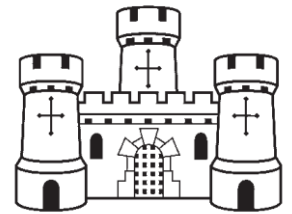


Public Document Pack

Date of meeting Thursday, 16th January, 2020
Time 7.00 pm
Venue 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 MEETING - 16 DECEMBER 2019 (Pages 3 - 6)**
To consider the minutes of the previous meeting held on 16 December 2019.
- 3 DECLARATIONS OF INTEREST**
- 4 REVENUE/CAPITAL BUDGET and COUNCIL TAX (Pages 7 - 106)**
- 5 SCALE OF FEES AND CHARGES (Pages 107 - 148)**
- 6 WORK PROGRAMME (Pages 149 - 152)**
- 7 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
- 8 URGENT BUSINESS**
To consider any business which is urgent within the meaning of Section 100B (4) of the Local Government Act 1972
- 9 DATE OF NEXT MEETING - THURSDAY 19 MARCH 2020**
- 10 DISCLOSURE OF EXEMPT INFORMATION**
To resolve that the public be excluded from the meeting during consideration of the following report because it is likely that there will be disclosure of exempt information as defined in paragraph 3 in Part 1 of Schedule 12A of the Local Government Act 1972.
- 11 SCALE OF FEES AND CHARGES - CONFIDENTIAL APPENDIX (Pages 153 - 154)**

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

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
	B. Panter	A. Parker

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.

FINANCE, ASSETS & PERFORMANCE SCRUTINY COMMITTEE

Monday, 16th December, 2019
Time of Commencement: 7.00 pm

Present: Councillor Helena Maxfield (Chair)

Councillors: A. Fear K.Owen Hutton
M. Stubbs K. Robinson S. Pickup
P Waring A. Rout

Officers: Jayne Briscoe Democratic Services Officer
Caroline Elwood Interim Head of Legal /
Monitoring Officer
Roger Tait Head of Operations
David Elkington ICT Operations and
Development Manager
Craig Turner Principal Accountant
Sarah Wilkes Head of Finance

Also in attendance: Councillor Stephen Sweeney Deputy Leader of the Council
and Portfolio Holder - Finance
and Efficiency
Councillor Simon Tagg Leader of the Council and
Portfolio Holder - Corporate and
Service Improvement, People
and Partnerships

1. **APOLOGIES**

An apology was received from Councillor Proctor who was represented by Councillor Owen.

2. **MINUTES OF THE PREVIOUS MEETINGS - 19 SEPTEMBER 2019 - MINUTES OF THE CALL IN MEETING FOLLOWED BY THE MINUTES OF MAIN MEETING**

Resolved: That the minutes of the call in meeting followed by the minutes of the main meeting, both held on 19 September 2019 be agreed as a correct record of the proceedings.

3. **DECLARATIONS OF INTEREST**

There were no declarations of interest.

4. **UPDATE FROM CABINET - NO ACTIONS TO UPDATE**

The Cabinet had no actions arising to report.

5. **STATUTORY GUIDANCE ON OVERVIEW AND SCRUTINY COMMITTEES - PRESENTATION**

The Chief Executive submitted a report and made a presentation which updated 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 was supported by the launch of the recent Good Scrutiny Guide by the CfPS. Both papers were intended to ensure councils are aware of the purpose of Overview and Scrutiny, recognise effective Scrutiny and understand how to conduct it together with the benefits it can offer. A link to the report and guidance is attached:-

[Z:\OVERVIEW AND SCRUTINY\Health and Wellbeing and Partnership Scrutiny Committee\02122019\StatutoryGuidanceOverviewAndScrutinyCommittees \(3\) \(002\).doc](Z:\OVERVIEW AND SCRUTINY\Health and Wellbeing and Partnership Scrutiny Committee\02122019\StatutoryGuidanceOverviewAndScrutinyCommittees (3) (002).doc)

Members considered the nature of training and felt that a sequence of topic focussed sessions delivered in house and designed to foster a deeper knowledge of scrutiny subject areas within the finance arena would be a useful addition.

- Agreed:**
1. That the requirements within the Statutory Guidance and the recommendations within the CfPS Good Scrutiny Guide be noted.
 2. That current practice be benchmarked against the Statutory Guidance.
 3. That an Action Plan be developed based on the recommendations within the Statutory Guidance and the Good Scrutiny Guide.
 4. That an "Executive-Scrutiny Protocol" be developed in accordance with the guidelines at Appendix A.
 5. That focussed and concise training relevant to the specific needs of the Scrutiny Committee be programmed throughout the year to enable members to build on their current skills in undertaking effective scrutiny reviews.
 6. That the Chief Executive convene a meeting of the Group Leaders together with the Chairs of the Scrutiny Committee.

6. **DRAFT MEDIUM TERM FINANCIAL STRATEGY**

The Portfolio Holder for Finance and Efficiency, Councillor Stephen Sweeney introduced a report, for consultation, which set out the Draft Medium Term Financial Strategy 2020/21 – 2024/25 approved by Cabinet (17/10/2018).

The Interim Director explained that the MTFFS framework set out the Councils four-year spending and funding plans and provided the financial framework for the development of the detailed 2020/21 budget. A detailed draft budget for 2020/21 would be prepared for consideration by Cabinet and Council in February 2020.

The strategy assumed income from commercial investments of 0.250m in 2021/22 rising to £1.000m in 2024/25, subject to approval of a commercial strategy and investment programme funded from capital receipts and prudential borrowing. In

addition the MTFS assumed efficiency savings of £0.15m in 2021 rising to £0.600m in 2024/25 from the digital delivery programme.

In respect to Kidsgrove Leisure Centre the Leader confirmed that the 10 year capital strategy assumed a new sports centre would be built and cautioned that there may be future revenue implications which had to be built into the budget.

Agreed: That the report be noted

7. 2020/2021 DRAFT BUDGET SAVINGS PROPOSALS

The Portfolio Holder for Finance and Efficiency reported on the current proposals being considered to balance the 2020/21 revenue budget and the proposed capital programme for 2020/21 to 2022/23.

Agreed: That the report be noted.

8. COMMERCIAL STRATEGY

The Interim Director of Resources and Support Services submitted a report for consultation which presented the Commercial Strategy, a framework for identifying and managing commercial and income generation opportunities. A copy of the strategy was appended to the report.

In response to concern that the strategy did not give enough information to allow for meaningful scrutiny it was explained that the report to the January meeting of this Committee would provide more detail.

The Strategy was generally welcomed.

Agreed: That the report be noted

9. UPDATE CUSTOMER AND DIGITAL RESTRUCTURE

The Leader, Councillor S Tagg updated the Committee on the progress made towards the Customer and Digital Services Restructure. The Interim Director of Resources and Support Services went on to outline how the changes would rebalance this section of the organisation.

In response to questions from members regarding the MARS scheme it was agreed that the policy would be recirculated, members would be invited to a presentation of the scheme and that the 16 January meeting of this Committee would receive details of the number of employees taking MARS.

Agreed: That the report be noted.

10. QUARTER 2 PERFORMANCE REPORT - REVIEW PERFORMANCE INDICATORS

The second quarter 2019-20 Financial and Performance Review report was presented for scrutiny.

Agreed: That the report be noted.

11. WORK PROGRAMME

The Chief Executive submitted the Work Programme 2019/20.

Agreed: That the report be noted

12. PUBLIC QUESTION TIME

There were no members of the public present at the meeting.

13. URGENT BUSINESS

There were no items of urgent business.

14. DATE OF NEXT MEETING

16 January 2020.

Chair

Meeting concluded at 8.35 pm

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S REPORT TO CABINET

<u>Report Title:</u>	Revenue and Capital Budgets and Strategies 2020/21
<u>Submitted by:</u>	Executive Director (Resources and Support Services)
<u>Portfolio:</u>	Finance and Efficiency
<u>Wards(s) affected:</u>	All

Purpose of the Report

To review progress on the completion of the revenue and capital budgets for 2020/21 and approve the 5 year Medium Term Financial Strategy for 2020/21 to 2024/25.

To consider drafts of the Flexible Use of Capital Receipts Strategy (updated for 2020/21), the Capital Strategy for 2020/2030, the Treasury Management Strategy for 2020/21 and the Investment Strategy for 2020/21 prior to their submission to Full Council for final approval.

Recommendations

- (a) That the progress on the completion of the Revenue and Capital Budgets and updated MTFFS Funding Strategy for 2020/21 (Appendix 1) be noted.
- (b) That the updated Medium Term Financial Strategy 2020/21 to 2024/25 (Appendix 2) be approved.
- (c) That the strategy for ensuring a balanced revenue outturn position for 2019/20 be noted.
- (d) That the calculation of the Council Tax base and the Council Tax increase to be proposed for 2020/21 of £5 (2.55%) per Band D equivalent property be noted.
- (e) That the proposed Empty Homes Premium for long term empty properties (2-5 years 100%, 5-10 years 200% and 10 years plus 300%) be approved.
- (f) That the proposed change in accounting policy for Minimum Revenue Provision from the straight line basis to the annuity basis (as per the draft Treasury Management Strategy) be noted.
- (g) That the risk assessment at Appendix 3 and S151 Officer's recommendation on the level of reserves and contingencies provisionally required to be maintained in 2020/21 be noted.
- (h) That the draft Flexible Use of Capital Receipts Strategy (Appendix 6), updated for 2020/21, be noted.
- (i) That the draft Capital Strategy (Appendix 8) for 2020-30 be noted.
- (j) That the draft Treasury Management Strategy (Appendix 9) for 2020/21 be noted.
- (k) That the draft Investment Strategy (Appendix 10) for 2020/21 be noted.

(I) That the draft Budget and Council Tax proposals be referred to Finance, Assets and Partnerships Scrutiny Committee for comment before the final proposals are considered at Cabinet on 4 February 2020.

Reasons

To inform the Cabinet in recommending a robust and affordable budget for 2020/21 to the Council meeting on 19 February 2020.

The Council needs to have an approved Flexible Use of Capital Receipts Strategy for 2020/21, an approved Capital Strategy for 2020/30, an approved Treasury Management Strategy for 2020/21 and an approved Investment Strategy for 2020/21 in place before the start of the 2020/21 financial year.

1. Background

- 1.1 The Council is committed to the delivery of high quality services. Integral to this ambition is effective targeting of financial resources in line with the vision of “a growing borough that is an attractive and welcoming place for all” and the Council’s stated aims and objectives, as set out in the Council Plan 2018-22, which was approved by Cabinet on 19 September 2018.
- 1.2 The Council has a Medium Term Financial Strategy (MTFS) which sets out its financial position over the next 5 years. This is aligned to the Council Plan 2018-2022 and is the key vehicle for ensuring efficiency in service delivery and targeting resources to priority areas.
- 1.3 There has been good progress against Council Plan objectives in the current year, with high standards of service delivery being achieved overall. Key Outcomes so far in 2019/20 are set out in Appendix 5.
- 1.4 The draft 2020/21 budget is based on the assumptions set out in the MTFS which was approved as a basis for consultation by the Cabinet at its meeting on 16 October 2019 and scrutinised by the Finance, Assets and Partnerships Scrutiny Committee at its meeting on 16 December 2019.
- 1.5 The draft and provisional proposals included in this report will inform the Revenue and Capital Budgets and Council Tax 2020/21 reports to Cabinet on 4 February 2020 and to Council on 19 February 2020.
- 1.6 The Capital Strategy 2020-30 sets out how the Council proposes to deploy its capital resources in order to achieve its corporate and service objectives. It takes into account other relevant Council strategies, policies and plans and the views of partners and interested parties with whom the Council is involved. It also takes account of the resources which are likely to be available to the Council to fund capital investment and the effect of that investment on the Council’s revenue budget. It will serve as a useful point of reference when determining or reviewing the Council’s Capital Programme.
- 1.7 The Council has adopted the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice. This requires a report to be prepared and approved by the Council concerning the Treasury Management Strategy to be followed in carrying out its treasury management activities in the forthcoming financial year, 2020/21.
- 1.8 The Investment Strategy 2020/21 is compiled according to the Ministry of Housing, Communities and Local Government’s Guidance on Local Government Investments (‘the Guidance’) and the 2017 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes (‘the CIPFA TM Code’) It sets out the Council’s policies for managing its investments and for giving priority to the security and liquidity of those investments.

2. Budget 2019/20 – Provisional Outturn Forecast

Revenue

2.1 Monthly reports monitoring actual spending against budget have shown adverse variances during the first eight months of the year, the latest reported variance being £0.374m as at the end of November. It is forecast that this adverse variance will be reduced to a balanced year end outturn via management action, as detailed at 2.3. A balanced outturn has been achieved from a similar position in previous years.

2.2 The main reasons for this overall adverse variance are:

- An action plan to reduce the operating deficit at Jubilee 2 is being implemented and has resulted in a significant year-on-year improvement. Nevertheless the centre is still operating at a net deficit due to continuing high levels of staff sickness and a shortfall in income. It is forecast that the deficit will amount to £0.197m at the close of the financial year;
- Income from car parking is below the budgeted amount due to a combination of historic budget shortfalls and the introduction of parking initiatives designed to drive increased town centre footfall. It is forecast that the income shortfall will amount to £0.219m at the close of the financial year;
- Income from planning application fees is below the budgeted amount and it is forecast that there will be an adverse variance of £0.190m at the close of the financial year. The number of major planning applications received can fluctuate significantly from year to year. Over the two year period from 2018/19 to 2019/20 income is still expected to be significantly above budget; and,
- The provision of temporary cover for Senior Management posts in Resources, Legal and Democratic Services and Planning while recruitment is underway – it is forecast that this will amount to £0.240m at the close of the financial year.
- It should be noted that a balanced year end position is forecast for the Waste and Recycling service.

2.3 A strategy to address the overspend is being implemented and it is forecast that the actions identified will reduce the adverse variance to a balanced year end outturn. These actions include:

- Use of additional forecast income from the Staffordshire and Stoke-on-Trent Business Rates Pilot;
- Savings from reorganisation exercises within the Resources and Support Services Directorate;
- Appeals relating to the rateable value of disused or demolished Council Assets;
- Continuing action to reduce the Jubilee 2 operating deficit;
- Grants have been received for a number of areas including Brexit and Air Quality to which significant time spent in these areas can be allocated;
- A review of expenditure currently allocated to the Repairs and Renewals fund is being undertaken to identify items that can be capitalised;
- Use of the Borough Growth Fund to fund officer time spent on priority projects including digital delivery and commercial development.

- 2.4 The Interim Director of Resources and Support Services informed the Ministry of Housing, Communities and Local Government by letter of the Council's intention to make flexible use of up to £500,000 of capital receipts in each of the financial years 2018/19 and 2019/20 on 5 December 2018 and up to £400,000 for the financial year 2020/21 on 5 December 2019.
- 2.5 Officers have reviewed the 'Statutory Guidance on the Flexible Use of Capital Receipts', and have identified expenditure that meets the eligibility criteria laid out in the guidance document, in that it relates to initiatives that are forecast to generate, or have generated, on-going revenue savings through reducing the costs of service delivery.
- 2.6 The Council's Flexible Use of Capital Receipts Strategy for 2020/21 is included as Appendix 6 to this report. Cabinet are asked to endorse the strategy and recommend to Council that it be approved, as required by the statutory guidance.
- 2.7 The majority of savings incorporated in the 2019/20 budget are on target to be achieved. This means that altogether over the ten years from 2010/11 to 2019/20 £22.104m of 'gaps' will have been met via a combination of savings, efficiencies and additional income. Savings from 2017/18 and 2018/19 regarding the Waste and Recycling review that had not been achieved have now been offset by the successful introduction of the chargeable Green Waste service.

Capital

- 2.9 The Capital Programme approved by Council in February 2019 (£5,606,298) has been updated to take account of amounts brought forward from 2018/19 where planned expenditure did not occur (£1,341,573). 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 therefore totals £6,947,871
- 2.10 It is forecast that the Capital Programme outturn for 2019/20 will largely be in line with the budget and there will not be any significant variance to report. It is anticipated that re-profiling of approximately £1,567,377 will be incurred (i.e. 2019/20 projects carried forward to 2020/21).
- 2.11 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. The impact of this and the expected re-profiling from the 2019/20 programme is shown below:

Delay in Sale of Asset	£1,000,000
Reduced Right to Buy Receipts	£400,000
Capital Projects Re-Profiling	£1,567,377
Impact on Funding (Surplus)	£167,377

3. Medium Term Financial Strategy 2020/21 – 2024/25

- 3.1 The draft MTFs was approved as a basis for consultation by the Cabinet on 16 October 2019. There have subsequently been a number of amendments to the MTFs resulting in the following revised gaps. Further details of these changes are set out at Appendix 2.

- £1.249m in 2020/21;
- £1.367m in 2021/22;

- £1.115m in 2022/23;
- £1.106m in 2023/24; and,
- £0.858m in 2024/25.

3.2 Previous years' budget shortfalls have been addressed by a combination of measures such as efficiency savings, reductions in expenditure or income increases, consideration of the need for Council Tax increases, the flexible use of capital receipts, and service reviews. Significant progress has been made to meet shortfalls in the years after 2020/21 as shown in the summary below:

Detail	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Income	135	50	-	-	-
Commercial Strategy	-	250	250	250	250
Digital Strategy	-	150	150	150	150
Staffing Related	495	37	-	-	-
Good Housekeeping	29	13	-	-	-
Tax Base	385	150	152	154	157
Council Tax Increase	187	227	236	244	253
Contributions	18	-	-	-	-
TOTAL SAVINGS	1249	877	788	798	810
UPDATED MTFS GAPS	1249	1367	1115	1106	858
REMAINING GAP (- = surplus)	-	490	327	308	48

4. Draft Revenue Budget 2020/21

4.1 The revenue funding "gap" for 2020/21 has increased by £0.041m from £1.208m to £1.249m as a result of the following changes:

- The financing of capital expenditure has been reviewed (including the profiling and requirement for projects), the annuity method as opposed to the straight line method for Minimum Revenue Provision (i.e. the principal element or repayments) will now be utilised. This has reduced pressures on the budget during 2020/21 by £0.135m;
- As part of the continued drive to build capacity, additional staffing resources have been allocated for Data Protection/Information Governance, Democratic Services and Human Resources. These have resulted in additional pressures of £0.101m;
- An additional pressure of £0.010m has been identified regarding the costs of continuing with the Britain in Bloom competition within the Borough and an enhanced programme of works to celebrate the Council's 30th year of participation; and,
- A further adjustment to income budgets to reflect long-standing structural issues. This has resulted in an additional pressure of £0.065m.

4.2 The table below shows the factors which give rise to the £1.249m "gap" for 2020/21:-

Additional Income	£'000
Fees and Charges	120
Business Rates Retention Pool levy	200
New Waste Service	100
Total Additional Income (A)	420
Additional Expenditure and Loss of Income	
Reduction in Government funding	35
Government funding re Business Rates baseline	(77)
New Homes Bonus - revised scheme	347
Provision for Pay Awards (including National Insurance)	342
Incremental pay rises for staff	56
Superannuation increase in employers and lump sum contributions	290
Additional holiday pay	34
Price increases e.g. energy, fuel, rates, insurances, supplies & services	75
Adjustments re. one-off items in 2019/20	(148)
Capital Financing Costs	(45)
Additional staffing resources	126
Borough Growth Fund contribution	250
Jubilee 2 operating deficit	100
Reduction in income from under achieved budgets	215
Reduction in waste income and recycling credits awarded	69
Total Additional Expenditure and Loss of Income (B)	1,669
Net Increase In Base Budget (B-A)	1,249

4.3 A number of savings and funding strategies to address the funding gap for 2020/21 have been identified, via a vigorous Efficiency Board process, and agreed with managers as being both feasible and sustainable. The proposed savings, totalling £1.249m are summarised in the table below and set out in detail in Appendix 1:

Category	Amount £'000	Comments
Income	135	Additional sources of income generation and an increased demand for services that the Council charges for.
Staffing Related Efficiencies	495	No redundancies are anticipated to arise from these proposals.
Good Housekeeping Efficiencies, General Other Savings, Changes in Base Budgets	29	Various savings arising from more efficient use of budgets.
Alternative Sources of Finance/ Other Savings	590	Savings from negotiated contribution rates and advanced payments of superannuation contributions, effect of forecast Council Tax Base and Business Rates Base increase, savings from Parish Council concurrent functions contributions. An assumed £5 (2.55%) per band D equivalent increase in Council Tax.
Total	1,249	

- 4.4 As in previous years, the first draft of the savings plan set out at Appendix 1 was made available to the Finance, Assets and Partnerships Scrutiny Committee for scrutiny at its meeting on 16 December 2019. The Committee will also scrutinise this Cabinet report at its meeting on 16 January 2020.

Borough Growth Fund

- 4.5 The savings and funding strategies identified in the table above and in Appendix 1 will enable further investment of £250,000 in the Council's priorities as per the Council Plan 2018-2022 via the Borough Growth Fund. In accordance with the 'Statutory Guidance on the Flexible Use of Capital Receipts', the 'Borough Growth' fund will continue to be used to provide pump-priming investment in initiatives that are forecast to generate on-going revenue savings through reducing the costs of service delivery or through the generation of additional income. The Council's Section 151 Officer will determine whether any proposed use of the fund complies with this guidance on a case by case basis. Priorities for 2020/21 are:

- Council Modernisation – Local Services That Work For Local People
- Building Financial Sustainability
- Recycling and Climate Change
- Town Centres

Council Tax and Collection Fund

- 4.6 The savings and funding strategy assumes a £5 (2.55%) per Band D equivalent property Council Tax increase (this is the referendum limit announced as part of the Local Government Finance Settlement for 2020/21 on 20 December 2019), producing £187,000 of additional income. This increase in Council Tax would equate to the following monetary increases for residents:

Property Band	Annual Increase £ p	Weekly Increase £ p
A	3.91	0.08
B	4.56	0.09
C	5.21	0.10
D	5.86	0.11
E	7.17	0.14
F	8.47	0.16
G	9.77	0.19
H	11.73	0.23

- 4.7 The savings and funding strategy also includes an increase in the Council Tax premium charged for long term empty properties in line with an amendment to the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Bill which now permits Councils to charge a 100% premium for domestic properties that have been empty for 2-5 years, 200% for those that have been empty for 5-10 years and 300% for properties that have been empty for 10 or more years.
- 4.8 The primary aim of this premium is to encourage owners of these properties to bring them back into use. All domestic properties that have been empty for in excess of 2 years are currently charged a 50% premium by the Council. This proposed amendment will generate around £24,000 per annum in terms of an increased tax base for the Council.
- 4.9 Taking into account the proposed increase in the Council Tax premium and other changes to the Council Tax base (i.e. new properties, discounts and exemptions), the Council Tax base has increased by 270 band D equivalent properties from 37,117 in 2019/20 to 37,387 for 2020/21.

- 4.10 The Council is required to declare its estimated surplus or deficit on the Collection Fund (for both Business Rates and Council Tax) ahead of the financial year end for 2019/20, this surplus or deficit is then shared between the relevant preceptors in 2020/21 (a surplus if paid out to preceptors, including the Council, and a deficit is repaid to the collection fund from preceptors, including the Council).
- 4.11 The Business Rates Collection Fund is estimated to be in a surplus position at 31 March 2020 when compared to the estimates submitted via the NNDR1 form in January 2019. The surplus is estimated to amount to £4.320m, of which the Council will receive £1.728m during 2020/21. This surplus has arisen as a result of significant growth, above that estimated by Central Government, within the Borough since the Business Rates Retention scheme was introduced. In previous years the Business Rates Appeals Provision has been significantly increased via the collection fund which has offset surplus positions that would otherwise have been achieved during these years.
- 4.12 The Council Tax Collection Fund is estimated to be in a deficit position as at 31 March 2020. This deficit is estimated to amount to £0.529m. Performance for 2019/20 is estimated to be as expected, the deficit amount relates to 2018/19 whereby the surplus declared in January 2019 was £0.540m more than the actual surplus calculated at the financial year end due to an increased bad debts provision being calculated at the financial year end in compliance with revised accounting standards. The Council will be required to repay £0.060m to the Collection Fund regarding this deficit in 2020/21.
- 4.13 The net receipt from the Collection Fund to the Council in 2020/21 will therefore be £1.668m (£1.728m surplus re. Business Rates less £0.060m deficit re. Council Tax). This amount will be paid into the Council's earmarked reserves in order to significantly increase the Council's financial resilience and ability to manage funding risks including those arising from the forthcoming Fair Funding Review.
- 4.14 The Local Government Finance Settlement for 2020/21 was received on 20 December 2019, this is largely in line with the assumptions that had previously been made via the Medium Term Financial Strategy. The Settlement Funding Assessment for the Council increased by £0.061m as opposed to an assumed £0.077m increase in the Medium Term Financial Strategy, this was as a result of the decreased CPI inflation applied (1.6% as opposed to the forecast of 2.1%). However, this has been offset by the receipt of an Affordable Housing Premium awarded to the Council for the introduction of new Affordable Housing within the Borough during 2019/20, this amounts to £0.016m and negates the decrease in Settlement Funding Assessment previously referred to.

5. Budget Consultation

- 5.1 Public consultation has been undertaken on the budget (Appendix 7). The consultation clearly determined that residents again felt that the following services were the most important to them.
- Town Centre regeneration;
 - Refuse collection;
 - Parks, playgrounds and open spaces;
 - Recycling facilities; and,
 - Street cleansing.

It also showed that residents feel that services should be protected as far as possible, even if that requires an increase in Council Tax.

- 5.2 The consultation has been reviewed by Cabinet and the views of those residents that have engaged in the consultation have been taken account of, and reflected, in the 2020/21 savings and funding strategy.

6. Capital Programme 2020/21 to 2022/23 and Capital Strategy 2020-30

- 6.1 The Capital Programme for 2020/21 to 2022/23 (Appendix 4) 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 approved by Cabinet on 19 September 2018. These schemes total £24.587m, of which £12.425m relates to 2020/21.
- 6.2 The Capital Strategy for 2020-30 (Appendix 8) meets the requirements of statutory guidance issued by the Government in January 2018. The Council's capital investment is carried out within the statutory framework laid down by the Local Government Act 2003 and regulations under that Act. Accordingly, only expenditure which fits the definition of capital expenditure contained in the Act or Regulations pursuant to it will be capitalised.
- 6.3 The Capital Programme is produced in line with the Capital Strategy for 2020-30 (Appendix 8). In addition to the Council's corporate and service objectives, as set out in the Council Plan 2018-22, the Capital Programme is also influenced by a number of external parties and factors:
- Central government and its agencies;
 - Legislation requiring capital works;
 - Partner organisations;
 - Businesses and Developers; and,
 - The needs and views of other interested parties, particularly those of Borough residents.
- 6.4 The Capital Programme for 2020/21 includes £3.151m for the refurbishment and reopening of Kidsgrove Sports Centre. This replaces the Kidsgrove Sports Centre scheme previously scheduled to commence in 2023/24 and will enable the provision of leisure facilities within Kidsgrove ahead of the timescale previously planned.
- 6.5 Delivering the capital programme for 2020/21 will require prudential borrowing to be undertaken. The impact of borrowing is included in the MTFs pressures for 2020/21 and future years.
- 6.6 Advice will be sought from the Council's Treasury Management advisors, Arlingclose, as to the most beneficial timing of prudential borrowing. Their current advice is to borrow on a short term basis (up to 4 years) from other local authorities whilst interest rates remain low, particularly in light of the recent increase in the Public Works Loan Board interest rates.
- 6.7 In summary, investment in the capital programme for 2020/21 to 2022/23 totalling £24.587m will be funded by:
- £5.845m External Funding including Disabled Facilities Grant and s106;
 - £6.993m Capital Receipts;
 - £0.150m ICT Development Fund; and,
 - £11.599m Vehicle Leasing/Prudential Borrowing

7. Treasury Management Strategy 2020/21 and Investment Strategy 2020/21

- 7.1 The Treasury Management Strategy for 2020/21 is attached at Appendix 9. The Minimum Revenue Provision Policy for 2020/21, as referred to at 4.1 of this report, is contained in Annex C to the strategy.
- 7.2 The Treasury Management Strategy for 2020/21 allows for borrowing. Although not utilised in recent years, the Council has previously considered the option of long-term borrowing from the Public Works Loans Board (PWLB), but the government increased PWLB rates by 1% in October 2019 making it now a relatively expensive option. After the utilisation of capital receipts and internal borrowing, the Council will now look to borrow short term from other local authorities in the first instance and will then review any other sources of funding if required.

- 7.3 The Investment Strategy for 2020/21 is attached at Appendix 10. This investment strategy meets the requirements of statutory guidance issued by the government in January 2018 and is based on guidance provided by Arlingclose, the Council's treasury management advisors. Quantitative investment indicators are included within the Strategy to allow elected members and the public to assess the Council's total risk exposure as a result of its investment decisions.
- 7.4 The Investment Strategy is informed by and consistent with the Commercial Strategy approved by Cabinet in October 2019 which proposes the establishment of a Revolving Investment Fund of £50m funded from a mix of revenue contributions, capital receipts and prudential borrowing. This fund will be used to finance a commercial asset acquisition programme and a strategic asset development programme.
- 7.5 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.
- 7.6 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.
- 7.7 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.
- 7.8 The draft MTFs assumes that a return of £250k will be generated from these investments from 2021/22, rising to £1m p.a. in 2024/25. This assumption will be validated as initial investment proposals are brought forward for Cabinet approval.
- 7.9 The treasury management strategy has been updated to provide the necessary flexibility to manage this significant programme of acquisitions. Any surplus returns will be recycled to fund future investments.
- 7.10 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.

8. Balances and Reserves

- 8.1 The minimum reserves level was increased as part of the 2019/20 budget setting process to ensure that robust levels were maintained to reflect the levels of risks shown in the budget. A further review of the Council's Balances and Reserves together with a risk assessment informing the levels of these has been undertaken. Details of the risk factors considered and the weightings applied to each are set out at Appendix 3.
- 8.2 The Council currently holds a minimum balance of £100,000 as a Contingency Reserve. It is proposed that this reserve is re-designated as an Income Reserve with a minimum balance of £100,000 in order to

provide increased flexibility to manage year-to-year fluctuations in income. If the Income Reserve is used in year it is proposed that this be replenished to a balance of £100,000 during the budget setting process for the following financial year.

- 8.3 The Council's S151 Officer has undertaken a financial resilience assessment based in part on the recently published CIPFA Financial Resilience Index and has recommended that a minimum level of unallocated reserves and contingencies of £1.548m be held in 2020/21 to reflect the levels of revenue risk shown. Therefore, the Council's Balances and Reserves Strategy for 2020/21 is that there should be a minimum General Fund balance of £1.448m and an Income Reserve of £0.100m.
- 8.4 The MTFS makes provision for the General Fund balance to be increased to £1.948m over the life of the strategy via annual contributions of £100k commencing in 2021/22. The S151 Officer's recommendation to increase the level of unallocated reserves, together with action already taken to address historic structural budget deficits, is part of continuing action to safeguard the long term financial resilience of the Council and reflects the additional risks that the Council will increasingly be exposed to via the commercial investment strategy over the life of the MTFS.
- 8.5 Earmarked reserves will be bolstered by £1.668m (per 4.13) to further increase the Council's resilience to risk including that relating to the forthcoming Fair Funding Review.
- 8.6 In addition it is recommended that the current £1m capital programme contingency which is held to allow for emergency unforeseen projects that may be required during the year be transferred to an earmarked fund.

9. **Legal and Statutory Implications**

- 9.1 The Council is required to set its Council Tax for 2020/21 by 9 March 2019. However, it is planned to approve the final budget and council tax rates on the 19 February 2020.

10. **Risk Statement and Major Risks**

- 10.1 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 Revenue and Capital budgets 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.
- 10.2 Such risks require regular and robust monitoring and it is essential that the Council has sufficient useable reserves to call on if required (see Section 6 above). The review and risk assessment indicates that overall unallocated reserves and contingencies are required to be maintained at £1.548m to reflect the levels of risk shown in the revenue budget. In addition an earmarked reserve of £1m is required to provide flexibility to manage risks relating to delivery of the capital programme. Earmarked reserves will be bolstered by £1.668m in 2020/21 (per 4.13) to further increase the Council's resilience to risk including that relating to the forthcoming Fair Funding Review.
- 10.3 The assessment of the Section 151 Officer is that the draft proposals included in this report are robust and will ensure an adequate level of reserves. However, it should be noted that a number of assumptions and proposals are provisional or draft, and as such this opinion will be confirmed in the Revenue and Capital Budgets and Council Tax 2020/21 reports to Cabinet on 4 February 2020 and to Council on 19 February 2020.

10.4 Treasury management is a major area of risk for the Council in that large amounts of money are dealt with on a daily basis and there are a number of limits and indicators, which must be complied with.

10.5 The overriding consideration in determining where to place the Council's surplus funds is to safeguard the Council's capital. Within this constraint the aim is to maximise the return on capital. Operational procedures, coupled with monitoring arrangements, are in place to minimise the risk of departures from the approved strategy.

11. **Budget Timetable**

11.1 The current timetable for the setting of the 2020/21 budget and Council Tax levels is:-

Event	Body Affected	Date
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

*FAPSC – Finance, Assets and Partnerships Scrutiny Committee

12. **Key Decision Information**

12.1 Affects all wards within the Borough and monetary values involved are highly significant.

13. **Earlier Cabinet Resolutions**

Medium Term Financial Strategy 2020/21 to 2022/23 (Cabinet 16 October 2019)

14. **List of Appendices**

Appendix 1: 2020/21 MTFS Funding Strategy
Appendix 2: 2020/21 to 2024/25 MTFS 'Gaps'
Appendix 3: Risk Assessment on Required Balances/Contingency Reserve
Appendix 4: 2020/21 to 2022/23 Capital Programme
Appendix 5: Key Council Achievements in 2019/20
Appendix 6: Flexible Use of Capital Receipts Strategy 2019 to 2022
Appendix 7: 2020/21 Budget Consultation Report
Appendix 8: Capital Strategy 2020 to 2030
Appendix 9: Treasury Management Strategy 2020/21
Appendix 10: Investment Strategy 2020/21

15. **Background Papers**

CIPFA Treasury Management Code of Practice (revised December 2017)
Council's Treasury Management Policy Statement
Local Government Act

Local Authorities (Capital Finance and Accounting) (England) Regulations
Ministry of Housing, Communities and Local Government's Guidance on Local Government
Investments
Statutory Guidance on the Flexible Use of Capital Receipts

Appendix 1 - 2020/21 MTFs Funding Strategy

Page Ref	Service Area	Description	£000's	% of Budget Line(s)	Detail
Income					
	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
I7	Planning and Development	Pre Planning Application Advice	19	76.0%	Increased level of income following review of fee structure
			135		
Staffing Related Efficiencies					
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
			495		
Good Housekeeping/General Other Savings/Changes in Base Budgets					
G1	Housing Regeneration & Assets	Bus Station	10	33.4%	Contribution to Banksman post - post ceased
G2	ICT Services	Staffordshire Connects	19	39.6%	Saving in partnership contribution following change of Customer Relationship Manager system
			29		
Alternative Sources of Finance/Other					
A1	Corporate	Council Tax Base	53	0.7%	Increase in Council Tax Base (increase of 270 residential properties), includes the impact of the Empty Homes Premium
A2	Corporate	Business Rates Base	332	7.0%	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	187	2.55%	Assumed increase of £5 per Band D equivalent property (2.55%)
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
			590		
Grand Total			1,249		

Appendix 2 - 2020/21 to 2024/25 MTFS 'Gaps'

Detail	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Description
Employees:						
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
Premises:						
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)
Transport:						
Fuel	6	6	6	12	6	Inflationary increase in fuel (per Department for Business, Energy and Industrial Strategy)
Income:						
Fees and charges	-120	-123	-125	-128	-130	3% increase in fees and charges
New Homes Bonus	347	246	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
Settlement Funding Assessment	-77	-79	-80	-82	-84	Inflationary increase in baseline funding level (per CPI)
Business Rates surplus		-500				
New Pressures:						
Borough growth fund	250	-	-	-	-	Contribution to the borough growth fund
Income pressures	284	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
Borrowing/leasing costs	-45	246	301	260	217	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
Additional staffing resources	101	-	-	-	-	Human Resources, Data Protection, Democratic Services
Britain in Bloom	10	-	-	-	-	Additional resources
Microsoft licenses	-	50	-	-	-	Increase in charges to the Council
Contribution to unallocated reserves		100	100	100	100	To increase resilience of Unallocated Reserves
One off Budget Items:						
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
TOTAL GAPS	1249	1367	1115	1106	858	

Appendix 3 – Risk Assessment on Required Balances/Contingency Reserve

Page 22
 Note: All these risks relate to the Business Objective 'To set a balanced, affordable and achievable budget'

All of the risks fall into the “Finance” Category

Item	Risk	Potential Consequences	Risk Score I * L	Risk Rating	Specify Existing Control Measures	Final Score I * L	Final Risk Rating	Further Action Required	Owner	Target Date
1	Increase in fees and charges does not result in higher income levels	Shortfall in income leading to overspends	3 x 4	High	Included in calculation of prudent minimum balances.	3 x 3	High	None	Exec Mgt Team	N/a
2	Reduced Income due to non-availability of service (e.g. through closure of facilities for repairs)	Shortfall in income leading to overspends	3 x 3	High	Included in calculation of prudent minimum balances.	3 x 3	High	None	Exec Mgt Team	N/a
3	Income falls short of Budget because of general change in market conditions, e.g. because of demand fluctuations	Shortfall in income leading to overspends	3 x 5	High	Included in calculation of prudent minimum balances.	3 x 3	High	None	Exec Mgt Team	N/a
4	Bad debts reduce the Council's income	Shortfall in income leading to overspends Need to top up Bad Debts Provision	3 x 4	High	The Council has a sundry bad debts provision (£275k balance at 31/03/19). £30k contribution to provision included in the base budget.	3 x 3	High	Increase monitoring of collection performance	Exec Dir Resources	N/a
5	Employee budgets – The budget is discounted on the assumption there will be vacancies. The impact of 1% vacancy is about £150,000	Vacancies do not occur leading to additional costs	3 x 3	High	The budget assumes a vacancy factor of 2%. This is realistic compared with experience from previous years.	3 x 3	High	None	Exec Mgt Team	N/a
6	Employee Budgets - The 2020/21 employee pay settlement results in an increase higher than included in the budget	Additional unbudgeted costs	2 x 1	Low	Pay Spine review known in advance. Balances sufficient to deal with any additional costs, plus reduced job security in economy.	2 x 1	Low	None	Exec Mgt Team	N/a
7	Problems with staff recruitment/retention resulting in the payment of market supplements at extra cost	Additional unbudgeted costs	3 x 3	High	Subject to ongoing review.	3 x 3	High	None	Exec Mgt Team	N/a
8	Problems with staff sickness/suspensions	Additional unbudgeted costs	3 x 3	High	Situation subject to ongoing review.	3 x 3	High	None	Exec Mgt Team	N/a

Item	Risk	Potential Consequences	Risk Score I * L	Risk Rating	Specify Existing Control Measures	Final Score I * L	Final Risk Rating	Further Action Required	Owner	Target Date
	resulting in the needs to use agency/interim staff at extra cost.									
9	Council becomes liable to pay compensation or legal fees or other unforeseen commitment arises.	Additional unbudgeted costs	3 x 3	High	Included in calculation of prudent minimum balances	3 x 3	High	None	Exec Mgt Team	N/a
10	Inflation relating to supplies and services exceeds the allowance in the budget.	Additional unbudgeted costs	3 x 3	High	Included in calculation of prudent minimum balances	3 x 3	High	None	Exec Mgt Team	N/a
11	Existing commitment(s) missed out of budget	Additional unbudgeted costs	3 x 2	Moderate	Budgets subject to checking at several levels. Preparation of standstill budget for comparison.	3 x 2	Moderate	None	Exec Mgt Team	N/a
12	Fall in interest rates reduces income to the Council.	Investment income targets not met	2 x 2	Moderate	Rates are very low now. A decrease would make only a relatively small difference. Included in calculation of prudent minimum balances	1 x 2	Low	None	Exec Mgt Team	N/a
13	Profile of capital spend differs adversely from that assumed in the investment interest calculation	Investment income targets not met	2 x 2	Moderate	Capital Budgets have been realistically set. Due to low interest rates investment income is no longer significant.	1 x 2	Low	None	Exec Mgt Team	N/a
14	Fuel costs increase by more than allowed for in budget.	Additional unbudgeted costs	3 x 3	High	Realistic increases included in base budget.	2 x 3	Moderate	None	Exec Dir Op Serv	N/a
15	Energy costs increase by more than allowed for in budget.	Additional unbudgeted costs	3 x 3	High	Realistic increases included in base budget.	2 x 3	Moderate	None	Exec Mgt Team	N/a
16	Unforeseen major repairs needed to Council properties.	Additional unbudgeted costs	4 x 3	High	Planned maintenance programme in place and stock condition survey.	3 x 2	Moderate	None	Exec Mgt Team	N/a
17	Insurances – unexpected increases in premiums.	Additional unbudgeted costs	3 x 3	High	Included in calculation of prudent minimum balances	3 x 3	High	None	Chief Exec	N/a
18	Insurances - high level of excesses to be met by Council or uninsured losses	Additional unbudgeted costs	3 x 3	High	Included in calculation of prudent minimum balances. Insurance Provision established.	3 x 3	High	Monitor level of Insurance Provision	Chief Exec	N/a
19	Government increase NI rates during 2020/21. An	Additional unbudgeted costs	3 x 3	High	Included in calculation of prudent minimum balances	3 x 3	High	None	Exec Dir Resources	N/a

Item	Risk	Potential Consequences	Risk Score I * L	Risk Rating	Specify Existing Control Measures	Final Score I * L	Final Risk Rating	Further Action Required	Owner	Target Date
Page 24	increase of 1% adds about £100,000 to the Council's costs									
20	Loss of VAT Exempt Status	Additional unbudgeted costs	3 x 3	High	None	3 x 2	Moderate	Continue to monitor position regularly	Exec Mgt Team	N/a
21	Savings built into Budget are not realised	Additional unbudgeted costs	3 x 3	High	Regular Budget Monitoring	3 x 3	High	None	Exec Mgt Team	N/a
22	New Legislation imposes extra costs but provides insufficient resources	Additional unbudgeted costs	3 x 3	High	Contingency Reserve available. Included in calculation of prudent minimum balances.	3 x 3	High	None	Exec Mgt Team	N/a
23	Partnerships - expenses falling on Council as accountable body	Additional unbudgeted costs	2 x 3	Moderate	Few partnerships in place now. Monitor partnership activities and ensure carried out according to agreements.	2 x 1	Low	None	Exec Mgt Team	N/a
24	Civil Emergency	Additional unbudgeted costs	5 x 2	High	Bellwin Scheme will meet 100% of eligible expenditure within 1 month of an emergency (over threshold set- £25k for NBC)	4 x 2	Moderate	None	Exec Mgt Team	N/a
25	Investment Counterparty (including own bank re current account, etc) fails to meet its financial commitments	Loss of interest due Ongoing loss of interest owing to loss of capital	2 x 3	Moderate	Use of credit rating agencies Counterparty list based on minimum ratings with CDS overlay. Limits to investments with one counterparty (£7m)	2 x 3	Moderate	Frequent reviews of investment strategy	Exec Dir Resources	N/a
26	Municipal Mutual Insurance (MMI) Clawback	Additional unbudgeted costs	4 x 4	Extreme	MMI Provision	4 x 3	High	Consider increasing amount of provision if reports from administrator indicate it to be necessary	Exec Dir Resources	N/a
27	Data Protection breach resulting in fine	Additional unbudgeted costs	3 x 3	High	Data Protection Policy Reminders to staff. All staff complete mandatory Data Protection e-learning module.	3 x 3	High	None	Exec Mgt Team	N/a

Item	Risk	Potential Consequences	Risk Score I * L	Risk Rating	Specify Existing Control Measures	Final Score I * L	Final Risk Rating	Further Action Required	Owner	Target Date
28	Members act against officer advice resulting in cost to the Council	Additional unbudgeted costs	3 x 3	High	Agenda pre-meetings. Liaison with members. Monitoring Officer.	3 x 3	High	None	Exec Mgt Team	N/a
29	Volatility in respect of Brexit	Additional unbudgeted costs re supplies and services and utilities	3 x 3	High	Include in calculation of prudent minimum balances.	3 x 3	High	Monitor	Exec Mgt Team	N/a

Impact (I)

- 1 - Negligible <£25,000
- 2 - Marginal <£50,000
- 3 - Serious <£250,000
- 4 - Critical <£1m
- 5 - Catastrophic >.£1m

Likelihood (L)

- 1 - Extremely Unlikely
- 2 - Remote Chance
- 3 - Possible
- 4 - Probable
- 5 - Frequent / very likely

Score

- 1-2
- 3-8
- 9-15
- 16-25

Risk rating

- Low Risk
- Moderate Risk
- High Risk
- Extreme Risk

Appendix 4 – 2020/21 to 2022/23 Capital Programme

CAPITAL PROJECTS	Proposed Programme			
	2020/21	2021/22	2022/23	TOTAL
	£	£	£	£
PRIORITY - Local Services that work for Local People				
Service Area - Council Modernisation	380,000	506,000	110,000	996,000
Total	380,000	506,000	110,000	996,000
PRIORITY - Growing our People and Places				
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
Total	1,201,531	1,181,500	3,025,846	5,408,877
PRIORITY - A Healthy, Active and Safe Borough				
Service Area - Environmental Health	10,000	0	0	10,000
Service Area – Street Scene and Bereavement Services	295,600	1,170,600	1,265,600	2,731,800
Service Area - Recycling and Fleet	3,766,000	609,500	351,000	4,726,500
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
Total	8,070,020	2,531,749	3,423,290	14,025,059
PRIORITY - A Town Centre for All				
Service Area - Managing Property & Assets	1,673,553	1,106,383	77,126	2,857,061
Total	1,673,553	1,106,383	77,126	2,857,061
CONTINGENCY/FEASABILITY STUDIES	1,100,000	100,000	100,000	1,300,000
TOTAL	12,425,103	5,425,631	6,736,262	24,586,997
FUNDING				
Capital Receipts C/Fd from 2019/20	2,062,506			2,062,506
Flexible Use of Capital Receipts	-400,000			-400,000
Capital Receipts	4,330,000	500,000	500,000	5,330,000
External Contributions	2,065,000	2,765,000	1,015,000	5,845,000
ICT Development Fund	50,000	50,000	50,000	150,000
Borrowing/Leasing	4,317,597	2,110,631	5,171,262	11,599,491
TOTAL	12,425,103	5,425,631	6,736,262	24,586,997

Appendix 5 – Key Council Achievements in 2019/20

KEY ACHIEVEMENTS IN 2019/20

Britain in Bloom

Newcastle-under-Lyme has achieved its 18th consecutive gold award in the regional Heart of England in Bloom campaign, as well as the judges' discretionary award in the Environmental category for Silverdale Country Park and a merit award for one of our local volunteers. Business sponsorship of the campaign achieved cash income of over £60,000 with further "in kind" contributions to a value of over £10,000. Phase 5 of the Public Art programme, a "snowdrops" sculpture, was installed at Northwood Lane Roundabout. A total of 6 of the Borough's strategic parks and cemeteries achieved Green Flag status this year.

Bereavement Services

The Council's Bereavement Services achieved Gold Standard again in the Charter for the Bereaved and held an annual stakeholder meeting with local Funeral Directors, Memorial Masons and Clergy to discuss future service improvements. A memorial afternoon was held at Keele Cemetery in December for families to remember loved ones.

Environmental Action

The Council delivered a programme of environmental education and enforcement activities, engaging with 25 schools, and facilitated over 1000 hours of community volunteering activity in local parks, open spaces and neighbourhoods. Successful enforcement action has been delivered in relation to unauthorised traveller encampments and abandoned vehicles. The number of vacant allotment plots has reduced and income from this has increased. Birchenwood Playing Fields and pavilion have been leased to a local community sports club. Capital programme improvement and equipment replacement projects have been successfully delivered in relation to the Council's playground stock, and the SUNRISE partnership project has improved biodiversity at Thistleberry Parkway, Lyme Valley Parkway and Pool Dam Local Nature Reserve.

Streetscene

As well as delivering the daily Borough-wide street cleansing and grounds maintenance work, the Streetscene team has worked in partnership with the Probation Service Community Payback team to deliver a programme of litter and graffiti clearance, painting of railings, play equipment and planters, and vegetation management at various sites across the Borough. Deterrent measures to protect against unauthorised traveller encampments have been installed at a number of locations and the Council's footpath and railing stock has been repaired at key sites. A contract has been let to progress the large volume of tree work which has been identified as part of the Council's ongoing tree inspection programme, and a Mobile Elevated Work Platform has been purchased to assist in making this work safer and more efficient.

New Garden Waste Service

Introduced chargeable garden waste service to residents with gardens within the Borough. New service commenced in January 2019, and provides residents with a fortnightly collection service for garden waste for a full twelve months, at the cost of £36 for the year. Nearly 50% of residents signed up for the scheme. The quality of material collected is excellent, and subscriptions have filled a budget hole created by the removal of external funding which helped provide this service in the past.

Our Digital Council

The introduction of a customer portal and self-service tools for a basket of council services will be a major step forward in the digital delivery of services for residents in Newcastle-under-Lyme. Digital technologies have the potential to improve the way the majority of council customers interact with local authority services whilst at the same time generating significant efficiency savings. Over the

next 12 months we will further embrace the digital delivery of other services of the Council to enhance the local services offered, a significant dedicated resource has been committed in order to progress this even further.

Added to this, officers in the Recycling and Waste service are delivering major successes in a drive to get the most out of the Bartec waste management system. The technology is used by more than 60 councils in the UK for scheduling all types of waste collection, monitoring performance and continuous service improvement. Bartec helps teams out on the road to record key service data such as missed bins, contamination, presentation rates and so on.

The Council's website

The Council's website retained its Plain English Crystal Mark – a key factor of this award is accessibility, and supports work to ensure compliance and accessibility requirements as stated in the 2018 regulations for Public Sector websites by 23 September 2020.

Leisure

A new Playing Pitch Strategy produced to support the Joint Local Plan work. Delivery of the strategy, will drive external investment in outdoor sport activities. In partnership with the BID, the Ride Staffs Cycle Race was brought to Newcastle Borough.

Jubilee 2

The Council has made good progress towards addressing long term issues through the appointment of Alliance Leisure to support marketing development and Strategy Solutions to sell advertising space at Jubilee 2 to boost membership and increase income generation.

Cultural developments

A Heritage Lottery Bid to provide funding for the extension to the Brampton Museum was submitted, and is planned to commence in April 2020.

Guildhall

The Council continues to work with Support Staffordshire and a range of partners to ensure that valuable community support can be provided from community and voluntary sector groups based at the Guildhall. A wide range of organisations such as Staffordshire Adult Autistic Society, Shaw Trust-Work and Health Programme and Moneyline are providing their services for the people of the Borough. Friends of the Guildhall Group are providing cover for the reception area.

Supporting Retailers and Local Businesses

Working with partners, the Council continues to support retailers and local business to remain and prosper in the town centres. The annual Business Boost competition, which provides business support and cash prizes is open to Newcastle based businesses some of which are based in our town centres. Working with Newcastle Business Improvement District and Appetite Creative People and Places Programme, we continue to celebrate our local cultural heritage by promoting events which encourage visitors, support local businesses and raise the profile of our towns.

Partnership Working and Support

Co-ordination of a range of partnership activity (including a launch of the town centre Public Space Protection Order) to address Anti-Social Behaviour and Begging in the town centre undertaken, and is ongoing. There has also been a review of the town centre CCTV and creation of a joint framework with SOTCC for a new improved service for 2020 and beyond and worked with Newcastle Bid and gained success with the Purple Flag Accreditation.

Delivery of the Daily Vulnerability Hub continues, as does the MARAC pilot, which co-ordinates the response to vulnerable victims of domestic abuse. Several services to deliver support to vulnerable people were commissioned this year:-Safe Recovery, Financial Inclusion and Children and Young.

In the community, assistance given to community groups to achieve external funding and support for the development of Newcastle Dementia Friendly project. The Council has signed up to the Support Staffordshire VCSE Pledge and celebrated our first £2,000 Lyme Lottery winner.

HR Developments

The HR team has undergone restructure and provided a new shared service for Payroll with Stoke City Council. The team have also worked to reorganise Customer Services, Revenues & Benefits and Customer Services. A new Attendance Policy including Guidance and Toolkit documentation provided for staff and training undertaken in December. In addition, Customer Service, Revenues & Benefits & Customer Service have undergone reorganisation.

FUTURE PLANS 2020/21

New Recycling Service

We will be introducing our new recycling and separate food waste collection service to all residents, with a vastly simpler system to use for residents, collecting a greater range of plastics, and utilising wheelie bins for glass cans and plastic, with a strong bag for paper and card. Collections from residents will be made on a fortnightly basis, and will lead to less litter from collections, and more efficient and effective operations. Plans are also in place to introduce a commercial waste recycling service to business within the Borough of Newcastle under Lyme.

Keele University Growth Corridor

The Council continues to have aspirational plans for the long-term expansion of the area to the west of Newcastle as a result of a significant planning exercise by the Council and its partners, focussing on the former golf course at Keele, parts of Silverdale and land adjacent to Keele University. The Keele University Growth Corridor responds to the borough's housing needs and ambitious plans set out in the Keele Deal which identifies opportunities for significant investment at the university and includes the provision for new housing on the former golf course, a new primary school and a small convenience store. An important feature will be the creation of attractive walking routes within the campus and residential parts of the scheme. Land has also been set aside to help the university meet its sustainability aims with renewable energy provision on the campus.

Regeneration of the Newcastle and Kidsgrove Town Centres

The Council has been successful in the first stage of the Future High Streets Fund and is looking forward to developing exciting new plans for the redevelopment of the Ryecroft site as a key site in Newcastle Town Centre. Working with partners the Council will be developing a Business Case for the next stage of the Future High Street Fund.

Newcastle and Kidsgrove towns have both been selected to bid for Town Deal status, two new Town Deal Boards are being developed and working with a wide range of stakeholders including local businesses the Town Boards will be seeking to develop Investment Plans to ensure long term sustainable development takes place.

Re-opening of the Kidsgrove Sports Centre

The Council is working to improve access to sports and leisure facilities for residents in Kidsgrove and surrounding areas as part of a community led initiative to refurbish and re-open the Kidsgrove Sport Centre. A key focus in the coming year will be building on the considerable preparatory work already completed to effect the transfer of the sports centre from the County Council and bring our ambitious plans to fruition.

Britain in Bloom

Newcastle-under-Lyme will be celebrating its 30th year of participation in the regional Heart of England in Bloom campaign. To mark this milestone, a 10 year programme of projects and events will be launched based around 3 themes of public art, parks and youth engagement. 2020 will see Phase 6 of the public art programme being installed on Gallowstree Lane Roundabout, the

Borough hosting the regional Heart of England in Bloom awards ceremony at Keele Hall and a refurbishment of the landscaping in the Bearpit (Grosvenor Roundabout) as well as many other community projects.7 of the Borough's strategic parks and cemeteries will apply for Green Flag status this year.

Bereavement Services

The Council's Bereavement Services will seek to achieve Gold Standard again in the Charter for the Bereaved and hold 2 stakeholder meetings with local Funeral Directors, Memorial Masons and Clergy to discuss future service improvements. The Council will launch an affordable "Resident Funeral" offer in partnership with local Funeral Directors and explore the potential for a greater choice of memorialisation options in the grounds of Bradwell Crematorium.

Environmental Action

The Council will deliver a programme of environmental education and enforcement activities, engage with schools, and facilitate over 1000 hours of community volunteering activity in local parks, open spaces and neighbourhoods. Successful enforcement action will be delivered in relation to unauthorised traveller encampments and abandoned vehicles. The number of vacant allotment plots will be further reduced through proactive letting. Capital programme improvement and equipment replacement projects will be successfully delivered in relation to the Council's playground stock, and Section 106 agreement funding will be used to improve a range of facilities in line with the aims of the Open Space Strategy.

Streetscene

As well as delivering the daily Borough-wide street cleansing and grounds maintenance work, the Streetscene team will continue to work in partnership with the Probation Service Community Payback team to deliver a programme of litter and graffiti clearance, painting of railings, play equipment and planters, and vegetation management at various sites across the Borough. The Council's footpath and railing stock will be repaired at key sites. A contract to progress the large volume of tree work which has been identified as part of the Council's ongoing tree inspection programme will continue, and monthly clearances of identified "grotspot" areas will take place.

ICT Delivery

The ICT team will play a crucial role in supporting the Council's Digital ambitions from both the external customer perspective and for internal users. The technology and solutions that ICT deliver over the next 12 months will pave the way to fundamentally alter how services are delivered; allowing staff to be more productive and deliver better outcomes for the residents, visitors and businesses within Newcastle under Lyme.

HR Developments

Next year, the team will work on Organisational Development for the Council and implement Career Pathways for all posts within the Council. Also, corporate training on Managing Mental Health in the Workplace is planned for delivery.

Appendix 6 – Flexible Use of Capital Receipts Strategy



Introduction

In the Spending Review 2015, the Chancellor of the Exchequer announced that to support local authorities to deliver more efficient and sustainable services, the government will allow local authorities to spend up to 100% of their fixed asset receipts (excluding Right to Buy receipts) on the revenue costs of reform projects.

Power under which the guidance is issued

1. The Local Government Act 2003 ('the Act'), section 15(1) requires a local authority '... to have regard (a) to such guidance as the Secretary of State may issue, and (b) to such other guidance as the Secretary of State may by regulations specify ...'.
2. Two codes of practice issued by the *Chartered Institute of Public Finance and Accountancy (CIPFA)* contain guidance on capital receipts and local authority accounting that complement the DCLG guidance. These publications are:
 - *The Prudential Code for Capital Finance in Local Authorities*
 - *The Code of Practice on Local Authority Accounting*
3. Local authorities are required to have regard to the current edition of *Treasury Management in Public Services: Code of Practice and Sectoral Guidance Notes* by regulation 2 of the *Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 3146]* and to the *Local Authority Accounting Code* as proper practices for preparing accounts under section 21(2) of the Act.

Application

4. This guidance applies with effect from 1 April 2016 to 31 March 2022 – i.e. to the financial year 2016-17 and for each subsequent financial year to which the flexible use of capital receipts direction applies.
5. The Council cannot borrow to finance the revenue costs of service reform and can only use capital receipts from the sale of property, plant and equipment received in the years in which this flexibility is offered.

The Council may not use its existing stock of capital receipts to finance the revenue costs of reform.

Qualifying expenditure

6. The key criteria to use when deciding whether expenditure can be funded by the capital receipts flexibility is that it is forecast to generate ongoing savings to the authority.
7. A list of types of project that would qualify for the flexible use of capital receipts is shown below. This list is not meant to be prescriptive or exhaustive and individual authorities who have projects that will generate ongoing savings that are not included in the list provided in the guidance can apply the flexibility to fund those projects.

Accountability and transparency

8. The Council is required to prepare a strategy that includes separate disclosure of the individual projects that will be funded or part funded through capital receipts flexibility and that the strategy is approved by full Council or the equivalent. This strategy can be included as part of the annual budget documentation and approved by full Council or the equivalent at the same time as the annual budget.

Qualifying expenditure

Types of qualifying expenditure

9. Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs or to improve the quality of service delivery in future years.
10. Set up and implementation costs of any new processes or arrangements can be counted as qualifying expenditure. The ongoing revenue costs of the new processes or arrangements cannot be classified as qualifying expenditure.

Examples of qualifying expenditure

11. There are a wide range of projects that could generate qualifying expenditure and the list below is not prescriptive. Examples of projects include:
 - Sharing back-office and administrative services with one or more other council or public sector bodies
 - Investment in service reform feasibility work, e.g. setting up pilot schemes
 - Collaboration between local authorities and central government departments to free up land for economic use
 - Funding the cost of service reconfiguration, restructuring or rationalisation (staff or non-staff), where this leads to ongoing efficiency savings or service transformation
 - Sharing Chief-Executives, management teams or staffing structures
 - Driving a digital approach to the delivery of more efficient public services and how the public interacts with constituent authorities where possible
 - Aggregating procurement on common goods and services where possible, either as part of local arrangements or using Crown Commercial Services or regional procurement hubs or Professional Buying Organisations
 - Improving systems and processes to tackle fraud and corruption in line with the Local Government Fraud and Corruption Strategy – this could include an element of staff training
 - Setting up commercial or alternative delivery models to deliver services more efficiently and bring in revenue (for example, through selling services to others)
 - Integrating public facing services across two or more public sector bodies (for example children's social care, trading standards) to generate savings or to transform service delivery.

Accountability and transparency

Preparation

12. For each financial year, the Council should ensure it prepares at least one Capital Strategy (“the Strategy”)

Content

13. As a minimum, the Strategy should list each project that plans to make use of the capital receipts flexibility, that it details the split of up front funding for each project between capital receipts and other sources, and that on a project by project basis, a cost benefit analysis is included to highlight the expected savings. The Strategy should report the impact on the Councils Prudential Indicators for the forthcoming year and subsequent years.
14. From the 2017-18 Strategy and in each future year, the Strategy should contain details on projects approved in previous years, including a commentary on whether the planned savings or service transformation have been/are being realised in line with the initial cost/benefit analysis.
15. The Strategy may also include any other matters considered to be relevant.

Approval

16. The Strategy should be approved by the full council.

Timing

17. For any financial year an efficiency Strategy (“the initial Strategy”) should be prepared and approved before the start of the year.

2020/21 Strategy

The Council intends to use capital receipts received in 2020/21 to finance qualifying expenditure up to £400,000 in accordance with the Guidance. The projects which will be financed in this way are shown in the table below.

Project	Expenditure	Expected Savings
	£'000	£'000
Digital Delivery Project	100	150
Recycling and Environmental Action	200	TBC
Financial Sustainability	100	100
Total	400	400

The individual projects selected within these categories will be financed entirely from in year capital receipts

2019/20 and Previous Years' Flexible use of Capital Receipts

The Council financed qualifying expenditure in 2017/18 and 2018/19 in accordance with the Guidance, and further intends to finance such expenditure in 2019/20, as shown in the table below.

Project	Actual Expenditure	Actual Savings
	£'000	£'000
2017/18		
Castle House Project - Redundancy Costs	80	80
2018/19		
Digital Delivery Project	66	100
Chargeable Garden Waste Preparatory Costs	233	371
Waste Recycling Service	142	150
Building Efficiency Works Expenditure	59	50
2019/20		
Digital Delivery Project	100	150
New Recycling Service - Preparatory Costs	120	TBC
Chargeable Garden Waste Preparatory Costs	40	TBC
Building Efficiency Works Expenditure	40	40
Building for the Future	100	217
Restructuring	100	250
Total	1,000	TBC

All of these projects are in the process of being completed. The total savings for these projects cannot be totally quantified until their completion, monitoring of these will continue to be provided to Cabinet on a quarterly basis. Savings shown as TBC will be updated prior to approval of strategy at February Council.



2020/21 Budget Consultation report

Headline findings

- 366 responses – three times last year’s responses
 - 98 per cent were residents from the borough
- Five council services by far seen as most important
 - Town centre regeneration
 - Refuse collection
 - Parks, playgrounds and open spaces
 - Recycling facilities
 - Street cleaning
- Non-statutory services that respondents want to be protected:
 - Town centre regeneration **by far** the most important, followed by:
 - Outdoor markets
 - Outdoor leisure facilities
- 65 per cent want to protect services even if it means an increase in Council Tax
- Oldest and youngest age groups were under-represented
- Responses from 20 wards
 - Disproportionately high response rate from Audley
 - No responses from Keele.

Background

This survey was available online since 7 November via an online form on the Council's Have Your Say web page, and was publicised by the Communications Team on Facebook and Twitter. There were **366** responses – a huge increase on the 124 for last year's survey - but not all respondents answered every question.

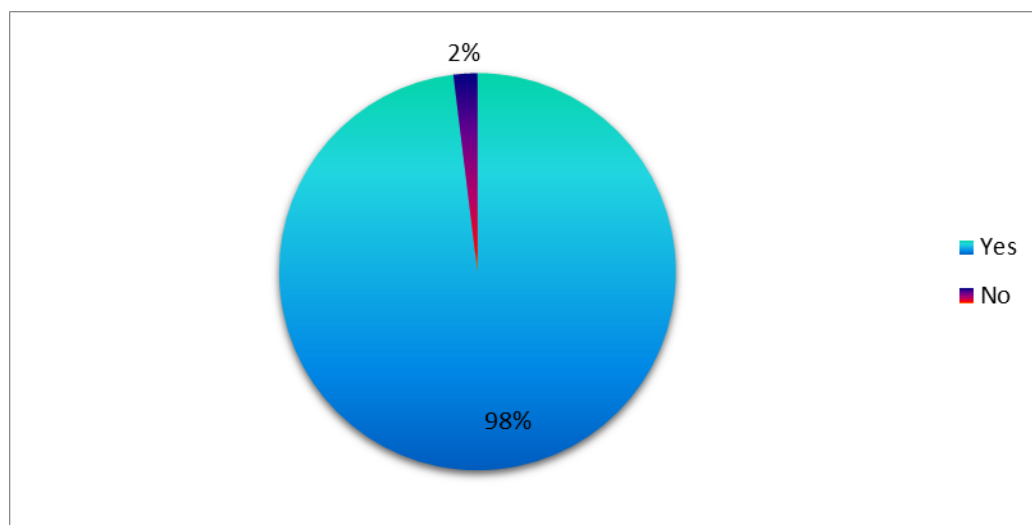
At three different places on the survey, respondents were made aware of the services that were not the responsibility of the Borough Council, but several respondents still recommended that we protected such services from funding cuts.

Analysis of data

Q1) Are you a resident of the borough of Newcastle-under-Lyme?

Not everyone answered this question, but, of the 362 who did, 98 per cent of them said that they were a resident. Only six respondents (two per cent) said that they were not.

Figure 1: Q1) Are you a resident of the borough of Newcastle-under-Lyme? 362 respondents



Q2) What is the single most important thing the Council could do differently to improve the quality of life for your local community?

This was a purely open question – an open text box was provided for respondents to answer, purely unprompted, with no suggested answers to choose from. There was a note on the survey explaining the services that were not the responsibility of the Council, yet there were several mentions of schools, pot holes and police, as the below shows - there were some key themes that were submitted and the following were mentioned by more than five respondents:

- | | |
|--|--------------|
| • Improve /regenerate the town centres / more shops: | 48 responses |
| • Street/paths cleaning of litter | 29 |
| ○ Better leaf clearing from gutters | 10 |
| • Weekly recycling collection with tubs | 26 |
| ○ Free garden waste | 5 |
| ○ Recycle more items | 6 |
| • Whalley's Quarry smell | 22 |
| • Roads/pot holes/road sweeping | 22 |
| • Free car parking in the town centres | 16 |
| • Homelessness (including removing rough sleepers and beggars from Newcastle town centre in particular | 15 |
| • Anti-social behaviour (generally youths) | 12 |
| • Improve Newcastle's market (reduce stall holders rent) | 12 |
| • Reduce Council Tax / spend money more wisely | 11 |
| • More police / open the police station | 10 |

- Improve bus services, in particular to rural areas 10
- Spend money across the borough – not just Newcastle 10
- Enforce parking regulations 6

Figure 2: Word cloud showing key themes from 308 responses



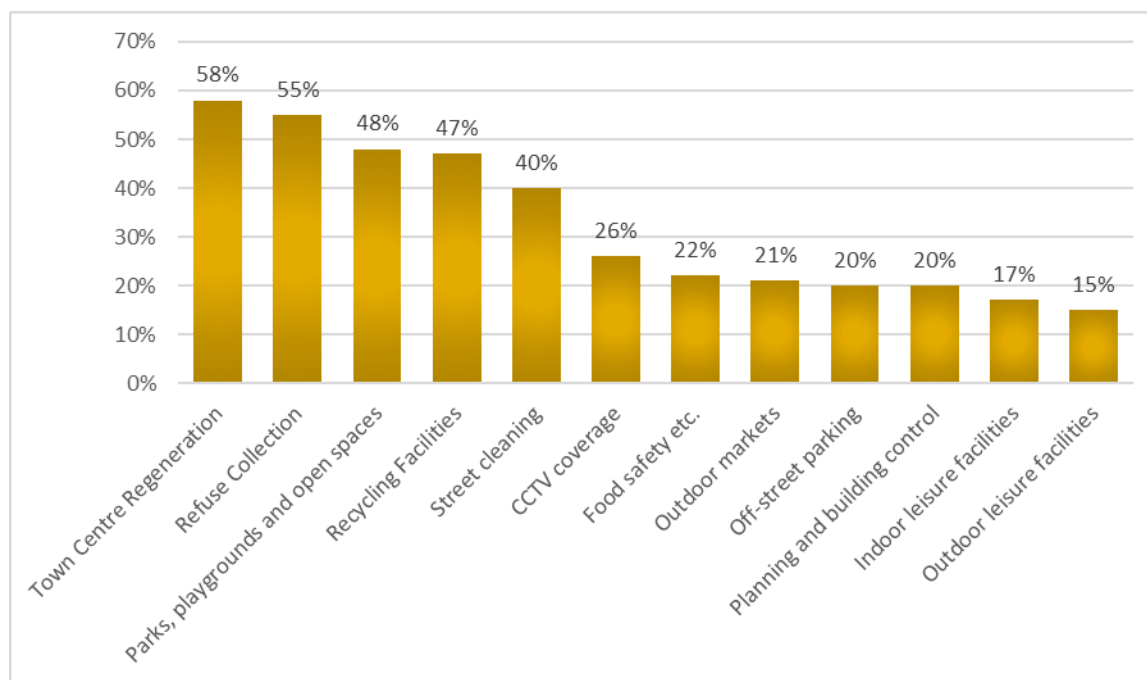
Q3) Which of these Council services are the most important to you?

For this question, respondents were asked to choose up to five services from a list of 12 services. As respondents could choose up to five options, totals will add up to more than 100 per cent.

Five services were, by some distance, more popular than the other choices:

- Town Centre Regeneration (chosen by 58 per cent of respondents)
- Refuse collection, (55 per cent)
- Parks, playgrounds and open spaces (48 per cent)
- Recycling facilities (47 per cent)
- Street cleaning (40 per cent)

Figure 3: Which of these Council services are the most important to you? 360 respondents



If you ticked 'other' then please say which service(s) you think are the most important in the box below, remembering that the Council is not responsible for policing, hospitals, the NHS, social care, roads/highways or schools/academies.

Respondents were given the chance to answer 'other' and then to say which other services they considered important, and 13 gave the following responses which are as submitted – only spelling mistakes have been altered:

- On street free parking for short stay (30-60 min).
- Support to the vulnerable and helping residents feel safe in and around the town.
- You have been collecting police increment , we do not have a recognized police presence , only CPSO, but for over 8 years it been going on , also you are now charging extra for garden rubbish on top of council taxes so you have enough money as you do not offer social care anymore.
- I don't feel that this survey is very user friendly - many will be put off by the layout and language used. You need to reach out to every level in the community, young, old, IT literate or not. A simpler score 1-10 might be simpler.
- Partnerships
- Public Toilets in town centre - especially by the multi storey car park Bus services for wheelchair users and better Sunday service Libraries
- Crossing guards at crossings near to schools
- Car parking charges for council car parks: To encourage people to the centre, stop charging. Even if it was one day a week or something, if you are encouraging regeneration, look at the car parks.
- Stop the charge for emptying the green waste bins.
- The environment and carbon reduction
- Improve Youth Services
- Local social groups to learn new skills & get to know other residents but at weekends & evenings not during the day when most people work
- Transport

- Off street parking is vital with the number of houses being built, we've had 3 cars written off so far
- Address parking for the disabled.
- I didn't even know there was a New Vic theatre in Newcastle!
- The disgusting sickening smell from red industries quarry landfill off Cemetery Road.
- Better management of J2
- Environmental health
- Fewer charity shops and fast food outlets; beggars on the streets
- The STINK

Q4) Out of the following services which the Council is not required by law to provide would you most like to see protected? Please tick up to five boxes.

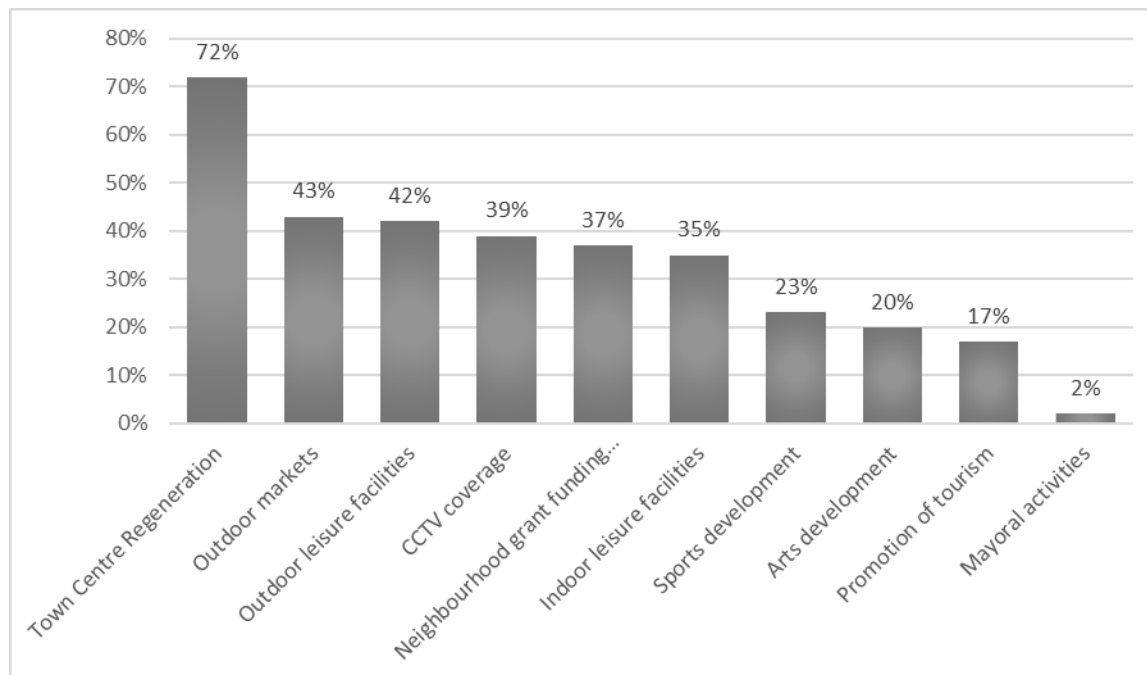
Again, respondents were asked to choose up to five options out of a list of 10 services. There were three services that were significantly more popular than any others, namely:

- Town centre regeneration (72 per cent)
- Outdoor markets (43 per cent)
- Outdoor leisure facilities (42 per cent)

...and four in particular were chosen by relatively few respondents:

- Mayoral activities (2 per cent)
- Promotion of tourism (17 per cent)
- Arts development (20 per cent)
- Sports development (23 per cent)

Figure 4: Out of the following services which the Council is not required by law to provide would you most like to see protected? 360 responses



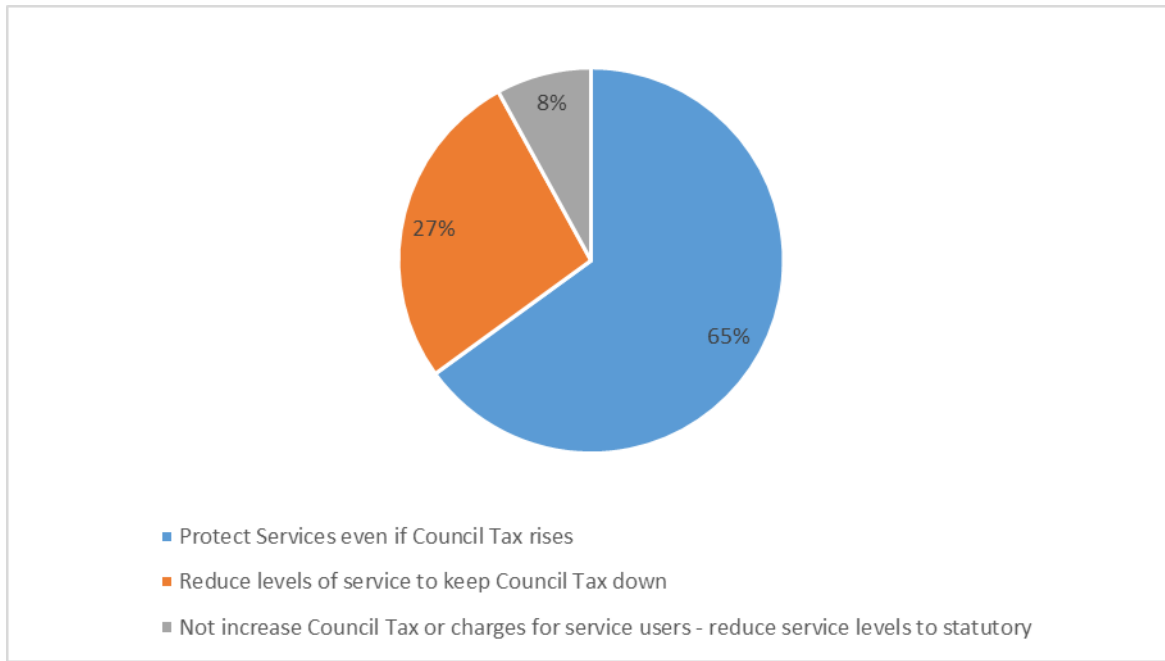
Q5) When making decisions about spending plans for next year and beyond, should we...

Respondents were asked to choose from a set list of three options, and they were chosen as follows:

- *Protect services, even if this means we will need to increase Council Tax and charges to service users because of central funding reductions.* This was by far the most popular option, chosen by almost two-thirds (65 per cent) of all respondents.

- *Reduce levels of service to make sure that Council Tax rises and fee increases for service users are kept to a minimum* was the second most popular choice. A little over one-quarter (27 per cent) of respondents chose this option.
- *To not increase Council Tax or charges for service users, but instead look to reduce service levels towards a core statutory offer - that is, excluding those listed in question 3,* was comparatively unpopular, chosen by 8 per cent.

Figure 5: When making decisions about spending plans for next year and beyond, should we...

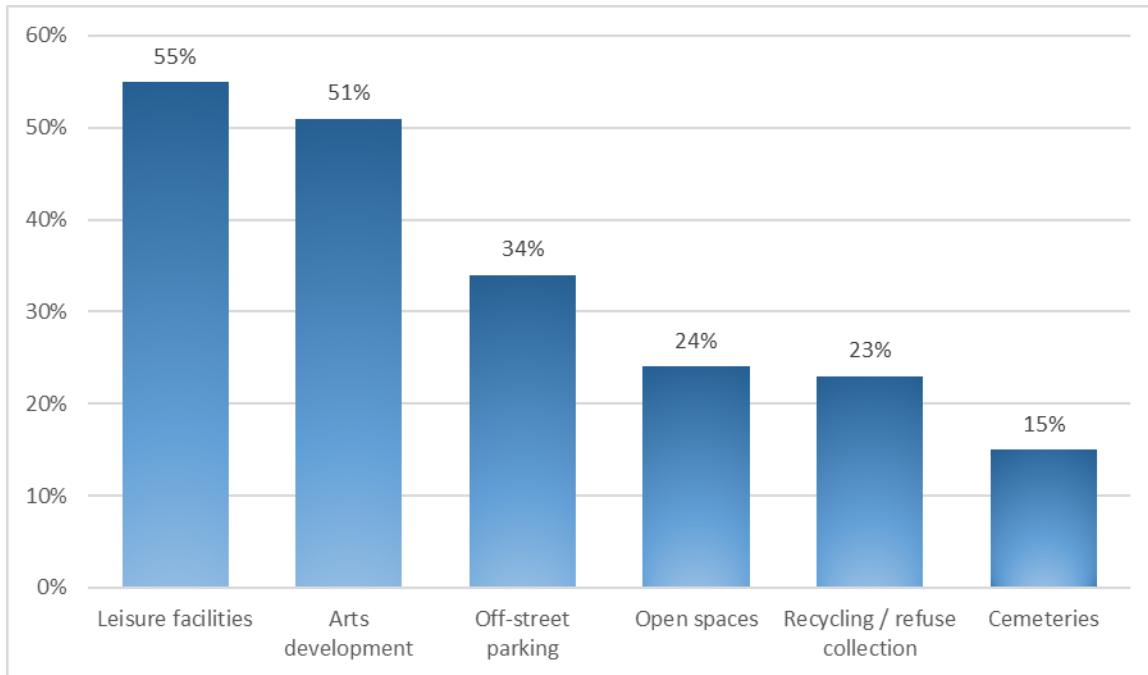


Q6) Are there any particular service areas where you feel Newcastle-under-Lyme Borough Council should not reduce its funding?

This was another open comments box where respondents were asked to make suggestions, unprompted. The following themes were mentioned by at least four respondents:

- | | |
|---|--------------|
| • Recycling / refuse collection | 50 responses |
| • Town centre regeneration | 31 |
| • Street cleaning | 24 |
| • Leisure | 16 |
| • Parks | 10 |
| • Arts/Brampton | 7 |
| • CCTV | 5 |
| • Young – but let them choose what they want provided | 5 |
| • Benefit claim processing | 4 |
| • Bus routes to the rural villages | 4 |
| • New Vic Theatre | 4 |

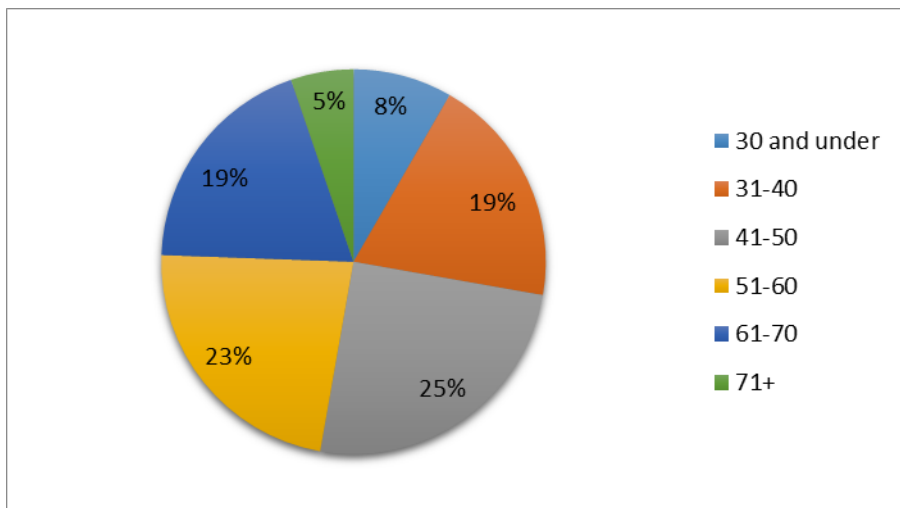
Figure 7: Out of the following services which the Council is not required by law to provide would you most like to see protected? 354 responses



Q8) Is there anything else you think the Council should consider a priority when setting the budget?

Another open comments box invited respondents to make unprompted suggestions. As there were so many comments expressing opinions on a massive range of subjects they have not been analysed in the same way as the previous open questions. However, the following word cloud does give some indication of which subjects were mentioned the most:

Figure 9: Age profile of respondents -360 responses



Location of respondents

Unfortunately, not all respondents did provide valid postcodes. 333 respondents did put something, but as the below table shows there were several incomplete postcodes. There were submissions from 20 wards (with a massive response from Audley) but none from Keele, as follows:

Table 2: Respondents by ward. 333 respondents

Ward	Respondents
Audley	59
Bradwell	19
Clayton	5
Crackley and Red Street	9
Cross Heath	14
Holditch and Chesterton	10
Keele	0
Kidsgrove and Ravenscliffe	9
Knutton	8
Loggerheads	2
Madeley and Betley	9
Maer and Whitmore	6
May Bank	20
Newchapel and Mow Cop	2
Silverdale	5
Talke and Butt Lane	6
Thistleberry	11
Town	21
Westbury Park and Northwood	18
Westlands	25
Wolstanton	12
Unidentifiable	
Unknown ST4	1
Unknown ST5	32
Unknown ST6	1
Unknown ST7	20
Unknown CW3	2
Unknown TF	1
No postcode provided	34
Outside the borough	4

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Capital Strategy

2020 to 2030



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Introduction

The purpose of the Capital Strategy is to set out how the Council proposes to deploy its capital resources in order to assist it to achieve its corporate and service objectives. It takes into account other relevant Council strategies, policies and plans and the views of partners and interested parties with whom the Council is involved. It also takes account of the resources which are likely to be available to the Council to fund capital investment and the effect of that investment on the Council's revenue budget. It will serve as a useful point of reference when determining or reviewing the Council's Capital Programme.

The Council's current detailed capital investment plan is contained in its approved Capital Programme. A Capital Programme totalling £5,606,298 was approved for 2019/20 on 20 February 2019. Of this total £4,606,298 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). In addition £1,341,573 slippage was incurred in 2018/19, resulting in a total Capital Programme of £6,947,871 for 2019/20. This takes account of slippage coming forward from 2018/19 and is summarised below, showing the constituent categories of projects:

Project Categories	Planned Expenditure £m
Improving Housing in the Borough	1.075
Investing in Community Facilities	2.910
Investing for the Future	0.195
Vehicles, Plant and Equipment	1.768
Capital Contingency	1.000
Total	6.948

Full Council will consider a capital programme to continue investment beyond 2019/20 on 19 February 2020.

The Strategy has been prepared against a background of continuing reductions in funding provided to local authorities by central government and its agencies, arising from the need to restrain public expenditure owing to the ongoing economic conditions and to rebalance public finances. At the same time, the Council's own resources available to finance capital projects have reduced to a low level and will need replenishing before any substantial further capital investments can be made. As a result the Council is considering and consulting upon a programme of asset disposals to address this situation. In addition the Council has also produced a Commercial Strategy with the aim to generate income through commercial activities which can then be reinvested in local priorities.

Key Objectives and Priorities

The Council's Priorities contained in the Council Plan are:

Local Services that work for Local People
Growing our People and Places
A Healthy, Active and Safe Borough
A Town Centre for All

Capital investment projects will be included in the Council's Capital Programme on the basis that they address issues arising from one or more of these Priority Areas. An indication is shown against each project in the Programme of the area or areas it addresses.

New proposals for capital investment will be assessed against the corporate priorities to ensure that they will contribute towards achieving the aims expressed. This assessment will be carried out as part of the appraisal process for new projects.

The Council will also endeavour, through its programme of capital investment, to maintain its assets to a standard such that they remain fit for purpose, enabling continuity of service delivery. In particular, it will carry out regular surveys of its stock of buildings and structures to ascertain their state of repair and any remedial works which may be necessary. Repair or improvement works arising from such surveys will be carried out subject to the availability of resources and consideration of the role the building plays in service delivery and the need to continue the relevant service in order to contribute to meeting corporate priorities. If a building is no longer required for service delivery, it will either be considered for alternative use by the Council or its partners or disposed of and the proceeds made available for future capital investment in priority areas. All property assets are held to either (i) provide Council services, (ii) provide an investment return or (iii) to further regeneration projects.

A Capital Review Group is in place and chaired by the Cabinet Portfolio Holder for Finance and Efficiency. This Group keeps the Council's capital investment strategy under continuous review, including the prioritisation of projects for inclusion in future capital investment programmes over the medium term. Regular reviews of the property portfolio will be carried out by the group to identify properties or land which could potentially be disposed of, following a consultation process in the case of significant proposals, and a capital receipt obtained from the sale.

Where suitable "Invest to Save" projects can be identified the Council will actively pursue such projects as it recognises the benefits, in the form of reduced costs falling on the General Fund Revenue Account, that can result from such investment.

The Council will seek, where practicable and economically justifiable, to develop its investment projects having regard to principles of sustainability, for example in relation to materials used and environmentally friendly modes of operation once in use, following construction or purchase.

Factors Influencing the Capital Programme

Projects for inclusion in the capital programme arise from a variety of sources, some of them internally generated and some arising from external factors. The more significant of these can be summarised diagrammatically as follows:

<u>INTERNAL</u>	<u>EXTERNAL</u>
Corporate Priorities, as set out in the Council Plan	Government sponsored programmes, e.g. Disabled Facilities Grants
Investment identified in Strategies, Policies and Plans	Unforeseen Emergency Works
Work needed to maintain Property Assets	Works required to comply with legislation, e.g. re disabled access, health and safety
Vehicles, Plant and Equipment replacement needs	Projects resulting from Partnership Activity
ICT Investment and Replacement	Availability of External Funding
Invest to Save Projects	Public expectation that works should be carried out

These are discussed in greater detail in sections below:

Links with Other Strategies, Policies and Plans

As well as the Council's Plan and the Capital Programme the Capital Strategy has clear links to many other strategies, policies and plans, the most significant of which are shown in the following table:

Key Strategies:
Economic Development Strategy
Health and Wellbeing Strategy
Stronger and Safer Communities Strategy

Other Strategies:
Asset Management Strategy
Investment Strategy
Medium Term Financial Strategy
Flexible Use of Capital Receipts Strategy
Service and Financial Plans
Procurement Strategy
North Staffs Green Spaces Strategy
Private Sector Housing Renewal Strategy
Housing Strategy
Arts and Cultural Strategy
Customer Access Strategy
Energy Efficiency and Climate Change Strategy and Carbon Reduction Plan
Treasury Management Strategy
Sustainable Community Strategy

An important link is to the Asset Management Strategy (AMS) in that many capital investment projects are related to the Council’s fixed assets, such as its stock of buildings. Needs and priorities identified in the AMS will require consideration for inclusion in the Council’s Capital Programme and have wider financial consequences. Equally important is the opportunity to generate capital receipts from the disposal of land/property where there is no current or likely future operational need.

The Investment Strategy sets out the Council’s policies and practices in relation to commercial investments, for example investments in property and will include information about any such proposals, including funding the expenditure and the effect upon the revenue budget. Expenditure relating to commercial investments will be capital and will be included in the capital programme.

The Medium Term Financial Strategy will take account of the revenue effect of capital investment.

The Flexible Use of Capital Receipts Strategy sets out the conditions and arrangements in place to flexibly use Capital Receipts for qualifying expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs or to improve the quality of service delivery in future years.

Appraisal, procurement and management of capital projects needs to be carried out with regard to the objectives, methodologies the principles and practices set out in the Procurement Strategy.

The various service based strategies will inform the Council’s capital investment process through their identification of areas for action and of priorities within individual service areas.

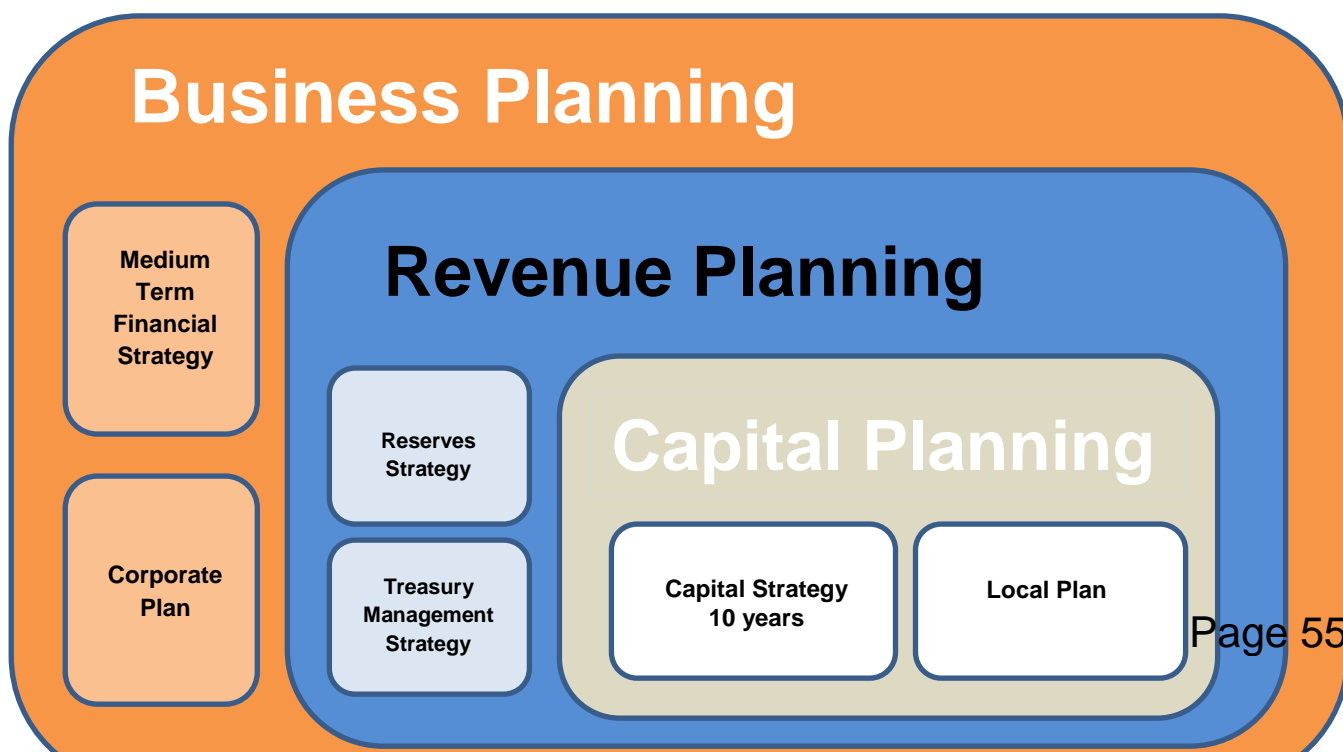
The Treasury Management Strategy needs to reflect planned capital spend, particularly with regard to setting limits for tying up money over the longer term and the limits relating to the amount of permitted borrowing.

In addition the Capital Strategy will be influenced by the results of any Service Reviews which have been carried out by the Council, either as part of the budget preparation process or as one-off exercises. Where these reviews identify areas of service which are to be discontinued, this may give rise to assets which will be available for disposal and possibly generate a capital receipt which will be available for funding further capital investment. Alternatively reviews may identify areas for investment, including potential “invest to save” projects, some of which may be capital investment.

The Council plans to set up a Revolving Investment Fund to assist in the generation of capital receipts and help fund future capital investments. A revolving fund is a fund or account that remains available to finance an organisation’s continuing operations without any fiscal year limitation, because the organisation replenishes the fund by repaying money used from the account from additional revenues or savings generated from investments. The Council proposes to set up a fund with an initial value of £1m which will be used to fund projects which will have an investment return. There are many different project areas which this fund could be applied to such as:-

- Digital Delivery Programme
- Asset Disposal
- Economic Growth
- Housing Growth Programme

Simple Business Planning Model



External Influences, Partners and Consultation with Other Interested Parties

The Council's capital investment plans are influenced by a number of external parties and factors: central government and its agencies, legislation requiring capital works, partner organisations, businesses, developers and by the needs and views of other interested parties, particularly those of Borough residents

Government sponsored initiatives and programmes will influence the projects which the Council will include in its capital investment plans. In particular, its Housing Investment Programme in which the Council participates with regard to Disabled Facilities Grants, this is a major area of investment where funding is provided by Government to meet a proportion of the costs of some of these activities. This funding currently consists mainly of grant payments to partially meet the cost of disabled facilities grants payable to eligible applicants.

Where it may be required by legislation to carry out works of a capital nature, such as to comply with the Disablement Disability Act or Health and Safety requirements, or anti-pollution regulations, the Council will consider the most effective way to discharge its obligations and appropriate provision will be made in its Capital Programme once it has determined that it shall carry out the necessary work and that this should be capitalised.

The Council works with a wide range of partners from the public, private, voluntary and community sectors, all of which have an influence over its spending priorities. Relationships with partners, including those concerning capital matters, will be governed by the Council's Partnerships Code of Practice. Wherever possible the Council will seek to work in partnership with others to deliver its capital investment programme in order to provide facilities which meet its own and partners' needs. When working with the private sector, the objective will be to maximise the benefits to the Council and the community from any projects, both in terms of outputs and in relation to obtaining funding for the project.

The Council is a participant in the Local Strategic Partnership (LSP) and will have regard to the content of its Sustainable Community Strategy together with any other elements of the partnership which relate to capital investment and may be able to use the capital programme as a means of fulfilling some of its obligations to the LSP.

Projects for consideration for inclusion in the Capital Programme may arise from the Council's participation in the Staffordshire and Stoke on Trent Local Enterprise Partnership (LEP) or similar sub-regional partnerships which seek to stimulate economic growth.

The Council has established a Town Centre Partnership, together with relevant parties such as representatives of retailers and businesses in the town centres of Newcastle and Kidsgrove. The partnership may identify proposals for town centre improvements which could place demands upon future capital programmes where such works align with the Council's economic development objectives. It may also present an opportunity for costs to be shared between the parties likely to benefit from their implementation.

The availability of external funding will also influence the projects which the Council will include in its capital investment plans. This is referred to in the following section of the Strategy.

Regard will be given to the Council's obligations under Disabled Access requirements in putting forward proposals for capital investment and in the design of any facilities which are proposed.

Wherever possible the principles of financial and environmental sustainability will be incorporated into any capital projects.

Resources Available to Finance Capital Investment

The following diagram shows the main sources of funding which are available to the Council to finance its capital investment. Individual projects may be financed solely by one of these or by a combination of a number of them.

<u>INTERNAL</u>	<u>EXTERNAL</u>
Capital Receipts in Hand	Government Grants
Reserves	Other Grants, e.g. Heritage Lottery Fund
New Capital Receipts from Asset Sales	Contributions from Partners
Revenue Contributions	Other Contributions
	Borrowing

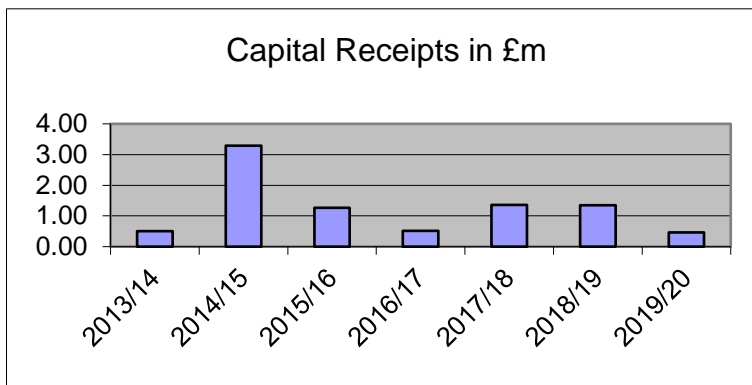
More details of these funding sources are given in the following paragraphs:

Capital Receipts have been the major source of funding for the Capital Programme in recent years. The amount of useable capital receipts in hand at 1 April 2019 was £2m. The majority of capital receipts are committed to finance the currently approved Capital Programme. Additional capital projects may be financed from capital receipts obtained by asset sales or other new capital streams.

A previously significant source of capital receipts has been the Council's continuing right to a share of receipts arising from tenants of Aspire Housing under the Right to Buy legislation. However, Right to

Buy sales have diminished from historically high levels, both because of the present depressed property market and there being fewer potential purchasers as time goes by. Future sales income is projected to be in the range of £0.3m to £0.5m per annum.

Capital receipts from sales of land and property (including covenant release payments) have been relatively modest in recent times.



The Asset Management Strategy sets out expected sales over the next ten years. It is anticipated that receipts from sales will increase in the medium term, enabling some increase in financing of capital investment from this source. The Capital Review Group meets on a bi-monthly basis and is responsible for the formulation of strategies in respect of income generation relating to asset disposals.

The ICT Development Fund is specifically earmarked for meeting the costs of ICT development, both capital and revenue. The balance on the Fund at 1 April 2019 was £0.49m. This balance is fully committed to financing projects included in the current ICT Development Programme plus certain ongoing revenue costs. Accordingly, the revenue budget provides for an annual contribution of £0.05m to be made to the Fund in order to replenish it. There are no other reserves currently available to finance capital investment.

The use of capital receipts and reserves to finance new capital projects has an effect upon investment income receipts and hence the General Fund Revenue Account. At current investment interest rates of around 0.5%, every £100,000 of such capital receipts or reserve balances used will cost £500 to the revenue account on an ongoing basis. The use of capital receipts and reserves to finance the Capital Programme 2019/20 was taken account of in the Medium Term Financial Strategy and in the 2019/20 Revenue Budget. Any receipts generated from the sale of assets will be invested until they are required to finance capital expenditure.

Wherever Government grants are available to meet all or part of the cost of capital projects the Council will ensure that these are applied for and used to maximise the amount of investment which can be made and the benefit which will result from that investment.

Funding will be sought towards the cost of capital projects from external parties wherever possible and appropriate. These will include property developers, central government and government agencies, funding bodies such as the National Lottery or the Football Foundation and partner organisations that

may join with the Council to bring forward particular projects of mutual benefit. In the current climate, however, the Council may find such sources of funding to be limited.

As a result of changes to the treatment of business rates collected by councils (as implemented by the Local Government Finance Act 2012), which allow part of the amount collected to be retained by them, a Stoke on Trent and Staffordshire Business Rates Pool has been established to pool retained rates relating to a number of Staffordshire authorities, including Newcastle Borough Council. This has benefits with regard to maximising the total amount retained, with the additional amount gained by pooling being available to participating authorities in a number of ways. One of the features of the pooling arrangement is the establishment of an investment fund to finance projects which will contribute to economic regeneration within the areas of the participating authorities.

The Council is presently debt free, having no long term loans outstanding. Its current policy, expressed in its Treasury Management Strategy for 2019/20, approved by Council on 20 February 2019, is:

“Previously borrowing has not been used to fund the capital programme because the Council has had sufficient reserves and useable capital receipts to finance capital expenditure. There will be a requirement to fund some capital expenditure by means of borrowing during the interim period before a permanent means of finance becomes available, for example whilst awaiting a capital receipt. Projections of the need for capital investment in projects necessary to ensure operational continuity over the next few years, together with projections of likely capital receipts arising from asset sales and the availability of reserves to finance this expenditure indicate that there will be an adverse gap between expenditure and resources to finance it. This increases the likelihood of borrowing being used, particularly as an interim measure to bridge the gap between expenditure being incurred and funds from asset sales being realised.”

The capital investment programme set out in Annex B will require a significant amount of borrowing if it is to be carried out in its entirety.

There is no intention to charge any capital investment directly to the General Fund Revenue Account.

The Council does not presently intend to consider the use of Private Finance Initiative type arrangements or tax increment financing to meet the cost of capital investment.

The Executive Director (Resources and Support Services) will prepare estimates of the resources which are presently in hand plus those likely to be available in future to finance capital investment. She will keep these estimates up to date and periodically report upon them to Cabinet and Council, particularly when the Capital Programme is being considered. The Council will decide on the appropriate form of financing for projects included in the Capital Programme based on advice from the Executive Director as to availability and the consequences and costs of use of the various options.

The need to have available liquid funds to be used to pay for capital projects will be considered when drawing up the Council’s Treasury Management Strategy. An appropriate limit will be placed on long term investments based on predictions of the capital spending profile over the period covered by the Strategy so that there are likely to be enough readily available easily cashable investments to meet requirements.

Revenue Implications

The impact, if any, upon the General Fund Revenue Account arising from capital investment proposals will be calculated and considered at the time projects are placed before Cabinet or Full Council for inclusion in the Approved Capital Programme or for specific approval. Such impact may be in the form of reduced interest receipts, where projects are to be financed from capital receipts or reserves, borrowing costs, if loan finance is to be employed, or additional running costs arising from the provision of a new or altered facility. Offset against these costs will be any savings which might accrue, for example from “invest to save” projects.

The Council will always have regard to the affordability of its proposed capital investments, in terms of the revenue implications arising.

The revenue implications of the capital programme will be taken account of in the Council’s Medium Term Financial Strategy.

Appraisal and Prioritisation of Investment Proposals

In accordance with the Council’s Financial Regulations proposals for new capital investment estimated to cost more than £20,000 will be subject to an appraisal process, whereby a business case will be made out for the proposal, considering its contribution towards meeting corporate objectives and service priorities, its outputs and milestones, its cost and sources of and its effect, if any, upon the revenue budget in future years. Less significant projects costing below £20,000 will be subject to a simplified process. All new capital investment proposals must be considered by the Capital Programme Review Group prior to specific Cabinet approval being requested. Before any project may be commenced Specific Cabinet approval must be obtained and the project will only be included in the approved Capital Programme, after considering its priority relative to other proposed projects and the overall level of resources available to fund the Capital Programme as a whole.

Work is being undertaken to develop the project prioritisation process further during 2019/20 in order to provide a robust, transparent and impartial basis for determining the relative merits of individual projects proposed for inclusion in the capital programme. No projects should be considered in isolation. They must be required to be measured against all other competing projects to determine which should go forward. This process should also apply to any projects which are proposed subsequent to the approval of the programme, to ensure that only those projects with a high priority are proceeded with and funds are not diverted to projects of a lesser priority.

A Risk Assessment, in the approved corporate format, will be completed for capital projects over £20,000.

Monitoring Arrangements and Project Management

Progress in relation to individual projects will be monitored through the Council’s arrangements for the monitoring of capital projects, which entail quarterly monitoring reports to be received by the Cabinet.

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The Capital Programme Review Group will also review project progress and corrective action will be initiated where projects fall behind schedule, appear likely to overspend or otherwise give cause for concern. Individual Project Forms will be maintained in respect of each project by the Executive Director (Resources and Support Services) which will track the progress of projects and be available to officers and members with an interest in reviewing progress of those projects.

All projects will be assigned to a named officer who will be responsible for overseeing the project, including project monitoring and control and implementing exception reports and, where appropriate, corrective action if the project deviates from its planned progress or cost.

Where complex major projects are to be carried out, consideration will be given to employing the Prince2 project management methodology.

All capital projects will be subject to Internal Audit review to ensure correct procedures have been followed and sums have been paid out in accordance with Financial Regulations and Standing Orders as they relate to contracts. Where projects have received funding from government or quasi-governmental sources, the expenditure will also be subject in many cases to external audit. European Union funded projects may also be subject to audit by auditors on behalf of that body. Where monitoring returns or claims for reimbursement of expenditure are required to be sent to funding bodies, these will be completed and forwarded promptly to the relevant body in compliance with any deadlines laid down by them.

All capital investment proposals and project progress and management are subject to the Council's scrutiny arrangements.

Statutory Framework

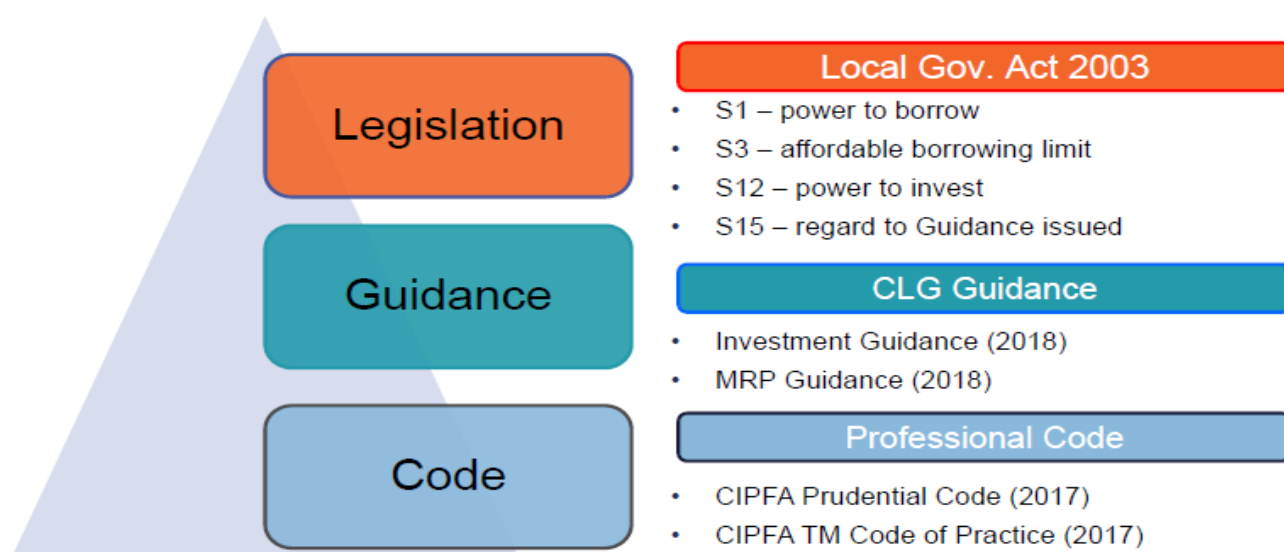
The Council's capital investment is carried out within the statutory framework laid down by the Local Government Act 2003 and regulations under that Act. Accordingly, only expenditure which fits the definition of capital expenditure contained in the Act or Regulations pursuant to it will be capitalised.

Capital expenditure is defined by the 2003 Act as that which falls to be capitalised in accordance with proper practices, which means in accordance with the Code of Practice on Local Authority Accounting, published by the Chartered Institute of Public Finance and Accountancy (CIPFA), applicable to all local authorities. Annex A sets out a summarised version of the definition provided by the Code. In addition there are a number of other types of expenditure that have been defined by Regulations as being treatable as capital in nature. Generally these do not apply to this Council.

It should be noted that the Act and Regulations are framed in a permissive way, allowing local authorities to capitalise expenditure which fits the definition but not forcing them to capitalise such expenditure. The Council will decide, therefore, whether to include a project meeting the capital definition in its capital programme or to meet its cost from a revenue account.

The Council does not set a minimum amount for the capitalisation of expenditure (de minimis level). Accordingly, any expenditure complying with the above definition may be capitalised.

Legal and Regulatory Requirements



Prudential Indicators

The Council shall ensure that all of its capital expenditure, investments and borrowing decisions are prudent and sustainable. In doing so it will take into account its arrangements for the repayment of debt and consideration of risk and the impact, and potential impact, on the Council's overall fiscal sustainability. The Council's prudential indicators (shown in Annex C) are as follows:-

- Estimates of capital expenditure

The Council will make reasonable estimates of the total of capital expenditure that it plans to incur during the forthcoming financial year and at least the following two financial years.

- Actual capital expenditure

After the year end, the actual capital expenditure incurred during the financial year will be recorded.

- Estimates of capital financing requirement

The Council will make reasonable estimates of the total capital financing requirement at the end of the forthcoming financial year and the following two years.

- Actual capital financing requirement

After the year end, the actual capital financing requirement will be calculated directly from the Council's balance sheet.

- Ratio of financing costs to net revenue streams

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs.

- Authorised limit on external borrowing

The Authorised Limit sets the maximum level of external borrowing on a gross basis (i.e. excluding investments) for the Council. This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.

- Operational boundary for external debt

This indicator refers to the means by which the authority manages its external debt to ensure it remains within the statutory authorised limit. It differs from the authorised limit in as far as it is based on the most likely scenario, in terms of capital spend and financing during the year.

- Gross debt and capital financing requirement

This is a key indicator of prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

Where the gross debt is greater than the capital financing requirement the reasons for this should be clearly stated in the annual treasury management strategy.

Procurement

Regard will be given to the contents of the Council's Procurement Strategy when considering the delivery of capital projects.

Where estimated project contract costs exceed the relevant statutory threshold, the appropriate EU or other tendering procedures will be followed.

Standing Orders relating to contracts will apply to all contracts proposed to be let in relation to capital projects, together with Financial Regulations and the provisions of the Council's scheme of Delegation.

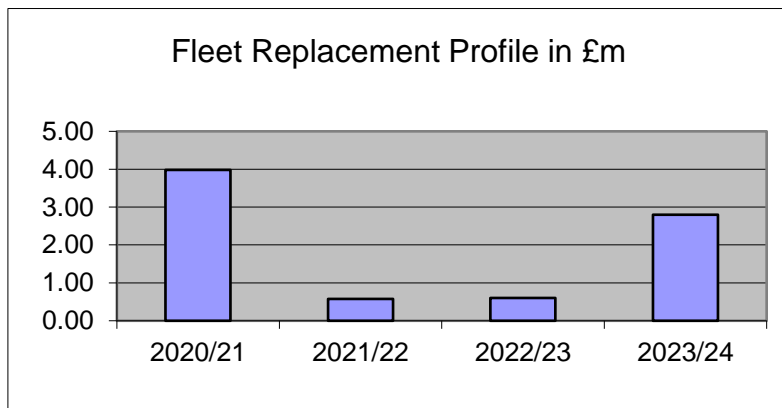
The achievement of Value for Money will be a guiding principle in the procurement of capital works and services and in managing contracts.

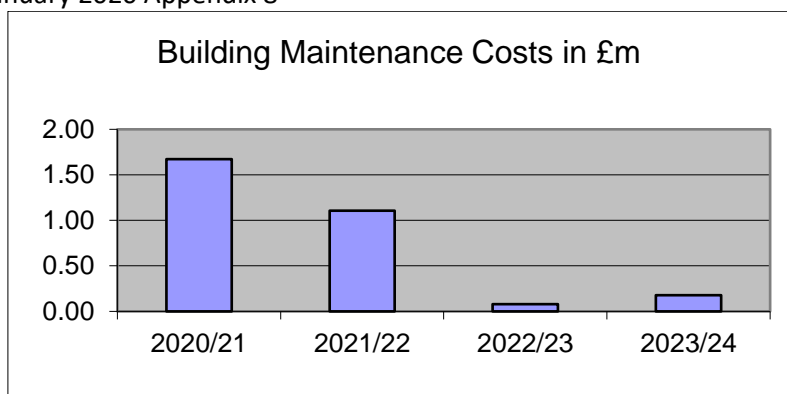
Future Capital Programme

Capital investment needs have been assessed over a ten year period (2020/21 to 2029/30) and are set out in Annex B.

During this period, there will be a need for some items of capital investment to be made in order to ensure continued service delivery or to comply with statutory requirements or to ensure health and safety of staff and public. Examples of these include: operational building repairs and maintenance; replacement of vehicles, plant and equipment required to deliver services; disabled facilities grants.

The following charts illustrate the scale of expenditure which the Council will need to fund over the next few years, in respect of fleet replacement, where existing items reach the end of their allotted life and in respect of operational building maintenance works, based on stock condition surveys carried out.





It may be possible to extend the lives of some of the vehicles, if they are in a fit condition when their replacement date is reached. Similarly some of the maintenance/improvement works to the Council’s operational properties may be capable of being deferred; periodic stock condition surveys will inform any decisions in this regard. Additionally, some properties may be deemed surplus to operational requirements and eligible for disposal in their current condition.

In addition to the essential works outlined above, there are significant amounts of expenditure which need to be incurred:

- in respect of the commercial portfolio in order to keep properties in a state of repair such as to continue to obtain a reasonable rental income
- to maintain various engineering structures such as walls, bridges, drains, and reservoirs to ensure safety to the public
- to enable agreed actions in relation to approved policies and strategies to be progressed and to meet other Council commitments.

Over the period 2020/21 to 2029/30 it is estimated that £3.6m (commercial properties), £2.4m (engineering structures) and £62.5m (in respect of policy and strategy commitments or similar) need to be spent.

Funding will depend on capital receipts from asset sales. There will be insufficient capital receipts arising from these planned sales to meet all of the costs of the investment programme. Accordingly, it is estimated that around £14.651m of expenditure will have to be funded from borrowing over the ten year period if the programme is to delivered in its entirety.

In addition, £15.182m of fleet replacement costs will need to be financed, either by leasing or prudential borrowing. For the purposes of completeness, Annex B assumes that these costs will be funded from prudential borrowing. However, this will be subject to a detailed appraisal to determine the most cost effective financing method.

The £15.182m of fleet replacement costs for the 10 year period are shown in the table below:-

Description	20/21 £m	21/22 £m	22/23 £m	23/24 £m	24/25 £m	25/26 £m	26/27 £m	27/28 £m	28/29 £m	29/30 £m	Total £m
Pest Control Vans					0.054					0.063	0.117

Leisure Vehicle					0.018					0.021	0.039
Facilities Management Vehicle					0.018					0.021	0.039
Mayors Car							0.080				0.080
Streetscene Vans	0.100	0.260	0.120		0.018	0.060	0.304	0.264		0.021	1.147
Streetscene Mowers	0.144			0.017	0.180				0.203	0.020	0.564
Streetscene Sweepers			0.124	0.392	0.152	0.157	0.140	0.440			1.405
Streetscene Tractors								0.335			0.335
Streetscene Tools	0.075	0.075			0.019	0.025	0.159	0.041			0.394
Streetscene Trailers			0.007		0.007	0.007		0.008		0.008	0.037
Waste Refuse Fleet	0.015	0.174		2.390		0.414		0.207		2.855	6.055
Waste Recycling Fleet – New Service	2.140						2.560				4.700
Waste JCB Diggers						0.085	0.088				0.173
Waste Van	0.018					0.079					0.097
Total	2.492	0.509	0.251	2.799	0.466	0.827	3.331	1.295	0.203	3.009	15.182

There will be a consequent cost to the revenue budget which will have to be included in the MTFS projections. Based on the expenditure shown in Annex B and forecasts of the amount and timing of receipts and current capital financing costs, the additional costs to the revenue budget will be around £8.19m over 10 years, with the costs in each year 2020/21 to 2029/30 being as shown below.

Year	Total £m
2020/21	0.04
2021/22	0.29
2022/23	0.59
2023/24	0.85
2024/25	1.07
2025/26	1.09
2026/27	1.10
2027/28	1.13
2028/29	1.15
2029/30	0.88
Total	8.19

A capital programme for 2020/21 to 2022/23 totalling £24.587m will be recommended to Full Council on 19 February 2020, consistent with the detail shown in Annex B. The prudential indicators that will apply for this 3 year period are set out at Annex C.

Funding for 2020/21 expenditure is likely to be available from the following sources:

- Further capital receipts from asset sales
- Right to Buy capital receipts
- Government grants
- Other external contributions
- Borrowing/Leasing

All of the above funding sources are likely to be limited so the programme only includes affordable projects.

As described earlier, current estimates of the amount required to be invested in projects to ensure continued service delivery and meet commitments compared with forecasts of likely receipts from asset sales and other available resources indicate that there will be insufficient resources available to fund all of these requirements. If forecast receipts from sales of assets cannot be achieved within this timeframe, the Council may have to review its stance with regard to borrowing, if this proves to be the only practical means of funding necessary investment, particularly if a major unforeseen item of capital expenditure were to materialise, for example major repairs to enable an operational building to continue to be used or new legislation requiring capital spending.

Annexes

Annex A

DEFINITION OF CAPITAL EXPENDITURE INCLUDED IN THE CODE OF PRACTICE ON LOCAL AUTHORITY ACCOUNTING IN THE UNITED KINGDOM

All expenditure that can be directly attributed to the acquisition, creation or enhancement of items of property, plant and equipment or the acquisition of rights over certain longer-term intangible benefits is accounted for on an accruals basis and capitalised as a non-current asset. It must be probable that the future economic benefits or service potential associated with the item will flow to the Council - the Council does not have to own the item but it must be more than likely that it has gained the right to use the item in the provision of services or to generate cash from it. In addition it must be possible to measure the cost of the item reliably.

Expenditure that should be capitalised will include expenditure on the:

- Acquisition, reclamation or laying out of land
- Acquisition, construction, preparation, enhancement or replacement of roads, buildings and

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other structures

- Acquisition, installation or replacement of movable or immovable plant, machinery, apparatus, vehicles and vessels

In this context, the definition of enhancement contained in the previous Code of Practice (SORP) is still applicable and means the carrying out of works which are intended to:

- Lengthen substantially the useful life of the asset, or
- Increase substantially the market value of the asset, or
- Increase substantially the extent to which the asset can or will be used for the purpose or in conjunction with the functions of the local authority concerned.

Under this definition, improvement works and structural repairs should be capitalised, whereas expenditure to ensure that the fixed asset maintains its previously assessed standard of performance should be recognised in the revenue account as it is incurred. Expenditure on existing fixed assets should be capitalised in three circumstances:

- Enhancement - see above
- Where a component of the fixed asset that has been treated separately for depreciation purposes and depreciated over its individual useful life is replaced or restored
- Where the subsequent expenditure relates to a major inspection or overhaul of a fixed asset that restores the benefits of the asset that have been consumed by the authority and have already been reflected in depreciation

Assets acquired on terms meeting the definition of a finance lease should be capitalised and included together with a liability to pay future rentals.

Where an asset is acquired for other than cash consideration or where payment is deferred the asset should be recognised and included in the balance sheet at fair value.

2020/21 to 2029/30 Capital Programme**Annex B**

CAPITAL PROJECTS	2020/21 to 2029/30 Proposed Programme										
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	TOTAL
	£	£	£	£	£	£	£	£	£	£	£
PRIORITY - Local Services that work for Local People											
Service Area - Council Modernisation	380,000	506,000	110,000	102,000	15,000	653,000	40,000	29,000	15,000	550,000	2,400,000
Total	380,000	506,000	110,000	102,000	15,000	653,000	40,000	29,000	15,000	550,000	2,400,000
PRIORITY - Growing our People and Places											
Service Area - Housing Improvements	1,070,000	1,080,000	2,615,000	2,625,000	2,675,000	2,775,000	2,975,000	3,500,000	5,125,000	3,125,000	27,565,000
Service Area - Managing Property & Assets	131,531	101,500	410,846	14,922	2,135	2,804	0	216,174	273,525	0	1,153,437
Total	1,201,531	1,181,500	3,025,846	2,639,922	2,677,135	2,777,804	2,975,000	3,716,174	5,398,525	3,125,000	28,718,437
PRIORITY - A Healthy, Active and Safe Borough											
Service Area - Environmental Health	10,000	0	0	60,000	0	12,000	0	0	0	0	82,000
Service Area - Streetscene and Bereavement Services	295,600	1,170,600	1,265,600	990,600	735,600	220,600	165,600	95,600	55,600	70,600	5,066,000
Service Area - Recycling and Fleet	3,766,000	609,500	351,000	2,899,500	565,500	1,026,500	3,431,000	1,395,000	303,000	3,109,000	17,456,000
Service Area - Leisure	3,682,000	331,000	687,000	17,000	17,000	150,000	0	0	0	0	4,884,000
Service Area - Museum	95,000	240,000	40,000	0	0	0	0	0	0	0	375,000
Service Area - Managing Property & Assets	55,547	40,456	273,403	220,498	89,622	819,395	215,754	219,340	329,716	0	2,263,731
Service Area - Engineering	165,873	140,193	806,287	1,287,105	0	0	0	0	0	0	2,399,457
Total	8,070,020	2,531,749	3,423,290	5,474,703	1,407,722	2,228,495	3,812,354	1,709,940	688,316	3,179,600	32,526,189
PRIORITY - A Town Centre for All											
Service Area - Managing Property & Assets	1,673,553	1,106,383	77,126	179,250	16,800	140,920	155,198	161,229	61,777	6,000	3,578,235
Total	1,673,553	1,106,383	77,126	179,250	16,800	140,920	155,198	161,229	61,777	6,000	3,578,235
CONTINGENCY/FEASIBILITY STUDIES	1,100,000	100,000	100,000	0	0	0	0	0	0	0	1,300,000
TOTAL	12,425,103	5,425,631	6,736,262	8,395,875	4,116,657	5,800,219	6,982,552	5,616,343	6,163,619	6,860,600	68,522,861
FUNDING											
Capital Receipts C/Fd from 2019/20	2,062,506										2,062,506
Flexible Use of Capital Receipts	-400,000										-400,000
Capital Receipts	4,330,000	500,000	500,000	500,000	8,000,000	8,000,000	8,000,000	8,000,000	500,000	500,000	38,830,000
External Contributions	2,065,000	2,765,000	1,015,000	1,025,000	1,015,000	1,025,000	1,015,000	1,015,000	1,025,000	1,015,000	12,980,000
Development Fund	50,000	50,000	50,000	50,000	15,000	50,000	40,000	29,000	15,000	50,000	399,000
Borrowing/Leasing	4,317,597	2,110,631	5,171,262	6,820,875	-4,913,343	-3,274,781	-2,072,448	-3,427,658	4,623,619	5,295,600	14,651,355

TOTAL	12,425,103	5,425,631	6,736,262	8,395,875	4,116,657	5,800,219	6,982,552	5,616,343	6,163,619	6,860,600	68,522,861
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Annex C – Prudential Indicators

Capital Prudential Indicators

Actual and Estimate of Capital Expenditure

31/03/19 Actual (£000's)	31/03/20 Estimate (£000's)	31/03/21 Estimate (£000's)	31/03/22 Estimate (£000's)	31/03/23 Estimate (£000's)
2,980	7,250	12,425	5,425	6,736

The Capital Financing Requirement (The Councils Borrowing Need)

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

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

The CFR projections are below:

31/03/19 Actual (£000's)	31/03/20 Estimate (£000's)	31/03/21 Estimate (£000's)	31/03/22 Estimate (£000's)	31/03/23 Estimate (£000's)
4,405	4,405	8,892	10,878	15,924

The amounts shown above from 2020/21 onwards allow the Council to borrow during those years to finance capital expenditure which cannot be funded from other revenue or capital resources. However, the likelihood of individual schemes, the timings and the amounts involved cannot be assessed with certainty at this point.

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

Affordability Prudential Indicators

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

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

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

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

	2018/19 Actual (£000's)	2019/20 Estimate (£000's)	2020/21 Estimate (£000's)	2021/22 Estimate (£000's)	2022/23 Estimate (£000's)
Net Revenue Stream	13,327	13,050	13,311	13,577	13,849
Financing Costs	(78)	12	140	386	688
Ratio	(0.59%)	0.09%	1.05%	2.85%	4.97%

Treasury Indicators

Limits to Borrowing Activity

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

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

The Operational Boundary

This is the limit beyond which external debt is not normally expected to exceed.

Operational boundary	2020/21 Estimate (£000's)	2021/22 Estimate (£000's)	2022/23 Estimate (£000's)	2023/24 Estimate (£000's)
Borrowing	75,000	75,000	75,000	75,000
Other long term liabilities	0	0	0	0

The Authorised Limit for External Borrowing

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

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

The Council is asked to approve the following authorised limit:

Authorised limit	2020/21 Estimate (£000s)	2021/22 Estimate (£000's)	2022/23 Estimate (£000's)	2023/24 Estimate (£000's)
Debt	85,000	85,000	85,000	85,000
Other Long Term Liabilities	0	0	0	0

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

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

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

	Borrowing		Investments	
	Upper	Lower	Upper	Lower
2019/20	100%	0%	100%	0%
2020/21	100%	0%	100%	0%
2021/22	100%	0%	100%	0%
2022/23	100%	0%	100%	0%

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

	Borrowing		Investments	
	Upper	Lower	Upper	Lower
2019/20	100%	0%	100%	0%
2020/21	100%	0%	100%	0%
2021/22	100%	0%	100%	0%
2022/23	100%	0%	100%	0%

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

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Treasury Management Strategy 2020/21



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Introduction

Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council may invest or borrow substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.

Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy.

Economic Situation

Highlights of the report supplied by Arlingclose Ltd.

External Context

Economic background: The UK's progress negotiating its exit from the European Union, together with its future trading arrangements, will continue to be a major influence on the Council's treasury management strategy for 2020/21.

UK Consumer Price Inflation (CPI) for September registered 1.7% year on year, unchanged from the previous month. Core inflation, which excludes the more volatile components, rose to 1.7% from 1.5% in August. The most recent labour market data for the three months to August 2019 showed the unemployment rate ticked back up to 3.9% while the employment rate was 75.9%, just below recent record-breaking highs. The headline 3-month average annual growth rate for pay was 3.8% in August as wages continue to rise steadily. In real terms, after adjusting for inflation, pay growth increased 1.9%.

GDP growth rose by 0.3% in the third quarter of 2019 from -0.2% in the previous three months with the annual rate falling further below its trend rate to 1.0% from 1.2%. Services and construction added positively to growth, by 0.6% and 0.4% respectively, while production was flat and agriculture recorded a fall of 0.2%. Looking ahead, the Bank of England's Monetary Policy Report forecasts economic growth to pick up during 2020 as Brexit-related uncertainties dissipate and provide a boost to business investment helping GDP reach 1.6% in Q4 2020, 1.8% in Q4 2021 and 2.1% in Q4 2022.

The Bank of England maintained Bank Rate to 0.75% in November following a 7-2 vote by the Monetary Policy Committee. Despite keeping rates on hold, MPC members did confirm that if Brexit uncertainty drags on or global growth fails to recover, they are prepared to cut interest rates as required. Moreover, the downward revisions to some of the growth projections in the Monetary Policy Report suggest the Committee may now be less convinced of the need to increase rates even if there is a Brexit deal.

Growth in Europe remains soft, driven by a weakening German economy which saw GDP fall -0.1% in Q2 and is expected to slip into a technical recession in Q3. Euro zone inflation was 0.8% year on year in September, well below the European Central Bank's target. In the US, the Federal Reserve began easing monetary policy again in 2019 as a pre-emptive strike against slowing global and US economic growth on the back on of the ongoing trade war with China.

Credit outlook: Credit conditions for larger UK banks have remained relatively benign over the past year. The UK's departure from the European Union was delayed three times in 2019 and while there remains some concern over a global economic slowdown, this has yet to manifest in any

credit issues for banks. Meanwhile, the post financial crisis banking reform is now largely complete, with the new ringfenced banks embedded in the market.

Challenger banks hit the news headlines in 2019 with Metro Bank and TSB Bank both suffering adverse publicity and falling customer numbers.

Looking forward, the potential for a “no-deal” Brexit and/or a global recession remain the major risks facing banks and building societies in 2020/21 and a cautious approach to bank deposits remains advisable.

Interest rate forecast: The Council’s treasury management adviser Arlingclose is forecasting that Bank Rate will remain at 0.75% until the end of 2022. The risks to this forecast are deemed to be significantly weighted to the downside, particularly given the upcoming general election, the need for greater clarity on Brexit and the continuing global economic slowdown. The Bank of England, having previously indicated interest rates may need to rise if a Brexit agreement was reached, stated in its November Monetary Policy Report and its Bank Rate decision (7-2 vote to hold rates) that the MPC now believe this is less likely even in the event of a deal.

Gilt yields have risen but remain at low levels and only some very modest upward movement from current levels are expected based on Arlingclose’s interest rate projections.

A more detailed economic and interest rate forecast provided by Arlingclose is attached at Annex A.

Local Context

On 30th November 2019, the Council held no borrowing and £8.0m of treasury investments. This is set out in further detail at Annex B. Forecast changes in these sums are shown in the balance sheet analysis in table below:

Balance Sheet Summary and Forecast	31/03/2019 Actual £m	31/03/2020 Forecast £m	31/03/2021 Forecast £m	31/03/2022 Forecast £m	31/03/2023 Forecast £m
General Fund CFR	4.4	4.4	8.9	10.8	15.9
Less: External borrowing	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Internal (over) borrowing	4.3	4.3	8.8	10.7	15.8
Less: Usable reserves	(6.4)	(6.4)	(6.4)	(6.4)	(6.4)
Less: Working capital	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
Treasury investments / (New borrowing)	2.6	2.6	(1.9)	(3.8)	(8.9)

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council’s current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing. Where borrowing is required this will be in line with Arlingclose’s current advice of doing so from other local authorities on a short term basis. This will be undertaken until it becomes advantageous to switch to long term debt, with the lowest cost option being considered, include such options as municipal bonds

The Council has an increasing CFR due to the capital programme, but minimal investments and may therefore be required to borrow over the forecast period. More details in relation to the Council’s CFR are included within the Capital Strategy.

CIPFA’s Prudential Code for Capital Finance in Local Authorities recommends that the Council’s total debt should be lower than its highest forecast CFR over the next three years. The table above shows that the Council expects to comply with this recommendation during 2019/20.

Borrowing Strategy

The Council does not currently hold any loans, as per the previous year, as part of its strategy for funding previous years' capital programmes.

The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead. These short term loans will be via local to local borrowing where possible, until a time where it becomes advantageous to switch to longer term debt, including municipal bonds on either a project by project, or overall global basis.

By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal or short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2020/21 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

Although not utilised in recent years, the Council has previously considered the option of long-term borrowing from the Public Works Loans Board (PWLB), but the government increased PWLB rates by 1% in October 2019 making it now a relatively expensive option. The Council will now look to borrow short term from other local authorities in the first instance and will then review any other sources of funding if required.

Alternatively, the Council may arrange forward starting loans during 2020/21, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Council may borrow short-term loans to cover unplanned cash flow shortages.

Sources of borrowing:

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

- PWLB and any successor body;
- any institution approved for investments (see below);
- any other bank or building society authorised to operate in the UK;
- any other UK public sector body;
- UK public and private sector pension funds;
- capital market bond investors; and
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues.

Other sources of debt finance: In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing;
- hire purchase; and
- sale and leaseback.

Municipal Bonds Agency: UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital

markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to Council.

Short-term and variable rate loans: These loans leave the Council exposed to the risk of short-term interest rate rises.

Debt rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

Investment Strategy

The Council can hold significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's investment balance has ranged between nil and £14 million, and similar levels are expected to be maintained in the forthcoming year.

The CIPFA Code requires the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

If the UK enters into a recession in 2020/21, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Given the increasing risk and very low returns from short-term unsecured bank investments, the Council aims to diversify into more secure and higher yielding asset classes during 2020/21.

Under the new IFRS 9 standard, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

The Council may invest its surplus funds with any of the counterparty types in the table below, subject to the cash limits (per counterparty) and the time limits shown.

Approved investment counterparties and limits

Credit rating	Banks unsecured	Banks secured	Government	Registered Providers
UK Govt / LA's (exc. S114)	n/a	n/a	£Unlimited 50 years	n/a
AAA	£7m – 5 years	£7m – 20 years	£10m – 50 years	£10m – 10 years
AA+	£7m – 5 years	£7m – 10 years	£10m – 25 years	£10m – 10 years
AA	£7m – 4 years	£7m – 5 years	£10m – 15 years	£10m – 10 years
AA-	£7m – 3 years	£7m – 4 years	£10m – 10 years	£10m – 10 years
A+	£7m – 2 years	£7m – 3 years	£10m – 5 years	£10m – 10 years
A	£7m – 13 months	£7m – 2 years	£10m – 5 years	£10m – 10 years
A-	£7m – 6 months	£7m – 13 months	£10m – 5 years	£10m – 10 years
None	£0	n/a	£0	£0
Pooled funds and real estate investment trusts			£2m per fund or trust	

The above limits apply to individual counterparties and represent the maximum amount and maximum duration of any investment per counterparty.

Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

Banks unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

Banks secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

Registered providers: Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are tightly regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

Pooled funds: Shares or units in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

Real estate investment trusts: Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties. Investments in REIT shares cannot be withdrawn but can be sold on the stock market to another investor.

Operational bank accounts: The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £7,000,000 per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

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

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

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

The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of

high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

Investment limits: In order that the Council will not be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government and Registered Providers) will be £7 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Investment limits

	Cash limit
Any single organisation, except the UK Central Government / Registered Providers	£7m each
UK Central Government	unlimited
UK Local Authorities	unlimited
Any group of organisations under the same ownership	£7m per group
Any group of pooled funds under the same management	£7m per manager
Negotiable instruments held in a broker's nominee account	£7m per broker
Foreign countries	£7m per country
Registered providers and registered social landlords	£10m in total
Unsecured investments with building societies	£7m in total
Money market funds	unlimited
Real estate investment trusts	£2m in total

Liquidity management: The Council uses cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium-term financial plan and cash flow forecast.

Non-treasury investments are covered by the Council's Investment Strategy.

Treasury Management Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators.

Security

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Target
Portfolio average credit rating	A

Maturity structure of borrowing

This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Limits to Borrowing Activity

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

Borrowing limits are set in order to enable the completion of the Council's Commercial Strategy, and will be funded via local to local borrowing until such time as it is advantageous to switch to long term debt. Advice on this will be sought from the Council's treasury management advisors.

The Operational Boundary

This is the limit beyond which external debt is not normally expected to exceed.

Operational boundary	2020/21 Estimate (£000's)	2021/22 Estimate (£000's)	2022/23 Estimate (£000's)	2023/24 Estimate (£000's)
Borrowing	75,000	75,000	75,000	75,000
Other long term liabilities	0	0	0	0

The Authorised Limit for External Borrowing

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

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

The Council is asked to approve the following authorised limit:

Authorised limit	2020/21 Estimate (£000's)	2021/22 Estimate (£000's)	2022/23 Estimate (£000's)	2023/24 Estimate (£000's)
Debt	85,000	85,000	85,000	85,000
Other Long Term Liabilities	0	0	0	0

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

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

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

	Borrowing		Investments	
	Upper	Lower	Upper	Lower
2020/21	100%	0%	100%	0%
2021/22	100%	0%	100%	0%
2022/23	100%	0%	100%	0%
2023/24	100%	0%	100%	0%

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

	Borrowing		Investments	
	Upper	Lower	Upper	Lower
2020/21	100%	0%	100%	0%
2021/22	100%	0%	100%	0%
2022/23	100%	0%	100%	0%
2023/24	100%	0%	100%	0%

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

Principal sums invested for periods longer than a year

The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price risk indicator	2020/21	2021/22	2022/23
Limit on principal invested beyond year end	£25m	£25m	£25m

Related Matters

The CIPFA Code requires the Council to include the following in its treasury management strategy.

Financial Derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk. The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

Markets in Financial Instruments Directive (MiFID II): The Council has retained retail client status with its providers of financial services, including advisers and banks, allowing it access to a smaller range of services but with the greater regulatory protections afforded to individuals and small companies. This is believed to be the most appropriate status given the size and range of the Council's treasury management activities. The Council may upgrade their client status to professional if the requirements to do so are met during the year. This will allow a greater range of services but without the same level of regulatory protections provided by retail client status.

Financial Implications

The budget for investment income in 2020/21 is £49k. If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different.

Other Options Considered

The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. It is believed that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Annex A – Arlingclose Economic & Interest Rate Forecast November 2019

Underlying assumptions:

- The global economy is entering a period of slower growth in response to political issues, primarily the trade policy stance of the US. The UK economy has displayed a marked slowdown in growth due to both Brexit uncertainty and the downturn in global activity. In response, global and UK interest rate expectations have eased.
- Some positivity on the trade negotiations between China and the US has prompted worst case economic scenarios to be pared back. However, information is limited, and upbeat expectations have been wrong before.
- Brexit has been delayed until 31 January 2020. While the General Election has maintained economic and political uncertainty, the opinion polls suggest the Conservative position in parliament may be strengthened, which reduces the chance of Brexit being further frustrated. A key concern is the limited transitional period following a January 2020 exit date, which will maintain and create additional uncertainty over the next few years.
- UK economic growth has stalled despite Q3 2019 GDP of 0.3%. Monthly figures indicate growth waned as the quarter progressed and survey data suggest falling household and business confidence. Both main political parties have promised substantial fiscal easing, which should help support growth.
- While the potential for divergent paths for UK monetary policy remain in the event of the General Election result, the weaker external environment severely limits potential upside movement in Bank Rate, while the slowing UK economy will place pressure on the MPC to loosen monetary policy. Indeed, two MPC members voted for an immediate cut in November 2019.
- Inflation is running below target at 1.7%. While the tight labour market risks medium-term domestically-driven inflationary pressure, slower global growth should reduce the prospect of externally driven pressure, although political turmoil could push up oil prices.
- Central bank actions and geopolitical risks will continue to produce significant volatility in financial markets, including bond markets.

Forecast:

- Although we have maintained our Bank Rate forecast at 0.75% for the foreseeable future, there are substantial risks to this forecast, dependant on General Election outcomes and the evolution of the global economy.
- Arlingclose judges that the risks are weighted to the downside.
- Gilt yields have risen but remain low due to the soft UK and global economic outlooks. US monetary policy and UK government spending will be key influences alongside UK monetary policy.
- We expect gilt yields to remain at relatively low levels for the foreseeable future and judge the risks to be broadly balanced.

	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Average
Official Bank Rate														
<i>Upside risk</i>	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.21
Arlingclose Central Case	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
<i>Downside risk</i>	-0.50	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.73
3-mth money market rate														
<i>Upside risk</i>	0.10	0.10	0.25	0.25	0.25	0.25	0.25	0.25	0.30	0.30	0.30	0.30	0.30	0.25
Arlingclose Central Case	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
<i>Downside risk</i>	-0.50	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.73
1-yr money market rate														
<i>Upside risk</i>	0.10	0.20	0.20	0.20	0.20	0.20	0.20	0.25	0.30	0.30	0.30	0.30	0.30	0.33
Arlingclose Central Case	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85
<i>Downside risk</i>	-0.30	-0.50	-0.55	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.60
5-yr gilt yield														
<i>Upside risk</i>	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.45	0.45	0.37
Arlingclose Central Case	0.50	0.50	0.50	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.57
<i>Downside risk</i>	-0.35	-0.50	-0.50	-0.55	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.56
10-yr gilt yield														
<i>Upside risk</i>	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.45	0.45	0.37
Arlingclose Central Case	0.75	0.75	0.80	0.80	0.85	0.85	0.90	0.90	0.95	0.95	1.00	1.00	1.00	0.88
<i>Downside risk</i>	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.45
20-yr gilt yield														
<i>Upside risk</i>	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.45	0.45	0.37
Arlingclose Central Case	1.20	1.20	1.25	1.25	1.25	1.30	1.30	1.30	1.35	1.35	1.35	1.40	1.40	1.30
<i>Downside risk</i>	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.50	-0.50	-0.45
50-yr gilt yield														
<i>Upside risk</i>	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.45	0.45	0.37
Arlingclose Central Case	1.20	1.20	1.25	1.25	1.25	1.30	1.30	1.30	1.35	1.35	1.35	1.40	1.40	1.30
<i>Downside risk</i>	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.50	-0.50	-0.45

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 1.80%

PWLB Local Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

Annex B – Existing Investment & Debt Portfolio Position

	30/11/2019 Actual Portfolio £m	30/11/2019 Average Rate %
<i>Treasury investments:</i>		
Banks & building societies (unsecured)	4.2	0.40
Government (incl. local authorities)	3.0	0.73
Money Market Funds	1.0	0.72
Total treasury investments	8.2	
Total external borrowing	0.0	
Net investments	8.2	

Annex C – Minimum Revenue Provision Policy

Background

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

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

Option 1 – Regulatory Method

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

Option 2 – Capital Financing Requirement Method

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

Option 3 – Asset Life Method

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

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

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

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

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

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

The alternative is the annuity method, which has the advantage of linking MRP to the flow of benefits from an asset where the benefits are expected to increase in later years. It may be particularly attractive in connection with projects promoting regeneration or administrative efficiencies or schemes where revenues will increase over time.

Option 4 – Depreciation Method

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

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

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

The MRP continues until the total provision made is equal to the original amount of the debt and may then cease.

If only part of the expenditure on the asset was financed by debt, the depreciation provision is proportionately reduced.

MRP Policy in respect of Finance Leases

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

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

MRP Policy – Other Capital Expenditure

Capital Financing Requirement (CFR)

The Council's CFR is currently positive. This means that there is a requirement to set aside a MRP for the redemption of debt. The Prudential Indicator for the CFR, shown at Table 1 in the Treasury Management Strategy, indicates that the CFR will become positive within the period covered by the Strategy. This is based on the assumption that there will be a general overall increase in expected capital expenditure, which cannot be funded from revenue or capital resources. Accordingly, the Council needs to determine the option it will employ to make the necessary MRP in respect of the amount borrowed, when this occurs.

Option for making MRP

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

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

Annex D – Treasury Management Glossary of Terms

- *Basis Points* – there are 100 basis points to 1%.
- *Credit Default Swap* – an additional assessment of credit worthiness by providing a risk analysis of changes in credit quality as perceived by the market.
- *CFR* – the Capital Financing Requirement is the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources.
- *CIPFA* – the Chartered Institute of Public Finance and Accountancy, is the professional body for accountants working in Local Government and other public sector organisations.
- *Counterparty* – an institution with whom a borrowing or investment transaction is made.
- *CPI* – a measure that examines the weighted average of prices of a basket of consumer goods and services. The Consumer Price Index is calculated by taking price changes for each item in the predetermined basket of goods/services and averaging them; the goods are weighted according to their importance. Changes in CPI are used to assess price changes associated with the cost of living.
- *Credit Rating* – is an opinion on the credit-worthiness of an institution, based on judgements about the future status of that institution. The main rating agencies are Fitch, Standard and Poor's and Moody's.
- *Depreciation* – the measure of the cost or revalued amount of the benefits of the fixed asset that have been consumed during the period. Consumption includes wearing out, using up or other reduction in the useful life of a fixed asset whether arising from use, time or obsolescence through either changes in technology or demand for the goods and services produced by the asset.
- *DMADF and DMO* – the DMADF is the 'Debt Management Account Deposit Facility' which is a highly secure fixed term deposit account with the Debt Management Office, part of Her Majesty's Treasury.
- *Forward Commitments* - agreeing in advance to place an investment with a borrower at a future specified date at an agreed interest rate.
- *GDP* – Gross Domestic Product is the market value of all officially recognised final goods and services produced within a country in a given period of time.
- *GILTS* – the name given to bonds issued by the UK Government. Gilts are issued bearing interest at a specified rate, however, they are traded on the markets like shares and their value rises or falls accordingly. The 'yield' on a gilt is the interest paid divided by the market value of that gilt.
- *IFRS (International Financial Reporting Standards)* – International accounting standards that govern the treatment and reporting of income and expenditure in an organisation's accounts, which came fully into effect from 1 April 2010.
- *Leasing* - a lease is a contractual arrangement calling for the lessee (user) to pay the lessor (owner) for use of an asset.
- *Liquidity* – relates to the amount of readily available or short term investment money which can be used for either day to day or unforeseen expenses. For example Call Accounts allow instant daily access to invested funds.
- *MHCLG* – Ministry of Housing, Communities, and Local Government (formerly the Department for Communities and Local Government).

- *Money Market Funds (MMF)* – Money Market Funds are investment funds that are invested by a Fund Manager in a wide range of money market instruments. MMF's are monitored by the official ratings agencies and due to many requirements that need to be fulfilled; the funds usually receive the highest quality rating (AAA) so provide minimal risk. They are very flexible and can be withdrawn in the same way as any other call deposit.
- *MPC* – interest rates are set by the Bank of England's Monetary Policy Committee. The MPC sets an interest rate it judges will enable the inflation target to be met
- *MRP* – the Minimum Revenue Provision represents the revenue charge for the repayment of debt.
- *PWLB* – the Public Works Loan Board is a statutory board that is run within the UK Debt Management Office (DMO), its function is to lend money to Local Authorities and other prescribed bodies.

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Investment Strategy 2019/20



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Introduction

This strategy is compiled according to the Ministry of Housing, Communities and Local Government's Guidance on Local Government Investments ("the Guidance") and the 2017 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code") It sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

The Guidance distinguishes between Treasury Management Investments and Other Investments. Treasury Management Investments are those which arise from the Council's cash flows and debt management activity and ultimately represent balances which need to be invested until the cash is required for use in the course of business. Other Investments are all those falling outside of normal treasury management activity, as defined above. They may be made with the express purpose of making a financial surplus for the Council, usually as a means towards balancing the revenue budget. They may be funded from borrowing where appropriate. The prime example referred to in the Guidance is direct investment in property assets. Loans, for example to voluntary organisations, local enterprises or joint ventures are also classified as Other Investments.

The Council invests its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as [treasury management investments](#)),
- to support local public services by lending to or buying shares in other organisations ([service investments](#)), and
- to earn investment income (known as [commercial investments](#) where this is the main purpose).

This investment strategy meets the requirements of statutory guidance issued by the government in January 2018, and focuses on the second and third of these categories.

Possible Revisions to the Strategy

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

Treasury Management Investments

The Council typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £0m and £14m during the 2020/21 financial year.

Contribution: The contribution that these investments make to the objectives of the Council is to support effective treasury management activities.

Further details: Full details of the Council's policies and its plan for 2020/21 for treasury management investments are covered in a separate document, the treasury management strategy.

Service Investments: Loans

Contribution: During 2019/20 the Council has not lent money to local charities, housing associations or any other bodies. However the Council would consider applications from such bodies individually, in order to support local public services and stimulate local economic growth.

Security: The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Council, upper limits on the outstanding loans to each category of borrower have been set as follows:

Loans for service purposes in £ thousands

Category of borrower	31/03/2019 Actual			2020/21
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Local charities	0	0	0	500
Housing associations	0	0	0	10,000
Other bodies	0	0	0	500
TOTAL	0	0	0	11,000

Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Council's statement of accounts are shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

Risk assessment: The Council assesses the risk of loss before entering into and whilst holding service loans on an individual basis for each proposal. The risks inherent in the proposal will be reported to members when it is placed before them for consideration together with an assessment of the likelihood of any of them materialising, their impact on the revenue budget and the mitigating controls that will be put in place. Risk factors to be assessed include:

- barriers to entry into and exit out of the market concerned;
- the nature and level of competition;
- how the market and customer needs will evolve over time;
- ongoing need for further investment to be made; and
- whether there is sufficient internal capacity to assess the business case and risks relating to the proposal.

An initial review of each proposal will be carried out by Council officers, intended to determine whether there are any risks apparent at that stage which indicate that the proposal should not be proceeded with. Provided this is not the case and it has also been determined that there is a worthwhile business case for further consideration, a more detailed risk assessment will be carried out. Where necessary, owing to lack of internal expertise, external advisors may be used to assist with the assessment of appropriate risks. Any other appropriate sources of information may be used to assess and monitor risk,

including credit ratings, if these are relevant. Data used to monitor ongoing risk will be reviewed regularly and appropriate action will be taken if there are any indications of increasing risk or risks materialising.

The Council will consider the following points:

- the degree to which the loan complies with corporate policies and furthers corporate objectives;
- the overall desirability of the activity which the loan is intended to fund;
- affordability in terms of the use of capital or other resources and impact on the revenue budget;
- the likelihood that the loan will be repaid in accordance with agreed terms; and
- the total amount of loans already made to ensure that as a whole the Council is not over-exposed to the risk of default.

All proposed loans will be subject to approval by members, normally via Full Council, following consideration of a report setting out all relevant matters, including compliance with the above criteria.

All loans will be subject to credit control arrangements to recover overdue repayments. Credit risk will be determined by reference to the “expected credit loss” model for loans and receivables as set out in International Reporting Standard (IFRS) 9 Financial Instruments.

Service Investments: Shares

Contribution: The Council currently does not invest in the shares of suppliers and local businesses in order to support local public services and stimulate local economic growth. This is due to the nature of the risks associated with investing in shares i.e. they are volatile and may fall in value meaning that the initial outlay may not be recovered. If the Council was to consider investing in shares, then in order to limit the risk, upper limits on the sum invested in each category of shares would need to be set.

Shares held for service purposes in £ thousands

Category of company	31/03/2019 actual			2020/21
	Amounts invested	Gains or losses	Value in accounts	Approved Limit
Suppliers	0	0	0	250
Local businesses	0	0	0	250
TOTAL	0	0	0	500

Non-specified Investments: Shares are the only investment type that the Council has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Council’s upper limits on non-specified investments. The Council has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

If the Council were to consider placing funds in any other type of investment which would be categorised as Non-Specified, the security of the capital sum would be the paramount concern. The same requirements as to credit ratings relating to Specified Investments will

apply, and in appropriate cases the advice of the Council's treasury management advisors will be sought.

Commercial Investments: Property

Contribution: The Council invests in local commercial property with the intention of making a profit that will be spent on local public services. These are held primarily to earn income to be used to support the revenue budget although in some cases there may also be a contribution towards the economic wellbeing of the Borough.

Security: In accordance with government guidance, the Council considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

A fair value assessment of the Council's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment.

The majority of the investment property portfolio was acquired some time ago and there is no debt associated with any of the properties and the initial investment costs have been recouped many years ago. Investment properties are valued at fair value. The values of the properties will fluctuate according to market conditions prevailing from time to time, however these fluctuations do not constitute losses of capital invested. The value of investment properties included in the Council's balance sheet as at 31 March 2019 is £16,415m.

If there are any new commercial investments funded from borrowing, their value will be monitored to determine whether it is sufficient to act as security for the capital invested and outstanding borrowing. If there is a significant fall in value then this will be reported to members.

Risk assessment: There are risks associated with making and holding commercial investments which require assessment and management.

With regard to the Council's current portfolio of commercial investments, comprising investment properties, the main risk is of not achieving the budgeted amount of income or of expenditure exceeding budgeted amounts. These risks are assessed and provided for via the assessment of the appropriate amount to hold in reserve in General Fund Balances. If the result of the assessment shows that current levels are inadequate, the necessary additional contribution will be made via inclusion in the Medium Term Financial Strategy.

With regard to consideration of proposed new commercial investment there will be additional risks to be assessed and taken account of. The degree of control which the Council has over the materialisation of these risks and its ability to mitigate them should they arise will be important considerations. In most, if not all, cases the Council will be operating in a competitive environment and possibly one which it is not experienced in operating within, all of which increases the level of risk.

A comprehensive risk assessment, taking account of all appropriate factors, will be carried out on an individual basis for each investment proposal. The risks inherent in the proposal will be reported to members when it is placed before them for consideration together with an assessment of the likelihood of any of them materialising, their impact on the revenue budget and otherwise and available mitigation measures. Risk factors to be assessed include:

- barriers to entry into and exit out of the market concerned;
- the nature and level of competition;
- how the market and customer needs will evolve over time;
- ongoing need for further investment to be made, for example to adapt investment property or repair defects or carry out cyclical maintenance; and

- whether there is sufficient internal capacity to assess the business case and risks relating to the proposal.

An initial review of each proposed investment will be carried out by Council officers, intended to determine whether there are any risks apparent at that stage which indicate that the proposal should not be proceeded with. Provided this is not the case and it has also been determined that there is a worthwhile business case for further consideration of the investment, a more detailed risk assessment will be carried out. Where necessary, owing to lack of internal expertise, external advisors may be used to assist with the assessment of appropriate risks. Any other appropriate sources of information may be used to assess and monitor risk, including credit ratings, if these are relevant. Data used to monitor ongoing risk will be reviewed regularly and appropriate action will be taken if there are any indications of increasing risk or risks materialising.

An independent review shall be undertaken by external investment property advisors on the Council's existing commercial property portfolio. The recommendations from this review will be actioned where necessary.

Liquidity: Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice, and can take a considerable period to sell in certain market conditions. There is no outstanding borrowing in relation to the current portfolio so any sales proceeds would be available in full to support capital investment.

In the case of any future commercial property investments, the likely degree of liquidity will be a consideration in deciding whether to make the investment.

Loan Commitments and Financial Guarantees

Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Council and are included here for completeness. To date, the Council is not contractually committed to make any loans.

Proportionality

The Council is dependent on profit generating investment activity to achieve a balanced revenue budget.

Net investment property income is subject to fluctuation according to market conditions and other factors such as bad debts and unforeseen expenditure. Accordingly the possibility of shortfalls in contribution towards the revenue budget from this source is one of the factors specifically taken into consideration in calculating the level of General Fund balance to be held as a contingency against adverse budget variances. Currently a total of £1,448m is held in balances to cover this and other risks and can be drawn upon in the event of risks materialising.

It is not planned to vary the amount of investment property held in the short term. However, in accordance with the Asset Management Strategy, all such property will be kept under review to determine whether the return obtained justifies retention and there may be instances where it is decided to dispose of property to obtain a capital receipt. The net contribution made towards balancing the revenue budget and the options for replacing any significant loss of income will be one of the factors taken into account when determining whether or not to dispose of a property.

Borrowing in Advance of Need

The Prudential Code for Capital Finance in Local Authorities (2017) issued by CIPFA states that local authorities should not borrow more than or in advance of their needs purely to profit from the investment of the extra sums borrowed. This is repeated in the Statutory Investment Guidance issued by the Ministry of Housing, Communities and Local Government.

The reasons for making an investment are unlikely to be purely in order to make a profit since investments may also be made with the intention of furthering corporate aims or service objectives, such as economic regeneration.

Accordingly, borrowing will be permitted in respect of Other Investments. The Council will consider each proposal to borrow on its merits. As well as the corporate or service benefits due regard will be given to the financial impact upon the revenue budget in terms of capital financing costs.

All borrowing will be subject to approval by members, normally via Full Council, following consideration of a report setting out all relevant matters, including those referred to above.

Capacity, Skills and Culture

Council members and staff involved in dealing with Other Investments will have regard to the provisions of the CIPFA Prudential Code and the regulatory regime within which local authorities operate when carrying out these functions.

Investment in commercial property is a specialist area and the Council will therefore commission external advice in order to effectively appraise investment proposals, negotiate with third parties or manage certain types of investment on an ongoing basis. The external advice will be commissioned on a case by case basis and where asset management is required external managers may need to be employed, particularly if investment is made in residential property.

Decisions to make Other Investments and the means of financing them will be subject to member approval. This will normally be by Full Council (but may be by Cabinet where permitted by the Council's Constitution). Members will consider a report setting out all matters relevant to the making of an investment before making a decision. The normal scrutiny and call-in arrangements will apply.

Investment Indicators

The Council has set the following quantitative indicators to allow elected members and the public to assess the Council's total risk exposure as a result of its investment decisions.

Gross and Net Income - Historic and Current Year

	2016/17 Actual	2017/18 Actual	2018/19 Actual	2019/20 Estimate
	£'000	£'000	£'000	£'000
Commercial Properties				
Gross Income	1,294	1,327	1,193	1,066
Gross Expenditure (exc. Recharges)	(749)	(871)	(934)	(920)
Net Income	545	456	259	146
Net Service Expenditure (Whole Council)	(6,510)	(6,776)	(7,011)	(7,280)
Ratio of Net Income to Net Service Expenditure	8.37%	6.73%	3.69%	2.01%

Gross and Net Income - Over Period of Approved Medium Term Financial Strategy 2020/21 to 2024/25 – Based on 2% increase on 2019/20

	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
	£'000	£'000	£'000	£'000	£'000
Gross Income	1,024	1,045	1,066	1,087	1,109
Gross Expenditure	(524)	(535)	(545)	(556)	(567)
Net Income	500	510	521	531	542

Vacancy Levels

2016/17 Actual	2017/18 Actual	2018/19 Actual	2019/20 Actual at Q2	2019/20 Target
%	%	%	%	%
8.3	7.7	10.1	8.3	12.0

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NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S REPORT TO CABINET

15 January, 2020

Report Title: Scale of Fees and Charges

Submitted by: Executive Director (Resources and Support Services)

Portfolio: Finance and Efficiency

Wards(s) affected: All

Purpose of the Report

To obtain approval for the proposed scale of fees and charges to apply from 1 April 2020.

Recommendation

(a) That the fees and charges proposed to apply from 1 April 2020, as set out in Appendix 1 be approved.

Reasons

It is necessary to review the fees and charges which the Council makes in order to keep them in line with the cost of service provision, ensure compliance with the Charging Policy and to establish the amounts to be included in the 2020/21 budget.

1. Background

- 1.1 The Cabinet is asked annually to consider proposals for the fees and charges to be applied during the following financial year. It is proposed that the new fees and charges set out at Appendix 1 should take effect from 1 April 2020 and remain in force until 31 March 2021.
- 1.2 The Council has an approved Charging Policy (the most recent version of which was approved by Cabinet on 10 September 2014), which is followed when fees and charges are proposed and agreed. This sets out the criteria that should be taken into consideration when establishing the amounts to be charged.

2. Issues

- 2.1 The Medium Term Financial Strategy, reviewed by the Cabinet on 16 October 2019, assumed an overall 3% increase in the amount of income raised from fees and charges in 2020/21 in line with assumptions about the rate of inflation over the period that these charges will be in force, reflecting the real increases in costs being incurred by services.
- 2.2 The proposals made vary between minimal decreases, freezes in fees and charges and increases. When these proposals are applied to the appropriate income budgets they fall broadly in line with the assumed overall 3% increase.
- 2.3 Most of the fees and charges are inclusive of VAT but in some cases no VAT is chargeable or VAT is added to the fee or charge. The VAT status of individual fees and charges is shown in Appendix 1.

- 2.4 When considering the level of fees and charges the principles contained in the Charging Policy, as approved by Cabinet on 10 September 2014, should be followed.
- 2.5 In drawing up the proposed fees and charges for 2020/21 these have been considered by Heads of Service who were provided with a copy of the Charging Policy and were requested to ensure that their charges were set in accordance with the Charging Policy, taking into account:
- The cost of providing the service;
 - How much income it is desired to generate and why;
 - Comparison of charges made by other Councils or providers of similar services;
 - Whose use of services it is desired to subsidise and by how much;
 - Whose behaviour it is desired to influence and in what ways;
 - How will charges help to improve value for money, equity and access to services;
 - Will the cost of collecting the income outweigh the income likely to be collected; and
 - Any other relevant factors.
- 2.6 It is acceptable for charges to be set at a level where costs are not fully recovered. There may be particular reasons for doing so, such as a desire to encourage take up of a service by specified groups, for example the unemployed, benefits recipients, the elderly, disabled persons or children, or to influence particular forms or patterns of behaviour.
- 2.7 The decision to charge less than cost ought to be a conscious one, taken by members and justified by reference to the reasons for setting charges at less than cost as set out in the charging principles contained in section 5 of the Charging Policy, shown in Appendix 2.
- 2.8 The Scale of Fees and Charges (Appendix 1) shows the current and proposed fees and charges for 2020/21 and indicates those which have been frozen at current levels. There are a number of new charges proposed for 2020/21. The table below shows these:

New Charges - Description of Charge	Fee / Charge 2020/21 (£)
LEISURE CHARGES	
<u>Jubilee 2</u>	
<i>Junior Memberships</i>	
DJD Junior Dance - Daniel Jones Dance Junior Membership	21.00
<i>ClubLyme Membership Charges Adults:</i>	
(including gym, classes, swim, climbing, aqua sauna, table tennis)	3%
<i>Legacy Off Peak Memberships annual % increase (rounded to nearest 10p)</i>	
<i>Casual Usage (Gym, Climb, Dance or Classes - up to two hours)</i>	
Junior Lyme Card Price	3.60
<i>Swimming Lessons</i>	
Adult swimming lesson (30 minutes) monthly direct debit	36.00
Junior swimming lesson (30 minutes) monthly direct debit - minimum block of 12	24.00

New Charges - Description of Charge	Fee / Charge 2020/21 (£)
<i>Private Lessons</i>	
1:1 swim lesson (per 30 minutes)	20.00
1:1 dance lesson with DJD Dance - 30 minutes	20.00
1:1 dance lesson with DJD Dance - 30 minutes, block of four lessons	70.00
PEST CONTROL	
Bedbugs / Cockroaches (domestic) - prepayment	100.00
Bedbugs / Cockroaches (domestic) - payment by invoice	120.00

- 2.9 Although Pest Control fees for bedbugs and cockroaches is classed as a new charge, this service has previously been provided under the general insect treatment. However due to the additional materials, staff resources and higher costs associated with these treatments this has now been separated.
- 2.10 The Council has introduced a number of dance based classes at Jubilee 2, under the sub brand of DJD Dance. This includes a monthly dance membership for junior members plus the introduction of one to one lessons.
- 2.11 Due to the ability for swimming lessons fees to be collected by monthly direct debit, new fees have been introduced to facilitate this.
- 2.12 Finally Jubilee 2 has simplified the fee in relation to ClubLyme membership charges. Moving forward there will only be a peak membership charge, with the removal of any new off-peak memberships. Therefore an inflationary figure has been included in the fees and charges for legacy off-peak memberships, in line with the 3% increase within the Medium Term Financial Strategy. This annual increase is designed to encourage existing members to re-join on the peak membership.
- 2.13 A premium of 50% is proposed to be introduced for non-residents of the Borough of Newcastle-under-Lyme for Bereavement Services charges in relation to fees under the headings of internment fees and the purchase of graves contained within the Scale of Fees and Charges. The additional income raised via this premium will be utilised to enable increased levels of maintenance within the grounds of Cemeteries and the Crematorium.
- 2.14 A number of car parking charges have changed following the approval of the Council's Car Parking Strategy 2019 - 2029 that was submitted to Cabinet on 16 October 2019. This has included the introduction of a £1 after 1pm scheme which is already in force.
- 2.15 A number of fees and charges approved for 2019/20 have been deleted from the proposed fees and charges for 2020/21. The table below shows these:

Deleted Charges - Description of Charge	Fee/Charge 2019/20 (£)
CAR PARKS	
<u>Discount for block purchase of permits</u>	
Discount for purchase of 10 or more permits	10%
Cost per quarterly permit if 100 plus Band A permits purchased (subject to minimum 1 year term)	170.00
Cost per quarterly permit if 100 plus Band C permits purchased (subject to minimum 1 year term)	110.00

Deleted Charges - Description of Charge	Fee/Charge 2019/20 (£)
<u>Ryecroft (Zone B)</u>	
Business Improvement District Permits (Area C)	170.00
DOG WARDEN SERVICE	
Event Equipment Hire	25% of cost
LEISURE CHARGES	
<u>Sport & Football Development</u>	
Mini kickers per block	25.00
Sports Development Activities up to 2 hours	3.50
<u>Jubilee 2</u>	
<i>Instructed Courses</i>	
Junior – 6 x 45 minute sessions	37.00
Adult – 3 x 45 minute sessions	37.00
<i>ClubLyme Membership Charges Adults: (including gym, classes, swim, climbing, aqua sauna, table tennis)</i>	
Off peak (Monday to Friday 6.30am-5pm & weekends) - 6 month minimum contract - payment monthly by direct debit	24.50
Off peak (Monday to Friday 6.30am-5pm & weekends) - no contract - per month	29.00
Off peak (Monday to Friday 6.30am-5pm & weekends) - 12 month membership for price of 11 months - payable in advance	269.50
Corporate membership - off peak (includes Students)	21.50
Corporate Budget Membership (restricted hours) (including gym, swim, climbing and classes)	11.00
Couple membership 1 DD Minimum Six DD payments membership 15% of standard DD price (new contract must be entered into)	15%
Three day pass (to be used within 10 days from issue)	11.00
<i>Studio Hire:</i>	
Party set up/clean up	13.00
<i>Swim</i>	
Osteo class - adult only	3.80
<i>Casual Usage (Gym, Climb, Dance or Classes - up to two hours)</i>	
10 visit pass any activity 85% of Lyme Card price valid for 30 days from date of purchase	39.00

Deleted Charges - Description of Charge	Fee/Charge 2019/20 (£)
<i>Swimming Pool Hire</i> Shelton Therapy Club 60 minute	55.00
MUSEUM & ART GALLERY	
Other prints not on www.staffordshire.org.uk	Cost +100%
Photocopies (colour)	2.10
A4 - scanned images	5.00
CD Rom - image/emailed image (per image)	16.00
Community publication	14.00
Commercial publication	48.00
Regional TV, film & video - per item	80.00
UK network TV - per item	99.00
Overseas TV - per item	198.00
Education session (Romans) per pupil	6.75
Adult history courses - 8 weeks	68.00
Adult history courses - 8 weeks – concession	62.00
<u>Event Fees</u>	
Craft fairs per table - per day	16.00
Hall gallery weekly charge (non-Newcastle artists/organisations)	12.00
STREET TRADING	
Consent trading (daily, electricity)	4.00

- 2.13 As highlighted above at 2.13, Cabinet approved the Car Parking Strategy 2019 – 2029 in October 2019. This strategy made amendments to the car parking permits including a proposal for the Newcastle BID to take over the running of the Goose Street car park, and as a consequence the fees highlighted in the table above are no longer required.
- 2.14 Following the change in policy regarding the Jubilee 2 membership structure, any existing off-peak memberships have been removed. This in line with 2.12 above. In addition the budget corporate membership has been removed due to minimal uptake.
- 2.15 The remaining fees listed above relate to services and items that are no longer being provided and therefore have been removed.
- 2.16 Due to the commercial sensitivity of the proposed charges for the trade waste service, these are not included on part 1 of the agenda and are exempt from publication by reasons of paragraph 3 of part 1 of schedule 12a of the Local Government Act 1972. The proposed charges can be found in part 2 of the agenda.
- 2.17 Pre Planning Advice fees have been increased by circa 3%, although a more detailed review of the planning fee structure (non-statutory) will be undertaken once the new Head of Service has commenced their role.

2.18 Charges in relation to licencing are currently in the process of being finalised due to an overall review that aims to achieve full cost recovery. These fees are to be presented at the meeting of Public Protection Committee on 8th January 2020. Following approval by the committee these fees will be subject to a 28 day consultation period.

3. **Proposal**

3.1 That the fees and charges proposed to apply from 1 April 2020, as set out in Appendix 1 be approved.

4. **Reason for Preferred Solution**

4.1 Applying selective increases to fees and charges will enable economic activity to be promoted within the Borough. It will also contribute to the delivery of a sustainable budget for 2020/21 and later years and will help to keep fees and charges in line with the cost of service provision.

5. **Legal and Statutory Implications**

5.1 Statutory charges are included in the scale of fees and charges, and are noted as such. These are set by the government rather than by the Council. Land Charges and Licensing fees are set in accordance with a statutory requirement to balance income with expenditure. All other charges may be set by the Council in accordance with its Charging Policy.

6. **Financial and Resource Implications**

6.1 The approved levels of fees and charges will be incorporated in the General Fund Budget for 2020/21.

6.2 The Medium Term Financial Strategy (MTFS) assumes increased income of £120,000 from an average increase of 3% across the existing range of fees and charges.

6.3 The proposals made vary between minimal decreases to increases. When these proposals are applied to the appropriate income budgets they fall broadly in line with the assumed overall 3% increase.

7. **Major Risks**

7.1 A major risk is that the current depressed economic situation leads to less demand from users of Council services, resulting in significant loss of income. The level of charges will in some cases influence this demand.

8. **Key Decision Information**

8.1 This is a key decision; it has been included in the Forward Plan.

9. **List of Appendices**

Appendix 1 – Proposed charges from 1 April 2020

Appendix 2 – Charging principles included in Charging Policy

SCALE OF FEES AND CHARGES 2020/21

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	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
ALLOTMENTS				Cabinet	No VAT
Rent (per annum) per square metre Note: 20% concession for Junior/60+/Unemployed	0.44	0.46	0.02		
BULKY RECYCLING				Cabinet	No VAT
1-3 Items non reusable/waste items	37.50	38.50	1.00		
4-6 Items non reusable/waste items	60.00	61.50	1.50		
7-9 Items non reusable/waste items	75.00	77.00	2.00		
Additional items non reusable/waste items	11.00	11.50	0.50		
Reusable items	Free	Free	N/A		
BUS DEPARTURE CHARGES				Cabinet	Plus VAT
Fee per departure	0.22	0.23	0.01		
CAR PARKS					
Charges for Infringements					No VAT
Civic parking enforcement - higher charge	70.00	70.00	Freeze		
Civic parking enforcement - lower charge	50.00	50.00	Freeze		
Discount for block purchase of permits					
Discount for purchase of 20 or more permits	0.20	20.00	19.80		
Construction permit (max of 1 week permit)					VAT Incl.
Initial day rate	15.00	15.00	Freeze		
Additional days	6.00	6.00	Freeze		
Bankside				Cabinet	VAT Incl.
Season ticket - per quarter	150.00	156.00	6.00		
Each additional permit for the same numbered bay - per quarter	25.00	25.00	Freeze		
Overnight quarterly permit	60.00	60.00	Freeze		
Blackfriars (Zone C)				Cabinet	VAT Incl.
Up to 1 hour	1.00	1.00	Freeze		
Up to 2 hours	1.50	1.50	Freeze		
Up to 3 hours	2.00	2.00	Freeze		

	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
Up to 4 hours	2.50	2.50	Freeze		
Up to 6 hours	3.00	3.00	Freeze		
6 hours to 24 hours	3.50	3.50	Freeze		
Season ticket - per quarter	150.00	156.00	6.00		
Overnight 1pm to 8am	1.00	1.00	Freeze		
Overnight quarterly permit	60.00	60.00	Freeze		
Bank Holiday	1.00	1.00	Freeze		
Event Parking	1.00	1.00	Freeze		
Cherry Orchard (Zone B)				Cabinet	VAT Incl.
Up to 1 hour	1.00	1.00	Freeze		
Up to 2 hours	1.90	1.90	Freeze		
Up to 3 hours	2.80	2.80	Freeze		
Up to 4 hours	4.00	4.00	Freeze		
4 hours to 24 hours	5.20	5.20	Freeze		
Season ticket - per quarter	230.00	156.00	-74.00		
Overnight 1pm to 8am	1.00	1.00	Freeze		
Overnight quarterly permit	60.00	60.00	Freeze		
Bank Holiday	1.00	1.00	Freeze		
Event Parking	1.00	1.00	Freeze		
Civic Offices - Saturdays Only (Zone A)				Cabinet	VAT Incl.
Up to 1 hour	1.00	1.00	Freeze		
Up to 2 hours	1.90	1.90	Freeze		
Up to 3 hours	2.80	2.80	Freeze		
Up to 4 hours	4.00	4.00	Freeze		
Event Parking	1.00	1.00	Freeze		
Corporation Street/Merrial Street (Zone A)				Cabinet	VAT Incl.
Up to 1/2 hour	0.80	0.80	Freeze		
Up to 1 hour	1.50	1.50	Freeze		
Overnight 1pm to 8am	1.00	1.00	Freeze		
Overnight quarterly permit	60.00	60.00	Freeze		
Bank Holiday	1.50	1.50	Freeze		
Event Parking	1.50	1.50	Freeze		
Fogg Street East (Zone A)				Cabinet	VAT Incl.
Season ticket - per quarter	230.00	156.00	-74.00		
Each additional permit for the same numbered bay - per quarter	25.00	25.00	Freeze		
Overnight quarterly permit	60.00	60.00	Freeze		

	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
Goose Street (Zone B)				Cabinet	VAT Incl.
Up to 1 hour	1.00	1.00	Freeze		
Up to 2 hours	1.90	1.90	Freeze		
Up to 3 hours	2.80	2.80	Freeze		
Up to 4 hours	4.00	4.00	Freeze		
4 hours to 24 hours	5.20	5.20	Freeze		
Season ticket - per quarter	230.00	156.00	-74.00		
Overnight 1pm to 8am	1.00	1.00	Freeze		
Overnight quarterly permit	60.00	60.00	Freeze		
Bank Holiday	1.00	1.00	Freeze		
Event Parking	1.00	1.00	Freeze		
Hassell Street (Zone B)				Cabinet	VAT Incl.
Up to 1 hour	1.00	1.00	Freeze		
Up to 2 hours	1.90	1.90	Freeze		
Up to 3 hours	2.80	2.80	Freeze		
Up to 4 hours	4.00	4.00	Freeze		
4 hours to 24 hours	5.20	5.20	Freeze		
Season ticket - per quarter	230.00	156.00	-74.00		
Resident permit - per quarter	50.00	60.00	10.00		
Overnight 1pm to 8am	1.00	1.00	Freeze		
Overnight quarterly permit	60.00	60.00	Freeze		
Bank Holiday	1.00	1.00	Freeze		
Event Parking	1.00	1.00	Freeze		
High Street (Rear of)				Cabinet	VAT Incl.
Season ticket - per quarter	230.00	156.00	-74.00		
Each additional permit for the same numbered bay - per quarter	25.00	25.00	Freeze		
Overnight quarterly permit	60.00	60.00	Freeze		
King Street (Zone C)				Cabinet	VAT Incl.
Up to 1 hour	1.00	1.00	Freeze		
Up to 2 hours	1.50	1.50	Freeze		
Up to 3 hours	2.00	2.00	Freeze		
Up to 4 hours	2.50	2.50	Freeze		
Up to 6 hours	3.00	3.00	Freeze		
6 hours to 24 hours	3.50	3.50	Freeze		
Season Ticket - per quarter	150.00	156.00	6.00		
Overnight 1pm to 8am	1.00	1.00	Freeze		
Overnight quarterly permit	60.00	60.00	Freeze		

	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
Bank Holiday	1.00	1.00	Freeze		
Event Parking	1.00	1.00	Freeze		
Lyme Valley					
Up to 2 hours	Free	Free	N/A	Cabinet	VAT Incl.
Up to 3 hours	3.20	3.20	Freeze		
Up to 3 hours – Buckmaster Ave	Free	Free	N/A		
Up to 4 hours	4.25	4.25	Freeze		
4 - 24 hours	6.00	6.00	Freeze		
Lyme Valley A34 Season Ticket - per quarter	150.00	156.00	6.00		
Lyme Valley Buckmaster Ave - Season Ticket - per quarter	150.00	156.00	6.00		
Lyme Valley - LymeValley Road Season Ticket - per quarter	150.00	156.00	6.00		
Bank Holiday	Free	Free	N/A		
Midway (Zone A)				Cabinet	VAT Incl.
Up to 1 hour	1.10	1.10	Freeze		
Up to 2 hours	2.10	2.10	Freeze		
Up to 3 hours	3.20	3.20	Freeze		
Up to 4 hours	4.25	4.25	Freeze		
Up to 24 hours	6.00	6.00	Freeze		
Season ticket - per quarter	230.00	156.00	-74.00		
Overnight 1pm to 8am (closed at 9pm Mon-Sat and 5.30pm on Sunday))	1.00	1.00	Freeze		
Overnight quarterly permit	60.00	60.00	Freeze		
Bank Holiday	1.10	1.10	Freeze		
Event Parking	1.10	1.10	Freeze		
Ryecroft (Zone B)				Cabinet	VAT Incl.
Up to 1 hour	1.10	1.10	Freeze		
Up to 2 hours	2.10	2.10	Freeze		
Up to 3 hours	3.20	3.20	Freeze		
Up to 4 hours	4.25	4.25	Freeze		
Up to 24 hours	6.00	6.00	Freeze		
Overnight 1pm to 8am	1.10	1.10	Freeze		
Bank Holiday	1.10	1.10	Freeze		
Event Parking	1.10	1.10	Freeze		
School Street/Barracks Road (Zone B)				Cabinet	VAT Incl.
Up to 1 hour	1.00	1.00	Freeze		
Up to 2 hours	1.90	1.90	Freeze		

	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
Up to 3 hours	2.80	2.80	Freeze		
Season ticket - per quarter	230.00	156.00	-74.00		
Overnight 1pm to 8am	1.00	1.00	Freeze		
Overnight quarterly permit	60.00	60.00	Freeze		
Bank Holiday	1.00	1.00	Freeze		
Event Parking	1.00	1.00	Freeze		
Silverdale Road (Zone C)				Cabinet	VAT Incl.
Up to 1 hour	1.00	1.00	Freeze		
Up to 2 hours	1.50	1.50	Freeze		
Up to 3 hours	2.00	2.00	Freeze		
Up to 6 hours	3.00	3.00	Freeze		
6 hours to 24 hours	3.50	3.50	Freeze		
Season ticket - per quarter	150.00	156.00	6.00		
Resident permit - per quarter	60.00	60.00	Freeze		
Overnight 1pm to 8am	1.00	1.00	Freeze		
Overnight quarterly permit	60.00	60.00	Freeze		
Bank Holiday	1.00	1.00	Freeze		
Event Parking	1.00	1.00	Freeze		
Windsor Street (Zone B)				Cabinet	VAT Incl.
Up to 1 hour	1.00	1.00	Freeze		
Up to 2 hours	2.00	2.00	Freeze		
Season ticket - after school (30 minutes)	30.00	30.00	Freeze		
Overnight 1pm to 8am	1.00	1.00	Freeze		
Overnight quarterly permit	60.00	60.00	Freeze		
Bank Holiday	1.00	1.00	Freeze		
Event Parking	1.00	1.00	Freeze		
CEMETERIES					
<i>*All fees listed under 'Interment Fees' are subject to a 50% premium for non-residents of the Borough of Newcastle-under-Lyme</i>					
*Interment Fees				Cabinet	No VAT
Under 16 years of age	Free	Free	N/A		
16 years & over	896.00	932.00	36.00		
Woodland burial - Keele Cemetery (1 full interment only in each grave)	477.00	497.00	20.00		
Cremated remains at 2 feet	392.00	408.00	16.00		

	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
Woodland burial cremated remains at 2 feet - Keele Cemetery (4 interments only in each grave)	392.00	408.00	16.00		
Additional depth for cremated remains over 2 feet	140.00	146.00	6.00		
Additional depth over 6 feet per foot	150.00	156.00	6.00		
**All fees listed under 'Purchases of Graves' are subject to a 50% premium for non-residents of the Borough of Newcastle-under-Lyme					
**Purchase of Graves					
(includes right to erect memorial for single grave)				Cabinet	No VAT
Exclusive Right of Burial & Memorialisation for a Single Grave	1,207.00	1,256.00	49.00		
Lawn Graves Reservation	1,207.00	1,256.00	49.00		
Exclusive Right of Burial in a Woodland Grave at Keele Cemetery (1 full interment only in each grave plus memorial tree)	889.00	925.00	36.00		
Reservation of Woodland Grave	889.00	925.00	36.00		
Exclusive Right of Burial and Memorialisation in a Cremated Remains Grave at 2ft	597.00	621.00	24.00		
Reservation of a Cremated Remains Grave	597.00	621.00	24.00		
Exclusive Right of Burial in a Woodland Cremated Remains Grave, Keele Cemetery at 2ft Inclusive of a Shrub	597.00	621.00	24.00		
Reservation of Woodland Cremated Remains Grave	597.00	621.00	24.00		
Renewal of exclusive right of burial & memorialisation (full grave)	571.00	594.00	23.00		
Renewal of exclusive right of burial & memorialisation (cremated remains grave)	286.00	298.00	12.00		
Transfer of ownership of exclusive rights of burial & memorialisation	91.00	95.00	4.00		
Duplicate deed of exclusive rights of burial & memorialisation	48.00	50.00	2.00		
Erection of Memorials (no prior right given)					
Memorial not exceeding 3 feet in height	146.00	152.00	6.00	Cabinet	No VAT
Replacement memorial	49.00	51.00	2.00		
Columbarium					
10 year lease including 1st interment	554.00	577.00	23.00	Cabinet	No VAT

	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
2nd interment	77.00	81.00	4.00		
Renewal of 10 year lease	277.00	289.00	12.00		
Additional 5 year lease	277.00	289.00	12.00		
Use of Chapel & Community Room				Cabinet	No VAT
Newcastle cemetery chapel	77.00	81.00	4.00		
Keele community room - service	77.00	81.00	4.00		
Keele community room - full day hire	75.00	78.00	3.00		
Keele community room - half day hire	40.00	42.00	2.00		
Keele community room - per hour hire	15.00	16.00	1.00		
Private Maintenance of Grave Non-Lawn Types				Cabinet	No VAT
Turfing	48.00	50.00	2.00		
Spring/summer planting & maintenance	100.00	104.00	4.00		
Sundry Items				Cabinet	VAT Incl.
Single abstract information from registrar	69.00	72.00	3.00		
Family history research	22.00	23.00	1.00		
Caskets	83.00	87.00	4.00		
Wooden cross	47.00	49.00	2.00		
Memorial benches	716.00	745.00	29.00		
Memorial benches - maintenance By request (cleaning & staining)	166.00	173.00	7.00		
Memorial trees	366.00	381.00	15.00		
Barrier fob replacements	10.00	11.00	1.00		
CIRCUSES & FAIRS				Cabinet	No VAT
Hire rate per day of site presence (based on an 8 hour day - 1 day to set up & 1 day to dismantle free of charge)	640.00	650.00	10.00		
Returnable deposit - cleaning	920.00	950.00	30.00		
Returnable deposit - damage	920.00	950.00	30.00		
COVENANT CONSENTS				Cabinet	No VAT
Covenant consents	130.00	150.00	20.00		
CREMATORIUM					
Cremation Fees				Cabinet	No VAT
Under 16 years of age	Free	Free	N/A		

	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
16 years & over 9.20am service time only	457.00	471.00	14.00		
16 years & over from 10am	673.00	694.00	21.00		
Cremation environmental charge	71.00	73.00	2.00		
Use of TV for DVD photographs or 3-5 minute films	23.00	24.00	1.00		
Burial of remains cremated elsewhere	207.00	214.00	7.00		
Chapel hire - additional use to cremation service	77.00	79.00	2.00		
Urns & Containers				Cabinet	VAT Incl.
Oak casket	83.00	86.00	3.00		
Postage & packaging	Cost	Cost	N/A		
Memorialisation				Cabinet	VAT Incl.
Book of remembrance per line (up to 3 lines)	31.00	32.00	1.00		
Book of remembrance for 4 lines	105.00	108.00	3.00		
Book of remembrance for 5 lines	135.00	139.00	4.00		
Book of remembrance for 6 lines	164.00	169.00	5.00		
Book of remembrance for 7 lines	193.00	199.00	6.00		
Book of remembrance for 8 lines	225.00	232.00	7.00		
Simple floral emblem	91.00	94.00	3.00		
Coat of arms, badges, ornate floral emblem	125.00	129.00	4.00		
Additional lines of inscription for cards/books	31.00	32.00	1.00		
Plaques				Cabinet	VAT Incl.
12" x 4" new plaque & 10 year hire	340.00	351.00	11.00		
Each succeeding 10 year hire	136.00	140.00	4.00		
12" x 8" new plaque & 10 year hire	680.00	701.00	21.00		
Each succeeding 10 year hire	273.00	282.00	9.00		
24" x 8" each succeeding 10 year hire	543.00	560.00	17.00		
Adding to existing plaque per letter or figure	6.00	7.00	1.00		
Regilding existing letters	4.00	5.00	1.00		
Additional Memorials				Cabinet	VAT Incl.
Memorial benches	716.00	738.00	22.00		
Memorial benches maintenance by request (cleaning & staining)	166.00	171.00	5.00		
Memorial vases	332.00	342.00	10.00		
Each succeeding 5 year hire	200.00	206.00	6.00		
Vases various – small	Various	Various	N/A		

	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
Planters	768.00	791.00	23.00		
Each succeeding 5 year hire	312.00	322.00	10.00		
Trees	656.00	676.00	20.00		
Each succeeding 10 year hire	342.00	353.00	11.00		
Additional plaques	83.00	86.00	3.00		
Shrubs (inclusive of aluminium vase)	364.00	375.00	11.00		
Each succeeding 5 year hire	156.00	161.00	5.00		
Donations Memorial Fish/Bulbs	Various	Various	N/A		
DOG WARDEN SERVICE					
Recovery of Stray Dogs					
During normal working hours - reclaim fee	70.00	70.00	Freeze	Cabinet	No VAT
Daily kennelling fees	Cost	Cost	N/A		
ELECTIONS					
Rule 9(1) Parliamentary Election Regulations & Rule/Reg 9 (1) European Parliamentary Election Regulations - Candidates' Deposits					
Parliamentary election candidate	500.00	500.00	Freeze	Statutory	No VAT
Regulations 48 & 49 Representation of the People Regulations 2001					
Supply of Full Register					
Sale of full register (printed)	10.00	10.00	Freeze	Statutory	No VAT
Plus per 1,000 names or part 1,000 (printed)	5.00	5.00	Freeze		
Sale of full register (data)	20.00	20.00	Freeze		
Plus per 1,000 names or part 1,000 (data)	1.50	1.50	Freeze		
List of overseas electors (printed)	10.00	10.00	Freeze		
Plus per 100 names or part 100 (printed)	5.00	5.00	Freeze		
List of overseas electors (data)	20.00	20.00	Freeze		
Plus per 100 names or part 100 (data)	1.50	1.50	Freeze		
Supply of Edited Register					
Sale of edited register (printed)	10.00	10.00	Freeze	Statutory	No VAT
Plus per 1,000 names or part 1,000 (printed)	5.00	5.00	Freeze		
Sale of register (data)	20.00	20.00	Freeze		
Plus per 1,000 names or part 1,000 (data)	1.50	1.50	Freeze		

	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
Regulations 120 Representation of the People Regulations 2001 Supply of Marked Register Supply of marked registers (printed) Plus per 1,000 entries or part 1,000 Supply of marked registers (data) Plus per 1,000 entries or part 1,000	10.00 2.00 10.00 1.00	10.00 2.00 10.00 1.00	Freeze Freeze Freeze Freeze	Statutory	No VAT
Inspection & Copies of Documents Regulation 10 representation of the people regulations 2001 - inspection of candidates expenses A4 - copies (black & white)	5.00 0.20	5.00 0.20	Freeze Freeze	Statutory	No VAT
Parish Elections <i>Borough Council Election taking place on the same day:</i> - Parish specific printing / postage costs - Room hire - Staffing costs (polling & count)	Market rate + 5% admin 50% of cost 50% of staffing rate	Market rate + 5% admin 50% of cost 50% of staffing rate	N/A N/A N/A		No VAT
<i>Parish Election on different day i.e. by-election</i> - printing, postage, stationery, room hire costs and other associated costs - polling station / count staff cost Uncontested Parish Election Administration Fee	Market rate + 5% admin Standard NULBC staffing rates 100.00	Market rate + 5% admin Standard NULBC staffing rates 100.00	N/A N/A Freeze		
ENVIRONMENTAL HEALTH Works in default of statutory notice Calculated in accordance with the following formula - a) Contractor costs b) Officer costs (per hour at actual rate) c) Car mileage & subsistence	Per Formula	Per Formula	N/A	Cabinet	No VAT

	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
d) On costs (b+c) + 25% e) Disbursements (e.g. warrant application, postage, printing, cost of invoice etc.) Total = a+d+e+ interest on outstanding balance as determined by council at start of financial year					

Commercial Hire of Monitoring equipment				Cabinet	Plus VAT
Phocheck PID (per 7 days exc carriage costs)	141.00	146.00	5.00		
Bruel & Kjaer Matron 2250 sound level meter, with sound recording & 1/1 & 1/3 octave frequency analysis module & calibration certificate (memory card to be supplied by client)	218.00	225.00	7.00		
Outdoor gear for use with matron 2250 (per 7 days excl. carriage costs)	52.00	54.00	2.00		
Bruel & Kjaer Matron Type 4231 Calibrator with calibration certificate (per 7 days excl. carriage costs)	11.40	12.00	0.60		
Environmental Offences - Fixed Penalty Notices				Statutory	No VAT
Waste receptacles - Section 47ZA(2) (paid in 10 days)	60.00	60.00	Freeze		
Waste receptacles - Section 47ZA(2) (paid in 14 days)	80.00	80.00	Freeze		
Failure to produce authority (waste transfer notes) - section 5B2	300.00	300.00	Freeze		
Failure to furnish documentation (waste carrier licence) - Section 34(2)	300.00	300.00	Freeze		
Litter - Section 88(1) (paid in 10 days)	75.00	75.00	Freeze		
Litter - Section 88(1) (paid in 14 days)	100.00	100.00	Freeze		
Unauthorised distribution of literature on designated land - Schedule 3A (7)2 (paid in 10 days)	75.00	75.00	Freeze		
Unauthorised distribution of literature on designated land - Schedule 3A (7)2 (paid in 14 days)	100.00	100.00	Freeze		
Failure to comply with a Community Protection Notice or Public Spaces Protection Order (paid in 10 days)	75.00	75.00	Freeze	Cabinet	
Failure to comply with a Community Protection Notice or Public Spaces Protection Order (paid in 14 days)	100.00	100.00	Freeze	Cabinet	

	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
Littering from vehicles outside of London (Keepers: Civil Penalties) Regulations 2018 , Regulation 6 (Paid in 10 days)	75.00	75.00	Freeze	Pubic Protection Committee	
Littering from vehicles outside of London (Keepers: Civil Penalties) Regulations 2018 , Regulation 6 (Paid in 14 days)	100.00	100.00	Freeze		
Graffiti and Fly Posting (Anti-Social Behaviour Act 2003 - Section 43)	100.00	100.00	Freeze		
Fly tipping (The Unauthorised Deposit of Waste (Fixed Penalties) Regulations 2016 which amends Environmental Protection Act 1990 "33ZA Fixed penalty notices for contravention of section 33(1)(a): England (paid in 10 days)	350.00	350.00	Freeze	Cabinet	No VAT
Fly tipping (The Unauthorised Deposit of Waste (Fixed Penalties) Regulations 2016 which amends Environmental Protection Act 1990 "33ZA Fixed penalty notices for contravention of section 33(1)(a): England (paid in 14 days)	400.00	400.00	Freeze		
Vehicle repair & sale offences (Clean Neighbourhoods and Environment Act 2005, Sections 3 & 4	100.00	100.00	Freeze		
Industrial and Commercial Waste Offences (Environmental Protection Act 1990 - Section 47ZA	100.00	100.00	Freeze		
FPN for abandoned vehicles	200.00	200.00	Freeze		
Environmental Protection Act 1990 - Part 1 Pollution Prevention & Control Act 1999 Register of Permits					
Copy of list of applications received	17.00	18.00	1.00		
Copy of a register entry	17.00	18.00	1.00		
Copy of tape/CD recorded interviews	16.00	16.50	0.50		
Environmental Information Regulations 1992 (requests for information), Charge per Hour (ICO guidance)	25.00	25.00	Freeze		
Noise monitoring service for Registered Social Landlords & Private Landlords for 1 period of up to 7 days & subsequent report & copy of recording	270.00	280.00	10.00	Cabinet	No VAT
Noise monitoring service for Aspire Housing for 1 period of up to 7 days & subsequent report & copy of recording	270.00	280.00	10.00		
Environmental Health Licences					
Dangerous wild animals - first licence	490.00	540.00	50.00		
Dangerous wild animals - renewal	270.00	290.00	20.00		
Zoo - first licence	Price on Application	Price on Application	N/A		

	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
Zoo - renewal	Price on Application	Price on Application	N/A		
Selling animals as Pets – Grant new licence	295.00	315.00	20.00		
Selling animals as Pets – Renew licence	260.00	290.00	30.00		
Selling animals as Pets – Grading review (no visit)	55.00	60.00	5.00		
Selling animals as Pets – Variation	80.00	80.00	Freeze		
Animal Boarding – Grant new licence	295.00	315.00	20.00		
Animal Boarding – Renew licence	260.00	290.00	30.00		
Animal Boarding – Grading review (no visit)	55.00	60.00	5.00		
Animal Boarding – Variation	80.00	80.00	Freeze		
Hiring out horses – Grant new licence Exc Vet Fee	525.00	540.00	15.00		
Hiring out horses – Renew licence Exc Vet Fee	460.00	510.00	50.00		
Hiring out horses – Grading review (no visit)	55.00	60.00	5.00		
Hiring out horses – Variation	80.00	80.00	Freeze		
Hiring out horses – Annual horse check	260.00	260.00	Freeze		
Breeding Dogs – Grant new licence	475.00	540.00	65.00		
Breeding Dogs – Renew licence	410.00	290.00	-120.00		
Breeding Dogs – Grading review (no visit)	55.00	60.00	5.00		
Breeding Dogs – Variation	80.00	80.00	Freeze		
Keeping or training animals for exhibition - Grant new licence (3yrs)	160.00	215.00	55.00		
Keeping or training animals for exhibition - Renew licence (3yrs)	160.00	215.00	55.00		
Keeping or training animals for exhibition - Variation	80.00	80.00	Freeze		
Re-inspection	80.00	80.00	Freeze		
Registration of premises for acupuncture, tattooing, cosmetic piercing, electrolysis & semi-permanent skin colouring	143.00	147.00	4.00		
Registration of each operative	87.00	90.00	3.00		
Additional treatment registration	72.00	74.50	2.50		
Export health certificates	153.00	157.00	4.00		
Charges for Authorised Process - Local Authority Pollution Prevention Control Act				Statutory	

	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
<p>The scale of charges is set by DEFRA annually after consultation with Local Authorities, representatives of industry and other stakeholders. The scale of charges is designed to cover the regulatory and administrative costs (including visits, administration, advice and time) to the regulator arising from each process. The 2018/19 charges are to be advised by DEFRA in February 2018.</p> <p>Factual Statements (Food Safety Act, Health & Safety at Work Act, Environmental Protection Act)</p> <p>- Charge for factual statements - additional time</p> <p>- Charge for factual statements - disclosure of documents</p>	To be advised by DEFRA	To be advised by DEFRA	N/A	To be advised by DEFRA	
	135.00	140.00	5.00	Cabinet	
	70.00	72.50	2.50		
<p>Private Water Supplies</p> <p>Risk assessment (per hour, plus mileage)</p> <p>Sampling</p> <p>Investigation</p> <p>Authorisation</p> <p>Analysis - during Regulation 10</p> <p>Analysis - during check monitoring</p> <p>Analysis - during audit monitoring</p>	Hourly charge out rate for officer plus mileage	Hourly charge out rate for officer plus mileage	N/A	Statutory	No VAT
			N/A		
			N/A		
			N/A		
			N/A		
	Laboratory cost	Laboratory cost	N/A		
			N/A		
<p>Swimming Pools</p> <p>Sampling of pool water - per annum</p> <p>Sampling of pool water - one sample</p>	657.00	657.00	Freeze	Cabinet	No VAT
	65.50	67.50	2.00		
<p>Food Hygiene Rating Scheme</p> <p>Food Hygiene Rating Scheme inspection</p>	195.00	200.00	5.00	Public Protection	No VAT
<p>Environmental Health Commercial Support (SRS)</p> <p>Food Safety Direct</p> <p>Licensing Direct</p>	195.00	199.00	4.00		VAT
	Officer Hourly rate	Officer Hourly rate	N/A		VAT
<p>FACILITIES MANAGEMENT</p> <p>NULBC delivery of Facilities Management services to Community Centres on full repairing leases and Kidsgrove Town</p>	As per formula	As per formula	N/A	Cabinet	Plus VAT

	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
Council. Calculated in accordance with the following formula - a) Contractor costs + b) Officer costs for administration and management + c) Car mileage & subsistence + d) On costs + 3%					
GARDEN WASTE RECYCLING				Cabinet	No VAT
Garden waste service - one bin	36.00	36.00	Freeze		
Every additional garden waste bin	30.00	30.00	Freeze		
Delivery of each additional garden waste bin	25.00	25.75	0.75		

HIRE OF ROOMS (KIDSGROVE)				Cabinet	VAT Incl.
Standard rates:					
Room 1 – per day (Mon & Fri)	20.00	21.00	1.00		
Room 1 – per half day (Tues & Thurs pm)	10.00	11.00	1.00		
Local statutory bodies:					
Room 1 – per day (Mon & Fri)	15.00	16.00	1.00		
Room 1 – per half day (Tues & Thurs pm)	8.50	9.00	0.50		
Voluntary & community sector:					
Room 1 – per day (Mon & Fri)	10.00	11.00	1.00		
Room 1 – per half day (Tues & Thurs pm)	7.00	8.00	1.00		
LAND CHARGES				Cabinet	
Residential LLC1 – land charges register search only	33.00	36.50	3.50		LLC1 – No VAT
Commercial LLC1 – land charges register search only	82.75	91.00	8.25		LLC1 – No VAT
Residential – Con 29R (conveyancer search)	99.00	109.50	10.50		CON29 – Plus VAT,
Commercial – Con 29R (conveyancer search)	248.25	273.00	24.75		CON29 – Plus VAT,

	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
Residential – full standard search (LLC1 & Con 29R)	132.00	146.00	14.00		Plus VAT on Con29 Element
Commercial – full standard search (LLC1 & Con 29R)	331.00	364.00	33.00		Plus VAT on Con29 Element
Con 290 – (conveyancer optional form) each enquiry	28.50	32.00	3.50		
Each additional enquiry	Cost	Cost	N/A		
Residential – additional parcel of land	66.00	73.00	7.00		
Commercial – additional parcel of land	165.00	182.00	17.00		
LEISURE CHARGES					
Jubilee 2					
Equipment Resale					
Saleable items	Market Value	Market Value	N/A	Portfolio Holder	VAT Incl.
Equipment Hire	Market Value	Market Value	N/A		
<i>Lyme Card Concession Scheme</i>					
Lyme Card concession scheme yearly membership	5.50	6.00	0.50	Cabinet	VAT Incl.
<i>Aqua Sauna (includes access to swimming pool)</i>					
Adult - Lyme Card	10.50	10.50	Freeze	Cabinet	VAT Incl.
Concession (18+) - Lyme Card	7.90	8.00	0.10		
<i>Junior Memberships</i>					
Active1 5-11 years: Swimming and climbing sessions (parental supervision)	12.00	12.00	Freeze		VAT Incl.
Active2 12-16 years: Swimming , gym*, and appropriate classes (14 years and above with a paying Adult)	16.00	16.00	Freeze		VAT Incl.
*Access between the hours Monday – Thursday 3.30-4.30 pm, Friday, 3.00-8.00 pm. Saturday & Sunday 1.00-8.00pm					
DJD Junior Dance - Daniel Jones Dance Junior Membership	N/A	21.00	New		
<i>ClubLyme Membership Charges Adults (including gym, classes, swim, climbing, aqua sauna, table tennis)</i>					
				Cabinet	VAT Incl.

	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
Joining fee (includes inductions) (16 years +) (one off fee - includes key)	20.00	20.00	Freeze		
Peak (Monday to Friday 6.30am-11pm & weekends) - 12 month minimum contract - payment monthly by direct debit.	N/A	29.50	New		
Peak (Monday to Friday 6.30am-11pm & weekends) - no contract - per month	37.50	38.00	0.50		
Peak (Monday to Friday 6.30am-11pm & weekends) - 12 month membership for price of 11 months - payable in advance	346.50	324.50	-22.00		
Corporate membership – peak (includes Students), 12 month minimum contract	28.00	24.50	-3.50		
Corporate membership – peak (includes Students), no contract	28.00	29.99	1.99		
Promotions in line with Alliance Leisure	N/A	N/A	N/A		
Legacy Off Peak Memberships annual % increase (rounded to nearest 10p)	N/A	3%	New		
<i>Studio Hire</i>				Cabinet	VAT Incl.
Studio 1	27.00	27.00	Freeze		
Studio 2	27.00	27.00	Freeze		
<i>Swim</i>					
Adult - standard	5.10	6.00	0.90		
Adult - Lyme Card	4.60	5.40	0.80		
Adult - concession scheme	3.45	4.00	0.55		
Junior	2.30	3.00	0.70		
Junior - Lyme Card	N/A	2.70	New		
Children u3	-	-	N/A		
10 class pass 85% of Lyme Card price valid for 3 months from date of purchase	42.50	45.90	3.40		
<i>Casual Usage (Gym, Climb, Dance or Classes - up to two hours)</i>			-		VAT incl.
Lyme Card Holder % of Standard Price	90%	90%	0%		
Concession % of Lyme Card price	75%	66%	-9%		
Junior % of Lyme Card price	50%	66%	16%		
Standard Price	5.10	6.00	0.90		
Lyme Card Price	4.60	5.40	0.80		
Concession Price	3.45	4.00	0.55		
Junior Price	2.30	4.00	1.70		
Junior Lyme Card Price	N/A	3.60	New		
<i>Swimming Instruction</i>					

	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
<i>Swimming Lessons</i>				Cabinet	No VAT
Adult swimming lesson (30 minutes)	8.40	9.00	0.60		
Adult swimming lesson (30 minutes) monthly direct debit	N/A	36.00	New		
Junior swimming lesson (30 minutes) price per lesson - block of 12	5.60	6.00	0.40		
Junior swimming lesson (30 minutes) monthly direct debit - minimum block of 12	N/A	24.00	New		
Spectators - Lyme Card	Free	Free	N/A		
<i>Private Lessons</i>				Cabinet	No VAT
1:1 swim lesson (per 30 minutes)	N/A	20.00	New		
1:1 lesson (per 30 minutes) - minimum six lessons	90.00	100.00	10.00		
1:1 dance lesson with DJD Dance - 30 minutes	N/A	20.00	New		
1:1 dance lesson with DJD Dance - 30 minutes, block of four lessons	N/A	70.00	New		
<i>Pool Courses</i>				Cabinet	No VAT
Rookie lifeguards (per 2 hour session) - Lyme Card	9.00	9.00	Freeze		
<i>Swimming Pool Hire</i>				Cabinet	VAT Incl.
Teaching Pool Hire	57.50	60.00	2.50		
Main Pool Hire - (8 lane) (per lane per hour)	15.50	16.00	0.50		
Additional staff for pool hire (per staff member)	22.00	25.00	3.00		
Newcastle Amateur Swimming Club - per lane	Negotiable	8.00	N/A	Portfolio Holder	
Octopush - 90 minute session	Negotiable	64.00	N/A	Portfolio Holder	
Set up fee - galas	22.00	22.00	Freeze		
Time equipment hire - galas	22.00	22.00	Freeze		
Entrust school swimming per half hour per school	30.00	30.00	Freeze		
<i>Parties</i>					VAT Incl.
Pool Party inclusive of 1 hour studio use	70.00	80.00	10.00		
Climbing Party (six people) inclusive of studio use	70.00	80.00	10.00		
Additional instructor per six children	22.00	25.00	3.00		
Bowls				Cabinet	VAT Incl.
Adult	4.20	4.32	0.12		

	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
Junior/60+	2.10	2.16	0.06		
Summer season ticket - adult	59.50	61.29	1.79		
Summer season ticket - junior/60_/unemployed	39.25	40.43	1.18		
Winter season ticket	14.70	15.14	0.44		
Summer/winter season ticket - adult	70.50	72.62	2.12		
Summer/winter season ticket - junior/60+/unemployed	49.50	51.00	1.50		
Merit competition per player - per hour	8.00	8.24	0.24		
Greenage fees for pre-booking (plus playing fee per person)	9.75	10.00	0.25		
Tennis Class A (Westlands, Wolstanton)				Cabinet	VAT Incl.
Adult 30 minutes (per person)	2.60	Free	N/A		
Adult 1 hour (per person)	4.75	Free	N/A		
Adult 1 hour (group ticket 4 persons)	14.55	Free	N/A		
Family ticket 1 hour (up to 4 adults & or 4 children with 2 adults)	8.95	Free	N/A		
Family ticket 1 hour (1/2 adults & 2/3 children)	5.75	Free	N/A		
Junior/60+/unemployed 30 minutes (per person)	1.05	Free	N/A		
Junior/60+/unemployed 1 hour (per person)	2.10	Free	N/A		
Junior/60+/unemployed 1 hour (group ticket 4 persons)	6.20	Free	N/A		
Annual tickets - adult (per person)	100.00	Free	N/A		
Annual tickets - junior/60+/unemployed (per person)	72.50	Free	N/A		
Monthly ticket - adult (per person)	27.00	Free	N/A		
Monthly ticket - junior/60+/unemployed (per person)	21.00	Free	N/A		
Summer ticket (August only) - junior (per person)	15.50	Free	N/A		
Tennis Class B (Chesterton, Silverdale, Birchenwood, Bradwell, Clough Hall)	Free	Free	N/A		
Football (alternate weekly use per season)				Cabinet	No VAT
Birchenwood	-	-	N/A		
Wolstanton Marsh Pavilion	550.00	566.50	16.50		
All other pitches	382.00	393.50	11.50		
Junior pitch	60% of fee	60% of fee	N/A		

	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
Mini soccer pitch (unmarked)	222.00	229.00	7.00		
Mini soccer pitch (marked)	312.50	322.00	9.50		
Rugby (alternate weekly use per season)				Cabinet	No VAT
Bathpool	775.00	798.50	23.50		
Lyme Valley	775.00	798.50	23.50		
Clough Hall	775.00	798.50	23.50		
Junior Pitch	60% of fee	60% of fee	N/A		
Rugby (casual use per match)	90.00	92.70	2.70	Cabinet	VAT Incl.
Concessionary Licences				Cabinet	No VAT
Brampton Park ice cream sales	750.00	772.50	22.50		
Brampton Park use of bouncy castle	750.00	772.50	22.50		
4 Large Parks Northern part of Borough – ice cream	645.00	664.00	19.00		
4 Large Parks Southern part of Borough – ice cream	645.00	664.00	19.00		
Community Events				Cabinet	Plus VAT
Wedding Photos within a park setting	42.00	43.00	1.00		
Advertising within parks	10.00 to 5,125.00	10.00 to 5,125.00	N/A		Plus VAT
Hire of display boards (delivery, set up & collection)	32.00	33.00	1.00		No VAT
Booking large events - more than 6 months planning	168.00	173.00	5.00		No VAT
Booking medium events - more than 6 months planning (firework displays, carnivals etc.)	84.00	86.50	2.50		No VAT
Booking small events - more than 6 months planning (competitions, fun days, picnics etc.)	31.50	32.45	0.95		No VAT
LICENCES					
General					No VAT
Sex establishments - application fee	3,100.00				
Sex establishments - Renewal	3,100.00				
Sex establishments - variation	1,050.00			Licensing Committee	
Sex establishments - transfer	1,050.00				
Scrap metal dealer site licence	270.00				
Scrap metal dealer collectors licence	215.00				

	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
Gambling Act 2005					No VAT
Lotteries - application fee	40.00			Statutory fees - Licensing Committee	
Lotteries - annual fee	20.00				
Bingo - application fee	3,500.00				
Bingo - annual fee	1,000.00				
Bingo - application to vary	1,750.00				
Bingo – application for transfer	1,200.00				
Bingo - application to reinstate	1,200.00				
Track betting - application fee	2,500.00				
Track betting - annual fee	1,000.00				
Track betting - application to vary	1,250.00				
Track betting - application to transfer	950.00				
Track betting - application to reinstate	950.00				
Club machine permit - application fee	200.00				
Club machine permit - renewal fee	200.00				
Club machine permit - annual fee	50.00				
Betting premises - application fee	3,000.00				
Betting premises - annual fee	600.00				
Betting premises - application to vary	1,500.00				
Betting premises - application to transfer	1,200.00				
Betting premises - application to reinstate	1,200.00				
Family entertainment centre - application fee	2,000.00				
Family entertainment centre - annual fee	750.00				
Family entertainment centre - application to vary	1,000.00				
Family entertainment centre - application to transfer	950.00				
Family entertainment centre - application to reinstate	950.00				
Adult gaming centre - application fee	2,000.00				
Adult gaming centre - annual fee	1,000.00				
Adult gaming centre - application to vary	1,000.00				
Adult gaming centre - application to transfer	1,200.00				
Adult gaming centre - application to reinstate	1,200.00				
Copy of any of the above licences (lost, stolen, damaged)	25.00				
Notice of Intention – 2 or less gaming machines	50.00				
Licensed Premises Gaming Machine Permits – more than 2 machines	150.00				

	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
Licensed Premises Gaming Machine Permits – more than 2 machines – Variation	100.00				
Licensed Premises Gaming Machine Permits – more than 2 machines – Transfer	25.00				
Licensed Premises Gaming Machine Permits – more than 2 machines – Annual Fee	50.00				
Licensed Premises Gaming Machine Permits – more than 2 machines – Change of Name	25.00				
Licensed Premises Gaming Machine Permits – more than 2 machines – Copy (lost, stolen, damaged)	15.00				
Club Gaming/Club Machine Permits – New/Renew	200.00				
Club Gaming/Club Machine Permits for holders of Club Premises Certificates (under LA03) – New/ Renew	100.00				
Club Gaming/Club Machine Permit – Annual Fee	50.00				
Club Gaming/Club Machine Permit – Variation	100.00				
Club Gaming/Club Machine Permit – Copy	15.00				
Unlicensed family entertainment centre – 10 years	300.00				
Prize Gaming Permit – New/Renewal	300.00				
Prize Gaming Permit – Change of Name	25.00				
Prize Gaming Permit – Copy (lost, stolen, damaged)	15.00				
Temporary Use Notice (TUN)	125.00				
Casino Small – New application	6,300.00				
Casino Small – Annual Fee	3,150.00				
Casino Small - Variation	2,100.00				
Casino Small – Application for Transfer	1,350.00				
Private Hire/Hackney Carriage OPERATORS					
Private hire operators 5 year licence					
1 vehicle	187.00				
2-5 vehicles	380.00				
6-15 vehicles	665.00				
16-25 vehicles	1,780.00				
26-35 vehicles	2,850.00				
36-50 vehicles	3,950.00				
Additional vehicle after 50 vehicles	24.00				
				Public Protection	No VAT

	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
DRIVERS					No VAT
Dual Driver Badge - 3 years	250.00				
Change of address	21.00				
Replacement badge	17.00				
Reissue/replacement badge (with amended details)	36.50				
DBS (CRB check)	44.00				
DBS (CRB check) online	64.50				
Safeguarding training	36.50				
Exemption certificates	26.00				
Knowledge test	45.00				
Replacement Safeguarding training certificate	5.00				
VEHICLES					No VAT
Hackney carriage - vehicles	322.00				
Private hire – vehicles	317.00				
Transfer of vehicle	47.00				
Change of vehicle registration	47.00				
Failure to attend for vehicle test	114.00				
Retest	41.50				
Replacement plate carrier – front	10.00				
Replacement plate carrier – rear	15.00				
Replacement vehicle plate - front	10.50				
Replacement vehicle plate - rear	15.50				
Replacement vehicle sticker signage	3.00				
Copy of paper part of licence	11.50				
Exception Vehicle Test	73.00				
6 Monthly Test following an Exception Test	125.00				
Licensing Act 2003 - New Application				Statutory	No VAT
Premise licence, band A (rateable value of up to £4,300)	100.00				
Premise licence, band B (rateable value of £4,301 to £33,000)	190.00				
Premise licence, band C (rateable value of £33,001 to £87,000)	315.00				
Premise licence, band D (rateable value of £87,001 to £125,000)	450.00				
Premise licence, band E (rateable value of >£125,001)	635.00				
Additional fee (5,000 to 9,999 patrons)	1,000.00				
Additional fee (10,000 to 14,999 patrons)	2,000.00				

	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
Additional fee (15,000 to 19,999 patrons)	4,000.00				
Additional fee (20,000 to 29,999 patrons)	8,000.00				
Additional fee (30,000 to 39,999 patrons)	16,000.00				
Additional fee (40,000 to 49,999 patrons)	24,000.00				
Additional fee (50,000 to 59,999 patrons)	32,000.00				
Additional fee (60,000 to 69,999 patrons)	40,000.00				
Additional fee (70,000 to 79,999 patrons)	48,000.00				
Additional fee (80,000 to 89,999 patrons)	56,000.00				
Additional fee (90,000 patrons & above)	64,000.00				
Licensing Act 2003 - Annual Fee				Statutory	No VAT
Premise licence, band A (rateable value of up to £4,300)	70.00				
Premise licence, band B (rateable value of £4,301 to £33,000)	180.00				
Premise licence, band C (rateable value of £33,001 to £87,000)	295.00				
Premise licence, band D (rateable value of £87,001 to £125,000)	320.00				
Premise licence, band E (rateable value of £125,001 & above)	350.00				
Additional fee (5,000 to 9,999 patrons)	500.00				
Additional fee (10,000 to 14,999 patrons)	1,000.00				
Additional fee (15,000 to 19,999 patrons)	2,000.00				
Additional fee (20,000 to 29,999 patrons)	4,000.00				
Additional fee (30,000 to 39,999 patrons)	8,000.00				
Additional fee (40,000 to 49,999 patrons)	12,000.00				
Additional fee (50,000 to 59,999 patrons)	16,000.00				
Additional fee (60,000 to 69,999 patrons)	20,000.00				
Additional fee (70,000 to 79,999 patrons)	24,000.00				
Additional fee (80,000 to 89,999 patrons)	28,000.00				
Additional fee (90,000 patrons & above)	32,000.00				

	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
Licensing Act 2003 - Miscellaneous Fees (Application or Notice)				Statutory	No VAT
Section 25 (theft, loss, etc. of premises licence or summary)	10.50				
Section 29 (application for a provisional statement)	315.00				
Section 33 (notification of change of name or address)	10.50				
Section 37 (application to vary licence to specify individual as premises supervisor)	23.00				
Section 42 (application for transfer of premises licence)	23.00				
Section 47 (interim authority notice following death of licence holder)	23.00				
Section 79 (theft, loss etc. of certificate or summary)	10.50				
Section 82 (notification of change of name or alteration of rules of club)	10.50				
Licensing Act 2003 - Miscellaneous Fees (Application or Notice)				Statutory	No VAT
Section 83 (1) or (2) (change of relevant registered address of club)	10.50				
Section 100 (temporary event notice)	21.00				
Section 110 (theft, loss of temporary event notice)	10.50				
Section 117 (application for, or renewal of personal licence)	37.00				
Section 126 (theft, loss of personal licence)	10.50				
Section 127 (duty to notify change of name/address)	10.50				
Section 110 (theft or loss of temporary event notice)	10.50				
Section 126 (theft or loss of personal licence)	10.50				
Section 127 (duty to notify change of name/address)	10.50				
Section 178 (right of freeholder etc.)	21.00				
Minor Variation	89.00				
Removal of DPS at community premises	23.00				
MARKETS				Cabinet	No VAT
Open market - stall (per day) Monday,	20.00	20.00	Freeze		
Open market - second stall (per day) Monday,	10.00	10.00	Freeze		

	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
Open market - stall (per day) Wednesday	11.00	11.00	Freeze		
Open market - second stall (per day) Wednesday	10.00	10.00	Freeze		
Open market - stall (per day) Fri/Sat Zone A	21.00	21.00	Freeze		
Open market - stall (per day) Fri/Sat Zone B	21.00	21.00	Freeze		
Open market - additional space (per day) Fri/Sat	10.00	10.00	Freeze		
Farmers market - stall (per day)	20.00	20.00	Freeze		
Antique market - stall (per day)	7.50	7.50	Freeze		
Craft fair (bric-a-brac) - stall (per day)	5.00	5.00	Freeze		
Catering Pitches - minimum charge (per day)	25.00	25.00	Freeze		
MOT				Cabinet	No VAT
MOT - car	44.50	45.75	1.25		
MOT - car (for discounted partner incl. Lyme Card)	39.25	40.25	1.00		
MOT - class 7 (up to 3.5 tonnes)	56.00	57.50	1.50		
Retest	15.25	15.75	0.50		
MUSEUM & ART GALLERY				Cabinet	
Reproduction prints of items in collection	N/A	N/A	N/A	Per Staffs Pastrack	VAT Incl.
Photocopies (black & white)	0.70	1.00	0.30		VAT Incl.
Commission of picture sales from exhibitions	30% of price	30% of price	N/A		Plus VAT
Education session per pupil - half day	3.50	4.00	0.50		No VAT
Education session per pupil - full day	5.50	6.50	1.00		No VAT
Education sessions - minimum charge half day (20 pupils or fewer)	70.00	70.00	Freeze		No VAT
Education sessions - minimum charge full day (20 pupils or fewer)	110.00	110.00	Freeze		No VAT
Holiday activities per child	10.00	10.00	Freeze	Max charge	No VAT
Adult object handling/reminiscence sessions per hour	30.00	30.00	Freeze		
Outreach fee	30.00	40.00	10.00		No VAT
Outreach education – schools per session	65.00	75.00	10.00		No VAT
Hire of meeting room - half day	27.00	30.00	3.00		No VAT
Hire of meeting room - half day - community/charity	20.00	22.00	2.00		No VAT

	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
Hire of meeting room - full day	50.00	60.00	10.00		No VAT
Hire of meeting room - full day - community/charity	35.00	37.00	2.00		No VAT
Refreshment Charges - tea/coffee & biscuits per head	1.65	2.00	0.35		
Education item loan	12.00	15.00	3.00		No VAT
Saleable items	RRP	RRP	N/A		
Open art registration - per item	4.50	5.00	0.50		VAT Incl.
Open art registration - three items	12.00	13.50	1.50		VAT Incl.
Open art registration - per item concession	4.00	4.50	0.50		VAT Incl.
Open art registration - three items concession	10.50	12.00	1.50		VAT Incl.
Event Fees				Cabinet	VAT Incl.
Visit to Father Christmas	5.00	5.00	Freeze		
Talks	15.00	15.00	Freeze		
NAMING/NUMBERING OF STREETS/PROPERTIES					
New or Redevelopment				Cabinet	No VAT
Charge for naming of a street	183.00	200.00	17.00		
Charge for naming of a commercial building	94.00	100.00	6.00		
Single residential property on existing street	125.00	130.00	5.00		
Number/name 2-9 properties (includes first property)	182.00	200.00	18.00		
Plus - per plot	63.00	70.00	7.00		
Number/name 10 plus properties (includes first property)	182.00	200.00	18.00		
Plus - per plot	50.00	70.00	20.00		
Change to layout after notification	240.00	250.00	10.00		
Plus - per plot	32.00	40.00	8.00		
Existing Properties/Streets				Cabinet	No VAT
Adding or alteration of a house/building name	63.00	70.00	7.00		
Renaming of a street	On request	On request	N/A		
House or building renumbering (including sub division to flats)	239.00	250.00	11.00		
Confirmation of postal address	37.00	40.00	3.00		

	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
Requests not included in above fees per hour	40.00	50.00	10.00		
Road closure	21.00	30.00	9.00		
PEST CONTROL				Cabinet	VAT Incl.
Treatment of rats (domestic) - prepayment (up to 4 visits)	47.00	48.00	1.00		
Treatment of rats (domestic) - payment by invoice (up to 4 visits)	67.00	68.00	1.00		
Treatment of mice (domestic) – prepayment (up to 3 visits)	47.00	48.00	1.00		
Treatment of mice (domestic) – payment by invoice (up to 3 visits)	67.00	68.00	1.00		
Bedbugs / Cockroaches (domestic) - prepayment	N/A	100.00	New		
Bedbugs / Cockroaches (domestic) - payment by invoice	N/A	120.00	New		
Insect control treatments (domestic) including wasps, ants & fleas - prepayment	73.00	75.00	2.00		
Insect control treatments (domestic) including wasps, ants & fleas - payment by invoice	93.00	95.00	2.00		
3 treatment scheme (3 for 2 offer) – prepayment	146.00	150.00	4.00		
3 treatment scheme (3 for 2 offer) – payment by invoice	166.00	170.00	4.00		
Pest control commercial (other) - first hour	100.00	100.00	Freeze		
Pest control commercial (other) - per 1/4 extra hour	25.00	25.00	Freeze		
Mole & Rabbit control (per treatment course, max 3 visits) - prepayment	180.00	180.00	Freeze		
Mole & Rabbit control (per treatment course, max 3 visits) - payment by invoice	200.00	200.00	Freeze		
Squirrel control - prepayment (up to 4 visits)	115.00	120.00	5.00		
Squirrel control - payment by invoice (up to 4 visits)	135.00	140.00	5.00		
Telephone Advice (prepayment only)	10.00	10.00	Freeze		
Advice Visit (no treatment) - prepayment	47.00	48.00	1.00		
Advice Visit (no treatment) - payment by invoice	67.00	68.00	1.00		
Fixed term pest control treatment agreements (commercial premises)	On request	On request	N/A		
Works in default (Prevention of Damage by Pests Act 1949) first hour (invoiced)	As per formulae	As per formulae	N/A		

	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
Works in default (Prevention of Damage by Pests Act 1949) per additional 1/4 hour (invoiced)	for works in default	for works in default			
PLANNING SERVICES				Cabinet	
Postage & packaging	0.87	0.90	0.03		No VAT
Copies up to £1 are free of charge					No VAT
Paper copies of planning/building control decisions & documents - per sheet (A4 black & white)	0.18	0.20	0.02		No VAT
Paper copies of planning/building control decisions & documents - per sheet (A3 black & white)	0.29	0.30	0.01		No VAT
Paper copies of plans - planning files - per sheet (A4 black & white)	0.18	0.20	0.02		No VAT
Paper copies of plans - planning files - per sheet (A3 black & white)	0.33	0.40	0.07		No VAT
Paper colour copies of an A4 sheet of planning/building control decision, planning documents or plan	0.38	0.40	0.02		No VAT
Paper colour copies of an A3 sheet of decision, planning documents or plan	0.66	0.70	0.04		No VAT
Scanned copies of documents - charge per hour of scanning (where legal to charge)	33.97	35.00	1.03		No VAT
Paper copies of plans - planning files - each plan (A2)	2.20	2.30	0.10		No VAT
Paper copies of plans - planning files - each plan (A1)	3.27	3.40	0.13		No VAT
Paper copies of plans - planning files - each plan (A0)	4.29	4.50	0.21		No VAT
Weekly lists - statutory consultees	Free	Free	N/A		
Requests for site information – commercial per hour	72.83	76.00	3.17		No VAT
Requests for site information - individuals	Cost	Cost	N/A		No VAT
Pre Planning Application Advice				Cabinet	VAT Incl.
Large Scale Major Developments (residential developments over 200 dwellings or where number not known, a site area of 4 ha or more. Non-residential developments over 10,000m2 of floor space or where floor space not known, a site area of 2ha or more)	680.00	701.00	21.00		

	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
Small Scale Major Developments (residential developments of between 10 & 200 dwellings or where number not known, a site area of between 0.5ha & 4ha. Non-residential developments of between 1000m2 & 10,000m2 of floor space or where floor space not known, a site area of between 1ha & 2ha)	337.00	348.00	11.00		
1 dwelling	100.00	103.00	3.00		
Minor Developments (residential developments of between 2 & 9 dwellings or where number not known, a site area of less than 0.5ha. Non-residential developments of under 1,000m2 of floor space or where floor space not known, a site area of less than 1ha)	154.00	159.00	5.00		
Householder Development.					
Half hour appointment	22.00	23.00	1.00		
Appointment in excess of 30 minutes	32.00	33.00	1.00		
Other Development (excluding householder development but including changes of use, advertisements, prior approval proposals & listed building proposals)	55.00	57.00	2.00		
Planning Application Fees				Statutory	No VAT
Owing to the complexity of the fee structure, it is not shown here. Details of fees payable may be obtained from the Council's Planning Section. Alternatively the fee calculator available at the Planning Portal website can be used to determine the fees payable in respect of individual applications.	Planning Portal	Planning Portal	N/A		
Building Control fees (North Staffs Building Control Partnership)	Per Board	Per Board	N/A	Partnership Board	
Planning & development briefs (as & when prepared)	Free	Free	N/A		
Core spatial strategy	34.00	36.00	2.00		
Local development framework proposals map - north or south	7.00	8.00	1.00		
Local development framework proposals map - north & south	12.00	13.00	1.00		
Strategic housing land availability assessment (SHLAA)	34.00	36.00	2.00		
PRIVATE SECTOR HOUSING				Cabinet	No VAT
Houses in multiple occupation licence fee	598.50	610.50	12.00		
Each additional bedroom	7.80	8.00	0.20		

	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
Renewal of houses in multiple occupation licence	442.50	451.50	9.00		
Each additional bedroom	7.80	8.00	0.20		
Houses in multiple occupation licence fee for a member of the North Staffs Landlord Accreditation Scheme	498.50	510.50	12.00	Cabinet	
Each additional bedroom	7.80	8.00	0.20		
Renewal of houses in multiple occupation licence or a member of the North Staffs Landlord	342.50	351.50	9.00	Cabinet	
Immigration Inspections	125.00	127.50	2.50		
Provision of accommodation for homeless households	Cost	Cost	N/A		
Annual interest to be applied to unpaid debts for enforcement action	8%	8%	0%		
Charges for work in default notices to remedy Housing Health & Safety issues				Cabinet	No VAT
Officer time (per hour)	Cost	Cost	N/A		
Travelling costs (per mile)	Cost	Cost	N/A		
Management costs (per hour)	Cost	Cost	N/A		
Land registry fee	Cost	Cost	N/A		
Inspection by qualified electrician or gas engineers	Cost	Cost	N/A		
Recorded delivery	Cost	Cost	N/A		
Other costs (stated as per individual case)	Cost	Cost	N/A		
Administration fee (to cover service recharges)	12%	12%	0%		
Annual interest to be applied to unpaid debts for enforcement action	8%	8%	0%		
REMOVAL OF DOMESTIC ANIMAL CARCASSES				Cabinet	VAT Incl.
Removal of domestic animal carcasses	37.00	38.00	1.00		

SALE OF SANDBAGS				Cabinet	VAT Incl.
5 sand bags	37.00	38.00	1.00		
10 sand bags	42.00	43.00	1.00		

	Fee / Charge 2019/20 £.p	Fee / Charge 2020/21 £.p	Increase/ Decrease £.p	Committee Approval/ Comments	VAT Status
15 sand bags	48.00	49.00	1.00		
20 sand bags	53.00	55.00	2.00		
STREET TRADING				Cabinet	No VAT
Newcastle Town Centre (daily)	26.00	27.50	1.50		
Eastbound layby A500 (per annum)	9,400.00	9,400.00	Freeze		
Northbound layby A500 (per annum)	9,400.00	9,400.00	Freeze		
TOWN CENTRE DISPLAYS				Cabinet	No VAT
Local promotions (minimum charge)	26.00	27.50	1.50		
Charity & local community groups	5.00	5.50	0.50		
National promotions (minimum charge)	75.00	77.50	2.50		
TREE PRESERVATION ORDERS				Cabinet	No VAT
Single copy of a tree preservation order	31.00	31.00	Freeze		
WASTE & RECYCLING BINS / RECEPTACLES				Cabinet	No VAT
Bins/receptacles per property on new developments (to be paid by the developer)	62.00	65.00	3.00		
Replacement bin due to loss / theft	25.00	25.00	Freeze		

Charging Principles Included in the Charging Policy

5. CHARGING PRINCIPLES

- 5.1 Charges should be made for services whenever the Council has a power or duty to do so.
- 5.2 There will be a presumption that charges to be made for the provision of a service will be set at a level intended to recover the cost of providing the service.
- 5.3 However, this presumption may be modified by the application of the charging principles set out at 5.5 below, which may result in no charge being made or a lesser charge being made or in some cases a charge being made which is greater than that required for cost recovery.
- 5.4 No charge will be made in cases where the Council is not permitted to charge by law. Where charges are set by external bodies, those charges will be applied. Where maximum or minimum charges are specified externally, charges will be set in compliance with those requirements.
- 5.5 The following matters will be considered when deciding whether to set a charge, which is not to be based on cost recovery. The headings in bold indicate general areas for consideration and the bullet points below them are particular factors which should be taken into account where relevant.

The cost of providing the service

- All direct costs are to be included.
- All overheads related to the provision of the service, which may be attributed to the cost of the service, are to be included.
- Best estimates may be made of costs where it is not practical to obtain precise data or identify precisely those overheads attributable to the service.
- Unit costs are to be calculated by reference to realistic user numbers based on actual experience, either in relation to this Council or, if appropriate comparable services elsewhere.

How much income is it desired to generate and why?

- Is the service required to make a surplus or break-even?
- Does income from the service make a significant contribution to reducing the net amount of the Council's revenue budget?
- Have any targets been set for the income or class of income of which it is a component?
- Is income needed to fund future investment?

Comparison of charges made by neighbouring or similar councils or other providers of similar services

- In making this comparison it will be necessary to establish whether the services being provided by these other bodies are comparable to those provided by the Council and to make adjustments where this is not so.
- Is there a logical reason for significant differences between this Council's charges and those of others?
- Will customers be lost to other service providers if charges are set too high?

Whose use of services is it desired to subsidise and by how much?

- Can all potential users afford to pay the full cost of the service or the same charges as other users?
- Is it desirable to subsidise all users of the service, for example because there is likely to be a desirable outcome for the community as a result.
- Are there particular classes of users that should be subsidised, such as the unemployed, benefits recipients, the elderly, disabled persons or children?

- Should subsidies be given by reducing the charges payable or by offering concessions to offset the charge?

Whose behaviour is it desired to influence and in what ways?

- Is it desirable to influence users to use particular facilities, for example where they are under-used, by charging less for their use than for other similar ones?
- Is it desirable to persuade users to behave in a way which is more acceptable to the community in preference to any other or others less acceptable and can this be promoted by setting charges at a level which might achieve this?
- Is it desired to promote a particular pattern of use, for example short stay parking as opposed to another, such as long stay parking or to discourage peak time use of facilities?
- Should some behaviour or activities be discouraged by setting high charges or penalties?
- Can anti-social behaviour be reduced by charging for services which discourage people from behaving irresponsibly at a level which they will find attractive, for example charges for the collection of bulky waste to discourage fly-tipping?
- Are there desirable outcomes which the Council wishes to see realised, in line with its corporate objectives, which could be assisted through the charging regime, for example maintaining the economic vitality of the town centres through the provision of reasonably priced facilities such as car parking?

How will charges help to improve value for money, equity and access to services?

- What are users' perceptions with regard to what constitutes a fair and reasonable charge?
- Are there any issues relating to social inclusion or equalities?

Will the cost (including staff time) of collecting the income due outweigh the amount of income likely to be collected?

- Is it worth making a charge?
- Should a charge be made anyway as a matter of principle?

Any other relevant factors

- It will be a matter for the Council to determine what the charge will be, based on its consideration of the above factors.

- 5.6 Where, without prior agreement by the Council, individuals or organisations engage in activities that result in a cost to the Council, the Council will seek to recover this cost, wherever possible.
- 5.7 Consideration may be given to offering a discount or other reduction, in appropriate cases, where it is felt that this may improve take up of the service or to encourage prompt payment, following consultation with the Executive Director (Resources and Support Services) who must approve all such initiatives.
- 5.8 Penalties, in the form of fines, may also be imposed in order to deter inappropriate or antisocial behaviour, for example littering. The amount of the fine will be set at a level designed to deter such behaviour.
- 5.9 Activities carried out by the Council will be continually reviewed in order to identify any new areas where it would be appropriate to make a charge to persons or organisations benefiting (actually or potentially) from those activities. The level of the charge will be determined in accordance with these charging principles.

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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

DATE OF MEETING	ITEM	BACKGROUND/OBJECTIVES	OUTCOME
Thursday 19 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 December 2019	Revenue and Capital Budgets	Pre-cabinet Scrutiny of draft savings proposals and capital programme	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. Compliance to MTFS.

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DATE OF MEETING	ITEM	BACKGROUND/OBJECTIVES	OUTCOME
	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 16 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. 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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DATE OF MEETING	ITEM	BACKGROUND/OBJECTIVES	OUTCOME
		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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By virtue of paragraph(s) 1, 2, 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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