

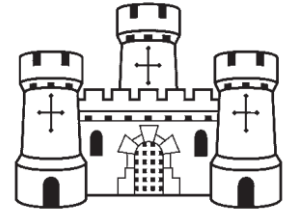
Public Document Pack

Date of meeting Wednesday, 1st December, 2021

Time 2.00 pm

Venue Astley Room - Castle

Contact Denise French 742211



**NEWCASTLE
UNDER LYME
BOROUGH COUNCIL**

Castle House
Barracks Road
Newcastle-under-Lyme
Staffordshire
ST5 1BL

Cabinet

AGENDA

PART 1 – OPEN AGENDA

- 1 APOLOGIES**
- 2 DECLARATIONS OF INTEREST**
To receive declarations of interest from Members on items included in the agenda.
- 3 DECISIONS FROM PREVIOUS MEETING** (Pages 5 - 6)
To consider the Decisions of Cabinet held on 3 November 2021.
- 4 WALLEY'S QUARRY ODOUR ISSUES** (Pages 7 - 12)
- 5 REVENUE AND CAPITAL BUDGETS 2022-23 - FIRST DRAFT SAVINGS PLANS** (Pages 13 - 40)
- 6 NEW RYECROFT CAR PARK - CONTRACT AWARD** (Pages 41 - 48)
- 7 PURCHASE OF YORK PLACE, NEWCASTLE TOWN CENTRE** (Pages 49 - 52)
- 8 IMPROVEMENTS TO WESTLANDS SPORTS CENTRE AND WOLSTANTON PARK TENNIS COURTS** (Pages 53 - 58)
- 9 PROCUREMENT STRATEGY 2022 - 25** (Pages 59 - 88)
- 10 BILL PAYMENT SERVICES CONTRACT 2021/22 TO 2025/26** (Pages 89 - 92)
- 11 RE-PROCUREMENT OF CORPORATE MAIL SERVICES** (Pages 93 - 96)
- 12 FORWARD PLAN** (Pages 97 - 104)
- 13 URGENT BUSINESS** (Pages 105 - 108)
To consider any business which is urgent within the meaning of Section 100B(4) of the Local Government Act 1972.

This item includes a supplementary report.

14 DISCLOSURE OF EXEMPT INFORMATION

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

15 PURCHASE OF YORK PLACE, NEWCASTLE TOWN CENTRE - (Pages 109 - 116) CONFIDENTIAL APPENDIX

ATTENDANCE AT CABINET MEETINGS

Councillor attendance at Cabinet meetings:

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

Public attendance at Cabinet meetings:

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

Members: Councillors Simon Tagg (Chair), Stephen Sweeney (Vice-Chair), Gill Heesom, Trevor Johnson, Paul Northcott and Jill Waring

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

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

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

NOTE: THERE ARE NO FIRE DRILLS PLANNED FOR THIS AFTERNOON SO IF THE FIRE ALARM DOES SOUND, PLEASE LEAVE THE BUILDING IMMEDIATELY THROUGH THE FIRE EXIT DOORS.

ON EXITING THE BUILDING, PLEASE ASSEMBLE AT THE FRONT OF THE BUILDING BY THE STATUE OF QUEEN VICTORIA. DO NOT RE-ENTER THE BUILDING UNTIL ADVISED TO DO SO.

Newcastle under Lyme Borough Council – Decisions taken by the Cabinet on Wednesday, 3 November 2021

Agenda Item No	Topic	Decision
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Part A – Items considered in public

A1	APOLOGIES	An apology for absence was approved from Councillor Paul Northcott.
A2	DECLARATIONS OF INTEREST	There were no declarations of interest stated.
A3	DECISIONS FROM PREVIOUS MEETING	The Decision Record of the meeting held on 13 October 2021 was agreed as a correct record
A4	WALLEY'S QUARRY ODOUR ISSUES	The report was noted.
A5	ONE COUNCIL PROGRAMME UPDATE	That: (a) the progress to date of the One Council Programme against specific programme areas of: 1. One Front Door / Customer Hub 2. Leadership and Management 3. Information Advice and Guidance / Website be recognised; and (b) the report be referred to the next meeting of the Finance, Assets and Performance Scrutiny Committee on 13 December 2021.
A6	FINANCE AND PERFORMANCE REVIEW REPORT - SECOND QUARTER (JULY - SEPTEMBER) 2021- 22	That the contents of the report and Appendices A and B be noted and Cabinet will continue to monitor and challenge the Council's performance alongside its financial performance for the same period.
A7	FORWARD PLAN	That the Forward Plan be received.
A8	URGENT BUSINESS	There was no Urgent Business.

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NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S REPORT TO CABINET

1 December 2021

Report Title: Walleys Quarry – Odour Issues

Submitted by: Chief Executive

Portfolios: Environment & Recycling; One Council, People & Partnerships

Ward(s) affected: All

Purpose of the Report

To update Cabinet on the latest position regarding the problematic odours in the Borough associated with Walleys Quarry.

RECOMMENDATIONS

Cabinet is recommended to note the contents of this update report.

Reasons

To ensure all members are kept updated on the ongoing work regarding the problem odours associated with Walleys Quarry.

1. Background

- 1.1 For a number of years, parts of the borough have suffered from problematic foul odours from the Walleys Quarry Landfill Site in Silverdale operated by Walleys Quarry Ltd, part of the RED Industries group of companies. The Environment Agency is the lead regulator for such sites, testing and enforcing compliance with the permit under which the site operates. The Council also has a role in influencing the operation and performance of such sites, where an operator fails to comply with actions required under an abatement notice issued by the Council in relation to any statutory nuisance caused by the site.
- 1.2 In March 2021, Council held an extraordinary meeting to receive the report of the Economy, Environment and Place Scrutiny Committee review into the Walleys Quarry issues, and to debate a motion demanding the immediate suspension of operations and acceptance of waste at the Walleys Quarry Landfill site.
- 1.3 In July 2021 Council received a report by the Chief Executive updating on the issues pertaining to the question of Statutory Nuisance.
- 1.4 Cabinet has received monthly updates on the issues relating to the odours.

2. Statutory Nuisance

- 2.1 Following extensive work, officers determined that the odours from the Walleys Quarry site amount to a Statutory Nuisance and, on 13th August 2021, serviced an Abatement Notice on Walleys Quarry Ltd.

- 2.2 The Abatement Notice afforded Walleys Quarry Ltd a period of 5 months to abate the nuisance, with this timeframe being informed by discussion on the nature and extent of potential works required at the site with colleagues from the Environment Agency and with our own landfill expert.
- 2.3 On 2 September 2021, Walleys Quarry Ltd lodged an appeal against the Abatement Notice with the Magistrates Court. This has the effect of “stopping the clock” on the 5 month timeframe to abate the nuisance. The timeframe for abating the nuisance will now be set by the Court, assuming that the appeal is not upheld.
- 2.4 On 3rd November, representatives for the Council and Walleys Quarry Ltd attended a case management hearing at Newcastle Magistrates Court. This hearing dealt with the administration of the appeal, setting out a timetable leading up to a trial of the issues in June 2022. The timetable, which allows for assembly and exchange of key documents and consideration of key documents by each party’s expert advisors, is as follows:
- 12 January 2022 – Exchange of Documents
 - 9 February 2022 – Exchange witness statements of all witnesses of fact
 - 9 March 2022 - The parties mutually serve reports setting out the substance of any expert evidence
 - 20 April 2022 - The parties shall, if so advised, file expert reports by way of rebuttal
 - 20 April 2022 – Following discussion between experts, submit to court joint Statement of Issues identifying those on which they agree and disagree, together with a summary of their reasons.
 - 27 April 2022 - The parties to serve upon each other and the Court a letter indicating which witness statements (if any) are agreed
 - 13 May 2022 - Pre-Trial Review, to take stock and make final arrangements for trial
 - 6 June 2022 – 4-week Trial begins

Mediation

- 2.5 Alongside the legal process, in an attempt to secure speedy resolution of disputes at reduced cost, the court system encourages parties to engage in mediation. In the interests of speedy resolution of this matter, mediation has been proposed to, and supported by, the court. Such a process might involve the authority and Walleys Quarry Limited, and their respective experts, to sit down and work through a range of issues and options in detail to arrive at a very specific set of measures, outcomes and sanctions.
- 2.6 If a mediated settlement cannot be secured, the Council would then continue to pursue the Abatement Notice route. If Walleys Quarry then breach the Abatement Notice, the council would have both evidence of the breach and permission from the Secretary of State to bring a prosecution which can be a long and difficult process. At time of writing the Council has not heard from Walleys Quarry Ltd whether they will engage in mediation, and Cabinet will be provided with an update at its December meeting.

3. Complaint Data

In the first 9 months of 2021, the Council has received a total of 20,756 complaints:

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Year to date
Council	921	3263	4799	3316	3466	1880	1648	833	630	190	20,946
EA	2050	4098	6347	6181	8482	4444	4245	2329	2328	842	41,346

- 3.1 Whilst complaint levels appear to have decreased, they continue at a level which indicates that the issue with odours escaping the site have not abated and continue to have a negative impact on residents. This incident remains, by some margin, the largest source of complaints received on any matter by the Council.

4. Air Quality Monitoring Stations

- 4.1 The Council, Staffordshire County Council, and the Environment Agency are jointly funding a campaign of air quality monitoring which has been extended to run until March 2022 utilising four static air monitoring stations. Data from these stations is reviewed to provide information in relation to two standards relating to Hydrogen Sulphide (H₂S) – the WHO Health threshold and the WHO annoyance threshold, with this analysis published by stakeholders.
- 4.2 Hydrogen sulphide concentrations were above the World Health Organization’s odour annoyance guideline level (7 µg/m³ , 30-minute average) over the last 18 weeks for the following percentages of each week:

Location	MMF1 - Silverdale Cemetery (%)	MMF2 - Silverdale Road (%)	MMF6 - NuL Fire Station (%)	MMF9 - Galingale View (%)
19/4 – 25/4	18	8	4	21
26/4 – 2/5	4	10	13	35
3/5 – 9/5	6	21	6	48
10/5 – 16/5	15	20	1	10
17/5 – 23/5	1	9	10	53
24/5 – 30/5	7	15	16	47
31/5 – 6/6	30	1	6	18
7/6 – 13/6	1	10	10	19
14/6 – 20/6	11	7	9	13
21/6 – 27/6	2	1	4	12
28/6 – 4/7	1	8	8	10
5/7 – 11/7	5	18	3	17
12/7 – 18/7	0.4	2.4	2.1	23
19/7 – 26/7	3.6	0	3.6	16
27/7 – 1/8	1.8	1.5	11	26
2/8 – 8/8	1	4	5	10
9/8 – 15/8	0.3	7	3	6
16/8 – 22/8	1	1	4	6
23/8 – 29/8	0	0	1.5	17
30/8-5/9	0	0	0.3	2.1
6/9 -12/9	0	1	13	18
13/9 – 19/9	0	0.6	7.3	11.7
20/9- 26/9	3	2	6	11
27/9-3/10	0	0	0	0.3
4/10 – 10/10	0	0	0.3	5
11/10 – 17/10	0	0.5	1.5	9
18/10-24/10	0	0	0	1.5

25/10-31/10	0	0	0	0
1/11 – 7/11	2.9	0	3.3	13.5
8/11 – 14/11	0	0	1	10
15/11 – 21/11	0	0	0	1.2

- 4.3 From this data it appears that the frequency of incidences when the WHO annoyance threshold is exceeded appears to be reducing, albeit less so at the Galingale View monitoring site than at the others. This will not necessarily equate with the lived experience of residents who may well continue to smell the gas at levels below the WHO annoyance threshold.

Environment Agency Enforcement

- 4.4 The Environment Agency continue to work with the operator to improve the infrastructure on site with a view to reducing gas emissions and as a consequence, odours off site. The application of Posi-shell has now been completed and as a consequence approximately 70% of the surface area has been either temporarily or permanently capped. This should reduce fugitive emissions.
- 4.5 In the Environment Agency update of 4th November, the EA responded to concerns raised locally about damage to the temporary Posi-shell capping which had been damaged by vehicles being driven over the capped area. The operator informed the EA that this was necessary to access part of the site for leachate monitoring purposes and the area has been repaired.
- 4.6 Additionally, the work to increase the number of gas wells on the site, in order to collect for destruction more of the gas generated within the site is now complete. During October, new wells were created at a rate of roughly 1 per day with an additional 27 new or replacement wells and associated infrastructure provided on site.
- 4.7 The volume of hydrogen sulphide gas captured has recently increased to double the amount collected in December 2020 and CLP, the gas management contractor, has reported that this is at a record high value for the site where they are now running both gas engines on full power at 2000KW 24/7 with two flares also in operation.

5. Jerome (Hydrogen Sulphide (H₂S) monitoring equipment)

- 5.1 In order to ensure that the Council and its partners have current information about the incidence of H₂S related odours inside their properties, the Council has procured two Jerome hand held monitoring devices. These are deployed in selected residents' homes or local businesses for extended periods of time as well as assisting Officers complaint investigations. The data will allow the Council and its partners to assess to any ongoing incidences of high gas levels, or, in the absence of such spikes, provide assurance to the community.
- 5.2 To date the Jerome's have been typically installed for a week at each property, and have been deployed to date at 8 discrete locations downwind from the landfill site.

6. Proposal

- 6.1 Cabinet is recommended to note the contents of this update report.

7. Reasons for Proposed Solution

7.1 To ensure Cabinet are kept updated of the ongoing work to address the issues associated with the odours from Walleys Quarry.

8. **Options Considered**

8.1 To provide regular updates to Council

9. **Legal and Statutory Implications**

9.1 Part III of the Environmental Protection Act 1990 is the legislation concerned with statutory nuisances in law. This is the principal piece of legislation covering the Council's duties and responsibilities in respect of issues relating to odour nuisance:-

- The Environmental Protection Act 1990, section 79 sets out the law in relation to statutory nuisance. This is the principal piece of legislation covering the Council's duties and responsibilities in respect of issues relating to odour nuisance.
- The relevant part of Section 79 defines a statutory nuisance as any smell or other effluvia arising on industrial, trade or business premises which is prejudicial to health of a nuisance. The Council is responsible for undertaking inspections and responding to complaints to determine whether or not a statutory nuisance exists.
- Where a statutory nuisance is identified or considered likely to arise or recur, section 80 of the Act requires that an abatement notice is served on those responsible for the nuisance. The abatement notice can either prohibit or restrict the nuisance and may require works to be undertaken by a specified date(s).
- There is a right of appeal against any abatement notice issued on a number of grounds, one of which is that the site operator is using "best available techniques" to prevent the odours complained of. Compliance with the Environmental Permit issues by the Environment Agency, and any actions required by the Environment Agency will often be sufficient to demonstrate that an operator is using "best available techniques" and that can result in an abatement notice being quashed on appeal.
- The appeal process represents a significant resource commitment for the council in both time and expense, so it is important for the Council to be content that it stands a reasonable prospect of defending an appeal against any abatement notice that it issues.
- If the council succeeds in securing an abatement notice following any appeal process, it is then a criminal offence to breach the terms of the abatement notice. Because the site is regulated by the Environment Agency under an Environmental Permit, the council would need to obtain the consent of the Secretary of State before it is able to prosecute any offence of breaching an abatement notice.

10. **Equality Impact Assessment**

10.1 The work of the Council in this regard recognises that the problematic odours in the area may impact on some groups more than others. The work is focussed on removing this impact.

11. **Financial and Resource Implications**

11.1 There are none directly arising from this report.

12. Major Risks

12.1 There are no risks beyond those explored in previous reports.

13. Unsustainable Development Goals (UNSDG)



14. Key Decision Information

14.1 As an update report, this is not a Key Decision.

15. Earlier Cabinet/Committee Resolutions

15.1 This matter has been variously considered previously by Economy, Environment & Place Scrutiny Committee, Council and Cabinet on 21 April 2021, 9th June 2021, 7th July 2021, 21st July 2021, 8th September 2021, 13th October 2021 and 3rd November 2021, 17th November.

16. List of Appendices

16.1 None

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S REPORT TO

Cabinet
01 December 2021

Report Title: Revenue and Capital Budget 2022/23 – First Draft Savings Plans

Submitted by: Head of Finance (Section 151 Officer)

Portfolios: Finance, Town Centres and Growth

Ward(s) affected: All

Purpose of the Report

To present the refreshed Medium Term Financial Strategy including the first draft proposals being considered to balance the 2022/23 revenue budget and the proposed capital programme for 2022/23 to 2024/25.

Recommendation

1. The first draft proposals as set out in Appendix A and Appendix B to the report be noted.
2. The amendment to the Medium Term Financial Strategy (MTFS) funding gap as a result of revisions to capital financing and inflationary assumptions be noted (Appendix C).
3. The refreshed Medium Term Financial Strategy (MTFS) (Appendix D) be referred to the Finance, Assets and Performance Scrutiny Committee for their views.
4. The first draft proposals be referred to the Finance, Assets and Performance Scrutiny Committee for their views.

Reasons

To ensure that the Council meets its statutory duty to set a balanced budget in February 2022.

1. Background

- 1.1 The funding pressure facing the Council for the period for 2022/23 to 2026/27 were presented to Cabinet on 13 October 2021. The report indicated that there would be a budget 'gap' of £1.596m in respect of 2022/23 (£4.793m over the 5 year period of the MTFS) and that this will need to be closed in order to produce a balanced budget.

2. Issues

- 2.1 The MTFS provides an overarching framework for the allocation of resources to the Council's key priorities as set out in the Council Plan. A mid-term review of the Council Plan was undertaken during 2020/21 and confirmed that the priorities remain unchanged.
- 2.2 After a ten year period of austerity the financial strategy will focus on the need for the Council to become self-sustaining through developing a strong and growing tax base, making best

use of its resources, promoting an “everyone’s responsibility” culture in which there is widespread ownership of the Council’s financial position, a robust financial position and a fair funding settlement for Newcastle-under-Lyme.

- 2.3 The MTFS funding gap is constantly reviewed and assumptions made are challenged and amended as circumstances dictate. Following a review of the costs of financing the capital programme (including the interest rates applicable and the timing of capital expenditure) the estimated cost of capital financing in 2022/23 has reduced by £0.141m. A revision to estimates regarding CPI inflation (Consumer Price Index) and assumptions regarding the subsidy required for leisure facilities has reduced the funding gap by a further £0.085m. A staggered reduction in the use of the flexible use of capital receipts has reduced the funding gap by a further £0.100m
- 2.4 Following the rejection of the 1.75% local government pay offer it is prudent to allow for a 2% offer, this has increased the funding gap by £0.043m. The revised budget ‘gap’ therefore amounts to £1.313m for 2022/23 and £4.265m over the 5 year period of the MTFS (Appendix C).

Proposed Savings and Funding Strategies

- 2.5 A number of savings and funding strategies have been identified as being both feasible and sustainable, via a vigorous Financial Recovery Board process including challenge sessions for each of the Portfolios involving Cabinet Members, the Executive Management Team, Heads of Service and the Finance Manager. The proposed savings identified to date for the period of the MTFS, and the remaining funding gaps have enabled a balanced financial position to be reached for 2022/23. Further details for 2022/23 are shown in Appendix A.

Detail	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
<i>Income</i>	58	10	-	-	-
<i>One Council</i>	601	126	-	-	-
<i>Staffing Related</i>	79	18	-	-	-
<i>Good Housekeeping</i>	120	-	-	-	-
<i>Tax Base</i>	148	210	212	215	218
<i>Council Tax Increase</i>	154	190	192	194	196
<i>Health and Social Care Levy</i>	153	-	-	-	-
TOTAL SAVINGS	1,313	554	404	409	414
UPDATED MTFS GAPS	1,313	1,182	926	457	387
REMAINING GAP	-	628	522	48	(27)

Capital

- 2.6 The Capital Programme for 2022/23 to 2024/25 (Appendix B) is based on new schemes which are vital to ensure continued service delivery and in assisting the Council to achieve its corporate and service objectives as set out in the Council Plan 2018-22. These schemes total £66.652m including major investment into the Borough via external funding in terms of the Future High Streets Fund and the Town Deals Fund for both Newcastle and Kidsgrove.
- 2.7 The capital programme will require to be part funded by borrowings. The total amount of borrowing over 3 years of the proposed Capital Programme for 2022/23 to 2024/25 will amount to £13.944m. The associated borrowing costs have been factored into the MTFS.
- 2.8 The table below sets out the key dates of the events to take place before the budget for 2022/23 is finally approved:

Event	Committee	Date
Budget consultation	Proposed to run during December	
Scrutiny of draft MTFS & draft savings proposals	FAPSC	13 December 2021
Approval of final MTFS & consideration of draft budget proposals	Cabinet	12 January 2022
Scrutiny of draft budget proposals	FAPSC	January - TBC
Final budget proposals recommended for approval by Full Council	Cabinet	2 February 2022
Full Council to approve budget	Full Council	23 February 2022

3. **Proposal**

- 3.1 That Cabinet note the funding gap of £1.313m in 2022/23 and £4.265m over the life of the MTFS.
- 3.2 That Cabinet agree the approach regarding the development of savings and income generation proposals in the medium term.
- 3.3 That Cabinet note the continued uncertainty regarding the medium term impact of local government funding and COVID-19.

4. **Reasons for Proposed Solution**

- 4.1 The Council has a statutory duty to set a balanced budget by February 2022. Best practice is for financial planning to take place over a 5 year period in the form of a Medium Term Financial Strategy that sets out how the Council plans to allocate resources to meet its objectives.

5. **Options Considered**

- 5.1 None.

6. **Legal and Statutory Implications**

- 6.1 The MTFS is not a statutory document but it is considered best practice.

7. **Equality Impact Assessment**

- 7.1 Local authorities have a responsibility to meet the Public Sector Duty of the Equality Act 2010. The Act gives people the right not to be treated less favourably due to protected characteristics. It is important to consider the potential impact on such groups and individuals when designing or delivering services and budgets. Budget proposals requiring changes or new services and policies will be subject to Equality Impact Assessments including consultation with affected people and organisations.

8. **Financial and Resource Implications**

- 8.1 These are addressed in the body of the report.

9. Major Risks

9.1 Section 25 of the Local Government Acts 2003 places a duty on the Section 151 officer to report on the robustness of the budget. The main risks to the budget include spending in excess of budget; income falling short of the budget (including capital receipts from disposal of assets); and unforeseen elements such as changes to Government funding. In the context of the COVID-19 pandemic and uncertainty regarding Government funding reforms there are significant budget risks that will need to be managed. It will be essential the Council has sufficient reserves to call on if required.

9.2 It should be noted that a number of assumptions and proposals are provisional or draft, and as such the opinion of robustness will be confirmed in the Revenue and Capital Budgets and Council Tax 2022/23 reports to Cabinet on 2 February 2022 and to Council on 23 February 2022.

10. UN Sustainable Development Goals (UNSDG)

10.1 In shaping detailed budget proposals consideration will be given to the need for investment in order to deliver the Council's Sustainable Environment Action Plan.



11. Key Decision Information

11.1 Final approval of the MTFS as part of the budget setting process will be a key decision.

12. Earlier Cabinet/Committee Resolutions

12.1 None

13. List of Appendices

13.1 Appendix A – 2022/23 MTFS Funding Strategy

13.2 Appendix B – 2022/23 to 2024/25 Capital Programme

13.3 Appendix C – MTFS 'Gaps'

13.4 Appendix D – MTFS 2022/23 to 2026/27

14. Background Papers

14.1 None

Appendix A – 2022/23 MTFS Funding Strategy

Ref	Service Area	Description	£000's	Detail
Income				
I1	Recycling and Fleet	Supply of recycling/waste bins	29	Implementation of charge to developers for the provision of recycling/waste bins
I2	Leisure and Cultural	School swimming	29	School swimming lessons are now being offered directly to schools generating additional income
			58	
Income				
O1	Corporate	One Council	601	Efficiencies to be generated from the introduction of a new Council operating model and the continued prioritisation of digital delivery
			601	
Staffing Related Efficiencies				
S1	Corporate	Terms and conditions	10	Standardisation of contracts under the One Council programme, including a review of enhancements
S2	Leisure and Cultural	Life-saving detection system	50	Introduction of a life-saving detection system leading to a reduced number of life guards being required
S3	Leisure and Cultural	Jubilee 2 reception	14	Increases use of automated kiosks and digital booking
S4	Leisure and Cultural	Virtual fitness instructors	5	Increased staffing of fitness classes using a virtual class licence
			79	
Good Housekeeping/More Efficient Processes				
G1	ICT Services	Flexi time software	4	Removal of software costs of current system
G2	ICT Services	Network circuits	10	Contract savings from current provider
G3	Recycling and Fleet	Green waste permits	24	Saving in postage costs from provider of permit stickers
G4	Leisure and Cultural	Music licence fees	10	Move to royalty free provision of music at Jubilee 2
G5	Leisure and Cultural	New Victoria Theatre	22	Reduction in grant awarded
G6	Finance	VAT (Value Added Tax)	50	Recovery of VAT on leisure facility income
			120	
Alternative Sources of Finance/Other				
A1	Corporate	Tax base – Council Tax	87	Increase in tax base based on market housing supply requirement (431 properties per year)
A2	Corporate	Tax base – Business Rates	61	Assumed increase in tax base of 1%
A3	Corporate	Health and Social Care levy	153	Reimbursement by Government of increased national insurance costs
A4	Corporate	Council Tax increase	154	Assumed increase of 1.99% per Band D property
			455	
Grand Total			1,313	

Appendix B 2022/23 to 2024/25 Capital Programme

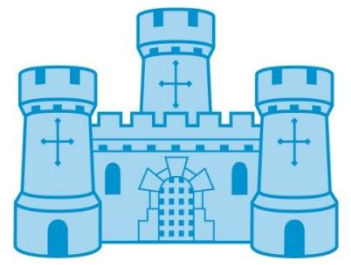
CAPITAL PROGRAMME	2022/23	2023/24	2024/25	TOTAL
	£	£	£	£
PRIORITY - Local Services that work for Local People				
Service Area - Council Modernisation	609,820	655,000	287,000	1,551,820
Total	609,820	655,000	287,000	1,551,820
PRIORITY - Growing our People and Places				
Service Area - Housing Improvements	1,340,000	1,290,000	1,290,000	3,920,000
Service Area - Managing Property & Assets	1,885,576	1,374,991	1,084,639	4,345,206
Total	3,225,576	2,664,991	2,374,639	8,265,206
PRIORITY - A Healthy, Active and Safe Borough				
Service Area - Environmental Health	60,000	60,000	-	120,000
Service Area - Streetscene and Bereavement Services	2,438,850	950,000	1,465,000	4,853,850
Service Area - Recycling and Fleet	922,500	2,899,500	565,500	4,387,500
Service Area – Leisure and Cultural	848,000	90,000	16,000	954,000
Service Area - Engineering	590,000	1,070,000	85,000	1,745,000
Total	4,859,350	5,069,500	2,131,500	12,060,350
PRIORITY - A Town Centre for All				
Service Area - Managing Property & Assets	1,750,000	3,500,000	750,000	6,000,000
Future High Streets Fund	3,635,916	1,691,166	-	5,327,082
Town Deals – Newcastle	12,092,000	4,706,000	2,251,000	19,049,000
Town Deals - Kidsgrove	6,415,000	4,190,000	2,794,000	13,399,000
Total	23,892,916	14,087,166	5,795,000	43,775,082
CONTINGENCY	1,000,000	-	-	1,000,000
TOTAL	33,587,662	22,476,657	10,588,139	66,652,458
FUNDING				
Capital Receipts	3,128,000	500,000	8,000,000	11,628,000
External Contributions	23,377,916	11,622,166	6,080,000	41,080,082
Borrowing	7,081,747	10,354,491	(3,491,962)	13,944,376
TOTAL	33,587,663	22,476,657	10,588,139	66,652,458

Appendix C – 2022/23 to 2026/27 MTFS ‘Gaps’



Detail	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Description
Employees:						
Increments	73	40	20	3	-	Employees due an increment
Pay awards	517	318	326	335	343	2.5% pay award assumed for all years plus 2% re. 2021/22
Superannuation increases	100	61	59	58	59	17.1% of increase in salaries
Superannuation lump sum increases	76	76	76	76	76	Contribution towards pension deficit
National Insurance	88	54	52	51	52	15.05% of increase in salaries
Health and Social Care Levy	153	-	-	-	-	1.25% increase in National Insurance contributions
Premises:						
Business Rates	23	16	16	16	17	Inflationary increase in business rates payable (per CPI)
Utilities	15	11	10	11	11	Inflationary increase in gas and electric (per CPI)
Transport:						
Fuel	13	9	9	9	9	Inflationary increase in fuel (per CPI)
Financing:						
Borrowing/leasing costs	(141)	438	464	17	17	Borrowing costs regarding the financing of capital expenditure
Elections reserve	(50)	-	-	-	-	One off contribution made in 2021/22
Flexible use of capital receipts	100	100	-	-	-	Removal of the flexible use of capital receipts to fund revenue
New Pressures:						
ICT software and maintenance	134	20	20	20	20	ICT costs re. systems maintenance and software licences
Card processing charges	20	-	-	-	-	To reflect the increase in card payments received
Kidsgrove Sports Centre	100	-	-	-	-	Subsidy regarding the operation of Kidsgrove Sports Centre
Occupational health	21	-	-	-	-	Increase in contract costs
Waste Services	4	-	-	-	-	Including contract standardisation and inflationary increases
Licensing	15	-	-	-	-	Additional staffing resources
Income:						
Fees and charges	(158)	(187)	(192)	(198)	(204)	3% increase in fees and charges
New Homes Bonus	158	192	5	-	-	Drop out of New Homes Bonus legacy payments
Government grant	12	12	12	12	12	Reduction in Housing Benefit /Council Tax Admin grant
Business Rates baseline funding level	(116)	(118)	(121)	(123)	(125)	Inflationary increase in baseline funding level (per CPI)
Tax base – Council Tax support	(30)	(30)	-	-	-	Reduction in Council Tax support claimants
Income pressures	186	170	170	170	100	Green waste recycling credits and general income shortfalls
Collection Fund deficit re. 2020/21	1,056	1,056	-	-	-	Collection fund losses incurred re. COVID-19
Transfer from Business Rates reserve	(1,056)	(1,056)	-	-	-	Government funding set aside re. collection fund losses
TOTAL GAPS	1,313	1,182	926	457	387	

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**NEWCASTLE
UNDER LYME**
BOROUGH COUNCIL

Medium Term Financial Strategy 2022/23 – 2026/27



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Medium Term Financial Strategy 2022/23 to 2026/27

1. Corporate Plan

1.1 The Council agreed a Corporate Plan in 2018 a mid-term review of the Council Plan was undertaken during 2020/21 and confirmed that the priorities remain unchanged.

1.2 The four key corporate priorities remain:

- Local services that work for local people
- Growing our people and places
- A healthy, safe and active borough
- A town centre for all

1.3 These priorities are underpinned by the existence of a modern council with:

- A skilled, empowered and responsive workforce
- Accessible and efficient services
- Financial resilience and good governance
- A strong culture of partnership working

2. Financial Strategy

2.1. A sound financial strategy is key to the delivery of the Corporate Plan and financial resilience.

2.2. There are five key strands to the strategy:

- A financially self-sustaining Council
- Value for Money
- Everyone's responsibility culture
- Underpinned by robust financial position
- Ensuring a fair financial settlement for Newcastle-under-Lyme

Financially Sustainable Council

2.3. The change in the balance of funding to local authorities has shifted over the last ten years. The reduced Revenue Support Grant awarded by Government has been replaced by income from retained Business Rates and Council Tax. This has led to a need for local authorities to be increase self-financing with a need to promote and grow the local economy and Council Tax bases to provide prosperity and reduce need alongside delivering efficiencies and generating more commercial income.

2.4 Newcastle-under-Lyme has a growing population, but in recent decades it has seen low levels of house building which have not kept up with housing demand. The resulting affordability gap for residents puts pressure on our homelessness service but also has dampened council tax income.

2.5 Newcastle-under-Lyme's industrial and retail sectors have remained healthy in recent times and the business rates base has grown significantly (current rateable value of £90.499m) since the borough joined the Staffordshire business rates pool in 2013/14 (rateable value of £83.842m).

2.6 Alongside the growth in the tax base the rates need to keep base with the Council's inflationary and demand pressures. Accordingly the MTFs assumes annual increases

up to the referendum threshold of £5, with the exception of 2022/23 where a 1.99% increase is assumed.

Value for Money

- 2.7 It is essential that the Council makes best use of its finite resources. In simple terms this means evidence based decisions, testing the market, strong business cases, delivering to the corporate objectives.

Culture

- 2.8 The Council's finances need to be everyone's responsibility. It is not the sole responsibility of the Council's S151 Officer, ownership is required across the entire Council, the Cabinet, Chief Executive, Executive Directors and their management teams, senior manager and front line workers. This has increasingly been the case through ten years of austerity and now more than ever with financial impact of the Covid-19 crisis and the uncertainty around Local Government funding.

Robust Financial Position

- 2.9 There needs to be clear, transparent and integrated service and budget planning to ensure the Council's finite resources are directed to where they are most needed. It is essential that the finances are understood by members, senior officers, managers and the community. The finances need to be sustainable. A single year budget is not enough, the finances need to be planned over the medium term and good practice is for this term to be five years.
- 2.10 The budgets need to be robust with realistic savings plans to avoid in year volatility. The five year plan needs to recognise all future pressures and income flows. Local Government is a dynamic environment with many demand led services and the growth in demand for services needs to be accurately modelled. The same applies on the income side with a clear understanding required of changes to the Council Tax and Business Rates tax bases and the level of Government support.
- 2.11 There is inevitably a gap between the two or the need to invest in priority areas which will need to be met by changing the way in which the Council operates. This will be through delivery of efficiencies, reducing services or generating more income. All of these measures need to be realistic with appropriate processes in place to ensure their delivery.
- 2.12 Finally, the Council needs to hold an appropriate level of reserves to ensure that it can continue to deliver its objectives in times of financial uncertainty. These reserves will cover the smoothing of spend areas that are known to move from year to year, for specific and general risks and a general provision for unknown risks.
- 2.13 Much work has been done over the past four years to put the Council's finances on a robust sustainable footing. Undeliverable savings and historical overspends have been built back into the base budget, there is a more focussed view of the medium term and there is a far more realistic assessment of future demographic pressures and investment needs. In addition, a Ten Year Capital Strategy has ensured that decision making considers this wider, long term context. This Strategy will set out how this approach can be taken further forward.
- 2.14 The Council has been operating in a period of great uncertainty with the impact of the worldwide Covid-19-19 Pandemic. Detailed scenario planning will therefore be required to identify the different actions that may be necessary to ensure the

Council's continued financial sustainability depending on the financial impact and any potential ongoing consequences.

A Fair Financial Settlement for Newcastle-under-Lyme

- 2.15 The Government introduced its Business Rates Retention model for funding local government in 2013/14. It however relied on the historical needs data and damping arrangements from the previous model. At the time government committed to address both of these issues and also set out plans to reset the business rates growth on a regular basis.
- 2.16 Government has been developing Fair Funding proposals to remedy the position, this is now overdue and local authorities have been disadvantaged by both the lack of an update of the underlying data and the damping arrangements. Implementation has been held up due to the Covid-19 pandemic and it is currently unclear when the Government will press ahead with plans for a business rates reset which would see the accumulated growth built up since 2013/14 being redistributed across the system.
- 2.17 As a member of the Staffordshire Business Rates Pool the Council currently saves £0.590m per annum in levy payments which would be payable to the Treasury if the Council ceased to be part of a pooling arrangement. In addition to this, growth within the Borough has enabled a further £1.780m of business rates income to be retained by the Council (this has been recognised in previous savings) over and above the funding baseline set by Central Government. In the event that a business rates reset goes ahead strong lobbying will be required to ensure that appropriate transitional arrangements are in place to cushion the impact locally.
- 2.18 Depending on the funding system in place for the medium term, there will be a requirement for relevant up to date information to ensure its effectiveness. The Census will be key. Locally there was a 94% response in 2011 – whilst this matched the national average it was the lowest rate in Staffordshire; it is therefore important for the Council to promote the importance of the Census and ensure the maximum possible engagement across the Borough.
- 2.19 Finally the Council has been successful in ensuring that significant resources required to regenerate the borough have been secured via Town Deals and Future High Street Fund (a number of projects are well underway) and continue to work closely with the County Council and LEP to secure inward investment in the borough to drive growth and employment opportunities for local people.

3. Economic Context

- 3.1 The following economic commentary has been provided by the Council's treasury advisers, Arlingclose, from their October Economic Update.

The global economy continues to recover from the pandemic but has entered a more challenging phase. The resurgence of demand has led to the expected rise in inflationary pressure, but disrupted factors of supply are amplifying the effects, increasing the likelihood of lower growth rates ahead. This is particularly apparent in the United Kingdom (UK) due to the impact of Brexit.

While quarter 2 UK Gross Domestic Product (GDP) expanded more quickly than initially thought, the 'pingdemic' and more latterly supply disruption will leave quarter 3 GDP broadly stagnant. The outlook also appears weaker. Household spending, the driver of the recovery to date, is under pressure from a combination of retail energy price rises, the end of government support programmes and soon, tax rises.

Government spending, the other driver of recovery, will slow considerably as the economy is taken off life support.

Inflation rose to 3.2% in August. A combination of factors will drive this to over 4% in the near term. While the transitory factors affecting inflation, including the low base effect of 2020, are expected to unwind over time, the Monetary Policy Committee (MPC) has recently communicated fears that these transitory factors will feed longer-term inflation expectations that require tighter monetary policy to control. This has driven interest rate expectations substantially higher.

The supply imbalances are apparent in the labour market. While wage growth is currently elevated due to compositional and base factors, stories abound of higher wages for certain sectors, driving inflation expectations. It is uncertain whether a broad-based increase in wages is possible given the pressures on businesses.

Government bond yields increased sharply following the September Federal Open Market Committee (FOMC) and MPC minutes, in which both central banks communicated a lower tolerance for higher inflation than previously thought. The MPC in particular has doubled-down on these signals in spite of softer economic data. Bond investors expect higher near term interest rates but are also clearly uncertain about central bank policy.

The MPC appears to be playing both sides, but has made clear its intentions to tighten policy, possibly driven by a desire to move away from emergency levels. While the economic outlook will be challenging, the signals from policymakers suggest Bank Rate will rise unless data indicates a more severe slowdown.

Arlingclose expects Bank Rate to rise in quarter 2 of 2022. We believe this is driven as much by the Bank's desire to move from emergency levels as by fears of inflationary pressure. Given the current outlook, we believe this could be a policy mistake.

Investors have priced in multiple rises in Bank Rate to 1% by 2024. While we believe Bank Rate will rise, it is by a lesser extent than expected by markets.

Gilt yields have risen sharply as investor's factor in higher interest rate and inflation expectations. From here, we believe that gilt yields will be broadly steady, before falling as inflation decreases and market expectations fall into line with our forecast.

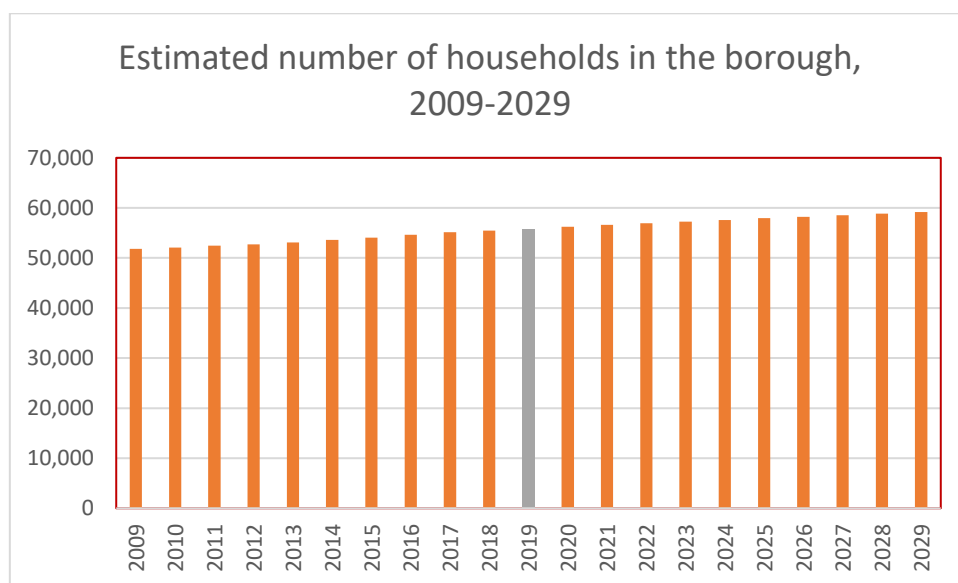
The risk around our forecasts for Bank Rate is to the upside over the next few months, shifting to the downside in the medium term. The risks around the gilt yield forecasts are initially broadly balanced, shifting to the downside later.

4. Borough Profile

- 4.1 Newcastle-under-Lyme has a population of 129,600 (2020 Mid-Year Estimate), an increase of 200 (rounded up) over the previous 12 months but an increase of 6,300 (5.1%) since 2010. This increase over the past ten years is below the West Midlands rate of 7.1% and the England rate of 7.4% but higher than Staffordshire's increase of 4.5%.
- 4.2 In the five years from 2015-2020, the percentage of the borough's population aged 70+ increased from 13.7% to 15.4%, keeping this rate higher than across the West Midlands region (13.8%) and England (13.6%).
- 4.3 The general population has increased by 5.1% over the past decade, with the number of residents over 65s increasing by 20.3%, lower than the Staffordshire increase of 25.9% over the same period but broadly similar to the West Midlands rate of 18.9%

and the England rate of 22.2%. The over 65 population is projected to increase by a further 14.6% over the next decade, with the under 65 population projected to increase by only 1.5%.

- 4.4 The 2020 median age for the borough is 41.8 years, higher than for the West Midlands (39.6) and England (40.2) but lower than Staffordshire (44.8). The borough's median has barely changed since 2010 when it was 41.7.
- 4.5 From 2009 to 2019 there has been an estimated 7.8% increase in the number of households in the borough, from 51,800 to 55,800. It is estimated that this will increase by a further 3,300 (6%) to 59,200 by 2029, and by 6,200 (11.2%) to 62,100 by 2039.



- 4.6 Based on the MYE (Mid-Year Estimate) for 2018, the Office for National Statistics project the population for the borough to increase to 135,700 by 2029. But the projected increase is not uniform across all age groups. The population aged 0-29 is projected to remain 47,200, but the population aged 65+ is projected to rise from 26,800 to 30,700, an increase of 3,900 or 14.6%.
- 4.7 Measured through the average rank for IMD 2019, Newcastle-under-Lyme is the 150th most deprived local authority in England, out of 317 overall. Newcastle's ranking compared with other local authorities in England has improved slightly from 156th in 2015. In terms of Health Deprivation and Disability the borough is the 80th most deprived local authority but 197th most deprived in terms of Barriers to Housing and Services.
- 4.8 Parts of the borough including Cross Heath and Knutton are in the 10% most deprived areas in England. Further parts of Holditch and Chesterton, Kidsgrove and Ravenscliffe, Crackley and Red Street, Town and Westlands are also in the 20% most deprived. However, parts of Loggerheads, Westbury Park and Northwood, Madeley and Betley and Westlands are in the top 10% least deprived parts of England, with parts of Clayton, Crackley and Red Street, Thistleberry, Westlands, Bradwell, Madeley and Betley, Newchapel and Mow Cop in the top 20% least deprived.
- 4.9 Across the borough in 2020, the annual median gross weekly pay was £535. This was lower than for the West Midlands (£552) and Great Britain (£587). Salaries for both males and females were relatively low as the following table shows:

(Gross weekly pay for full-time workers)

	Newcastle-under-Lyme	West Midlands	Great Britain
Females	£465	£504	£544
Males	£567	£578	£623
Overall	£535	£552	£587

4.10 Across the borough there are significant differences in income. In three areas, net annual household income in 2018 was less than £26,000, but in four it was more than £36,000

4.11 In the year up to March 2020, an estimated 74.1% of residents aged 16-64 were classed as 'in employment', broadly similar to the West Midlands region (73.7%) and for Great Britain (74.8%).

(All people in employment) Numbers in brackets are people.

	Newcastle-under-Lyme	West Midlands	Great Britain
April 2015-March 2016	76.9% (64,300)	70.4%	73.7%
April 2016- March 2017	77.4% (66,600)	71.4%	74.3%
April 2017- March 2018	78.0% (68,500)	72.7%	75.0%
April 2018- March 2019	74.6% (63,700)	73.8%	75.4%
April 2019- March 2020	72.5% (60,000)	73.9%	76.0%
April 2020- March 2021	74.1% (61,600)	73.7%	74.8%

4.12 As of 2019, almost two-thirds (64.4%) of residents' jobs were full-time, with just over one-third (35.6%) part-time. This is very similar to the rate for the West Midlands (66.6% full time) and Great Britain (67.8%) were full-time.

4.13 According to official crime summary data, the number of recorded crimes for headline offences in Newcastle-under-Lyme between April 2020 and March 2021 was 6,362 – a decrease of around 27% on the previous 12 month period. This was the largest fall across Staffordshire in the same period.

4.14 The crime rate for this period was 49 per 1,000 residents, lower than the Staffordshire rate of 59 per 1,000 people but higher than all of the Staffordshire boroughs apart from Cannock Chase and Tamworth.

4.15 In Newcastle-under-Lyme, in the year up to March 2021, the three most common types of recorded crime were:

- Violence against the person (2,997)
- Theft offences (1,524)
- Stalking and harassment (1,289)

4.16 The latest available local estimates from the ONS (Life Expectancy at Birth 2017 to 2019) suggest that life expectancy at birth for males born in this period in Newcastle-under-Lyme is 79.3 years, which is slightly below the Staffordshire (79.7 years) and the England average (79.8 years). Female life expectancy is 83.0 years, while the Staffordshire and England averages are 83.5 years and 83.4 years respectively.

- 4.17 There are, however, wide variations across the borough with the inequality driven by deprivation, with life expectancy for males up to 10.1 years higher in wealthier areas than in more deprived depending on where you live in the borough. This gap has widened significantly since 2010/12 when it was 7.8 years, and is larger than the gap in the West Midlands (9.7 years) and England (9.5 years) for the first time since comparable data became available.
- 4.18 For females, there is a gap of 9.3 years between Chesterton and Knutton's rate of 78.8 years and Loggerheads and Baldwins Gate's rate of 88.1 years, but this gap has fallen since its peak of 9.7 years in 2014/16. The gap here remains higher than in the West Midlands (7.2 years) and England (7.5 years) as it has since comparable data became available in 2010/11.
- 4.19 Across the borough, the age-standardised mortality rate of 1,136 was higher than the Staffordshire rate of 1,070 and England's 1,043.
- 4.20 There are circa 55,800 homes in the borough (2019). At the last Census, in 2011, housing tenure was as follows:
- Owned outright 35%
 - Owned with mortgage/loan 34%
 - Shared ownership 0.4%
 - Social rented 19%
 - Private rented from landlord 9%
 - Private rented from other 1%
 - Living rent free 1%
- 4.21 Overcrowding is mostly assessed by the 'bedroom standard' which assesses the number of bedrooms needed according to the size and composition of households. In the 2011 census, Newcastle-under-Lyme had an overcrowding rate of 4.2% – very similar to Staffordshire's 4.0%.
- 4.22 In April 2021 the local housing affordability ratio i.e. median house price compared to median gross income was 5.93, lower than all of the other Staffordshire districts. Across the West Midlands the ratio is 6.78, and across England it is 7.84. The borough's rate is lower than in 2010 when the ratio was 6.23.
- 4.23 81.5% of residents of working age have qualifications at level NVQ1 or above, lower than the 85.4% across the West Midlands and the 87.9% in Great Britain. As of December 2020, an estimated 38.6% of adults aged 16-64 were qualified to NVQ level 4 or above – higher than the West Midlands rate of 37.1% but lower than the Great Britain rate of 43.1%.
- 4.24 The unemployment claimant count for the borough of 3.7% as at August 2021 was very similar to Staffordshire's rate of 3.8% and lower than Great Britain's 5.3%. As with most of the country, there was a large rise from March 2020 when the rate was 2.4%. There is a large variance across the borough – in four wards the rate higher than the national average but in eight wards it is lower than 3%.

5. Refresh of Financial Assumptions

- 5.1 Council agreed a five year Medium Term Financial Strategy in February 2021 covering the period 2021/22 to 2025/26. For 2021/22 there was Net Expenditure of £16.128m on services and a Council Tax Requirement of £7.645m. There is a Council Tax Base of 37,087 and a Band D Council Tax of £206.14. There was a balanced budget for 2021/22 but a forecast gap of £3.849m across the period 2022/23 to 2025/26.

- 5.2 The MTFS gaps have been rolled forward a year to cover 2026/27, this was reported to Cabinet on 13 October 2021 and the assumptions updated. There has since been further review of the gaps and this refinement will continue throughout the budget setting process.
- 5.3 Covid-19 is expected to continue to have an impact on the Councils' finances, however, the degree of that impact is difficult to predict. The MTFS has been revised to reflect current information and includes an estimate of pressures that have both a short and medium term impact on the tax base for Council Tax and Business Rates.
- 5.4 Overall, rolling forward a year the Council is forecast to have a funding gap of £4.265m over the next five years. £1.313m of this is in 2022/23 and whilst the overall strategy is to have a balanced five year plan the focus of attention will be on this first year.

	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)	2025/26 (£000's)	2026/27 (£000's)	Total (£000's)
Income	52	39	(126)	(139)	(217)	(391)
Expenditure	1,261	1,143	1,052	596	604	4,656
Gap	1,313	1,182	926	457	387	4,265

- 5.5 The year one gap has decreased from £1.596m (as reported to Cabinet on 13 October 2021) to £1.313m following a review of the costs of financing the capital programme (£0.141m reduction in costs) and a revision to estimates regarding CPI inflation (Consumer Price Index) and assumptions regarding the subsidy required for leisure facilities a further has reduced the funding gap by a further £0.085m. A staggered reduction in the use of the flexible use of capital receipts has reduced the funding gap by a further £0.100m and following the rejection of the 1.75% local government pay offer, a 2% offer has now been allowed for, this has increased the funding gap by £0.043m.

Income

- 5.6 A provision for Covid-19 income losses of £100,000 has been built in for each year of the MTFS in addition to an assumed decrease in recycling credits (green waste). An assumed annual increase in fees and charges has also been included of 3%.

Detail	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)	2025/26 (£000's)	2026/27 (£000's)	Total (£000's)
Government Grant	170	204	17	12	12	415
Business Rates	(116)	(118)	(121)	(123)	(125)	(603)
Fees and Charges	(158)	(187)	(192)	(198)	(204)	(939)
Council Tax Support	(30)	(30)	-	-	-	(60)
Income Pressures	186	170	170	170	100	796
Total	52	39	(126)	(139)	(217)	(391)

Government Grant

- 5.7 Local Government has been through an unprecedented period of austerity. The assumption is for New Homes Bonus grant funding to reduce to nil and for Housing Benefit and Council Tax Benefit administration grants to continue to decline over time.

Business Rates

- 5.8 There have been significant impacts to Business Rates as a result of the Covid-19 crisis. Firstly, there have been a wide range of interventions from Government with extensive discounts and also provision of grant to small businesses. These discounts have been matched with Section 31 grant and have therefore not impacted the Council's bottom line.
- 5.9 There is considerable uncertainty on the level of Business Rates for future years. The MTFS currently assumes an increase of 1% in 2022/23 and 2% per annum thereafter. This is in all likelihood an optimistic position to hold at this time and this assumption will need to be revisited as the longer term impact of Covid-19 on the tax base emerges.

Council Tax

- 5.10 The Council has a market housing supply requirement of 2,153 properties over the 5 year period of the MTFS (excluding affordable housing). The MTFS assumes that the requirement will be met at an average of 431 properties per annum, thus increasing the tax base accordingly. The MTFS assumes a Council Tax increase of £5 per Band D property for all years with the exception of 2022/23, where a 1.99% increase is currently being assumed.
- 5.11 The Council operates a Council Tax Support scheme, introduced following the localisation of support by Government at the start of austerity. Increased levels of Council Tax Support were awarded during 2020/21 in the midst of the Covid-19 pandemic. The MTFS forecast assumes that this pressure on the tax base will be relieved over a 3 year period.

Savings/Income Generation

- 5.12 Work is continuing to identify additional savings proposals in order to address the increased forecast gaps in 2022/23 and beyond. To date savings of £1.313m have been identified for 2022/23 enabled a balanced position to be proposed. £1.781m has been identified for the remainder of the MTFS (shortfall of £1.171m).

Detail	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)	2025/26 (£000's)	2026/27 (£000's)	Total (£000's)
Income	63	10	-	-	-	73
One Council	601	126	-	-	-	727
Staffing Related	79	18	-	-	-	97
Good Housekeeping	120	-	-	-	-	120
Tax Base	148	210	212	215	218	1,003
Council Tax Increase	154	190	192	194	196	926
Health/Social Care Levy	153	-	-	-	-	153
Total	1,313	554	404	409	414	3,094

Expenditure

- 5.13 Employee pressures relate to pay awards of 2.5% per annum, 2022/23 also provides for a 2% pay award in relation to 2021/22 following the rejection of the latest employers offer (1.75%), this was not budgeted for in 2021/22 in line with previous Central Government announcements regarding a public sector pay freeze (an allowance was made for employees earning below £24,000), this amounts to a further pressure of £0.172m.
- 5.14 2022/23 includes provision for an increase in employers National Insurance contributions payable by the Council of 1.25% from April 2022, the planned increase amounts to a pressure of £0.153m and is to be used by Central Government to boost Health and Social Care funding levels.
- 5.15 A number of new pressures facing the Council in 2022/23 amounting to £0.350m have also been provided for, these include ICT maintenance and software licences (£0.110m), subsidy of the operation of Kidsgrove Sports Centre (£0.100m), card processing charges (£0.020m), occupational health contract (£0.021m) and other inflationary costs and pressures regarding service provision (£0.049m).

	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)	2025/26 (£000's)	2026/27 (£000's)	Total (£000's)
Employees	1007	549	533	523	530	3,142
Premises	38	27	26	27	28	146
Transport	13	9	9	9	9	49
Financing	(91)	538	464	17	17	945
Pressures	294	20	20	20	20	374
Total	1,318	1,043	1,052	595	601	4,656

Inflation

- 5.16 Provision for price increases is made in line with the Bank of England target 2% target for CPI (Consumer Price Index), with the exception of 2022/23 whereby CPI of 3.1% has been applied.

Investment

- 5.17 The base budget includes an annual contribution to the Borough Growth Fund of £0.250m to fund investment in key Council priorities. At the present time the assumption is that this level of investment will continue over the life of the MTFs.

Capital financing

- 5.18 The proposed Capital Programme for 2022/23 to 2024/25 is based on new schemes which are vital to ensure continued service delivery and in assisting the Council to achieve its corporate and service objectives as set out in the Council Plan 2018-22. These schemes total £66.652m including major investment into the Borough via external funding in terms of the Future High Streets Fund and the Town Deals Fund for both Newcastle and Kidsgrove.
- 5.19 The capital programme will require to be part funded by borrowings. The total amount of borrowing over 3 years of the proposed Capital Programme for 2022/23 to 2024/25

will amount to £13.944m. The associated borrowing costs have been factored into the MTFS.

Other financing adjustments

- 5.20 The Council budgeted to finance £0.200m of one-off costs from flexible use of capital receipts in 2021/22. The current assumption is for this to cease in 2022/23 eliminating the reliance on capital receipts to finance revenue expenditure.

6. In Year Response to Financial Pressures Arising from Covid-19

- 6.1 There is uncertainty at present with regards to lost income resulting from the Covid-19 pandemic. The impact on the medium term is therefore far from clear, potential risks around the continued loss of income are included as part of the risk assessment informing the Council's level of reserves. A number of steps have been taken in year, or are planned for future periods to continue to address the financial impact and ensure that the Council remains financially resilient including:

- A review of Covid-19 expenditure and income forecasts as part of monthly budget monitoring processes.
- Maintaining spend within the existing budget envelope as far as possible.
- Identifying management action to reduce in year cost pressures.
- Re-focusing the income collection approach to reduce the impact of bad debt.
- Reassessment of Capital Programme commitments.
- A comprehensive review and risk assessment of the Council's reserves.
- Use of grants to substitute for existing spend wherever possible.
- Asset review to maximise receipts from disposals.

7. Approach

- 7.1 The following section sets out the central approach to developing the Medium Term Financial Strategy for 2022/23 to 2026/27.

Foundation analysis

- 7.2 Over the summer and early autumn the groundwork for the MTFS has been undertaken which is primarily the review of the Borough Profile and assessment of the impact of Covid-19, a full benefit opportunity assessment and extensive benchmarking to give a clear context in which to identify areas for investment and redirection of resources, opportunities for efficiency and income generation and service reconfiguration. Service level benchmarking has primarily been based on DLUHC Revenue Outturn data focussed on the Council's CIPFA statistical "nearest neighbours" and Staffordshire geographical near neighbours. Spend has also been mapped to strategic priorities and outcomes.

One Council

- 7.3 The One Council Programme was launched in February 2021 following Full Council approval of the budget in order to meet the changing needs of our residents by increasing our ability to provide flexible, efficient and customer driven services. The programme is designed to respond to the key lessons from the Covid-19 pandemic, how this impacted on how customers accessed Council services, and how services flexed in order to remain resilient. The programme focusses on reviewing customer need alongside modernising internal processes whilst developing our internal cultural transformation and ensuring we address financial demands. The following key themes are integral to the programme:

- 7.4 The One Council programme facilitates a fundamental change in Newcastle-Under-Lyme Borough Council's operating model and how we address our challenges. Significantly, it sets out to enable the Council to make better use of the resources available to it, ensuring both efficient and effective service delivery.
- 7.5 Given the broad remit of the programme, overall aims have been considered by integrated work streams aligned to core principles of delivery and achievement and the initial work has been supported by the delivery partner Ignite Consulting who have enabled the team to develop skills in management change and service redesign. Whilst a significant aspect of the programme is to facilitate a move to customer self service via an enhanced website, traditional face to face and telephone access will remain available to those who need it.
- 7.6 One Council is a "spend to save" programme with an agreed investment of £1.2m. Recurrent benefits of circa £1m will be achieved moving forward. The savings are set to be staggered over the life of the 3 year programme (£0.196m has been achieved in 2021/22, £0.601m will be achieved in 2022/23 with a further £0.126m in 2023/24).
- 7.7 In order to build the programme and consider the areas for change and focus, the broad concepts of purpose were considered alongside a benchmarking exercise which placed the customer and delivery of services at centre stage. This analysis supported the development of certain big ideas which have formulated the overall Future Operating Model design and have given a structure to the design of service change through the development of the "Big operating Model Building Blocks" of:
- Leadership and Management
 - Information Advice and Guidance and Website
 - One Front Door
 - Internal Support
 - Mobile Multifunction Team
 - Strategy and Performance Team

Leadership and Management

- 7.8 The programme realises the importance of cultural development, attitudes, behaviours and overall quality and consistency of leadership as a driver for success. As such a dedicated Culture work stream was initiated which considered our purpose as a Council and provider of services as well as the important people driven elements which would support the achievement of our goals. Focus groups across the council considered our purpose, strengths and weaknesses and contributed to the development of an overall mission statement and related values.
- 7.9 From this a staff survey was launched in order to measure a baseline against adherence to these values as well as direction from staff to develop a set of behaviours that would bring these values to life. The survey outcome showed a positive baseline of our cultural aspirations and sets a mandate to focus on areas of empowering people and working together. The Behaviour Framework has been agreed and shared with staff and will be used to support teams and individuals to understand and live the values in their work and relationships with colleagues, members and residents.
- 7.10 A Leadership Development programme has been commissioned relating to and building on the behaviours and culture work in order to support leaders within the organisation to develop the strategic and performance led culture that we aim for.

Information, Advice and Guidance / website

- 7.11 A core aim of the overall programme is to enable residents and local business to self-serve wherever possible, thereby freeing up expertise and staff time to support delivery of complex tasks and innovative services in a more efficient model.
- 7.12 The Digital work stream have been engaging services to consider the changes needed to enable this transition for users of our site and have contracted with Jadu to develop the new website which launched on 27 October.
- 7.13 The site is cleaner and more modern than our previous site and has been developed with a focus on functionality and ease of use to support the customer. The website developments integrate directly with the new One Front Door (or Customer Hub) and will drive traffic away from resource heavy phone lines enabling a deeper and broader remit and function to develop within our customer facing team.
- 7.14 The new site will be compliant to the Web Content Accessibility Guidelines (WCAG) which defines how to make Web content more accessible to people with disabilities. The accessibility regulations came into force for public sector bodies on 23 September 2018. They say you must make your website or mobile app more accessible by making it 'perceivable, operable, understandable and robust'.
- 7.15 The new platform is built to support accessible design principles and is used by organisations that rank highly in independent accessibility indexes such as the Silktide Accessibility Rankings, where Jadu sites regularly account for the majority of the 'Top 20' accessible sites.
- 7.16 Another aim of One Council is to make our site more commercial. Using the new tools and techniques in Jadu we will be able to sell our services more effectively to increase revenue. Examples include J2, Bereavement Services and Garden Waste.

One Front Door

- 7.17 The One Front Door, now known as the Customer Hub, is the customer facing function designed to offer end to end service, advice and transactional support to customers to the Council. Overtime this will sit across all outward facing services and by contacting the team, our customers will be able to undertake a range of tasks from planning related queries, to questions around waste collection. A strong feature of this service is providing the team with training and development across a range of services, as well as giving them access to in service technology to allow them to have up to date information and ability to transact specific elements of queries easily and efficiently.
- 7.18 Work has initially focussed on the previous teams for Customer Services and Revenues and Benefits and the two areas have now been consolidated. Pulling the teams together, along with focussed work on processes alongside the website development has enabled the team to be resourced more efficiently. This has allowed the team to release members of staff who wish to seek opportunities elsewhere through our Mutually Agreed Resignation Scheme (MARS) which has driven a recurrent annual saving of £196k for the first phase of One Front Door.
- 7.19 The next steps will be, as we embed the learning and knowledge in the team, for the service to look across the rest of the organisation and start to consider how this concept and model can grow to incorporate further processes and support our customers across a wider range of matters.

Internal Support

- 7.20 Work is commencing on developing efficiencies within our internal services and will progress in the image of One Front Door. This will again provide services with

streamlined support and guidance whilst releasing those with technical expertise to focus on value added delivery.

- 7.21 Much like the One Front Door, there are anticipate efficiencies of scale to be identified here as well as process and technology developments which will enable a reduction in Whole Time Equivalents (WTE) assigned to the teams which is planned to be delivered through MARS as well as natural turnover.

Mobile Multi-Function Team

- 7.22 The Mobile Multi-Functional Team is an exciting proposition which enables an agile and diverse team of operatives to be dispatched where there is immediate need. Linked to a preventative delivery arm and the One Front Door, the impact on the Borough and residents will be significant and positive.

Strategy and Performance Team

- 7.23 The Strategy and Performance Team will support services in their strategic aims as well as becoming a critical friend and challenging function in terms of performance and delivery. This function will enable the Council to better use data and performance indicators to drive outcomes against the Council Plan and other strategic aims.
- 7.24 In addition this service will look outward to strengthen relationships with our partners, consider policy and strategy development and ensure effort and activity drive us closer to our overall aims and vision.

Commercial

- 7.25 The Council approved its Commercial Strategy in October 2019 with the objectives of maximising commercial opportunities as Government support drops away, requiring councils to become more self-financing. Key themes set out in the Commercial Strategy include:

- Creating and nurturing commercial and development opportunities
- Greater focus on procurement and contract management
- Creating a sustainable commercial programme
- Establishing a strong commercial culture and investing in staff and member skills
- Extracting maximum value from our land and property assets and income streams
- Challenging where services can be commissioned
- Driving our digital agenda forward

- 7.26 Progress in implementing the commercial strategy in the current year has been limited due to the impact of Covid-19. However, going forward this remains a key supporting strand of the MTFS and will need to be properly resourced.

Property

- 7.27 The Council last updated its Asset Management Strategy in 2018. A further review now needs to be undertaken to provide clarity about those assets which generate value and should be held and maintained and those which are not adding value and can be developed, backed up by a sound business case or disposed of. It is imperative that as part of this review a planned maintenance schedule for Council owned assets is devised in order for this to be built into the Council's medium term financial planning.

8. Reserves

8.1 Forecast balances for the Council's reserves as at 31st March 2022 are as follows:

Reserve/Fund	Balance 31.3.21 (£'000's)	Forecast Balance 31.3.22 (£'000's)
General Fund	3,000	2,160
Walleys Quarry Reserve	-	1,000
Income Reserve	100	100
Equipment Replacement	48	32
Budget Support Fund	348	-
Budget Support Fund (Local Plan)	375	200
Budget Support Fund (Homelessness)	81	-
Borough Growth Fund	70	-
Conservation & Heritage Fund	26	26
Mayor's Charity Fund	4	-
Museum Purchases Fund	178	100
Business Rates Reserve	9,131	3,621
Keele Master Plan Reserve	8	-
Elections Reserve	50	150
Clayton Community Centre Fund	9	-
Totals	13,428	7,389

8.2 A full reserves risk assessment will be completed as part of the 2022/23 budget preparation. However, based on a preliminary assessment it is considered that the current balance of the general fund reserve will be sufficient to provide sufficient cover for foreseeable risks.

8.3 It should be noted that the balance of the Business Rates reserve is inflated for 2021/22 and 2022/23 due to s31 grants received to cover the cost of business rate reliefs in the current financial year. The true underlying position is closer to £1.5m which represents cumulative collection fund surpluses in previous years. This sum will be held to mitigate against future collection fund losses and as a contingency for the Fair Funding Review.

9. Capital Strategy

9.1 The Council agreed its Capital Strategy and Ten Year Capital Programme 2021/22 to 2029/30 in February 2021, this will be refreshed as part of the 2022/23 budget setting process (proposed expenditure for 2022/23 to 2024/25 will be considered as part of the report to Cabinet on 1 December 2021). The Capital strategy explains how the Council invests its capital funds and the various sources of funding and how this facilitates the delivery of its objectives.

9.2 The main governance of the Capital Strategy is through the Capital, Assets and Commercial Investment Review Group which:

- Reviews and recommends to Cabinet all new General Fund Capital projects
- Ensures capital resources are viewed corporately with a clear link to corporate objectives
- Ensures any revenue costs are identified and considered in the Treasury Management Strategy and the Council's MTFs
- Develops a Capital Strategy which supports the Councils corporate objectives
- Oversees the development and implementation of the asset management and commercial strategies

- Reviews new capital project and commercial investment requests on behalf of Cabinet.

9.3 As part of the Efficiency Board process every capital scheme and in-year capital commitment has been reviewed.

9.4 The draft 10 year Capital Programme for the period 2022/23 to 2031/32 provides for total investment of £101.4m. This programme will be funded by capital receipts, significant external contributions (Town Deals and Future High Streets Funding) and borrowing. The revenue impact of borrowings has been included within the MTFS.

10. Treasury Management Strategy

10.1 The Council agreed its Treasury Management Strategy for 2021/22 in February 2021, the strategy for 2022/23 will be updated alongside the proposed budget and capital programme as part of the 2022/23 budget setting process.

10.2 As referred to in the above section, the Council will be required to borrow to fund the draft Ten Year Capital Programme. The PWLB and Council to Council borrowing are the primary borrowing options that the Council is currently reviewing to fund borrowing in relation to the capital programme.

10.3 The Capital Financing Requirement is set to increase by a further £13.159m by 2031/32 based on the draft 10 year Capital Programme.

Funding Stream	Capital Receipts (£000's)	External Contributions (£000's)	Borrowing (£000's)	Total (£000's)
2022/23	3,128	23,378	7,082	33,588
2023/24	500	11,622	10,354	22,476
2024/25	8,000	6,080	(3,492)	10,588
2025/26	8,000	3,088	(3,710)	7,378
2026/27	8,000	1,035	(2,748)	6,287
2027/28	8,000	1,035	(5,313)	3,722
2028/29	500	1,035	1,108	2,643
2029/30	500	1,035	3,941	5,476
2030/31	500	1,035	3,073	4,608
2031/32	500	1,035	3,073	4,608
Total	37,628	50,378	13,369	101,375

11. Budget Preparation Timetable

11.1 Work on the development of budget proposals for 2022/23 is at an advanced stage. Draft savings proposals will be considered by Cabinet and Finance, Assets and Performance Scrutiny Committee in December and the final revenue budget and Council Tax proposals, along with the Capital Strategy, Capital Programme and Treasury Management Strategy will be presented for approval at Council in February 2022.

11.2 An Efficiency Board chaired by the Leader of the Council plays a key role in shaping the MTFS and providing input and challenge to savings and investment proposals.

11.3 The decision making timetable is as follows:

Event	Committee	Date
Budget consultation	Proposed to run during December	
Scrutiny of draft MTFS & draft savings proposals	FAPSC	13 December 2021
Approval of final MTFS & consideration of draft budget proposals	Cabinet	12 January 2022
Scrutiny of draft budget proposals	FAPSC	January - TBC
Final budget proposals recommended for approval by Full Council	Cabinet	2 February 2022
Full Council to approve budget	Full Council	23 February 2022

Appendix A – Summary of Refreshed MTFS Assumptions

	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)	2025/26 (£000's)	2026/27 (£000's)	Total (£000's)
Employees	1,007	549	533	523	530	3,142
Premises	38	27	26	27	28	146
Transport	13	9	9	9	9	49
Financing	(91)	538	464	17	17	945
Pressures	294	20	20	20	20	374
Income	52	39	(126)	(139)	(217)	(391)
Total	1,313	1,182	926	457	387	4,265
Savings						
Income	63	10	-	-	-	73
One Council	601	126	-	-	-	727
Staffing	79	18	-	-	-	97
Good Housekeeping	120	-	-	-	-	120
Tax Base	148	210	212	215	218	1,003
Council Tax Increase	154	190	192	194	196	926
Health/Social Care Levy	153	-	-	-	-	153
Total Savings	1313	554	404	409	414	3,094
Gap	-	628	522	48	(27)	1,171

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S
REPORT TO**

**Cabinet
01 December 2021**

Report Title: New Ryecroft Car Park – Contract Award

Submitted by: Executive Director Commercial Development and Economic Growth

Portfolios: Finance, Town Centres and Growth

Ward(s) affected: Town

Purpose of the Report

To award the design and build pre-construction contract for the New Ryecroft car park through the Pagabo framework to Morgan Sindall.

Recommendation

That Cabinet

1. **Notes the progress made on the Ryecroft aspect of the Future High Street Fund programme.**
2. **Authorises the Executive Director – Commercial Development and Economic Growth, in consultation with the Portfolio Holder, Finance, Town Centres and Growth to take such actions and enter such agreements with Morgan Sindall for the design and development of the new Car Park scheme on Ryecroft, to achieve a fully designed scheme, with associated costs and planning permissions.**
3. **Receive the design and costings to enable a decision about the construction of the car park in a Cabinet report at a future date.**

Reasons

The Council has secured £11m from MHCLG from the Future High Street Fund for the redevelopment of the Council owned Ryecroft site and further improvements to the Town Centre. Competitive tenders have been received for the new car park design and progression to award of contract to the preferred contractor is now required.

1. **Background**

- 1.1 In December 2020 MHCLG (now MLUCH) confirmed to the Council that its Future High Street Fund business case submission had been successful and that £11,048,260.00 was awarded for Newcastle town centre. In January 2021 the Council submitted confirmation of its acceptance of the grant and detailed that the funding would be used to secure the demolition of the former Civic Offices, design and build a new multi storey carpark, procure York Place and undertake other public realm works. The Midway Car Park demolition, which originally formed part of the Future High Streets Fund programme is now to be progressed within the Town Deal programme.

- 1.2 In April 2021 the Council agreed to accept the grant offer and subsequently funding agreements have been signed and the first tranche of the grants have been released in accordance with the submitted cash flow for the programme of works.
- 1.3 Work has been progressing with various stakeholders to develop the plans for the Ryecroft site in terms of securing overall ownership from Staffordshire County Council who have an interest in a third of the site, discussing the development plots and aspirations therein and programming of works in order that once the former Civic offices are demolished a coherent programme of activity across the site is developed and delivered against.

2. Update

2.1 Since the April 2021 Cabinet there has been significant progress on the programme of works, as listed below:

- Dedicated project management resources have joined the Council to manage the projects in the programme with a view to deliver the schemes to time and cost.
- In July 2021 a demolition contract was awarded to Willmott Dixon, through the Procurement Hub framework, to undertake the asbestos removal and demolition of the former Civic Centre on the Ryecroft site, to establish a building platform for subsequent developments. These works are now underway with a target completion date of June 2022.
- Discussions have continued with Staffordshire County Council regarding the portion of the Ryecroft site in their ownership;
- Discussions have progressed with Aspire Housing who are progressing with designs for a new headquarter building and an adjacent residential development on the site, thereby introducing new footfall to the town centre.

2.2 A key element of supporting a viable town centre is to have good quality accessible car parking. The Car Parking Strategy 2019-29 identifies four key priorities:

Priority 1 – to provide good quality car parks

Priority 2 – to improve the customer experience of parking in Newcastle

Priority 3 – to support the economic development of Newcastle Town Centre

Priority 4 – To ensure that car parks meet the future demands of car users

The current Midway multi- storey car park is inadequate and that the costs of repair are too great and would not address many of the inadequacies of the current structure. As the Midway further ages it would lead, without significant investment, to further deterioration and eventual closure. The Strategy identifies that the construction of a new Multi Storey Car Park (MSCP) will be more economic in the long run and would provide a more efficient and environmentally sustainable facility. Through good design, the new MSCP will contribute to all of the priorities in the Strategy.

2.3 A new car park will offer state of the art car parking provision in Newcastle town centre for approximately 450 cars. It is suggested that the new car park will offer a minimum of Electric Vehicle charging points of 10% of the total car space but with the flexibility to increase to meet future demand. This will be further discussed and agreed during the design process. As a new build the multi storey car park can be designed to take into account the size and movability of modern cars and drivers expectations. This should ensure that drivers are happy with the accessibility and parking space options, all of which would be difficult to address in a refurbishment.

- 2.4 The site at Ryecroft is jointly owned by SCC and NuLBC and is therefore in public sector control. The original FHSF bid contained a The Town Centre Development Plan which identified a MSCP as being part of the redevelopment of the Ryecroft site. This site also provides for direct access to the ring road as well as good access to the main town centre retail and commercial areas. All of which are key to meeting drivers expectations and a good town centre experience. Discussions are ongoing with the County Council to gain ownership of the overall site, as currently one third of the site is jointly owned in a 75% / 25% split (SCC ./ NuLBC) as a former supermarket was purchased for a previous regeneration development that did not progress to completion.
- 2.5 The Council recognised the importance of good quality car parking and as part of the original bid for FHSF the Council committed to co-fund the MSCP with £3.5m of Capital Resource making the total budget for delivery of the new car park as £7m.
- 2.6 It is important that the Council effectively procures a good design and build, so competitive tenders were sought through the Pagabo procurement Framework. Initially four design and build contractors expressed an interest in bidding for the contract. One of the contractors decided to withdraw however, this contractor had the least experience of delivering multi-storey car parks and so it was felt that this would not unduly affect the procurement process. The procurement process included a site visit plus question and answer session with the interested contractors. Tenders were then received on the 13th October and presentations were made on 20th October. The tenders and presentations were assessed on a 70% quality and 30% cost split with Morgan Sindall achieving the highest score overall.

3. **Proposal**

- 3.1 It is proposed that Council enter into a Pre-Construction Agreement with Morgan Sindall through the Parago procurement framework to deliver a fully designed, costed and planning approved scheme for a new multi storey car park on the Ryecroft site, for the cost of £351,898.75.

4. **Reasons for Proposed Solution**

- 4.1 The decision to will enable the project to progress as per the programme agreed with Government and the Future High Street Fund awards and commitments.
- 4.2 To use this Government funding opportunity to support delivery of Council Plan objectives and Car Parking Strategy.
- 4.3 To uplift the status of Newcastle town centre as the heart of economic, social and community life in the Borough.

5. **Options Considered**

- 5.1 Due to time constraints with funding it was decided to pursue a design and build contract for the new car park. One of the main advantages of design and build over a traditional procurement route (whereby a design team is procured to design the scheme and then subsequently tenders are sought from contractors to build out the scheme) is time thus ensuring the that the design and build programme fits within the Future High Streets Fund Programme. There is also less risk as the contractor has responsibility for both design and construction and there are less likely to be price fluctuations as the contractor agrees to deliver the scheme within the budget.
- 5.2 A number for procurement frameworks were considered for the design and build contract including: Construction West Midlands, Crown Commercial Services, Procure Partnership, PAGABO, SCAPE and Procurement Hub. These were all considered with a view to widest spread of contractors who might be able to / have had experience with multi-storey car park projects.

5.3 The Pagabo Framework was ultimately chosen as the preferred framework for this procurement exercise as it offered a combination of the lowest overhead and profit percentage fees as well as a very good list of potential contractors with good and recent experience of multi-storey car park development.

6. **Legal and Statutory Implications**

6.1 The Local Government Act 2000 gives local authorities the powers to promote the economic, social and environmental well-being of their areas. As part of the FHSF the Council will be required to comply with funding conditions.

7. **Equality Impact Assessment**

7.1 The nature of the project is intended to seek benefits for all people who use the town centre and to support the economic and social health of Newcastle town centre as a destination.

8. **Financial and Resource Implications**

8.1 Future High Street Fund funding of £7.256m has been allocated to the Council for the redevelopment of the Rycroft site (£3.756m) and for the development of a Multi Storey Car Park (£3.500m).

8.2 This first instalment (£3.299m) of this funding has been received by the Council (£2.436m re. Rycroft and £0.863m re the Multi Storey Car Park), further allocations are due to be received in 2022/23 (£2.699m) and 2023/24 (£1.259m including contingency).

8.3 In addition to the Future High Street funding the proposed Capital Programme for 2022/23 to 2024/25, which will be considered by Cabinet on 1 December 2021 as part of the budget setting process finalised by Council on 23 February, includes match funding of £3.500m from the Council towards the development of a Multi Storey Car Park.

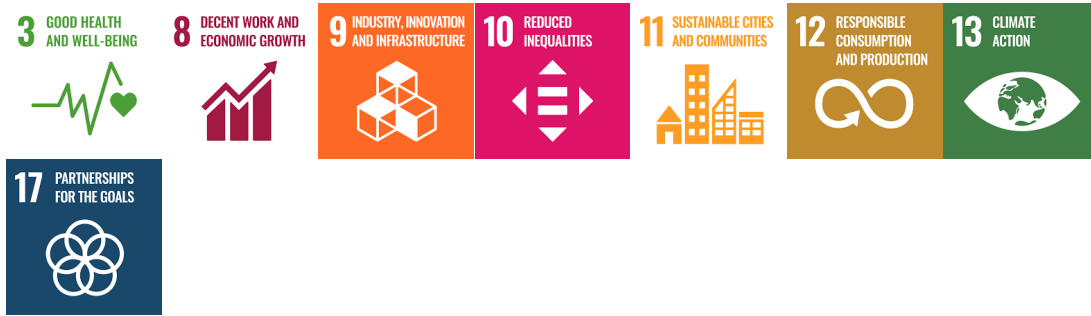
8.2 The design and build pre-construction contract with Morgan Sindall will cost £351,898.75, this will take the project up to cost certainty and planning approval. The following phase will require the award of a contract for the construction of the car park.

9. **Major Risks**

9.1 By procuring through a recognised Framework the Council seeks to minimise some of the risks associated with procurement. The staged approach to procuring the design and build contract means that the Council is able to guide the various stages and importantly reflect on progress prior to the next steps. As part of the design element a range of discussions will take place to ensure as far as reasonably practicable that the proposals are in line with planning policy and local aspirations, thus minimising the risks of a planning application refusal.

10. **UN Sustainable Development Goals (UNSDG)**

10.1 Newcastle town centre is a highly accessible location, encouraging greater use of its land and assets enhances its role as a centre for services, leisure, retail and living and its connection to local residents. In that respect, the project supports the realisation of the following UNSDG objectives:-



11. **Key Decision Information**

11.1 This is not a Key Decision as the funding has already been allocated.

12. **Earlier Cabinet/Committee Resolutions**

12.1 October 2019, Cabinet concerning development of the second stage FHSF bid and procurement of consultancy support.

12.2 December 2019, Economy Environment & Place Overview and Scrutiny Committee Town Centre Funding Update (information item)

12.3 July 2020, Cabinet concerning approval for submission of bid into MHCLG

12.4 April 2021 Cabinet accepting FHSF Grant monies and grant conditions.

13. **List of Appendices**

13.1 None

14. **Background Papers**

14.1 None

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Ryecroft Development

The Ryecroft site comprises over 1.7 hectares (ha) of land strategically located next to the A52 in the northern section of the town centre and forms the most significant regeneration opportunity in Newcastle town centre.

Ryecroft is to be transformed over the coming years forming a key part of Newcastle's successful £11million Future High Street Fund (FHSF) bid with over £7 million of this allocation dedicated to the redevelopment of Ryecroft. The site will be developed for a mixture of uses designed to breathe new life into the northern part of the town centre, acting as a catalyst for further development and setting new standards in terms of design quality and sustainability.

As part of the FHSF bid it was envisaged that the site would be developed in three parts:

Development Site 1

Forms the eastern part of the site and includes the former Civic Building that is now being demolished. The site area is approximately 0.9 ha and will be developed for:

- Offices - a brand new high quality HQ building of at least 2200 sqm and 200 employees
- Apartment building - housing for over 55s in 75-90 apartments



Development Site 2

A site of over 0.5 ha. As part of the FHSF bid the site was envisaged as delivering:

- Residential development - a building of 1584 sum with Option 1 comprising 42 units and Option 2 comprising 39 units.
- A higher density scenario could deliver 84 apartments over 4 floors instead of 3 whilst a lower density would deliver 25 townhouses.
- The FHSF bid also referred to an option to develop community business spaces on this site.



Development Site 3

A site of approximately 0.3 ha, forming the western section of the Ryecroft site adjacent to Liverpool Road, is to be developed as a:

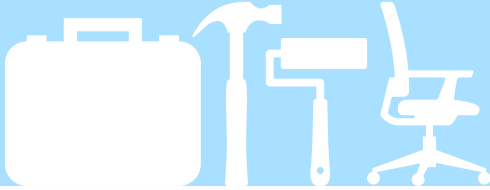
- New multi-storey car park providing safe and secure car parking for at least 450 cars with a high quality facade finish.



1.7 hectares of land developed



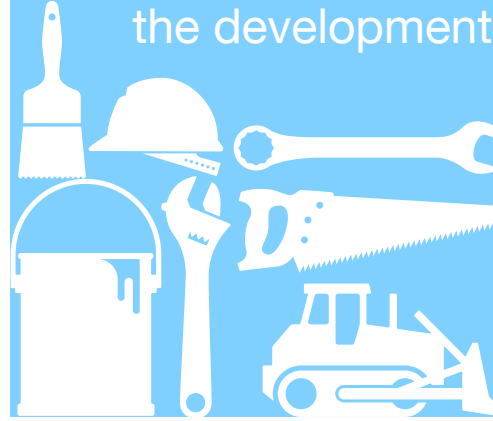
200 new jobs on site



£7 million Future High Streets Funding attracted



211 construction jobs created throughout the development



Sustainable development

Ryecroft Development

£11 million FHSF overall programme



319 indirect jobs supported in the supply chain



Over £30 million construction value



450 new car parking spaces



140 new apartments for older people



NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S
REPORT TO**

Cabinet
01 December 2021

Report Title: Purchase of York Place, Newcastle Town Centre

Submitted by: Executive Director Commercial Development and Economic Growth

Portfolios: Finance, Town Centres and Growth

Ward(s) affected: Town

Purpose of the Report

To agree to the purchase of the York Place / Astley Walk Shopping Centre in the heart of Newcastle Under Lyme Town Centre.

Recommendation

That Cabinet

1. **Authorises the Executive Director – Commercial Development and Economic Growth, in consultation with the Portfolio Holder, Finance, Town Centres and Growth to enter such agreements as are necessary to conclude the purchase of the York Place / Astley Walk shopping centre in Newcastle under Lyme in accordance with the Heads of Terms set out in the confidential appendix to this report.**

Reasons

To enable the delivery of the Future High Street Fund regeneration proposals and improvements to the Town Centre.

1. **Background**

- 1.1 In December 2020 the Ministry of Housing, Communities and Local Government (now Department for Levelling Up Housing and Communities DLUHC) confirmed to the Council that its Future High Street Fund (FHSF) business case submission had been successful and that £11,048,260.00 was awarded for Newcastle town centre. In January 2021 the Council submitted confirmation of its acceptance of the grant and detailed that the funding would be used to secure the demolition of the former Civic Offices, design and build a new multi storey carpark, procure York Place and undertake other public realm works.
- 1.2 In April 2021 the Council agreed to accept the FHSF grant offer and subsequently funding agreements have been signed. The first tranche of the grants have been released in accordance with the submitted cash flow requirements for the programme of works.

2. **Proposal**

- 1.1 York Place is a shopping centre at the junction of Merrial Street and High Street in Newcastle town centre. Built in the mid-1960s it incorporates Astley Walk a short covered shopping mall and external shopping frontages on to Merrial Street and Red Lion Square. There are 28 units in total. It is located in Newcastle Town Centre Conservation Area and occupies a strategically important location between the town centre and Ryecroft. As the Ryecroft is developed out into a proposed mixed use and residential scheme the importance of the connectivity of Ryecroft to High Street and Iron Market will increase. York Place sits directly in the middle of this route providing key connectivity and it is therefore crucial, to provide a coherent design vernacular through that conduit that York Place is redeveloped.
- 1.2 York Place grates against its Conservation Area surroundings, and its integration is all the more challenging on account of its appearance and general state of repair. Its current configuration does not serve to connect the Ryecroft area with the wider town centre. According a condition report carried out in January 2021, much of the building fabric is original including the windows, mastic asphalt to both the flat roof areas as well as to the rear service yard and car park. These are now life expired and replacement necessary in the short term. The brickwork elevations are serviceable but would require overhaul including repairs to areas of minor stress cracking and impact damage, together with re-pointing to maintain weather integrity. Additionally, immediate attention would be necessary to address delaminating and spalling sections of concrete from the main structural frame and upper floors / service yard deck – as a result of failing waterproofing. In all it is estimated that repairs costing over £1million would be required over the next 10 year period should the centre continue to operate.
- 1.3 York Place has suffered from under occupation for a number of years and currently there are 5 empty units as well as units that, although theoretically occupied in terms of a lease, do not appear to be trading. The demand for retail units is changing and the Council needs to ensure our town centre is fit for future demands. Acquiring the building better enables the council to respond flexibly in how it is used to meet future needs
- 1.4 The Council has been in negotiations with the current owners and terms have been provisionally agreed to purchase the freehold interest, subject to Cabinet approval. Due diligence enquiries are underway.
- 1.5 It is therefore proposed that to secure this site the Council purchases York Place / Astley Walk Shopping Centre from the current owners.
- 1.6 The Council have visited or written to each tenant to advise of the new ownership and will continue to engage on a regular basis.

3. **Reasons for Proposed Solution**

- 3.1 The decision will enable the project to progress as per the programme agreed with Government and the Future High Street Fund awards and commitments.
- 3.2 To use this Government funding opportunity to support delivery of Council Plan objectives.
- 3.3 To uplift the status of Newcastle town centre as the heart of economic, social and community life in the Borough.

4. **Legal and Statutory Implications**

4.1 Section 2(1) of the Local Government Act 2000 permits local authorities to do anything they consider likely to promote or improve the economic, social and environmental well-being of their area. That would include the intended redevelopment of York Place. The Council also has powers to acquire and hold land for development purposes.

4.2 In addition, the Council has a general fiduciary duty in respect of achieving best value in the proper use of public funds. Cabinet needs to be content that the proposal represents value for money in terms of return on investment on a whole project cost basis, whilst factoring in the regenerative economic benefits for the town. A thorough due-diligence and valuation exercise is required to properly identify all relevant costs, as well as risks and other encumbrances that might impact on deliverability and costs. A confidential report in relation to these matters is attached for member's consideration in connection with this decision.

7. Equality Impact Assessment

7.1 The nature of the project is intended to seek benefits for all people who use the town centre and to support the economic and social health of Newcastle town centre as a destination.

8. Financial and Resource Implications

8.1 The financial implications are set out in the confidential appendix to this report.

9. Major Risks

9.1 The risks to this purchase are set out in the confidential appendix to this report.

10. UN Sustainable Development Goals (UNSDG)

10.1 This project is intended to enable the redevelopment of an underused retail complex that is in a poor state of repair and currently blocks good connectivity between the Ryecroft site and Ironmarket/High Street bringing with it sustainability improvements, regeneration and economic benefits as well as health and wellbeing improvements. Depending on the final mixture of uses on the site further UNSDGs may be applicable also. In that respect, the project supports the realisation of the following UNSDG objectives:-



11. Key Decision Information

11.1 This is a Key Decision

12. Earlier Cabinet/Committee Resolutions

12.1 October 2019, Cabinet concerning development of the second stage FHSF bid and procurement of consultancy support.

12.2 December 2019, Economy Environment & Place Overview and Scrutiny Committee Town Centre Funding Update (information item)

12.3 July 2020, Cabinet concerning approval for submission of bid into MHCLG (now DLUHC)

12.4 April 2021, Cabinet accepting FHSF Grant monies and grant conditions.

12.5 December 2021, Cabinet accepting the design costs for a new multi storey car park on Ryecroft

13. **List of Appendices**

13.1 None

14. **Background Papers**

14.1 Future High Street Fund Submission July 2020.

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S REPORT TO

Cabinet
01 December 2021

Report Title: Improvements to Westlands Sports Centre and Wolstanton Park Tennis Courts

Submitted by: Executive Director - Commercial Development & Economic Growth & Executive Director Operational Services

Portfolios: Leisure, Culture and Heritage

Ward(s) affected: All

Purpose of the Report

To inform Cabinet about the proposals to upgrade the tennis courts at the Westland's Sports Centre and Wolstanton Park tennis courts, following an in principle £133,700 grant award from the Lawn Tennis Association (LTA)

Recommendation's

- 1. Authorise the Executive Director - Commercial Development and Economic Growth, in consultation with The Portfolio Holder, Leisure Culture and Heritage, to take such actions that are reasonably necessary to enter into a funding agreement with the Lawn Tennis Association.**
- 2. That the Cabinet delegate the authority for the Executive Director Commercial Development & Economic Growth to award a contract to refurbish the tennis courts (following a complaint procurement process) in consultation with the Cabinet Member for Leisure Culture and Heritage.**

Reasons

The grant award from the LTA provides the Council the ideal opportunity to a) enhance the quality of tennis provision in the Borough, b) to deliver exciting programmes for sport, exercise and play that supports health and wellbeing of residents, c) to work with partners to bring investment and income into our parks, d) to build relationships and work with volunteers, e) to give local communities the chance to come together.

1. Background

1.1 The Borough Council owns and operates a total of 18 tennis courts across the Borough at the following six sites:

- Westland's Sports Centre – 10 courts.
- Wolstanton Park – 4 courts
- Clough Hall Park – 2 Courts
- Silverdale Park -1 court
- Bardwell Lodge – 1 court

The 2021-26 Playing Pitch Strategy has highlighted that 4 of the above sites are in poor condition with Wolstanton park being in an average condition.

1.2 Parks/recreational tennis in the Borough has been in long term decline due to the poor condition of the tennis courts. Through ongoing dialogue with the LTA it has been determined that the Borough has now reached the point, that without investment in some of the Borough's tennis facilities the opportunity to offer a high quality affordable tennis programme to residents may be lost for good.

1.3 The LTA have identified the Borough as a priority area to increase tennis participation. This is an exciting opportunity for the Council, to develop a strong relationship with the LTA, develop innovative solutions for the development of recreational tennis, enhance the vibrancy of some of the Boroughs parks, and the support the sustainability of parks tennis in future years.

2. **Issues**

2.1 Due to the condition of the tennis courts in the Borough there has been a limited operating model in place. As a result over the past few years income levels have been low to non-existent, participation in tennis has been poor, and there have been limited opportunities to develop an innovative tennis programme to support the health and wellbeing of residents.

2.2 At present tennis is currently provided to the Borough's residents free of charge due to the poor quality surface of the courts. The Borough's residents have therefore been able to turn up and play tennis without booking, which has led to limited data being gathered by the Council to support strategic decision making in relation to the development of tennis opportunities in the Borough.

2.3 Over the past year officers of the Council have been working closely with the LTA to identify the best opportunities to a) support capital investment into the Borough's tennis facilities and b) to develop an innovative programme to support the to increase tennis participation in the borough. The LTA have therefore identified that the two priority sites to focus on should be the Westland's Sports Centre and Wolstanton Park which is supported by the Council's PPS.

2.4 In order to support increased participation in tennis, there is also an essential need to make a capital investment at both the Westland's Sports Centre and Wolstanton Park in the form of replacing the tennis courts surface and or the painting of the surface. This will enhance the quality of the tennis offer, address some current health and safety concerns as well as having a broader appeal to the tennis fraternity of Borough.

2.5 Once refurbished, both sites would benefit from the installation of a gate access system. This provides an opportunity for the Council to enable residents to find, book tennis court through the LTA's website/online booking platform and or mobile app. This would enable a clear customer journey for parks tennis initially at these two sites, take the headache out of managing bookings, breaks down barriers to access, as well as supporting income generation.

2.6 The using their expert industry knowledge coupled with a schedule of rates from their preferred list of contractors, the LTA have provided an indicative cost to install the gate access system and enhance the courts at both sites at a cost of £163,700. To fund this investment, in principle the LTA have in principle agreed a grant of £133,700 with £30,000 being met from the Council's capital programme.

2.7 Following the in principle agreement by the LTA to fund over eighty percent of the project costs, the steps will now need to be taken to get the project over the line: a) The LTA to commission a technical service's team to develop detailed scope of works/specification, b) for Officers of the Council to run a compliant procurement process inline the Public contract Regulations 2015 (PCR2015) and the Council's constitution for the works, C) that the LTA are notified of the Councils preferred tender so that a final decision can be made whether or not to make the grant ward d) to award the contract to the preferred supplier to complete the required works anticipated to be Spring 2022.

2.8 A key grant condition from the LTA is that the Council should provide adequate finance to resurface their courts at the end of their lifespan. Having considered this grant condition Officers are recommending that this provision should be made in the Council's capital programme in seven to ten years' time, as opposed to creating a sinking fund that would be funded from income generation.

2.9 In conjunction with the LTA, Officers have reviewed Sport England's Market Segmentation Tool. This has provided an analysis of the percentage of adults that would like to participate in tennis in the Borough but are not currently doing so. Through the use of this system it has been identified that there is a latent demand of 2,213 adults who live within the Borough. This suggests that there is a large body of players that would participate in tennis if barriers such as the quality of courts and booking systems being in place were addressed.

2.10 This latent demand for tennis in the borough, provides the perfect opportunity for Officers from the Councils Sport and Active Lifestyles Service to work with the LTA to develop a comprehensive inclusive/affordable tennis programme at both sites focusing on:

- A Youth programme
- An adult programme
- Local tennis leagues,
- Competition programmes
- A tennis coaching programme,
- Tennis for free initiatives.

3. **Proposal**

3.1 Authorise the Executive Director - Commercial Development and Economic Growth, in consultation with The Portfolio Holder, Leisure Culture and Heritage, to take such actions that are reasonably necessary to enter into a funding agreement with the Lawn Tennis Association.

3.2 That the Cabinet delegate the authority for the Executive Director Commercial Development & Economic Growth to award a contract to refurbish the tennis courts (following a compliant procurement process) in consultation with the Cabinet Member for Leisure Culture and Heritage.

4. **Reasons for Proposed Solution**

4.1 The grant award from the LTA provides the Council the ideal opportunity to a) enhance the quality of tennis provision in the Borough, b) to deliver exciting programmes for sport, exercise and play that supports health and wellbeing of residents, c) to work with partners to bring

investment and income into our parks, d) to build relationships and work with volunteers, e) to give local communities the chance to come together.

5. **Options Considered**

5.1 Without this investment in these two sites, the quality of tennis court provision in the Borough will continue to decline, with a limited opportunity to increase participation in tennis to support the health and wellbeing of residents.

6. **Legal and Statutory Implications**

6.1 The works to refurbish the tennis courts will follow a compliant procurement procedure in line with the Public contract Regulations 2015 (PCR2015) and the Council's constitution. There will be need to ensure appropriate and timely legal input into the completion of any contract/agreements.

7. **Equality Impact Assessment**

7.1 Officers of the council will work closely with the LTA to develop a diverse tennis programme attract a wider range of users include those with protected characteristics.

8. **Financial and Resource Implications**

8.1 Initial estimates provided by LTA have indicated the project can be delivered within the broad cost envelop of £163,700.

8.2 It is proposed that the project is financed through the acceptance of a grant from the LTA totalling £133,700 with the balance of £30,000 funding coming the Councils capital programme. Should the project costs exceed this figure, given the financial situation the LTA will be asked to bridge any funding gap in the first instance.

8.3 To support the delivery of the tennis programme there will be an additional revenue cost to the Council of circa £6,000 per annum to maintain the access controls for the gates to the tennis courts and a licence fee for the LTA's preferred online booking platform/mobile app.

8.4 The required maintenance regimes for the Westland's Sports Ground/wolstanton Park Tennis Courts for their refurbishment will be met from within existing resources.

8.5 A key grant condition from the LTA is that the Council provide adequate finances to resurface their courts at the end of their lifespan. Have considered this grant condition Officers are recommending that provision should therefore be made in the Council capital programme in seven to ten years' time, as opposed to creating a sinking fund that would be funded from potential revenue.

Major Risks

9.

9.1 It is proposed that all risks will be proactively managed through a small working group of officers from Sport and Active Lifestyles, and Operational services to ensure that the delivery project meets the aspirations of the Council and the LTA.

9.2 There is a small risk that the capital costs may exceed the LTA's original cost estimates. If this is the case then the LTA will be asked to bridge any shortfall in the first instance. Should further monies from the Council be required, then a request will be made to the Councils CPRG in line with normal practice.

10. **UN Sustainable Development Goals (UNSDG)**

10.1 The improvements to the tennis courts at the Westlands Sports Centre/wolstanton Park contribute to the UNSG and Climate Change objectives in a number of ways. Principally, through partnership working, improving health and wellbeing and supporting, infrastructure and skills, the following UNSGs are supported.



11. **Key Decision Information**

11.1 This is a key decision and appears on the Council's forward plan.

12. **Earlier Cabinet/Committee Resolutions**

12.1 None

13. **List of Appendices**

13.1 None

14. **Background Papers**

14.1 None

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NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S REPORT TO

Cabinet
01 December 2021

Report Title: Procurement Strategy 2022-25
Submitted by: Executive Management Team
Portfolios: Finance, Town Centres & Growth
Ward(s) affected: All Wards Affected

Purpose of the Report

To consider and approve the Borough Council's Procurement Strategy and Action Plan 2022-25.

Recommendation

That Cabinet:

- 1. Review, consider and approve the Borough Council's Procurement Strategy 2022-25;**
- 2. Review, consider and approve the Action Plan (Appendix 3) of the Borough Council's Procurement Strategy 2022-25**

Reasons

The current Procurement Strategy 2017 – 2021 and Action Plan is due to end in December 2021 and in line with the Council's Priorities, internal governance, legislative changes, sustainable procurement and Brexit your officers have formulated a new strategy that seeks to address such changes and respond to the need to build on the ongoing improvements currently being delivered throughout the authority.

1. Background

- 1.1 Procurement has a far broader meaning than that of simply purchasing, buying or commissioning. It is about securing assets and services that best meet the needs of users and the whole community spanning the life cycle of an asset or service. The life cycle is generally defined as being from the initial definition of the business need through to the end of the useful life of the asset or service, including any costs of disposal.
- 1.2 Commissioning is the process of specifying securing and monitoring services to meet individuals' needs both in the short and long term.
- 1.3 The Government initially placed a duty of best value on local authorities under the Local Government Act 2000 to deliver services to clear standards of cost and quality by the most economic, efficient and effective means available. Best Value was a challenging framework that required authorities to review all their services in the light of government guidance.
- 1.4 In the context of procurement, obtaining best value for money means choosing the solution that offers the optimum combination of whole life costs and benefits to meet the customer requirement.

- 1.5 The Procurement Strategy 2022-25 sets down the basis of developing and implementing best value throughout its service to citizens and the business community, aligned with the challenge to deliver ongoing savings in line with the authority's need to respond to the changing financial environment. The Council will continue to develop its procurement principles and practices aiming to deliver further improvements in this key service.
- 1.6 It is important that we ensure procurement activity supports the delivery of the Borough Council's strategic and operational priorities, with relentless focus on value for money and financial performance, as well as wider strategic aims. Sustainable Procurement is a strategic procurement aim of the Council, by having effective sustainable procurement practice embedded within our processes will help ensure that procurement is recognised as being vital to the delivery of our corporate objectives
- 1.7 The Procurement Strategy 2022-25 is supported by the publication of the 'Action Plan' found at Appendix 3 of the strategy that's seeks to support the delivery of the strategy throughout the three year period. The strategy is further supported by a range of governance procedure inclusive of:
- Council Contract Procedure Rules;
 - Council Financial Regulations and
 - Council Constitution

2. **Issues**

- 2.1 In developing the Strategy your officers have recognised the need to
- Further embed legislative changes (Public Contract Regulations 2015);
 - Embed sustainable procurement into the Council's Procurement Strategy
 - The changes introduced following Brexit
 - The considerations contained within the Governments Green Paper: Transforming Public Procurement which seeks to speed up and simplify our procurement processes, place value for money at their heart, and unleash opportunities for small businesses, charities and social enterprises to innovate in public service delivery
- 2.2 The new strategy aims to further increase the profile of the procurement processes, procedures, principles, sustainability and protocols within the Council. They have recognised a need to heighten the requirements for the delivery of Social Value in support of the 'Public Services (Social Value) Act 2012 taking into consideration its potential impact on the local environment, and social wellbeing of the community.
- 2.3 The strategy identifies drivers for the successful delivery and builds on the need to simplify processes and seek to attract and increase spend with local service providers inclusive of small to medium enterprises, micro business and social enterprises inclusive of third sector providers. It examines the call for greater efficiencies, collaboration and sharing of services.

3. **Proposal**

- 3.1 That Cabinet review, consider and approve the Borough Council's Procurement Strategy and Action Plan 2022-25.

4. **Reasons for Proposed Solution**

- 4.1 The proposed, Procurement Strategy seeks to reflect best practice, identifies by way of the action plan further ongoing improvements, supports in the simplification and standardisation of processes, the need to support officers undertaking procurement exercises on a regular

basis and the continual requirements to identify and deliver savings, responding to the need to address the budget shortfalls identified by the Council as part of its medium term financial strategy.

4.2 The Procurement Strategy and its implementation identifies and demonstrates a willingness to improve procurement practices across the Council, leading to ongoing improvements in service levels, increased efficiencies, sustainability and officer awareness of the ongoing changes in the public procurement.

5. **Options Considered**

5.1 To do nothing and continue to run with an outdated Procurement Strategy would reflect on an inability to respond to ongoing changes and to continually review, challenge, identify improvements and strive to support the service throughout the Council. The accompanying action plan to deliver the revised Strategy gives the Council an opportunity to embed improved processes, procedures, policies and protocols within the day to day activities of procuring products and services by officers throughout the Council.

6. **Legal and Statutory Implications**

6.1 There are no new legal or statutory implications, however the Procurement Strategy 2022-25 supports the work in embedding the requirements under the Public Contract Regulations (PCR) 2015, Public Services (Social Value) Act 2012, the Governments Green Paper 'Transforming Public Procurement' and the changes brought about by completion of BREXIT.

7. **Equality Impact Assessment**

7.1 All major procurement (high risk and high value) shall recognise the impact on the social, economic and environmental wellbeing within the Borough. We will strive to offer equality and diversity in all our procurement transactions. We will strive where practicable and possible to utilise local labour, materials and services. We will aim to support the growth in modern apprenticeships and the placement of trainees in industry and commerce.

8. **Financial and Resource Implications**

8.1 At this stage there are no direct financial and resource implications, however, where resource issues are identified as part of the implementation of the action plan, these will be brought to future Cabinet meetings.

9. **Major Risks**

9.1 There are no major risks but areas of high risk can be summarised as follows:

- Failure to identify the financial support to the service.
- Failure to meet legislative requirements.
- Failure to identify key areas for improvement and savings.
- That the Council's corporate commitment and priorities are not delivered.
- Failure to provide efficient staff with skills, knowledge and capacity to support the delivery of appropriate procurement options.
- Failure to provide efficient staff capacity to support the assessment and delivery of new methods of service and to evaluate immature and emerging markets.
- Council fails to innovate and develop new methods of delivery.
- Failure to identify social value criteria at the early stages of the procurement cycle.
- Failure to identify the whole life costs of strategic procurements.
- Failure to contract manage.

- Failure to identify savings as part of both existing contracts and new procurements.

10. UN Sustainable Development Goals and Climate Change Implications

10.1 The Procurement Strategy 2022-25 and Action Plan seeks to support the following sustainable Development Goals and Climate Change Implications:



11. Key Decision Information

11.1 The revised Strategy and action plan supports the objective of ensuring the council commissions and procures fit for purpose services and supplies, and understands the market it seeks to influence and develop.

12. Earlier Cabinet/Committee Resolutions

12.1 No earlier Cabinet/Committee Resolutions apply.

13. List of Appendices

13.1 Appendix * – Procurement Strategy and Action Plan 2022 -2025

14. Background Papers

14.1 Green Paper: Transforming public procurement:

<https://www.gov.uk/government/consultations/green-paper-transforming-public-procurement>

The Borough Council of Newcastle-Under-Lyme

Procurement Strategy

2022 - 2025



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1 Introduction

- 1.1 The importance of effective procurement has never been greater for local government. The demand for public services is increasing, while resources are drastically reducing. The pressure to find greater efficiencies and improve productivity is driving councils to look for different ways to deliver better outcomes for local people.
- 1.2 This strategy sets out our vision for procurement and our priorities for the next 3 years to 2025, incorporating the latest government procurement legislation and initiatives, and the Council's priorities, aims and objectives. It is a statement of the procurement commitments of the Borough Council.
- 1.3 We aim to provide quality services that are responsive to the needs of our community and deliver optimum value for money. It is also important that the strategy reflects both our compliance obligations and our procurement aspirations.
- 1.4 Over the term of Borough Council's 'Medium Term Financial Strategy' we estimate spend in the region of £22.850m on goods, services across our general fund. This is a significant investment of public funds and we clearly have a responsibility to make sure this spending represents value for money.
- 1.5 A strategy by itself will not lead to effective procurement; it is the commitment of our Members, senior managers and staff carrying out procurement activity, which is key to its success.

2 What Is Procurement?

- 2.1 Procurement is the process of acquiring goods, services and works, covering both acquisition from suppliers and in-house providers, inclusive of the adoption and integration of Corporate Social Responsibility (CSR) principles into procurement processes and decision. The process spans the whole cycle from identification of needs through to the end of a contract or the end of the useful life of an asset. It involves options appraisal and the critical 'make or buy' decision, which may result in the provision of services in-house or through other supply arrangements.

3 Why Is Procurement Important?

- 3.1 The impact of procurement is far greater than just the definition of a 'process' and our vision, aims and objectives set out in this strategy detail the contribution that effective procurement arrangements can make to a range of socio-economic agendas. These include a successful local economy, a thriving voluntary sector, community empowerment, environmental, sustainable and ethical issues, and value for money.
- 3.2 Good procurement is essential to ensure good public services, from buying works, goods and services that work as they are supposed to, to achieving savings that can be reinvested in front-line services.
- 3.3 Local Government spends over £55 billion a year procuring a wide range of works, goods and services, from everyday items such as pens and paper, to major construction projects. All those who, as taxpayers and housing rent payers, use and fund public services have the right to expect government to meet the highest professional standards when it procures on their behalf.

4 Our Vision for Procurement

- 4.1 Our vision for procurement over the term of this strategy is to demonstrate value for money through the effective procurement of goods, services and works on a whole life basis in terms of generating sustainable benefits to the community and Council, whilst minimising impacts to the environment.

5 Strategic Procurement Aims

- 5.1 Our strategic procurement aims are summarised as follows:

Showing Leadership

A strategic approach to procurement should be at the heart of thinking for our councilors and decision makers because procurement is not merely about ensuring compliance. There is an ever-growing need to engage with service leads and procurement representatives on high value, high risk procurements to drive innovation, generate savings, and identify opportunities for income generation whilst ensuring sustainable procurement practices.

Behaving Commercially

We need to improve public sector commissioning and procurement to increase the effectiveness and efficiency of government. This means improving the skills of our leaders and managers, both members and officers, so their teams can design service provision, influence external parties, and shape and manage markets to get the best outcomes. This can be done by creating commercial opportunities, managing contracts and supplier relationships and risk management.

Delivering the Corporate Strategy and Service Priorities

It is important that we ensure procurement activity supports the delivery of the Borough Council's strategic and operational priorities, with relentless focus on value for money and financial performance, as well as wider strategic aims. Having effective sustainable procurement practice embedded within our processes will help ensure that procurement is recognised as being vital to the delivery of our corporate objectives

Achieving Community Benefits

We can use procurement to achieve wider financial and non-financial outcomes, including improving the local economy, wellbeing of individuals and communities, social and economic issues such as reducing CO₂ emissions and an improved sustainable environment.

- 5.2 The success of this strategy will depend on the implementation and effectiveness of the following key principles and actions:

- Political and management endorsement and support;
- Council-wide recognition of the importance of the role of procurement in delivering improvement and efficiency;
- Improved commercial awareness of those involved in procurement activities;
- Improved forward planning by service areas;
- Improved awareness of the benefits sustainable procurement has on climate change and

- carbon reduction;
- Adequate resourcing and prioritisation of projects;
- Adequate support from key internal functions throughout the procurement cycle;
- Continued development of procurement capacity and capability within services, and encouragement of continuous improvement;
- Identification, allocation and continuous management of risk;
- Management of performance shortfalls and adequate tools to tackle poor performance;
- Continuity of knowledge throughout the procurement phases and the delivery of regular and effective training.

6 The Procurement Cycle and Process



- 6.1 Effective procurement forms a continuous cycle of action and improvement, from identification of needs through to review of delivery and achievement of outcomes and includes procurement and contract management activity. The stages are interdependent – each stage builds on the previous ones. The outcome for the procurement exercise may not be known at the outset and this may result in a grant being awarded, provision remaining in-house or a fully tendered procurement.
- 6.2 This strategy is aimed at promoting effective sustainable procurement across all services and should be read in conjunction with our Contract Procedure Rules, Financial Regulations and the Council’s Sustainable Procurement Guidance 2022-25. During 2022, we will develop procurement guidance and training to support services and corporate procurement with the implementation of our procurement approach. All procurement activity is operated in a legal and professional manner with the highest standards of integrity, transparency, openness, accountability and fairness.
- 6.3 In the Government Green paper ‘Transforming Public Procurement’ published December 2020 there are proposals to reduce the number of procedures from the current seven to three:
- ❖ **Open Procedure** – any supplier may submit a bid for an advertised opportunity.

- ❖ **Limited Tendering Procedure** – This process is simply the ‘negotiated procedure without prior publication’ which has been renamed as the ‘limited tendering procedure.’ The application of this process would be the same, in that it is expected only to be used in cases of extreme urgency, or exceptional circumstances.

The Borough Council will need to document their analysis to demonstrate that their decisions are fully justified. The grounds for using the procedure will remain broadly unchanged from the current regulation 32 of the Public Contract Regulations, which are summarised as follows:

- Absence of tenders or suitable tenders in an advertised procurement;
- Artistic reasons, technical reasons, or exclusive rights.
- Extreme urgency;
- For the purchase of research and development goods;
- Additional purchase of goods where a change in supplier would result in technical difficulties;
- Purchase of goods on commodity markets;
- Purchase of goods on advantageous terms due to winding up or bankruptcy;
- Design contests (will be removed as the procedure will cease to exist);
- Repetition of works and services in limited circumstances.

- ❖ **Competitive flexible procedure** – The competitive flexible procedure will give procurement staff maximum flexibility to design a procurement process that meets their needs and the needs of the market. This new procedure would replace five of the existing procedures: restricted, competitive dialogue, competitive procedure with negotiation, innovation partnerships and design contests.

The procedure introduces much greater flexibility within a single process. It will allow buyers to build in stages of negotiation and deploy modern commercial tools such as reverse auctions. The procedure would be suitable for a wide range of procurements including:

- simple requirements where an initial selection stage is needed to limit the number of bidders, for example, to meet specific technical requirements to bid.
- for complex requirements where negotiations with bidders would be beneficial in helping them understand the requirements and/or in delivering better value for money and innovation;
- for procurements where the Borough Council may not want to limit the field through an initial selection stage without first evaluating the product, technology or software being offered; this would be particularly useful where a prototype or other practical demonstration is required;
- for procuring innovative products or services using a phased approach to develop the solution(s).

The competitive flexible procedure is aimed at being a dynamic tool that can be used to deliver everything from a straightforward ‘restricted’ process to a more complicated, and multi-stage ‘competitive dialogue’.

- ❖ **Framework Agreements** – a framework agreement is a particular type of contract where a council or buying organisation establishes an arrangement where a number of suppliers are accepted as competent to deliver the service and the framework specifies the terms for awarding specific contracts as required. Contracts obtained from a framework are called call-offs and the framework specifies the terms of call-offs, such as awarding directly to a single supplier or through a mini (further)-competition with (normally) all suppliers listed on

the framework. The restrictions on framework agreements are that they cannot exceed four years and the terms of a contract cannot be varied substantially from what is set out in the framework. Only authorities clearly identified as part of the framework can award contracts, though the contracts awarded can last longer than the framework itself.

❖ **Dynamic Purchasing System (DPS)** – a DPS is like a framework agreement, but it allows new suppliers to be added as potential suppliers over the duration of the arrangement and there is no limit on its application.

- 6.4 The Borough Council’s procurement activity covers a range goods, services and works. Services have a mix of specific and aligned requirements for the procurement of Goods, Services and Works contracts. Each requiring an amount of specialist commercial and procurement knowledge to ensure procurement exercises are prepared and executed compliant with local and national rules regulations and governance.
- 6.5 We will look to consider the costs of procurement when designing processes and considering the most appropriate procurement approach. The Council recognises the importance of electronic procurement (eProcurement) in delivering lower transaction costs, and we will look to optimise this approach whilst ensuring supplier groups (e.g. the voluntary sector) are not disadvantaged.
- 6.6 There remains the opportunity to consider the use of purchasing cards where and if appropriate, this should enable officers to reduce transaction costs particularly for high volume, low value and ad-hoc purchases, but must be accompanied by the introduction of a suitable Borough Council Purchasing Card Policy.

7 Legislation

- 7.1 Public procurement is a highly regulated environment governed by legislation and policies set by the UK government, nationally through statute and case law and locally by the Council’s Constitution, and other Council plans and policies. These are set out in Appendix 1.

8 Governance, Structure and Responsibilities

- 8.1 The National Procurement Strategy recommends that local authorities demonstrate political and senior officer leadership of procurement. Summarised below are the roles and responsibilities for the Borough Council.

Key Area – Engaging Senior Managers				
Refers to the corporate management team valuing and benefiting from procurement and commercial at all stages of decision-making, including early advice on major projects.				
Importance: Good procurement and commercial understanding (wherever possible, provided in-house or shared between councils) can have a decisive impact on the outcome of a project, particularly one involving innovation. It is important that senior managers engage with procurement and commercial issues from the earliest stages of the project.				
Minimum	Developing	Mature	Leader	Innovator

Senior Management regard procurement and commercial issues as purely operational matters.	The council is exploring the best approach to obtaining procurement and commercial input into decision-making.	Senior managers engaged with procurement and commercial issues, routinely taking advice at key decision points.	Council demonstrating better results from early procurement and commercial advice on projects.	Council procurement and commercial advice valued by leaders of combined authority/group of council's projects or in connection with an innovative project.
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(Source: National Procurement strategy)

8.2 Outlined below are the roles and responsibilities for procurement within the Borough Council of Newcastle-under-Lyme.

Members' roles in procurement

8.3 The Cabinet Member for Finance, Town Centre's & Growth – Deputy Leader has a responsible for overseeing procurement activity in procurements that are key decisions as set out in the Borough Council's Constitution.

- The Cabinet is responsible for approving the Council's Procurement Strategy.
- Statutory Officers Group is responsible for monitoring compliance with the Contract Procedure Rules, holding Heads of Service to account.
- Procurement activity requiring more detailed member involvement includes:
 - Making key decisions in the procurement process for major projects.
 - Where a new service or a substantially varied service is being considered.
 - High public interest.
 - Significant reputational or financial risk.
 - Significant risk of failing to meet legislative requirements.

Executive Management Team

8.4 The Chief Executive and Executive Managers are responsible for:

- Management of the strategy and to review progress against the implementation of the actions.
- Strategic leadership and governance of procurement.
- Ensuring the Procurement Strategy aligns with corporate objectives.
- Overseeing the arrangements for procurement and to ensure they are operating effectively.
- Ensuring value for money and risk management are considered as part of any procurement activity.
- Ensuring equality and sustainability are considered at each stage of the procurement process.

Operational Managers and Other Relevant Staff

8.5 Heads of Service, Business Managers, project managers, corporate purchasing and their support staff are responsible as part of a devolved structure, for:

- Each relevant Head of Service and Business manager is responsible for ensuring that the

staff in their areas have the right level of skills to deliver effective procurement, and will also monitor all procurement activity in their services.

- For specific, high risk, complex and higher value contracts, project teams may be formed to ensure that technical, legal and commercial issues are considered, using the Borough Council's appropriate project management framework.
- It is the responsibility of the relevant Business Manager / Contract / Project Manager to identify and develop business requirements and ensure adequate budget is in place or obtained in line with the Borough Council's Financial Procedure Rules.
- It is the responsibility of the relevant Business Manager / Contract / Project Manager to seek the support of the Borough Council's legal team in a timely manner to ensure that formal contracts are available for exchange at the award stage of the procurement process. This includes but not limited to a review of any call off terms when utilising a compliant framework.
- Staff involved directly with the purchase of goods, services and works must ensure they comply with this strategy, the Public Procurement Regulations 2015, and the Council's Contract Procedure Rules and Financial Procedure Rules.
- Conducting relationships with suppliers and the Council in an ethical and appropriate manner to ensure they promote their employer in a positive way.
- Obtaining appropriate approval to proceed with a procurement exercise, ensuring adequate approved budget provision is in place.
- Preparing and developing the scope and specification (inclusive of sustainability and carbon reduction as part) of the purchasing requirement, working with corporate procurement for advice and guidance where necessary, to ensure the scope and specification is not written to favour any one business or group of companies.
- It is incumbent on the council to ensure all contracts clearly state the roles and responsibilities of both the Council and Supplier imposed on them by the General Data Protection Regulation 2016 and the Data Protection Act 2018 in relation to the basis on which we process the personal data we collect.

Corporate Procurement

8.6 The duties of corporate procurement are to maintain procurement guidance in line with best practice, and to monitor procurement activity across the Council, including:

- Coordinating this procurement strategy on behalf of the Borough Council, and leading on the implementation of the procurement aims.
- Providing assistance and advice to contract owners in the control and management of contracts.
- Development and maintenance of procurement documentation and web pages to publicise procurement processes, information and advice to potential suppliers and staff; to comply with transparency requirements.
- Development of modern and efficient procurement processes to deliver savings in transactional processes.
- Providing assistance to contract owners in the planning and co-ordination of improvement of current contracts, business continuity, exit strategies and where applicable post contract appraisals and reviews.
- Ensuring the procurement process eliminates the potential for fraud and favoritism towards any supplier.
- Supplier analysis to identify supplier base, spend per supplier, spend per service / activity.
- Coordinate and monitor the Council Contracts Register and Procurement Pipeline to allow

- improved advanced planning for procurement and contract management activity.
- Facilitating and supporting the embedding of sustainable procurement as part of officer decisions.
 - Organising training for staff, to include specific procurement training, induction and Contract Procedure Rules, and use of the procurement portal and related processes.

9 Value for Money (VFM)

- 9.1 Value for money does not mean the lowest cost. There are many aspects to achieving VFM through the procurement process; mainly to select a procurement model that is proportionate to the value and risk of individual contracts.
- 9.2 It also requires a proportionate approach to the evaluation of cost and quality; where the costs can be broadly predetermined there will be a higher weighting towards quality.
- 9.3 VFM is not just about price, there are a wide range of other considerations that may be taken into account when assessing VFM, including for example, quality relevant and appropriate to the specifics of the contract; social value in terms of community experience and outcomes and whole life value.

10 Sustainable Procurement

- 10.1 Sustainable Procurement is 'a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment'. Sustainability is therefore an important consideration when making procurement decisions. It ensures that we consider the environmental impact of procurement decisions.
- 10.2 We are committed to making our spending decisions in a way that delivers both value for money on a whole life cycle basis, and achieving wider economic, social and environmental benefits. The Council's sustainable procurement policy structure will support and enable progress towards the Council's vision for the borough to be Carbon Neutral by 2030.
- 10.3 We are committed to achieving these aims and we will:
- Promote and embed best practice for sustainable procurement across all service areas.
 - Where appropriate, require our suppliers and contractors to reduce the impact of goods, works and services by considering whole life costs; and the carbon impacts associated with goods works and services.
 - Require information from potential suppliers on how they will help us to progress our environmental objectives as part of the delivery of a contract.
 - Regularly review consumption of goods and services, especially those that have specific impact on the environment, and take measures to prioritise alternative recycled methods and materials that are non-polluting and environmentally friendly.
 - Ensure that, where appropriate and allowable, sustainability criteria are part of the supplier evaluation process and are used in the award of contracts. Such factors might include the carbon footprint being a measure of the impact the Council activities have on the amount of carbon dioxide (CO₂) produced through the burning of fossil fuels, inclusive of supply streams associated with the provision of goods and services the Council consumes and uses.

- Utilise where necessary the Building Research Establishment Environmental Assessment Method (BREEAM) as appropriate to deliver sustainable construction, refurbishment and maintenance projects, whilst considering viability and affordability.
- Under the biodiversity duty, which is part of the Natural Environment and Rural Communities Act, public authorities must show regard for conserving biodiversity in all their actions. A public authority can be: a local authority or a local planning authority. The Borough Council will fulfil obligations under the Biodiversity duty as part of our Corporate Biodiversity requirements.

- 10.4 The Council in line with the UK Government Procurement Policy Note (PPN) 06/21 – ‘Taking Account of Carbon Reduction Plans in the Procurement of Major Government Contracts’ will look to the need that environmental considerations and carbon reduction will be a factor. The Council will look to its providers as part of relevant future contracts for the provision of their Carbon Reduction Plan. This may include, but is not limited to:
- Contracts which have a direct impact on the environment in the delivery of the contract;
 - Contracts which require the use of buildings by staff engaged in the delivery of the contract;
 - Contracts which require the transportation of goods or people used in the delivery of the contract;
 - Contracts which require the use of natural resources in the delivery of the contract.
- 10.5 Following the publication of the Local Government Association – Sustainable Procurement – Delivering Local Economic, Social and Environmental Priorities (Toolkit for commissioners, practitioners and contract managers), officers will look to utilise the toolkit in support of delivering ‘sustainable procurement’ at the Borough Council. The toolkit is intended for all councils and may be navigated to suit particular roles and requirements. It is designed to highlight key principles which all relevant stakeholders should apply, together with some detail on specific environmental and social topics.

11 Social Value

- 11.1 The Public Services (Social Value) Act 2012 requires us to consider how the services we procure might improve the economic, social and environmental well-being of the area. It is defined as improving economic, social and environmental wellbeing from public sector contracts over and above the delivery of the services directly required at no extra cost. Used properly, additional social value can be beneficial to both suppliers and councils and represent a joint effort to exploit maximum value from procurement.
- 11.2 Our Social Value in Procurement Policy Statement is attached at Appendix 2 and sets out our approach to ensure that all resources are used wisely and that we protect and enhance the economy and environment whilst ensuring the efficient use of resources and delivery of value for money.

12 Supporting the Local Economy

- 12.1 We recognise that there are significant advantages of engaging with small local businesses, for both the Borough Council and the local economy. We are committed to using procurement processes that ensure such businesses, trades and suppliers – including Small or Medium-size Enterprises (SME’s) and Micro Enterprises (ME’s) – have at least equal if not enhanced access to council procurement opportunities.

12.2 All procurement activity will aim to benefit the local economy and employment opportunities for local residents wherever possible and allowed to. We will encourage local businesses to actively participate in our procurement opportunities. Corporate procurement will jointly (with neighbouring authorities) through local events such as 'Meet the Buyers' meetings assist local SME's and Sole Traders with any queries and issues they may have regarding our tendering process to help simplify them where possible.

13 Ethical Procurement

13.1 Ethical procurement considers the impact of environmental, sustainable, economic and social factors along with price and quality. We must be aware and look out for signs of unacceptable practices in the supply chain such as modern slavery, fraud and corruption.

13.2 The Council has an opportunity to influence the equality agenda with suppliers through its procurement processes. The Council is committed to ensuring that major suppliers and contractors have established equality and diversity values and policies, and work constructively work to implement these. To achieve this, the Borough Council will:

- Ensure our appointed contractors share, and help deliver, equality objectives;
- Look to develop ways to monitor the equality performance of our key suppliers and provide assistance if and where required.

13.3 The Council will ensure through its procurement processes that all its suppliers comply fully with the Modern Slavery Act 2015 wherever it applies. Further to this we will:

- Challenge any abnormally low-cost tenders to ensure they do not rely upon any potential contractor practicing modern slavery.
- Publicise our whistle-blowing system for staff to blow the whistle on any suspected examples of modern slavery.
- Require our contractors to adopt a whistle-blowing policy, which enables their staff to blow the whistle on any suspected examples of modern slavery.
- Regularly review our contracted spending to identify any potential issues with modern slavery.
- Highlight to our suppliers any risks identified concerning modern slavery and refer them to the relevant agencies to be addressed.
- Refer for investigation via the National Crime Agency's national referral mechanism any of our contractors identified as a cause for concern regarding modern slavery.

13.4 Any supplier awarded a contract who later is found to be or has been in breach of the Modern Slavery Act 2015 may have their contract terminated.

13.5 The Council will ensure that appropriate contracts include provisions for crime and disorder reduction and that procurement arrangements do not have an adverse impact on community safety issues.

13.6 The Council will ensure that effective health and safety mechanisms are in place through our procurement practice and our suppliers.

14 Management of Risk

14.1 Risk management is an integral part of a procurement process and must be considered at the

planning stage of any procurement process. We will identify the risks associated with all major procurement activity and the contingencies for service disruption in each project and how these are to be mitigated and managed.

- 14.2 For any high financial value, high risk or high profile procurement and which also involves significant risk including staff transfer; or significant potential for reputational or financial risks we will utilise the Borough Council's established project management methodology throughout a projects life to ensure it delivers the project objectives and outcomes. Risks and issues register(s) relating to the procurement will be set up and regularly monitored by the project team.

15 Managing Contracts and Supplier Relationships

- 15.1 Contract and relationship management refers to the effective management and control of contracts from their planning inception until their completion by the appointed contractor(s). It covers the supported policies, procedures and systems needed to undertake it, together with broader issues from the identification and minimisation of risk, successful and timely delivery of outcomes and performance, effective control of cost and variations, and the maintenance of clear communications and operational relationships with contractors.
- 15.2 Heads of Service & their Business Managers will act as contract managers and are responsible for, and will be proactive in relation to, managing contracts and performance in order to ensure that positive output and outcomes are maximised, cost variations are minimised and any issues in relation to the delivery of the contract are appropriately addressed at the earliest opportunity.

16 Business Continuity

- 16.1 Business continuity is the process of preparing for and responding to a disaster, event or situation that could have a serious impact on the delivery of services. For high-risk procurements, the suppliers will be required to submit a business continuity plan as part of the tender submission. All key suppliers will be required as part of (longer-term – two or more years) contract management to provide an annual update of their business continuity plans. This is the responsibility of Heads of Service & their Business Managers, and will be monitored for compliance by corporate procurement.

17 Measuring Performance

- 17.1 During 2022 we will develop key performance measures to enable effective monitoring of the strategy and procurement practices. This may include:
- Procurement savings targets, to be developed in support of the financial strategy;
 - Value for money benchmarking;
 - Compliance with policy and procedures such as PO compliance, number/proportion of exemptions and waivers, compliance with approval delegations, bypassing contract tendering thresholds.

Legislation, Council policy and procedure rules relating to procurement

Public procurement is a highly regulated environment governed by legislation and policies set by the UK government, nationally through statute and case law and locally by the Council's Constitution, and other Council plans and policies. These are listed below:

UK Procurement Directives and Public Contract Regulations (PCR) 2015

The Brexit transition period concluded on 1 January 2021. This means the UK is no longer a member of the EU, and is now a member of the World Trade Organisation's (WTO) Government Procurement Agreement (GPA).

- From 1 January 2021, the new e-tender service 'Find a Tender' replaced the Official Journal of the European Union in the UK for above threshold tenders.
- The existing UK government portals – Contracts Finder, Public Contracts Scotland, Sell2Wales and eTendersNI – will remain in operation and will be unchanged.

The Public Contracts Regulations 2015 came into force in February 2015. Failure to adhere to The Public Contracts Regulations 2015 can result in the Council becoming subject to Court action or enforcement action, with potentially significant financial and reputational damage.

<https://www.legislation.gov.uk/uksi/2015/102/contents/made> **Local**

Government Transparency Code 2015

The Transparency Code requires the Council to publish details of every invitation to tender for contracts with a value that exceeds £5,000. We must also publish details of any contracts, commissioned activity, purchase order, framework agreement or any other legally enforceable agreement with a value that exceeds £5,000.

<https://www.gov.uk/government/publications/local-government-transparency-code-2015>

The Public Services (Social Value) Act 2012

This act places a duty on local authorities, at the 'pre-procurement' phase of procuring services to consider how and what is being procured might improve the economic, social and environmental well-being in their community; and how they might secure that improvement in the procurement process itself as long as such action is relevant to what is being procured, and is considered to be proportionate. This applies to all public services contracts with only an element of goods or works. It does not apply to public works contracts or public supply (goods) contracts.

<https://www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources>

Community Right to Challenge (Localism) Act 2012

This act enables “relevant bodies”, for example voluntary and community groups, employees or Parish Councils, to challenge to take over local services that they think they can run differently or better. The right enables a relevant body to submit an expression of interest (EOI) to a relevant authority to provide or assist in providing a relevant service.

<https://www.gov.uk/government/publications/community-right-to-challenge-statutoryguidance>

Freedom of Information Act 2000

This act provides people with the right to access to information held by public bodies. This with the government’s transparency agenda has consequences for those contracting with the partners where the financial details of contracts awarded may be made public.

<https://www.legislation.gov.uk/ukpga/2000/36/contents> **Data**

Protection Legislation

The General Data Protection Regulation 2016 and the Data Protection Act 2018 sets out the basis on which we process the personal data we collect. Any contract must clearly set out the roles and responsibilities of the council and the contractor, and require the contractor to comply with Data Protection legislation and indemnify the council against any claim.

<https://www.legislation.gov.uk/ukpga/2018/12/contents/enacted>

Contract Procedure Rules, Financial Procedure Rules and Scheme of Delegation

As part of its corporate governance arrangements the Council must ensure that there are adequate controls, procedures and standard documentation in place to satisfy the need to meet probity, propriety and transparency tests. The Contract Procedure Rules, Financial Regulations and Scheme of Delegation fulfil this requirement and they are part of the approved Constitution. They must be observed by both Members and Officers within the procurement process.

Other Council plans and policies

The Council’s procurement strategy is aligned to the commitments made in other Council plans and policies:

- Annual Plan
- Sustainable Environment Strategy and Action Plan
- Risk Management strategy
- Medium Term Financial Strategy
- Capital Strategy
- Assets Management Strategy

Social Value in Procurement Policy Statement

Introduction

As revitalisation and growth takes place we will support and encourage local procurement activity, to help small businesses and social enterprises to access larger customers and encourage large organisations in the public and private sectors to develop local supply chains. As well as helping business survival and growth this activity will provide employment opportunities for local people, thus supporting inclusion. We will encourage social value to be incorporated into local procurement activity, with the inclusion of local authority contracts and spend.

This policy statement outlines the approach that will be taken in order to ensure that all resources are used wisely, that we protect and enhance the environment whilst ensuring the efficient use of resources and delivery of value for money.

There is no 'one size fits all' model for achieving social value, it is an area where we are learning about how best to achieve and evidence it. This policy will continue to be informed by national developments and our own learning.

What is Social Value?

The Public Services (Social Value) Act 2012 requires us to consider how the services we procure might improve the economic, social and environmental well-being of the area. It is defined as improving economic, social and environmental wellbeing from public sector contracts over and above the delivery of the services directly required at no extra cost. Used properly, additional social value can be beneficial to both suppliers and councils and represent a joint effort to exploit maximum value from procurement.

Definitions of Economic, Social and Environmental Outcomes

Economic outcomes: providing contributions to the local economy and economic growth that supports social outcomes. Retaining, re-circulating and leveraging funds in local areas – a wider contribution to skills, tackling unemployment and maintaining employment.

Social outcomes: contributing to a vibrant and healthy community. Community based actions. Equality, diversity, cohesion and inclusion – local relationships, partnerships and people.

Environmental outcomes: relate to protecting, promoting and enhancing the environment. Supporting local activities to improve the environment.

Aims of the Policy

We aim to ensure that our expenditure is utilised in ways that most benefit our local communities. We will:

- Encourage a diverse base of suppliers: Promoting supplier diversity; including the participation of SME's and 3rd sector organisations, and local suppliers in general.
- Promoting fair employment practices: Ensuring workforce equality and diversity in supply chains.

- Community Benefits: Maximising opportunities for local organisations to participate in our supply chains and encouraging suppliers to make a social contribution to the local area.
- Ethical sourcing practices: Ensuring compliance with UK, EU and international standards, promoting fair trade and fair pricing policies, tackling corruption and compliance with the Modern Slavery Act.
- Promoting greater environmental sustainability: Minimising waste and pollution, supporting carbon reduction initiatives, include Carbon Neutral Borough 2030 and Single Use Plastic, furthering energy efficiency and other sustainability programmes.
- Improving council economic sustainability: Engaging businesses in delivery of additional social value will have a range of direct and indirect economic benefits to the Council. This includes improving viability of SMEs in the borough, providing additional support to third party providers to ensure better community benefits, and resulting in the eventual reduction in costs to the Council of providing services.
- Encouraging participation: Engaging and encouraging user and employee involvement in service design and delivery.

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1. ORGANISATION

Ensure we maintain corporate support and establish a long term commitment from both members and officers at all levels to improve the profile of Procurement within the Borough of Newcastle-under-Lyme. We will review any shortfalls and continue to focus on the objectives that support the National Procurement Strategy for local government and the Borough Council's strategic priorities, to realise economic social and environmental benefits for Newcastle-under-Lyme.

Position Statement	Key task and or issue/s	Objectives	Timescales	Lead Officer
1.1 Requirement to draft a new procurement strategy for 2022 -25.	Current procurement strategy and action plan ends in December 2021.	Draft new procurement strategy incorporating:	October 2021	CP
1.2 The Procurement Strategy once approved is adopted and endorsed by members and officers at all levels.	Procurement Strategy should be embedded in all major procurement decisions.	To communicate and ensure Corporate recognition for procurement practices and procedures.	Cabinet by November 2022	EMT/ CP

2. PARTNERSHIPS, COLLABORATION & FRAMEWORK AGREEMENTS

Deliver consistent and better quality services that meet the identified needs of individuals and groups within the Borough of Newcastle-under-Lyme and develop mixed economy, through strategic partnerships, framework agreements and collaboration with a range of public, private and voluntary suppliers.

Position Statement	Key task and or issue/s	Objectives	Timescales	Lead Officer
2.1 Corporate procurement continue to work with the Newcastle Partnerships team to identify commissioning opportunities, manage and monitor spend, and support ongoing contract management.	Ongoing opportunities to share and participate in procurement and collaboration work streams both internally and externally.	Deliver opportunities for market engagement, commissioning and procurement compliance from standardised processes and ongoing contract management.	Throughout the term of the procurement strategy.	NPM / CP
2.2 The Council has and continues to be willing to participate in partnerships (from both a commissioning and procurement perspective) with neighbouring Councils, Partners and Voluntary Sector Organisations.	Identification of project areas and like spend offering suitable partnering opportunities. Partnerships require commitment from both parties to manage and negotiate effectively. A range of Voluntary Sector Bodies exist within the local community, explore how we promote and	To continue to work with existing partners & identify new resourceful partnership groups developing beneficial services. Participation in regional commissioning and procurement group activity, explore opportunities for partnership sourcing and collaboration where beneficial to all stakeholders alike. Understand the range of voluntary services	Throughout the term of the procurement strategy. Throughout the term of the procurement	NPM / CP NPM / NC&LP / CP

	utilise these as part of commissioning and procurement processes.	available, the best fit within the Council and promote such services within the appropriate directorate.	strategy. Throughout the term of the procurement strategy.	
2.3 The Council is party to various framework agreements.	Continue to investigate and identify additional potential areas of spend that might benefit from the use of compliant framework agreements.	To explore the feasibility of using new framework agreements. To identify the potential costs, benefits and savings in using such frameworks. Explore opportunities for greater collaboration with both partner organisations and neighbouring Councils from both a commissioning and procurement perspective.	Ongoing throughout the term of the procurement strategy.	NPM / NC&LP / CP

3. PROCUREMENT MANAGEMENT INFORMATION

Ensure we have a robust financial system forming a solid platform for future innovation. Maximise the cost effectiveness of Best Practice Procurement Processes by minimising administrative processes in a consistent manner and so adding value across the Council.

Position Statement	Key Issues	Objectives	Timescales	Lead Officer
3.1 Contract information currently disparate and requires significant officer time to maintain.	Contracts register/data base is time intensive to update and maintain and does not offer timely alerts where contracts are due for review, expiry and/or require renewal.	Explore, identify and cost possible supportive software to address the key issues identified.	March 2022	CP / HF&S151O

4. VALUE FOR MONEY

To ensure and maintain a procurement process that is clear and focused in the first instance on achieving value for money.

Position Statement	Key Issues	Objectives	Timescales	Lead Officer
4.1 The Borough Council can ensure	The Council is experiencing a wide range of	To ensure that procurement is appropriately	June 2022	CP / HLGS

value for money by the application of controls and consistent standards across the authority.	changes as part of the 'One Council' programme which will have a likely to impact on the number and range of officers supporting future procurements, identifying specific training and simplification of processes.	managed in a legal, ethical and transparent manner, whilst embodying the Council's core values.		
4.2 Corporate procurement provides a range of services from advice to undertaking the full procurement process to Departments requiring Goods and Services specific to their profession.	Consistency is required in terms of corporate standards and approach to procurement. Corporate procurement resources are finite and will be involved particularly in Strategic projects or those that are professionally challenging. Each financial year a schedule of projects will be established and agreed, accepting that this is fluid.	To ensure that procurement resources are deployed effectively and that systems are in place to deliver value for money.	Ongoing throughout the term of the procurement strategy.	CP / HLGS
4.3 The cost of goods, services and works includes the supplier selection, acquisition, contract management and all life cycle costs. By reviewing strategic procurement, the Council will be in a position of greater strength and reduce process costs.	The Council must consider how best to rationalise suppliers and therefore reduce processing costs. Central corporate contracts should offer a variety of strategic benefits, but must be managed carefully. Opportunities to take advantage of the Council purchasing leverage and that of collaborative purchases should not be missed.	To reduce the cost of the procurement process and obtain Best Value on all procured goods, works and services.	Ongoing throughout the term of the procurement strategy.	CP / HoS / BM

5. SUPPLIER DEVELOPMENT

Promote Newcastle-under-Lyme as a preferred customer. Focus on supplier development, supply chain management and promote the opportunity for businesses and SME's to trade with the Council.

Position Statement	Key Issues	Objectives	Timescales	Lead Officer
5.1 We recognise that there are significant advantages of engaging with small local businesses, for both the Borough Council and the local economy.	Many Small or Medium-size Enterprises (SME's), Micro Enterprises (ME's) or Social Enterprises (SE) often do not understand the public sector system or documents.	We are committed to using procurement processes that ensure such businesses, trades and suppliers – including SME's, ME's and SE – have at least equal if not enhanced access to council procurement opportunities. Following a review of the Council's standard procurement documents and templates, look to simplify and publish to support greater engagement by SME's, ME's and SE.	Ongoing throughout the term of the procurement strategy and linked to relevant procurement	CP / HoS / BM / BDO

		Consider the introduction of help and advice sessions, Meet the Buyer, or pre-clarification meetings with potential bidders.	exercises.	
5.2 Compliance, openness and transparency is aimed at creating a level playing field for any compliant and relatively skilled bidder as part of the Council's procurement processes.	The level of contracts / spend with local providers (within the Borough) is low and accounts (2020/21) for only 6.3% of the Council's total spend.	To explore and identify opportunities of increasing the level of spend with local SME's, ME's and SE which might include: <ul style="list-style-type: none"> • Possible use of dynamic purchasing systems; • Re-introduction of preferred local supplier lists for a range of low value category spend; • Senior management agreement to allow (where possible) for low value spend to be targeted to local providers; • Improved notification of Council low value contract opportunities. 	Ongoing throughout the term of the procurement strategy and linked to relevant procurement exercises.	CP / HoS / BM

6. MODERNISATION OF PROCUREMENT & COMMERCIALISATION

Seek innovation and new approaches across both internal and external environments to achieve continuous improvement.

Position Statement	Key Issues	Objectives	Timescales	Lead Officer
6.1 Develop a more commercially focused procurement culture.	Officer focus on traditional transactional procurement.	Share and take advantage of the expertise of others, working to identify future opportunities for new income streams and possible savings linked to selected procurement exercises.	Ongoing throughout the term of the procurement strategy.	CP
6.2 Enabling innovation.	Encourage a culture where competition and innovation may offer wider benefits.	Look for and where possible embrace opportunities for income generation within the Borough Council's contracts.	Ongoing throughout the term of the procurement strategy.	EMT / CP
6.3 Encourage and allow preliminary market consultation between buyers and suppliers, which should facilitate better specifications, better outcomes and shorter procurement times	Training, development of documentation, market engagement, publication of prior information notices (where permissible).	To stimulate market interest in Borough Council contracts and encourage supplier engagement.	Ongoing throughout the term of the procurement strategy and	CP / HoS / BM

			linked to relevant procurement exercises.	
6.4 Delivering sustainable procurement initiatives and considering the environmental impact of procurement decisions in line with Council's vision for the borough to be Carbon Neutral by 2030.	Require our suppliers and contractors to reduce the impact of goods, works and services by considering whole life costs; and the carbon impacts, footprints associated with goods works and services provided on behalf of the Council.	Ensure where appropriate and allowable, sustainability criteria are part of the supplier evaluation process and are used in the award of contracts. Such factors might include the carbon footprint being a measure of the impact the Council activities have on the amount of carbon dioxide (CO2) produced through the burning of fossil fuels, inclusive of supply streams associated with the provision of goods and services the Council consumes and uses.	Ongoing throughout the term of the procurement strategy and linked to relevant procurement exercises.	CP / HoS / BM

7. CONTROLS, STANDARDS AND MANAGEMENT OF RISK

Ensure compliance with Councils Contract Procedure Rules, Financial Regulations and relevant Legislation, covering procurement and contracting.

Position Statement	Key Issues	Objectives	Timescales	Lead Officer
7.1 Council Contract Procedure Rules exist to provide compliance and provide direction for officers across the Council.	Ongoing reviews and updates are undertaken and changes communicated to HoS & BM however by its nature the procedure rules contain a considerable amount of detail which need to be provided to officers in a more manageable application.	<ul style="list-style-type: none"> Continue to review, update and simplify where possible; Publish in a more focused manner e.g. by section; Identify key common areas/subject matter for officers undertaken regular procurement and publish/communicate; Identify with HoS & BM their key staff involved in procurement, determine any shortfalls in knowledge and provide training/familiarisation with the rules. 	Annual reviews and updates are undertaken.	CP / HoS / BM
7.2 Ensure that risk is appropriately managed.	Procurement remains legal, ethical and transparent. Risk and value of strategic high value high risk procurements should be mapped and monitored.	<ul style="list-style-type: none"> Encourage transparent and equitable procurement process – via audit, publication of policies and appropriate training. Look to improve risk management and contract 	Ongoing throughout the term of the procurement strategy.	CP / HoS / BM CP / RMO

		management in strategic high value high risk procurements by the introduction of guidance developed from work on the risk management strategy. In particular, that risk assessment is included from the start of procurement and contracting processes.	May 2022	
7.3 Documentation in support of all procurement processes are standardised and are accessible to all officers involved in undertaking and delivering procurement projects.	Concerns raised on the relevance of the content of such documents and a reluctance by officers to use such or modify accordingly. An external independent third party review will be undertaken of the Borough Council's standard templates.	The aim of the third party review is to further standardise the fleet of Council templates, where possible simplify and establish training in support of their use.	June 2022	CP / HLGS

8. PERFORMANCE MANAGEMENT

Create, implement and monitor Key Performance Indicators to highlight continuous improvement and performance benefits against targets within the authority.

Position Statement	Key Issues	Objectives	Timescales	Lead Officer
8.1 Not all procurements at £25,000 and above are supported by the publication of a contract notice and subsequent contract award notice on the Contracts Finder website.	None compliance with Public Contract Regulations 2015. There is an expectation if recommendation contained in the Governments Green paper 'Transforming Public Procurement' that monitoring and reporting requirements will increase.	Re-publish the requirements for the need for the formal publication and closure of contract notices on the Contracts Finder website. Monitor and report the number of non-compliances. Monitor the outcomes and reporting requirements of Governments Green paper and support the dissemination of requirements and subsequent compliant reporting.	January 2022	CP / HoS / BM
8.2 The Council has experienced an increase in officer requests for exceptions to Council contract procedure rules.	Not all requests are completed correctly and compliantly in that they do not always provide for example appropriate clauses in relation	To further formalise, ensure compliance and monitor the volume of exceptions to Council contract procedure rules being requested.	February 2022	CP
8.3 The percentage spend with local provider remains low.	Opportunities in supporting local businesses (SME's, ME's and SE) are being missed as is the support in maintaining the local pound within the borough and improving Social Value.	To explore and identify opportunities of increasing the level of spend with local SME's, ME's and SE which might include as covered in 5.2 above.	Ongoing throughout the term of the procurement strategy.	CP / HoS / BM

8.4 Strategic contract monitoring and tender compliance to the Council's specification/s of requirements are monitored and reviewed by relevant client officers / services areas.	There is no internally published overview of annual performance of the Borough Council's strategic high risk, high value contracts and suppliers.	Seek to introduce an annual review of strategic high risk, high value contracts providing an overview of delivery against the Council's specification of requirements reported against a red, amber, green rating.	Annually throughout the term of the procurement strategy.	CP / HoS / BM
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9. TRAINING

Develop procurement skills across the organisation to support the implementation of procurement policy and strategy.

Position Statement	Key Issues	Objectives	Timescales	Lead Officer
9.1 As part of the Council's devolved procurement structure there are a number of officers engaged in either delivering and/or supporting the procurement of Goods, Works, and Services and possibly the management of contracts/contractors post award.	Officers need the appropriate information, resources and training to support them in the delivery of this work.	<ul style="list-style-type: none"> Identify those officers by service area undertaking such duties; Assess any knowledge / experience shortfalls, develop and deliver supporting training and/or familiarisation; Offer 1-2-1 help and support in the delivery of compliant procurement outcomes. 	March 2022	CP / HoS / BM

Glossary of Terms:

EMT – Executive Management Team; HLGS – Head of & Governance Services; NPM – Newcastle Partnerships Manager; HR – Human Resources;
 CP – Corporate Procurement; BDO – Business Development officer; RMO – Risk Management Officer; HoS – Heads of Service;
 BM – Business Managers; NC&LP – Neighbouring Councils & Local Partners; HF&S151O – Head of Finance & Section 151 Officer;

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NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM
REPORT TO CABINET

Cabinet
01 December 2021

Report Title: Bill Payment Services Contract 2021/22 to 2025/26

Submitted by: Executive Management Team

Portfolios: Finance, Town Centres & Growth

Ward(s) affected: All

Purpose of the Report

To seek approval to enter into a contract with Allpay Limited for the Council's Bill Payment contract.

Recommendation

1. That the contract for the Council's Bill Payment Service be awarded to Allpay Limited for a 4 year period from 1st January 2022.

Reasons

To continue to enable residents who currently make Council Tax payments to the Council via the payment card method to continue doing so in the most efficient and cost effective manner, whilst minimising disruption following the end of the current contract the Council has with its incumbent service provider.

1. Background

- 1.1 Residents who utilise this bill payment service and are issued with payment cards are able to make payments via either the Post Office or a Paypoint location. The Paypoint locations are available across the Borough through a convenient network of stores. For example these include local newsagents and convenience stores.
- 1.2 The ongoing service has significantly impacted on both cash and cheque receipting by the Council.
- 1.3 The Council's current bill payment service via payment cards is provided by 'allpay Limited' and a short term extension has been established whilst officers considers its procurement options.
- 1.4 The procurement on this occasion will be managed by the Council Finance Team, this is to allow the changes which are taking place in the Council's Revenues and Benefits department to be embedded. The intention is however that the ongoing monitoring and management of the service and contract delivery will be undertaken by the Revenues and Benefits department.

1.5 Transactions by way of the payment cards for the past 3+ years are summarised below;

Year	Paypoint Transactions	Post Office Transactions	Total number Transactions	Monetary value of transactions
2018/19	36,340	26,427	62,767	£4.576m
2019/20	31,474	23,732	55,206	£4.356m
2020/21	23,493	15,717	39,210	£3.446m
2021/22 (to 31/10/21)	15,322	10,857	26,179	£2.376m

1.6 A total of 7,908 allpay payment cards have been issued and are live, 5,148 of which have been used to make a payment since 1st January .

1.7 The transfer from the previous provider (Co-Op Bank) to allpay Limited wasn't without its problems with many residents reluctant to change cards, with the Co-Op still accepting payments on old cards some 18 to 24 months after the introduction of the Council's then new service. There were significant resourcing requirements experienced at the time of moving services.

1.8 This payment method does attract a cost to the Council, based on the total number of transactions that the provider has enabled, and this is included within the base budget for 2021/22 and beyond.

1.9 Relationships and service delivery from the current incumbent service provider over the term of the existing contract have been very positive with minimal input required from Borough Council Officers.

2. Issues

2.1 Officers having recognised the previous issues and resourcing implication from both offboarding and onboarding to a new provider and have looked to minimise the impacts on both Council officers and residents.

2.2 There has been minimal responses to calls for competition in the past, the previous procurement only generating two tender submissions, resulting in officers considering the use of a compliant framework, where the framework provider has undertaken the initial market research and engagement and run a competitive procurement process.

3. Proposal

3.1 That allpay Limited be awarded the contract for the Council's bill payment service for a 4 year period (3 + 1), utilising the Procurement For Housing framework.

4. Reasons for Proposed Solution

4.1 The solution proposed offers a compliant (Public Contract Regulations 2015 / Council's Contract procedure Rules) procurement solution.

4.2 The development and establishment of the chosen framework the Council is proposing to use will have been undertaken utilising the 'Most Economically Advantageous Tender' - enabling the authority to take account of criteria that reflect qualitative, technical and

sustainable aspects of the tender submission as well as price when reaching an award decision.

- 4.3 The proposed solution offers the Council an opportunity to build on the positive relationships with its existing provider, minimising the risks involved in the transfer and embedding of a new solution/service provider.

5. **Options Considered**

- 5.1 To undertake a national open procurement process publishing a contract notice on the Contracts finder website.

- 5.2 To identify compliant procurement frameworks that could be used by the Council which offer an opportunity to run either a further competition or direct award, offer competitive rates and minimal costs to the Council. Four frameworks were reviewed:

- 5.2.1 National Housing Consortium (NHC);
- 5.2.2 Procurement For Housing (PfH);
- 5.2.3 South East Consortium (SEC);
- 5.2.4 Crown Commercial Services (CCS) G-Cloud.

- 5.3 Whilst a further extension to the existing contract was discussed, this was discounted as there are no further extensions permissible under the existing contract;

6. **Legal and Statutory Implications**

- 6.1 The procurement of this contract complies with Public Contract Regulations 2015 and the Council's own Contract Procedure Rules.

7. **Equality Impact Assessment**

- 7.1 No adverse equality impacts have been identified and raised as part of the existing service and these will continue to be monitored following the continuation of the service.

8. **Financial and Resource Implications**

- 8.1 Expenditure for 2020/21 in relation to the Bill Payment Services contract was £19,600. Based on current transactional volumes the annual cost would increase to £20,600 per annum, an increase of circa 5%.

- 8.2 At £103,000 over the four years of the contract, the award of contract to allpay Limited would result in an overall increase of £4,000.

- 8.3 It should be noted that the costs quoted are based on 2020/21 numbers of transactions undertaken, and that these may fluctuate over the contract period – it might be considered that the effects of the pandemic and associated lockdowns in 2020/21 will have been influential.

9. **Major Risks**

- 9.1 No major risks have been identified, all risks associated with the procurement of this contract have been adequately managed and ongoing monitoring of service delivery will be managed internally by the Council's Revenues and Benefits Service.

10. **UN Sustainable Development Goals (UNSDG)**

10.1 The award of contract for the ongoing delivery of a bill payment card solution seeks to support the following sustainable Development Goals and Climate Change Implications:



11. **Key Decision Information**

11.1 This is a key decision based on Section 13.2 of the Borough Council Constitution in that the award of contract will result in the Council incurring revenue expenditure to the value of £100,000 or more.

12. **Earlier Cabinet/Committee Resolutions**

12.1 There are no earlier Cabinet/Committee Resolutions.

13. **List of Appendices**

13.1 There are no appendices.

14. **Background Papers**

14.1 No background papers are being submitted.



NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S
REPORT TO**

**Cabinet
01 December 2021**

Report Title: Re-Procurement of Corporate Mail Services

Submitted by: Executive Management Team

Portfolios: One Council, People & Partnerships

Ward(s) affected: N/A

Purpose of the Report

To authorise the proposed re-procurement of corporate mail services.

Recommendation

That Cabinet authorise a direct award of contract to PSL Print Management Limited under the Crown Commercial Service Framework RM6017 Lot 7: Hybrid Mail, Digital and Transformational Communications for a period of 3 years with the option to extend by a further 2 x 1 year extensions to December 2026.

Reasons

The current hybrid mail solution was introduced in 2017 following a successful pilot project and has proved to be beneficial to the Council throughout the contract period, generating a number of efficiency savings and enabling more modern ways of working. PSL Print Management Limited have been identified as the most economically advantageous tenderer to continue providing the service through a benchmarking exercise, in line with a compliant procurement process, undertaken by colleagues at Stoke-on-Trent City Council following a further competition process under the Crown Commercial Service Framework RM6017 Lot 7: Hybrid Mail, Digital and Transformational Communications.

1. Background

- 1.1 The Council's previous reliance on Royal Mail has reduced considerably following the successful introduction of hybrid mail in 2017. In the most basic terms, hybrid mail is mail delivered using both electronic and physical delivery. Digital information is transformed into a printed document as near to the final delivery address as possible. The most notable benefits include quick delivery and reduced postage costs, but reduced reliance on holding stationary stock, franking equipment and facilitating agile working are key efficiency and productivity benefits.
- 1.2 Since the Postal Services Act 2000, the mail market has opened to other service providers and, in January 2006, the final restrictions were removed. As a result, no part of the postal market is now reserved for Royal Mail alone, subject to an alternative operator having an operating licence from Ofcom.
- 1.3 The award of contract to PSL Print Management Limited in July 2017 has proved to be successful, and the contract is now up for renewal.
- 1.4 During 2021 Stoke-on-Trent City Council, utilising the Crown Commercial Service Framework RM6017 Lot 7: Hybrid Mail, Digital and Transformational Communications undertook a further

competition inviting all of the 22 providers to tender for the re-provision of their hybrid mail services. At the closing date for tender submissions 8 responses were received (10 did not respond and 4 declined to bid). Following assessment, PSL Print management Limited scored the highest marks and were subsequently awarded a contract.

- 1.5 The tenders were evaluated in accordance with the tender award criteria of 'Most Economically Advantageous Tender' (MEAT). The high level weightings were 60 marks for Technical (Quality) and 40 marks for Commercial.
- 1.6 Before the technical responses were opened and evaluated, the companies were evaluated against a compliance document to ensure capability to deliver the contract to the required standard. All the companies were able to meet the requirements set out in the document.
- 1.7 A benchmarking exercise has been undertaken by the officers of the Borough council to support best value, undertaking a comparison of:
 - The Council's current rates
 - The rates available from the Crown Commercial Service Framework RM6017 Lot 7: Hybrid Mail, Digital and Transformational Communications
 - The rates offered to Stoke-on-Trent City Council as part of the procurement, which will be made available by PSL Print Management Limited to the Borough Council

The outcome of which shows a saving for the Council of circa 10.5% for mono and 10.26% mono duplex.

2. **Issues**

- 2.1 The Council's current total corporate mail expenditure includes the lease, maintenance and postal charges for three separate franking machine contracts, housed at the Civic, Crematorium and Cemetery offices. It is not intended at this stage to remove the franking machines at the Crematorium and Cemetery offices as these are low cost items (£4,560 spent during 2020/21), and are currently under agreement with the provider until February 2024.
- 2.2 Officer continue to monitor the use of the number of Royal Mail licences and if no longer required will terminate accordingly to try to identify further savings for the Authority.

3. **Proposal**

- 3.1 To make a direct award of contract to PSL Print management Limited under the Crown Commercial Service Framework RM6017 Lot 7: Hybrid Mail, Digital and Transformational Communications for a period of 3 years with the option to extend by a further 2 x 1 year extensions to December 2026.

4. **Reasons for Proposed Solution**

- 4.1 The proposed solution builds on the work undertaken by Stoke-on-Trent City Council offers best value based on the submissions received and the evaluation undertaken.
- 4.2 The specification of requirements has been reviewed by officers and reflects the needs of the Borough Council.
- 4.3 Officers will continue to monitor and undertake regular review meetings with the PSL Print management Limited to ensure compliance to the specification of requirements.

5. **Options Considered**

- 5.1 To do nothing is not an option as the Council's current contract does not allow for a further extension of terms;
- 5.2 To run an open tender, which would involve a considerable amount of officer resource and time and is not likely to produce results which differ materially from the exercise recently undertaken at Stoke.
- 5.3 To run a further competition utilising Crown Commercial Service Framework RM6017 Lot 7: Hybrid Mail, Digital and Transformational Communications, however this would mirror the work undertaken by colleagues at Stoke-on-Trent City Council with an expected similar outcome based on the similarities of service requirements.

6. **Legal and Statutory Implications**

- 6.1 The recommendation is made in compliance with the Council's internal rules set out in the Council's Constitution, in line with the Crown Commercial Service Framework RM6017 agreement and the UK procurement regulations.

7. **Equality Impact Assessment**

- 7.1 An equalities impact assessment was undertaken at the initial tendering (Pre-qualification) stage prior to including successful providers on the Crown Commercial Services (CCS) (RM6017) Framework. No issues were identified.

8. **Financial and Resource Implications**

- 8.1 A budget allocation for postal services is established and spend during 2020/21 for the delivery of the hybrid mail solution was £207,140 based on this level of spend the estimated cost of the service during the life of the contract is £828,560.

9. **Major Risks**

- 9.1 No major risks have been identified as the service looks to maintain a business as usual approach.
- 9.2 The service provider will act as a data processor on behalf of the council, as defined by the Data Protection Act 2018, and must agree to contract terms ensuring compliance with the Act.
- 9.3 Some of the data processed will be sensitive personal data as defined by the above Act. The service provider must take appropriate care in the handling, storage and other processing of the data. Any suspected data breaches or untoward incidents must be reported to the council immediately
- 9.4 The service provider should either have a formal security certification or be prepared to undertake an exercise to identify any security weaknesses which must be resolved before commencing work.

10. **UN Sustainable Development Goals and Climate Change Implications**

- 10.1 The delivery of a hybrid mail solution supports UN sustainable development goals, and the Council's actions under its Climate Emergency Plan.

10.2 In particular this decision supports the following actions of the UN Sustainable Development Goals. –



11. **Key Decision Information**

11.1 Based on the contract value for the delivery of the service during its duration this is a key decision.

12. **Earlier Cabinet/Committee Resolutions**

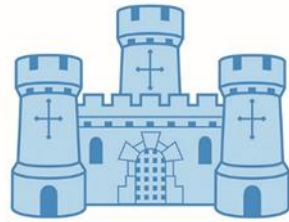
12.1 There are none.

13. **List of Appendices**

13.1 There are no appendices.

14. **Background Papers**

14.1 There are no background papers linked to this report, albeit a copy of the specification, can be made available to the reader if required.



NEWCASTLE·UNDER·LYME
BOROUGH COUNCIL

Cabinet Forward Plan: Newcastle under Lyme Borough Council

Notice of Key Decisions to be taken under the Local Authorities (Executive Arrangements) (Meetings & Access to Information) (England) Regulations 2012

This Plan gives 28 days' notice of Key Decisions which we are expecting to take over the next few months. Councils cannot take Key Decisions without first giving 28 days' notice, unless an urgent decision is required. Urgent Key Decisions may be taken under the urgency procedures set out in the Council's Constitution. A decision notice for each Key Decision made is published within 6 days of it having been made.

"Key decisions" are defined as those Executive (Cabinet) decisions which are likely:

- a. to result in the Council incurring expenditure or making savings of £100,000 or more (in the case of Revenue) and £250,000 or more (in the case of Capital); and/or
- b. to be significant in terms of the effects on communities living or working in an area comprising two or more wards of the Borough.

This Forward Plan also contains details of other important Cabinet decisions that we are expecting to take even if they do not meet this definition.

Whilst the majority of these decisions taken at meetings held in public, some decisions may be taken in private meetings because they deal with confidential information as defined in Schedule 12A of the Local Government Act 1972, and the public interest in withholding the information outweighs the public interest in disclosing it. If we intend to take a decision in private, that will be noted below with reasons.

If you object to a decision being taken in private, you can tell us why by emailing DemocraticServices@newcastle-staffs.gov.uk or contacting the address below. Any representations received at least 8 working days before the meeting will be published with the agenda together with a statement of the Council's response. Any representations received after this time will be reported verbally to the meeting.

The Cabinet is made up of the Leader, Deputy Leader and Cabinet Members with the following portfolios:

Leader of the Council (One Council, People & Partnerships)	Councillor Simon Tagg
Deputy Leader & Cabinet Portfolio Holder (Finance, Town Centres & Growth)	Councillor Stephen Sweeney
Cabinet Portfolio Holder (Community Safety & Well Being)	Councillor Gill Heesom
Cabinet Portfolio Holder (Environment & Recycling)	Councillor Trevor Johnson
Cabinet Portfolio Holder (Leisure, Culture & Heritage)	Councillor Jill Waring
Cabinet Portfolio Holder (Strategic Planning)	Councillor Paul Northcott

Exempt Information Categories under Schedule 12A of the Local Government Act 1972

1. Information relating to any individual
2. Information which is likely to reveal the identity of an individual
3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).
4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under the authority
5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
6. Information which reveals an authority proposes;
 - a. to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
 - b. to make an order or direction under any enactment
7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of a crime

Copies of the Council's Constitution, agendas and reports relevant to any key decision may be accessed on the Council's website www.newcastle-staffs.gov.uk or may be viewed during normal office hours. Copies or extracts can be obtained on payment of a fee (unless the publication contains exempt information).

For all enquiries, please contact:-

**The Chief Executive's Directorate, Castle House, Barracks Road
Newcastle-under-Lyme, Staffordshire ST5 1BL
Telephone 01782 742222 Email: DemocraticServices@newcastle-staffs.gov.uk**

Title of Report	Brief Description of Report	Cabinet Portfolio	Intended Decision Date	Relevant Overview & Scrutiny Committee	Wards Affected	Reason for Determining in Private Session (if applicable)
Draft Savings Proposals 2022/23	To consider draft savings proposals for the 2022/23 financial year	Finance, Town Centres & Growth	Cabinet 1 December 2021	Finance, Assets & Performance	All Wards	N/A
Walley's Quarry	To consider an update on Walley's Quarry	Finance, Town Centres & Growth	Cabinet 1 December 2021	Finance, Assets & Performance	All Wards	N/A
Improvements to Westlands Tennis Centre & Wolstanton Park Tennis Courts	To consider proposals in respect of the improvement of tennis facilities at Westlands and Wolstanton Park.	Leisure, Culture & Heritage	Cabinet 1 December 2021	Health, Wellbeing & Partnerships	All Wards	N/A
Future High Streets Fund – multi storey car park	To consider a report on future multi storey car park provision	Finance, Town Centres & Growth	Cabinet 1 December 2021	Economy, Environment & Place	All Wards	N/A
Procurement Strategy 2022 - 25	To consider a report on the Council's Procurement Strategy for the period 2022 - 2025	Finance, Town Centres & Growth	Cabinet 1 December 2021	Finance, Assets & Performance	All Wards	N/A
Allpay contract renewal	To consider a report on the renewal of the Council's Allpay contract	Finance, Town Centres & Growth	Cabinet 1 December 2021	Finance, Assets & Performance	All Wards	N/A
Reprocurement of corporate mail services	To consider the procurement of the mail services contract	Finance, Town Centres & Growth	Cabinet 1 December 2021	Finance, Assets & Performance	All Wards	N/A

Future High Streets Fund – purchase of York Place	To consider a report on the purchase of York Place A confidential appendix will be considered alongside this report. It will be considered under Part 2 of the agenda by virtue of paragraph 3 of Part 1 of Schedule 12A (as amended) of the Local Government Act, 1972	Finance, Town Centres & Growth	Cabinet 1 December 2021	Economy, Environment & Place	All Wards	Paragraph 3 of Part 1 of Schedule 12A (as amended) of the Local Government Act 1972 - Information relating to the financial or business affairs of any particular person (including the authority holding that information)
Schedule of Fees and Charges 2022/23	To consider and approve the Fees and Charges for 2022/23	Finance, Town Centres & Growth	Cabinet 12 January 2022	Finance, Assets & Performance	All Wards	N/A
Newcastle Town Centre Market update	To consider an update on the market	Finance, Town Centres & Growth	Cabinet 12 January 2022	Economy, Environment & Place	All Wards	N/A
Draft Revenue & Capital Budget and Strategies 22/23	To consider the draft revenue and capital budget and strategies	Finance, Town Centres & Growth	Cabinet 12 January 2022	Finance, Assets & Performance	All Wards	N/A
Newcastle Town Deal Fund – future of the Rycroft Site	To consider a report on the future of the Rycroft Site	Finance, Town Centres & Growth	Cabinet 12 January 2022	Economy, Environment & Place	All Wards	N/A

Chatterley Valley	To consider a report on Chatterley Valley	Finance, Town Centres & Growth	Cabinet 12 January 2022	Economy, Environment and Place	All Wards	N/A
Procurement of Agency Operatives for Operational Services Directorate	To consider a report on a procurement process to appoint Agency Operatives in the Operational Services Directorate	One Council, People and Partnerships	Cabinet 12 January 2022	Finance, Assets & Performance	All Wards	N/A
Community Renewal Fund Grant Award	To consider a report on the acceptance of the Grant Award	Community Safety & Wellbeing	Cabinet 12 January 2022	Health, Wellbeing and Partnerships	All Wards	N/A
Future High Streets Fund – York Place	To consider a report on appointing a contractor to develop the design and build contract for York Place A confidential appendix will be considered alongside this report. It will be considered under Part 2 of the agenda by virtue of paragraph 3 of Part 1 of Schedule 12A (as amended) of the Local Government Act, 1972	Finance, Town Centres & Growth	Cabinet 12 January 2022	Economy, Environment & Place	All Wards	Paragraph 3 of Part 1 of Schedule 12A (as amended) of the Local Government Act 1972 - Information relating to the financial or business affairs of any particular person (including the authority holding that information)
Quarter 3 Budget & Performance	To receive the Q3 Finance & Performance Report	Finance, Town Centres	Cabinet 2 February 2022	Finance, Assets & Performance	All Wards	N/A

report		& Growth				
Revenue & Capital Budget & Strategies 2022-23	To consider the budget and strategies for the forthcoming financial year	Finance, Town Centres & Growth	Cabinet 2 February 2022	Finance, Assets & Performance	All Wards	N/A
Appointment of External Auditor	To consider the appointment of the External Auditor	Finance, Town Centres & Growth	Cabinet 2 February 2022	Finance, Town Centres & Growth	All Wards	N/A
Irrecoverable Items	To consider a report on irrecoverable items A confidential appendix will be considered alongside this report. It will be considered under Part 2 of the agenda by virtue of paragraphs 1, 2 and 3 of Part 1 of Schedule 12A (as amended) of the Local Government Act, 1972	Finance, Town Centres & Growth	Cabinet 23 March 2022	Finance, Town Centres & Growth	All Wards	Paragraphs 1, 2 and 3 of Part 1 of Schedule 12A (as amended) of the Local Government Act 1972 – Para 1 - Information relating to any individual ; Para 2 - Information which is likely to reveal the identity of an individual; Para 3 - Information relating to the financial or business affairs of any particular

						person (including the authority holding that information)
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NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S
REPORT TO**

Cabinet
01 December 2021

Report Title: Estate Regeneration Fund – Grant Acceptance

Submitted by: Executive Director – Commercial Development & Economic Growth

Portfolios: Finance Town Centres & Growth

Ward(s) affected: Chesterton

Purpose of the Report

To seek authority to receive £414,352 Estate Regeneration Fund (ERF) grant funding from government and act as Accountable Body in respect of the same and its use by Aspire Housing in the regeneration of the Cross Street, Chesterton housing estate.

Recommendation

That Cabinet authorise the receipt of £414,352 Estate Regeneration Fund (ERF) grant funding from government and authorise the Council to act as Accountable Body in respect of the same and its use by Aspire Housing in the regeneration of the Cross Street, Chesterton housing estate.

Reasons

To assist in the regeneration of the Cross Street, Chesterton housing estate.

1. **Background**

- 1.1 This decision is brought as an urgent item because of the fact that confirmation of award was only recently received and Government requires the grant funding agreement to be completed by close of play on Friday 3 December 2021.
- 1.2 The Estate Regeneration Fund (ERF) is a capital funding programme administered by Government (through the Department for Levelling Up, Housing and Communities) against which bids can be made to fund projects to regenerate the “public estate”. It provides capital funding for social housing estates to support regeneration activity in 2021/22.

2. **Issues**

- 2.1 Aspire Housing have made an application for ERF funding to support its regeneration of the Cross Street housing estate. More specifically, the funding is to be applied to renewing existing provision on the estate.
- 2.2 The existing homes on site were not fit for purpose and required major investment, made poor use of space, were unpopular and residents welcomed the redevelopment of the 6 x blocks of low-rise flats in particular. The express aim of this flagship mix-used scheme is to replace the existing not fit for purpose housing stock with new, energy efficient, highly accessible, high quality, contemporary housing.

- 2.3 Abnormal costs associated with the site's development are hindering progression. For example, the planning permission requires widening of the adjacent Gibson Grove to alleviate existing on-street parking issues. This adds extensive development costs to a low value development area. Furthermore, the drainage diversion costs are also a significant cost that prevents the development of the scheme in a low value area. As such, grant funding is required to help the scheme progress with a first phase that will in turn unlock the subsequent phases.
- 2.4 Prior to the development of a masterplan, Aspire reached out to the local community for their views on what estate redevelopment should look like and what was required. The brief and direction for the master plan has developed throughout the project between Aspire and the Council alongside the community consultations. The consultation process ran throughout 2018 and 2019 with a number of iterative versions of the emerging masterplan being presented to residents and amended according to feedback received.
- 2.5 Political support has been evidenced through the public consultation process, which involved local elected Councillors, and the subsequent inclusion of the scheme in the Town Investment Plan for Newcastle-under-Lyme.
- 2.6 An extensive Public Consultation process was then undertaken with four consultation events being held between March 2018 and October 2019. The events were well attended by local residents and members of the community.
- 2.7 The consultation process carried out has focused on the views of the community to assist the design development of the overall master plan. This process has allowed a transparent dialogue between Aspire and the community to propose the appropriate tenure for each site and provide communal facilities where required.

3. **Proposal**

- 3.1 That Cabinet authorise the receipt of £414,352 Estate Regeneration Fund (ERF) grant funding from government and authorise the Council to act as Accountable Body in respect of the same and its use by Aspire Housing in the regeneration of the Cross Street, Chesterton housing estate.

4. **Reasons for Proposed Solution**

- 4.1 To assist in the regeneration of the Cross Street, Chesterton housing estate.

5. **Options Considered**

- 5.1 The only alternative is a "do nothing" option which would see a valuable funding contribution lost.

6. **Legal and Statutory Implications**

- 6.1 The funding is provided on standard terms acceptable to the Council in terms of its "accountable body" obligations. The Council will require Aspire to enter into reciprocal agreements with it to further protect its position such that the Council can recoup from Aspire any amounts Government seeks to recoup from it on account of any breach of the funding agreement.

7. **Equality Impact Assessment**

7.1 None directly arising, but the regeneration scheme is understood to be fully equalities compliant.

8. **Financial and Resource Implications**

8.1 The Section 151 Officer is content with the grant funding and “accountable body” conditions and requirements.

9. **Major Risks**

9.1 The major risks are around breached of the grand funding conditions which are adequately addressed by entering into reciprocal arrangements with Aspire.

10. **UN Sustainable Development Goals (UNSDG)**

10.1 As a sustainable social housing development, the grand funding contributes to achieving the following goals:-



11. **Key Decision Information**

11.1 This is a Key Decision on account of the sums involved, relevant processes have been followed in terms of the waiver of advanced notification on account of the time pressures.

12. **Earlier Cabinet/Committee Resolutions**

12.1 Not Applicable.

13. **List of Appendices**

13.1 None.

14. **Background Papers**

14.1 Grant funding application, award letter and grant conditions.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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