

# Public Document Pack

**Date of meeting** Monday, 16th December, 2019  
**Time** 7.00 pm  
**Venue** Lancaster Buildings - Lancaster Buildings, Newcastle, Staffs  
**Contact** Jayne Briscoe 2250



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

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

## **Finance, Assets & Performance Scrutiny Committee**

### **AGENDA**

#### **PART 1 – OPEN AGENDA**

- 1 APOLOGIES**
- 2 MINUTES OF THE PREVIOUS MEETINGS - 19 SEPTEMBER 2019 - MINUTES OF THE CALL IN MEETING FOLLOWED BY THE MINUTES OF MAIN MEETING** (Pages 5 - 12)  

To consider the minutes of the previous meetings of the Committee, both held on 19 September 2019
- 3 DECLARATIONS OF INTEREST**
- 4 UPDATE FROM CABINET** (Pages 13 - 14)  

This item provides an opportunity for the Portfolio Holder to update members of the Scrutiny Committee on the response of Cabinet to the suggestions made by the Committee at their last meeting
- 5 STATUTORY GUIDANCE ON OVERVIEW AND SCRUTINY COMMITTEES - PRESENTATION** (Pages 15 - 26)
- 6 DRAFT MEDIUM TERM FINANCIAL STRATEGY** (Pages 27 - 36)
- 7 2020/2021 DRAFT BUDGET SAVINGS PROPOSALS** (Pages 37 - 40)
- 8 COMMERCIAL STRATEGY** (Pages 41 - 52)
- 9 UPDATE CUSTOMER AND DIGITAL RESTRUCTURE** (Pages 53 - 58)
- 10 QUARTER 2 PERFORMANCE REPORT - REVIEW PERFORMANCE INDICATORS** (Pages 59 - 82)
- 11 WORK PROGRAMME** (Pages 83 - 86)
- 12 PUBLIC QUESTION TIME**

Any member of the public wishing to submit a question must serve two clear days' notice, in writing, of any such question to the Borough Council

### 13 URGENT BUSINESS

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

### 14 DATE OF NEXT MEETING

Thursday 16 January 2020 (7:00pm)

**Members:** Councillors G. Burnett, A. Fear, T. Kearon, M. Stubbs, P Waring, B. Proctor (Vice-Chair), K. Robinson, A. Rout, H. Maxfield (Chair), Hutton and S. Pickup

**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.**

### SUBSTITUTE MEMBER SCHEME (Appendix 9, Section 4 of Constitution)

The Constitution provides for the appointment of Substitute members to attend Committees. The named Substitutes for this meeting are listed below:-

|                     |           |            |
|---------------------|-----------|------------|
| Substitute Members: | J. Cooper | E. Shenton |
|                     | J Tagg    | D. Jones   |
|                     | K.Owen    | A. Parker  |
|                     | B. Panter |            |

*If you are unable to attend this meeting and wish to appoint a Substitute to attend in your place you need to:*

- Identify a Substitute member from the list above who is able to attend on your behalf
- Notify the Chairman of the Committee (at least 24 hours before the meeting is due to take place) NB Only 2 Substitutes per political group are allowed for each meeting and your Chairman will advise you on whether that number has been reached

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

**NOTE:** THERE ARE NO FIRE DRILLS PLANNED FOR THIS EVENING 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.

Classification: NULBC **UNCLASSIFIED**

*Finance, Assets & Performance Scrutiny Committee - 19/09/19*

## **FINANCE, ASSETS & PERFORMANCE SCRUTINY COMMITTEE**

Thursday, 19th September, 2019

Time of Commencement: 7.00 pm

**Present:** Councillor Helena Maxfield (Chair)

|                     |            |             |           |
|---------------------|------------|-------------|-----------|
| <b>Councillors:</b> | G. Burnett | S. Pickup   | M. Stubbs |
|                     | A. Fear    | B. Proctor  | P Waring  |
|                     | Hutton     | K. Robinson |           |
|                     | T. Kearon  | A. Rout     |           |

|                  |                 |  |
|------------------|-----------------|--|
| <b>Officers:</b> | Jayne Briscoe   | Democratic Services Officer  |
|                  | David Elkington | ICT Operations and<br>Development Manager  |
|                  | Martin Hamilton | Chief Executive  |
|                  | Jane Spencer    | Benefits Manager   |
|                  | Jan Willis      | Interim Executive Director -<br>Resources and Support<br>Services and Section 151<br>Officer |

|                            |                         |  |
|----------------------------|-------------------------|--|
| <b>Also in attendance:</b> | Councillor Mark Holland | Portfolio Holder - Leisure,<br>Culture and Heritage  |
|                            | Councillor Simon Tagg   | Leader of the Council and<br>Portfolio Holder - Corporate and<br>Service Improvement, People<br>and Partnerships |

### 1. **APOLOGIES**

There were no apologies

### 2. **DECLARATIONS OF INTEREST**

There were no declarations of interest stated

### 3. **CONSIDERATION OF CALL IN OF THE CABINET DECISION - DIGITAL STRATEGY AND OUTLINE BUSINESS CASE**

Councillor Kearon, as lead call in member explained that the key issue for the call in was concerning digital exclusion, whilst the potential savings inherent in the digital strategy were appreciated it was considered to be imbalanced as an unequal number of households who received services did not have access to a computer.

Councillor Robinson as a signatory to the call in asked if the Council would be setting aside funding to protect against cyber-attacks.

Councillor Stubbs, as a signatory to the call in pointed out that the report did not include all the staffing costs, nor did it set out the timescales associated with the

project and questioned whether members should be asked to agree the project prior to this information.

In response the Leader, explained that the proposals were the start of the digital journey. The action plan, which was included in the outline business case, provided for services to be delivered in the traditional face to face way for those citizens who did not want to engage digitally.

Councillor Tagg confirmed that the Borough had business continuity arrangements in place, in the event of IT disruption.

Councillor Tagg added that the decision to pursue a digital agenda began in 2017 and that, in relation to staff representation, the Director of HR was a member of the digital steering group.

Councillor Stubbs, in summing up, pointed out the one of the roles of a Scrutiny Committee was to advise and to add value to a Cabinet decision before it was taken (pre-decision scrutiny) however, in this example, the Cabinet decision had been made in advance of consideration by the Scrutiny Committee.

Councillor Holland directed members to scan the Forward Plan which gave advance notice of upcoming decisions.

Councillor Tagg acknowledged the need to ensure that the Digital Strategy was inclusive for all members of the Borough community.

**Decision:** Members voted 6 to 5 to reject the call in and to note the original Cabinet decision made on 4 September 2019.

**Chair**

Meeting concluded at 8.00 pm

## **FINANCE, ASSETS & PERFORMANCE SCRUTINY COMMITTEE**

Thursday, 19th September, 2019  
Time of Commencement: 8.00 pm

**Present:** Councillor Helena Maxfield (Chair)

|              |            |             |           |
|--------------|------------|-------------|-----------|
| Councillors: | G. Burnett | S. Pickup   | M. Stubbs |
|              | A. Fear    | B. Proctor  | J Tagg    |
|              | Hutton     | K. Robinson | P Waring  |
|              | T. Kearon  | A. Rout     |           |

|           |                 |  |
|-----------|-----------------|--|
| Officers: | Jayne Briscoe   | Democratic Services Officer  |
|           | David Elkington | ICT Operations and<br>Development Manager  |
|           | Martin Hamilton | Chief Executive  |
|           | Jane Spencer    | Benefits Manager   |
|           | Jan Willis      | Interim Executive Director -<br>Resources and Support<br>Services and Section 151<br>Officer |

|                     |                            |  |
|---------------------|----------------------------|--|
| Also in attendance: | Councillor Mark Holland    | Portfolio Holder - Leisure,<br>Culture and Heritage  |
|                     | Councillor Stephen Sweeney | Deputy Leader of the Council<br>and Portfolio Holder - Finance<br>and Efficiency                                 |
|                     | Councillor Simon Tagg      | Leader of the Council and<br>Portfolio Holder - Corporate and<br>Service Improvement, People<br>and Partnerships |

### **1. APOLOGIES**

There were no apologies

### **2. MINUTES OF THE LAST MEETING - 27 JUNE 2019**

**Resolved:** That the minutes of the meeting held on 27 June 2019 be agreed as a correct record

### **3. DECLARATIONS OF INTEREST**

There were no declarations of interest

### **4. UPDATE FROM CABINET**

The Leader, Councillor S Tagg provided an update report in response to the recommendations made by the Scrutiny Committee on 27 June 2019. Councillor Tagg explained how members were kept informed about issues affecting residents within their ward, although there was a need to respect confidentiality in some

instances. In respect of publicity for the Lyme Lottery the Communications team would prepare a media plan to include both social and traditional media.

**5. IMPACT OF UNIVERSAL CREDIT ROLLOUT IN NEWCASTLE UNDER LYME**

Ms Hubbard representing the Citizens Advice Bureau and Mr Leese from the Department for Work and Pensions) joined the meeting to help address the issues raised by members.

The Benefits Manager provided information relating to the impact on both benefit claimants and Newcastle under Lyme Borough Council since the introduction of Universal Credit.

Impact on residents

At 11 July 2019 the number of people nationally receiving Universal Credit was 2.3 million. This is a 5% increase from 13 June 2019. At this time the number of people receiving Universal credit in Newcastle was 2817 and for Kidsgrove 1275.

The major issues identified since the roll out of the benefit included:

- Wrong advice about which benefit should be claimed
- 1 in 5 claimants do not receive their benefits on time (National Audit Office 2018)
- Failure to pay housing costs because tenancy agreements are lost
- Tenants without a standard tenancy agreement are being refused housing costs
- Housing costs incorrectly calculated
- Difficulties establishing and maintaining a claim due to no computer access or lack of digital skills
- Issues with the award of disability related elements of UC
- Communications with the DWP and processing of evidence
- Housing benefit paid to claimant and not being paid over to Landlords to pay rent
- UC assessment period not falling in line with four weekly paid salaries, meaning two salary payments could fall within one month's assessment period.
- Excessive deductions from UC for court orders etc., leaving a claimant with little money for that month

These issues, together with the impact on local residents, were being addressed by the DWP. The CAB received funding to support disability claimants.

Impact on NULBC

Following the introduction of UC the staff/work ratio had seen changes. The Housing Benefit caseload in April 2013 prior to the introduction of UC was 7945 claims. In December 2018 the start of full service, the case load had fallen to 6894. The caseload had further reduced to 6101 at 31 July 2019.

This reduction had resulted in an impact on the resources needed within the benefit team. Staffing levels had reduced since 2013 by way of flexible retirement. Since December 2018, following the substantial loss of new Housing Benefit claims, more resource had been put into the recovery of Housing Benefit overpayments. The

administration of Pensioner claims and Council Tax Reduction was still a significant part of the workload. Staff had also been allocated additional work from within the Revenues and Benefit service.

Future resourcing needs and service delivery model for the benefit service are currently being addressed within the restructure of the Resource and Support Services directorate to implement more flexible and integrated ways of working that offer improved efficiency and resilience as well as providing a better customer experience.

The reduction in new claims had also had an impact on the number of claimants contacting the Customer Services Team.

All benefit and customer services staff at NULBC are fully trained to provide the correct advice regarding claiming the correct benefit. In this respect a secondment arrangement had been in place since May 2019 for two members of the Revenues and Benefits Customer Service Team to support the CAB with the project 'Help to Claim'.

Job Centre Plus, Aspire Housing and other agencies also provided support to UC claimants.

#### Financial Implications

Housing Benefit administration was mainly funded by the Department for Work and Pensions by way of an annual Administration Grant. NULCs grant for 2019/20 was £311,345 compared with £547,327 in 2013/14.

As local authority caseloads reduce the admin grant will also reduce so that the grant will only support the administration of pensioner claims.

Members raised issues concerning budgeting for claimants which had resulted in constituents having to access the foodbank. In response the DWP representative explained that payments were made in arrears which included a 5 week wait for benefits. Although an advance payment could be made this was recovered. Claimants experiencing hardship were signposted to projects such as Moneywise.

Councillors were concerned that, with the reduction in staffing levels NULBC would be less able to support claimants and asked how long present staffing levels could be sustained without redundancies. It was confirmed that staffing would not be reduced beyond natural wastage and that teams would be further integrated. A consultation exercise had been completed with managers and it was agreed that this report would be considered by this Committee.

Members raised the issue of claimants who could not complete application on line and the representative from DWP confirmed that there was also a telephone service available. A member suggested that funding for a shared service in respect of digital exclusion should be explored.

**Agreed:** That the report be noted and a further report concerning staffing proposals be submitted to this Committee for consideration.

## 6. **ICT STRATEGY AND DEVELOPMENT PROGRAMME**

The Head of Customer Services and Digital Services submitted a report which outlined the significant development programme within the Councils ICT Service. The report described the current priorities, the relationship with the Councils Digital Programme and how the future strategy would be developed.

The ICT Team were responsible for the day to day operation and development of the Councils ICT services supporting approximately 400 active ICT users and working to ensure service delivery within:

Desktop & Service Desk  
Applications Support  
Infrastructure  
Project Management

A full copy of the development plan and ICT Strategy was included as an Appendix to the report.

Members discussed the alternatives to Microsoft together with the costs and benefits. Discussions also included the impact of the uncertainties surrounding Brexit and in this respect it was confirmed that with the exception of J2 all services were hosted in house and the hardware sourced from outside the UK.

**Agreed:** That the report be noted.

## **7. DIGITAL STRATEGY OUTLINE BUSINESS CASE**

The Head of Digital and Customer Services submitted a report which provided an overview of the rationale for change and potential costs and benefits of the proposed programme of work to deliver the digital strategy considered by 4 September Cabinet.

The Strategic section of the Outline Business Case set out how the strategy would support delivery of the Councils key priorities. The Commercial Case outlined the financial rationale for change and described how the strategy would contribute to the long term financial sustainability of the Council by enabling efficiency savings and income generation. The Economic Case set out the investment required to deliver the digital programme and its benefits. The Financial Case set out the broad categories of financial benefit that the programme would provide.

It was anticipated that over the initial 3 years of the programme £919,800 was required to cover predominantly staff costs. Whilst the majority of these costs could be met from existing budgets a contribution of £100,000 per year was required in each of the next 3 years to meet the costs of a dedicated Digital Business Manager and Business Process Engineer. There would also be costs for technology, development and specialist external input.

Members asked for reassurance that a HR Strategy was in place to support any member of staff at risk. In response it was confirmed that a revised redeployment process had been drawn up which was subject to consultation with staff and trade unions and most recently a Mutually Agreed Resignation Scheme had been introduced.

A member was concerned that, as an organisation the Borough had a tendency to hand over technology to an expert which was often difficult to interpret within a social context. In response the Officer stated that the Digital Delivery Strategy engaged at

an early stage with excluded residents. In addition a partnership arrangement with other agencies to ensure accessibility of services was sought.

**Agreed:** That, subject to feedback to Cabinet on the issues raised by Members the report be noted.

**8. DATE OF NEXT MEETING - 16 DECEMBER 2019**

**9. WORK PROGRAMME**

It was noted that both the 16 December and 9 January meeting of this Committee would offer scrutiny members a pre-Cabinet opportunity to examine the Councils proposed budget, including the MTFS.

**10. PUBLIC QUESTION TIME**

There were no members of the public present at the meeting

**11. URGENT BUSINESS**

There were no items of urgent business

**Chair**

Meeting concluded at 8.50 pm

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**UPDATE FROM CABINET TO FINANCE, ASSETS & PERFORMANCE SCRUTINY  
COMMITTEE  
16<sup>th</sup> DECEMBER 2019**

**Submitted by:** Cabinet

**Portfolio:** All

**Wards affected:** All

**Purpose of the Report**

To provide a response to the Scrutiny Committee on an item previously raised by Committee Members at the last meeting on 19<sup>th</sup> September 2019.

**Recommendation**

**That the response from Cabinet be received and noted.**

1. **Members expressed concerns about those residents who are digitally excluded and asked for the Strategy to include a focus on digital inclusion for hard to reach groups.**

**Response from Cabinet:-**

Following the concerns which were raised during scrutiny, the Digital Team have considered how to best integrate these with the Digital Strategy. The second theme within the Digital Strategy, Our Digital Community, has particular focus on digital inclusion and ensuring that the wider Newcastle area benefits from the digital initiatives of the Council.

It is an overriding principle of the Council's Digital Initiative that any services created are fully inclusive. Whilst the ultimate goal is to encourage our residents to help themselves, all of our services will be available via multiple channels, recognising our communities' needs and ensuring our activities carry wider benefits.

An initial project plan is currently being prepared which identifies the priority areas that the Digital Team will work on including digital inclusion. This will shortly be presented to the inaugural meeting of the ICT and Digital Services Steering Group for approval after which the group will take on overall responsibility for the governance of the Council's Digital initiatives. Chaired by the Leader of the Council, this group represents the first instance of direct Member involvement in Digital or ICT initiatives for more than a decade.

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**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

**EXECUTIVE MANAGEMENT TEAM'S  
REPORT TO FINANCE, ASSETS AND PERFORMANCE SCRUTINY COMMITTEE**

**16 December 2019**

1. **Report Title**                      **Statutory Guidance on Overview and Scrutiny Committees**
- Submitted by:**                      **Chief Executive**
- Portfolios:**                              **All**
- Ward(s) affected:**                      **All**

**Purpose of the Report**

To update Members on the recent statutory guidance issued by the Ministry of Housing, Communities and Local Government to help Councils carry out their Overview and Scrutiny functions effectively. This has been complemented by launch of The Good Scrutiny Guide by the CfPS which replaces their earlier guidance issues in 2014. The two papers are intended to ensure councils are aware of the purpose of Overview and Scrutiny, know what effective Scrutiny looks like, and understand how to conduct it and the benefits it can bring.

**Recommendations**

That Members:

1. Note the requirements within the Statutory Guidance and the recommendations within the CfPS Good Scrutiny Guide.
2. Agree to benchmark current practice against the Statutory Guidance and to explore the option of commissioning external support to assist in the benchmarking process.
3. Agree to develop an Action Plan based on the recommendations within the Statutory Guidance and the Good Scrutiny Guide.
4. Agree to develop an "Executive-Scrutiny Protocol" in accordance with the guidelines at Appendix A
5. Agree to commission training for Scrutiny Members to build on their current skills in undertaking effective scrutiny reviews

**Reasons**

Local Authorities must have regard to the statutory guidance from the Ministry of Housing, Communities and Local Government when exercising their functions, i.e. the guidance must be followed unless there is good reason not to in a particular case. The Good Scrutiny Guide does not have the formal status of statutory guidance but represents best practice across the sector.

## 1. Background

- 1.1 The Ministry of Housing, Communities and Local Government issued new Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities in May of this year primarily aimed at Senior Leaders, Members of Overview and Scrutiny Committees and Support Officers. Although the Guidance recognises that authorities themselves are best-placed to know what Scrutiny arrangements are most appropriate for their own individual circumstances, it includes a number of policies and procedures which all Councils are urged to adopt. In his foreword the Minister urges all Councils to cast a critical eye over their arrangements in the light of the guidance and above all to embed a culture which allows Overview and Scrutiny to flourish.
- 1.2 The Centre for Public Scrutiny (CfPS) subsequently issued their Good Scrutiny Guide which was designed to complement the Statutory Guidance. Taken together the two reports provide a practical guide to effective scrutiny.

## 2. Issues

- 2.1 The Statutory Guidance states that effective overview and scrutiny should:
- Provide constructive “critical friend” challenge
  - Amplify the voices and concerns of the public
  - Be led by independent people who take responsibility for their role
  - Drive improvement in public services
- 2.2 It goes on to identify the key factors which help determine whether scrutiny will succeed or fail. These include:
- The organisational culture
  - The allocation of sufficient resources,
  - The selection of committee members
  - The power to access information
  - Effective work planning.
- 2.3 These key factors are explored further below.

## 3.0 Culture

- 3.1 Chapter 2 of the Statutory Guidance deals with organisational culture and underlines that, while everyone in the authority has a role in creating a strong culture to support the Scrutiny function, it is important that this is led and owned by Elected Members. Both Members and Senior Officers should note that the performance of the Scrutiny function will often also be considered by external bodies, such as regulators and inspectors and therefore highlighted in public reports, so that the lack of effective Scrutiny can help create a negative public image of the work of the Council as a whole.
- 3.2 The guidance advises that authorities can help establish a strong organisational culture in the following ways:

**Recognising Scrutiny’s legal and democratic legitimacy** – by recognising that it was created to act as a check and balance on the Executive and it is a statutory requirement for authorities to establish Overview and Scrutiny committees

**Identifying a clear role and culture** – by ensuring Scrutiny has a clear focus and role and can demonstrate it adds value. This means it needs to focus on delivering work of genuine value and relevance to NULBC. Councils should also ensure that there is a clear division of responsibilities between the Audit and Scrutiny function.

**Ensuring early and regular engagement between the executive and scrutiny** – Councils should ensure early and regular discussions take place between Scrutiny and the Cabinet regarding the Cabinet Work Plan. However, the Cabinet should not try to exercise control over the work of the Scrutiny Committee, whether that is through whipping, patronage or by directing specific matters are considered. Everyone should recognise that Scrutiny has a role of “critical friend” and is not “de facto” opposition.

**Managing disagreements** – effective Scrutiny can involve looking at politically contentious issues with the potential for the Cabinet to disagree with the findings, or recommendations, of the Committee. One suggestion is that an “Executive-Scrutiny Protocol” can provide a framework in these circumstances and the example from the Statutory Guidance is at Appendix A.

**Providing the necessary support** – the level of resources for Scrutiny is for the Council to determine but should be adequate to provide an effective Scrutiny function and support should also be given by Members and Senior Officers to Scrutiny Committees.

**Ensuring impartial advice from officers** – Officers must be free to provide impartial advice to Scrutiny Committees and the Head of Paid Service, s151 Officer and Monitoring Officer have a particular role in ensuring timely and high quality advice is provided.

**Communicating Scrutiny’s role and purpose to the wider authority** – there can be a lack of awareness amongst both Members and Officers of the specific role of Scrutiny and its relevance to the Council’s wider work and so Councils should take particular steps to raise awareness of the role.

**Maintaining the interest of full Council in the work of the Scrutiny Committee** – steps should be taken to ensure full Council is informed of the work of the committee. This might include appropriate reports and recommendations being submitted to full Council to supplement the annual report.

**Communicating Scrutiny’s role to the public** – Councils should ensure that Scrutiny has a profile in the wider community by engaging the Council’s Communication team to get the message across.

**Ensuring Scrutiny members are supported in having an independent mind-set** – formal meetings provide Scrutiny Members with the opportunity to question Senior Members (often from the same political party) and Senior Officers and it is a fundamental requirement that members must adopt an independent mind-set. In practice the Scrutiny Chair will have a role in identifying and managing contentious issues.

#### 4.0 **Resourcing**

4.1 The Guidance recognises that the resource an authority allocates to the Scrutiny function plays a pivotal role in determining how successful the function is and the value it adds to the Council. Resources are a matter for individual authorities but there must be a recognition that creating and sustaining an effective Scrutiny function requires them to allocate resources to it.

4.2 Support is not solely about budgets and officer time but also about the way the wider authority engages with the Scrutiny function. The guidance states that the factors an authority should consider include:

- Scrutiny's legal powers and responsibilities
- The particular role and remit Scrutiny will play at NULBC
- The training requirements of Scrutiny Members and Support Officers especially in effective questioning and making effective recommendations
- The need for ad hoc external support where expertise does not exist in the Council
- Recognition that effectively resourced Scrutiny adds value and improves the ability to meet the needs of local people and can help policy formulation and so minimise the need for the call in of Executive decisions

4.3 Officer resource models vary, but the Guidance stresses that Councils must ensure that all Officers tasked with providing Scrutiny support are able to provide impartial advice.

#### 5.0 **Selecting Committee Members**

5.1 Selecting the right members to serve on Scrutiny Committees is essential if Committees are to function effectively. The Guidance stresses that a Committee of Members with the necessary skills and commitment is far more likely to be taken seriously by the wider authority.

5.2 Members of the Cabinet may not be Members of a Scrutiny Committee and the Constitution should set out how conflicts of interest between Executive and Scrutiny responsibilities should be managed, including where Members stand down from the Executive and move to Scrutiny and vice versa. Family links should also be considered and it is strongly recommended that the Chair must not preside over the scrutiny of their relatives.

5.3 When selecting individual Members to serve on Scrutiny Committees the Council should consider their experience, expertise, interests, ability to act impartially, ability to work as part of a group and capacity to serve. It is not appropriate to consider the perceived level of support or opposition to a particular party and care must be taken by the Chair to ensure that the Committee is not viewed as "de facto" opposition to the Executive.

5.4 The Chair plays a leadership role on a Scrutiny Committee as Chairs are largely responsible for establishing the profile, influence and ways of working. The Chair should possess the ability to lead and build a sense of teamwork and consensus amongst Committee Members.

5.5 The Guidance recommends Members must be offered induction when they take up their role and ongoing training particularly to ensure Members are aware of their legal powers and clear how to prepare and ask relevant questions at Scrutiny sessions.

#### 6.0 **Power to Access Information**

6.1 Scrutiny Committees need to be able to access any relevant information the Council holds and receive it in good time if they are to be able to do their job effectively. The Access to Information Regulations give enhanced powers to Scrutiny Committee to have access to confidential and exempt information.

6.2 Whilst requests for information should be judged on their merits authorities should adopt a default position of sharing the information they hold, on request, with Scrutiny Members. If it is necessary to refuse to provide information, then particular care must be taken to ensure requests are not refused for party political reasons or reputational expediency and before

refusing to share information serious consideration should be given to sharing the information in closed session.

- 6.3 Scrutiny Members should have access to a regularly available source of key information about management of the Council especially on performance, management and risk.
- 6.3 Committees should also be aware of the legal power to require members of the executive and officers to attend before them to answer questions.
- 6.4 From time to time the Committee may need to approach external organisations to supplement information held within the Council should be taken to explain the role of Scrutiny and to consider the option of an informal approach to help reassure the company on the purpose of the approach and the manner in which evidence will be given. Although approaches to external organisations will be on a case by case basis in the case of contentious issues the Committee may want to emphasise this is an opportunity “to set the record straight” in a public setting.
- 6.5 Finally, in this section the Guidance notes that Committees may have a keen interest in “following the Council Pound” ie scrutinising those organisations that receive public funding to deliver goods and services. This is a legitimate interest and councils are urged to consider requiring such bodies to appear before, or to supply information to, Scrutiny Committees in their contract documentation.

## 7. Planning Work

- 7.1 Effective Scrutiny should have an impact and make a tangible difference to the work of the Council. This means that work should be planned so that there is a long term agenda but with enough flexibility to accommodate any urgent short term issues which might arise in the year. Where there is more than one Scrutiny Committee consideration needs to be given to how to coordinate the various Committees to make best use of resources.
- 7.2 Scrutiny works best with a clear role and functions, which then provides focus and direction. Scrutiny Committees have the power to look at anything which affects the area, or the area’s inhabitants, but need to be able to prioritise and consider whether the relative importance of a particular topic justifies the positive impact the Scrutiny Committee’s involvement can bring, as it is impossible to scrutinise all matters. In identifying topics the Committee should be supported by key Senior Officers and will need to gather evidence to inform the work planning process.
- 7.3 The Guidance suggests that gathering evidence requires conversations with:
  - **The public** – formal consultation is unlikely to be effective and often asking individual members to have conversations with individuals and groups in their area can work better. Council Communication Officers can help Scrutiny engage with the public and local knowledge and expertise from members and officers can all make a contribution
  - **Local Authority Partners** – a range of partners are likely to have useful insights including public sector, voluntary sector, contractors and commissioning partners, town and parish councils, neighbouring authorities, LEPs and large local employers
  - **The Cabinet** – although the executive must not direct the Scrutiny programme, ongoing discussions with Cabinet Members will help Scrutiny Members better understand how their work might be aligned to ensure there is the best opportunity to influence the Council’s wider work

- 7.4 To be plan an effective work programme Scrutiny Committees may need to access information from a range of areas, including performance indicators, finance and risk, corporate complaints, business and option appraisals as well as general feedback from members' surgeries and reports and recommendations from the local government ombudsman. As committees can meet in closed session this should not preclude the sharing of commercially confidential information.
- 7.5 Shortlisting topics can be achieved in various ways but the kind of questions which the committee might ask include:
- Do we understand the benefits Scrutiny can bring
  - How could we best carry out work on this topic
  - What would be the best outcome of this work
  - How would this work engage with the activity of the Cabinet and or partners
- 7.6 The guidance concludes that the Committee needs to accept that shortlisting can be difficult and that there may be issues which a Committee wish to look at which is not possible.
- 7.7 Selected topics can be scrutinised in several ways:
- **As a single item on a committee agenda** – whilst this may mean there is limited opportunity for effective Scrutiny, this may be appropriate for some issues or where the Committee wants to maintain a formal watching brief over an issue.
  - **At a single meeting** – this could be a Committee meeting or at a less formal meeting. There may be the opportunity to have a single public meeting about a matter or have a meeting where evidence is taken from a number of witnesses.
  - **At a Task and Finish Review of 2/3 meetings** – short, sharp Scrutiny reviews are likely to be effective even for more complex topics. Properly focused they ensure members can swiftly reach conclusions and make recommendations perhaps over a couple of months or less.
  - **Via a long term Task and Finish Review** – this has been the more traditional model with say 6/7 meetings over several months and will still be appropriate for a complex topic where the Scrutiny Committee needs to go into significant detail. However, the resource implications and it length can make it unattractive for all but the most complex issues.
  - **By establishing a “standing panel”** – this falls short of setting up a new Committee but may reflect the need to keep a watching brief over a critical local issue where members feel they need to convene regularly to carry out that oversight. However, the resource implications mean this will be rarely used.

## 8. Evidence Sessions

- 8.1 Evidence sessions are a key way in which Scrutiny Committees inform their work. This may happen at formal committee meetings, in less formal task and finish groups or at standalone sessions. The Guidance stresses that good preparation is a vital part of conducting effective sessions with Members having a clear idea of what the Committee hopes to get out of each session and appreciating that success will depend on their ability to work together on the day.

- 8.2 Effective planning need not be onerous. It can be as simple as setting overall objectives and then considering what type of questions will best elicit the information. This applies as much to individual agenda items as for longer evidence sessions and means there should always be consideration in advance of what scrutiny is trying to get out of a particular evidence session. Chairs play a vital role in leading discussions on objective setting and ensuring all members are aware of the specific role each will play during the evidence session.
- 8.3 The Guidance recognises that although as far as possible there should be consensus amongst members on the objectives for a session, members may have different perspectives and so have divergent views on a particular matter and the Chair needs to be bear this in mind.
- 8.4 At the end of the session the Chair should draw together themes and highlight key findings. It may be helpful to have a short “wash up” meeting to review whether objectives were met and to see if lessons could be learned for future meetings.
- 8.5 Recommendations should be developed by members but with due regard to Officer advice, especially by the Monitoring Officer. Scrutiny Reports will normally be drafted by Officers as directed by Members and, whilst practice varies, reports are normally developed through two or three main stages:
- A “heads of report” – which sets out general findings which Members can discuss as they consider the overall structure and focus of the report and its findings.
  - The development of the findings – which will set out some of the areas on which recommendation’s might be made.
  - The drafting of the full report.
- 8.6 Recommendations should be evidence based and SMART (specific, measurable, achievable, relevant and timed) and it may be appropriate to share them in draft with relevant parties. The Guidance stresses that sharing draft recommendations with Cabinet Members is an opportunity for errors to be identified and for a general “sense-check” but should not provide an opportunity for the Executive to revise or block recommendations. Generally 6-8 recommendations are adequate although a more complex matter may require more.

9. **Centre For Public Scrutiny – The Good Scrutiny Guide**

- 9.1 The CfPS has also published “The Good Scrutiny Guide” which has been written to complement the Statutory Guidance. Unlike the Statutory Guidance it has no formal status, but is a comprehensive guide of best practice consisting of some 56 pages divided into 6 sections.
- 9.2 The CfPS provides a free helpdesk as a resource for all Councils and Councillors wishing to understand how better to carry out the scrutiny role. The Helpdesk is able to provide advice on the Rules and Procedures under which Scrutiny operates, can advise on best practice and signpost to other organisations and resources.
- 9.3 The Guide is divided into the following sections:
- **An overview of Scrutiny** – stresses the importance of organisational culture in making Scrutiny effective and sets out the range of statutory functions which act as the foundation of Scrutiny work.

- **Scrutiny's Stakeholders** – notes that there are a wide range of stakeholders both within the Council and external to it. Comments on the value of a “Executive-Scrutiny Protocol” and stresses there is no “off the peg protocol” instead the value is in the conversations which precede any document and sets out common themes and principles. Looks at how to work effectively with stakeholders and how to give the public a stake in the scrutiny process. Recommends that Scrutiny has a webpage which clearly sets out Scrutiny's role and links to evidence of recent impact
- **Role and Priority** – urges a move away from a “general watching brief” over everything in the local area to a move to adopt a more primary area of focus. Stresses the need for effective work planning to include an annual work plan but with flexibility for some shifts in priority in topics during the year. Outlines methods and prioritisation and topic choice and gives advice on pre- Scrutiny, post-decision Scrutiny and the call in process
- **Using Evidence and Gaining Experience** – looks at the principle sources of information within the local authority and suggests circulation of an “Information Digest” with key information for Members. Urges Members to “triangulate” evidence by looking at other sources of data to see what themes emerge. Sets out the process for scoping a review, looks at how to gather evidence and how to prevent “scope creep” by departing from the scope and advises how to engage the public.
- **Making and Proving Impact** – emphasises this is done by the Committee making effective, high quality recommendations and understanding how those make a difference to local people's lives. Looks in more detail at how to draft recommendations, how to get a response from the Executive and how to monitor recommendations over time. Looks at the value of the Annual Scrutiny Report to Council.
- **Committee structure, chairing and resourcing** – notes there are many different models and approaches to Scrutiny and looks at membership of the Committee, including the possibility of co-option.

## 10. **Proposal**

- 10.1 Members are recommended not only to note the requirements within the Statutory Guidance and the CfPS Good Scrutiny Guide but to agree to benchmark current practice against the Guidance. This would probably be best achieved with external support to assist in the process, both from a resource perspective, and in order to bring an independent and objective rigour to the review. Members are also recommended to consider developing an Action Plan based on any recommendations from the review and to look at commissioning training for members to build on their current skills in undertaking scrutiny reviews.
- 10.2 A further specific recommendation is that Members agree to develop an “Executive-Scrutiny Protocol” in accordance with the guidelines at Appendix A. This is recommended by both the Statutory Guidance and CfPS Good Scrutiny Guide as adding value in structuring a conversation between the Cabinet and Scrutiny Committees by developing and reviewing practical expectations, themes and principles between the parties.

## 11 **Reasons for Proposed Solution**

- 11.1 Members must have regard to the Statutory Guidance and an exercise to benchmark current practice against the recommendations within the Guidance would be appropriate, especially in view of the forthcoming Peer Review which is due to take place in early 2020. A detailed

review would act as a springboard for an Action Plan and development opportunities for members in order to build on the work of the three Scrutiny Committees to date.

- 11.2 An Executive-Scrutiny Protocol is seen as a benefit as it provides a framework for disagreement and debate and the way to manage it should it happen. Much of the benefit of a Protocol is considered to be in the dialogue between the parties in negotiating the Protocol.

12 **Options Considered**

- 12.1 Members have the option of receiving and noting the report without taking any specific action as a result, however this makes it more difficult to demonstrate there has been due regard for the Statutory Guidance,

13. **Legal and Statutory Implications**

- 13.1 Local Authorities must have regard to the statutory guidance from the Ministry of Housing, Communities and Local Government when exercising their functions ie the guidance must be followed unless there is good reason not to in a particular case. The Good Scrutiny Guide does not have the formal status of statutory guidance but represents best practice across the sector.

14. **Equality Impact Assessment**

- 14.1 None specifically

15. **Financial and Resource Implications**

- 15.1 There will be resource implications if external support is sought and this will need to be scoped.

16. **Major Risks**

- 16.1 The performance of the scrutiny function will often be considered by external bodies, such as regulators and inspectors and therefore highlighted in public reports, so that the lack of effective scrutiny can help create a negative public image of the work of the Council as a whole. The Council's forthcoming peer review will be likely to focus on how effective the scrutiny function is as part of the review as a whole.

17 **Sustainability and Climate Change Implications**

- 17.1 None specifically.

18. **Key Decision Information**

- 18.1 Not applicable.

19. **Earlier Cabinet/ Committee Resolutions**

- 19.1 None specifically.

20. **List of Appendices**

- 20.1 Appendix 1 – Creating an Executive – Scrutiny Protocol

21. **Background Papers**

21.1 The Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/800048/Statutory\\_Guidance\\_on\\_Overview\\_and\\_Scrutiny\\_in\\_Local\\_and\\_Combined\\_Authorities.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/800048/Statutory_Guidance_on_Overview_and_Scrutiny_in_Local_and_Combined_Authorities.pdf)

CfPS – The Good Scrutiny Guide

<https://www.cfps.org.uk/wp-content/uploads/CfPS-Good-Scrutiny-Guide-v5-WEB-SINGLE-PAGES.pdf>

## **APPENDIX A**

### **Annex 1: Illustrative Scenario – Creating an Executive-Scrutiny Protocol**

An executive-scrutiny protocol can deal with the practical expectations of scrutiny committee members and the executive, as well as the cultural dynamics.

Workshops with scrutiny members, senior officers and Cabinet can be helpful to inform the drafting of a protocol. An external facilitator can help bring an independent perspective.

Councils should consider how to adopt a protocol, e.g. formal agreement at scrutiny committee and Cabinet, then formal integration into the Council's constitution at the next Annual General Meeting.

The protocol, as agreed, may contain sections on:

- The way scrutiny will go about developing its work programme (including the ways in which senior officers and Cabinet members will be kept informed);
- The way in which senior officers and Cabinet will keep scrutiny informed of the outlines of major decisions as they are developed, to allow for discussion of scrutiny's potential involvement in policy development. This involves the building in of safeguards to mitigate risks around the sharing of sensitive information with scrutiny members;
- A strengthening and expansion of existing parts of the code of conduct that relate to behaviour in formal meetings, and in informal meetings;
- Specification of the nature and form of responses that scrutiny can expect when it makes recommendations to the executive, when it makes requests to the executive for information, and when it makes requests that Cabinet members or senior officers attend meetings; and
- Confirmation of the role of the statutory scrutiny officer, and Monitoring Officer, in overseeing compliance with the protocol, and ensuring that it is used to support the wider aim of supporting and promoting a culture of scrutiny, with matters relating to the protocol's success being reported to full Council through the scrutiny Annual Report.

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## NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

### EXECUTIVE MANAGEMENT TEAM'S REPORT TO CABINET

16 October 2019

**Report Title:** Draft Medium Term Financial Strategy 2020/21 – 2024/25

**Submitted by:** Interim Director of Resources and Support Services

**Portfolios:** Finance and Efficiency

**Ward(s) affected:** All

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

To seek Cabinet endorsement of the Draft Medium Term Financial Strategy 2020/21 – 2024/25 as a basis for consultation.

#### **Recommendations**

Cabinet is asked to endorse the draft MTFS 2020/21 – 2024/25 as a basis for consultation.

#### **Reasons**

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

## 1. **Background**

- 1.1 The Council published its Medium Term Financial Strategy (MTFS) for 2019/20 to 2023/24 in October 2018. This is a key document which demonstrates alignment with the Council Plan and how the Council plans to target its financial resources in line with its key priorities and stated aims and objectives.
- 1.2 The MTFS included a set of financial assumptions and forecasts up to the financial year 2023/24, based on the most up to date information available at the time.
- 1.3 This report presents the updated forecast financial position for 2020/21, taking into account the capital strategy and programme approved by Council in February 2019, budget changes identified since the publication of the MTFS and the latest intelligence regarding the 2020/21 local government funding settlement following the Comprehensive Spending Review announcement on 4<sup>th</sup> September 2019.
- 1.4 There have been a number of changes to the 2020/21 budget, which have resulted in a revised savings requirement for 2020/21 of £1.208m. This report sets out the approach and timetable for addressing this budget gap.

## 2. **Issues**

### 2.1 **Comprehensive Spending Review 2019**

- 2.1.1 Local government in general and district councils in particular continue to operate within a severely challenging financial environment. There have been three Comprehensive Spending Reviews since 2010, each of which has had an impact upon local government's strategic financing:

- SR10: published in October 2010, established the initial path of reductions to local government grant funding and the introduction of Council Tax Freeze grant. At the same time as the SR10 took effect, New Homes Bonus was launched for the period of the SR.
- SR13: published in June 2013, continued with the reductions to local government grant funding; the rolling forward of the Council Tax Freeze grant; and the introduction of the Better Care Fund.
- SR15: published in November 2015, again continued with reductions to local government grant funding; introduced reforms to New Homes Bonus; ended Council Tax Freeze grant, set council tax referendum limits at 2% per annum or £5 for District Councils (whichever was higher); and introduced the Social Care Precept at 2% per annum.

2.1.2 In 2019/20 additional one-off funding was provided for social care and council tax referendum limits were increased to 3%.

2.1.3 As a result of these changes to the local government financial system the Council no longer receives central Government funding in the form of Revenue Support Grant.

2.1.4 The Local Government Finance Settlement for 2018/19 announced that by 2020/21 local Councils will retain 75% of business rate revenues. However, the timetable for introducing these changes has now been pushed back to 2021/22 and the Government are yet to publish detailed proposals. For the purposes of the Medium Term Financial Strategy it had been assumed that the Council would be in a cost neutral position once the new system was implemented. This is still the case, although there can be no guarantee of this outcome.

2.1.5 The 3 year Comprehensive Spending Review that was due to take place this autumn has also been postponed. Instead, a single year spending review was announced on 4 September 2019. This is a departure from the norm that has been established over the last decade and is the result of continuing political and financial uncertainty surrounding Brexit, which has meant the government has been unable to produce the Spending Review as originally planned.

## **2.2 2018/19 Financial Outturn**

2.2.1 The Council achieved a balanced revenue outturn position for 2018/19 after the flexible use of £0.500m of capital receipts and transfer of £0.248m to the General Reserve. However, this position masked a number of significant overspends – notably in the waste and recycling service and J2.

2.2.2 As part of the 2019/20 budget strategy adjustments were made to the base budget to address structural deficits in some operational budgets (largely relating to non-achievement of income). Buoyant income from the new chargeable garden waste service has also contributed to a more robust revenue budget position. However, some areas of the Council's revenue budget remain under pressure and will require careful monitoring.

2.2.3 The establishment of a Borough Growth Fund has for the first time in recent years made resources available for investment in key priorities and is easing internal capacity constraints. Nevertheless, the Council is faced with a requirement to live within its means and improve and transform services whilst still operating in an environment of Government resource constraints and uncertainty about future funding prospects.

## **2.3 Medium Term Financial Position**

2.3.1 The MTFs sets out the Council's four-year spending and funding plans, and is the financial framework for the development of the detailed 2020/21 budget.

2.3.2 The latest MTFs, as approved by Cabinet on 17<sup>th</sup> October 2018, forecast budget gaps in each of the next four financial years as follows:

2020/21: £1.064m

2021/22: £0.764m

2022/23: £0.644m

2023/24: £0.508m

2.3.3 The MTFS has been updated with the latest forecast position. This incorporates the on-going impact of any pressures and mitigations identified in the first quarter's budget monitoring from 2019/20 and newly identified budget pressures. The forecast budget gap for 2020/21 has increased to £1.208m, largely due to the impact of incorporating the Borough Growth Fund into the base budget to provide ongoing funding for Council priorities.

2.3.4 A summary of the revised position, including the updated savings requirement, is shown in sections 14 and 15.

## 2.4 Financial Planning Cycle

2.4.1 A typical financial planning cycle for a local authority is a continual process of review and challenge of future years' budget assumptions over a medium term horizon. This is based on performance against the current year's budget, incorporating the costs and benefits of business change and responding to political and economic factors within the external environment.

2.4.2 Following the publication of this report, work will continue to further validate all of the key budget assumptions for 2020/21 and beyond. Savings plans are being developed, and these will be finalised ready to present a draft budget for 2020/21 to Cabinet in January 2020. This will allow time for scrutiny and public consultation to be undertaken prior to presentation of the final budget to Cabinet and full Council in February 2020 for formal approval. The budget setting timetable is set out later in this report.

## 2.5 Budget Planning to Date

2.5.1 Since the publication of the MTFS, the Council has reviewed its 2020/21 budget following consideration of the following areas:

- Priority objectives and service plan delivery;
- Planned business change and opportunities for increased value for money;
- Current levels of service demand and performance against budget; and
- The statutory environment that each directorate operates in.

2.5.2 The key financial assumptions within the MTFS have been refreshed to include the impact of:

- The capital strategy and 10 year capital programme approved by Council in February 2019;
- Demographic and service demand pressures, which have been reviewed based on the latest national and local trends and management information available.
- Expenditure and income inflation indices, which have been reviewed using the latest economic data and contract information.
- An assessment of changes to government grants and funding;
- The Council's operational and financial performance in 2018/19 and 2019/20 with due regard given to the on-going impacts in 2020/21
- Validation of MTFS savings proposals.

## 2.6 Updated Financial Assumptions Within the MTFS

2.6.1 The key financial assumptions included within the MTFS are set out below:

### a) Pay assumptions

General pay inflation - assumed at 2.5% from 2020/21 onwards.

Pension contributions - in line with other employers in the Local Government Pensions Scheme (LGPS) the Council makes an annual additional contribution payment to the Pension Fund to contribute towards the recovery of the deficit on the Fund. This additional contribution payment is set every three years as part of the triennial valuation of the Fund. Following discussions with the Fund's actuary the MTFS has been updated on the assumption that this additional contribution payment will increase by 1% in 2020/21. This is 1% lower than assumed in the current MTFS. The employer's contribution rate does not affect individual employee's contributions or pension benefits.

**b) Other pay considerations**

The estimated cost of pay increments has been built into the MTFS.

**c) Additional Holiday Pay**

Staff who work regular voluntary overtime may claim for Additional Holiday Pay (AHP) following a 2017 ruling by an Employment Appeal Tribunal. This ruling has significant implications for any council whose employees work regular voluntary overtime. The estimated cost of this has been built into the MTFS.

**d) Inflation Assumptions**

Inflation has been calculated for premises and transport related costs including utilities, business rates and fuel based on latest market intelligence and CPI forecasts from Central Government.

**e) Flexible Use of Capital Receipts**

In February 2019 Cabinet and Council agreed a formal policy on the flexible use of capital receipts and approved the application of £0.5m of capital receipts to finance qualifying expenditure in 2019/20. The use of these resources is 'one-off' and therefore does not form part of the Council's on-going base budget.

The MTFS has been updated to reflect the flexible use of capital receipts in 2019/20 and assumes further application of £0.4m of capital receipts to fund qualifying revenue expenditure in 2020/21. Any new transformation projects that require the use of flexible capital receipts require full Council approval, and as such, an update will be provided as part of the final 2020/21 budget papers.

**f) Fees and charges**

The MTFS assumes a 3% across the board increase in fees and charges. This increase has not been applied to the following income budgets:

- Car parking charges
- Planning fees
- Land charges

Fees and charges assumptions will be fully reviewed in line with anticipated operational delivery and updated for the draft budget, which will include a full refresh of the Council's fees and charges schedule.

**g) Funding**

It is currently not known when the local government finance settlement for 2020/21 will be announced by Government; in previous years the provisional settlement has been announced in December.

The 2019/20 settlement was the final year of a four year settlement. It had been expected that a new 3 year Comprehensive Spending Review would take place this autumn, however due to continuing

political and financial uncertainty surrounding Brexit, this has been postponed. Instead, a single year spending review was announced on 4<sup>th</sup> September 2019.

The government has announced an increase to current and capital spending of £13.4bn in 2020/21, compared to the OBR's forecast at Spring Statement 2019. Resource Departmental Expenditure Limits (DEL) (excluding depreciation) across government departments will increase from £330.8bn to £352.3bn, representing growth of 4.1%.

Most of the additional funding announced has been allocated to the following priorities:

- Health and social care – the government reaffirmed the existing five-year settlement for the NHS, with an additional £33.9bn more per year by 2023/24, compared to 2018/19 budgets, with a real terms 3.1% increase in Resources DEL in 2020/21. There will also be an additional £1bn for adult and children's social care and the government will be consulting on a 2% adult social care precept to enable councils to access a further £0.5bn.
- Education and skills - the schools' budget will rise by £2.6bn in 2020/21, which will include per pupil funding of £3,750 at primary and £5,000 at secondary schools. The additional funding is inclusive of £700m more funding in 2020/21 to support children and young people with special educational needs. £400m of additional funding for Further Education has also been announced.
- Tackling crime – an extra £750m for policing to pay towards the government's commitment to recruit an additional 20,000 officers by 2023, which forms part of a 6.3% real terms increase in Home Office funding;
- Brexit - the Spending Round confirms £2bn of core funding provided to departments for Brexit in 2019/20 will be continued into 2020/21. This money will be used to help pay for the costs of establishing a new relationship with the EU. Brexit preparation grants announced in January 2019 are to be increased to £50,000 per authority.

Local government core spending power is set to increase by £2.9bn, from £46.2bn in 2019/20 to £49.1bn in 2020/21, a real terms increase of 4.3% and cash increase of 6.3%. This compares to a cash increase of £1.7bn between 2015/16 and 2019/20. Business rates baseline funding will increase in line with CPI which is consistent with assumptions made in the current MTFs.

The Government has subsequently clarified that other than in areas with devolution deals existing business rates pilots (including the Stoke on Trent and Staffordshire pilot) will end in 2020/21.

A technical consultation on the spending review is expected shortly. To date there has been no announcement of the potential council tax referendum limit for 2020/21. However, the increase in Core Spending Power implies a limit of between 2.5% and 3.0%.

The following sections set out the specific funding assumptions that have been applied in the MTFs in respect of grant funding, New Homes Bonus, Council Tax and Business Rates.

#### **h) Grant funding**

The Council no longer receives any Revenue Support Grant.

The existing MTFs includes a forecast reduction in housing benefit administration grant of £35,000 in each year of the MTFs, reflecting reduced caseloads following the introduction of universal credit. Grant funding for all other services has been assumed to remain at 2019/20 levels, except where there have been specific announcements.

The one year Comprehensive Spending Review for 2020/21 announced further funding of £54m in 2020/21 to help reduce homelessness and rough sleeping, this is in addition to the funding already provided in 2019/20. The allocation for the Council will not be determined until the time of the Local

Government Finance Settlement – due to its one off nature provision has not been made for this in the MTFS.

Brexit preparation grant of £35,000 has been received to date by the Council, again further funding for 2020/21 has been committed to via the Comprehensive Spending Review – due to its one off nature provision has not been made for this in the MTFS.

#### **i) New Homes Bonus**

New Homes Bonus is paid on a 4 year rolling basis. Income from New Homes Bonus has been budgeted in line with the confirmed grant announcement, with a reducing balance over the medium term due to funding for earlier years dropping out.

The MTFS has been updated to reflect current forecasts of house building activity. From 2020/21 it is now assumed that the number of new homes built in the borough will be below the threshold for New Homes Bonus entitlement and going forward the Council will therefore receive legacy payments for prior years only.

#### **j) Council Tax**

Council Tax increases at the average Band D rate of 2.99% have been applied each year based on the current year level. The Council Tax Referendum level for 2020/21 has not been announced. However, implicit within the calculation of local authority core spending power announced as part of the 2019 Comprehensive Spending Review is an increase of between 2.5% and 3%. A 1% change in Council Tax equates to £0.073m in income.

Growth in the Council Tax Base (the number of Band D equivalent dwellings subject to Council Tax) has been applied based on available intelligence and historical trend data.

#### **k) Business Rates**

An additional £0.300m of income relating to Business Rates has been added to the funding budget. This additional funding is due to the Business Rates collection fund being in surplus at the end of 2018/19 and is net of additional provision for appeals.

It is anticipated that the Council's income from Business Rates will increase at an inflationary amount during future years, if there are significant developments undertaken within the Borough this is likely to increase.

#### **l) Business Rates Retention Pilot**

Newcastle-under-Lyme has for a number of years participated in a Business Rates pool with the local district and borough councils in Staffordshire. The pool was successful in its application for a 75% Business Rates Pilot for 2019/20 and this has resulted in a projected financial benefit to the Council of £0.200m in the current year. This additional money is 'one off' and is earmarked to provide funding for the renewal of the waste and recycling fleet.

Following the 2019 Comprehensive Spending Review announcement on 4<sup>th</sup> September the pool has now been informed that the current pilot will come to an end in 2019/20. Agreement as been reached with neighbouring authorities to continue the existing pooling arrangements for 202/21 and the MTFS has been updated to reflect the impact of this.

## **2.7 Revised Medium Term Financial Forecasts**

2.7.1 The refreshed MTFS forecasts are set out in the table below:

**MTFS – Pressures 2020/21 to 2024/25**

| <b>Detail</b>                         | <b>2020/21<br/>£'000</b> | <b>2021/22<br/>£'000</b> | <b>2022/23<br/>£'000</b> | <b>2023/24<br/>£'000</b> | <b>2024/25<br/>£'000</b> | <b>Description</b>  |
|---------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|---|
| <b>Employees:</b>                     |                          |                          |                          |                          |                          |   |
| Increments                            | 56                       | 46                       | 31                       | 13                       | 6                        | Employees due an increment in 2020/21   |
| Pay awards                            | 294                      | 301                      | 309                      | 317                      | 324                      | 2.5% pay award assumed for all years  |
| Superannuation increases              | 60                       | 59                       | 58                       | 56                       | 57                       | 17.1% of increase in salaries   |
| Superannuation lump sum increases     | 230                      | 74                       | 76                       | 78                       | 80                       | Increase from the currently discounted figure in 2020/21.   |
| National insurance                    | 48                       | 48                       | 47                       | 45                       | 46                       | 13.8% of increase in salaries   |
| Additional holiday pay                | 34                       | 1                        | 1                        | 1                        | 1                        | Holiday pay due on overtime   |
| <b>Premises:</b>                      |                          |                          |                          |                          |                          |   |
| Business Rates                        | 27                       | 23                       | 24                       | 24                       | 25                       | Inflationary increase in business rates payable (per CPI)   |
| Utilities                             | 7                        | 7                        | 7                        | 13                       | 7                        | Inflationary increase in gas and electric (per Department for Business, Energy and Industrial Strategy) |
| <b>Transport:</b>                     |                          |                          |                          |                          |                          |   |
| Fuel                                  | 6                        | 6                        | 6                        | 12                       | 6                        | Inflationary increase in fuel (per Department for Business, Energy and Industrial Strategy)             |
| <b>Income:</b>                        |                          |                          |                          |                          |                          |   |
| Fees and charges                      | -120                     | -123                     | -125                     | -128                     | -130                     | 3% increase in fees and charges   |
| New Homes Bonus                       | 347                      | 237                      | 158                      | 192                      | 106                      | Drop out of New Homes Bonus legacy payments   |
| BRR pilot/pooling - additional income | -200                     | 200                      | -                        | -                        | -                        | Pooling arrangements ahead of the spending review   |
| Government grant                      | 35                       | 35                       | 35                       | 35                       | 35                       | Reduction in Housing Benefit /Council Tax Admin grant   |
| Business Rates baseline funding level | -77                      | -79                      | -80                      | -82                      | -84                      | Inflationary increase in baseline funding level (per CPI)   |
| <b>New Pressures:</b>                 |                          |                          |                          |                          |                          |   |
| Borough growth fund                   | 250                      | -                        | -                        | -                        | -                        | Contribution to the borough growth fund   |
| Income pressures                      | 219                      | 169                      | 169                      | 169                      | 169                      | To enable income budgets to be corrected  |
| Jubilee 2 Operating Deficit           | 100                      | 50                       | -                        | -                        | -                        | To remove the current operating deficit of Jubilee 2  |
| New waste service - vehicle leasing   | 90                       | 200                      | -                        | -                        | -                        | £200,000 held in reserve for year 1 costs   |
| Borrowing/leasing costs               | -                        | 340                      | 70                       | 74                       | 394                      | Revenue costs relating to the capital programme   |
| Waste service                         | -100                     | -                        | -                        | -                        | -                        | £100,000 saving based on initial modelling undertaken   |
| Castle House/facilities management    | 15                       | -                        | -                        | -                        | -                        | Review following full occupancy of Castle House   |
| Asset management system               | 5                        | -                        | -                        | -                        | -                        | Annual maintenance costs of software  |
| Streetscene community payback         | 25                       | -                        | -                        | -                        | -                        | Mainstreaming of community payback Streetscene costs  |
| Rough sleepers service                | 5                        | -                        | -                        | -                        | -                        | Increase in contract costs  |
| <b>One off Budget Items:</b>          |                          |                          |                          |                          |                          |   |
| Flexible use of capital receipts      | 252                      | -                        | -                        | -                        | -                        | Flexible use of capital receipts undertaken in 2019/20  |
|                                       | -400                     | 400                      |                          |                          |                          | Flexible use of capital receipts undertaken in 2020/21  |
| <b>TOTAL GAPS</b>                     | <b>1208</b>              | <b>1993</b>              | <b>785</b>               | <b>818</b>               | <b>1041</b>              |   |

2.7.2 The table below sets out the changes compared to the previously approved MTFS assumptions.

**MTFS Change in Pressures from Previously Approved**

| <b>Detail</b>                             | <b>Original<br/>2020/21<br/>£'000</b> | <b>Updated<br/>2020/21<br/>£'000</b> | <b>Change<br/>£'000</b> | <b>Description</b>                                 |
|---|---------------------------------------|--------------------------------------|-------------------------|--|
| <b>Employees:</b>                         |                                       |                                      |                         |  |
| Increments                                | 60                                    | 56                                   | -4                      | -  |
| Pay awards                                | 121                                   | 294                                  | 173                     | Assumed 2.5% (previously 1%)                       |
| Superannuation increases                  | 31                                    | 60                                   | 29                      | Impact of pay award                                |
| Superannuation lump sum increases         | 371                                   | 230                                  | -141                    | Increase negotiated with actuary                   |
| National insurance                        | 25                                    | 48                                   | 23                      | Impact of pay award                                |
| Additional holiday pay                    | 0                                     | 34                                   | 34                      | New pressure following 2017 ruling                 |
| <b>Premises:</b>                          |                                       |                                      |                         |  |
| Business Rates                            | 28                                    | 27                                   | -1                      | -  |
| Utilities                                 | 5                                     | 7                                    | 2                       | -  |
| <b>Transport:</b>                         |                                       |                                      |                         |  |
| Fuel                                      | 17                                    | 6                                    | -11                     | Change in government forecast                      |
| <b>Income:</b>                            |                                       |                                      |                         |  |
| Fees and charges                          | -96                                   | -120                                 | -24                     | Assumed 3% (previously 2%), now excludes Car Parks |
| New Homes Bonus                           | 347                                   | 347                                  | -                       | -  |
| BRR pilot/pooling - additional income     | -                                     | -200                                 | -200                    | Proposed pooling arrangements windfall             |
| Government grant                          | 63                                    | 35                                   | -28                     | No RSG remaining                                   |
| Business Rates baseline funding level     | -77                                   | -77                                  | -                       | -  |
| <b>New Pressures:</b>                     |                                       |                                      |                         |  |
| Borough growth fund                       | -                                     | 250                                  | 250                     | Mainstreaming of Borough Growth Fund               |
| Income pressures                          | 169                                   | 219                                  | 50                      | Increased income pressures                         |
| Jubilee 2 Operating Deficit               | -                                     | 100                                  | 100                     | To reduce deficit alongside action plan            |
| New waste service - vehicle leasing       | -                                     | 90                                   | 90                      | Per approved Capital Programme                     |
| Waste service                             | -                                     | -100                                 | -100                    | Additional green waste income                      |
| Castle House/facilities management        | -                                     | 15                                   | 15                      | Operating costs re. WIFI                           |
| Asset management system                   | -                                     | 5                                    | 5                       | New software maintenance costs                     |
| Streetscene community payback             | -                                     | 25                                   | 25                      | Added to base budget                               |
| Rough sleepers service                    | -                                     | 5                                    | 5                       | Increase in contract costs                         |
| <b>One off Budget Items from 2019/20:</b> |                                       |                                      |                         |  |
| One off budget items                      | -                                     | 252                                  | 252                     | Flexible use of capital receipts in 2019/20        |
|   |                                       | -400                                 | -400                    | Flexible use of capital receipts in 2020/21        |
| <b>TOTAL GAPS</b>                         | <b>1064</b>                           | <b>1208</b>                          | <b>143</b>              |  |

## 2.8 Strategy for Addressing the Funding Gap

2.8.1 A number of savings and funding strategies have been identified as being both feasible and sustainable, via a vigorous Efficiency 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 are outlined in the table below, with further detail for 2020/21 in the second table.

2.8.2 Beyond 2020/21 the MTFS assumes income from commercial investments of £0.250m in 2021/22 rising to £1.000m in 2024/25. These savings are subject to approval of a commercial strategy and investment programme funded from capital receipts and prudential borrowing which are the subject of a separate report to Cabinet.

2.8.3 In addition, the MTFS assumes efficiency savings of £0.150m in 2021/22 rising to £0.600m in 2024/25 from the digital delivery programme. These savings will be validated following approval of the Full Business case which is expected to be completed by March 2020.

**MTFS Funding Strategy 2020/21 to 2024/25**

| Detail                      | 2020/21<br>£'000 | 2021/22<br>£'000 | 2022/23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|
| <i>Income</i>               | 116              | 50               | -                | -                | -                |
| <i>Commercial Strategy</i>  | -                | 250              | 250              | 250              | 250              |
| <i>Digital Strategy</i>     | -                | 150              | 150              | 150              | 150              |
| <i>Staffing Related</i>     | 495              | 37               | -                | -                | -                |
| <i>Good Housekeeping</i>    | 10               | -                | -                | -                | -                |
| <i>Tax Base</i>             | 351              | 150              | 152              | 154              | 157              |
| <i>Council Tax Increase</i> | 219              | 227              | 236              | 244              | 253              |
| <i>Contributions</i>        | 18               | -                | -                | -                | -                |
| <b>TOTAL SAVINGS</b>        | <b>1209</b>      | <b>864</b>       | <b>788</b>       | <b>798</b>       | <b>810</b>       |
| <b>UPDATED MTFS GAPS</b>    | <b>1208</b>      | <b>1993</b>      | <b>785</b>       | <b>818</b>       | <b>1041</b>      |
| <b>REMAINING GAP</b>        | <b>-1</b>        | <b>1129</b>      | <b>-3</b>        | <b>20</b>        | <b>231</b>       |

**2.9 Financial Planning Timetable**

| Event  | Body Affected                                      | Date        |
|--|--|-------------|
| Consideration of draft MTFS  | Cabinet  | 16 October  |
| Consideration of draft savings proposals                           | Cabinet  | 6 November  |
| Budget consultation  | Proposed to run from 7 November to 19 December     |             |
| Scrutiny of draft MTFS and savings proposals                       | Finance, Assets and Performance Scrutiny Committee | 16 December |
| Approval of final MTFS and consideration of draft Budget proposals | Cabinet  | 15 January  |
| Scrutiny of draft budget   | Finance, Assets and Performance Scrutiny Committee | 16 January  |
| Final budget proposals recommended for approval by Full Council    | Cabinet  | 4 February  |
| Full Council to approve Budget                                     | Full Council                                       | 19 February |

**3. Proposal**

3.1 That Cabinet endorse the draft MTFS 2020/21 to 2024/25 as basis for consultation.

**4. Reasons for Proposed Solution**

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

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

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

**6. Legal and Statutory Implications**

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

**7. Equality Impact Assessment**

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

## 8. **Financial and Resource Implications**

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

## 9. **Major Risks**

9.1 Section 25 of the Local Government Act 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 the budget;
- Income falling short of the budget; and,
- Unforeseen elements e.g. changes to legislation or reductions in government grants and funding distributions.

9.2 Such risks require regular and robust monitoring and it is essential that the Council has sufficient reserves to call on if required. The MTFS assumes that the General Reserve and contingency budget will be maintained at the current level of £1.548m. This will need to be reviewed in due course in the light of Government proposals for the implementation of 75% business rates retention and the outcome of the fair funding review, which are expected to be published in 2020 and will take effect from 2021/22.

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

10.1 None.

## 11. **Key Decision Information**

11.1 Final approval of the MTFS will be a key decision.

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

12.1 None

## 13. **List of Appendices**

Appendix 1 - Medium Term Financial Strategy 2020/21 to 2024/25.

## 14. **Background Papers**

14.1 None

## NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

### PORTFOLIO HOLDER (FINANCE AND EFFICIENCY) REPORT TO FINANCE, ASSETS AND PERFORMANCE SCRUTINY COMMITTEE

16 December 2019

**Report Title:** Revenue Budget 2020/21 – First Draft Savings Plans

**Submitted by:** Portfolio Holder (Finance and Efficiency)

**Portfolio:** Finance and Efficiency

**Wards(s) affected:** All

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

To inform the Committee of the current proposals being considered to balance the 2020/21 revenue budget and the proposed capital programme for 2020/21 to 2022/23.

#### **Recommendations**

- a) That the Committee note the proposals as set out in the Appendix 1 and Appendix 2 to the report.
- b) That the Committee identify any areas where further information is required for consideration at its meeting in January.
- c) That the Committee suggest any further areas of savings that should be considered.

#### **Reasons**

To enable the Committee to review the proposals and to determine whether further information is required on any of the proposals.

#### 1. **Background**

- 1.1 The Council's Draft Medium Term Financial Strategy for 2020/21 to 2024/25 was approved for consultation by Cabinet on 16 October 2019. It indicated that there will be a budget "gap" of £1.208m in respect of 2020/21 and that this will need to be closed in order to produce a balanced budget.
- 1.2 The Council's Capital Strategy for 2020/21 to 2029/30 will be available for scrutiny at the Committee on 16 January 2020.

#### 2. **Proposed Savings and Funding Strategies to eliminate the Budget Gap for 2020/21**

- 2.1 A number of savings and funding strategies have been identified as being both feasible and sustainable, via a vigorous Efficiency 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 are outlined in the table below, with further detail for 2020/21 in Appendix 1. This enables the Committee to review them and determine whether any further information is required on any of the proposals for consideration at its meeting in January.

| Detail                      | 2020/21<br>£'000 | 2021/22<br>£'000 | 2022/23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Income</b>               | 116              | 50               | -                | -                | -                |
| <b>Commercial Strategy</b>  | -                | 250              | 250              | 250              | 250              |
| <b>Digital Strategy</b>     | -                | 150              | 150              | 150              | 150              |
| <b>Staffing Related</b>     | 495              | 37               | -                | -                | -                |
| <b>Good Housekeeping</b>    | 10               | -                | -                | -                | -                |
| <b>Tax Base</b>             | 351              | 150              | 152              | 154              | 157              |
| <b>Council Tax Increase</b> | 219              | 227              | 236              | 244              | 253              |
| <b>Contributions</b>        | 18               | -                | -                | -                | -                |
| <b>TOTAL SAVINGS</b>        | <b>1209</b>      | <b>864</b>       | <b>788</b>       | <b>798</b>       | <b>810</b>       |
| <b>UPDATED MTFS GAPS</b>    | <b>1208</b>      | <b>1993</b>      | <b>785</b>       | <b>818</b>       | <b>1041</b>      |
| <b>REMAINING GAP</b>        | <b>-1</b>        | <b>1129</b>      | <b>-3</b>        | <b>20</b>        | <b>231</b>       |

### 3. Capital

- 3.1 The Capital Programme for 2020/21 to 2022/23 (Appendix 2) 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 £24.112m
- 3.2 The Capital Programme for 2020/21 includes £3.151m for the refurbishment and opening of Kidsgrove Sports Centre, this replaces the Kidsgrove Sports Centre scheme previously scheduled to commence in 2023/24.

### 4. Timetable

- 4.1 Set out in the table below are the key dates of the events still to take place before the budget for 2020/21 is finally approved.

| Event  | Body Affected                                      | Date        |
|--|--|-------------|
| Budget consultation  | Proposed to run from 7 November to 19 December     |             |
| Scrutiny of draft MTFS and savings proposals                       | Finance, Assets and Performance Scrutiny Committee | 16 December |
| Approval of final MTFS and consideration of draft Budget proposals | Cabinet  | 15 January  |
| Scrutiny of draft budget   | Finance, Assets and Performance Scrutiny Committee | 16 January  |
| Final budget proposals recommended for approval by Full Council    | Cabinet  | 4 February  |
| Full Council to approve Budget                                     | Full Council                                       | 19 February |

### 5. List of Appendices

- Appendix 1: 2020/21 MTFS Funding Strategy  
Appendix 2: 2020/21 to 2022/23 Capital Programme

| Ref  | Service Area                          | Description                                 | £000's       | % of Budget Line(s) | Detail   |
|--|---------------------------------------|---|--------------|---------------------|--|
| <b>Income</b>  |                                       |   |              |                     |  |
| I2   | Environmental Health                  | Licensing Income                            | 20           | 3.8%                | Increased demand in licensing requirements from customers  |
| I3   | Operational Services                  | Bereavement Services Income                 | 10           | 0.7%                | Increased memorialisation offer to customers   |
| I4   | Housing Regeneration & Assets         | Street Naming/ Numbering                    | 20           | 166.7%              | Increased levels of income received during 2018/19 and 2019/20   |
| I5   | Recycling and Fleet                   | New Properties Delivery Charge              | 16           | New                 | Delivery charge for waste/recycling bins to properties on new developments   |
| I6   | Recycling and Fleet                   | Trade Waste Income                          | 50           | 10.0%               | Increased marketing and sales regarding the trade waste service  |
|  |                                       |   | <b>116</b>   |                     |  |
| <b>Staffing Related Efficiencies</b>                                   |                                       |   |              |                     |  |
| S1   | Revenues & Benefits/Customer Services | Restructure                                 | 300          | TBC                 | Restructure of Revenues and Benefits and Customer Services   |
| S2   | Finance                               | Car Leasing Scheme                          | 8            | 72.7%               | Car leases not renewed following expiry  |
| S3   | Finance                               | Payroll                                     | 25           | 44.9%               | Payroll function to be undertaken by Stoke-on-Trent City Council   |
| S4   | All                                   | Vacant Posts, Retirements, Reprioritisation | 162          | TBC                 | Vacant posts, service reprioritisation and employees retirement  |
|  |                                       |   | <b>495</b>   |                     |  |
| <b>Good Housekeeping/General Other Savings/Changes in Base Budgets</b> |                                       |   |              |                     |  |
| G1   | Housing Regeneration & Assets         | Bus Station                                 | 10           | 33.4%               | Contribution to Banksman post - post ceased  |
|  |                                       |   | <b>10</b>    |                     |  |
| <b>Alternative Sources of Finance/Other</b>                            |                                       |   |              |                     |  |
| A1   | Corporate                             | Council Tax Base                            | 51           | 0.7%                | Increase in Council Tax Base (increase of 260 residential properties)  |
| A2   | Corporate                             | Business Rates Base                         | 300          | 6.3%                | This additional funding is due to the Business Rates collection fund being in surplus at the end of 2018/19 and is net of additional provision for appeals.        |
| A3   | Corporate                             | Council Tax Increase                        | 219          | 2.99%               | Assumed increase of 2.99% per Band D equivalent property   |
| A4   | Corporate                             | Parish Council Section 136 Contributions    | 18           | 25.0%               | Reduction of 25% of the 2016/17 payment made to Parish Councils for concurrent functions as agreed as part of the 2017/18 budget setting process - final reduction |
|  |                                       |   | <b>588</b>   |                     |  |
| <b>Grand Total</b>   |                                       |   | <b>1,209</b> |                     |  |

**2020/21 to 2022/23 Capital Programme**

**Appendix 2**

| CAPITAL PROGRAMME   | 2020/21           | 2021/22          | 2022/23          | TOTAL             |
|---|-------------------|------------------|------------------|-------------------|
|   | £                 | £                | £                | £                 |
| <b>PRIORITY - Local Services that work for Local People</b> |                   |                  |                  |                   |
| Service Area - Council Modernisation                        | 380,000           | 506,000          | 110,000          | 996,000           |
| <b>Total</b>  | <b>380,000</b>    | <b>506,000</b>   | <b>110,000</b>   | <b>996,000</b>    |
| <b>PRIORITY - Growing our People and Places</b>             |                   |                  |                  |                   |
| Service Area - Housing Improvements                         | 1,070,000         | 1,080,000        | 2,615,000        | 4,765,000         |
| Service Area - Managing Property & Assets                   | 131,531           | 101,500          | 410,846          | 643,877           |
| <b>Total</b>  | <b>1,201,531</b>  | <b>1,181,500</b> | <b>3,025,846</b> | <b>5,408,877</b>  |
| <b>PRIORITY - A Healthy, Active and Safe Borough</b>        |                   |                  |                  |                   |
| Service Area - Environmental Health                         | 10,000            | 0                | 0                | 10,000            |
| Service Area - Streetscene and Bereavement Services         | 270,600           | 1,145,600        | 1,240,600        | 2,656,800         |
| Service Area - Recycling and Fleet                          | 3,666,000         | 609,500          | 351,000          | 4,626,500         |
| Service Area - Leisure                                      | 3,682,000         | 331,000          | 687,000          | 4,700,000         |
| Service Area - Museum                                       | 95,000            | 240,000          | 40,000           | 375,000           |
| Service Area - Managing Property & Assets                   | 55,547            | 40,456           | 273,403          | 369,406           |
| Service Area - Engineering                                  | 165,873           | 140,193          | 806,287          | 1,112,353         |
| <b>Total</b>  | <b>7,945,020</b>  | <b>2,506,749</b> | <b>3,398,290</b> | <b>13,850,059</b> |
| <b>PRIORITY - A Town Centre for All</b>                     |                   |                  |                  |                   |
| Service Area - Managing Property & Assets                   | 1,673,553         | 1,106,383        | 77,126           | 2,857,061         |
| <b>Total</b>  | <b>1,673,553</b>  | <b>1,106,383</b> | <b>77,126</b>    | <b>2,857,061</b>  |
| <b>CONTINGENCY</b>  | 1,000,000         | 0                | 0                | <b>1,000,000</b>  |
| <b>TOTAL</b>  | <b>12,200,103</b> | <b>5,300,631</b> | <b>6,611,262</b> | <b>24,111,997</b> |
| <b>FUNDING</b>  |                   |                  |                  |                   |
| Capital Receipts Carried Forward from 2019/20               | 2,062,506         |                  |                  | <b>2,062,506</b>  |
| Flexible Use of Capital Receipts                            | -400,000          |                  |                  | <b>-400,000</b>   |
| Capital Receipts  | 3,930,000         | 500,000          | 500,000          | <b>4,930,000</b>  |
| External Contributions                                      | 2,065,000         | 2,765,000        | 1,015,000        | <b>5,845,000</b>  |
| ICT Development Fund  | 50,000            | 50,000           | 50,000           | <b>150,000</b>    |
| Borrowing/Leasing   | 4,492,597         | 1,985,631        | 5,046,262        | <b>11,524,491</b> |
| <b>TOTAL</b>  | <b>12,200,103</b> | <b>5,300,631</b> | <b>6,611,262</b> | <b>24,111,997</b> |

## NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

### EXECUTIVE MANAGEMENT TEAM'S REPORT TO CABINET

16 October 2019

**Report Title:** Commercial Strategy

**Submitted by:** Interim Director of Resources and Support Services

**Portfolios:** Corporate and Service Improvement, People and Partnerships  
Finance and Efficiency

**Ward(s) affected:** All

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

To seek Cabinet approval for the commercial strategy.

#### **Recommendations**

Cabinet is asked to:

- (a) Approve the draft Commercial Strategy.
- (b) Request that the Constitution Working Group consider any changes that may be required to the Council's Constitution in light of the strategy, including schemes of delegation and finance procedure rules, for approval by full Council.
- (c) For Finance, Assets and Performance Scrutiny Committee to review and comment on the strategy at its December meeting;
- (d) To appoint commercial investment advisers to undertake a review of the Council's commercial property portfolio and make recommendations for investment or disinvestment (this contract is currently out to tender with an expected award by the end of October 2019);
- (e) For officers to work up investment proposals for further consideration by Cabinet.

#### **Reasons**

The Commercial Strategy provides a framework for the Council's commercial activity. It sets out how the Council will secure the delivery of high quality, sustainable, value for money services by being customer focussed, innovative and entrepreneurial.

#### 1. **Background**

- 1.1 This report presents a Commercial Strategy for the Council, which outlines a framework for identifying and managing commercial and income generation opportunities.
- 1.2 A key plank in the Council's MTFs is to increase income for the Council. To deliver this increase in income requires a fundamental change in how we do business. This commercial strategy is one element of this change. It forms part of a suite of strategies and approaches, including the Digital Strategy and Investment Strategy, aimed at addressing the reduction in government grant and supporting the Council in achieving financial sustainability.

#### 2. **Issues**

- 2.1 The Council faces challenging financial times. Our current Medium Term Financial Strategy anticipates a cumulative budget shortfall of £5.8m over the next 5 years. This is a significant amount for an authority which has already seen its external funding reduced by two thirds since 2010.
- 2.2 The need to identify further efficiencies, exploit our asset base and generate income is considerable. Coupled with increasing demand for services, higher public expectations, challenging national political circumstances and economic uncertainty, the Council must use all the means at its disposal to ensure that its medium term finances and ability to provide a full range of services to the local community are sustainable. That means that the Council must become more commercial: generating service efficiencies and new income streams; maximising existing revenue streams; having effective procurement and contract management processes; making prudent investment in income generating assets; and developing our strategic asset base in order to boost local growth.
- 2.3 Commercial activity is not new to the Council. The Council already has a substantial commercial property portfolio which contributes £400,000 annually to the Council's revenue budget and commercial services are operated in areas including leisure, theatre events, car parking and garden waste. The commercial strategy provides an overarching framework for these activities, ensuring a co-ordinated approach across the Council and access to the expertise needed to drive forward our commercial ambitions within a context of robust risk management.
- 2.4 An important element of the Council's commercial approach is finding the right balance between delivering social value and our commercial practices, ensuring that income generated through commercial activity is reinvested in local priorities, services and improvements for the long term benefit of residents of the borough.
- 2.5 Other outcomes that will be delivered through the strategy are:
- Strong working relationships with public, private and third sector partners in order to maximise collaboration and generate efficiencies.
  - An embedded commercial culture within the council and a workforce equipped with the skills they need to operate in a more commercial environment.
  - Supporting the council in delivering the council plan and growth agenda as a key pillar of the medium term financial strategy and our goal of financial self-sufficiency.
  - Optimising the council's use of digital technology to enable new, more efficient and flexible ways of working and interacting with customers and residents.
- 2.6 The strategy proposes a number of guiding principles which describe how we will achieve our commercial ambitions including acting with intelligence, integrity and agility and working collaboratively across organisational boundaries. The strategy is explicit that the Council will seek to extract maximum value from its land and property assets, challenge where services can be commissioned and stop activities that add no value or benefit to customers.
- 2.7 Delivering our vision for a more sustainable and business-oriented Council that maximises commercial opportunities will require a fundamental shift in how we do business and individual and organisational development around commercial thinking. As a first step towards embedding a more entrepreneurial culture we will invest in developing the skills of our members and our workforce. However, moving forward it will also influence the skills that we require in the people that we recruit in future into key roles and in the partnerships that we develop.
- 2.8 Investment decisions will be taken by Cabinet. In view of the potential scale of investment some changes will be required to key financial strategies including the MTFs, Investment Strategy and Treasury Management Strategy as well as financial approval limits. Changes may also be required to the scheme of delegation to ensure that timely decisions can be made as and when commercial opportunities present themselves. It would be appropriate to refer these matters to the Constitution Working Group for detailed consideration with a view to them putting forward recommendations for changes to full Council for approval.

2.9 The strategy will be reviewed by the Finance, Assets and Performance Scrutiny Committee at their December meeting. Effective oversight of investment activity and returns will be ensured via quarterly updates to FAPS as part of the regular finance and performance reports they receive.

### 3. **Proposal**

3.1 That Cabinet approve the commercial strategy. Next steps will then be:

- For the Constitution Working Group to consider any changes that may be required to the Council's Constitution, including the scheme of delegation and financial procedure rules, to facilitate delivery of the strategy;
- For Finance, Assets and Performance Scrutiny Committee to review and comment on the strategy at its December meeting;
- To appoint commercial investment advisers to undertake a review of the Council's commercial property portfolio and make recommendations for investment or disinvestment (this contract is currently out to tender with an expected award by the end of October 2019);
- For officers to work up investment proposals for further consideration by Cabinet.

### 4. **Reasons for Proposed Solution**

4.1 Generating efficiencies and additional income by adopting a more commercial approach is a key plank in the Council's plans for addressing the forecast funding gap and maintaining financial sustainability in the medium to long term. The strategy provides a framework for managing and co-ordinating commercial activities.

### 5. **Options Considered**

5.1 The Council continues to progress a number of strategies and approaches to ensure that it can maintain a financially sustainable future and deliver the key priorities set out in the Council plan. The commercial strategy is part of this suite of options which also includes service redesign, the digital delivery programme, contract negotiation and service recommissioning.

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

6.1 The commercial strategy supports and is aligned to the corporate priority of financial sustainability and delivery of the MTFS.

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

7.1 There is complex legislation and case law that governs local government's ability to undertake commercial activities and generate income. This includes trading in services to make a surplus and the recovery of part (contribution) or the whole of the cost of a service through charging.

7.2 The Council will need to make sure that its commercial activities are legally and state aid compliant, including having regard to the Public Sector Duty within the Equality Act 2010, statutory guidance on local authority investments and The Prudential Code for Capital Finance in Local Authorities.

7.3 All commercial projects and investment opportunities will be examined to ensure that they are within the Council's powers and legal implications will be identified on a case by case basis.

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

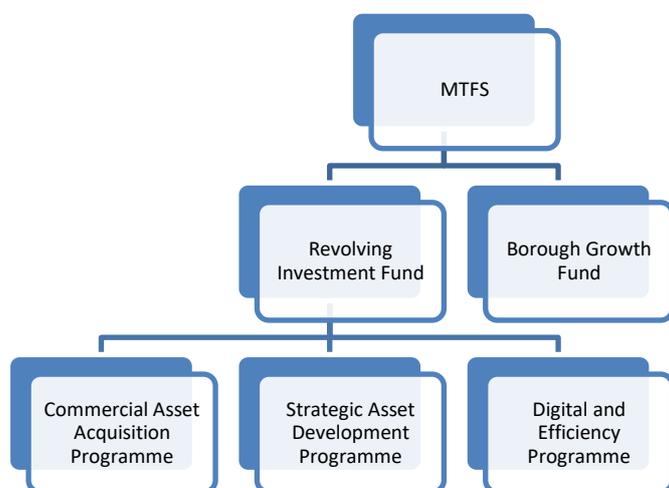
8.1 This report has implications relating to member and workforce development. Delivering our vision for a more sustainable and business-oriented Council that maximises commercial opportunities will require a fundamental shift in how we do business and individual and organisational development around commercial thinking.

8.2 As a first step towards embedding a more entrepreneurial culture we will invest in developing the skills of our members and our workforce. However, moving forward it will also influence the skills that we require in the people that we recruit in future into key roles and in the partnerships that we develop.

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

9.1 The aim of the commercial strategy is to facilitate sensible investments, based on local need and subject to robust risk management, which enable the Council to improve outcomes for our residents in accordance with the priorities set out in the council plan. This includes making a contribution towards the budget savings required to bridge the forecast funding gap over the next 5 years through income generation, as opposed to reducing spending on services.

9.2 The diagram below shows the proposed funding structure. In summary, investments will be funded via a Revolving Investment Fund established with pump priming funds provided from capital receipts, revenue contributions and prudential borrowing. A proportion of investment returns will be used to support the MTFs with the remainder recycled into new investment opportunities.



9.3 Investments will be split into two categories: commercial assets and strategic assets.

9.4 The overriding objective of the Commercial Asset Acquisition Programme will be to generate and secure a long-term and sustainable income stream for the Council. This will be achieved by investing in assets with a projected minimum level of return of 2% above the cost of borrowing and other holding and management costs. The investments will not be required to meet other Council objectives and priorities e.g. regeneration, economic development or housing and can be located outside the borough.

9.5 Direct investment in commercial property offers a relatively familiar path as the Council already has a diversified property portfolio including office, retail and industrial assets which currently generates a net annual revenue stream. Other potential investment opportunities include renewable energy (for example solar farms and solar bonds) and development of a commercial loan portfolio including loans to registered social landlords within the borough to fund housing development.

9.6 The aim of the strategic asset development programme will be to steer and manage development opportunities from the Council's property asset base so as to deliver capital receipts and improved revenue income streams but at the same time securing the regeneration, economic development and housing objectives of the Council. Examples include acquisition and development of strategic town centre sites, housing and industrial sites within the borough (including, for example within the Chatterley Valley Enterprise Zone). Developments may be undertaken on a co-investment basis with public, not for profit and private sector partners.

9.7 The draft MTFs assumes that the digital delivery programme will generate efficiency savings of £150k p.a. from 2021/22, rising to £600k p.a. in 2024/25. This assumption will be validated as part of the

development of the full digital business case. Any surplus savings generated will be recycled via the Revolving Investment Fund.

9.8 There is a significant opportunity for the Council to capitalise on its ability to borrow at historically very low rates (from the Public Works Loans Board), and acquire income producing investments which are capable of generating net revenue after deducting the costs of finance. The scale of capital investment will primarily determine the return and a substantial capital investment will be required to realise a significant income stream and ensure a balanced and diversified portfolio. The initial scale of investment envisaged is £50m. At a target return of 2% per annum this would generate an income for the Council of £1m per annum. Any surplus returns will be recycled to fund future investments.

7.9 The costs of employing specialist commercial advisers, providing training for members and officers involved in investment decisions and undertaking due diligence on early investment opportunities will be met from the Borough Growth Fund. £100,000 of the fund has been allocated to support the development of the commercial strategy in 2019-20.

#### 10. **Major Risks**

10.1 Management of risk is central to our commercial approach and all potential activities will be assessed with due regard to the risks being taken. This will be in line with the Council's corporate approach to risk management including review of risk frequency.

10.2 As part of a robust risk management process the Council will seek to partner with industry experts and specialists, carry out meticulous due diligence and ensure rigorous approval processes and project scrutiny.

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

11.1 None.

#### 12. **Key Decision Information**

12.1 The strategy will affect all wards in the borough. The level of investment required will be significant and approval of the commercial strategy will be a key decision.

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

13.1 None

#### 14. **List of Appendices**

Appendix 1 – Draft Commercial Strategy

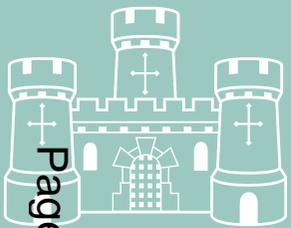
#### 15. **Background Papers**

15.1 None

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# COMMERCIAL STRATEGY

2019 - 2024



Page 45

NEWCASTLE  
UNDER LYME  
BOROUGH COUNCIL

# Vision

Page 46  
Our vision is for Newcastle-under-Lyme to be a sustainable and business-oriented Council that maximises commercial opportunities in order to deliver long-term benefits for residents of the borough and support the Council's medium-term financial strategy.

This will be achieved through:

- Generation of service efficiencies and new income streams
- Maximising existing revenue streams
- Effective procurement and contract management
- Prudent investment in income generating assets
- Strategic asset development

## Strategy Outcomes

1. To generate income through commercial activity that can be reinvested in local priorities, services and improvements for our residents
2. To build strong working relationships with public, private and third sector partners in order to maximise collaboration and generate efficiencies
3. To embed a commercial culture within the council and ensure that our staff are equipped with the skills they need to operate in a more commercial environment
4. To support the council in delivering the council plan and growth agenda as a key pillar of the medium term financial strategy and our goal of financial self-sufficiency
5. To optimise the council's use of technology and support our digital agenda in order to enable new, more efficient and flexible ways of working and interacting with customers and residents.

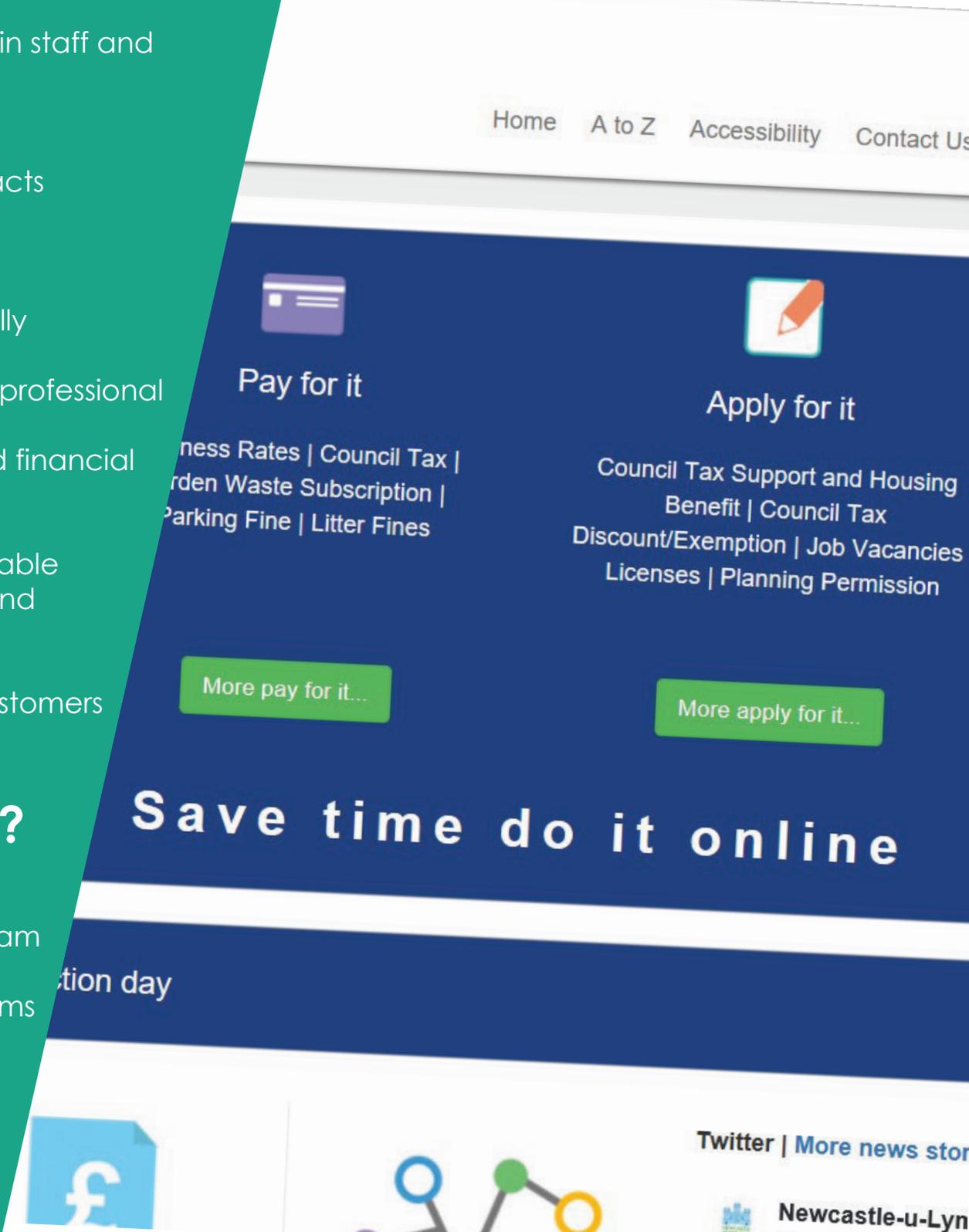




- Establish a strong commercial culture and invest in staff and member skills
- Drive our digital agenda forward
- Demand more from service providers and contracts
- Ensure we get value for money for residents
- Listen to our staff and customers
- Actively seek and work with partners commercially
- Engage with specialist commercial advisers and professional partners
- Pursue opportunities to generate efficiencies and financial savings
- Dispose of assets when the market is no longer viable
- Extract maximum value from our property and land assets and income streams
- Stop activities that add no value or benefit to customers
- Challenge where services can be commissioned

## How will we make this happen?

- Endorsement from members of the council
- Sponsorship from our executive management team
- Facilitated by a highly skilled commercial team
- Collaboration across all council services and teams
- External specialist advice and support
- Initiatives owned by services



# How does the strategy support our organisational goals?

- Robust financial and commercial service programmes aligned to the council plan
- Supports the MTFs and closure of funding gap
- Uses commercial activities to leverage funding opportunities to support the regeneration of the borough

# What is the governance structure?

- Investment decisions will be taken by full Cabinet
- Some changes may be required to the Council's Constitution to enable timely decision making as commercial opportunities present themselves.

# How will risks be managed?

- Partner with industry experts and specialists
- Ensure transparency and effective communication
- Rigorous approval processes and project scrutiny
- Following corporate risk management and mitigation procedures
- Effective contract management
- Meticulous due diligence



# What are the tools and structures we will use?

- Exercise statutory powers
- Shared service agreements
- Crown Commercial Service, g-cloud and local framework agreements
- Joint venture partnerships
- Arms-length management organisations and/or council owned companies

# How will we fund and resource the journey?

- Generate a return on investment to fund services
- Make every penny count
- Explore opportunities to share services with other councils
- Maximise existing revenue streams
- Effective and proportionate risk management
- Robust strategic and operational planning
- Access to government grants and other funding
- Invest to save
- Revolving Investment Fund funded from capital receipts and prudential borrowing
- Pump priming for initiatives through the Borough Growth Fund



**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

**REPORT TO FINANCE, ASSETS AND PERFORMANCE SCRUTINY COMMITTEE**

**Date 16<sup>th</sup> December 2019**

**Report Title:** Restructure of Customer and Digital Services – Progress Update

**Submitted by:** Head of Customer and Digital Services

**Portfolio:** Corporate and Service Improvement, People and Partnerships & Finance & Efficiency

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

**Purpose of the Report**

To update the Finance, Assets and Performance Scrutiny Committee of the progress made towards the Customer and Digital Services Restructure.

**Recommendations**

That the Finance, Assets and Performance Scrutiny Committee receive the report and note its contents.

**Reasons**

The report is for reference purposes only.

1. **Background**

- 1.1. The operational capacity of the Revenues, Benefits and Customer Services teams has reduced over a number of years as a result of flexible early retirements, vacant posts not being filled and a number of other contributing factors.
- 1.2. The current administration is committed to addressing historic capacity issues across a number of service areas. Accordingly, a revised management structure within Customer and Digital Services was implemented in September 2019 as a first step towards this. A single Revenues and Benefits Manager replaced the previously separate Revenues Manager and Benefits Manager roles, a new Digital team was created and a dedicated Customer Services Business Manager was introduced.
- 1.3. Following this reorganisation of management functions a review of the service delivery model has been undertaken to ensure that it is fit for purpose, efficient and effective in delivering the required outcomes and further reorganisation proposals have been brought forward for consultation with affected staff and the trade unions.
- 1.4. In addition, there are a number of other significant factors driving the need to review the organisational structure within Customer and Digital Services, which include:
  - Silo working is a feature of the current arrangements, resulting in a lack of co-ordination and resilience in key areas.
  - A legacy of reduced capacity in key operational areas which is adversely affecting service provision.
  - The roll out of Universal Credit resulting in long term reduced workload for the Benefits team.
  - Shifting customer communication preferences and trends affecting service delivery.

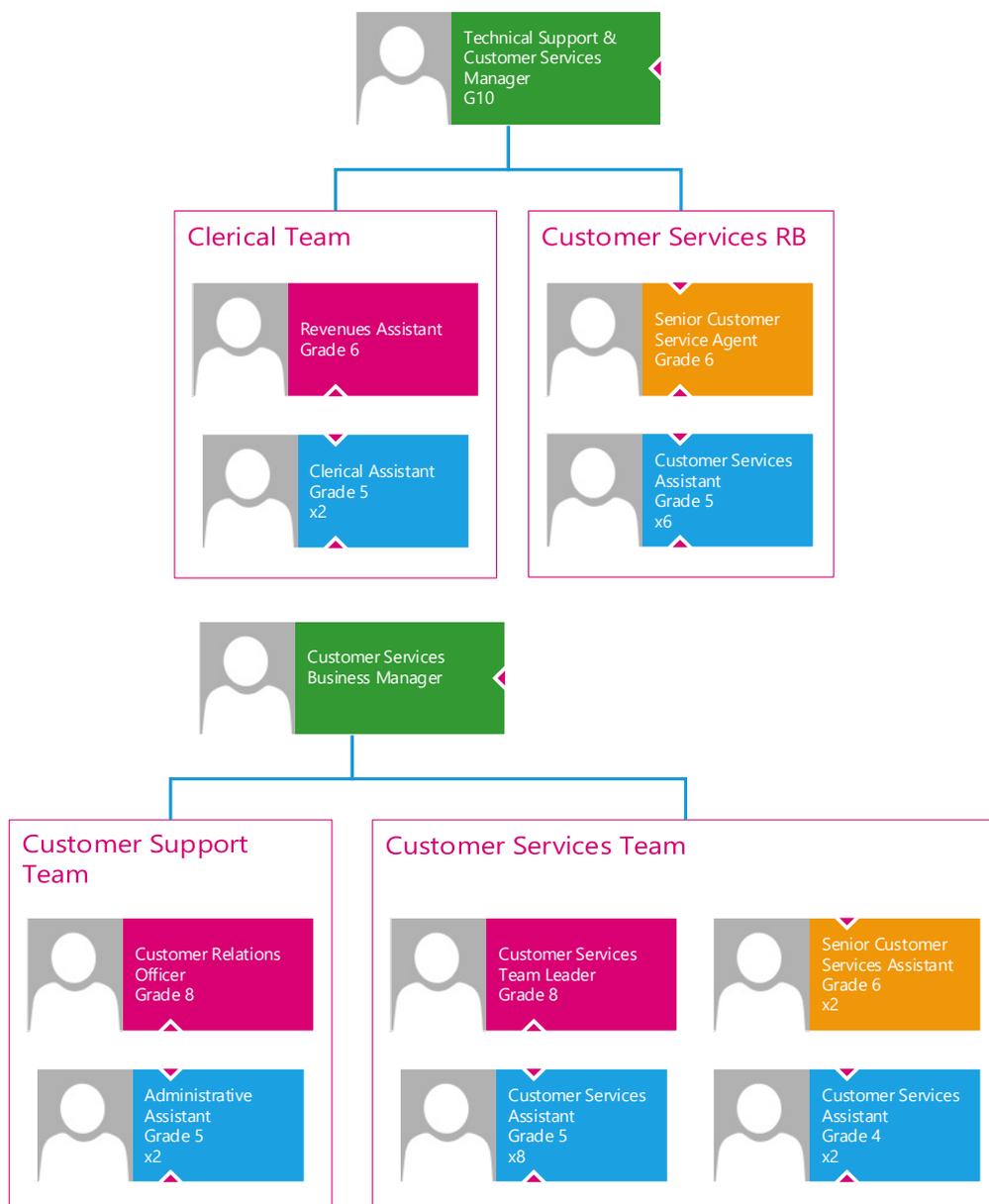
- 1.5. This report outlines current progress, the timeline for future events and the anticipated outcomes.
2. **Corporate Customer Services and Revenues and Benefits Customer Services**
  - 2.5. Historically despite being almost identical in nature the Corporate Customer Service and Revenues and Benefits Customer Service teams have worked completely independently; providing different services, adopting different standards and having completely independent management.
  - 2.6. The revised structure proposes that these separate services are brought together. The proposal introduces a single business manager, appropriate team leadership and the provision for staff to cross skill. These cross-skilling opportunities would be recognised within staff grading, offering appropriate remuneration to recognise their personal investment in the service and professional development.
  - 2.7. Improved capacity planning at a service management level will also ensure that key contact events are co-ordinated properly, to avoid incidents of excess-demand. The Customer Services Business Manager will also work closely with the Digital team, ensuring that self-service opportunities are explored as a method of demand management, supporting the Council's Digital strategy.
  - 2.8. These changes, along with the tremendous efforts of staff are the first step in ensuring the Council's customer service function is fit for the future and continues to deliver a first class service for Newcastle residents.
3. **Revenues and Benefits**
  - 3.1. Through engagement with staff and an assessment of service demand, it is clear that resources are no longer distributed effectively and in particular, there is an imbalance between the revenues and benefits teams. Whilst the workload of the Benefits team has significantly reduced (due to the introduction of Universal Credit), resourcing levels have remained broadly unchanged. In contrast, the workload of the Revenues section has grown whilst resources have decreased as a result of staff departures and maternity leave. This imbalance has been exacerbated by the diversion of specialist resources to support customer services operations.
  - 3.2. As with Customer Services, a revised structure for the Revenues and Benefits service was put before staff in November 2019. It proposed that two specialist teams be created – a Recoveries team and a Processing team.
  - 3.3. The Recoveries team would broadly deal with all aspects of revenue receipt, such as generating bills, specialist customer queries, recovering missed or over payments and handling all related operations. The Processing team would deal with all customer requests such as change of circumstances, claim management and handle interactions with external agencies such as DWP or HMRC.
  - 3.4. Under this structure, appropriate team leadership would also be developed and staff would be provided with the opportunity to cross skill in the respective areas. As with Customer Services, this development would also be recognised within their grading, offering appropriate increments as further skills are gained.
  - 3.5. The proposed structure will generate some savings for the authority as a small number of vacant posts will be removed from the establishment. However, improved capacity planning at a service management level will also ensure that key contact events are co-ordinated properly, to avoid incidents of excess-demand. The Revenues and Benefits Business Manager will work closely with the Customer Services Business Manager to ensure teams are prepared for key periods in advance and that appropriate capacity exists.
4. **Consultation and Other Considerations**
  - 4.1. All staff have been reassured that everyone who wants a position within the new structure will have one and during informal discussions, staff were keen to know what was happening, before the Christmas break.

4.2. Throughout the process, staff have been fully involved and consulted. This has involved a significant number of informal consultation meetings which are above what is required as part of the Council's restructuring policy. The intention was to ensure that at the point of formal consultation, there were no surprises, as staff would have already contributed significantly to the shape of the service.

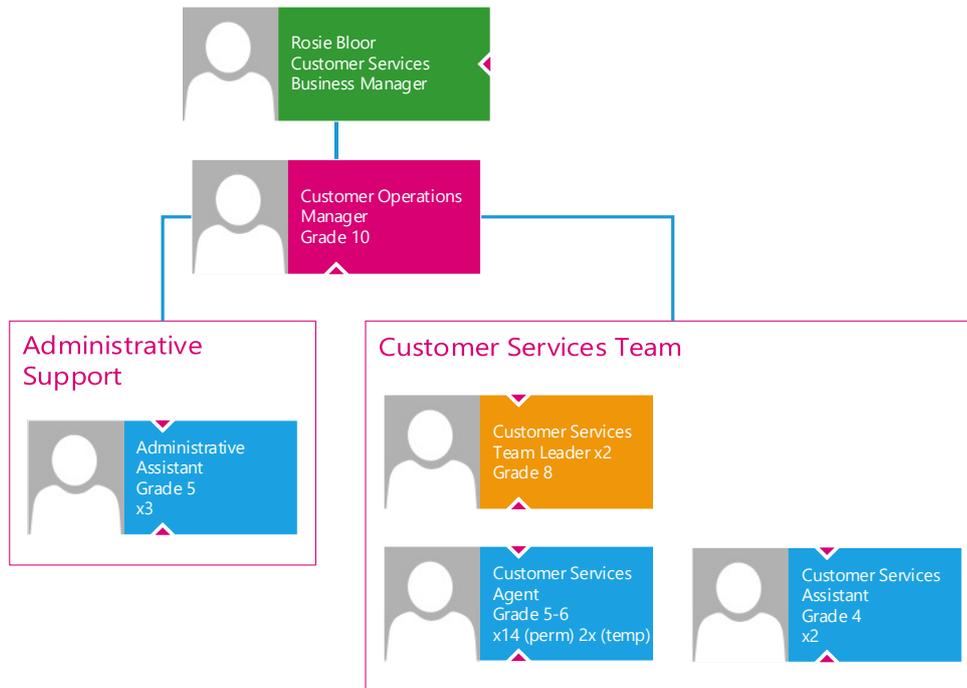
4.3. The proposed structure will generate significant savings for the authority as a number of vacant posts will be removed from the establishment. A small number of officers have also opted to leave the organisation through the Council's Mutually Agreed Resignation Scheme. These savings will be partially offset through incremental progressions associated with the new structure and the cross-skilling of staff, but this will ultimately deliver a more responsive service without increasing resources.

5. **Structure Changes**

5.1. The current structure for Revenues and Benefits Customer Services and Corporate Customer Services are shown below:



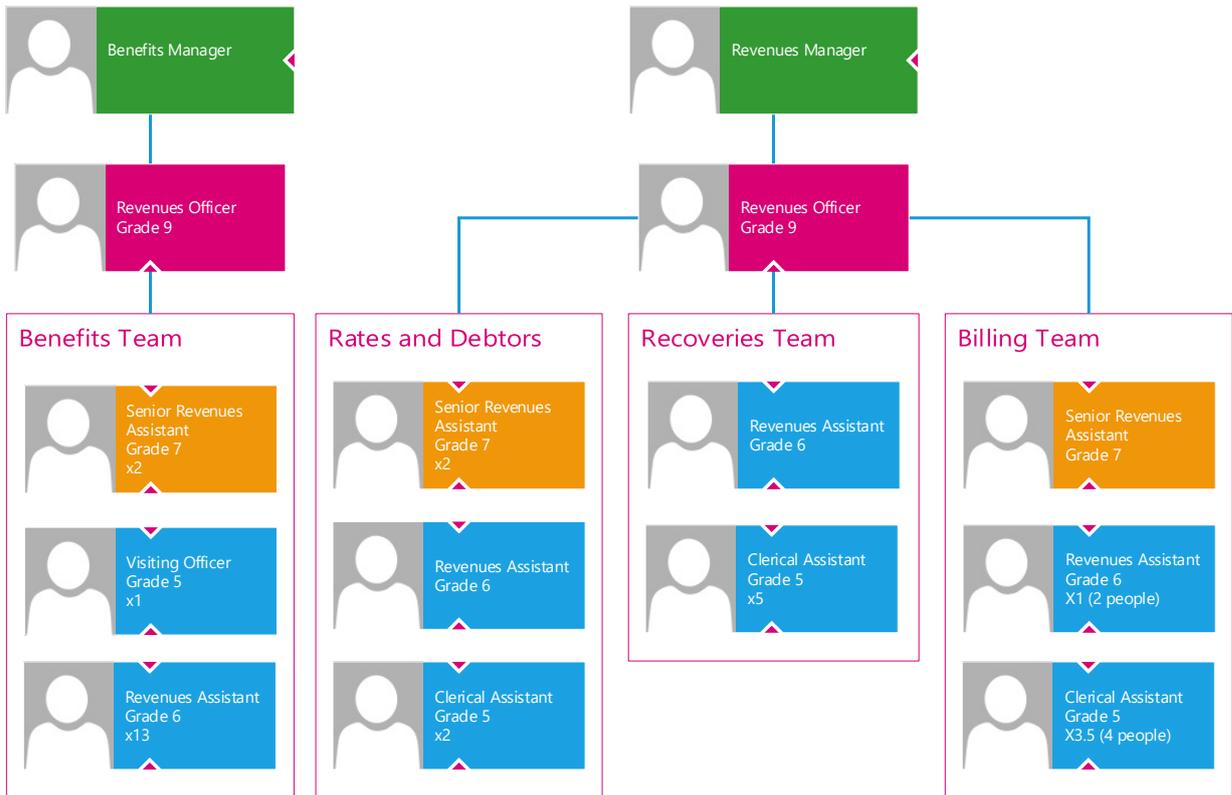
5.2. It is proposed that these structures are combined into a single service area:



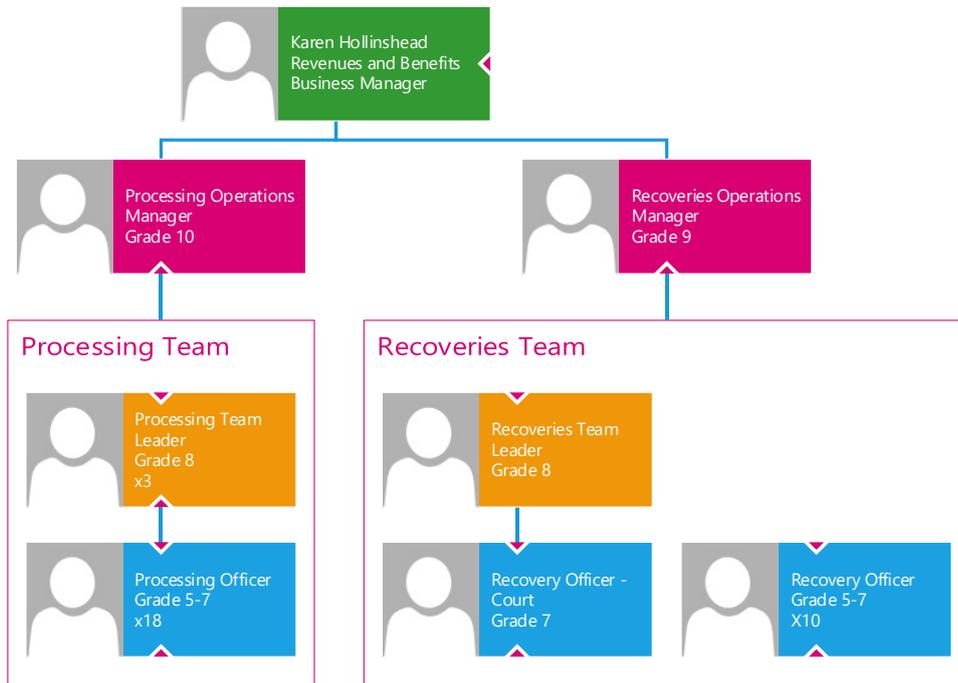
5.3. Within the structure all previous staff members have a post that is appropriate to their skills and previous responsibilities. The functions of some roles have been combined or redistributed and opportunities have been created that will allow staff to develop and progress.

5.4. The proposed structure will facilitate Customer Services staff universally being able to address customer queries, contribute towards resolving capacity issues within the former Revenues and Benefits Customer Service team and provide considerably more flexible deployment opportunities.

5.5. The current structure for Revenues and Benefits is shown below:



5.6. The proposed structure is considerably simpler:



5.7. The new Revenues and Benefits service will see the dissolution of historical boundaries and the formation of two key operational areas; Processing and Recoveries. Within these two areas, all staff who were part of the previous structure have a role, although their responsibilities have been redistributed to meet long term operational demands.

5.8. The structure seeks to encourage staff to develop their skills and understanding. As with Customer Services, posts are career graded, to underpin the provision of training and development opportunities where required by the service.

5.9. The revised structure also removes vulnerabilities for current Benefits staff, whose workload is continually diminishing following the introduction of Universal Credits.

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

6.1. It must be acknowledged that at present, any figures included are preliminary as the formal consultation periods have not ended.

6.2. It is expected that the restructure will realise savings in excess of £250,000.

6.3. Within the overall service, any posts that are already vacant will be removed and the impact of this will be mitigated by the realignment of staff within other areas of the service. For example:

- 5x FTE long term vacant Customer Service Posts removed from what was the Revenues and Benefits structure will be mitigated by the introduction of 10x Customer Service Agents from the corporate service who can be trained to cover the service.
- 14x Benefits Officers are being redistributed to the newly formed Processing and Recoveries teams which will boost resources in areas that are subject to high demand. This is without the need to recruit additional people, whilst still ensuring benefits claims can be managed.

6.4. There will be no redundancies as a consequence of the restructuring operations and it is anticipated that there will be no long term detrimental effects on service provision.

## 7. **Next Steps**

7.1. Outstanding formal consultation periods for Customer Services and Revenues and Benefits end on December 19<sup>th</sup>, 2019. It is anticipated that any interviews required for posts where competition exists will take place week commencing January 13<sup>th</sup>, 2020. Accepted MARS applications will see post holders service end on February 28<sup>th</sup>, 2020 unless a date prior to this is mutually agreed.

7.2. It is anticipated that the revised structure will be fully implemented by Monday, January 20<sup>th</sup>, 2020.

7.3. Following the implementation of the structure, a further phase of the transformation process will commence, addressing the fundamental operation of the service. The intention is to resolve a number of operational issues including formal training, standards, processes and workload management.

## NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

### EXECUTIVE MANAGEMENT TEAM'S REPORT TO CABINET

06 November 2019

**Report Title:** Financial and Performance Review report – Second quarter (July – September) 2019-20.  
**Submitted by:** Executive Management Team  
**Portfolios:** Corporate & Service Improvement, People & Partnerships, Finance & Efficiency  
**Ward(s) affected:** All

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

To provide Cabinet with the Financial and Performance Review report – second quarter 2019-20.

#### **Recommendation**

- (a) That Members note the contents of the attached report and continue to monitor and challenge the Council's performance alongside its financial performance for the same period.

#### **Reasons**

The Financial and Performance Management monitoring reports provide information on a quarterly basis regarding the performance of individual council services and progress with delivery against our priorities, alongside related financial information on the organisation.

#### **1. Background**

- 1.1 This quarterly report provides Members with a detailed update on how the Council has performed during the second quarter 2019-20 by presenting performance data and progress summary set within a financial context.
- 1.2 This report provides broad financial information (Appendix A) and also details performance (Appendix B) for the second quarter of 2019/20.
- 1.3 A summary of the overall performance picture is presented in section 4 of this report and members will note that performance is generally progressing well.

#### **2. 2019-20 Revenue and Capital Budget Position**

- 2.1 The Council approved a General Fund Revenue Budget of £13,050,020 on 20 February 2019. Further financial information is provided in Appendix A.

#### **3. Development of the Financial and Performance Report**

- 3.1 The performance section –Appendix B was reviewed and updated for 2019-2020 and the indicators continue to reflect the priorities in the Council Plan.
- 3.2 In addition to eleven new indicators, the report includes a progress summary for each priority, detailing the progress with the delivery of planned activities.

- 3.3 Additional performance information is provided, not only to ensure the monitoring of the corporate activities of the council, but also to inform Members, businesses and residents of performance in their local economy.
- 3.4 The format and content of the report will continue to be reviewed and developed in order to reflect the progress of the planned aims of the Council Plan 2018-2022, with a final report in 2019-20 providing a detailed report including more annual results of our achievements and outturns.

#### **4 Performance**

- 4.1 The latest performance information for quarter two has been analysed and all indicators monitored for this period are listed in the table found in Appendix B.
- 4.2 Any indicators failing to meet the set targets include a comment explaining why the indicator has not performed well, and what steps are being taken to ensure improvement in the future.
- 4.3 The layout for Appendix B has undergone further development for 2019-2020.
- 4.4 For this report a total of 23 indicators were monitored, and the proportion of indicators which have met their target (where set) or are within tolerance levels during this period stands at 78%.
- 4.5 There are 5 indicators off target this quarter, and officers consider that the performance against these indicators does not give rise to serious cause for concern at present (see commentary provided at Appendix B). The management of each of the service areas concerned continue to monitor and take steps to deal with under achievement of targets where possible and/or appropriate.

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

- 4.6 Positive performance can be seen in a range of services and members will note that some services are affected by both seasonal and external factors. It should also be noted for consideration that some indicators have stretched targets set and local targets that are higher than the national ones.
- 4.7 Progress on delivery of planned activities is summarised for each priority and no concerns are highlighted.

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

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

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

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

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

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

8. **Major Risks**
  - 8.1 The ongoing changing market conditions represents the greatest risk to the revenue budget, particularly with regard to the impact it may have upon income receivable in relation to services where customers may choose whether or not to use Council facilities or in the case of the waste/recycling service where the volume of recycled materials is liable to fluctuate. The situation will be monitored through the normal budget monitoring procedures.
  - 8.2 The capital programme will require regular monitoring to identify any projects which are falling behind their planned completion dates. This will be carried out by the Capital Programme Review Group, which meets on a monthly basis together with quarterly reports to Cabinet.
  - 8.3 The above represents a high level view of risk. There are detailed risk registers available if members wish to see them.
  
9. **Sustainability and Climate Change Implications**
  - 9.1 N/A
  
10. **Key Decision Information**
  - 10.1 Included on the Forward Plan
  
11. **Earlier Cabinet/Committee Resolutions**
  - 11.1 N/A
  
12. **List of Appendices**
  - 12.1 Financial information (Appendix A), and Performance (Appendix B).
  
13. **Background Papers**
  - 13.1 Working papers held by officers responsible for calculating indicators.

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## **Financial Position Quarter Two 2019/20**

### **1. General Fund Revenue Budget**

- 1.1 The Council approved a General Fund Revenue Budget of £13,050,020 on 20 February 2019. The actual position compared to this budget is continuously monitored by managers, EMT and Portfolio Holders in order to detect any significant variances of expenditure or income from the approved amounts contained in the budget.

### **2. Capital Programme**

- 2.1 A Capital Programme totalling £5,606,298 was approved for 2019/20. Of this total £3,606,298 relates to the total cost of new schemes for 2019/20 together with £1,000,000 for schemes funded by external sources (Disabled Facilities Grants), £1,000,000 contingency. In addition £1,326,573 was brought forward from the 2018/19 Capital Programme, resulting in a total Capital Programme of £6,947,871 for 2019/20.

### **3. Revenue Budget Position**

- 3.1 At this point in the financial year, we would have expected to have spent approximately £10,272,945; we have actually spent £10,525,539. Therefore, as at the end of the second quarter, the general fund budget shows an adverse variance of £252,594.

- 3.2 The main reasons for the overall adverse variance to date are:

- a. Jubilee 2 is operating at a net overspend. This is predominately in relation to high levels of staff sickness which are required to be covered for and a shortfall in income received by the centre.
- b. Income from car parking is below the budgeted amount, this is due to a drop in the sale of parking permits and off street parking.
- c. Income from planning application fees is below the budgeted amount, this is due to the number of major planning applications received during the first quarter – this may fluctuate during future periods.
- d. The provision of temporary cover for Senior Management posts.

- 3.3 An action plan to address the adverse variance incurred to date has been devised and will be implemented over the next six months. It is forecast that the actions identified reduce the adverse variance to a balanced year end outturn. These actions include:

- a. Use of additional forecast windfall from the Staffordshire and Stoke-on-Trent Business Rates Pilot.
- b. Savings from restructures within the Resources and Support Services Directorate.
- c. Appeals relating to the Rateable Value of disused or demolished Council Assets.

- d. The implementation of an action plan to reduce the Jubilee 2 operating deficit.
- e. Grants have been received for a number of areas including Brexit and Air Quality to which significant staff time spent in these areas can be allocated.
- f. A review of expenditure currently allocated to the Repairs and Renewals fund is being undertaken to identify items that can be capitalised.
- g. It should be noted that the Waste and Recycling service is forecast to outturn a balanced year end position.

#### **4. Capital Programme Position**

4.1 The Capital Programme approved by Council in February 2019 has been updated to take account of amounts brought forward from 2018/19 where planned expenditure did not occur. This has been added to the budget for 2019/20 (apart from cases where costs have been reduced or expenditure will no longer be incurred). The revised budget for capital projects in 2019/20 totals £6,947,871.

4.2 The Capital Funding required for the 2019/20 programme includes £3,508,298 of capital receipts. These receipts are still expected however it is anticipated that there will be a delay in one of the asset sales which amounts to around £1,000,000. This is due to the Property Team re-advertising the site and achieving a greater value than originally expected. In addition 'Right to Buy' sales have slowed down this year and it is expected that the target will not be reached for 2019/20 and continues to be monitored. A mid-year review has commenced which will look at the capital funding, projects commenced and expected slippage on projects not yet started. Further updates will be provided in the Quarter Three Report.

4.3 £1,125,300 of the revised budget was expected to be spent by 30 September; the actual amount spent was £1,197,718 resulting in an adverse variance at the end of the second quarter of £72,418. This overspend relates to mainly to two projects, which are the defects work on Castle House and some essential repair works on Knutton Lane Bridge. Funding of this shortfall will partly be covered by slippage of in year projects and it is assumed that £41,000 will be recovered from Kier which covers the consequential loss of use of the multi-function rooms in Castle House.

## 5. Borough Growth Fund

As part of the 2019/20 budget a 'Borough Growth' fund of £304,000 has been established, which will be used to enable investment in the Council's priorities via initiatives that are forecast to generate on-going revenue savings through reducing the costs of service delivery or through the generation of additional income. It is intended that the 'Borough Growth' fund will be invested in further as part of the 2020/21 budget setting process. Progress on the utilisation of the 'Borough Growth' fund is as follows:

| Project   | Description   | Funding Requirement (£) |               |               |
|---|---|-------------------------|---------------|---------------|
|   |   | 2019/20                 | 2020/21       | 2021/22       |
| A town centre for all - Car Parking Strategy          | 39 upgraded parking machines are required at £6,000 each. The capital programme allows for the replacement of 6 machines during 2019/20, it is proposed that 5 are also funded via the Borough Growth fund for each of the following 3 years. Work around income and potential changes to pricing structures is currently ongoing.  | 30,000                  | 30,000        | 30,000        |
| A town centre for all - CCTV                          | Contribution towards upgrading and the supply and installation of cameras in the Town Centres.  | 30,000                  |               |               |
| A town centre for all - Town Centre Officer           | Proportion of salary and on costs for 6 months net of restructure saving re. Economic Regeneration will be a further commitment from the fund in 2020/21. Post has been appointed to.   | 12,500                  | 25,000        | 25,000        |
| A town centre for all - Markets                       | Cabinet agreed to progress a programme of market improvement arising from the National Association of British Market Authorities review of the market, elements of this programme may be funded from the Borough Growth Fund including relocation of the staffs to reduce the market size/enhance trading locations (£5,000), purchase of gazebos for hire (£2,500) and the provision of electricity to the stalls (£10-15,000) | 20,000                  |               |               |
| <b>Total Requirement</b>                              |   | <b>92,500</b>           | <b>55,000</b> | <b>55,000</b> |
| <b>Funding Available</b>                              |   | <b>104,000</b>          |               |               |
| Council transformation - Digital Delivery Apprentices | 3 Apprentice posts agreed for 2 year period at a cost of £52,000 per annum split 1/3's between ICT, Human Resources and Borough Growth Fund. Assumed 6 months for 2019/20 with further commitment from the fund in 2020/21 and 2021/22 (final 6 months)   | 8,667                   | 17,333        | 8,667         |

|   |   |                |               |               |
|---|---|----------------|---------------|---------------|
| Council transformation - JADU                             | Potential costs re. completion of forms and interface that will communicate with CIVICA APP (Environmental Health software)   | 15,000         |               |               |
| Council transformation - Environmental Health Integration |   |                |               |               |
| Council transformation - Digital Business Manager         | Salary and on costs for 6 months following restructure of Resources and Support Services, will be a further commitment from the fund on an ongoing basis. Post has been appointed to. | 30,000         | 60,000        | 60,000        |
| Council transformation - Project Management Resources     | Work currently being undertaken on potential project management resources - it has not yet been finalised.  | 45,000         |               |               |
| <b>Total Requirement</b>                                  |   | <b>98,667</b>  | <b>77,333</b> | <b>68,667</b> |
| <b>Funding Available</b>                                  |   | <b>100,000</b> |               |               |
| Building for the future - Commercial investment advisors  | Tender for advisors produced by Property Section, estimate of £50,000 per annum plus potential commission on advice. Expression of interest received.                                 | 50,000         | 50,000        | 50,000        |
| <b>Total Requirement</b>                                  |   | <b>50,000</b>  | <b>50,000</b> | <b>50,000</b> |
| <b>Funding Available</b>                                  |   | <b>100,000</b> |               |               |

# How did we do in Quarter 2 2019 - 20



## Priority 1: Local Services that Work for Local People

### Progress Summary

Overall, our performance with a combination of monitoring and target driven indicators for this priority is positive in this quarter but work is underway to impact on the result. Seven new indicators which were added in Qtr 1 to track progress with our outcomes for the priority, continue to be monitored.

A summary of progress with planned activities for Priority One from the Council Plan 2018-2022 are as follows:-

- **Increase Access to Information**

- **Develop Council Social Media channels**

An expert in the field of social media from the Local Government Association followed up the commissioned audit of the Council's corporate social media channels with a full day of training. This was in the form of a half-day session for council staff involved in social media as part of their duties and a pre-meeting session for elected members before the Full Council meeting. The Communications Team carried out an internal audit on all of Council's social media channels, resulting in the closure of some that were under-utilised and a review of social media protocols.

- **Develop NewsNBC**

NewsNBC continues to be the 'go to' place for news about the Council's activities and services with the social media streams used to drive traffic to the page with 'teaser' posts. The use of NewsNBC has largely replaced the Council's reliance on local media – such as the Sentinel – to cover information about its issues, challenges, activities and services.

- **Improve content accuracy**

Following the Crystal Mark accreditation a new process of updating training for web authors has been planned. The training will cover plain English and the new technology available for authors to make their pages more accessible using Microsoft Word.

- **Improve Customer Satisfaction:**

- **Secure "Customer Service Excellence"**

The Customer Services Accreditation assessment form has now been completed and updated to incorporate all corporate front line functions. Meetings are now being arranged with service area representatives to add service specific evidence. A quote has been requested from Assessment Services to carry out the assessment and a brief report will go to EMT once a response has been received. It is anticipated that this will happen before the end of November 2019 with a view for the assessment to be carried out in the New Year and accreditation to be achieved by April 2020.

- **Develop customer & citizen surveys**

Annual surveys continue to be undertaken with key services such as recycling and waste; customer services and Streetscene. The results are fed back to services for them to consider and take action where appropriate.

- **Digital Delivery**

Cabinet has agreed for the Council to adopt a Digital Strategy that will help to shape the future delivery of our services. A key theme within this strategy is "Our Digital Services", which focuses on delivering local services that work for local people. The strategy also considers "Our Digital Community", which amongst other things, looks at how the Council can make its digital services accessible to all and how we can ensure our wider community benefits from what digital can offer. An ICT and Digital Services Steering Group, chaired by the Leader of the Council is currently being established to set the direction of the Digital Team going forward and ensure its performance meets the Council's needs.

- **Complete migration from Lagan to JADU Customer Relationship Management System**

For over 5 years the Council has used a Customer Relationship Management system, called Lagan, to manage all of its interactions with citizens. This system ensured that customer requests received by our Customer Service teams were transferred to other Council services in a timely and consistent

way. The Lagan system was closed down on September 27th 2019. We now use a Customer Portal provided by a company called Jadu, which gives customers the ability to log their service requests on line. All Services that were using Lagan are now using Jadu.

#### Progress Summary continued

- **Deliver new Recycling and Waste Service:**

- **The new service is to go live phased from Spring 2020.**

Procurement exercises are on schedule for completion in the autumn. This includes bins, recycling bags, vehicles, and material reprocessing MRF. Work is nearing completion on route modelling and the new recycling collection service rounds are being developed. Options over the operation for the transfer station at Knutton Lane have been agreed and design work for the new reconfigured site is now complete, with a planning application to be submitted shortly. Work on draft communications for residents and the Council's internal staff is being finalised. During the next quarter the route modelling options in terms of four or five day working for the new service will be complete. Work will commence on building up the new budget for the service, and teaser communication will commence out to the public.

- **Ensure Workforce has the right skills, at the right time, in the right place:**

- **Deliver workforce plan**

In this quarter, HR has appointed two Executive Search and Selection Agencies to recruit to our Senior Management vacancies and it is expected that in the next quarter, candidates for 3 of the vacancies will commence in posts from November – January 2019/20 (dependent upon notice periods).

- **Develop organisational culture**

It is expected that an organisational development plan will be instigated following the recruitment of all vacant senior management roles. This will then enable the Chief Executive to work with his senior management team to outline the Council's expectations which will underpin the culture. In the meantime, the HR team are continuing to work with all departments to outline what is expected of them as managers and employees (the psychological contract) and providing positive challenge as and when required. HR are continuing to work with all managers to coach and mentor them through all the HR policies to embed good practice and develop their skills in managing staff successfully to enable a positive working culture.

- **Review, update and implement HR Policies**

During this period, the policies that have been approved and agreed through Trade Unions, JNCC and Cabinet are: Additional Holiday Pay Ongoing discussions with the Trade Unions on Organisation Change and Redeployment have continued to take place. The Trade Unions have undertaken a ballot with their members on the proposed change of the redundancy multiplier.

- **Improve Employee relations**

Regular and ongoing discussions with the Trade Unions around policies, processes and ways of working have been achieved between the Council and its recognised Trade Unions and HR will continue in the next quarter to work positively with the Trade Unions on all employee related matters. HR have also engaged the Trade Union Representatives in the stakeholder panels for the Executive Recruitment that is currently taking place.

- **HR Shared Service Centre**

An agreement on the SLA for the Shared Service has been achieved and it is still envisaged that we can 'go live' with effect from November 2019. HR is working on transferring all of the Pensions responsibility from Payroll to HR and extensive training / one to one support has been provided to the team.

| Ref     | Service Area         | Portfolio Holder     | Indicator  | Good is | Result Qtr 2 2018-19                         | Result Qtr 1 2019-20                          | Result Qtr 2 2019-20                          | Target Qtr 2 2019-20 | How have we performed?   | Status  |
|---------|----------------------|----------------------|--|---------|--|---|---|----------------------|--|---|
| 1.1     | Environmental Health | Cllr. Trevor Johnson | Percentage of food premises that have a zero or one national food hygiene rating                               | Low     | 1.54%<br>(17 out of 1107 published premises) | 1.24%<br>(14 out of 1,131 published premises) | 1.14%<br>(13 out of 1,136 published premises) | 5%                   | The figure remains well within target this quarter.  |    |
| 1.2 New | Environmental Health | Cllr. Trevor Johnson | Percentage of category A and B food business inspections completed on time                                     | High    | 100%   | 100%  | 100%  | -                    |  | -   |
| 1.3 New | Environmental Health | Cllr. Trevor Johnson | No. Accidents/Incidents reported (RIDDOR)  | Low     | -  | 2   | 1   | -                    | There was one incident which was slip, trip, fall and no further action required. There is no target set as it would be inappropriate to set a target in this respect.                               | -   |
| 1.4a    | Recycling & Fleet    | Cllr. Trevor Johnson | Household collections from the kerbside (%):-<br><ul style="list-style-type: none"><li>Dry Recycling</li></ul> | High    | 19.53%                                       | 17.70%  | 17.50%*                                       | 20%                  | Dry Recycling performance lower than expected. There is no particular reason apparent but will look at targeted communications, to try to increase tonnage into recycling and further reduce refuse. |  |
| 1.4b    |                      |                      | <ul style="list-style-type: none"><li>Food</li></ul>   | High    | 5.7%   | 5.52%   | 5%*   | 5%                   |  |  |

|      |  |  |  |     |            |           |             |                                     |  |   |
|------|--|--|--|-----|------------|-----------|-------------|-------------------------------------|--|---|
| 1.4c |  |  | <ul style="list-style-type: none"><li>Amount of residual Waste per household</li></ul> | Low | 112.31 kgs | 103.6 kgs | 105.55 kgs* | 107.5kgs (per household) cumulative |  |  |
|------|--|--|--|-----|------------|-----------|-------------|-------------------------------------|--|---|

| Ref        | Service Area        | Portfolio Holder      | Indicator  | Good is | Result Qtr. 2 2018-19              | Result Qtr. 1 2019-20 | Result Qtr. 2 2019-20            | Target Qtr. 2 2019-20        | How have we performed?  | Status  |
|------------|---------------------|-----------------------|--|---------|------------------------------------|-----------------------|----------------------------------|------------------------------|---|---|
| 1.4<br>New | Operations          | Cllr. Trevor Johnson  | Number of missed kerbside collections:- Total (per 100,000 collections)  | Low     | -                                  | 71                    | 67                               | 80 (per 100,000 collections) | In this quarter there were a total of 1,233,086 collections of residual, garden waste, recycling and food. There were missed collections of Residual -304, Garden Waste – 144 and Recycling -383. |    |
| 1.5        | Operations          | Cllr. Trevor Johnson  | Levels of street and environment cleanliness (LEQ survey) free / predominantly free of litter, detritus, graffiti and fly-posting) | High    | 88.17%<br>89.05%<br>99.83%<br>100% | -                     | 97.04%<br>96.86%<br>100%<br>100% | 91%<br>91%<br>97%<br>99%     | The results for the first survey undertaken for 2019-20 are detailed here, with further surveys in Qtr. 3 and 4.  |    |
| 1.6        | Customer & ICT      | Cllr. Simon Tagg      | Percentage of requests resolved at first point of contact  | High    | 99%                                | 99%                   | 99%                              | 97%                          | The result exceeds the target set for Qtr. 2.   |    |
| 1.7        | Customer & ICT      | Cllr. Simon Tagg      | % Unmet demand (number of calls not answered as a % of total call handling volume)   | Low     | 10.58%                             | 6.33%                 | 6.79%                            | 10%                          | The result exceeds target set in the second quarter.  |    |
| 1.8<br>New | Digital Delivery    | Cllr. Simon Tagg      | Total number of digital on-line transactions (Jadu).   | High    | -                                  | 10,191                | 6,080                            | -                            | With the development of the Digital Strategy and future planning, the indicators are currently under review to measure planned progress and will be introduced for the next quarter.              | -   |
| 1.9<br>New | Communication       | Cllr. Simon Tagg      | Total number of unique users to the website  | High    | -                                  | 101,097               | 93,982                           | 79,500                       | The result is well above the target set for this indicator.   |  |
| 1.10       | Revenues & Benefits | Cllr. Stephen Sweeney | Time taken to process Housing/Council Tax Benefit new claims and change events   | Low     | 5.87 days                          | 4.93days              | 4.91days                         | 10 days                      | The result exceeds the target set and above those achieved last year  |  |

| Ref         | Service Area        | Portfolio Holder      | Indicator  | Good is | Result Qtr. 2 2018-19 | Result Qtr. 1 2019-20 | Result Qtr. 2 2019-20 | Target Qtr. 2 2019-20         | How have we performed?  | Status  |
|-------------|---------------------|-----------------------|--|---------|-----------------------|-----------------------|-----------------------|-------------------------------|---|---|
| 1.11        | Revenues & Benefits | Cllr. Stephen Sweeney | Percentage of Council Tax collected                  | High    | 52.9%                 | 27.30%                | 52.9%                 | 50.11%                        | The results are above the targets set and equal to or above those achieved last year  |  |
| 1.12        | Revenues & Benefits | Cllr. Stephen Sweeney | Percentage of National non-domestic rates collected  | High    | 57.6%                 | 29.50%                | 58.6%                 | 52.44%                        |   |  |
| 1.13        | Human Resources     | Cllr. Simon Tagg      | Average number of days per employee lost to sickness | Low     | 5.05days              | 2.45 days             | 4.9 days              | 4 days Qtr. 2 (8 days annual) | A new policy has been put in place for the management of sickness absence and training has been written by HR for all managers to attend and will be delivered in November 2019. The training is designed to ensure consistent and robust management of sickness absence in line with the new policy. |  |
| 1.14<br>New | Human Resources     | Cllr. Simon Tagg      | Staff turnover                                       | Low     | -                     | 9.09%                 | 8.80%                 | 10%                           | The figure is well within target.   |  |
| 1.15<br>New | Human Resources     | Cllr. Simon Tagg      | Staff vacancy rates                                  | Low     | -                     | 11.63%                | 11.15%                | -                             |   | -   |

## Priority 2: Growing our People and Places

### Progress Summary

For this section, we see the introduction of four new indicators for planning which measure the speed and quality of decisions. A summary of progress with planned activities for Priority 2 from the Council Plan 2018-2022 are as follows:-

- **Refresh of Economic Development Strategy**  
The new Strategy was adopted by Cabinet in September and now reflects our Council Plan priorities and those of the Growth Deal with the County Council.
- **Deliver Joint Local Plan**  
Progress continues to be made in preparing the draft joint local plan, although staff shortage continues to have an impact on delivery. Evidence is being finalised, policies are mainly drafted and site selection work is underway. There is a major task to identify additional housing supply in the Newcastle rural area to meet housing need which is proceeding. The intention is to submit the draft local plan to Cabinets at Newcastle and Stoke in February 2020 with a view to going out to public consultation in April/May 2020.
- **Progress University Growth Corridor**  
The University Growth Corridor (UGC) Programme meetings re-established, and are being progressed alongside the Local Plan.
- **Deliver appropriate housing to those in need:**
  - **Retender Housing Advice service –**  
Newcastle housing advice (NHA) service delivers the Council’s homelessness, housing advice and housing register services in the Borough. Following Cabinet approval on 10th July a comprehensive service specification and tender documentation was produced and tenders are being sought. Over the next quarter tenders will be evaluated and the contract will be awarded.
  - **Joint allocation policy and procurement of a Choice Based Lettings system**  
Officers have commenced conversations with Aspire Housing to produce a Joint Allocation Policy. This joint policy will allow customers of the Borough to access social housing owned and managed by Aspire Housing and other Private Registered Providers to whom the Council has partnerships within the Borough. The Council and Aspire Housing will procure a Choice Based Letting (CBL) system that will deliver the platform for the administration function of the housing register. This will allow our customers to make one application for social housing. Officers have considered a range of IT providers through a procurement framework and believe that a good system can be procured. In order to develop a new IT system the IT provider will require the Allocations Policy. Over the next quarter officers will work with Aspire and other Registered Providers to develop this policy.
  - **One Public Estate**  
The Borough Council have received a sum of £50,000 from ‘One Public Estate’, (a body set up to encourage public agencies to work together to make better use of their property assets), to cover the cost of undertaking the masterplanning of Knutton Village. This will involve preparing proposals for the use or development of a number of cleared sites around the centre of Knutton in the ownership of the Borough and County Councils and Aspire Housing with the objective of bringing forward new housing development in the area and to assess the potential for investing in the improvement and consolidation of community facilities. Aspire Housing is also contributing to the resources of the Study with a view to it reviewing its role as a provider of affordable housing in the area, including that of housing for the elderly. A contract for this work has been let to White Young Green and over the forthcoming months officers will be working with them and our partners. As part of the commission it is expected that an exhibition and local consultation will be undertaken to assist in arriving at recommendations for action.

**Progress Summary continued**

▪ **Consideration of a property investment model**

Consideration is being given to the Borough Council taking a more active role in developing its sites (i.e. by way of forming a property development company or similar) either on its own or in a partnership arrangement. A commercial strategy has been prepared and progressed during Qtr 2 with the procurement of commercial investment advisors.

▪ **Masterplan of land at:- Chatterley Close area by Bradwell crematorium; off Liverpool Road, Birchenwood and Keele Golf Course**

Work has commenced on the development of the specifications for the masterplan of land in the Chatterley Close area, Bradwell. Tendering of the masterplan has been undertaken and is coming to a conclusion over the next few weeks to ensure a qualified and experienced consultant can undertake the work. Keele masterplan was approved in principle last year and is subject to consideration as part of the development of the Joint Local Plan. Following the Phase 1 environmental impact assessment for Birchenwood, a preliminary ground investigation survey is now being commissioned to inform the next steps.

▪ **Planning Consent – Sidmouth Ave**

In this quarter, work was undertaken to enable July Cabinet to authorise the Chief Executive, in consultation with the Portfolio Holder to secure Planning Consent for;

- (i) Demolition of the post 1950’s building extensions, making good external walls on the existing (i.e. remaining) building;
- (ii) Change of use of the existing building to residential;
- (iii) Three substantial 4-5 bedroomed detached houses, each having integral garages – being on the area of cleared land arising from the demolition referred to at point (i) above. A planning application has been submitted with a view to securing consent in November 2019.

| Ref | Service Area           | Portfolio Holder     | Indicator   | Good is | Result Qtr. 2 2018-19 | Result Qtr. 1 2019-20 | Result Qtr. 2 2019-20 | Target Qtr. 2 2019-20 | How have we performed?   | Status  |
|-----|------------------------|----------------------|---|---------|-----------------------|-----------------------|-----------------------|-----------------------|--|---|
| 2.1 | Property               | Cllr. Paul Northcott | Percentage of investment portfolio vacant (NBC owned) | Low     | 11.4%                 | 7%                    | 8.3%                  | 12%                   | This indicator remains well within target.   |    |
| 2.2 | Planning & Development | Cllr. Paul Northcott | Speed of major development applications (P151a)       | High    | -                     | 72.4%                 | 74.6%                 | 60%                   | These are new indicators for this report and due to an issue with the national reporting system there is a delay in providing the results from the live tables but the figures are being correctly reported by the borough and calculated. |  |
| 2.3 |                        |                      | Quality of major development applications (P152a)     | Low     | -                     | 1.6%                  | 1.5%                  | 10%                   |  |  |
| 2.4 |                        |                      | Speed of non-major development applications (P153)    | High    | -                     | 80.5%                 | 82.9%                 | 70%                   |  |  |
| 2.5 |                        |                      | Quality of non-major development applications (P154)  | Low     | -                     | 0.8%                  | 1%                    | 10%                   |  |  |

**Priority 3: A Healthy, Active & Safe Borough****Progress Summary**

Overall the performance for this priority advises the progress within this area, and considering the impact of a problem with the J2 facility at the moment, there are many users with leisure and cultural activities.

A summary of progress with planned activities for Priority 3 from the Council Plan 2018-2022 are as follows:-

- **Secure J2 Remedial works**

The health suite closed in May 2019 and has been stripped out to confirm the source of the water leak. Customer consultation has been completed views fed into the redesign of the health suite. Discussions with the building contractor are on-going while alternatives for bringing the area back into use are also being developed.

- **Secure J2 commercialisation**

A contract has been awarded to Alliance Leisure for marketing support to drive up membership sales and improve retention. This contracted started in September 2019. Additional advertising income will also be generated at Jubilee2 through an agreement with Strategi Solutions Ltd, who have begun marketing the advertising screens and first revenues are due in October 2019.

- **Kidsgrove Sports Centre**

Designs for remodelling the sports centre have been completed by a Leek based architectural practice and the costs of such works are being assessed by Sport England Consultants. At the same time solicitors are working on the transfer of the sports centre to the Council in readiness for the redevelopment works.

- **Secure funds for Museum Extension**

Plans for improving the resilience of the museum by creating separate gallery and education spaces and expanding the retail and craft sales area are sufficiently advanced for planning permission submission. Expressions of interest have been submitted to The National Lottery Heritage Fund, Chlore Foundation and Red Industries. The project also has the support of the Civic Society and Friends of the Museum.

- **Open Space Strategy**

Heart of England in Bloom judging was completed and results announced in Qtr 2. The council secured its 18<sup>th</sup> Consecutive Gold Award in the competition. The Council was awarded 6 Green Flag Awards for: Brampton Park, Lyme Valley Parkway, Bathpool Park, Queens Gardens, Bradwell Crematorium and Keele Cemetery.

- **Streetscene Fleet procurement**

The procurement process for the purchase of 5 new tractors, a mini digger and trailer, and a tractor mounted chipper are pending. A contract for a Mobile Elevated Work Platform ( MEWP) to assist the tree team in carrying out the tree work programme, has been awarded .

- **Feasibility study for Crematorium extension**

An officer working group is being established to progress the feasibility study.

- **Affordable Funeral Scheme**

A project team has been established and is meeting regularly to progress this project. There is an expected delay due to capacity issues so the timeline is being reviewed. Recruitment is in progress for current vacancies in the Bereavement Service team.

**Progress Summary continued**

- **Deliver Capital Programme projects**

Previously reported projects have been completed or are in progress relating to play area refurbishments, traveller encroachment deterrent measures at identified sites, repairs to railings/gates/fences at a number of parks and open spaces. Additional capital expenditure has been identified with further projects being taken forward in relation to the aforementioned work areas.

- **Protect our communities by delivering priority community safety, food safety & licensing projects:**

- **Taxi Licensing Policy**

In the first quarter members of the Licensing and Public Protection Committee approved the content of the taxi policy. The policy document is a wide scale reform of the current policy, to ensure that the Council has a policy that is fit for purpose in respect of the legislative framework and administration of the service. Members of the Licensing and Public Protection Committee have approved the policy and agreed that the policy will be implemented on 1<sup>st</sup> November 2019 with the exception of equality training and completion of a new knowledge test which will be implemented in January 2020. Works are underway to update all documentation and applications to reflect the policy changes.

- **Commission new CCTV Service**

A review of the existing CCTV provision in Newcastle Town Centre has now been completed and agreement has been reached with the Business Improvement District (BID) regarding financial contributions to support the development of the project. A report was approved by Cabinet and called in but the original decision reconfirmed.

- **Town Centre ASB enforcement**

A range of Partnership activity continues to be co-ordinated, including; the CCTV review and recommissioning; working closely with partners to identify individuals in need of support, working with the rough sleepers team to ensure that appropriate support is provided, utilising the Council's civil enforcement powers such as Community Protection Notice Warnings (CPNWs), CPNs and Injunctions, introduction of PSPOs for the Town Centre and Queen Elizabeth Park, working with the Police to encourage use of Section 34/35 powers (criminal powers), and developing a range of community safety projects to improve the aesthetics of the town centre and contribute to improving perceptions of safety. The council has recently appointed a Rough Sleeper Co-ordinator to assist in galvanising partnership activity with some of our vulnerable residents.

- **Air Quality Local Development Plan**

Work is continuing with Stoke-on-Trent City Council and Staffordshire County Council to create the Air Quality Local Development Plan to bring about improvements in Nitrogen Dioxide (NO<sub>2</sub>) levels. The legal directions require plans to be drawn that will deliver compliance with the EU air quality limit values, in "the shortest possible time". If this cannot be achieved through the delivery of a business case which sets out a viable preferred option, the government will require the Local Authority to impose a charging "Clean Air Zone" (CAZ), which would require drivers of older vehicles, which don't meet modern emissions standards, to pay a charge when they are driven within defined areas that form the CAZ.

Specialist consultants have been appointed and are currently close to identifying the scale of the problem, in terms of exceedance locations. This work has involved extensive transport and air quality modelling, a review of the national data which identified the potential problem and the development of a project plan to progress the work to a full business case (FBC) submission to Government.

Work to complete the Initial Evidence Submission (IES) is well progressed and this will be submitted in October 2019. The IES will demonstrate the extent of the non-compliance. Works have commenced on appraising the long list of interventions and potential measures. Work is progressing on the development of draft sections of the business case, in particular the strategic, commercial and management cases.

Since the original contracts were awarded, further works in respect of modelling, communications and project management support have been identified, a further grant application has been made and approved and the extension of these contracts will be considered at October's Cabinet meeting.

The project plan is regularly updated and reviewed to reflect the reality of the work required to deliver an Outline Business Case (OBC) and FBC across the three Councils. It is clear that, the deadline in the second legal direction will not be achieved.

| Ref     | Service Area     | Portfolio Holder   | Indicator  | Good is | Result Qtr. 2 2018-19              | Result Qtr. 1 2019-20      | Result Qtr. 2 2019-20              | Target Qtr. 2 2019-20              | How have we performed?  | Status  |
|---------|------------------|--------------------|--|---------|------------------------------------|----------------------------|------------------------------------|------------------------------------|---|---|
| 3.1a    | Community Safety | Cllr. Jill Waring  | Anti-Social Behaviour (ASB) cases:-<br>-New cases received during the quarter                    |         |                                    |                            |                                    |                                    | There are currently 6 cases discussed at the ASB, Youth Violence and Gangs Case conference.   | -   |
|         |                  |                    |  | Low     | 103                                | 117                        | 95                                 | -                                  |   | -   |
| 3.1b    |                  |                    | -Current open cases at the end of the quarter  | Low     | 17 (30/09/18)                      | 28                         | 17                                 | -                                  |   | -   |
| 3.1c    | Community Safety | Cllr. Jill Waring  | -Cases closed in the quarter   | High    | 113                                | 97                         | 106                                | -                                  |   | -   |
| 3.2 New | Community Safety | Cllr. Jill Waring  | Number of referrals made regarding vulnerability by participating organisations at the Daily Hub | High    | 76                                 | 40                         | 32                                 | -                                  | A total number of 32 referrals were made from Daily Hub meetings that have taken place over the period 1st June 2019 – 30th September 2019. | -   |
| 3.3     | Culture & Arts   | Cllr. Mark Holland | Number of people visiting the museum   | High    | 24,808 Qtr 2 (45,228 cumulative)   | 16,775 Qtr 1 (cumulative)  | 21,847 Qtr 2 (38,622 cumulative)   | 17,000 Qtr 2 (39,000 cumulative)   | Above target for Quarter 2. but lower than the same quarter in 2018/19 due to the poorer weather in Summer 2019/20.                         |  |
| 3.4     | Leisure          | Cllr. Mark Holland | Number of people accessing leisure and recreational facilities                                   | High    | 159,428 Qtr 2 (318,523 cumulative) | 141,579 Qtr 1 (cumulative) | 146,029 Qtr 2 (287,608 cumulative) | 150,000 Qtr 2 (300,000 cumulative) | The aqua sauna has been closed since 13th May 2019, resulting on an impact on usage in other areas.   |  |

|            |         |                          |   |      |                 |                   |                  |   |  |   |
|------------|---------|--------------------------|---|------|-----------------|-------------------|------------------|---|--|---|
| 3.5<br>New | Leisure | Cllr.<br>Mark<br>Holland | Net growth in J2<br>Membership<br>(Quarterly) | High | 2.6%<br>(2,903) | -1.01%<br>(3,026) | -2.35%<br>(2955) | 3.2%<br>Qtr2<br>(3,153<br>members)<br>6.31%<br>Annual<br>(3,250<br>members) | The annual target is 3250<br>members and is being<br>impacted on as detailed<br>above. |  |
|------------|---------|--------------------------|---|------|-----------------|-------------------|------------------|---|--|---|

### Progress Summary

For this quarter, the results demonstrate a varying level of activity and further comments are detailed in this report.

A summary of progress with planned activities for this priority from the Council Plan 2018-2022 are as follows:-

- **Prepare a Town Centre Strategy**

In Qtr. 1 political support was given to the prioritisation of Newcastle Town Centre; a Town Centre Board has been established to bring together key elected members and partners to give direction to the future of the Newcastle town centre. In Qtr. 2 a town centre taskforce has had its first meeting and an action plan has been approved by the board. Work will continue influenced by the upcoming opportunities from the potential to bid for Future High Street Funds and the invitation to prepare a Town Deal.

- **Market**

The Service Improvement Plan for the market was presented at the June Cabinet and also for consideration at the Economic Development & Enterprise Scrutiny meeting where it was approved with recommendations noted and for delivery in 12 months. A new Town Centre Officer has been appointed and will commence work to deliver the improvement plan.

- **Business Support**

Work continues in signposting business queries to the Growth Hub and maintenance of Business support pages on website. The 2019 competition has been launched. Officers will also be working to deliver the Town Deal once further guidance is received from MHCLG.

- **Parking Policy**

A review and strategy has been produced, this was considered by the Environment, Economy and Place Scrutiny Committee in September. It is planned that the strategy will be considered by Cabinet in October.

- **Property diversification**

The Council has produced a specification for a commercial review of our stock which has been out to procurement; next quarter specialist consultants will be working to complete the review and give recommendations on future options appraisals for our commercial stock in the town centre.

- **Establish Town Centre Communications Group**

Agreement was reached with the Business Improvement District, HitMix Radio, Newcastle-based information platform BabaBaboon and Newcastle College to form an informal communications group to promote positive messages about the town centre. This group is now meeting regularly and taking a co-ordinated approach to promoting events in the town centre. Membership of the group is also being expanded to include the New Vic and College.

- **Ryecroft**

Determined efforts, by JV Partners NBC & SCC continue to be made in order to progress redevelopment of the site and in this regard dialogue with Henry Davidson Developments Ltd is on-going. The Council has been awarded the second round of the Future High Streets Fund, a report is planned for the October Cabinet to outline the approach to commissioning specialist consultants to deliver the Business Case in line with MHCLG requirements.

- **Develop a Kidsgrove Town Centre Plan**

The Council, County and Aspire are continuing to work together to refresh options for a Kidsgrove Town Centre plan. Following the announcement of the Town Deal officers will be seeking to ensure that this commission is able to meet the requirements of the Town Deal once further guidance is received from MHCLG.

| Ref        | Service Area                        | Portfolio Holder      | Indicator  | Good is | Result Qtr 2 2018-19 | Result Qtr1 2019-20 | Result Qtr 2 2019-20 | Target Qtr 2 2019-20 | How have we performed?  | Status  |
|------------|-------------------------------------|-----------------------|--|---------|----------------------|---------------------|----------------------|----------------------|---|---|
| 4.1<br>New | Regeneration & Economic Development | Cllr. Stephen Sweeney | Car parking usage:-<br>Number of tickets purchased | High    | 124,685              | 114,874             | 119,779              | -                    | The figure has exceeded the last quarter result.  | -   |
| 4.2<br>New | Regeneration & Economic Development | Cllr. Simon Tagg      | Footfall   | High    | 869,551              | 809,546             | 822,302              | -                    | The footfall figure has increased this quarter.   | -   |
| 4.3        | Regeneration & Economic Development | Cllr. Stephen Sweeney | Average stall occupancy rate for markets           | High    | 52%                  | 44%                 | 42%                  | 60%                  | Recruitment of a Town Centre Officer to drive the market improvement plan and the introduction of a Saturday Antique Market are two factors that will improve the stall vacancy rate in Q3. |  |

**N/A** Performance information not available at this time or due to be provided at a later date



Performance is not on target but direction of travel is positive



Performance is not on target where targets have been set



Performance is on or above target

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## FINANCE, ASSETS AND PERFORMANCE SCRUTINY COMMITTEE

Work Programme 2019/20

Chair: Councillor Helena Maxfield

Vice-Chair: Councillor Bert Proctor

Members: Burnett, Fear, Hutton, Kearon, Pickup, Robinson, Rout, Stubbs and P. Waring

*Portfolio Holders covering the Committee's remit:*

Councillor S Tagg, Leader – Corporate and Service Improvement, People and Partnerships

Councillor Stephen Sweeney - Deputy Leader – Finance and Efficiency

The following services fall within the remit of this Scrutiny Committee:

|   |  |
|---|--|
| Corporate Strategy  | Revenue and Capital Budgets              |
| Council Structure and Democracy   | Surplus Assets                           |
| External Partnerships (including Newcastle Partnership, Staffs. Strategic Partnership, Stoke on Trent and Staffordshire LEP, Town Centre BID and Constellation Partnership) | Financial Monitoring                     |
| District Deal   | Internal Audit                           |
| Economic Development Strategy   | Procurement                              |
| Human Resources and Payroll   | Treasury Management                      |
| Keele Deal  | Revenues and Benefits                    |
| LAPs  | Increasing Revenue Generation            |
| Localism  | Performance Management and Risk Champion |

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|  |  |
|--|--|
| Customer and ICT Services                  | Licensing (incl Taxis)                 |
| Communications and Website                 | Financial Inclusion (incl Living wage) |
| Guildhall                                  | Health and Safety Champion             |
| Sports and Leisure Provision for Kidsgrove | Car Parks                              |
| Ryecroft and Civic Hub projects            |  |

The core Work Programme is determined at the beginning of the municipal year. Issues can be added throughout the year with the Chair's approval or where a new priority area comes to the Committee's attention.

For more information on the Committee or its Work Programme please contact Jayne Briscoe on 01782 742250 or at [Jayne.briscoe@newcastle-staffs.gov.uk](mailto:Jayne.briscoe@newcastle-staffs.gov.uk)

| DATE OF MEETING               | ITEM                                     | BACKGROUND/OBJECTIVES   | OUTCOME  |
|-------------------------------|--|---|--|
| Thursday 19<br>September 2019 | Q1 Finance and Performance               |   |  |
|                               | Work Programme                           |   |  |
|                               | Revenues and Benefits – Universal Credit | Impact on benefit claimants and organisational impact on NULBC.                                       |  |
|                               | Digital Strategy                         | Pre-Cabinet scrutiny of Outline Business Case   |  |
|                               | ICT Strategy and Development Programme   | Review of ICT strategy and development programme including plans to migrate to Windows 10/Office 365. |  |
| Monday 16<br>December 2019    | 2020/21 Draft Budget Savings Proposals   | Pre-cabinet Scrutiny of draft savings proposals   | Alignment to Council Plan  |
|                               | MTFS                                     | Pre-cabinet Scrutiny  | Alignment to Council Plan  |
|                               | Commercial Strategy                      | Review Governance and Risk Management   | Assurance that risks are being appropriately managed.<br>Compliance to MTFS. |

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| <b>DATE OF MEETING</b>  | <b>ITEM</b>                              | <b>BACKGROUND/OBJECTIVES</b>   | <b>OUTCOME</b>  |
|-------------------------|--|--|---|
|                         | Revenues, Benefits and Customer Services | Update on restructure proposals  | Assurance that resourcing levels will be sufficient to ensure achievement of agreed performance targets   |
|                         | Quarter 2 Performance Report             | Review performance indicators.   | Assurance that indicators accurately reflect progress with Council Plan. Alignment to MTFS and Budget.  |
| Thursday 9 January 2020 | Revenue/Capital Budget and Council Tax   | Pre-Cabinet Scrutiny   | Alignment to Council Plan and MTFS.   |
|                         | Capital Strategy                         | Pre-Cabinet Scrutiny   | Alignment to Council Plan and MTFS.   |
|                         | Investment Strategy                      | Pre-Cabinet Scrutiny   | Alignment to Council Plan and MTFS.   |
|                         | Scale of Fees and Charges                | Pre-Cabinet Scrutiny   | Alignment to Council Plan and MTFS.   |
|                         | Treasury Management                      | Pre-Cabinet Scrutiny   | Alignment to Council Plan and MTFS.   |
| Thursday 19 March 2020  | Asset Transfer/Community Management      | Review examples (e.g. Guildhall) and determine preferred model based on learning points. Consider other potential assets for transfer (e.g. Community Centres, Kidsgrove Sports Centre). | Adequate community capacity and capability. Financial sustainability.   |
|                         | Kidsgrove Sports Centre                  | Review progress on asset repair/transfer and CIC operating model.  | Financial sustainability. Community demands.<br><br>Councillor Burnett to be asked to undertake some research into this topic initially and report back to the committee. |
|                         | Ethical Debt Collection                  | Review progress of pilot schemes in  | Assurance that use of   |

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| <b>DATE OF MEETING</b> | <b>ITEM</b>                     | <b>BACKGROUND/OBJECTIVES</b>  | <b>OUTCOME</b>   |
|------------------------|---------------------------------|---|--|
|                        |                                 | Hammersmith & Fulham and Bristol, and draft NULBC Code of Collection Practice.  | collection agent is appropriate and proportionate, and impact on vulnerable residents is minimised.    |
|                        | Outsourcing of Payroll Services | Review of progress.   | Assurance that new arrangements have delivered an improved service and cost savings.                   |
|                        | Quarter 3 Performance Reports   | Review Performance Indicators   | Assurance that indicators accurately reflect progress with Council Plan. Alignment to MTFS and Budget. |
| Thursday 25 June 2020  | LAPS                            | Review of impact on local services.   | Focus on key local issues. Resource solutions.   |
|                        | Procurements                    | Review commissioning and procurement process including whole life costs of projects/contracts and robustness of contract management procedures. | Best value.  |
|                        | Quarter 4 Performance Reports   | Review Performance Indicators.  | Assurance that indicators accurately reflect progress with Council Plan. Alignment to MTFS and Budget. |
|                        | Procurement                     | Review commissioning and procurement process including whole life costs of projects/contracts and robustness of contract management procedures. | Councillor Hutton to report back on his investigative findings.  |

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