

# Public Document Pack



**PLEASE NOTE THAT PRAYERS WILL BE HELD AT 6.50PM BEFORE THE COMMENCEMENT OF THE BUSINESS OF THE COUNCIL.**

**THE MAYOR REQUESTS THAT ANY MEMBER WISHING TO PARTICIPATE IN PRAYERS BE IN ATTENDANCE IN THE COUNCIL CHAMBER BY NO LATER THAN 6.45PM.**

Dear Sir/Madam,

You are summoned to attend the meeting of the Borough Council of Newcastle-under-Lyme to be held in the ***Council Chamber, Civic Offices, Merrial Street, Newcastle-under-Lyme, Staffordshire, ST5 2AG*** on ***Wednesday, 21st February, 2018*** at ***7.00 pm***.

## **B U S I N E S S**

**1 APOLOGIES**

**2 DECLARATIONS OF INTEREST**

To receive declarations of interest from Members on items contained within this agenda.

**3 MINUTES**

**(Pages 5 - 10)**

To consider the minutes of the previous meeting(s)

**4 MAYOR'S ANNOUNCEMENTS**

**5 REVENUE AND CAPITAL BUDGETS AND COUNCIL TAX 2018/19**

**(Pages 11 - 35)**

**6 TREASURY MANAGEMENT STRATEGY 2018/19**

**(Pages 37 - 58)**

**7 PUBLICATION OF A PAY POLICY STATEMENT FOR 2018/19**

**(Pages 59 - 71)**

**8 REVIEW OF THE CONSTITUTION**

**(Pages 73 - 80)**

**9 ELECTIONS UPDATE**

**(Pages 81 - 108)**

**10 MENTAL HEALTH CHALLENGE**

**(Pages 109 - 111)**

**11 PETITIONING ON THE HIGH SPEED RAIL (WEST MIDLANDS - CREWE) BILL**

**(Pages 113 - 119)**

**12 ENFORCEMENT POLICY**

**(Pages 121 - 143)**

**13 STATEMENT OF THE LEADER OF THE COUNCIL**

**(Pages 145 - 146)**

To receive a statement by the Leader of the Council on the activities and decisions of Cabinet and items included on the Forward Plan.

**14 REPORTS OF THE CHAIRS OF THE SCRUTINY COMMITTEES (Pages 147 - 149)**

Reports are attached for the following:

- a) Finance, Resources and Partnerships Scrutiny Committee
- b) Active and Cohesive Communities Scrutiny Committee

The Cleaner, Greener and Safer Communities Scrutiny Committee, Economic Development and Enterprise Scrutiny Committee and Health and Wellbeing Scrutiny Committee have not met since the last 'Ordinary' Council meeting.

**15 REPORTS OF THE CHAIRS OF THE REGULATORY COMMITTEES (Pages 151 - 153)**

Chairs are requested to submit written reports to the Democratic Services Manager by (two days before meeting).

- a) Planning Committee
- b) Licensing Committee

A verbal update will be given for the Public Protection Committee

The Audit and Standards Committee has not met since the last Council meeting.

**16 MOTIONS OF MEMBERS (Pages 155 - 159)**

A notice of motion, under Appendix 7 – paragraph 12 other than those listed in Appendix 7 – paragraph 10 of the Constitution must reach the Chief Executive at least ten clear days before the relevant Meeting of the Council.

**17 QUESTIONS TO THE MAYOR, CABINET MEMBERS AND COMMITTEE CHAIRS**

**18 RECEIPT OF PETITIONS**

To receive from Members any petitions which they wish to present to the Council.

**19 STANDING ORDER 18 - URGENT BUSINESS**

To consider any communications which pursuant to Appendix 7 – paragraph 7 of the constitution are, in the opinion of the Mayor, of an urgent nature and to pass thereon such resolutions as may be deemed necessary.

**20 DISCLOSURE OF EXEMPT INFORMATION**

To resolve that the public be excluded from the meeting during consideration of the following report(s) as it is likely that there will be disclosure of exempt information as defined in paragraphs contained within Part 1 of Schedule 12A (as amended) of the Local Government Act 1972.

Yours faithfully



Acting Chief Executive / Head of Paid Service

## **NOTICE FOR COUNCILLORS**

### **1. Fire/Bomb Alerts**

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

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

On exiting the building Members, Officers and the Public must assemble at the car park at the rear of the Aspire Housing Office opposite to the Civic Offices. DO NOT re-enter the building until advised to by the Controlling Officer.

### **2. Attendance Record**

Please sign the Attendance Record sheet on entering the building. This will be located at the Porter's lodge.

### **3. Mobile Phones**

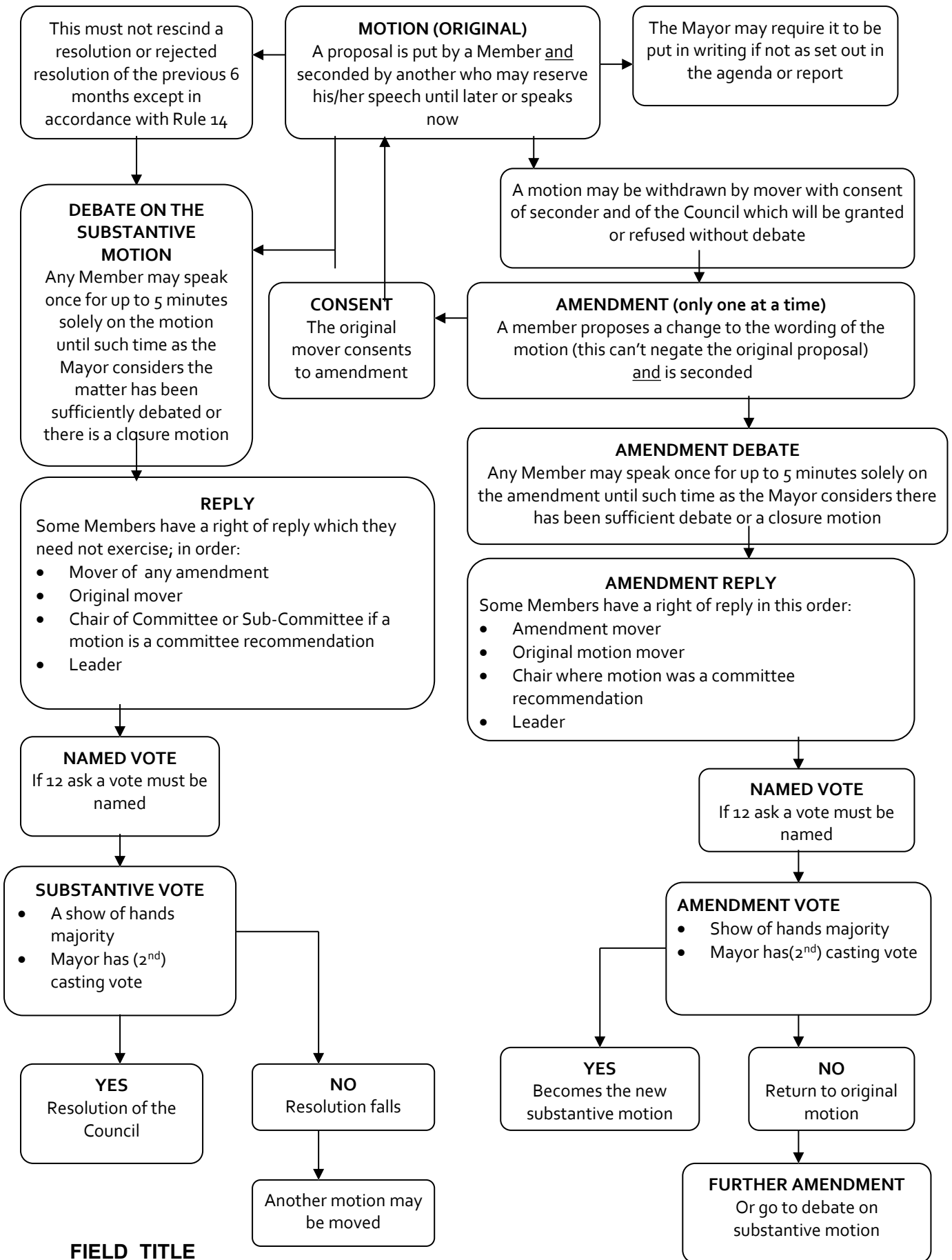
Please switch off all mobile phones before entering the Council Chamber.

### **4. Tea/Coffee**

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

### **5. Notice of Motion**

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



## COUNCIL

Wednesday, 17th January, 2018  
Time of Commencement: 7.00 pm

**Present:-** The Mayor Councillor Simon White – in the Chair

**Councillors:**

Astle	Northcott
Bailey	Olszewski
Beech	Owen
Bloor	Panter
Burgess	Parker
Cooper	Pickup
Miss J Cooper	Proctor
Dymond	Reddish
Fear	Robinson
Frankish	Rout
Gardner	Simpson
L Hailstones	Spence
P Hailstones	Stubbs
S Hambleton	Sweeney
Harper	J Tagg
Heesom	S Tagg
Holland	J Waring
Huckfield	P Waring
Johnson	G White
Jones	G Williams
Kearon	J Williams
Loades	Winfield
Mancey	Woolley
Matthews	Wright
Naylon	

**Officers** Executive Director Operational Services- David Adams,  
Janet Baddeley, Geoff Durham,  
John Tradewell - Acting Chief Executive / Head of Paid Service and  
Executive Director (Resources and Support Services) - Kelvin Turner

1. **APOLOGIES**

Apologies were received from Councillors' Dillon, Eagles, Fox-Hewitt, Shenton, Snell, Turner, Walklate, Wilkes and Wing.

2. **DECLARATIONS OF INTEREST**

There were no declarations of interest stated.

3. **MINUTES**

**Resolved:** That the minutes of the meeting held on 5 December, 2017 be agreed as a correct record.

**4. LABOUR GROUP LEADER**

Councillor Tony Kearon informed Members that Councillor Elizabeth Shenton and Councillor Terry Turner had stepped down from their roles of Labour Group Leader and Deputy Group Leader respectively. Councillor Kearon was now the Labour Group Leader and Councillor Kyle Robinson was his Deputy.

Councillor Kearon thanked Councillors' Shenton and Turner for all of their hard work.

**5. MAYOR'S ANNOUNCEMENTS**

The Mayor had no announcements to make.

**6. APPOINTMENT OF ACTING CHIEF EXECUTIVE/HEAD OF PAID SERVICE**

*Mr John Tradewell left the room during consideration of the next item.*

The Leader introduced a report seeking Council's agreement to appoint an Acting Chief Executive/Head of Paid Service.

Members raised concerns that the appointment could send out signals that this could be a long-term proposal and also concerns were raised about the financial implications.

The Leader agreed that the situation needed to be resolved as soon as possible and thanked the County Council for allowing the shared time of Mr John Tradewell – which would keep costs down.

**Resolved:** That Mr John Tradewell be appointed as Acting Chief Executive/Head of Paid Service until such time as the council decides that this is no longer necessary.

**7. APPOINTMENT OF EMPLOYMENT COMMITTEE**

The Leader introduced a report regarding the setting up of an Employment Committee, to agree the Terms of Reference and to appoint Members onto it.

The Members appointed to serve on this Committee would be Councillors' Beech, Huckfield, Kearon, Loades, Rout, Sweeney and Simon Tagg.

**Resolved:** (i) That the terms of reference for the Employment Committee be amended by the addition of the following provision in relation to membership:

*The Employment Committee will consist of the seven members nominated by Group Leaders in accordance with the "Rules to*

*ensure political balance” set out in Annex 1 to Appendix 7 of Part 4 of the Council’s constitution.*

- (ii) That the fourth bullet point of the terms of reference for the Employment Committee is amended to read as follows:

*To establish and appoint members to a sub-Committee as an Investigation and Disciplinary Panel (IDP), comprising three members (and such relevant independent persons as may be required by The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015), to hear disciplinary and conduct issues relating to a Statutory Officer in accordance with relevant HR Procedures. The Chairman of the IDP shall have authority to issue a notice of dismissal in the event of a decision by full Council to dismiss the Statutory Officer\**

- (iii) That the action taken to call an Employment Committee to take place after full Council be endorsed.
- (iv) Where any staffing matters have been started, and have been following, the procedures in place prior to the Council’s decision to establish the Employment Committee and new arrangements, those matters will now continue under the new procedures, and the Employment Committee and/or the IDP will have full authority to determine how those matters are brought within the new procedures.

## 8. STATEMENT OF THE LEADER OF THE COUNCIL

The Leader submitted a report which provided an update to Members on the activities and decisions of the Cabinet together with the Forward Plan.

Councillor Robinson enquired about the start time of 2pm for future Cabinet meetings as some people may have difficulty attending if they were at work.

The Leader confirmed that the change had been made to reduce costs but if any big issues were to be discussed the meeting would be moved to the evening to accommodate people.

The Leader was asked for an update on the elections and stated that meetings were taking place with other Authorities to ensure full support for the May elections. It was hoped that Newcastle would have its own elections staff in place by May who would then take full control following the elections.

Members were informed that out of date software was being used so the Council would move towards new software and gain the relevant training. This matter would be a regular item at informal Cabinet meetings.

Councillor Paul Waring asked the Leader about the timescales for the Joint Local Plan Preferred Options.

The consultation had ended on 22 August, 2017 and results would be known later in the year.

Councillor Fear asked the Portfolio Holder for Finance and Resources for an update on the overspend of £102,000 at 30 November, 2017.

Councillor Sweeney stated that factors such as people parking on supermarket car parks and walking into town had had an impact and that the waste saving would also have an impact.

Certain posts which had not been filled and had now been taken out of the establishment would also go towards the overspend.

Councillor Hambleton asked about the position of Castle House and the Ryecroft development.

The Leader advised Members that, following the email sent in January to staff and Members regarding the rear fascia, the sub-contractor would have to source new panelling.

With regard to the Ryecroft development, HDD want possession of the Civic Offices by the end of May. If Castle House was not ready by then, staff may need to work from the other locations which have been outlined for agile working.

Councillor Beech enquired about the problems encountered with bin collections over the Christmas period and whether a plan had been put in place.

The Leader stated that the inclement weather over the Christmas period had impacted upon collections. However, regarding collections in general these would be reviewed and improved upon.

Members were advised that a Cabinet Panel had been set up to look at waste and recycling. Councillor Naylor stated that some work on this before Christmas and was assured that the information gained from that piece of work would be taken into account by the Cabinet Panel.

Councillor Olszewski asked a question regarding the travellers on Wolstanton Marsh and how many residents around the Marsh had been consulted.

The Leader stated that hundreds of letters had been sent out and that a public meeting had been held.

With regard to the cost of the project to put bollards around the Marsh, there was funding in place and residents had also pledged money towards it.

Councillor Dymond asked about the current position regarding Kidsgrove Sports Centre.

The Leader confirmed that a business case had been received and was currently with officers. The Council would work with the resident group and the County Council was also heavily involved.

Members were advised that there was a meeting being held on 30 January, 2018.

**9. CHANGES TO COMMITTEES**



The Leader introduced a report asking Members to note changes of membership to various committees as a result of a change in the political balance and a new administration. In addition, Members were asked to note the Chair to the Employment Committee as being the Portfolio Holder for Corporate and Service Improvement, People and Partnerships.

A Vice Chair was also required for the Health and Wellbeing Scrutiny Committee.

Two nominations were received:

Councillor Dillon – proposed by Councillor Kearon and seconded by Councillor Wright.

Councillor Loades – proposed by Councillor Simon Tagg and seconded by Councillor Sweeney.

- Resolved:**
- (i) That the changes to the committees and the Chair to the Employment Committee be noted.
  - (ii) That Councillor Loades be appointed as Vice-Chair of the Health and Wellbeing Scrutiny Committee for 2017/18.

**10. MOTIONS OF MEMBERS**

There were no Motions.

**11. QUESTIONS TO THE MAYOR, CABINET MEMBERS AND COMMITTEE CHAIRS**

Councillor Gardner asked the Leader what actions had been taken to address the motion of Universal Credit which had been agreed at Council.

The Leader informed Members that a letter had been sent to the Secretary of state in early January, 2018.

Councillor Gardner asked the Leader to inform Council on actions that had been taken so far on the Mental Health Challenge.

The Leader stated that the Acting Chief Executive had been contacted to see how it could be implemented and assured Members that it would be taken forward.

Councillor Gardner suggested that a champion Member and officer needed to be appointed . The Leader would ask the Acting Chief Executive to produce a report to be brought back to Council identifying member and officer champions.

**12. RECEIPT OF PETITIONS**

No petitions were received.

**13. STANDING ORDER 18 - URGENT BUSINESS**

There was no urgent business.

**THE MAYOR COUNCILLOR SIMON WHITE**

**Chair**

Meeting concluded at 8.15 pm

## NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

### REPORT OF THE EXECUTIVE MANAGEMENT TEAM TO COUNCIL

21 FEBRUARY 2018

#### REVENUE AND CAPITAL BUDGETS AND COUNCIL TAX 2018/19

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

**Portfolio:** Finance and Resources

**Wards(s) affected:** All

#### **Purpose of the Report**

This report sets out the recommendations of Cabinet for the Revenue and Capital Budgets for 2018/19 and sets out the recommendations for setting the 2018/19 Council Tax.

#### **Recommendations**

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

#### 1. **Background**

1.1 This report is the culmination of the 2018/19 budget process, which started before the current 2017/18 budget was set. The Cabinet and the Finance, Resources and Partnerships Scrutiny Committee (FRAPSC) have already considered the content of the 2018/19 Budget and the resultant Council Tax which is recommended. Cabinet met on 7 February 2018 and, after considering comments made by the FRAPSC, recommend a Council Tax for this Council in 2018/19 of £190.45 (based on Band D), as set out in Appendix B. This is an increase of £5.00 from the 2017/18 amount (an increase of 2.70 per cent), which is within the maximum increase permitted without triggering the requirement for a referendum in accordance with the excessive council tax legislation.

#### 2. **General Fund Budget 2017/18 - Projected Outturn**

2.1 Monthly reports monitoring actual spending against budget have shown adverse variances during the first nine months of the year, the latest reported variance being £0.195m as at the end of December.

2.2 The main reasons for this overall adverse variance are:

- Waste Services is operating at a net overspend;
- Costs associated with redundancies ahead of the move to Castle House;
- Income from car parking is below the amount budgeted for;
- The Elections Service is overspent as a result of the independent review undertaken into the Parliamentary election and from the employment of consultants and agency staff.

2.3 The portfolio holder for Finance and Resources, and other cabinet members, are working with officers to try and eradicate as much of this overspend as possible in what remains of this financial year.

2.4 The savings of £2.728m incorporated in the 2017/18 budget are on target to be achieved. This means that altogether over the ten years from 2008/09 to 2017/18 £22.010m of "gaps" will have

been met via a combination of savings, efficiencies and additional income, as shown in the table below:

<b>Year</b>	<b>£m</b>
2008/09	1.250
2009/10	2.572
2010/11	2.389
2011/12	2.655
2012/13	2.621
2013/14	1.783
2014/15	2.100
2015/16	2.078
2016/17	1.834
2017/18	2.728

2.5 Resources provided within the revenue and capital budgets have enabled a number of key Council Plan outcomes to be accomplished in 2017/18. These are set out at Appendix G.

### 3. **Revenue Budget 2018/19**

3.1 Excluding levies for Town and Parish Councils the recommended Borough Council Tax for a 'Band D property' is £190.45, a 2.70 per cent increase compared with 2017/18, based on a Borough Council Tax requirement of £7,010,840, as set out below.

	<b>Estimated Expenditure £</b>	<b>Rate of Council Tax (Band D) £ p</b>
Total Net Expenditure	11,193,840	304.08
Less: External Support	(4,183,000)	(113.63)
Borough Council Tax requirement	7,010,840	190.45

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

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

<b>Parish</b>	<b>Rate of Council Tax (Band D) £ p</b>
Audley	55.73
Betley, Balterley and Wrinehill	17.26
Chapel and Hill Chorlton	15.28
Keele	35.83
Kidsgrove	34.05
Loggerheads	21.08
Madeley	43.62
Maer	19.23
Silverdale	18.92
Whitmore	31.44

The above levies are based on the requirements supplied by the parishes.

Meetings to formally set the precepts from Staffordshire County Council and Staffordshire Fire and Rescue Service are to be held shortly. Accordingly, the amounts shown in the tables in Appendix 'A' are based on provisional notifications provided by these bodies. If any of the provisional amounts change these will be reported to you and the tables in Appendix 'A' will be redone.

#### 4. **Medium Term Financial Strategy and Budgets for 2018/19**

- 4.1 The Council's updated Medium Term Financial Strategy (MTFS), as reported to Cabinet, indicated a forecast budget shortfall of £1.696m for 2018/19, with additional shortfalls of £1.497m for 2019/20, £0.894m for 2020/21, £0.606m for 2021/22 and £0.433m for 2022/23.
- 4.2 The national local government employers' pay offer of a pay increase of 2.0% for both 2018/19 and 2019/20 means the shortfall in 2019/20 will increase by at least £0.165m. Certain decisions taken in respect of the 2018/19 budget could also impact on future years' budgets.
- 4.3 Previous years' shortfalls have been addressed by a combination of measures such as efficiency savings, reductions in expenditure or income increases, consideration of the need for Council Tax increases and service reviews. These will continue to be pursued to meet future shortfalls that may result in service reductions, cessation of services or looking at alternative models of service delivery.
- 4.4 The 'gap' between expenditure and resources for 2018/19 of £1.696m arises from the factors set out in the table below:-

<b><u>CHANGES TO BASE BUDGET</u></b>	<b>£'000</b>
<b><u>ADDITIONAL INCOME</u></b>	
Fees and Charges	114
<b>TOTAL ADDITIONAL INCOME (A)</b>	<b>114</b>
<b><u>ADDITIONAL EXPENDITURE &amp; LOSS OF INCOME</u></b>	
Reduction in Government Funding	471
Government funding re Business Rates Baseline	(112)
New Homes Bonus - Revised Scheme	518
Provision for Pay Awards	301
Incremental Pay Rises for Staff	64
Superannuation increase in employers contribution	296
Price Increases e.g. energy, fuel, rates, insurances, supplies & services	46
Adjustments re One-Off items in 2017/18	126
<b>TOTAL ADDITIONAL EXPENDITURE AND LOSS OF INCOME (B)</b>	<b>1,710</b>
<b><u>OTHER ITEMS</u></b>	
<b><u>NEW PRESSURES</u></b>	
Castle House Project - holding costs in respect of the Civic Offices	(100)
Other New Pressures, e.g. debit/credit card charges, insurance premiums, reduction in summons costs	200
<b>TOTAL NEW PRESSURES (C)</b>	<b>100</b>
<b>NET INCREASE IN BASE BUDGET (B + C- A)</b>	<b>1,696</b>

- 4.5 In addition the Council also has a medium term capital programme. Details of this can be found in Section 8 of this report and Appendix F.
- 4.6 Savings and funding strategies have been identified and agreed with managers as being feasible and sustainable in order to bridge the £1.696m "Gap". Some consist of savings in expenditure whilst others involve increasing income. These proposals total £1.696m and are summarised in the table below and set out in detail at Appendix C:

Category	Amount £'000	Comments
Procurement	50	Rationalisation of Multi-Function devices and negotiation of contract pricing
Staffing Efficiencies	470	No redundancies are anticipated to arise from these proposals
Good Housekeeping Efficiencies, General Other Savings, Changes in Base Budgets	289	Various savings arising from more efficient use of budgets
Alternative Sources of Finance/ Other Savings	817	New Homes Bonus funding, savings from negotiated contribution rates and advanced payments of superannuation contributions, effect of forecast Council Tax Base increase, savings from Parish Council concurrent functions contributions, capitalisation of equipment purchases. An increase in Council Tax of £5 per band D property (equivalent to 2.7%).
Other Areas of Savings	70	These include payment of town centre CCTV costs by the Business Improvement District and savings associated with the Council's Digital Delivery project
<b>Total</b>	<b>1,696</b>	

- 4.7 Cabinet recommends an increase in council tax for 2018/19 of £5.00 from the 2017/18 amount (an increase of 2.70 per cent), which is within the maximum increase permitted without triggering the requirement for a referendum in accordance with the excessive council tax legislation. The table below shows the effect of a £5 Band D increase across all the council tax bands, as an annual amount and a weekly amount.

Band	£5 (2.70%) increase	
	Annual Increase £ p	Weekly Increase £ p
A	3.33	0.06
B	3.89	0.07
C	4.44	0.09
D	5.00	0.10
E	6.11	0.12
F	7.22	0.14
G	8.33	0.16
H	10.00	0.20

- 4.8 Noteworthy activities which are planned to achieve Council Plan outcomes in 2018/19 to be met from provision within the revenue or capital budgets are shown at Appendix H.

- 4.9 Bringing together all the above, the result is a balanced budget, as shown in the table below:

	£'000	Report Reference
Changes to Base Budget	1,696	4.4
Savings/Increased Income	(1,696)	4.6
<b>BUDGET SHORTFALL ('GAP')</b>	<b>0</b>	

- 4.10 The Council has accepted the government's offer of a four year funding settlement, which provides it with provisional allocations for the next two years, 2018/19 and 2019/20. The MTFS assumes that these allocations will be the ones which the Council will receive. Based on the provisional amounts, in 2018/19 funding will reduce by £0.359m, which is a 7.8% reduction compared to the 2017/18 settlement and by a further £0.399m (9.5%) in 2019/20. The MTFS assumes for the following two years, 2020/21 and 2021/22, that there will be a reduction of £0.062m and no further change in 2021/22.

## **5 Balances and Reserves**

- 5.1 The Council's Balances and Reserves Strategy for 2017/18 is that there should be a minimum General Fund balance of £1.2m and a minimum balance on the Contingency Reserve of £100,000. The Council currently holds these reserves.
- 5.2 A review of all the Council's Balances and Reserves together with a risk assessment has been carried out. Details of these are included in Appendices D and E.
- 5.3 The review and risk assessment indicate the following:
- Overall reserves are still adequate to meet normal levels of expenditure.
  - The level of minimum balances required after considering the risk assessment remains at £1.3m.
- 5.4 Based on these minimum levels of reserves being sustained the Executive Director (Resources and Support Services) is of the opinion that the Revenue Budget is robust and that the Council's Revenue Reserves are adequate to support it based on the assumptions set out in this report.

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

- 6.1 The Medium Term Financial Strategy and the budget proposals have been considered by the FRAPSC at their meetings on 5 October 2017, 27 November 2017 and 24 January 2018. Following the January FRAPSC meeting, the Committee's comments were fed back to the Cabinet at their meeting on 7 February 2018.
- 6.2 The Cabinet responded by thanking the committee for their comments and scrutiny of the budget and in response to the issue raised regarding the capital budget for the replacement of waste bins in 2018/19 have recommended that this be reduced from £150,000 to £100,000.

## **7. Risks**

- 7.1 Appendix 'E' shows the risk assessment in relation to the 2018/19 General Fund Revenue Budget.

## **8. Capital Programme 2017/18 - 2018/19**

- 8.1 The Newcastle Capital Investment Programme Report considered by Cabinet on 5 February 2014 (see 8.9 below) set out the essential capital investment needed over the four years 2015/16 to 2018/19. This report, together with the associated "Funding the Council's Capital Investment Programme" report was endorsed by Full Council when it approved the Capital Strategy 2015-2019, to which these were appended, in February 2015. The capital expenditure proposed for 2018/19 reflects the needs identified in the report updated to take account of current priorities and resources expected to be available for funding purposes.
- 8.2 The Council has commissioned a stock condition survey of its operational and commercial buildings and structures. This will identify and cost work that needs to be done in respect of each asset over the next few years, categorising it according to degree of urgency. The survey is not due to be completed until April/May 2018, after the capital programme is submitted to Full Council for approval on 21 February. It is possible that the survey will identify some urgent work which needs to be carried out in 2018/19 and which has not been included in the draft capital programme. Additionally, the cost of already identified works may change. Should this be the case, it will be necessary to reflect this in a revised Asset Management Strategy and Capital Programme in due course.
- 8.3 Attached at Appendix F is the updated capital programme 2017/18 to 2018/19 based on current commitments and agreed schemes plus a number of new schemes which are vital to ensure continued service delivery. New schemes total £1.502m. The remainder of items included in the Programme (totalling £1.047m) relate to continuing expenditure on current schemes, funding for which has already been approved and the externally funded disabled facilities grants.

8.4 The programme for 2018/19 is constrained by the availability of funding. Because funds in hand are minimal and the current programme of land sales has not resulted so far in any significant capital receipts arising (and will not now do so until at least towards the end of the final quarter of 2018/19), only a limited programme of schemes can be supported. Accordingly, the programme to be funded from Council resources has been limited to an amount of £1.502m, which is considered to be the most that can be prudently put forward at the present time following an assessment of receipts thought reasonably likely to arise by the end of 2018/19. The schemes included are those which most urgently need to be carried out to ensure continued service delivery or to safeguard income. If the anticipated capital receipts are not forthcoming the Council will have to borrow to fund the expenditure which will have an impact on the Revenue Budget in 2019/20.

8.5 Particular points to note are:

- a) Consideration has been given to requirements for essential plant and equipment replacements, buildings repairs and maintenance and other work which will be needed over the next few years to enable services to be continued at acceptable levels (including compliance with Health and Safety legislation) or to safeguard income from commercial properties. The most urgently required items have been included in the proposed capital programme.
- b) The Housing Programme provides only for the continuation of activities which are externally funded, i.e. disabled facilities grants which are funded by a contribution from the Staffordshire Better Care Fund.
- c) In summary, expenditure of £2.549m shown in the proposed programme for 2018/19 at Appendix F comprises:

	<b>£m</b>
(a) New Schemes funded by the Council from Capital Receipts	1.502
(b) New Schemes funded from External Sources (Disabled Facilities Grants)	1.000
(c) Schemes brought forward from the original 2017/18 Programme	0.047
<b>Grand Total</b>	<b>2.549</b>

Funding for Item (c) has already been approved in February 2017 when the 2017/18 Capital programme was approved.

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

<b>Scheme</b>	<b>Cost £'000</b>	<b>Funding £'000</b>	
		<b>External Funding</b>	<b>Capital Receipts</b>
<b>Housing Programme</b>			
Disabled Facilities Grants	1,000	1,000	0
<b>Replacement Vehicles and Equipment</b>			
Vehicles	938		938
Waste Bins	100		100
Baler	25		25
Capitalisation of Equipment Purchases and Repairs previously included in Revenue Budget	160		160
<b>Stock Condition Works</b>			
Jubilee 2 - Stairs, Roof and Glazing Works	80		80
Depot - Garage Workshop	20		20
Car Park Rear High Street Newcastle	60		60
Public Railings Painting	13		13
Roadbridge over former railway, Audley	50		50
Merrial Street - Water main diversions	30		30
Lancaster Buildings	6		6
Commercial Portfolio - Energy Efficiency Works	20		20
<b>TOTAL</b>	<b>2,502</b>	<b>1,000</b>	<b>1,502</b>



- 8.6 There is clearly a direct link with the revenue budget as there may be revenue implications arising from new capital projects and the requirement to spend capital funds will lessen the ability to earn interest on the cash that is invested. It is therefore vital that the revenue and capital budgets are integrated.
- 8.7 Continuation of the capital programme beyond 2018/19 is dependent upon the achievement of a continued programme of receipts from the disposal of assets. It is essential that sufficient capital receipts are generated from these asset sales to enable essential capital investment to take place.
- 8.8 The Council's overall capital strategy was most recently updated in February 2016. Neither this document nor the related Asset Management Strategy has been comprehensively updated for 2018/19 since the underlying strategies remain the same (although Members will note an item elsewhere on this agenda regarding the latter).
- 8.9 Two key reports have been considered by Cabinet in relation to future capital investment needs. These are the Newcastle Capital Investment Programme (Cabinet 5 February 2014) and Funding the Council's Capital Investment Programme (Cabinet 15 October 2014). The first report set out the amount of capital investment required over the four year period 2015/16 to 2018/19 in order to maintain service continuity and to safeguard income from the commercial property portfolio. The second report set out options for funding the capital investment identified in the preceding report. It concluded that the only realistic option to meet investment needs is a systematic programme of surplus land disposal, which will also enable the Council to deliver its policy objective of bringing forward more affordable and social housing by the release of some of its land holdings. The alternative of borrowing to part fund the programme is seen to be a more expensive option owing to the cost of servicing the debt. Accordingly it was resolved: ***"That Cabinet agrees with the principle that the Council, as a first resort, will seek to fund its future known capital programme needs through the annual asset management planning process by the identification of land or property in its ownership that is capable of, and appropriate for disposal"***.
- 8.10 Owing to the impending move to Castle House, the Council's cleaning staff became redundant and as a result costs of around £80k will be incurred in 2017/18 in relation to redundancy payments and associated costs.
- 8.11 It is proposed to capitalise these costs and fund them from capital receipts. This is permitted as a result of the government's rules in relation to the flexible use of capital receipts. These were brought into effect by a Direction made by the Secretary of State for Communities and Local Government in December 2015 that allows local authorities to treat as capital expenditure, expenditure which is incurred that is designed to generate ongoing revenue savings and to use capital receipts to fund that expenditure. Subsequently issued statutory guidance for local authorities in applying the Direction lists criteria for qualifying for capitalisation in this way. These include the following, which are relevant to the Council's case:
- Sharing back office and administrative services with one or more other council or public sector bodies
  - Funding the cost of service reconfiguration, restructuring or rationalisation (staff or non-staff), where this leads to ongoing efficiency savings or service transformation

There will be sufficient capital receipts available to fund this additional expenditure.

- 8.12 The statutory guidance states that decisions to apply the flexible capital receipts rules to particular projects must be disclosed to Full Council to enable transparency and refers to the annual budget setting process as being an appropriate means of doing this. Accordingly, Cabinet on 7 February 2018 considered the funding of these costs and recommended to Council that £80k of redundancy and associated costs in relation to cleaning staff be capitalised to be funded from capital receipts as permitted by the flexible capital receipts rules and recommends Council to add this project to the 2017/18 capital programme to be funded from capital receipts.

8.13 The Chartered Institute for Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance, which the Council has adopted, requires the calculation of a Prudential Indicator in relation to the capital programme. This is to demonstrate the incremental impact of capital investment decisions upon the council tax, in other words what the additional cost to the General Fund Revenue Account will be as a result of carrying out the projects contained in the proposed capital programme, compared to the situation which existed based on the programme approved at last year's council tax setting Council meeting. The Indicator shows that the incremental impact is estimated to be £4,506 (in a full year once the projects are complete and operational), which equates to a council tax levy of £0.12, using the 2018/19 council tax base for calculation purposes. This is based on £1.502m additional capital expenditure funded from Council resources and an assumed interest rate of 0.30 per cent. Provision has been made in the 2018/19 budget for the cost of funding the capital programme in terms of reduced interest as a result of using capital receipts and reserves arising from the profiled capital spend.

## 9. **List of Appendices**

- A Recommendations
- B Revenue Budget 2018/19
- C Savings and Funding Strategies
- D Actual and Estimated Reserves at 31 March 2017 to 31 March 2019
- E Risk Assessment
- F Capital Programme 2017/18 to 2018/19, including financing of expenditure
- G Key Council Plan Outcomes in 2017/18
- H Key Future Activities in 2018/19

**Schedule of detailed recommendations**

The following recommendations set out the decisions needed for the Council to set its own budgets and Council Tax for 2018/19.

**Recommendations**

- (a) That the Revenue Budget for 2018/19 be approved, as set out in Appendix B.
- (b) That the Council Tax at Band 'D' be £190.45.
- (c) That the Capital Programme to 2018/19 be approved as set out in Appendix F, together with the Prudential Indicator relating to the Incremental Impact of Capital Investment Decisions on the Council Tax, as set out in paragraph 8.13.
- (d) That Council approve the addition of £80k redundancy and associated costs to the 2017/18 capital programme and that these be funded from capital receipts in accordance with the flexible capital receipts arrangements.
- (e) That the minimum balances requirement be confirmed as £1,300,000, unchanged from a year ago.
- (f) That it be noted that the Executive Director (Resources and Support Services), under delegated authority assigned to him by Cabinet on 20 January 2016 and Full Council on 18 May 2016 calculated the following amounts for the year 2018/19:
- (i) 36,812 being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as its council tax base for the whole Council area for the year (Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act"))
- (ii) For dwellings in those parts of the Council's area to which a Parish precept relates as in the table below:

<b>Parish</b>	<b>Base</b>
Kidsgrove	6,702
Loggerheads	1,913
Audley	2,538
Betley, Balterley and Wrinehill	593
Chapel and Hill Chorlton	197
Keele	340
Madeley	1,475
Maer	257
Silverdale	1,489
Whitmore	832

- (g) That the Council Tax requirement for the Council's own purposes for 2018/19 (excluding Parish precepts) is £7,010,840.
- (h) That the following amounts be calculated for the year 2018/19 in accordance with Sections 31 to 36 of the Act:
- (i) £66,794,432 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act taking into account all precepts issued to it by Parish Councils.

- (ii) £59,224,610 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.
- (iii) £7,569,822 being the amount by which the aggregate at (h)(i) above exceeds the aggregate at (h)(ii) above, calculated by the Council, in accordance with Section 31A (4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
- (iv) £205.63 being the amount at (h) (iii) above (Item R), all divided by Item T (f) (i) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- (v) £558,982 being the aggregate amount of all special items (Parish precepts) referred to in Section 34 (1) of the Act.
- (vi) £190.45 being the amount at (h) (iv) above less the result given by dividing the amount at (h) (v) above by item T (f) (i) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item (Parish precept) relates.
- (vii) **Part of the Council's Area**

Parish	£ p
Audley Parish Council	246.18
Betley, Balterley and Wrinehill Parish Council	207.71
Chapel and Hill Chorlton Parish Council	205.73
Keele Parish Council	226.28
Kidsgrove Town Council	224.50
Loggerheads Parish Council	211.53
Madeley Parish Council	234.07
Maer Parish Council	209.68
Silverdale Parish Council	209.37
Whitmore Parish Council	221.89

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

(viii) **Valuation Bands**

Council Area	Valuation Bands							
	A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p
Kidsgrove Town Council	149.68	174.61	199.56	224.50	274.39	324.27	374.18	449.00
Loggerheads Parish Council	141.02	164.52	188.03	211.53	258.54	305.54	352.55	423.06
Audley Parish Council	164.12	191.47	218.83	246.18	300.89	355.59	410.30	492.36
Betley, Balterley and Wrinehill Parish Council	138.47	161.55	184.63	207.71	253.87	300.03	346.18	415.42
Chapel and Hill Chorlton Parish Council	137.15	160.01	182.87	205.73	251.45	297.17	342.88	411.46
Keele Parish Council	150.85	176.00	201.14	226.28	276.56	326.85	377.13	452.56
Madeley Parish Council	156.05	182.05	208.06	234.07	286.09	338.10	390.12	468.14
Maer Parish Council	139.79	163.08	186.38	209.68	256.28	302.87	349.47	419.36
Whitmore Parish Council	147.93	172.58	197.24	221.89	271.20	320.51	369.82	443.78
Silverdale Parish Council	139.58	162.84	186.11	209.37	255.90	302.42	348.95	418.74
Other Parts of Borough Area	126.97	148.13	169.29	190.45	232.77	275.09	317.42	380.90

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

- (i) That it be noted that for the year 2018/19 the major precepting authorities have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwelling shown below:-

<b>Preceptor</b>	<b>Valuation Bands</b>							
	<b>A £ p</b>	<b>B £ p</b>	<b>C £ p</b>	<b>D £ p</b>	<b>E £ p</b>	<b>F £ p</b>	<b>G £ p</b>	<b>H £ p</b>
Staffordshire County Council	807.01	941.52	1076.02	1210.52	1479.52	1748.53	2017.53	2421.04
Staffordshire Fire Authority	49.02	57.19	65.36	73.53	89.87	106.21	122.55	147.06
Office of the Police & Crime Commissioner Staffordshire	128.37	149.77	171.16	192.56	235.35	278.14	320.93	385.12

- (j) That having calculated the aggregate in each case of the amounts at (h) (viii) and (i) above, the Council, in accordance with Section 30(2) of the Act, hereby sets the following amounts as the amounts of Council Tax for the year 2018/19 for each of the categories of dwelling shown below:

<b>Council Area</b>	<b>Valuation Bands</b>							
	<b>A £ p</b>	<b>B £ p</b>	<b>C £ p</b>	<b>D £ p</b>	<b>E £ p</b>	<b>F £ p</b>	<b>G £ p</b>	<b>H £ p</b>
Kidsgrove Town Council	1134.08	1323.09	1512.10	1701.11	2079.13	2457.15	2835.19	3402.22
Loggerheads Parish Council	1125.42	1313.00	1500.57	1688.14	2063.28	2438.42	2813.56	3376.28
Audley Parish Council	1148.52	1339.95	1531.37	1722.79	2105.63	2488.47	2871.31	3445.58
Betley, Balterley and Wrinehill Parish Council	1122.87	1310.03	1497.17	1684.32	2058.61	2432.91	2807.19	3368.64
Chapel and Hill Chorlton Parish Council	1121.55	1308.49	1495.41	1682.34	2056.19	2430.05	2803.89	3364.68
Keele Parish Council	1135.25	1324.48	1513.68	1702.89	2081.30	2459.73	2838.14	3405.78
Madeley Parish Council	1140.45	1330.53	1520.60	1710.68	2090.83	2470.98	2851.13	3421.36
Maer Parish Council	1124.19	1311.56	1498.92	1686.29	2061.02	2435.75	2810.48	3372.58
Whitmore Parish Council	1132.33	1321.06	1509.78	1698.50	2075.94	2453.39	2830.83	3397.00
Silverdale Parish Council	1123.98	1311.32	1498.65	1685.98	2060.64	2435.30	2809.96	3371.96
Other Parts of Borough Area	1111.37	1296.61	1481.83	1667.06	2037.51	2407.97	2778.43	3334.12

## APPENDIX 'B'

Revenue Budget 2018/19

Topic Area	2017/18 General Fund		2018/19 General Fund		Note
	Estimate	Band D Council Tax	Estimate	Band D Council Tax	
	£	£ p	£	£ p	
Administration Before Recharges to Services	6,720,230	183.91	5,942,480	161.43	a
Less Recharges to Services	(6,720,230)	(183.91)	(5,942,480)	(161.43)	
Total Administration Net of Recharges	-	-	-	-	
Holding Accounts Before Recharges to Services	2,569,160	70.31	2,084,490	56.63	a
Less Recharges to Services	(2,569,160)	(70.31)	(2,084,490)	(56.63)	
Total Holding Accounts Net of Recharges	-	-	-	-	
Central Services	2,959,200	80.98	2,441,950	66.33	b
Cultural Services	3,624,060	99.18	3,520,460	95.63	
Environmental Services	6,855,440	187.61	6,478,910	176.00	c
Planning	1,203,570	32.94	1,344,910	36.53	
Transport	(282,530)	(7.73)	(46,190)	(1.25)	d
Housing	1,378,580	37.73	1,346,340	36.57	
<b>Net Cost of Services</b>	<b>15,738,320</b>	<b>430.71</b>	<b>15,086,380</b>	<b>409.81</b>	
Pensions Liabilities Account - Interest Costs Less Return on Assets	(100,000)	(2.74)	300,000	8.15	b
Investment Properties	(304,320)	(8.33)	(238,500)	(6.48)	
Interest and Investment Income	58,800	1.61	10,170	0.28	
<b>Net Operating Expenditure</b>	<b>15,392,800</b>	<b>421.25</b>	<b>15,158,050</b>	<b>411.76</b>	
Contribution to/(from) Revenue Reserves	221,000	6.05	119,920	3.26	
Contribution to/(from) Capital Reserves	(1,788,740)	(48.95)	(1,942,550)	(52.77)	
<b>Amount to be met from Government Grant and Local Taxpayers</b>	<b>13,825,060</b>	<b>378.35</b>	<b>13,335,420</b>	<b>362.25</b>	
Revenue Support Grant	(1,059,980)	(29.00)	(588,980)	(15.99)	
Other Non-Specific Grants	(1,621,480)	(44.38)	(1,261,680)	(34.27)	
Business Rates Retention Funding	(4,303,940)	(117.79)	(4,494,390)	(122.09)	
Collection Fund Deficit/(Surplus)	(63,320)	(1.73)	20,470	0.55	
<b>Borough Council Tax Requirement</b>	<b>6,776,340</b>	<b>185.45</b>	<b>7,010,840</b>	<b>190.45</b>	
Staffs C.C. Precept		1,142.54		1,210.52	
Fire Authority Precept		71.56		73.53	
Police Authority Precept		181.16		192.56	
<b>Total Council Tax Requirement</b>		<b>1,580.71</b>		<b>1,667.06</b>	

The Council Tax Base used in the above table is 36,812.

**Notes**

- There has been a significant amendment to the process regarding administration and holding account recharges. Where permitted budgets are now allocated directly to services, as opposed to being recharged to them.
- The pension liabilities account now shows the net interest cost of the pension scheme, in previous years part of this had been shown within non distributed costs (Central Services).
- Environmental Services shows a reduced budget due to significant savings and efficiencies within this area (e.g. Environmental Health and Streetscene).
- The net income due per the Transport budget has decreased due to increased capital charges to this service (impairment and depreciation) and a reduction in car parking income. This also accounts for the increased contribution from capital reserves.

## **GLOSSARY OF TERMS**

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

**Impairment.** A reduction in the value of a fixed asset below its carrying amount on the balance sheet. In this case, certain assets will have works of repair or improvement or other work to assets is planned to take place in 2018/19, which might be expected to result in an addition to the balance sheet carrying amount of the same amount as the expenditure incurred. However, it is likely that in fact the value will not be increased because the valuation principles employed do not recognise any increase in the real value of the assets. In such cases, the amount of non-value adding expenditure is classed as impairment and is written off as an impairment charge. These impairment charges are offset by a transfer from the Capital Adjustment Account in order to ensure that they do not count against the council tax.

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

**Contributions to/(from) Capital Reserves.** Comprises transfers to or from the Capital Adjustment Account. This account is used to eliminate capital transactions, such as depreciation and impairment charges, which have to be debited or credited to the revenue account in order to comply with proper accounting practice but which statutorily cannot count against the council tax.

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2016/17 Savings and Funding Strategies

Ref	Service Area	Description	£000's	% of Budget Line(s)	Detail
<b>Procurement</b>					
P1	Communications	Multi-Functional Devices	50	67.6%	Rationalisation of number of devices following the move to Castle House, and entering into a new contract
			<b>50</b>		
<b>Staffing Related Efficiencies</b>					
S1	All	Flexible Retirements	190	1.2%	Employees approved for flexible retirement
S2	Environmental Health	Health and Safety	12	28.7%	Replacement of Health and Safety Officer post with shared resource (South Staffordshire District Council)
S3	Environmental Health	Restructure	52	5.5%	Minor restructure of Environmental Health section
S4	Finance	Car Leasing Scheme	36	42.4%	Car leases not renewed following expiry
S5	Waste & Recycling	Restructure	20	6.5%	Minor restructure of Waste Strategy section
S6	Streetscene	Restructure	150	8.4%	Restructure of Streetscene, Community Wardens and Parks Attendant Service. This net saving of £150,000 allows for additional resources to be spent on tree work. It also includes full cost recovery from Staffordshire County Council in respect of Highways Ground Maintenance.
S7	Central Services	Staffing	10	9.6%	Minor change following the retirement of the Mayor's Secretary
			<b>470</b>		
<b>Good Housekeeping/General Other Savings/Changes in Base Budgets</b>					
G1	Finance	Subscriptions	20	17.1%	Reductions in corporate subscriptions including CIPFA service for revenues and benefits and the Co-Operative Councils Innovation Network membership
G2	Assets	Public Sector Hub	37	TBC	Remainder of revenue savings from occupation of new public sector hub when compared to occupation of Civic Offices
G3	Assets	CCTV	20	33.3%	Reduction in costs of monitoring and equipment maintenance
G4	Business Improvement & Partnerships	Grants	37	50.0%	Balance of grants budget following the introduction of a Borough lottery to replace current grants process, with proceeds distributed to local good causes and charities
G5	Customer & ICT Services	Reduction in Computer Software Costs	20	4.8%	Reduction in budgetary requirement for computer software costs
G6	Central Services	Council 2018	66	21.6%	Reduction of the number of elected members and reduction in Cabinet members from 7 to 6
G7	Leisure & Cultural	Community Centres	14	25.9%	Reduction in grant given by the Council and reduction in repairs and maintenance following grant of full leases to Community Centre committees, agreed as part of the 2015/16 budget setting process



G8	Leisure & Cultural	New Victoria Theatre Grant	10	14.9%	Phased reduction of grant given over a 5 year period agreed as part of the 2015/16 budget setting process
G9	All	Good Housekeeping Savings	50	TBC	Reductions in budgetary requirements for supplies and services
G10	Central Services	Members Expenditure	15	50.0%	Savings re. reduction in Mayoral Allowance of 25% and discontinuation of members' IPAD's scheme
			<b>289</b>		
<b>Alternative Sources of Finance/Other</b>					
A1	Corporate	Superannuation Lump Sum	137	7.9%	Negotiation of contribution rate and discount for payment to the Pensions Actuary in advance of superannuation lump sums
A2	Corporate	Capitalisation	160	TBC	Capitalisation of anticipated equipment purchases
A3	Corporate	Council Tax Base	48	0.7%	Increase in Council Tax Base (forecast increase of 260 residential properties)
A4	Corporate	New Homes Bonus contribution	157	9.7%	Further additional New Homes Bonus funding to be received in 2018/19.
A5	Corporate	Council Tax Increase	184	2.7%	Assumed increase of £5 per Band D equivalent property (£184,000)
A6	Corporate	Parish Council Section 136 Contributions	15	25.0%	Reduction of 25% of the 2016/17 payment made to Parish Councils for concurrent functions as agreed as part of the 2017/18 budget setting process
A7	Corporate	Business Rates	50	1.2%	Additional revenue generated through the Business Rates Retention system
A8	Corporate	Contributions to Earmarked Reserves	66	50.0%	Reduction of contributions to the Cremators and Jubilee 2 equipment replacement funds by 50%
			<b>817</b>		
<b>Other Areas of Savings</b>					
O1	Corporate	Other Areas of Savings	70	TBC	These include payment of town centre CCTV costs by the Business Improvement District and savings associated with the Council's Digital Delivery project
			<b>70</b>		
<b>Grand Total</b>			<b>1,696</b>		

**Actual and Estimated Reserves at 31 March 2017 to 2019**

Reserve	Actual Balance at 31/3/17 (£000's)	Estimated Net Movement in 2017/18 (£000's)	Estimated Balance at 31/3/18 (£000's)	Estimated Net Movement in 2018/19 (£000's)	Estimated Balance at 31/3/19 (£000's)	Purpose	Notes
General Fund Balance	1,200	-	1,200	-	1,200	Working balance to cover unforeseen adverse events affecting the budget	Approved minimum balance to be £1,200,000, as confirmed by risk assessment
Contingency Reserve	135	(35)	100	-	100	To meet cost of unforeseen contingencies or for any other purpose approved by the Council	Approved minimum balance is £100,000
Equipment Replacement Fund	481	114	595	85	680	To pay for the replacement of certain items of plant and equipment	
Renewals & Repairs Fund	2	-	2	-	2	To meet the cost of repairs and maintenance of Council owned buildings and structures	
ICT Development Fund	68	56	124	(15)	109	To meet the cost of new IT requirements	Balance committed to finance capital expenditure
Budget Support Fund	269	(119)	150	(35)	115	To support the General Fund revenue budget or to meet the cost of specific items approved by the Council	
Revenue Investment Fund	105	(105)	-	-	-	To fund projects in accordance with corporate priorities	
Conservation & Heritage Fund	45	(5)	40	-	40	To provide grants to owners of historic buildings to maintain their repair	
Museum Purchases Fund	64	-	64	-	64	To purchase exhibits and to conserve and enhance the display of exhibits	
Maintenance Contributions	75	(15)	60	(15)	45	To fund maintenance costs in respect of land transferred to the Council	Sums are received from developers to pay for a period of maintenance costs following transfer of land to the Council
Standards Fund	6	-	6	-	6	To ensure the Council meets its responsibilities under the ethical and other standards frameworks	
Deposit Guarantee Reserve	36	-	36	-	36	To hold balances relating to rent guarantees	
Business Reserve	442	-	442	(25)	417	To hold surpluses of business rates received per the revenue account and to pay subsequent deficits on the collection fund	
Keele Master Plan Reserve	139	(57)	82	(43)	39	To meet the costs of the Keele master planning exercise	

**Project – Budget Forecast 2018/19 – Required Balances/Contingency Reserve**

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

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

**All of the risks fall into the “Finance” Category**

<b>Item No.</b>	<b>Risk</b>	<b>Potential Consequences</b>	<b>Risk Score I * L</b>	<b>Risk Rating</b>	<b>Specify Existing Control Measures</b>	<b>Final Score I * L</b>	<b>Final Risk Rating</b>	<b>Further Action Required</b>	<b>Owner</b>	<b>Target Date</b>
1	Increase in fees and charges does not result in higher income levels	Shortfall in income leading to overspends	3 x 4	High	Included in calculation of prudent minimum balances.	3 x 3	High	None	Exec Mgt Team	N/a
2	Income cannot be collected because of non-availability of service (e.g. through closure of facilities for repairs)	Shortfall in income leading to overspends	3 x 3	High	Included in calculation of prudent minimum balances.	3 x 3	High	None	Exec Mgt Team	N/a
3	Income falls short of Budget because of general change in market conditions and demand fluctuations (e.g. recycling and waste)	Shortfall in income leading to overspends	3 x 5	High	Included in calculation of prudent minimum balances.	3 x 3	High	None	Exec Mgt Team	N/a
4	Bad debts reduce the Council's income	Shortfall in income leading to overspends Need to top up Bad Debts Provision	3 x 4	High	The Council has a bad debts provision (£191k balance at 31/03/17). £30k contribution to provision included in the base budget.	3 x 3	High	Increase monitoring of collection performance	Exec Dir Resources	N/a
5	Employee budgets – The	Vacancies do not	3 x 3	High	The budget assumes a	3 x 3	High	None	Exec Mgt Team	N/a

Item	Risk	Potential Consequences	Risk Score I * L	Risk Rating	Specify Existing Control Measures	Final Score I * L	Final Risk Rating	Further Action Required	Owner	Target Date
Page 28	budget is discounted on the assumption there will be vacancies. The impact of 1% vacancy is about £160,000	occur leading to additional costs			vacancy factor of 2.0%. This is realistic compared with experience from previous years.					
6	Employee Budgets - The 2018/19 employee pay settlement results in an increase higher than included in the budget.	Additional unbudgeted costs	3 x 1	Moderate	Balances sufficient to deal with any additional costs, plus reduced job security in economy.	3 x 1	Moderate	None	Exec Mgt Team	N/a
7	Problems with staff recruitment/retention result in significant use of agency/interim staff at extra cost or the payment of market supplements	Additional unbudgeted costs	3 x 3	High	Situation subject to ongoing review.	3 x 3	High	None	Exec Mgt Team	N/a
8	Council becomes liable to pay compensation or legal fees or other unforeseen commitment arises.	Additional unbudgeted costs	3 x 3	High	Included in calculation of prudent minimum balances	3 x 3	High	None	Exec Mgt Team	N/a
9	Inflation relating to supplies and services exceeds the allowance in the budget.	Additional unbudgeted costs	3 x 3	High	Included in calculation of prudent minimum balances	3 x 3	High	None	Exec Mgt Team	N/a
10	Existing commitment(s) missed out of budget	Additional unbudgeted costs	3 x 2	Moderate	Budgets subject to checking at several levels. Preparation of standstill budget for comparison.	3 x 2	Moderate	None	Exec Mgt Team	N/a
11	Fall in interest rates reduces income to the Council.	Investment income targets not met	4 x 4	Extreme	Rates are very low now. A decrease would make only a relatively small difference. Included in calculation of prudent minimum balances	2 x 3	Moderate	None	Exec Mgt Team	N/a
12	Profile of capital spend differs adversely from that assumed in the investment interest calculation	Investment income targets not met	3 x 3	High	Capital Budgets have been realistically set. Due to low interest rates investment income is no longer significant.	2 x 3	Moderate	None	Exec Mgt Team	N/a
13	Fuel costs increase by more	Additional unbudgeted	3 x 3	High	Realistic increases	2 x 3	Moderate	None	Exec Dir Op	N/a

Item No.	Risk	Potential Consequences	Risk Score I * L	Risk Rating	Specify Existing Control Measures	Final Score I * L	Final Risk Rating	Further Action Required	Owner	Target Date
	than allowed for in budget.	costs			included in base budget.		ate		Serv	
14	Energy costs increase by more than allowed for in budget.	Additional unbudgeted costs	3 x 3	High	Realistic increases included in base budget.	2 x 3	Moderate	None	Exec Mgt Team	N/a
15	Unforeseen major repairs needed to Council properties.	Additional unbudgeted costs	4 x 3	High	Planned maintenance programme in place and stock condition survey.	3 x 2	Moderate	None	Exec Mgt Team	N/a
16	Insurances – unexpected increases in premiums.	Additional unbudgeted costs	3 x 3	High	Included in calculation of prudent minimum balances	3 x 3	High	None	Chief Exec	N/a
17	Insurances - high level of excesses to be met by Council or uninsured losses	Additional unbudgeted costs	3 x 3	High	Included in calculation of prudent minimum balances. Insurance Provision established.	3 x 3	High	Monitor level of Insurance Provision	Chief Exec	N/a
18	Government increase NI rates during 2018/19. An increase of 1% adds about £160,000 to the Council's costs	Additional unbudgeted costs	3 x 3	High	Included in calculation of prudent minimum balances	3 x 3	High	None	Exec Dir Resources	N/a
19	Loss of VAT Exempt Status	Additional unbudgeted costs	3 x 3	High	None	3 x 2	Moderate	Continue to monitor position regularly	Exec Mgt Team	N/a
20	Savings built into Budget are not realised	Additional unbudgeted costs	3 x 3	High	Regular Budget Monitoring	3 x 3	High	None	Exec Mgt Team	N/a
21	New Legislation imposes extra costs but provides insufficient resources	Additional unbudgeted costs	3 x 3	High	Contingency Reserve available. Included in calculation of prudent minimum balances.	3 x 3	High	None	Exec Mgt Team	N/a
22	Partnerships - expenses falling on Council as accountable body	Additional unbudgeted costs	3 x 3	High	Monitor partnership activities and ensure carried out according to agreements.	3 x 3	High	None	Exec Mgt Team	N/a
23	Civil Emergency	Additional unbudgeted costs	5 x 2	High	Bellwin Scheme should meet 85% of cost	4 x 2	Moderate	None	Exec Mgt Team	N/a

Item No	Risk	Potential Consequences	Risk Score I * L	Risk Rating	Specify Existing Control Measures	Final Score I * L	Final Risk Rating	Further Action Required	Owner	Target Date
24	Investment Counterparty (including own bank re current account, etc) fails to meet its financial commitments	Loss of interest due Ongoing loss of interest owing to loss of capital	4 x 3	High	Use of credit rating agencies Counterparty list based on minimum ratings with CDS overlay. Limits to investments with one counterparty (£7m)	3 x 3	High	Frequent reviews of investment strategy	Exec Dir Resources	N/a
25	Municipal Mutual Insurance (MMI) Clawback	Additional unbudgeted costs	4 x 4	Extreme	MMI Provision	4 x 3	High	Consider increasing amount of provision if reports from administrator indicate it to be necessary	Exec Dir Resources	N/a
26	Localised Council Tax Support Scheme is oversubscribed	Additional unbudgeted costs	3 x 3	High	Local scheme	3 x 3	High	None	Exec Dir Resources	N/a
27	Data Protection breach resulting in fine	Additional unbudgeted costs	3 x 3	High	Data Protection Policy Reminders to staff	3 x 3	High	None	Exec Mgt Team	N/a
28	Failure of Banking Services provider	Frozen Funds Additional unbudgeted costs	5 x 3	High	Business Continuity Plan	2 x 3	Moderate	None	Exec Dir Resources	N/a
29	Members act against officer advice resulting in cost to the Council	Additional unbudgeted costs	3 x 3	High	Agenda pre-meetings. Liaison with members	3 x 3	High	None	Exec Mgt Team	N/a

**NEWCASTLE-U-LYME BOROUGH COUNCIL CAPITAL PROGRAMME 2017/18 TO 2018/19**

<b>PROJECTS WITHIN CAPITAL PROGRAMME THEMES</b>	<b>2017/18 Est Exp £'000</b>	<b>2018/19 Est Exp £'000</b>	<b>Total Exp £'000</b>	<b>External Contrib. £'000</b>	<b>Council Financing £'000</b>
<b>IMPROVING HOUSING IN THE BOROUGH</b>					
HIP Disabled Facilities Grants	1,000	1,000	2,000	2,000	0
<b>SUB TOTAL</b>	<b>1,000</b>	<b>1,000</b>	<b>2,000</b>	<b>2,000</b>	<b>0</b>
<b>INVESTING IN COMMUNITY FACILITIES</b>					
Footpaths Repairs	25	0	25	0	25
Play Area Refurbishment	56	0	56	0	56
Railings,/Structures, Repairs	25	0	25	0	25
Public Railings Painting	25	13	38	0	38
Crematorium Petal Garden	20	0	20	0	20
Crematorium Monthly Gardens	5	0	5	0	5
Thistleberry Parkway	1	0	1	1	0
Cemetery Memorial Survey Works	10	0	10	0	10
Wolstanton Marsh Improvements	2	0	2	0	2
Pool Dam Marshes Nature Reserve	0	47	47	47	0
S106 Works Lowlands Road	27	0	27	0	27
Jubilee 2 Stairs, Roof and Glazing Works	0	80	80	0	80
<b>SUB TOTAL</b>	<b>196</b>	<b>140</b>	<b>336</b>	<b>48</b>	<b>288</b>
<b>COMMUNITY CENTRES</b>					
Silverdale CC Roof Damage	18	0	18	0	18
<b>SUB TOTAL</b>	<b>18</b>	<b>0</b>	<b>18</b>	<b>0</b>	<b>18</b>
<b>SAFEGUARDING THE BOROUGH'S HERITAGE</b>					
Museum	6	0	6	0	6
<b>SUB TOTAL</b>	<b>6</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>6</b>
<b>INVESTING FOR THE FUTURE</b>					
Strategic Investment Framework/Markets Software	9	0	9	0	9
Ryecroft Development	3	0	3	0	3
Knutton Lane Depot - Garage Workshop	0	20	20	0	20
Asset Site Disposal Tranche 2 Fees	165	0	165	0	165
New Waste Service - Vehicles, Equipment and Premises	439	0	439	0	439
ICT Projects	72	0	72	0	72
Customer Relationship Management	5	0	5	0	5
Castle House *	3,676	0	3,676	0	3,676
Midway Car Park - Structural Repairs & Lighting Maintenance	20	0	20	0	20
Car Park Rear High Street Newcastle - Stock Condition Works	0	60	60	0	60
Roadbridge over former railway, Audley	0	50	50	0	50
Merial Street - Water Main Diversions	0	30	30	0	30
Lancaster Buildings - Stock Condition Works	0	6	6	0	6
Commercial Portfolio - Energy Efficiency Works	0	20	20	0	20
Subway Improvement Programme	15	0	15	15	0
<b>SUB TOTAL</b>	<b>4,404</b>	<b>186</b>	<b>4,590</b>	<b>15</b>	<b>4,575</b>

<b>VEHICLES PLANT AND EQUIPMENT</b>					
Vehicles	289	938	1,227	0	1,227
Waste Bins	25	100	125	0	125
Baler	0	25	25	0	25
Equipment and capitalised repairs	0	160	160	0	160
<b>SUB TOTAL</b>	<b>314</b>	<b>1,223</b>	<b>1,537</b>	<b>0</b>	<b>1,537</b>
<b>GRAND TOTAL</b>	<b>5,938</b>	<b>2,549</b>	<b>8,487</b>	<b>2,063</b>	<b>6,424</b>

\* A small amount of Castle House expenditure may fall into 2018/19, for example in relation to retention payments.

<b>Sources of Funding</b>	<b>2017/18 Est Exp</b>	<b>2018/19 Est Exp</b>	<b>Total Exp</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
External Contributions:			
Bettercare Fund (Disabled Facility Grants)	1,000	1,000	2,000
S106 Planning Contributions	16	47	63
<b>Sub Total External Contributions</b>	<b>1,016</b>	<b>1,047</b>	<b>2,063</b>
Council Financing:			
Other Revenue Funds (ICT Devel Fund)	72	0	72
Borrowing (Castle House)	3,677	0	3,677
Capital Receipts	1,173	1,502	2,675
<b>Sub Total Council Financing</b>	<b>4,922</b>	<b>1,502</b>	<b>6,424</b>
<b>Capital Programme</b>	<b>5,938</b>	<b>2,549</b>	<b>8,487</b>



**Key Council Plan Outcomes in 2017/18**

Reference number	Achievements 2017-18
1.1	The Council's website achieved three stars out of four in the Society of Internet Management (SOCITM) annual assessment of all public sector websites, rising from two stars rating the year before and also received the Plain English Crystal Mark.
1.2	Customer Services has maintained its Customer Service Excellence (CSE) accreditation for the 6 <sup>th</sup> year, by demonstrating continuous improvement in all areas of the Standard. Customer Services has supported relevant front line services to achieve accreditation, with the Planning Service, Leisure Services and Revenues & Benefits all now achieving accreditation.
1.3	In 2017, improvements have been delivered to the taxi licensing service to make it more responsive to customers, and improve efficiency and process in the back office.
1.4	Environmental Health worked with other agencies to undertake a review of HS2 proposals and also to develop an action plan to improve air quality within the Borough.
1.5	Public Space Protection Orders for dog control implemented across the Borough.
1.6	Undertaken a multi-agency review of licensed premises to protect and safeguard public use of premises and ensured the continuity of service from Licensing Administration.
1.7	A review of the Safeguarding Policy was undertaken this year and a range of Safeguarding training was delivered to Members and staff. There was also a programme of Child Sexual Exploitation (CSE) awareness training to staff, members, partners and taxi drivers.
1.8	With regard to housing, we have removed 174 hazards to health from rented properties. 86 empty homes were also brought back into occupation (focussed on long term empty properties in poor condition with hard to reach owners. 62 residents were supported to live safely and independently by investing in home adaptations (year-end figure projected to be 120).
1.9	Continuation of the national food hygiene rating scheme work for food businesses, with a total of 270 food safety inspections undertaken in 2017-18 with businesses in the borough and improved standards within several, consistently poor performing food businesses.
1.10	Obtained two successful prosecutions in the Magistrates Court for breach of a noise abatement notice with a full investigation costs award to the Council.
1.11	A successful multi- agency investigation of significant fly-tipping incidents and effective removal of the waste at a number of locations across the Borough
1.12	The Domestic Abuse service contract was extended this year, and saw the delivery of awareness campaigns and training to staff, members and partners.
1.13	The council has served a total of 790 pest control clients, 433 Dog clients and seized 50 stray dogs this year to date.
1.14	The Council have also worked with County colleagues to implement the Sustainable Transport Strategy resulting in £700K of investment to improve pedestrian access to the town centre bus station and create the much improved Red Lion Square.
1.15	The Council has worked with the Council's preferred developer Henry Davidson Developments and the County Council to facilitate the redevelopment of the Ryecroft site for a retail led scheme including student accommodation to support the regeneration of the town centre.
1.16	In 2017-18, with the County Council and partners, the Council have worked to complete Castle House which will provide improved customer services with other statutory partners, including an improvement scheme to Queens Gardens.
1.17	Officers have worked to find an alternative delivery provision for the management of Newcastle

	Outdoor Market and have now procured a contract.
1.18	The Newcastle Business Boost Awards has the aim inspiring enterprise activity in the Borough by getting businesses to think more strategically about their future development – thus increasing the wealth and employment opportunities available. In 2017, 18 submissions reached the final stage. The entrants came from a variety of sectors including manufacturing, design, retail, hospitality, transport, recruitment and finance. The value of the prizes awarded was approximately £10,500.
1.19	In 2017, 7 Green Flag Awards were gained for our strategic parks and cemeteries and the Council won the Regional and National Britain in Bloom competition in the small city category.
1.20	The Open Space Strategy and Green Infrastructure Strategies was adopted to support the development of the joint Local Plan, and work was undertaken with community groups and partners to implement the recommendations of the Playing Pitch Strategy.
1.21	Working in partnership with a range of local partners the Council has secured a £165,000 Heritage Lottery funding bid to celebrate the life of Philip Astley in 2018. In addition, match funding was received from the Civic Society (£1,000) and the Weston Loan Fund (£1000) to support the Brampton Museum exhibition in 2018. The New Vic has secured £750,000 Arts Council funding for related events with support from Brampton Museum.
1.22	The Festival of Sport 2017 was a great event which ran throughout the month of May this year offering a variety of sports (17), with 98 activities and events, and encouraging 2,881 participants to engage and involving 127 volunteers.
1.23	Leisure services supported the delivery of the OPCC's SPACE scheme over the summer holidays.
1.24	The Council in partnership with Stoke on Trent City Council continued its preparation of a Joint Local Plan by completing a public consultation on Strategic Options in the summer of 2017 and with the publication of a Preferred Options document that will be the subject of a further consultation in February 2018.

**Key Future Activities 2018/19**

Reference number	Planned Activities for 2018-19
1.1	In 2018-19 we will see the Council working towards a corporate Customer Service Excellence Accreditation across all service areas.
1.2	It is planned to increase Customer Self – Serve, and drive more services to encourage customers to access them online (to include, web chat, usage of mobile apps, texting, web forms, social media – twitter/face book, improve telephone functionality etc).
1.3	Improvements will continue in the Taxi Licensing service with the development and implementation of a new Taxi policy.
1.4	Implementation of new licensing regulations in relation to houses in multiple occupation which will enable the Council to tackle properties in poor condition and further investment in adaptations to homes of disabled residents to allow them to live independently or be cared for at home.
1.5	Environmental Health will implement the new Air Quality Action Plan.
1.6	The Local Police and Crime Plan for 2017-2020 has been reviewed and the Council will work to assist Office of Police Crime Commissioner (OPCC) to deliver key objectives in the year ahead.
1.7	Officers will assist the OPCC and the County Council with Joint Commissioning of pan-Staffordshire Domestic Abuse service from October 2018.
1.8	Work will continue with implementation of a land disposals programme in accordance with the forthcoming refresh of the Asset Management Strategy.
1.9	Officers will continue working with the Council's preferred developer Henry Davidson Developments and the County Council to facilitate the redevelopment of the Ryecroft site.
1.10	The masterplanning for Newcastle Western Extension in partnership with Staffordshire County Council and Keele University will continue in 2018-19.
1.11	Officers will work with the LEP Education Trust Programme Group to implement the Skills Strategy 2016-2020.
1.12	Compete in the Regional and National Champion of Champions Britain in Bloom competition.
1.13	In 2018/19, the museum will look to secure external funding to redevelop the museum in order to increase access and income thereby improving its sustainability.
1.14	Another Festival of Sport is planned for May 2018 and officers plan to build on the excellent engagement and results from the event in April/May 2017.
1.15	The Council will continue to work with Stoke on Trent City Council on the preparation of a joint Local Plan including public consultation on a draft Local Plan during autumn 2018.

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## NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

### EXECUTIVE MANAGEMENT TEAM'S REPORT TO THE COUNCIL

21 February 2018

#### 1. TREASURY MANAGEMENT STRATEGY 2018/19

**Submitted by:** Head of Finance

**Portfolio:** Finance and Resources

**Ward(s) affected:** All Indirectly

#### **Purpose of the Report**

To approve the Treasury Management Strategy for 2018/19, including the Prudential Indicators, Investment Strategy and Minimum Revenue Provision Strategy contained within it.

#### **Recommendations**

- (a) That the Treasury Management Strategy Report for 2018/19 be approved.
- (b) That the Prudential Indicators contained within the report be approved.
- (c) That the Investment Strategy contained within the report be approved.
- (d) That the Minimum Revenue Provision Strategy contained within the report be approved.

#### **Reasons**

The Council needs to have an approved Treasury Management Strategy for 2018/19 in place before the start of the 2018/19 financial year.

At the Council meeting of 24<sup>th</sup> June 2009 it was resolved that the strategy be scrutinised by the Finance, Resources and Partnerships Scrutiny Committee before being submitted for approval by Full Council. The strategy was scrutinised by the Finance, Resources and Partnerships Scrutiny Committee on 24 January 2018.

#### 1. **Background**

- 1.1 The Council has adopted the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice. This requires a report to be prepared and approved by the Council concerning the strategy to be followed in carrying out its treasury management activities in the forthcoming financial year, 2018/19.
- 1.2 The Local Government Act 2003 and Regulations thereto specify that local authorities must have regard to the CIPFA Prudential Code for Capital Finance in Local Authorities in setting their affordable borrowing limits. This is to be achieved by setting a number of "prudential indicators" covering various aspects of treasury management. Accordingly, the appropriate prudential indicators have been incorporated in the relevant sections of the Treasury Management Strategy Report.

1.3 In addition the Department for Communities and Local Government (DCLG) issued revised “Guidance on Local Authority Investments” in March 2010, under powers contained in Section 15 (1)(a) of the Local Government Act 2003. The Act states that local authorities must have regard to this guidance. The Guidance recommends that an Annual Investment Strategy, setting out the Council’s policies for managing its investments and for giving priority to the security and liquidity of those investments is produced and approved by the Full Council.

1.4 The DCLG has recently consulted and sought views on proposals to update the guidance on Local Authorities Investments and on Minimum Revenue Provision. The results of the consultation and any impact on the Treasury Management Strategy are due to be received shortly.

## 2. **Issues**

2.1 The Strategy Report for 2018/19 is attached at Appendix 1

2.2 The proposed prudential indicators relating to treasury management are contained in the report.

2.3 The Investment Strategy for 2018/19 is contained in Annex A to the report.

2.4 Details of the methodology involved in the production of the counterparty listing are contained in Annex B to the report.

2.5 The Minimum Revenue Provision Strategy for 2018/19 is contained in Annex C to the report.

2.6 Some of the paragraphs and the economic commentary have been supplied by Arlingclose Ltd, the Council’s treasury management advisors.

2.7 The Treasury Management Strategy for 2018/19 allows for borrowing. At the Cabinet meeting on 15th October 2014, Cabinet resolved, via the ‘Funding the Council’s Capital Investment Programme’ report:

‘That Cabinet agrees with the principle that the Council, as a first resort, will seek to fund its future known capital programme needs through the annual asset management planning process by the identification of land or property in its ownership that is capable of, and appropriate for disposal.’

However if these capital receipts do not materialise then borrowing will occur in order to fund the capital programme.

2.8 Additionally at the Council meeting on 7<sup>th</sup> September 2016, it was reported that:

‘The delay in receiving the capital receipt from HDD (in respect of the Ryecroft redevelopment scheme), together with the Council’s overall capital financial position, will mean that the Council will have to borrow, at least in the short term, to finance its interest in the Public Sector Hub project.’

## 3. **Legal and Statutory Implications**

3.1 See Background for details.

## 4. **Financial and Resource Implications**

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

## 5. **Major Risks**

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

## 6. **List of Appendices**

- 6.1 Appendix 1, Treasury Management Strategy Report 2018/19.

## 7. **Background Papers**

- CIPFA Treasury Management Code of Practice (revised November 2009 and again in November 2011);
- Council's Treasury Management Policy Statement,
- CIPFA Prudential Code for Capital Finance in Local Authorities and guidance notes thereto,
- Local Government Act 2003,
- Local Authorities (Capital Finance and Accounting) (England) Regulations 2003,
- Guidance on Local Authority Investments issued by the Department for Communities and Local Government (revised March 2010).
- Treasury Management Advisor's Treasury Management Strategy Statement Template.

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**Treasury Management Strategy Report 2018/19**

**1 Introduction**

**1.1 Background**

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

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

CIPFA defines treasury management as:

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

The European Union (EU) published the final text of the second Markets in Financial Instruments Directive (MiFID II) in May 2014, aiming to improve the functioning of financial markets in light of the financial crisis and to strengthen investor protection. The new rules come into effect on 3rd January 2018.

Although the UK has voted to leave the EU, MiFID II will still be implemented in the UK for three reasons. Firstly, we remain members of the EU and subject to its laws until we leave; secondly, the UK government is in favour of strengthening investor protection; and thirdly, UK firms will wish to continue providing financial services across the EU after we have left, so will need to comply with equivalent regulations.

Local authorities are currently treated by regulated financial services firms as professional clients (e.g. large businesses, which can be expected to employ professional staff with greater knowledge and therefore need less protection) who can “opt down” to be treated as retail clients (e.g. individuals and small businesses, which are expected to have the least knowledge of financial markets and therefore need the most protection) instead.

Due to the criteria that is set out by MiFID II the Council will be treated as a retail client, which provides additional protection, although limits the Council to regulated investments and, potentially, a lower net investment return.

**1.2 Statutory Reporting Requirements**

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

**Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report covers:

- the capital plans (including prudential indicators);
- a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);

- the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

**A mid year treasury management report** – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether any policies require revision.

**An annual treasury outturn report** – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

### **Scrutiny**

The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by both the Audit and Standards Committee and the Finance, Resources and Partnerships Scrutiny Committee.

## **1.3 Treasury Management Strategy for 2018/19**

The strategy for 2018/19 covers two main areas:

### ***Capital Issues***

- Prudential indicators;
- The Minimum Revenue Provision (MRP) Policy (Annex C).

### ***Treasury Management Issues***

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy and debt rescheduling;
- policy on borrowing in advance of need;
- the investment strategy (Annex A);
- creditworthiness policy (counterparty listing criteria) (Annex B);
- policy on use of external service providers; and
- treasury management glossary of terms (Annex D).

These elements cover the requirements of the Local Government Act 2003, the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code, Department for Communities and Local Government (DCLG) MRP Guidance, the CIPFA Treasury Management Code and DCLG Investment Guidance.

CIPFA consulted on changes to the Prudential Code in 2017, but has yet to publish a revised Code.

The Authority has invested money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.

In accordance with the DCLG Guidance, the Authority will be asked to approve a revised Treasury Management Strategy Statement should the assumptions on which this report is based change

significantly. Such circumstances would include, for example, a large unexpected change in interest rates, in the Authority’s capital programme or in the level of its investment balance.

#### 1.4 Treasury Management Consultants

The Council uses Arlingclose Ltd for its external treasury management advice service for the period 1st April 2017 to 31st March 2020.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

Changes to the provision of the external treasury management advice service may occur subject to the impact of the MiFID II legislation that is commencing from 3<sup>rd</sup> January 2018.

## 2 Prudential and Treasury Indicators

### 2.1 Background

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

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

### 2.2 Capital Prudential Indicators

#### ***Actual and Estimate of Capital Expenditure***

This indicator relating to Actual and Estimates of Capital Expenditure is reported separately to the Council meeting which sets the General Fund Revenue Budget and the Council Tax (21 February 2018).

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

The second prudential indicator is the Council’s Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council’s underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each asset’s life.

The CFR includes any other long term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council’s borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes.

The Council is asked to approve the CFR projections below:

<b>31/03/17 Actual (£000’s)</b>	<b>31/03/18 Estimate (£000’s)</b>	<b>31/03/19 Estimate (£000’s)</b>	<b>31/03/20 Estimate (£000’s)</b>	<b>31/03/21 Estimate (£000’s)</b>
828	6,000	5,000	4,000	3,000

The amounts shown above from 2018/19 onwards allow the Council to borrow during those years to finance capital expenditure which cannot be funded from other revenue or capital resources.

However, the likelihood of individual schemes, the timings and the amounts involved cannot be assessed with certainty at this point.

The sale of Council assets for capital receipts will have a significant impact upon the CFR, if sales are made the Council's borrowing requirement will be reduced, if not the Council's borrowing requirement will be greater.

## 2.3 Affordability Prudential Indicators

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

This indicator relating to Estimates of the Incremental Impact of Capital Investment Decisions on Council Tax is reported separately to the Council meeting which sets the General Fund Revenue Budget and the Council Tax (21 February 2018).

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

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

Financing Costs comprise the aggregate of: interest payable, interest receivable and investment income; the amount charged as MRP; depreciation and impairment charges that have not been reversed out of the revenue account.

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

	<b>2016/17 Actual (£000's)</b>	<b>2017/18 Estimate (£000's)</b>	<b>2018/19 Estimate (£000's)</b>	<b>2019/20 Estimate (£000's)</b>	<b>2020/21 Estimate (£000's)</b>
<b>Net Revenue Stream</b>	14,132	13,825	13,466	13,067	13,136
<b>Financing Costs</b>	(101)	59	59	59	59
<b>Ratio</b>	(0.71%)	0.43%	0.44%	0.45%	0.45%

## 2.4 Treasury Indicators

### ***Current Portfolio Position – Debt***

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

Any surplus funds arising, for example from favourable cash flow or as a result of asset sales, are potentially available for use as an alternative to short term borrowing. The Actual External Debt of the Council as at the end of the previous financial year is a Prudential Indicator. This indicator comprises actual borrowing (short and long term) as shown in the Council's balance sheet. This indicator will reflect the actual position at one point in time. As at 31 March 2017 the Actual External Debt of the Council was nil.

Delays in receiving capital receipts (in respect of the Ryecroft redevelopment scheme), together with the Council's overall capital financial position, will mean that the Council will have to borrow, at least in the short term, to finance its interest in the Public Sector Hub project. Therefore this would affect the Council's 'debt free' status.

## **Current Portfolio Position – Investments**

It is forecast that at 1 April 2018 the amount of receipts in hand will only enable the Council to make minimal investments.

## **Limits to Borrowing Activity**

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

Previously borrowing has not been used to fund the capital programme because the Council has had sufficient reserves and useable capital receipts to finance capital expenditure from these sources.

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

Projections of the need for capital investment in projects necessary to ensure operational continuity over the next few years, together with projections of likely capital receipts arising from asset sales and the availability of reserves to finance this expenditure indicate that there will be an adverse gap between expenditure and resources to finance it. This increases the likelihood of borrowing being used over the period of this strategy, particularly as an interim measure to bridge the gap between expenditure being incurred and funds from asset sales being realised. The amounts included for permitted borrowing in the Operational Boundary and Authorised Limit below take account of this. It should be noted that this does not indicate a definite intention at this point in time to borrow up to this amount but is required to permit the option of borrowing to be employed, if necessary.

### **The Operational Boundary**

This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

<b>Operational boundary</b>	<b>2018/19 Estimate (£000's)</b>	<b>2019/20 Estimate (£000's)</b>	<b>2020/21 Estimate (£000's)</b>	<b>2021/22 Estimate (£000's)</b>
<b>Borrowing</b>	7,500	7,500	7,500	7,500
<b>Other long term liabilities</b>	0	0	0	0

### **The Authorised Limit for External Borrowing**

A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.

The Council is asked to approve the following authorised limit:

<b>Authorised limit</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
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	Estimate (£000s)	Estimate (£000's)	Estimate (£000's)	Estimate (£000's)
<b>Debt</b>	15,000	15,000	15,000	15,000
<b>Other Long Term Liabilities</b>	0	0	0	0

### **Sources of Borrowing**

Temporary borrowing can take place via money brokers, from building societies, banks, local authorities, individuals and commercial organisations. If the Council decides to borrow on a long term basis to fund capital expenditure all borrowing options available will be reviewed.

The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- UK public and private sector pension funds
- capital market bond investors.

### **Interest Rates, Loan Periods and Types of Loan**

The most favourable options will be selected, depending upon market conditions prevailing at the time of borrowing. The aim will be to minimise the impact upon revenue accounts and to achieve efficient management of the Council's debt portfolio. Advice will be taken, as appropriate from the Council's treasury management advisors. The Council will be eligible for loans at a reduced rate, around 20 basis points less than normally available, (the Treasury Certainty Rate) from the PWLB during 2018/19.

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

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

#### **Limit on Fixed Interest Rate Exposures (as a percentage of total borrowings / investments)**

	Borrowing		Investments	
	Upper	Lower	Upper	Lower
<b>2018/19</b>	100%	0%	100%	0%
<b>2019/20</b>	100%	0%	100%	0%
<b>2020/21</b>	100%	0%	100%	0%
<b>2021/22</b>	100%	0%	100%	0%

#### **Limit on Variable Interest Rate Exposures (as a percentage of total borrowings/ investments)**

	Borrowing		Investments	
	Upper	Lower	Upper	Lower
<b>2018/19</b>	100%	0%	100%	0%
<b>2019/20</b>	100%	0%	100%	0%
<b>2020/21</b>	100%	0%	100%	0%
<b>2021/22</b>	100%	0%	100%	0%

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

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

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

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

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

	<b>£000's</b>
<b>Beyond 31/03/18</b>	5,000
<b>Beyond 31/03/19</b>	5,000
<b>Beyond 31/03/20</b>	5,000

It should be noted that in practice the sums available for investment are unlikely to be sufficient to allow amounts of this magnitude to be invested for such extended periods. In fact at present investments are being restricted to periods of one month or less due to cash flow fluctuations and on account of continuing uncertainties with regard to the credit worthiness of counterparties with whom investments could be placed.

## **3 Leasing**

### **3.1 Requirement for the Year**

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

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

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

### **3.2 Leasing Consultants**

The current contract with the Council's treasury management advisors includes the provision of leasing advice.

## **4 Treasury Management Training**

### **4.1 Training Courses**

The training need regarding treasury management officers is periodically reviewed. Officers engaging in Treasury Management activities will also attend any suitable courses/seminars provided by the Council's treasury management advisors and any other appropriate organisations where it is considered that this will increase or complement their expertise in relation to the Treasury Management function.

## 5 Policy on the use of External Service Providers

- 5.1 Officers work with the Council's treasury management advisors to monitor market trends and to advise on strategic considerations affecting borrowing strategy and sums available for investment and any other relevant treasury management matters. Quarterly meetings are held to ensure quality of service is maintained and to develop a constructive relationship. The current contract, awarded to Arlingclose Ltd, was awarded until 31 March 2020.

## 6 Prospects for Interest Rates

- 6.1. Part of the service provided by the Council's advisors is to assist the Council to formulate a view on interest rates. The following table and information gives the current provider's central view:

	Mar 2018	Sep 2018	Mar 2019	Sep 2019	Mar 2020	Sep 2020	Mar 2021
Bank Rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

### 6.2. Economic Situation (highlights of the report supplied by Arlingclose Ltd)

*Economic background:* The major external influence on the Authority's treasury management strategy for 2018/19 will be the UK's progress in negotiating its exit from the European Union and agreeing future trading arrangements. The domestic economy has remained relatively robust since the surprise outcome of the 2016 referendum, but there are indications that uncertainty over the future is now weighing on growth. Transitional arrangements may prevent a cliff-edge, but will also extend the period of uncertainty for several years. Economic growth is therefore forecast to remain sluggish throughout 2018/19.

Consumer price inflation reached 3.0% in September 2017 as the post-referendum devaluation of sterling continued to feed through to imports. Unemployment continued to fall and the Bank of England's Monetary Policy Committee judged that the extent of spare capacity in the economy seemed limited and the pace at which the economy can grow without generating inflationary pressure had fallen over recent years. With its inflation-control mandate in mind, the Bank of England's Monetary Policy Committee raised official interest rates to 0.5% in November 2017.

In contrast, the US economy is performing well and the Federal Reserve is raising interest rates in regular steps to remove some of the emergency monetary stimulus it has provided for the past decade. The European Central Bank is yet to raise rates, but has started to taper its quantitative easing programme, signalling some confidence in the Eurozone economy.

*Credit outlook:* High profile bank failures in Italy and Portugal have reinforced concerns over the health of the European banking sector. Sluggish economies and fines for pre-crisis behaviour continue to weigh on bank profits, and any future economic slowdown will exacerbate concerns in this regard.

Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the European Union, Switzerland and USA, while Australia and Canada are progressing with their own plans. In addition, the largest UK banks will ringfence their retail banking functions into separate legal entities during 2018. There remains some uncertainty over how these changes will impact upon the credit strength of the residual legal entities.

The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Authority; returns from cash deposits however remain very low.

*Interest rate forecast:* The Authority's treasury adviser Arlingclose's central case is for UK Bank Rate to remain at 0.50% during 2018/19, following the rise from the historic low of 0.25%.

Future expectations for higher short term interest rates are subdued and on-going decisions remain data dependant and negotiations on exiting the EU cast a shadow over monetary policy decisions. The risks to Arlingclose's forecast are broadly balanced on both sides. The Arlingclose



central case is for gilt yields to remain broadly stable across the medium term. Upward movement will be limited, although the UK government's seemingly deteriorating fiscal stance is an upside risk.

## **7 Treasury Management Scheme of Delegation**

### **7.1 Full Council**

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

### **7.2 Finance, Resources and Partnerships Scrutiny Committee**

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

### **7.3 Audit and Standards Committee**

- Scrutiny of Treasury Management performance including receiving and reviewing the mid-year report.
- Reviewing the Annual Treasury Outturn Report

## **8 Treasury Management role of the Section 151 Officer**

### **8.1 The S151 (responsible) Officer Role**

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

**Investment Strategy 2018/19****1 Introduction****1.1 Background**

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

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

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

**1.2 Possible Revisions to the Strategy**

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

**2 Security of Investments****2.1 Specified and Non-Specified Investments**

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

***Specified Investments***

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

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

***Non-Specified Investments***

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

The same requirements as to credit ratings relating to Specified Investments will apply, and in appropriate cases the advice of the Council's treasury management advisors will be sought.

In considering whether it is prudent to place funds for longer than 12 months in 2018/19 and in determining the period of such investment the principles and limits set out under "3 - Liquidity of Investments" below will apply together with the counterparty listing criteria set out in Annex B.

## **2.2 Use of Treasury Management Advisor's Creditworthiness Service**

This Council uses the creditworthiness service provided by the Council's treasury management advisors. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies, Fitch, Moody's and Standard and Poor's.

Credit ratings are obtained and monitored by the Council's treasury management advisers, who will notify the Council of any changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made;
- any existing investments that can be recalled or sold at no cost will be; and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn [on the next working day] will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

## **2.3 Approved Investment Instruments**

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

### ***Extract from Schedule to TMP 4***

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

Because fund managers are not currently employed this means that investments in 2018/19 will be limited to fixed cash deposits (including deposit accounts and current accounts), money market funds and the Debt Management Account Deposit Facility (DMADF). The DMADF is guaranteed by HM Government and offers investors a flexible and secure facility to supplement their existing range of investment options.

## **3 Liquidity of Investments**

### **3.1 Maximum Investment Periods**

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

There will be a limit placed upon the amount which may be invested for periods in excess of 364 days. This limit has been set using one of the Prudential Indicators required by the Chartered

Institute of Public Finance and Accountancy Prudential Code for Capital Finance in Local Authorities. Investments will be regarded as commencing on the date the commitment to invest is entered into, rather than on the date on which the funds are actually paid over to the Counterparty.

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

	£000's
<b>Beyond 31/03/19</b>	5,000
<b>Beyond 31/03/20</b>	5,000
<b>Beyond 31/03/21</b>	5,000

It should be noted that in practice the sums available for investment are unlikely to be sufficient to allow amounts of this magnitude to be invested for such extended periods.

#### **4 Return on Investments (Yield)**

##### **4.1 Current Economic Climate**

Due to ongoing global economic uncertainties, investment returns are likely to remain relatively low during 2018/19. Interest rates on Instant access deposit accounts and Notice accounts have previously been more attractive than interest rates being offered by the market. However, banks have now reduced the rates they offer on their instant access and notice accounts.

##### **4.2 Prudent Investments**

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

#### **5 Specific Strategy 2018/19**

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

###### ***Amount Available for Investment***

It is estimated that there shall be minimal receipts in hand or reserve balances for investing as at 1 April 2018.

###### ***Period of Investment***

This will be determined in accordance with 3 - Liquidity of Investments above.

###### ***Forward Commitment***

This involves agreeing in advance to place an investment with a borrower at a future specified date at an agreed interest rate. It is done in order to obtain the benefit of what are considered to be better rates than might be available later, when physical funds are likely to be available. No forward commitment has taken place to date in 2017/18. It is possible that forward commitments may be employed in 2018/19 in instances where market conditions warrant it.

###### ***Return on Investment***

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

##### **5.2 Investment of Money Borrowed in Advance of Need**

It is not the Council's intention to undertake any borrowing in advance of need during 2018/19.

### **5.3 Other Temporary Surpluses**

#### ***Amount Available for Investment***

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

Prudent financial management dictates that these temporary surpluses should be invested or used to redeem temporary loans if any are outstanding. Such surpluses may be placed in short term deposit accounts and current accounts, or, where the size of the surplus warrants, short term investments will be made in the market.

Capital receipts which arise during the year, as a result of asset sales, will be held in the Capital Receipts Account pending use until the monies are invested. When useable receipts are required to finance capital expenditure, or for any other purpose, the amount will be disinvested and utilised.

#### ***Period of Investment***

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

#### ***Return on Investment***

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

### **5.4 Current Treasury Management Advisors – view on Interest Rates**

Part of the service provided by the Council's treasury management advisors is to assist the Council in the formulation of a view on interest rates; the following gives their view of the Bank of England base rate for financial year ends:

- 31<sup>st</sup> March 2019 – 0.50%
- 31<sup>st</sup> March 2020 – 0.50%
- 31<sup>st</sup> March 2021 – 0.50%

There are negative risks to these forecasts (i.e. increases in Bank Rate occur later) if economic growth weakens. However, should the pace of growth quicken, there could be benefits.

### **Counterparty Listing Criteria**

This Council applies the creditworthiness service provided by Arlingclose Ltd. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's.

Arlingclose Ltd. then recommend the maximum unsecured duration that monies should be invested for with individual banks and building societies.

The creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue superiority to just one agency's ratings. All credit ratings will be monitored daily. The Council is alerted to changes to ratings of all three agencies through its use of the advisor's creditworthiness service.

If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on any external support for banks to help support its decision making process. The Council will also consider using other Local Authorities when making fixed investments.

### **Country and Counterparty Limits**

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of A+ from Fitch Ratings (or equivalent from other agencies if Fitch does not provide).

In accordance with Treasury Management Practice (TMP) 4 – Approved Instruments, Methods and Techniques, a £7,000,000 counterparty limit will be used during 2018/19. This limit will not apply to the Government's Debt Management Account Deposit Facility offered by the Debt Management Office.

**Minimum Revenue Provision Policy**

**1.0 Background**

- 1.1** In instances whereby Local Authorities have a positive Capital Financing Requirement (CFR), Department of Communities and Local Government (DCLG) Guidance requires them to adopt a prudent approach in order to fund the repayment of debt. This may be achieved by setting aside a minimum amount from revenue, known as the Minimum Revenue Provision (MRP). This means that the Council would be required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the MRP).

DCLG Regulations and Guidance have been issued which require the Full Council to approve an **MRP Statement** in advance of each year. Four options for prudent provision of the MRP are provided to councils, these being:

• **Option 1 – Regulatory Method**

For debt which is supported by the Government through the Revenue Support Grant system, authorities may continue to use the formulae in the current regulations, since the Revenue Support Grant is calculated on that basis. Although the existing regulation 28 is revoked by regulation 4(1) of the 2008 Regulations, authorities will be able to calculate MRP as if it were still in force. Solely as a transitional measure, this option will also be available for all capital expenditure incurred prior to 1 April 2008.

• **Option 2 – Capital Financing Requirement Method**

This is a technically much simpler alternative to Option 1 which may be used in relation to supported debt. While still based on the concept of the CFR, which is easily derived from the balance sheet, it avoids the complexities of the formulae in the old regulation 28 (though for most authorities it will probably result in a higher level of provision than Option 1).

• **Option 3 – Asset Life Method**

For new borrowing under the Prudential system for which no Government support is being given and is therefore self-financed, there are two options included in the guidance.

Option 3 is to make provision over the estimated life of the asset for which the borrowing is undertaken. This is a possibly simpler alternative to the use of depreciation accounting (Option 4), though it has some similarities to that approach.

Within option 3, two methods are identified. The first of these, the equal instalment method, will normally generate a series of equal annual amounts over the estimated life of the asset. The original amount of expenditure (“A” in the formula) remains constant.

The cumulative total of the MRP made to date (“B” in the formula) will increase each year. The outstanding period of the estimated life of the asset (“C” in the formula) reduces by 1 each year.

For example, if the life of the asset is originally estimated at 25 years, then in the initial year when MRP is made, C will be equal to 25. In the second year, C will be equal to 24, and so on. The original estimate of the life is determined at the outset and should not be varied thereafter, even if in reality the condition of the asset has changed significantly

The formula allows an authority to make voluntary extra provision in any year. This will be reflected by an increase in amount B and will automatically ensure that in future years the amount of provision determined by the formula is reduced.

The alternative is the annuity method, which has the advantage of linking MRP to the flow of benefits from an asset where the benefits are expected to increase in later years. It may be

particularly attractive in connection with projects promoting regeneration or administrative efficiencies or schemes where revenues will increase over time.

- **Option 4 – Depreciation Method**

Alternatively, for new borrowing under the Prudential system for which no Government support is being given, Option 4 may be used.

This means making the MRP in accordance with the standard rules for depreciation accounting. A step in this direction was made in the last set of amendments to the MRP rules [SI 2007/573]. However, the move to reliance on guidance rather than regulations will make this approach more viable in future.

Authorities will normally need to follow the standard procedures for calculating depreciation provision. But the guidance identifies some necessary exceptions:

- a. The MRP continues until the total provision made is equal to the original amount of the debt and may then cease.
- b. If only part of the expenditure on the asset was financed by debt, the depreciation provision is proportionately reduced.

## **2.0 MRP Policy in respect of Finance Leases**

- 2.1 The introduction of International Financial Reporting Standards in 2011/12 resulted in some leases being reclassified as finance leases instead of operating leases. This resulted in a positive CFR and as such the need to set aside a MRP.

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

## **3.0 MRP Policy – Other Capital Expenditure**

### **3.1 Capital Financing Requirement (CFR)**

The Council's CFR is currently positive. This means that there is a requirement to set aside a MRP for the redemption of debt. The Prudential Indicator for the CFR, shown at 2.2 in the Treasury Management Strategy, indicates that the CFR will become positive within the period covered by the Strategy. This is based on the assumption that there will be a general overall increase in expected capital expenditure, which cannot be funded from revenue or capital resources. Accordingly, the Council needs to determine the option it will employ to make the necessary MRP in respect of the amount borrowed, when this occurs.

### **3.2 Option for making MRP.**

The most appropriate of the four options permitted by the Regulations is Option 3, the Asset Life Method, within which there are two further options, an equal instalment method and an annuity method (as detailed in 1.1 – option 3). The Council is permitted to apply either of these two further options to projects on a scheme by scheme basis.

It should be noted that MRP does not commence until the year following that in which the asset concerned became operational, however, voluntary MRP can be made at any given time if considered prudent.



## ANNEX D

### Treasury Management – Glossary of Terms

- **Basis Points** – there are 100 basis points to 1%.
- **CDS** – ‘Credit Default Swap’ is an additional assessment of credit worthiness by providing a risk analysis of changes in credit quality as perceived by the market.
- **CFR** – the Capital Financing Requirement is the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources.
- **CIPFA** – the Chartered Institute of Public Finance and Accountancy, is the professional body for accountants working in Local Government and other public sector organisations.
- **Counterparty** – an institution with whom a borrowing or investment transaction is made.
- **CPI** – a measure that examines the weighted average of prices of a basket of consumer goods and services. The Consumer Price Index is calculated by taking price changes for each item in the predetermined basket of goods/services and averaging them; the goods are weighted according to their importance. Changes in CPI are used to assess price changes associated with the cost of living.
- **Credit Rating** – is an opinion on the credit-worthiness of an institution, based on judgements about the future status of that institution. The main rating agencies are Fitch. Standard and Poor’s and Moody’s.
- **DCLG** – Department for Communities and Local Government.
- **Depreciation** – the measure of the cost or revalued amount of the benefits of the fixed asset that have been consumed during the period. Consumption includes wearing out, using up or other reduction in the useful life of a fixed asset whether arising from use, time or obsolescence through either changes in technology or demand for the goods and services produced by the asset.
- **DMADF and DMO** – the DMADF is the ‘Debt Management Account Deposit Facility’ which is a highly secure fixed term deposit account with the Debt Management Office, part of Her Majesty’s Treasury.
- **Forward Commitments** - agreeing in advance to place an investment with a borrower at a future specified date at an agreed interest rate.
- **GDP** – Gross Domestic Product is the market value of all officially recognised final goods and services produced within a country in a given period of time.
- **GILTS** – the name given to bonds issued by the UK Government. Gilts are issued bearing interest at a specified rate, however, they are traded on the markets like shares and their value rises or falls accordingly. The ‘yield’ on a gilt is the interest paid divided by the market value of that gilt.
- **IFRS (International Financial Reporting Standards)** – International accounting standards that govern the treatment and reporting of income and expenditure in an organisation’s accounts, which came fully into effect from 1 April 2010.
- **Impairment Charges** – a reduction in the value of a fixed asset below its carrying amount on the balance sheet.
- **Intangible Assets** – non-financial fixed assets that do not have physical substance but are identifiable and are controlled by the Council through custody or legal rights. Specifically purchased software licenses are included in this category of asset.

- **Leasing** - a lease is a contractual arrangement calling for the lessee (user) to pay the lessor (owner) for use of an asset.
- **Liquidity** – relates to the amount of readily available or short term investment money which can be used for either day to day or unforeseen expenses. For example Call Accounts allow instant daily access to invested funds.
- **Money Market Funds (MMF)** – Money Market Funds are investment funds that are invested by a Fund Manager in a wide range of money market instruments. MMF's are monitored by the official ratings agencies and due to many requirements that need to be fulfilled; the funds usually receive the highest quality rating (AAA) so provide minimal risk. They are very flexible and can be withdrawn in the same way as any other call deposit.
- **MPC** – interest rates are set by the Bank of England's Monetary Policy Committee. The MPC sets an interest rate it judges will enable the inflation target to be met
- **MRP** – the Minimum Revenue Provision represents the revenue charge for the repayment of debt.
- **PWLB** – the Public Works Loan Board is a statutory board that is run within the UK Debt Management Office (DMO), its function is to lend money to Local Authorities and other prescribed bodies.
- **Section 151 Officer** – it is a legal requirement that councils must appoint a named accountant to give them financial advice. The accountant in question is usually a chief finance officer, director of finance or treasurer.
- **Supranational Bonds** – bonds issued by institutions such as the European Investment Bank.

## NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

### EXECUTIVE MANAGEMENT TEAM'S REPORT TO THE COUNCIL

21 February 2018

#### 1. PUBLICATION OF A PAY POLICY STATEMENT FOR 2018/19

<b><u>Submitted by:</u></b>	<b>Acting Chief Executive / Executive Director – Resources and Support Services</b>
<b><u>Portfolio:</u></b>	<b>Corporate and Service Improvement, People and Partnerships</b>
<b><u>Ward(s) affected:</u></b>	<b>Not applicable</b>

#### **Purpose of the Report**

The Localism Act 2011 requires local authorities to prepare and publish a pay policy statement for each financial year. The statement should set out the authority's policies relating to the remuneration of its chief officers, the remuneration of its lowest paid employees and the relationship between the remuneration of its chief officers and the remuneration of its employees who are not chief officers.

#### **Recommendation**

**That the Pay Policy Statement attached at Appendix A to this report be approved and published on the council's website by 31 March 2018.**

#### **Reasons**

To ensure the council complies with the requirements of the Localism Act 2011 and in accordance with the guidance issued by the Department for Communities and Local Government 'Openness and Accountability in Local Pay'.

#### 1. **Background**

- 1.1 The Government is committed to strengthening councillors' powers to vote on large salary packages for council officers and has recently taken steps to increase transparency about how taxpayers' money is used, including the pay and reward of public sector staff.
- 1.2 This commitment resulted in part of the Localism Act being designed to increase accountability, transparency and fairness in the setting of local pay. The Act came into force on 15 January 2012.

#### 2. **Issues**

- 2.1 To promote accountability, the Act requires pay policy statements, and any amendments to them, to be considered by a meeting of full council. In addition, full council should be offered the opportunity to vote before large salary packages are offered in respect of new appointments where remuneration is £100,000 and over.
- 2.2 For the purposes of transparency, it is considered that when the full council is discussing the pay policy statement, such discussions should be open to the public. Approved pay policy

statements must be published on the authority's website and in any other manner that the authority thinks appropriate, as soon as is reasonably practicable after they are approved or amended.

- 2.3 With regard to fairness, the government recommends the publication of an organisation's pay multiple – the ratio between the highest paid employee and the median average earnings across the organisation – as a means of illustrating that relationship. Any policies on performance related pay must be included in the pay policy statement and authorities are encouraged to consider whether an element of the basic pay of senior staff should be subject to meeting pre-arranged objectives. The statement must also include the authority's policy on whether they permit individuals to receive salary and pension at the same time so that taxpayers can have the opportunity to question whether they are getting value for money from arrangements where it could appear that the authority is paying an individual twice for doing the same job.
- 2.4 The council's current approach to pay policy is set out at Appendix A.

### 3. **Options Considered**

- 3.1 A Pay Policy Statement could have been prepared based purely on the guidance received from the Department for Communities and Local Government 'Openness and Accountability in Local Pay'. However, in 2012 West Midlands Councils produced a Model Pay Policy Statement which drew together drafts from several authorities in the region with a view to a common approach being adopted. This format was adopted for the previous six years' Statements and has been adopted again for this year's Statement.

### 4. **Proposal**

- 4.1 It is proposed that the council approves the content of the Pay Policy Statement for 2018/19 based on the same format used for the last four years, as set out at Appendix A, with a view to this being published on the council's website by 31 March 2018. This will ensure that the appropriate information will continue to be made available to the public in accordance with the requirements of the Localism Act 2011.

### 5. **Reasons for the Preferred Solution**

- 5.1 The view of the West Midlands Employers is that there is value to continuing to adopt a common approach to the production of Pay Policy Statement, as far as this is practically and reasonably possible, as this will be beneficial for future benchmarking and monitoring purposes.

### 6. **Outcomes Linked to Sustainable Community Strategies and Council Priorities**

- 6.1 Future benchmarking and monitoring of pay policy and an annual review will ensure accountability, transparency and fairness in the setting of levels of pay that are appropriate to local circumstances and which deliver value for money for local taxpayers.

### 7. **Legal and Statutory Implications**

- 7.1 Preparation of a Pay Policy Statement for 2018/19 is a requirement under section 38(1) of the Localism Act 2011.
- 7.2 Under Section 40(1) of the Act, Authorities must have regard to the guidance issued by the Department for Communities and Local Government in preparing and approving pay policy statements.

7.3 Before it takes effect, the Pay Policy Statement must be approved by a resolution of the authority. This must be done no later than 31 March 2018.

7.4 Following approval, the statement must be published as soon as possible on the authority's website (and in any other manner the authority thinks fit).

7.5 An authority may amend its Pay Policy Statement and this also requires resolution.

## 8. **Equality Impact Assessment**

8.1 The Statement at Appendix A sets out council's current approach to pay policy. No changes are incorporated and so there is no potential for any adverse impact on particular groups of employees.

## 9. **Financial and Resource Implications**

9.1 The Statement at Appendix A sets out the council's current approach to pay policy. No changes are incorporated and so there are no additional revenue costs or resource implications.

## 10. **Major Risks**

Not applicable.

## 11. **Sustainability and Climate Change Implications**

Not applicable.

## 12. **Key Decision Information**

The report is a key decision as defined in the council's constitution. The item is included in the Forward Plan.

## 13. **Earlier Cabinet/Committee Resolutions**

Council – 19 May 2010 – Resn 12/11  
Establishment of the Chief Officer Appointment, Review and Appeals Committee.  
Council – 28 March 2012 – Item 7  
Approval of 2012/13 Pay Policy Statement  
Council – 27 February 2013 – Item 9  
Approval of 2013/14 Pay Policy Statement  
Council 26 February 2014 – Item 9  
Approval of 2014/15 Pay Policy Statement  
Council 25 February 2015 – Item 8  
Approval of 2015/16 Pay Policy Statement  
Council 24 February 2016 – Item 6  
Approval of 2016/17 Pay Policy Statement  
Council 22 February 2017 – Item  
Approval of 2017/18 Pay Policy Statement

## 14. **List of Appendices**

Appendix A – Pay Policy Statement 2018/19  
Appendix i – Salary Scales from 01.04.2017  
Appendix ii - Additions to Salary of Chief Officers

15. **Background Papers**

- Department of Communities and Local Government – Openness and Accountability in local pay: Draft guidance under Section 40 of the Localism Act.
- Local Government Association and Association of Local Authority Chief Executives – Localism Act: Pay Policy Statements Guidance for Local Authority Chief Executives.
- West Midlands Councils – Model Pay Policy Statement/Supplementary Notes and Guidance.

## Newcastle-under-Lyme Borough Council

### Pay Policy Statement – 2018/19

#### Introduction and Purpose

Under section 112 of the Local Government Act 1972, the council has the “power to appoint officers on such reasonable terms and conditions as authority thinks fit”. This Pay Policy Statement (the ‘statement’) sets out the council’s approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. The purpose of the statement is to provide transparency with regard to the council’s approach to setting the pay of its employees by identifying:

- The methods by which salaries of all employees are determined;
- The detail and level of remuneration of its most senior staff i.e. ‘chief officers’, as defined by the relevant legislation;
- The (Committee/Group/Panel or officer) responsible for ensuring the provisions set out in this statement are applied consistently throughout the council and recommending any amendments to the full council.

Once approved by the full council, this policy statement will come into immediate effect and will be subject to review on at least an annual basis in accordance with the relevant legislation prevailing at that time.

#### Legislative Framework

In determining the pay and remuneration of all of its employees, the council will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations. With regard to the Equal Pay requirements contained within the Equality Act, the council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of equality proofed Job Evaluation mechanisms which directly relate salaries to the requirements, demands and responsibilities of the role.

#### Pay Structure

Based on the application of the Job Evaluation process, the council uses the nationally negotiated pay spine (further details can be found at Appendix i) as the basis for its local grading structure. This determines the salaries of the large majority of the workforce, together with other nationally defined rates where relevant. The council remains committed to adherence with national pay bargaining in respect of the national pay spine and any annual cost of living increases negotiated in the pay spine.

The National Joint Council pay spine was last increased in April 2017 by 1% with an additional flat rate payment of between £500 and £225 between spinal columns 6 to 17 as part of a two year agreement following an increase in April 2016 of 1% and an additional flat rate payment of between £900 and £200 in line with spinal columns 6 to 16.

All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and/or as determined by council Policy. In determining its grading structure and setting remuneration levels for all posts, the council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality

services to the community, delivered effectively and efficiently and at times at which those services are required.

New appointments will normally be made at the minimum of the relevant grade, although this can be varied where necessary to secure the best candidate. From time to time it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources available from within and outside the local government sector.

### **Senior Management Remuneration**

For the purposes of this statement, senior management means 'chief officers' and also 'deputy chief officers' as defined within S43 of the Localism Act. The Localism Act definition is based on the definition in the Local Government and Housing Act 1989 in which a Chief Officer is defined as a statutory chief officer (i.e. Head of the Paid Service, Section 151 Officer, Monitoring Officer) and any post reporting directly to the Head of the Paid Service (other than secretarial/support posts). Deputy Chief Officers are any posts (other than secretarial/support posts) reporting directly to any chief officer post.

The posts falling within the statutory definition are set out below, with details of their basic salary as at 1 April 2017;

#### **National Joint Council (JNC) Chief Officers**

- a) Chief Executive (Head of the Paid Service) (*statutory*)  
The current salary of the post is £101,740. This is a spot salary. There is no incremental point range.
  
- b) Executive Directors – 3 posts as follows:
  - Executive Director – Resources and Support Services (Section 151 Officer) (*statutory*)
  - Executive Director – Operational Services (*non-statutory*)
  - Executive Director – Regeneration and Development (*non-statutory*)
  
- Head of Audit and Elections Band 2 (Monitoring Officer) (*statutory*)
- Head of Communications Band 2 (*non-statutory*)

The salaries of posts designated as Executive Directors fall within a range of 4 incremental points between £81,928 rising to a maximum of £ 87,395.

#### **Deputy Chief Officers**

- a) *Heads of Service Band 1 – 7 posts*
  - Head of Customer and ICT Services
  - Head of Leisure and Cultural Services
  - Head of Operations
  - Head of Planning and Development
  - Head of Recycling, Waste and Fleet Services
  - Head of Housing, Regeneration and Assets Services
  - Head of Environmental Health Services

The salaries of Band 1 posts fall within a range of 5 incremental points between £51,562 rising to a maximum of £57,303.



*Heads of Service Band 2 –3 posts*

Head of Finance

Head of Human Resources

Head of Revenues and Benefits (post currently vacant)

The salaries of Band 2 posts fall within a range of 5 incremental points between £47,417 rising to a maximum of £51,533.

- b) Grade 12 - 2 posts, salary within a range of 4 incremental posts between £37,306 rising to a maximum of £40,057.

Partnerships Manager

Principal Solicitor

- c) Grade 11 - 2 posts, salary within a range of 4 incremental points between £33,437 rising to a maximum of £36,379.

Business Improvement Manager

Communications Manager

The pay spine for JNC and NJC was last increased in April 2017 as part of a two year agreement, which also saw a 1% increase in April 2016. Prior to this the last increase in the national pay spine was January 2015.

### **Recruitment of Chief Officers**

The council's Employment Committee, via the setting up of an Appointments Sub-Committee, is responsible for processing appointments of members of the Executive Management Team (the Chief Executive and Executive Directors). When recruiting to all posts, the council will take full and proper account of its own Equal Opportunities Recruitment and Redeployment Policies. The determination of the remuneration to be offered to any newly appointed chief officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment. Where the council is unable to recruit to a post at the designated grade, it will consider the use of temporary market forces supplements in accordance with its relevant policies. The council does not currently have any chief officers who are being paid temporary market forces supplements.

Where the council remains unable to recruit chief officers under a contract of service, or there is a need for interim support to provide cover for a vacant substantive chief officer post, the council will, where necessary, consider and utilise engaging individuals under 'contracts for service'. These will be sourced through a relevant procurement process ensuring the council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. The council does not currently have any chief officers engaged under such arrangements.

### **Additions to Salary of Chief Officers**

The council does not apply any bonuses or performance related pay to its chief officers with the exception of progression through the incremental scale of the relevant grade being subject to satisfactory performance, which is assessed on an annual basis, the level of remuneration is not variable dependent upon the achievement of defined targets.

In addition to basic salary, set out at Appendix ii, are details of other elements of 'additional pay' which are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfillment of duties.

## **Payments on Termination**

The council's approach to [statutory and] discretionary payments on termination of employment of chief officers, prior to reaching normal retirement age, is set out within its policy statement in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006.

Any other payments falling outside the provisions or the relevant periods of contractual notice shall be subject to a formal decision made by the full council or relevant elected members, committee or panel of elected members with delegated authority to approve such payments.

## **Flexible Retirement**

The council's approach to Flexible Retirement for members of the Local Government Pension Scheme is set out at Appendix (iii).

## **Publication**

Upon approval by the full council, this statement will be published on the council's Website, alongside data required under the Transparency Code 2014. In addition, for posts where the full time equivalent salary is at least £50,000, the council's Annual Statement of Accounts will include a note setting out the total amount of:

- Salary, fees or allowances paid to or receivable by the person in the current and previous year;
- Any bonuses so paid or receivable by the person in the current and previous year;
- Any sums payable by way of expenses allowance that are chargeable to UK income tax;
- Any compensation for loss of employment and any other payments connected with termination;
- Any benefits received that do not fall within the above.

## **Lowest Paid Employees**

The lowest paid persons employed under a contract of employment with the council are employed on full time (37 hours) equivalent salaries in accordance with the National Living Wage which is set independently annually each November. The lowest paid employee will be paid at the Living Wage hourly rate of £8.75 which equates to a full-time equivalent salary of £16,881.

The council employs Apprentices who are not included within the definition of 'lowest paid employees' as they are employed under the National Apprenticeship Scheme.

The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.

The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010). The Hutton report was asked by Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. The report concluded that the relationship to median earnings was a more relevant measure and the Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio

between highest paid salary and the median average salary of the whole of the authority's workforce.

The current pay levels within the council define the multiple between the lowest paid (full time equivalent salary) employee and the Chief Executive as 1:6.16 and; between the lowest paid employee and average chief officer (excluding the Chief Executive, including deputy chief officers) as 1:3.43. The multiple between the median (average) full time equivalent earnings and the Chief Executive as 1:4.14, and; between the median (average) full time equivalent earnings and average chief officer as 1:2.30.

As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the council will use available benchmark information as appropriate.

### **Accountability and Decision Making**

The Chief Executive, as the Head of Paid Service, is required to report to full council 'the number and grade of officers required for the discharge of (the Authority's) functions.'

In accordance with the Constitution of the council, the Employment Committee, via the setting up of an Appointments Sub-Committee, is responsible for processing the appointments of members of the Executive Management Team (the Chief Executive and Executive Directors) and reviewing their terms and conditions of appointment.

The advertising of and recruitment to all vacancies is carried out in accordance with the council's Standing Orders relating to Personnel Matters and the council's approved Recruitment, Selection and Induction Code of Practice and the Restructuring and Redundancy Policy and Procedure except where the council otherwise determines.

Under the council's Scheme of Delegation, decision making in relation to pay and terms and conditions for employees other than the Executive Management Team is delegated to the Chief Executive as follows:

'To determine the establishment of the council's departments within the departmental budgets set by Cabinet, and to determine the terms and conditions of new posts. No new post shall be created nor any person employed in addition to a department's approved establishment unless the financial arrangements have been agreed by Cabinet.'

With regard to severance arrangements in relation to employees of the council, Cabinet is responsible for the policy on the discretionary powers to be adopted and used where employment is terminated on the grounds of redundancy or early retirement.

**Date of Statement: 21 February 2018**

**SALARY SCALES FROM 01.04.2017****APPENDIX i**

Grade	Spinal Column Point	Spinal Column £ Salary Point	Grade	Spinal Column Point	Spinal Column £ Salary Point	Grade	Spinal Column Point	Spinal Column £ Salary Point
<b>Grade 1</b>	6	15,014	<b>Grade 6</b>	21	20,138	<b>Grade 11</b>	38	33,437
	7	15,115		22	20,661		39	34,538
	8	15,246		23	21,268		40	35,444
				24	21,962		41	36,379
				25	22,658			
<b>Grade 2</b>	6	15,014				<b>Grade 12</b>	42	37,306
	7	15,115	<b>Grade 7</b>	25	22,658		43	38,237
	8	15,246		26	23,398		44	39,177
	9	15,375		27	24,174		45	40,057
				28	24,964			
<b>Grade 3</b>	10	15,613				<b>Grade 13</b>	46	41,025
	11	15,807	<b>Grade 8</b>	29	25,951		47	41,967
	12	16,123		30	26,822		48	42,899
	13	16,491		31	27,668		49	43,821
				32	28,485		50	44,750
<b>Grade 4</b>	13	16,491						
	14	16,781	<b>Grade 9</b>	32	28,485	<b>Grade 14</b>	49	43,821
	15	17,072		33	29,323		50	44,750
	16	17,419		34	30,153		51	45,704
	17	17,772		35	30,785		52	46,679
<b>Grade 5</b>	16	17,419	<b>Grade 10</b>	35	30,785			
	17	17,772		36	31,601			
	18	18,070		37	32,486			
	19	18,746		38	33,437			
	20	19,430						
	21	20,138						

**Additions to Salary of Chief Officers****Car Lease Subsidy**

The council's car leasing scheme is in the process of being phased out. Chief officers who have an existing lease car are entitled to a car lease subsidy, the value is £2,750 per annum which has been reduced as follows:

<b>Employee Grade</b>	<b>% Subsidy Reduction</b>
Executive Directors	50
JNC 1 & 2	40
NJC 10 – 14*	30
NJC 8 -9	20
NJC 5 - 7	10

\* (Includes NJC 9 with market supplements)

No alternative payment is made to chief officers who chose not to receive the subsidy.

The mileage rate paid to those who are still in receipt of the subsidy is 11 pence per mile. The rate paid to those who do not receive the subsidy is a maximum of 55 pence per mile (inside the Borough), 43.3 pence per mile (outside the Borough).

**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

**FLEXIBLE RETIREMENT FOR MEMBERS OF THE  
LOCAL GOVERNMENT PENSION SCHEME**

**POLICY STATEMENT**

1. This policy is made in accordance with the Local Government Pension Scheme (Amendment) (No. 2) Regulations 2006 and the Local Government Pension Scheme (Benefits, Membership and Contributions Regulations) 2007 and will normally be reviewed annually. If the council decides to change its policy it will publish a statement of the amended policy within one month of the date of its decision.
2. In formulating and reviewing its policy, the council:
  - i) Has regard to the extent to which the exercise of its discretionary powers (in accordance with the policy), unless properly limited, could lead to a loss of confidence in the public service; and
  - ii) Is satisfied that the policy is workable, affordable and reasonable having regard to the foreseeable costs.
3. In response to written requests from eligible employees for Flexible Retirement, the council will:
  - i) Consider all requests for flexible retirement. The key factors that will be taken into account are:
    - There will be no detrimental effect on service delivery
    - There is alternative work at a lower grade or reduced hours
    - The arrangement is fair and equitable to other employees
    - Pension strain costs are affordable and can be justified
    - The employee is fully aware of the implications of drawing the pension early particularly where there is an actuarial pension reduction.
  - ii) Approve requests only when it is in the council's interests to do so. All costs falling on the council as an employer must be affordable and within existing budget limits. Where this is not achievable, the proposal should be accompanied by a plan detailing how any costs will be recovered.
  - iii) A request should typically involve a reduction in salary of at least 40%, either through reduced hours or level of responsibility (grade) or a combination of these.
  - iv) The employee's contract of employment will be amended by mutual agreement to reflect the new hours or grade, as agreed, and continuity of service will be preserved for terms and conditions purposes.
  - v) The council will not agree to waive pension benefit reductions.

- vi) Following the reduction in hours or grade, the council will not offer alternative employment to top-up the loss of income.
- vii) Be sympathetic to requests involving a phased reduction in working hours, subject to any such arrangements being operationally practicable. However, the council can not agree to requests that would, overall, lead to the employee being better off than before flexible retirement and will only consent to the release of the accrued benefits if this is the case.

**Note** *Retirement benefits drawn on flexible retirement must include all of those which may have accrued in respect of active membership under the 1997 Regulations and may, according to the wishes of the employee, include all or part of none of the benefits accrued in respect of membership under the 2008 Scheme.*

#### 4. **Approval Process**

- 4.1 Applications must always be in writing to the Executive Director (Resources and Support Services) stating the reasons for the request and the details of what is being requested.
- 4.2 When considering requests, the Executive Director (Resources and Support Services) will take into account the impact on the organisation or the service, proposals to cover any change, staff resource issues and, if necessary, details of how any costs will be recovered.
- 4.3 The Executive Director (Resources & Support Services) will approve the request only when satisfied that the flexible retirement is in the overall interests of the council and after consultation with the Portfolio Holder (Finance and Resources).
- 4.4 Appeals regarding any decision taken in 4.3 (above) to be determined by the council's Appeals Panel.

#### 5. **Review**

- 5.1 The Policy is to be reviewed annually.

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1. **REPORT TITLE**                      **REVIEW OF THE CONSTITUTION**
- Submitted by:**                      **The Monitoring Officer**
- Portfolio:**                              **Corporate and Service Improvement, People and Partnerships**
- Ward(s) affected:**                      **All**

**Purpose of the Report**

- (a) To advise Council of changes which are to be made to the Environmental Health Scheme of Delegation.
- (b) That amendments to the Terms of Reference of the Employment Committee be noted..

**Recommendations:**

- (a) That the changes to the Environmental Health Scheme of Delegation as set out in the report be approved.
- (b) That the updated Terms of Reference of the Employment Committee be noted.

1. **Background**

- 1.1 The Constitution is the set of rules that describe and constrain how the Council operates, how its decisions are made and the procedures to be followed. The Council adopted a new formal Constitution in 2001 and this has been updated and reviewed since that date. The Constitution provides a framework for Council decision making through which the Council delivers its strategic objectives.
- 1.2 The Constitution contains Articles which set out basic rules and principles and these are developed in more detailed rules and procedures which appear in the Appendices. The law requires some of these processes, the Council has chosen others.
- 1.3 The Constitution therefore provides a framework for Council decision making through which the Council delivers its strategic objectives.
- 1.4 Part 2, paragraph 15.2 of the Constitution authorises the Monitoring Officer to make consequential changes to the Constitution to reflect resolutions of the Council or Cabinet, decisions properly made under delegated powers and changes of fact and law, subject to regular notification of Members to such changes.
- 1.5 Ongoing review of the Constitution is necessary to ensure that the Council is efficient and effective in making and implementing decisions and is properly accountable. Changes may become necessary where the law has changed or where the Council decides to change the way it operates, for example if the management structure changes and/or services move from one directorate to another. The Scheme of Officer Delegation must be updated and revised where necessary to allow officers to continue to act lawfully and such changes are made during the course of the year and reported to Council as they arise.

## Proposal

- 1.1 A reorganisation of services in Environmental Health has resulted in the taxi and private hire licensing services being moved from the Chief Executive's Directorate to the Regeneration and Development Directorate. Public Protection Committee business, particularly in respect of hackney carriage and private hire licensing, is increasing and a review of arrangements was undertaken to determine whether those matters could be dealt with in a more timely and effective manner by using specific delegated responsibilities. To this end, a report was received by Public Protection Committee at their meeting on 22<sup>nd</sup> January 2018 (a copy of which is appended to this report). It was resolved by the Public Protection Committee that "the proposed amendments to the Scheme of Delegation be supported and recommended to Council for approval". The changes are set out in the Appendix. The Council is therefore asked to approve these changes so that they can be incorporated into the Constitution.
- 1.2 Council at its meeting on 17<sup>th</sup> January 2018 approved amendments to the Terms of Reference of the Employment Committee. These amendments have now been incorporated into the Constitution.

## 2. **Outcomes to support Corporate Priorities as set out in the Council Plan and/or the Newcastle Partnership priorities**

- 2.1 The objective of the Constitution is to support the intentions of the Corporate Plan in the most efficient, effective, inclusive, open and accountable manner.
- 2.2 The Constitution governs the way the Council works. The amended Schemes of Delegation will enable the public, Council Members and officers to engage more effectively with the decision making processes of the Council and also ensure that processes are lawful.
  - creating a cleaner, safer and sustainable Borough
  - creating a Borough of opportunity
  - creating a healthy and active community
  - transforming our Council to achieve excellence
- 2.3 An effective Constitution contributes to the overall ethical wellbeing of the Council, and helps to ensure a culture of high ethical standards, which the public and the Council's partners can have confidence in.

## 3. **Legal and Statutory Implications**

The Constitution supports good governance and budgetary compliance. There are no financial or resource implications arising from this report.

## 4. **Financial and Resource Implications**

The Local Government Act 2000 requires the Council to have, and to maintain, a Constitution. The Constitution is the legal framework set by the Council and which governs the way it conducts its business. The powers of the Council to delegate the exercise of functions are set out in Section 101 of the Local Government Act 1972.

## 5. **Major Risks**

If the Schemes of Delegation for the Council's various functions are not kept up to date, it could expose the Council to legal risk, frustrate aspects of legal enforcement and may prevent the full implementation of Council decisions.

6. **List of Appendices**

**Report to Public Protection Committee 22<sup>nd</sup> January 2018.**

7. **Background Papers**

Report to Council 17<sup>th</sup> January 2018 (Governance Arrangements in respect of Employment Matters)

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**HEADING**

**Amendments to Scheme of Delegation for Local Government (Miscellaneous Provisions) Act 1976 and Town Police Clauses Act 1847**

**Submitted by:**

**Head of Environmental Health Services**

**Portfolio:**

**Finance, IT & Customer**

**Ward(s) affected:**

**All**

**Purpose of the Report**

To amend and approve the scheme of delegation in respect of taxi and private hire licensing.

**Recommendations**

That Committee support and recommends to Council the proposed amendments to the scheme of delegation.

**Reasons**

A reorganisation of services has resulted in the taxi and private hire licensing services being moved from the Chief Executives to Regeneration and Development directorates. A review of the current scheme of delegation has been undertaken and changes proposed to make decisions for private hire and hackney carriages consistent and to reflect the changes to the organisational structure. Committee business particularly in respect of Hackney Carriage and Private Hire licensing is increasing and therefore a review of arrangements has been undertaken to determine whether these matters can be dealt with more timely and effectively with specific delegated responsibilities.

**1. Background**

- 1.1 Public Protection Committee has many delegated functions including the power to make decisions in respect of hackney carriage and private hire drivers, vehicles and operators which are not in full compliance with the Councils current 'Taxi and Private Hire Policy 2015'
- 1.2 Officers of the Council also have specifically delegated functions for the issuing of licences which are in compliance with the Councils current 'Taxi and Private Hire Policy 2015'. In addition officers have delegated responsibilities to undertake some enforcement activities.
- 1.3 A review of the scheme of delegation has been undertaken to take into account the organisational changes but to also review whether some these matters can be dealt with more effectively and timely with amendments to the scheme of delegation.

**2. Issues**

- 2.1 Committee business particularly in respect of the Local Government (Miscellaneous Provisions) Act 1976 and the Town Police Clauses Act 1847 is increasing and therefore a review of arrangements has been undertaken to determine whether these matters can be dealt with more effectively and in a timely manner with specific delegated responsibilities.
- 2.2 In summary the proposed changes include:
  - 2.2.1 Change from Chief Executive to Executive Director (Regeneration and Development)

- 2.2.2 Change from Head of Business Improvement, Central Services & Partnerships to Head of Environmental Health
- 2.2.3 Inclusion of Executive Director (Operational Services) and Head of Recycling, Waste and Fleet Services for vehicle related enforcement work.
- 2.2.4 Officer delegations for suspension, refusal and revocation of Hackney Carriage and Private Hire Vehicle licenses.
- 2.2.5 Officer delegations for refusal, revocation or suspension of hackney Carriage and Private Hire drivers licences, where there is an immediate need. Such occasions will be reported to the next committee.
- 2.2.6 Separation of the individual licensing functions.

2.3 Decisions made by the Chair or vice Chair under delegated powers will be reported to the next Committee.

2.4 The scheme of delegation proposed is detailed in the table below:

<u>Local Government (Miscellaneous Provisions) Act 1976 (including Town Police Clauses Act 1847)</u>	Power to approve Council policy with regard to hackney carriage and private hire drivers, vehicles and operators	Public Protection Committee
	Power to grant, renew and transfer Private Hire and Hackney Carriage:  Vehicle licenses, Driver licenses and Operators in compliance with policy	Executive Director (Regeneration and Development) or Head of Environmental Health
	Power to grant, renew and transfer Private Hire and Hackney Carriage:  Vehicle licenses, Driver licenses and Operators  NOT in compliance with policy	Public Protection Committee
	Power to suspend, refuse or revoke Hackney Carriage vehicle licences	Executive Director (Regeneration and Development) or Head of Environmental Health Head of Recycling, Waste & Fleet
	Power to suspend Hackney Carriage driver licences	Executive Director (Regeneration and Development) or Head of Environmental Health or Public Protection

	Power to refuse or revoke Hackney Carriage driver licences	Public Protection or Executive Director (Regeneration and Development) or Head of Environmental Health
	Power to suspend Private Hire, driver licenses and operators licenses	Public Protection or Executive Director (Regeneration and Development) or Head of Environmental Health
	Power to refuse or revoke Private Hire driver licenses and operators licenses	Public Protection or Executive Director (Regeneration and Development) or Head of Environmental Health
	Power to refuse, suspend or revoke Private Hire Vehicle licenses	Public Protection or Executive Director (Regeneration and Development) or Head of Environmental Health and/or Head of Recycling, Waste & Fleet Services
	Hackney Carriage fares and numbers.	Public Protection Committee
	Power to authorise prosecution proceedings for Hackney Carriage and Private Hire vehicles, drivers and Operators	Public Protection Committee
	Provision of information and production of documents Hackney Carriages and Private Hire vehicles	Executive Director (Regeneration and Development) or Head of Environmental Health Services
	Return of identification plate or disc on revocation or expiry of licence etc.	Executive Director (Regeneration and Development) or Executive Director (Operational Services) or Head of Environmental Health Services
	Inspection and Testing of Hackney Carriages and Private Hire vehicles for fitness.	Executive Director (Regeneration and Development) or Executive Director (Operational Services) or Head of Environmental Health Services or Head of Recycling, Waste & Fleet Services
	Action in respect of obstruction of authorised officers	Public Protection Committee

### 3. **Options Considered**

3.1 There are numerous options available in respect to the scheme of delegation. These would include:

3.1.1 Delegate all functions to Public Protection Committee

3.1.2 Delegate all functions to Officers

3.1.3 Create delegations for Committee and Officer commensurate with roles and responsibilities.

### 4. **Proposal**

4.1 That Committee support and recommends to Council the proposed amendments to the scheme of delegation

### 5. **Reasons for Preferred Solution**

5.1 To enable committee to determine applications in the most effective and practical manner.

5.2 To ensure that the council continue to provide safe transport for those wishing to use private hire and Hackney Carriage vehicles.

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

6.1 In line with the Council's objectives –

- Promoting a cleaner, safer and sustainable Borough
- Promoting a Borough of Opportunity

### 7. **Legal and Statutory Implications**

7.1 The Local Government Act 1972, section 101 allows the Council to arrange for a Committee, sub-committee or an officer or another local authority to carry out its powers and duties.

### 8. **Equality Impact Assessment**

8.1 The meetings will be undertaken to accord with the Human Rights Act 1998, Article 6(1) guarantees an applicant a fair hearing and Article 14 guarantees no discrimination.

### 9. **Financial and Resource Implications**

9.1 There will be no direct financial costs associated with the proposals.

### 10. **Major Risks**

10.1 There are no major risks associated with this report

### 11. **Earlier Cabinet/Committee Resolutions**

11.1 Council meeting 4<sup>th</sup> June 2014



## NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

### CHIEF EXECUTIVE'S REPORT TO COUNCIL

Date 21<sup>st</sup> February 2018

1. **REPORT TITLE**                      **ELECTIONS UPDATE**
- Submitted by:**                      **Acting Chief Executive – John Tradewell**
- Portfolio:**                              **Leader of the Council**
- Ward(s) affected:**                      **All**

#### **Purpose of the Report**

To update the Council on progress with the preparations for the local elections in May 2018, to ask the Council to appoint a Returning Officer and Electoral Registration Officer for the Council, and to approve proposals for polling stations following a review of polling stations.

#### **Recommendations**

**It is recommended that:**

- (1) John Tradewell, acting Chief Executive, be appointed as the Council's Returning Officer and Electoral Registration Officer**
- (2) The changes set out in Paragraph 3.8 of this report, relating to polling district boundaries and polling places, be approved in order for them to be implemented on or by 1 March 2018**
- (3) That the schedule of proposals for polling stations outlined in Appendix A be approved.**
- (4) That delegated powers be given to the Council's Returning Officer to find suitable alternatives, in conjunction with local members, should any polling station not be available for a particular election.**

#### **Reasons**

- 1) The Council needs to appoint a replacement Returning Officer and Electoral Registration Officer now that Stoke-on-Trent City Council is not going to be involved in running the elections in May 2018.
- 2) Having carried out a Review of Polling Stations a decision by the Council on that review is now required.
- 3) To ensure that the Returning Officer is able to make alternative arrangements in the event that a polling station is unavailable for any reason.

## 1. **Update**

- 1.1 Following the successful holding of two by elections in December 2017 it had been hoped that Stoke-on-Trent City Council would decide to continue to support the Council with elections until at least after the elections in May 2018. However, the City Council decided that it was not able to do so because a number of their own projects needed officer resource at this time.
- 1.2 Following conversations with a number of the Council's neighbouring authorities, all of whom were extremely helpful in offering support, the Council has now entered into an agreement with Shropshire Council for them to step into the shoes vacated by the City Council and provide the Council with election support. The arrangement is similar in nature to the one with Stoke with the Council paying for the staff it uses based on the number of days they spend working with the Council. Between now and the election there will be at least one member of the Shropshire team working out of the Council's elections office at any time.
- 1.3 Work on the elections is continuing, a project board has been established and a meeting of an Assurance Board, under the chairmanship of the Leader and including representation from the Electoral Commission, will meet shortly to review progress with the elections preparations. The Register of Electors was published at the end of January, and a fresh version of the Register will be published at the end of this month.
- 1.4 A decision has also been made to change the elections software. The software in place for the elections' last year did not have the confidence of the consultants who have worked in the elections team or the City Council, and Shropshire Council's officers were keen that it should be changed if they were to support the elections. This change is now in progress, and, among other things, because the new system is used by a number of neighbouring authorities (including Shropshire), it makes it much easier to draw in support from other authorities should further support be needed.
- 1.5 The rebuilding of the Council's own elections' team has now started. It now has one permanent member of staff, and the further post of Electoral Registration and Elections Manager is currently being advertised. The intention is to have a fully staffed team by the time of the May 2018 elections so that the team gain some first-hand mentoring in, and experience of, the running of an election in Newcastle before they have to undertake the role on their own.

## 2. **Returning Officer and Electoral Registration Officer**

- 2.1 Now that Stoke is no longer involved in running the elections it will be necessary to appoint a new Returning Officer and Electoral Registration Officer to replace the Chief Executive of the City Council who had been given these roles.
- 2.2 It has been agreed with Shropshire that the Council's acting Chief Executive should hold the roles of Returning Officer and Electoral Registration Officer. The Returning

Officer will then appoint one of the solicitor members of the Shropshire Team to act as the Deputy Returning Officer at the elections.

### **3. Review of Polling Districts, Polling Places and Polling Stations 2017/18**

- 3.1 A Review of the Polling Districts, Polling Places and Polling Stations has been carried out in the Parliamentary Constituencies in accordance with the Representation of the People Act 1983 (as amended by the Electoral Administration Act 2006).
- 3.2 The main purpose of the review is to ensure that all electors have such reasonable facilities for voting in light of the boundary changes and that all polling stations are accessible to electors, particularly those who are disabled. The guidelines also state that every parish should be in its own polling district and that every polling place should, where possible, be in its own polling district. However, it should be noted that community buildings are becoming more difficult to find in some areas compared to previous years.
- 3.3 Every authority must complete a review of each polling district, polling place and polling station within its area every five years. On this occasion a review has been undertaken due to the boundary changes that are in force for the May elections. Council initiated the review on 18<sup>th</sup> December 2017 by giving public notice of its intention to conduct it and a consultation was held between 18<sup>th</sup> December 2017 and 26<sup>th</sup> January 2018. (Note - It was too late to conduct a full polling station review, and the five yearly one must be started and completed within the period of 16 months that starts on 1 October 2018. The polling station review undertaken was to ensure that polling stations were in the correct wards for the May election.)
- 3.4 Existing polling arrangements were assessed and the views of interested groups and individuals were invited. These included electors, political parties, Members of the Council, those organisations who cater for the specific needs of people with different disabilities and the Acting Returning Officer for Stone and Staffordshire Moorlands.
- 3.5 Any comments, suggestions and requests received were explored and those found to be achievable and in the best interests of the electors affected are outlined in the table at paragraph 3.8 below and detailed in Appendix A.
- 3.6 Guidance issued by the Electoral Commission stipulates how reviews should be conducted in four stages. The first stage requires the Council to give public notice of its intention to conduct the review. The second stage requires the Council to review the existing polling arrangements to determine their suitability, or otherwise. The third stage requires the Council to consult widely. This includes local electors, interested groups and bodies, including political parties, elected Members and organisations experienced in assessing the needs of people with disabilities. The final stage relates to the consideration of proposals for changes to polling district boundaries and polling places by the Council, as these can require alterations to be made to the electoral register.

- 3.7 It is planned that any changes resulting from the review would be incorporated into the register which would be re-published on 1<sup>st</sup> March 2018 in advance of the Local Elections in May this year.
- 3.8 Members are recommended to make the following changes for implementation on or by the 1<sup>st</sup> March 2018.

<b>WARD</b>	<b>PROPOSED CHANGES</b>
NAH Audley Ward	This contains 1 property. This will need to be kept separate as it is in a different County Ward than the rest of the Audley Ward.
NAG Audley Ward	It is recommended to combine polling districts NAG and NAF to give an electorate of around 770 to vote at Richard Heathcote Primary School.
NDD Crackley and Red Street Ward	It is recommended that as the Meeting Hall, Kent Grove is not within the new Crackley and Red Street Ward that Crackley Bank Primary School be used as the polling station.
NFB and NFC Holditch and Chesterton Ward	It is recommended to combine polling districts NFB and NFC to make one polling district.
KHB Kidsgrove and Ravenscliffe	Due to the boundary changes the previous polling station is not in the new Ward. It is therefore recommended that the electors vote at Kidsgrove Town Hall.
NJB and NJC Knutton Ward	It is recommended that polling districts NJB and NJC be merged to make one polling district.
SLA, SLB and SLC Madeley and Betley	It is recommended to merge the two polling districts SLB and SLC with one polling station at The Madeley Centre. After a comment from an elector it is also recommended for electors in polling district SLA to vote at The Madeley Centre and not the Function Room Crewe Arms.

SMA and SMB Maer and Whitmore	It is recommended to merge polling districts SMA and SMB to make one polling district,
NNA May Bank	Porthill Park Cricket Club is not in the new May Bank Ward. It is therefore recommended to use the Mobile Unit Wolstanton High School.
NNB May Bank	It is recommended to use May Bank Infants School.
NNF and NNG May Bank	Combine NNF and NNG to make one polling district.
KOB Newchapel and Mow Cop	University Primary Academy Kidsgrove is not within the new Newchapel and Mow Cop Ward. It is recommended to merge with polling district KOA to vote at Birchenwood Pavilion.
MOA Newchapel and Mow Cop	It is recommended to move the polling district boundary to follow Alder Hay Lane this will affect two properties which will move into polling district MOC and will vote at Thursfield Community Centre and remove the north westerly district boundary that runs through Trubshaw Edge Farm.
KRD Talke and Butt Lane	St Thomas Church Hall is not in the new Talke and Butt Lane Ward. It is therefore recommended merging with KRC to vote at Meeting Hall, Hollinwood Close.
NUA, NUB, NUC and NUD Westbury Park and Northwood	Our Lady and St Werburghs R C Church Hall is not in the Westbury Park and Northwood Ward. It is therefore recommended to combine NUB with NUA to vote at Wye Road Community Centre and NUC with NUD which would vote at Clayton Community Centre.
NWA and NWB Westlands	Higherland Methodist Church Hall is not within the new Westlands Ward. It is therefore recommended to merge with NWB to vote at Friarswood CP School.
NWF and NWG Westlands	Wye Road Community Centre is not in the new Westlands Ward it is therefore proposed to use Our Lady and St Werburghs RC Church Hall. It is also recommended to merge polling district NWG with NWF.

NXC and NXD Wolstanton	It is recommended to merge polling districts NXC and NXD. If no polling station can be identified within these polling districts then it is recommended to use Porthill Park Cricket Club as a single station for the May elections.
NXE and NXF Wolstanton	It is recommended to combine polling districts NXE and NXF to vote at Ellison Primary school.

3.9 The full Schedule of Proposals to be agreed is set out in Appendix A.

#### 4. **Legal and Statutory Implications**

4.1 The Review complies with the Representation of the People Act 1983 (as amended by the Electoral Administration Act 2006).

4.2 The recommendation is not at variance with the Human Rights Act 1998 and is unlikely to result in any adverse Human Rights Act implications. The recommendations are in line with relevant legal procedures prescribed by the Act and with guidance issued by the Home Office.

#### 5. **Equality Impact Assessment**

5.1 The Council must seek to ensure that so far as is reasonable and practicable every polling place for which it is responsible is accessible to electors who are disabled. Any amendments to the current polling districts, polling places and polling stations will take into account the provisions of the Equalities Act, Representation of People Act 1983 (as amended by the Electoral Administration Act 2006), and the Local Government and Public Involvement in Health Act 2007.

#### 6. **Financial and Resource Implications**

6.1 The hire charges will decrease as some of the polling districts will merge therefore reducing the number of polling stations. It should be remembered that hire charges for many of the existing polling station venues may increase next year.

6.2 The change of software, combined with the costs of consultants, and the support from Stoke and Shropshire, mean that there will be a significant overspend on the elections budget this year, possibly by as much as £150,000.

#### 7. **Major Risks**

7.1 The Council is obliged to conduct a review of polling districts, polling places and polling stations on a regular basis and to undertake such Community Governance Reviews as are required to keep the electoral arrangements within its area up to date; the review undertaken is considered to mitigate this risk

- 7.2 The Council must seek to ensure that all electors in a constituency in the local authority area have such reasonable facilities for voting as are practicable in the circumstances. Again, the review undertaken is considered to mitigate this risk.
- 7.3 There are some potential major risks associated with the change of software supplier, including the ability to resource the change in ICT, the potential risk of any delay in other work such as billing, and the tight timescales being worked to. The project will therefore be very tightly monitored and managed to ensure that these risks are either avoided or mitigated.

8. **Sustainability and Climate Change Implications**

- 8.1 There is no anticipated adverse environmental impact associated with the recommendations in the report.

9. **List of Appendices**

Appendix A – Schedule of Proposals

10. **Background Papers**

Section 18C (1) of the Representation of the People Act 1983.

Section 16 of the Electoral Administration Act 2006.

Electoral Commission Guidance on Review of Polling Districts and Places – 28 August 2013.

## APPENDIX A

AUDLEY

Polling District	Consisting of (old PD letters)	Existing Polling Station	Total Electorate	Existing Number of Polling Stations	Proposed Number of Polling Stations	Acting Returning Officers Recommendations
NAA, NAB	P0001, P0002	St James Church Hall, Audley	1,923	2	2	No change
NAC	Q0001	Audley Methodist Church	1,719	1	1	No change
NAD	Q0002	Audley Wood Lane Community Centre	836	1	1	No change
NAE, NAH	R0001, S0001	Helmer End Methodist Church	1,223	1	1	NAH contains 1 property this will need to be kept separate as it is in a different County Ward that the rest of the Audley Ward.
NAF	R0002	The Richard Heathcote Primary School Hall	528	1	1	Combine polling districts NAF with NAG to give an electorate of around 770 and vote at Richard Heathcote Primary School
NAG	R0003	Scot Hay Cricket Club	245	1	0	Combine polling districts NAG with NAF to give electorate of around 770 and vote at Richard Heathcote Primary School
		<b>Total for Ward: AUDLEY</b>	<b>6,474</b>	<b>7</b>	<b>6</b>	



**BRADWELL**

<b>Polling District</b>	<b>Consisting of (old PD letters)</b>	<b>Existing Polling Station</b>	<b>Total Electorate</b>	<b>Existing Number of Polling Stations</b>	<b>Proposed Number of Polling Stations</b>	<b>Acting Returning Officer Recommendations</b>
NBA	A0001	Bradwell Community Education Centre	1,838	1	1	No change
NBB	A0002	Bradwell Methodist Mission Hall	1,073	1	1	No change
NBC	A0003	St Barnabus Church Hall	1,840	1	1	No change
NBD	B0002	Bradwell Lodge Community Centre	1,184	1	1	No change
NBE	B0003	Wolstanton United Reformed Church	687	1	1	No change
		<b>Total for Ward: BRADWELL</b>	<b>6622</b>	<b>5</b>	<b>5</b>	

**CLAYTON**

Polling District	Consisting of (old PD letters)	Existing Polling Station	Total Electorate	Existing Number of Polling Stations	Proposed Number of Polling Stations	Acting Returning Officer Recommendations
NCA	L0001	Clayton Sports Centre	1035	1	1	No change
NCB	L0002	St James Church Hall	1142	1	1	No change
		<b>Total for Ward: CLAYTON</b>	<b>2177</b>	<b>2</b>	<b>2</b>	

**CRACKLEY AND RED STREET**

<b>Polling District</b>	<b>Consisting of (old PD letters)</b>	<b>Existing Polling Station</b>	<b>Total Electorate</b>	<b>Existing Number of Polling Stations</b>	<b>Proposed Number of Polling Stations</b>	<b>Acting Returning Officer Recommendations</b>
NDA	E0001	St Chads Church Hall	1304	1	1	No change
NDB	E0002	Mobile Unit Waterhayes	1483	1	1	No change
NDC	E0003	Crackley Bank Primary School, Childrens Centre	996	1	2	No change
NDD	E0004	Meeting Hall, Kent Grove	596	1	0	This polling station is not within the new Crackley and Red Street Ward - proposal to use Crackley Bank Primary School and make this a dual station with NDC
		<b>Total for Ward: CRACKLEY AND RED STREET</b>	<b>4379</b>	<b>4</b>	<b>4</b>	

**CROSS HEATH**

<b>Polling District</b>	<b>Consisting of (old PD letters)</b>	<b>Existing Polling Station</b>	<b>Total Electorate</b>	<b>Existing Number of Polling Stations</b>	<b>Proposed Number of Polling Stations</b>	<b>Acting Returning Officer Recommendations</b>
NEA	G0001	Ramsey Road Meeting Hall	1443	1	1	No change
NEB	G0002	Cross Heath Methodist School Room	478	1	1	No change
NEC	G0003	St Michaels Church Hall	1051	1	1	No change
NED	G0004	Cross Heath Mobile Unit	982	1	1	No change
		<b>Total for Ward: Cross Heath</b>	<b>3954</b>	<b>4</b>	<b>4</b>	

**HOLDITCH AND CHESTERTON**

<b>Polling District</b>	<b>Consisting of (old PD letters)</b>	<b>Existing Polling Station</b>	<b>Total Electorate</b>	<b>Existing Number of Polling Stations</b>	<b>Proposed Number of Polling Stations</b>	<b>Acting Returning Officer Recommendations</b>
NFA	E0004	Meeting Hall, Kent Grove	618	1	1	No change
NFB, NFC	E0005 & F0001	Chesterton Community Centre	2397	2	1	Proposal to combine polling districts NFB and NFC to make one polling district but review prior to each election as the Electoral Commissions guidance on the maximum number of voters should be allocated to a polling station is 2500 (this does not include postal voters). The electorate is 2397 includes postal voters.
NFD	F0002	Elim Pentecostal Church	1152	1	1	No change
		<b>Total for Ward: HOLDITCH AND CHESTERTON</b>	<b>4167</b>	<b>4</b>	<b>3</b>	

Polling District	Consisting of (old PD letters)	Existing Polling Station	Total Electorate	Existing Number of Polling Stations	Proposed Number of Polling Stations	Acting Returning Officer Recommendations
NGA	O0001	Keele Village Hall	349	1	1	No change
NGB	O0002	Keele Uni Students Union Building	775	1	1	No change
		<b>Total for Ward: KEELE</b>	<b>1124</b>	<b>2</b>	<b>2</b>	

**KIDSGROVE AND RAVENSCROFT**

Polling District	Consisting of (old PD letters)	Existing Polling Station	Total Electorate	Existing Number of Polling Stations	Proposed Number of Polling Stations	Acting Returning Officer Recommendations
KHA	AAA01	Kidsgrove Central Youth Club	1152	1	1	No change
KHB	AAA02	Birchenwood Pavilion	210	1	0	This polling station is not in the Kidsgrove and Ravenscliffe Ward it is cross boundary in the Newchapel and Mow Cop Ward. Proposed to vote at Kidsgrove Town Hall.
KHC	AAA03	Whitehill Methodist Community Church	1358	1	1	No change
KHD	AAA04	University Primary Academy Kidsgrove	351	1	1	No change
KHE	BBB04	St Thomas Church Hall	657	1	1	No change
KHF	DDD01	Kidsgrove Town Hall	2316	1	2	No change
KHG	DDD02	Mobile Unit Play Area Moreton Close	927	1	1	No change
		<b>Total for Ward: KIDSGROVE AND RAVENSCLIFFE</b>	<b>6971</b>	<b>7</b>	<b>7</b>	

**KNUTTON**

Polling District	Consisting of (old PD letters)	Existing Polling Station	Total Electorate	Existing Number of Polling Stations	Proposed Number of Polling Stations	Acting Returning Officer Recommendations
NJA	N0001	Knutton Ex-Servicemens Club	1131	1	1	No change
NJB, NJC	N0002 & N0003	Knutton Community Centre	870	1	1	Combine polling districts NJB and NJC to make one polling district NJB with 1 polling station
		<b>Total for Ward: KNUTTON</b>	<b>2,001</b>	<b>2</b>	<b>2</b>	

**LOGGERHEADS**



<b>Polling District</b>	<b>Consisting of (old PD letters)</b>	<b>Existing Polling Station</b>	<b>Total Electorate</b>	<b>Existing Number of Polling Stations</b>	<b>Proposed Number of Polling Stations</b>	<b>Acting Returning Officer Recommendations</b>
SKA	AA001	Oddfellows Hall	722	1	1	No change
SKB	BB001	Hales and District Club	288	1	1	No change
SKC	CC001	Zoe Poole School of Dance	2250	1	1	Around 2200 electors - leave as one polling station but review electorate prior to each election as the Electoral Commissions guidance on the maximum number of voters that should be allocated to a polling station is 2500 (this does not include postal voters). The electorate of 2250 includes postal voters.
SKD	Z0001	Knighton Village Hall	311	1	1	No change
		<b>Total for Ward: LOGGERHEADS</b>	<b>3571</b>	<b>4</b>	<b>4</b>	

A member of the public made a comment regarding using Loggerheads Community Fire Station as it is easily accessible and has good off road parking. The Acting Returning Officer would suggest using the current polling station, Zoe Poole School of Dance for the forthcoming May elections but make enquiries and a site visit to ascertain the suitability of the fire station for future elections.

**MADELEY AND BETLEY**

<b>Polling District</b>	<b>Consisting of (old PD letters)</b>	<b>Existing Polling Station</b>	<b>Total Electorate</b>	<b>Existing Number of Polling Stations</b>	<b>Proposed Number of Polling Stations</b>	<b>Acting Returning Officer Recommendations</b>
NLA, NLB	S0001 & T0001	Betley Village Hall	827	2	2	No change. Leave as two polling districts as they are separate parishes
NLC	U0001	All Saints Church Vestry	175	1	1	No change
SLA	V0001	The Function Room, The Crewe Arms	1018	1	1	Suggest using The Madeley Centre and not the Function Room, the Crewe Arms.
SLB, SLC	V0002 & V0003	The Madeley Centre	2275	1	1	Proposal to merge the two polling districts SLB and SLC.
SLD	V0004	Onneley Village Hall	113	1	1	No change
		<b>Total for Ward: MADELEY AND BETLEY</b>	<b>4408</b>	<b>6</b>	<b>6</b>	

An elector has commented that it would be better to use the Madeley Centre instead of using the Function Room at the Crewe Arms. After seeking local knowledge it was felt that the Madeley Centre could accommodate polling district SLA.

**MAER AND WHITMORE**

<b>Polling District</b>	<b>Consisting of (old PD letters)</b>	<b>Existing Polling Station</b>	<b>Total Electorate</b>	<b>Existing Number of Polling Stations</b>	<b>Proposed Number of Polling Stations</b>	<b>Acting Returning Officer Recommendations</b>
SMA, SMB	W0001, W0002, X0001	Whitmore Village Hall	1267	1	1	Proposal to merge polling districts SMA and SMB to make one polling district.
SMC	X0001	Whitmore Village Hall	233	1	1	No change
SMD	X0003	Copeland Cottage (Guide Cottage)	93	1	1	No change
SME	Y0001, part of AA001	Maer Village Hall	421	1	1	Combine the two SME polling districts to make one polling district to remain voting at Maer Village Hall
		<b>Total for Ward: MAER AND WHITMORE</b>	<b>2014</b>	<b>4</b>		

Polling District	Consisting of (old PD letters)	Existing Polling Station	Total Electorate	Existing Number of Polling Stations	Proposed Number of Polling Stations	Acting Returning Officer Recommendations
NNA	C0002 & C0003	Porthill Park Cricket Club	757	1	0	This polling station is not in the new May Bank Ward. Proposal to use Mobile Unit Wolstanton High School
NNB	D0001	Mobile Unit Wolstanton High Street	1244	1	1	Propose to use May Bank Infants School
NNC, NND	D0002	May Bank Infants School	2818	2	3	No change
NNE	C0005	Highfield Grange	577	1	1	No change
NNH	D0004	Highfield Grange	145	1	1	No change
NNF, NNG	D0005 & D0006	The Museum and Art Gallery	1021	1	1	Combine NNF and NNG to make one polling district.
	G0003					Split old polling district between NNB and NNF
		<b>Total for Ward: MAY BANK</b>	<b>6562</b>	<b>7</b>	<b>7</b>	

**NEWCHAPEL AND MOW COP**

Polling District	Consisting of (old PD letters)	Existing Polling Station	Total Electorate	Existing Number of Polling Stations	Proposed Number of Polling Stations	Acting Returning Officer Recommendations
KOA	AAA02	Birchenwood Pavilion	1222	1	1	No change
KOB	AAA04	University Primary Academy Kidsgrove	621	1	0	This polling station is not within the Newchapel and Mow Cop Ward. Suggest merging with KOA and using Birchenwood Pavilion as a single polling station
MOA	ZZ001	Mow Cop Community Hall	702	1	1	Move polling district boundary to follow Alder Hay Lane this will affect two properties who will move into polling district MOC and will vote at Thursfield Community Centre and remove the north westerly polling district boundary that runs through Trubshaw Edge Farm.
MOB	ZZ002	Newchapel Methodist Church	843	1	1	No change
MOC	ZZ0003	Thursfield Community Centre	1197	1	1	No change
		<b>Total for Ward: NEWCHAPEL AND MOW COP</b>	<b>4585</b>	<b>5</b>	<b>4</b>	

**SILVERDALE**

<b>Polling District</b>	<b>Consisting of (old PD letters)</b>	<b>Existing Polling Station</b>	<b>Total Electorate</b>	<b>Existing Number of Polling Stations</b>	<b>Proposed Number of Polling Stations</b>	<b>Acting Returning Officer Recommendations</b>
NPA	M0001	Sacred Heart Parish Room	579	1	1	No change
NPB	M0002	Meeting Hall, The Brighton	542	1	1	No change
NPC	M0003	Silverdale Cricket Club Pavilion	733	1	1	No change
NPD	M0004	Kent's Lane Community Building	1279	1	1	No change
NPE	N0004	Cornerstone Community Centre	1013	2	1	Due to the size of the electorate this can change to 1 polling station instead of 2
		<b>Total for Ward: SILVERDALE</b>	<b>1854</b>	<b>6</b>	<b>5</b>	

**TALKE AND BUTT LANE**

<b>Polling District</b>	<b>Consisting of (old PD letters)</b>	<b>Existing Polling Station</b>	<b>Total Electorate</b>	<b>Existing Number of Polling Stations</b>	<b>Proposed Number of Polling Stations</b>	<b>Acting Returning Officer Recommendations</b>
KRA	BBB01	Reginald Mitchell Primary School	1,450	1	1	No change
KRB	BBB02	Meeting Hall, Hollins Grange	853	1	1	No change
KRC	BBB03	Meeting Hall, Hollinwood Close	744	1	1	No change
KRD	BBB04	St Thomas Church Hall	587	1	0	This polling station is out of ward boundary, recommend merging polling district with KRC to vote at Meeting Hall, Hollinwood Close
KRE	CCC01	St Martins Church Hall	1,528	1	1	No change
KRF	CCC02	Talke Pits Village Hall	1,544	1	1	No change
		<b>Total for Ward: TALKE AND BUTT LANE</b>	<b>6706</b>	<b>6</b>	<b>5</b>	

Polling District	Consisting of (old PD letters)	Existing Polling Station	Total Electorate	Existing Number of Polling Stations	Proposed Number of Polling Stations	Acting Returning Officer Recommendations
NSA	I0001, I0002	Harriet Higgins Centre	1592	2	1	Proposal to merge two polling districts with 1 polling station
NSB	I0003	Whitfield Community Centre	632	1	1	No change
NSC	I0004	Meeting Hall, Falkirk Grange	695	1	1	No change
NSD	I0005	Newcastle Academy (The Bridge Room, Newcastle Golf Club)	882	1	1	No change
		<b>Total for Ward: THISTLEBERRY</b>	<b>3801</b>	<b>5</b>	<b>4</b>	

TOWN



Polling District	Consisting of (old PD letters)	Existing Polling Station	Total Electorate	Existing Number of Polling Stations	Proposed Number of Polling Stations	Recommendations of the Acting Returning Officer
NTA, NTB	G0004 & H0001	Newcastle Athletic Club	679	2	2	No change.
NTC	H0002	St George's Church	628	1	1	No change
NTD	H0003	Holy Trinity Scout Hut	1196	1	1	No change
NTE	H0004	Scout Hut	489	1	1	No change
NTF	H0005	Meeting Hall, Earls Court	293	1	1	No change
NTG	I0002	Higherland Methodist Church Hall	320	1	1	No change
		<b>Total for Ward: TOWN</b>	<b>3,605</b>	<b>7</b>	<b>7</b>	

**WESTBURY PARK AND NORTHWOOD**

Polling District	Consisting of (old PD letters)	Existing Polling Station	Total Electorate	Existing Number of Polling Stations	Proposed Number of Polling Stations	Acting Returning Officer Recommendations
NUA	K0001	Wye Road Community Centre	827	1	1	Combine polling districts NUA and NUB to both vote at Wye Road Community Centre with a total electorate of around 1500
NUB, NUC	K0002, K0003	Our Lady & St Werburghs R C Church Hall	2364	2	0	This polling station is not in the Westbury Park and Northwood Ward. Proposal to combine polling district NUB with NUA to vote at Wye Road Community Centre and NUC with NUD which would give an electorate of around 2485 to vote at Clayton Community Centre.
NUD	L0003	Clayton Community Centre	794	1	1	Combine with NUC. leave as one polling station but review electorate prior to each election as the Electoral Commissions guidance on the maximum number of voters that should be allocated to a polling station is 2500 (this does not include postal voters). The proposed electorate of 2485 includes postal voters.
		<b>Total for Ward: WESTBURY PARK AND NORTHWOOD</b>	<b>3985</b>	<b>4</b>	<b>2</b>	

**WESTLANDS**

<b>Polling District</b>	<b>Consisting of (old PD letters)</b>	<b>Existing Polling Station</b>	<b>Total Electorate</b>	<b>Existing Number of Polling Stations</b>	<b>Proposed Number of Polling Stations</b>	<b>Acting Returning Officer Recommendations</b>
NWA	I0002	Higherland Methodist Church Hall	540	1	0	This polling station is not within the new Westlands Ward. Proposed to merge with NWB - to vote at Friarswood CP School, therefore do not need to use Higherland Methodist Church Hall
NWB	J0001	Friarswood CP School	531	3	1	Proposed to merge with NWA - to vote at Friarswood CP School. This would only need to be one polling station due to the size of the combined electorate of NWA and NWB
NWC	J0002	St Peters Methodist Church Hall	1409	1	1	No change
NWD	J0003	St Andrews Church Hall	1064	1	1	No change
NW E	J0004	Seabridge Community Education Centre	1471	1	1	No change
NWF	K0001	Wye Road Community Centre	645	1	0	This polling station is not in the new Westlands Ward. Propose to use Our Lady and St Werburghs R C Church Hall
NWG	K0002	Our Lady and St Werburghs R C Church Hall	607	1	2	No change
NWH	J0001A, part L0001	Friarswood CP School	267	1	1	No change
		<b>Total for Parish: WESTLANDS</b>	<b>6534</b>	<b>10</b>	<b>7</b>	

**WOLSTANTON**

<b>Polling District</b>	<b>Consisting of (old PD letters)</b>	<b>Existing Polling Station</b>	<b>Total Electorate</b>	<b>Existing Number of Polling Stations</b>	<b>Proposed Number of Polling Stations</b>	<b>Acting Returning Officer Recommendations</b>
NXA	B0001, B0002, B0003	Meeting Hall, Porthill Green	1307	3	1	Proposed to merge various parts to have 1 polling district with one polling station
NXB	C0001	Wolstanton Methodist School Room	889	1	1	No change
NXC, NXD	C0002, C0003	Porthill Park Cricket Club	766	3	1	Combine the 2 polling districts into one with one polling station. If no polling station can be identified within NXC, NXD polling district then suggest using Porthill Park Cricket Club as a single station for the May elections.
NXE	C0004	Ellison Primary School-Childrens Centre Room	1251	1	1	Combined with polling district NXF to vote at Ellison Primary School
NXF	C0005	Highfield Grange	378	1	0	Combined with polling district NXE to vote at Ellison Primary School
		<b>Total for Ward: WOLSTANTON</b>	<b>4591</b>	<b>9</b>	<b>4</b>	

## NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

### CHIEF EXECUTIVE'S REPORT TO COUNCIL

Date 21<sup>st</sup> February 2018

1. **REPORT TITLE**                      **Mental Health Challenge**
- Submitted by:**                      **Acting Chief Executive – John Tradewell**
- Portfolio:**                              **Leader of the Council**
- Ward(s) affected:**                      **All**

#### **Purpose of the Report**

At its meeting in November 2018 the Council agreed to sign up to the Local Authorities' Mental Health Challenge, to appoint an elected member as "mental health champion" across the Council, and to appoint a member of staff within the council to act as "lead officer" for mental health. The purpose of this report is to update the Council on progress with this initiative.

#### **Recommendations**

- (1) That Councillor Jill Waring, as Cabinet Portfolio Holder for Community Safety and Wellbeing, be appointed as the Council's mental health champion**
- (2) That Council gives consideration as to whether it wishes to appoint an additional member mental health champion and, if so, asks Health and Wellbeing Scrutiny Committee to make the appointment.**

#### **Reasons**

- (1) To fulfil the Council's wish to appoint an elected member as mental health champion
- (2) To spread ownership of this important issue more broadly amongst the membership of the Council

#### **1. Background**

1.1 At a Council meeting held on 22<sup>nd</sup> November 2017 it was agreed that the Borough Council would sign up to the Local Authorities' Mental Health Challenge ("The Challenge"). This report seeks to confirm the necessary actions to put that into practice. Among other things this means that at least one Member Champion needs to be appointed together with a lead officer being identified.

1.2 The Challenge sets out some suggested activities for the Champion, whilst recognising that the specifics need to be agreed locally. Resources are available through the Challenge partners to support the Champion.

1.3 In terms of the criteria for the Champion, the Challenge advises that *“Enthusiasm and commitment are more important than formal position in becoming a member champion. What is crucial is that an elected local authority member takes on this role in order to influence the full range of the authority’s activities and responsibilities”*.

1.4 In terms of the Lead Officer role, this fits well within the Council’s Partnership Team and it is felt that this should be the responsibility of the Partnerships Locality Officer, Robin Wiles.

1.5 An Action Plan outlining activities to deliver the aims and objectives of the Challenge is being drawn up for consideration by the Member Champion(s) with the support of the Lead Officer. As a starting point there are a number of things that the Council is doing in respect of mental health and associated issues that can be built on including:-

- The Health & Wellbeing Strategy 2013 - 2018 includes references to mental health.
- The Local Police & Crime Plan 2017 - 2020 also includes references to mental health particularly in relation to the link with substance misuse. To reflect this, the Newcastle Safer Neighbourhoods Panel has a sub-group focusing on mental health.
- The Newcastle Safe Recovery Project (within Newcastle Partnership’s Commissioning Prospectus), which the local Charity Brighter Futures are contracted to deliver until 31<sup>st</sup> March 2019, provides 1:1 support for individuals in the Borough identified through multi-agency partnership working as needing intensive intervention and support to prevent offending and re-offending. The Safer Recovery worker is based with the Partnerships Team. The majority of clients on the scheme have mental health issues.
- The Borough Council are partners in the Staffordshire and Stoke-on-Trent Suicide Prevention Group which is drawing up a Staffordshire and Stoke-on-Trent Suicide Action Plan 2018-2020. Specific actions have been implemented to reduce the suicide risk on the Midway Multi-storey car park.
- Partnership working with voluntary, community & social enterprise (VCSE) organisations in general includes those working in the mental health field.
- The Council provides a range of resources, including access to a counselling support service, to support employees with mental health related challenges.

1.6 It is also intended that links will be made with Member Champions and Lead Officers in the other Local Authorities in Staffordshire & Stoke-on-Trent – at the time of writing Staffordshire County Council have appointed a Champion but officers are unaware of any other Authorities that have done so.

## **2 Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

This proposal will support the Council’s aim of creating a healthy and active community.

## **3 Legal and Statutory Implications**

None

## **4 Equality Impact Assessment**

This proposal is intended to benefit positively residents of the borough, and the Council's own workforce, facing mental health issues.

**5 Financial and Resource Implications**

It is not proposed that meeting the Council's commitments to the challenge will incur new cost, it is about using existing commitments in a way that is supportive of the challenge.

**6 Major Risks**

None

**7 Sustainability and Climate Change Implications**

None

**8 Earlier Resolutions**

Council Minute 12 of the meeting held on the 22<sup>nd</sup> November 2017

**9 List of Appendices**

None

**10 Background Papers**

None

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**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

**EXECUTIVE MANAGEMENT TEAM'S REPORT TO  
COUNCIL**

**Date: 21 February 2018**

**Report Title:** Petitioning on the High Speed Rail (West Midlands – Crewe) Bill

**Submitted by:** Executive Director – Regeneration and Development

**Portfolios:** Planning and Regeneration

**Ward(s) affected:** Loggerheads and Whitmore, Madeley

**Purpose of the Report**

The Government is proposing to develop a high speed rail line between Fradley (Lichfield) and Crewe - High Speed 2, Phase 2a - as part of a wider high speed rail network which will link London with Birmingham, Manchester and Leeds.

On 17 July 2017 a Hybrid Bill relating to High Speed 2 Phase 2a was deposited in Parliament - enactment of the Bill will give the Government the powers to build and operate a high speed rail line as proposed.

This report provides Members with information in order that they may consider petitioning Parliament on the Hybrid Bill.

**Recommendations:**

That, subject to the views of Cabinet, Members resolve to:-

- 1) agree to the principle of petitioning the High Speed Rail (West Midlands - Crewe) Bill and;
- 2) delegate authority to the Cabinet Member for Planning and Regeneration in consultation with the Executive Director (Regeneration and Development) to:
  - a) develop the scope of the Borough Council's petition to Parliament, in consultation with the relevant Members and Officers of Staffordshire County Council (including the commissioning of Parliamentary Agents) and;
  - b) co-ordinate the petitioning of the Hybrid Bill before Parliament and in so doing, to seek any necessary approvals for the expenditure of resources, if required.

**Reasons:**

To ensure that the Council follows the relevant procedural rules and regulations in the event that the Council wishes to petition against HS2 Phase 2a proposals in order to minimise the potentially harmful impact of the proposals upon the communities of interest in the Borough.

## **1. Background**

- 1.1 High Speed 2 is a Government backed and promoted proposal to develop a high speed rail line between London, Manchester and Leeds. Phase 1 of the line from London to Birmingham, and to a point near Fradley in Lichfield District, from where there will be a connection with the existing West Coast Mainline (near Handsacre, Rugeley) was granted Royal assent in February 2017. Phase 2a is proposed to extend the line from Fradley to Crewe, and passes through the Borough. Phase One is expected to become operational by 2026 followed by Phase 2a in 2027 and Phase 2b (Crewe to Manchester and Birmingham to Leeds) in 2033.
- 1.2 A Hybrid Bill covering Phase 2a of High Speed 2 was formally laid before Parliament, supported by a full Environmental Statement. It had its first reading on 17 July 2017. The Environmental Statement was open for consultation until 30 September 2017. The County Council led a comprehensive joint response with the affected District and Borough Councils, including the Borough Council. Views of Parish Councils and other key stakeholders were also taken into account where possible.
- 1.3. The Bill had its second reading on the 30<sup>th</sup> January 2018. Hybrid Bills are commonly used to deliver nationally important infrastructure projects where Parliamentary approval is required. Hybrid Bills pass through both Houses of Parliament before receiving Royal Assent. Upon gaining Royal Assent the Bill will become an Act of Parliament, granting powers to build, operate and maintain the new railway.
- 1.4 At the second reading Members of the House of Commons (MPs) have decided that the principles of the Bill are acceptable and the proposals now go forward for detailed scrutiny. A Select Committee of MPs has been set up to determine whether the Bill is appropriate as deposited or needs to be changed in any way.
- 1.5 Immediately following the second reading of the Bill a call has gone out for “petitions” to be lodged by interested parties. This petitioning period ends at 5pm on Monday 26<sup>th</sup> February 2018.
- 1.6 The Hybrid Bill offers the only opportunity for local authorities, local communities, individuals and other interested parties to challenge the Government’s proposals and seek to have changes made to the proposed scheme. This process is known as ‘Petitioning’ which involves a formal notice being made to Parliament by an affected party to have their views heard by a Select Committee and then subject to that wish being acceded to by Parliament, that party duly presenting its case.
- 1.7 Members should be aware that it is not possible at this stage to object to the principle of the Scheme.

## **2. Issues**

- 2.1 On Phase 1 Staffordshire County Council and Lichfield District Council took the decision to formally petition the Hybrid Bill. They appointed Parliamentary Agents and legal Counsel to act on their respective behalf in this process. Officers can confirm that they did achieve some notable success in securing changes to the proposal including a significant change to the vertical alignment of the route.
- 2.2 It is known that Staffordshire County Council is likely to petition on Phase 2a and have retained the same Parliamentary Agents. Whilst the two authorities may share the same concerns over the contents of the Bill, there may be matters which the Borough Council wishes to petition on which Staffordshire County Council does not, and therefore whilst to petition may duplicate in part what Staffordshire County Council does, the Council cannot rely on the County Council petitioning on all matters the Borough Council is concerned about. Therefore the relevant Members and Officers of the two Councils are engaging with one another in order to clarify the need or otherwise of the Council petitioning on its own – i.e. there may be considerable scope for jointly commissioning any technical or legal expertise and it may be deemed appropriate for the County Council to take a more prominent or leading role.
- 2.3 When the Select Committee comes to deciding whether or not to accept a petition it will want to establish what the interest is of the petitioner. If the Committee does not believe that a petitioner has a direct link to the matter being raised under the petition, it can disallow the petition and prevent the petitioner being heard. Parliamentary Agents have advised that this 'rule' applies to any prospective petitioner and is intended to ensure the process of petitioning is not abused.
- 2.4 On phase 1 Staffordshire County Council was advised that whilst it is appropriate for it to petition generally - being a local authority covering the area within which part of the route will be built and operate - the Select Committee may wish to enquire as to the specific grounds that Staffordshire County Council were using to justify this approach. Such questioning is unlikely to occur where the County Council is raising issues about matters for which it has direct responsibility for e.g. Highways/transportation matters. Where matters lie outside its areas of responsibility but are the responsibility of the Borough Council (e.g. Planning, noise nuisance, cemetery-related concerns, etc.), the view of Parliamentary Agents was that to avoid problems occurring at the Select Committee stage and to ensure that issues such as those that would fall within the remit of the Borough Council are presented and heard, the Borough Council should be seeking to petition. Further legal advice will be sought in this regard taking account of earlier comments about the scope for joint working with the County Council taking account of resource considerations.

- 2.5 Petitioning against a Parliamentary Bill requires specialist knowledge and expertise in drafting the petition and presenting this to the Select Committee. Parliamentary Agents are solicitors approved by the House of Commons and Lords to undertake this work on behalf of bodies seeking to petition. Staffordshire County Council has appointed Parliamentary Agents “Sharpe Pritchard” to advise and assist on HS2.
- 2.6 Costs would be incurred in appointing Parliamentary Agents to advise the Borough Council on petitioning issues, to draft and submit the petition and for assisting in making the Council’s case at Select Committee stage. The Parliamentary Agents would also support the Borough Council in discussions with High Speed 2 Limited on issues prior to Select Committee stage where there could be the prospect of reaching agreement, depending on the matter which is the subject of the petition, and thus preventing the need for matters to be taken forward.
- 2.7 It would seem prudent to at least engage the Parliamentary Agents retained by Staffordshire County Council. This may enable any costs to be shared or for the Borough Council to be satisfied that it’s representation could be taken forward by the County Council’s submission (i.e. to avoid duplication of effort and wasting resources). Further discussions will be taking place with colleagues at the County Council in this regard.
- 2.8 It is difficult at this moment to identify the precise costs likely to be incurred by the Council in matters leading up to the Select Committee stage but it is hoped that these can be met from existing budgets. Clearly officers would seek any necessary approvals for additional expenditure, should that be required, in due course.
- 2.9 The other area of potential expense would be the possibility of having to appoint legal counsel to appear at the Select Committee. Again advice on this would need to be taken at a later date but as alluded to above there may be potential for joint working arrangements between the County Council and the Borough Council to reduce or completely negate the cost of representation.
- 2.10 Members should be aware that it is normal procedure prior to the Select Committee stage for a Bill promoter to seek to reduce the level of objections or the range of matters to be discussed before the Committee (indeed this is what happened at Lichfield in Phase 1).
- 2.11 Turning from the process aspects to the potential impact of the proposals contained within the Hybrid Bill there are a number of concerns that could be raised. These relate to the impact of the route on the landscape and amenity of the Borough and the effects on local communities of the route’s construction and subsequent operation.

- 2.12 In many parts along the route, HS2 will be very prominent in the landscape particularly where it is on viaducts and embankments such as between Madeley Park Wood and Madeley. Construction activities will result in the loss of existing properties and significantly increase the number of vehicles using some rural roads. In addition the works will result in the destruction of important nature conservation assets. To the north of Madeley the route involves the loss of a substantial part of an Ancient Woodland.
- 2.13 More particularly from the Council's operational services perspective Members should be aware that the proposed route would be in close proximity to the Council's cemetery at Manor Road, Madeley along with a cluster of Listed Buildings nearby. It would seem extremely difficult (almost impossible) to mitigate the environmental impact both during the construction phase and at the time that the rail would be in operational use. It is noteworthy that there is an estimated 10 years of capacity at the cemetery.
- 2.14 Work is currently on-going to determine the number of petitioning issues which could be taken forward. At this stage officers consider that the key areas are:-
- (a) In order to minimise potentially serious harm to the landscape, likely significant noise impacts from haul routes and work compounds and interests of acknowledged importance both during the construction phase of the project and when completed, such as the loss of ancient Woodland to the north of Madeley, there should be a proper assessment of the potential to join the Whitmore Heath and Bar Hill (Madeley) tunnels - the so-called "longer deeper tunnel" option;
  - (b) In the event that the longer deeper tunnel option is not pursued, achieving the most satisfactory design solution to the Madeley viaduct and its approaches. Whilst the design will be subject to the planning regime set out in Schedule 17 of the Bill, the importance of the appearance of the viaduct at some 20 metres in height cannot be minimised, and an undertaking to provide a design-led solution rather than a cost-driven engineering solution is required to mitigate the visual intrusion into the valley, the Madeley Conservation Area to the north, and the setting of the various Listed Buildings in the locality. In addition further mitigation should be sought to minimise the adverse impact upon the Council's cemetery in Manor Road, Madeley;
  - (c) Improved programming of construction operations including the routing of construction traffic away from residential properties to minimise the potential for nuisance being caused to the reasonable amenities of local residents and;
  - (d) In general securing improved mitigation of the affects of the construction and operation of the HS2 line on the environment of the Borough.

**3. Proposal**

- 3.1 That, subject to the comments of Cabinet, the Council resolves to petition against the Bill at this stage thereby protecting the Council's position in making representation directly itself whilst liaising with the County Council and legal representatives to determine the scope for either joint representations or for the Borough Council's concerns aligning with those of the County Council.

**4. Reasons for the Preferred Solution**

- 4.1 Failure to petition would leave the Council in a weak position, with no means of directly securing improved mitigation for the Borough unless changes are achieved by other petitioners. There is a risk that where matters lie outside the County Council's areas of responsibility (principally as a Highway Authority) but are the responsibility of the Borough Council (e.g. amenity considerations such as landscape impact and noise) it may be necessary for the Borough Council to petition. It is noteworthy that HS2 Ltd. have not sought to offer any assurances or negotiate on any of the petitioning points described in this report up to this stage.
- 4.2 It is clear from the information contained within the formal Environmental Statement and Hybrid Bill that significant elements of the design require improvement in Staffordshire, and will have a substantial impact on the local environment and countryside if left unchallenged.
- 4.3 Therefore it is recommended that Council petitions against the Bill in order to attempt to secure improvements to the scheme and safeguard the interest of the Borough's communities of interest (both residents and businesses).

**5. Financial and Resource Implications**

- 5.1 Costs will be incurred in the submission of a petition; £20. However as indicated above the likely cost of preparation of evidence and appearances before the Select Committee, if required, is difficult to predict with any accuracy due to a range of unknown factors (including the number of petitions that could be received, the process the Select Committee will undertake to assess the petitions and the wider debate of the Bill through the formal stages within the House of Commons).
- 5.2 It is hoped that any costs up to the Select Committee stage can be met from existing budgets. It is anticipated that the Council's position will become clearer over the coming weeks and months and that any necessary budgetary approvals will be sought as required. From a cost perspective the most significant issue will be whether the Borough Council appears at the Select Committee (represented by

Parliamentary Agents) or settles by agreement with HS2 Ltd., thus avoiding such an appearance.

- 5.3 As explained earlier officers and relevant Members will engage with colleagues at Staffordshire County Council (who will be petitioning against the Bill on a number of points) in the hope that the Borough Council's interests may be assimilated into their petition. The Borough Council will at least seek to share associated costs with the County Council where there is a common interest and where appropriate (without undermining the case), avoid costs altogether.

## **6. Outcomes Linked to Corporate Priorities**

- 6.1 The petitioning of Government as described would align with the Council's priorities in relation to protection of the natural and built environment.

## **7. Legal and Statutory Implications**

- 7.1 Legislative provisions exist that allow the Council to petition the Government in this matter. There will be a requirement for the Council to seek legal advice on the finer points of the law in order that the Council can determine, in consultation with Staffordshire County Council, the most appropriate approach to protect the interests of the Borough's communities.

## **8. Major Risks**

- 8.1 If Members are satisfied that there is a need to seek improvements to the proposals to mitigate harm to the interests of acknowledged importance the main risk lies in the Council not petitioning at this stage.

## **9. Key Decision Information**

- 9.1 This is an urgent decision because of the timescales associated with the petitioning of Government following the second reading of the Hybrid Bill and it is a key decision because it affects two wards.

## **10. Background Papers**

- 10.1 [High Speed Rail \(West Midlands – Crewe\) Bill  
Phase 2a Environmental Statement Staffordshire Authorities Joint  
Response](#)

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## NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

### EXECUTIVE MANAGEMENT TEAM'S REPORT TO COUNCIL

Date: 21 February 2018

1. **REPORT TITLE** Enforcement Policy
- Submitted by:** Head of Environmental Health Services
- Portfolio:** Corporate and Service Improvement, People and Partnerships
- Ward(s) affected:** All Wards

#### **Purpose of the Report**

The current Enforcement Policy, adopted in 2014, requires updating to reflect current regulatory practices and to broaden the scope of the policy to cover all regulatory functions (except Planning) for which Newcastle under Lyme Borough Council has statutory responsibility.

#### **Recommendations**

**That Council agrees, with any necessary amendments, to the proposed Enforcement Policy as set out in Appendix A and that the policy is adopted.**

#### **Reasons**

The proposed policy sets out the Council's approach to regulation across all functions and service areas (except Planning) and explains the principles aimed at securing compliance. The emphasis is on advice and guidance with escalation to informal and formal enforcement sanctions dependent on each individual situation. The policy identifies and explains these sanctions.

#### 1. **Background**

- 1.1 Newcastle under Lyme Borough Council is responsible for the regulation and enforcement of a wide range of legislation covering a broad spectrum of functions and service areas. The current enforcement policy was written in 2014 and required review. The policy includes all regulatory and enforcement matters (except Planning) in order to provide a consistent approach across the Council.
- 1.2 In addition, the Better Regulation Delivery Office (BRDO) has published a 'Regulators Code' which came into statutory effect on 6 April 2014 under the Legislative and Regulatory Reform Act 2006, replacing the Regulators' Compliance Code. The new code provides a clear, flexible and principles-based framework for how regulators should engage with those they regulate, particularly when business is involved. Those regulators detailed under section 21 and 22 of the Legislative and Regulatory Reform Act 2006 are required to comply with the regulators code. This includes Environmental Health, Housing, Licensing, Streetscene, Waste, Anti Social Behaviour and Public Health work. The enforcement policy encompasses the requirements of the Regulators Code.

#### 2. **Issues**

- 2.1 The proposed policy sets out the Council's approach to regulation across all functions and service areas (except Planning) and explains the principles aimed at securing compliance.

The emphasis is on advice and guidance with escalation to informal and formal enforcement sanctions dependent on each individual situation. The policy identifies and explains these sanctions.

- 2.2 It is recognised that achieving compliance at any cost is not acceptable. However, effective regulation promotes economic growth and prosperity and protects individuals, the community and the environment from harm. The revised policy recognises that this is achieved more effectively through cooperation with the community, individuals and forging closer links between regulators and businesses. It emphasises the need to target regulatory activity and resources away from those who are considered largely compliant towards those who give rise to the highest risk and cause the greatest detriment and harm.
- 2.3 The revised policy addresses the principle that individuals as well as businesses have a duty to comply with legislation.
- 2.4 It is accepted that on rare occasions the Council may need to deviate from the proposed policy. Where this is the case, it must be clearly justified, authorised by the Chief Executive or Executive Director and fully documented.
- 2.5 The policy scope does not extend to Planning as this does not align with the priority of proactive development management or with current National Planning Practice Guidance.

### 3. **Proposal**

**That Council agrees, with any necessary amendments, to the proposed Enforcement Policy as set out in Appendix A and that the policy is adopted.**

### 4. **Reasons for Preferred Solution**

- 4.1 The reasons for the preferred solution are:
  - The existing enforcement policy required updating.
  - The desire for enforcement matters to be considered in a consistent and co-ordinated approach across the Council.
  - The approach supports better regulation for businesses.

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

- 5.1 The proposals relate to the adoption of a consistent and effective enforcement policy which would contribute to the following:
  - A clean, safe and sustainable borough
    - The negative impacts that the Council, residents and local businesses have on the environment will have reduced.
  - A borough of opportunity
    - Fair, proportionate and consistent enforcement creates an equal opportunity for business to thrive.
  - A healthy and active community
    - Fair, proportionate and consistent enforcement creates an environment for prevention, maintenance or improvement in health and well being.
  - Being customer-focussed and delivering high quality, community driven, services.
    - High performing services will be delivered for all residents, businesses and customers.
    - Comments and consultation on the policy are welcomed throughout the duration of the policy.

6. **Legal and Statutory Implications**

- 6.1 The preparation and publishing of the policy is not in itself a legal requirement. However, the Regulators' Compliance Code, issued in accordance with section 22 of the Legislative and Regulatory Reform Act 2006, requires regulators to have regard to this Code. The code came into statutory effect on 6 April 2014. The adoption of a policy is considered to be best working practice and will assist the Council to demonstrate that it has regard to the Code.

7. **Equality Impact Assessment**

- 7.1 An Equalities Impact Assessment has not been undertaken as the proposed policy is a revision of a policy that was previously adopted by Newcastle under Lyme Borough Council. It will replace other service area policies if fully adopted. The proposed policy is consistent with national guidance on regulation.

8. **Financial and Resource Implications**

- 8.1 There are no financial implications associated with the recommendation.

9. **Major Risks**

- 9.1 A risk assessment has been undertaken and is available upon request.

10. **Key Decision Information**

- 10.1 Agreeing to the enforcement policy is a key decision as it will affect all wards within the Borough.

11. **Earlier Council Resolutions**

- 11.1 The Council meeting on 4<sup>th</sup> June 2014 considered and approved the Corporate Enforcement Policy 2014-17. Minute number 16.

12. **List of Appendices**

Appendix A – Enforcement Policy

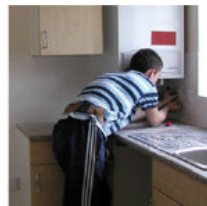
Appendix B – Available on following link [Regulators Code](#)

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# ENFORCEMENT POLICY

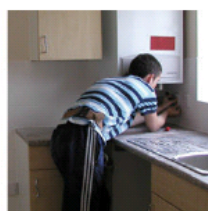
2018-2021



<b>Document Control</b>	
Prepared by:	Environmental Health
Title	Enforcement Policy
Status	Draft
Author	Nesta Barker
File Name	
Document Owner	Nesta Barker
Keywords	Enforcement, policy, compliance, regulation, non-compliance
Date of Review	03/02/2018

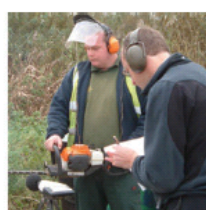
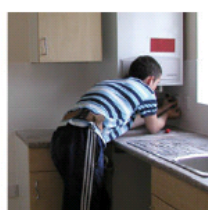
<b>Revision History</b>			
Version	Date	By	Summary of Change
1.0	18/02/2014	N Henshaw	Creation
1.1	19/03/2014	N Henshaw	Comments from EH incorporated
1.2	09/05/2014	N Henshaw	Comments from Corporate enforcement working group. Approved by Council 04/06/2014
2.0	03/01/2018	N Barker	Review & Update

<b>Approval Signature</b>			
Name: Nesta Barker	Head of Environmental Health	Date	
Name:	Chief Executive	Date	
Council	Approved	Date	



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## 1.0 INTRODUCTION

Fair and effective enforcement is essential for the economic interest and protection of the public, business and the environment.

This enforcement policy provides guidance to officers, businesses and the general public on the range of options that are available to achieve compliance with legislation enforced by Newcastle-under-Lyme Borough Council. The policy has been approved by Newcastle-under-Lyme Borough Council.

The decisions of the Council and its officers about enforcement action, and in particular the decision to prosecute, have serious implications for all involved. The aim of this policy is to set out the principles that apply when the Council conducts its enforcement work and should be read in conjunction with the scheme of delegation. By applying the same principles, everyone involved in the decision making process is treated fairly and our business is conducted effectively. This Policy is adopted by Newcastle-under-Lyme Borough Council (hereafter referred to as 'the Council').

This policy applies to all areas except Planning, which is available [here](#). Although specific guidance on the particular approach taken by certain areas may also be provided – any additional guidance will be in accordance with the approach taken by this policy.

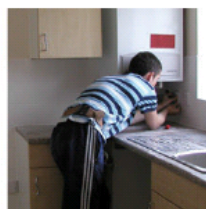
We believe that most businesses and individuals want to abide by the law and the Council will assist them where possible. We recognise that prevention is better than cure, but firm action will be taken against those who break the law or act irresponsibly.

We believe that businesses and individuals should know the approach that will be taken by the Council where enforcement is warranted and should have confidence that officers will ensure that their approach is:

- Focused
- Fair
- Accountable
- Consistent
- Proportionate and
- Transparent.

The Council seeks to follow the principles of good enforcement contained in the [Regulators' Code](#). These principles help businesses and individuals to comply with regulations, and help enforcers to achieve higher levels of voluntary compliance. Our key approach is summarised as follows:

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- Focused enforcement - Our enforcement resources will be targeted primarily on activities giving rise to the most serious risks to the environment, health and safety or the public.
- Any enforcement will be fair, accountable, consistent, proportionate and transparent.
- The burden on business will be reduced through improved partnership working and more consistent working as a Council
- The public and businesses will be involved in our enforcement approach and policies.
- Improved communication.

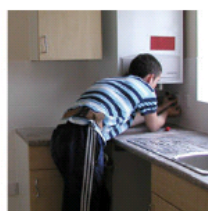
## 2.0 AIMS

### 2.1 Focused Enforcement

We will take account of both national priorities for local government enforcement together with local priorities based on evidence or emerging need. We will focus enforcement towards matters with the greatest risk to public health, safety, animal health, the economic or environmental well being of the community, those where we believe there is an expectation from our residents, businesses or elected members that action should be taken, or to the other stated priorities of the Council including those set out in [Council's Plan](#). Focused enforcement means making sure that regulatory effort is directed primarily towards those whose activities give rise to the most serious risk or where the risks are less well controlled. Action will be primarily focused on those directly responsible for the risk and who are best placed to control it.

The services prioritise regulatory effort. Factors include response to complaints from the public; the existence of statutory powers and the assessment of risk (e.g. the potential for a particular breach of regulations to cause environmental damage or damage persons' health and safety). Management actions are important in the assessment of risk. Repeated incidents or breaches of regulatory requirements, which are related, may be an indication of an unwillingness to change behaviour, or an inability to achieve sufficient control. A relatively low hazard site or activity poorly managed has potential for greater risk than a higher hazard site or activity where proper control measures are in place.

Where formal enforcement action is necessary the person responsible should be held to account. Where several persons share responsibility, the services will take action against those who can be regarded as primarily in breach.



We will

- aim to change the behaviour of the offender;
- aim to eliminate any financial gain or benefit from non-compliance;
- be responsive and consider what is appropriate for the particular offender and regulatory issue, which can include punishment and the public stigma that should be associated with a criminal conviction;
- be proportionate to the nature of the offence and the harm caused;
- aim to restore or redress the harm caused by regulatory non-compliance, where appropriate; and
- aim to deter future non-compliance.

## 2.2 Fairness/Consistency/Accountability/Transparency

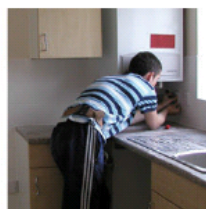
**Fairness** - Whilst responsibility for compliance with legislation falls to businesses or individuals, we will provide relevant advice and guidance. We will advise businesses and individuals of relevant requirements by publicity, use of the Council website, signage and information leaflets as necessary. Where direct contact is made officers will identify themselves by name, and a contact telephone number will be provided. We will take account of the circumstances of small regulated businesses or individuals, including any difficulties they may have in achieving compliance.

We will provide appropriate advice or signposting, where we can, in response to requests. Officers will consider statutory codes of practice and other relevant 'good practice' guidelines or standards as well as current legislation. Where appropriate, officers will highlight forthcoming legal developments.

**Consistency** - The Council will maintain systems designed to ensure, so far as practicable, that enforcement activities are carried out to a consistent standard and will monitor compliance with our enforcement policy. Officers will continue to work with colleagues in other authorities to seek to ensure consistency and continuous learning.

**Transparency** - Unless immediate action is required to prevent or respond to a serious breach, or where to do so is likely to defeat the purpose of the proposed enforcement action, when considering formal enforcement action, we will normally discuss the circumstances with those suspected of a breach and take into account their views when deciding on the best approach.

Any applicable rights of appeal against enforcement decisions will be made known to affected persons or organisations at the time and in writing. Officers will clearly distinguish between requirements to comply with legal obligations and other recommendations.



**Accountability** - The Council's [complaints, comments and compliments policy](#) sets out how to complain, express dissatisfaction, comment or compliment the services we provide.

### 2.3 Reduction of Burden on Business

We recognise that dealing with regulations has a cost to business. We also recognise that businesses wish there to be a level playing field. We will seek to ensure that interventions in businesses are kept to a minimum by:

- a) ensuring that we join up across the authority and with other agencies
- b) utilising national schemes such as primary authority
- c) focusing our enforcement as detailed in this policy

### 2.4 Involvement of Businesses

We welcome comments from businesses, residents and the public regarding the Council's approach to enforcement. We believe that they have valuable insight that we should take into account when deciding the approach we take. We therefore welcome feedback on the work that we do and comments on our enforcement policy and service standards. These can be made through the Council's complaints, comments and compliments policy.

We believe that part of our role is to help businesses comply with the law. We will therefore, where possible, provide training, information and advice.

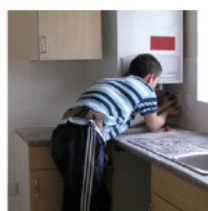
### 2.5 Customer focus

As part of the Council's commitment to delivering high quality services, we continuously seek to understand the needs of those who live, work invest in or visit the Borough and respond to those needs appropriately in either a proactive or reactive way. We aim to be a Council you can trust, delivering good quality efficient services.

We are committed to communicating with customers (that is businesses, residents and visitors to the Borough) in the most appropriate form.

When revising current or setting new policies or controls we ensure that our proposals are based on sound evidence.

Where we reasonably can, we make provision for the particular needs, interests of consumers, business owners, employers and the general public.



### 3.0 ENFORCEMENT FOR COMPLIANCE

#### 3.1 Inspection and Intervention Programme

Relevant business activities and/or premises are risk assessed to inform an inspection and/or intervention programme, and the level of risk is reviewed regularly. We will focus our greatest inspection effort on those regulated where risk assessment shows that both:

- A compliance breach or breaches would pose a serious risk to a regulatory outcome or to health or the environment;
- There is high likelihood of non-compliance by those regulated. Inspection and intervention frequency will generally be risk based, but may additionally be determined by set, or prescribed, intervals and additional interventions may take place as part of a local or national campaign.

Visits are also made to businesses for other reasons, such as advice, as a result of an allegation or for a sample or test purchase and will probably be without prior notice.

#### 3.2 Sampling Programme

The purpose of sampling is to protect public health and the environment and to verify standards. This enables officers to provide information and advice to improve business practices.

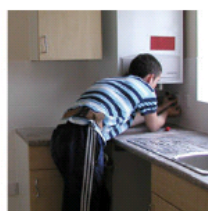
A sampling programme sets out samples, test purchases (e.g. foodstuffs) the collection of materials (e.g. soil, air, water) taken in response to enquiries, as a part of a planned survey/exercise or as a result of officer or national initiatives. The programme sets out planned activities and targets for the year, concentrating efforts into risk-assessed areas of trade or products in order to ensure the most effective use of resources.

#### 3.3 Primary Authority Principle

It is our policy/intention to act as Primary Authority for businesses which have their decision making base within the Borough, where they so desire. Where businesses have a Primary or Home Authority elsewhere, officers will contact other relevant local authorities at the earliest practicable time.

#### 3.4 Statutory Notifications

Where appropriate we will report incidents and enforcement actions to relevant bodies, such as the Department of Trade and Industry, Health and Safety Executive, Food Standards Agency, Environment Agency, DEFRA, DVLA, DWP,  
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Trading Standards, Staffordshire County Council, Staffordshire Fire and Rescue, Office of Fair Trading and any other statutory bodies, and respond appropriately to notifications, such as Health and Safety alerts and alerts from the Food Standards Agency. Information will be shared with other regulators where it is appropriate to do so.

Performance will also be reported where required and publicised in the relevant annual corporate plans.

The authority will work alongside partner agencies in pursuit of the objectives of the Serious Organised Crime Strategy which aims to reduce the level of serious and organised crime under the umbrella of the following;

- Pursue** – prosecute and disrupt people engaged in serious organised criminality
- Prevent** – prevent people engaging in serious and organised crime
- Protect** – increase protection against serious and organised crime
- Prepare** – reduce the impact of this criminality where it takes place.

### 3.5 Enforcement Visits

When conducting enforcement visits, other than for test purchasing or covert purposes, officers will make their identity known and explain why they are there. Officers may make combined visits with other agencies where there is a shared and/or complimentary enforcement role.

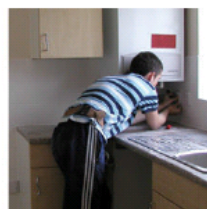
### 3.6 Evidence Gathering

The authority will record complaints it receives and the action it takes in response. We will encourage those who provide information to supply their contact details and explain how the information they provide may be used. Generally the authority will only be able to take enforcement action if their account can be confirmed in a form admissible to the courts – i.e. witness statement.

Officers may also identify potential non-compliance as part of their routine duties.

We may use search engines, internet listings companies, and review publically shared social media to establish, for example to confirm if businesses operate from within Newcastle-under-Lyme Borough. Where this information suggests there needs to be registered or licenced etc. we will contact them to advise them of their obligation, escalating our actions if they fail to respond promptly.

Officers will only carry out covert surveillance where such action is justified and endeavours to keep such surveillance to a minimum. Any officer intending to acquire data covertly will only do so if the evidence or intelligence sought cannot be obtained by any overt other means. All covert surveillance will be undertaken in



accordance with the Councils 'Policy and Guidance on the use of RIPA'  
(Regulation of Investigatory Powers Act 2000 as amended)

### 3.7 Enforcement in Local Authority Establishments

Officers will carry out enforcement within local authority owned, occupied or operated premises (e.g. crematorium for pollution, prevention and control and leisure centres, fly tipping on Borough Council land) in a manner consistent with any other business. Any serious breaches of law that may be detected in such establishments will be brought to the attention of the responsible Executive Director and Chief Executive without delay.

Contract caterers that operate within Local Authority establishments will be assessed in accordance with the Food Law Code of Practice and be inspected accordingly.

## 4.0 ENFORCEMENT OF NON-COMPLIANCE

### 4.1 Levels of enforcement action:

In assessing what enforcement action is necessary and proportionate, consideration will be given to the seriousness of compliance failure; the business's or individual's past performance and its current practice; the risks being controlled; legal, official or professional guidance; and the local priorities of the Council. Where the law has been contravened, there are a range of enforcement options available to seek compliance with the law. Under normal circumstances, a process of escalation will be used, where appropriate, starting with advice and guidance, until compliance is reached. Exceptions to this process of escalation would include:

- public health,
- safety,
- community safety
- the environment (such as fly tipping or air pollution),
- risk to animal health or welfare, and
- where the offences have been committed deliberately or negligently

or

- involve deception or where there is significant economic detriment

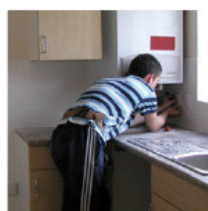
or

- continued non-compliance
- Irreversibility (such as knocking down a building).

The sanctions or penalties that are used will:-

- aim to change the behaviour of the offender;
- aim to eliminate any financial gain or benefit from non-compliance;

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- be responsive and consider what is appropriate for the particular offender and the particular regulatory issue (this can include punishment and the public stigma that should be associated with a criminal conviction);
- be proportionate to the nature of the offence and the harm caused;
- aim to restore the harm caused by regulatory non-compliance, where appropriate; and
- aim to improve non-compliance and deter future non-compliance

There are a large number of potential enforcement options. The level of the action taken varies from no action through to proceedings in Court.

In certain circumstances there may be specific guidance/instruction issued by central government which direct the Council to act in a specific way.

Examples of enforcement actions include the following:-

#### 4.1.1 No Action

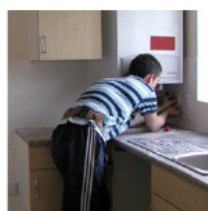
In certain circumstances, contraventions of the law may not warrant any action. Consideration will be given to whether the resultant cost of action would outweigh the detrimental impact of the contravention (sometimes referred to as the public interest test). A decision of no action *may* also be taken where formal enforcement is inappropriate in the circumstances. In such cases we will advise the offender of the reasons for taking no action.

#### 4.1.2 Informal Action and Advice

For minor breaches of the law we may give verbal or written advice. We will clearly identify any contraventions of the law and give advice on how to put them right, including a deadline by which this must be done. The time allowed will be reasonable, and take into account the seriousness of the contravention and the implications of the non-compliance. We will be clear about what are requirements and what are recommendations. Failure to comply could result in an escalation of enforcement action.

#### 4.1.3 Fixed Penalty Notices

Certain offences may be dealt with by fixed penalty notices (FPN) where prescribed by legislation. They are recognised as a low-level enforcement tool and avoid a criminal record for the defendant. Where legislation permits an offence to be dealt with by way of a Fixed Penalty Notice we may chose to administer one on a first occasion, without issuing a warning. Such matters may include dog fouling, littering, waste disposal activities, breach of a PSPO (Public Space Protection



Order), and alcohol consumption in a defined area; however, this list is not exhaustive.

The alleged offender's choice to not cooperate with the officer (e.g. refuse to give a name and address), to dispute or not pay the FPN will result in the case being escalated to the Magistrates Court.

We will only offer a FPN where we have robust evidence that an offence has been committed by the individual. This may be evidence gathered directly by Council Officers, or that passed to officers by partners documented in a form admissible to the courts.

#### 4.1.4 Penalty Charge Notices

Penalty Charge Notices (PCNs) (e.g. parking tickets) are prescribed by certain legislation as a method of enforcement by which the offender pays an amount of money to the enforcer in recognition of the breach. Failure to pay the PCN will result in the offender being pursued in the County Court for non-payment of the debt. A PCN does not create a criminal record and we may choose to issue a PCN without first issuing a warning.

#### 4.1.5 Voluntary Closure, prohibition, surrender or undertaking

A business or individual may in some circumstances, where there is an imminent risk, provide an offer to voluntarily close premises or cease to use any product, equipment, treatment, process or building associated with the imminent risk. In such circumstances the proprietor or individual would be requested to confirm their undertaking in writing. Failure to comply may entail further formal action.

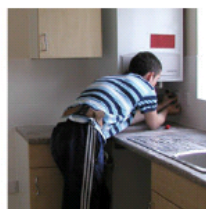
#### 4.1.6 Formal/Statutory Notice

Certain legislation allows notices to be served requiring offenders to take specific actions or cease certain activities. Notices may require activities to cease immediately. In other circumstances they must cease or change within a reasonable time, and take into account the seriousness of the contravention and the implications of the non-compliance.

All Notices issued will include details of any applicable appeals procedures.

#### 4.1.7 Works in Default

Following the service of a notice (section 4.1.6) certain types of notice allow works to be carried out in default. This means that if a notice is not complied with [a





breach of the notice] we may carry out any necessary works to satisfy the requirements of the notice ourselves. Works in default may be carried out where:-

- There is no reasonable prospect of the person responsible carrying out the work, e.g. the person is absent or infirm
- There is an imminent risk to public or the environment, e.g. ringing intruder alarm
- Hazard to health, e.g. electrics
- A prosecution is not appropriate
- A prosecution has been brought and the works have still not been carried out.
- It is appropriate to get the nuisance abated quickly.

Where the law allows, we may then charge the person/business served with the notice for any cost we incur in carrying out the work, including administration. Failure to comply may entail further formal action.

Where the authority is required to undertake works in default it will ensure that the works are appropriate and the costs incurred are not unduly excessive.

#### 4.1.8 Forfeiture Proceedings

This procedure, dealt with through an application in an appropriate court, may be used in conjunction with seizure and/or prosecution where there is a need to dispose of goods in order to prevent them re-entering the market place or being used to cause a further problem.

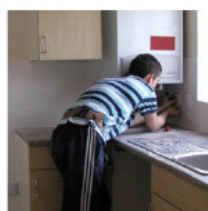
#### 4.1.9 Seizure

Certain legislation enables officers to seize goods, equipment or documents, for example. unsafe food, sound equipment that is being used to cause a statutory noise nuisance, workplace articles and/or substances, unsafe products or any goods that may be required as evidence for possible future court proceedings. When we seize goods we will give a receipt to the person from whom the goods are taken.

Where appropriate we will explain the procedure for their reclaim, and indicate any cost associated with storage, return or where applicable disposal of items. We will ensure that costs incurred are not unduly excessive.

#### 4.1.10 Powers of Entry

In most circumstances the exercising of powers of entry is unnecessary because access is voluntarily given. If access is denied then officers may exercise powers



of entry which may be immediate or may require the Council to provide at least 24hours written notices of its intention to enter a premises.

Where appropriate we will seek to obtain a warrant from the magistrates' court to enter premises where legislation provides for this and the circumstances justify the action.

We will have appropriate regard to the Protection of Freedoms Act 2012 and the associated [Code of Practice on Powers of Entry](#)

#### 4.1.11 Injunctive Actions

In certain circumstances, for example where offenders are repeatedly found guilty of similar offences or where it is considered that injunctive action is the most appropriate course of enforcement, then injunctive actions may be used to deal with repeat offenders or significant potential or actual environmental or customer detriment. Injunctive action includes agreements and formal undertakings to improve compliance which, if breached, may lead to the obtaining of an injunction in the civil law courts.

In situations where the non-compliance under investigation amounts to anti-social behaviour, such as persistent targeting of an individual or a group of individuals in a particular area, then Anti Social Behaviour Orders as appropriate or Criminal Behaviour Orders may be sought to stop the activity.

#### 4.1.12 Simple Caution

A Simple Caution is an admission of guilt, but is not a form of sentence, nor is it a criminal conviction. For a Simple Caution to be issued there:-

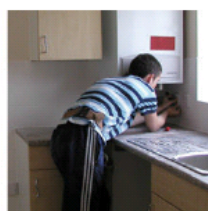
- must be sufficient evidence available to prove the case,
- the offender must admit the offence,
- it must be in the public interest to use a Simple Caution and
- the offender must be 18 years or over.

The offender should not have received a simple caution for a similar offence within the last 2 years.

The Council has opted to follow the guidance issued by the Government in relation to the issuing of Simple Cautions for details on the Ministry of Justice Guidance visit [here](#)

A record of the Caution will be kept on file for 2 years. If the offender commits a further offence, the Caution may influence our decision to take a prosecution. If during the time the Caution is in force the offender pleads guilty to, or is found

Classification: NULBC **UNCLASSIFIED**



guilty of, committing another offence anywhere in England and Wales, the Caution may be cited in court, and this may influence the severity of the sentence that the court imposes.

Simple Cautions are an alternative to prosecutions in appropriate cases. Simple Cautions can only be issued if the defendant admits the offence, and the circumstances are such the interests of the public and justice would be better served without recourse to legal proceedings in the first instance.

If the caution is not administered, because the suspect refuses to accept it, the facts of the case will be reviewed again, without the option of a Simple Caution, and a prosecution may result.

#### 4.1.13 Benefits Cautions/Sanctions

The benefits legislation provides for additional sanctions, beyond those applicable to other areas of our work. These include administrative penalties. These are also used as an alternative to prosecution. In such cases the Administrative Penalty and any linked caution will be retained on file for five years.

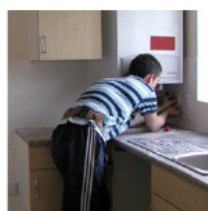
These are issued if the circumstances are such that the interests of the public and justice would be better served without recourse to legal proceedings in the first instance.

##### 4.1.13.1 Administrative Penalty

Under the Social Security Administration Act 1992 an Administrative Penalty may be issued as an alternative to a prosecution in matters relating to Housing and Council Tax Benefit. A minimum penalty of £350 or 50% of the overpayment, whichever is greater (up to a maximum penalty of £2,000) may be offered for offences committed wholly on or after 08/05/12. For offences that are committed prior to, or span, 08/05/12 the Administrative Penalty is calculated at 30% of the determined overpayment.

In determining whether to offer an Administrative Penalty there must be sufficient evidence in which to consider commencing criminal proceedings. The offer of an Administrative penalty is more likely in cases where dishonesty does not form part of the offence, it is the first time the customer had caused a fraudulent overpayment or there was a clear lack of intent on the part of the customer.

An Administrative Penalty cannot be imposed and there is no obligation on the part of any person to accept it. If accepted that person has 14 days to withdraw their agreement to pay the penalty ('cooling off period'). If the penalty is not paid then civil recovery of the debt will be initiated in the County Court.



Where an Administrative Penalty has not been accepted or a person has withdrawn their agreement to pay, then alternative enforcement action will be considered in respect of the original breach. Administrative Penalties are not recorded as a criminal offence.

#### 4.1.14 Refusal, Revocation or Suspension of a Licence

Certain types of businesses, premises and individuals require licenses to operate legally. A refusal, revocation or suspension of a licence will normally ensue when one or more of the following criteria are met:

- Deliberately or persistently breached legal obligations which likely to cause material loss or harm to others.
- Deliberately or persistently ignored written warnings or formal notices
- Endangered the health, safety or well being of people, animals or the environment
- Obstructed an officer
- Non-payment of relevant fee
- Providing false or incomplete information
- Not fit and proper person.
- Qualifying criteria not met

#### 4.1.15 Prosecution

A prosecution will normally ensue where the individual or organisation meets one or more of the following criteria:

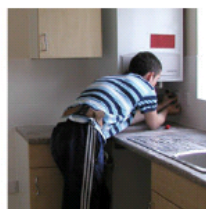
- Deliberately, negligently or persistently breached legal obligations,
- Used an element of deception, theft or fraud
- Made significant gain or caused significant loss
- Deliberately or persistently ignored written advice or formal notices;
- Endangered, to a significant degree, the health, safety or well being of people, animals or the environment;
- Assaulted or obstructed an Officer in the course of their duties.

#### 4.1.16 Proceeds of Crime Applications

Applications may be made under the Proceeds of Crime Act for the confiscation of assets in serious cases. Their purpose is to recover the financial benefit that the offender has obtained from his criminal conduct.

Proceedings are conducted according to the civil standard of proof.

Applications are made after a conviction has been secured. Any proceeds received from the proceeds of crime act action will be used in line with relevant guidelines.





## **5.0 DETERMINING WHETHER A PROSECUTION OR CAUTION IS APPROPRIATE**

### 5.1 Introduction

We will attempt to administer the requirements of legislation through advice and assistance wherever possible. Occasionally, however, it will be necessary to consider instituting legal proceedings. Each case is unique and must be considered on its own facts and merits. However, we apply the same general principles to every case. When deciding whether to prosecute we will have regard to the evidential test in the Code for Crown Prosecutors on Prosecution Policy. A prosecution will not be started or continued unless there is sufficient admissible and reliable evidence that an offence has been committed by an identifiable person, and unless there is a realistic prospect of a conviction. We will also consider any lines of defence which are plainly open to or indicated by the accused and to the public interest.

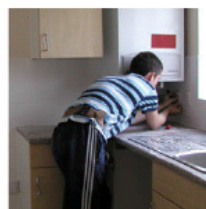
### 5.2 The Public Interest Test

Factors for and against prosecution will be balanced carefully and fairly. Deciding on the public interest is not simply a matter of adding up the factors on each side but a consideration of how important each factor is in the circumstances of each case and an overall assessment made. The following considerations are taken from the Code and adapted for public protection offences. Factors which are less relevant to public protection offences are not repeated here, but would still be considered if they were to be relevant.

#### 5.2.1 Public Interest Factors in Favour of Prosecution

A prosecution is more likely when:

- A conviction is likely to result in a significant sentence or to result in a confiscation or any other order;
- a weapon was used or violence threatened
- There is evidence that the offence was premeditated;
- The offence although not serious in itself is widespread in the area where it was committed
- There is evidence that the offence was carried out by two or more people acting together;
- The victim of the offence was vulnerable or has been left frightened;
- The offence was motivated by any form of discrimination against the victim's ethnic or national origin, disability, sex, religious beliefs, political views or sexual orientation, or the suspect demonstrated hostility towards the victim based on any of those characteristics;



- The risk or nuisance presented to individuals, the public, the trade (including unfair competition between traders), the farming community, animal health & welfare, or the environment is significant or widespread.
- The 'defendant' has acted fraudulently/dishonestly, wilfully or negligently or insufficient steps have been taken to prevent the offence.
- The 'defendant' was in a position of authority or trust or the offence was committed in the presence of, or near to, a child.
- The 'defendant's' previous convictions or cautions are relevant to the present offence.
- There are grounds for believing that the alleged offence is likely to be continued or repeated.
- The outcome of the prosecution may serve an important, informative purpose or might establish an important legal precedent or might act as a warning to others or would have a significant positive impact on maintaining community confidence.
- The defendant committed the offence while under an order of the court;

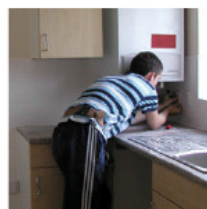
### 5.2.2 Public Interest Factors Against Prosecution

A prosecution is less likely to be needed if:

- The offence was committed due to a genuine mistake/misunderstanding (this must be balanced against the seriousness of the offence).
- The loss or harm can be described as minor and was the result of a single incident, particularly if it was caused by a misjudgement.
- The 'defendant' has put right the loss or harm that was caused within a reasonable period of time (but 'defendants' cannot avoid prosecution simply because they have offered compensation).
- The defendant has already been made the subject of a sentence and any further conviction would be unlikely to result in the imposition of an additional sentence or order.
- The defendant is, or was at the time of the offence, suffering from significant mental or physical ill health and medical evidence has been supplied, unless the offence is serious or there is real possibility that it may be repeated,

### 5.3 Deaths at Work

Where there has been a breach of the law leading to a work-related death, where we have health & safety enforcement jurisdiction, we will consider whether the circumstances of the case might justify a charge of manslaughter. We will liaise with the Police, Coroners and the Crown Prosecution Service (CPS) and if they find evidence suggesting manslaughter, pass it on to the Police or where appropriate the CPS. If the Police or the CPS decide not to pursue a manslaughter



case, we will bring a health and safety prosecution if that is appropriate. We will take account of "[Work Related Deaths: A Protocol for Liaison](#)"

## **6.0 APPLICATION OF OUR POLICY STATEMENT**

This policy statement applies to officers when making enforcement decisions. The Council is committed to ensuring that all officers are made aware of on this policy and other relevant aspects of enforcement.

Any departure from this policy must be exceptional, capable of justification and be fully considered by the appropriate manager before a final decision is taken. The reason for departure must be recorded. This proviso shall not apply where a risk of injury or to health is likely to occur due to a delay in any decision being made.

In cases of emergency or where exceptional conditions prevail, the Chief Executive or an Executive Director may suspend all or part of this policy, but only when necessary to achieve effective running of the service and/or where there is a risk of injury or to health of employees or members of the public. At the soonest appropriate time they should record their actions, the information they acted on, and their resultant decisions.

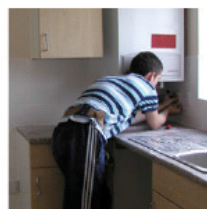
Where it is in the public interests we will take all necessary steps to highlight enforcement action to inform and involve the public in our enforcement activities

## **7.0 REVIEW**

The enforcement policy will be reviewed at not more than three yearly intervals and amendments will be made, as appropriate. Amendments to the policy may also be made at other times as a result of identified improvements which contribute to the main aim of the Service, or where legislative or government policy make changes more expedient.

Comments on the policy may be made at any time.

Review of the enforcement policy will take account of any responses received from affected persons and any other relevant comments. Compliance with this policy will be monitored on an ongoing basis.



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## **STATEMENT OF THE LEADER OF THE COUNCIL TO FULL COUNCIL – 21<sup>ST</sup> FEBRUARY 2018**

**Submitted by:** Councillor Simon Tagg

**Portfolio:** All

**Wards affected:** All

### **Purpose of the Report**

To provide an update to Members on the activities and decisions of Cabinet together with the Forward Plan.

### **Recommendation**

**That the statement of the Leader of the Council be received and noted.**

### **Reasons**

To update Council Members on the activities and decisions of the Leader & Cabinet and to allow questions and comments to be made on the Statement.

#### **1. Cabinet Meetings**

Cabinet met on the 7<sup>th</sup> February 2018 and is due to meet again on the afternoon of the 21<sup>st</sup> February 2018. Decisions are detailed under Items 6 and 7 of this report.

#### **2. Waste and Recycling Cabinet Task & Finish Group**

The cross-party Cabinet Task & Finish Group under the Chairmanship of Councillor Trevor Johnson has started its review of the Council's Waste and Recycling System.

Interim measures to deal with the problem of missed collections are being implemented as and when required and measures to help deal with issues associated with windy days are being considered.

#### **3. BID and Town Centre**

The Leader met with the Business Improvement District (BID) Manager and Vice Chair to discuss issues relating to the Market; CCTV; Town Centre Car Parking and future use of the Guildhall.

#### **4. Sports Facilities in Kidsgrove**

The Cabinet has published its response to the business case submitted by the Kidsgrove Sports Centre Community Group.

Council officers are now working with the Community Group to develop their business case further.

A further update will be brought to the Cabinet meeting of 21<sup>st</sup> March 2018.

5. **Castle House**

Staffordshire County Council's building contractor, Kier, have not yet completed the Castle House project to a satisfactory standard in accordance with the building contract.

The fundamental issue relates to the grey facing material applied to the rear façade of the building which needs to be reinstalled to an appropriate quality and standard.

Kier have accepted this and are preparing a programme in liaison with the relevant sub-contractor.

The Council is obviously keen to move into Castle House but will only do so when it is ready for occupation and use.

HDD – our development partner for the wider regeneration of Ryecroft – have agreed to move back the date for taking possession of the vacated Civic Offices building to enable satisfactory completion of Castle House.

Kier and their contractors are bearing all of the costs of the delay and not the public sector partners waiting to move into the new shared accommodation.

6. **Cabinet Meeting of the 7<sup>th</sup> February 2018**

**1. Revenue and Capital Budgets and Council Tax 2018/19**

Cabinet agreed to recommend the Revenue Capital Budget and Council Tax to Full Council of the 21<sup>st</sup> February 2018, which includes a Council Tax increase of 2.7%.

**2. Financial and Performance Management Report to End of Quarter Three (October-December) 2017-18**

Cabinet Members reviewed the Financial and Performance Data for the period to December 2017.

7. **Cabinet Meeting of the 21<sup>st</sup> February 2018**

Cabinet considered a report relating to petitioning on the High Speed Rail (West Midlands - Crewe) Bill that forms part of the Agenda of the Council Meeting on the 21<sup>st</sup> February.

8. **Forward Plan**

The Forward Plan covering the period from January to April 2018 can be found at:

<https://moderngov.newcastle-staffs.gov.uk/mgListPlans.aspx?RPId=118&RD=0>

**Councillor Simon Tagg  
Leader of the Council**

## **Report of the Chair of Finance , Resources and Partnerships Scrutiny Committee.**

This Committee met on 24th January to scrutinise the Treasury Management Strategy 2018 - 2019 and the Revenue and Capital Budgets 2018-2019.

Welcomed Council Sweeny (Portfolio Holder for Finance and Resources) who attended meeting to answer questions about the Budget.

Treasury Management Strategy.

The Executive Director (resources and support services) presented the Treasury Management Strategy 2018-2019 for scrutiny by members of the Committee. The report included the Prudential Indicators, Investment Strategy and the Minimum Revenue Provision Strategy. Members were made aware that the results of the consultation undertaken by the Department for Communities and Local Government and any impact this may have on proposals to update the guidance on Local Authorities Investments and on Minimum Review Provision and any impact on the Treasury Management Strategy was due to be received in the near future.

Members asked if the delayed move to Castle House would have a negative impact on the financial assumptions relating to the Ryecroft development site. It was considered that this would not have any immediate effect, due to the terms of the contract which allowed for the site to be available towards the end of the year.

The Committee approved the strategy for submission to Full Council.

I would like to thank Kelvin Turner for his explanation of a detailed and technical report and his Glossary of Terms.

### REVENUE And CAPITAL BUDGETS 2018-2019.

The Executive Director (resources and support services) submitted a report which reviewed progress towards completion of the revenue and capital budgets for 2018-2019 following agreement of 5year Medium Term Financial Strategy.

The Committee scrutinised the draft Budget/Council Tax proposals. There was a suggestion from a member that pressures could be reduced if Council was raised by 3 per cent however it was noticed that Council Tax will be increased by 2.70 percent.

Members questioned the impact on anticipated savings of the delayed move to Council House. It was stated that these will be compensated for by financial levy paid by the contractor.

Members also looked at other areas of savings and discussion with BID which may offer an opportunity to make savings in certain areas of responsibility.

Questions were asked about repairs to J2 as they are essential. Can they be covered by the warranty period.

capital Programme was funded by £1.5m which would be achieved through land sales.

Question asked can we be certain of these Land Sales.

Members scrutinised the cost of waste bins and asked Cabinet to examine and a breakdown of costs.

A member asked why the Mayors budget had been reduced and in repose the Portfolio Holder explained how the Mayors Allowance had been based on a Spinal Column point which increased in line with officer salaries, this was in contrast to others Members allowances which had not increased. additional savings would be made by not replacing dedicated Mayoral support.

In answer to a question Portfolio Holder explained that from MY 2018 it was anticipated that the members iPad scheme would be discontinued.

In respect of the Planned Activities for 2018-2019 members asked that any jargon such as the word "resilience " be removed (ref.no 1.13).

It was agreed that the budget for replacement of waste bins be looked at further by Cabinet.

WORK PLAN

Members noted that due to delay in moving into Castle House and the need for staff to concentrate on the move it would not be possible to review the move to Castle House specifically the HR implications and workforce development.

It was suggested that for the March meeting we invite a representative from BID but were informed that a representative from BID would be attending Economic Development Committee .

It was decided that the meeting planned for 12th March be cancelled.

Chair. Councillor Joan Winfield.

## **Report of the Chair of the Active and Cohesive Communities Scrutiny Committee**

We met on the 12th December 2017

We received a update on Dementia Friendly Swimming.

A copy of the dementia friendly audit carried out at Jubilee 2 was circulated.

The main purpose of the group meeting was to assess the suitability of the facilities to achieve 2/3 dementia friendly swimming sessions a week at Jubilee 2.

To have a workforce that recognised signs of dementia and to offer appropriate support at all times to people with dementia as well as those attending the dementia friendly sessions and to ensure that the services are accessible to the broader needs of the community as well as people with dementia.

Will Boyce said that Approach looked forward to the Dementia friendly swimming sessions beginning in February/March and would support implementation of the project.

Cllr Gill Williams Chair Active/Cohesive and Safety Communities

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## **Report of the Chair of the Planning Committee**

There have been three meetings of the Planning Committee since the last full Council.

### 6th December 2017.

There were

- 3 Major planning applications.
- 3 Minor planning applications.
- 2 Consultations.
- 1 Other planning application.
- 1 Quarterly report on extensions of time on 106 payments.
- Report of Buildings at Risk survey.

### 3rd January 2018.

Policy meeting with Joint Local Plan presentation to the Committee.

### 1st February 2018.

There were

- 4 Major planning applications.
- 3 Minor planning applications.
- 3 Other planning applications,
- 1 Appeal decision report.
- 1 Tree Preservation Order.

Cllr Bert Proctor  
Chair Planning Committee.

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### **Report of the Chair of the Licensing Committee.**

Since the last Report there have been no Sub Committee hearings.

At the meeting on Wednesday 14th February the Committee were notified that a number of amendments had been made to the Licensing Act 2003 following the implementation of the Immigration Act 2016. Members duly noted the amendments.

Fees for Gambling Licences, Sexual Entertainment Venues Licences and Scrap Metal Dealers Licences.

The Members considered the above fees and agreed the charges for 2018/2019.

It was noted that the Gambling Act 2005 allows Local Authorities to set their own fees for premises licences subject to maximum levels which have been specified by Central Government.

Sexual Entertainment Venues.

The Local Government (Miscellaneous Provisional) Act 1982 introduced a Licensing regime to control Sex Establishments. The Council adopted schedule 3 of the Act on the 31st March 2010 and the schedule took effect on 3rd August 2010. The setting of fees for the Licensing of Sex venues remains with Local Authorities. The Licence is for one year period. At the present time we have no Sexual Entertainment venues in Newcastle.

Scrap Metal Dealers Act 203 introduced Licensing to control Scrap Metal Dealers. Local Authorities are able to set their own fees for both Site and Collectors licences. Council are not able to make a profit from fees. The fees cover various administrative costs e.g Initial visits, liaison with interested parties.

Chair - Councillor Joan Winfield.

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Motion to Council on adequate funding of services delivered in this Borough.

Proposer: Cllr Tony Kearon

Seconder: Cllr Dave Jones

**This council notes that:**

Since 2010 this council has been required to set an annual budget against a backdrop of significant year on year reductions in the annual financial settlement from the department for communities and local government (DCLG).

As of 2019/20 that annual financial settlement will be reduced to £0.00.

According to figures published by HMRC in 2017, the average Newcastle resident pays approximately £4,200 a year in income tax to central government. The most recent HMRC figures indicate that residents of this Borough pay up to £228,000,000 in income tax annually. This figure does not include VAT, duty on petrol or alcohol, road tax or the many other forms of tax that our residents pay to central Government.

Newcastle residents also paid £41,748,433 in Council Tax to Staffordshire County Council during this financial year.

Of all of the Council Tax paid by residents in this Borough, the only amount that is currently guaranteed to be spent in Newcastle is the 12% of Council Tax payments that is allocated to Newcastle Borough Council.

**This council believes:**

That the hard working residents of the this borough deserve to see a fair and reasonable share of their income tax allocated back through the financial settlement. This will ensure that a fair share of money raised from Newcastle residents is used to fund services delivered by this Council for Newcastle residents.

That our residents deserve a commitment from the County Council that Council Tax PAID in this Borough will be SPENT in this Borough.

That the County Council should provide a clear and auditable statement, outlining spending commitments for Newcastle residents against council tax revenue.

**This council resolves:**

That within 7 days of this meeting, the leader and finance portfolio holder send the letter (A) which is attached to this motion as an official letter signed by them and the Chief Executive, to the Prime Minister and the Chancellor of the Exchequer and to commit officer time to support an ongoing cross party public campaign by this council to demand an end to unfair and disproportionate austerity cuts for Newcastle and for a fair share of the tax we

pay to come back to our Borough to fund services delivered by this Council. This campaign will continue until such time as there is an end to the income tax rip off of the people of Newcastle. A copy of this letter must be circulated to members of this council and released to the media.

This council also instructs the leader of the council and portfolio for finance to send, within 7 days of this meeting, the letter (B) which is attached to this motion as an official letter signed by themselves and the Chief Executive to the leader and finance portfolio of Staffordshire County Council and to commit officer time to support an ongoing cross party public campaign by this council to demand that Council tax paid in this Borough is spent in this Borough. This campaign will continue until such time as this undertaking is secured. A copy of this letter must be circulated to members of this council and released to the media.

Text of letter A (to central Government)

Dear Prime Minister/ Dear Chancellor

Residents of the loyal and ancient Borough of Newcastle under Lyme are decent, hardworking, innovative and resourceful citizens. Over many years we have made a significant contribution to the economic well-being of the region and the nation. We continue to make a significant contribution, not least in terms of the tax income that we contribute to central Government.

According to figures published by HMRC in 2017, the average working Newcastle resident pays approximately £4,200 a year in income tax to central Government, but many of our residents pay significantly more. The most recent HMRC figures indicate that residents of this Borough pay up to £228,000,000 in income tax annually. This figure obviously does not include VAT, duty on petrol, alcohol and cigarettes, road tax and various other forms of tax that residents of Newcastle also pay to central Government in addition to income tax.

Newcastle under Lyme Borough Council has just met to set its budget for 2018-19. As has been the case every year since 2010 this budget has been set against a backdrop of significant year on year reductions in the annual financial settlement the Council receives from the DCLG. That settlement to this Council will fall to £0.00 in 2019. Like many Councils, we are increasingly struggling to fund services. Like many other councils in the North and the Midlands, we have been forced to sell assets to cover our day to day operations. This is NOT viable, and the deliberate under funding of Councils like ours has to end.

For our hard working residents to pay out so much in income tax, and for virtually none of that income tax revenue to come back to fund services delivered in our Borough by this Council is both unfair and unsustainable. We call for an end to this misguided policy that

starves local Government of the funds that we desperately need to deliver the services that our hard working, tax paying residents deserve.

This council and the people of our Borough are not asking for charity, or a hand out, or a special favour from central Government. We are demanding that a fair and reasonable share of the income tax paid by residents of this Borough comes back to this Borough in the central government grant which funds services delivered by this council.

This letter marks the beginning of an ongoing campaign for an end to the unfair and disproportionate cuts that we have experienced, which will continue until our Borough receives a fair share of the tax we pay.

Text of letter B (to the County Council)

Dear Leader/Portfolio for Finance

Residents of Newcastle under Lyme are decent, hardworking, innovative and resourceful citizens. Over many years we have made a significant contribution to the economic well-being of the County. We continue to make a significant contribution, not least in terms of the council tax that our residents contribute to Staffordshire County Council.

In the current financial year, Newcastle residents paid £41,748,433 in Council Tax to Staffordshire County Council.

With funding from the DCLG being cut to virtually nothing, our residents, and the services that they rely on, are increasingly reliant on funding from Council Tax. But of all of the Council Tax paid by residents in this Borough, the only amount that is currently guaranteed to be SPENT in Newcastle is the 12% of Council Tax payments that is allocated to Newcastle Borough Council. We do not think that this situation is sustainable.

We think that our residents deserve an undertaking from the County Council that Council Tax PAID in this Borough will be SPENT in this Borough. At our February meeting this Council has adopted a motion that calls on the County Council to deliver an auditable commitment that the full sum of council tax paid to the County Council by residents of this Borough will be spent in this Borough.

This letter marks the beginning of an ongoing campaign for a fair deal on council tax, which will continue until our Borough receives this clear and auditable undertaking on council tax expenditure by the County in our Borough.

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Motion to Council on Land sales and the funding of services provided by the Council.

Proposer: Cllr Kyle Robinson

Seconder: Cllr Mike Stubbs

This Council notes:

The issue of land sales causes anxiety and uncertainty amongst our residents. One key issue of concern from residents is that income from land sales will be used to simply cover day to day expenditure by the Council and that there will be no visible long lasting benefits to residents of the Borough from these land sales.

In order to address these concerns, this Council proposes that a clear principle relating to income from land sales is established:

1. That a meaningful proportion of income from land sales is ring fenced in a Borough Investment Fund which is used specifically to fund long term facilities and services for our residents so that they get real and long lasting benefits from any land sales. In the first instance, this revenue from land sales should be used to deliver new, high quality sport, leisure and recreation facilities for residents in parts of the Borough where there is now a lack of such provision.

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