital Programme based on advice from the Executive Director as to availability and the consequences and costs of use of the various options.
- 5.15 The need to have available liquid funds to be used to pay for capital projects will be borne in mind when drawing up the Council's Treasury Management Strategy. An appropriate limit will be placed on long term investments based on predictions of the capital spending profile over the period covered by the Strategy so that there are likely to be enough readily available easily cashable investments to meet requirements.

## **6. REVENUE IMPLICATIONS**

- 6.1 The impact, if any, upon the General Fund Revenue Account, which will arise from capital investment proposals will be calculated and considered at the time projects are

placed before Cabinet or Full Council for inclusion in the Approved Capital Programme or for specific approval. Such impact may be in the form of reduced interest receipts, where projects are to be financed from capital receipts or reserves, borrowing costs, if loan finance is to be employed, or additional running costs arising from the provision of a new or altered facility. Offset against these costs will be any savings which might accrue, for example from “invest to save” projects.

6.2 In accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital, which the Council has adopted, the incremental impact of the Capital Programme will be calculated and considered when that programme is placed before Full Council for approval, in February each year.

6.3 The Council will always have regard to the affordability of its proposed capital investments, in terms of the revenue implications arising.

6.4 The revenue implications of the capital programme will be taken account of in the Council’s Medium Term Financial Strategy.

## **7. APPRAISAL OF INVESTMENT PROPOSALS**

7.1 In accordance with the Council’s Financial Regulations proposals for new capital investment estimated to cost more than £20,000 will be subject to the Benefits Management Model process, whereby a business case will be made out for the proposal based on whole life costing, its fit with corporate priorities will be demonstrated, outcomes detailed, and project milestones set out. The process will consider the availability of resources to fund the project and its effect, if any, upon the revenue budget in future years. Less significant projects costing below £20,000 will be subject to a simplified process. All new capital investment proposals must be appraised by the Capital Programme Review Group prior to specific Cabinet approval being requested. Before any project may be commenced Specific Cabinet approval must be obtained and the project must be included in the Approved Capital Programme, after considering its priority relative to other proposed projects and the overall level of resources available to fund the Capital Programme as a whole.

7.2 A Risk Assessment, in the approved corporate format, will be completed for all capital projects subject to the Benefits Management Model process.

## **8. MONITORING ARRANGEMENTS AND PROJECT MANAGEMENT**

8.1 Progress in relation to individual projects will be monitored through the Council’s arrangements for the monitoring of capital projects, which entail quarterly monitoring reports to be received by the Cabinet. The Capital Programme Review Group will also review project progress and corrective action will be initiated where projects fall behind schedule, appear likely to overspend or otherwise give cause for concern. Individual Project Forms will be maintained in respect of each project by the Executive Director (Resources and Support Services) which will track the progress of projects and be available to officers and members with an interest in reviewing progress of those projects. Monitoring will also take place as part of the Benefits Management Model process, whereby reports will be completed for any projects which deviate from planned progress.

8.2 All projects will be assigned to a named officer who will be responsible for overseeing the project, including project monitoring and control and implementing exception reports and, where appropriate, corrective action if the project deviates from its planned progress or cost.

8.3 Where complex major projects are to be carried out, consideration will be given to employing the Prince2 project management methodology.

- 8.4 All capital projects will be subject to Internal Audit review to ensure correct procedures have been followed and sums have been paid out in accordance with Financial Regulations and Standing Orders as they relate to contracts. Where projects have received funding from government or quasi-governmental sources, the expenditure will also be subject in many cases to external audit by auditors from the Audit Commission. European Union funded projects may also be subject to audit by auditors on behalf of that body. Where monitoring returns or claims for reimbursement of expenditure are required to be sent to funding bodies, these will be completed and forwarded promptly to the relevant body in compliance with any deadlines laid down by them.
- 8.5 All capital investment proposals and project progress and management are subject to the Council's scrutiny arrangements.

## **9. STATUTORY FRAMEWORK**

- 9.1 The Council's capital investment is carried out within the statutory framework laid down by the Local Government Act 2003 and regulations under that Act. Accordingly, only expenditure which fits the definition of capital expenditure contained in the Act or Regulations pursuant to it will be capitalised.
- 9.2 Capital expenditure is defined by the 2003 Act as that which falls to be capitalised in accordance with proper practices, which means in accordance with the Code of Practice on Local Authority Accounting, published by the Chartered Institute of Public Finance and Accountancy (CIPFA), applicable to all local authorities. Annex A sets out a summarised version of the definition provided by the Code. In addition there are a number of other types of expenditure that have been defined by Regulations as being treatable as capital in nature. Generally these do not apply to this Council.
- 9.3 It should be noted that the Act and Regulations are framed in a permissive way, allowing local authorities to capitalise expenditure which fits the definition but not forcing them to capitalise such expenditure. The Council will decide, therefore, whether to include a project meeting the capital definition in its capital programme or to meet its cost from a revenue account.
- 9.4 The Council does not set a minimum amount for the capitalisation of expenditure (de minimis level). Accordingly, any expenditure complying with the above definition may be capitalised.
- 9.5 Capital Finance Regulations stipulate that amounts of less than £10,000 may not be treated as capital receipts. Accordingly, any such sums received, although otherwise capital in nature, will be credited to a revenue account.

## **10. PROCUREMENT**

- 10.1 Regard will be had to the contents of the Council's Procurement Strategy when considering the delivery of capital projects.
- 10.2 Where estimated project contract costs exceed the relevant European Union threshold, the appropriate EU tendering procedures will be followed.
- 10.3 Standing Orders relating to contracts will apply to all contracts proposed to be let in relation to capital projects, together with Financial Regulations and the provisions of the Council's scheme of Delegation.
- 10.4 The achievement of Value for Money will be a guiding principle in the procurement of capital works and services and in managing contracts.

## **11. 0 FUTURE CAPITAL PROGRAMME**

11.1 During the period covered by this Strategy, there will be a need for some items of capital investment to be made in order to ensure continued service delivery or to comply with statutory requirements or to ensure health and safety of staff and public. Examples of these include: operational building repairs and maintenance; replacement of vehicles, plant and equipment required to deliver services; disabled facilities grants.

11.2 Funding for additional projects not essential to operational continuity will depend on capital receipts from asset sales. Appendices to the Asset Management Strategy 2012-2015 set out the assets which will be available for disposal during this period and the arrangements to be adopted for public consultation concerning their disposal. Additionally, the appendices indicate a larger number of potential assets for disposal towards and beyond the end of the said strategy. It is intended that the planning merits of those assets be determined during the preparation of the Council's Site Allocation and Policies Local Plan (likely to be completed around the end of 2014/15).

11.3 Work is ongoing to compile a basic programme containing those projects which it can be foreseen will be necessary to ensure service delivery or to comply with statutory requirements or ensure health and safety. The programme will also contain projects which are fully funded by external parties and which meet corporate priorities. The overall size of the programme will be determined by the resources estimated to be available to fund it.

11.4 It will be essential to apply a robust prioritisation process to determine which projects are included in the capital programme and are subsequently proceeded with. No projects should be considered in isolation. They must be required to be measured against all other competing projects to determine which should go forward. This process should also apply to any projects which are proposed subsequent to the approval of the programme, to ensure that only those projects with a high priority are proceeded with and funds are not diverted to projects of a lesser priority.

11.5 Funding for this basic programme is likely to be available to some extent from the following sources:

- Further capital receipts from asset sales
- Right to Buy capital receipts
- Government grants
- Other external contributions
- Internal lease repayments

The present assumption is that there will be no borrowing.

All of the above funding sources are likely to be limited so the programme can only include affordable basic projects.

11.6 Current estimates of the amount required to be invested in projects to ensure continued service delivery compared with forecasts of likely receipts from asset sales and other available resources indicate that there will be insufficient resources available to fund all of these requirements over the two year period 2012/13 to 2013/14 and possibly beyond this. It is unlikely that significant sales of assets will be achieved within this timeframe, given poor market conditions and the time normally taken before an asset is finally disposed of. The Council may, therefore, have to review its stance with regard to borrowing, if this proves to be the only practical means of funding necessary investment, particularly if a major unforeseen item of capital expenditure were to materialise, for

example major repairs to enable an operational building to continue to be used or new legislation requiring capital spending.

**DEFINITION OF CAPITAL EXPENDITURE INCLUDED IN THE CODE OF PRACTICE ON  
LOCAL AUTHORITY ACCOUNTING IN THE UNITED KINGDOM**

All expenditure that can be directly attributed to the acquisition, creation or enhancement of items of property, plant and equipment or the acquisition of rights over certain longer-term intangible benefits is accounted for on an accruals basis and capitalised as a non-current asset. It must be probable that the future economic benefits or service potential associated with the item will flow to the Council - the Council does not have to own the item but it must be more than likely that it has gained the right to use the item in the provision of services or to generate cash from it. In addition it must be possible to measure the cost of the item reliably.

Expenditure that should be capitalised will include expenditure on the:

- Acquisition, reclamation or laying out of land
- Acquisition, construction, preparation, enhancement or replacement of roads, buildings and other structures
- Acquisition, installation or replacement of movable or immovable plant, machinery, apparatus, vehicles and vessels

In this context, the definition of enhancement contained in the previous Code of Practice (SORP) is still applicable and means the carrying out of works which are intended to:

- Lengthen substantially the useful life of the asset, or
- Increase substantially the market value of the asset, or
- Increase substantially the extent to which the asset can or will be used for the purpose or in conjunction with the functions of the local authority concerned.

Under this definition, improvement works and structural repairs should be capitalised, whereas expenditure to ensure that the fixed asset maintains its previously assessed standard of performance should be recognised in the revenue account as it is incurred. Expenditure on existing fixed assets should be capitalised in three circumstances:

- Enhancement - see above
- Where a component of the fixed asset that has been treated separately for depreciation purposes and depreciated over its individual useful life is replaced or restored
- Where the subsequent expenditure relates to a major inspection or overhaul of a fixed asset that restores the benefits of the asset that have been consumed by the authority and have already been reflected in depreciation

Assets acquired on terms meeting the definition of a finance lease should be capitalised and included together with a liability to pay future rentals.

Where an asset is acquired for other than cash consideration or where payment is deferred the asset should be recognised and included in the balance sheet at fair value.

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## REVENUE AND CAPITAL BUDGETS 2013/14

**Submitted by:** Executive Director (Resources and Support Services)

**Portfolio:** Finance and Budget Management

**Wards(s) affected:** All

### **Purpose of the Report**

To inform the Committee of the current proposals being considered to balance the 2013/14 revenue budget.

### **Recommendation**

**That the proposals as set out in the appendix to the report be noted and any comments be forwarded to the Cabinet for further consideration.**

### **Reasons**

To enable the Committee to review the proposals and to determine whether any comments are to be forwarded to the Cabinet for further consideration.

## **1. Background**

- 1.1 As reported to you at your meeting of 3 September 2012, a Budget Review Group has been established, chaired by the Cabinet Portfolio Holder for Finance and Budget Management. Its remit 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.
- 1.2 The Council's Medium Term Financial Strategy (MTFS), approved by Cabinet on 19 October 2012 and considered at your last meeting on 30 October indicated that there would be a budget "gap" of £1.627m in respect of 2013/14 and that this would need to be closed in order to produce a balanced budget.
- 1.3 There have been a small number of changes required to the MTFS since its approval in October, totalling an additional £156,000. Particularly, these include reductions in benefits administration subsidy notified for 2013/14, additional requirements in relation to employee health and safety and the need to investigate and remediate possible contaminated land within the Borough.
- 1.4 It is also proposed to create a Revenue Investment Fund with initial funding of £100,000. This means that the "gap" now stands at £1.883m for next year.

## **2. Proposed Savings and Efficiencies to eliminate the Budget Gap for 2013/14**

- 2.1 The Budget Review Group and your officers have been identifying and considering ways of eliminating this gap, largely through a service challenge process conducted with service managers. As a result of this work, a number of savings and efficiencies have been identified and agreed with managers as being feasible and sustainable. The proposed savings, totalling £1.883m, are outlined in the table below and set out in detail in Appendix 1 to enable the Committee to review the proposals and forward any comments it wishes to

make to the Cabinet for further consideration.

<b>Category</b>	<b>Amount</b>	<b>Comments</b>
	<b>£'000</b>	
Procurement	330	Smarter procurement and reductions in the amount of supplies procured.
Additional Income	346	Includes new sources of income and additional income arising from increased activity. This amount is additional to the amount of £105,000 included in the MTFS in respect of a general 2% increase in fees and charges.
Good Housekeeping Efficiencies	328	Various savings arising from more efficient use of budgets.
Staffing Efficiencies	489	No redundancies arise from these proposals.
Better Use of Assets	6	Streetscene plant and equipment efficiencies.
New Homes Bonus funding	204	Contribution to revenue budget from New Homes Bonus funding.
Council Tax Freeze Grant	70	Based on the Government's announcement of 1% for all local authorities who propose a Council Tax freeze.
Full Implementation of Council Tax Reforms	110	Additional income arising largely from changes in respect of empty property and second homes. This is the Council's share of the total additional income which may arise.
<b>Total</b>	<b>1,883</b>	

### 3. List of Appendices

Appendix 1 - Savings and Efficiencies

**2013/14 Savings and Funding Strategies Being Considered** *(will require robustness checks and final review)*

Reference	Service Area	Description	2013/14 (£000's)	% of Budget Line(s)	Detail
<b>Procurement</b>					
P1	Chief Executive	Corporate Hospitality - Catering	1	29.7%	Consistent underspends of the budget
P2	Central Services	Computer software	4	100.0%	One off purchase of time/case management system - budget will not be required in future years
P3	Central Services	Books and publications	1	4.8%	Savings to be made on purchase of books and publications through procurement of e-versions
P4	Central Services	County Council land charges searches	4	9.5%	Potential savings in Staffordshire County Council land charges search fees (10% = £4,000)
P5	Central Services	Corporate subscriptions	2	8.0%	Savings in the Council's corporate subscriptions through negotiation and non renewal
P6	Communications	Print Room stationery	4	20.5%	Savings made in expenditure on paper purchased by the Print Room
P7	Communications	Print and publicity centralisation savings	6	5.5%	Savings generated from the centralisation of the Council's print and publicity budgets and the resulting challenges to purchasing
P8	Business Improvement and Partnerships	Insurance/risk	10	4.5%	Reduction in insurance premiums and value of risk charges made by insurers
P9	Business Improvement and Partnerships	Procurement savings not identified in other services	100	*	Procurement savings identified via Procurement Section (e.g. postal services, cash collections)
P10	Customer and ICT Services	ICT Software application purchase and maintenance	46	17.0%	Negotiation and renewal of ICT application/software contracts
P11	Customer and ICT Services	Books and publications	6	20.0%	Savings made on purchases of books, publications and mapping through procurement of e-versions
P12	Customer and ICT Services	Courier fees	3	11.0%	The procurement of a new back up system has eliminated the need to pay a courier to transport copies of backups
P13	Customer and ICT Services	Customer services computer software	4	92.5%	Saving in computer software licence following reduction in price
P14	Customer and ICT Services	Customer services uniforms	2	33.3%	Saving from more efficient purchasing of clothing/uniforms
P15	Customer and ICT Services	Franking machine maintenance	6	100.0%	Franking machine maintenance no longer required due to new methods of postage procured
P16	Housing	Housing advice contract with Aspire	25	7.6%	Reduction in value of contract for Housing Advice held with Aspire Housing
P17	Housing	Housing advice contract with Aspire - uplift	6	1.8%	Contract uplift not required
P18	Housing	Homelessness project contracts	24	21.1%	Reduction in values of contracts for provision of homelessness services
P19	Assets and Regeneration	Civic Offices/Guildhall and Central Depot gas, electric and general maintenance	31	13.9%	Procurement savings arising from gas, electricity and general maintenance of the civic offices, guildhall and central depot

**2013/14 Savings and Funding Strategies Being Considered** *(will require robustness checks and final review)*

Reference	Service Area	Description	2013/14 (£000's)	% of Budget Line(s)	Detail
P20	Environmental Health	Dog Wardens and Pest Control expenditure	10	49.4%	Reduction in budget required for materials for pest control resulting from better procurement and for other fees for services for dog wardens resulting from reduction in kennelling services required
P21	Recycling and Fleet	Garage Workshop parts and external repairs	10	6.3%	Savings to be made through better procurement of parts and better procurement of externally done repairs
P22	Operations	Parks and Open Spaces electric and water	6	19.7%	Reduction in electricity and water charges as a result of better procurement and operations
P23	Operations	Bereavement Services gas and electric	6	6.7%	Reduction in electricity and gas charges as a result of better procurement and operations
P24	Operations	Public Conveniences water charges	3	33.3%	Reduction in water charges as a result of better procurement and operations
P25	Operations	Streetscene materials	4	7.0%	Savings to be generated from better procurement of materials by the service
P26	Operations	Bereavement Services/Grounds Maintenance contract	7	2.0%	Contract will be managed at current level
			<b>330</b>		
<b>Income</b>					
I1	Central Services	Legal fees income generated	5	25.0%	Time/case management system will generate income in legal fees chargeable by the Council
I2	Central Services	Premises licences income	20	25.0%	Income in excess of budget in recent years, additional enforcement powers have been introduced regarding the collection of this licence fee
I3	Finance	Income Generation Project	25	*	Potential income generated from the commissioning of Deloitte to undertake an income generation exercise
I4	Customer and ICT Services	Income from Staffordshire County Council re. blue badges administration	6	150.0%	Income received from Staffordshire County Council for the administration of blue badges in excess of the amount budgeted for
I5	Customer and ICT Services	Waiver Permits	15	**	Introduction of charge for parking waiver permits
I6	Human Resources	Training room hire	2	200.0%	Training room hire to partners within the Civic Offices
I7	Revenues and Benefits	Greater recovery of housing benefit overpayments	10	10.0%	Recovery rates from housing benefits overpayments have increased over recent years
I8	Revenues and Benefits	Single person discount scheme	20	*	Increase in recovery from identification of fraudulent single persons discounts applied
I9	Housing	Private Sector Housing income	7	17.1%	Increase in amount of lettings fees and charges received by Private Sector Housing Renewal

**2013/14 Savings and Funding Strategies Being Considered** *(will require robustness checks and final review)*

Reference	Service Area	Description	2013/14 (£000's)	% of Budget Line(s)	Detail
I10	Assets and Regeneration	Additional accomodation rental income (total £320k)	90	28.1%	Additional rental income - full years impact of Police and Staffordshire County Council occupancy
I11	Assets and Regeneration	Public transport co-ordination	8	36.4%	Fees and charges from bus station departures have increased above the budgeted amount
I12	Environmental Health	Litter Fines Income	8	39.7%	Increase in budgeted income arising from litter fines
I13	Environmental Health	Private Water Supplies Income/Commercial Premises Survey	4	**	New source of income to be generated from the testing of private water supplies
I14	Planning and Development	Pre application enquiries charge	5	**	Introduction of charge for pre application enquiries
I15	Recycling and Fleet	Commercial Waste fees	20	5.1%	Increase in commercial waste fees to the Council through better promotion of the service and through shared services within the Commercial Waste Partnership
I16	Recycling and Fleet	MOT's, taxi inspections	3	20.0%	Further income to be obtained by the Garage Workshop from MOT's, taxi inspections and external work (e.g. Aspire Housing)
I17	Recycling and Fleet	Commercial Waste use of waste transfer station	5	5.9%	Income to be obtained through increased commercial use of the waste transfer station
I18	Recycling and Fleet	Dry recycling fees and charges - increase in receipts	15	5.0%	Increase in income received from dry waste recycling fees and charges
I19	Leisure and Cultural	Football Development income from KRC	8	**	Income from continued use of Knutton Recreation Centre football pitches
I20	Leisure and Cultural	Jubilee 2 reduction in net operating cost - prior to increase in fees and charges	26	27.0%	Net reduction in Jubilee 2 operating budget as per the approved business plan
I21	Operations	Parks and Open Spaces income	5	14.7%	Increases in income due to increases in receipts from general rents (i.e. football grounds etc) and bowls fees
I22	Operations	Highways Amenities income	3	2.2%	Uplift in reimbursement from Staffordshire County Council re. highways amenities grounds maintenance
I23	Operations	Bereavement Services income	26	9.2%	Increases in income due to increases in receipts from cemeteries and crematorium fees and charges
I24	Operations	Streescene Income	10	14.3%	Extra income to be generated from the service through better marketing and exploration of possible new customers
			<b>346</b>		
<b>Good Housekeeping Efficiencies</b>					
G Page 43	Central Services	Legal fees and other associated expenditure savings	19	10.0%	Time/case management system will generate savings in legal fees purchased in by the Council and further reductions in general Central Services budgets
G 43	Communications	Research	3	33.3%	Savings in postages due to electronic and face to face consultation and general office supplies

**2013/14 Savings and Funding Strategies Being Considered** *(will require robustness checks and final review)*

Reference	Service Area	Description	2013/14 (£000's)	% of Budget Line(s)	Detail
G3	Communications	Computer software	21	84.0%	Budget no longer required following the exploration of the open sourcing of a suitable system, budget requirement for the maintenance of the system is less than is budgeted for
G4	Communications	Civic gifts.prizes reduction and sundry savings	2	37.7%	Budget requirement for civic gifts/prizes, conference and computer hardware costs is less than is budgeted for
G5	Business Improvement and Partnerships	Community Development Grant - budget not required	30	100.0%	Grant not utilised
G6	Business Improvement and Partnerships	Community Chest grants - cap at current level of expenditure	5	7.1%	Grants given out are under the amount provided for
G7	Finance	Nu-Links contribution	4	100.0%	Nu-links has ceased to exist, a contribution is not required
G8	Finance	External audit fees	58	39.7%	Reduction in the fees charged by the Council from its external auditors following Central Governments procurement
G9	Human Resources	Job Evaluation scheme	1	40.0%	Reduction in required fees/numbers of re-evaluation of posts
G10	Human Resources	Reduction in catering and stationery	2	85.0%	Reduction in catering at training events and stationery requirements
G11	Revenues and Benefits	Revenues and Benefits legal fees	4	12.7%	Reduction in legal fees required when compared to recovery caseload
G12	Revenues and Benefits	Revenues and Benefits land registry fees	6	53.2%	Reduction in land registry fees paid for by Revenues Billing
G13	Leisure and Cultural	Community Recreation Service rents and other expenditure	23	51.1%	Rental budget for buildings, land and rooms historically under utilised by service, no longer required due to new location
G14	Leisure and Cultural	Community Recreation Service grants	15	74.8%	Proportion of grants budget not used - required amount left on budget
G15	Leisure and Cultural	Football Development reductions in expenditure	5	53.8%	General reduction to required budget amounts based on historical expenditure
G16	Leisure and Cultural	Community Centre contributions ending - last year	10	100.0%	Contributions were given to Community Centres on a reducing basis at the establishment of management committees, 2011/12 is the last year of the contributions as per the Community Centre agreements
G17	Assets and Regeneration	Public transport repairs/maintenance and equipment	2	11.3%	Reduction in the budget required to repair, maintain and purchase equipment relating to public transport
G18	Assets and Regeneration	Water courses	9	35.7%	Reduction in the budget required to repair and maintain water courses
G19	Planning and Development	Development Control expenditure	25	7.7%	Reductions in general Development Control budgets required as per historical expenditure - including other fees for services and legal fees
G20	Planning and Development	Planning Policy expenditure	15	57.5%	Reductions in general Planning Policy budgets required as per historical expenditure - including other fees for services and post entry training requirements

**2013/14 Savings and Funding Strategies Being Considered** *(will require robustness checks and final review)*

Reference	Service Area	Description	2013/14 (£000's)	% of Budget Line(s)	Detail
G21	Housing	Private Sector Housing expenditure	6	20.2%	Reductions in general Private Sector Housing Renewal budgets required as per historical expenditure - including other fees for services
G22	Environmental Health	Environmental Health and Pollution Control expenditure	24	15.9%	General reductions in budgets required as per historical expenditure and partly due to sharing of expertise and equipment with other Authorities - including other fees for services, legal fees and equipment purchases (result
G23	Recycling and Fleet	Recycling Bring Sites	40	88.9%	Set up costs of bring sites - only an ongoing maintenance cost is now required
			<b>328</b>		
<b>Staffing Efficiencies</b>					
S1	Central Services	Additional full year salary saving from Land Charges restructure	2	2.6%	Part year saving of salary taken in 2011/12 - full year effect in 2012/13
S2	Communications	Marketing Officer post	28	10.4%	Termination of temporary contract
S3	Communications	Training	2	50.0%	Completion of post entry training by existing staff member
S4	Business Improvement and Partnerships	Replacement of Community Safety Manager post with grade 8 post	15	10.9%	Replacement of vacant post with lower graded post
S5	Customer and ICT Services	ICT temporary staff	10	20.0%	Reduction in requirement for external expertise following negotiation and renewal of ICT application/software contracts
S6	Customer and ICT Services	Post Room staff savings	20	34.5%	Non-filling of vacant 29.6 hour administration post
S7	Finance	Part Time Officers	13	3.4%	Reduction in hours of 2 officers returning from maternity leave
S8	Finance	Pay Award 2012/13	58	*	Allowance in budget for 2012/13 not now required
S9	Human Resources	Terms and conditions review	100	*	Terms and conditions review being undertaken. Options are currently being consulted on
S10	Human Resources	Corporate training budget	15	33.3%	Reduction in the Councils corporate training budget - efficiencies gained through centralisation of budget
S11	Human Resources	Human Resources overtime	1	50.0%	Reduction in overtime required by service
S12	Assets and Regeneration	Civil Enforcement Officer post	8	13.8%	Removal of vacant post from the budget - post not utilised in recent years, 30% of post is attributed to the general fund budget, 70% to decriminalised parking
S13	Assets and Regeneration	Electrician Post	50	55.6%	Establishment of in house post will reduce the payments made to external providers
S14	Planning and Development	Development Control temporary staff	10	100.0%	No requirement for temporary staff within the service
S15	Planning and Development	Planning Policy vacant post - potential to fill within service - potential saving from transferred post	35	28.5%	A vacant Planning Policy post could be filled via an internal transfer from Development Control or externally - if filled internally, saving on the Development Control post

**2013/14 Savings and Funding Strategies Being Considered** *(will require robustness checks and final review)*

Reference	Service Area	Description	2013/14 (£000's)	% of Budget Line(s)	Detail
S16	Planning and Development	Market supplements	9	1.9%	Market supplements savings
S17	Housing	Housing Market Renewal Officer Post	37	19.7%	Vacant post
S18	Administration	Temporary staff	4	100.0%	No requirement for temporary staff in administration section
S19	Recycling and Fleet	Food Waste Service	25	8.9%	Removal of vacant Waste Management Operative post - Food Waste
S20	Operations	Streetscene employee allowances	1	33.3%	Savings made due to implementation of new out of hours rota
S21	Operations	Landcape Officer post	43	23.2%	Removal of vacant post from the budget
S22	Operations	Streetscene Neighbourhood Manager - additional full year saving	4	0.2%	Part year saving of salary taken in 2011/12 - full year effect in 2012/13
			<b>489</b>		
<b>Better Use of Assets</b>					
B1	Operations	Streetscene plant and equipment efficiencies	6	3.3%	Efficiencies gained from better planning of routes and usage of vehicles and plant to reduce need to short term hire
			<b>6</b>		
<b>Corporate, Reserves and Council Tax Rise</b>					
C1	Corporate	New Homes Bonus funding	204	***	Contribution to revenue budget from New Homes Bonus
C2	Corporate	Council Tax Freeze Grant	70	***	1% of Council Tax
C3	Corporate	Council Tax reforms	110	***	Potential extra income dependant upon schemes implemented
			<b>384</b>		
<b>Grand Total</b>			<b>1,883</b>		
<p>* <i>Unable to determine % at current time</i>  ** <i>Introduction of new charge</i>  *** <i>Not applicable</i></p>					



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