

Public Document Pack

Date of meeting **Wednesday, 14th September, 2016**
Time **6.00 pm**
Venue **Committee Room 1, Civic Offices, Merrial Street,
Newcastle-under-Lyme, Staffordshire, ST5 2AG**
Contact **Geoff Durham**

Cabinet

AGENDA

PART 1 – OPEN AGENDA

- 1** **Apologies**
- 2** **MINUTES** **(Pages 3 - 6)**
To consider the minutes of the previous meeting.
- 3** **DECLARATIONS OF INTEREST**
To receive declarations of interest from Members on items included in the agenda.
- 4** **Council Plan 2016-2018** **(Pages 7 - 20)**
- 5** **Medium Term Financial Strategy** **(Pages 21 - 50)**
- 6** **Discretionary Rate Relief Policy** **(Pages 51 - 58)**
- 7** **Corporate Postal Services** **(Pages 59 - 62)**
- 8** **Miners Estate - Galleys Bank, Kidsgrove** **(Pages 63 - 74)**
- 9** **Knutton Recreation Centre** **(Pages 75 - 80)**
- 10** **Stubbs Walk Conservation Area** **(Pages 81 - 86)**
- 11** **Budget Performance Monitoring Report** **(Pages 87 - 94)**
- 12** **URGENT BUSINESS**
To consider any business which is urgent within the meaning of Section 100B(4) of the Local Government Act 1972.
- 13** **ATTENDANCE AT CABINET MEETINGS**

Councillor attendance at Cabinet meetings:

- (1) The Chair or spokesperson of the Council's scrutiny committees and the mover of any motion referred to Cabinet shall be entitled to attend any formal public meeting of Cabinet to speak.
- (2) Other persons including non-executive members of the Council may speak at such meetings with the permission of the Chair of the Cabinet.

Public attendance at Cabinet meetings:

- (1) If a member of the public wishes to ask a question(s) at a meeting of Cabinet, they should serve two clear days' notice in writing of any such question(s) to the appropriate committee officer.
- (2) The Council Leader as Chair of Cabinet is given the discretion to waive the above deadline and assess the permissibility if the question(s). The Chair's decision will be final.
- (3) The maximum limit is three public questions at any one Cabinet meeting.
- (4) A maximum limit of three minutes is provided for each person to ask an initial question or make an initial statement to the Cabinet.
- (5) Any questions deemed to be repetitious or vexatious will be disallowed at the discretion of the Chair.

Members: Councillors Beech, Kearon, Turner (Vice-Chair), J Williams, Shenton (Chair), Rout and Robinson

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

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

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

FIELD_TITLE

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

CABINET

Wednesday, 8th June, 2016

Present:- Councillor Elizabeth Shenton – in the Chair

Councillors Beech, Kearon, Turner, Williams and Rout

11. **COUNCILLOR EILEEN BRAITHWAITE**

Prior to the commencement of the meeting a minute's silence was held in tribute to Councillor Eileen Braithwaite who had recently passed away.

The Leader advised members that a letter of condolence had been sent to the family.

12. **APOLOGIES**

There were no apologies.

13. **DECLARATIONS OF INTEREST**

There were no declarations of interest stated.

14. **MINUTES**

Resolved: That the minutes of the meeting held on 16 March, 2016 be agreed as a correct record.

15. **APPROPRIATION OF PROPERTY FOR PLANNING PURPOSES: DEVELOPMENT SITES (I) FORMER ST GILES' AND ST GEORGE'S SCHOOL, BARRACKS ROAD (II) RYECROFT**

A report was submitted to the Cabinet seeking authorisation for the appropriation of the sites at former St Giles' and St George's School in Barracks Road and land at the Ryecroft. The reason for the action was to ensure that the sites were held for planning purposes under Section 237 of the Town and Country Planning Act 1990 (as amended).

The appropriation would make any third party interests that might exist, subject to compensation only and prevent any injunction being sought that could delay the redevelopments from proceeding.

Resolved: That all property within the red line boundaries on plan 1 and plan 2 be appropriated, in accordance with section 122 of the Local Government Act 1972 (as amended), from use for commercial purposes to use for planning purposes under S.237 of the Town and Country Planning Act 1990 (as amended).

16. **LOCALITY ACTION PARTNERSHIPS - FURTHER DEVELOPMENT**

A report was submitted to Cabinet updating members on the work of the Locality Action Partnerships (LAPs).

The report was an information item and Cabinet's approval was requested for ongoing support to assist in the further development of the LAP's in the nine localities across the Borough.

A LAP's Cabinet Panel had been convened and had debated what the LAP's do well and some of the challenges that they face. The Portfolio Holder for Leisure, Culture and Localism who is also the Chair of the LAP's Cabinet Panel advised members that she, along with the Council's Partnership's Manager, would be going out to visit each of the LAP's and would bring a further update to Cabinet once this had been done.

- Resolved:** (a) (i) That the progress reports produced by each of the nine Locality Action Partnerships (LAPs), which highlights their achievements during the last twelve months be acknowledged and endorsed.
- (ii) That the work of the LAPs in the nine localities across the Borough and assists in enabling them to continue to contribute to the delivery of the Council's Co-operative Strategy through further development continue to be supported.
- (iii) That Council departments be encouraged to proactively use the LAPs for consultation purposes, making information packs available to be disseminated to the groups and the wider community.
- (iv) That the LAPs receive feedback of the findings of the Cabinet Panel and encourages a dialogue to ascertain shared benefits of partnership working between the Council and the LAPs.
- (b) The LAPs are also supported and assisted to;
- (i) proactively engage and continue to encourage new partnerships for the benefits of locality working in the Borough;
- (ii) continue to share information, disseminate good practice and raise awareness of activity;
- (iii) report further progress and activities back to Cabinet in 12 months time to review achievements and areas for improvement

17. NEWCASTLE-UNDER-LYME HOUSING STRATEGY 2016-2021

A report was submitted to the Cabinet seeking approval to adopt the Newcastle-under-Lyme Housing Strategy 2016-2021.

The document had been through the scrutiny process and public consultation.

Members' attention was drawn to the proposed strategic priorities within the draft strategy.

Councillor Turner stressed that this was an important document and that issues relating to the private rented sector needed to be taken seriously as more younger

people who could not afford to buy their own property and would therefore go into rented accommodation. Private landlords need to be educated and supported where possible. It needed to be made known that Newcastle Borough Council would not accept substandard housing.

- Resolved:**
- (i) That the adoption and implementation of the Housing Strategy 2016-2021 based on the Strategic Housing Market Assessment and the Building Research Establishment dwelling analysis be approved.
 - (ii) That the Executive Director for Regeneration and Development in consultation with the relevant Portfolio Holder be authorised to make any minor amendments following the Cabinet discussion.

18. NEWCASTLE-UNDER-LYME HOMELESSNESS STRATEGY 2016-2021

A report was submitted to Cabinet seeking approval and adoption of the Homelessness Strategy 2016-2021. Members were advised that the strategy took into account good practice and government guidance to assist in achieving the Gold Standard in the delivery of homelessness services.

- Resolved:** That the adoption and implementation of the Homelessness Strategy 2016 –2021 be approved.

19. URGENT BUSINESS

There was no Urgent Business.

20. DISCLOSURE OF EXEMPT INFORMATION

- Resolved:-** That the public be excluded from the meeting during consideration if the following matter because it is likely that there will be disclosure of exempt information as defined in paragraphs 1,2, and 3 in Part 1 of Schedule 12A of the Local Government Act, 1972.

21. APPLICATION TO EXHUME

A report was submitted to Cabinet which was a request to exhume cremated remains from a grave at Newcastle Crematorium.

- Resolved:** That the application to exhume be approved subject to written confirmation that all costs will be met by the applicant.

COUNCILLOR ELIZABETH SHENTON
Chair

This page is intentionally left blank

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

Report to Cabinet 14 September 2016

1. COUNCIL PLAN 2016-18

Submitted by: Beverley Cleary - Business Improvement Officer (Performance & Procurement)

Portfolio: Communications, Policy, People & Partnerships

Ward(s) affected: All

Purpose of the Report

To present for consideration the proposed Council Plan, this will cover the period 2016/18.

Recommendations

(a) That Members approve and adopt the Council Plan for 2016-18 (Appendix A)

Reasons

The attached Council Plan 2016-18 covers the period from September 2016 – March 2018.

1 Background

- 1.1 The Council Plan for 2016--18 builds on the previous version of the Plan and has two main sections and is attached in its entirety at appendix A.
- 1.2 The first section includes the foreword, vision and corporate values for the Borough Council outlined here.
- 1.3 In the second section it sets out the four priorities, detailing the challenges the Council faces and the planned activities to progress the work.

2 Development of the Council Plan

- 2.1 The Council Plan has been developed by taking into consideration information from previous work undertaken and the need for the council to be in a strong position to establish and progress its plans.
- 2.2 The purpose of the Council Plan for 2016-18, is to do the following:
 - Provide a strategic policy framework for service and financial planning for 2016/18
 - Update the challenges facing the Council
 - Set out the key activities of the Council under each priority heading
 - Ensure that the Council's various strategies (which feed into the Council Plan) are still relevant and are reflected in the Council Plan
 - Enable progress to be measured against identified outcomes

- 2.3 The vision and priorities remain unchanged from the ones in the previous plan and are:

The vision: *A borough that is prosperous, clean, healthy and safe.*

The priorities:

- A clean, safe and sustainable borough,
- A borough of opportunity,
- A healthy and active community and
- Becoming a co-operative council delivering high quality, community-driven services

3 Timetable for delivery

- 3.1 The Council Plan has been developed with the involvement of elected Members and officers to provide the strategic policy context and inform the service and financial planning processes for 2017-18.
- 3.3 The Council Plan has been developed and if approved, will be implemented from mid-September 2016.
- 3.4 Members are asked to consider the Council Plan and this covering report and recommend the approval and adoption of its contents as provided.

4. Legal and Statutory Implications

- 4.1 Officers have drafted this plan in line with current codes and legislation.

5. Equality impact

- 5.1 There are no differential impacts in this report.

6. Financial and Resource Implications

- 6.1 The Plan will be considered and implemented against the overall Budget Strategy of the Council.

7. Major risks

- 7.1 The Plan will be considered against the overall Risk Strategy of the Council. This is also done as part of the Service Planning process.

8. Key Decision information

- 8.1 This report is in the Forward Plan.

9. List of Appendices

- 9.1 Final version presented to Cabinet (September 2016-18) (Appendix A)

10. Background Papers

- 10.1 Working papers held by officer in Council Plan 2016-18 files

COUNCIL PLAN 2016-18

Delivering our vision for Newcastle-under-Lyme



contents page

Our Vision

*... a borough
that is prosperous, clean,
healthy and safe*



Leader of the Council
Cllr. Elizabeth Shenton

*"Working to re-build the
hearts of our Towns and
Villages"*



Chief Executive
John Sellgren

"Excellence is our goal"

Our priorities state 'what' work we will focus on, and our values describe 'how' we will go about delivering them.

*... work co-operatively
with our partners and
communities*

*... put residents at
the centre of everything
we do*

*... be open and transparent
in all our
decision making*

*... be open to new
ideas and new ways of
doing things*

Foreword

Welcome to the Newcastle –under-Lyme Borough Council Plan 2016-18, which serves as the basis for everything we do as a council. The delivery of public services can't be done on our own and we need to make changes in the way we work, to ensure that we are delivering the key services within our reducing resource base.

Our plan is to work with partners and communities to improve the lives of people living and working here, ensuring sustainability and the right support is available for people. With the impact of reductions in public spending, funding for the borough council from government grant will reduce over the coming years to 2020. This means there is a need for changes to the way we work, do business and deliver our services in the future. This plan informs how we will be working together to make the borough an even better place for everyone who lives, works, and studies or visits here. Faced by reducing resources, this aim can only be achieved by taking advantage of every opportunity available and developing new ones through innovation and a more collaborative approach. The plan sets out how we as a Council wish to strive for excellence in everything we do, and develop what is necessary in order to support the people of the Borough. Only by working co-operatively can we achieve this and ensure the Council, and so the people of the borough, are in a stronger position for the future.

Our priorities for the Borough

The Council has developed four priorities to deliver this:

Becoming a Co-operative Council delivering high quality, community-driven, services.

Newcastle-under-Lyme Borough Council is committed to becoming a Co-operative Council which means we are working together with our residents, partners and local organisations to collectively deliver the best we can using the resources we have.

A clean, safe and sustainable borough

We will improve the environment so that everyone can enjoy our safe, sustainable and healthy borough.

A borough of opportunity

We will work with our partners to maximise Investment in the borough and encourage enterprise and employment - generating activities that will create opportunities for improving the prosperity, as well as improving the well-being of our citizens and their communities.

A healthy and active community

We will work with partners to make sure residents and visitors are able to access a range of facilities and activities that will enable them to improve their health and quality of life.

“...using resources well to provide good services”



“...Residents are happy with Newcastle as a place to live”

Our key priority

Being a co-operative Council delivering high quality services

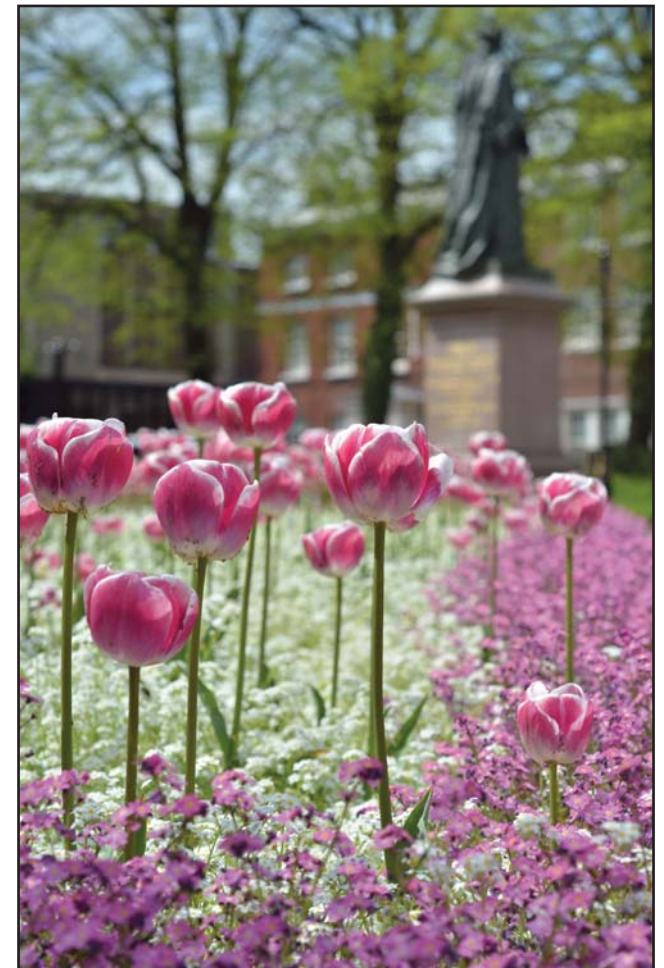
Financially, the Council continues to look at resources and how we can use less but still deliver effective services and respond to the challenges ahead. Our aim is to work with partners at a national, regional and local level to ensure that public services are delivered as efficiently and effectively as possible.

In 2017 the Council will have moved out of the current Civic Offices and will be in the new Public Sector Hub, which is to be built on the site where the former St Giles' and St George's School was, adjacent to the Queen's Gardens. To be ready for the transfer, we need to become a more modern council and carry out improvements in the way we work, individually, with partners, and as a council.

Agile working will become the norm, enabling efficient ways of working, sharing work spaces with partners. To do this effectively, we as an organisation need to create a cultural shift, and deliver the transition through identified, well planned projects.

We will engage and listen to our communities and customers who make up our borough and use our services. We will then use the information to inform what we do next and:-

- look at how we can simplify the processes in place,
- remove any duplication,
- reduce costs and
- improve the quality of the service.



Priority One:

Being a co-operative Council delivering high quality services

We will work co-operatively with:

Our **customers** to deliver 'one and done' services
This will include:

- Continuing our commitment to have excellent customer service by increasing the range of council services which are accredited with the Customer Service Excellence standard
- Increasing the range of services which can be delivered online
- Continuing our commitment to work with other partner organisations to deliver more seamless services to simplify transactions

Our **communities** to improve the quality of life for all
This will include:

- Empowering our Locality Action Partnerships to take actions to respond to the needs of local communities
- Enabling community groups and others to take initiatives to develop and improve community facilities to better meet their needs
- Continuing to work closely with Town and Parish Councils to improve services for local people

Our **partners** to sustain local public services in a context of reducing resources

This will include:

- Extending the range of services which are part of our locality commissioning framework
- Taking opportunities to better utilise assets through greater shared usage of facilities
- Continuing to share staffing resources to secure efficiency and effectiveness in service delivery

We are committed to:

- Working to develop community-led and community-commissioned services with partners and residents
- Increasing access to, and the sharing of, quality information for citizens and staff at the right time regardless of time or location
- Improving the way valued citizens information is managed throughout its lifecycle
- Providing a new Recycling Collection service to become operational in 2016
- Developing the Community Engagement and Participation Framework to encourage volunteer groups to care for their green spaces and neighbourhoods
- Consolidating our internal IT systems to increase efficient working and to ensure best value from suppliers
- Ensure the workforce are upskilled through the delivery of workforce development plans for all service areas

Priority Two:

A clean, safe and sustainable borough

We will improve the environment so that everyone can enjoy a safe, sustainable and healthy borough. Residents consistently identify a cleaner and safer borough as a priority for them. At Newcastle we want people to feel safe wherever they are;- in their homes, neighbourhoods, parks and green spaces or when accessing towns, shopping centres and places of work.

We believe that effective partnership working is essential in improving outcomes for our communities and ensuring that our collective resources are used efficiently and effectively. Working with our partners in this time of austerity, we will continue to commission services and deliver initiatives to assist vulnerable residents and to contribute to preventative approaches which positively impact on improving health and wellbeing and community safety in our communities.

Our Operations team work hard to maintain high levels of cleanliness and environmental quality in our streets and green spaces. We work with local communities to identify issues and prioritise services and we support people in volunteering to take care of their neighbourhoods and promote community pride in our borough as a great place to live, work and visit.



Priority Two:

A clean, safe and sustainable borough

We will work to make the environment clean, safe and sustainable with:

Our **services**, communities and partners to maintain and improve parks and green spaces

This will include:

- Continuing to ensure our award winning parks and open spaces are maintained to a good and safe standard that are well used by residents and visitors to the area
- Working with communities, businesses, schools and Friends Groups to reduce and control litter, and improve the parks and green spaces
- Ensuring stakeholders are involved in developing and prioritising future services

Our **partners** to deliver well communicated and developed services

This will include:

- Working with the Police and other key partners to tackle community safety related issues such as anti-social behaviour, dealing with domestic violence, safeguarding and ensuring that appropriate support is available for vulnerable victims.
- Helping people to feel reassured and safe in their homes, and when working or visiting the borough
- Delivering a range of innovative early intervention initiatives and campaigns supported by the Police and Crime Commissioner to ensure that crime in the borough remains low and incidents can be prevented.
- Supporting businesses in licensing matters and improved hygiene ratings to improve the resident and visitor experience of the area
- Improved public transport routes

Our **delivery** of an efficient waste and recycling service

This will include:

- Implementation of a new recycling and waste service from 2016 to improve the service and reduce the cost of the cost of the service to residents
- Developing new Initiatives to ensure behavioural change in how waste is recycled and residual waste is reduced

We are committed to:

- Encouraging community engagement and participation in caring for local green spaces and neighbourhoods
- Delivering a planned programme of community managed allotments
- Investigating and taking action in respect of nuisance identified in the borough whether environmental or anti-social
- Development of an action plan to support LAP groups in addressing identified community issues
- Reducing residual waste from households and increasing the amount of recycling taking place in the borough
- Maintaining satisfaction with cleanliness of streets and green spaces
- Attracting sponsorship for Newcastle in Bloom
- Being a Fair Trade Borough, with the development of an action plan
- Supporting investigation of local geothermal energy schemes

Priority Three:

A borough of opportunity

Both the Borough Council and our partners at Staffordshire County Council have now taken formal decisions agreeing to the Ryecroft regeneration project and the creation of a public sector hub in Newcastle. To enable the wider redevelopment of the Ryecroft area, and to deliver all the benefits in terms of new jobs and a boost to the town centre economy, the Council will move out of the Civic Offices in 2017 and to a new Public Sector Hub working alongside our partners. This will encourage joint working and improved conditions, which is offset by savings through energy saving and efficient accommodation.

Other opportunities gained by delivery of an effective Local Plan to enhance the housing offer and further development of the Borough, will be beneficial both economically and for the wellbeing of all. Support through improvements to the infrastructure of the borough would also help to provide the mechanism to promote business growth and attract residents to an area with growing employment opportunities.

The Northern Gateway Development Zone is being taken forward by Cheshire and North Staffordshire local authorities and the two associated LEPs (Local Enterprise Partnerships) to see how the area can maximize the economic benefits of HS2. This is expected to stimulate significantly greater interest in the area for new investment, new businesses and increase demand for housing.

Working with partners we will develop a new Economic Development Strategy 2017-2022 for the Borough. This will be aligned to the LEP's Strategic Economic Plan and European Structural Investment Framework.

We will continue to work with our partners to maximise investment and encourage enterprise and employment – generating activities that will create opportunities for improving the wealth, prosperity and housing choices of our residents.



Priority Three:

A Borough of opportunity

We will work with:

Our *partners* to sustain local public services in a context of reducing resources

This will include:

- Work together to deliver high quality housing advice and investigate the Homelessness Gold Standard
- Deliver car parking service with low charges in order to remain competitive to support the town centres
- Promotion of the Living Wage for employees and ongoing work with the Chamber of commerce, contractors and key local businesses to encourage participation
- Continuation and growth of the apprenticeship scheme with partners
- Support to retailers and local businesses to remain in the borough

Our *wider partners* to ensure effective and efficient development and delivery of key projects for the borough

This will include:

- Development of the Keele Masterplan and ensuring the offer maximises the opportunities to be realised whilst reducing any negative effect to the borough
- Implementation of the planned Asset Disposal programme to provide necessary funding to deliver a strong Capital programme and facilitate delivery of housing within the Borough
- Complete the Local Plan in order to inform future planning arrangements for the area and the housing offer
- To invest in the energy efficiency and delivery of high quality commercial and retail units to support local business

- Work with the Newcastle Business Improvement District to support a vibrant business led town centre

Our *communities* to ensure the opportunities are communicated

This will include:

- Clear communication and information provided in consultation within the borough
- Transparent and open decision making, ensuring development opportunities are available

We are committed to:

- Focusing on our town centres as locations for economic growth and delivering the Economic Development Strategy 2012-17
- Planning and supporting the delivery of the retail-led redevelopment of the Ryecroft site and new Public Sector Hub
- Supporting the development of our towns and villages for the future
- Supporting local residents in housing need to access appropriate housing and to prevent homelessness
- To support the most vulnerable residents living in the private rented sector to ensure they can live in a safe and secure home; where possible this will include targeted housing-led interventions
- Work with partner organisations and communities to operate and manage community facilities
- Implementation of the Land Sales programme and consideration of a Community Land Bonus
- Promoting markets and events to encourage visitors and maintaining low vacancy rates of premises within the borough
- Supporting employment initiatives with partners and continuing to promote the Apprenticeship scheme

Priority Four:

A healthy and active community

At the heart of our borough we want communities that are happy, vibrant and prosperous with good health and wellbeing.

We want to reduce health inequalities with a focus on those areas where the council can have the greatest impact. The Health & Wellbeing Strategy outlines our commitment and services offer, and supports development of leisure, cultural and community facilities in the borough.

Plans are being developed for a feasibility plan of a new leisure facility in Kidsgrove for a new swimming pool and facility for the area. With partners such as Staffordshire County Council and Sport England and others, we will seek to identify a funding strategy to ensure residents and visitors are able to access a range of facilities and support activities that will enable them to improve their health and quality of life. In the last twelve months the Newcastle Partnership has awarded over £233,000 from Public Health to benefit the people of the borough to support activities, nutrition and physical exercise. Working with partners, we want to continue to deliver high quality services to the most vulnerable. By using information and feedback from service users and the community to identify issues and service provision gaps, we will develop the provision available, and so help to reduce health inequalities across the borough.



Priority Four:

A healthy and active community

We will continue to consult and work with:

Our *customers* and *communities* to deliver services to enhance the borough offer

This will include:

- Everyone has the opportunity to comment on activities and planned proposals for enhancing the Health and Wellbeing offer in the borough
- Services are inclusive and available to all users wishing to take part
- Services are targeted through locality commissioning ensuring provision is based on need and evidenced through consultation and feedback

Our *partners* to deliver leisure and cultural opportunities for the future

This will include:

- Consideration of a business case and funding strategy for a replacement leisure centre for Kildgrove allowing access to high quality leisure facilities.
- Development of a Sport and Active Lifestyles Strategy to support the Joint Local Plan which we are doing in partnership with Stoke on Trent City Council
- Working closely with partners to develop the cultural offer and agree priorities for future funding

We are committed to:

- Delivery of a programme of cultural events and exhibitions
- Supporting community-run events, both leisure and cultural
- Working with partners to identify funding strategies to meet the council's priorities
- Delivery of a programme of healthy initiatives with partners
- Seizing opportunities to develop and improve the leisure and cultural services offer to residents and visitors of the borough
- Implementation of recommendations of the Borough's Playing Pitch Strategy
- Working with the Heritage Lottery Fund to develop Stage One Bid for a potential redevelopment of the museum

1. MEDIUM TERM FINANCIAL STRATEGY AND EFFICIENCY PLAN 2017/18 TO 2021/22

Submitted by: Executive Director – Resources and Support Services

Portfolio: Finance IT and Customer

Ward(s) affected: All

Purpose of the Report

To provide the background on the financial strategy for the Council over the next five years in the light of the national and local financial situation and taking account of the Council's priorities and to accept the Government's offer of a four year finance settlement.

Recommendations

- (a) To approve the Medium Term Financial Strategy and Efficiency Plan for 2017/18 to 2021/22.
- (b) To approve the Medium Term Financial Strategy and Efficiency Plan for submission to Central Government for the purpose of securing a four-year funding settlement for Revenue Support Grant up to and including 2019/20.
- (c) To delegate approval of any final amendments to the Medium Term Financial Strategy and Efficiency Plan between the Cabinet date and the date of submission to Central Government (14 October 2016) to the Executive Director (Resources and Support Services) in consultation with the Portfolio Holder – Finance, IT and Customer.

Reasons

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

1. **Background**

- 1.1 The Borough Council is committed to deliver high quality services. Integral to this ambition is the need to effectively target its financial resources in line with its stated aims and objectives.
- 1.2 The document attached as an Appendix, the Medium Term Financial Strategy and Efficiency Plan for the period from 2017/18 to 2021/22, demonstrates alignment with the Council Plan and will be the main vehicle in assessing the Council's financial position, ensuring efficiency in service delivery and targeting resources to agreed priority areas.
- 1.3 In the 2016/17 provisional local government finance settlement, the government stated that it would offer any Council that wishes to take it up, a four-year funding settlement for Revenue Support Grant up to and including 2019/20.
- 1.4 To take advantage of this offer, the Council needs to submit an efficiency plan to the Government by 14 October 2016, the cornerstone of which, for the Council, is the Medium Term Financial Strategy setting out what the Council intends to do to address the challenge of financial sustainability and where it hopes to be at the end of the period. The Government has issued no guidance to local authorities in respect of the format of the efficiency plan.

- 1.5 It follows that the Council's efficiency plan, as part of its Medium Term Financial Strategy, has clear links to the Council Plan and where the authority is involved in key partnerships, it also references ongoing and planned transformation projects and programmes that will enable the Council to reduce its costs or generate additional income locally.
2. **Issues**
- 2.1 Local government in general and district councils in particular continue to face the prospect of operating within a severely challenging financial environment. With further large decreases in general government funding confirmed and anticipated, the Council must review the services that it provides and its approach to value for money.
- 2.2 Central Government support is provided in the form of Revenue Support Grant (RSG) and a Baseline Funding amount related to retained Business Rates. The amounts of funding, subject to Central Government's approval of the Council's Efficiency Plan, were notified to the Council in December 2015 for the financial years 2016/17 to 2019/20. This shows considerable reductions each year in Revenue Support Grant received by the Council.
- 2.3 The Chancellor of the Exchequer has announced a series of major reforms to local government finance. These include:
- That by the end of the Parliament, local government will be able to retain 100 per cent of local taxes including all revenue from business rates.
 - The government will abolish the Uniform Business Rate and give local authorities the power to cut business rates to boost economic activity in their areas.
 - Local authorities who have directly elected mayors will be able to add a premium to business rates to pay for new infrastructure.
 - Local areas which successfully promote growth and attract businesses will keep all of the benefit from increased business rate revenues.
 - The core grant funding from Central Government will be phased out and local government will take on new responsibilities.
- 2.4 Central Government is currently consulting on changes to the local government finance system to pave the way for the implementation of 100 per cent business rates retention. For the purposes of the Medium Term Financial Strategy it has been assumed that the Council will be in a cost neutral position once the new system is implemented. However, there can be no guarantee that this will be the case.
- 2.5 Housing is an important source of economic growth. For each new-build home, conversion and long-term empty home which has been brought back into use, the Council currently receives New Homes Bonus Grant which is based on the extra Council Tax revenue generated by these homes. It is therefore both economically and financially important to support housing growth.
- 2.6 Following the outcome of the 2015 Spending Review Central Government have consulted local authorities on a variety of options for increasing the focus of the New Homes Bonus on delivery of new homes and freeing up resources to be recycled within the local government settlement to support particular pressures, such as adult social care.
- 2.7 The consultation also sets out proposals for reductions in the number of years for which the Bonus is paid from the current 6 years to 4 years. The changes are proposed for 2017-18 onwards so the full impact on the Council cannot be fully quantified at the current time as final details as to how the new system will operate have not yet been received.

- 2.8 The purpose of the comprehensive five year Medium Term Financial Strategy is to predict likely budget totals if services are maintained at current levels, by projecting forward the different elements of the 2016/17 budget, such as employee pay or supplies and services, based on assumptions as to likely changes or specific pressures, such as pay increases or price increases or any agreed changes which will affect service levels. These assumptions are all set out in the Medium Term Financial Strategy.
- 2.9 It also illustrates how the Council Plan is driving the medium term financial plan over the next five years. Whilst standing on its own as a strategy, it is an integral part of the Council's overall planning process comprising service delivery plans and the Council Plan.
- 2.10 The Medium Term Financial Strategy identifies significant budgetary shortfalls over the next five years that will need addressing with robust financial and budget strategies. The amounts for each year are set out below:

2017/18 £2.563m
2018/19 £1.224m
2019/20 £1.353m
2020/21 £0.384m
2021/22 £0.274m

The detailed Medium Term Financial Strategy shows how these amounts arise, the Efficiency Plan details what measures are being proposed to address these challenges.

- 2.11 The Council Leader and the Portfolio Holder for Finance, IT and Customer are members of the Budget Review Group. The Budget Review Group will continue to oversee all aspects of the budget process, including service review and challenge, longer term planning, development of budget options including proposals for savings and increasing income, agreeing consultation arrangements and consideration of feedback and seeking to deliver service models that drive improvement to front-line services whilst offering value for money.
- 2.12 Further budget options developed by the Budget Review Group will be available for consideration by November and the Medium Term Financial Strategy and Efficiency Plan will be amended, where necessary, to take account of them. Cabinet will consider these proposals, in the form of a draft budget for 2017/18 at its meeting on 18 January, to enable this to be submitted to the Finance, Resources and Partnerships Scrutiny Committee on 25 January.
- 2.13 It is also envisaged that as in previous years, the first draft of the savings plans for 2016/17 will be available for the meeting of the Finance Resources and Partnerships Scrutiny Committee on 2 November.
- 2.14 The Medium Term Financial Strategy and Efficiency Plan was considered by the Finance Resources and Partnerships Scrutiny Committee at their meeting on 8 September. Feedback from their meeting will be provided at the Cabinet meeting.

3. **Proposals**

- 3.1 That Members approve the Medium Term Financial Strategy for 2017/18 - 2021/22.
- 3.2 That Members approve the Medium Term Financial Strategy and Efficiency Plan for submission to Central Government, for the purpose of securing a four-year funding settlement for Revenue Support Grant up to and including 2019/20.
- 3.3 That Members delegate approval of any final amendments to the Medium Term Financial Strategy and Efficiency Plan between the Cabinet date and the date of submission to Central Government (14 October 2016) to the Executive Director (Resources and Support Services) in consultation with the Portfolio Holder – Finance, IT and Customer.

4. **Reasons for Preferred Solution**

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

4.2 In the 2016/17 provisional local government finance settlement, the government stated that it would offer any Council that wishes to take it up, a four-year funding settlement up to and including 2019/20 covering Revenue Support Grant, transitional funding and Rural Service Delivery Grant.

4.3 To take advantage of this offer, the Council needs to submit an efficiency plan, the cornerstone of which, for the Council, is the Medium Term Financial Strategy setting out what the Council intends to do to address the challenge of financial sustainability and where it hopes to be at the end of the period.

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

5.1 The Medium Term Financial Strategy and Efficiency Plan identifies the resources to deliver the corporate priorities of the Authority linked to expected outcomes.

6. **Legal and Statutory Implications**

6.1 The Medium Term Financial Strategy and Efficiency Plan is not a statutory document but it is considered best practice.

7. **Equality Impact Assessment**

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

8. **Financial and Resource Implications**

8.1 The Medium Term Financial Strategy identifies future years' shortfalls in financial resources which will need to be addressed as part of the Council's budget strategies, including the Efficiency Plan.

9. **Major Risks**

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

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

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

10. **List of Appendices**

Appendix - Medium Term Financial Strategy 2017/18 to 2021/22.

Medium Term Financial Strategy and Efficiency Plan

2017/18 – 2021/22



Contents

Introduction, Financial and Corporate Planning	3
The Council's Overall Financial Position	9
Timetable and Procedure	15
Risk	16
The Council's Financial Strategy	17
Council Taxbase and Collection Fund	18
MTFS Summary	20
Efficiency Plan	21

Introduction, Financial and Corporate Planning

This document provides details of the Council's medium term financial plans, efficiency plans and projected financial position to 2022.

The document includes the Council's strategy to address the challenge of financial sustainability that is to be provided in the medium term including reductions in Revenue Support Grant, proposed changes to the New Homes Bonus funding and the imminent move to full business rates retention within local government by the end of the current parliament.

It sets out how the Council spends the money it receives from the residents and businesses of Newcastle-under-Lyme and Central Government, to provide services and to meet the priorities identified in the Council Plan.

The formulation of this medium term strategy is part of the wider financial strategy and framework at the Council. Financial planning is an on-going process and this strategy is reviewed and updated annually.

In the 2016/17 provisional local government finance settlement, the government stated that it would offer any Council that wishes to take it up, a four-year funding settlement up to and including 2019/20 covering Revenue Support Grant, transitional funding and Rural Service Delivery Grant.

This, the Secretary of State said, should increase local authority certainty and confidence and would be a key step towards supporting councils to strengthen financial management and work collaboratively with local partners when considering the way local services are provided in the future.

To take advantage of this offer, the Council needs to submit an efficiency plan, the cornerstone of which, for the Council, is the Medium Term Financial Strategy setting out what the Council intends to do to address the challenge of financial sustainability and where it hopes to be at the end of the period.

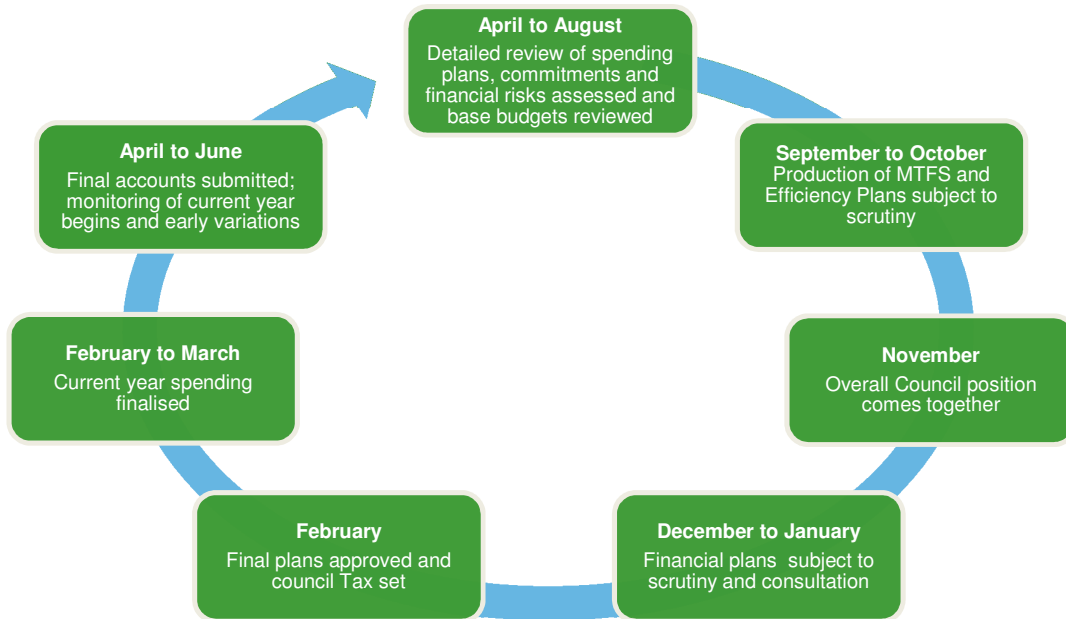
It follows that the Council's efficiency plan, as part of its Medium Term Financial Strategy, has clear links to the Council Plan and where the authority is involved in key partnerships, it also references ongoing and planned transformation projects and programmes that will enable the Council to reduce its costs or generate additional income locally.

A Longer-Term View

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

This helps to identify future issues in order that a timely and planned approach can be taken to address a shortfall in resources, a reprioritisation of spending or indeed where additional resources are available, where they should be invested.

The Annual Financial Cycle



The Budget Review Group

The Budget Review Group ensures that the budget setting process consults all interested parties in a transparent manner. The Council Leader and the Cabinet Portfolio Holder for Finance IT and Customer are members of the group, together with the Chief Executive, Executive Director of Resources and Support Services, Executive Director of Regeneration and Development and the Executive Director of Operational Services.

The remit of the group is to oversee all aspects of the budget process, including service review and challenge, longer term planning, development of budget options, agreeing consultation arrangements and consideration of feedback and seeking to deliver service models that drive improvements to front line services whilst offering value for money.

The Council Plan

The Council Plan describes the key actions that the Council will take in order to create a borough that is prosperous, clean, healthy and safe. It sets out the Council's priorities and focuses on delivering these and ensuring that we continue to deliver high quality services for the Council's customers and bring real improvements in services for all in the Borough.

The Plan is updated annually to ensure that the Council's corporate objectives and priorities for action are helping to achieve the Council's Vision and reflect community priorities in the services that it provides.



In these very challenging times, the Council continues to have its funding reduced by Central Government and legislative changes to the responsibilities of local councils means there will be some tough decisions ahead. For these reasons alone it is important that resources are used prudently and effectively and to review the way in which we do things and consider what is important for the borough. There is thus a clear and direct link to the Medium Term Financial Strategy (MTFS) from the Council Plan.

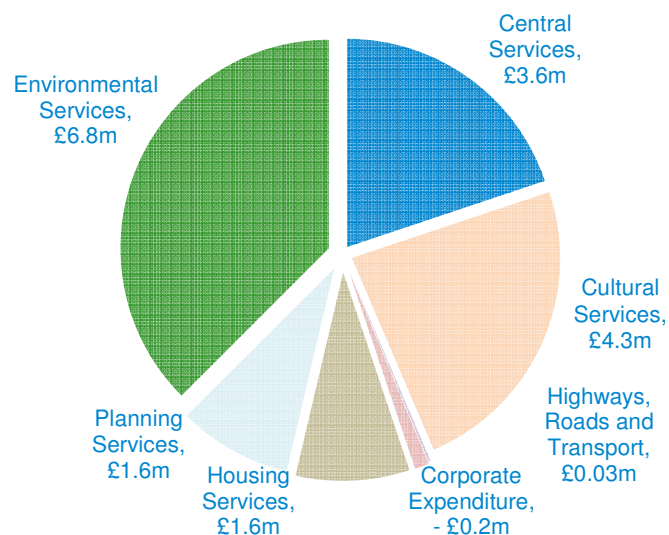
The Council's Role

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



Links with the Medium Term Financial Strategy

The financial planning framework is integrated with the corporate planning process. The Council Plan aims to identify the specific services and issues as to where the Council should prioritise its resources and the Council's budgetary plans reflect this. The net operating expenditure budget for 2016/17 has been allocated across services provided as shown in the chart alongside.



Priorities and Outcomes

In order to deliver this vision, the Council has developed 4 priorities under which there are a series of outcomes and activities. These priorities and outcomes are reviewed and monitored on an annual basis. Progress against targets is reported to Cabinet and the Finance Resources and Partnerships Scrutiny Committee.

- *Becoming a co-operative council delivering high quality, community-driven, services* – Newcastle-under-Lyme Borough Council is committed to becoming a co-operative council which means working together with residents, partners and local organisations to collectively deliver the best using the resources we have.
- *A clean, safe and sustainable borough* – To improve the environment so that everyone can enjoy our safe, sustainable and healthy borough.
- *A borough of opportunity* – To work with our partners to maximise investment and encourage enterprise and employment – generating activities that will create opportunities for improving the wealth, prosperity and housing choices of our residents.
- *A healthy and active community* – To work with partners to make sure residents and visitors are able to access a range of facilities and support activities that will enable them to improve their health and quality of life.

Our priorities state 'what' work we will focus on, and our values describe 'how' we will go about delivering them.

*... work co-operatively
with our partners and
communities*

*... put residents at
the centre of everything
we do*

*... be open and transparent
in all our
decision making*

*... be open to new
ideas and new ways of
doing things*

The full Council Plan with targets for 2016/17 can be accessed on the Council's web site (www.newcastle-staffs.gov.uk).

Links to other strategies and plans

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

The Council has three main strategies linked to its priorities:

- [Economic Development Strategy](#)
- [Health and Wellbeing Strategy](#)
- [Stronger and Safer Communities Strategy](#)

Others which have a particularly significant input are:

Capital Strategy and Capital Programme

The [Capital Strategy](#) sets out how the Council proposes to deploy its capital resources in order to assist it to achieve its corporate and service objectives. It also takes into account the resources which are likely to be available to the Council to fund capital investment and the effect of that investment on the Council's revenue budget. The Council's detailed capital investment plan is contained in its approved [Capital Programme](#). The current programme was approved by Full Council on 24 February 2016. This programme provides for £14.2 million of investment during 2016/17 in projects across all of the Council's priority areas.

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

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

Asset Management Strategy

The [Asset Management Strategy](#) encapsulates the Council's response to national policies and guidelines; it sets out the processes for the strategic management of the Council's property assets in order to ensure the best use of assets to meet corporate objectives in an efficient and effective manner. These processes resonate with the Capital Strategy and in turn may result in projects being included in the Capital Programme.

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



Treasury Management Strategy

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



Charging Policy

The [Charging Policy](#) sets out the Council's intentions regarding the charges it makes and the criteria which it will use to determine the level of charge for individual services. The annually approved scale of fees and charges is compiled in line with the principles set out in the policy. Income from fees and charges comprises a significant proportion of the income included in the revenue budget.

Reserves and Balances Strategy

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

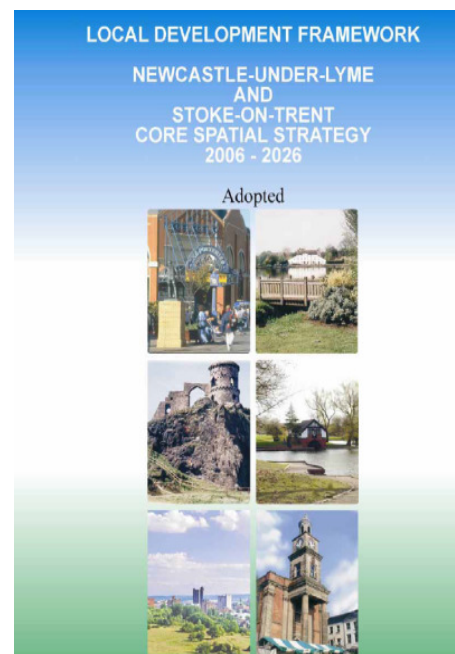
Departmental Service Delivery Plans

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

Other strategies which may influence the MTFS

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

- [North Staffs Green Spaces Strategy](#)
- [Housing Strategy](#)
- [North Staffs Core Spatial Strategy](#)
- [Saved Local Plan Policies](#)



The Council's Overall Financial Position

The Council's overall financial position and its response to financial challenges has been strong over recent years, during the previous five year period (i.e. 2012/13 to 2016/17) efficiency savings in excess of £10.5 million have been generated.

This has arisen from prudent financial management, together with a programme of efficiency savings from transformation, procurement, service delivery and the generation of additional income. These savings have helped to sustain the Council's financial position against a background of reducing resources.

The National Context

Revenue Support Grant

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

Due to certain services receiving protection (Education and Social Services) the largest impact of the reductions falls on district councils. Central government support for local authorities revenue budgets is provided in the form of Revenue Support Grant (RSG) plus a Baseline Funding amount relating to Business Rates.

The amounts to be paid to local authorities as a whole and to individual authorities are announced via the annual local government finance settlement, provisional figures being announced usually in December and final ones in January. In the 2016/17 provisional local government finance settlement, the government stated that it would offer any Council that wishes to take it up, a four-year funding settlement up to and including 2019/20 covering Revenue Support Grant, transitional funding and Rural Service Delivery Grant.

Revenue Support Grant was reduced by 32 per cent (£868,000) for the Council in 2016/17. If the four-year settlement is accepted by the Council further reductions in Revenue Support Grant of 42 per cent (£754,000) in 2017/18, 44 per cent (£471,000) in 2018/19 and 89 per cent (£526,000) in 2019/20 will be received.

Business Rates Retention

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

The revised arrangements took effect from 1st April 2013. The Council still bill and collect business rates, but instead of contributing all business rates into the central pool and receiving formula grant plus a baseline funding amount, a proportion of the business rates is retained by the Council.

A baseline level of funding was set so that at the start of the system, the amount received is equivalent to what it would have been under the previous system, less the reductions arising from the Local Government Resources Review. From then on the Council's funding may grow if the business rates base in Newcastle-under-Lyme grows, but could also fall if the business rates base declines.

Revaluations of the rateable value of properties liable to business rates are undertaken by the Valuation Office every 5 years, the next revaluations will be undertaken during 2017. It has been assumed for the purposes of the Medium Term Financial Strategy that the Council will be in a cost neutral position following the revaluations, however this cannot be guaranteed.

The Spending Review and Autumn Statement 2015 announced that by the end of the current Parliament, local government will retain 100% of business rate revenues; this will be a significant reform of local government finance and will come with additional responsibilities for local authorities (these have not yet been announced).

It may further empower local authorities to deliver services in a way that is right for their area, whilst also significantly increasing the risks associated with the levels of business rates collected (i.e. the less collected due to non-payment or appeals against revaluations by businesses, the less business rates the Council will retain).



Central Government is currently consulting on changes to the local government finance system to pave the way for the implementation of 100% business rates retention. For the purposes of the Medium Term Financial Strategy it has been assumed that the Council will be in a cost neutral position once the new system is implemented, again, this cannot be guaranteed.

New Homes Bonus

This was introduced in 2011/12 and will continue to be paid in addition to RSG and retained business rates.

Nationally, where authorities gain in NHB due to growth, RSG will be reduced. However, the overall system is designed to benefit those authorities who achieve residential growth (including new affordable housing) together with good management of empty properties.

Similar to RSG and retained business rates, the NHB is a flexible, unringfenced fund and is part of the support package that central government will continue to pay to local councils.

Following the outcome of the 2015 Spending Review Central Government have consulted local authorities on a variety of options for increasing the focus of the New Homes Bonus on delivery of new homes and freeing up resources to be recycled within the local government settlement to support particular pressures, such as adult social care.

The options on which views were sought were:

- Withholding the Bonus from areas where an authority does not have a Local Plan in place
- Abating the Bonus in circumstances where planning permission for a new development has only been granted on appeal;
- Adjusting the Bonus to reflect estimates of deadweight.



The consultation also sets out proposals for reductions in the number of years for which the Bonus is paid from the current 6 years to 4 years. The changes are proposed for 2017-18 onwards so the full impact on the Council cannot be fully quantified at the current time until final details of how the system will operate in the future are received from Central Government.

Brexit

The vote to leave the European Union has significant structural and financial implications for local government and the wider public sector. While nothing has currently changed in a formal sense, with the UK still retaining the full rights and obligations of a member of the European Union until the Government opts to trigger Article 50, we are nonetheless in a period of market volatility and instability which will present challenges to local government in the delivery of services and other economic development priorities. The financial impacts of Brexit, to the Council, cannot be quantified at the current time.

Compilation of the MTFS

Principles

The MTFS considers changes to the 2016/17 base budget by breaking this budget down into its subjective cost and income components; pay, pensions, utilities, fuel, supplies and services, investment income, income from fees and charges, etc. An assessment is then made, in respect of each of these components, of the factors which might affect their cost or the amount of income receivable and whether there is likely to be a change in this cost or income, and if so how much it will amount to, in each year over the five year period. Also taken into consideration are any additional pressures which may apply to services over the five year period, plus any savings which have been identified and agreed or approved investments in services over the five years. The MTFS therefore shows the changes from the initial 2016/17 base budget through to 2021/22, demonstrating the variances between each of the years.

Base budget components assessed for cost variances

These are set out in detail in the MTFS summary (page 20), which shows by how much, in monetary terms, the estimated budget for each of the five years varies in comparison to the previous year on account of these factors alone. Also shown are the assumptions about price changes that have been made in respect of each component. In summary, the components

examined, the factors which were taken into account to assess the changes, and the key assumptions that have been made are:

- Central Government funding via the Revenue Support Grant will reduce as per the four-year funding settlement, with the assumption that all remaining Revenue Support Grant will be cut in 2020/21;
- New Homes Bonus funding will decrease from the current situation of 6 years rolling funding to 4 years (with an interim in 2017/18 of 5 years);
- Business Rates baseline funding retained by the Council is to increase in line with inflation forecasts provided by Central Government as per the four-year funding settlement;
- The impact of both 100% Business Rates Retention and the 2017 Business Rates revaluations will be cost neutral;
- Full provision for known pay increases from incremental progression;
- A 1 per cent pay award each year in line with the announcements made in national budgets;
- National Insurance increases, linked to increased pay;
- Superannuation increases, both to take account of increased pay and changes in contributions to the pension fund;
- Inflationary uplifts in Business Rates, fuel and utilities expenditure (with utilities expenditure only increasing at the cessation of the Council's current fixed rate contract);
- Increase in income from customer receipts in line with inflation forecasts provided by Central Government as per the four-year funding settlement;
- Changes in amounts of investment income receivable, both as a result of changes in forecasted interest rates (supplied by the Council's treasury management advisors) and changes in relation to the capital sums available for investment;
- Contributions from reserves and ongoing effects of previous savings exercises or investments associated with them.



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

- The level of central government funding which is received

These support a large per cent of the budget so have a major impact. A variation of 1 per cent in the level of funding allocated via Revenue Support Grant and the Business Rates baseline would amount to £52,000.



- How movements in interest rates will affect the Borough Council

The Council has no external debt at the current time but does generate income from its investment portfolio. The Bank of England base rate is currently 0.25 per cent. It is estimated that a change of 0.25 per cent in the interest levels would lead to £41,500 more or less interest.

- How changes in nationally agreed pay awards will impact

There is provision for a 1 per cent pay award in each year. A change of 0.50 per cent would save or cost £75,000.

Assessment of what the MTFS means

The implications of the MTFS forecast will be taken into consideration in the preparation of detailed budgets for 2017/18 and give guideline figures for the budgets for the following four financial years. Details of the timetable which is being followed are shown later.

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

- £2.563m in 2017/18
- £1.224m in 2018/19
- £1.353m in 2019/20
- £384,000 in 2020/21
- £274,000 in 2021/22

As a percentage of the net budget, the potential shortfall in 2017/18 represents 18 per cent of the current year's net revenue budget. In recent years, the shortfalls have been met by a combination of efficiency measures, better procurement, increased income generation, council tax increases and freeze grants, support from reserves, etc. The continued severity of Central Government funding reductions together with other pressures outlined will mean that together with a continuation of the above strategies, more radical solutions may need to be formulated e.g. shared resources with other organisations, alternative service delivery models and reduction in services.



Newcastle 2020

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

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

Financial Modelling

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

Income

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

Reducing Bureaucracy

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

Delivery Models

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

Budget Strategy 2017/18 to 2021/22

The shortfalls identified for 2017/18 through to 2021/22 need to be managed so that a balanced budget is compiled with spending matched with resources.

The savings, efficiencies and areas of increased income identified, predominately as part of the Newcastle 2020 project, currently include:

- Procurement savings resulting from the negotiation of contracts and annual uplifts incurred, also from determining the actual need for goods, works or services and through ensuring that the Council commissions and procures quality services and supplies as cost effectively as possible;
- Additional areas of income generation including areas where work is being undertaken to ensure that the services are being operated on a commercial basis and to ensure that the subsidy to these services from the Council is minimised;
- Staffing efficiencies including a constant review of vacant posts within the Council and the need to recruit to these posts, a number of service restructures following the departures or reduced hours of senior staff and a number of flexible retirements;
- Good housekeeping efficiencies including a comprehensive review of services' expenditure budgets that are underutilised and reductions in fees that are required to be paid to external bodies;
- Better use of assets including a review of their usage or potential usage and the costs associated with the continued usage or occupation of these assets;
- Alternative sources of funding, e.g. New Homes Bonus contributions, Business Rates Retention Scheme and other grants.

Timetable and Procedure

As mentioned earlier the remit of the Budget Review Group is to oversee all aspects of the budget process, including service review and challenge, longer term planning, development of budget options, agreeing consultation arrangements and consideration of feedback and seeking to deliver service models that drive improvement to front line services whilst offering value for money.

A service challenge process was conducted by the Budget Review Group in 2012 with the Newcastle 2020 project being established in 2013. Heads of Service have put forward options for improved service delivery and efficiency savings together with suggestions for 'invest to save' proposals whereby continuing increased efficiency can be obtained in return for a proportionally modest initial outlay.

The ongoing results from the Newcastle 2020 project formed the basis of the formulation and preparation of both the current year's budget and the 2017/18 budget.

The Budget Review Group will also consider the capital programme for 2017/18 and beyond and the resources available to finance it. There will be the opportunity for members to review and comment on this during the scrutiny process.

The budget timetable as regards member involvement and the completion of key stages in the process is set out in the table below:

Event	Body Affected	Date
Scrutiny of MTFS and Efficiency Plan	Finance Resources and Partnerships Scrutiny Committee	8 September
Consideration of MTFS and Efficiency Plan and feedback from FRAPSC	Cabinet	14 September
Initial budget strategy and savings options	Finance Resources and Partnerships Scrutiny Committee	2 November
Draft Budget proposals including options approved	Cabinet	18 January
Scrutiny of draft budget	Finance Resources and Partnerships Scrutiny Committee	25 January
Budget proposals recommended for approval by Full Council	Cabinet	8 February
Full Council to approve Budget	Full Council	22 February

Risk

Risk Statement

Section 25 of the Local Government Act 2003 places a duty on the Chief Finance Officer to report on the robustness of the budget. The main risks to the budget include: spending in excess of the budget, income falling short of the budget and unforeseen elements, e.g. changes in interest rates and budget strategies and savings that do not have robust plans.

Such risks require regular and careful monitoring and it is essential that the Council has sufficient reserves to call on, if required, e.g. the Council has a general fund balance of £1.2 million. In previous years the Chief Finance Officer has believed that the assurances required under Section 25 can be given and, with careful budget planning, robust monitoring and an adequate level of reserves, there should be no reasons to alter that view.

Risk Analysis

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

The Council's Financial Strategy

The Council is committed to delivering high quality services and considerable progress has been made over the last year with significant improvements in performance indicators and positive feedback from external auditors. Integral to this ambition is the need to effectively target its financial resources in line with the priorities of the Council.

It is the Council's ambition to continue to substantially improve its service delivery over the next five years. Sound and effective financial planning has a vital role to play in ensuring that ambition is realised, through providing sufficient resources to enable the services that matter most to our citizens to be delivered and to respond to the increased demands placed upon the Council.

The current economic climate and the reductions in central government support to local authorities, particularly for second tier district councils such as Newcastle-under-Lyme, reinforces the need for sound financial planning, not just for the year immediately ahead (2017/18) but over the medium term as well.

To meet this need, the Medium Term Financial Strategy (MTFS) has been developed for a period spanning five years, from 2017/18 to 2021/22. The MTFS demonstrates alignment with the Council Plan and will be the main vehicle in assessing the Council's financial position, ensuring efficiency in service delivery and targeting resources via a transparent process to agreed priority areas. It illustrates how the Council Plan is driving the medium term financial plans for services over the next five years.

It is a key document informing the 2017/18 budget process. The assumptions about future costs and income together with those relating to investment and efficiency savings will be incorporated in the 2017/18 budget and will account for the majority of the change in net spending between the 2017/18 budget and that for 2016/17. The indications given in the MTFS concerning the gap between future years' expenditure levels and available resources will enable the Council to draw up an informed strategy that reflects the priorities of the Council, to bridge those shortfalls.

The MTFS will be used during 2017/18 as the basis for reviewing the Council's financial position. The assumptions contained in it will be regularly reviewed and amendments made to the plan, where necessary. If any consequences in terms of significant adverse budget variations become apparent, this information will be used to formulate an action plan to deal with the budget shortfall. Conversely, if a significant positive variance is indicated, and likely to persist, this knowledge will enable the Council to decide whether to use this to increase reserves or to reallocate some or all of it to additional investments in line with corporate priorities.

Whilst the MTFS and Efficiency Plan stands on its own as a strategy, it is an integral part of the Council's overall planning process comprising service delivery plans, the Council Plan and the Borough's Sustainable Community Strategy.

The Financial Framework

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

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

Council Tax Base and Collection Fund

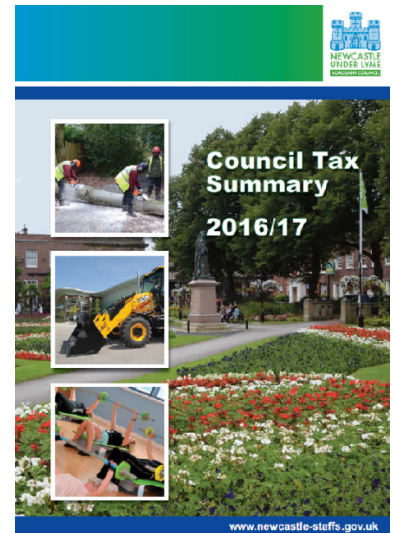
The Council's tax base represents the average "value" of the properties in its area as set against a standard band D property. For example a band D property is expressed as one whilst a lower value band A property is calculated as 6/9 of the band D. On the other hand, the highest value property is band H which is calculated at 18/9 of band D.

The calculation of the tax base has an important effect on the level of council tax in that an increase in the tax base (say, from new building) will mean that the amount to be raised is spread over more properties whilst a reduction (say, from demolitions) will mean that it has to be spread over fewer properties. For 2016/17 the tax base was calculated at 36,078 properties.

The collection fund is the vehicle through which all council tax is collected. The Council makes an assumption as to the percentage of council tax which will be ultimately collected, if that target is not met then there will be a deficit which will have to be accounted for in the next financial year whilst if there is a surplus then this can be used to offset whatever council tax is levied in the next financial year.

Only a certain proportion of the overall council tax bill is attributable to the Council's services. The Council also collects the proportions due to other public bodies that provide services within Staffordshire. These are;

- Staffordshire County Council (Education, Social Services, Highways, Libraries, Waste Disposal and Trading Services)
- Office of the Police and Crime Commissioner Staffordshire (Policing and Crime Prevention)
- Staffordshire Fire and Rescue Service (Fire Fighting and Accident Prevention)
- Local Parishes (Community Facilities)



The split of the overall bill for 2016/17 at Band D level is;

Overall Band D Council Tax	£:p
Newcastle-under-Lyme Borough Council	180.45
Staffordshire County Council	1,088.65
Office of the Police and Crime Commissioner Staffordshire	177.61
Staffordshire Fire and Rescue Service	70.33
Sub-total	1,517.04
Parish Council (Average)	24.20
Total	1,541.24

Local Parish Councils set various rates that are additional to the Band D levels above for residents in those areas. There are 10 parish areas in the District and the Parish levy for 2016/17 at Band D ranges from £11.98 to £43.62.

MTFS Summary

	2017/18	2018/19	2019/20	2020/21	2021/22	Notes
<u>Changes to Base Budget</u>	£'000	£'000	£'000	£'000	£'000	
Employee Incremental Increases	33	27	13	4	0	As per Salaries Estimates
Pay Awards	114	116	117	118	119	1% increase per year
Superannuation Increases	434	295	301	20	20	Includes lump sum increases in 2017/18 to 2019/20 following the triennial review
National Insurance	16	16	16	16	16	Per incremental increases & pay awards
Premises (e.g. Business Rates)	17	26	29	30	31	Increases as per settlement inflation and Freight Transport Association forecasts
Transport (e.g. Fuel)	8	12	13	14	14	Increases as per settlement inflation forecasts
Other Costs (e.g. Inflation, Uplifts)	0	0	39	0	0	General inflation on energy contracts
One Off Budget Items Removed	58	36	0	0	0	Expenditure taken from/income added to budget
Public Sector Hub	300	(100)	0	0	0	Transitional holding costs and potential borrowing costs
Investment Income	34	(6)	0	0	0	Based on forecast interest rates and amounts available for investment
New Homes Bonus	777	518	519	347	308	Proposed move from 6 years of funding to 4 years
Government Grants	754	471	526	62	0	Per 4 year settlement (RSG)
Business Rates Baseline Funding	(67)	(103)	(115)	(115)	(115)	Per 4 year settlement (Business Rates Baseline)
New Pressures	196	100	100	100	100	2017/18 relates to Kidsgrove Sports Centre (cessation of joint operating agreement with School), Revenue funding from reserves, Apprenticeship levy, Microsoft Licensing
Fees & Charges & other Income	(111)	(184)	(205)	(212)	(219)	Increases as per settlement inflation forecasts
TOTAL MTFS SHORTFALLS	2,563	1,224	1,353	384	274	

Efficiency Plan

The Council's overall financial position and its response to financial challenges has been strong over recent years, during the previous five year period (i.e. 2012/13 to 2016/17) efficiency savings in excess of £10.5 million have been generated.

This has arisen both from prudent financial management, together with a programme of efficiency savings from transformation, procurement, service delivery, shared resources and the generation of additional income. These savings have helped to sustain the Council's financial position against a background of reducing resources. Examples of efficiency savings achieved and increased income generated during recent years that have clear links to the Council's priorities include:

The opening of Jubilee 2 Health and Wellbeing Centre, replacing two ageing leisure facilities, increasing income by 40%, creating savings of £350,000 and contributing to a healthy and active community

Working co-operatively with our partners by renting out space and sharing building costs to public sector organisations generating income to the Council of £480,000

Implementing new ideas by modernising the Revenues and Benefits service including implementing Citizens Access (an online portal for Council Tax payers to manage their own account) and achieving savings of over £100,000

Creating a borough of opportunity by significantly increasing the number of properties within the borough generating £2.1 million of New Homes Bonus funding for 2016/17

Continuing to create a clean, safe and sustainable borough through the transformation of the waste service, including bringing in house external contracts creating savings and extra income of £500,000

Sharing resources with other local authorities and organisations which has generated savings of £200,000 over the last few years

Procurement savings of £800,000 in 2015/16 alone including savings relating to numerous contracts including, grounds maintenance, recycling, the Council's bank account, utilities, housing advice, computer software, printing and publicity

Creating £100,000 additional and new income sources through undertaking a full review of income in collaboration with other local authorities and the private sector.



The shortfalls identified for 2017/18 through to 2021/22 need to be managed so that a balanced budget is compiled with spending matched with resources.

The savings, efficiencies and areas of increased income identified, predominately as part of the Newcastle 2020 project, have been considered alongside the Council's vision for a borough that is prosperous, clean, healthy and safe; priorities in determining what savings will be focused on; and, values in deciding how we to go about delivering them, currently include:

- Open and Transparent procurement savings resulting from the negotiation of contracts, from determining the actual need for goods, works or services and through ensuring that the Council commissions and procures quality services and supplies, as cost effectively as possible including joint procuring from working co-operatively with our partners;
- Being open to new ideas and new areas of income generation including areas where work is being undertaken to particularly ensure that the services are being operated on a commercial basis and to ensure that the subsidy to these services from the Council is minimised;
- Staffing efficiencies including maximising the potential for the sharing of resources with other public sector organisations, a constant review of vacant posts within the Council and the need to recruit to these posts, a number of service restructures following the departures or reduced hours of senior staff and a number of flexible retirements;
- Ensuring that the public purse is at the centre of everything that we do by ensuring good housekeeping efficiencies including a comprehensive review of services' expenditure budgets that are underutilised and reductions in fees that are required to be paid to external bodies;
- Better use of assets including sharing resources and assets with partners and local organisations, a review of assets usage or potential usage and the costs associated with the continued usage or occupation of these assets;
- Use of alternative sources of funding and reserves, e.g. New Homes Bonus contributions, Business Rates Retention Scheme, Revenue Investment Fund.

Significant projects that are included in these savings, efficiencies and areas of increased income include the **Waste and Recycling Review**, this review and subsequent transformation of the service will generate ongoing savings of £500,000 over the current and 2017/18 financial years and ensures achievement of the Council priority of a clean, safe and sustainable borough.

Savings have and will continue to be generated through the bringing in house of external recycling contracts; the Council can operate these at much lower costs via operating from a single depot, reducing the numbers of senior managers and increasing the flexibility of the workforce.



By focusing on transforming the service from a waste service to a recycling service and rescheduling recycling collections from fortnightly to weekly it is forecast that savings will be made from reductions in disposal payments and increases in income will be generated from additional recycling credits and sales of recyclable materials.



The Council will be moving premises to a **new public sector hub** based within the town centre during 2017/18 in order to generate efficiency savings to the public sector of £39 million over the next 60 years (a quarter of a million pounds per annum solely to the Council) and to continue being a co-operative Council delivering high quality services including joint working, agile working and collaboration with public sector organisations including Staffordshire County Council, the Police and the NHS.

The public sector hub is being jointly developed by the Council and Staffordshire County Council and is considered to be a prime example of how public sector bodies, along with other partners, can work together to meet the needs of communities and provide locally relevant solutions.

The move to the public sector hub will enable the development of a multi-million pound regeneration project to be undertaken on the site of the current Civic Offices and the surrounding area. The regeneration of the site will include the creation of a major shopping development, including large units of a format not currently available in the town, and accommodation for hundreds of undergraduates, supporting the growth of both Keele and Staffordshire Universities.

The joint developments will bring the biggest investment in the town centre this generation, create hundreds of new operational jobs and hundreds of temporary construction jobs, boost retail turnover in the Borough by an estimated £29 million, boost student spending in the town by around £500,000 per annum and save taxpayers vast sums through public sector organisations working together in a modern building.



Officers and Members of the Council are continually open to new ideas and new ways of doing things and as such **a review of electoral arrangements** has been undertaken. The Council currently has 60 elected Councillors representing 24 wards and elections take place by thirds, i.e. elections are held three in every four years with each Councillor being elected for a four year term of office. In the fourth year when County Council elections are held, there is no Borough election.



It is anticipated that the number of elected Members will reduce from 60 to a number in the range between 42 and 48. This will enable cost savings to be delivered in terms of the allowance that is paid to each Member. The savings will range from £40,000 to £60,000 per annum dependent upon the number of elected Members that is recommended by the Local Government Boundary Commission for England.

Moving from the current arrangement of elections taking place by thirds to an all-out cycle of elections, which means that all seats of the Council would be elected at the same time, once every four years, is planned to be implemented in liaison with the Local Government Boundary Commission for England. This will generate savings to the Council of £195,000 over a five year period (£39,000 per annum).

The move to all out elections also brings further non-financial benefits including the enabling of a strong strategic mandate in terms of policy and decision making for the Council for a four year, medium term, period. It also enables the Council's electoral cycle to be linked to that of other local public sector bodies and enabling partnership working to be engaged with.

Following the successful implementation of Citizen Access within the Council's Revenues and Benefits Service enabling thousands of residents to have 24 hour access to managing their own Council Tax account, and the launch of the Council's new website which has content focused on volume service areas such as planning, recycling, waste, Council Tax and Benefits, the Council is to implement a further programme of **digital delivery** which will deliver efficiency savings of £100,000 per annum.



This will include further development of the Council's website enabling enhanced online service delivery giving the public access to more information, the opportunity to request specific actions and the option to complete forms online without the need to speak or interact with employees of the Council.

It will also include implementing innovative technology such as hybrid mail and the introduction of electronic billing for Council Tax and Business Rates where residents can choose to receive their

bills via email generating significant postage and stationery savings. These introductions will also enable the Council to make much more efficient use of its staffing resources.

As part of the digital delivery programme the Council is also changing the way it provides its payment services making it easier and more convenient for its customers by modernising payment facilities in line with customer expectations.

As part of this process, from 1 January 2017, the Council will no longer accept payments at its Customer Services centres but will be increasing the ways in which customers can pay, the Council offers easy payment options including direct debit, online payments via the Council's website and telephone payments via an automated payment line and residents will be further encouraged to use these options.

To enhance the Council's digital delivery programme its ICT infrastructure has been significantly invested in over previous years and will continue to be invested in in the future in order to provide more efficient services and innovative methods of working.

Summary

The Council has made significant progress in identifying achievable efficiencies for the term of its Medium Term Financial Strategy, these efficiencies have been considered with the Council's priorities, values and vision at the forefront of the process.

In addition to the efficiencies previously highlighted the Council will continue with the highly successful Newcastle 2020 project to both formulate and prepare its medium term budgets and ensure that the Council's resources are best used to meet the needs of the population of the borough (see page 22).

Continuous financial modelling of services will be undertaken in terms of providing alternative delivery models; service restructures; the sharing of resources between service and other organisations; a constant review of every vacant post within the Council; consideration of early and flexible retirements; the potential operation of services with fewer resources; and, the maximisation of Council Tax income.

The Council aims to generate the maximum levels of income possible through the incentives provided by Central Government for the building of new homes and the occupying of empty properties in the New Homes Bonus scheme in order to meet the Housing requirements of the borough's residents and from the financial benefits offered through the Business Rates Retention scheme for the promotion of economic growth within the borough.

The Council's overall financial position and its response to financial challenges has been strong over recent years, during the previous five year period (i.e. 2012/13 to 2016/17) efficiency savings in excess of £10.5 million have been generated.

It is therefore felt that, whilst the financial challenges for the medium term are considerable, the progress made to date and historically puts the Council on a sound financial footing for the years ahead.

This page is intentionally left blank

**EXECUTIVE MANAGEMENT TEAM'S REPORT TO THE
CABINET**

Date: 14 September 2016

REPORT TITLE **Discretionary Rate Relief Policy**

Submitted by: **Revenues Manager – Karen Hollinshead**

Portfolio: **Finance ICT and Customer**

Ward(s) affected: **All**

Purpose of the Report

To approve the Discretionary Rate Relief Policy in respect of National Non-Domestic Rates (NNDR) i.e. business rates.

Recommendations

That Cabinet approves the attached Discretionary Rate Relief Policy.

Reasons

Previously discretionary rate relief has been awarded based on a range of historical considerations. This needs to be revised and a formal policy is required to ensure fair and consistent decision making and control of the Council's finances.

1. **Background**

The Local Government Act 1988 and the Localism Act 2011 provides the legislation supporting the award of discretionary rate relief. Discretionary rate relief has previously been awarded based on criteria which has been used for many years but the council has never adopted a formal policy.

2. **Issues**

The National Non-Domestic Rating Scheme gives the council discretionary powers to award relief from payment of NNDR in a range of circumstances. Changes to the administrative arrangements of NNDR, including significant changes to the way rate relief is funded, has resulted in guidance on the application of discretionary powers being necessary.

3. **Options Considered**

The only other option is not to have a policy. However, the Council could be challenged regarding the basis on which the decision is made and the absence of a policy may leave the Council open to criticism from the Local Government Ombudsman.

4. **Proposal**

That the enclosed policy be approved.

5. **Reasons for Preferred Solution**

To ensure that business rates payers are all treated fairly and consistently.

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

The policy contributes to the corporate priority of a borough of opportunity to position the Council as a good place to do business.

7. **Legal and Statutory Implications**

The policy explains the discretions granted by the Local Government Finance Act 1998 and the Localism Act 2011.

8. **Equality Impact Assessment**

The policy seeks to ensure that all ratepayers are treated equally, fairly and consistently.

9. **Financial and Resource Implications**

Any discretionary rate relief that is awarded is part funded by the Council (approximately 28%) as part of the Business Rates Retention scheme and the Council's involvement in the Stoke-on-Trent and Staffordshire business rates pooling arrangements that have been in place since 1 April 2013.

10. **Major Risks**

Failure to adopt a formal policy could lead to challenge from the Local Government Ombudsman.

11. **Key Decision Information**

This is a key decision as defined in the Council's Constitution. The item is included in the Cabinet's Forward Plan for the period in which the meeting is to take place.

12. **Earlier Cabinet/Committee Resolutions**

None.

13. **List of Appendices**

National Non Domestic Rates (NNDR) Discretionary Rate Relief Policy - Rate Relief for Businesses.

14. **Background Papers**

None.

National Non Domestic Rates (NNDR)

Discretionary Rate Relief Policy-

Rate Relief for Businesses

September 2016

Introduction

As part of its role in the administration of National Non Domestic Rates (NNDR), the Council has several areas where it can exercise its discretion to provide reductions to the amounts of business rates that are due to be paid (i.e. Discretionary Rate Relief).

Changes to local government finance now mean that the income from business rates more directly impacts on the Council's financial position. As part of the central government funding process for local authorities and the Councils involvement in the Stoke-on-Trent and Staffordshire business rates pooling arrangements that have been in place since 1 April 2013, the Council retains approximately 28% of any business rates income received that is in excess of the baseline established by Central Government, conversely, the Council's income is reduced by approximately 28% for any reductions in business rates awarded such as discretionary rate relief.

The granting of any relief may therefore impact upon the provision of other services and is accordingly assessed against its affordability to the Council and how the business contributes to the Council's vision and priorities as detailed in its Council Plan.

The Local Government Finance Act 1988 provides for Discretionary relief to be available in five areas. Discretionary Relief can be awarded as a Top Up to Mandatory Relief or in its own right.

The five areas are:

1. Discretionary rate Relief (Charities or Non Profit Organisations)
2. Discretionary Rural Rate Relief
3. Partly Occupied Properties Relief
4. Hardship Relief
5. Relief under the Localism Act 2011

Objectives

The purpose of this Policy is to specify how the Council will operate its discretionary powers under the Local Government Finance Act 1988 and to indicate the factors it will consider when deciding if relief can be awarded.

The policy is intended to provide a simple transparent process that aligns awards of discretionary rate relief with the council's corporate priorities.

Each case will be treated strictly on its merits and all businesses will be treated fairly and equally when the scheme is administered

Legislation

1. Discretionary Rate Relief (Charities and Non Profit Organisations)

Section 47 of the Local Government Finance Act 1988 provides local authorities with a discretionary power to award rates relief to organisations that are liable to pay non domestic rates.

In order that an application may be considered the following conditions must be met:

- a. The ratepayer is a charity or trustees for a charity and the hereditament is used wholly or mainly for charitable purposes; or,
- b. The hereditament is not an excepted hereditament (defined by section 47 of the Local Government Finance Act 1988 as a hereditament where all or part of it is occupied (other than as a trustee) by a billing authority, or a precepting authority (other than the Receiver for the Metropolitan Police or the charter trustees or a functional body within the meaning of the Greater London Authority Act 1999) and all or part of it is occupied for the purposes of one or more institutions or other organisations none of which is established or conducted for profit and each of whose main objects are charitable or otherwise philanthropic or religious or concerned with education social welfare, science, literature or the fine arts; or,
- c. The hereditament is not an excepted hereditament and it is used wholly or mainly for the purposes of recreation and all or part of it is occupied for the purpose of a club, society or other organisation not established or conducted for profit.

2. Discretionary Rural Rate Relief

Section 47 of the Local Government Finance Act 1988 allows local authorities discretionary power to award up to 50% discretionary relief in respect of any property which qualifies for Mandatory Rural Settlement Relief.

In order to apply the following criteria must be met:

- a. The property must be located in a qualifying Rural Settlement;
- b. The Rateable Value of the property must not exceed £16,500 at the start of the relevant rating year;
- c. The property is occupied by a business that benefits the local community; and,
- d. It is reasonable for the Council to grant relief having regard to the interests of the Council Tax payers of the Borough

3. Partly Occupied Properties Relief

Section 44a of the Local Government Finance Act 1988 allows local authorities to grant relief on a hereditament that is partly unoccupied or not fully occupied as long as the situation exists for a short time only. Each case will be considered on its merits.

Granting of this relief is entirely under the discretion of the Borough Council and will only be granted if it is reasonable for the Council to grant relief having regard to the interests of the Council Tax payers of the Borough

4. Hardship Relief

Section 49 of the Local Government Finance Act 1988 allows local authorities power to reduce or remit the amount a person is liable to pay where it is satisfied that:

- a. the ratepayer would sustain hardship if the authority did not do so; and,

- b. it is reasonable for the authority to do so having regard to the interests of the Council Tax payers of the borough.

5. Relief under the Localism Act

The Localism Act 2011 allows local authorities to grant local business rates discounts.

Amount of Relief

The amount of relief available will be determined against the respective criteria and the supporting information contained within the application. The Council, like all other authorities, only has limited resources and government support in the form of grant funding is reducing year on year.

The amount of any award is at the discretion of the Council but is subject to limits to remain affordable to the Council and to avoid unfair competition.

Relief is limited in accordance with European Union competition rules and in particular State Aid. European Union competition rules generally prohibit Government subsidies to businesses subject to a de-minimis level. This presently amounts to 200,000 Euros or £158,000 over a three year period. Rate relief shall not be awarded in any circumstances where it appears that an award will result in the ratepayer receiving state aid that is above the current de-minimis level.

Discretionary Rate Relief will be awarded after taking in to consideration all other reliefs an organisation currently receives or may qualify for.

The relief will be based upon the details as contained in the application.

All awards will be made for a set period only, but subject to annual determination/confirmation in accordance with the Council's budget determination. Continuation of relief will be subject to reapplication.

Applications

Applications forms for Discretionary relief are available from the Business Rates team or can be downloaded from the Council's website. All other applications should be made in writing to the Council.

Your application must illustrate a complete picture of the nature of your business and in particular, the benefit it has on the local community.

Evidence required will include:

- a. The Business Case for the proposal and why Business Rates relief is required.
- b. Details of other funding streams explored including any outstanding decisions.
- c. A statement of finances, showing income and expenditure or annual accounts, if easier.

The form must be completed by the ratepayer or a person authorised to sign on behalf of the ratepayer.

The Council will have the right to request any reasonable evidence in support of the application, and to verify the information by contacting third parties and any reference as included in the application.

All information supplied will be dealt with in the strictest confidence.

Award Criteria

The Criteria to be used on deciding whether or not to grant relief are based on assessing how the organisations work helps to achieve the Council's priorities.

Considerations will include:

- Access and Equal Opportunity – Is membership available to all sections of the community? (some restrictions for ability in sport may be considered if appropriate).
- Beneficiaries of services or facilities – Does the organisation provide training or education to its members? Are there schemes for particular groups of residents (eg young people, the disabled, retired people) to develop skills?
- Affiliation to local or national organisations – The organisation should be actively involved in the development of their local interests.
- Contribution to the area and benefits to Newcastle-under-Lyme Residents – Applicants must show that the benefits, services or facilities that they provide mainly benefit residents of the Newcastle-under-Lyme area.
- Finance – Copies of the organisations accounts for the last 2 years should be provided to assist the Council to assess the ability of the organisation to meet the costs of the rates in the absence of additional rate relief. Any funding received by the organisation from the Borough Council or other external bodies should be clearly stated in the application.
- Competition – Could the award of a discount have an anti-competitive effect on other businesses in the borough? This could happen if there are other businesses in the area which provide the same or similar services or facilities.

Payment of Relief

Relief granted is in the form of a reduction to Non Domestic Rate liability. The relief will be credited direct to the organisation's Non Domestic Rate account and applied in accordance with the payment.

The applicant must inform the Council of any change in circumstances that affect the award of relief in particular of any further assistance given that impacts upon the financial standing of the company or eligibility for financial assistance including State aid.

The Council will recover all overpayments of Discretionary Rate Relief through the organisation's Non Domestic Rate account.

Any business or company that ceases trading or moves outside the area will become liable for the full rates payable from the date of vacation.

Notifications

The Council will inform the organisation applying in writing of the outcome of their application for Discretionary Rate Relief.

Where the application is not successful, the notification will provide full reasons why we have decided not to award Discretionary Rate Relief and details of the applicant's right to ask us to look at the decision again.

Where the application is successful, the notification will include the following information:-

- The period of the award
- The percentage of the rate liability awarded for that period.
- The amount of Rate Relief to be awarded for the period.
- An amended Non Domestic Rate Demand.
- The right to ask us to look again at the decision.

Right of Appeal

The amount of any award is at the discretion of the Council and the local authority may only grant relief if it would be reasonable to do so having regard to the interests of council tax payers in its area

No formal right of appeal therefore exists however an applicant may put in a request for the decision to be reviewed.

Any request for such a review must be in writing, detailing the reasons why the decision should be reviewed, and must be received within one calendar month of the above notification.

The Executive Director (Resources and Support Services) alongside the Portfolio holder for Finance, ICT and Customer will review all the evidence held and will make a decision within 21 days of referral or as soon as practicable thereafter.

Fraud

The Council is committed to the fight against fraud in all its forms. An organisation who tries to fraudulently apply for Discretionary Rate Relief by falsely declaring their circumstances or providing a false statement or evidence in support of their application, may have committed an offence under the Theft Act 1968. Where the Council suspects that such a fraud may have occurred, the matter will be investigated as appropriate and this may lead to criminal proceedings being instigated.

Publicity

The Council will include information about all forms of Discretionary Rate Relief within its Non Domestic Rate Demands and on the Council's website. A copy of this policy will be made available for inspection.

Review

This policy will be reviewed periodically, taking into account Council policies and priorities and any changes in legislation.

Agenda Item 7

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S REPORT TO THE CABINET

Date: 14 September 2016

CORPORATE POSTAL SERVICES

Submitted by: Executive Director, Resources & Support Services

Portfolios: Finance, IT and Customer Services

Ward(s) affected: Non Specific

Purpose of the Report

To seek Cabinet approval for the provision of corporate postal services following the expiry of the current contract.

Recommendation

Award a new two (2) year contract under the Stoke-on-Trent City Council procurement (NULBC having been a named participant in this process) to UK Mail who was the successful provider following the procurement process and the current incumbent service provider to NULBC, which would offer business/service continuity.

Reasons

- (a) The current contract with UK Mail expired on 9 August 2016. This current contract provides a streamlined process for sending out corporate mail and ensures that it is the most cost effective and process efficient methods that are being used.
- (b) The proposed contract will only realise savings on current postal costs through working collaboratively with partners particularly if we move forward with a Hybrid Mail solution (1).

1. Background

- 1.1 Following a Cabinet decision in February 2013, the Council has utilised UK Mail for the collection, transport and delivery of mail with an annual expenditure in the region of £93,000 per annum (p.a.) on post. This expenditure was spread across three main areas within the Council: Central Mail Services (Customer Services), Revenues & Benefits, Elections and Licensing.
- 1.2 This contract expired on 9 August 2016. An arrangement is in place with UK Mail to continue with the current service under the terms of the current contract with notice to terminate being 30 days. An internal evaluation has taken place on the requirements of corporate postal provision and on the various procurement options available.

¹ Hybrid mail is mail that is delivered using a combination of electronic and physical delivery. Usually, it involves digital data being transformed into physical letter items at distributed print centres located as close as possible to the final delivery addresses.

1.3 Officers have recognised a continued requirement to dispatch outbound physical mail and parcels, although a project is currently looking into the provision of a Hybrid Mail service. Hybrid mail is mail that is delivered using a combination of electronic and physical delivery. Usually, it involves digital data being transformed into physical letter items at distributed print centres located as close as possible to the final delivery addresses. However, this service will not be in place before the end of the current UK Mail contract and also Hybrid Mail does not eradicate all the requirements to removing a corporate postal service, such as parcel/large letter delivery.

2. **Procurement Options available**

2.1 Officers have reviewed the following procurement options available:-

- Open Market Tender – (Official Journal of the European Union (OJEU))
- Wider Collaboration – working with other District Councils (as previously undertaken with the UK Mail contract).
- Identification of a suitable framework and run a further competition (Crown Commercial Service framework RM1063)
- Explore further the option to join the Birmingham City Council postal service contract (Royal Mail) currently used by Staffordshire County Council.
- Direct award under the Stoke-on-Trent City Council Contract (NULBC having been named in the OJEU notice has the option to award a contract to the successful provider UK-Mail).
- Negotiate an extension to the current UK Mail contract, however a one year extension would breach the Council’s Financial Regulations threshold for tenders i.e. £50,000 and if extended by two years it would breach both Council and EU procurement thresholds.

2.2 Current Postal costs, based on the options above are:

	Royal Mail 1 st Class Franked Price	Royal Mail 2 nd Class Franked Price	UK Mail Economy 2 nd Class equivalent (current method)	Stoke-on-Trent City Council Economy 2 nd Class equivalent	Birmingham City Council (Royal Mail 2 nd class)
DL envelope	0.51	0.37	0.276	0.272	0.37

2.3 The Council’s Procurement Officer has been fully involved in the above process. Based on the cost analysis above the preferred option is to enter into a two year contract with UK Mail under the Stoke-on-Trent City Council contract.

3. **Outcomes Linked to Corporate Priorities**

3.1 The outcome supports becoming a cooperative council delivering high quality community driven services, through providing a postal solution that maintains and supports sustainable communications with our community on behalf of the Authority.

4. **Legal and Statutory Implications**

- 4.1 The recommendation is made in accordance with the Council's internal rules set out in the Constitution and with the European Procurement Rules and the UK regulations.

5. **Equality Impact Assessment**

- 5.1 An equalities impact assessment was undertaken in 2013, prior to the original award of the contract with UK Mail. There have been no significant changes since then, however a review will be undertaken.

6. **Financial and Resource Implications**

- 6.1 Whilst no significant savings will be released at this moment in time, with the recommendation to award a 2 year contract similar to the existing one, it is anticipated that with the Council looking at the provision of Hybrid Mail, any savings released from the implementation of Hybrid Mail will reduce the annual spend on postal services. Utilising Stoke-on-Trent City Council's procurement process has resulted in savings in officer time due to not having to go through a full open market tender.

7. **Major Risks**

- 7.1 There is always the risk that the appointed service provider for the Mail Collection and Delivery (Outbound Physical Mail), contract could make a mistake in the delivery of the service provision but this will be mitigated by having robust procedures and contractual provisions in place.
- 7.2 The appointed service provider for the Mail Collection and Delivery (Outbound Physical Mail) as identified in the preferred option will also still have to hand over the Council's post to Royal Mail to deliver the "final mile", and from this point onwards post is difficult to track.

8. **Earlier Cabinet Resolutions**

- 8.1 16th February 2013 - Procurement of Corporate Mail Services

9. **Key Decision Information**

- 9.1 Due to the annual cost of the service this is a key decision and was included in the Cabinet's Forward Plan for the period in which the meeting is to take place.

10. **Recommendation**

- 10.1 It is recommended that the Council enter into a new two (2) year contract under the Stoke-on-Trent City Council procurement (NULBC having been a named participant in this process) to UK mail who were the successful provider following the procurement process and the current incumbent service provider to NULBC, which would offer business/service continuity.

11. **Background Papers**

There are no background papers linked to this report.

This page is intentionally left blank

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S REPORT TO CABINET

Date 14th September 2016

<u>HEADING</u>	Miners Estate, Galleys Bank, Kidsgrove
<u>Submitted by:</u>	Gill Taylor
<u>Portfolio:</u>	Planning and Housing and; Communities and Social Cohesion
<u>Ward(s) affected:</u>	Kidsgrove

Purpose of the Report

To review the consultation feedback and options for intervention on the Miners estate in order to address low housing demand and the issues arising therefrom.

Recommendations

- (a) That Cabinet considers the options for intervention and approves the establishment of a pro-active multi-agency approach with immediate effect to build community capacity and maximise opportunities for external funding.
- (b) That officers be authorised to re-prioritise existing resources, in consultation with relevant Portfolio Holders, in order that this initiative can be effectively co-ordinated and managed by the Partnerships Team. That a further report is submitted to Cabinet in October 2016 outlining the medium term resource implications to ensure future delivery can be sustained and that any service impacts can be agreed.
- (c) That the Housing Team engage with the National Landlord Association and local landlords to join the voluntary accredited landlord scheme, information is widely promoted through to local residents on the housing standards they should expect and officers continue to benchmark with other Local Authorities who have delivered landlord licensing schemes to ensure that the Council can deliver a scheme if necessary.
- (d) That officers establish monitoring and evaluation arrangements to enable the efficacy of this initiative to be assessed by the Council and its strategic partners in the context of both this estate and on the basis that any learning can be used to address similar estate-based issues elsewhere in the Borough in future.

Reasons

Following local concerns about a wide range of issues on the Miners Estate in Kidsgrove, resulting in low housing demand, a range of options have been considered and full consultation on the option of Selective Licensing has been undertaken with the aim of establishing the most appropriate intervention(s).

1 The Background

- 1.1 The Council recognises the importance of having good quality privately rented housing which is managed to the highest standards. The Council wishes to build on the positive relationships with landlords in the Borough and is committed to tackling unsatisfactory property conditions and poor standards of management. A range of actions and support will be provided where required and this includes the introduction of Selective Licensing where appropriate.
- 1.2 The Miners Estate in Kidsgrove has been highlighted as an area where Councillors are concerned about high levels of private renting, anti-social behaviour and the appearance of the estate. The houses are good sized family homes with three bedrooms, front and rear gardens.
- 1.3 Properties in the estate were built in the 1950s by the Coal Board to a non-traditional, pre-fabricated, Schindler design, which is known to have a limited life span. The properties were sold in the 1980s many to the occupiers and the rest were auctioned. Between 1990 and 1995 a major refurbishment programme overseen by the Council helped to rectify defects with the non-traditional construction. Those owning property prior to a cut-off date were eligible for and were offered grants under the Housing Defects Act 1984. 183 of the 540 properties were rebuilt and can be bought with a mortgage. The remainder are still built of the original construction, meaning that they cannot be bought with a mortgage and are more likely to be privately rented. It should be recognised that without landlords buying properties for cash to rent out, they may be left empty. This high level of privately rented properties has however led to the concerns about anti-social behaviour and the appearance of the estate.

Estate Walks

- 1.4 Estate walks have been undertaken by Councillors and senior managers to get to know the estate, the houses, history and the concerns. The Council led a public evening meeting on the 5th June 2014 attended by the Police, at this meeting Councillors called for improved reporting of anti-social behaviour and crime as the figures were not felt to reflect the true situation.
- 1.5 An estate walkabout on 12th September 2014 led to an estate Impact Day on 16th October 2014 followed by an evening meeting. The fire service carried out 40 visits and all fire hydrants were tested, bulky refuse was collected and discussions took place to highlight parking concerns and the potential impact on access for emergency vehicles.

Earlier work which was done

- 1.6 In the early 1990's, 183 properties were re-built through grant assistance at a cost of £37-40,000 per property and 22 properties were bought by the Council and transferred unimproved to Aspire Housing, the stock transfer company. For the properties that were improved this increased their value and ensured they could be bought with a mortgage.
- 1.7 The estate fell within the Renew North Staffordshire Housing Market Renewal Pathfinder area and a community visioning project was undertaken in 2004.
- 1.8 The aim of the project was to "provide a framework to secure a long term sustainable future for the Galleys Bank [Miners Estate] estate and to contribute to the wider regeneration of the area". This led to a research project report produced by DTZ

Pieda Consulting with recommendations around redevelopment although these were not subsequently taken forward.

- 1.9 In 2008 / 09 there was a major proactive housing condition project on the estate for privately rented properties. This led to 57 properties being targeted, 41 properties were improved, 29 Category one hazards removed, £34,000 spent on work in default and £86, 845 invested by landlords. All tenants gave positive feedback on the initiative and none reported harassment or attempted eviction as result.

Developments since that time

- 1.10 Alongside the estate walkabout and meetings the last two years have focused on information gathering, estate mapping, working with portfolio landlords and co-ordinated working between officers dealing with antisocial behaviour, partnerships and environmental matters with regular visits to the estate. This has led to obtaining land registry information on all houses cross checking this with council tax records to confirm occupation and tenure and maintaining an overview of sales and tenure changes. 35 property condition visits have been undertaken with appropriate follow up activities, many of these have been proactive working with the portfolio landlords.

2 Review of the data

Earlier and current data

- 2.1 Data has been collated on;
- Property sales as recorded by the land registry, split by reinstated and un-reinstated.
 - Average value of housing since 2000, split by reinstated and un-reinstated.
 - Average value compared to comparison areas.
 - Tenure changes following house sales.
 - Comparison of number of sales against neighbouring areas.
 - Service requests to the council relating to environmental matters and housing, analysed by tenure and compared to other wards in the council.
 - Anti-social behaviour and crime statistics analysed by tenure and compared to other wards in the council.
 - Local Area Partnership (LAP) profile information compared to other LAP statistics.
- 2.2 This was presented in a report on “Evidence and analysis to inform decision making – November 2015”. This was the culmination of the work since 2013 in order that stakeholders understand the issues affecting the estate, by reviewing the collated statistics. Information on ASB, crime, Fire and Rescue, Housing and Environmental Health has also been updated to include recent data.

Interpretation of data

- 2.3 The information was analysed against the relevant Government publication (“Selective Licensing in the private rented sector – A guide for local authorities, Department of Communities and Local Government, March 2015”) to determine if a case could be made to introduce selective licensing on the estate as a means to ensure private sector landlords were meeting all their obligations.

From this two decisions were made as summarised in the table below.

Decision	Guidance	Reason
<p>1</p> <p>There was insufficient information to progress to a proposal based on anti-social behaviour and, or crime.</p>	<p>To consider whether private sector landlords in the designated area are not effectively managing their properties so as to combat incidences of anti-social behaviour caused by their tenants or people visiting their properties and in particular the area suffers from anti-social behaviour as a result of this failure or because that failure significantly contributes to that problem. In considering whether the area is suffering from anti-social behaviour which a landlord should address regard must be had as to whether the behaviour is being conducted within the curtilage of the rented property or in its' immediate vicinity.</p> <p>In considering whether an area suffers from a high level of crime the local housing authority may wish to have regard to whether the area has displayed a noticeable increase in crime over a relatively short period, such as in the previous 12 months; whether the crime rate in the area is significantly higher than in other parts of the local authority area or that the crime rate is higher than the national average. In particular the local housing authority may want to consider whether the impact of crime in the area affects the local community and the extent to which a selective licensing scheme can address the problems.</p>	<p>Analysis of anti-social behaviour showed it was not only an issue with privately rented properties and often occurring outside the curtilage of properties.</p> <p>Comparing the crime statistics which are several years old with other wards using the Local Area partnership figures did not show high levels compared to other areas when assessed in the context of the guidance. Officers will endeavour to obtain up to date statistics from Staffordshire Police should the Council wish to pursue this in the future.</p> <p>In addition the Deputy Commander Newcastle LPT advised via email that there is no evidence to increase resources to the estate.</p>
<p>2</p> <p>That a proposal could be made on low property demand</p>	<p>The value of residential premises in the area, in comparison to the value of similar premises in other areas which the authority considers to be comparable (whether in terms of type of housing, local amenities, availability of transport).</p> <p>The turnover of occupiers of residential premises (in both rented and owner occupied properties).</p>	<p>It was felt there was sufficient evidence from the average value analysis and council tax information on turnover of households.</p>

- 2.4 Following this decision the evidence relating to low property demand was collated into a Selective Licensing Proposal Report. This was agreed by Cabinet on 20th January 2016 as being a robust evidence based proposal and proceeding to consultation was approved, with the feedback to be fully considered prior to recommending the next steps. This document can be found in the links to background papers.

3 Consultation

Background to consultation

- 3.1 The Selective Licensing consultation exercise involved residents, landlords, agents, local businesses, schools and stakeholders. Much effort was put into ensuring correct contact details to maximise feedback. The letters encouraged recipients to visit web pages for more information or to contact a named officer and contained a feedback form designed to encourage comments to be made and a pre-paid envelope again to maximise responses.

- 3.2 In summary the Council received the following responses:-

Findings

- 80 replies from owner occupiers
- 19 replies from tenants
- 33 replies from landlords and agents
- 6 replies from businesses / schools / stakeholders

- 3.3 Many of the respondents took time to provide comments, the majority have been constructive and very useful in understanding the feelings of those with a connection to the estate.

- 3.4 The headline to the results is that 87% of owner occupiers agreed with licensing and 9% didn't know. 75% of landlords & agents disagreed with licensing, 14% didn't know.

Interpretation of findings

- 3.5 It is clear from the consultation that residents have concerns about the estate and feel that intervention of some form is needed. When asked about alternative interventions to selective licensing many wider environmental issues were highlighted including eyesore gardens and fencing, refuse accumulations and bin management, the number of pets especially dogs, dog fouling, parking on verges and pavements, drives without a dropped kerb, state of open areas, lack of litter picking, neighbour disputes and anti-social behaviour, levels of policing and CCTV. Many people felt that focus shouldn't just be on the rented properties and many people commented on the fundamental issue being the construction of the houses.

- 3.6 Some respondents identified that the other options rather than selective licensing could be pursued and that special measures should just apply to the poor landlords. Concerns were expressed that the selective licensing fee will simply be passed onto tenants via an increase in rent.

- 3.7 Comments were received that past skip days and proactive visits to poor properties were good.

4 The Analysis

- 4.1 Analysis leads to two important factors which raise key risks to going ahead with selective licensing; is there a practical alternative and will it achieve the aim?

Selective licensing in the private rented sector, A guide for local authorities, DCLG, March 2015 states	Comments
<p>Factor 1 – Is there a practical alternative?</p> <p>Item 7 – The Council must also consider whether there are any other courses of action available to it that would achieve the same objective or objectives as the proposed scheme without the need for the designation to be made. For example, if the area is suffering from poor property conditions, is a programme of renewal a viable alternative to making the designation? In areas with Anti-Social Behaviour, where landlords are not taking appropriate action, could an education programme or a voluntary accreditation scheme achieve the same objective as a selective licensing designation?</p> <p>Item 8 - If the problems of anti-social behaviour are only associated with a small number of properties a local housing authority should consider making a Special Interim Management Order, rather than a selective licensing designation covering properties with regard to anti-social behaviour.</p> <p>Item 9 - Only where there is no practical and beneficial alternative to a designation should a scheme be made.</p>	<p>The National landlords Association and one other respondent consider that all other options have not been exhausted.</p> <p>Interventions carried out are summarised in Section 1 to this report. Full details are in section 6 of the Selective Licensing Proposal Document; there is a link to this in the background papers section.</p> <p>The guidance at item 9 is clear in advising that Selective Licensing should be regarded as the option of last resort.</p>
<p>Factor 2 – Will it achieve the stated aim?</p> <p>In relation to declaring an area for selective licensing based on low housing demand as per the Council’s proposal.</p> <p>Item 14 - The outcome of the scheme should be a reduction in or elimination of the blight of low demand which has led to improvements of the social and economic conditions of the sector, which are identifiable.</p>	<p>The National Landlords Association state “the issue of structural problems due to inconsistency of build will not and cannot be resolved by selective licensing”. This point is also raised by many residents and landlords.</p> <p>It is the case that property value of the un-reinstated houses is due to their construction being designated defective under the Housing Defects Act 1984. Improvements in the environment and property condition can be gained through selective licensing but officers would question whether this could address value, and therefore demand, without addressing property construction.</p>

Causes of the issues

- 4.2 The comments made on defective construction are particularly pertinent and lie at the heart of the issues on this estate.
- 4.3 Without a major redevelopment programme this fundamental aspect cannot be addressed. Without this projects will not have an impact on tenure or increase the value of the un-reinstated properties to be comparable with the reinstated ones. However it is accepted that the environment can be better managed to improve the appearance of the estate in the short term.

5 The Options

- 5.1 Following a review of the consultation the following options have been identified and appraised;
1. Do nothing
 2. Remedial action in relation to problems as they arise
 3. Proactive estate management
 4. A managed multi-agency approach
 5. Selective licensing
 6. Comprehensive redevelopment
- 5.2 The Appendix includes a matrix of the options giving greater detail on what each entails, what it can achieve and the costs, summarised below.

6 Options appraisal

Option	Advantages	Disadvantages	Costs	Risks
1. Do nothing	Equality of resources throughout the borough	Doesn't deal with the issues raised in the consultation	Within current resources	Doesn't meet expectations or the apparent needs
2. Remedial action in relation to problems as they arise	Equality of resources throughout the borough	Doesn't deal with the issues raised in the consultation	Within current resources	Doesn't meet expectations or the apparent needs
3. Proactive estate management	Tackles a wide range of issues including the wider environment and appearance of the estate - focuses on the 'problems'. Isn't held back by the statutory requirements and ability to challenge that applies to option 5.	Reprioritising resources means other projects / actions will not be undertaken. Re-prioritisation of resources would adversely affect service delivery standards in	Re-prioritisation of existing resources would not incur additional costs An alternative approach to resourcing could be to establish a dedicated team	Some service areas may not have evidence of the need for re-prioritising resources / not doing other projects If resources are prioritised other work will not be completed and there may be customer

	<p>if successful, it has the potential to be rolled out to other areas without having to make a case and consultation.</p> <p>Can focus on owner occupiers as well as tenants.</p> <p>Make full use of proposed new powers for fixed penalty notices and fines for housing defects.</p>	<p>other parts of the Borough where there may be evidence of greater need.</p> <p>This approach is unlikely to be sustainable in the long term.</p>	<p>of new staff but this would require budget efficiencies and more significant service reductions elsewhere.</p>	<p>complaints.</p>
<p>4. Managed multi-agency approach co-ordinated through the Newcastle Partnerships Team</p>	<p>Could be combined with option 3 to cover more issues. Will ensure that partners are held to account for individual areas of responsibility.</p> <p>Will co-ordinate partnership activity to create efficiencies and prevent duplication. Will co-ordinate and facilitate community involvement and development to contribute to improvements in the local area</p> <p>Will contribute to raising community aspirations and spirit.</p> <p>Will give best opportunities to create sustainability in the local area.</p>	<p>Reprioritising resources means other projects / actions may not be undertaken.</p> <p>Re-prioritisation of resources would adversely affect service delivery standards in other parts of the Borough where there may be evidence of greater need.</p> <p>From past experience with community regeneration programmes, Community Development is likely to take significant time to become embedded.</p>	<p>Additional external funding could be applied for to assist in target hardening, community regeneration projects, etc.</p> <p>Requires prioritisation of resources to the estate by both services within the Council and partner agencies.</p>	<p>Other partners / agencies may not be prepared to be involved.</p> <p>If resources are prioritised other work will not be completed.</p>

<p>5. Selective Licensing</p>	<p>Key issues that are not compulsory under any other option are; requirement to keep landlord details up to date; requirement for tenant referencing; proactive inspection of all rented property.</p> <p>Supported by the owner occupiers who responded to the consultation.</p>	<p>Must be able to demonstrate that low property demand has been turned around.</p> <p>Not supported by the landlords who responded to the consultation.</p> <p>May give a stigma to the estate.</p>	<p>Income will be generated with an assumption it can be used to fund a short term post.</p> <p>Income will not cover all costs or those of associated activities.</p> <p>Approx. £33k for implementation, set up & management costs. Income of £118k will cover officer and admin for 2.5 years. Remaining 2.5 years will need funding. £35k or 1fte re-prioritised for complimentary activities.</p> <p>ICT input needed to set up licence application on line.</p>	<p>Risk of challenge against the issues highlighted under the consultation analysis.</p> <p>Risk of challenge against the consultation being predetermined.</p> <p>Risk of properties being left empty to avoid the fee or sold to novice landlords.</p> <p>Fee likely to be passed on to tenants.</p> <p>Cannot be introduced in isolation; must be in conjunction with other services and agencies, which may not be prepared to do this, to address the raft of issues raised.</p> <p>If resources are prioritised other work will not be completed.</p>
<p>6. Comprehensive redevelopment</p>	<p>Only option to address the core issue and which will reduce the prevalence of private sector renting.</p>	<p>Expensive and not previously welcomed by residents because of disruption to core community</p>	<p>Substantial costs and partnership working with no known realistic funding model. Longer term</p>	<p>Lack of Resident acceptance.</p> <p>Major project</p>

	Consistent with the 2004 research project by Renew.		intervention.	
--	---	--	---------------	--

7 Recommended options and reason

- 7.1 The Council is committed to supporting the private rented sector and tackling problems on estates where they arise. The recommended option at this stage, taking account of the evidence and the available approaches for action, is a Proactive Managed Multi-agency approach. This is an innovative approach drawing on a wide range of resources, focusing them on the biggest concerns but without being bound by the statutory obligations and the risks associated with selective licensing, yet meeting residents’ expectations. In view of the Council’s current and medium term financial position officers would recommend that this initiative should be implemented by the re-prioritisation of existing resources. It is acknowledged that this will have an adverse effect on some current services or on service-delivery standards in other parts of the borough; it is intended that a report be brought to the next available Cabinet meeting for members to assess these impacts and make any necessary decisions about service re-prioritisation.
- 7.2 A number of meetings have been held with local representatives, in particular the local residents association; these have been positive and indicate a willingness to take forward a managed multi-agency approach. With support from the Partnerships Team the local residents could be supported to deliver a range of projects. As part of this approach support should be given to seeking external funding.
- 7.3 It is important that private rented tenants are given the support required to ensure they live in a safe home. Through the Housing Team targeted advice and support can be given on the estate. As a first step the information available to residents will be reviewed and where appropriate improvements will be made, this may include improved information on the website and targeted leaflet advice on the estate. Pro-active inspections will also take place and enforcement action will be used where necessary to ensure the minimum standards are in place. The Council will also work with the National Landlords Association to encourage good landlord practices and will seek to encourage landlords on the estate to join the voluntary accredited scheme.

8 Legal implications

- 8.1 There are no legal implications with the recommended option other than to reflect that the Council and its partners can utilise a number of existing statutory powers and duties to address some of the key issues. Provided that those organisations are able to prioritise the taking of such actions.
- 8.2 Option 5 could have adverse legal implications if a decision were challenged as risks have been highlighted relating to the Council’s ability to demonstrate compliance with the guidance.
- 8.3 If landlords operate without a licence or fail to comply with licence conditions a prosecution file is prepared. This may impact on legal services resources.

9 Financial implications

- 9.1 Options 1 and 2 would have minimal resource implications.

Options 3, 4, and 5 involve either reprioritisation of existing resources or additional resources. For option 3 a matrix has been prepared which highlights work that can be funded from the Selective Licensing fee and the associated work that cannot be.

- 9.2 As indicated above, in terms of the Council's revenue budget, officers are recommending that this initiative should be delivered using existing officer resources on a re-prioritised basis given that there is no current budget provision for the initiative and that there is no known alternative funding source at the time of writing (although officers will explore the scope for the latter). It is noted that there are risks of increased costs arising from the re-prioritisation of work streams; such pressures would have to be managed within existing resources in consultation with relevant Portfolio Holders. In addition it should be noted that there is no provision for this initiative within the capital programme so any such demands that arise would have to be the subject of a further report and be considered alongside other capital programme requirements and the likelihood of the Council having to borrow to meet any requirement.
- 9.3 A review of press cuttings on legal challenges for selective licensing indicates costs can range from £20,000 to £100,000 which can be recouped if it is successfully defended. The risks highlighted about what the Council could be challenged on, the likelihood of challenge and the likelihood of a successful defence have been considered as part of the option appraisal.

10 Major risks

- 10.1 The most significant risk in adopting the recommended course of action is the inability of all partners to prioritise resources in order that the initiative can be effective. The mitigation of this risk lies in the commitment of the partners to the multi-agency approach being promoted. In addition the Council and its partners will need to manage the potential difficulties that may arise from de-prioritising other services.

11 Background papers

Cabinet Reports

23.07.14

<http://moderngov.newcastle-staffs.gov.uk/ieListDocuments.aspx?CId=118&MId=2235&Ver=4>

11.11.15

<http://moderngov.newcastle-staffs.gov.uk/ieListDocuments.aspx?CId=118&MId=2566&Ver=4>

20.01.16 - Including the Selective Licensing proposal

<http://moderngov.newcastle-staffs.gov.uk/ieListDocuments.aspx?CId=118&MId=2568&Ver=4>

Selective licensing in the private rented sector, a guide for local authorities, DCLG, March 2015

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/418551/150327_Guidance_on_selective_licensing_applications_FINAL_updated_isbn.pdf

Consultation webpage

<https://www.newcastle-staffs.gov.uk/all-services/housing/consultation-selective-licensing-miners-estate-kidsgrove>

[Further information on the consultation responses including the National Landlords Association response is available on request.](#)

12 Appendix

Appendix – Matrix of option appraisal and costs (available on request).

MEETING BEING SUBMITTED TO

Cabinet 14th September 2016

1. **HEADING** Demolition of disused former Knutton Recreation Centre building
- Submitted by:** Elaine Burgess
- Portfolio:** Finance, IT and Customer
- Ward(s) affected:** Knutton

Purpose of the Report

To outline the proposal to demolish the disused former Knutton Recreation Centre building and the reasons for this.

Recommendations

- (a) To approve demolition of the former Knutton Recreation Centre building at a cost of up to £50,000.
- (b) To authorise the Executive Director for Regeneration and Development in consultation with the Portfolio Holder for Finance, IT and Customer to commission suitably qualified and experienced contractors to undertake the necessary demolition works.
- (c) That the cost be met from borrowing, in accordance with the approved Treasury Management Strategy.
- (d) To approve consultation on the future disposal of the site in line with the Council's Asset Management Strategy 2015/16 – 2017/18 with the results of this to be reported to a later meeting of Cabinet alongside an update on other issues relating to the former Knutton Recreation Centre site.

Reasons

The Council remains responsible for this disused property and continues to incur costs of keeping it safe. Boarded-up properties are often an eye sore in the community and can attract anti-social behaviour (as has happened here); it is appropriate that the Council takes this into account when considering the building's future use.

1. Background

- 1.1 The former Knutton Recreation Centre became surplus to operational service requirements in 2012 as part of the then planned consolidation of indoor leisure activities to the new Jubilee2 centre in the nearby Newcastle town centre. It was always planned that the building would be demolished as part of the business case for the development of J2 and that the site would be disposed of for redevelopment at the most appropriate time.
- 1.2 In September 2012 Cabinet authorised the disposal of the site on which the former Recreation Centre stands; however no resolution has been made regarding the building itself which is currently standing empty with all services cut off. The building is potentially subject to ongoing vandalism (as has occurred recently) and is incurring costs to the Borough Council through the payment of non-domestic rates, ongoing security inspections

and necessary repairs. As such it does nothing to contribute to the community or economic vitality of Knutton village and it creates an unnecessary drain on Council resources.

- 1.3 On a broader level there are a number of issues which would affect the developability of the overall site were it to be disposed of in its current condition. Officers are working to address these and it is anticipated that an update will be given to a future meeting of Cabinet. Working sequentially however, this report seeks Cabinet approval to demolish the former recreation centre building in the interests of the visual amenities in the area; reducing the risk of anti-social behaviour; curtailing the Council's costs of maintaining an empty structure on this site and; reducing owner's liability in respect of third party safety.
- 1.4 Cabinet have previously considered reports to outline that it would be beneficial to redevelop the site and the potential delivery of new housing (including affordable housing) has been highlighted alongside the option to redevelop a slightly wider area on a more comprehensive basis. Nevertheless it is recommended that whilst the Council continues to seek a comprehensive redevelopment to deliver the best outcomes for the local community it is considered that the demolition of the building would support the longer term redevelopment objectives.

2. **Issues**

i) Public safety

Boarded-up buildings continue to attract owner's liabilities, including circumstances in which there is unauthorised access. There have been reports of the latter including incidents that have resulted in damage to the building. Such incidents raise the issue of public safety should a similar incident occur in future and it is important that the Council seeks to minimise the risk of personal injury as well as any liabilities.

ii) Public use of the site for a through-route

There is no recorded public right of way through the former recreation centre site however members of the general public do use a route through the site, on an informal basis, to pass between High Street and Acacia Avenue. In the interests of public safety the demolition of the building will necessitate the closure of this route however there is a public right of way nearby that offers the same access between High Street and Acacia Avenue.

iii) Utility and Telecoms Suppliers

It is known and likely that a number of utility services and telecoms providers have services that are running through the former recreation centre site. These will be notified of the demolition works as a matter of course to ensure that no disturbance is caused to any active supplies or cables running through the site.

iv) Facilities for the Bowling Green

A conservatory at the side of the building has been used by members of Knutton bowling club as its bowling pavilion. For safety reasons it was necessary to cut off utility services to the disused former recreation centre building and as a result there is no services to this conservatory (which has been the subject of vandalism). Officers have met with members of Knutton bowling club on a number of occasions and they were previously informed that as at the end of the 2015 playing season no facilities would be available at the site. However, Knutton bowling club will need notification of the Council's intention to demolish the building and the attached conservatory. Currently the bowling green is not used for competitive matches but is available as a practice green for members of the local bowling club. Members of the bowling club have been reminded that a bowling green with associated pavilion is available at Silverdale Park, which is approximately 1 mile away from the Knutton bowling green site. There is therefore a viable nearby option for the bowling club to take advantage of as their club base.

v) 3G pitch

A three quarters size 3G football pitch is located to the rear of the unused former recreation centre building. This has suffered from anti-social behaviour which led to the pitch becoming unsafe to use and consequently the pitch has been out of use since June 2015. The 2015 Newcastle under Lyme Playing Pitch Strategy earmarked this 3G pitch for disposal and recommended that consideration should be given to meeting future demand from alternative locations, subject to agreement from the Football Foundation. Discussions are at an advanced stage in terms of transferring the outcomes associated with the pitch to another 3G pitch elsewhere in the Borough. Since the 3G facility is out of use the proposed demolition of the unused former recreation centre building will not impact on this facility or the transfer of outcomes from this pitch to another facility.

vi) Provision of Leisure Facilities in the local area.

Although the 3G pitch at the Knutton recreation centre has fallen out of use, Members will recall that the Gordon Banks Leisure Centre at Newcastle College offers a number of facilities for hire to local groups; this includes 3G and grass pitches, a sports hall, a seminar room and a dance studio. Additionally it is noted that officers in the Leisure and Cultural Services team are working with Keele University and other partners to secure community use of a recently constructed 3G pitch at Keele University. This provision is in addition to 5 senior grass pitches and 1 junior grass pitch which serve this locality.

vii) Asset Management Strategy 2015/16 – 2017/18

Members may recall that following the 2012 Cabinet resolution to dispose of the former Knutton Recreation Centre site it is now listed within the Asset Management Strategy for disposal. Following demolition of the recreation centre building it is therefore proposed that Officers consult on disposal of the site in line with the procedure established in the Asset Management Strategy with the results of this being reported to a later meeting of Cabinet alongside an update on progress with other site constraints (as referenced in paragraph 1.3 of this report).

viii) Revenue Costs of Maintaining the Unused Building

Retaining the unused former recreation centre building in its current state incurs revenue costs of approximately £10,400 per year. This is made up of business rates liability and required inspection visits, the details of which are set out in Section 9 below. Were any essential safety work required this would be an additional cost to this. The Council's Streetscene team also incurs an opportunity cost of £250 per week in staff time for grass cutting and litter picking. This Streetscene cost can be expected to continue whilst the Council retains ownership of the former recreation centre site and demolition of the unused building would not in itself have an impact on that particular cost.

3. Proposal and Reasons for Preferred Solution

- 3.1 It is proposed to demolish the building for the reasons outlined above; most importantly for public safety and financial reasons. In addition it would improve the short term visual amenity of the area pending the site's longer term redevelopment (which is likely to be housing-led). The demolition of this building would enable the latter process to begin and this would include public consultation to seek the views of local residents (in accordance with the established approach set out in the approved Asset Management Strategy).

4. Outcomes Linked to Corporate Priorities

- 4.1 This proposal fits with the corporate priority of a clean, safe and sustainable borough. In addition the future redevelopment of the site would contribute towards the priority of a borough of opportunity.

5. **Legal and Statutory Implications**

- 5.1 As highlighted above the Council has a legal duty in respect of unauthorised access to sites under the Occupiers Liability Acts of 1957 and 1984.

6. **Equality Impact Assessment**

- 6.1 This report does not impact differentially on the equality groups.

7. **Financial and Resource Implications**

7.1 The cost of weekly inspections

The Council's insurers require weekly inspections of the building and 3G pitch at a cost of £1,080 per annum. Should any safety repairs be required these are funded from the Council's Repairs and Renewals budget allocation.

7.2 The cost of business rates

The total business rates payable by the Council in relation to the building (including the separately rated office formerly occupied by the NMP) is £12,960. However, under the business rates retention scheme the Council retains, as income, a proportion of all business rates collected. In the Council's current position (i.e. exceeding the business rates baseline established by Central Government) the proportion of business rates retained relating to the former Recreation Centre premises would be £3,629. The net saving in business rates, if the building were to be demolished would, therefore, be £9,331. The cost of clearing the building, including diverting underground services is estimated at around £40,000 to £50,000, which would be recovered in 4 to 5 years by the saving on business rates alone.

7.3 The costs of grounds maintenance

The Council's Streetscene service is currently incurring an opportunity cost of around £250 per week in staff time for grass cutting and litter picking around the disused former recreation centre building. Currently this cost is being absorbed by the Streetscene service.

7.4 Demolition costs

There is provision in the approved capital programme of £40,000 for demolition costs (based upon historical estimates). As stated above, the currently estimated cost could be up to £50,000. Because the Council has a current shortfall of available capital receipts to fund the capital programme it will be necessary to borrow to meet these costs. The current approved Treasury Management Strategy permits borrowing in such circumstances where there is a gap between expenditure being incurred and funds from asset sales being received.

8. **Major Risks**

- 8.1 A risk assessment will be completed by the company commissioned to complete the demolition works.

9. **Key Decision Information**

- 9.1 This is not a key decision.

10. **Earlier Cabinet/Committee Resolutions**

10.1 Cabinet has previously received reports on the disposal of the former recreation site at its meetings of September 2012 and October 2011.

11. **List of Appendices**

11.1 None

12. **Background Papers**

12.1 Treasury Management Strategy 2016/17

This page is intentionally left blank

Stubbs Walk Conservation Area Appraisal and Management Plan Supplementary Planning Document

Submitted by: Guy Benson, Head of Planning Services

Portfolio: Planning and Housing

Ward(s) affected: Town Centre Ward

Purpose of the Report

To seek Cabinet approval to adopt as a Supplementary Planning Document the Stubbs Walk Conservation Area Appraisal and Management Plan.

Recommendations

That the Supplementary Planning Document relating to Stubbs Walk Conservation Area Appraisal and Management Plan be adopted.

Reasons

Following a consultation on a draft Conservation Area Appraisal and Management Plan the Planning Committee has recommended to Cabinet that the Council adopt Conservation Area Appraisal and Management Plan for the Stubbs Walk Conservation Area.

1. Introduction

1.1 The Planning Committee has received reports on the preparation of the Stubbs Walk Conservation Area and Management Plan Supplementary Planning Document (SPD)

2. Consultation process and results

2.1 The Planning Committee at its meeting on 3rd June 2015 approved a draft Stubbs Walk Conservation Area Appraisal and Management Plan Supplementary Planning Document for consultation purposes. This draft is still available to view on the Council's website via the following link

<https://www.newcastle-staffs.gov.uk/all-services/planning/planning-policy/newcastle-under-lymes-local-development-framework>

2.2 The consultation on the draft SPD then took place over a six week period from 21st December 2015 to 29th January 2016. A Consultation statement was then prepared providing details of the consultation, the response received to it, and the proposed action in relation to that response. A copy of this Consultation Statement is available to view via the above link.

2.3 The Planning Committee at its meeting on 1st March 2016 received the results of the consultation exercise. They accepted a recommendation that only some minor changes be made to the draft SPD, and that subject to no representations being received in response to a final formal period for representations, they commended the SPD to Cabinet for adoption. As required by the Local Planning Regulations 2012 the document together with the Consultation Statement was then made available for inspection for the appropriate period which ended on the 31st March. No further representations were received during that period so the SPD is now brought to Cabinet for adoption.

- 2.4 The Conservation Area Advisory Working Party at its meeting on the 29th February recorded its thanks to the officer for the quality and detail of the document, and resolved that the information be received and the comments of third parties on the original draft be noted.
- 2.5 The document consists of two sections – a Conservation Area Appraisal and a Management Plan. The Appraisal summarises the significance of the Conservation Area, includes a spatial and character analysis, an assessment of the quality and character of its buildings, and concludes with a summary of the opportunities and constraints. The appraisal concludes that the key issues in the area are:
- Protection of the townscape and built features of the Conservation Area including the trees, landscape and front boundary walls;
 - Use of modern materials on historic buildings, such as upvc windows and doors and inappropriate changes to historic buildings;
 - Consideration of additions to the Register of Locally Important Buildings and Structures;
 - Insensitive signage on businesses.
- 2.6 The purpose of the Management Plan is to provide a framework for future actions – some 16 are identified – e.g. proposing the article 4 direction to enable control over future development; working with property owners on effective tree management and; working with owners to achieve compliance with relevant planning policies.

3. Proposal

- 3.1 That the Supplementary Planning Document relating to the Stubbs Walk Conservation Area Appraisal and Management Plan be adopted.

4. Outcomes Linked to Sustainable Community Strategy and Corporate Priorities

- 4.1 The adoption of the SPD assists the Council in achieving its corporate priority of creating a cleaner, safer and sustainable Borough and the priority relating to Borough of Opportunity. As an example of community engagement the drawing up of the draft Supplementary Planning Document reflects the Council's aspiration to be a co-operative Council.

5. Legal and Statutory Implications

- 5.1 As required by the Local Planning Regulations 2012 the document together with the consultation statement were made available for inspection for the appropriate period.

6. Equality Impact Assessment

- 6.1 There are not considered to be any differential impacts arising from the adoption of this Appraisal and Management Plan.

7. Financial and Resource Implications

- 7.1 The drawing up of the Appraisal and Management Plan did involve some officer time but there was also a significant community contribution. With respect to the future the Appraisal will assist Development Management by providing an easy to use and up to date assessment of the character and appearance of the Conservation Area, whilst the

Management Plan forms a focus for Conservation Area activity both by the Borough Council and other Agencies.

7.2 There are potential financial implications from some of the proposals within the Management Plan and these will need to be considered before steps are taken. Some of the steps indicated within the Management Plan would involve expenditure, normally the application of staff resources. The other notable resource implications is the risk of the Council facing compensation liabilities in the long term – for example, if permitted development rights are withdrawn by means of an Article 4 Direction and planning permission is subsequently refused for development that would otherwise be able to be undertaken, then there is a possibility that a claim for financial compensation could be made. Members are advised that it is proposed to make a “non-immediate Direction” meaning property owners are notified before it is made and then registered as a Local Land Charge, so that a prospective purchaser can be aware of its’ existence thereby mitigating the risk to a reasonable extent. In addition it should be noted that the same designation of three other parts of the borough in the past have not resulted in any such compensation claims.

8. Major Risks

8.1 There are not considered to be any Major Risks arising from the adoption of this document. Nevertheless members’ attention is drawn to the information provided in the previous section regarding potential compensation risks, albeit this is considered to represent a relatively low risk.

9. Sustainability and Climate Change Implications

9.1 No such significant implications have been identified.

10. Earlier Cabinet/Committee Resolutions

10.1 None

11. Appendices

11.1 Appendix 1 – Plan showing boundary of the Stubbs Walk Conservation Area

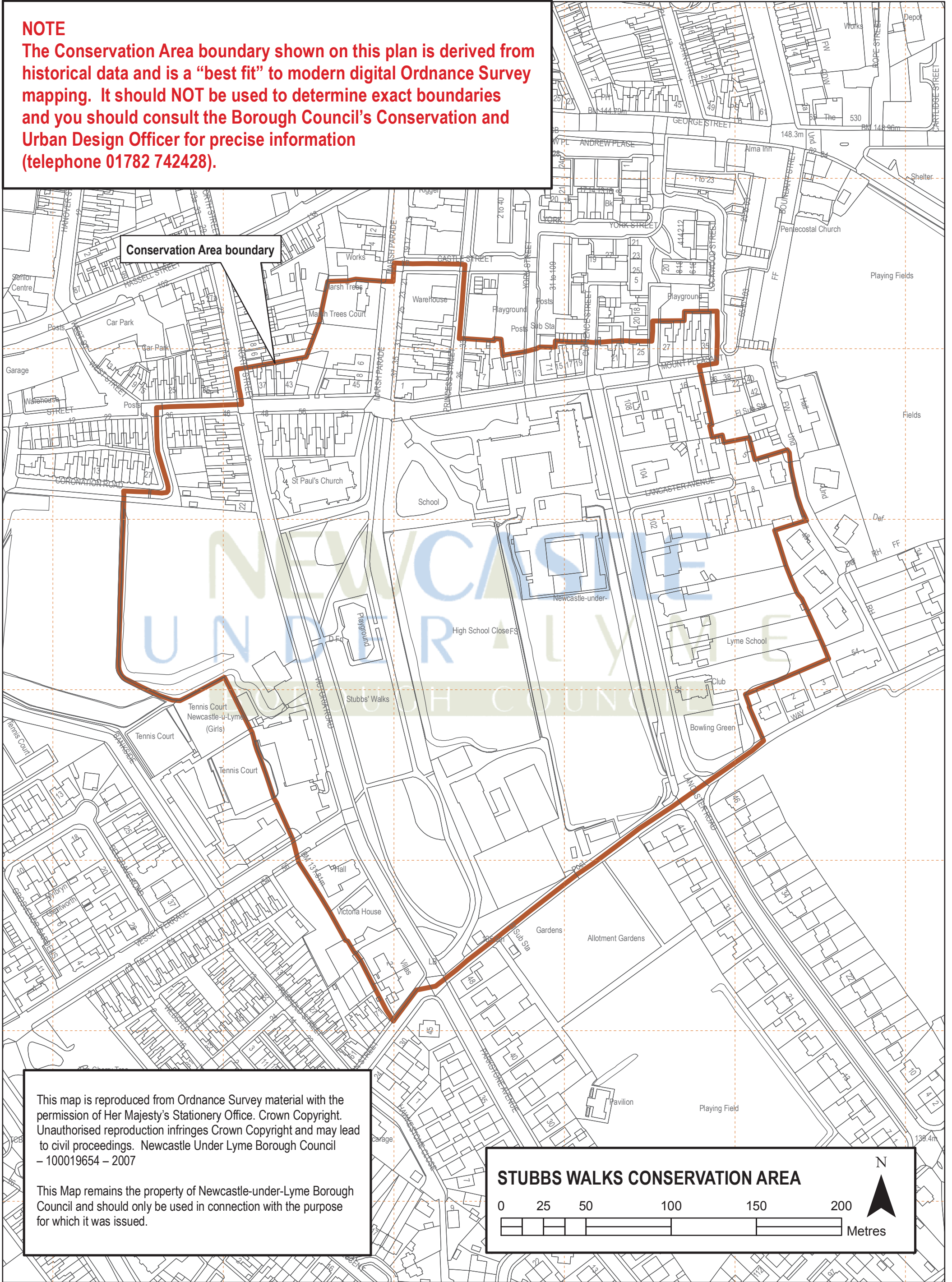
12. Background Papers

12.1 Consultation Draft SPD

12.2 The SPD Consultation Statement and Copies of representations made on the draft SPD

This page is intentionally left blank

NOTE
The Conservation Area boundary shown on this plan is derived from historical data and is a "best fit" to modern digital Ordnance Survey mapping. It should NOT be used to determine exact boundaries and you should consult the Borough Council's Conservation and Urban Design Officer for precise information (telephone 01782 742428).

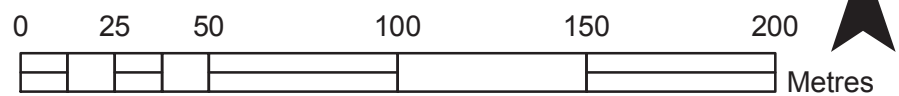


Conservation Area boundary

This map is reproduced from Ordnance Survey material with the permission of Her Majesty's Stationery Office. Crown Copyright. Unauthorised reproduction infringes Crown Copyright and may lead to civil proceedings. Newcastle Under Lyme Borough Council – 100019654 – 2007

This Map remains the property of Newcastle-under-Lyme Borough Council and should only be used in connection with the purpose for which it was issued.

STUBBS WALKS CONSERVATION AREA



This page is intentionally left blank

FINANCIAL AND PERFORMANCE MANAGEMENT REPORT TO END OF QUARTER ONE (April-June) 2016

Submitted by: Executive Management Team

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

Wards Affected: All

Purpose

To provide Cabinet with the Financial and Performance Review report with the Financial and Performance Review report - first quarter 2016/17.

Recommendations

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

Reasons

The Financial and Performance Management monitoring reports provide information on a quarterly basis regarding the performance of individual council services, alongside related financial information on the organisation. This report will be presented to Cabinet on 14 September 2016.

1. Background

- 1.1 This quarterly report provides Members with a detailed update on how the Council has performed during the first quarter of 2016/17 by presenting performance data set within a financial context.
- 1.2 This report provides broad financial information (Appendix A) and also details performance which is reported by exception (Appendix B) for the first quarter of 2016/17.
- 1.3 A summary of the overall performance picture is presented in section 3 of this report and members will note that performance is generally progressing well.

2. 2015/16 Revenue and Capital Budget Position

- 2.1 The Council approved a general fund revenue budget of £14,138,550 on 24 February 2016. Further financial information is provided in Appendix A.

3 Performance

- 3.1 The latest performance information for Qtr 1 has been analysed.
- 3.2 Any indicators failing to meet the set targets are reported, by exception, in the table found in Appendix B.
- 3.3 The list of indicators monitored has been reviewed for 2016-17 with five of the indicators removed as they were not key indicators and one new one added. For

this report a total of 19 indicators were monitored, and the proportion of indicators which have met their target during this period stands at 74%.

- 3.4 There is a slight decrease in indicators off target this quarter, and officers consider that the performance against these indicators does not give rise to serious cause for concern at present. The management of each of the service areas concerned continue to monitor and take steps to deal with under achievement of targets where possible and/or appropriate.

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

- 3.5 Positive performance can be seen in a range of services and members will note that some services are affected by both seasonal and external factors. It should also be noted for consideration that some indicators have stretched targets set and local targets that are higher than the national ones.
- 3.6 Improvement in the results of certain indicators over time is evident and in the case of delivery of the Revenues and Benefits service the following should be noted:

Indicator	2011-12	2012-13	2013-14	2014-15	2015-16
Time taken to process Housing/Council Tax Benefit new claims and change events	10.77 days	9.32 days	11.71 days	6.72 days	5.36 days

4. Outcomes Linked to Sustainable Community Strategy and Corporate Priorities

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

5. Legal and Statutory Implications

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

6. Equality Impact Implications

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

7. Financial and Resource Implications

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

8. Major Risks

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

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

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

9. List of Appendices

Financial information (Appendix A) and the performance information (Appendix B).

10. Background Papers

Working papers held by officers responsible for calculating indicators.

This page is intentionally left blank

Financial Position Quarter One 2016/17

1. General Fund Revenue Budget

- 1.1 The Council approved a General Fund Revenue Budget of £14,138,550 on 24 February 2016. The actual position compared to this budget is continuously monitored by managers, EMT and Portfolio Holders in order to detect any significant variances of expenditure or income from the approved amounts contained in the budget.
- 1.2 At this point in the financial year, we would have expected to have spent approximately £3,340,185; we have actually spent £3,392,599. Therefore, as at the end of the third quarter, the general fund budget shows an adverse variance of £52,414.
- 1.3 The main reasons for the overall adverse variance to date are:
 - a. Kidsgrove Sports Centre is operating at a net overspend primarily due to income shortfall. Officers have looked at ways to both retain current income levels and pursue additional income to eradicate the current shortfalls. It is pleasing to report that income is £12k (16%) higher in the first quarter compared to the same period in the last financial year.
 - b. Income from car parking is below the amount budgeted for. A review of options to increase income has been undertaken. Officers have investigated a range of initiatives which are currently being discussed with the relevant portfolio holders.
 - c. Income from Planning application fees is below the amount budgeted for and 15% below the income received in the first quarter of the last financial year. Significant income from a number of proposed major developments is expected to be received during the next few months but cannot be guaranteed. If received this income would be brought in line with the budget and may well exceed the budgeted sum.

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

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

2. Capital Programme

- 2.1 The Capital Programme approved by Council in February 2016 has been updated to take account of slippage in 2015/16. Where planned expenditure did not occur last year, this has been added to the budget for 2016/17 (apart from any cases where costs have been reduced or expenditure will no longer be incurred). The revised budget for capital projects in 2016/17 totals £15,498,147.
- 2.2 Due to the fact that the capital receipts to finance the programme are not likely to be received until 2017/18 a number of capital projects that were included in the 2016/17 capital programme have had to be put on hold as the Council would have to incur prudential borrowing costs which would have a significant effect on the General Fund and the future provision of services. Therefore, capital expenditure is only being incurred in the following areas

- i.) the new recycling and waste service;
- ii.) the Civic Hub project;
- iii.) Disabled Facilities Grants;
- iv.) if a contractual commitment already exists;
- v.) any matters of a health and safety nature; and
- vi.) schemes wholly funded from external sources eg Section 106 agreements.

- 2.3 Taking this into account, £3,317,026 of the revised budget was expected to be spent by 30 June; the actual amount spent was £3,273,086 resulting in a variance at the end of quarter one of £43,940.
- 2.4 It is imperative that the sites earmarked for disposal within the Asset Management Strategy are progressed as soon as possible as any delays will only worsen the Council's overall financial position.




3. Investment Counterparties

- 3.1 Investment counterparties with whom money is invested, as at 30 June 2016 are as follows (with the parent company shown in brackets, where applicable):

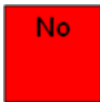
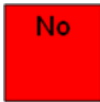
Nationwide Building Society
Santander
Lloyds Bank
Heritable Bank (*Landsbanki*)

- 3.2 With regard to the Council's frozen investment in Heritable Bank the total amount repaid now totals £2,457,623, which is 98% of the total that was frozen.

Appendix B: Qtr 1 Performance indicators reported by exception

Exception Report Quarter 1, 2016-17 (April-June)						
Ref	Indicator	Result	Target	Status	Officer	Portfolio holder
1.7	The amount of residual waste per household	109.83 kgs (est.)	103.75kgs Qtr 1 (415kgs annual)		Trevor Nicoll	Cllr. Beech
Comment for 1.7	Residual waste arising's per household continue to be higher than target, and seems to match a trend nationally for increases in waste after a number of years where it has been decreasing. It is probable that the increase is due to growth in the economy and more confidence in the consumer to buy more goods. In introducing the new recycling service the Council will be putting the emphasis on recycling and making it easier for residents by providing a weekly recycling and food waste collection service.					
<u>Comment from Cllr. Ann Beech</u> Residents response to the new recycling service has been very encouraging in that significantly more recycling is being carried out. Early indications are that this will have a positive effect on this indicator as a result.						
2.4	Average stall occupancy rate for markets	34%	65%		Joanne Halliday	Cllr. Williams
Comment for 2.4	There has been a departure of a number of traders. We are working with partners and on social media to increase the visibility of the market to new traders, which includes the trade for a tenner scheme that was run in May as part of 'Love Your Local Market' fortnight.					
<u>Comment from Cllr. John Williams</u> I will be working with officers to review our market and will visit other markets to see what best practice can be learnt and hopefully implemented in Newcastle to make our market successful.						
2.5	Percentage of Major Planning Applications decisions issued within an agreed extension of time	62.5% (cumulative)	70%		Guy Benson	Cllr. Robinson
Comment for 2.5	The indicator for Major Planning Applications is off target for Qtr 1; however the service has a renewed focus on better communications with applicants being led by the team manager which should improve future results.					
<u>Comment from Cllr. Kyle Robinson</u> I have discussed with officers the performance reported and know that since the end of the quarter in question performance has continued to improve to such a degree that it is now on target, although the Service will need to continue to maintain this throughout the rest of the year.						

Appendix B: Qtr 1 Performance indicators reported by exception

Exception Report Quarter 1, 2016-17 (April-June)						
Ref	Indicator	Result	Target	Status	Officer	Portfolio holder
4.2	Average number of days per employee lost to sickness	2.5 days (cumulative)	2 days (Qtr 1)		Sarah Taylor	Cllr. Shenton
Comment for 4.2	<p>In Qtr. 1 we have seen the effect of sickness absence on the annual target of 8.0 days.</p> <p>However, the result has slightly improved on the first quarter result last year which was 2.63 days. Both short term and long term sickness cases are continuing to be pro-actively managed with HR and Occupational Health support and are monitored monthly at Executive Management Team and Departmental meetings.</p>					
<p><u>Comment from Cllr. Elizabeth Shenton</u></p> <p>Support to managers and employees continues to be given from Human Resources to manage staff absences. The review of the Attendance Management Policy has been completed and a revised policy has been approved. In addition, this indicator is regularly reported to me and monitored.</p>						
4.4	% Unmet demand (number of calls not answered as a % of total call handling volume)	10.52%	8%		Kelvin Turner	Cllr. Turner
Comment for 4.4	<p>There has been a significant increase in workload in the service during the last quarter; with customer services staff providing support to Elections, Licensing and more latterly the new Recycling and Waste service. The introduction of the new service has resulted in a huge increase in the volume of telephone calls from residents.</p> <p>A number of mitigations have been put in place which should enable greater throughput of calls and we expect the call volumes to decrease as the new service is embedded.</p>					
<p><u>Comment from Cllr. Terry Turner</u></p> <p>Customer Services have faced a challenging time with this significant increase in workload, which has impacted on the number of calls handled. Additional resources have been brought in to help with the increased demand.</p> <p>The telephone system has also been improved, allowing customers to follow a call flow process, enabling them to reach the answer they require at first point of contact.</p>						