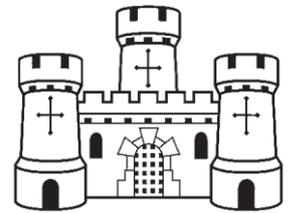


Public Document Pack

Date of meeting Thursday, 25th March, 2021
Time 7.00 pm
Venue Hybrid Meeting - Castle
Contact Geoff Durham 742222



**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 previous meeting held on 18 January 2021.
- 4 UPDATE FROM CABINET**
Nothing to report.
- 5 FINANCIAL AND PERFORMANCE REVIEW REPORT THIRD QUARTER (OCTOBER TO DECEMBER) 2020 - 21** (Pages 9 - 36)
- 6 COMMERCIAL STRATEGY UPDATE** (Pages 37 - 46)
- 7 ASSET MANAGEMENT STRATEGY UPDATE** (Pages 47 - 54)
This item includes a supplementary report.
- 8 WORK PROGRAMME** (Pages 55 - 60)
- 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

Thursday 24 June 2021

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 to:

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

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

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

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

FINANCE, ASSETS & PERFORMANCE SCRUTINY COMMITTEE

Monday, 18th January, 2021
Time of Commencement: 7.00 pm

Present: Councillor Mark Holland (Chair)

Councillors:	Bert Proctor	Mike Stubbs	Graham Hutton
	Gillian Burnett	Paul Waring	Sarah Pickup
	Andrew Fear	Amelia Rout	David Grocott

Officers:	Sarah Wilkes	Head of Finance
	Geoff Durham	Mayor's Secretary / Member Support Officer
	Martin Hamilton	Chief Executive

Also in attendance: Portfolio Holder for Finance and Efficiency

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**

There were no apologies.

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 14 December be agreed as a correct record.

4. **REVENUE AND CAPITAL BUDGETS AND STRATEGIES 2021/22**

The Portfolio Holder for Finance and Efficiency, Councillor Stephen Sweeney introduced a report on Revenue and Capital Budgets and Strategies for 2021/22.

Councillor Sweeney stated that the current pandemic was continuing to present challenges to the Council's financial position through a mixture of lost income and additional costs. However, it was forecast that the Council would achieve a balanced outturn for the year 2020/21. Support from Central Government of £4.5m to compensate the Council during Covid-19 had been unprecedented and had massively impacted on meeting current and future pressures. Further support had been promised for the first quarter of 2021/22 – this was money that the Council was not expecting, therefore, seventy five percent of any income losses by the Council in the first quarter of the next financial year would be recovered.

Councillor Sweeney made reference to a £1.275m budget gap which had been mentioned at Cabinet and a previous meeting of this Scrutiny Committee. The budget gap had now been filled via an Efficiency Board who came up with a feasible and sustainable solution. There was also a 'One Council' programme between 2021-23 to redesign the organisational structure, processes and technology, underpinned by changes in culture, leadership and governance which was expected to save £195,000 next year and £922,000 at the end of the three years and every year afterwards once completed. Staff related efficiencies would save £599,000 with no redundancies. The Council Tax increase for 2021/22 would be £5 which worked out at 10p or less for 81% of Borough households. There was also receipt of £250,000 contribution to the Borough Growth Fund to enable continued investment in sustainable environment projects during the term of the Medium Term Financial Strategy. There was an increased level of reserves from £1.548m to £3.1m which would help to safeguard the long term financial resilience and reflect any additional risks that the Council might become exposed to.

The Capital Programme for 2021/22 had £4.6m for the refurbishing and reopening of Kidsgrove Pool. Councillor Sweeney thanked the MP's for their support and the Government for Listening. The LGA was thanked for putting Newcastle's case forward and the Council's Finance team who had achieved an unqualified audit report through very trying times. Councillor Sweeney stated that this was a robust and realistic budget.

Councillor Hutton asked for this Committee's thanks to be passed to the Finance team and the Chief Executive for their hard work. The Chief Executive and Head of Finance were in attendance who would pass thanks on to the staff.

Councillor Stubbs referred to the provisional outturn forecast and asked for the total that was being forecasted as being overspent in this financial year. The Council's Head of Finance, Sarah Wilkes stated that in period 9, the overspend was just under £400,000 which was forecasted for the year. A £408,000 tranche of money had been received in respect of Covid-19 and would cover the shortfall.

Councillor Pickup asked if there had been any changes to the report since the last time that it was brought to this Committee, in terms of Government funding or other priorities of the Council. Councillor Sweeney advised that the recent bad weather had impacted on the forecast but the £408,000 extra funding from the Government would clear the deficit for the year leaving a balanced set of accounts. Sarah Wilkes advised that when the report was previously brought to this Committee and taken to Cabinet, an overspend of between £350,000 -£365,000 was forecast which had now increased to around £400,000 due to additional expenditure around waste collection during the bad weather. Additional agency staff were required plus overtime for the Council's Waste Operatives who were out collecting on New Year's Day.

Councillor Stubbs referred to the Council Tax increase of 2.49%. Given that the County Council were increasing theirs by 5% and the Police and Crime Commissioner by even more than that, was the Council comfortable that the increase in combined Council Tax by anything up to 10% was feasible in current times. Councillor Sweeney stated that the Borough's contribution was justifiable. No tax increase was welcome but 10p or less for 81% of households was a good outcome.

Councillor Stubbs fully accepted the explanation but added that local town Councils were freezing their precepts to try and balance the impact on the local community and he felt it strange that the Borough Council was choosing to increase Council Tax.

Councillor Sweeney stated that he was comfortable, for the services that were provided by the Council, to propose an increase of less than 10p per week.

Councillor Fear agreed with Councillor Sweeney stating that no increases were welcome, however, there was a large difference between Town/Parish Councils and Borough Councils in terms of the services provided. Councillor Fear asked if, with no Council Tax increase, there would be a shortfall which would mean fewer services being offered.

Councillor Hutton was linked to three Parish Council's and stated that one of those would be increasing its precept. There were also differences in the precepts of Parish Councils which ranged between £20 and £50. Therefore it was difficult to compare even with similar institutions. Councillor Hutton stated that the Council should be setting a balanced budget.

Councillor Sweeney stated the Council Tax would raise £187,000. Without this, the Council would have less money to provide services for its residents.

Councillor Paul Waring stated that, if no increase was made in the current year, it would store up problems in the future where, if repeated could lead to a huge increase at some point and was therefore the responsible thing to do.

Councillor Stubbs stated that services would not need to be cut. There was a line in the budget with £250,000 – the Borough Growth Fund which would wipe out the need to increase Council Tax and leave a surplus.

The Chair asked Councillor Stubbs to confirm his comment, that the Borough Growth Fund would be slashed to nothing. Councillor Stubbs stated – for one year, it was a priority not to pass on expenses to the local community.

Councillor Waring stated that the last thing he would be getting rid of was the Borough Growth Fund because that was the future of the Council and would give the ability to minimise the charges to all residents in the future.

Councillor Proctor stated, at this moment in time, this level of increase was appropriate and the Council would be somewhat irresponsible to have no increase whatsoever.

Councillor Stubbs stated that you should speculate to accumulate but said that, looking at the two figures, there would still be a surplus of £63,000 to invest in the Borough Growth Fund. For one year, the £187,000 could be taken out of the Borough Growth Fund. Councillor Stubbs said that he would be intrigued to know how much was still in the Growth Fund from last year and was the Council expecting to spend what was left plus the extra £250,000 budgeted for this year. He asked if a breakdown could be provided, broken down by budget lines to show where it would be spent.

Sarah Wilkes stated that she would pull together a summary of the Borough Growth Fund and circulate it to Scrutiny Members to review. The Borough Growth Fund for 2020/21 had earmarked £100,000 for the Environmental Sustainability Strategy and £100,000 to the 'One Council' programme so there was £50,000 in the Fund that was not earmarked for anything in 2021/22 at present

Councillor Stubbs asked if the £200,000 was part of the 2021/22 budget. This was confirmed as being the case. Councillor Stubbs asked for a list of what was spent from the total budget in this calendar year and what would be rolled forward.

- Resolved:**
- (i) That the progress on the completion of the Revenue and Capital Budgets and updated MTFS Funding Strategy for 2021/22 (Appendix 1) be noted.
 - (ii) That the updated Medium Term Financial Strategy 2021/22 to 2025/26 (Appendix 2) be noted.
 - (iii) That the strategy for ensuring a balanced revenue outturn position for 2020/21 be noted.
 - (iv) That the calculation of the Council Tax base and the Council Tax increase to be proposed for 2021/22 of £5 per Band D equivalent property be noted.
 - (v) That the risk assessment at Appendix 3 and S151 Officer's recommendation on the level of reserves and contingencies provisionally required to be maintained in 2021/22 be noted.
 - (vi) That the draft Flexible Use of Capital Receipts Strategy (Appendix 6), updated for 2021/22, be noted.
 - (vii) That the draft Capital Strategy (Appendix 7) for 2021-31 be noted.
 - (viii) That the draft Treasury Management Strategy (Appendix 8) for 2021/22 be noted.
 - (ix) That the draft Investment Strategy (Appendix 9) for 2021/22 be noted.
 - (x) That the draft Budget and Council Tax proposals be referred to Finance, Assets and Performance Scrutiny Committee for comment before the final proposals are considered at Cabinet on 3 February 2021.

5. SCALE OF FEES AND CHARGES 2021/22

Consideration was given to a report regarding the scale of fees and charges for 2021/22. The Chair advised that this report had a confidential appendix and if it could be discussed without going into detail, the meeting would not have to go into closed session at the end.

Councillor Sweeney introduced the report stating that, this year, all parking charges had been frozen to encourage people to come into the town centre. Everything else in the report was as normal.

The Chief Executive, Martin Hamilton pointed out that the fees for J2 were not set but were delegated to be set following some review work which was being undertaken in order to look at how it would be re-launched post Covid.

Councillor Stubbs asked if the £5000 charge to Elections was a full charge or a deposit. Martin Hamilton confirmed that it was a deposit. Councillor Stubbs asked that this be clarified in the fees and charges and asked if it had been set nationally? This was confirmed to be the case – associated with Police and Crime Commissioner Elections.

Councillor Rout stated that she would be interested to see the fees and charges for J2 when they were available and was pleased that the parking charges had been frozen.

Councillor Sweeney concluded that all aspects of parking charges had remained the same for example £1 after 1pm to encourage people into the town centre.

- Resolved:**
- (i) That the fees and charges proposed to apply from 1 April 2021, as set out in Appendix 1 be noted.
 - (ii) That following the completion of a review of Jubilee 2 by Alliance Leisure, the Executive Director (Commercial Development & Economic Growth) in conjunction with the Portfolio Holder (Leisure, Culture and Heritage be delegated authority to implement a revised membership pricing structure and offers to attract new memberships.

6. WORK PROGRAMME

The Chair stated that there had been discussions about the Work Programme at the previous meeting and asked if there were any changes or new issues that Members wished to raise. None were raised.

Resolved: That the Work Programme be received.

7. PUBLIC QUESTION TIME

There were no public questions.

8. URGENT BUSINESS

There was no urgent business.

9. DISCLOSURE OF EXEMPT INFORMATION

The meeting did not go into closed session as the confidential appendix was received as printed.

10. SCALE OF FEES AND CHARGES 2021/22 - CONFIDENTIAL APPENDIX

Resolved: That the confidential appendix be received.

CLLR MARK HOLLAND
Chair

Meeting concluded at 7.32 pm

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NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S REPORT TO

Finance Assets and Performance Scrutiny Committee 25 March 2020

Report Title: Financial and Performance Review Report – Third Quarter (October – December) 2021-21

Submitted by: Executive Management Team

Portfolios: Corporate & Service Improvement, People & Partnership, 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 third quarter of 2020-21.

Recommendation

That

1. **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 3 February 2021 and is submitted to the Committee in its role to undertake financial and performance scrutiny.

2. **Appendix**

- 2.1 Report to Cabinet on 3 February 2021.

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NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

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

03 February 2021

Report Title: Financial and Performance Review report – Third quarter (Oct-Dec) 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 third 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.

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 third 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 third quarter 2020/21.
- 1.2 This report covers the 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 three 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 18 indicators were monitored, and the proportion of indicators which have met their target (where set) or are within tolerance levels during this period stands at 78%. 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 4 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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Financial Position Quarter Three 2020/21

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 It is forecast that adverse variances incurred will be offset in total by the emergency Coronavirus funding received from the Government and by the Government income compensation scheme and that this will enable a balanced outturn to be presented at the year end, any variance remaining will be paid into or from the general fund reserve. Close management of the financial position will continue and remains absolutely essential.
- 1.3 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 £2.281m has been secured (including £299k of new burdens funding to offset the costs of administering Coronavirus business support grant, hardship relief, and self-isolation grant schemes), which has reduced the immediate pressure on additional spending and on the Council finances.
- 1.4 Further Government funding to assist with the Council's response to the Coronavirus has also been secured in relation to rough sleepers (£0.196m), outbreak control (£0.179m), enforcement (£0.061m) and the reopening of the high street (£0.115m).
- 1.5 The Council's revenue budget relies on service income from fees and charges of around £850k per month across a wide range of services, with a significant proportion coming from J2 and car parking. Taking account of the current restrictions it is forecast that income losses from fees and charges for the financial year will amount to £2.827m, net of furlough scheme assistance of £0.197m.
- 1.6 The Government announced that it will fund income losses, relating to irrecoverable fees and charges, above the first 5% at the rate of 75p in the pound in the current financial year will to a significant degree insulate the Council from income related financial risks. It is forecast that the Government's income compensation scheme will offset these income losses to the sum of £1.985m, the first instalment of this was received in November.
- 1.7 Additional expenditure pressures have inevitably been incurred as a result of the COVID-19 pandemic. It is forecast that by the close of the financial year these will amount to £1.749m (excluding the provision of services/activity for which specific funding has been received).
- 1.8 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.
- 1.9 Further 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.

- 1.10 Careful monitoring of the financial position will be required over coming weeks and months leading to prompt corrective action where necessary to ensure 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 third quarter, the general fund budget shows a balanced position. It is forecast that this position will be achieved as at the close of the financial year.

- 2.2 A number of variances from the budget are forecast, these include:

- a. Income shortfalls from sales, fees and charges which are eligible for partial reclaim via the Income Losses Scheme, it is forecast that these losses will amount to £2.827m by the close of the financial year.
- b. Additional expenditure pressures as a result of the COVID-19 pandemic are forecast to increase to £1.749m (excluding £551k regarding the provision of services/activity for which specific funding has been received).

These include Waste and Recycling (£895k disposal costs and hire of vehicles to allow social distancing) and a top up of the general fund reserve to its minimum level regarding the 2019/20 deficit of £0.207m.

- c. Housing Benefits payments made by the Council which are not fully subsidised by the Department of Works and Pensions, mainly around the provision, often emergency, of accommodation for vulnerable and homeless people, it is estimated that the shortfall from this and the under recovery of overpayments will amount to £0.405m by the close of the financial year.

- 2.3 These adverse variances are forecast to be offset in full 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, £3.029m has been received or is due by the close of the financial year (£551k relates to the specific provision of services/activity).
- b. It is anticipated that the Council will be reimbursed £1.985m in relation to the Income Losses scheme for eligible sales, fees and charges income shortfalls for the year.
- c. 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

Classification: NULBC **PROTECT** Organisational

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 collection fund deficit for 2020-21 as estimated on the 15 January 2021 for council tax and in the 2021-22 NNDR1 for business rates.
- 3.3 It was announced as part of the Local Government Finance Settlement that there would be an equitable sharing of irrecoverable local taxation collection losses between local authorities and the Treasury. The government intends to use a scheme similar to the income compensation and cover 75% of local government's collection fund deficits, with a small number of exclusions.
- 3.4 The current forecast shortfalls in tax receipts, and the forecast repayments under this scheme are shown below:

Tax	Total Deficit Forecast	Council's Share	Repayable 2021/22	Repayable 2022/23	Repayable 2023/24
Council Tax	£1.292m	£0.145m (11.8%)	£0.048m	£0.048m	£0.048m
Business Rates	£14.467m	£5.787m (40%)	£5.375m	£0.206m	£0.206m
Business Rates Section 31 Measures	(£13.529m)	(£5.412m) 40%	(£5.412m)	-	-
Total	£1.949m	£0.519m	£0.011m	£0.254m	£0.254m
75% Income Compensation	(£1.462m)	(£0.389m)	(£0.008m)	(£0.190m)	(£0.190m)
Remaining Repayment	£0.487m	£0.130m	£0.003m	£0.064m	£0.064m

4. Capital Programme

- 4.1 A Capital Programme totalling £12.454m was approved for 2020/21. Of this total £10.454m relates to the total cost of new schemes for 2020/21 together with £1.000m for schemes funded by external sources (Disabled Facilities Grants) and £1.000m contingency. In addition £3.025m was brought forward from the 2019/20 Capital Programme, resulting in a total Capital Programme of £15.479m for 2020/21.
- 4.2 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.
- 4.3 The revised 2020/21 Capital Programme now totals £7.303m which includes £1.000m for schemes funded by external sources (Disabled Facilities Grants) and £0.250m contingency to reflect the remainder of the year. A summary of these changes can be found in appendix A.

5. Capital Programme Position

6.1 The expected total capital receipts due to be received this year following the sale of assets amount to £3.780m. A summary of the expected income is shown in the table below.

Funding	Amount (£'000)
Proceeds from disposal of assets	2,830
Proceeds from Right to Buy sales	500
Proceeds from sale of old Waste Recycling Fleet	450
Total	3,780

6.2 £4.882m of the revised budget was expected to be spent by 31 December; the actual amount spent was £4.913m resulting in an adverse variance at the end of the third quarter of £0.031m.

6.3 The overspend predominately relates to the distribution of leaflets regarding the new waste service and the move to a phased introduction of the new service due to the pressures faced by the service in relation to the COVID pandemic.

6. Treasury Management

6.1 Borrowing maybe required during 2020/21 to fund the revised capital programme however no borrowing arrangements have been made to date.

6.2 The Public Works Loan Board (PWLB) has recently completed a “Future Lending Terms” consultation, which sought views from local authorities and other stakeholders. The outcome of this review has seen the PWLB reduce its borrowing rates.

6.3 Although not utilised in recent years, the Council has previously considered the option of long-term borrowing from the PWLB. After the utilisation of capital receipts and internal borrowing, the Council will look to borrow short term from other local authorities in the first instance and will then review any other sources of funding if required.

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
Total	380,000	254,653
Service Area - Housing Improvements	1,070,000	1,071,000
Service Area - Managing Property & Assets	131,531	97,000
Total	1,201,531	1,168,000
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
Total	8,070,020	5,196,112
Service Area - Managing Property & Assets	1,702,553	333,866
Total	1,702,553	333,866
CONTINGENCY/FEASABILITY STUDIES	1,100,000	350,000
TOTAL	12,454,103	7,302,631

CAPITAL PROJECTS	Proposed Programme 2020/21 £
PRIORITY - Local Services that work for Local People	
Service Area - Council Modernisation	
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
Total (Service Area)	254,653
Total Priority	254,653
PRIORITY - Growing our People and Places	
Service Area - Housing Improvements	
Disabled Facilities Grants	1,000,000
Empty Homes Grants	6,000
Carbon Management	65,000
Total (Service Area)	1,071,000
Service Area - Managing Property & Assets	
Stock Condition Survey Works	97,000
Total (Service Area)	97,000
Total Priority	1,168,000
PRIORITY - A Healthy, Active and Safe Borough	
Service Area – Environmental Health	
CCTV/Body worn cameras	10,000
Total (Service Area)	10,000
Service Area - Streetscene & Bereavement Services	
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
Total (Service Area)	197,000
Service Area - Recycling & Fleet	
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
Transfer Station Alterations (New Recycling Service)	100,000
Total (Service Area)	3,503,703

Service Area - Leisure	
Aqua Sauna Refurbishment	75,000
Carbon Management	40,000
Jubilee 2 Pool Filters	20,000
Kidsgrove Sports Centre	1,000,000
Total (Service Area)	1,135,000
Service Area - Museum	
HLF Match Funding	75,000
CCTV Replacement/Upgrade	20,000
Museum Project	2,536
Total (Service Area)	97,536
Service Area - Managing Property & Assets	
Stock Condition Survey Works	20,000
Total (Service Area)	20,000
Service Area - Engineering	
Ryehills over Marian Platt walkway	45,000
Kidsgrove Loophline 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
Total (Service Area)	232,873
Total Priority	5,196,112
PRIORITY - A Town Centre For All	
Service Area - Managing Property & Assets	
Stock Condition Survey Works	274,866
Midway Car Park, Newcastle	10,000
Markets	40,000
Bus Shelters	9,000
Total (Service Area)	333,866
Total Priority	333,866
CONTINGENCY	
	250,000
FEASIBILITY STUDIES	
	100,000
TOTAL	7,302,631

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Corporate Performance Quarter 3 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 continues to maintain services by encouraging customer self-service via the website, and through effective call centre support to answer questions, provide information and support residents of the Borough at this difficult time. During Qtr. 3, there were several tier changes which allowed Customer Services at Castle House to be open to the public by utilising bookable appointments and self-service. The demand was extremely low, as most contacts can be addressed online or by telephone.

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

The new recycling service is fully operational to households across the borough, and is proving very popular with residents. Participation and tonnage of material collected is higher than with the previous recycling collection service. Tonnage of material collected continues to be around 20% higher than that collected with the previous service. The quality of the material collected is excellent, with very little contamination, with the Council receiving excellent feedback from the re-processing contractors used to recycle the various material streams. During this quarter we have relaunched our recycling service to schools, with the collection operation mirroring that of the household recycling collections. Our next priority, working with partners and key stakeholders is to re-launch the recycling service to all flats within the Borough.

- **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. 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. As work develops towards detailed design of the One Council transformation, the People Team will continue the focus on alignment of vision and people processes.

- **Develop organisational culture**

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. The staff survey 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.

- **Ensure staff wellbeing**

Due to the changed working conditions for many staff this year, the focus has been to ensure the support of mental health and wellbeing of staff during this time continues and our support and counselling services are available. In partnership with the Trade Unions, a Mental Health working group was set up to work with the staff to develop further our support mechanisms, and in October the World Mental Health day was marked with a campaign for staff to 'do one thing' to improve their wellbeing and share their stories. Staff benefitted from enhanced reductions in cost to Council Leisure services and free lunchtime fitness sessions. Staff were also offered the chance to 'keep well this winter' and access their free flu vaccination.

Progress Summary continued

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

Ongoing discussions with the Trade Unions on Organisation Change and Redeployment were 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. Work will continue in the new year to confirm the scheduled of work against policy development in partnership.

Ref	Service Area	Portfolio Holder	Indicator	Good is	Result Qtr. 3 2019-20	Result Qtr. 2 2020-21	Result Qtr. 3 2020-21	Target Qtr. 3 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	0.97% (11 out of 1135 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 800 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	2	0	-		There have been no incidents reported this quarter.	-				
1.4a	Recycling & Fleet	Cllr. Trevor Johnson	Household collections from the kerbside (%):-	High	21.63%	20.69%	23.19%	20%	Quarter 3 has seen collected tonnage of recycling and waste return to more normal following the impact of Covid which significantly affected performance in the first two quarters. Separate food waste collections were re-introduced part way through quarter 2, and tonnages are rising steadily towards pre Covid levels. Tonnage of refuse has dropped significantly, again back towards pre Covid levels, a pattern experienced by the majority of Local Authorities.						
1.4b			• Dry Recycling							High	5.93%	1.34%	3.38%	5%	
1.4c			• Food							High	102.36 kg's	124.37kgs	108.45	107.5kgs (per household) cumulative	
			• Amount of residual Waste per household	Low											

Ref	Service Area	Portfolio Holder	Indicator	Good is	Result Qtr. 3 2019-20	Result Qtr. 2 2020-21	Result Qtr. 3 2020-21	Target Qtr. 3 2020-21	How have we performed?	Status
1.4d	Operations	Cllr. Trevor Johnson	Number of missed kerbside collections:- Total (per 100,000 collections)	Low	55	162.63	90.41	80 (per 100,000 collections)	In this quarter there were a total of 1,640,364 collections of residual, garden waste, recycling and food. Missed collections of Residual- 266, Garden Waste – 97, Recycling-636, and food waste - 484. The rates have significantly reduced this quarter, following Covid and the changeover in the recycling collection service which had a significant effect on staffing of vehicles, meaning staff from other departments were redeployed onto collection rounds where they were unfamiliar.	
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	92.03% 91.4% 99.5% 100%	-	95.44% 95.83% 99.05% 100%-	91% 91% 97% 99%	The surveys were postponed due to Covid situation but have now commenced. The first tranche results are detailed here and the second tranche survey results will be provided in Qtr.4.	
1.6	Customer & ICT	Cllr. Simon Tagg	Percentage of requests resolved at first point of contact	High	98%	99.64%	99.66%	97%	We continue to maintain the success of 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	5.80%	16.46%	18.03%	10%	The target has not been met due to an increase of 25% of calls coming through the contact centre. During Q3 we continued with the embedding of the new recycling Service. There was an Elections campaign, Council Tax recovery and first point of contact for Newcastle Housing Advice. We continue to be the first point of contact for all Covid type enquiries and continue to support the Business Grants and Test & Trace programme of work.	

Ref	Service Area	Portfolio Holder	Indicator	Good is	Result Qtr. 3 2019-20	Result Qtr. 2 2020-21	Result Qtr. 3 2020-21	Target Qtr. 3 2020-21	How have we performed?	Status
1.8 Page 20	Digital Delivery	Cllr. Simon Tagg	Total number of digital on-line transactions (Jadu).	High	14,453	10,859	20,096	-	The number of transactions have increased significantly this quarter, including a high number of Garden Waste subscriptions.	-
1.9	Communication	Cllr. Simon Tagg	Total number of unique users to the website	High	104,714	109,142	136,869	79,500	There was a total of 136,869 unique users in this quarter, which is increased from Qtr. 3 in 2019-20.	
1.10	Revenues & Benefits	Cllr. Stephen Sweeney	Time taken to process Housing/Council Tax Benefit new claims and change events	Low	5.00 days	6.56 days	4.6 days	10 days	This result continues to be well within target.	
1.11	Revenues & Benefits	Cllr. Stephen Sweeney	Percentage of Council Tax collected	High	77.4%	52.4%	76.6%	76.08%	The rate for Council Tax collection is on target but the Business Collection rate is slightly below the target this quarter, but remains within tolerance.	
1.12	Revenues & Benefits	Cllr. Stephen Sweeney	Percentage of National non-domestic rates collected	High	83.7%	58%	75.2%*	78.66%		
1.13	Human Resources	Cllr. Simon Tagg	Average number of days per employee lost to sickness	Low	6.98 days	4.25 days (cumulative)	2.25 days* Qtr. 3 6.51 days (cumulative)	2.2 days Qtr. 3 6.6 days (cumulative)	The result for Qtr. 3 sickness figure is 2.265 days, within tolerance of the target of 2.2 days. The cumulative result of 6.51 days (April-Dec) is within target. The short term and long term sickness results for the quarter are 0.37 and 1.88 days respectively. 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	8.58%	1.35%	-	10%	The figures are not available at this time.	-
1.15 New	Human Resources	Cllr. Simon Tagg	Staff vacancy rates	Low	11%	1.74%	-	-		-

*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**

Despite the outbreak of Covid 19 in 2020, the Planning Policy team has worked on updating the evidence base supporting the Local Plan to reflect the effects of the virus on the economy, housing markets and retailing across the Borough. Given the amount of change expected in 2021 following the Country's departure from the European Union and the recovery from the Covid outbreak, the Council is taking the opportunity at the end of the year to assess whether to continue working with Stoke on a joint local plan or build on the work already completed and commence a new plan targeted at meeting the needs and aspirations of the people and businesses in the Borough.

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

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**

The Council is currently considering the appointment of a suitably experienced consultancy team to provide planning consultancy advice on how to take the scheme through the next necessary steps towards a development masterplan planning application submission. This is expected to be advertised early next year and the consultancy team in place by March / April.

- **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. The working group is progressing well with the project plan and is on target for completion. The procurement of ICT systems, TUPE of staff, accommodation arrangements and purchase of essential equipment is already underway. The service will be managed within the Partnerships Team and has a strategic fit with the Council's work around vulnerability. The Council has also begun work on mapping the customer journey into the Council's Customer Services case management portal and is assisting with the increased demand to the NHA service to triage customers with queries regarding the Housing Register and low level housing advice.

Progress Summary continued**▪ Rough Sleepers and temporary accommodation**

The Navigator role continues to be successful supporting rough sleepers and navigating them into appropriate support pathways and accommodation. We are awaiting to hear an announcement concerning RSI4 funding to see if that role can continue on after the initial 12 month period. The temporary accommodation units set up over the initial COVID period have been extended until 31st March 2021. We are in talks with local partners looking at developing other temporary accommodation options. We are also exploring further funding options from MHCLG to support with this venture. The SWEP protocol was finalised and actioned in Nov 2021. The SWEP emergency accommodation unit was completed and ready to go as of the 14th Dec 2020. We were successful in acquiring Cold Weather Funding to the amount of £6400 that was put towards temporary accommodation over the winter period and to reserve four COVID isolation rooms at The Crown hotel.

▪ 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. Work recently has been undertaken by a multi-disciplinary team as part of a working group, including Officers from Aspire Housing 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 received a grant from 'One Public Estate' to cover the cost of undertaking the masterplanning of Knutton Village. This involved 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 also contributed to the Study with a view to reviewing provision of affordable housing in the area, including housing for the elderly. Consultation on the draft masterplan is imminent and once complete, a further report will provide the results and detail the financial implications arising from the proposals. Elements of the Knutton masterplan are included in the draft Town Deal Town Investment Plan which will be submitted in January 2021.

▪ 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 was considered by Cabinet in November 2020. The scheme to extend the Crematorium was approved in principle and approval was given to consult with appropriate stakeholders. The consultation has commenced and the results will be reported to a future Cabinet meeting. Keele masterplan was approved in principle last year and is subject to consideration as part of the development of the Borough 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 have been agreed to dispose of the site and Solicitors have been instructed.

Ref	Service Area	Portfolio Holder	Indicator	Good is	Result Qtr. 3 2019-20	Result Qtr. 2 2020-21	Result Qtr. 3 2020-21	Target Qtr. 3 2020-21	How have we performed?	Status
2.1	Property	Cllr. Paul Northcott	Percentage of investment portfolio vacant (NBC owned)	Low	7.6%	6%	5.1%	12%	This indicator remains well within target.	
2.2	Planning & Development	Cllr. Paul Northcott	Speed of major development applications (P151a)	High	76.8% (Jan 18 - Dec 19)	89.5% (Oct 18- Sept 20)	90.9% (Jan 19 - Dec 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	1.3% (Oct 16 - Sept 18)	3.4% (July 17- June 19)	5.1% (Oct 17 - Sept 19)	10%		
2.4			Speed of non-major development applications (P153)	High	84.9% (Jan 18 - Dec 19)	90.9% (Oct 18- Sept 20)	93.0% (Jan 19 - Dec 20)	70%		
2.5			Quality of non-major development applications (P154)	Low	0.8% (Oct 16 - Sept 18)	1.1% (July 17- June 19)	1.0% (Oct 17 - Sept 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**

Plans are progressing to redevelop the Aqua Sauna area to support the health and wellbeing offer at Jubilee2 and create a unique customer experience. It is envisaged that this project will be completed in the Spring of 2021. Towards the end of quarter 2, the service experienced a failure of the main pool which had to be closed and works are progressing to rectify the issues. 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 30% down on pre Covid numbers, which is in part due to the closure of the swimming pool. A review of the service has now commenced supported by Alliance Leisure to identify further commercial opportunities which can be delivered with in the service over the next twelve months.

- **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 commenced in December as planned after completion of the property transfer from Staffordshire County Council in November. Hopefully, the main works will commence in April 2021 subject to budget / costs being satisfactory, with completion scheduled in early 2022.

- **Secure funds for Museum Extension**

Funds for the museum project have now been secured and a contractor has been appointed for the structural work. The work is due to begin on 1 March 2021 for 21 weeks. COVID allowing the museum is hoping to use a shop unit on Lancaster Buildings as a base during the renovation work.

- **Open Space Strategy**

Due to the pandemic, the Heart of England in Bloom campaign and all local Newcastle in Bloom competitions and activities were suspended for 2020. However, sponsorship from local businesses continued at near-normal levels and the intention is to roll most of the planned activities forward to 2021, depending on Covid 19 restrictions. It is unlikely that full judging will take place in 2021, but the council intends to participate in the campaign in the amended format. A total of 6 of the Borough's strategic parks and cemeteries achieved Green Flag status this year.

- **Streetscene Fleet procurement**

Procurement of fleet and equipment for Streetscene is progressing, with tenders invited for 1 large road sweeper and another procured.

- **Feasibility study for Crematorium extension**

The feasibility study for the crematorium extension was linked into the masterplanning commission for the Chatterley Close area which has been completed. A report was considered by Cabinet and public consultation is taking place on the proposals in early 2021.

Progress Summary continued

- **Affordable Funeral Scheme**

Cabinet have approved a Resident Funeral scheme and a suite of tender documents has been prepared for issue to local suppliers. An option for Direct Cremation has been included in the tender package and it is intended to launch the scheme in spring 2021, subject to suitable tenders being received.

- **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 and a formal consultation has been completed, this will be reported to Committee in January 2021.

- **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. Work is ongoing to develop additional CCTV enhancements to the service as part of the Town Deal funding delivery in certain locations including most subways within the town centre.

- **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 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. As part of the Covid-19 'Everyone In' response, the Council provided additional accommodation and support to Rough Sleepers to encourage engagement where possible, which is being co-ordinated by the new Navigator post.

Progress Summary

▪ **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. The outline plan has been presented to Economy, Environment and Place Scrutiny Committee and approved at Cabinet. Subject to approval by partners and the Joint Air Quality Unit at Government, work upon preparation of the Full Business Case will be progressed. Work on the retrofitting of busses operating on the A53 is well underway and is expected to be completed this year.

Ref	Service Area	Portfolio Holder	Indicator	Good is	Result Qtr. 3 2019-20	Result Qtr. 2 2020-21	Result Qtr. 3 2020-21	Target Qtr. 3 2020-21	How have we performed?	Status
3.1a	Community Safety	Cllr. Helena Maxfield	Anti-Social Behaviour (ASB) cases:-						There are currently 37 cases discussed at the ASB, Youth Violence and Gangs Case conference.	-
			-New cases received during the quarter	Low	59	165	106	-		-
3.1b			-Current open cases at the end of the quarter	Low	7	21	37	-		-
3.1c			-Cases closed in the quarter	High	64	155	90	-		-
3.2	Community Safety	Cllr. Helena Maxfield	Number of referrals made regarding vulnerability by participating organisations at the Daily Hub	High	33	36	50	-	A total number of 50 referrals were made from Daily Hub meetings that have taken place over the period 1 October – 31 December 2020.	-
3.3	Culture & Arts	Cllr. Jill Waring	Number of people visiting the museum	High	10,498 Qtr. 3 (48,701 cumulative)	1577	-	(59,000 cumulative)	The museum closed for the second lockdown on November 5th until the end of the quarter. During October 1-November 4th the museum was only open for 5 weekday afternoons and two Sunday afternoons. During this period the museum had 446 visitors.	-
3.4	Leisure	Cllr. Jill Waring	Number of people accessing leisure and recreational facilities	High	139,241 Qtr. 3 (426,849 cumulative)	-	-	(600,000 cumulative)	Similarly, the activities at the J2 leisure facility were affected too.	-
3.5	Leisure	Cllr. Jill Waring	Net growth in J2 Membership (Quarterly)	High	-3.45% (2853 members)	-	-	(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 has successfully bid for Future High Street Funding and has received an in principle offer letter for £11 million, further information is to be submitted to MHCLG in this quarter, following which a funding agreement will be reached. This will enable redevelopment of the Ryecroft area of the town centre. For Town Deal, the Town Deal Board, which was established with partners has worked with the appointed consultants AECOM to consider projects and to develop a Town Investment Plan which is due for submission at the end of January 2021. The draft town Investment Plan includes projects in the key strands of digital, transport, gateway sites and culture. The Government also offered all Town Deals additional 'accelerated funding' to deliver quick win projects, which have to be completed by end March 2021. The Council and Newcastle Town Deal Board are currently delivering those projects whilst finalising the Town investment Plan proposals.

Market

- The Service Improvement Plan for the market was presented at 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 was appointed and progress made in delivering the improvement plan, this 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. In Lockdown 2 both the weekly Antique and Car Boot markets and any planned specialist markets were suspended in line with Government requirements. Activity recommenced in December 2020 with all weekly markets running and Newcastle Artisan Market and Love Local market taking place in December.

- **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. The Covid-19 Business Support pages on the website were revised for the second round of business support grants. Additionally links on the business page were refreshed for businesses looking for information on the end of the Brexit Transition Period. A specific business information Twitter account has also been set up. The Business Boost competition did not go 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.

Progress Summary continued

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- **Parking Policy**

The Council adopted a new Car Parking Strategy in 2019/20. Twelve new ticket machines were due to be installed at the end of March however the manufacturer had unfortunately placed production on hold due to Covid. This quarter, the installations were completed and in operation by the end of October 2020, with the facility to pay by card – either chip or contactless, as well as by cash. The contract to pay for parking by phone happened as planned too in October. This service is now with one of the leading providers in the country, PaybyPhone.

- **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, and Babababoon. Hitmix attended all three Record Fairs held in July, August and September and promoted the event on their radio broadcasts.

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

Partners formed a Kildgrove Town Deal Board (KTDB) which has continued to meet monthly. This is supported by the appointed consultants, AECOM, who lead and developed the Kildgrove 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 Kildgrove town Investment Plan was submitted to MHCLG at the end of October 2020 and a response is awaited. 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. 3 2019-20	Result Qtr. 2 2020-21	Result Qtr. 3 2020-21	Target Qtr. 3 2020-21	How have we performed?	Status
4.1	Regeneration & Economic Development	Cllr. Stephen Sweeney	Car parking usage:-Number of tickets purchased	High	114,813	67,649	59,019	-	Charges for car parking were suspended in Qtr. 1 due to COVID-19.	-
4.2	Regeneration & Economic Development	Cllr. Simon Tagg	Footfall	High	826,648	541,658	502,880	-	Footfall for this quarter is nearly 61% of the figure for the same quarter last year.	-
4.3	Regeneration & Economic Development	Cllr. Stephen Sweeney	Average stall occupancy rate for markets	High	43%	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 Market 87%	Overall 58%* Monday GM 17% Tuesday AFG 94% Wednesday GM 18% Thursday AFG 76% Friday GM 44% Farmers Mkt 73% Saturday GM 42% Castle Artisan Market 100%	60%	Due to Government restrictions on the sale of non-essential goods, some of the markets were reduced such as the Tuesday and Thursday Antique Markets, where attendance was reduced to 9 occasions. When considering the overall average for all trading days it must be remembered that some markets are monthly and others four times a week.	

*The result is within tolerance

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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NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S
REPORT TO**

**Finance Assets and Performance Scrutiny Committee
25 March 2021**

Report Title: Commercial Strategy Update

Submitted by: Head of Finance (S151 Officer)

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

Ward(s) affected: All

Purpose of the Report

To update the Finance Assets and Performance Scrutiny Committee in respect of the Commercial Strategy.

Recommendation

1. The update be noted by the Committee.

Reasons

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

1. **Background**

1.1 On 16 October 2019 Cabinet approved the Commercial Strategy for the Council, which outlined a framework for identifying and managing commercial and income generation opportunities.

2. **Issues**

2.1 The Council faces challenging financial times. Our current Medium Term Financial Strategy anticipates a cumulative budget shortfall of £5.124m over the next 5 years. This is a significant amount for an authority which has already seen its external funding reduced by two thirds since 2010.

2.2 The need to identify further efficiencies, exploit our asset base and generate income is considerable. Coupled with increasing demand for services, higher public expectations, challenging national political circumstances and economic uncertainty, the Council must use all the means at its disposal to ensure that its medium term finances and ability to provide a full range of services to the local community are sustainable. That means that the Council must become more commercial: generating service efficiencies and new income streams; maximising existing revenue streams; having effective procurement and contract management processes; making prudent investment in income generating assets; and developing our strategic asset base in order to boost local growth.

- 2.3 Commercial activity is not new to the Council. The Council already has a substantial commercial property portfolio which contributes £400,000 annually to the Council's revenue budget and commercial services are operated in areas including leisure, theatre events, car parking and garden waste. The commercial strategy provides an overarching framework for these activities, ensuring a co-ordinated approach across the Council and access to the expertise needed to drive forward our commercial ambitions within a context of robust risk management.
- 2.4 An important element of the Council's commercial approach is finding the right balance between delivering social value and our commercial practices, ensuring that income generated through commercial activity is reinvested in local priorities, services and improvements for the long term benefit of residents of the borough.
- 2.5 The strategy approved at Cabinet on 16 October 2019 proposes a number of guiding principles which describe how we will achieve our commercial ambitions including acting with intelligence, integrity and agility and working collaboratively across organisational boundaries. The strategy is explicit that the Council will seek to extract maximum value from its land and property assets, challenge where services can be commissioned and stop activities that add no value or benefit to customers.
- 2.6 Delivering our vision for a more sustainable and business-oriented Council that maximises commercial opportunities will require a fundamental shift in how we do business and individual and organisational development around commercial thinking.
- 2.7 Due to the Covid-19 pandemic, the Council has been unable to fully progress with the Commercial Strategy due to the national lockdown restrictions and as a result have removed the anticipated income generation streams from the MTFS for the time being.
- 2.8 Since the approval of the Commercial Strategy, the Council has appointed a commercial investment adviser to undertake a review of the Council's commercial property portfolio. The recommendations of this reviews were various and included:-
- Hold fewer and better assets which would generate better incomes streams
 - Ring fencing of capital receipts for investment into assets
 - Reducing management costs
 - Invest in larger and better assets
 - Increase diversification of asset / investment base so risk is spread across various sectors and geographies
 - Establish a capital planned maintenance strategy
 - Investigate sustainable energy solutions for assets

3. **Proposal**

- 3.1 For officers to work up investment proposals for further consideration by Cabinet and FAPS in order to generate income to support the MTFS.

4. **Reasons for Proposed Solution**

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

5. **Options Considered**

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

6. **Legal and Statutory Implications**

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

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

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

7. **Equality Impact Assessment**

7.1 Delivering our vision for a more sustainable and business-oriented Council that maximises commercial opportunities will require a fundamental shift in how we do business and individual and organisational development around commercial thinking.

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

8. **Financial and Resource Implications**

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

8.2 When the Commercial Strategy was approved in October 2019 the funding structure consisted of investments being funded via the establishment of a Revolving Investment Fund made up of capital receipts, revenue contributions and prudential borrowing. Due to the Covid-19 pandemic the creation of this fund has been paused due to the inability of being able to progress with potential investment projects. The costs of employing the specialist commercial advisers would have been funded via this fund, however due to the pandemic this cost has been met from the Borough Growth Fund as references in the October 2019 Cabinet report. The recently approved 10 year capital programme includes £100,000 per annum for project feasibility studies.

8.3 A major projects group including the Chief Executive, S151 Officer and Executive Director of Commercial Development and Economic Growth will be set up to review and appraise commercial investment schemes prior to their consideration at Cabinet and FAPS.

9. **Major Risks**

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

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

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

10.1 The Economic Regeneration Strategy Action Plan supports UNSG and Climate Change objectives in a number of ways. Principally, through partnership working, promoting sustainable development, the re-use of land, enterprise, infrastructure and skills, the following UNSGs are supported.



11. **Key Decision Information**

11.1 There is no key decision as this report is an update following approval of the Commercial Strategy in October 2019.

12. **Earlier Cabinet/Committee Resolutions**

12.1 Cabinet approval of Commercial Strategy on 16 October 2019.

13. **List of Appendices**

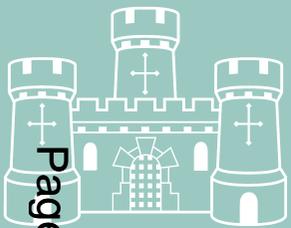
13.1 Appendix 1 – Commercial Strategy

14. **Background Papers**

None

COMMERCIAL STRATEGY

2019 - 2024



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NEWCASTLE
UNDER LYME
BOROUGH COUNCIL

Vision

Page 28
Our vision is for Newcastle-under-Lyme to be a sustainable and business-oriented Council that maximises commercial opportunities in order to deliver long-term benefits for residents of the borough and support the Council's medium-term financial strategy.

This will be achieved through:

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

Strategy Outcomes

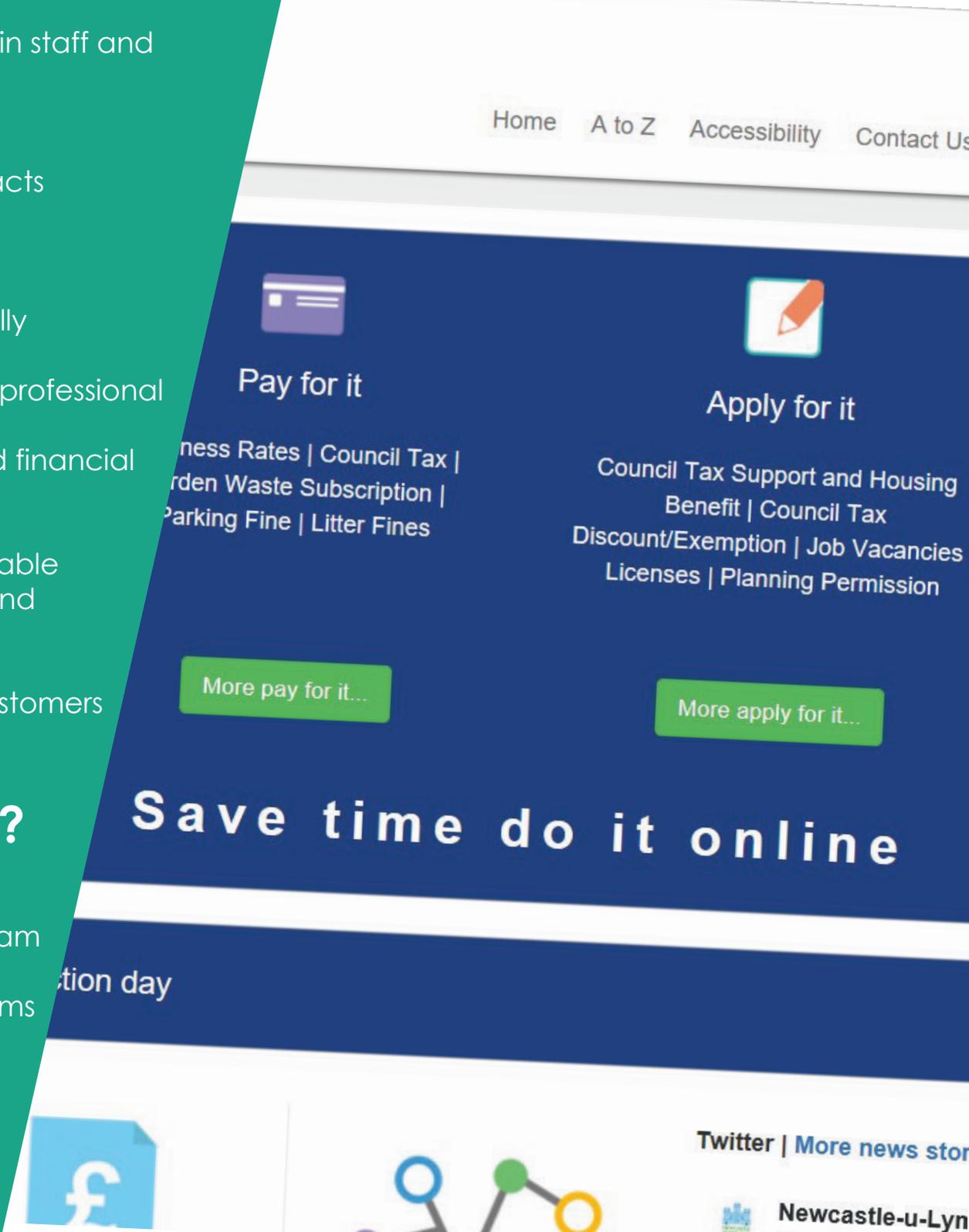
1. To generate income through commercial activity that can be reinvested in local priorities, services and improvements for our residents
2. To build strong working relationships with public, private and third sector partners in order to maximise collaboration and generate efficiencies
3. To embed a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



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

How will we make this happen?

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



How does the strategy support our organisational goals?

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

What is the governance structure?

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

How will risks be managed?

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



What are the tools and structures we will use?

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

How will we fund and resource the journey?

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





NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S REPORT TO

Finance Assets and Performance Scrutiny Committee 25 March 2021

<u>Report Title:</u>	Asset Management Strategy update
<u>Submitted by:</u>	Property Manager
<u>Portfolios:</u>	Finance and Efficiency/ Planning and Growth
<u>Ward(s) affected:</u>	All

Purpose of the Report

To update members on the progress of the delivery of the approved Asset Management Strategy 2018/19-2021/22.

Recommendations

1. That the Committee notes the current position in respect of the land disposal programme as set out in Appendix 1.
2. That Committee notes the current position in respect of the master-planning sites .

Reasons

The Council has an adopted Asset Management Strategy 2018/19-2021/22 which sets out the Council's approach to managing its assets, including the disposal of sites which are surplus to operational requirements and may have alternative uses.

1. **Background**

- 1.1 The Council's Capital Strategy and Asset Management Strategy are key documents evidencing the Council's approach to its use of resources. The Asset Management Strategy provides a clear framework for understanding the value and condition of property owned by the Council so that, in turn, investment decisions can be taken to optimise the use of the said land/property to meet the needs of the Borough's residents, businesses and visitors. This Strategy along with the Council's Capital Strategy seeks to demonstrate alignment with, and delivery of, the Council's ambitions as set out in the Council Plan.
- 1.2 Members should be aware of the progress that is being made with securing receipts from land and property disposals, the Council has received over £1m in the last two years, with circa £4.5m in the pipeline in the next six months and a further £1.1m in the next 12 months. These sites will bring not only a windfall of receipts, totalling millions of pounds, but will facilitate delivery of new housing to meet broader policy objectives of the Council.

2. **Issues**

2.1 Land Disposals

2.1.1 The land disposals achieved in the last 3 years are listed below:

Address	Disposal Date	Disposal Price
Freehold Sale - Deans Lane Red Street	Mar-19	£901,000
Easement - The Green, Clayton	Feb-21	£29,750
Freehold sale - Gloucester Road Kidsgrove	Mar-21	£128,000

2.1.2 The current position in respect of the land disposal programme is set out in Appendix 1.

2.2 Works in Progress

Proposed Extension of Newcastle Crematorium

In November 2020 Cabinet received a masterplan in respect of land adjacent to Newcastle Crematorium, Chatterley Close, Bradwell. The plan proposed an extension to the existing Crematorium and the redevelopment of the remainder of the site. Cabinet authorised your Officers to consult with appropriate stakeholders on this proposal and report the findings back to Cabinet. The consultation is now complete and the findings will be reported to a future Cabinet meeting.

Knutton Masterplan,

In November 2018 Cabinet approved the preparation of a masterplan in respect of public and private land holdings within the Knutton area. This was completed and a stakeholder and public consultation has been commissioned. The major components of the masterplan include housing development on a number of sites, a new village hall, a new playground on the High Street frontage of the former Recreation Centre site, a re-modelling of the enterprise centre on the High Street, and a new sports pavilion on Whammy to enable a more effective use of the football pitches.

The consultation exercise has now taken place and the results are due to be reported back by the consultants shortly. Once reviewed, the findings will be reported to a future Cabinet meeting.

It is hoped that some of the resources for the proposals will be met by Town Deal funding.

University Growth Corridor

In September 2018 Cabinet received a masterplan in respect of public and private land holdings within the Keele/Silverdale area. The Council's landholding in this area, in the main, is the former Keele Golf Course. An environmentally sustainable housing development alongside associated uses are the current proposals for this site. Consultants are to be commissioned to provide advice on the necessary next steps.

Ryecroft, Newcastle

This site comprises the former Sainsbury's supermarket site, adjacent car parks and the former Civic Offices. As members will be aware the proposed developer withdrew from the development agreement as their suggested scheme was not deliverable. Monies have now been secured, through the Future High Street Fund, to demolish the Civic Offices and to redevelop the site to include, modern office facilities, residential accommodation and a new multi-storey car park. It is envisaged that would will commence on site in Q1 2021/22. Discussions are ongoing with the County Council regarding the part ownership of the Sainsbury's site and if works will be taken forward in a partnership.

3. **Proposal**

3.1 That Members accept the report.

4. **Reasons for Proposed Solution**

4.1 The report is to update Members on the progress made on the asset management plan.

5. **Options Considered**

Option 1 – Do nothing

5.1 If the Council did not actively fulfil its Asset Management role it would not be possible to either manage assets dynamically or demonstrate the rationale for investment; thereby exposing the Council to criticism that it had a weak approach to the management and use of its physical resources.

5.2 More importantly and practically, if capital receipts are not generated through the disposal of assets or there is a delay in this happening, this will mean that it will be necessary to either abandon or postpone investment in the capital programme or to find an alternative source of funding, most likely to be further borrowing (the revenue consequences of which would need to be addressed as part of the General Fund budget setting process).

Option 2 – Members accept this report

5.3 This provides a clear programme to optimise property investment in the context of the Asset Management Strategy. In addition its' implementation would facilitate delivery of the Council's capital programme to meet service needs.

6. **Legal and Statutory Implications**

6.1 The Council has a duty, both fiduciary and operationally, to utilise its Assets for the benefit of the community.

6.2 The Local Government Act 1972 (as amended) – Section 123 - the Council has a duty to achieve best consideration when disposing of its assets.

6.3 The Local Government Act 2000 - powers to promote the economic, social and environmental wellbeing of the Borough.

7. **Equality Impact Assessment**

7.1 The Asset Management Strategy does not create any specific equality impacts.

8. **Financial and Resource Implications**

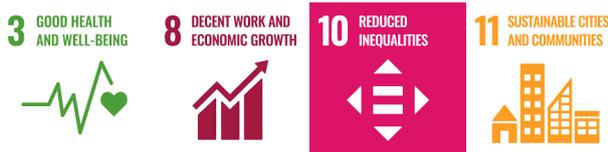
8.1 The sites identified for disposal will generate capital receipts to meet the demands of the Capital programme. Failure to dispose of the above sites will result in further borrowing to support the Capital Programme which in turn will add further pressure on the revenue budget in respect of borrowing costs.

9. **Major Risks**

9.1 The identification of a site for disposal does not mean that the site will be sold as there is a risk that there is no suitable market interest. The Council could therefore continue to hold liabilities for these sites and revenue expenditure. Lack of land sales would create a loss of income to the Council and therefore impact on the Council's ability to deliver essential Council services. The delivery of the Asset Management Strategy brings risks of Community and/or political resistance to the land sales and potentially reputational damage to the Council.

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

10.1 This project is intended to enable the updating and re-use of a dilapidated community leisure facility bringing with it sustainability improvements, regeneration and economic benefits as well as social and health benefits associated with leisure provision. In that respect, the project supports the realisation of the following UNSDG objectives:-



11 **Key Decision Information**

11.1 The Strategy affects more than 2 wards and future disposals have the potential to generate more than £50,000.

12 **Earlier Cabinet/Committee Resolutions**

12.1 Cabinet 19th September 2018

13 **List of Appendices**

13.1 Appendix 1 - Approved Asset Disposals

14 **Background Papers**

14.1 Asset Management Strategy 2018/19-21-22 https://www.newcastle-staffs.gov.uk/sites/default/files/IMCE/YourCouncil/A_to_Z_Policies/20200124_Asset_Management_Strategyfinal2018-21v6.pdf

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<u>Asset Disposals Approved and Ongoing</u>			
Appendix 1			
Major Sites	Site Area (acres)	Site Area (hectares)	Current Position Statement
Ryecroft - site of former Sainsbury's Supermarket, Liverpool Road and former Civic Offices Merrial Street, Newcastle	6.4	2.5	Monies have been secured, through the Future High Street Fund, to demolish the Civic Offices and redevelop the site to include a new multi-storey car park, offices and residential accommodation -
Silverdale/Keele development area	214	86.6	This land is located in the Green Belt. Consultants are to be commissioned to secure a planning permission for the former golf course site in advance of a designation in the Local Plan

Residential Sites	Site Area (acres)	Site Area (hectares)	Position Statement
Gloucester Road, Kidsgrove	0.70	0.28	Land is sold .
Eccleshall Road, Loggerheads	5.56	2.25	Former grazing land. OPP approved up to 55 units. Contracts exchanged for sale completion 31.03.21
Knype Way (Talke Road), Bradwell	6.35	2.57	Former playing pitch. OPP approved for up to 85 units. Terms for sale agreed. Legal documentation being finalised.
20 Sidmouth Ave, Newcastle			Former Registrars premises and adjacent land. OPP for conversion of building to residential and 3 new detached dwellings in the grounds. Terms for sale agreed. Legal documentation being finalised
Market Drayton Road, Loggerheads	11.50	4.65	Grassland let on Agricultural Tenancy. OPP approved for up to 65 units. Terms for sale agreed. Legal documentation being finalised

Classification: NULBC UNCLASSIFIED

Miscellaneous Sites	Site Area (acres)	Site Area (hectares)	Position Statement
Plot D, Apedale Road, Chesterton	4.50	1.82	Brownfield - former (reclaimed) marl hole. Land is being marketed for industrial development purposes. Contract exchanged for sale.
Plot E, Apedale Road, Chesterton	10.92	4.42	Brownfield - Land is being marketed for industrial development purposes.
Former Public Toilets, Merrial Street	0.02	0.01	Closed and alternative uses or sale being considered.
Former Pepper Street Toilets, Newcastle	0.01	0.004	Closed and alternative uses or sale being considered.
Former Toilets Liverpool Road, Kidsgrove	0.01	0.004	Closed and alternative uses or sale being considered.

Classification: NULBC UNCLASSIFIED



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

Classification: NULBC **UNCLASSIFIED**

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

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.

Classification: NULBC **UNCLASSIFIED**

DATE OF MEETING	ITEM	BACKGROUND/OBJECTIVES	OUTCOME
	Revenues, Benefits and Customer Services	Update on restructure proposals	Assurance that resourcing levels will be sufficient to ensure achievement of agreed performance targets
	Quarter 2 Performance Report	Review performance indicators.	Assurance that indicators accurately reflect progress with Council Plan. Alignment to MTFS and Budget.
Thursday 16 January 2020	Revenue/Capital Budget and Council Tax	Pre-Cabinet Scrutiny	Alignment to Council Plan and MTFS.
	Capital Strategy	Pre-Cabinet Scrutiny	Alignment to Council Plan and MTFS.
	Investment Strategy	Pre-Cabinet Scrutiny	Alignment to Council Plan and MTFS.
	Scale of Fees and Charges	Pre-Cabinet Scrutiny	Alignment to Council Plan and MTFS.
	Treasury Management	Pre-Cabinet Scrutiny	Alignment to Council Plan and MTFS.
Thursday 19 March 2020	Asset Transfer/Community Management	Review examples (e.g. Guildhall) and determine preferred model based on learning points. Consider other potential assets for transfer (e.g. Community Centres, Kidsgrove Sports Centre).	Adequate community capacity and capability. Financial sustainability.
	Kidsgrove Sports Centre	Review progress on asset repair/transfer and CIC operating model.	Financial sustainability. Community demands. Councillor Burnett to be asked to undertake some research into this topic initially and report back to the committee.
	Ethical Debt Collection	Review progress of pilot schemes in	Assurance that use of

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DATE OF MEETING	ITEM	BACKGROUND/OBJECTIVES	OUTCOME
		Hammersmith & Fulham and Bristol, and draft NULBC Code of Collection Practice.	collection agent is appropriate and proportionate, and impact on vulnerable residents is minimised.
	Outsourcing of Payroll Services	Review of progress.	Assurance that new arrangements have delivered an improved service and cost savings.
	Quarter 3 Performance Reports	Review Performance Indicators	Assurance that indicators accurately reflect progress with Council Plan. Alignment to MTFS and Budget.
Thursday 25 June 2020	LAPS	Review of impact on local services.	Focus on key local issues. Resource solutions.
	Procurements	Review commissioning and procurement process including whole life costs of projects/contracts and robustness of contract management procedures.	Best value.
	Quarter 4 Performance Reports	Review Performance Indicators.	Assurance that indicators accurately reflect progress with Council Plan. Alignment to MTFS and Budget.
	Procurement	Review commissioning and procurement process including whole life costs of projects/contracts and robustness of contract management procedures.	Councillor Hutton to report back on his investigative findings.
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
14 December 2020	Medium Term Financial Strategy 2021/22 – 2025/26 Revenue and Capital Budget 2021/22 – First Draft Savings Plan Quarter 2 Performance Report	Review Performance Indicators	Assurance that indicators accurately reflect progress with Council Plan.
18 January 2021	Revenue/Capital Budget plus Capital Strategy, Treasury Management Strategy and Investment Strategy Scale of fees and	Pre-cabinet scrutiny Pre-cabinet scrutiny	Alignment to Council Plan and MTFS

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DATE OF MEETING	ITEM	BACKGROUND/OBJECTIVES	OUTCOME
	charges		
25 March 2021	Quarter 3 Performance Report	Review Performance Indicators	Assurance that indicators accurately reflect progress with Council Plan Alignment to MTFS and Budget
	Commercial Strategy and Portfolio	Update on progress and review	Alignment to Council Plan and MTFS
	Asset Management Strategy	Update on progress	Alignment to Council Plan and MTFS
24 June 2021	Bradwell Crematorium - outcome of consultation (TBC) Procurement Review		

To keep under review

- Procurement Strategy – to review whether resources are available to provide a report for June 2021

February 2021

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