

# Public Document Pack

**Date of meeting** Monday, 14th December, 2020  
**Time** 7.00 pm  
**Venue** Finance, Assets and Performance Scrutiny Committee - Hybrid Meeting - Conference  
**Contact** democraticservices@newcastle-staffs.gov.uk



**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 DECLARATIONS OF INTEREST**
- 3 MINUTES OF A PREVIOUS MEETING** (Pages 3 - 8)  
To consider the Minutes of the last meeting of the Committee held on 17<sup>th</sup> September 2020.
- 4 UPDATE FROM CABINET**
- 5 MEDIUM TERM FINANCIAL STRATEGY 2021/22 to 2025/26** (Pages 9 - 38)
- 6 REVENUE AND CAPITAL BUDGET 2021/22 - FIRST DRAFT SAVINGS PLANS** (Pages 39 - 44)
- 7 FINANCIAL AND PERFORMANCE REVIEW REPORT SECOND QUARTER (JULY - SEPTEMBER) 2020-21** (Pages 45 - 74)
- 8 WORK PROGRAMME** (Pages 75 - 80)
- 9 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
- 10 URGENT BUSINESS**  
To consider any business which is urgent within the meaning of Section 100B (4) of the Local Government Act 1972
- 11 DATE OF NEXT MEETING**

**Members:** Councillors Mark Holland (Chair), Bert Proctor (Vice-Chair), Gillian Burnett, Andrew Fear, Tony Kearon, Mike Stubbs, Paul Waring, Amelia Rout, Graham Hutton, Sarah Pickup and David Grocott

**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:	John Cooper	Elizabeth Shenton
	John Tagg	Dave Jones
	Kenneth Owen	Andrew Parker
	Barry Panter	

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

- 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.

## FINANCE, ASSETS & PERFORMANCE SCRUTINY COMMITTEE

Thursday, 17th September, 2020  
Time of Commencement: 7.00 pm

<b>Present:</b>	Councillor Mark Holland (Chair)		
<b>Councillors:</b>	Bert Proctor Mike Stubbs	Kyle Robinson Sarah Pickup	Andrew Parker
<b>Officers:</b>	Jan Willis	Interim Executive Director - Resources and Support Services and Section 151 Officer	
	Roger Tait Geoff Durham	Head of Operations Mayor's Secretary / Member Support Officer	
	David Elkington	Head of Customer and Digital Services	

**Note:** In line with Government directions on staying at home during the current stage of the CV-19 pandemic, this meeting was conducted by video conferencing in accordance with the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020.

### 1. **APOLOGIES**

Apologies were received from Councillor Graham Hutton.

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

There were no Declarations of Interest stated.

### 3. **MINUTES OF A PREVIOUS MEETING**

**Resolved:** That the Minutes of the meeting held on 25 June, 2020 be agreed as a correct record.

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

The Leader advised that the update would be covered by items contained within this agenda.

### 5. **BACK ON TRACK - CORONAVIRUS PANDEMIC RECOVERY PLAN UPDATE**

Consideration was given to a report regarding actions being taken across the Council to recover from the impact of the Covid-19 pandemic. The report had been considered by Cabinet on 9 September.

The Leader of the Council, Councillor Simon Tagg advised Members that this Council had now moved towards 'full recovery mode' with people now returning to the office.

There had been a recent rise in cases but all health and safety aspects were being followed.

Customer Services had been a key success, with the use of telephone and online services and the opening up of Castle House for self-service facilities.

Members' attention was drawn to paragraph 2.1 which outlined the five areas of the recovery work.

Councillor Stubbs referred to paragraph 2.16 which stated that there would be a £900,000 deficit from income and whilst he understood that the Council did have time to recover it – he asked if it was a prudent figure.

The Portfolio Holder for Finance and Efficiency, Councillor Stephen Sweeney advised that the Council's Section 151 Officer did operate with prudence and the Council was in as good a position as could be expected under the circumstances. As long as there were no other crises, the figure was realistic.

The Leader stated that the figure was a prudent assumption. Nobody could say how long the current situation would last and how the budget would be affected by it.

Councillor Pickup referred to paragraph 2.19 and stated that she could understand the NNDR figure being down and asked what the Council Tax figure was modelled on and how it was arrived at. She asked if it was the Council having difficulty in collecting it or was it due to people's circumstances?

The Council's Executive Director for Resources and Support Services and Section 151 Officer, Jan Willis advised that the impact on Council Tax Collection was not as bad as it could have been, due to the Council Tax Hardship Fund which reduced the Council Tax liability for people on income support. As a result, Council Tax debt would be either wiped out completely or significantly reduced.

There was an impact on the wider budget as the Council Tax Support Scheme had to be funded. This did not impact on the Collection Fund. This had put some pressure onto the budget which had been factored into the accounts.

**Resolved:** That the report be received and the comments noted.

## **6. FINANCIAL SUSTAINABILITY AND RECOVERY PLAN**

Consideration was given to a report on the Financial Sustainability and Recovery Plan.

The Leader advised that the first part of this report had been covered under the Back on Track report. Members were referred to paragraph 2.9 of this report which outlined the services provided by the Council, financial sustainability and how things had changed as a result of the pandemic.

People were using technology more and the Council had used this to adopt new ways of working.

The Council did need to make a saving – which had been required before the pandemic and any Council Tax impact would affect the budget.

Councillor Stubbs referred to paragraph 2.6 asking if the £500,000 Council Tax shortfall was a correct figure. He was happy that the Government would fill 95% of the gap but it would still leave £1M to be paid back over three years. Councillor Stubbs asked if that could be sustained. The Council would be taking a medium term hit – recovering the money over three years which would still have to be shown as a loss.

Jan Willis stated that there had been a slight misunderstanding. The Council would have to recoup the Collection Fund losses in the following year and this would have to be budgeted for. The Government would relax that requirement which would allow it to be recouped over three years.

In addition, proposals would be brought forward for any Collection Fund losses to be shared between the Government and the Council. No details have come forward as yet but it was expected that the Council would not have to recover the full £500,000.

The Council did have reserves that could be used to cover any residual losses.

The Leader stated that, when this Committee met in June, the Council had been awaiting another round of funding from the Government which had now been received.

Dialogue needed to continue as there was still uncertainty around the effect of the pandemic in the near future.

The Chair stated that careful attention needed to be paid as to what the officers were saying. Help would not normally be given by the Government so any assistance would make things easier.

The Portfolio Holder for Finance and Efficiency would look at the terms for any further cash injections from the Government.

**Resolved:** That the report be received and the comments noted.

**7. FINANCIAL AND PERFORMANCE REVIEW REPORT - FIRST QUARTER (APRIL - JUNE) 2020-21**

Consideration was given to a report on The Financial and Performance Review – First Quarter.

The Leader stated that this was the first full quarter in lockdown and said that there were highlights as to how staff had reacted to the pandemic.

Planning staff had worked greatly throughout the pandemic and had continued to get applications through.

The new recycling service had been introduced and levels had increased due to more options being available and the reintroduction of the food waste collection service.

There had been increased footfall in the town centre with a keen interest in the market which indicated that people were shopping locally.

The Brampton Museum and J2 had now reopened but there was an issue with the pool. This would reopen very soon.

The Chair referred Members to page 35 of the agenda which set out the Corporate Performance for Quarter One.

Councillor Stubbs stated that it was difficult, given the time frame of the report, to draw a meaningful analysis. Nobody would expect the results to be any different under the present circumstances. They needed to be looked at again in three months' time when it could be expected for the figures to be different.

The Leader advised that an update report on the Coronavirus pandemic was on the agenda for the next Council meeting and said that there were positive points in the report on how the Council had adapted.

The Chair agreed and referred Members to point 1.8 on page 38 which showed the number of online transactions.

Councillor Stubbs referred to page 44, Kidsgrove Sports Centre stating that it was positive to see things moving forward and hoped that everyone would support this.

The Leader stated that this balanced up the sports facilities within the Borough – not just for Kidsgrove but everyone in the north of the Borough. He added that it was pleasing to get to this stage and, if endorsed at Full Council the Council would move ahead with the project.

Councillor Sweeney spoke on Priority 4 – a Town Centre for All, stating that Newcastle was becoming quite vibrant following the lockdown and urged people to visit the town centre and have a good look at all of the different shops.

The Chair stated that footfall should be buoyant in the next quarter and hoped that as a new normal was moved towards, people would shop locally.

**Resolved:** That the report be received and the comments noted.

## **8. CIPFA GUIDE TO FINANCIAL SCRUTINY**

Consideration was given to a report on the CIPFA Guide to Financial Scrutiny which offered guidance on how to scrutinise the Council's Finances.

Councillor Sweeney made reference to the document which was appended to the report at page 55. It had been taken to the Audit and Standards Committee in July and could provide areas of training for Committee members.

Councillor Stubbs stated that the document was quite technical and asked whether officers could make themselves available to go through any unclear areas as and when required.

Councillor Sweeney agreed and stated that the document was there to give a clearer understanding and that officers would be there to help.

The Chair stated that there may be members of the Committee who would benefit from the guidance of officers on the document. The Chair asked that a reminder be sent to the members and substitutes of this Committee advising them that they could approach officers with any questions or potential training requirements.

**Resolved:** That the CIPFA guide to Scrutinising Public Accounts be received.

**9. WORK PROGRAMME**

The Chair referred Members to the Work Programme, starting at page 177 of the agenda.

The previous meeting had the single item focussing on the Council's recovery from the Coronavirus pandemic. The Chair stated that he would like the next meeting to be a face to face one but there was still uncertainty about the effects of the pandemic.

The Leader suggested that the next meeting could be a hybrid one if necessary.

Councillor Stubbs stated that a financial review of the effects of the pandemic needed to be carried out at some point in the future but the next meeting in December was when scrutiny of the Council's budget commenced.

The Chair agreed that there was already a full agenda for the December meeting and added that Councillor Hutton would like the Committee to consider Council Procurement at its June meeting next year.

**10. PUBLIC QUESTION TIME**

There were no public questions.

**11. URGENT BUSINESS**

There was no urgent business.

**Chair**

Meeting concluded at 7.49 pm

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**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

**EXECUTIVE MANAGEMENT TEAM'S  
REPORT TO**

**Finance Assets and Performance Scrutiny Committee  
14 December 2020**

**Report Title:** Medium Term Financial Strategy 2021/22 to 2025/26

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

**Portfolios:** Finance and Efficiency

**Ward(s) affected:** All

**Purpose of the Report**

To present updated financial forecasts for the period 2021/22 to 2025/26 and set out how the Council will allocate its resources over the medium term to deliver its objectives.

**Recommendations**

**That:**

1. **Note the Medium Term Financial Strategy.**
2. **Note the funding gap of £1.790m in 2021/22 and £5.911m over the 5 year period covered by the MTFS.**
3. **Note the current uncertainty regarding the medium term impact of Covid and local government funding and the need for scenario planning and identification of savings options for best, worst and medium case scenarios.**

**Reasons**

To ensure the Council meets its statutory duty to set a balanced budget in February 2021.

1. **Background**

1.1 Cabinet agreed a Medium Term Financial Strategy (MTFS) for the period 2020/21 to 2024/25 in October 2019. This report updates the assumptions from that time and sets out the strategy for development of the 2021/22 budget and MTFS for 2021/22 to 2025/26.

2. **Issues**

2.1 The strategy is set out in twelve sections and the key elements of each section are summarised below.

2.2 The MTFS provides an overarching framework for the allocation of resources to the Council's key priorities as set out in the Council Plan. A mid-term review of the Council Plan has been carried out and has confirmed that the priorities remain unchanged.

2.3 After a ten year period of austerity the financial strategy focuses on the need for the Council to become self-sustaining through developing a strong and growing tax base, making best use of its resources, promoting a One Council culture in which there is widespread

ownership of the Council's financial position, a robust financial position and a fair funding settlement for Newcastle-under-Lyme.

- 2.4 It is currently unclear whether the Government will press ahead with plans for a business rates reset in 2021/22 which would see the accumulated growth built up since 2013/14 being redistributed across the system. As a member of the Staffordshire business rates pool the Council currently saves £1.5m per annum on the levy that would otherwise be payable to the Treasury. A 50% reset would reduce this saving to £0.766m. In the event that a reset goes ahead strong lobbying will be required to ensure that appropriate transitional arrangements are in place to cushion the impact locally and that continuing Government support is made available for collection fund losses due to COVID-19.
- 2.5 Whatever funding system is in place, it will require relevant up to date information to ensure its effectiveness. The Census in 2021 will be key. Locally there was a 94% response in 2011 – whilst this matched the national average it was the lowest rate in Staffordshire; it is therefore important for the Council to promote the importance of the Census and ensure the maximum possible engagement across the Borough.
- 2.6 Finally the Council will need to continue to lobby to ensure that the resources required to regenerate the borough are secured via Town Deals and Future High Street Fund and continue to work closely with the county and LEP to secure inward investment in the borough to drive growth and employment opportunities for local people.
- 2.7 The third and fourth sections of the MTFS cover the context in which the Council operates – the global and UK economy and the specific characteristics and challenges of the borough.
- 2.8 The coronavirus pandemic has precipitated a worldwide recession which is the most severe in generations. This, together with demographic trends, will have a significant impact on employment and demand for Council services over the next five years.
- 2.9 The current MTFS approved by Cabinet in October 2019 forecast a budget gap of £4.446m over the period 2021/22 to 2024/25. The MTFS is being rolled forward by a year and assumptions revisited. The COVID-19 pandemic has changed the position significantly creating financial challenge and uncertainty in equal measure. Most challenging is the forecast of the tax base for both Council Tax and Business Rates. The current central forecast is for a gap in 2021/22 of £1.790m and over the 5 year period of the MTFS £5.911m.
- 2.10 In the current financial year the Council has received significant additional Government support in the form of emergency Covid grants of just under £2m plus a compensation scheme for lost income from fees and charges. However, at this time it is unclear what the medium to long term impact of Covid will be on the Council's tax base and the level of Government support for any continuing losses and additional expenditure requirements. In addition the shape and timing of changes to the local government funding regime including business rates retention and a potential reset have not been confirmed. The level of uncertainty is unprecedented and consequently there is a need to develop alternative scenarios which will enable the Council to plan on the basis of a range of potential outcomes reflecting a deeper and longer lasting impact of the crisis.
- 2.11 Over the summer and early autumn the groundwork for the MTFS has been undertaken including review of the Borough Profile and assessment of the longer term impact of COVID-19, a full benefit opportunity assessment and extensive benchmarking to give a clear context in which to identify areas for investment and redirection of resources, opportunities for efficiency and income generation and service reconfiguration.
- 2.12 Based on this work, key themes have been identified for further exploration including digital transformation, organisational structure, commercial opportunities and asset management.

- 2.13 In view of the uncertainty around the longer term impact of COVID-19 and local government funding, work is taking place to develop and refine alternative scenarios for planning purposes. Under the medium and worst case scenarios there would be a need to draw down from reserves to fund further income losses and additional expenditure and consequently a requirement to replenish reserves in later years which would add between £0.75m and £1.5m to the forecast gap over the life of the strategy. A best case scenario in which collection fund losses are shared on a 50/50 basis with Government and other income recovers to pre-COVID-19 levels by the end of this financial year would result in a reduction of £0.54m over the five year period and £0.31m in 2021/22.
- 2.14 A full risk assessment is being carried out of the Council's reserves. A preliminary assessment suggests that a minimum contribution to the General Fund reserve of £0.8m will be required to provide sufficient cover for potential risks. Government proposals for apportionment of collection fund losses which are expected to be announced in November may provide scope for some of the accumulated business rates surpluses currently held in the Business Rates reserve to be released to the General Fund in a phased manner over the first 3 years of the MTFS.
- 2.15 The Council agreed a 10 year capital strategy in February 2020. The capital strategy sets out how the Council will invest capital resources to support service delivery and facilitate the achievement of key objectives. The strategy has been reviewed and updated in light of the impact of COVID-19, expected capital receipts from asset disposals and the decision to press ahead with the refurbishment of the Kidsgrove Sports Centre. The capital financing requirement is set to increase to £22.629m by 2029/30 and the revenue implications have been reflected in the revised MTFS.
- 2.16 Work on the detail of the 2021/22 budget including investment and savings proposals is at an advanced stage and is being overseen by a Financial Recovery Board chaired by the Leader of the Council. Draft budget proposals will be presented to Cabinet and Finance, Assets and Performance Scrutiny Committee in December and finalised in January following public consultation and receipt of the Council's final funding settlement.

### 3. **Proposal**

- 3.1 That Finance, Assets and Performance Scrutiny Committee note the draft MTFS, note the funding gap of £1.790m in 2021/22 and £5.5911m over the life of the MTFS. The Committee is also asked to note the current uncertainty regarding the medium term impact of Covid and local government funding and the need for scenario planning and identification of savings options for best, worst and medium case scenarios.

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

- 4.1 The Council has a statutory duty to set a balanced budget by February 2021. Best practice is for financial planning to take place over a 5 year period in the form of a Medium Term Financial Strategy that sets out how the Council plans to allocate resources to meet its objectives.

### 5. **Options Considered**

- 5.1 None.

### 6. **Legal and Statutory Implications**

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

7. **Equality Impact Assessment**

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

8. **Financial and Resource Implications**

8.1 These are addressed in the body of the report.

9. **Major Risks**

9.1 Section 25 of the Local Government Acts 2003 places a duty on the section 151 officer to report on the robustness of the budget. The main risks to the budget include spending in excess of budget; income falling short of the budget (including capital receipts from disposal of assets); and unforeseen elements such as changes to Government funding. In the context of the COVID-19 pandemic and uncertainty regarding Government funding reforms there are significant budget risks that will need to be managed. It will be essential the Council has sufficient reserves to call on if required. The draft MTFS assumes a minimum General Fund reserve of £3.2m. This will need to be kept under review as risk assessments are updated.

10. **Sustainability and Climate Change Implications**

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

11. **Key Decision Information**

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

12. **Earlier Cabinet/Committee Resolutions**

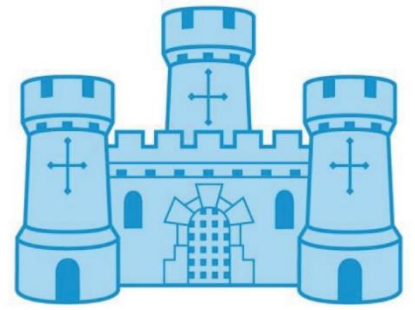
12.1 None

13. **List of Appendices**

13.1 Appendix 1 - Medium Term Financial Strategy 2021/22 to 2025/26.

14. **Background Papers**

14.1 None



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

# Draft Medium Term Financial Strategy 2020/21 – 2025/26



# Medium Term Financial Strategy 2021/22 to 2025/26

## 1. Corporate Plan

- 1.1 The Council agreed a Council Plan setting out its key priorities in 2018. A mid-term review of the plan has recently been completed and is shown at Appendix A.
- 1.2 The four key corporate priorities remain:
  - Local services that work for local people
  - Growing our people and places
  - A healthy, safe and active borough
  - A town centre for all
- 1.3 These priorities are underpinned by the existence of a modern council with
  - A skilled, empowered and responsive workforce
  - Accessible and efficient services
  - Financial resilience and good governance
  - A strong culture of partnership working

## 2. Financial Strategy

- 2.1. A sound financial strategy is key to the delivery of the Corporate Plan and financial resilience.
- 2.2. There are five key strands to the strategy:
  - A financially self-sustaining Council
  - Value for Money
  - A One Council culture
  - Underpinned by robust financial position
  - Ensuring a fair financial settlement for Newcastle-under-Lyme

### Financially Sustainable Council

- 2.3. The change in the balance of funding to local authorities has shifted over the last ten years with the reduction of Revenue Support Grant by Government being replaced by income from retained Business Rates and Council Tax. This has led to a need for local authorities to be increasing self-financing with a need to grow local economy and Council Tax bases to provide prosperity and reduce need alongside delivering efficiencies and generating more commercial income.
- 2.4 Newcastle-under-Lyme has a growing population (despite a small fall from 2018-2019), but in recent decades it has seen low levels of house building which have not kept up with housing demand. The resulting affordability gap for residents puts pressure on our homelessness service but also has dampened council tax income.

- 2.5 Newcastle-under-Lyme's industrial and retail sectors have remained relatively healthy in recent times and the business rates base has grown significantly (current rateable value of £90.940m) since the borough joined the Staffordshire business rates pool in 2013/14 (rateable value of £83.842m).
- 2.6 Alongside the growth in the tax base the rates need to keep base with the Council's inflationary and demand pressures. Accordingly the MTFS assumes annual increases up to the referendum threshold of the greater of 2% or £5.

### **Value for Money**

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

### **One Council Culture**

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

### **Robust Financial Position**

- 2.9 There needs to be clear, transparent and integrated service and budget planning to ensure the Council's finite resources are directed to where they are most needed. It is essential that the finances are understood by members, senior officers, managers and the community. The finances need to be sustainable. A single year budget is not enough, the finances need to be planned over the medium term and good practice is for this term to be five years.
- 2.10 The budgets need to be robust with realistic savings plans to avoid in year volatility. The five year plan needs to recognise all future pressures and income flows. Local Government is a dynamic environment with many demand led services and the growth in demand for services needs to be accurately modelled. The same applies on the income side with a clear understanding required of changes to the Council Tax and Business Rates tax bases and the level of Government support.
- 2.11 There is inevitably a gap between the two or the need to invest in priority areas which will need to be met by changing the way in which the Council operates. This will be through delivery of efficiencies, reducing services or generating more income. All of these measures need to be realistic with appropriate processes in place to ensure their delivery.
- 2.12 Finally, the Council needs to hold an appropriate level of reserves to ensure that it can continue to deliver its objectives in times of financial uncertainty. These reserves will cover the smoothing of spend areas that are known to move from year to year, for specific and general risks and a general provision for unknown risks. In light of Covid-19 it is likely that the Council will need to increase the level of reserves it holds.
- 2.13 Much work has been done over the past two years to put the Council's finances on a robust sustainable footing. Undeliverable savings and historical overspends have

been built back into the base budget, there is a more focussed view of the medium term and there is a far more realistic assessment of future demographic pressures and investment needs. In addition, a new Ten Year Capital Strategy has ensured that decision making considers this wider, long term context. This Strategy will set out how this approach can be taken further forward.

- 2.14 The Council has been operating in a period of great uncertainty with Brexit and a snap general election and delays in essential reforms to the local government financial framework. This uncertainty has been taken to another level with the impact of the worldwide Covid-19-19 Pandemic. Detailed scenario planning will therefore be required to identify the different actions that may be necessary to ensure the Council's continued financial sustainability depending on the financial impact in 2020/21 and any potential ongoing consequences.

### **A fair financial settlement for Newcastle-under-Lyme**

- 2.15 The Government introduced its Business Rates Retention model for funding local government in 2013/14. It however relied on the historical needs data and damping arrangements from the previous model. At the time government committed to address both of these issues and also set out plans to reset the business rates growth on a regular basis.
- 2.16 Government has been developing Fair Funding proposals to remedy the position but this is now years overdue and local authorities have been disadvantaged by both the lack of an update of the underlying data and the damping arrangements. Implementation has been held up due to Government being stretched with Brexit, a snap General Election and now the Covid-19 pandemic and it is currently unclear whether the Government will press ahead with plans for a business rates reset in 2021/22 which would see the accumulated growth built up since 2013/14 being redistributed across the system.
- 2.17 As a member of the Staffordshire business rates pool the Council currently saves £1.5m per annum on the levy that would otherwise be payable to the Treasury. A 50% reset would reduce this saving to £0.766m. In the event that a reset goes ahead strong lobbying will be required to ensure that appropriate transitional arrangements are in place to cushion the impact locally and that continuing Government support is made available for collection fund losses due to Covid-19.
- 2.18 Whatever funding system is in place, it will require relevant up to date information to ensure its effectiveness. The Census in 2021 will be key. Locally there was a 94% response in 2011 – whilst this matched the national average it was the lowest rate in Staffordshire; it is therefore important for the Council to promote the importance of the Census and ensure the maximum possible engagement across the Borough.
- 2.19 Finally the Council will need to continue to lobby to ensure that the resources required to regenerate the borough are secured via Town Deals and Future High Street Fund and continue to work closely with the county and LEP to secure inward investment in the borough to drive growth and employment opportunities for local people.

## **3. Economic Context**

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



*The medium-term global economic outlook is weak. While the strict initial lockdown restrictions have eased, coronavirus has not been suppressed and second waves have prompted more restrictive measures on a regional and national basis. This ebb and flow of restrictions on normal activity will continue for the foreseeable future, at least until an effective vaccine is produced and importantly, distributed.*

*The global central bank and government responses have been significant and are in many cases on-going, maintaining more stable financial, economic and social conditions than otherwise. This has supported a sizeable economic recovery in Q3.*

*However, the scale of the economic shock to demand, on-going social distancing measures, regional lock downs and reduced fiscal support will mean that the subsequent pace of recovery is limited. Early signs of this are already evident in UK monthly GDP and PMI data, even before the latest restrictions.*

*This situation will result in central banks maintaining low interest rates for the medium term. In the UK, Brexit is a further complication. Bank Rate is therefore likely to remain at low levels for a very long time, with a distinct possibility of being cut to zero. Money markets have priced in a chance of negative Bank Rate.*

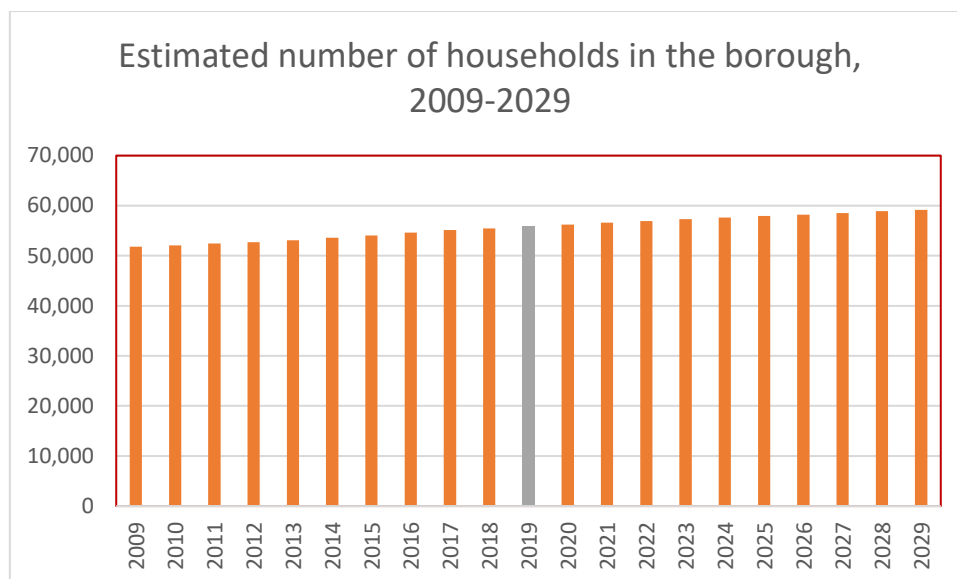
*Longer-term yields will also remain depressed, anchored by low central bank policy rates, expectations for potentially even lower rates and insipid inflation expectations. There is a chance yields may follow a slightly different path in the medium term, depending on investor perceptions of growth and inflation, or if the UK leaves the EU without a deal.*

*Arlingclose expects Bank Rate to remain at the current 0.10% level and additional monetary loosening in the future most likely through further financial asset purchases (Quantitative Easing). While Arlingclose's central case for Bank Rate is no change from the current level of 0.1%, further cuts to Bank Rate to zero or even into negative territory cannot be completely ruled out.*

*Downside risks remain in the near term, as the government dials down its fiscal support measures, reacts to the risk of a further escalation in infection rates and the Brexit transition period comes to an end.*

#### **4. Borough Profile**

- 4.1 Newcastle-under-Lyme has a population of 129,400 (2019 Mid-Year Estimate). Over the past decade the general population has grown by 5.2% but the over 65 population has increased by 29.6% and is projected to increase by a further 14.6% over the next decade. In the five years from 2014-2019, the percentage of the borough's population aged 70+ increased from 13.4% to 15.2% which is higher than the average for both the West Midlands region (13.6%) and England (13.4%).
- 4.2 Between 2009 and 2019 the number of households in the borough increased by 7.8% to 55,800 and further growth is projected to 59,200 by 2029, and to 62,100 by 2039.



- 4.3 Newcastle-under-Lyme is the 150th most deprived local authority in England, out of 317 overall, a slight improvement on its ranking in 2015. In terms of Health Deprivation and Disability the borough is the 80<sup>th</sup> most deprived local authority.
- 4.4 Parts of the borough including Cross Heath and Knutton are in the 10% most deprived areas in England. Further parts of Holditch and Chesterton, Kidsgrove and Ravenscliffe, Crackley and Red Street, Town and Westlands are also in the 20% most deprived. However, parts of Loggerheads, Westbury Park and Northwood, Madeley and Betley and Westlands are in the top 10% least deprived parts of England, with parts of Clayton, Crackley and Red Street, Thistleberry, Westlands, Bradwell, Madeley and Betley, Newchapel and Mow Cop in the top 20% least deprived.
- 4.5 Across the borough, the age-standardised mortality rate of 1,014.8 is significantly higher than the Staffordshire rate of 964.9.
- 4.6 The latest available local estimates from the ONS (Life Expectancy at Birth 2017 to 2019) suggest that life expectancy at birth for males born in this period in Newcastle-under-Lyme is 79.3 years and female life expectancy is 83.0 years, both below the Staffordshire and England averages.
- 4.7 There are, however, wide variations across the borough with the inequality driven by deprivation, with life expectancy for males up to 10.1 years higher in wealthier areas than in more deprived depending on where you live in the borough. This gap has widened significantly since 2010/12 when it was 7.8 years. For females, the gap is 9.3 years.
- 4.8 Across the borough in 2019, the annual mean gross weekly pay was £517. This was lower than for the West Midlands (£551) and Great Britain (£587). Across the borough there are significant differences in income. In three areas, net annual household income in 2018 was less than £26,000.

(Gross weekly pay for full-time workers)

	Newcastle-under-Lyme	West Midlands	Great Britain
Females	£463	£495	£529
Males	£534	£589	£632
Overall	£517	£551	£587

4.9 In the year up to March 2020, an estimated 72.5% of residents aged 16-64 were classed as 'in employment', a lower rate than for the West Midlands region (73.9%) and for Great Britain (76.0%). The reduction in economic activity mirrors the increase in the over-65 population.

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

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

4.10 The number of recorded crimes for headline offences in Newcastle-under-Lyme between April 2019 and March 2020 was 8.738 – an increase of around 1.4% on the previous 12 month period. The overall crime rate for this period was 67 per 1,000 residents, slightly lower than the Staffordshire rate of 70 per 1,000 people.

4.11 The three most common types of recorded crime were

- Violence against the person (3,411)
- Theft offences (2,867)
- Criminal damage and arson (1,173)

4.12 During 2019/20 Newcastle's Housing Advice service dealt with 1,122 housing options/homelessness applications, 499 interviews were held and 436 households were accepted as statutorily homeless and in priority need. As at 31st March 2020, 17 households were in temporary accommodation.

4.13 88.6% of residents of working age have qualifications at level NVQ1 or above, higher than the 82.0% across the West Midlands (82%) and Great Britain (85.6%) averages. As of December 2019, an estimated 30.4% of adults aged 16-64 were qualified to NVQ level 4 or above – lower than both the West Midlands rate of 34.1% and the Great Britain rate of 40.3%.

4.14 Universal credit claimant numbers were 8,250 in July 2020 (4,883 not in employment, 3,366 in employment), higher than any Staffs district other than East Staffs. The unemployment claimant count for the borough of 5% as at August 2020 was very similar to Staffordshire's rate of 5.1% and lower than Great Britain's 6.6%. As with most of the country, there was a large rise from March 2020 when the rate was 2.4%. There is a large variance across the borough – in four wards the rate is above 7%, in three wards it is lower than 4%.

## 5. Refresh of Financial Assumptions

- 5.1 Council agreed a five year Medium Term Financial Strategy in February 2020 covering the period 2020/21 to 2024/25. For 2020/21 there was Net Expenditure of £16.162m on services and a Council Tax Requirement of £7.520m. There is a Council Tax Base of 37,387 and a Band D Council Tax of £201.14. There was a balanced budget for 2020/21 but a forecast gap of £4.446m across the period 2021/22 to 2024/25.

Directorate	Expenditure (£000's)	Income (£000's)	Net Expenditure (£000's)
Chief Executive	2,238	(179)	2,059
Resources and Support Services	27,158	(23,646)	3,512
Operations	11,294	(5,024)	6,270
Commercial Development & Economic Growth	9,728	(5,407)	4,321
<b>Total</b>	<b>50,418</b>	<b>(34,256)</b>	<b>16,162</b>

- 5.2 The MTFS will need to be rolled forward a year to cover 2025/26 and the assumptions updated. This is the first refresh of those assumptions and there will be further review and refinement throughout the budget setting process.
- 5.3 Covid-19 is expected to have a long term impact on the Councils' finances, however, the degree of that impact is difficult to predict. The MTFS has been revised to reflect current information and includes an estimate of cost pressures arising directly due to the economic impact of Covid-19 which will also have both a short and medium term impact on the tax base. This is considered in the commentary below.
- 5.4 Overall, rolling the Plan forward a year the Council is forecast to have a funding gap of £5.911m over the next five years. £1.790m of this is in 2021/22 and whilst the overall strategy is to have a balanced five year plan the focus of attention will be on this first year.
- 5.5 However, the Covid-19 crisis is going to have an impact on the Council's finances beyond the current financial year. At the present time it is extremely difficult to assess this impact and for that reason a number of scenarios are put forward later in this Strategy. There are nevertheless some inevitable impacts that need to be included in this refresh and these are explored in the Income and Expenditure sections below.
- 5.6 Consequently the gap over the five year plan is forecast to be £5.911m and for the first year of the Plan will be £1.790m.

	2021/22 (£000's)	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)	2025/26 (£000's)	Total (£000's)
Income	210	421	247	(100)	(108)	670
Expenditure	1,580	1,173	831	1,030	627	5,241
<b>Gap</b>	<b>1,790</b>	<b>1,594</b>	<b>1,078</b>	<b>930</b>	<b>519</b>	<b>5,911</b>

- 5.7 The year one gap has increased from £1.367m to £1.790m as a consequence of the Covid-19 impact on both income and expenditure. The cost of Council Support has increased significantly, and expenditure pressures are expected to persist beyond 2020/21.

### Income

- 5.8 There are two key changes in the assumptions which are set out in further detail below. A further provision for Covid-19 income losses of £200,000 has been built in for 2021/22 in addition to the £170,000 base budget adjustment in the existing MTFS. The assumed annual increase in fees and charges has also been adjusted from 2.5% to 3%.

	2021/22 (£000's)	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)	2025/26 (£000's)	Total (£000's)
Government Grant	276	181	215	23	23	718
Business Rates	(397)	250	48	(78)	(80)	(257)
Fees and Charges	(151)	(202)	(208)	(215)	(221)	(997)
Council Tax Collection Fund	52	52	52	-	-	154
Council Tax Support	60	(30)	(30)	-	-	-
Income Pressures	370	170	170	170	170	1050
<b>Total</b>	<b>210</b>	<b>421</b>	<b>247</b>	<b>(100)</b>	<b>(108)</b>	<b>670</b>

### Government Grant

- 5.9 Local Government has been through an unprecedented period of austerity as demonstrated in the chart below. The Council no longer receives Revenue Support Grant and the initial assumption is for the remaining specific grant income to continue to decline over time. The chart below shows the decrease in settlement funding received from Central Government (please note that it includes the baseline funding allocation from Central Government regarding the Business Rates Retention scheme, but not the growth that the Council has generated above this).

### Business Rates

- 5.10 The MTFS approved by Council in February assumed that £0.2m of income from the Staffordshire business rates retention pilot would come to an end in 2021/22. Due to the delay in implementing the business rates retention scheme and fair funding review it is now expected that the pool will continue for a further year, resulting in additional income of £0.2m in 2021/22.
- 5.11 There have been significant impacts to Business Rates as a result of the Covid-19 crisis. Firstly, there have been a wide range of interventions from Government with extensive discounts and also provision of grant to small businesses. These discounts have been matched with s31 grant and have therefore not impacted the Council's bottom line. However, during the first 6 months of this financial year there has been a like for like reduction in cash collection against the residual amount due compared to 2019/20, which equates to a potential loss across the financial year of which the

Council's share would be £0.375m. The MTFS assumes that this loss will be recovered over a 3 year period.

- 5.12 There is considerable uncertainty on the level of Business Rates for future years. The MTFS currently assumes no growth in 2021/22, an increase of 1% in 2022/23 and 2% per annum thereafter. This is in all likelihood an optimistic position to hold at this time and this assumption will need to be revisited as the longer term impact of Covid-19 on the tax base emerges over the Autumn. Further details are also expected in the November Comprehensive Spending Review of ongoing Government support for collection fund losses which may offer some mitigation.

### **Council Tax**

- 5.13 The broad assumptions set out in February for growth of 260 homes per annum in the base and a £5 annual increase in the rate are unchanged with the exception of 2021/22, where no growth in the tax base has been assumed. The estimated £0.190m yield from a £5 Council Tax increase is still a fraction of the inflationary pressures faced by the Council even before considering demand and the impact of the coronavirus crisis.
- 5.14 The Council operates a Council Tax Support scheme following the localisation of support by Government at the start of austerity. As at April 2020 the scheme cost in the order of £7.244m to operate with low income residents and pensioners only billed for a proportion of the full Council Tax charge. As at 30<sup>th</sup> September 2020, residents that now qualify for the scheme total a cost of £8.313m.
- 5.15 The forecast has assumed a pressure of £0.060m on the Council's share of Council Tax Support (circa 11%) in 2021/22 based on a decrease in the current levels of support claimed in 2021/22 and a gradual reduction thereafter to return to pre-crisis levels. This may be an optimistic assessment.

### **Savings/Income Generation**

- 5.16 The MTFS contained £4.522m of future year savings and there is no adjustment to these at this time other than the deferral of £0.25m of commercial income from 2021/22 to 2022/23. Work is continuing to identify additional savings proposals in order to address the increased forecast gaps in 2021/22 and beyond.

### **Expenditure**

- 5.17 At this stage there have been four significant changes to expenditure assumptions. An additional pressure of £300,000 has been built in for 2021/22 relating to irrecoverable housing benefit on temporary accommodation. It is also assumed that there will be increased costs of £80,000 associated with the provision of supported accommodation for vulnerable homeless people and an increase in licensing costs of £50,000 for Microsoft software. A revised minimum revenue provision has decreased the pressure of capital financing in 2021/22 by £28,000, further details of this can be seen at 11.2.

	2021/22 (£000's)	2022/23 (£000's)	2023/24 (£000's)	2024/25 (£000's)	2025/26 (£000's)	Total (£000's)
Employees	647	586	565	550	565	2,913
Premises	15	27	27	28	28	125
Transport	10	10	10	10	10	50
Financing	478	550	229	442	24	1,723
Pressures	430	-	-	-	-	430
<b>Total</b>	<b>1,580</b>	<b>1,173</b>	<b>831</b>	<b>1,030</b>	<b>627</b>	<b>5,241</b>

- 5.18 It is clear that the financial impacts of Covid-19 will be felt well beyond the 2020/21 financial year and this will require continual reassessment.

### **Inflation**

- 5.19 An additional £0.119m has been built into the 2021/22 base to reflect the full cost of the April 2020 pay award.

### **Investment**

- 5.20 The base budget includes an annual contribution to the Borough Growth Fund of £0.25m to fund investment in key Council priorities. At the present time the assumption is that this level of investment will continue over the life of the MTFs. However this will be reviewed during budget finalisation.

### **Capital financing**

- 5.21 The Council published a 10 year capital strategy in February 2019. This reassessed capital financing commitments arising from the historical schemes in the capital programme and future spending plans. At the time the strategy was agreed it had not been anticipated that long term borrowing would be required to finance the capital programme before 2022/23. However, in view of the need to accommodate additional costs for refurbishment of the Kidsgrove Leisure Centre and lower expectations of in-year capital receipts due to the impact of the coronavirus, borrowing will have to be brought forward. Further details are shown at 11.2.

### **Other financing adjustments**

- 5.22 The Council budgeted to finance £0.4m of one-off costs from flexible use of capital receipts in 2021/22. The current assumption is for further use of £0.2m capital receipts to finance revenue expenditure in 2021/22, however this will be reviewed over the Autumn in light of emerging investment requirements in order to deliver future years savings.

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

- 6.1 The additional cost, lost income and impact on savings programmes of Covid is being kept under continuous review. Additional Government support in the form of emergency Covid-19 grant funding of £1.981m and a scheme to reimburse councils for a proportion of lost income from fees and charges has to a large extent cushioned the in-year impact. In addition a number of immediate steps have been taken in year to ensure that the Council remains financially resilient including:

- A review of Covid-19 expenditure and income forecasts.
- Ensuring that 2020/21 budget savings are implemented.
- Maintaining spend within the existing budget envelope as far as possible.
- Identifying management action to reduce in year cost pressures.
- Re-focusing the income collection approach to reduce the impact of bad debt.
- Reassessment of Capital Programme commitments.
- A comprehensive review and risk assessment of the Council's reserves.
- Use of grants to substitute for existing spend wherever possible.
- Asset review to maximise receipts from disposals.

6.2 Where the impact of actions to reduce expenditure or generate additional income extends beyond the current financial year, these will come forward as early savings for the MTFS and base budgets will be adjusted accordingly.

## 7. Approach

7.1 The following section sets out the central approach to developing the Medium Term Financial Strategy for 2021/22 to 2025/26. However, notwithstanding the significant additional financial Government the Council has received to date there is considerable financial uncertainty about the longer term impact of Covid and it is therefore essential to have a Plan B. Section 8 of this Strategy considers a number of Scenarios for which the Council will need to develop further actions.

### Foundation analysis

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

7.3 Based on this work, the following key themes have been identified for further exploration:

#### 7.3.1 Digital

The Council has been modernising its web access and has recently completed an upgrade of its Customer Management Resources (CRM) system to support digitally enabled customer self-service. System thinking and transformation now needs to be undertaken to drive out savings based on systemic service by service review of opportunities based on the 4 key benefit drivers of demand management, customer self-service, internal service reconfiguration and technology and process improvement.

#### 7.3.2 Organisational Structure

The Council currently has an annual salary bill of £14.856m (including national insurance and superannuation) and it is appropriate to regularly review how these resources are utilised to deliver essential services and strategic priorities and provide



assurance that organisational structures are fit for purpose and match the ambitions of the Council as well as representing value for money.

In year, it is normal practice for the Council to keep under review long-term vacancies, use of honoraria, agency workers, market supplements, call out rates, allowances and overtime spend.

As part of the foundation analysis for the MTFS a high level business case is currently being developed for a new council operating model building on the digital opportunities outlined above. This will include a new organisational design informed by benchmarking of the Council's current pay and grading structure and supported by a culture that promotes flexible and agile working practices.

It is important to continue to explore how to prioritise and develop talent within the Council apprentices and trainees. Too often, structures become more expensive because of lack of internal development, hiring experienced but not necessarily high performing staff at the top of the scale and not building from the 'bottom up'. Career pathways for existing staff must be a priority. It is also a great time to prioritise entry level recruitment encouraging university talent in such a challenging employment market, so the Council needs to advertise its exciting opportunities widely.

### **7.3.3 Commercial**

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

Key themes set out in the Commercial Strategy include:

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

Progress in implementing some aspects of the commercial strategy in the current year has been limited due to the impact of Covid-19 and diversion of resources for preparation of Future High Street Fund and Town Deal bids. However, going forward this remains a key supporting strand of the MTFS and will need to be properly resourced.

### **7.3.4 Property**

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

## 8. Scenario Planning

8.1 To date the Council has received significant additional financial support from Government to help it manage in-year financial pressures arising from Covid, including £1.981m of emergency grant funding. However, given the high level of uncertainty around the longer term impact of Covid-19 and local government funding reforms the Council needs to plan for a number of eventualities and ensure that there is sufficient headroom and flexibility in the budget to respond effectively as developments unfold and new risks emerge.

8.2 The following alternative scenarios have therefore been considered alongside the central forecast:

**Worst case** – this assumes that the Council incurs additional costs and income losses in excess of the initial forecast resulting in £1m being drawn down from reserves in 2020/21 and a further £0.5m in 2021/22. These sums would need to be replenished over the medium term requiring additional base spending reductions of £1.5m on top of those set out in the MTFS.

**Middle Case** – this assumes that the Council incurs additional costs and income losses in excess of the initial forecast resulting in £0.5m being drawn down from reserves in 2020/21 and a further £0.25m in 2021/22. These sums would need to be replenished over the medium term requiring additional base spending reductions of £0.75m on top of those set out in the MTFS.

**Best Case** - this assumes that the Council's costs and income losses do not exceed the initial forecast and recover by the end of the 2021/22 financial year and that collection fund losses are shared on a 50/50 basis with Government. This would reduce pressures by £0.54m over the life of the MTFS and by £0.31m in 2021/22.

8.3 Options to address each of these scenarios will need to be developed alongside the main MTFS programme.

## 9. Reserves

9.1 Forecast balances for the Council's reserves as at 31<sup>st</sup> March 2021 are as follows:

Reserve/Fund	Balance at 31 March 2020 (£'000's)	Forecast Balance 31 March 2021 (£'000's)
General Fund (£1.241m)	1,241	2,356
Contingency (£0.100m)	100	100
Equipment Replacement (£0.462m)	462	365
ICT Development (£0.021m)	21	46
Budget Support (£1.312m)	1,312	0
Borough Growth (£0.030m)	30	104
Conservation & Heritage (£0.027m)	27	27
Mayor's Charity (£0.008m)	8	0
Museum Purchases (£0.136m)	136	0
Business Rates (£0.209m)	209	7,509
Keele Master Plan (£0.024m)	24	0
Elections (Nil)	0	50
Clayton Community Centre (£0.004m)	4	9
<b>Totals</b>	<b>3,574</b>	<b>10,566</b>

9.2 A full reserves risk assessment will be completed as part of the 2021/22 budget preparation. However, based on a preliminary assessment an additional contribution to the General Fund reserve of at least £0.8m will be required (i.e. £3.2m in total) to provide sufficient cover for foreseeable risks.

9.3 It should be noted that the forecast balance of the Business Rates reserve is inflated for 2021/22 due to s31 grants received to cover the cost of business rate reliefs in the current financial year. The true underlying position is closer to £1.5m which represents cumulative collection fund surpluses in previous years. This sum will be held to mitigate against future collection fund losses. However, following the announcement of Government proposals for apportionment of Covid-19 related collection fund losses later in the Autumn it may be possible to transfer some of these surpluses to top up the General Fund reserve in a phased manner over the first 3 years of the MTFS.

## 10. Capital Strategy

10.1 The Council agreed its Capital Strategy and Ten Year Capital Programme 2020/21 to 2029/30 in February 2020. The Capital strategy explains how the Council invests its capital funds and the various sources of funding and how this facilitates the delivery of its objectives.

- 10.2 The main governance of the Capital Strategy is through the Capital, Assets and Commercial Investment Review Group which:
- Reviews and recommends to Cabinet all new General Fund Capital projects
  - Ensures capital resources are viewed corporately demonstrating a clear link to corporate objectives
  - Ensures any revenue costs are identified and considered in the Treasury management strategy and the Council's MTFS
  - Develops a capital strategy which supports the delivery of the Council's corporate objectives
  - Oversees the development and implementation of the asset management and commercial strategies
  - Reviews new capital project and commercial investment requests on behalf of Cabinet.
- 10.3 In the move to a Ten Year Programme in 2019/20 the Board reviewed every capital scheme and in-year capital commitments have been reviewed again in light of Covid-19.
- 10.4 The ten year Capital Programme provides for total investment of £69.27m. This programme will be funded by capital receipts, external contributions and borrowing. As a large proportion of the programme will be required to be funded through borrowing, the revenue impact of these borrowings has been included within the MTFS.

## 11. Treasury Strategy

- 11.1 The Council agreed its Treasury Management Strategy for 2020/21 February 2020.
- 11.2 The Capital Financing Requirement is set to increase by £22.629m 2029/30. The funding profile over the 5 year period covered by the draft MTFS is as follows:

<b>Funding Stream</b>	<b>2021/22 (£000)</b>	<b>2022/23 (£000)</b>	<b>2023/24 (£000)</b>	<b>2024/25 (£000)</b>	<b>2025/26 (£000)</b>
Capital Receipts	2.875	0.628	0.500	3.187	4.825
External Contributions	2.317	2.065	1.065	1.030	1.075
Borrowing	6.734	5.293	6.931	0	0
<b>Total Funding</b>	<b>11.926</b>	<b>7.986</b>	<b>8.496</b>	<b>4.217</b>	<b>5.900</b>

- 11.3 The Public Works Loan Board (PWLB) has recently completed a "Future Lending Terms" consultation, which sought views from local authorities and other stakeholders. This consultation period closed on 31 July 2020 and the results are currently being analysed, however there is speculation that the outcome of this review will see the PWLB reduce its borrowing rates.
- 11.4 The PWLB is one of the borrowing options the Council is currently reviewing to fund its capital programme and will await the outcome of the consultation before securing borrowing requirements for the capital programme.

11.5 The strategy will be reviewed and updated alongside the development of the MTFS and Capital Programme.

## 12. Budget Preparation Timetable

12.1 Work on the development of budget proposals for 2021/22 has already commenced with the foundation analysis work at an advanced stage. Draft savings proposals will be considered by Cabinet and Finance, Assets and Performance Scrutiny Committee in December and the final revenue budget and Council Tax proposals, along with the Capital Strategy, capital programme and Treasury Management Strategy will be presented for approval at Council in February 2021.

12.2 A Financial Recovery Board chaired by the Leader of the Council was established in June 2020 and has played a key role in shaping the MTFS and providing input and challenge to savings and investment proposals.

12.6 The decision making timetable is as follows:

<b>Event</b>	<b>Body Affected</b>	<b>Date</b>
Consideration of draft MTFS	Cabinet	4 November
Consideration of draft budget proposals	Cabinet	2 December
Budget consultation	Proposed to run from 3 December to 10 January	
Scrutiny of draft MTFS and budget proposals	Finance, Assets and Performance Scrutiny Committee	14 December
Approval of MTFS	Cabinet	13 January
Scrutiny of final budget proposals	Finance, Assets and Performance Scrutiny Committee	January – date tbc
Final budget proposals recommended for approval by Full Council	Cabinet	2 February
Full Council to approve Budget	Full Council	17 February

## **Appendix A – Council Plan Mid Term Review**

### **PRIORITY ONE:**

#### **Local Services that work for Local People**

The Council committed to prioritise the delivery of services that local people want and need, whilst responding to the challenging local government environment. Key achievements include:

- ✓ The new Recycling Service has been successfully rolled out, with over 53,000 new wheelie bins and 53,000 bags for cardboard delivered in the summer of 2020. By the end of July 2020 every household had migrated to the new system, with separate food waste collection to re-start in August 2020; These changes will improve the overall efficiency of the collection service resulting in a recycling service which is simpler for residents to use, but maintains high quality material availability for recycling;
- ✓ All of our services have been migrated from an outdated Customer Relationship Management system to a modern system, ensuring that the public get access to information, or can transact business with the Council at the time that suits them.
- ✓ The Planning service is now fully online and the public can inspect and comment on planning applications via our website.
- ✓ Transformed the Council's Customer Services teams, establishing a single team, capable of addressing the majority of service requests at the point of contact, saving the Council in excess of £300,000 whilst improving services.
- ✓ Established with partners the Town Centre Communications Group to provide a positive social media profile for Newcastle town centre and the Market.

#### **What is planned for 2020-22?**

##### **We are committed to:**

- A new Digital Strategy was agreed by Cabinet, outlining the Council's digital aspirations over the next few years, covering action to improve digital accessibility and infrastructure development. Delivering on this strategy will be fundamental to driving further cost and service improvements. Key priorities for the years ahead will include:

- Continuing to redesign Customer facing services to ensure they focus on customer need and deliver consistent, reliable outcomes.
  - Invest in the use of automation of and AI technologies to improve our service offering and ensure that we are able to meet public expectations.
  - Develop our internal processes, focusing on what is possible with modern technology to remove inefficiency and waste.
  - Ensuring that the wider Newcastle communities are digitally enabled and individually capable, working with partners to ensure that no one is left behind
  - Encouraging investment in the Newcastle area to ensure our infrastructure is capable of supporting our digital future – for both residents and businesses
  - Deliver a new council website that meets modern accessibility standards and supports the customer experience with accurate and up-to-date content and enhanced self-service features.
- Building on the experience of the Covid19 pandemic, when the Council needed to respond swiftly to the needs of the most vulnerable, there is an opportunity to build on both the community and council response to ensure that services are designed in ways which respond directly to customer need. Priorities for action will be:
- Review our Customer Access Strategy, focusing on how we continue to offer safe and reliable customer services from our customer service centres and within the community.
  - Engage with the Borough’s distinct communities to ensure the Council has a current understanding of community activity and vulnerability, to better target services and support community action
  - Explore the opportunity to secure (digital) service access points in community locations around the borough.
- We will respond to changing Government Funding and White Paper on Devolution:
- Develop a new Operating Model and medium Term Financial Plan for the Council building on the Covid19 lessons and service benchmarking.
  - Work closely with neighbouring Councils to establish a clear North Staffordshire narrative in preparation for the devolution agenda

## **PRIORITY TWO:**

### **Growing our People and Places**

**The Council wants to grow to borough’s economy and build on its many strengths. Our aim is to strive for a borough where the economy is strong and sustainable, where local people have the skills and opportunities to take up the good jobs that are created. This also means good homes for everyone and that every citizen has a safe and secure place to live. Key achievements include:**

- ✓ We have secured real growth opportunities for our communities by building a Future High Streets Fund bid around the redevelopment of the Ryecroft site following the stalling of the previous retail led development
- We have progressed masterplans for land at Chatterley Close/ Bradwell crematorium, Knutton and Birchenwood, and brought forward the former Registry Office site for redevelopment;
- We are developing of Town Deal Investment Plans for Kidsgrove and Newcastle, including development of Town Deal Boards to drive development of the Investment Plans.
- ✓ We have adopted a Homelessness and Rough Sleeping Strategy, and agreed a Joint Housing Allocation Policy with Aspire Housing to ensure there is a single policy and application process for all our customers;
- ✓ The historic Guildhall has reopened as a community and voluntary sector hub and, following a successful first year of operation, the Council has signed 3 year lease with Support Staffordshire to retain community access to this historic building;
- ✓ The feasibility work to refurbish the transfer Kidsgrove Sports Centre, in line with the design commissioned by the Community Group, has been completed using the SCAPE Framework and the essential legal work to transfer the facility from Staffordshire County Council has been progressed.

### **What is planned for 2020-22?**

#### **We are committed to:**

- Secure delivery of a new Local Plan, following the proposed policies being presented to Planning Committee and Cabinet in February 2020.
  
- Deliver the Economic Development Strategy and action plan with the focus on Town Centres in line with the Future High Streets and Town Deals, to include:
  - Redevelopment of Ryecroft
  - Redevelopment of Midway Carpark
  - Improvement of the market
  - Improvement of public realm
  - Development of a Kidsgrove Town Centre plan
  - Implement the Chatterley Close, Knutton and Birchenwood masterplans
  
- Deliver the Commercial Strategy adopted as part of this plan, as part of the re-set of the Council's finances.



- Secure the re-opening of Kidsgrove Sports Centre under community management
- Grow the Council Tax and NNDR Base for the Council, through securing higher value development of Council sites
- Establish a fresh focus on homelessness and homeless prevention, building on the work undertaken during the Covid19 pandemic.

### **PRIORITY THREE:**

#### **A Healthy, Active and Safe Borough**

**We want communities that are happy, healthy and active and able to enjoy living in a safe environment. We will work with partners to ensure there are opportunities for residents to enjoy an active lifestyle. Key achievements include:**

- ✓ We have made a range of improvements to Jubilee 2, introducing energy efficiency measures delivering £1,000 per month in savings and worked with the original construction contractor to remedy a range of significant and long standing defects
- ✓ Alliance Leisure have been contracted to support the development of commercial operation of J2, with a specific focus on supporting the team to drive memberships and associated income
- ✓ Through the Daily Vulnerability Hub, our multi-agency team addresses the specific and complex needs of the borough's most vulnerable citizens.
- ✓ Work on the Air Quality Local Development Plan has been undertaken with Stoke-on-Trent City Council and Staffordshire County Council to create the North Staffs Local Air Quality Plan to bring about improvements in Nitrogen Dioxide (NO2) levels.
- ✓ The Licensing and Public Protection Committee has approved and implemented a new taxi policy to ensure the safety and wellbeing of passengers.
- ✓ In 2019-20, the Council secured its 18th Consecutive Gold Award in the Heart of England in Bloom competition and was awarded 6 Green Flag Awards.

#### **What is planned for 2020-22?**

##### **We are committed to:**

- Establish an Environmental Sustainability strategy for the Council and the Borough, linked to government targets;

- Prepare the Council and the community for “life with Covid19”, with services aligned to government guidance and supporting the County Council in the Covid track and trace requirements for high risk premises.
- Develop work with volunteers to assist the socially isolated and those with low level mental health needs to prevent escalation. To work towards the creation of a community anchor model with the Realise Foundation.
- Secure the reopening and development of the Kidsgrove Sports Centre site with the re-tender and agreement of a project plan for construction to start
- Grow membership of Jubilee 2 as it recovers from the Covid19 shut down period.

#### **PRIORITY FOUR:**

##### **A Town Centre for All**

**We want our Town Centres in Newcastle and Kidsgrove to be the vibrant and successful centres of life in the borough We ant to ensure they have the right retail, public service, leisure, cultural, business and residential facilities that work for local residents and attract visitors and businesses to the town centre Key achievements include:**

- ✓ Following the stalling of the retail led scheme for Ryecroft, we have developed fresh proposals for the site as a focus for the Future High Streets Fund bid. These will see the site used for a mix of office accommodation, residential and car parking. The site will become a significant driver of footfall for the town centre and represent a significant diversification of town centre land uses.
- ✓ We established a Town Centre strategy, including appointment of a Town Centre Officer for Newcastle town Centre to focus on improvement of Newcastle market and promotion of Newcastle as a place to visit.
- ✓ Following a review of Newcastle market, we established an improvement plan with additional visiting markets and better recruitment of traders
- ✓ With Newcastle Business Improvement District, we invested in a new comprehensive CCTV system, with improved technology and monitoring
- ✓ Through the Town Deal programme, we are developing a Town Investment Plan for Kidsgrove. This will form the basis of a bid for investment funding for the town.
- ✓ We adopted a Car Parking Strategy to set out a range of short, medium and long term plans for improvements to our service, introduced parking offers and invested in new parking infrastructure

## What is planned for 2020-22?

### We are committed to:

- Delivery of the key projects identified in the Future High Streets Fund and two Town Deal Investment Plans utilising government funding as confirmed including:
  - Redevelopment of Ryecroft
  - Redevelopment of Midway Carpark
  - Delivery of Nipper Parking in lower High Street
  - Improvement of the market
  - Improvement of public realm
  - Development of a Kidsgrove Town Centre plan
  
- Delivering a range of town centre activities to improve vacancy rates, retain retailers and business, revitalise the market and promote events

## Covid-19 – The Council’s Response

Covid19 has required the Council to rapidly adjust how it works in order to sustain core services and simultaneously respond to the significant new demand to support vulnerable residents and local businesses. Many of the technologies we have introduced have been novel for the authority, but the effectiveness and efficiency with which they operate will ensure they continue to be used for years to come.

- ✓ **Enabling remote business activity** - since lockdown the Council has moved to address the needs of changing services to:
  - accommodate contract signing by switching the Legal team to an online signature platform;
  - launch an online video streaming service for Cremation ceremonies;
  - empower staff and members with video conferencing facilities
  - review and relaunch several online forms to make services available more easily.
- ✓ **Handle increased demand** - The Contact Centre saw a significant increase in the number of calls – particularly for benefits related enquiries, increased uptake of the Council’s Garden Waste Subscription Service during the first few weeks of lock down, and requests for assistance from concerned residents. Despite a daily increase in calls which saw the service deal with over 28,000 calls, performance improved with less than 6% of calls being abandoned and an average call answering time of 1 minute 38 seconds.
- ✓ **Recycling & waste services** worked as normal throughout the C19 pandemic, despite workforce absences as a result of the pandemic. From the announcement of the lockdown to the end of May 2020, the service have handled the following-

Total of 2,055,000 containers emptied  
 Total tonnage collected 8,364.97 tonnes  
 Recycling increased 3.6%  
 Garden Waste increased 15.87%  
 Refuse increased 21.83%

- ✓ **Leisure and Cultural Services** ceased operation with the museum service at the Brampton closing on 19 March and Jubilee2 and all community centres closed on 20 March 2020. Instead of running leisure services, the staff provided a critical resource for the vulnerability help line,
- ✓ **Business Support Team** processed in excess of 2,000 business support grant applications at the start of the Covid crisis, paying out over £20 million to local businesses. In addition a 100% Retail Relief Discount was provided for the financial year 2020/21. The Council’s website signposted businesses to business support and information during lockdown and recovery, and provided a business enquiry form for businesses enquiring about sources of government support and grants.

- ✓ **Hardship payments** offered additional support to more than 4,000 households where entitlements of up to £150 were automatically deducted from Council Tax accounts for all working age benefit claimants in the borough.
- ✓ **Our Planning Committee**, on the 14th April, was one of the first in the Country to host a post lock-down online planning committee with its Members debating applications and making decisions on planning applications. As the Planning Service is able to host applications on line, officers were able to successfully maintain an ongoing service through the peak of the crisis.
- ✓ **Environmental Services** – shifted their focus to Covid related work, playing a central role in managing local outbreaks and providing crucial advice to businesses.
- ✓ **The Partnerships Team** led on work with the Realise Foundation and Support Staffordshire to ensure vulnerable people access to food and medical supplies and ensured that temporary accommodation was made available for anyone rough sleeping or homeless.
- ✓ **The Bereavement Team** responded to a significant increase in demand, and successfully managed crematorium and cemeteries with essential social distancing and established live streaming of funeral services

**Appendix B - Refreshed MTFS Assumptions**

	Existing MTFS 2021/22	2021/22	2022/23	2023/24	2024/25	2025/26
Employees	529	647	586	565	550	565
Premises	30	15	27	27	28	28
Transport	6	10	10	10	10	10
Income	(2)	210	421	247	(100)	(108)
Financing	754	478	550	229	442	24
Spending Pressures	50	430				
<b>Total Pressures</b>	<b>1367</b>	<b>1790</b>	<b>1594</b>	<b>1078</b>	<b>930</b>	<b>519</b>
<b>Savings</b>						
Income	(50)	(50)				
Digital	(150)	(150)	(150)	(150)	(150)	(150)
Commercial	(250)	0	(250)	(250)	(250)	(250)
Staffing Related	(37)	(631)				
Good Housekeeping	(13)	(46)				
Tax Base	(150)	0	(109)	(167)	(170)	(172)
Council Tax Increase	(227)	(187)	(188)	(190)	(191)	(191)
Financing		(125)	(125)	(125)		
<b>Total Savings</b>	<b>(877)</b>	<b>(1189)</b>	<b>(822)</b>	<b>(882)</b>	<b>(761)</b>	<b>(763)</b>
<b>Gap</b>	<b>490</b>	<b>601</b>	<b>772</b>	<b>196</b>	<b>169</b>	<b>(244)</b>



**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

**EXECUTIVE MANAGEMENT TEAM'S  
REPORT TO**

**Finance Assets and Performance Scrutiny Committee  
14 December 2020**

**Report Title:** Revenue and Capital Budget 2021/22 – First Draft Savings Plans

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

**Portfolios:** Finance and Efficiency

**Ward(s) affected:** All

**Purpose of the Report**

To inform the Committee of the first draft proposals being considered to balance the 2021/22 revenue budget and the proposed capital programme for 2021/22 to 2023/24.

**Recommendation**

**That:**

1. **The Committee note the first draft proposals as set out in the Appendix 1 and Appendix 2 to the report.**
2. **The Committee identify any areas where further information is required for consideration.**
3. **The Committee suggest any further areas of savings that should be considered.**

**Reasons**

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

1. **Background**

1.1 The Council's Draft MTFs for 2021/22 to 2025/26 was endorsed by Cabinet on 11 November 2020. It indicated that there will be a budget "gap" of £1.790m in respect of 2021/22 and that this will need to be closed in order to produce a balanced budget.

2. **Issues**

2.1 The COVID-19 pandemic has changed the position significantly creating financial challenge and uncertainty in equal measure. Most challenging is the forecast of the tax base for both Council Tax and Business Rates. The Draft MTFs provides for a gap in 2021/22 of £1.790m and over the 5 year period of the MTFs of £5.911m. The Comprehensive Spending Review announcements on 25 November 2020 and other issues detailed below reduce this gap to £1.275m in 2021/22 and to £5.047m over the 5 year period of the MTFs.

2.2 The Comprehensive Spending Review announced that a public sector pay freeze would be imposed with the exception of those employees earning below the United Kingdom's median wage of £24,000, who will be entitled to a £250 pay award.

2.3 If implemented within Local Government the pay freeze will reduce the gap by £0.377m in 2021/22 and the gap over the 5 year period of the MTFs by £0.425m.

- 2.4 The spending review announced that there would be an equitable sharing of local taxation collection losses between local authorities and the Treasury. The Spending Review papers show that the government intends to use a scheme similar to the income compensation and cover 75% of local government's collection fund deficits. Whilst further detail is awaited, it is assumed that this will reduce the gap by £0.039m in 2021/22 in relation to the Council's share of the Council Tax collection fund forecast deficit and by £0.094m in 2021/22 in relation to the Council's share of the Business Rates collection fund forecast deficit. The gap over the 5 year period of the MTFs will reduce by £0.398m.
- 2.5 It was also announced that there would be an extension to the Income Compensation Scheme for fees and charges to the end of the first quarter in 2021/22 which will help reduce the income pressure together with further funding for temporary accommodation costs.
- 2.6 The capital programme as shown in appendix 2 and the updated financing assumptions for this expenditure have resulted in a reduction in the pressure included in the MTFs of £0.005m in 2021/22 and a reduction of £0.041m over the 5 year period of the MTFs (i.e. minimum revenue provision and interest payable)
- 2.7 It is also proposed that in order to boost environmental sustainability within the Borough, £0.100m per annum over the life of the MTFs be ring-fenced from the Borough Growth Fund to enable such projects to be fully funded.
- 2.8 As a result of the COVID-19 pandemic and the financial challenge the pandemic has raised, the Council has commissioned a full organisational review. This has identified a requirement to make significant changes to the way Council services are delivered, recognising both the impact of the pandemic in terms of creating more and different demands on Council services and the need to retain focus on the most vulnerable and disadvantaged in the community, whilst maximising opportunities for residents to help themselves, ensuring that they have a consistent and efficient interaction with the council when needed. A major programme of work (the One Council Programme) will be undertaken over the period 2021/22 to 2022/23 to implement the necessary changes, which will involve extensive redesign of organisational structures, processes and technology, underpinned by changes in culture, leadership and governance. The programme will be overseen by the ICT and Digital Steering Group chaired by the Leader of the Council and regular updates provided to Cabinet and FAPS.
- 2.9 Efficiencies and savings expected to be achieved through the One Council Programme will amount to circa £0.922m over a three year period and are recurring. These savings will replace the digital delivery savings in the MTFs – currently estimated at £0.150m per annum for the next three years.
- 2.10 In order to achieve the revenue savings set out above implementation costs of c£1m will need to be funded. This includes £250k in the current financial year for the blueprint and mobilisation phase of the programme which is due to commence in January 2021. These implementation costs consist of website development, ICT costs, staff time including enhanced HR support, external delivery partner and training costs together with programme assurance and contingency. It is proposed these costs will be funded via the flexible use of capital receipts and contributions from the Borough Growth Fund over a two year period.
3. **Proposed Savings and Funding Strategies to eliminate the Budget Gap for 2021/22**
- 3.1 A number of savings and funding strategies have been identified as being both feasible and sustainable, via a vigorous Financial Recovery Board process including challenge sessions for each of the Portfolios involving Cabinet Members, the Executive Management Team, Heads of Service and the Finance Manager. The proposed savings identified to date for the period of



the MTFS, and the remaining funding gaps have enabled a balanced financial position to be proposed for 2021/22. Further details for 2021/22 are shown in Appendix 1.

#### 4. **Capital**

- 4.1 The Capital Programme for 2021/22 to 2023/24 (Appendix 2) is based on new schemes which are vital to ensure continued service delivery and in assisting the Council to achieve its corporate and service objectives as set out in the Council Plan 2018-22. These schemes total £29.624m.
- 4.2 The capital programme will require to be part funded by borrowings starting in 2021/22. The total amount of borrowing over the next three years will amount to £17.589m. The associated borrowing costs have been factored into the MTFS.
- 4.3 It should be noted that work is currently being undertaken on the Planned Maintenance Programme which will form part of the Capital Programme when finalised. An update on this work and the costs associated will be provided in the January Finance, Assets and Performance Scrutiny Committee Report.

#### 5. **Timetable**

- 5.1 The table below sets out the key dates of the events still to take place before the budget for 2021/22 is finally approved.

<b>Event</b>	<b>Body Affected</b>	<b>Date</b>
Budget consultation	Proposed to run from 10 December to 10 January	
Scrutiny of draft MTFS and savings proposals	Finance, Assets and Performance Scrutiny Committee	14 December
Approval of final MTFS and consideration of draft Budget proposals	Cabinet	13 January
Scrutiny of draft budget	Finance, Assets and Performance Scrutiny Committee	January - TBC
Final budget proposals recommended for approval by Full Council	Cabinet	2 February
Full Council to approve Budget	Full Council	17 February

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

- 6.1 There are no adverse equality impact identified as a consequence of this report.

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

- 7.1 These are addressed in the body of the report.
- 7.2 As referred to in section 2.10 the Council will need to incur implementation costs to fund the blueprint and mobilisation phase of the One Council programme. These implementation costs will be funded via the flexible use of capital receipts and Borough Growth Fund.

#### 8. **Risk Statement and Major Risks**

- 8.1 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 2021/22 reports to Cabinet on 2 February 2021 and to Council on 17 February 2021.

9. **Key Decision Information**

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

10. **Earlier Cabinet/Committee Resolutions**

10.1 Medium Term Financial Strategy 2021/22 to 2025/26 (Cabinet 11 November 2020).

11. **List of Appendices**

- 11.1 Appendix 1: 2021/22 MTFS Funding Strategy
- 11.2 Appendix 2: 2021/22 to 2023/24 Capital Programme

12. **Background Papers**

- 12.1 CIPFA Treasury Management Code of Practice (revised December 2017)
- 12.2 Council's Treasury Management Policy Statement
- 12.3 Local Government Act
- 12.4 Local Authorities (Capital Finance and Accounting) (England) Regulations
- 12.5 Ministry of Housing, Communities and Local Government's Guidance on Local Government
- 12.6 Investments
- 12.7 Statutory Guidance on the Flexible Use of Capital Receipts

**2021/22 MTFS Funding Strategy**

**Appendix 1**

Ref	Service Area	Description	£000's	Detail
<b>Income</b>				
I1	Recycling and Fleet	Trade Waste Income	50	Increased marketing and sales regarding the trade waste service, as agreed in the 2020/21 budget setting process
			<b>50</b>	
<b>One Council</b>				
O1	Corporate	One Council/Digital Delivery	195	Efficiencies to be generated from the continuation of prioritising digital delivery processes and services
			<b>195</b>	
<b>Staffing Related Efficiencies</b>				
S1	Revenues and Benefits/Customer Services	Restructure	131	Phase 2 of restructure of Revenues and Benefits and Customer Services
S2	Finance	Car Leasing Scheme	3	Car leases not renewed following expiry
S3	Finance	Section 151 Officer Appointment	110	Designation of Section 151 Officer role to Head of Finance
S4	Recycling and Fleet	Restructure	40	Restructure of Recycling and Fleet managerial team
S5	Operational	Grounds Maintenance	60	Saving from contract brought back in house
S6	All	Vacant Posts, Retirements, Reprioritisation	255	Vacant posts, service reprioritisation and employees retirement
			<b>599</b>	
<b>Good Housekeeping/More Efficient Processes</b>				
G1	ICT Services	Staffordshire Connects	13	Saving in partnership contribution following change of IT system
G2	Housing, Regeneration and Assets	Cash Collections	24	Saving from contract to be brought back in house
G3	Communications	Printing	9	Saving from reduced levels of printing across the Council
			<b>46</b>	
<b>Alternative Sources of Finance/Other</b>				
A1	Corporate	Council Tax Increase	187	Assumed increase of £5 per Band D equivalent property
A2	Corporate	Business Rates Reserve	31	Use of accumulated surplus from Business Rates Retention scheme to offset 2020/21 forecast business rates collection fund deficit
A3	Corporate	Alternative Financing	167	Equipment that was previously provided for via contributions to reserves from revenue will now be funded directly from capital
			<b>385</b>	
			<b>Grand Total</b>	<b>1,275</b>

2021/22 to 2023/24 Capital ProgrammeAppendix 2

CAPITAL PROGRAMME	2021/22	2022/23	2023/24	TOTAL
	£	£	£	£
<b>PRIORITY - Local Services that work for Local People</b>				
Service Area – ICT and Digital	649,000	110,000	102,000	861,000
<b>Total</b>	<b>649,000</b>	<b>110,000</b>	<b>102,000</b>	<b>861,000</b>
<b>PRIORITY - Growing our People and Places</b>				
Service Area - Housing Improvements	1,080,000	2,615,000	2,625,000	6,320,000
Service Area - Managing Property & Assets	318,922	410,846	14,922	744,690
<b>Total</b>	<b>1,398,922</b>	<b>3,025,846</b>	<b>2,639,922</b>	<b>7,064,690</b>
<b>PRIORITY - A Healthy, Active and Safe Borough</b>				
Service Area - Environmental Health	0	0	60,000	60,000
Service Area - Streetscene and Bereavement Services	610,450	2,210,600	1,125,600	3,946,650
Service Area - Recycling and Fleet	971,500	351,000	2,899,500	4,222,000
Service Area - Leisure	5,671,000	687,000	17,000	6,375,000
Service Area - Museum	240,000	40,000	0	280,000
Service Area - Managing Property & Assets	64,749	273,403	220,498	558,650
Service Area - Engineering	320,193	806,287	1,287,105	2,413,585
<b>Total</b>	<b>7,877,892</b>	<b>4,368,290</b>	<b>5,609,703</b>	<b>17,855,885</b>
<b>PRIORITY - A Town Centre for All</b>				
Service Area - Managing Property & Assets	1,385,586	1,177,126	279,250	2,841,962
<b>Total</b>	<b>1,385,586</b>	<b>1,177,126</b>	<b>279,250</b>	<b>2,841,962</b>
<b>CONTINGENCY</b>	1,000,000	0	0	<b>1,000,000</b>
<b>TOTAL</b>	<b>12,311,400</b>	<b>8,681,262</b>	<b>8,630,875</b>	<b>29,623,537</b>
<b>FUNDING</b>				
Capital Receipts	3,075,000	3,128,000	550,000	<b>6,753,000</b>
External Contributions	2,252,000	2,015,000	1,015,000	<b>5,282,000</b>
Borrowing/Leasing	6,984,400	3,538,262	7,065,875	<b>17,588,537</b>
<b>TOTAL</b>	<b>12,311,400</b>	<b>8,931,262</b>	<b>8,630,875</b>	<b>29,623,537</b>

**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

**EXECUTIVE MANAGEMENT TEAM'S  
REPORT TO**

**Finance Assets and Performance Scrutiny Committee**  
**14 December 2020**

**Report Title:** Financial and Performance Review report – Second quarter (July - September) 2020-21.

**Submitted by:** Executive Management Team

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

**Ward(s) affected:** All

**Purpose of the Report**

To provide the Committee with the opportunity to scrutinise the Financial and Performance Review report for the second quarter of 2020-21.

**Recommendation**

**That the Committee considers whether it wishes to raise any queries or issues with Cabinet.**

**Reasons**

To enable the Committee to undertake its remit of scrutinising financial monitoring and performance management.

1. **Report**

1.1 The attached report was submitted to Cabinet on 11<sup>th</sup> November 2020 and is submitted to the Committee in its role of undertaking financial and performance scrutiny.

2. Appendix

2.1 Report to Cabinet 11<sup>th</sup> November 2020



**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

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

**04 November 2020**

**Report Title:** Financial and Performance Review report – Second quarter (Jul-Sept) 2020-21.

**Submitted by:** Executive Management Team

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

**Ward(s) affected:** All

**Purpose of the Report**

To provide Cabinet with the Financial and Performance Review report for the second quarter of 2020-21.

**Recommendation**

1. That Members note the contents of the attached report and Appendices A and B and continue to monitor and Challenge the Council's performance alongside its financial performance for the same period.
2. That Members note and approve the supplementary estimates (item 4.4 Appendix A) in order for them to be included in this year's budget.

**Reasons**

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

It should be noted that certain activities from 20 March 2020 were impacted by Covid 19 and delivery in some cases noted in this report, continue to be affected and the resulting actions taken by the Council to protect and ensure support is available to everyone.

**1. Background**

- 1.1 This quarterly report provides Members with a detailed update on how the Council has performed during the second quarter 2020/21 by presenting performance data and progress summary set within a financial context. The report provides broad financial information (Appendix A) and also details service performance (Appendix B) for the second quarter 2020/21.
- 1.2 This report covers the peak period of the Covid 19 lockdown, when a number of customer facing services were required to close, or where the customer base simply stopped using the service. Despite these unprecedented circumstances, as the summary of the overall performance picture is presented in section 4 of this report reflects, performance has generally held up well.

**2. 2020-21 Revenue and Capital Budget Position**

- 2.1 The Council approved a General Fund Revenue Budget of £15,690,000 on 19 February 2020. Further financial information is provided in Appendix A.

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

- 3.1 The performance section –Appendix B was reviewed and updated for 2020-21 and the indicators continue to reflect the priorities in the Council Plan. In addition to reporting on key performance indicators, the report includes a progress summary for each priority, detailing the progress with the delivery of planned activities.
- 3.2 Additional performance information is provided, not only to ensure the monitoring of the corporate activities of the council, but also to inform Members, businesses and residents of performance in their local economy.

### **4 Performance**

- 4.1 The latest performance information for quarter two has been analysed and all indicators monitored for this period are listed in the table found in Appendix B.
- 4.2 Any indicators failing to meet the set targets include a comment explaining why the indicator has not performed well, and what steps are being taken to ensure improvement in the future.
- 4.3 For this report a total of 17 indicators were monitored, and the proportion of indicators which have met their target (where set) or are within tolerance levels during this period stands at 82%. It should be noted that several indicators were not monitored this quarter due to the closure of some services for example, the Brampton Museum and leisure facilities.
- 4.4 There are 3 indicators off target this quarter, and officers consider that the performance against these indicators does not give rise to serious cause for concern at present (see commentary provided at Appendix B). The management of each of the service areas concerned continue to monitor and take steps to deal with under achievement of targets where possible and/or appropriate, taking into account the limitations presented by the Covid19 situation.
- 4.5 Progress on delivery of planned activities is summarised for each priority and no concerns are highlighted.

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

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

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

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

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

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

### **8. Major Risks**



- 8.1 The ongoing changing market conditions represents the greatest risk to the revenue budget, particularly with regard to the impact it may have upon income receivable in relation to services where customers may choose whether or not to use Council facilities or in the case of the waste/recycling service where the volume of recycled materials is liable to fluctuate. The impact of Covid 19 is more apparent in the reporting of this quarter, impacting on many areas and the situation will continue to be monitored through the normal budget monitoring procedures.
- 8.2 The capital programme will require regular monitoring to identify any projects which are falling behind their planned completion dates. This will be carried out by the Capital Programme Review Group, which meets on a monthly basis together with quarterly reports to Cabinet.
- 8.3 The above represents a high level view of risk. There are detailed risk registers available if members wish to see them.

9. **Sustainability and Climate Change Implications**

9.1 N/A

10. **Key Decision Information**

10.1 Included on the Forward Plan

11. **Earlier Cabinet/Committee Resolutions**

11.1 N/A

12. **List of Appendices**

12.1 Financial information (Appendix A), and Performance (Appendix B).

13. **Background Papers**

13.1 Working papers held by officers responsible for calculating indicators.

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

- 1.1 The Council approved a General Fund Revenue Budget of £15.690m on 19 February 2020. The actual position compared to this budget is continuously monitored by managers, EMT and Portfolio Holders in order to detect any significant variances of expenditure or income from the approved amounts contained in the budget.
- 1.2 The pandemic continues to have a significant impact on the Council's financial position through a mix of lost income and additional costs. To date Government funding of £1.743m has been secured (including £170k of new burdens funding to offset the costs of administering Coronavirus business support grant and hardship relief schemes), which has reduced the immediate pressure on Council finances.
- 1.3 The Council's revenue budget relies on service income from fees and charges across a wide range of services, with a significant proportion coming from J2 and car parking. The Council has been actively monitoring the impact of the lockdown and the working practices required to ensure safe practice. The Government will fund income losses above the first 5% at the rate of 75p in the pound in the current financial year, this will to a significant degree insulate the Council from income related financial risks.
- 1.4 The scheme compensates for income that local authorities generate independently which is defined as a sale, fees and charges, and is unable to be recovered – for example, car parking charges or receipts from museum charges. It does not include commercial income, such as rents. The 5% deductible will be calculated using sales, fees and charges budgets for 2020/21 as this represents what the Council expected to collect from these income sources at the start of the year. Compensation will be provided to mitigate the net budget gap which income losses have created, i.e. after the savings that the Council has made regarding the furlough scheme.
- 1.5 In the longer term, any impact on either business rates collection (due to business failure) or Council Tax collection (due to non-payment) will materialise in 2021/22. The Government have announced that they will share collection fund losses and have advised that the Council can recover any deficits over 3 years (please see 3.3).
- 1.6 The consequences of the Coronavirus on the Council's financial position will depend significantly on the continued impact of the lockdown and on the scale and timing of further Government financial support. The Council is actively lobbying our local Members of Parliament and through national networks as part of the wider public sector family, to make the case for further Government support. Particular emphasis in our lobbying has been the impact on Business rate and Council tax collection.
- 1.7 The Council continues to strongly manage budgets and spending. A number of staff, primarily from Leisure, were furloughed for part of the first 6 months of the financial year, all staff have now resumed their roles. This enabled the Council to recoup a proportion of their salary costs from the Government. Staff continued to be on full pay, and their contracts of employment remained unaffected, Furlough funding is estimated to amount to £0.197m, with Leisure facilities reopening at the end of July.
- 1.8 Careful monitoring of the financial position will be required over coming weeks and months leading to prompt corrective action where necessary to ensure that reserves are not exhausted and the Council remains in a position of being able to deliver a balanced budget position in the current financial year and beyond.

## 2. Revenue Budget Position

2.1 As at the end of the second quarter, the general fund budget shows an adverse variance of £0.175m. It is forecast that this variance will increase to £0.333m by the close of the financial year.

2.2 The main reasons for the overall adverse variance are:

- a. Income shortfalls from sales, fees and charges which are eligible for partial reclaim via the Income Losses Scheme total £1.603m at the end of the second quarter, it is forecast that these losses will increase to £2.292m by the close of the financial year.
- b. Additional expenditure pressures of £0.802m at the end of the second quarter (forecast to increase to £1.090m at the close of the financial year) as a result of the COVID-19 pandemic.

These include Waste and Recycling (£644k disposal costs and hire of vehicles to allow social distancing at the end of the second quarter), Homelessness (£41k provision of accommodation at the end of the second quarter),

- c. Housing Benefits – there has been a shortfall in the recovery of housing benefits overpayments when compared to the budget of £0.100m during the first half of the year, it is forecast that this will increase to £0.150m by the close of the financial year. In addition to this Housing Benefits payments made by the Council which are not fully subsidised by the Department of Works and Pensions are being incurred, mainly around the provision of accommodation for vulnerable people, it is estimated that the shortfall from this will amount to £0.313m by the close of the financial year.
- d. A top up of the general fund reserve to its minimum level regarding the 2019/20 deficit of £0.207m.

2.3 These adverse variances are partially offset by the following favourable variances:

- a. Government Funding to offset pressures that the Council has/will continue to face as a result of the COVID-19 pandemic, £1.573m had been received during the first half of the financial year.
- b. It is anticipated that the Council will be reimbursed £1.558m in relation to the Income Losses scheme for eligible sales, fees and charges income shortfalls for the year.
- c. Furlough scheme funding of £0.197m has been received.
- d. £0.170m has been paid to the Council for the administration of the COVID-19 Business grants schemes.
- e. Expenditure has been reduced wherever possible throughout the Council to ensure that only absolutely necessary spending is being incurred, this has helped to reduce the adverse variance on a service by service basis. It has been forecast, and it is absolutely imperative, that this situation continues throughout the remainder of the financial year.

2.4 Cabinet and the Executive Management Team will continue to be updated on the Council's financial position and actions taken in the forthcoming weeks and months. This will include a revised recommended level of reserves and the financial implications of this.

### 3. Collection Fund

3.1 Local tax income is collected by billing authorities and paid into local 'collection funds' (the Council is a billing authority). Where there is a shortfall in tax receipts (compared to expected levels), this leads to a deficit on the collection fund. Billing and major precepting authorities are usually required to meet their share of any deficit during the following financial year.

3.2 In response to forecast shortfalls in tax receipts relating to COVID-19, the government has announced that repayments to meet collection fund deficits accrued in 2020- 21 will instead be phased over a three-year period (2021-22 to 2023-24) to ease immediate pressures on budgets. The phased amount will be the entire collection fund deficit for 2020-21 as estimated on the 15 January 2021 for council tax and in the 2021-22 NDR1 for business rates.

3.3 The current forecast shortfalls in tax receipts, and the proposed repayments under this scheme are shown below:

<b>Tax</b>	<b>Total Deficit Forecast</b>	<b>Council's Share</b>	<b>Repayable 2021/22</b>	<b>Repayable 2022/23</b>	<b>Repayable 2023/24</b>
Council Tax	£1.292m	£0.144m (11.8%)	£0.048m	£0.048m	£0.048m
Business Rates	£15.015m	£6.006m (40%)	£2.002m	£2.002m	£2.002m
Business Rates Section 31 Measures	(£14.358m)	(£5.631m) 40%	(£1.877m)	(£1.877m)	(£1.877m)
<b>Total</b>	<b>£1.949m</b>	<b>£0.519m</b>	<b>£0.173m</b>	<b>£0.173m</b>	<b>£0.173m</b>

3.4 The Government announcement made on 2 July referred to a further apportionment between MHCLG and Local Government of irrecoverable tax losses (i.e. debts required to be written off), however there has still been no further mention of this and details of how this will operate in practice are still awaited.

### 4. Supplementary Estimates

4.1 £1.750m Towns Deal Funding has been received from MHCLG for regeneration projects within Newcastle Town Centre (£1m) and Kidsgrove Town Centre (£0.750m).

4.2 A one off budget virement for 2020-21 has been completed to recognise the income receivable and an allocation against each project (all within the Economic Regeneration cost centre):

- £0.500m – Zanzibar demolition
- £0.200m – Knutton property acquisition and demolition
- £0.075m – re-purposing of Lancaster Building (employment and support)
- £0.050m – E-scooter trial
- £0.145m – Safe and secure routes
- £0.030m – CCTV
- £0.525m – Kidsgrove Sports Village
- £0.225m – Leisure facilities in Kidsgrove parks

4.3 £0.125m Next Steps Accommodation Funding has been received from MHCLG for continuing to support rough sleepers during the COVID-19 response. A one off budget virement has been completed to recognise the income receivable and an allocation against the Homelessness expenditure budget.

4.4 It is recommended that the Committee approve the supplementary estimates in order for them to be included in this year's budget.

## 5. Capital Programme

5.1 A Capital Programme totalling £12,454,103 was approved for 2020/21. Of this total £10,454,103 relates to the total cost of new schemes for 2020/21 together with £1,000,000 for schemes funded by external sources (Disabled Facilities Grants), £1,000,000 contingency. In addition £3,024,776, was brought forward from the 2019/20 Capital Programme, resulting in a total Capital Programme of £15,478,879 for 2020/21.

5.2 Due to the COVID-19 pandemic and the financial impact this has placed on the Council, a review of the 2020/21 Capital Programme has been completed with the assistance of Budget Holders and members of the Capital, Assets and Commercial Investment Review Group. The rationale behind this review was to establish which of the capital projects approved in the programme were essential or health and safety related, were unable to be commenced due to the pandemic, could be deferred to the following year due to resources and services available during the crisis or were no longer required.

5.3 The revised 2020/21 Capital Programme now totals £7,302,631 which includes £1,000,000 for schemes funded by external sources (Disabled Facilities Grants), £250,000 contingency to reflect the remainder of the year. A summary of these changes can be found in appendix A attached.

## 6. Capital Programme Position

6.1 The Capital Programme approved by Council in February 2020 has been updated to take account of amounts brought forward from 2019/20 where planned expenditure did not occur. This has been added to the budget for 2020/21 (apart from cases where costs have been reduced or expenditure will no longer be incurred). Following the completion of the Capital Programme review (referenced in section 2 of the report) as a result of the COVID-19 pandemic, the revised budget for capital projects in 2020/21 now totals £7,302,631.

6.2 The expected total capital receipts due to be received this year following the sale of assets will amount to £3,745,000. Deposits in respect of the disposal of assets totalling £150,000 have been received to date. A summary of the expected income is shown in the table below.

<b>Funding</b>	<b>Amount (£'000)</b>
Proceeds from disposal of assets	2,945
Proceeds from Right to Buy sales	400
Proceeds from sale of old Waste Recycling Fleet	400
<b>Total</b>	<b>3,745</b>

6.3 The Capital Funding required for the 2020/21 programme includes £3,436,600 of capital receipts. The remaining projects within the Capital Programme will be funded by borrowing.

6.4 £3,702,142 of the revised budget was expected to be spent by 30 September; the actual amount spent was £3,710,924 resulting in an adverse variance at the end of the second quarter of £8,782. The expenditure in the first two quarter predominately relates

## **7. Treasury Management**

- 7.1 Borrowing is likely to be required during 2020/21 to fund the revised capital programme however no borrowing arrangements have been made to date.
- 7.2 The Public Works Loan Board (PWLB) has recently completed a “Future Lending Terms” consultation, which sought views from local authorities and other stakeholders. This consultation period closed on 31 July 2020 and the results are currently being analysed, however there is speculation that the outcome of this review will see the PWLB reduce its borrowing rates.
- 7.3 The PWLB is one of the borrowing options the Council is currently reviewing to fund its capital programme and will await the outcome of the consultation before securing borrowing requirements for the capital programme.

**Appendix A**

**2020/21 Revised Capital Programme (Revised Programme shown in detail in second table)**

CAPITAL PROGRAMME	Approved 2020/21 Programme	Revised 2020/21 Programme
	£	£
Service Area - Council Modernisation	380,000	254,653
<b>Total</b>	<b>380,000</b>	<b>254,653</b>
Service Area - Housing Improvements	1,070,000	1,071,000
Service Area - Managing Property & Assets	131,531	97,000
<b>Total</b>	<b>1,201,531</b>	<b>1,168,000</b>
Service Area - Environmental Health	10,000	10,000
Service Area – Street Scene and Bereavement Services	295,600	197,000
Service Area - Recycling and Fleet	3,766,000	3,503,703
Service Area - Leisure	3,682,000	1,135,000
Service Area - Museum	95,000	97,536
Service Area - Managing Property & Assets	55,547	20,000
Service Area - Engineering	165,873	232,873
<b>Total</b>	<b>8,070,020</b>	<b>5,196,112</b>
Service Area - Managing Property & Assets	1,702,553	333,866
<b>Total</b>	<b>1,702,553</b>	<b>333,866</b>
<b>CONTINGENCY/FEASIBILITY STUDIES</b>	1,100,000	350,000
<b>TOTAL</b>	<b>12,454,103</b>	<b>7,302,631</b>



<b>CAPITAL PROJECTS</b>	<b>Proposed Programme 2020/21 £</b>
<b>PRIORITY - Local Services that work for Local People</b>	
<b><i>Service Area - Council Modernisation</i></b>	
Mobile Technology Roll Out	30,000
Desktop Technology Refresh	8,000
Microsoft LAR Uplifts	50,000
Digital Delivery Integration Costs	30,000
Replacement of Civica APP	30,000
Replacement of Civica Financials	30,000
Implementation of SharePoint	20,000
Mobile Telephony Refresh	10,000
Pilate Gauge Replacement	6,653
Packet Shaper refresh	20,000
E-payments replacement	20,000
<b>Total (Service Area)</b>	<b>254,653</b>
<b>Total Priority</b>	<b>254,653</b>
<b>PRIORITY - Growing our People and Places</b>	
<b><i>Service Area - Housing Improvements</i></b>	
Disabled Facilities Grants	1,000,000
Empty Homes Grants	6,000
Carbon Management	65,000
<b>Total (Service Area)</b>	<b>1,071,000</b>
<b><i>Service Area - Managing Property &amp; Assets</i></b>	
Stock Condition Survey Works	97,000
<b>Total (Service Area)</b>	<b>97,000</b>
<b>Total Priority</b>	<b>1,168,000</b>
<b>PRIORITY - A Healthy, Active and Safe Borough</b>	
<b><i>Service Area – Environmental Health</i></b>	
CCTV/Body worn cameras	10,000
<b>Total (Service Area)</b>	<b>10,000</b>
<b><i>Service Area - Streetscene &amp; Bereavement Services</i></b>	
Footpath Repairs	20,000
Play Area Refurbishment	30,000
Railings/Structures Repairs	15,000
Britain in Bloom	15,000
Traveller Encroachment	5,000
Memorial Survey	5,000
Crematorium Monthly Gardens	5,000
Pool Dam Marshes LNR	87,000
Grounds Maintenance Invest to Save Programme	15,000
<b>Total (Service Area)</b>	<b>197,000</b>
<b><i>Service Area - Recycling &amp; Fleet</i></b>	
Replacement Bins/Containers	50,000
Wheelie Bins – New Recycling Service	870,000
Paper Recycling Internal Bin Caddie	43,703
Twin Body RCV for New Recycling Service x 7	1,650,000
New Food Waste Collection Service Vehicles x 7	490,000
Corporate Fleet Replacement	300,000

Classification: NULBC **PROTECT** Organisational

Transfer Station Alterations (New Recycling Service)	100,000
<b>Total (Service Area)</b>	<b>3,503,703</b>
<b>Service Area - Leisure</b>	
Aqua Sauna Refurbishment	75,000
Carbon Management	40,000
Jubilee 2 Pool Filters	20,000
Kidsgrove Sports Centre	1,000,000
<b>Total (Service Area)</b>	<b>1,135,000</b>
<b>Service Area - Museum</b>	
HLF Match Funding	75,000
CCTV Replacement/Upgrade	20,000
Museum Project	2,536
<b>Total (Service Area)</b>	<b>97,536</b>
<b>Service Area - Managing Property &amp; Assets</b>	
Stock Condition Survey Works	20,000
<b>Total (Service Area)</b>	<b>20,000</b>
<b>Service Area - Engineering</b>	
Ryehills over Marian Platt walkway	45,000
Kidsgrove Loopline Bridge Over Walkway in Park	37,865
Road Bridge over former Railway, Audley	30,000
Car Park at Butchers Arms	20,000
St James Closed Churchyard, Newchapel	12,008
St James, Church Street, Audley	88,000
<b>Total (Service Area)</b>	<b>232,873</b>
<b>Total Priority</b>	<b>5,196,112</b>
<b>PRIORITY - A Town Centre For All</b>	
<b>Service Area - Managing Property &amp; Assets</b>	
Stock Condition Survey Works	274,866
Midway Car Park, Newcastle	10,000
Markets	40,000
Bus Shelters	9,000
<b>Total (Service Area)</b>	<b>333,866</b>
<b>Total Priority</b>	<b>333,866</b>
<b>CONTINGENCY</b>	
	250,000
<b>FEASIBILITY STUDIES</b>	
	100,000
<b>TOTAL</b>	<b>7,302,631</b>

## Corporate Performance Quarter 2 2020-21

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

#### Progress Summary

Overall, our performance with a combination of monitoring and target driven indicators for this priority is positive in this quarter but work is underway to impact on the result.

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

- **Increase Access to Information;**

- The Council continue to maintain services by encouraging customer self-service via the website, and through effective call centre support. Castle House is open to the public by utilising bookable appointments and self-service. The demand is extremely low, as most contacts can be addressed online or by telephone.

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

During this quarter the new recycling collection service has been fully rolled out to all households, and separate food waste collections were restarted from mid-August, following suspension of this service due to Covid. The rollout has been very successful with higher participation, than the previous service, and maintaining high quality material. There has been very positive feedback from residents who really like the new service, and tonnages have increased by 20.02%.

- **Establish Workforce Strategy:**

- **Develop robust, innovative and efficient work force plans**

Despite the Covid 19 situation, work has continued across services in the development of robust, innovative and efficient work force plans which align to the council vision for the future.

- **Develop organisational culture**

High on the list of priorities is the engagement of staff in the development of organisational values and behaviours; from which recognition and reward, development and learning and leadership strategies will be developed. Work was paused on this toward the end of Qtr. 4 due to significant resource channel to the Covid-19 response, however work to distribute a staff survey and develop a values realisation process to inform the culture commenced in this quarter. HR are continuing to work with all managers to coach and mentor them through all the HR policies to embed good practice and develop their skills in managing staff successfully to enable a positive working culture.

- **Ensure staff wellbeing**





We have continued our focus on staff mental health and wellbeing over the last quarter and are continuing to promote our support and counselling services. In addition we have established, in partnership with the Trade Unions, a Mental Health working group who will work with the staff to develop further our support mechanisms. We are marking World Mental Health day in October with a campaign for staff to 'do one thing' to improve their wellbeing and share their stories. The staff survey which was run in August returned positive results in terms of the support and communication staff are receiving from managers and teams and gave a clear steer to continue the work and promote the services we currently have in place.




**Progress Summary continued**

- **To review and continue to develop key People policies**






Ongoing discussions with the Trade Unions on Organisation Change and Redeployment have been paused during the Covid-19 outbreak, but the HR team has continued to work with all managers to coach and mentor them through all the HR policies to embed good practice and develop their skills in managing staff successfully to enable a positive working culture.

Ref	Service Area	Portfolio Holder	Indicator	Good is	Result Qtr 2 2019-20	Result Qtr 1 2020-21	Result Qtr 2 2020-21	Target Qtr 2 2020-21	How have we performed?	Status
1.1	Environmental Health	Cllr. Trevor Johnson	Percentage of food premises that have a zero or one national food hygiene rating	Low	1.14% (13 out of 1,136 published premises)	-	-	5%	Delivery of this planned programme was prevented during the Covid lockdown and has not recommenced due to prioritising Covid activities. In excess of 400 Covid-19 queries and complaints received, and the team continue to communicate with food premises and other licensed premises in order to advise and record future appointments.	-
1.2 New	Environmental Health	Cllr. Trevor Johnson	Percentage of category A and B food business inspections completed on time	High	100%	-	-	-		-
1.3 New	Environmental Health	Cllr. Stephen Sweeney	No. Accidents/Incidents reported (RIDDOR)	Low	1	1	2	-		There have been two incidents, one due to an injury over 7 days, and one from an injury involving a member of public. Both incidents have been investigated and no further action required

Ref	Service Area	Portfolio Holder	Indicator	Good is	Result Qtr 2 2019-20	Result Qtr 1 2020-21	Result Qtr 2 2020-21	Target Qtr 2 2020-21	How have we performed?	Status
1.4a	Recycling & Fleet	Cllr. Trevor Johnson	Household collections from the kerbside (%):- <ul style="list-style-type: none"> <li>Dry Recycling</li> </ul>	High	17.50%*	18.26%	20.69%	20%	<p>Dry Recycling and food collection performance significantly affected by Covid. Separate food waste collections were suspended to concentrate resources into refuse, recycling and garden waste, as the department suffered a loss of 25% of its workforce due to Covid self-isolation and shielding. Food waste collection recommenced in mid-August and tonnages are growing steadily back to pre Covid levels. Tonnage of refuse continue to remain high having increased significantly, 26.74% up on Qtr 1 and 2 figures taken over the last three years. Recycling has increased by 22.02% following the introduction of the new service, which has put recycling collections back on target. This trend remains as not unique to NuLBC, with similar patterns experienced throughout the country.</p>	
1.4b			<ul style="list-style-type: none"> <li>Food</li> </ul>	High	5%*	0.10%	1.34%	5%		
1.4c			<ul style="list-style-type: none"> <li>Amount of residual Waste per household</li> </ul>	Low	105.55 kgs*	131.19kgs	124.37kgs	107.5kgs (per household) cumulative		
1.4d	Operations	Cllr. Trevor Johnson	Number of missed kerbside collections:- Total (per 100,000 collections)	Low	67	119.51	162.63	80 (per 100,000 collections)	<p>In this quarter there were a total of 1,304,187 collections of residual, garden waste, recycling and food. Missed collections of Residual- 472, Garden Waste – 196 Recycling-983, and food waste - 470. Covid and the changeover in the recycling collection service had a significant effect on staffing of vehicles, meaning staff from other departments were redeployed onto collection rounds where they were unfamiliar. Rates of missed</p>	

Ref	Service Area	Portfolio Holder	Indicator	Good is	Result Qtr 2 2019-20	Result Qtr 1 2020-21	Result Qtr 2 2020-21	Target Qtr 2 2020-21	How have we performed?	Status
1.1	Operations	Cllr. Trevor Johnson	Number of missed kerbside collections:- Total (per 100,000 collections)						Continued:- collections dropped significantly in September for all streams except food.	
1.5	Operations	Cllr. Trevor Johnson	Levels of street and environment cleanliness (LEQ survey) free / predominantly free of litter, detritus, graffiti and fly-posting)	High	97.04% 96.86% 100% 100%	-	-	91% 91% 97% 99%	The surveys were postponed due to Covid situation but have now commenced. The first tranche results will be reported in Qtr 3.	-
1.6	Customer & ICT	Cllr. Simon Tagg	Percentage of requests resolved at first point of contact	High	99%	99.28%	99.64%	97%	The result demonstrates continued success in dealing with most contacts at first point of contact.	
1.7	Customer & ICT	Cllr. Simon Tagg	% Unmet demand (number of calls not answered as a % of total call handling volume)	Low	6.79%	10.29%	16.46%	10%	The target has not been met due to an increase of 25% of calls coming through the contact centre. As Services have come to terms with Covid19, they have increased their communication and are back on track in their business areas, thus increasing traffic through digital means or the contact centre. During Q2 the new recycling Service was embedded, affecting 54,000 properties and alongside this an Election canvass of 40,000 residents were dealt with.	
1.8	Digital Delivery	Cllr. Simon Tagg	Total number of digital on-line transactions (Jadu).	High	6,080	14,247	10,859	-	There is a reduction in the number of transactions on Q1, but some online activities are seasonal transactions.	-
1.9	Communication	Cllr. Simon Tagg	Total number of unique users to the website	High	93,982	124,917	109,142	79,500	There was a total of 109,142 unique users in this quarter, which is increased from Qtr 2 in 2019-20.	

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Ref	Service Area	Portfolio Holder	Indicator	Good is	Result Qtr 2 2019-20	Result Qtr 1 2020-21	Result Qtr 2 2020-21	Target Qtr 2 2020-21	How have we performed?	Status
1.10	Revenues & Benefits	Cllr. Stephen Sweeney	Time taken to process Housing/Council Tax Benefit new claims and change events	Low	4.91days	3.73 days	6.56 days	10 days	This result remains well within target.	
1.11	Revenues & Benefits	Cllr. Stephen Sweeney	Percentage of Council Tax collected	High	52.9%	26.5%	52.4%	50.11%	The Council Tax and Business Collection rates are now back on track following recovery action being taken for the first time this year in quarter 2.	
1.12	Revenues & Benefits	Cllr. Stephen Sweeney	Percentage of National non-domestic rates collected	High	58.6%	20.6%	58%	52.44%		
1.13	Human Resources	Cllr. Simon Tagg	Average number of days per employee lost to sickness	Low	4.9 days	2.45 days	4.25 days (cumulative)	4.4 days Qtr 2 (cumulative)	The Qtr 2 sickness figure is 1.81 days and is within the target of 2.2 days. The cumulative result of 4.25 days (April-Sept) is also within the target too. It was anticipated that sickness absence may increase due to Covid-19 but it has not had a dramatic effect on this indicator.	
1.14 New	Human Resources	Cllr. Simon Tagg	Staff turnover	Low	8.80%	0.95%	1.35%	10%	The turnover is down on the figure for this quarter last year.	
1.15 New	Human Resources	Cllr. Simon Tagg	Staff vacancy rates	Low	11.15%	0.19%	1.74%	-	Vacancy rates are low this quarter.	-

\*The result is within tolerance

## Priority 2: Growing our People and Places

### Progress Summary

A summary of progress with planned activities for Priority 2 from the Council Plan 2018-2022 are as follows:-

- **Deliver Joint Local Plan**

In February 2020, the Councils agreed to produce the Joint Local Plan in two parts; Part One Strategy and Policies and Part Two Site Allocations. There were due to be two consultations this year, with Part One being subject to consultation in April/May 2020 and Part Two in the Autumn of this year. Due to the impact of Covid 19, consultation on Part One of the Plan was postponed as it was not possible to carry out the consultation in a way which would have met the Councils obligations set out in the Joint Statement of Community Involvement. Work has continued on the Draft Joint Local Plan aiming to minimise any potential delay to the overall plan timetable despite the ongoing challenges presented by the pandemic. As such, it is proposed that both parts of the Draft Plan will be subject to one 6 week public consultation at the beginning of the year.

- **Delivery of the Economic Development Strategy and action plan**

Progress with delivery of the Economic development Strategy and action plan is set out in more detail below against individual projects – One Public Estate, Prepare a Town Centre Strategy, market, and business support. Establish a Town Centre Communications Group and Develop a Kidsgrove Town Centre Investment Plan. Additionally, in response to Covid-19 the Council addressed the issue of re-opening town centres post-Lockdown through the ‘Back on Track’ recovery plan. The Council also received notification of the Restarting High Street Safely Fund and in Quarter2 has received further clarification on eligible spend. It is anticipated that a revised action plan will be submitted in Quarter 3 based on the further guidance received.

- **Progress University Growth Corridor**

While the UGC masterplan is now completed and has been submitted to the Joint Local Plan team for inclusion in the JLP, work has now turned to the ‘Keele Transport Hub’ a project designed to mitigate the traffic impacts of the development (which is expected to comprise up to 1000 houses on the site of the former municipal golf course and up to 2000 additional university and science park jobs on the university campus). This will focus on putting the conditions in place for encouraging more sustainable modes of travel than the car, including electric buses and cycles and providing the infrastructure which encourages people to use them.

- **Deliver appropriate housing to those in need:**

- **Newcastle Housing Advice to be in-house service**

Midland Heart delivers the Newcastle Housing advice (NHA) service on behalf of the Council, which is the Borough’s provision for homelessness, housing advice and housing register services. The Council has made the decision to bring the service back in-house by 1st April 2021, and over the forthcoming year the Council will be working with the current contractor to transfer the service effectively, including the TUPE of 9 staff. Quarterly performance monitoring for the NHA service is available on request. An internal working group has been created to co-ordinate the delivery of a project plan to ensure that the service can be integrated efficiently into existing Council services, with the support of ICT, HR and Customer Services.

- **Rough Sleepers and temporary accommodation**

The Council was successful in securing funding from MHCLG for the appointment of a Rough Sleeper Navigator, for a 12 month period and this post commenced in May 2020 within the NHA team and working closely with local partners to develop a temporary accommodation unit for rough sleepers and those at risk of rough sleeping with complex needs over the COVID period, because other options previously used such as hostels and bed and breakfasts have not been available. The Council has achieved funding from MHCLG of approx. £125k to contribute to the costs so that the provision



## Progress Summary continued

can be extended over the winter period in readiness for a second wave of COVID. A Severe Weather Emergency Protocol (SWEP) for 2020/21 is currently being developed and includes the identification and preparation of an emergency accommodation unit for those rough sleeping, supported by a local Charity, to be instigated and made available if temperatures fall to 0 degrees or below. In addition, a Housing and Policy Partnerships Officer (former Housing Strategy post) was appointed, who will oversee the use of temporary accommodation and look to develop proposals for housing pathways over the longer term to compliment the work of the NHA and rough Sleepers team and ensure that the Council has housing options for homeless households in priority need.

- **Joint allocation policy and procurement of a Choice Based Lettings system**

The Council has adopted a new Joint Housing Allocations Policy in-conjunction with Aspire Housing. This joint policy will allow customers of the Borough to access social housing owned and managed by Aspire Housing and other Private Registered Providers to whom the Council has partnerships within the Borough. The Council and Aspire Housing is procuring a joint Choice Based Letting (CBL) system during 2020/21 that will deliver the platform for the administration function of the housing register. This will allow our customers to make one application for social housing, a greatly improved approach compared to our current systems requiring 2 applications. During the first quarter the specification was developed and Locata were chosen to deliver the IT system through a framework agreement. Work more recently has been undertaken by a multi-disciplinary team as part of a working group to co-ordinate the introduction of the new system and policy and testing thereof prior to the official launch, which is planned for February 2021.

- **One Public Estate**

The Borough Council have received a sum of £50,000 from 'One Public Estate', (a body set up to encourage public agencies to work together to make better use of their property assets), to cover the cost of undertaking the masterplanning of Knutton Village. This will involve preparing proposals for the use or development of a number of cleared sites around the centre of Knutton in the ownership of the Borough and County Councils and Aspire Housing. The objective is to bring forward new housing development in the area and to assess the potential for investing in the improvement and consolidation of community facilities. Aspire Housing is also contributing to the resources of the Study with a view to it reviewing its role as a provider of affordable housing in the area, including that of housing for the elderly. In Quarter 2, White Young Green completed a draft final report which has taken into account the physical, financial and practicalities of the viability of development and considered the views of local stakeholders and ward members, and this is now being reviewed by the Borough and County Councils and Aspire Housing (all of which are significant landowners in the area). Officers are now preparing for public consultation on the proposals which will start in Quarter 4. There will be financial implications for the Council and our partners which will need to be considered. The bid for Town Deal funding may consider helping to address some of the abnormal costs of bringing forward a suitable scheme.

- **Consideration of a property investment model and Property Diversification**

Consideration is being given to the Borough Council taking a more active role in developing its sites (i.e. by way of forming a property development company or similar) either on its own or in a partnership arrangement. The Commercial Strategy 2019-24 was approved by Cabinet and commercial investment advisors appointed to review and advise in respect of the Council's commercial portfolio. Work on this is currently ongoing.






**Progress Summary continued**

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

The masterplan in respect of land in the Chatterley Close area, Bradwell, has now been completed and is to be considered by Cabinet, along with the next steps in respect of the extension of the Crematorium, at its November meeting. . Keele masterplan was approved in principle last year and is subject to consideration as part of the development of the Joint Local Plan. Following the Phase 1 environmental impact assessment for Birchenwood, a preliminary ground investigation survey has now been completed and next steps are currently being considered.

- **Planning Consent – Sidmouth Avenue**

Planning approval was granted in December 2019 for the partial demolition and change of use of the former Registry Office into a single dwelling and the provision of three new detached dwelling in Sidmouth Avenue. In Qtr 4 2019/20 alternative options were considered in respect of developing the site, in quarter 1 2020/21 the decision was taken to market the site and in quarter 2 2020/21 the site was marketed and terms are currently being finalised for disposal.

Ref	Service Area	Portfolio Holder	Indicator	Good is	Result Qtr 2 2019-20	Result Qtr 1 2020-21	Result Qtr 2 2020-21	Target Qtr 2 2020-21	How have we performed?	Status
2.1	Property	Cllr. Paul Northcott	Percentage of investment portfolio vacant (NBC owned)	Low	8.3%	7%	6%	12%	This indicator remains well within target.	
2.2	Planning & Development	Cllr. Paul Northcott	Speed of major development applications (P151a)	High	74.6% (Oct 17- Sept 19)	84.6% (Jul 18 – Jun 20)	89.5% (Oct 18- Sept 20)	60%	These indicators remain well within target and are improving or being maintained at an acceptable level.	
2.3			Quality of major development applications (P152a)	Low	1.5% (July 16 - June 18)	3% (Apr 17 – Mar 19)	3.4% (July 17- June 19)	10%		
2.4			Speed of non-major development applications (P153)	High	82.9% (Oct 17 - Sept 19)	88.7% (Jul 18– Jun 20)	90.9% (Oct 18- Sept 20)	70%		
2.5			Quality of non-major development applications (P154)	Low	1% (July 16 - June 18)	1% (Apr 17 – Mar 19)	1.1% (July 17- June 19)	10%		

## Priority 3: A Healthy, Active & Safe Borough

### Progress Summary

Overall the performance for this priority advises the progress where possible, however the impact of Covid 19 is considerable to service provision or where facilities have had to close during this period.

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

- **Secure J2 Remedial works**

Following consultation with Cabinet the Aqua Sauna is now being redesigned as a Pilates room. This will enhance the health and wellbeing offer at Jubilee2 and create a unique customer experience. It is envisaged that this project will be completed in the Autumn of 2020. Towards the end of quarter 2, the service experienced a failure of the main pool which had to be closed. The original contractor continues to work with the Council on this and the issue with the roof leaks.

- **Secure J2 commercialisation**

Membership numbers are circa 25% down on pre Covid numbers, which is in part due to the closure of the swimming pool. It is envisaged that the swimming pool will reopen at the end of October 2020 which will have a supportive impact on retaining members. A marketing plan is now in place until the end of this financial year to grow and retain the number of members. However due to social distancing measures operational capacity has been reduced by approximately two thirds.

- **Kidsgrove Sports Centre**

Work has continued with WDC and the community group to secure a financially viable scope of works for a budget £6m which now suits both the needs of the community groups' business model and the budgetary constraints of the Council. Additional funding opportunities have been secured in the form of Town Deal Advance Monies for advance strip out works at the centre and further Town Deal contributions are being investigated also. Advance works / internal strip out works by WDC will now commence in December upon completion of the property transfer from Staffordshire County Council.

- **Secure funds for Museum Extension**

Permission to Start from the National Lottery Heritage Fund has been obtained. The building work has been out to tender and the tenders are being assessed against the project budget.

- **Open Space Strategy**

Due to the pandemic, the Heart of England in Bloom campaign and all local Newcastle in Bloom competitions and activities have been suspended for 2020 – the intention is to roll most of the planned activities forward to 2021. The Green Flag Awards scheme is proceeding on a desktop assessment basis with a mystery shop site visit. The Council has entered 7 sites.

- **Streetscene Fleet procurement**

Procurement of fleet and equipment for Streetscene is progressing, with tenders invited for 2 x large road sweepers.

- **Feasibility study for Crematorium extension**

An officer working group was established to progress the feasibility study and this work was linked into the masterplanning commission for the Chatterley Close area which has been completed. A report has been prepared for consideration by Cabinet in October 2020.

## Progress Summary continued

- **Affordable Funeral Scheme**

A suite of tender documents was prepared for issue to local suppliers. However, the pandemic meant there was a delay due to other priorities and capacity issues across the whole sector so the timeline has been reviewed and it is intended to report progress to Cabinet in November. An option for Direct Cremation will be explored for inclusion in the tender package.

- **Deliver Capital Programme projects**

Work is in progress on a number of sites to repair railing/fencing and footpaths, and replace play equipment.

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

- **Taxi Licensing Policy**

In the first quarter of 2019-20, members of the Licensing and Public Protection Committee approved the content of the taxi policy. The policy document is a wide scale reform of the current policy, to ensure that the Council has a policy that is fit for purpose in respect of the legislative framework and administration of the service. Members of the Licensing and Public Protection Committee approved the policy resulting in full implementation of the policy in January 2020. Statutory guidance was published in July 2020, this has resulted in amendments to the taxi policy being proposed to Licensing and Public Protection committee for consideration in October 2020.

- **Environmental Health & Licensing**

A new responsibility for the authority this quarter is for the team to ensure the Covid 19 restrictions were applied and in place as directed by Government. Also the new pavement licensing regime has been implemented by the service, this is a temporary licence which allows premises to apply for a licence for tables & chairs and other furniture on the pavement outside of their premises. In addition, the service is supporting the County Council in the Covid outbreak controls for high risk premises and is continuing with advising business, responding to complaints and undertaking enforcement for non-compliance with Covid controls. It is unknown at present how long these responsibilities will remain in place.

- **Commission new CCTV Service**

Following approval by Cabinet and the Business Improvement District Board for the commissioning of the CCTV service with Stoke City Council significant work has been undertaken to make the service live by 1st April 2020. A new CCTV Policy has also been approved alongside the development of a range of documents which form the legal contract with Stoke City Council. The replacement CCTV cameras in the town centre and Midway have been successfully installed and are operational. The new cameras in Bridge Street need additional electricity supply which unfortunately was not completed prior to the Covid-19 lockdown. This will be picked up by the relevant contractors once the businesses are back operating. Work is ongoing to develop additional CCTV enhancements to the service as part of the Town Deal funding delivery.

### **Progress Summary continued**

- **Town Centre ASB enforcement**

A range of Partnership activity continues to be co-ordinated this quarter, including; the CCTV implementation and monitoring; identifying ASB hotspot areas to target harden and make more secure; working closely with partners to identify individuals in need of support, working with the rough sleepers team to ensure that appropriate support is provided, utilising the Council's civil enforcement powers such as Community Protection Notice Warnings (CPNWs ), Community Protection Notices and Injunctions, continued enforcement of PSPOs for the Town Centre and Queen Elizabeth Park, working with the Police to encourage use of Section 34/35/59 powers (criminal powers), and developing a range of community safety projects to improve the aesthetics of the town centre and contribute to improving perceptions of safety. The council has an appointed Rough Sleeper Co-ordinator to assist in galvanising partnership activity with some of our vulnerable residents. As part of the Covid-19 Everyone In response, the Council provided additional accommodation and support to Rough Sleepers to encourage engagement where possible.

- **Air Quality Local Development Plan**

Work is continuing with Stoke-on-Trent City Council and Staffordshire County Council to create the North Staffordshire Local Air Quality Plan to bring about improvements in Nitrogen Dioxide (NO2) levels. This quarter has seen progress with development of all the business cases and drafting outline business case. This will be presented to Economy, Environment and Place Scrutiny Committee in November and Cabinet in December. Subject to approval, work upon preparation of the Full Business Case will be progressed.

Ref	Service Area	Portfolio Holder	Indicator	Good is	Result Qtr 2 2019-20	Result Qtr 1 2020-21	Result Qtr 2 2020-21	Target Qtr 2 2020-21	How have we performed?	Status
3.1	Community Safety	Cllr. Helena Maxfield	Anti-Social Behaviour (ASB) cases:-						There are currently 21 cases discussed at the ASB, Youth Violence and Gangs Case conference.	-
			-New cases received during the quarter	Low	95	107	165	-		-
			-Current open cases at the end of the quarter	Low	17	11	21	-		-
			-Cases closed in the quarter	High	106	102	155	-		-
3.2	Community Safety	Cllr. Helena Maxfield	Number of referrals made regarding vulnerability by participating organisations at the Daily Hub	High	32	36	36	-	A total number of 36 referrals were made from Daily Hub meetings that have taken place over the period 1 July – 30 September 2020.	-
3.3	Culture & Arts	Cllr. Jill Waring	Number of people visiting the museum	High	21,847 Qtr 2 (38,622 cumulative)	0	1577	(59,000 cumulative)	The museum closed due to COVID-19 on March 20th and therefore there were no visitors until its reopening on July 27. The museum is currently open 4 hours each weekday and is having an average of 30 visitors each afternoon. Similarly, the swimming pool remains closed at J2 too.	-
3.4	Leisure	Cllr. Jill Waring	Number of people accessing leisure and recreational facilities	High	146,029 Qtr 2 (287,608 cumulative)	-	-	(600,000 cumulative)		-
3.5	Leisure	Cllr. Jill Waring	Net growth in J2 Membership (Quarterly)	High	-2.35% (2955)	-	-	(3,250 members) 6.31% Annual		-

## Priority 4: A Town Centre for All

### Progress Summary

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

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

- **Prepare a Town Centre Strategy**

The Council was successful in progressing to the full Business Case stage of the Future High Street Fund and has also been invited to take part in the Town Deal. For the Future High Streets Fund the Council commissioned Stantec to assist in the development of the Business Case in line with MHCLG requirements. The final bid was approved and submitted at the end of July 2020. At the end of Quarter 2, MHCLG asked for further information to be submitted and this is due to be submitted in Quarter 3, when notification of the bid outcome is also anticipated.

In Quarter 2, the partners have come together to establish the Town Deal Board and continued to work with the appointed consultants AECOM on development of the Town Investment Plan. At this time, the Town Deal Board agreed that it would submit the Town Investment Plan as a part of cohort 3 in January 2021. This is to allow for the notification of the Future High Street Fund bid and also to allow further refinement of project proposals. The Government has also offered all Town Deal additional 'accelerated funding' to deliver quick win projects, which have to be completed by end March 2021. The council and Newcastle Town Deal Board have been working with AECOM to develop a suite of early interventions to use this additional funding in a way that is in line with the Town investment Plan proposals.

- **Market**

The Service Improvement Plan for the market was presented at the June 2019 Cabinet and the Economic Development & Enterprise Scrutiny Committee where it was approved with recommendations noted and for delivery in 12 months. The Town Centre Officer has been appointed and progress made in delivering the improvement plan, this has included moving some of the stalls to the southern side of the Guildhall where there is greater footfall and to enable use of the stalls for the farmers market. Plans were also made to focus on specialist markets such as the successful Continental Market. During Quarter 1 market activity was suspended and with the absence of the market, an opportunity was taken to appoint a contractor to install lighting on market stalls in the upper market area. Unused market stalls at the lower end of the market were also removed to condense the market to the more popular northern area. Six weeks free rent was given to traders by the Council when they returned from Lockdown restrictions upon the reduced-day market opening in June. An additional Visiting Market of a new Sunday Record Fair attended July, August and September. The Town Centre action group continues to meet on a quarterly basis.

- **Business Support**

Work continues in signposting business queries to the Growth Hub and maintenance of Business support pages on website. The Business pages on the website continue to be updated in the light of Covid-19 to signpost businesses to sources of information and support. Around 900 business have contacted the council for business advice via the online form since March 2020, plus additional queries by phone. In June, all contacts were sent a copy of the council's re-opening checklist, a link to add their details to the Shop Local page and a request to hold their contact details on file if they were interested in receiving a regular e-newsletter. Over 100 responded to this request, which gives an excellent starting point to keeping business updated in the future. Additionally, a Business Recovery page has been set up on the website, as well as a 'Shop Local' page aimed at giving consumers information about the re-opening of local businesses and the steps they are taking to protect customers. A specific business information Twitter account has also been set up. The Business Boost competition will not be going ahead in 2020 but will be re-launched in 2021 with a revised format, focusing on businesses who have survived and thrived during the pandemic.

- **Parking Policy**

The Council adopted a new Car Parking Strategy in 2019/20. The Council is working to establish card payments on the pay and display car parks which has included the purchase of 12 ticket machines, these were due to be installed at the end of March however the manufacturer had unfortunately placed production on hold due to Covid. Four of the new machines have now been installed and will be commissioned on 12th October, with the other 8 anticipated to follow shortly afterwards. The Council has also commenced in quarter 1 the procurement of a new contractor for the delivery of a mobile phone APP to enable drivers to pay for their parking and extend without the need to return to their cars. The 3 month notice has been served on the current contractor with the intention of the new service commencing in Quarter 3. This replacement service is running to programme, with the changeover taking place on 24th October.

- **Establish Town Centre Communications Group**

The Town Centre Communication Group has recommenced following the Head of Communication leaving their post. A Zoom meeting is scheduled each quarter with the first meeting held on Tuesday 29 September. The group consists of Borough Council (both Town Centre Officer and Communications Manager), Business Improvement District, Hitmix Radio, Newcastle College (NSCG), New Vic Theatre, Babababoon. Hitmix attended all three Record Fairs held in July, August and September and promoted the event on their radio broadcasts.

- **Develop a Kidsgrove Town Centre Investment Plan**

Partners have come together to form a Kidsgrove Town Deal Board (KTDB) which has continued to meet monthly. This is supported by the appointed consultants, AECOM, who continue to lead and develop the Kidsgrove Town Investment Plan with the Town Deal Board. The Investment Plan will review and build on existing plans where appropriate; create the conditions for further investment; and realise lasting and sustainable benefits for the area's residents and businesses. The Government has also offered all Town Deal additional 'accelerated funding' to deliver quick win projects, which have to be completed by end March 2021. The council and KTDB have been working with AECOM to develop a suite of early interventions to use this additional funding in a way that will enhance the projects being included in the Investment Plan.



Ref	Service Area	Portfolio Holder	Indicator	Good is	Result Qtr 2 2019-20	Result Qtr 1 2020-21	Result Qtr 2 2020-21	Target Qtr 2 2020-21	How have we performed?	Status
4.1	Regeneration & Economic Development	Cllr. Stephen Sweeney	Car parking usage:- Number of tickets purchased	High	119,779	-	67,649	-	Charges for car parking were suspended in Qtr 1 due to COVID-19.	-
4.2	Regeneration & Economic Development	Cllr. Simon Tagg	Footfall (data provided by Newcastle BID)	High	822,302	211,612	541,658	-	Footfall for this quarter is 66% of the figure for the same quarter last year.	-
4.3	Regeneration & Economic Development	Cllr. Stephen Sweeney	Average stall occupancy rate for markets	High	42%	-	Overall 61% Monday GM 17% Tuesday AFG 93% Wednesday GM 18% Thursday AFG 74% Friday GM 52% Farmers Mkt 93% Saturday GM 51% Record Fair Mkt 87%	60%	The markets were suspended at the beginning of lockdown but have recommenced now.  When considering the overall average for all trading days it must be remembered that some markets are monthly and others four times a week.	-

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



Performance is not on target but direction of travel is positive



Performance is not on target where targets have been set



Performance is on or above target

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**FINANCE, ASSETS AND PERFORMANCE SCRUTINY COMMITTEE**

Work Programme 2019/21

Chair: Councillor Mark Holland

Vice-Chair: Councillor Bert Proctor

Members: Burnett, Fear, Grocott, Hutton, Kearon, Pickup, 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 Denise French on 01782 742211 or at [denise.french@newcastle-staffs.gov.uk](mailto:denise.french@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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<b>DATE OF MEETING</b>	<b>ITEM</b>	<b>BACKGROUND/OBJECTIVES</b>	<b>OUTCOME</b>
	Revenues, Benefits and Customer Services	Update on restructure proposals	Assurance that resourcing levels will be sufficient to ensure achievement of agreed performance targets
	Quarter 2 Performance Report	Review performance indicators.	Assurance that indicators accurately reflect progress with Council Plan. Alignment to MTFS and Budget.
Thursday 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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<b>DATE OF MEETING</b>	<b>ITEM</b>	<b>BACKGROUND/OBJECTIVES</b>	<b>OUTCOME</b>
		Hammersmith & Fulham and Bristol, and draft NULBC Code of Collection Practice.	collection agent is appropriate and proportionate, and impact on vulnerable residents is minimised.
	Outsourcing of Payroll Services	Review of progress.	Assurance that new arrangements have delivered an improved service and cost savings.
	Quarter 3 Performance Reports	Review Performance Indicators	Assurance that indicators accurately reflect progress with Council Plan. Alignment to MTFS and Budget.
Thursday 25 June 2020	LAPS	Review of impact on local services.	Focus on key local issues. Resource solutions.
	Procurements	Review commissioning and procurement process including whole life costs of projects/contracts and robustness of contract management procedures.	Best value.
	Quarter 4 Performance Reports	Review Performance Indicators.	Assurance that indicators accurately reflect progress with Council Plan. Alignment to MTFS and Budget.
	Procurement	Review commissioning and procurement process including whole life costs of projects/contracts and robustness of contract management procedures.	Councillor Hutton to report back on his investigative findings.
Thursday 17 September 2020	Financial Sustainability and Recovery Plan	Pre-cabinet scrutiny	Alignment to Council Plan and MTFS
	Quarter 1 Performance Report	Review Performance Indicators	Assurance that indicators accurately reflect progress with

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DATE OF MEETING	ITEM	BACKGROUND/OBJECTIVES	OUTCOME
	CIPFA Guide to Financial Scrutiny	Information and guidance to members on best practice	Council Plan. Alignment to MTFS and Budget  Financial scrutiny is carried out in accordance with best practice
December 2020	Revenue/Capital Budget and Council Tax  Capital Strategy  Investment Strategy  Scale of Fees and Charges  Treasury Management	Pre-cabinet scrutiny  Pre-cabinet scrutiny  Pre-cabinet scrutiny  Pre-cabinet scrutiny  Pre-cabinet scrutiny	Alignment to Council Plan and MTFS  Alignment to Council Plan and MTFS  Alignment to Council Plan and MTFS  Alignment to Council Plan and MTFS  Alignment to Council Plan and MTFS
18 March 2021	Quarter 3 Performance Report	Review Performance Indicators	Assurance that indicators accurately reflect progress with Council Plan Alignment to MTFS and

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DATE OF MEETING	ITEM	BACKGROUND/OBJECTIVES	OUTCOME
	Commercial Strategy	Update on progress	Budget Alignment to Council Plan and MTFS
	Asset Management Strategy	Update on progress	Alignment to Council Plan and MTFS

August 2020

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