

Public Document Pack



Dear Sir/Madam,

You are summoned to attend the meeting of the Borough Council of Newcastle-under-Lyme to be held in the **Council Chamber, Civic Offices, Merrial Street, Newcastle Under Lyme, Staffordshire ST5 2AG** on **Wednesday, 22nd February, 2012** at **7.00 pm**

B U S I N E S S

1 Mayors Announcements

2 DECLARATIONS OF INTEREST

To receive Declarations of Interest from Members on items included on the agenda.

3 MINUTES

(Pages 1 - 4)

To approve as a correct record the minutes of the meeting held on 14th December 2011.

4 Minutes of Committees for information

5 Economic Development and Enterprise Overview and Scrutiny Committee - Wednesday 23 November 2011 (Pages 5 - 6)

6 Overview and Scrutiny Co-ordinating Committee - Monday 28 November 2011 (Pages 7 - 10)

7 Cabinet - Wednesday 30 November 2011 (Pages 11 - 14)

8 Licensing Committee - Tuesday 29 November 2011 (Pages 15 - 16)

9 Public Protection Committee - Monday 5 December 2011 (Pages 17 - 20)

10 Planning Committee - Tuesday 6 December 2011 (Pages 21 - 24)

11 Planning Committee (Strategic) - Tuesday 13 December 2011 (Pages 25 - 28)

12 Planning Committee - Wednesday 4 January 2012 (Pages 29 - 34)

13 Economic Development and Enterprise Overview and Scrutiny Committee - Thursday 5 January 2012 (Pages 35 - 36)

14 Health Scrutiny Committee - Wednesday 11 January 2012 (Pages 37 - 40)

15 Joint Parking Committee - Monday 16 January 2012 (Pages 41 - 44)

16 Cabinet - Wednesday 18 January 2012 (Pages 45 - 50)

17 Transformation and Resources Overview and Scrutiny Committee - Wednesday 18 January 2012 (Pages 51 - 54)

18 Transformation and Resources Overview and Scrutiny Committee - Wednesday 25 January 2012 (Pages 55 - 58)

19 Planning Committee - Tuesday 24 January 2012 (Pages 59 - 60)

20 Reports of the Chairs of the Overview and Scrutiny Committees

21 Motions of Members

22 RECEIPT OF PETITIONS

To receive from Members any petitions which they wish to present to the Council pursuant to Standing Order 17.

23 Bateswood Local Nature Reserve Petitions (Pages 61 - 64)

24 Capital Strategy (Pages 65 - 80)

25 Treasury Management Strategy 2012/13 (Pages 81 - 100)

26 Revenue and Capital Budgets and Council Tax 2012/13 (Pages 101 - 122)

27 STANDING ORDER 18 - URGENT BUSINESS

To consider any communications which pursuant to Standing Order No18 are, in the opinion of the Mayor, of an urgent nature and to pass thereon such resolutions as may be deemed necessary.

Yours faithfully

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

Chief Executive

NOTICE FOR COUNCILLORS

1. Fire/Bomb Alerts

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

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

On exiting the building Members, Officers and the Public must assemble at the front of the former Hubanks store opposite to the Civic Offices. DO NOT re-enter the building until advised to by the Controlling Officer.

2. Attendance Record

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

3. Mobile Phones

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

4. Tea/Coffee

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

5. Notice of Motion

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

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COUNCIL

Wednesday, 14th December, 2011

Present:- T Hambleton – in the Chair

Councillors Heames, J Walklate, R Slater, D Cornes, Welsh, H Johnson, Studd, Burnett, D Clarke, M Clarke, J Cooper, D Becket, A Beech, Y Burke, A Howells, G Cairns, Boden, I Matthews, M Olzewski, K-N Taylor, S Hambleton, Lewis, A Wemyss, I Wilkes, G Williams, J Williams, Astle, Fear, I Gilmore, P Hailstones, Allport, Eagles, Kearon, Taylor, Waring, D Nixon, Olszewski, T Lawton, Loades, Holland, Bailey, J M Cooper, N Jones, M Reddish, D Richards, E Shenton, S Simpson, G Heesom, Snell, S Sweeney, J Tagg, S Tagg and Bates

1. **PART 1**

2. **APOLOGIES**

Apologies were received from Cllr Mrs Hailstones, Cllr Robinson, Cllr Mrs Myatt, Cllr Blair and Cllr Bannister.

3. **DECLARATIONS OF INTEREST**

There were no declarations of interest.

4. **MINUTES**

Cllr Studd stated that he had not been present at the last meeting held on 19th October 2011 and was aware that his absence had been noted and he thanked those Members who had supported and explained the reasons for his absence.

Cllr Snell stated that he had asked that his comments regarding statements made by Cllr S Tagg in relation to Cllr Studd and members of the public not present at the meeting be minuted. This had not been actioned but it was agreed that it be noted that Cllr Snell had requested Cllr S Tagg's comments be withdrawn.

Resolved: That the minutes of the meeting held on 19th October be agreed.

5. **MAYORS ANNOUNCEMENTS**

The annual Civic Carol Service would take place at St. Barnabas' Church, Caudon Avenue, Bradwell on Sunday, 18th December at 6.00 p.m. All Members were invited.

There would be a Mayor's Charities Rock and Roll Night at Bradwell Community Centre on the 25th February. Tickets were available from the Mayor.

The Mayor's Ball, was to take place on 30th March 2012 at Keele. Tickets would be available in the New Year.

The Mayor had received from the Chief Executive notice of a question from Councillor George Cairns to Councillor Bannister, Portfolio Holder for Culture and Active Communities under Standing Order 21(2) as follows:

“Following the recent Magistrates’ judgment against the Borough Council for failing to adequately protect users at the Whitfield Community Centre in the Westlands in 2009, can the Portfolio Holder confirm:

- What inspections have been carried out in other community centres in the Borough to check the condition of their heating equipment since 2009?
- What, if any, corrective and preventative actions have been taken by the Council to redress identified problems?

In the absence of the portfolio holder Cllr Studd responded and stated that there were robust gas safety and testing measure in place and that all gas appliances were subject to an annual check in line with government regulations. If any appliances were found to be in a dangerous state they were shut down and immediate remedial action was taken. Electric heating and wiring systems were also regularly tested.

Cllr Cairns submitted a supplemental question requesting details of the investigations that had taken place and a report on the contract that had been agreed. Cllr Studd agreed that that these were serious concerns and a written response would be provided following consultation with officers.

Resolved: That a written response be provided to Cllr Cairns.

6. **STATEMENT OF THE LEADER OF THE COUNCIL**

Concerns were raised by Members regarding the development of the Site Allocations Policy. The main area of concern centred on the consultation process that would be carried out by the Council and confirmation was sought that any consultation process would take on board the work carried out by the NDP working Group led by Cllr Loades. The Leader confirmed that the work carried out by the NDP group and its recommendations would be carried forward to the upcoming consultation regarding site allocations. It was stated that the project currently being developed focused on processes rather than specific cases and that consultation would be sought at every stage.

Regarding the Economic Development Strategy for the Borough it was stated that there would be a new Marks and Spencer’s Development on Wolstanton Retail Park which would create 350 new jobs.

The question was raised as to whether there were any proposals to carry on the excellent work regarding re housing that had been carried out through the RENEW Pathfinder Programme. It was thought that this was unlikely at the present time.

It was confirmed that Knutton Recreation Centre would be disposed of as soon as possible following completion of Jubilee 2. Members questioned whether an exit strategy had been prepared regarding this and raised concerns that antisocial behaviour in Knutton might increase leading to vandalism of the bowling green and astro turf pitch where it was thought the CCTV was no longer operational. It was

stated that there was a structured timetable and exit strategy in place and that this could be provided to Members in writing.

Members requested that answers to the following questions be provided in writing following the meeting:

- What was the usage of the Centre when Jubilee 2 was announced?
- How much money the Centre was making before it began to close?
- What facilities are available in other communities/wards?
- What steps are being taken to make the building secure following closure?
- What is planned for the 3g football pitch and Bowling Green?
- Why the CCTV is currently non operational?

A question was also raised regarding the future of the sports centre at Kidsgrove, this was not a Borough owned building but meetings were being held with the County Council regarding its future.

The Council welcomed the introduction of new boundary signs at gateway locations around the Borough illustrating the close connection between the university and the local area.

The Portfolio Holder for Resources and Efficiency stated that the majority of targets were being met following the publication of the figures for Quarter 2. There were still however areas of downturn such as for parking fees. A request was made that details be provided in the future of the specific areas of downturn and the areas where savings had been made.

The waste management strategy was proving very successful and the service had been recognised several times in national award schemes and had made savings of more than £500,000 annually. A note was made to thank the staff who had worked so hard over the past few years to increase the recycling rates to more than 50%.

7. REPORTS OF THE CHAIRS OF THE OVERVIEW AND SCRUTINY COMMITTEES

The Active and Cohesive Overview and Scrutiny Committee had set up a working group to look at the future of third sector commissioning and the first meeting of the group had now been held. A working group would also be established to scrutinise the public consultation regarding Bateswood Local Nature Reserve.

The Cleaner, Green and Safer Overview and Scrutiny Committee was currently looking at issues relating to alcohol harm reduction and would be liaising with Officers from the County Council Trading Standards department. The Committee would be looking at the Crime and Disorder Reduction Partnership at its next meeting and keeping an overview on the Police, Reform and Social Responsibility Act.

The Economic Development and Enterprise Scrutiny Committee had set up a Working Group to investigate the future provision of Broadband in the Borough; the Group would be receiving a presentation from BT at its next meeting on 21st December 2011. The Committee had requested Scrutiny Briefs regarding The Strategic Assets Review, the Asset Management Strategy, the Strategic Tenancy Policy and the Strategic Asset Review for its meetings in January and February.

The Performance Management Working Group set up by the Transformation and Resources Scrutiny Committee had now met three times and the constitution working party was in the process of being set up.

The Health Scrutiny Committee had completed its Scrutiny of the major trauma centres in the area and the Chair was please to confirm that a major trauma centre would remain at the University Hospital of North Staffordshire. The Accident and Emergency Department at Mid Staffs was still closed through the night but this had resulted in less ambulance transfers then expected to Newcastle. The Committee would be looking at Health inequalities in the Borough at its next meeting especially high infant mortality rates.

The Chair of the Co-ordinating Committee stated that Scrutiny appeared to be improving at the Borough with real work being carried out with tangible outcomes. The Co-ordinating Committee had consulted the forward plan and planned to carry out some work on car parking in the Borough and the future use of St Giles and St Georges and Maxims. Care would however be taken that any work carried out did not duplicate that done by the Joint Parking Committee or Conservation Advisory Committee.

8. RECEIPT OF PETITIONS

A petition was received from Cllr Mrs Shenton.

9. STANDING ORDER 18 - URGENT BUSINESS

There was no urgent business.

10. PART 2

HM Lord Lieutenant for the County of Staffordshire, Sir James Hawley KCVO JP TD and Lady Susan Hawley DL were presented with Honorary Freedom of the Borough.

T HAMBLETON
Chair

**ECONOMIC DEVELOPMENT AND ENTERPRISE OVERVIEW AND
SCRUTINY COMMITTEE**

Wednesday 23 November, 2011

Present:- Councillor M Olszewski – in the Chair
Councillors Mrs A Beech, Cairns, Clarke D, Hailstones Holland, Loades,
Miss Olszewski and Wilkes

1. DECLARATIONS OF INTEREST

There were no declarations of interest given.

2. MINUTES OF A PREVIOUS MEETING

Resolved:- That the minutes of the meetings held on 24 August and 28 September 2011 be agreed as a correct record.

3. BROADBAND PROVISION

The Council's Elections and Licensing Manager updated Members on the current position regarding the Working Group. A further meeting had been arranged for 6 December at which a representative from BT would be in attendance.

The County Council were carrying out an exercise for the whole County and these results would be available at the end of December. This Committee could then examine those statistics. There was a dedicated Project Officer at the County who could be contacted for more information.

Resolved:- (a) That the information be received.
(b) That the County be approached for more information.

4. HIGH SPEED 2 LTD

The Council's Elections and Licensing Manager updated Members on the current situation. The Government's decision as to whether or not to proceed would not be made until December and therefore it would be advisable to await the decision before progressing further.

Some concerns were raised regarding the re-opening of old lines especially where country parks or residential developments had been established.

Resolved:- That the information be received and the comments noted.

5. COMMUNITY INFRASTRUCTURE LEVY (CIL)

Members were advised that there was nothing further to report on this item.

Resolved:- That the comments be noted.

6. ECONOMIC DEVELOPMENT STRATEGY

Members were advised that there was nothing further to report on this item.

The Document was said to be easy to understand and needed a few minor amendments with regular reviews.

The Council's Regeneration and Economic Development Manager would report back to the February meeting of this Committee.

Resolved:- That the information be received.

7. FORWARD PLAN

Consideration was given to a report on items contained within the Forward Plan which were relevant to this Committee

The Chair had been approached by the Council's Head of Housing requesting that this Committee scrutinise the Strategic Tenancy Policy and the Housing Allocations Policy.

The Chair to Transformation and Resources Overview and Scrutiny Committee had asked if the Staffordshire Strategic Assets Review and the Assets Management Strategy 2012/13 to 2014/15 fell under the remit of this Committee. Members agreed that this was the case and requested that Scrutiny Briefs be brought to an extra meeting of this Committee to be held on 4 January 2012.

Resolved:- (a) That the information be received.

(b) That the Strategic Tenancy Policy and Housing Allocations Policy be scrutinised by the Committee in February 2012.

(c) That Scrutiny briefs be requested on the Staffordshire Strategic Assets Review and the Assets Management Strategy and be brought to the January meeting of this Committee.

8. URGENT BUSINESS

M OLSZEWSKI
Chair

OVERVIEW AND SCRUTINY CO-ORDINATING COMMITTEE

Monday 28 November 2011

Present:- Councillor M R Clarke – in the Chair

Councillors Boden, Miss Cooper, Gilmore, Mrs Hailstones, Mrs Heames, Olszewski and Wilkes

1. APOLOGIES

Apologies were received from Councillors Becket, Mrs Shenton, Snell and Williams,

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES FROM PREVIOUS MEETING

The Committee considered item No 4 of the minutes relating to the Call-in of the proposals for the disposal of Knutton Recreation Centre. The Committee considered that it would have been beneficial if discussions could have taken place in the first instance regarding a SLA between the Council and the College regarding the use of sporting facilities. Members did however query whether there had been discussions between the County Council and the College regarding usage and that the outcomes of these discussions would be worth investigation. The Committee considered that pressure should still be put on the Cabinet to try and ensure some agreement with the College regarding ad hoc bookings but it was recognised that block bookings were common place and required from a business perspective.

The Committee questioned what was happening regarding grants awarded to the New Vic Theatre and requested that feedback on this topic be provided.

Resolved: (a) That the Committees comments regarding the usage of the College sports facilities be fed back to Cabinet.

(b) That information regarding any agreement between the County Council and the College be sought.

(c) That information regarding funding of the New Vic Theatre be provided to the next meeting.

(d) That the minutes of the previous meeting be agreed.

4. UPDATE REGARDING SCRUTINY BRIEFS CURRENTLY BEING CONSIDERED

The Committee received a report updating it on the work being undertaken or planned by the various Overview and Scrutiny Committees and the Health Scrutiny Committee. The following verbal updates were received:

Active and Cohesive Overview and Scrutiny Committee:

A working group had now been established to scrutinise the third sector commissioning contracts and was due to meet on 13 December.

The Committee discussed the scrutiny brief relating to Bateswood Local Nature Reserve and the consultation project. It was stated that leaflets had been distributed to a set number of individuals in the vicinity of the reserve and that the Audley LAP and Chesterton LAP had both been consulted. Members requested whether a map of the area was available and it has since been confirmed that there is a map available on the internet. The Committee agreed that the methods of consultation were acceptable.

Cleaner, Greener and Safer Communities Overview and Scrutiny Committee:

Members discussed the Scrutiny Brief regarding volunteers staffing CCTV control rooms. Concerns were raised regarding whether the volunteers would be expected to give evidence in court and the level of training that the volunteers would receive. Members also questioned whether the volunteers would be expected to undergo a CRB check.

The Vice Chair of the Cleaner, Greener, and Safer Communities Committee confirmed that the Committee would be focusing its attention on scrutiny of the Crime and Disorder Partnership and the development of a Safer and Stronger Communities Strategy for Newcastle under Lyme.

Members considered the Scrutiny Brief relating to the development of a Safer and Stronger Communities Strategy for the Borough and requested that the author of the brief be congratulated on its format and content and suggested that it be used as a benchmark for future scrutiny briefs.

Economic Development and Enterprise Overview and Scrutiny Committee:

The Chair of the Economic Development and Enterprise Committee confirmed that two working groups had now been set up to consider broadband provision in the Borough and the High Speed 2 initiative. Both groups had now met and a representative from BT had been invited to the next meeting of the Broadband Working Group to provide information on the future provision of Broadband in the Borough. The HS2 Working Group would meet again in the New Year following clarification from Government as to the actual proposals.

Transformation and Resources Overview and Scrutiny Committee:

A working group had been established and had commenced scrutiny of the performance management review.

The Transformation and Resources Committee would be considering the Revenue and Capital Budgets for 2012/13 at its next meeting along with the Treasury Management Strategy, the Capital Strategy and the Finance and Performance Management Monitoring Report.

The Committee raised concerns regarding the scrutiny brief relating to the co-location in partners in the Civic Offices and especially with regards to the police moving into

the building. The issue of risk assessments was discussed and the Committee queried whether a risk assessment was already in place for all front line staff.

Health Scrutiny Committee:

The Health Scrutiny Committee had submitted a response to the County Council regarding Mental Health Consultation.

At its previous meeting the Health Scrutiny Committee had questioned representatives from the PCT regarding the closure of the High Street Practice in Newcastle and had determined to keep a close eye on the process of redistributing residents to alternative practices.

The Chair of the Health Scrutiny Committee had expressed concern regarding access to phlebotomy services and it was considered that issues regarding the service were due to publicity and that this would need to be addressed immediately.

Members from the Health Scrutiny Committee would be visiting the new accident and emergency department in January 2012.

The Health Scrutiny Committee had received a request from Staffordshire County Council to carry out a scrutiny project in relation to infant mortality in the Borough.

Members of this Committee requested whether information was available regarding the location of defibrillator machines in the Borough.

Resolved: That the report be received and the actions of the Overview and Scrutiny Committees be noted.

5. FORWARD PLAN NOVEMBER TO FEBRUARY 2011

The Committee considered the item in the forward plan relating to proposals for the refurbishment and re-use of the former St Giles and St Georges school building. A scrutiny brief was requested to be brought to the next meeting including information relating to proposals for the former Maxims building and Pound Stretcher. Care would however be taken to ensure that there was no duplication with the Conservation advisory Group regarding these projects.

The Committee also stated that it would welcome an opportunity to scrutinise the issue of car park provision in the Borough, a report on this was being submitted to Cabinet on 30 November.

Clarification was sought regarding Waste Transfer Tenders as it was thought that these were under the remit of the County Council.

A request was made that the Committee consider a scrutiny project regarding First Bus. The Committee considered that this was probably more of a County Council issue but that a representative from the Borough should be on the County Forum responsible for public transport and this person needed to be identified.

Resolved: (a) That a Scrutiny Brief regarding proposals for the form St Giles and St Georges School Building be provided for the next meeting of this Committee.

(b) That clarification be sought regarding waste transfer tenders.

Overview & Scrutiny Co-ordinating – 28/11/11

(c) That the Borough Councils representative on the County Forum for public transport be identified.

M R CLARKE
Chair

CABINET

Wednesday 30 November 2011

Present:- Councillor S Sweeney – in the Chair
Councillors Howells, Jones, Miss Reddish and Studd

1. **APOLOGIES**

Apologies were received from Councillor Bannister.

2. **MINUTES**

The minutes of the Cabinet meeting held on Wednesday 19 October 2011 were agreed pending the alteration of 'Committee' to 'Cabinet' on page 2 of the agenda.

3. **DECLARATIONS OF INTEREST**

There were no declarations of interest.

4. **KEELE UNIVERSITY PROMOTIONAL SIGNAGE**

The Cabinet welcomed the Vice Chancellor from Keele University, Professor Nick Foskett to the meeting.

Members agreed that it was important to show through the use of signage that Keele was part of the Borough of Newcastle under Lyme thus helping to raise the image of the Borough. Professor Foskett agreed and stated that it would be beneficial for the Council and the University to work more closely together and that he was optimistic regarding the benefits to both organisations. Keele University was one of the largest employers in the Borough with approximately £120 million turnover and it was important that the Council and the University work together to stimulate growth, encourage economic engagement and find ways to offer opportunities for new graduates. It was agreed that Cabinet Members visit the University in the spring.

Resolved: (a) That the request from Keele University to add signage announcing the presence of the University to existing 'Welcome to Newcastle' gateway signs be noted.

(b) That Officers be authorised to take the necessary steps to implement the additional signage.

(c) That Cabinet Members visit the University in the Spring.

5. **FINANCIAL AND PERFORMANCE MANAGEMENT REPORT TO END OF QUARTER TWO (SEPTEMBER) 2011**

A report was submitted to provide Members with the financial and Performance Review for the 2011/12 second quarter.

There had been very few missed targets and some targets were better than had been expected. Where targets had not been achieved reasons had been

documented. Crime reduction figures were thought to be excellent and it was felt that these would improve even further following the move of the Police into the Civic Offices.

The Council continued to deliver the Partnership Scheme for improvements in Newcastle Town Centre Conservation Area which was thought to be a major asset to the Town and included a key project at Mellards Warehouse that was due for Phase 1 completion by November, Stage 2 would commence in December.

A mystery shopper scheme was due to take place in conjunction with Stafford Borough Council, results from this were expected in December 2011. CST2 on Pg 26 of the agenda had not reached the target but this had been due to vacancies, long term sickness and annual leave commitments. A number of these issues had now been addressed and the September figures showed an improvement.

The review of ICT contracts had now been completed which would result in good savings for the Council. The sickness figures for the last six months were excellent at only 3.46 which was below target and on par with levels in the private sector. The % projected variance against the full year Council budget was 0.3 but £200,000 had been included in the budget to cover this and the variance was still deemed an achievement considering the current financial climate.

ER5 and ER6 on pg 30 of the report showed a negative but these were now back on track and inspections of licensed premises were now being prioritised to ensure the target was achieved In the next quarter.

The number of people accessing leisure and recreational facilities had not reached the target but this was due to the closure to facilities at Knutton recreation centre and it was anticipated that these figures would improve following the opening of Jubilee 2 in January 2012. The Museum was praised for the increase in visitor numbers this year, an increase of 1762.

Resolved: That the contents of the report be noted and that the Council continues to monitor and scrutinise performance alongside finances.

6. AMENDMENT TO THE CORPORATE COMPLAINTS, COMMENTS AND COMPLIMENTS POLICY

Cabinet was requested to approve amendments to the Corporate Complaints Procedure contained within the Corporate Complaints, Comments and Compliments Policy from a 3 stage internal process to a 2 stage internal process. The 2 new stages would be as follows:

Stage 1 Review and Process – investigation and response by Officer and Department.

Stage 2 Independent Internal Appeal – investigation by the Customer Relations Officer.

Resolved: That the current internal 3 stage complaints process be reduced to a 2 stage process.

7. NEWCASTLE-UNDER-LYME INTEGRATED WASTE MANAGEMENT STRATEGY

A report was submitted regarding the Council's integrated waste management strategy. It was highlighted that the service had won five awards and been recognised nationally for the improvements made to waste collection. As such the report requested that the period of the Council's current Strategy be extended alongside any associated contractual arrangements.

Resolved: (a) That Cabinet note the recent National Waste Review and the current alignment of the Councils Strategy with the outcome of the review.

(b) That the progress of the Strategy to date, including significant increases in the amount of recycling rates and national recognition for the Councils scheme be noted.

(c) That the current Integrated Waste Management Strategy be extended until July 2016.

(d) That the Executive Director of Operational Services be authorised to enter into two year extensions of the existing contracts with the contractors detailed in this report.

(e) That the proposed timescale for a comprehensive review of the Councils Strategy be approved as set out in the report.

(f) That opportunities for further cost savings through existing contracts and joint working be kept under review through the life of the Strategy and review process.

8. ALLOTMENTS SERVICE - REVIEW OF POLICY

Members received a report requesting that a review be undertaken of the Allotments Policy including consideration of options to reduce the current level of subsidy and overall cost of the allotment service provided by the Council.

Resolved: (a) That a review of the Councils Allotments Policy be carried out, including the consideration of options to reduce the cost of the service and progress local management of allotment sites.

(b) That a report on the outcome of the review, including consultation work and a proposed revised charging structure, be brought to a future meeting of the Cabinet.

9. ICT CONTRACT RE-NEGOTIATION

Cabinet received a report advising it of a decision to enter into a re-negotiated contract and to waive Contract Standing Orders under the urgency procedures set out in the Constitution in order to reduce costs.

Resolved: That the information be received.

10. UNITED CHARITIES - APPOINTMENT OF COUNCIL REPRESENTATIVES

Cabinet were requested to appoint a representative to serve on the United Charities for a period of 4 years with effect from 1 December 2011.

Resolved: That Councillor David Clarke be re-appointed

11. JUBILEE 2 UPDATE

A report was submitted to update the Cabinet regarding progress relating to the Jubilee 2 since the last meeting.

Resolved: (a) That the progress in delivery of the 'Jubilee 2' centre be noted, including the public opening event on 7 January 2012.

(b) That Enger-G be commissioned to undertake the maintenance of the combined heat and power unit installed at the Jubilee 2 centre initially for a 1 year period at a fee of £5,658 without seeking alternative quotations and that the Council's Standing orders and Financial Regulations (as per Section 2a(i) and 2b(vii) be waived for the reasons identified in section 2.5 of this report.

12. NEWCASTLE TOWN CENTRE CAR PARKS

A report was submitted to inform Cabinet of the results of recent surveys of Borough Council owned public car park usage and to enable consideration of possible alternative uses in the future. It was highlighted that no decisions had yet been made regarding the future of any of the car parks and that the results of a second survey would be awaited.

Resolved: (a) That the report be received.

(b) That officers conduct a further survey in mid 2012 and report back to Cabinet with the findings to enable consideration of any further action.

(c) That the findings be reviewed as part of both the emerging Site Allocations Development Plan Document and the next version of the Asset Management Strategy.

S SWEENEY
Chair

LICENSING COMMITTEE

Tuesday 29 November 2011

Present:- Councillor S J Tagg – in the Chair

Councillors Cooper, Mrs Cornes, Mrs Heames, Mrs Lewis, Mrs Simpson, Slater, Wemyss, Mrs Williams and Williams

1. **APOLOGIES**

2. **DECLARATIONS OF INTEREST**

There were no declarations of interest.

3. **MINUTES OF SUB COMMITTEE MEETINGS**

Resolved: That the minutes of the Sub-Committee meetings be agreed.

4. **GOVERNMENT CONSULTATION ON THE DE-REGULATION OF SCHEDULE ONE OF THE LICENSING ACT 2003**

The Committee discussed the consultation document regarding the deregulation of regulated entertainment and requested that the following comments and observations be returned to the DCMS for consideration:

Lack of Notification process

The greatest impact of the deregulation will be felt by the Councils Environmental Health Department. By deregulating certain entertainment there will be no requirement for either the police or the Council to be informed that events are happening and should something go wrong resources will not be on standby to attend. The lack of notification would mean that the Council and especially the Environmental Health enforcement team would be dealing with noise issues retrospectively rather than having the opportunity to take pre-emptive measures as is the case at present. It was thought that noise cases could increase by up to 20% thus imposing an additional burden on the Council from both a cost perspective and a resource perspective.

At present the consultation period for Premises Licences and TENs allows negotiation to take place between applicants and representative authorities. The current recommendations would remove this vital communication process that also helps to create good relationship between the trade and Officers.

Use of other Legislative Powers

The Committee agreed that other legislative powers were available but these powers gave different controls to those afforded by the Licensing Act and were therefore not like for like replacements

Licensing Conditions

The lack of regulation will also mean that the Council will not be able to impose any conditions on events of up to 4999 which could have a detrimental affect on the licensing objectives.

The current licensing regime enables conditions to be attached to prevent public nuisance, although environmental health do have alternative statutory regimes such as the Environmental Protection Act 1990 and the use of statutory nuisance. The use of these provisions would inevitable means that the public would have to have been affected by noise and therefore the protection offered changes from being a pro-active protection measure to a reactive remedy. Any prosecutions regarding noise nuisance could also result in a lengthy and costly legal process which would require a great deal of officer time.

Concerns were also raised regarding the fact it would be very hard to enforce any conditions relating to regulated entertainment that were to remain on premises licences if deregulation were to occur as the conditions could only be enforced if officers could prove that they were alcohol fuelled.

Number Limits

The Committee considered that an upper limit of 250 should be considered rather than 4999.

Time Limits

The Committee considered that any entertainment (except for those mentioned in section 1.5) should be regulated after 11pm.

General

Having read carefully both the consultation document and the impact assessment the Council's concerns are primarily with the consequences of deregulating live music, recorded music and performance of dance. In particular the intention to remove recorded music and karaoke as a licensable activity is of concern as many of the problems environmental health encounter with small public houses is the noise nuisance generated by recorded music and karaoke. The Committee had no objection to the activities listed in 1.5 of the consultation document being de-regulated.

Resolved: That the above response be submitted to the DCMS

S J TAGG
Chair

PUBLIC PROTECTION COMMITTEE

Monday 5 December 2011

Present:- Councillor I Matthews – in the Chair

Councillors Bailey, Mrs Hailstones, Hailstones, Mrs Heesom, Olzewski, Snell, Miss Walklate and Mrs Williams

1. APOLOGIES FOR ABSENCE

It was noted that apologies had been received from Councillor Mrs Heesom for the previous meeting of the Committee.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES OF PREVIOUS MEETING

Resolved:- That the minutes of the previous meeting held on 10 October 2011 be approved as a correct record, subject to the inclusion of Councillor Mrs Heesom's apologies.

4. CONTROL OF POLLUTION ACT 1974 - JB

Consideration was given to a report seeking approval for the instigation of legal proceedings in relation to an offence under the Control of Pollution Act 1974 by a scrap metal collector using a loudspeaker in the street throughout the Borough.

The alleged offender, Mr JB had been interviewed under caution and had admitted that the vehicle identified as the one from which the loud speaker was used, was his, that he worked alone and that he was likely to have been driving when the offences occurred. JB had stated that he did not realise he was committing an offence and that he had a speech impediment that that prevented him from announcing his presence. It was thought that Mr JB was still operating and using loud speakers.

Resolved:- a) That subject to the Head of Central Services being satisfied with the evidence, approval be given for the instigation of prosecution proceedings

(b) That the Committee receive a further report to advice of the outcome of the proceedings

(c) That in the event of a successful outcome for the Council, an article concerning the case and the action taken be included in a future edition of the Reporter

5. CLEAN NEIGHBOURHOODS AND ENVIRONMENT ACT 2005 - FIXED PENALTY NOTICES (1)

The Committee received a report advising it of action taken in respect of littering offences within the Borough and to seek authorisation to instigate legal proceedings against the FPN holders listed in the appendix.

540 FPN had so far been issued by the Council and information regarding these would be reported to the Committee at a later date. Members questioned whether the fines could be paid in instalments; it was stated that if the fine was paid within 10 working days it was at a reduced rate of £50. The question was raised as to whether the current scheme just dealt with littering or whether there were other offences that were liable to a fine. Officers stated that at present this was a pilot scheme for littering but that it could be rolled out to cover other areas in the future if agreed.

Resolved:- Those legal proceedings be instituted in relation to the cases listed in Appendix A.

6. CLEAN NEIGHBOURHOODS AND ENVIRONMENT ACT 2005 - FIXED PENALTY NOTICES (2)

Consideration was given to a report advising the Committee of action taken in respect of littering offences within the Borough.

It was confirmed that the minimum amount recovered by Council included the cost of the FPN and any costs.

Resolved:- That the report be received.

7. CLEAN NEIGHBOURHOODS AND ENVIRONMENT ACT 2005 - FIXED PENALTY NOTICES (3)

The Committee received a report advising it of action taken in respect of a fly tipping offence within the Borough.

The offender had pleaded guilty to the offence under Section 34 of the Environmental Protection Act of failing to properly dispose of household waste. The Council had publicised the prosecution in the Reporter newspaper and it was intended to publish further information on fly tipping in the future.

Resolved:- That the report be received.

8. DISCLOSURE OF EXEMPT INFORMATION

To resolve that the public be excluded from the meeting during consideration of the report because it is likely that there will be a disclosure of exempt information as defined on Paragraph 2 in Part 1 of Schedule 12A of the Local Government Act 1972.

9. PRIVATE HIRE DRIVERS LICENCES

In response to a previous question from Members of the Committee, the Licensing Officer confirmed that had an applicant received a warning letter or appeared before the Committee previously, this would automatically be included in any subsequent report submitted to the Committee.

Driver A

The applicant was not in attendance at the meeting and it was resolved that the item be deferred to the next meeting of the Committee.

Driver B

The Licensing Officer outlined the case to the Committee.

Driver B was granted a licence in August 2010. His application form revealed that he had committed minor traffic offences in May 2005 and April 2007 for which he received three points each and fixed penalties. Driver B also revealed that he had received a warning for the possession of cannabis.

On 21 January 2011 Driver B pleaded guilty to the offence of plying for hire. He received a £40.00 fine and was ordered to pay costs of £165 and a victim surcharge of £15. This offence was committed in Hanley on 30 July 2010. (Driver B also held a private hire driver's licence with Stoke-on-Trent City Council). Driver B had appeared before a Licensing and Registration Panel on 5 April 2011 which had suspended his Stoke licence until he had paid for and passed a local knowledge test (including a disability discrimination awareness module) and issued him with a strict warning. His Stoke licence was reinstated on 3 May 2011.

Condition 12 a private hire driver's licence requires the driver to notify the Council of any convictions in writing within 7 days. Driver B had failed to notify the Council of his conviction.

On 18 July 2011 Driver B notified the Council in writing of a further conviction on 13 July 2011 for plying for hire and driving without insurance in Newcastle-under-Lyme on 26th February 2011. For these offences he was fined £250 and given six points on his DVLA licence.

The Council's Guidelines for the relevance of convictions indicated that for the offences committed an application would normally be refused where an applicant had more than one offence in the two years preceding the application.

Driver B's representative stated that there had been two offences on two occurrences and that Driver B had pleaded guilty to the offences and had informed Stoke on Trent City Council with whom he also held a drivers licence. Driver B had driven for Stoke on Trent City Council for 15 years with no complaints regarding his standard of behaviour.

The Committee considered that plying for hire required an active decision on the part of the offender and that having passed a knowledge test in 2010 Driver B would have been aware of what plying for hire was and that it was an offence. Driver B stated that he had been swayed due to financial concerns and the economic downturn and that the offence had only occurred on two occasions.

The Committee considered that Driver B had knowingly committed the offence of plying for hire and had been found guilty in the Magistrates Court of having no insurance thus showing a disregard for the Council's policy and rules.

Resolved:- That Driver B's private hire drivers licence be revoked.

Driver C

The applicant had previously appeared before the Committee for the grant of a licence on 6 December 2010. That application was refused.

The Council had a duty to protect the public and to ensure that before anyone was granted a hackney carriage licence they were a 'fit and proper' person. The applicant's disclosure revealed a conviction for battery in 2006 and a drink driving conviction in 2008. The Council's Guidelines for the relevance of convictions indicated that an applicant with a conviction for battery would normally be refused for a period of three years from the date of conviction. In this case three years had now passed. The Guidelines also indicated that where an applicant had been disqualified for a single drink driving offence, he would normally be refused unless a period of two years free of conviction had passed since the return of the DVLA licence. Driver C's licence had been returned to him in August 2009. The two year period had therefore passed.

Additional information on page 2 of the disclosure gave details of Driver C being implicated in a kidnapping and of being involved in four assaults. As a result of this information, Driver C had been asked to attend the Council's offices to be questioned; a transcript of the questions and answers were provided at Appendix 2.

The applicant confirmed that the conviction for common assault had resulted in appearing before the Magistrates Court and a conditional discharge. The applicant referred to his conviction for drink driving which had resulted in his attending a rehabilitation course for drink driving offenders. It was re iterated by the applicant that charges had not been brought as a result of the alleged kidnapping. Two references were produced by the applicant including one from his partner providing an explanation of the isolated incident of violence. The applicant stated that he had a relative with a licensed vehicle in Newcastle under Lyme which he would drive if granted a licence. The applicant requested that the Committee consider granting a licence for the period of one year in order that he could prove himself to be a 'fit and proper person'.

The Committee considered the application and the Council's Guidelines for the relevance of convictions and agreed that a suitable amount of time had passed since the convictions and that the applicant appeared to show remorse and agreed that his answers matched those he had given previously. There was, however, still concerns regarding the fact that the applicant had admitted assaulting his partner and had allowed himself to be associated with an incident that included female minors.

Resolved:- That Driver C be granted a hackney carriage drivers licence for a period of one year.

**I MATTHEWS
Chair**

PLANNING COMMITTEE

Tuesday 6 December 2011

Present:- Councillor A Fear – in the Chair

Councillors Boden, Cairns, Cooper, Howells, Matthews, Miss Reddish, Studd, Sweeney, Mrs Williams and Williams

1. APOLOGIES

These were received from Councillors D Clarke, Hambleton and Lawton.

2. DECLARATIONS OF INTEREST

Councillor Miss Reddish declared an interest in planning application 11/00357/FUL and left the meeting during its consideration.

3. INSTALLATION OF 96 GROUND MOUNTED PHOTOVOLTAIC SOLAR PANELS. BUTTERTON NURSERIES, PARK ROAD, BUTTERTON. MR NEVILLE LEATH. 11/00606/FUL

Resolved:- That subject to there being no representation received by 9 December 2011 raising new issues not already addressed in the officer's report and that cannot otherwise be dealt with by the imposition of appropriate conditions the Head of Planning and Development be given delegated authority to permit the application subject to the undermentioned conditions:-

- (i) Commencement of development.
- (ii) Approved plans.
- (iii) Prior approval of any additional external ancillary equipment.
- (iv) Landscaping details for the plateau/embankment.

4. RETENTION OF PORTAL FRAMED BUILDING WITH A NEW STORAGE AREA AT THE REAR AND ASSOCIATED LANDSCAPING TADGEDALE QUARRY, MUCKLESTONE ROAD, LOGGERHEADS. MR M HARRISON. 11/00543/FUL

Resolved:- That permission be granted subject to the undermentioned conditions:-

- (i) Approved drawings.
- (ii) Landscaping scheme including amendment to previous scheme to reflect extent of land in the applicant's ownership, provision of planting to rear of the building and provision of further planting to west of building and boundary fence.
- (iii) Removal of containers and reinstatement of the land to the west of the landscaping as a field.
- (iv) No content is granted or implied for the use of the land between the western elevation of the building and the boundary fence.

**5. TWO STOREY SIDE EXTENSION. 3 KINGSWAY WEST, NEWCASTLE.
MRS J BARTELS. 11/00537/FUL**

Resolved:- That permission be granted subject to the undermentioned conditions:-

- (i) Standard time limit.
- (ii) Approved plans.
- (iii) Use of matching materials.

6. DEVELOPMENT MANAGEMENT PERFORMANCE REPORT 2010/11

Consideration was given to an end of year report outlining performance recorded for Development Control for the period 1 April 2010 to 31 March 2011. Comparison figures for the same period in both 2008/09 and 2009/10 were also provided to Members together with the targets set within the Regeneration and Development Service Plan 2011/12 – 2013/14.

Resolved:- (a) That the report be received.

(b) That the Head of Planning continue to operate mechanisms to maintain current high performance levels and improve the level of service provided for those procedures where our level of performance still needs to be addressed.

(c) That the 'Mid-Year Development Management Performance Report 2011/12' be submitted to the Committee in January 2012 reporting on performance achieved for the first half of 2011/12.

7. HOUSEHOLDER DEVELOPER PLANNING PRACTICE GUIDANCE NOTE

The Committee considered a report seeking approval for a Householder Developer Planning Practice Guidance Note enabling it to be used by Development Control officers and applicants to encourage and promote good, sustainable design of extensions, documents, garages and outbuildings that would enhance the appearance of our neighbours.

Resolved:- That subject to any minor textual changes, the above Guidance Note be adopted for development management purposes.

**8. REGISTER OF LOCALLY IMPORTANT BUILDINGS AND STRUCTURES
SUPPLEMENTARY PLANNING DOCUMENT**

Consideration was given to a report

- (i) detailing the outcome of the consultation process on the draft Register of Locally Important Buildings and Structures in Newcastle-under-Lyme Supplementary Planning Document and;
- (ii) seeking approval for the Document to be placed before the Cabinet for adoption.

Resolved:- That subject to any minor textual changes the above Supplementary Planning Document, be submitted to the Cabinet with a recommendation that it be adopted.

9. **APPEAL DECISION - CHANGE OF USE TO LORRY PARK AND HAULAGE YARD WITH ANCILLARY VEHICLE REPAIR AND MAINTENANCE, FUEL STORAGE AND OFFICE ACCOMMODATION AND STATIONING OF TWO MOBILE HOMES FOR RESIDENTIAL USE FOR SECURITY STAFF - LAND AT TADGEDALE QUARRY, MUCKLESTONE ROAD, LOGGERHEADS**

It was reported that an appeal lodged against an enforcement notice in respect of the unauthorised stationing of two residential mobile homes had been dismissed and the enforcement notice upheld.

However, planning permission had been granted for the use of the land for the siting of on residential mobile home.

Resolved:- That the information be received.

10. **URGENT BUSINESS**

The Chairman agreed that the following matter should be treated as urgent business in the special circumstances that agreement on a further amendment to a previously agreed Section 106 Agreement needed to be approved expeditiously.

11. **HOUSING DEVELOPMENT AT GRANGE LANE, WOLSTANTON. BLOOR HOMES. 99/00918/FUL**

Resolved:- That the legal agreement previously entered into in respect of the above planning application for housing development off Grange Lane and referred to in subsequent undertakings be amended, for the reasons outlined in the officer's report, to allow for required on-site toddlers play area to be provided by the time 90% of the dwellings have been completed.

**A FEAR
Chair**

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PLANNING COMMITTEE (STRATEGIC)

Tuesday 13 December 2011

Present:- Councillor Fear – in the Chair

Councillors Boden, Cairns, D Clarke, M R Clarke, Cooper, Fear, Hambleton, Howells, Matthews, Miss Reddish, Studd, Sweeney, Mrs Williams and Williams

1. APOLOGIES

An apology was received from Councillor Lawton.

2. MINUTES OF PREVIOUS MEETING

Resolved:- That the minutes of the meeting of this Committee held on 11 October 2011 be approved as a correct record.

3. DECLARATIONS OF INTEREST

Councillor D Clarke declared an interest stating that he was a Director of the Barracks Trust that was mentioned in the appendix to the following item.

4. SITE ALLOCATIONS AND POLICIES DOCUMENT PLAN DOCUMENT - DRAFT ISSUES AND OPTIONS CONSULTATION PAPER

Consideration was given to a detailed report seeking approval for the draft Issues and Options document to be forwarded to the Cabinet with a recommendation that it be approved for consultation purposes using the arrangements set out in the report. The intention was then for the results of the first phase of the public consultation to be reported back to this Committee for a decision to be made on the next steps.

Members were advised that the Issues and Options Paper and associated publicity would identify issues to be debated and initiate public discussion, even though there were no proposals by the Council at this stage.

It was indicated that once adopted, the Plan Document would carry the full weight in the determination of planning applications and would remain in force until the end of the plan period in 2026. At adoption all allocated sites would be identified on an updated version of the Local Development Framework Proposals Map. It was explained that the Issues and Options Paper represented the first stage of the consultation on the Plan and did not set or propose Council Policy as a consequence of which the decision to approve the Issues and Options Paper for consultation purposes fell to the Cabinet. The scope and content of the document was set out in the officer's report and it was stated that the Issues and Options Paper aimed to provide an early opportunity for residents, representatives from the business community, landowners, developers and other stakeholders to express their views before key choices on sites were made.

For clarification purposes the officers indicated that the reference to strategic housing sites in the scope and contents section of their report related to those sites with a minimum capacity of 30 and were collectively capable of accommodating almost 70%

of new homes needed in the Borough over the next 15 years. In addition it was stated that a strategic housing site below the 1 hectare threshold was included if it was regarded as strategically important and/or had been the subject of pressure to be developed for retail/employment purposes.

The list of strategic and non-strategic sites reflected the latest update of the Strategic Housing Land Availability Assessment and had been used to inform the Council's Annual Monitoring Report 2010/11 which the Council was required to publish by 31 December. An appendix including a schedule of new sites identified through the 2011 Assessment Review was included with the officers' report to assist in their consideration of this matter. Inclusion of sites within the Assessment did not necessarily mean that they would be allocated for development or granted planning permission.

It was stated that the consultation process would be over an 8 week period between the end of January and the end of March 2012. The extent of the consultation process was set out in the report and included the use of the Council's website, The Reporter and Sentinel newspapers, social media sites, public notices and meetings, exhibitions in a range of public venues and community consultation exercises targeting both the general public and specific interest groups. The public meetings would involve the organisation of seven Community Consultation events covering the Council's 24 wards providing an opportunity for all Members to play a leading role in engaging local communities in the consultation process focusing on the issues and options that were common across the urban area and those common to the rural area.

It was also agreed that Locality Action Partnerships and Town and Parish Councils would be invited to participate in the Community Consultation events.

The Issues and Options Consultation Paper would be supported by a leaflet focusing on the key issues and it was proposed to also publish a frequently asked questions pamphlet to be distributed to Parish and Town Councils, Resident Associations and the Locality Area Partnerships.

Having listened to the officers' presentation, a number of Members expressed the view that a start on the consultation process should be delayed pending a meeting of the political group leaders in connection with which the following motion was moved and seconded for consideration by the committee as an amendment to the recommendations contained in the report:-

- (a) That Cabinet be recommended to agree not to approve the Site Allocations and Policies Development Plan Document draft Issues and Options Paper for public consultation.
- (b) That Cabinet be recommended to facilitate a meeting of political group leaders, to discuss the methodology of consultation, in order that a cross party consensus can be achieved.
- (c) That the meeting of group leaders takes place in January 2012.
- (d) That the outcome of the above meeting be reported back to this Committee for consideration in February.

The reasons given for the motion were to ensure that the consultation proceeded in accordance with the principles agreed that the Newcastle Development Programme

Scrutiny Task and Finish Group and to ensure that the formation of policy proceeded in accordance with a sensible timetable.

The amended motion was lost on a vote of 9 votes to 4 votes.

Resolved:- (a) That Cabinet be recommended to agree to approve the Site Allocations and Policies Development Plan Document draft Issues and Options Paper for public consultation purposes.

(b) That Cabinet be recommended to agree the consultation arrangement set out in the officers' report.

(c) That all Council Members be provided with a plan that identifies the location of the sites referred to in the Paper for at least their individual ward areas.

(d) That a Frequently Asked Questions Pamphlet be published as part of the public consultation process.

(e) That Locality Action Partnerships, Town and Parish Councils be invited to participate in the consultation process.

(f) That a report be submitted to a subsequent meeting of this Committee on the results of the first phase of public consultation and to approve the next steps.

**A FEAR
Chair**

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PLANNING COMMITTEE

Wednesday 4 January 2012

Present:- Councillor A Fear – in the Chair

Councillors Boden, Cairns, Clarke D, Clarke M R, Matthews,
Miss Reddish, Studd, Sweeney and Williams

1. MINUTES OF PREVIOUS MEETING

Resolved:- That the minutes of the meeting of this Committee held on 15 November 2011 be approved as a correct record.

2. DECLARATIONS OF INTEREST

Councillors Cairns and Studd declared an interest in planning application 11/00/594/FUL. Both Councillors spoke on the application but did not vote.

3. APPLICATION FOR MAJOR DEVELOPMENT - RESERVED MATTERS APPROVAL FOR LANDSCAPING. FORMER T G HOLDCROFT, KNUITTON ROAD, WOLSTANTON. T G HOLDCROFT (HOLDINGS LTD). 11/00629/REM

Resolved:- That reserved matters approval be granted subject to the undermentioned conditions:-

- (i) Submission and approval of amended plans including an additional tree on the site frontage.
- (ii) Landscaping to be carried out in accordance with the approved plans by the end of the planting season following completion of the development, with replacement planting in the event of failure.

4. APPLICATION FOR MINOR DEVELOPMENT - RESERVED MATTERS APPROVAL FOR ACCESS, APPEARANCE, LAYOUT AND SCALE OF A COMMUNITY BUILDING. FORMER SILVERDALE COLLIERY, SCOT HAY ROAD, SILVERDALE. NEWCASTLE BOROUGH COUNCIL. 11/00594/REM

Resolved:- (a) That reserved matters approval be granted subject to the undermentioned conditions:-

- (i) Prior approval of all external facing materials and surfacing materials to all hard surfaced areas within the site.
- (ii) Details of measures to address issue of surface water run-off.
- (iii) Provision of the parking, turning and servicing areas in accordance with the plans before the development is brought into use.

5. APPLICATION FOR MINOR DEVELOPMENT - CHANGE OF USE OF A FIELD TO CREATE A 20 SPACE CAR PARK. HAND AND TRUMPET INN, MAIN ROAD, WRINEHILL. BRUNNING & PRICE LIMITED. 11/00509/FUL

Resolved:- (a) That, subject to a S106 Obligation being completed by 15 February 2012, to secure the long term management and maintenance of the landscaping over the phased development, and that any future owner would take responsibility for the completion of the scheme failing which the car park should be converted back to natural habitat in accordance with a scheme to be agreed by the local planning authority, the application be permitted subject to the undermentioned conditions:-

- (i) Commencement of development.
- (ii) Approved plans.
- (iii) Approval of detailed landscaping scheme to include biodiversity measures and phased implementation.
- (iv) Arboricultural method statement and tree protection measures.
- (v) Prior approval of a landscape management plan.
- (vi) Artificial lighting including hours of operation.
- (vii) Prior approval of surfacing materials which shall be grasscrete or similar.
- (viii) Prior approval of car park drainage.
- (ix) Prior approval of fence or other form of barrier to prevent light spillage onto Cracow Moss from cars using the car park.

(b) That in the event of the S106 Obligation not being secured by the above date, the Head of Planning and Development be authorised to refuse the application because without the sought for obligation, the development would fail to secure the long term management and maintenance of landscaping which is necessary to ensure that the development is not harmful to the visual appearance of the countryside and provides the very special circumstances necessary to justify the inappropriate development in the Green Belt, unless he considers it appropriate to extend the period for securing the obligations.

(c) That the developer be advised of this Committee's concerns about the need for an exit strategy should the business fail.

6. APPLICATION FOR OTHER DEVELOPMENT - VARIATION OF CONDITION 1 OF PLANNING PERMISSION 98/00797/COU TO EXTEND THE OPENING HOURS OF A HOT FOOD TAKE AWAY. THE CLAY OVEN, 12 DRAYTON STREET, NEWCASTLE. ABOUL RAUF KHAN. 11/00533/FUL

Resolved:- That permission be granted subject to the undermentioned conditions:-

- (i) Hours of operation restricted to between 5pm and 11.30pm on Sunday to Thursday and 4pm to midnight on Fridays and Saturdays.
- (ii) All other conditions attached to planning permission 98/00797/COU to remain.

7. DRAFT NEWCASTLE-UNDER-LYME BOROUGH INTEGRATED TRANSPORT STRATEGY 2011-2026

A report was submitted advising of the public consultation exercise being undertaken by Staffordshire County Council on the above draft Strategy and recommending that

the Borough Council's Portfolio Holder for Regeneration and Planning be authorised to approve the Council's formal response to the County Council once the Committee had considered the matter.

It was indicated that the County Council had, in April 2011, published Staffordshire's third Local Transport Plan (LTP3) following which it had developed eight district Integrated Transport Strategies that were now all out for consultation. The Strategies summarised the transport issues and priorities in each local authority area up to 2026 with the aim of each strategy being to bring together all of the transport challenges and opportunities in a single document to help the County Council to target its transport investment and help to secure other potential resources, including developer contributions.

Resolved:- That this Council's Portfolio Holder for Regeneration and Planning be authorised to approve the Council's formal response to the County Council's public consultation on the draft Newcastle-under-Lyme Borough Integrated Transport Strategy.

8. OPEN ENFORCEMENT CASES

Consideration was given to a report outlining the current position on the enforcement caseload.

The report gave details of existing and previous enforcement cases indicating that since the last report to Committee on 19 September 2011 a further 43 new cases had been reported with 78 being closed since that date. As at 9 December 2011 there were currently 162 open cases (35 less than the last quarter) representing significant progress.

Resolved:- (a) That the information be received.

(b) That a further update be provided alongside the next quarterly monitoring report on cases where enforcement action had been authorised.

9. TREE PRESERVATION ORDERS

In accordance with a request made at an earlier meeting of the Committee, a detailed report on the legislative framework relating to the making of Tree Preservation Orders was submitted for consideration.

The report focused on the making of Tree Preservation Orders, the role of the Planning Committee and the relationship between the making of them and planning permission.

A similar report was also to be reported to the Cleaner, Greener and Safer Communities Overview and Scrutiny Committee subject to its inclusion in that Committee's work programme.

Training on Tree Preservation Orders may also be considered for inclusion in the programme of training for Planning Committee members and would be the subject of discussions with the Chairman when training topics were next considered.

Resolved:- That the information be received.

10. **APPEAL DECISION - FIRST FLOOR EXTENSION AND REMOVAL OF LINKED GARAGE. THE DINGLE, HEATH RISE, WHITMORE HEATH. MR M BAINS. 11/00354/FUL**

It was reported that an appeal lodged against the Council's decision not to grant planning permission for the above development had been dismissed by the Planning Inspectorate.

Resolved:- That the information be received.

11. **APPEAL DECISION - TWO STOREY SIDE EXTENSION AND SINGLE STOREY REAR EXTENSION. 8 PEPPER STREET, SILVERDALE. MR D BOSTOCK. 11/00322/FUL**

It was reported that an appeal lodged against the Council's decision not to grant planning permission for the above development had been dismissed by the Planning Inspectorate.

Resolved:- That the information be received.

12. **APPEAL DECISION - DETACHED DWELLING AT 126 MILEHOUSE LANE, NEWCASTLE. MR P MEREDITH. 11/00309/FUL**

It was reported that an appeal lodged against the Council's decision not to grant planning permission for the above development had been allowed by the Planning Inspectorate subject to conditions.

Resolved:- That the information be received.

13. **APPEAL DECISION - VEHICLE SPRAY BOOTH, CAR VALET AND PAINT STORE. MADELEY HEATH MOTORS, KEELE ROAD, MADELEY HEATH. 11/00202/FUL**

It was reported that an appeal lodged against the Council's decision not to grant planning permission for the above development had been dismissed by the Planning Inspectorate.

Resolved:- That the information be received.

14. **APPEAL DECISION - FARM BUILDINGS FROM SOLELY AGRICULTURAL USE TO MIXED BUSINESS (B1) AND AGRICULTURAL USE SUB-LET TO CONDITIONS. CHURCH FARM, MUCKLESTONE. MR W FRIEND. 10/00630/FUL**

It was reported that an appeal lodged against the Council's decision to grant permission for the above development subject to the imposition of conditions had been upheld by the Planning Inspectorate.

One condition had been removed with a further two conditions being varied.

Resolved:- That the information be received.

15. **DISCLOSURE OF EXEMPT INFORMATION**

Resolved:- That the public be excluded from the meeting during consideration of the following item because it is likely that there will be a disclosure of exempt

information as defined in paragraphs 1, 2 and 7 in Part 1 of Schedule 12A of the Local Government Act 1972.

16. QUARTERLY ENFORCEMENT REPORT

Consideration was given to a report providing an update on the position with regard to cases where enforcement action had previously been authorised by the Committee.

Resolved:- That the information be received.

**A FEAR
Chair**

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ECONOMIC DEVELOPMENT AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

Thursday 5 January 2012

Present:- Councillor M Olszewski – in the Chair

Councillors Mrs Beech, Boden, Cairns, Clarke D, Gilmore, Holland, Loades,
Miss Olszewski and Wilkes

Apologies were received from Councillors Hailstones and Richards.

1. DECLARATIONS OF INTEREST

There were no declarations of interest.

2. MINUTES OF PREVIOUS MEETING

Resolved:- That the minutes of the meeting held on 23 November 2011 be agreed as a correct record.

3. WORK PROGRAMME - DRAFT BRIEFS FOR SCRUTINY

Consideration was given to a report on the Council's Draft Asset Management Strategy for 2012-2015. An amended version was handed to Members at the meeting and the Council's Head of Assets and Regeneration explained the changes.

The document was a framework for how the Council carried out its activities in respect of Asset Management and would be scrutinised in greater detail at the next meeting.

Resolved:- That the information be received.

4. STAFFORDSHIRE STRATEGIC ASSETS REVIEW

Further information was awaited from the consultants. The document would seek to reinforce the efficient use of public estates around the country. There would also be links with the Fire and Police Services and Health Authorities.

This item would be discussed in more detail at the next meeting.

Resolved:- That the information be received.

**M OLSZEWSKI
Chair**

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HEALTH SCRUTINY COMMITTEE

Wednesday 11 January 2012

Present:- Councillor D Becket – in the Chair

Councillors Miss Cooper, Loades and Taylor

1. APOLOGIES

Apologies were received from Councillors Mrs Hambleton and Mrs Johnson

2. MINUTES OF PREVIOUS MEETING HELD ON 7TH NOVEMBER 2011

Resolved:- That the minutes of this Committee held on 7 November 2011 be approved as a correct record.

3. DECLARATIONS OF INTEREST

There were none.

4. UPDATE FROM THE CHAIR OF THE COMMITTEE

The following matters were discussed:-

(i) Jubilee 2 - Health and Wellbeing Centre

It was indicated that a report was to be considered by Cabinet in March following which a report would be brought to this committee for consideration.

Resolved:- That the information be received.

(ii) Health and Wellbeing Board

The Council's Executive Director-Operational Services indicated that he had recently attended a meeting at Tamworth during which membership of the Board was discussed. Of particular concern to the Chairman was the proposal that District Councils across Staffordshire would be represented by one elected member.

The committee considered that one member would find it very difficult to represent the diverse and complex health issues that existed across the county feeling that that council's would be better served by the appointment of at least two representatives onto the Board.

Resolved:- That a case for increased local authority representation on the Board be prepared in consultation with the Chair and forwarded to the County Council's Cabinet Member for Adult Services for consideration.

(iii) Phlebotomy Service

The Chairman expressed the view that provision of phlebotomy services across the Borough had improved following a publicity campaign by the PCT. However, further

publicity was required to raise awareness of the availability of the service at Bradwell Hospital.

Resolved:- (a) That the information be received and that the PCT be requested to raise awareness of the phlebotomy service offered at Bradwell Hospital.

(b) That the situation be kept under review and a further report on this matter be submitted to a subsequent meeting.

(iv) **Fit for the Future**

The committee was advised that the phased transfer of services to the new hospital was proceeding to plan.

Some concern was again expressed at the implications of the reduction in beds at the new site and it was these concerns should be raised with UHNS. However, it was appreciated that this was a matter that may be being pursued by the County Council and that if this was the case then they be left to deal with it and requested to advise that committee accordingly.

Resolved:- That the information be received and that the issue about the effects of a reduction in beds at the new hospital be dealt with in the way described above.

(v) **UHNS – Complaints Procedures**

Concern was expressed that UHNS appeared to be operating a number of patient complaints procedures.

Resolved:- That UHNS be requested to provide details of its complaints procedures and that any response be reported back to this committee for consideration.

5. INFANT MORTALITY IN NEWCASTLE UNDER LYME

The committee was asked to approve a scrutiny brief for an investigation into infant mortality in the Borough as had been requested by the County Council's Health Scrutiny Committee.

To assist the process it was agreed that written answers should be sought from the PCT to questions 1 to 4 in the scrutiny brief. The answers received would then be considered at the February meeting of this committee at which a Panel to carry out the scrutiny exercise would also be appointed.

Resolved:- That the Scrutiny Brief be approved and that responses received from the PCT to questions 1 to 4 in the Brief be reported back to the next meeting of this committee at which the Panel referred to above was to be appointed.

6. PHASE II CONSULTATION ON MENTAL HEALTH SERVICES

Consideration was given to an update issued by the North Staffordshire Combined Healthcare NHS Trust outlining progress made on the public consultation for proposed changes to adult and older people's mental health services (phase I) and preparation for further changes to mental health services (phase II).

The Committee was not entirely satisfied with the update considering that the proposals did not appear to have been properly thought out and that concerns previously raised by members had not been satisfactorily addressed.

It was considered that a clear pathway for the implementation of the proposed changes in a structured way was required.

Resolved:- That the update be received but that the above comments be forwarded to the County Council Health Scrutiny Committee for consideration.

7. CARDIAC REHABILITATION UPDATE AND WALK FOR LIFE

Reference was made to the committee's previous consideration of this matter in connection with which the Executive Director-Operational Services provided an update on the proposals to support cardiac rehabilitation in the Borough from Jubilee 2 and later from facilities at Kidsgrove Sports Centre subject to its refurbishment.

Discussions, that were proving to be very positive, were ongoing with health professionals at UHNS about the delivery of Phase III of the rehabilitation process in a community setting and it was stated that rehabilitation services could be provided through the combined input of medical staff from the hospital and the Council's BACR qualified staff.

Initial discussions had focused on the provision of a 12 or 20 week programme for up to 8 patients using Jubilee 2 swimming, gym, aqua gym, fitness and physiotherapy facilities.

In conclusion, reference was made to the Walk4Life, an annual event that promoted a healthy lifestyle through regular exercise for those who were recovering from a range of medical conditions.

Resolved:- (a) That the update be received.

(b) That the possibility of publicity being given to the Walk4Life on the Council's website and Local Area Partnerships be investigated.

8. BUS ROUTES TO BRADWELL HOSPITAL

In accordance with a request made at the last meeting consideration was given to a report providing details of the frequency of bus services to and from Bradwell Hospital.

The committee was also provided with information about the bus routes serving UHNS.

Resolved:- That the attention of the County Council be drawn to this committee's concern that Bradwell Hospital is poorly served by our local bus companies, and that the existing stops at which passengers need to alight from buses when visiting the hospital are too far away from the entrance to it.

9. DISCLOSURE OF EXEMPT INFORMATION

Resolved:- That the public be excluded from the meeting during consideration of the following item because there is likely to be disclosure of exempt information as defined in Paragraph 1 of Schedule 12A of the Local Government Act 1972.

10. **RESPONSE TO QUESTIONS REGARDING INTERVENTIONAL
NEURORADIOLOGY RAISED AT THE ACCOUNTABILITY SESSION**

The Committee considered responses from UHNS to questions raised by the Chairman prior to the Accountability Session held on 10 November 2011.

Resolved:- That the concerns raised by the Chairman about the adequacy of some of the answers provided by UHNS be pursued with its Chief Executive and that a further report on this matter be submitted to a subsequent meeting.

D BECKET
Chair

JOINT PARKING COMMITTEE

Monday 16 January 2012

Present:- Councillor S Sweeney – in the Chair

Councillors Cairns and Clarke D

Also in attendance:-County Councillors Cooper, Locke and S J Tagg.

1. **APOLOGIES**

Apologies were received from Councillors Cornes and Robinson.

2. **MINUTES OF THE PREVIOUS MEETING**

Resolved:- That the minutes of the meeting of this committee held on 3 November 2011 be approved as a correct record.

3. **DECLARATIONS OF INTEREST**

There were none.

4. **VERBAL UPDATE REGARDING RESIDENTS PARKING SCHEME SOUTH EAST OF THE TOWN CENTRE**

It was indicated that consideration had been given under the County Council's scheme of delegation to the representations/objections received during the public advertisement of the required Traffic Regulation Order and approval had been given to continue with the scheme. All those responding to the public advertisement were to be advised of the decision to proceed and the reasons for that decision.

In response to the representations/objections received it was now proposed, subject to consultation and approvals/support to:-

- (i) Extend the permit parking area to include that section of North Street between Hassell Street and Brunswick Street and
- (ii) Amend the proposed waiting restrictions in Bankside to introduce limited waiting at school start and finish times in accordance with a request made by the school.

The next stages of the procedure to be followed to achieve the above were outlined at the meeting.

The petition requesting that Princess Street be included in the scheme had been received but it was considered that its inclusion together with adjacent streets would make the zone too large. It was agreed that Princess Street could be considered for inclusion in any future scheme.

Resolved:- (a) That the information be received.

(b) That a report outlining the options for the allocation of parking permits in this residents parking zone, including visitor parking permits, be submitted to the next meeting for consideration.

5. VERBAL UPDATE REGARDING RECENT REQUESTS FOR NEW OR AMENDED TRAFFIC REGULATION ORDERS

A schedule giving details of requests for new or amended Traffic Regulation Orders was circulated at the meeting for consideration.

Resolved:- That the information be received and that Tilstone Close be added to the list.

6. VERBAL UPDATE REGARDING NEW REQUESTS FOR RESIDENTS PARKING SCHEMES

Reference was made to the request made in respect of Princess Street that had been dealt with earlier in the agenda for the meeting.

It was agreed that the request made for Sidmouth Avenue should be looked at again although it was likely that any decision on it would be that it was not suitable for implementation of a Residents Parking Zone.

Resolved:- That the information be received.

7. VERBAL UPDATE ON TRAFFIC/PARKING ISSUES ON TILSTONE CLOSE/POPLAR DRIVE, KIDSGROVE AS REQUESTED BY JOAN WALLEY MP

The committee considered a request from Joan Walley MP that action be taken to alleviate ongoing parking problems being experienced by residents of Tilstone Close and Poplar Drive, Kidsgrove in the vicinity of St. Thomas' School.

The current parking restrictions in that area were outlined at the meeting.

Although there appeared to be no justification to warrant bringing this matter forward as a priority it was agreed that the installation of an additional bollard on the pavement should be considered to prevent the parking of cars in the area near to the school entrance.

It was also felt that more visits by the Council's Civil Enforcement Officers may also help to resolve the problem.

Resolved:- That the above action be approved and Mrs Joan Walley MP be advised accordingly.

8. PETITION - PARKING PROBLEMS IN PARKSTONE AVENUE, NEWCASTLE

Receipt was reported of a petition complaining of parking problems being experienced by residents of properties in Parkstone Avenue.

Subsequent monitoring by the County Council of the alleged parking problems had not substantiated the claims made by the petitioners and, as such, no further action was to be taken.

Resolved:- That the information be received.

9. **VERBAL UPDATE ON TOWN CENTRE PUBLIC REALM -IRONMARKET, BARRACKS ROAD AND THE BUS STATION**

The committee received an update on works proposed in the town centre as part of the Public Realm project.

It was indicated that works on the taxi rank in Ironmarket, opposite to the Queens Gardens, had commenced and that works at the bus station to provide an additional stand were due to start after the end of March 2012.

The earliest possible date for implementation of the works to provide a new taxi rank in lower High Street was July.

Works to Hassell Street and the associated changes to Friars Street were scheduled to start in August and would last for about 3 months.

Resolved:- That the information be received.

10. **URGENT BUSINESS**

The Chairman agreed that the following matters should be treated as urgent business.

(i) **Speeding Vehicles in The Avenue, Newcastle**

The committee was advised that a petition drawing attention to the high speed of vehicles using The Avenue and asking for traffic calming measures was currently being prepared.

It was stated that because the problem was one of speed the matter could be dealt with the County Council's Divisional Highway Programme and the Chairman agreed to pursue this matter with County officers.

Resolved:- That the information be received and the action proposed by the Chairman be noted.

(ii) **Progress on Priority Schemes**

In response to a question from a member the committee received a verbal update on the progress made on the previously approved priority schemes at The Drive, Wulstan Drive, Newcastle, Stephens Way/Benjamins Way, Bignall End and Old Butt Lane, Kidsgrove.

Resolved:- That the information be received.

(ii) **Cyclists in the Pedestrianised Area of the Town Centre**

The committee was advised of concerns raised by the Civic Society about nuisance caused by cyclists to other users of the above area including the Grosvenor roundabout.

It was indicated that as this was a "moving traffic" issue it was a matter for action by the Police.

Joint Parking – 16/01/12

Resolved: That the information be received and the Civic Society advised accordingly.

**S SWEENEY
Chair**

CABINET

Wednesday 18 January 2012

Present:- Councillor S Sweeney – in the Chair

Councillors Howells, Miss Reddish and Studd

1. **APOLOGIES**

Apologies were received from Councillors Bannister and Jones.

2. **DECLARATIONS OF INTEREST**

There were no declarations of interest.

3. **MINUTES**

It was agreed that the minutes of the meeting held on 30 November 2011 be agreed as a correct record.

4. **LETTER 2011/12**

A report was submitted regarding the Annual Audit Letter from the Audit Commission dealing with the Audit of Accounts 2010/11. External Audit was an essential element in the process of accountability for public money and made an important contribution to the stewardship of public resources and corporate governance of public services. One of the challenges faced by the Council had been the introduction of International Financial Reporting Standards but due to the hard work of the finance team, the financial statements had few errors, the working papers comprehensive and the draft set of accounts in line with good practice.

Resolved: That the Audit Commissions Annual Letter be received.

5. **CALCULATION OF THE COUNCIL TAX BASE 2012/13**

A report was submitted requesting approval of the Council Tax Base to be used to calculate the 2012/13 levies for the Borough Council, the County Council, the Police Authority, the Fire Authority and each Town and Parish Council.

Resolved:- That in accordance with the Local Authorities (calculation of tax base) Regulations 1992, the amounts calculated as the Council Tax Base for 2012/13 be as follows:

Band D Equivalent Properties

Newcastle Borough Council	39,136
Kidsgrove Town Council	7,219
Audley	2,669
Loggerheads	1,957
Balterley, Betley and Wrinehill	574
Chapel and Hill Chorlton	197

Keele	332
Madeley	1,558
Maer	254
Silverdale	1,446
Whitmore	805

6. REVENUE AND CAPITAL BUDGETS 2012/13

A report was submitted to review progress on the completion of the revenue and capital budgets for 2012/13 following agreement of the 5 year Medium Term Financial Strategy.

There was not a proposed Council Tax increase for 2012/13 and the Government were again offering to pay a non specific grant to those councils which did not increase their Council Tax for 2012/13. If the Council decided to make no increase to Council Tax, the amount required from the Budget Support Fund was £179,000. The 'gap' for 2012/13 was £2.621m and a number of proposals had been put forward to bridge this gap including further savings from the Budget Service Review carried out in the previous year, from the Way We Work Programme and other reviews of service provision carried out by the Executive Management Team.

Cabinet members congratulated the Executive Director (Resources and Support Services) and the Portfolio Holder for Resources and Efficiency.

Resolved:- (a) That the assumptions set out in the report be approved.

(b) That the Cabinet recommend to Council that the revised minimum balances requirement be £1,500,000 with the excess of £350,000 above the current levels being transferred to the Contingency Reserve (£80,000), the Insurance Fund (£120,000) and the Provision for Bad Debts (sundry debtors) (£150,000)

(c) That the Cabinet put forward their views on the level of Council Tax increase to be set for 2012/13.

(d) That the Transformation and Resources Overview and Scrutiny Committee be asked to consider what comments it wishes to make on the draft Budget and Council

7. SCALE OF FEES AND CHARGES

A report was submitted requesting approval for the proposed scale of fees and charges to apply from 1 April 2012.

The preparation of the 2012/13 budget assumed an overall 3.5% increase in the level of fees and charges for 2012/13 in line with assumptions about the rate of inflation over the period that the charges would be in force. A new environmental levy on adult cremations (£55 per cremation) had been included and it was not proposed to increase the fees for market traders or for town centre car parking.

Resolved:- That the fees and charges proposed to apply from 1 April 2012, as set out in Appendix A be approved and submitted to the Transformation and Resources Overview and Scrutiny Committee for comment.

8. HOUSING CAPITAL PROGRAMME 2012-13

A report was submitted seeking approval for the 2012/13 Housing Capital Programme.

It was stated that under the New Homes Bonus, from year 2012/13. The Government would pay an enhancement of £350 for each new affordable unit. It was however thought that the Council would need to tread carefully regarding this scheme as developing affordable housing purely to access further grants in future years would not be sufficient justification to promote this approach.

Resolved:- That the proposed housing capital programme for 2012/13 be approved.

9. HOUSING RENEWAL ASSISTANCE POLICY 2012/16

Cabinet Members received a report outlining the requirement to review the Housing Renewal Assistance Policy and to seek approval to a revised Policy.

Officers had been working with partner agencies to review the current schemes included in the current policy. Following these discussions a consultation document highlighting the main proposed changes and a proposed revised policy had been issued for consultation. The key issues, consultation comments and preferred solution were included in the recommended revised Housing Assistance Policy 2012-16.

Resolved:- That the revised Housing Renewal Assistance Policy 2012-16 be adopted

10. CAPITAL STRATEGY 2012/15

A report was submitted requesting Members to consider the Capital Strategy 2012 to 2015.

The Council's current detailed capital investment plan was contained in its Approved Capital Programme. A two year programme was approved by Full Council on 23 February 2011. This programme provided for £21,638,800 of investment over the two-year period in projects across all of the Council's priority areas, of which £10,374,500 was programmed to be spent in 2011/12. Since then, programmed expenditure for 2011/12 had been reviewed resulting in a revised 2011/12 outturn figure of £16,783,300 being agreed. This took account of slippage coming forward from 2010/11 and the addition of the cost of acquiring a town centre development site at Rycroft. Full Council would consider a capital programme to continue investment beyond 2011/12 on 15 February 2012.

The Strategy had been prepared against a background of unprecedented reductions in funding provided to local authorities by central government and its agencies, arising from the need to restrain public expenditure owing to the ongoing economic recession and to rebalance public finances. At the same time, the Council's own resources available to finance capital projects were diminishing and would need replenishing before any substantial further capital investments could be made. As a result the Council had initiated a programme of asset disposals to address this situation. In the interim period, before asset sales could provide these additional resources, the Capital Programme was restricted to cover a two year period, 2010/11 to 2011/12.

Resolved:- That the Capital Strategy be agreed and forwarded to Council for approval.

11. ASSET MANAGEMENT STRATEGY

A report was submitted seeking approval, in principle for the Asset Management Strategy dated 2012-2-14.

The Asset Management Strategy sought to provide a robust and formal approach to the management and use of the Council's land and property assets to obtain the best value for money and to help keep Council Tax rates at a minimum. It was stated that any proposed disposal of land would be considered within the strict context of public consultation.

Resolved: (a) That Members approve, in principle, the Asset Management Strategy 2012- 2014.

(b) That officers report back to the next Cabinet meeting for a final decision following receipt of comments from the Transformation and Resources Overview and Scrutiny Committee.

12. PROVISION OF RECYCLING BRING BANK SITES

Members received a report providing background to the current Recycling Bring Bank Service, a review of locations and materials collected at the sites and considerations regarding the future levels of service and contractors involved.

Resolved: (a) That the redevelopment of Bring Sites as detailed within the report be agreed.

(b) That the range of material collected from the Bring Site include paper, mixed glass, cans, plastic on all site and where possible textiles, WEEE and cartons.

(c) That the Executive Director (Operational Services) be authorised to enter into agreements with the contractors detailed in this report and align with the extension of the Council kerbside recycling and treatment contracts until July 2016.

(d) That a project budget as detailed be agreed to deliver cost savings through new agreements, site improvements and servicing.

13. FUTURE COMMISSIONING FOR THE VOLUNTARY AND COMMUNITY (THIRD) SECTOR

A report was submitted to ratify the Council's budget for funding commissioned contracts with the Third (Community and Voluntary) Sector, to establish the duration of the funding (previously, funding was made available for a three year period) and to agree on the Council's preferred route to market for the commissioning of Third Sector services. It was agreed that work with the third sector was of importance and needed to continue but that value for money had to be secured.

Resolved:- (a) That, as part of the Medium Term Financial Strategy (MTFS), Cabinet ratify available funding for commissioning, and agree to the duration for this funding (£248,510 p.a. has already being allocated in the MTFS for this purpose).

(b) That the three-year availability of these funds be made conditional on a budgetary review 3 months prior to the anniversary date to ensure on going funding can be supported.

(c) That collaborative procurement/commissioning be considered (where available) to maximise efficiencies and to jointly commission services with other organisations, ensuring in the process that there is no detrimental effect on the overall service to residents of the Borough in line with service outlines.

S SWEENEY
Chair

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TRANSFORMATION AND RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Wednesday 18 January 2012

Present:- Councillor Mrs Shenton – in the Chair

Councillors Mrs Bates, Mrs Beech, Mrs Burke, Fear, Mrs Myatt, Snell,
Taylor, Waring, Wilkes

1. APOLOGIES

Apologies were received from Councillors Jones, Nixon and Mrs Walklate.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES OF PREVIOUS MEETINGS

Resolved:- That the minutes of the meeting held on 2 November 2011 be agreed as a correct record.

4. REVENUE AND CAPITAL BUDGETS 2012/13

The Committee received a report on the completion of the revenue and capital budgets for 2012/13 following agreement of the 5 year Medium Term Financial Strategy.

The report had been to Cabinet that morning where it had been agreed that a 0% increase in Council Tax be recommended. It was stated that all expenditure was under control but there were some areas where income was down such as land charges fees, planning fees and car parking fees. It had been predicted that all of these areas would be affected by the economic situation and an allowance of £200,000 had been included in the budget to take account of it. Further allowances had now been made for the shortfalls following clear identification of the affected areas and actions had been taken to reflect them in the MTFS such as a reduction in the anticipated income from land charges,

There was a 'gap' for 2012/13 of £2.621m and a number of proposals had been identified to bridge it which would leave a deficit on the draft budget of £523,000.

The question was raised as to whether there were areas in the MTFS that had led to the deficit or whether the primary cause was a shortfall in government funding. It was stated that one reason for the shortfall were the holding costs for Jubilee 1 and Knutton Recreation centre and a rule change that had come into law regarding empty properties, this had been taken into consideration for 2012/13. There was however still uncertainty regarding how long the holding costs would be paid for as they were dependant on how the sites were classed, what they were used for and how long they remained the property of the Council. It was as yet uncertain how long Knutton Recreation Centre would remain operational and it was confirmed that only the outdoor football area was currently being used with staff employed to cover this

activity only. The timing and nature of any full closure would be dependant on the outcome of public consultation exercises.

The Committee questioned whether steps were being taken to increase income to the Council. Promotional activities were due to start to help promote car parking in the Borough through improved signage and the marketing and promotional plan for Jubilee 2 would kick in from April 1st 2012 and would be closely monitored. Members stated that they would need to monitor both of these areas closely.

The Committee discussed the restructurings that had recently been undertaken in the Council and those that were still ongoing and proposed. Members requested clarity regarding how many actual jobs were included in the 60 FTE jobs that had removed from the Councils structure; it was agreed that information regarding this provided in writing to Committee Members.

It was reported that £30,000 savings in energy costs had been made through the re tendering of contracts to fixed rates through partnership working with the County Council and the new procurement framework.

Clarity was requested regarding the energy costs that would need to be met when the new tenants moved into the Civic Offices and information was sought regarding how these costs would be calculated. It was stated that costs would be allocated depending on the proportion of floor space occupied by the tenants and that negotiations were still ongoing with the police due to the fact that they would be using the premises seven days a week, 24 hours a day. There would be no additional costs for the Borough Council.

Concerns were raised by Members regarding the impact that a 0% increase in Council Tax this year could have on future year's budgets due to the grant from the government being a one off. There was however no suggestion that there should be an increase in the rate of Council Tax. Officers confirmed that in order to receive the grant from Government no increase in Council Tax could be made.

The Committee queried whether there had been further areas of potential savings that had been identified in the Service Reviews in 2010 that had not been followed up or that could still be addressed. Officers agreed to provide further details of these in writing for the next meeting.

The Committee queried section 7.4 of the report which referred to the need to top up the Insurance Fund by £120,000. Members questioned why the fund needed to be increased. Officers agreed that a written answer regarding this be provided to Members of the Committee.

The Committee requested that further information was required to enable Members to fully evaluate the budget proposals and it was agreed that the 100 page 2011/12 budget book be circulated electronically to the Committee.

The Committee thanked Officers for having provided a comprehensive and well written report.

Resolved:- (a) That the following written response be provided to Members prior to the next meeting on Wednesday 25 January 2012:

- (i) A Breakdown of the Full Time Equivalent Posts Job Savings.
- (ii) A list of the outstanding items from the Budge Service Reviews in 2010.

(iii) Information regarding the need to top up the insurance fund.

(b) That the comments of the Committee be put forward to Cabinet

5. SCALE OF FEES AND CHARGES 2012/13

A report was submitted informing the Committee of the proposed scale of fees and charges to apply from 1 April 2012.

Attention was drawn to section 2.6 of the report regarding the open market fees which at present covered the cost of providing the market. Due to the current financial climate it was not proposed to increase the fees for the upcoming year.

Resolved:- That the information be received

6. CAPITAL STRATEGY

A report was submitted informing the Committee of the Capital Strategy that had been considered by Cabinet that morning.

It was agreed that the Chair of this Committee be invited to comment on the Capital Strategy at the Council meeting on 22 February 2012.

Resolved:- That the report be noted.

7. CIVIC OFFICES - UPDATE (JANUARY 2012) ON PARTNER CO-LOCATIONS

The Committee received a report updating it on the co-location of partners in the Civic Offices.

Concerns were raised regarding the use of the car park to the rear of the Civic Offices by the Police. It was confirmed that a disproportionate amount of the space would be let to the Police but that this would be compensated for monetarily. Any displaced staff would be able to park on the Midway or King Street car parks free of charge.

Resolved:- That the information be received.

8. TREASURY MANAGEMENT STRATEGY 2012-13

A report was submitted requesting the Committee consider and scrutinise the Treasury Management Strategy for 2012/13, including the prudential Indicators, Investment Strategy and Minimum Revenue Provision Strategy contained within it.

It was confirmed that the last training as referred to on Pg 43 had taken place in 2010 and that further training would be organised following the elections in May 2012.

Resolved: (a) That the Committee approve the strategy for submission to Full Council on 22 February 2012.

(b) That the current contract with Sector Treasury Services Ltd be extended for a further 12 months.

9. ASSET MANAGEMENT STRATEGY

The Committee considered the Asset Management Strategy that had been reported to Cabinet that morning.

The Asset Management Strategy sought to provide a robust and formal approach to the management and use of the Council's land and property assets. The strategy was a working document and did not go into any specific details regarding sites or properties. Members queried whether the Council currently owned any premises that could be disposed of; it was stated that this was a consideration that was constantly under review and that each site or premise was judged on an individual basis.

Resolved:- That the information be received and that Cabinet be informed that the Committee had no further comments regarding the report.

**MRS SHENTON
Chair**

TRANSFORMATION AND RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Wednesday 25 January 2012

Present:- Councillor Mrs Shenton – in the Chair

Councillors Mrs Bates, Mrs Beech, Mrs Burke, Fear, Slater, Snell, Taylor,
Miss Walklate, Waring, and Wilkes

1. DECLARATIONS OF INTEREST

There were no declarations of interest.

2. REVENUE AND CAPITAL BUDGETS 2012/13

At its meeting on 18 January 2012, the Committee had requested that the following additional information be provided in writing:

- A breakdown of the full time equivalent posts job savings.
- A list of the outstanding items from the budget service reviews in 2010.
- Information regarding the need to top up the insurance fund.

Officers had distributed a briefing note regarding the above prior to the meeting. The number of full time and part time jobs that had been taken out of the budget over the last 6 years equated to a total of 78 posts which was equal to 65 full time posts. Members thanked officers for this information and recommended that this detail always be provided in future reports.

There had been 49 actions which formed the basis for efficiencies and savings for both the 2011/12 and 2012/13 financial years of which 43 were now complete. The question was as to whether the Council considered opensource software when consolidating IT contracts; it was confirmed that all areas were investigated including opensource.

The insurance fund was used to fund administration and premiums whilst the costs for settling claims were met from a separate fund. The fund balance had been reducing for a number of years owing to several factors such as the increasing costs of premiums and normal inflationary increases in administrative costs. Income to the fund came from the General Fund Budget and this contribution had not been increased over the last four years. The fund would continue to be monitored during 2012/13.

Resolved:- (a) That the Chair of the Overview and Scrutiny Committee attend the Cabinet meeting on 1 February 2012 to feed back comments regarding the Revenue and Capital Budgets 2012/13.

(b) That in the future more detail as highlighted above be included in the original report.

3. PERFORMANCE MANAGEMENT REVIEW UPDATE

The Committee received a presentation from the Head of Business Improvement and Partnerships regarding the ongoing performance management review.

The proposed outcomes of the review were as follows:

- To establish a performance management framework which is systematic, effective, easy to understand and use.
- To ensure that this framework assists in the delivery of positive results in key areas of Borough life – economy, health and quality of life.
- That the framework highlights areas of under performance and helps to shape the Council in providing services and work effectively in partnership with others.

A working group had been set up to help deliver these outcomes and was currently developing outcome measures, success measures and considering value for money and personal performance management. A more detailed report would be presented to the Committee at its meeting on 28 February 2012.

Resolved:- That the progress of the working group be noted

4. REVIEW OF PROGRESS IN DELIVERY OF THE SUSTAINABLE PROCUREMENT STRATEGY AND ACTION PLAN 2011-2013

A report was submitted updating the Committee on the delivery of the Sustainable Procurement Strategy and Action Plan which had been approved by Cabinet in July 2011.

The procurement review was split into three sections, 'strategic', 'routine', 'operational' and 'tactical'. Strategic work had commenced across a range of areas such as accommodation, printing and the ongoing development of document and records management.

Work was also continuing with the V4 organisation (funded by the IEP). V4 had submitted the first draft of the Health Check and Opportunity Summary report which once amended and reviewed by EMT would form part of a final report to IEP WM before being presented to the Staffordshire CO's Group.

Work had also commenced in rolling out a programme of procurement briefings for Council staff.

Work with the 'My Tenders' web portal was also ongoing which linked to 'Contracts Finder' (the central governments preferred platform for advertising below EU threshold contract opportunities). Work was also ongoing with Communications to introduce a 'contract opportunities page' to the Council's website.

The question was raised as to whether the granting of tenders was based on financial factors only or whether social factors could also be taken into consideration. Officers confirmed that tenders were awarded based on a 2 stage criteria, the first stage of which was mainly financial but the second stage of which could include social considerations.

Members requested that a copy of the slides from the procurement briefings be provided to the Committee and that the Business Improvement Manager attend a future meeting of this Committee.

Resolved:- (a) That the contents of the report be noted.

(b) That the Business Improvement Manager attend a future meeting of the Committee to provide a further update.

(c) That a copy of the procurement briefing slides be distributed to Members of the Committee.

5. **FINANCIAL AND PERFORMANCE MANAGEMENT REPORT TO END OF QUARTER TWO (SEPTEMBER) 2011**

A report was submitted regarding the Financial and Performance Review for the 2011/12 Second Quarter which had been considered by Cabinet in November 2011.

A query was raised as to why the target for CA2 had been reduced. Officers stated that they would look into this and report back to the next meeting.

Resolved:- That the contents of the report be noted.

6. **FUTURE COMMISSIONING FOR THE VOLUNTARY AND COMMUNITY (THIRD) SECTOR**

A report was submitted to update the Committee on recommendations agreed by Cabinet on 18 January 2012.

Various stakeholders included in the ongoing Third Sector Commissioning Framework internal engagement process had highlighted the ongoing need for a range of services which included the provision of debt benefits and consumer information and advice, rough sleeper outreach, domestic violence support, young persons homelessness advice and infrastructure support services.

It was suggested that funding for two services be discontinued; funding levels permitting, and that two new services be established and monies found for the return of a previously run service. It was also recognised that this was not a good time to go out to the market place to commission but that there was a need for continuity of service. It was confirmed that risk assessments and equality impact assessments were carried out as part of the commissioning process.

Resolved:- That the report be noted.

7. **FORWARD PLAN FOR THE PERIOD COVERING JANUARY - APRIL 2012**

The Committee discussed its current work plan and considered the items listed in the forward plan for January 2012 to April 2012.

Resolved: That the information be received.

8. URGENT BUSINESS

**MRS E SHENTON
Chair**

PLANNING COMMITTEE

Tuesday 24 January 2012

Present:- Councillor A Fear – in the Chair

Councillors Boden, Cairns, Clarke D, Clarke M R, Cooper, Howells, Miss Reddish, Studd and Sweeney

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Mrs Lewis, Matthews, Mrs Williams and Williams.

2. MINUTES OF PREVIOUS MEETINGS

Resolved:- That the minutes of the meetings of this Committee held on 6 and 13 December 2011 be approved as correct records.

3. DECLARATIONS OF INTEREST

There were none.

4. APPLICATION FOR MINOR DEVELOPMENT - TWO STOREY REAR EXTENSION. 77TH AUDLEY SCOUT GROUP HALL, 72-74 WERETON ROAD, AUDLEY. 77TH AUDLEY SCOUT GROUP. 11/00632/FUL

Resolved:- That in the absence of visual evidence at the meeting to demonstrate the relationship of the applicant's building with an adjoining dwelling, consideration of this application be deferred pending a site visit.

5. CONSTRUCTION OF BUSINESS PARK CONTAINING A MIX OF B1 (BUSINESS), B2 (GENERAL INDUSTRIAL) AND B8 (STORAGE AND DISTRIBUTION) USES. LAND AT ETRURIA VALLEY PHASE 2A, FORGE LANE, ETRURIA, STOKE-ON-TRENT. STOKE-ON-TRENT REGENERATION LTD. 348/187 (SOT/52732)

Resolved:- That the City Council be informed that the Borough Council object to the proposal because it involves large scale Class B1(a) office floorspace, a main town centre use as identified in PPS4, in this out of centre location. Furthermore the applicant has not demonstrated, through the sequential assessment, that the proposed office development cannot be met within Newcastle Town Centre. Given the scale and nature of the development which is not considered to accord with the Development Plan, it will be necessary for the application to be referred to the Secretary of State under the Town and Country Planning (Consultation) (England) Direction 2009 if Stoke City Council are minded to permit the application.

6. MID-YEAR DEVELOPMENT MANAGEMENT PERFORMANCE REPORT 2011/2012

The Committee considered the mid-year report on the performance recorded for Development Management (Development Control) between 1 April and 30 September 2011.

Resolved:- (a) That the report be received.

(b) That the Head of Planning and Development continue to operate mechanisms to maintain current high performance levels and improve the service provided for those procedures where the level of performance still needs to be addressed.

(c) That the next Development Management Performance Report be submitted for consideration in either June/July 2012 providing an update on performance for the year 2011/12.

(d) That staff in the Development Control Section be thanked for their efforts.

**A FEAR
Chair**

BATESWOOD LOCAL NATURE RESERVE PETITIONS

Submitted by: Head of Operations – Roger Tait

Portfolio: Culture and Active Communities

Ward(s) affected: Halmer End

Purpose of the Report

To present 2 petitions submitted by residents groups in relation to requests for additional recreational facilities in Bateswood Local Nature Reserve

Recommendations

(a) That the petitions are received.

(b) That the petitions, and any views which members would like to express on the petitions, are referred to Cabinet for consideration in the context of the full public consultation exercise which has recently been undertaken in relation to requests for additional recreational facilities in Bateswood Local Nature Reserve.

(c) That the petitioners are informed of the decision of the Council.

Reasons

To comply with the provisions of the Council's approved petitions scheme.

1. **Background**

- 1.1 The Council has recently completed a full public consultation exercise in relation to community requests for additional recreational facilities to be provided in Bateswood Local Nature Reserve, Halmer End.
- 1.2 During the consultation period, a petition was submitted on 25 January 2012 signed by 257 people requesting that an additional bridle route be provided in Bateswood Local Nature Reserve. A further petition was received on 26 January 2012 signed by 225 people requesting that no fishing on the pool and that no additional bridle route be provided in Bateswood Local Nature Reserve.

2. **Issues**

- 2.1 The first petition requests, "We, the undersigned, would like to like to support the proposal of extending the bridle path in Bateswood Local Nature Reserve; and would like Newcastle Borough Council to take into consideration when deciding whether to approve these proposals".
- 2.2 The second petition requests, "We the undersigned wish Bateswood to remain as a nature reserve. We do not want to have fishing or any other activities on the lake nor do we want an extra bridleway on the reserve".
- 2.3 Your officers are currently analysing the results of the full public consultation exercise and preparing a report on the outcome for consideration by the Cabinet of the Council at the meeting of 28 March 2012. The results will be reported to the Active and Cohesive

Communities Overview and Scrutiny Committee on 5 March 2012 prior to going forward to Cabinet.

- 2.3.1 It is therefore recommended that the petitions be incorporated into the report on the outcome of the full public consultation exercise where they can be considered in the context of the representations received from all other consultees who responded. If Members wish to make comment on the petitions then it is recommended that these comments be also incorporated into the report.

3. **Options Considered**

- 3.1 The options will be reported to the Cabinet of the Council at the meeting of 28 March 2012.

4. **Proposal**

- 4.1 That the petitions be received.
- 4.2 That the petitions, and any views members would like to express on the petitions, are referred to Cabinet for consideration in the context of the full public consultation exercise which has recently been undertaken in relation to requests for additional recreational facilities in Bateswood Local Nature Reserve.
- 4.3 That the petitioners are informed of the decision of the Council.

5. **Reasons for Preferred Solution**

- 5.1 To comply with the provisions of the Council's approved petitions scheme.

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

- 6.1 Creating a cleaner, safer, and sustainable Borough
- 6.2 Creating a healthy and active community

7. **Legal and Statutory Implications**

- 7.1 The Council has an approved petitions scheme which sets out the procedure for consideration of petitions received from the local community.

8. **Equality Impact Assessment**

No adverse impact has been identified.

9. **Financial and Resource Implications**

There are no additional financial or resource implications arising from the recommendation.

10. **Major Risks**

None identified relating directly to this report.

11. **Sustainability and Climate Change Implications**

Not applicable.

12. **Key Decision Information**

Not a key decision

13. **List of Appendices**

Paper copies of the petitions will be available in the Members' Room prior to the meeting.

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CAPITAL STRATEGY

Submitted by: Head of Finance

Portfolio: Resources and Efficiency

Wards Affected: All

Purpose

To consider and approve the Capital Strategy 2012 to 2015.

Recommendation

That the Capital Strategy be approved.

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

- 1.1 The previous Capital Strategy was approved by the Council on 23 February 2011. It covered the period 2011 to 2014. When Full Council considered revised Financial Regulations on 25 February 2009 it resolved that following discussion by the Cabinet the Capital Strategy be approved by Full Council.
- 1.2 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 2012 to 2015. It will serve as a useful point of reference when determining or reviewing the Council's Capital Programme.

2. Issues

- 2.1 The 2012 to 2015 Capital Strategy is appended to this report at Appendix A.
- 2.2 The Strategy was considered by Cabinet on 18 January 2012 and is recommended to you for approval. The Transformation and Resources Scrutiny Committee scrutinised the strategy, also on 18 January, and raised no comments.

3. Financial and Resource Implications

There are none deriving directly from the Strategy.

4. List of Appendices

Appendix A - Capital Strategy 2012 to 2015

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CAPITAL STRATEGY 2012 to 2015

Submitted to Cabinet 18 January 2012

CONTENTS

1. INTRODUCTION
2. KEY OBJECTIVES AND PRIORITIES
3. LINKS WITH OTHER STRATEGIES, POLICIES AND PLANS
4. EXTERNAL INFLUENCES, PARTNERS AND CONSULTATION WITH STAKEHOLDERS
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 23 February 2011. This programme provides for £21,638,800 of investment over the two-year period in projects across all of the Council's priority areas, of which £10,374,500 was programmed to be spent in 2011/12. Since then, programmed expenditure for 2011/12 has been reviewed and, resulting in a revised 2011/12 outturn figure of £16,783,300 being agreed. This takes account of slippage coming forward from 2010/11 and the addition of the cost of acquiring a town centre development site at Ryecroft. Full Council will consider a capital programme to continue investment beyond 2011/12 on 15 February 2012.
- 1.3 The Strategy has been prepared against a background of unprecedented reductions in funding provided to local authorities by central government and its agencies, arising from the need to restrain public expenditure owing to the ongoing economic recession and to rebalance public finances. At the same time, the Council's own resources available to finance capital projects are diminishing and will need replenishing before any substantial further capital investments can be made. As a result the Council initiated a programme of asset disposals to address this situation. In the interim period, before asset sales can provide these additional resources, the Capital Programme was restricted to cover a two year period, 2010/11 to 2011/12.

2. KEY OBJECTIVES AND PRIORITIES

- 2.1 The Council's Priority Areas contained in its current (2011/12 to 2013/14) Corporate Plan are:
- Promoting a Cleaner, Safer and Sustainable Borough
 - Promoting a Borough of Opportunity
 - Promoting a Healthy and Active Community
 - Transforming our Council to Achieve Excellence

Annex A shows the indicative areas of projects and activities which are set out in the Plan which may require capital investment by the Council or its partners in order to contribute to the delivery of these priorities.

- 2.2 These priorities are compatible with those contained in the Local Area Agreement for Staffordshire to which the Council is a party, that is:
- A vibrant, prosperous and sustainable economy
 - Strong, Safe and Cohesive communities
 - Improved health and sense of well being
 - A protected, enhanced and respected environment

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- 2.3 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 Corporate Plan. An indication is shown against each project in the Programme of the area or areas whose issues it addresses.
- 2.4 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.
- 2.5 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.
- 2.6 Regular reviews of the property portfolio will be carried out by the Assets Review Group, chaired by the Executive Director (Regeneration and Development). A complete review of the whole portfolio was undertaken in 2010/11 to identify properties or land which could potentially be disposed of and a capital receipt obtained from the sale. Because of the currently poor market conditions arising from the economic recession, however, 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.
- 2.7 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.
- 2.8 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 Corporate 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.
- 3.8 The Performance Plan contains the same data regarding Priority Areas as the Corporate Plan together with similar actions proposed to achieve the aims expressed in relation to the Priority Areas so by linking to the Corporate 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, 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 Renewal and 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

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facilities grants payable to eligible applicants. The current Capital Programme 2010/11 to 2011/12 provides for £3.9m to be spent in this area over the two year period, of which £1.0m is in 2011/12.

- 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 new Staffordshire and Stoke on Trent Local Enterprise Partnership (LEP)
- 4.7 The overall level and direction of the Council's capital investment proposals embodied in its capital programme and the individual schemes included in it will be informed by consultation carried out with stakeholders. This may be by means of the "Peoples' Panel", Simalto or similar consultation exercises or any other means which the Council feel are appropriate.
- 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 2011/12, approved by Council on 23 February 2011, 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 possible 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. However, there are no such projects yet identified.
- 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 2011 was £6.0m. 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. At present the major significant (but much reduced from earlier levels) source is the Council's continuing right to a share of receipts arising from tenants of Aspire Housing under the Right to Buy legislation, which amounted to some £0.3m in 2010/11. 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. Recent government announcements, however, 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 would be 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:
- Special Projects Fund
 - ICT Development Fund
 - New Initiatives Fund
 - LSVT Capital Fund

The Special Projects Fund balance at 1 April 2011 was £0.9m and is fully committed to funding the current approved Capital Programme and will be exhausted during the period spanned by the Programme.

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 2011 was £0.8m.

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 2011 was £0.2m, 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.

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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 balance on this Fund at 1 April 2011 was £2.3m. Completion of the currently approved Capital Programme will exhaust the Fund by 31 March 2012, although further contributions from revenue in respect of internal leasing repayments will flow into it from 2011/12 (around £0.15m each year until all 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 2010/11 to 2011/12 was taken account of in the Medium Term Financial Strategy and in the 2011/12 Revenue Budget. Any receipts generated from the assets disposal programme 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. The Council will consider the proportion of the New Homes Bonus grant that will be made available to finance housing capital projects when compiling the housing investment element of the capital programme.
- 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 There is no intention to charge any capital investment directly to the General Fund Revenue Account.
- 5.11 The Council does not presently intend to consider the use of Private Finance Initiative type arrangements to meet the cost of capital investment.
- 5.12 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.

- 5.13 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.
- 6.2 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, outputs 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. 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

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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 B 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. Accordingly, the objectives and methodologies contained in the Value for Money Strategy will be observed.

11. 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.
- 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.

Annex A

INDICATIVE AREAS OF PROJECTS AND ACTIVITIES WHICH ARE SET OUT IN THE CORPORATE PLAN WHICH MAY REQUIRE CAPITAL INVESTMENT BY THE COUNCIL AND ITS PARTNERS IN ORDER TO CONTRIBUTE TO THE DELIVERY OF THE CORPORATE PRIORITIES

Promoting a Cleaner, Safer and Sustainable Borough

- Improve efficiency of recycling and waste
- Implementation of the climate change and carbon reduction Plans

Promoting a Borough of Opportunity

- Seeking funding for redevelopment through the Local Enterprise Partnership
- Implementing the refreshed Economic Development Strategy
- Implementing a Local Investment Strategy
- Implementing a Housing Strategy
- Making the town centre vibrant and attractive

Promoting a Healthy and Active Community

- Implementing the Health and Wellbeing Strategy to reduce health inequalities

Transforming Our Council to Achieve Excellence

- Continuing to improve customer service and relations
- Achieving savings through smarter working and improved use of technology

Annex B**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.

TREASURY MANAGEMENT STRATEGY 2012/13

Submitted by: Head of Finance

Portfolio: Resources and Efficiency

Ward(s) affected: All Indirectly

Purpose of the Report

To approve the Treasury Management Strategy for 2012/13, including the Prudential Indicators, Investment Strategy and Minimum Revenue Provision Strategy contained within it.

Recommendations

- (a) That the Treasury Management Strategy Report for 2012/13 be approved.**
- (b) That the Prudential Indicators contained within the report be approved.**
- (c) That the Investment Strategy contained within the report be approved.**
- (d) That the Minimum Revenue Provision Strategy contained within the report be approved.**
- (e) That the current contract with Sector Treasury Services Ltd be extended for a further 12 months.**

Reasons

The Council needs to have an approved Treasury Management Strategy for 2012/13 in place before the start of the 2012/13 financial year.

At the Council meeting of 24 June 2009 it was resolved that the strategy be scrutinised by the Transformation and Resources Overview and Scrutiny Committee before being submitted for approval by Full Council. The strategy was scrutinised by the Transformation and Resources Overview and Scrutiny Committee on 18 January 2012.

1. Background

- 1.1 The Council has adopted the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice. This requires a report to be prepared and approved by the Council concerning the strategy to be followed in carrying out its treasury management activities in the forthcoming financial year, 2012/13.
- 1.2 The Local Government Act 2003 and Regulations thereto specify that local authorities must have regard to the CIPFA Prudential Code for Capital Finance in Local Authorities in setting their affordable borrowing limits. This is to be achieved by setting a number of “prudential indicators” covering various aspects of treasury management. Accordingly, the appropriate prudential indicators have been incorporated in the relevant sections of the Treasury Management Strategy Report.
- 1.3 In addition the Department for Communities and Local Government issued revised “Guidance on Local Authority Investments” in March 2010, under powers contained in Section 15 (1)(a) of the Local Government Act 2003. The Act states that local authorities

must have regard to this guidance. The Guidance recommends that an Annual Investment Strategy, setting out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments is produced and approved by the Full Council.

2. **Issues**

- 2.1 The Strategy Report for 2012/13 is attached at Appendix A.
- 2.2 The proposed prudential indicators relating to treasury management are contained in the report.
- 2.3 The Investment Strategy for 2012/13 is contained in Annex A to the report.
- 2.4 Details of the methodology involved in the production of the counterparty listing are contained in Annex B to the report.
- 2.5 The Minimum Revenue Provision Strategy for 2012/13 is contained in Annex C to the report.
- 2.6 The 2012/13 Treasury Management Strategy was scrutinised by the Transformation and Resources Overview and Scrutiny Committee on 18 January 2012 and no issues were raised.

3. **Legal and Statutory Implications**

See Background for details.

4. **Financial and Resource Implications**

There are no specific financial implications arising from the strategy report.

5. **Major Risks**

- 5.1 Treasury management is a major area of risk for the Council in that large amounts of money are dealt with on a daily basis and there are a number of limits and indicators, which must be complied with.
- 5.2 The overriding consideration in determining where to place the Council's surplus funds is to safeguard the Council's capital. Within this constraint the aim is to maximise the return on capital.
- 5.3 Operational procedures, coupled with monitoring arrangements, are in place to minimise the risk of departures from the approved strategy.

6. **List of Appendices**

Appendix A - Treasury Management Strategy Report 2012/13.

7. **Background Papers**

CIPFA Treasury Management Code of Practice (revised November 2009 and again in November 2011);
Council's Treasury Management Policy Statement,
CIPFA Prudential Code for Capital Finance in Local Authorities and guidance notes thereto,
Local Government Act 2003,

Local Authorities (Capital Finance and Accounting) (England) Regulations 2003,
Guidance on Local Authority Investments issued by the Department for Communities and
Local Government (revised March 2010).
Sector Treasury Services' Treasury Management Strategy Statement template

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TREASURY MANAGEMENT STRATEGY REPORT 2012/13

1. INTRODUCTION

1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

Treasury management is defined as:

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

1.2 Statutory Reporting Requirements

The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. The reports required are as follows:

Prudential and Treasury Indicators and Treasury Strategy (This report) – This report is required to be scrutinised by the Transformation and Resources Overview and Scrutiny Committee prior to being reported to Full Council. This report covers:

- prudential indicators;
- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators;
- an investment strategy (the parameters on how investments are to be managed); and
- a Minimum Revenue Provision Policy (how residual capital expenditure is charged to revenue over time)

A Mid Year Treasury Management Report – This report is required to be scrutinised by the Audit and Risk Committee. This will update members with the progress of the treasury management performance for the first half of the financial year and whether or not the treasury strategy approved by Full Council prior to commencement of the financial year is still appropriate or requires revision.

An Annual Treasury Outturn Report – This report is received by Full Council. This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

1.3 Treasury Management Strategy for 2012/13

The strategy for 2012/13 covers two main areas:

Capital Issues

- prudential indicators;
- the MRP strategy (Annex C).

Treasury Management Issues

- treasury indicators which will limit the treasury risk and activities of the Council;
- policy on use of external service providers.

- the current treasury position;
- prospects for interest rates;
- policy on borrowing in advance of need;
- the investment strategy (Annex A); and
- creditworthiness policy. (Annex B)
- treasury management Glossary of Terms (Annex D)

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the DCLG MRP Guidance, the CIPFA Treasury Management Code and the DCLG Investment Guidance.

2. **PRUDENTIAL AND TREASURY INDICATORS**

2.1 **Background**

This report incorporates a number of Prudential Indicators in relation to treasury management in accordance with the CIPFA Prudential Code for Capital Finance in Local Authorities (“the Code”). Regulations to the Local Government Act 2003 lay down that the Council shall have regard to the Prudential Code in determining an affordable borrowing limit.

The indicators are intended to demonstrate that the Council has fulfilled the objective of ensuring that its capital investment decisions are affordable, prudent and sustainable – or in exceptional cases to demonstrate that there is a danger of not ensuring this, so that timely remedial action can be taken. They are further designed to ensure that treasury management decisions are taken in a manner that supports prudence, affordability and sustainability.

2.2 **Capital Prudential Indicators**

- **Actual and Estimate of Capital Expenditure**

This indicator relating to Actual and Estimates of Capital Expenditure is reported separately to the Council meeting which sets the General Fund Revenue Budget and the Council Tax (15 February 2012).

- **The Council’s Borrowing Need (the Capital Financing Requirement)**

The second prudential indicator is the Council’s Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. The Capital Financing Requirement is derived from the Council’s balance sheet by consolidating various items appearing in it which relate to capital, such as: fixed assets (including property, plant and equipment, investment properties, long term debtors, assets held for sale and intangible assets); the revaluation reserve, capital adjustment account and deferred capital receipts. Following the introduction of International Financial Reporting Standards in 2011/12, the calculation of the CFR now has to include any other long term liabilities (e.g. finance leases) brought onto the balance sheet. The relevant figures for this Council are set out in the table below:

31/03/11 Actual (£000’s)	31/03/12 Estimate (£000’s)	31/03/13 Estimate (£000’s)	31/03/14 Estimate (£000’s)	31/03/15 Estimate (£000’s)
115	115	115	115	115

2.3 Affordability Prudential Indicators

- **Estimates of the Incremental Impact of Capital Investment Decisions on Council Tax**

This indicator relating to Estimates of the Incremental Impact of Capital Investment Decisions on Council Tax is reported separately to the Council meeting which sets the General Fund Revenue Budget and the Council Tax (15 February 2012).

- **Actual and Estimates of the Ratio of Financing Costs to Net Revenue Stream**

This indicator identifies the trend in the cost of capital (borrowing and other long term obligations net of investment income) against the net revenue stream.

Financing Costs comprise the aggregate of, interest payable on loans and finance leases; premiums or discounts in relation to premature debt repayment; interest receivable and investment income; the amount charged as a 'Minimum Revenue Provision; depreciation and impairment charges that have not been reversed out of the revenue account.

Net Revenue Stream is defined as the 'amount to be met from government grants and local taxpayers'. This is the Council's 'budgetary requirements' figure shown in the General Fund Revenue Budget, being the net expenditure for the year before deducting government grants (Revenue Support and NNDR) and adjusting for the Collection Fund Surplus/Deficit. The relevant figures for this Council are set out in the table below:

	2010/11 Actual (£000's)	2011/12 Estimate (£000's)	2012/13 Estimate (£000's)	2013/14 Estimate (£000's)	2014/15 Estimate (£000's)
Net Revenue Stream	17,954	16,654	14,289	13,923	13,576
Financing Costs	(324)	(93)	(174)	(250)	(306)
Ratio	(1.80%)	(0.56%)	(1.22%)	(1.80%)	(2.25%)

The negative Financing Costs reflect the position that the Council's investment income exceeds the interest paid to service its external debt.

2.4 Treasury Indicators

- **Actual External Debt and Net Borrowing**

Debt

Currently the Council has no long term external debt and is categorised as a 'debt free' authority. Short term external loans (i.e. repayable on demand or within 12 months) can be taken to fund any temporary capital or revenue borrowing requirement. The amounts involved would fluctuate according to the cash flow position at any one time. Such short term borrowing does not affect the Council's 'debt free' status.

Any surplus funds arising, for example from favourable cash flow or as a result of asset sales, are potentially available for use as an alternative to short term borrowing. The Actual External Debt of the Council as at the end of the previous financial year is a Prudential Indicator. This indicator comprises actual borrowing (short and long term) as shown in the Council's balance sheet. This indicator will reflect the actual position at one point in time. As at 31 March 2011 the Actual External Debt of the Council was nil.

Investments

It is estimated that the amount of receipts in hand, plus reserve balances, and available for investment at 1 April 2012 will be in the region of £8,000,000, all of which will be managed In House. The decline in total investments is due to a combination of very few capital receipts being received due to the economic downturn and capital expenditure being incurred on large projects including:

- Health and Wellbeing Centre
- Lancaster Buildings refurbishment
- Midway car park refurbishment
- Replacement Cemetery
- Refuse vehicle fleet procurement
- Recycling containers procurement

- **Limits to Borrowing Activity (The Operational Boundary and The Authorised Limit for External Borrowing)**

The Local Government Act 2003 requires each local authority to determine and keep under review how much money it can afford to borrow. This is to be determined by the calculation of an affordable borrowing limit which Regulations to the Act specify should be calculated with regard to the CIPFA Prudential Code.

At present borrowing is not being used to fund the capital programme in view of the Council currently possessing sufficient reserves and useable capital receipts to finance capital expenditure from these sources. Borrowing may become an option if these resources become sufficiently depleted that they are insufficient to finance proposed capital expenditure deemed to be affordable or, if the costs of borrowing compare favourably with those of alternatives such as using unapplied capital receipts.

There may be a requirement to temporarily fund some capital expenditure by means of borrowing during the interim period before a permanent means of finance becomes available, for example whilst awaiting receipt of Government grant. As well as temporary borrowing required for capital purposes, it may also be necessary to borrow in order to cover any temporary shortfall in revenue income which may arise owing to either a mismatch between income and expenditure or problems concerning the non payment of amounts due to be paid by the Council's customers. These factors have been taken into account in calculating the Prudential Indicators referred to below.

The Operational Boundary

This indicates the probable external debt during the course of the year. It is not a limit and actual borrowing can vary around this boundary for short times during the year. It should act as an indicator to ensure that the Authorised Limit is not breached. The Code requires the inclusion of a figure, separately shown, for Other Long Term Liabilities. Following the introduction of International Financial Reporting Standards in 2011/12, finance leases must now be included in this figure. As referred to above, the Council may, if considered desirable from a treasury management point of view, take out long term loans to finance capital expenditure incurred in 2012/13, 2013/14, 2014/15 and 2015/16. The figures shown in the table below reflect the possibility that up to £5,000,000 may be borrowed at any one time on a long term basis in 2012/13. The Operational Boundaries for the Council are set out below:

	2012/13 Estimate (£000s)	2013/14 Estimate (£000s)	2014/15 Estimate (£000s)	2015/16 Estimate (£000s)
Borrowing	5,000	5,000	5,000	5,000
Other Long Term Liabilities	1,009	1,009	1,009	1,009

The Authorised Limit for External Borrowing

This represents the limit beyond which borrowing (long and short term added together) is prohibited. Officers responsible for day-to-day treasury management operations must ensure that the Council's borrowings do not exceed this limit. It reflects the level of borrowing which, while not desired, could be afforded in the very short term i.e. overnight to two weeks, but is not sustainable. It is the expected maximum borrowing need with some headroom for unexpected movements. It is a statutory limit which Councils must determine in accordance with Section 3 (1) of the Local Government Act 2003. The Authorised Limits for the Council are set out in the table below:

	2012/13 Estimate (£000s)	2013/14 Estimate (£000s)	2014/15 Estimate (£000s)	2015/16 Estimate (£000s)
Borrowing	15,000	15,000	15,000	15,000
Other Long Term Liabilities	1,009	1,009	1,009	1,009

Sources of Borrowing: Temporary borrowing will take place via money brokers, from building societies, banks, local authorities, individuals and commercial organisations. If the Council decides to borrow on a long term basis to fund capital expenditure it is anticipated that this will be via the Public Works Loans Board. The Public Works Loan Board (PWLB) is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. The PWLB's function is to lend money from the National Loans Fund to local authorities and other prescribed bodies, and to collect the repayments.

Interest Rates, Loan Periods and Types of Loan: The most favourable options will be selected, depending upon market conditions prevailing at the time of borrowing. The aim will be to minimise the impact upon revenue accounts and to achieve efficient management of the Council's debt portfolio. Advice will be taken, as appropriate from the Council's treasury management advisors, Sector Treasury Services.

- **Limits on Interest Rate Exposures (fixed and variable interest rates)**

The following limits will apply in relation to the Council's interest rate exposure. They relate to interest on both borrowings and investments. These limits are intended to reduce the risk of the Council suffering unduly from significant adverse fluctuations in interest rates.

Limit on Fixed Interest Rate Exposures expressed as a percentage of total borrowings/investments

	Borrowing		Investments	
	Upper	Lower	Upper	Lower
2012/13	100%	0%	100%	0%
2013/14	100%	0%	100%	0%
2014/15	100%	0%	100%	0%
2015/16	100%	0%	100%	0%

Limit on Variable Interest Rate Exposures expressed as a percentage of total borrowings/investments

	Borrowing		Investments	
	Upper	Lower	Upper	Lower
2012/13	100%	0%	100%	0%
2013/14	100%	0%	100%	0%
2014/15	100%	0%	100%	0%
2015/16	100%	0%	100%	0%

In relation to both investing and borrowing fixed rate investments and loans may be anything between 0% and 100% of the total, with the same proportions being permitted for variable rate loans – in effect there is no limit on each type. This enables maximum flexibility to be afforded to your officers to take advantage of prevailing interest trends to obtain the best deal for the Council.

• **Total Principal Funds Invested for Periods Greater than 364 days**

The Council will determine the maximum periods for which funds may prudently be committed. Investments will be for whatever period is considered appropriate by your officers at the time that the investment is made. Regard will be had to relevant matters such as likely future capital values and the Council's forecast need to realise investments in the future in order to finance capital expenditure or for any other purpose.

There will be a limit placed upon the amount which may be invested for periods in excess of 364 days. Investments will be regarded as commencing on the date the commitment to invest is entered into, rather than on the date on which the funds are paid over to the Counterparty.

This Treasury Indicator is intended to limit the Council's exposure to the possibility of loss that might arise as a result of it having to seek early repayment of sums invested. It consists of the amount that it is considered prudent to have invested for a period greater than 364 days in each of the next three years. The limits as set out in the table below will apply:

	£000's
Beyond 31/03/13	10,000
Beyond 31/03/14	10,000
Beyond 31/03/15	10,000

3. LEASING

3.1 Requirement for the Year

In previous years the Council has acquired some items of plant by means of leases and major items of equipment may also be obtained in the same way.

The total amount of leases to be entered into during the year will depend upon the replacement requirement for vehicles and plant and upon any new requirements arising during the year. It will also depend upon the attraction of leasing as opposed to other forms of finance which may be available, in particular in comparison with contract hire terms for vehicles and plant and the availability and relative cost of internal sources of funding. The appropriate form of finance will be chosen to obtain the best deal for the Council at the time that the requirement arises.

3.2 Period and Type of Lease

An appropriate lease period will be chosen in relation to the type of asset concerned and to achieve the most satisfactory revenue account impact. Fixed or variable rate leases may be taken out; which is chosen will depend upon market conditions prevailing at the time the decision is made.

3.3 Leasing Consultants

The current contract with the Council's Treasury Management advisors includes the provision of leasing advice.

4. **TREASURY MANAGEMENT TRAINING**

4.1 **On the Job Training**

Officers engaging in Treasury Management activities will receive appropriate training. In particular, the Accountancy Assistant (Treasury Management) will receive on the job training from the Principal Accountant in all aspects of the day to day operation of the Treasury Management function.

4.2 **Training Courses**

Officers engaging in Treasury Management activities will also attend any suitable courses/seminars provided by the Council's Treasury Management Consultants, Sector Treasury Services and any other appropriate organisations where it is considered that this will increase or complement their expertise in relation to the Treasury Management function. Training needs are reviewed on a regular basis.

4.3 **Members Training**

It is envisaged early in the Financial Year commencing 1 April 2012, to run some training sessions for Members in respect of Treasury Management.

5. **POLICY ON THE USE OF EXTERNAL SERVICE PROVIDERS**

Your officers will continue to work with the Council's Treasury Management Advisors, Sector Treasury Services Ltd, to monitor market trends and to advise on strategic considerations affecting borrowing strategy and sums available for investment and any other relevant treasury management matters. Quarterly meetings are held to ensure quality of service is maintained and to develop a constructive relationship. Our current three year contract is due to expire on 31 March 2012. In accordance with the tender specification we have the option to extend the contract for a further two years. It is proposed to extend the current contract for one year until 31 March 2013.

6. **PROSPECTS FOR INTEREST RATES**

The Council has appointed Sector as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table and information gives the Sector central view:

	Bank Rate	Money Rates		PWLB Borrowing Rates		
		3 month	1 year	5 year	25 year	50 year
March 2012	0.50	0.70	1.50	2.30	4.20	4.30
June 2012	0.50	0.70	1.50	2.30	4.20	4.30
Sept 2012	0.50	0.70	1.50	2.30	4.30	4.40
Dec2012	0.50	0.70	1.60	2.40	4.30	4.40
March 2013	0.50	0.75	1.70	2.50	4.40	4.50
June 2013	0.50	0.80	1.80	2.60	4.50	4.60
Sept 2013	0.75	0.90	1.90	2.70	4.60	4.70
Dec 2013	1.00	1.20	2.20	2.80	4.70	4.80
March 2014	1.25	1.40	2.40	2.90	4.80	4.90
June 2014	1.50	1.60	2.60	3.10	4.90	5.00

Growth in the UK economy is expected to be weak in the next two years and there is a risk of a technical recession (i.e. two quarters of negative growth). Bank Rate, currently 0.50%, underpins investment returns and is not expected to start increasing until quarter 3 of 2013 despite inflation currently being well above the Monetary Policy Committee inflation target. Hopes for an export led recovery appear likely to be disappointed due to the Eurozone sovereign debt crisis depressing growth in the UK's biggest export market.

This challenging and uncertain economic outlook has a several key treasury management implications:

- The Eurozone sovereign debt difficulties, most evident in Greece, provide a clear indication of much higher counterparty risk. This continues to suggest the use of higher quality counterparties for shorter time periods;
- Investment returns are likely to remain relatively low during 2012/13;
- Borrowing interest rates are currently attractive, but may remain low for some time. The timing of any borrowing will need to be monitored carefully;

7. Treasury Management Scheme of Delegation

Full Council

- receiving and reviewing the Treasury Management Strategy /Annual Investment Strategy/Minimum Revenue Provision Strategy on an annual basis (including updates and revisions at other times).
- receiving the Annual Treasury Outturn Report.

Transformation and Resources Overview and Scrutiny Committee

- scrutiny of the Treasury Management Strategy prior to submission to Full Council.

Audit and Risk Committee

- scrutiny of Treasury Management performance including receiving and reviewing a mid-year report.

8. TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

The S151 (responsible) officer role includes:

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.

ANNEX A**INVESTMENT STRATEGY 2011/12****1. INTRODUCTION****1.1 Background**

This Strategy is compiled according to the DCLG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). It sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments (and finally what return can be obtained consistent with these priorities).

In accordance with the above and in order to minimise the risk to investments, the Council has below (in Annex B) clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. Using the Sector ratings service, bank's ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify any modifications.

The aim of this strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk. The intention of the strategy is to provide security of investment and minimisation of risk.

1.2 Possible Revisions to the Strategy

The initial Strategy may be replaced with a revised Strategy at any time during the year in cases where any treasury management issues (including investment issues) need to be brought to the attention of Full Council.

2. SECURITY OF INVESTMENTS**2.1 Specified and Non-Specified Investments**

In accordance with the Investment Guidance, the Council will, in considering the security of proposed investments, follow different procedures according to which of two categories, Specified or Unspecified, the proposed investment falls into.

Specified Investments – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:

- The UK Government (such as the Debt Management Account deposit facility, UK Treasury Bills or a Gilt with less than one year to maturity).
- Supranational bonds of less than one year's duration.
- A local authority, parish council or community council.
- Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency.
- A body that is considered of a high credit quality (such as a bank or building society).

Non-Specified Investments – These investments are any other type of investment (i.e. not defined as Specified above). If the Council were to consider placing funds in any other type of investment which would be categorised as Non-Specified, the security of the capital sum would be the paramount concern.

The same requirements as to credit ratings relating to Specified Investments will apply, and in appropriate cases the advice of the Council's treasury management advisors will be sought. In considering whether it is prudent to place funds for longer than 12 months in 2012/13 and in determining the period of such investment the principles and limits set out under "3.0 Liquidity of Investments" below will apply together with the counterparty listing criteria set out in Annex B.

2.2 Use of Sector Creditworthiness Service

This Council uses the creditworthiness service provided by the Council's treasury management advisors, Sector Treasury Services. This service has been progressively enhanced over previous years and now uses a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moodys and Standard and Poors, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- Credit watches and credit outlooks from credit rating agencies;
- Credit Default Swap (CDS) spreads to give early warning of likely changes in credit ratings;
- Sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches, credit outlooks in a weighted scoring system for which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the duration for investments and are therefore referred to as durational bands.

All credit ratings will be monitored on a daily basis. The Council is alerted to changes to ratings of all three agencies through its use of the Sector creditworthiness service.

2.3 Local Authority Mortgage Guarantee Scheme

The Local Authority Mortgage Guarantee Scheme is a scheme whereby local authorities would issue mortgages to potential home-buyers to support the local area and address pressing issues in increasing the supply of affordable housing. If the Council participates in the Local Authority Mortgage Guarantee Scheme, it may be required to place a deposit with the mortgage provider(s) up to the full value of the guarantee. The deposit will be in place for the term of the guarantee (i.e. 5 years, with the possibility of a further 2 year extension if the account is 90+ days in arrears at the end of the initial 5 years) and may have conditions/structures attached. The mortgage provider will not hold a legal charge over the deposit.

2.4 Approved Investment Instruments

The Council has laid down a list of approved investment instruments in the Schedule to Treasury Management Practice 4 (TMP4). These are reproduced below:

Extract from Schedule to TMP 4

"The following types of investments will be permitted, fixed cash deposits, certificates of deposit issued by organisations falling into the categories listed under TMP1 (5), registered British Government Securities (Gilts) and Money Market Funds. Officers of the Council may only invest in Fixed Cash Deposits and Money Market Funds."

Because fund managers are not currently employed this means that investments in 2012/13 will be limited to fixed cash deposits, money market funds and the Debt Management Account Deposit Facility (DMADF). The DMADF is guaranteed by HM Government and offers investors a flexible and secure facility to supplement their existing range of investment options.

3. **LIQUIDITY OF INVESTMENTS**

3.1 **Maximum Investment Periods**

The Council will determine the maximum periods for which funds may prudently be committed. Investments will be for whatever period is considered appropriate by your officers at the time that the investment is made. Regard will be had to relevant matters such as likely future capital values and the Council's forecast need to realise investments in the future in order to finance capital expenditure or for any other purpose. The principles concerning time limits contained in the Schedule to the Treasury Management Practices will be followed.

There will be a limit placed upon the amount which may be invested for periods in excess of 364 days. This limit has been set using one of the Prudential Indicators required by the Chartered Institute of Public Finance and Accountancy Prudential Code for Capital Finance in Local Authorities. Investments will be regarded as commencing on the date the commitment to invest is entered into, rather than on the date on which the funds are actually paid over to the Counterparty.

This Prudential Indicator is intended to limit the Council's exposure to the possibility of loss that might arise as a result of it having to seek early repayment of sums invested. It consists of the amount that it is considered prudent to have invested for a period greater than 364 days in each of the next three years. The limits as set out in the table below will apply:

	£000's
Beyond 31/03/12	10,000
Beyond 31/03/13	10,000
Beyond 31/03/14	10,000

4. **RETURN ON INVESTMENTS (YIELD)**

4.1 **Current Economic Climate**

Due to ongoing global economic uncertainties, investment returns are likely to remain relatively low during 2012/13. Interest rates on Instant access deposit accounts and Notice accounts are currently more attractive than interest rates being offered by the market.

4.2 **Prudent Investments**

Priority will be given to the security and liquidity of all investments. Consistent with achieving the proper levels of security and liquidity, the highest rate of return will be sought for any investment made.

5. **SPECIFIC STRATEGY 2012/13**

5.1 **Capital Receipts in Hand and Balances Held in Reserves**

Amount Available for Investment

It is estimated that the amount of receipts in hand, plus reserve balances, and available for investment at 1 April 2012 will be in the region of £8,000,000. The reasons why this has reduced since the last annual strategy have been explained above in Section 2.4 of the Treasury Management Strategy Report.

Period of Investment

This will be determined in accordance with 3.0 (Liquidity of Investments) above.

Forward Commitment

This involves agreeing in advance to place an investment with a borrower at a future specified date at an agreed interest rate. It is done in order to obtain the benefit of what are considered to be better rates than might be available later, when physical funds are likely to be available. In 2011/12 no forward commitment took place. It is possible that forward commitment may be employed in 2012/13 in instances where market conditions warrant it.

Return to be Obtained

The overriding consideration is safeguarding the Council's capital. At all times the risk to the Council will be minimised. Within these constraints, the aim will be to maximise the return on investments made.

5.2 Investment of Money Borrowed in Advance of Need

It is not the Council's intention to undertake any borrowing in advance of need during 2012/13.

5.3 Other Temporary Surpluses***Amount Available for Investment***

In addition to the receipts and reserve balances referred to above, the Council will, from time to time, find itself in possession of funds in excess of its immediate requirements. This may occur, for example, if income is received at a faster rate than expenditure is incurred or if grant payments are made to the Council in advance of the expenditure being incurred to which they relate. This is not a permanent state of affairs and the extent to which it will occur and, therefore, the amounts available at any time cannot be predicted.

Prudent financial management dictates that these temporary surpluses should be invested or used to redeem temporary loans if any are outstanding, rather than being left to lie idle in the Council's bank account. Such surpluses will normally be placed in a short term deposit account with the Council's bankers. Occasionally, where the size of the surplus warrants, short term investments will be made in the market.

Capital receipts which arise during the year, as a result of asset sales, will be invested with the Council's Central Loans Financing Account in substitution for external borrowing or invested on the money market on a short term basis if the Council does not have a borrowing requirement at any particular time for which they could be employed. When any useable receipts are required to finance capital expenditure or for any other purpose, the appropriate amount will be disinvested and so utilised.

Period of Investment

All temporary surplus funds will be invested on a short term basis in order that they will be available for use as and when required. This requirement has been recognised in the calculation of the Prudential Indicator relating to total principal sums invested for periods longer than 364 days set out earlier.

Return to be obtained

The aim will be to obtain the maximum rate of return which is available at the time the investment is made with an external body. This must, however, be consistent with the safeguarding of the Council's capital. At all times the risk to the Council will be minimised.

5.4 Sector Treasury Services' view on Interest Rates

Part of the service provided by the Council's Treasury Management Advisors, Sector, is to assist the Council in the formulation of a view on interest rates, the following gives their view of the Bank of

England base rate for financial year ends (March):

- 2011/12 0.50%
- 2012/13 0.50%
- 2013/14 1.25%
- 2014/15 2.50%

There is a downside risk to these forecasts (i.e. start of increases in Bank Rate is delayed even further) if economic growth remains weaker for longer than expected. However, should the pace of growth pick up more sharply than expected there could be an upside risk, particularly if Bank of England inflation forecasts for two years ahead exceed the Bank of England's 2% target rate.

ANNEX B**COUNTERPARTY LISTING CRITERIA**

This Council applies the creditworthiness service provided by Sector. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moodys and Standard and Poors. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the duration for investments and are therefore referred to as durational bands. The service provided now gives an improved level of security for making investment decisions. It is also a service which the Council would not be able to replicate using in house resources.

The Council will therefore use counterparties within the following durational bands:

- Yellow 5 years
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 3 months
- No Colour not to be used

This methodology does not apply the approach suggested by CIPFA of using the lowest rating from all three rating agencies to determine creditworthy counterparties. This Council will not use the approach suggested by CIPFA to determine creditworthy counterparties as Moodys are currently much more aggressive in giving low ratings than the other two agencies. This would therefore be unworkable and leave the Council with few banks on its approved lending list. The Sector creditworthiness service uses a wider array of information other than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

All credit ratings will be monitored daily. The Council is alerted to changes to ratings of all three agencies through its use of the Sector creditworthiness service.

- If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- In addition to the use of Credit Ratings the Council will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Councils lending list.

Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on government support for banks and the credit ratings of that government support. The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch Ratings (or equivalent from other agencies if Fitch does not provide). The Council will also consider using other Local Authorities when making fixed investments.

ANNEX C**MINIMUM REVENUE PROVISION STRATEGY****1. Background**

Local Authorities are required to set aside a minimum amount from revenue to fund capital expenditure, this is known as the Minimum Revenue Provision. This means that the Council is required to pay off an element of the accumulated General Fund capital spend each year (the Capital Financing Requirement) through a revenue charge (the Minimum Revenue Provision).

Communities and Local Government Regulations have been issued which require the Full Council to approve an **MRP Statement** in advance of each year. A variety of options are provided to councils, who can make their own choice, so long as there is a prudent provision.

2. Minimum Revenue Provision Policy in respect of Finance Leases

The introduction of International Financial Reporting Standards in 2011/12 resulted in some leases being reclassified as finance leases instead of operating leases. This resulted in a positive Capital Financing Requirement and as such the need to set aside a Minimum Revenue provision.

In accordance with the revised Communities and Local Government Guidance this Council will set aside an annual MRP equal to the amount of the lease that has been taken to the Balance Sheet to reduce the finance lease liability i.e. the principal amount of the finance lease. This approach will produce an MRP charge which is the same as Option 3 in the guidance (Asset Life Method – annuity method). The revised guidance aims to ensure that authorities are in the same position as if the change in accounting standards had not occurred.

3. Minimum Revenue Provision Policy – Other Capital Expenditure

The Council's Capital Financing Requirement is now only positive due to the introduction of International Financial Reporting Standards which impacted on the way that leases are recorded. Otherwise, the Capital Financing Requirement would be positive as a result of the capital receipt from the Housing Stock Transfer. This means that there is no requirement to set aside a MRP for the redemption of external debt. Accordingly, this has not been provided for.

ANNEX DTREASURY MANAGEMENT – GLOSSARY OF TERMS

- **Basis Points** – there are 100 basis points to 1%.
- **CDS** – ‘Credit Default Swap’ is an additional assessment of credit worthiness by providing a risk analysis of changes in credit quality as perceived by the market.
- **CIPFA** – the Chartered Institute of Public Finance and Accountancy, is the professional body for accountants working in Local Government and other public sector organisations.
- **Counterparty** – an institution with whom a borrowing or investment transaction is made.
- **Credit Rating** – is an opinion on the credit-worthiness of an institution, based on judgements about the future status of that institution. The main rating agencies are Fitch, Standard and Poor’s and Moody’s.
- **DCLG** – Department for Communities and Local Government.
- **DMADF and DMO** – the DMADF is the ‘Debt Management Account Deposit Facility’ which is a highly secure fixed term deposit account with the Debt Management Office, part of Her Majesty’s Treasury.
- **Forward Commitments** - agreeing in advance to place an investment with a borrower at a future specified date at an agreed interest rate.
- **GILTS** – the name given to bonds issued by the UK Government. Gilts are issued bearing interest at a specified rate, however, they are traded on the markets like shares and their value rises or falls accordingly. The ‘yield’ on a gilt is the interest paid divided by the market value of that gilt.
- **Leasing** - a lease is a contractual arrangement calling for the lessee (user) to pay the lessor (owner) for use of an asset.
- **Liquidity** – relates to the amount of readily available or short term investment money which can be used for either day to day or unforeseen expenses. For example Call Accounts allow instant daily access to invested funds.
- **Money Market Funds (MMF)** – Money Market Funds are investment funds that are invested by a Fund Manager in a wide range of money market instruments. MMFs are monitored by the official ratings agencies and due to many requirements that need to be fulfilled, the funds usually receive the highest quality rating (AAA) so provide minimal risk. They are very flexible and can be withdrawn in the same way as any other call deposit.
- **MRP** – the Minimum Revenue Provision represents the revenue charge for the repayment of debt.
- **PWLB** – the Public Works Loan Board is a statutory board that is run within the UK Debt Management Office (DMO), its function is to lend money to Local Authorities and other prescribed bodies.
- **Supranational Bonds** – bonds issued by institutions such as the European Investment Bank.

REVENUE AND CAPITAL BUDGETS AND COUNCIL TAX 2012/13

Submitted by: Executive Director (Resources and Support Services)

Portfolio: Resources and Efficiency

Wards(s) affected: All

Purpose of the Report

This report sets out the recommendations of Cabinet for the Revenue and Capital Budgets for 2012/13 and later and sets out the recommendations for setting the 2012/13 Council Tax.

Recommendation

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

1. Background

1.1 This report is the culmination of the 2012/13 budget process, which started before the current 2011/12 budget was set. The Cabinet and the Transformation and Resources Overview and Scrutiny Committee (TROSC) have already considered the content of the 2012/13 Budget together with detailed reports concerning Council Tax options and the consequential overall budget level and the resultant Council Tax which is recommended. At its meeting on 1 February 2012 the Cabinet considered the comments of the TROSC of 18 January. After considering the various comments made the Cabinet recommend an unchanged Council Tax for this Council in 2012/13 of £176.93 (based on Band D), supporting a net Revenue Budget after use of reserves of £14,260,980.

2. General Fund Budget 2011/12 – Projected Out-turn

2.1 Monthly reports monitoring actual spending against budget have shown only small variances throughout the first nine months of the year.

2.2 Pressures affecting the current budget include:

- Low levels of investment income owing to reduced interest rates obtainable within the current economic climate
- some sources of income (e.g. land charges fees, planning fees, market stall rents, commercial property rents, car parking fees) which are yielding less compared to what would be expected to be received in a more buoyant climate. All of these are areas that we predicted would be affected by the current economic situation when the 2011/12 Budget was set in February 2011 and accordingly an allowance of £200,000 was included in the budget to cover such eventualities. Although this allowance now seems insufficient to cover the likely total income shortfall for the year, there are a number of areas where spending is less than budgeted, which, if the trend continues, should to a large extent offset this.

2.4 Taking account of the above factors it appears likely that the outturn for 2011/12 will not differ significantly from the budget.

3. **Revenue Budget 2012/13**

- 3.1 Excluding levies for Town and Parish Councils the recommended Borough Council Tax for a 'Band D property' remains at £176.93, the same level as in 2011/12.

	Estimated Expenditure £	Rate of Council Tax (Band D) £ p
Borough Council requirements		
–	14,260,980	364.40
Total Net Expenditure	<u>7,315,910</u>	<u>186.94</u>
Less: External Support	6,945,070	177.46
Collection Fund Surplus 2011/12	<u>20,700</u>	<u>0.53</u>
	<u>£6,924,370</u>	<u>£176.93</u>

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

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

<u>Parish</u>	<u>Rate of Council Tax (Band D) £ p</u>
Audley	17.41
Betley, Balterley and Wrinehill	17.65
Chapel and Hill Chorlton	15.23
Keele	19.73
Kidsgrove	14.77
Loggerheads	21.46
Madeley	53.50
Maer	18.64
Silverdale	7.99
Whitmore	21.12

The above levies are based on the requirements supplied by the parishes, all of which have forwarded their official precept demands to the Council.

4. **Medium Term Financial Strategy and Budgets for 2012/13**

- 4.1 Members will recall that the Council's Medium Term Financial Strategy (MTFS), as reported to Cabinet on 18 January 2012, forecast a budget shortfall of £2.621m for 2012/13, with additional shortfalls of £0.709m for 2013/14, £0.696m for 2014/15, £0.673m for 2015/16 and £0.718m for 2016/17. Officers are examining the implications of this for future budgets and will carry out an update of the MTFS and report to Cabinet in the new financial year to enable members to consider a budget strategy to bridge the predicted gap.
- 4.2 The 'gap' between expenditure and resources for 2012/13 of £2.621m arises from the factors set out in the table below:-

<u>CHANGES TO BASE BUDGET</u>	
<u>ADDITIONAL INCOME</u>	£'000
Fees and Charges	260
TOTAL ADDITIONAL INCOME (A)	260
<u>ADDITIONAL EXPENDITURE & LOSS OF INCOME</u>	
Loss of Revenue Support Grant and NNDR Grant	970
Pay Awards (employees earning below £21k)	61
Incremental Rises	65
Superannuation increase in employers contribution	131
Reduced Vacancy Factor allowance	65
Price Increases e.g. energy, fuel, rates, insurances, supplies & services	221
Loss of Investment Interest due to less capital available to invest	34
New pressures, including Ryecroft holding costs	204
Adjustments re One-Off items included in Base	282
Additional Items since MTFS approved in October 2011:	
Reduced Housing Benefits Administration Subsidy	60
Holding costs re vacant Jubilee 1 and Knutton Recreation Centre sites	50
Additional Business rates chargeable on empty properties	100
Adverse Income Movements	270
TOTAL ADDITIONAL EXPENDITURE AND LOSS OF INCOME (B)	2,513
<u>USE OF BUDGET SUPPORT FUND IN 2011/12 BUDGET (C)</u>	368
NET INCREASE IN BASE BUDGET (B+C-A)	2,621

4.3 In addition the Council also has a medium term capital programme. Details of this can be found in Appendix E to this report.

4.4 A number of proposals have been identified to bridge the £2.621m "Gap". These comprise further savings arising from the Budget Service Review carried out last year and from The Way We Work Programme and other reviews of service provision carried out by the Executive Management Team. Some consist of savings in expenditure whilst others involve increasing income. These proposals total £2,098,000 and are set out below:

4.4.1 ***Leisure Services – Net effects of the closure of Jubilee 1 and Knutton and the opening of Jubilee 2 (£350,000)***

The net effect from transferring operations from two facilities into one at Jubilee 2 is forecast to result in an increase in income of around 40% above the current budgeted income for Jubilee 1 and Knutton Recreation Centre.

4.4.2 ***Restructurings (£520,000)***

A number of restructurings have recently been undertaken together with a further one that is proposed. These relate to the following sections:

Environmental Health (£80,000). The service has been restructured to enable more efficient working practices.

Operations (£90,000). The Streetscene Neighbourhood Teams have been reorganised into North and South allowing a reduction in management costs and in future more efficient deployment of plant and machinery.

Customer and ICT Services (£250,000). These two sections have been merged to enable more efficient ways of working.

Central Services (£100,000). A restructuring of Land Charges and Members Services Sections is currently being undertaken, enabling savings in staffing costs and related efficiencies.

4.4.3 Vacant Posts Review (£111,000)

A review has been carried out of posts which are currently vacant or will shortly become so and it is considered that the following can be frozen but kept under review:

- Payroll/HR Assistant (Post CC156)
- Audit Technician (Post BB15)
- Secretary/Admin Officer (Post BB2)
- Visiting Officer (Post CC208)
- Clerical Assistant (Post CC20)
- Administrative Assistant (Post DD8)

4.4.4 Housing Advice Contract (£50,000)

As part of the contract review process relating to the Newcastle Housing Advice Service, that enables the current arrangements to be extended by a further two years, Officers are negotiating with the service provider around matters that will reduce the budgetary requirement by £50,000. These will include both efficiency savings and changes to the delivery of the service.

4.4.5 Homelessness Prevention Schemes (£20,000)

Changes are being made to some of the Homelessness Prevention Schemes to ensure that those in greatest need are assisted and to ensure that the schemes are targeted more specifically at preventing homelessness; this has enabled a reduction of £20,000 in the budgeted service cost.

4.4.6 CCTV Shared Services (£10,000)

Officers are currently exploring the potential for alternative service delivery arrangements and anticipate being able to achieve an annual cost saving of around £10,000.

4.4.7 Energy - Retendering of Contracts (£30,000)

The Council has undergone a rigorous re-tendering process for the purchasing of energy up to the end of the financial year 2014/15 that is expected to deliver significant savings, despite the volatility of energy prices. At this stage officers are confident that this will achieve a saving of at least £30,000.

4.4.8 **Statutory Inspection Services (£20,000)**

Officers have reviewed the services that are procured relating to the various statutory inspection regimes (e.g. Electrical testing, Lift tests, Gas servicing, etc.) and are confident that a saving of £20,000 is achievable.

4.4.9 **Increases in Income (£409,000)**

- Summons and Distress Costs (£100,000). The proposal is to increase our charges in line with the levels charged by other authorities.
- Charges for use of accommodation (£230,000). Additional space will be occupied in the Civic Offices and Kidsgrove Customer Service Centre by partners of the Council. These include Staffordshire County Council and the Police. As a result there will be additional income from rents and service charges payable by them.
- Introduction of an environmental levy for cremations (£79,000). This is intended to cover the cost of providing and replacing mercury emission abatement equipment required to comply with environmental legislation. Elsewhere, several crematoria are already charging an additional charge to their standard cremation fee.

4.4.10 **Additional Homelessness Grant (£50,000)**

The Government has increased the amount of grant payable for homelessness services by £50,000. The Council has sought to maximise the investment in support services, particularly focussed around statutory homelessness, that are delivered through Third Sector Commissioning and Voluntary Sector Grants. Through planned investment in this approach the additional funding can be used to offset the costs of the Council's current service delivery arrangements.

4.4.11 **New Homes Bonus Grant (£394,000)**

This is a new grant, which over the next six years will provide a new source of funding to the Council. Most of this will not be additional income, however, as it replaces some grants already lost, e.g Planning Delivery Grant, Local Authority Business Growth Incentive (LABGI) Grant and in future will be paid for by reductions in formula grant receivable by the Council. Payments will be made based on new homes built each year over the six years commencing in 2011/12. It is intended to provide local authorities with real incentives to deliver housing growth, to engender a more positive attitude to growth and create an environment in which new housing is more readily accepted and to enable the natural economic benefits of growth to be returned to the local authorities and communities where growth takes place.

The expected New Homes Bonus grant is around £777,000 in respect of the current and next financial year (2011/12 and 2012/13). It is proposed to use £383,000 of this to support the Housing Investment capital programme in 2012/13, which leaves £394,000 available to support the revenue budget in respect of housing services.

4.4.12 **Recycling (£119,000)**

Operational savings, as follows:

- Waiver of uplift upon extension of recycling contracts. Through waiving contractual inflationary uplifts over the next 2 years the contract price is in effect fixed over that period) (£74,000).
- Street sweeping recycling - extension of trial. A successful method of recycling street sweepings has been established, allowing savings on the cost of landfill and increased recycling credit income. (£15,000)
- Recycling Bring sites - transfer to recycling contractor. The move away from a range of different providers to a consolidated contract will improve the service provided and make cost efficiencies. (£30,000)

4.4.13 **Communications Service (£15,000)**

Savings will be achieved mainly through renegotiation of contracts in design and print services.

- 4.5 In bringing together all the above, this leaves a deficit on the draft budget of £523,000 as follows: -

	£'000	Report Reference
Changes to Base Budget	2,621	4.1
Savings/Increased Income	(2,098)	4.4
BUDGET SHORTFALL ('GAP')	523	

- 4.6 At the time the 2011/12 budget was set, in February 2011, the government stated that they wished to see no increase in Council Tax for 2011/12. In order to encourage local authorities to adopt this strategy, a non-specific grant payable to those authorities which did not increase their council tax for 2011/12 was introduced. It was paid at a rate equivalent to a 2.5 per cent increase in the authority's 2010/11 basic amount of council tax multiplied by its council tax base. For Newcastle, this resulted in a grant of around £171,000 being payable because the Council had no tax increase in 2011/12. This grant will continue to be paid for 2012/13 and the following two years.
- 4.7 Therefore, the revised Budget Shortfall ("Gap") is £352,000 (Budget shortfall of £0.523m as shown at paragraph 4.5 less the continuation of the council tax freeze grant of £0.171m).
- 4.8 The government again wish to see no increase in Council Tax for 2012/13 and are once more offering to pay a non specific grant to those councils which do not increase their council tax for 2012/13. The basis is the same as for the 2011/12 grant in that it will be paid at a rate equivalent to a 2.5 per cent increase in the authority's 2011/12 basic amount of council tax multiplied by its council tax base. This would result in a grant of around £173,000 being payable. However, this grant will be a one-off grant payable only in 2012/13 and will not continue to be paid after that year, unlike the grant relating to 2011/12 which is payable for three more years after 2011/12. No increase in the council tax for 2012/13 is proposed, therefore, the Council will be eligible to receive this £173,000 grant.
- 4.9 The government have now notified the Council of the final amount of its formula grant for 2012/13. This is the same as was notified as the provisional settlement figure, i.e. a decrease of £969,996 compared with 2011/12, which represents an 11.7% reduction.

5 Balances and Reserves

- 5.1 The Council's Balances and Reserves Strategy currently states that there should be a minimum General Fund balance of £1.75m and a Contingency Reserve of £100,000. The Council currently holds these reserves. Appendix C sets out the estimated balances on the Council's reserves as at 31 March 2011.
- 5.2 A review of all the Council's Balances and Reserves together with a risk assessment has been undertaken and indicates the following:
- Reserves balances have reduced from historically high levels. Most of the reserves are still adequate to meet normal levels of expenditure. However, with the exhaustion of the Change Management Fund and the Organisational Development Fund in 2010/11, there is no longer a specific reserve which is available to meet future costs of restructuring, such as redundancy or pensions actuarial strain payments, if the Contingency Reserve is to retain its minimum balance of £100,000 (it was £114,000 at 31 March 2011). Also, the Insurance Fund balance will be insufficient to meet the cost of premiums and claims from 2012/13 onwards, with the shortfall indicated for 2012/13 being around £120,000.
 - It would be prudent to increase the Provision for Bad Debts in respect of sundry debtors in view of the current adverse economic climate. The provision currently has a balance of £506,000.
 - The level of minimum balances required after considering the risk assessment has reduced to £1.50m. This is due to a number of factors, but chiefly the expiry of the date for single status appeals to be registered and the reduction in the risk relating to loss of interest arising from rate reductions because the amount of interest included in the budget is now much lower than it was.
- 5.3 It is proposed, therefore, to reduce the amount held as a minimum balance by £350,000 and to use this amount to top up the Insurance Fund by £120,000, the Contingency Reserve by £80,000 and the Bad Debts Provision in relation to sundry debtors by £150,000.
- 5.4 Based on these minimum levels of reserves being sustained the Executive Director (Resources and Support Services) is of the opinion that the Revenue Budget is robust and that the Council's Revenue Reserves are adequate to support it based on the assumptions set out in this report.
- 5.5 It is proposed to use £179,000 from the Budget Support Fund to support the 2012/13 Budget.
- 5.6 Therefore, the total budget shortfall of £2.621m highlighted in paragraph 4.1 will be funded as follows:

	Amount £'000	Report Reference
Savings	2,098	4.4
Use of Budget Support Fund	179	5.5
Council Tax Freeze Grant re 2011/12	171	4.6
Council Tax Freeze Grant re 2012/13	173	4.8
TOTAL	2,621	

6 **Consultation**

- 6.1 The preparation of the budget has continued to be informed by the results of the Simalto survey. It was designed to make the Council aware of the public's view of levels of service and their preferences with regard to the budget provision to be made for different services. This exercise also assisted in the formulation of the Council's corporate priorities. A number of options are actively being considered to engage stakeholders and obtain their views in relation to the 2013/14 budget, including online surveys made available via the Council's website.
- 6.2 The Medium Term Financial Strategy and the budget proposals have also been considered by the Transformation and Resources Overview and Scrutiny Committee at their meetings on 2 November 2011, 18 January 2012 and 25 January 2012. The Chair fed back the Committee's comments to the Cabinet at their meeting on 1 February 2012.

7. **Risks**

- 7.1 Appendix D shows the risk assessment in relation to the 2012/13 General Fund Revenue Budget.

8. **Capital Programme 2011/12 - 2012/13**

- 8.1 The Capital Programme 2011/12 - 2012/13, recommended by Cabinet, is attached at Appendix E, together with a summary of the proposed financing of the Programme. This contains projects directed towards meeting the Council's corporate priorities, as reflected in its Capital Strategy. The revenue consequences of the Capital Programme have been incorporated in the 2012/13 Revenue Budget.
- 8.2 The Chartered Institute for Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance, which the Council has adopted, requires the calculation of a Prudential Indicator in relation to the capital programme. This is to demonstrate the incremental impact of capital investment decisions upon the council tax, in other words what the additional cost to the General Fund Revenue Account will be as a result of carrying out the projects contained in the proposed capital programme, compared to the situation which existed based on the programme approved at last year's council tax setting Council meeting. The Indicator shows that the incremental impact is estimated to be £54,826 (in a full year once the projects are complete and operational), which equates to a council tax levy of £1.40, using the current council tax base for calculation purposes. This is based on reduced capital expenditure of £1.517m (net of grants and contributions), owing to the contribution by Staffordshire County Council of 75% of the cost of the Ryecroft acquisition, which had not been secured when the previous capital programme was approved, and the consequent effect on interest earnings at current rates, resulting from the use of capital receipts or reserves. In addition, the holding costs of £70,000 in relation to the Ryecroft site have been taken account of in the calculation. Provision has been made in the 2012/13 budget for the cost of funding the capital programme in terms of reduced interest as a result of using capital receipts and reserves arising from the profiled capital spend.

9. **List of Appendices**

- Appendix A - Recommendations
- Appendix B - Revenue Budget 2012/13
- Appendix C - Estimated Reserves at 31 March 2012 and 2013
- Appendix D - Risk Assessment
- Appendix E - Capital Programme 2011/12 to 2012/13, including financing of expenditure

Schedule of Detailed Recommendations

The following recommendations set out the decisions needed for the Council to set its own budgets and Council Tax for 2012/13.

Recommendations

- (a) That the Revenue Budget for 2012/13 be approved in the sum of £14,260,980 as set out in Appendix B.
- (b) That £179,000 of the Budget Support Fund be utilised to fund the 2012/13 budget.
- (c) That the Council Tax at Band 'D' be £176.93, unchanged from 2011/12.
- (d) That the Capital Programme to 2012/13 be approved as set out in Appendix E, together with the Prudential Indicator relating to the Incremental Impact of Capital Investment Decisions on the Council Tax.
- (e) That the revised minimum balances requirement be £1,500,000 and the excess of £350,000 above the current levels be transferred to the Contingency Reserve (£80,000), the Insurance Fund (£120,000) and the Provision for Bad Debts (sundry debtors) (£150,000).
- (f) That it be noted that at its meeting on the 18 January 2012 the Cabinet calculated the following amounts for the year 2012/13:
- (i) 39,136 being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its council tax base for the whole Council area for the year (Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act"))
- (ii) For dwellings in those parts of the Council's area to which a Parish precept relates as in the table below:
- | | |
|---------------------------------|-------|
| Kidsgrove | 7,219 |
| Loggerheads | 1,957 |
| Audley | 2,669 |
| Betley, Balterley and Wrinehill | 574 |
| Chapel and Hill Chorlton | 197 |
| Keele | 332 |
| Madeley | 1,558 |
| Maer | 254 |
| Silverdale | 1,446 |
| Whitmore | 805 |
- (g) That the Council Tax requirement for the Council's own purposes for 2012/13 (excluding Parish precepts) is £6,924,370.
- (h) That the following amounts be calculated for the year 2012/13 in accordance with Sections 31 to 36 of the Act:
- (i) £72,857,996 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act taking into account all precepts issued to it by Parish Councils.
- (ii) £65,602,240 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.

APPENDIX A

- (iii) £7,255,756 being the amount by which the aggregate at (h)(i) above exceeds the aggregate at (h)(ii) above, calculated by the Council, in accordance with Section 31A (4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
- (iv) £185.40 being the amount at h (iii) above (Item R), all divided by Item T (f (i) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- (v) £331,386 being the aggregate amount of all special items (Parish precepts) referred to in Section 34 (1) of the Act.
- (vi) £176.93 being the amount at (h) (iv) above less the result given by dividing the amount at (h) (v) above by item T (f (i) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item (Parish precept) relates.

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

Audley Parish Council	£194.34
Betley, Balterley and Wrinehill Parish Council	£194.58
Chapel and Hill Chorlton Parish Council	£192.16
Keele Parish Council	£196.66
Kidsgrove Town Council	£191.70
Loggerheads Parish Council	£198.39
Madeley Parish Council	£230.43
Maer Parish Council	£195.57
Silverdale Parish Council	£184.92
Whitmore Parish Council	£198.05

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

(viii) **Valuation Bands**

	A	B	C	D	E	F	G	H
<u>Part of the Council's Area</u>	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Kidsgrove Town Council	127.80	149.10	170.40	191.70	234.30	276.90	319.50	383.40
Loggerheads Parish Council	132.26	154.30	176.34	198.39	242.48	286.56	330.65	396.78
Audley Parish Council	129.56	151.15	172.74	194.34	237.53	280.71	323.90	388.68
Betley, Balterley and Wrinehill Parish Council	129.72	151.34	172.96	194.58	237.82	281.06	324.30	389.16
Chapel and Hill Chorlton Parish Council	128.11	149.45	170.81	192.16	234.87	277.56	320.27	384.32
Keele Parish Council	131.11	152.95	174.81	196.66	240.37	284.06	327.77	393.32
Madeley Parish Council	153.62	179.22	204.82	230.43	281.64	332.84	384.05	460.86
Maer Parish Council	130.38	152.11	173.84	195.57	239.03	282.49	325.95	391.14
Whitmore Parish Council	132.04	154.03	176.04	198.05	242.07	286.07	330.09	396.10
Silverdale Parish Council	123.28	143.82	164.37	184.92	226.02	267.11	308.20	369.84
Other Parts of Borough Area	117.96	137.61	157.27	176.93	216.25	255.56	294.89	353.86

APPENDIX A

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

- (i) That it be noted that for the year 2012/13 the major precepting authorities have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwelling shown below:-

<u>Precepting Authority</u>	<u>Valuation Bands</u>							
	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Staffordshire County Council	685.87	800.19	914.50	1028.81	1257.43	1486.06	1714.68	2057.62
Staffordshire Fire Authority	45.09	52.61	60.12	67.64	82.67	97.70	112.73	135.28
Staffordshire Police Authority	118.41	138.14	157.88	177.61	217.08	256.55	296.02	355.22

- (j) That having calculated the aggregate in each case of the amounts at (h) (viii) and (i) above, the Council, in accordance with Section 30(2) of the Act, hereby sets the following amounts as the amounts of Council Tax for the year 2012/13 for each of the categories of dwelling shown below:

<u>Part of the Council's Area</u>	<u>Valuation Bands</u>							
	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Kidsgrove Town Council	977.17	1140.04	1302.90	1465.76	1791.48	2117.21	2442.93	2931.52
Loggerheads Parish Council	981.63	1145.24	1308.84	1472.45	1799.66	2126.87	2454.08	2944.90
Audley Parish Council	978.93	1142.09	1305.24	1468.40	1794.71	2121.02	2447.33	2936.80
Betley, Balterley and Wrinehill Parish Council	979.09	1142.28	1305.46	1468.64	1795.00	2121.37	2447.73	2937.28
Chapel and Hill Chorlton Parish Council	977.48	1140.39	1303.31	1466.22	1792.05	2117.87	2443.70	2932.44
Keele Parish Council	980.48	1143.89	1307.31	1470.72	1797.55	2124.37	2451.20	2941.44
Madeley Parish Council	1002.99	1170.16	1337.32	1504.49	1838.82	2173.15	2507.48	3008.98
Maer Parish Council	979.75	1143.05	1306.34	1469.63	1796.21	2122.80	2449.38	2939.26
Whitmore Parish Council	981.41	1144.97	1308.54	1472.11	1799.25	2126.38	2453.52	2944.22
Silverdale Parish Council	972.65	1134.76	1296.87	1458.98	1783.20	2107.42	2431.63	2917.96
Other Parts of Borough Area	967.33	1128.55	1289.77	1450.99	1773.43	2095.87	2418.32	2901.98

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REVENUE ESTIMATES 2012/13
STATEMENT OF NET EXPENDITURE AND COUNCIL TAX REQUIREMENTS

Topic Area	2011/12 General Fund		2012/13 General Fund	
	Estimate 2011/12	Basic Band D Council Tax	Estimate 2012/13	Basic Band D Council Tax
Administration Before Recharges to Services	8,433,340	215.90	7,939,510	202.87
Less Recharges to Services	(8,266,670)	(211.63)	(7,939,510)	(202.87)
Total Administration Net of Recharges	166,670	4.27	-	-
Holding Accs Before Recharges to Services	2,650,990	67.87	2,511,220	64.17
Less Recharges to Services	(2,552,790)	(65.35)	(2,511,220)	(64.17)
Total Holding Accs Net of Recharges	98,200	2.52	-	-
Central Services	4,222,370	108.10	4,420,220	112.95
Cultural Services	4,401,440	112.68	4,358,450	111.37
Environmental Services	7,761,020	198.69	7,153,240	182.78
Planning	2,162,700	55.37	1,857,360	47.46
Transport	(385,680)	(9.87)	(287,170)	(7.34)
Housing	2,455,140	62.85	2,440,740	62.37
Net Cost of Services	20,881,860	534.61	19,942,840	509.59
Pensions Liabilities Account - Interest Costs	40,000	1.01	40,000	1.02
Investment Properties	(966,450)	(24.74)	(625,060)	(15.97)
Interest and Investment Income	(279,790)	(7.17)	(412,910)	(10.55)
Net Operating Expenditure	19,675,620	503.71	18,944,870	484.09
Contribution to/(from) Revenue Reserves	(691,320)	(18.11)	(27,800)	(0.71)
Contribution to/(from) Capital Reserves	(1,899,290)	(48.62)	(2,144,400)	(54.79)
Contribution to/(from) Pension Reserve	(129,330)	(3.31)	(129,330)	(3.31)
Deferred Charges Write-off	(1,511,000)	(38.68)	(1,384,470)	(35.38)
Minimum Revenue Provision	-	-	125,070	3.19
Amount to be met from Government Grant and Local Taxpayers	15,444,680	394.99	15,383,940	393.09
Revenue Support Grant	(1,956,450)	(49.68)	(142,410)	(3.64)
Other Non-Specific Grants	(170,000)	(4.35)	(1,122,960)	(28.69)
NNDR Pool Receipts	(6,329,460)	(162.04)	(7,173,500)	(183.30)
Collection Fund Deficit/(Surplus)	(77,830)	(1.99)	(20,700)	(0.53)
Borough Council Tax Requirement	6,910,940	176.93	6,924,370	176.93
Staffs C.C. Precept		1,028.81		1,028.81
Fire Authority Precept		67.64		67.64
Police Authority Precept		177.61		177.61
Total Council Tax Requirement		1,450.99		1,450.99

The Council Tax Base used in the above table was fixed by the Cabinet at its meeting on 18 January 2012 at 39,136

Notes:

(1) The 2012/13 Budget is produced on a basis complying with the requirements of International Financial Reporting Standards (IFRS), which means that some of the items in the table above are not strictly comparable between years.

(2) The budget requirement of £14,260,980 shown in the table at paragraph 3.1 of the report and in recommendation (a) of Appendix A is comprised of the "Amount to be met from Government Grant and Local Taxpayers" figure of £15,383,940 less the amount of £1,122,960 shown as "Other Non-Specific Grants" in the table above.

(3) External Support of £7,315,910 shown in the table at paragraph 3.1 of the report is comprised of £142,410 plus £7,173,500 shown in the above table as "Revenue Support Grant" and "NNDR Pool Receipts" respectively.

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Estimated Reserves at 31 March 2012 and 2013

Reserve	Actual Balance at 31 March 2011	Estimated Net movement in 2011/12	Estimated Balance at 31 March 2012	Estimated Net movement in 2012/13	Estimated Balance at 31 March 2013	Purpose	Notes
	£'000s	£'000s	£'000s	£'000s	£'000s		
General Fund Balance	1,750	(350)	1,400	-	1,400	Working balance to cover unforeseen adverse events affecting the budget	Approved minimum balance to be £1,400,000, as confirmed by risk assessment
Special Projects (Economic Development) Fund	883	(883)	-	-	-	To fund capital schemes, although since it is of revenue origin it can be used for revenue purposes	Balance committed to finance capital expenditure
Insurance Fund	338	(102)	236	(201)	35	To meet premiums and insurance administration costs	
Contingency Reserve	114	65	179	-	179	To meet cost of unforeseen contingencies or for any other purpose approved by the Council	Approved minimum balance is £100,000
Equipment Replacement Fund	157	69	226	70	296	To pay for the replacement of certain items of plant and equipment, eg cremators	
Renewals and Repairs Fund	96	(20)	76	(5)	71	To meet the cost of repairs and maintenance of Council owned buildings and structures	
ICT Development Fund	800	(169)	631	(33)	598	To meet the cost of new IT requirements	balance committed to finance capital expenditure
New Initiatives Fund	201	(69)	132	(20)	112	To fund new initiatives, both capital and revenue	Also earmarked to cover costs arising from loss of exempt VAT status (c£100,000 per annum, should this occur)
Budget Support Fund	1,093	(337)	756	(179)	577	To support the General Fund revenue budget or to meet the cost of specific items approved by the Council	
Conservation and Heritage Fund	53	3	56	3	59	To provide grants to owners of historic buildings to maintain their repair	
Museum Purchases Fund	79	1	80	1	81	To purchase exhibits and to conserve and enhance the display of exhibits	
Maintenance Contributions	125	(6)	119	-	119		Sums are received from developers to pay for a period of maintenance costs following transfer of land to the Council
RENEW Reserve	142	(10)	132	(10)	122	To meet revenue costs arising from participation in the Housing Market Renewal Pathfinder for N Staffordshire (RENEW)	
Standards Fund	95	-	95	-	95	To ensure the Council meets its responsibilities under the ethical and other standards frameworks	
Planning Delivery Grant Reserve	195	(112)	83	(83)	-	For any purpose determined by the Council (capital or revenue)	No grants received after 2009/10
Deposit Guarantee Reserve	21	2	23	2	25	To hold balances relating to rent guarantees	
New Home Bonus Reserve	-	263	263	(263)	-	To hold New Homes Bonus grant payments pending use	

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Project – Budget Forecast 2012/13 – Required Balances/Contingency Reserve

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

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

All of the risks fall into the “Finance” Category

Item No.	Risk	Potential Consequences	Risk Score I * L	Risk Rating	Specify Existing Control Measures	Final Score I * L	Final Risk Rating	Further Action Required	Owner	Target Date
1	Increase in fees and charges does not result in higher income levels	Shortfall in income leading to overspends	3 x 4	High	Included in calculation of prudent minimum balances. Also £200k set aside to cover the potential effects on income of the current economic climate	3 x 3	High	None	Exec Mgt Team	N/a
2	Income cannot be collected because of non-availability of service (e.g. through closure of facilities for repairs)	Shortfall in income leading to overspends	3 x 3	High	Included in calculation of prudent minimum balances.	3 x 3	High	None	Exec Mgt Team	N/a
3	Income falls short of Budget because of general reduction in activity, eg because of economic recession	Shortfall in income leading to overspends	3 x 5	High	Included in calculation of prudent minimum balances. As above, £200k set aside to cover the potential effects on income of the current economic climate	3 x 3	High	None	Exec Mgt Team	N/a
4	Bad debts reduce the Council’s income	Shortfall in income leading to overspends Need to top up Bad Debts Provision	3 x 4	High	The Council has a bad debts provision (£730k balance at 31/03/11).	3x 3	High	Increase monitoring of collection performance	Exec Dir Resources	N/a
	Employee budgets – The	Vacancies do not occur	3 x 3	High	The budget assumes a vacancy	3 x 3	High	None	Exec	N/a

Item No.	Risk	Potential Consequences	Risk Score I * L	Risk Rating	Specify Existing Control Measures	Final Score I * L	Final Risk Rating	Further Action Required	Owner	Target Date
Page 118	budget is discounted on the assumption there will be vacancies. The impact of 1% vacancy is about £100,000	leading to additional costs			factor of 3.5% with a view to reducing this to 3.0%. This is realistic compared with experience from previous years.				Mgt Team	
6	Employee Budgets - The 2012/13 employee pay settlement results in an increase higher than included in the budget.	Additional unbudgeted costs	3 x 3	High	Balances sufficient to deal with any additional costs, plus reduced job security in economy.	3 x 3	High	None	Exec Mgt Team	N/a
7	Problems with staff recruitment/retention result in significant use of agency/interim staff at extra cost or the payment of market supplements	Additional unbudgeted costs	3 x 3	High	Situation subject to ongoing review.	3 x 3	High	None	Exec Mgt Team	N/a
8	Council becomes liable to pay compensation or legal fees or other unforeseen commitment arises.	Additional unbudgeted costs	3 x 3	High	Included in calculation of prudent minimum balances	3 x 3	High	None	Exec Mgt Team	N/a
9	Inflation relating to supplies and services exceeds the allowance in the budget.	Additional unbudgeted costs	3 x 3	High	Included in calculation of prudent minimum balances	3 x 3	High	None	Exec Mgt Team	N/a
10	Existing commitment(s) missed out of budget	Additional unbudgeted costs	3 x 2	Moderate	Budgets subject to checking at several levels. Preparation of standstill budget for comparison.	3 x 2	Moderate	None	Exec Mgt Team	N/a
11	Fall in interest rates reduces income to the Council.	Investment income targets not met	4 x 4	Extreme	Rates are very low now. A decrease would make only a relatively small difference. Included in calculation of prudent minimum balances	3 x 3	High	None	Exec Mgt Team	N/a
12	Profile of capital spend differs adversely from that assumed in the investment interest calculation	Investment income targets not met	3 x 3	High	Capital Budgets have been realistically set. Due to low interest rates investment income is no longer significant.	3 x 3	High	None	Exec Mgt Team	N/a
13	Fuel costs increase by more than allowed for in budget.	Additional unbudgeted costs	3 x 3	High	Realistic increases included in base budget.	2 x 3	Moderate	None	Exec Dir Op	N/a

Item No.	Risk	Potential Consequences	Risk Score I * L	Risk Rating	Specify Existing Control Measures	Final Score I * L	Final Risk Rating	Further Action Required	Owner	Target Date
									Serv	
14	Energy costs increase by more than allowed for in budget.	Additional unbudgeted costs	3 x 3	High	Realistic increases included in base budget. Fixed contracts.	2 x 3	Moderate	None	Exec Mgt Team	N/a
15	Unforeseen major repairs needed to Council properties.	Additional unbudgeted costs	4 x 3	High	Planned maintenance programme in place and stock condition survey.	3 x 2	Moderate	None	Exec Mgt Team	N/a
16	Insurances – unexpected increases in premiums.	Additional unbudgeted costs	3 x 3	High	Included in calculation of prudent minimum balances	3 x 3	High	None	Chief Exec	N/a
17	Insurances - high level of excesses to be met by Council or uninsured losses	Additional unbudgeted costs	3 x 3	High	Included in calculation of prudent minimum balances. Insurance Provision established.	3 x 3	High	Monitor level of Insurance Provision	Chief Exec	N/a
18	Government increase NI rates during 2012/13. An increase of 1% adds about £100,000 to the Council's costs	Additional unbudgeted costs	3 x 3	High	Included in calculation of prudent minimum balances	3 x 3	High	None	Exec Dir Resources	N/a
19	Loss of VAT Exempt Status	Additional unbudgeted costs	3 x 3	High	None	3 x 2	Moderate	Continue to monitor position regularly	Exec Mgt Team	N/a
20	Savings built into Budget are not realised	Additional unbudgeted costs	3 x 3	High	Regular Budget Monitoring	3 x 3	High	None	Exec Mgt Team	N/a
21	New Legislation imposes extra costs but provides insufficient resources	Additional unbudgeted costs	3 x 3	High	Contingency Reserve available. Included in calculation of prudent minimum balances.	3 x 3	High	None	Exec Mgt Team	N/a
22	Partnerships - expenses falling on Council as accountable body	Additional unbudgeted costs	3 x 3	High	Monitor partnership activities and ensure carried out according to agreements. Included in calculation of prudent minimum balances.	3 x 3	High	None	Exec Mgt Team	N/a
23	Civil Emergency	Additional unbudgeted costs	5 x 2	High	Bellwin Scheme should meet 85% of cost	4 x 2	Moderate	None	Exec Mgt Team	N/a
24	Investment Counterparty (including own bank re current account, etc) fails to meet its financial commitments	Loss of interest due Ongoing loss of interest owing to loss of capital	4 x 3	High	Use of credit rating agencies Counterparty list based on minimum ratings with CDS overlay.	3 x 3	High	Frequent reviews of investment strategy	Exec Dir Resources	N/a

Item No.	Risk	Potential Consequences	Risk Score I * L	Risk Rating	Specify Existing Control Measures	Final Score I * L	Final Risk Rating	Further Action Required	Owner	Target Date
Page 120					Limits to investments with one counterparty (£7m)					

Capital Programme

NEWCASTLE-U-LYME BOROUGH COUNCIL CAPITAL PROGRAMME 2011/12 - 2012/13

Scheme	Corporate Priorities	2011/12 Est Exp	2012/13 Est Exp	Total Exp	External Cont	Council Financing
		£	£	£	£	£
Safer & Stronger Communities						
Parkhouse/Lymedale CCTV	a b d	15,000		15,000		15,000
CCTV Replacement Equipment	a b	25,000		25,000		25,000
Totals	a b c d	40,000	0	40,000	0	40,000

Scheme	Corporate Priorities	2011/12 Est Exp	2012/13 Est Exp	Total Exp	External Cont	Council Financing
		£	£	£	£	£
Environment & Recycling						
Pool Dam Valley Marshes Nature Reserve	a b	0	47,000	47,000	47,000	0
Madeley Pool Embankment Repairs	b d	4,900		4,900		4,900
Cemetery Memorial Safety Programme	a	39,400		39,400		39,400
Waste Transfer Station Drainage Works	a	25,000		25,000		25,000
Low Carbon Works	a	17,000	18,000	35,000	35,000	0
Waste Bins	a		50,000	50,000		50,000
Audley Burial Facilities	a d	31,200	11,000	42,200		42,200
General Projects						
Asset Disposal Programme	b	18,800		18,800		18,800
General Contingency		68,300		68,300		68,300
Final Accounts & Retentions Various		50,500		50,500		50,500
Totals	a b c d	255,100	126,000	381,100	82,000	299,100

Scheme	Corporate Priorities	2011/12 Est Exp	2012/13 Est Exp	Total Exp	External Cont	Council Financing
		£	£	£	£	£
Culture & Active Communities						
Replacement/Repair of Play Equipment	a c	40,400	119,000	159,400		159,400
Jubilee 2	a b c d	6,077,300	144,000	6,221,300	400,000	5,821,300
Replacement Play Area Marsh Way Wolstanton	a c		125,000	125,000	125,000	0
Rural Green Space Strategy	a c	10,000		10,000		10,000
Silverdale Community Facilities	a c	257,800	878,000	1,135,800	1,135,800	0
Knutton Footpath Link	a c	33,000		33,000	33,000	0
Footpath Repairs	a c		25,000	25,000		25,000
Railings/Structures Repairs	a c		10,000	10,000		10,000
Neighbourhood Park The Wammy	a c	210,000	103,400	313,400	313,400	0
Totals	a b c d	6,628,500	1,404,400	8,032,900	2,007,200	6,025,700

APPENDIX E

Scheme	Corporate Priorities	2011/12 Est Exp	2012/13 Est Exp	Total Exp	External Cont	Council Financing
		£	£	£	£	£
Neighbourhoods & Regeneration						
HIP Renewal Grants/Loans	a c	340,300	134,000	474,300	428,800	45,500
HIP Disabled Facilities Grants	a c	760,000	760,000	1,520,000	1,274,000	246,000
Newcastle Town Centre Partnership	a b d	81,000	216,100	297,100	148,600	148,500
Newcastle Town Centre Works	a b d	150,000	404,800	554,800		554,800
Choice Based Lettings	b c	44,600		44,600	44,600	0
Ecohomes Project	b c	140,900		140,900	140,900	0
Future Housing Projects Beasley Place	b c		300,000	300,000	300,000	0
Collins and Aikman	b c		300,000	300,000	300,000	0
Madeley Extracare Contribution	b c		115,000	115,000	115,000	0
New Depot Entrance	a e	7,700		7,700		7,700
Land Purchase/Feasibility Studies	a b c d		31,000	31,000	3,800	27,200
Midway MSCP Repair Works	a	697,000	48,300	745,300		745,300
Acquisition of Sainsburys Site	b	3,828,400		3,828,400	2,891,600	936,800
Ryecroft Development	b		75,000	75,000	56,300	18,700
Rose Cottage	b	133,500		133,500		133,500
S106 Expenses Lowlands Road		500,000		500,000	500,000	0
Strategic Investment Framework	b	13,700	13,800	27,500		27,500
Totals	a b c d	6,697,100	2,398,000	9,095,100	6,203,600	2,891,500

Scheme	Corporate Priorities	2011/12 Est Exp	2012/13 Est Exp	Total Exp	External Cont	Council Financing
		£	£	£	£	£
Operational Equipment/ICT Development Fund						
ICT PC Replacements	a d		113,800	113,800		113,800
ICT Replacement Servers	a d	73,400		73,400		73,400
Customer Relationship Management		64,200		64,200		64,200
IEG - GIS Implementation		13,500		13,500		13,500
ICT Projects		111,000		111,000		111,000
New Cremators/Mercury Abatement Equip.	a	40,100		40,100		40,100
Vehicles	a d		415,000	415,000		415,000
Streetscene Vehicle Replacement	a d	100,000		100,000		100,000
Totals	a b c d	402,200	528,800	931,000	0	931,000

GRAND TOTAL	a b c d	14,022,900	4,457,200	18,480,100	8,292,800	10,187,300
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Notes -

Corporate & Sustainable Communities Priorities - a Cleaner, Safer & Sustainable, b Opportunity, c Healthy & Active, d Transforming to Excellence

Sources of Funding	2011/12 Est Exp	2012/13 Est Exp	Total Exp
	£	£	£
Special Projects Fund	883,330	0	883,330
Other Revenue Funds	2,553,640	0	2,553,640
Capital Receipts	5,241,730	1,508,600	6,750,330
External Grants/Contributions	5,344,200	2,948,600	8,292,800
Capital Programme	14,022,900	4,457,200	18,480,100