

Date of meeting Thursday, 20th January, 2022
Time 7.00 pm
Venue Garden & Astley Rooms - Castle
Contact Geoff Durham 742222



Finance, Assets & Performance Scrutiny Committee

AGENDA

PART 1 – OPEN AGENDA

- 1 APOLOGIES**
- 2 DECLARATIONS OF INTEREST**
- 3 MINUTES OF A PREVIOUS MEETING** (Pages 3 - 6)
To consider the Minutes of the previous meeting held on 13 December 2021.
- 4 REVENUE AND CAPITAL BUDGET AND STRATEGIES 2022/23** (Pages 7 - 92)
- 5 SCALE OF FEES AND CHARGES 2022/23** (Pages 93 - 134)
- 6 WORK PROGRAMME** (Pages 135 - 142)
- 7 PUBLIC QUESTION TIME**
Any member of the public wishing to submit a question must serve two clear days' notice, in writing, of any such question to the Borough Council
- 8 URGENT BUSINESS**
To consider any business which is urgent within the meaning of Section 100B (4) of the Local Government Act 1972
- 9 DISCLOSURE OF EXEMPT INFORMATION**
To resolve that the public be excluded from the meeting during consideration of the following report, because it is likely that there will be disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A (as amended) of the Local Government Act 1972.
- 10 SCALE OF FEES AND CHARGES 2022/23 - CONFIDENTIAL APPENDIX** (Pages 143 - 144)

11 DATE OF NEXT MEETING

Thursday 24 March 2022.

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

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	Kenneth Owen
	Barry Panter	Dave Jones
	John Tagg	Elizabeth Shenton
	Huckfield	

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.

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FINANCE, ASSETS & PERFORMANCE SCRUTINY COMMITTEE

Monday, 13th December, 2021
Time of Commencement: 7.00 pm

[View the agenda here](#)

[View the meeting here](#)

Present: Councillor Mark Holland (Chair)

Councillors:	Andrew Fear	David Grocott	Andrew Parker
	Graham Hutton	Sarah Pickup	
	Paul Waring	Mike Stubbs	

Apologies: Councillors Bert Proctor, Gillian Burnett and Tony Kearon

Substitutes: Councillor John Cooper (In place of Councillor Bert Proctor)
Councillor Barry Panter (In place of Deputy Mayor - Councillor Gillian Burnett)

Officers:	Denise French	Democratic Services Team Leader
	Sarah Wilkes	Head of Finance / S151 Officer
	Georgina Evans	Head of People and Organisational Development
	Martin Hamilton	Chief Executive
	Craig Turner	Finance Manager

Also in attendance: Councillor Stephen Sweeney Deputy Leader of the Council and Portfolio Holder - Finance, Town Centres and Growth

20. DECLARATIONS OF INTEREST

Councillor Holland declared an interest in item 4 Revenue & Capital budget 2022/23 – First Draft Savings Plan - on the grounds that he was a Director of the Trust that ran the New Vic Theatre.

[Click here to watch the debate](#)

21. MINUTES OF A PREVIOUS MEETING

Resolved: that the minutes of the meeting of the Committee held on 16 September 2021 be approved as a correct record.

22. REVENUE AND CAPITAL BUDGET 2022/23 - FIRST DRAFT SAVINGS PLAN

The Portfolio Holder for Finance, Town Centres & Growth introduced the first draft savings plan for balancing the Revenue budget 2022/23 and the proposed Capital programme for 2022/23 – 23/24.

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The Head of Finance advised that the local government finance settlement was still to be confirmed; good housekeeping efficiencies had now been exhausted and the council was looking to the One Council Programme to generate future savings.

Members were given the opportunity to ask questions and raise issues as follows:

- Did the draft budget assume a council tax rise of 1.99%? This was confirmed
- More detail was sought about the lifesaving detection system to be implemented at J2 and Members were given reassurances about the lifeguard cover that would continue to be provided at J2
- A letter had been sent from the New Vic about the proposed reduction in grant award and the Committee was advised this had been received and a meeting would be arranged with theatre representatives; the New Vic also received grant funding from Stoke on Trent City Council and Staffordshire County Council and support from local councils was important in the theatre's bid for Arts Council funding.

It was also noted that the Committee would meet on 20 January 2022 to give further scrutiny to the budget proposals.

Resolved: that the first draft budget proposals as set out in Appendices A and B to the report be noted.

[Click here to watch the debate](#)

23. FINANCIAL AND PERFORMANCE REVIEW REPORT - SECOND QUARTER (JULY - SEPTEMBER) 2021-22

The Committee considered the financial and performance review report for the second quarter, July – September 2021.

Members asked questions and raised the following points:

- Was there confidence that the council would be reimbursed £0.360m in lost income as stated in the report? The Head of Finance explained that the information had been compiled and submitted to the Government to reclaim this lost income
- Could CCTV be connected to other locations and areas including parks where there were occurrences of anti-social behaviour? The Portfolio Holder agreed to provide an update on CCTV provision to the next meeting of the Committee in January 2022.
- Could an update be given on rough sleepers? Members were advised there were few rough sleepers although there were more rough sitters. The Covid Welcome Back marshals were engaging with rough sitters and people who were begging.

Resolved: that the report be noted.

[Click here to watch the debate](#)

24. ONE COUNCIL PROGRAMME UPDATE

Members considered a presentation on the One Council programme.

The following questions and issues were raised:

- Waiting times were long for phone calls to be answered; what data did the council have about waiting times and abandoned call rates? An update providing this information would be submitted to the next meeting of the Committee.
- A number of people never used the internet and would continue to need a phone or face to face service.
- The provision of customer service in Kidsgrove was inferior to that offered in Newcastle with one morning a week offered in Kidsgrove for appointments only. Could there be better use of facilities at Kidsgrove Town Hall? The Chief Executive explained that appointments were the best use of resources but the hub approach would be assessed and reviewed as required.
- When would the new licensing self-serve system go live; in response the Committee was advised this was scheduled to be live by Easter 2022.
- Could Welcome Back ambassadors also visit Kidsgrove? Members were told that the ambassadors' role was to work across centres which would mean they would be more widely available.
- Did the measures to provide customer service mean increased costs or reduced savings? The Committee was advised that the overall programme would generate significant savings over the next few years and ongoing.

Resolved: that:

- (a) the presentation be received; and
- (b) an update be provided to the next meeting on call wait times and abandonment rates.

[Click here to watch the debate](#)

25. **WORK PROGRAMME**

The Committee considered the work programme.

The next meeting in January would include information on call wait times and abandonment rates and also options for CCTV cameras at locations other than town centres.

Resolved: that

- (a) The meeting on 20 January 2022 include the draft budget; an update on wait times and abandonment rates to the Customer Hub; and options for CCTV installation at a wider range of locations; and
- (b) The update on the Procurement Strategy to the March meeting include the effectiveness of the strategy in achieving its aims.

[Click here to watch the debate](#)

26. **PUBLIC QUESTION TIME**

There were no members of the public present.

27. **URGENT BUSINESS**

Finance, Assets & Performance Scrutiny Committee - 13/12/21

There was no urgent business.

28. **DATE OF NEXT MEETING - 20 JANUARY 2022**

**Councillor Mark Holland
Chair**

Meeting concluded at 8.11 pm

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S REPORT TO

Finance Assets and Performance Scrutiny Committee 20 January 2022

Report Title: Revenue and Capital Budgets and Strategies 2022/23

Submitted by: Head of Finance (Section 151 Officer)

Portfolios: Finance, Town Centres and Growth

Ward(s) affected: All

Purpose of the Report

To enable the committee to review and scrutinise progress on the completion of the Revenue and Capital Budgets for 2022/23 and approve the 5 year Medium Term Financial Strategy for 2022/23 to 2026/27.

To enable the committee to consider and scrutinise drafts of the Flexible Use of Capital Receipts Strategy (updated for 2022/23), the Capital Strategy for 2022/32, the Treasury Management Strategy for 2022/23 and the Investment Strategy for 2022/23 prior to their submission to Full Council for final approval.

Recommendation

1. That the progress on the completion of the Revenue (Appendix 1) and Capital Budgets (Appendix 4) for 2022/23 be noted.
2. That the updated Medium Term Financial Strategy 2022/23 to 2026/27 (Appendix 2) be noted.
3. That the strategy for ensuring a balanced revenue outturn position for 2021/22 be noted.
4. That the mid-year estimate of capital expenditure be noted (Appendix 4).
5. That the calculation of the Council Tax base and the Council Tax increase to be proposed for 2022/23 of 1.99% per Band D equivalent property be noted.
6. 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 2022/23 be noted.
7. That the draft Flexible Use of Capital Receipts Strategy (Appendix 6) for 2022/23 be noted.
8. That the draft Capital Strategy (Appendix 7) for 2022/32 be noted.
9. That the draft Treasury Management Strategy (Appendix 8) for 2022/23 be noted.
10. That the draft Investment Strategy (Appendix 9) for 2022/23 be noted.

Reasons

To inform the Cabinet in recommending a robust and affordable budget for 2022/23 to the Council meeting on 23 February 2022.

The Council needs to have an approved Flexible Use of Capital Receipts Strategy for 2022/23, an approved Capital Strategy for 2022/23, an approved Treasury Management Strategy for 2022/23 and an approved Investment Strategy for 2022/23 in place before the start of the 2022/23 financial year.

1. **Background**

- 1.1 The Council is committed to the delivery of high quality services. Integral to this ambition is effective targeting of financial resources in line with the vision of “a growing borough that is an attractive and welcoming place for all” and the Council’s stated aims and objectives, as set out in the Council Plan 2018/22, which was approved by Cabinet on 19 September 2018.
- 1.2 The Medium Term Financial Strategy (MTFS) sets out the Council’s financial position over the next 5 years. This is aligned to the Council Plan 2018/2022 and is the key vehicle for ensuring efficiency in service delivery and targeting resources to priority areas.
- 1.3 Despite the COVID-19 pandemic, and the challenges faced by the Council in its response, there has been good progress against Council Plan objectives in the current year, with high standards of service delivery being achieved overall. Key Council Achievements so far in 2021/22 are set out in Appendix 5.
- 1.4 The draft 2022/23 budget is based on the assumptions set out in the MTFS which was approved as a basis for consultation by the Cabinet at its meeting on 1 December 2021 and scrutinised by the Finance, Assets and Partnerships Scrutiny Committee at its meeting on 13 December 2021.
- 1.5 The draft and provisional proposals included in this report will inform the Revenue and Capital Budgets and Council Tax 2022/23 reports to Cabinet on 2 February 2022 and to Council on 23 February 2022.
- 1.6 The Capital Strategy 2022/32 sets out how the Council proposes to deploy its capital resources in order to achieve its corporate and service objectives. It takes into account other relevant Council strategies, policies and plans and the views of partners and interested parties with whom the Council is involved. It also takes account of the resources which are likely to be available to the Council to fund capital investment and the effect of that investment on the Council’s revenue budget. It will serve as a useful point of reference when determining or reviewing the Council’s Capital Programme.
- 1.7 The Council has adopted the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice. This requires approval by Council concerning the Treasury Management Strategy to be followed in carrying out its treasury management activities in the forthcoming financial year, 2022/23.
- 1.8 The Investment Strategy 2022/23 is compiled according to the Ministry of Housing, Communities and Local Government’s Guidance on Local Government Investments (‘the Guidance’) and the 2017 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes (‘the CIPFA TM Code’) It sets out the Council’s policies for managing its investments and for giving priority to the security and liquidity of those investments.

2. Issues

Budget 2021/22 – Provisional Outturn Forecast

Revenue

- 2.1 The Council approved a General Fund Revenue Budget for 2021/22 of £14.960m on 24 February 2021. The actual and forecast position compared to this budget is continuously monitored by managers, EMT and Portfolio Holders in order to detect any significant variances of expenditure or income from the approved amounts contained in the budget.
- 2.2 It is forecast that adverse variances incurred will again 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.
- 2.3 The Coronavirus pandemic continues to have an impact on the Council's financial position, primarily through lost income, although this is showing a marked improvement compared to the losses incurred during 2020/21. To date un-ringfenced Government funding of £0.915m has been secured (including £0.240m of new burdens funding to offset the costs of administering Coronavirus business support grants and test and trace payments) in relation to 2021/22, which has reduced the immediate pressure on additional spending on the Council finances.
- 2.4 Further specific Government funding to assist with the Council's response to the Coronavirus during 2021/22 has also been secured in relation to elections (£0.035m), outbreak control (£0.174m) and the Welcome Back fund (£0.115m).
- 2.5 The Council's revenue budget relies on service income from fees and charges of around £0.850m per month across a wide range of services, with a significant proportion coming from Jubilee 2 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 £1.140m.
- 2.6 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 for the quarter 1 of the current financial year, this will help to insulate the Council from income related financial risks for quarter 1 only. It is forecast that the Government's income compensation scheme will offset these income losses to the sum of £0.360m.
- 2.7 Additional expenditure pressures continue to be incurred as a result of the Coronavirus pandemic, albeit at a vastly reduced rate when compared to 2020/21 (excluding the provision of services/activity for which specific funding has been received).
- 2.8 Expenditure continues to be reduced wherever possible throughout the Council to ensure that only absolutely necessary spending is being incurred, this helps to reduce the adverse variance on a service by service basis. It has been forecast that this situation continues throughout the remainder of the financial year.
- 2.9 Further consequences of the Coronavirus on the Council's financial position will depend significantly on any future lockdown or restrictions being imposed, the recovery of income from fees and changes and on any further Government financial support that may be received.
- 2.10 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.

Capital

- 2.11 A Capital Programme totalling £12.923m was approved for 2021/22. Of this total £10.923m relates to the total cost of new schemes for 2021/22 together with £1.000m for schemes funded by external sources (Disabled Facilities Grants) and £1.000m contingency. In addition £2.256m has been brought forward from the 2020/21 Capital Programme, resulting in a total Capital Programme of £15.179m for 2021/22.
- 2.12 At the close of quarter 2 the profiled capital budget amounts to £5.447m, actual spend for this period totals £5.451m. There are no significant variances in expected spend at this point.
- 2.13 A mid-year review of the capital programme has been undertaken as part of the Efficiency Board and budget setting process for 2022/23 in order to identify any projects that may need to be re-profiled from 2021/22 into future years. The revised capital programme also includes projects for which funding has been obtained relating to 2021/22 via the Town Deals Fund (£3.246m) and the Future High Streets Fund (£5.341m). The revised capital programme for 2021/22 totalling £19.552m can be seen at Appendix 4.

Medium Term Financial Strategy

- 2.14 The draft MTFS was approved as a basis for consultation by Cabinet on 1 December 2021.
- 2.15 A number of savings and funding strategies have been identified as being both feasible and sustainable, via a vigorous Financial Recovery Board process including challenge sessions for each of the Portfolios involving Cabinet Members, the Executive Management Team, Heads of Service and the Finance Manager. The proposed savings identified to date for the period of the MTFS, have enabled a balanced financial position to be proposed for 2022/23.

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

Draft Revenue Budget 2022/23

- 2.16 The draft MTFS provides for a gap in 2022/23 of £1.313m and over the 5 year period of the MTFS of £4.265m.
- 2.17 The table below shows the factors which give rise to the £1.313m gap for 2022/23:

Additional Income	£'000
Fees and Charges	(158)
Business Rates Retention	(116)
Total Additional Income	(274)
Loss of Income	
Government Grant (New Homes Bonus, Housing Benefits Admin)	170
Reduction in income from under achieved budgets	116
Reduction in recycling credits scheme	70
Total Loss of Income	356
Additional Expenditure	
Employees (pay awards, increments, national insurance, pension)	1,007
Premises (business rates and utilities)	38
Transport (fuel)	13
Borrowing	(141)
Reduction in flexible use of capital receipts	100
Other pressures (inc. software licences, Kidsgrove Sports Centre, contracts)	214
Total Additional Expenditure	1,231
Net Increase in Base Budget	1,313

2.18 A number of savings and funding strategies have been identified as being both feasible and sustainable, via a vigorous Efficiency Board process including challenge sessions for each of the Portfolios involving Cabinet Members, the Executive Management Team, Heads of Service and the Finance Manager. The proposed savings identified for 2022/23 are summarised below, with further detail in Appendix 1. These savings and strategies enable a balanced financial position to be proposed for 2022/23.

Category	Amount £'000	Comments
Income	58	Additional sources of income generation and an increased demand for services that the Council charges for
One Council	601	Efficiencies to be generated from the introduction of a new Council operating model and the continued prioritisation of digital delivery
Staffing Related Efficiencies	79	No redundancies are anticipated to arise from these proposals
Good Housekeeping/More Efficient Processes	120	Various savings arising from more efficient use of budgets
Tax Base Increase	148	Increased in Council Tax and Business Rates tax base
Council Tax Increase	154	An assumed 1.99% per Band D equivalent increase in Council Tax
Government Reimbursement	153	Reimbursement of Health and Social Care levy
Total	1,313	

2.19 As in previous years, the first draft of the savings plan set out at Appendix 1 was made available to this Committee for scrutiny at its meeting on 13 December 2021.

2.20 The One Council Programme was launched in February 2021 following Full Council approval of the budget in order to meet the changing needs of our residents by increasing our ability to provide flexible, efficient and customer driven services. The programme is designed to

respond to the key lessons from the Covid-19 pandemic, how this impacted on how customers accessed Council services, and how services flexed in order to remain resilient. The programme focusses on reviewing customer need alongside modernising internal processes whilst developing our internal cultural transformation and ensuring we address financial demands.

- 2.21 The One Council programme facilitates a fundamental change in Newcastle-Under-Lyme Borough Council's operating model and how we address our challenges. Significantly, it sets out to enable the Council to make better use of the resources available to it, ensuring both efficient and effective service delivery.
- 2.22 Given the broad remit of the programme, overall aims have been considered by integrated work streams aligned to core principles of delivery and achievement and the initial work has been supported by the delivery partner Ignite Consulting who have enabled the team to develop skills in management change and service redesign. Whilst a significant aspect of the programme is to facilitate a move to customer self service via an enhanced website, traditional face to face and telephone access will remain available to those who need it.
- 2.23 One Council is a "spend to save" programme with an agreed investment of £1.2m. Recurrent benefits of circa £1m will be achieved moving forward. The savings are set to be staggered over the life of the 3 year programme (£0.196m has been achieved in 2021/22, £0.601m will be achieved in 2022/23 with a further £0.126m in 2023/24).

Borough Growth Fund

- 2.24 The Borough Growth Fund was established in 2020 for the purpose of enabling investment in corporate priorities. The Borough Growth Fund is required to be used to invest in initiatives that are forecast to generate on-going revenue savings through reducing the costs of service delivery or through the generation of additional income.
- 2.25 Since the establishment of the Borough Growth Fund, investments have been made in the following areas:-

Investment Area	£'000	Details
Council Modernisation	130	Embedding digitalisation across services and developing the skills of staff.
One Council Programme	100	Contribution to drive the digital programme which will transform public access to council services and drive efficiency savings.
Environmental Sustainability	100	Tree planting/carbon reduction
Walley's Quarry	70	Addressing community concerns regarding the quarry's unpleasant odour omissions.
Town Centre Support	50	Used to support the Town Deal bids for Newcastle and Kidsgrove and the rejuvenation of the Markets.
Car Parking Machines	30	Purchase of car parking machines with cashless payment options
Commercial Property Review	20	Review to develop income generation ideas as part of the Commercial Strategy.

2.26 The savings and funding strategies identified in the table in paragraph 2.18 and in Appendix 1 will enable continued investment of £0.250m in the Council's priorities as per the Council Plan 2018/2022 via the Borough Growth Fund. The Borough Growth Fund will continue to be used to provide pump priming investment in initiatives, including Digital Delivery, that are forecast to generate on-going revenue savings through reducing the costs of service delivery or through the generation of additional income. The Council's Section 151 Officer will determine whether any proposed use of the fund complies with this guidance on a case by case basis.

2.27 The 2022/23 Borough Growth Fund investment will be used in the following areas:-

Investment Area	£'000
Environmental Sustainability	100
One Council Programme	100
Economic Development	50
Total	250

2.28 In order to boost environmental sustainability within the Borough, £0.100m per annum over the life of the MTFS continues to be ring-fenced from the Borough Growth Fund to enable such projects to be fully funded.

2.29 As approved at the Full Council meeting on 24 February 2021, £0.100m of the 2022/23 Borough Growth Fund will be allocated to the One Council Programme in order to drive the digital programme which will transform public access to Council services and drive efficiency savings.

2.30 The remaining £50k will be used within economic development on initiatives for boosting footfall within the town centre.

Council Tax and Collection Fund

2.31 The savings and funding strategy assumes a 1.99% per Band D equivalent property Council Tax increase, producing £0.154m of additional income. This increase in Council Tax would equate to the following monetary increases for residents:

Property Band	Annual Increase £ p	Weekly Increase £ p
A	2.73	0.05
B	3.19	0.06
C	3.65	0.07
D	4.10	0.08
E	5.01	0.10
F	5.93	0.11
G	6.84	0.13
H	8.20	0.16

2.32 Taking into account the reduced level of Council Tax Support claimants when compared to the height of the COVID-19 pandemic and other changes to the Council Tax base (i.e. new properties, discounts and exemptions), the Council Tax base has increased by 581 band D equivalent properties from 37,087 in 2021/22 to 37,668 in 2022/23.

2.33 The Council is required to declare its estimated surplus or deficit on the Collection Fund (for both Business Rates and Council Tax) ahead of the financial year end for 2021/22. This surplus or deficit is then shared between the relevant preceptors in 2022/23 (a surplus if paid

out to preceptors, including the Council, and a deficit is repaid to the collection fund from preceptors, including the Council).

- 2.34 In response to the continued impact of the Coronavirus pandemic on retail business, the government has continued its retail discount business rates relief scheme, for 2021/22. For the first quarter of 2021/22 eligible businesses were awarded a 100% reduction in the business rates liability, for the remainder of 2021/22 they have been awarded a 66% reduction (up to a total value of £2m per business).
- 2.35 This has the impact of a reduction in income that was expected to be received by the Council from business rates payers during 2021/22 which will generate a forecasted deficit on the collection fund of £6.295m of which the Council's share is £2.518m. However, the government will award Section 31 grant to the Council to offset the losses incurred by this in full, this will be paid into the general fund and will be set aside to offset the deficit that will be incurred on the collection fund.
- 2.36 The Council Tax Collection Fund is estimated to be in a surplus position as at 31 March 2022, primarily due to a reduced number of Council Tax Support claimants when compared to the height of the COVID-19 pandemic. This surplus is estimated to amount to £1.122m, of which the Council's share is £0.125m.
- 2.37 The Local Government Finance Settlement for 2022/23 was received on 16 December 2021. The business rates retention element of the settlement differs with the assumptions that had previously been made via the MTFs due to the decision to not increase the business rates multiplier (as part of the Government's protection of businesses), the MTFs assumed an inflationary increase of £0.116m.
- 2.38 The Government have again allocated the Council a Lower Tier Services Grant, this grant is un-ringfenced and is specific to lower tier authorities only. The Council will receive £0.168m from this funding source in 2022/23, it is proposed that this funding be used to offset the reduced business rates retention element of the settlement (£0.116m) and that the remainder (£0.052m) be paid into the General Fund Reserve in order to boost the Council's financial resilience during the forthcoming financial year.
- 2.39 In addition to the Lower Tier Services Grant, the Council will also receive a Services Grant of £0.257m, which will be a one off un-ringfenced grant. It is proposed that this funding be paid into the General Fund Reserve in order to boost the Council's financial resilience during the forthcoming financial year as a result of the continuing impact of the Covid-19 pandemic.
- 2.40 Finally the Local Government Settlement for 2022/23 announced that the New Homes Bonus (NHB) Scheme will continue for a further year, the allocation amount for the Council is £0.331m due to the increase in properties within the borough in the last year.

Budget Consultation

- 2.41 Public consultation has been undertaken on the budget, the consultation ran between 2 December 2021 and 4 January 2022. The results of which will be reported to Cabinet on 2 February 2022.

Capital Programme 2022/23 to 2024/25 and Capital Strategy 2022/32

- 2.42 The Capital Programme for 2022/23 to 2024/25 (Appendix 4) is based on new schemes which are vital to ensure continued service delivery and in assisting the Council to achieve its corporate and service objectives as set out in the Council Plan 2018/22. These schemes total £66.652m, of which £33.588m relates to 2022/23. These schemes include those arising from

major investment into the Borough via external funding in terms of the Future High Streets Fund and the Town Deals Fund for both Newcastle and Kidsgrove.

- 2.43 The Capital Strategy for 2022/32 (Appendix 7) meets the requirements of statutory guidance issued by the Government in January 2018. The Council's capital investment is carried out within the statutory framework laid down by the Local Government Act 2003 and regulations under that Act. Accordingly, only expenditure which fits the definition of capital expenditure contained in the Act or Regulations pursuant to it will be capitalised.
- 2.44 The Capital Programme is produced in line with the Capital Strategy for 2022/32 (Appendix 7). In addition to the Council's corporate and service objectives, as set out in the Council Plan 2018/22, the Capital Programme is also influenced by a number of external parties and factors:
- Central government and its agencies;
 - Legislation requiring capital works;
 - Partner organisations;
 - Businesses and Developers; and,
 - The needs and views of other interested parties, particularly those of Borough residents.
- 2.45 Delivering the capital programme for 2022/23 will require prudential borrowing to be undertaken. The impact of borrowing is included in the MTFS pressures for 2022/23 and future years.
- 2.46 Advice will be sought from the Council's Treasury Management advisors, Arlingclose, as to the most beneficial timing of prudential borrowing. Their current advice remains to borrow on a short term basis (up to 4 years) from other local authorities whilst interest rates remain low.
- 2.47 In summary, investment in the capital programme for 2022/23 to 2024/25 totalling £66.652m will be funded by:
- £41.080m External Funding including Disabled Facilities Grant and s106;
 - £11.628m Capital Receipts; and,
 - £13.944m Prudential Borrowing

Treasury Management Strategy 2022/23 and Investment Strategy 2022/23

- 2.48 The Treasury Management Strategy for 2022/23 is attached at Appendix 8. The Minimum Revenue Provision Policy for 2022/23 is contained in Annex C to the strategy.
- 2.49 The Treasury Management Strategy for 2022/23 allows for borrowing. Although not utilised in recent years, the Council has previously considered the option of long-term borrowing from the Public Works Loans Board (PWLb). After the utilisation of capital receipts and internal borrowing, the Council will now look to borrow short term from other local authorities in the first instance and will then review any other sources of funding if required.
- 2.50 The Investment Strategy for 2022/23 is attached at Appendix 9. This investment strategy meets the requirements of statutory guidance issued by the government in January 2018 and is based on guidance provided by Arlingclose, the Council's treasury management advisors. Quantitative investment indicators are included within the Strategy to allow elected members and the public to assess the Council's total risk exposure as a result of its investment decisions.

Balances and Reserves

- 2.51 A review of the Council's Balances and Reserves together with a financial resilience risk assessment informing the levels of these has been undertaken by the Council's S151 Officer. Details of the risk factors considered and the weightings applied to each are set out at Appendix 3.
- 2.52 The Council currently holds a minimum balance of £0.100m as an Income Reserve in order to provide increased flexibility to manage year-to-year fluctuations in income. If the Income Reserve is used in year it is proposed that this be replenished to a balance of £0.100m during the budget setting process for the following financial year.
- 2.53 It is recommended that a minimum level of unallocated reserves and contingencies of £2.160m be held in 2022/23 to reflect the levels of revenue risk shown in the draft budget for 2022/23. Therefore, the Council's Balances and Reserves Strategy for 2022/23 is that there should be a minimum General Fund balance of £2.160m and an Income Reserve of £0.100m.
- 2.54 The minimum level of unallocated reserves and contingencies recommended to be held enables the transfer of £0.840m to the approved Walley's Quarry reserve. This together with a transfer to the Walley's Quarry reserve of the 2021/22 Lower Tier Services grant of £0.160m totals the approved amount of £1.000m budget allocation.

Timetable

Event	Committee	Date
Final budget proposals recommended for approval by Full Council	Cabinet	2 February 2022
Full Council to approve budget	Full Council	23 February 2022

3. Proposals

- 3.1 That the progress on the completion of the Revenue (Appendix 1) and Capital Budgets (Appendix 4) for 2022/23 be noted.
- 3.2 That the updated Medium Term Financial Strategy 2022/23 to 2026/27 (Appendix 2) be noted.
- 3.3 That the strategy for ensuring a balanced revenue outturn position for 2021/22 be noted.
- 3.4 That the mid-year estimate of capital expenditure be noted (Appendix 4).
- 3.5 That the calculation of the Council Tax base and the Council Tax increase to be proposed for 2022/23 of 1.99% per Band D equivalent property be noted.
- 3.6 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 2022/23 be noted.
- 3.7 That the draft Flexible Use of Capital Receipts Strategy (Appendix 6), updated for 2022/23, be noted.
- 3.8 That the draft Capital Strategy (Appendix 7) for 2022/32 be noted.
- 3.9 That the draft Treasury Management Strategy (Appendix 8) for 2022/23 be noted.
- 3.10 That the draft Investment Strategy (Appendix 9) for 2022/23 be noted.

4. **Reasons for Proposed Solution**

- 4.1 The Council has a statutory duty to set a balanced budget before 11 March in the financial year preceding the one in respect of which the budget is set, per Section 30(6) of the Local Government Finance Act 1992. Best practice is for financial planning to take place over a 5 year period in the form of a MTFS that sets out how the Council plans to allocate resources to meet its objectives.

5. **Options Considered**

- 5.1 None.

6. **Legal and Statutory Implications**

- 6.1 The Council is required to set its Council Tax for 2022/23 by 11 March 2022, per Section 30(6) of the Local Government Finance Act 1992. It is planned to approve the final budget and Council Tax rates on 23 February 2022.

7. **Equality Impact Assessment**

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

8. **Financial and Resource Implications**

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

9. **Major Risks**

- 9.1 Section 25 of the Local Government Acts 2003 places a duty on the Section 151 officer to report on the robustness of the budget. The main risks to the budget include spending in excess of budget; income falling short of the budget (including capital receipts from disposal of assets); and unforeseen elements such as changes to Government funding. In the context of the COVID-19 pandemic and uncertainty regarding Government funding reforms there are significant budget risks that will need to be managed. It will be essential the Council has sufficient reserves to call on if required.
- 9.2 Such risks require regular and robust monitoring and it is essential that the Council has sufficient useable reserves to call on if required (see Section 6 above). The review and risk assessment indicates that overall unallocated reserves and contingencies are required to be held at a minimum level of £2.160m to reflect the levels of revenue risk shown in the draft budget for 2022/23. In addition an earmarked reserve of £1m is required to provide flexibility to manage risks relating to delivery of the capital programme.
- 9.3 The assessment of the Section 151 Officer is that the draft proposals included in this report are robust and will ensure an adequate level of reserves. However, it should be noted that a number of assumptions and proposals are provisional or draft, and as such this opinion will be confirmed in the Revenue and Capital Budgets and Council Tax 2022/23 reports to Cabinet on 2 February 2022 and to Council on 23 February 2022.

- 9.4 Treasury management is a major area of risk for the Council in that large amounts of money are dealt with on a daily basis and there are a number of limits and indicators, which must be complied with.
- 9.5 The overriding consideration in determining where to place the Council's surplus funds is to safeguard the Council's capital. Within this constraint the aim is to maximise the return on capital. Operational procedures, coupled with monitoring arrangements, are in place to minimise the risk of departures from the approved strategy.

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

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



11. **Key Decision Information**

- 11.1 Final approval of the budget setting process will be a key decision.

12. **Earlier Cabinet/Committee Resolutions**

- 12.1 None

13. **List of Appendices**

- 13.1 Appendix 1 – 2022/23 MTFS Funding Strategy
 13.2 Appendix 2 – 2022/23 to 2026/27 MTFS 'Gaps'
 13.3 Appendix 3 – Risk Assessment on Required Balances/Contingency Reserve
 13.4 Appendix 4 – 2022/23 to 2024/25 Capital Programme and 2021/22 Mid-Year Estimate
 13.5 Appendix 5 – Key Council Achievements in 2021/22 and Plans for 2022/23
 13.6 Appendix 6 – Flexible Use of Capital Receipts Strategy 2022/23
 13.7 Appendix 7 – Capital Strategy 2022 to 2032
 13.8 Appendix 8 – Treasury Management Strategy 2022/23
 13.9 Appendix 9 – Investment Strategy 2022/23

14. **Background Papers**

CIPFA Treasury Management Code of Practice (revised December 2017)
 Council's Treasury Management Policy Statement
 Local Government Act
 Local Authorities (Capital Finance and Accounting) (England) Regulations
 Department of Levelling up and Housing Communities Guidance on Local Government Investments
 Statutory Guidance on the Flexible Use of Capital Receipts

Appendix 1 – 2022/23 MTFS Funding Strategy

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

Appendix 2 – 2022/23 to 2026/27 MTFS 'Gaps'



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

Appendix 3 – Risk Assessment on Required Balances (£2.160m)

Item	Risk	Potential Consequences	Risk Score I * L	Risk Rating	Specify Existing Control Measures	Final Score I * L	Final Risk Rating	Further Action Required	Owner
1	Increase in fees and charges does not result in higher income levels	Shortfall in income leading to overspends	3 x 4	High	Included in calculation of minimum balances	3 x 3	High	Regular monitoring of income levels	EMT
2	Reduced Income due to non-availability of service (e.g. COVID-19 related or similar)	Shortfall in income leading to overspends	3 x 3	High	Included in calculation of minimum balances	3 x 3	High	Regular monitoring of income levels	EMT
3	Income, including collection fund income, falls short of budget because of changes in market conditions, e.g. demand fluctuations COVID-19 related or failure to fully recover	Shortfall in income leading to overspends	3 x 5	High	Included in calculation of minimum balances	3 x 3	High	Regular monitoring of income levels	EMT
4	Bad debts reduce the Council's income	Shortfall in income leading to overspends and need to top up provision	3 x 4	High	A contribution to the bad debts provision is budgeted for	3 x 3	High	Increase monitoring of collection rates	EMT
5	Employee budgets – the budget is discounted on the assumption there will be vacancies	Vacancies do not occur leading to additional costs	3 x 3	High	The budget assumes a vacancy factor of 2%, this is realistic compared with previous years	3 x 3	High	Regular monitoring of vacancy levels	EMT
6	Employee budgets - the 2022/23 employee pay settlement results in an increase higher than included in the budget	Additional unbudgeted costs	2 x 3	Moderate	Balances sufficient to deal with any additional costs, plus reduced job security in economy	2 x 3	Moderate	None	EMT
7	Problems with staff recruitment/retention resulting in the payment	Additional unbudgeted costs	3 x 3	High	Subject to ongoing review	3 x 3	High	None	EMT

Item	Risk	Potential Consequences	Risk Score I * L	Risk Rating	Specify Existing Control Measures	Final Score I * L	Final Risk Rating	Further Action Required	Owner
	of market supplements at extra cost								
8	Problems with staff sickness/suspensions resulting in the needs to use agency/interim staff at extra cost	Additional unbudgeted costs	3 x 3	High	Absence management procedures in place	2 x 3	Moderate	Monitoring of sickness levels	EMT
9	Council becomes liable to pay compensation or legal fees or another unforeseen commitment arises	Additional unbudgeted costs	3 x 3	High	Included in calculation of minimum balances	3 x 3	High	None	EMT
10	Inflation relating to supplies and services exceeds the allowance in the budget	Additional unbudgeted costs	3 x 3	High	Included in calculation of minimum balances. Regular review of inflation levels	3 x 3	High	None	EMT
11	Existing commitment(s) missed out of budget	Additional unbudgeted costs	3 x 2	Moderate	Budgets subject to checking at several levels. Preparation of standstill budget for comparison	3 x 2	Moderate	None	EMT
12	Fall in interest rates reduces income to the Council	Investment income targets not met	1 x 1	Low	Rates are very low now. A decrease would make no difference investment wise but would reduce costs	1 x 2	Low	None	EMT
13	Capital receipts expected are not realised	Additional unbudgeted borrowing costs	3 x 3	High	Capital Budgets and receipt expectations have been realistically set. Allowance provided for in calculation of minimum balances	3 x 3	High	None	EMT

Item	Risk	Potential Consequences	Risk Score I * L	Risk Rating	Specify Existing Control Measures	Final Score I * L	Final Risk Rating	Further Action Required	Owner
14	Fuel costs increase by more than allowed for in budget	Additional unbudgeted costs	3 x 3	High	Realistic increases included in base budget	3 x 3	High	None	EMT
15	Energy costs increase by more than allowed for in budget	Additional unbudgeted costs	3 x 3	High	Realistic increases included in base budget	3 x 3	High	None	EMT
16	Unforeseen major repairs needed to Council properties	Additional unbudgeted costs	4 x 3	High	Planned maintenance programme in place and stock condition survey.	2 x 2	Low	None	EMT
17	Insurances – unexpected increases in premiums	Additional unbudgeted costs	3 x 3	High	Included in calculation of minimum balances	3 x 3	High	None	EMT
18	Insurances - high level of excesses to be met by Council or uninsured losses	Additional unbudgeted costs	3 x 3	High	Included in calculation of minimum balances. Insurance Provision established	3 x 3	High	Monitor level of Insurance Provision	EMT
19	Government further increase NI rates during 2022/23. An increase of 1% adds about £120,000 to the Council's costs	Additional unbudgeted costs	3 x 3	High	Included in calculation of minimum balances. Increased rate built into budget	1 x 2	Low	None	EMT
20	Loss of VAT Exempt Status	Additional unbudgeted costs	2 x 3	Moderate	None	2 x 3	Moderate	Continue to monitor position regularly	EMT
21	Savings built into Budget are not realised	Additional unbudgeted costs	3 x 3	High	Regular Budget Monitoring	2 x 1	Low	None	EMT
22	New Legislation imposes extra costs but provides insufficient resources	Additional unbudgeted costs	3 x 3	High	Contingency Reserve available. Included in calculation of minimum balances	3 x 3	High	None	EMT

Item	Risk	Potential Consequences	Risk Score I * L	Risk Rating	Specify Existing Control Measures	Final Score I * L	Final Risk Rating	Further Action Required	Owner
23	Partnerships - expenses falling on Council as accountable body	Additional unbudgeted costs	2 x 3	Moderate	Monitor partnership activities and ensure carried out according to agreements	2 x 1	Low	None	EMT
24	Civil Emergency	Additional unbudgeted costs	5 x 2	High	Bellwin Scheme will meet 100% of eligible expenditure within 1 month of an emergency	4 x 2	Moderate	None	EMT
25	Investment Counterparty fails to meet its financial commitments	Loss of interest due	2 x 3	Moderate	Use of credit rating agencies. Extensive use of DMO. No investment income budgeted for	1 x 1	Low	Frequent reviews of investment strategy	EMT
26	Municipal Mutual Insurance (MMI) Clawback	Additional unbudgeted costs	4 x 4	Extreme	MMI Provision	4 x 3	High	Consider increasing amount of provision if necessary	EMT
27	Data Protection breach resulting in fine	Additional unbudgeted costs	3 x 3	High	Data Protection Policy Reminders to staff. All staff complete mandatory Data Protection e-learning module	3 x 3	High	None	EMT
28	Members act against officer advice resulting in cost to the Council	Additional unbudgeted costs	3 x 3	High	Agenda pre-meetings. Liaison with members. Monitoring Officer	3 x 3	High	None	EMT
29	Volatility in respect of Brexit	Additional unbudgeted costs re supplies and services and utilities	3 x 3	High	Include in calculation of minimum balances	3 x 3	High	Monitor	EMT

Appendix 4 – 2022/23 to 2024/25 Capital Programme and 2021/22 Mid-Year Estimate

2021/22 (Mid-Year)	CAPITAL PROGRAMME	2022/23	2023/24	2024/25	TOTAL
£		£	£	£	£
	PRIORITY - Local Services that work for Local People				
490,630	Service Area - Council Modernisation	609,820	655,000	287,000	1,551,820
490,630	Total	609,820	655,000	287,000	1,551,820
	PRIORITY - Growing our People and Places				
1,363,806	Service Area - Housing Improvements	1,340,000	1,290,000	1,290,000	3,920,000
1,785,178	Service Area - Managing Property & Assets	1,885,576	1,374,991	1,084,639	4,345,206
3,148,984	Total	3,225,576	2,664,991	2,374,639	8,265,206
	PRIORITY - A Healthy, Active and Safe Borough				
19,000	Service Area - Environmental Health	60,000	60,000	-	120,000
420,365	Service Area - Streetscene and Bereavement Services	2,438,850	950,000	1,465,000	4,853,850
369,000	Service Area - Recycling and Fleet	922,500	2,899,500	565,500	4,387,500
4,996,028	Service Area – Leisure and Cultural	848,000	90,000	16,000	954,000
521,160	Service Area - Engineering	590,000	1,070,000	85,000	1,745,000
6,325,553	Total	4,859,350	5,069,500	2,131,500	12,060,350
	PRIORITY - A Town Centre for All				
0	Service Area - Managing Property & Assets	1,750,000	3,500,000	750,000	6,000,000
5,341,178	Future High Streets Fund	3,635,916	1,691,166	-	5,327,082
2,124,000	Town Deals – Newcastle	12,092,000	4,706,000	2,251,000	19,049,000
1,122,000	Town Deals - Kidsgrove	6,415,000	4,190,000	2,794,000	13,399,000
8,587,178	Total	23,892,916	14,087,166	5,795,000	43,775,082
1,000,000	CONTINGENCY	1,000,000	-	-	1,000,000
19,552,345	TOTAL	33,587,662	22,476,657	10,588,139	66,652,458
	FUNDING				
4,320,000	Capital Receipts	3,128,000	500,000	8,000,000	11,628,000
10,361,521	External Contributions	23,377,916	11,622,166	6,080,000	41,080,082
4,870,824	Borrowing	7,081,747	10,354,491	(3,491,962)	13,944,376
19,552,345	TOTAL	33,587,663	22,476,657	10,588,139	66,652,458

Appendix 5 – Key Council Achievements in 2021/22 and Plans for 2022/23

Key Council Achievements in 2021/22

Delivery of a New Recycling and Waste Service

Recycling collection tonnage remains up by 22% over the previous service, and participation rates are up at well over 90%, with significant increase in the north of the borough. We relaunched the separate food waste service in the spring and have seen increased tonnage of food waste, again up over 20% on the previous service. Increased processing of food waste via anaerobic digestion reduces CO2 emissions over energy from waste, if food is disposed of through the refuse bin.

High resident satisfaction levels are supported by increased tonnage and participation!

We are providing high quality materials, as good as if not better than previous service, into the re-processing industry. This is recognised in very low contamination rates of under 3% (10%+ is the norm) , and as a result we are getting very good income levels for our materials, particularly paper and card and plastics. All our materials are now re-processed in the UK, plastics in particular, and we have detailed end destination reports to substantiate where our collected material goes.

The benefits in its simplicity of use, and greater reliability and efficiency in operation have been recognised by the majority of collection authorities across Staffordshire, with all the southern districts in Staffordshire are now adopting the same recycling collection methodology, we along with Stafford Borough were the leaders in this.

Britain in Bloom

The regional and local Bloom campaigns were run digitally in 2021 because of pandemic restrictions. The Borough celebrated its 30th year of participating in the campaign by winning a 19th consecutive gold award and achieving five judges' discretionary awards. The 30-year anniversary was celebrated at a special community event at the New Vic Theatre, where local competition awards were also presented. Business sponsorship continued and achieved cash income of over £50,000. Phase 7 of the Public Art programme, a "family of deer" sculpture, was commissioned and will be installed at Parkhouse Roundabout, and Nelson Place Fountains were refurbished. A total of 7 of the Borough's strategic parks and cemeteries achieved Green Flag status this year.

Bereavement Services

The Council's Bereavement Services achieved Gold Standard again in the Charter for the Bereaved and continued to deliver high quality services to families in a Covid-secure manner. Live streaming of services at the crematorium continued and the cremators were relined to extend their operational life by a further 10 years. A low cost Resident Funeral offer was launched in partnership with a local funeral director, including a direct cremation option. Local charities were supported with donations from the metal recycling scheme which the crematorium participates in. Drainage improvements were carried out at Silverdale Cemetery to mitigate longstanding waterlogging issues. The Bereavement Service was a finalist in the APSE Performance Networks Most Improved Performer 2021 for cemeteries and crematoria, placing it in the top 8 most improved performers in the UK (results announced on 2nd December 2021).

Environmental Action

The Council delivered an increased programme of environmental education and enforcement activities, following relaxation of Covid restrictions, and facilitated the resumption of community volunteering activity in local parks, open spaces and neighbourhoods. Successful enforcement action has been delivered in relation to abandoned vehicles and unauthorised traveller encampments and community litter picking activity has increased. Capital programme improvement and equipment replacement projects have been successfully delivered in relation to the Council's playground stock, and a programme of footpath resurfacing and railings/fencing/gate repairs has been completed to identify high risk areas. Advance Town Deal Funding has delivered major improvements in Clough Hall Park and a state of the art pump track at Newchapel Recreation Ground, as well as a comprehensive refurbishment of the Grosvenor sunken roundabout incorporating new tiling featuring artwork based on a Britain in Bloom theme, CCTV to all barrels, new landscaping and murals to all entrances and exits.

Garden Waste Service

Garden waste service subscriptions have increased slightly again this year, and the tonnage collected has remained high, along with the quality of material processed into compost.

Streetscene

As well as delivering the daily Borough-wide street cleansing and grounds maintenance work, the Streetscene team continued to support the Recycling and Waste collection teams throughout the pandemic to ensure that this vital service to residents continued. The annual town centres floral displays were delivered to support economic recovery and street furniture was refurbished alongside an enhanced cleansing programme using Welcome Back Fund monies from government. Banners were also installed in Newcastle and Kidsgrove to promote support for local businesses and keeping town centres tidy. Strategic parks and open spaces were maintained to an enhanced level to ensure residents had access to high quality green space for exercise and relaxation, and the contract has been re-let to progress the large volume of tree work which has been identified as part of the Council's ongoing tree inspection programme.

Deliver Borough Local Plan

It has been decided that it is better for the Borough's growth aspirations that a Borough Local Plan be developed and the work on a Joint Local Plan was ceased with Stoke City Council. The now Borough Joint Statement of Community Involvement has been updated accordingly and consultation has begun on the Borough's own Issue and Strategic Options paper through events across the Borough and online until late January 2022.

Development Management Service

The Government have set up performance criteria for the determination of planning applications by Councils. For major developments (sites of 10 or more houses or commercial development over 1000 m²), the target is 60% or more decisions in 13 weeks and for non-majors 70% of decisions within 8 weeks. For 2020/21, the team has far exceeded these targets and delivered figures of 100% in both categories. This is a reflection not only of the new processes and approach to decision making that the team has adopted but also the hard work put in to keeping the service operating effectively especially during the pandemic.

Supporting Retailers and Local Businesses

Although queries have slowed significantly with the reduction in the availability of local business support grants, work has continued in signposting businesses to appropriate support. Well over 100 queries have been dealt with and requests continue to come in. 4 e-newsletters have been sent out to over 120 businesses who have requested these regular updates of support on offer from the council and partners. The business pages have been regularly updated to include relevant information and advice. Business pages have been transferred to the new website to ensure continuity for businesses.

Further tranches of Additional Restrictions Grants have been administered by the council. Some of this funding was used to ensure specific support for Newcastle businesses from the County Council Staffordshire Means Back to Business grants; Small Business to Thrive Financial Support, Staffordshire 500 Apprentices Wage Support programme, Free Training Top-up Project and Staffordshire Start-up 0% interest loan scheme. In addition, funding was also used to provide 27 free memberships to the Federation of Small Businesses, all of which have been taken up by a wide variety of Borough businesses.

Officers have continued to support the Newcastle BID and the Kidsgrove town team in helping the recovery of businesses in the two town centres. The Welcome Back fund has provided a number of initiatives to make shoppers feel safe returning to the high streets.

Regeneration of the Newcastle and Kidsgrove Town Centres

The Council successfully bid to the Future High Streets Fund for Newcastle Town Centre and received a grant award of £11 million. This funding will enable delivery of exciting new plans for the redevelopment of the Ryecroft area with demolition of the former Civic Offices building well under way. And the appointment of a contractor to design and build a new multi storey car park on land at Ryecroft. Further work is under way with partners to deliver the remaining elements of the Future High Street Fund proposals which will see transformative change in Newcastle town centre.

Town Deal Investments Plans were submitted and approved for both Newcastle and Kidsgrove town centres. Kidsgrove town Investment Plan received an offer of £16.9 million for a range of transformational projects in

Kidsgrove Town Centre around the themes of enhanced enterprise infrastructure, a connected and accessible town centre and health and wellbeing.

In Newcastle, the Town Investment Plan received an award of £23.6 million. The projects are designed to complement and add to those in the Future High Street Fund bid. The investment plan has projects around the themes of enhanced physical and digital connectivity, diversify and enhance the town centre experience by encouraging new uses and the regeneration of local communities.

The Council has also awarded Accelerated Town Fund monies for projects in Newcastle and Kidsgrove. We delivered on a range of projects in the two town centres that were in line with the aims of the Town Deal programme.

Business Support

Work has continued in signposting businesses to appropriate support, having fielded well over 100 queries have been dealt with and requests continue to come in. 4 e-newsletters have been sent out to over 120 businesses who have requested these regular updates of support on offer from the council and partners. The business pages have been regularly updated to include relevant information and advice. Business pages have been transferred to the new site to ensure continuity for businesses.

Further tranches of Additional Restrictions Grants have been administered by the council. Some of this funding was used to ensure specific support for Newcastle businesses from the county council Staffordshire Means Back to Business grants; Small Business to Thrive Financial Support, Staffordshire 500 Apprentices Wage Support programme, Free Training Top-up Project and Staffordshire Start-up 0% interest loan scheme. In addition, funding was also used to provide 27 free memberships to the Federation of Small Businesses, all of which have been taken up by a wide variety of Borough businesses.

The Welcome Back fund has provided support to the annual Business Boost awards, which this year have focussed on business recovery from the pandemic. The funding will enable survive and thrive stories of these businesses to be shared to a wider audience to encourage confidence amongst local businesses moving forward.

Knutton Village Masterplan One Public Estate

The Knutton Village Masterplan set out proposals for the use or development of a number of sites around the centre of Knutton in the ownership of the Borough and County Council 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. Following consultation with the local community, which had to take place virtually due to Covid restrictions, the proposals were refined and considered by Cabinet in June 2021. Elements of the Knutton masterplan are included in Newcastle Town Deal Town Investment Plan and partners continue to develop plans for delivery of proposals within the masterplan. Accelerated Town Deal monies have been used to clear the site of the former community centre and neighbouring buildings in preparation for its future development for housing.

Environmental Health & Licensing

An ongoing responsibility for the authority this year 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 and extended until summer 2022, 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 continuing to 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.

North Staffs Local Air Quality Plan

Work is continuing with Stoke-on-Trent City Council and Staffordshire County Council to create the North Staffordshire Local Air Quality Plan to bring about improvements in Nitrogen Dioxide (NO₂) levels. This year has seen the proposed works be split into three phases, one of these for the Borough is the proposed part-time bus gate for the A53. Funding has been awarded by Government to develop the Full Business Case in 2022.

Work on the retrofitting of busses operating on the A53 has been completed this year and the operation of these now cleaner busses has started the works to improve air quality along the A53 corridor. Works to provide branding for these busses, has now commenced.

Walleys Quarry Landfill Odour Complaints

Since December 2020 the Council has received an unprecedented number of complaints arising from foul and offensive odours arising from Walleys Quarry Landfill site. The Council has been working with the principal regulator the Environment Agency and other partners including the UK Health Security Agency and the County Council to bring about improvements in the odour, provide air quality and health advice for residents.

An investigation in relation to the odour has also been undertaken by the environmental health service, which has included undertaking odour tours, visits during the day and night time period and taking measurements of hydrogen sulphide. This investigation resulted in an abatement notice being served on Walleys Quarry Ltd on 13th August 2021. An appeal against this notice has been made to the Magistrates Court and a directions hearing in November 2021 set a trial date for 6th June 2022. Alongside this the Council will enter into mediation in order to bring about the fastest resolution to the odour issues that the local community are experiencing.

Our New Website

Recently, our new website was launched and supports developments within the One Front Door programme. Initial feedback was requested and will continue, to ensure the content develops in line with the changes to service delivery and to ensure it satisfies the need to remain user friendly to everyone accessing the site for information.

Transformation of Customer Services to the One Front Door.

The One Council's vision to deliver a One Front Door transactional service has commenced by merging the Revenues and Benefits service with Customer Services. Other Services will be merged in future phases.

Following a full organisational structure and a number of internal promotions to develop staff, training has commenced to upskill staff in their new roles with the ambition to be able to deliver a first point of contact resolution for our customers with these types of enquiries. A central customer reception service is being embedded, to provide a consistent customer experience for all our customers attending Castle House, Jubilee 2, Brampton Museum, Knutton Depot and Kidsgrove Customer Service Centre.

Customer Relations staff have relocated to Legal Services too, as part of the planned service changes.

Most services are now accessible on the new website via online digital forms, enabling the customers to do business with the council 24/7, 7 days a week.

A full review is in place to look at ways of improving how we deliver an optimum service to our customers, where these are identified, new processes will be developed.

Accessibility Audit

As part of the IAG project, the council's website was redesigned and reimagined to provide all residents of the borough with a nice clean, easy to use site that was accessible to all. We had previously been audited by the Accessibility Monitoring Team which is a government agency and we had failed in certain areas. This formed one of our main aims for the project to ensure that all residents are included.

Following on from the design and further communications with the Accessibility Monitoring Team we passed the further audit and our compliance of accessibility statement is now compliant.

Cultural Developments

The new temporary exhibition gallery, the activity and events space and café/shop areas are now complete. External works will begin in January 2022 to create a decked area over the pond. Work has started on the redisplay of the ground floor local history galleries, reinterpreting the collections to tell new stories to engage visitors. An externally funded Activities and Events Officer is now in post for three years. The purpose of the post is to broaden the improve engagement, museum's audience and to raise visitor numbers through a full activity programme.

Developing our Workforce

Due to Covid our teams have continued with hybrid working and office based staff have gradually returned to the workplace, allowing face to face development sessions and meeting to take place. We have continued to develop workforce plans which support our future vision and whilst recruitment in some areas have been paused due to the One Council work, we continue to try to improve our recruitment processes. The development of the online recruitment portal on the new website has supported this in recent months, and videos have been created to showcase to potential recruits what we have to offer as an employer.

This year has seen a significant amount of work undertaken on culture and change, the new values and behaviours have been launched and work is underway to ensure they are embedded in all that we do, a Cultural survey undertaken in the summer provided a base line and highlighted our priorities in terms of cultural development. We celebrated Inclusion week for the first time in September and hope to build upon this work going forward to create a truly inclusive and diverse workplace.

As work continues on the detailed design of the One Council transformation, the People Team will continue the focus on alignment of vision and people processes, supporting the organisation to identify people processes which could be managed more efficiently or in different ways.

With a change to both our occupational health provider, and our learning portal, we are continually developing the digital offer for simple “self-service” functions where possible. Work is ongoing to develop a robust learning and development package for all staff, and it has recently been signed off that all staff will be given access to our online systems, including those in front line roles around the Borough who did not previously have this.

Working to ensure staff wellbeing

The Mental Health Working group has gone from strength to strength and has had some real impact over the past year, a video has recently been compiled celebrating the achievements of the group. The group has also supported some wider events such as a wellbeing coffee morning at the Depot which it is hoped will be a regular event. An annual day for teams to volunteer with good causes within the Borough has been agreed and will be rolled out shortly, with the HR team spending time at a local foodbank creating Christmas boxes to be distributed in the community.

Development of Key People Policies

A number of policies have been reviewed in partnership with the Trade Unions and some new policies drafted in order to provide clear guidance and transparency on people processes. Regular working groups have been set up for the Trade Unions and HR to review people policies in partnership.

Democratic Services

We continued to support democratic decision making throughout the challenges presented by the pandemic working, with colleagues in ICT, to deliver remote committee meetings with full public engagement and live-streaming. We responded quickly when the legislation changed to move back to Covid-Secure face to face meetings, hosting annual council and mayor making, along with Freedom of the Borough celebrations alongside our usual programme of meetings. We supported a detailed and challenging scrutiny process of the odour issues at Walleys Quarry and undertook a review of the Member's allowance scheme. We also organised a programme of Mayoral events following the relaxation of Covid requirements which meant in person events became possible once again. We supported colleagues with the protocols that applied following the sad death of HRH Prince Phillip.

Information Governance

The land-charges team re-joined the Governance Service during the year to bring together information requests made to the Council in one place. As well as managing the busy land charges work-load we began a process of migrating land charges data and responsibility for searched to the Land Registry as part of a national project. The Information Governance Officer undertook a wide ranging review of our processes and set out a plan for the improvements necessary, making significant progress on how we manage information and reduce data breaches, with improvements being noted through an external audit process.

Legal Services

We continued to support all colleagues deliver the services the council is responsible for, responding to ever changing Covid legislation. Significantly, we completed on the build contract and lease agreement for a new sports centre in Kidsgrove, and helped colleagues with the legal work needed to advance our ambitious Town Deals and Future High Streets projects. We have also provided close support to Environmental Health colleagues dealing with the odour problems at Walleys Quarry. We've also started a review of our constitution and our contracting processes to make the council more efficient.

COVID Response and Vulnerability work in our Communities

The Council have continued to work closely with our partners at the Realise Foundation and Support Staffordshire during the last 12 months, in supporting our communities and in particular those most vulnerable in need of support. Some of these residents may not have care and support needs but may have been self-isolating or struggling for a variety of reasons as a result of the pandemic and have needed assistance or signposting. Assistance such as help getting shopping, walking the dog or even being put in touch with local community groups or someone to talk to was made available. In addition, the Council have continued to assist more complex cases and other vulnerable households with partners through the work of the Vulnerability Hub, Multi Agency Risk Assessment Conference (MARAC) and the Newcastle Housing Advice Service – this area of work has seen referrals triple over the last 12 months which demonstrates the effect that the pandemic has had on the Borough's most vulnerable households and also highlights the success of the evolving partnership arrangements in place to assist those in need.

Return of the Newcastle Housing Advice Service

The Council transferred the Newcastle Housing Advice (NHA) service back in house, which had previously been outsourced and delivered by Midland Heart. NHA is the Borough's provision for statutory homelessness, housing advice and housing register services. The service is managed within the Housing and Partnerships Team and has a strategic fit with the Council's existing work around vulnerability, including rough sleeping, domestic abuse, community safety and wellbeing. The Council also procured new ICT systems for the NHA service, branded as NHA Options and also launched a new website – www.NHAoptions.co.uk to host the new Joint Housing Register, which included the re-registration of some 1500 applicants and the new Joint Housing Allocation Policy created with Aspire Housing to ensure a more efficient service can be delivered for home seekers in the Borough.

Development of homelessness projects and temporary accommodation options for the Borough

The Council approved a Temporary Accommodation Policy and later secured additional DLUH (formerly MHCLG) homelessness and homelessness prevention funding to commission a number of projects including a shared Rough Sleepers Co-ordinator with SOTCC, a Rough Sleepers Navigator post, development of a Homelessness Healthcare Worker, four furnished temporary accommodation units and development of further furnished and supported temporary accommodation units. The Council working with partners at Aspire Housing has also secured considerable match funding to purchase six housing led supported accommodation units with support for rough sleepers with complex needs, this project will be mobilised late 21/22 / early 22/23.

Town Centre Community Safety activity

The Council have been working with our partners, including the Local Policing Team and BID, to continue to co-ordinate a range of partnership activity in the area and have invested considerable time and resources, in order to offer reassurance to town centre users and deter anti-social behaviour where possible. A weekly Partnership Forum has been created and seeks to task on leading the disruption activity in and around the town centre. More specifically this year it has been working to coordinate the Police and the BID patrols, to ensure that resources can be tasked to hotspot locations – in response to and dependent on the reports of incidents received; encouraging ongoing consultation and dialogue with the market traders to share intelligence and to provide reassurance of ongoing activities; delivery of further target hardening enhancements / deterrents with assistance from the Crime Prevention Team at Staffordshire Police. Work has also been undertaken to simplify and improve methods of ASB reporting for town centre users, using QR codes on contact cards with the BID and promoting the Staffordshire Police Facebook page for reporting via private messages.

The Council has also secured funding to enhance the new town centre CCTV system so that it can be used to its full potential, linking to Police patrols and flagging up incidents in real time. Additional CCTV installations have been made to the sunken roundabout subways. The Council have also mobilised the introduction of a Street Marshalls pilot project initially for 6 months, which will provide an additional visible presence to challenge and disrupt hotspots/incidents and offer extra reassurance to the public, using Town Deal funding.

Future Plans 2022/23

Development of the Recycling Service

We await the outcome of the government's consultation on the implementation of the Resources and Waste Strategy for England, which will help in us being able to collect an even greater range of materials for recycling. We are also planning to focus on increasing participation in the separate food waste service, including trials of collections from flats.

Development of the Environmental Service

The service will continue working with Staffordshire County Council and partner organisations in relation to Covid-19 controls, outbreak investigations and enforcement as necessary. This work has been a priority, resulting in the need to develop of new work plans to recover some routine regulatory activities and ensure our regulatory responsibilities are delivered.

The Council is working with Stoke-on-Trent City Council and Stafford Borough Council to implement a grant for the installation of rapid chargers for taxis and members of the public to use throughout the area.

Work will continue on the North Staffordshire Local Air Quality Plan to develop the full business case, in addition for local air quality management work will commence on preparations for the revocation of two local air quality management areas in respect of Nitrogen dioxide, as monitoring has shown that levels of the air pollutant have reduced to below the statutory level, resulting in cleaner air for our residents.

With the progression of HS2, the service will continue review and regulate the environmental implications which arise from the development.

Keele University Growth Corridor

Work continues on this initiative but it is linked to the Borough Local Plan and release of Green Belt for the potential housing scheme. The Borough Local Plan is just beginning its development and consultation phases and we will need to wait to see the outcome before work can commence in any detail.

Regeneration of the Newcastle and Kidsgrove Town Centres

The Council will continue to work with Town Deal Boards in Newcastle and Kidsgrove to develop business cases for projects to be delivered in the respective Town Investment Plans around the key objectives. Delivery of the Future High Street Fund in Newcastle town centre will continue with development of a new Multi Storey car park at Ryecroft and further work to bring forward proposals for the town centre.

Cultural Offer

There will be a full year of new heritage activities for the public and for targeted communities based around the history of the borough, using the new activity spaces. As the final part of the reconfiguration of the museum will be the creation of a research and volunteer room and improved collection stores. There will be a volunteer recruitment drive to increase the number of volunteers and diversify the roles they fulfil. New education sessions for schools will be rolled out. To improve the visitor experience the museum entrance and toilet facilities will be updated.

Development of the Planning-Enforcement Service

The Planning service is working on pursuing more enforcement case work in 2022.

Business Support

To continue to signpost businesses to sources of information and support via the Council's website. To deliver Business Boost 2022.

Re-opening of the Kidsgrove Sports Centre

The Council is working to improve access to sports and leisure facilities for residents in Kidsgrove and surrounding areas as part of a community led initiative to refurbish and re-open the Kidsgrove Sport Centre. The Council has now procured Willmott Dixon to undertake the refurbishment of the centre which is progressing well with completion on track for late spring 2022. The Building has been successfully transferred to the Council from Staffordshire County Council and the community group, Kidsgrove Sports Centre Community Group, have signed a 25 year lease on the building and are actively marketing and recruiting to the Centre in anticipation of opening.

Britain in Bloom

Newcastle-under-Lyme will be participating in the regional Heart of England in Bloom campaign, with a return to “live” judging. A programme of projects and events will be launched in spring 2022 and phase 8 of the public art programme will be developed, as well as many other community projects making a welcome return after the enforced lay off during the pandemic. 7 of the Borough’s strategic parks and cemeteries will apply for Green Flag status in 2022.

Bereavement Services

The Council’s Bereavement Services will seek to achieve Gold Standard again in the Charter for the Bereaved and resume the annual stakeholder meeting with local Funeral Directors, Memorial Masons and Clergy to discuss future service improvements. The Council will continue to offer an affordable “Resident Funeral” in partnership with a local Funeral Director and explore the potential for a greater choice of memorialisation options in the grounds of Bradwell Crematorium and Keele Cemetery. The memorial safety testing programme will continue and targeted improvements to grounds maintenance and furniture will be implemented.

Environmental Action

The Council will deliver a programme of environmental education and enforcement activities, engage with schools, and facilitate community volunteering activity in local parks, open spaces and neighbourhoods. Successful enforcement action will be delivered in relation to unauthorised traveller encampments and abandoned vehicles. The number of vacant allotment plots will be further reduced through proactive letting. Capital programme improvement and equipment replacement projects will be successfully delivered in relation to the Council’s playground stock, and Section 106 agreement funding will be used to improve a range of facilities in line with the aims of the Open Space Strategy. The first tranche of native broadleaf tree planting will be implemented as part of the Council’s Urban Tree Planting Strategy to commence the creation of carbon capture parks to mitigate the effects of climate change and to contribute to the Queens Green Canopy initiative for the platinum jubilee.

Streetscene

As well as delivering the daily Borough-wide street cleansing and grounds maintenance work, the Streetscene team hope to resume work in partnership with the Probation Service Community Payback team to deliver a programme of litter and graffiti clearance, painting of railings, play equipment and planters, and vegetation management at various sites across the Borough. The Council’s footpath and railing stock will be repaired at key sites and a new mini wheels facility will be delivered in Silverdale Park. A contract to progress the large volume of tree work which has been identified as part of the Council’s ongoing tree inspection programme will continue, and monthly clearances of identified “grotspot” areas will take place. Work will continue as part of the One Council Programme to embed Streetscene into the new Customer Hub and the new Mobile Multi-functional Team concept will be developed to tackle a range of environmental and enforcement issues.

Housing and Partnerships

For the year ahead the following is planned by the service:-

- Creation of a Supported Exempt Accommodation Policy and Standards and further development of housing options in the Borough.
- Working with partners at Aspire Housing to mobilise six housing led supported accommodation units with support for rough sleepers with complex needs.
- Further development of housing options for temporary accommodation and supported accommodation for homeless households.
- Embedding pilot projects created to address rough sleeping and the most complex homeless cases.
- Commissioning a range of partnership services to deliver shared objectives supporting our most vulnerable residents.
- Reviving the Council’s Safeguarding Action plan and work of the Safeguarding Champions, including review and further development of safeguarding training.
- Review the work of the Vulnerability Hub and MARAC.
- Continue to deliver a multi-agency response for the challenges from the town centre and further develop a communication plan, to sensitively raise the profile of the issues in the town with the public

and to seek to encourage promotion of an alternative giving scheme, which had been previously delayed due to the pandemic.

ICT Delivery

The ICT team will continue to play a crucial role in supporting the Council's Digital ambitions from both the external customer perspective and for internal users. The technology and solutions that ICT deliver over the next 12 months will support how services are delivered; allowing staff to be more productive and deliver better outcomes for the residents, visitors and businesses within Newcastle under Lyme. Some of these whilst supporting these outcomes will deliver cost savings too such as migration to Microsoft InTune and Always On VPN and the re contract of all Council data circuits. The next year will see the full implementation of Microsoft O365 licences, integration of Mitel Telephony with TEAMS and development of Service Desk Support. Cloud technology has been invested in so that we are more resilient to Cyber Attack and have 24/7 access from any location. The beginning of the journey for cloud will be Northgate Revenues and Benefits and Civica Financials. This will mean we will have secured our income stream and budgetary systems.

Digital Developments

The advent of COVID-19 has created some new challenges for the Council and has highlighted the importance of having well designed services that are structured to work via a multitude of channels. This presents a significant opportunity for the authority to fundamentally alter how it works in the future. Key priorities for the years ahead will include:

- Continuing to redesign Customer facing services to ensure they focus on customer need and deliver consistent, reliable outcomes. Improving the IAG to support the OFD.
- Invest in the use of automation of and AI technologies to improve our service offering and ensure that we are able to meet public expectations.
- Develop our internal processes, focusing on what is possible with modern technology to remove inefficiency and waste.
- Ensuring that the wider Newcastle communities are digitally enabled and individually capable, working with partners to ensure that no one is left behind
- Encouraging investment in the Newcastle area to ensure our infrastructure is capable of supporting our digital future – for both residents and businesses

Developing our Workforce

Work will continue in terms of focusing on culture change, embedding our desired behaviours and ensuring all our people practices are values based. We aim to have a values based model for recruitment, appraisals and all our key policies during 2022/23.

The people team will continue to review policies, procedures and materials in order to make them accessible to all, whilst also developing our learning and development offer and ensuring all employees have access to meaningful development. We aim to launch a core statutory and mandatory cycle in April 2022 and spend the year ensuring all staff are confident to access this.

The One Council work will continue in terms of transformational change, and we will aim to learn lessons and improve our people practises as we move through this process.

Democratic Services

We will continue to build on the technological advancements made during the Covid pandemic to embed digital engagement with the democratic decision making process, and to make the most of the technology available to us. We will complete a review of the constitution and member code of conduct to bring our processes up to date, and ensure that we have a constitution that is easy to understand and empower the council to get things done. We will continue to support the Council's civic function, in particular Jubilee preparations and the borough's 850 year celebrations.

Information Governance

We will continue with the land charges migration project and strengthen resources in the team to continue improving how the council manages the information that it holds. We will bring together into one team responsibility for information management and requests, as well as priority correspondence including Stage 2 Customer Complaints and Ombudsman Complaints. That way we can be sure that we are dealing with customer feedback in the most efficient way and helping the council on a constant journey of improvement.

Legal Services

We will continue to provide support to colleagues in service delivery and in delivering the ambitions Town Deal and Future High Street Fund projects. In particular, we are exploring how to achieve the right combination of external and in-house support to ensure that all of our client services are able to achieve their objectives in a safe and efficient way.



Flexible Use of Capital Receipts

2022/23



Introduction

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

In February 2021, DLUHC announced a 3 year extension to the flexibility to use capital receipts from 2022/23 onwards.

Power under which the guidance is issued

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

Application

4. This guidance applies with effect from 1 April 2016 to 31 March 2023 – i.e. to the financial year 2016-17 and for each subsequent financial year to which the flexible use of capital receipts direction applies.
5. The Council cannot borrow to finance the revenue costs of service reform and can only use capital receipts from the sale of property, plant and equipment received in the years in which this flexibility is offered.

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

Qualifying expenditure

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

Accountability and transparency

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

Qualifying expenditure

Types of qualifying expenditure

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

Examples of qualifying expenditure

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

Accountability and transparency

Preparation

12. For each financial year, the Council should ensure it prepares a Flexible Use of Capital Receipts Strategy ("the Strategy")

Content

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

Approval

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

Timing

17. For any financial year the Strategy should be prepared and approved before the start of the year.

2022/23 Strategy

The Council intends to use capital receipts received in 2022/23 to finance qualifying expenditure up to £300,000 in accordance with the Guidance, this includes the final £200,000 of the £1.030m agreed by Council on 24 February 2021 as a contribution to the One Council programme. The projects which will be financed in this way are shown in the table below.

Project	Expenditure	Expected Savings
	£'000	£'000
One Council Project (per Council approval)	200	126
Financial Sustainability	100	100
Total	300	126

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

2021/22 and Previous Years' Flexible use of Capital Receipts

The Council financed qualifying expenditure in 2017/18, 2018/19, 2019/20 and 2020/21 in accordance with the Guidance, and further intends to finance such expenditure in 2021/22, as shown in the table below.

Project	Allocation of Flexible Use of Capital Receipts	Actual Spend	Estimated Savings	Actual One off Savings	Actual Ongoing Saving	Notes
	£'000	£'000	£'000	£'000	£'000	
2017/18						
Castle House Project - Redundancy Costs	80	80	80		80	
2018/19						
Digital Delivery Project	66	66	100		96	Flexible retirements and vacant posts

Chargeable Garden Waste Preparatory Costs	233	233	371		200	CGW income
Waste Recycling Service	142	142	150	150		
Building Efficiency Works Expenditure	59	59	50		50	
2019/20						
Digital Delivery Project	128	128	150		145	Payroll Staffordshire Connects
New Recycling Service - Preparatory Costs	134	134	100		100	Ongoing project, expect to save circa £100k per annum
Chargeable Garden Waste Preparatory Costs	38	38	40		500	CGW income
Building for the Future	200	200	217		300	Revenues & Benefits, Customer Services and ICT restructure
2020/21						
One Council Project	100	103	195		195	One Council Project
Digital Delivery Project	250	250	258		258	Staffordshire Connects, Staffing Related Efficiencies, Revenues & Benefits, Customer Services and ICT restructure
New Recycling Service - Preparatory Costs	150	151				Ongoing project, expect to save circa £100k per annum as above
2021/22						
One Council Project	750	TBC	601		TBC	One Council Project
Digital Delivery Project	200	TBC				Support to One Council project and website/intranet as above
Total	2,530	1,584	2,312	150	1,924	

A number of these projects are in the process of being completed. The total savings for these projects cannot be totally quantified until their completion, monitoring of these will continue to be provided to Cabinet on a quarterly basis.

Capital Strategy

2022 to 2032



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Introduction

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

The Council's current detailed capital investment plan is contained in its approved Capital Programme. A Capital Programme totalling £12.923m was approved for 2021/22. Of this total £10.923m relates to the total cost of new schemes for 2021/22 together with £1.000m for schemes funded by external sources (Disabled Facilities Grants) and £1,000,000 contingency. In addition £2.256m slippage was incurred in 2020/21, resulting in a total Capital Programme of £15.179m for 2021/22.

Due to the COVID-19 pandemic and the financial impact this has placed on the Council, a review of the 2021/22 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.

The review also took into account the successful Town Deals and Future High Streets Fund bids, this funding has resulting in £8.587m of external funding being invested into the Borough via the revised Capital Programme during 2021/22.

The revised 2021/22 Capital Programme now totals £19.552m which includes £9.871m for schemes funded by external sources (£3.246m re. Town Deals, £5.341m re. Future High Streets and £1.284m re. Disabled Facilities Grants) and £1.000m contingency and is summarised below, showing the constituent categories of projects:

Project Categories	Planned Expenditure £m
Improving Housing in the Borough	1.364
Investing in Community Facilities	5.417
Investing for the Future	2.307
Vehicles, Plant and Equipment	0.877
Capital Contingency	1.000
Town Deals	3.246
Future High Streets	5.341
Total	19.552

Full Council will consider a capital programme to continue investment beyond 2021/22 on 23 February 2022.

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

Key Objectives and Priorities

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

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

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

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

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

A Capital Assets and Commercial Investment Review Group is in place and chaired by the Cabinet Portfolio Holder for Finance, Town Centres and Growth. This Group keeps the Council's capital investment strategy under continuous review, including the prioritisation of projects for inclusion in future capital investment programmes over the medium term. Regular reviews of the property portfolio will be

carried out by the group to identify properties or land which could potentially be disposed of, following a consultation process in the case of significant proposals, and a capital receipt obtained from the sale.

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

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

Factors Influencing the Capital Programme

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

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

These are discussed in greater detail in sections below:

Links with Other Strategies, Policies and Plans

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

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

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

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

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

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

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

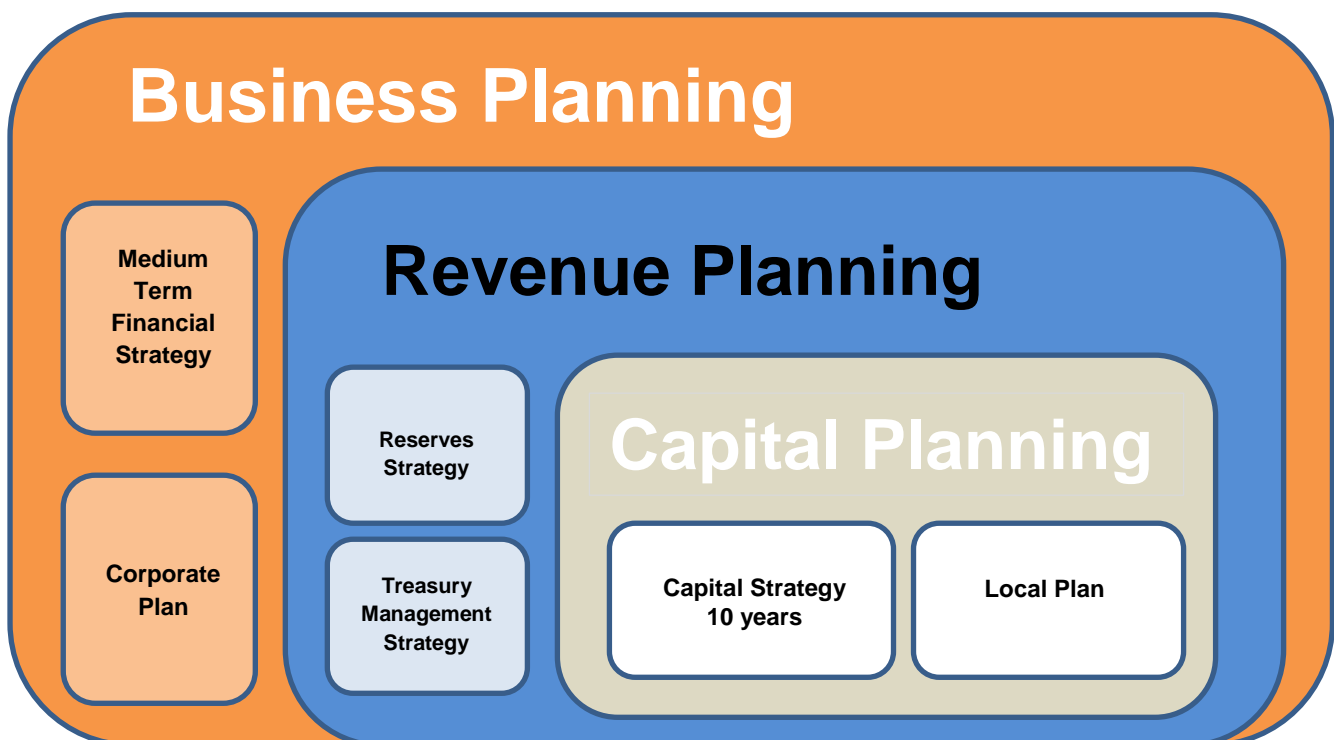
Appraisal, procurement and management of capital projects needs to be carried out with regard to the objectives, methodologies the principles and practices set out in the Procurement Strategy.

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

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

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

Simple Business Planning Model



External Influences, Partners and Consultation with Other Interested Parties

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

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

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

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

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

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

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

The availability of external funding (particularly in relation to the successful Town Deals and Future High Street Fund bids) will also influence the projects which the Council will include in its capital investment plans. This is referred to in the following section of the Strategy.

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

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

Resources Available to Finance Capital Investment

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

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

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

Capital Receipts have been the major source of funding for the Capital Programme in recent years. Capital receipts, alongside borrowing and external contributions, are committed to finance the currently approved Capital Programme. Additional capital projects may be financed from capital receipts obtained by asset sales or other new capital streams.

A previously significant source of capital receipts has been the Council's continuing right to a share of receipts arising from tenants of Aspire Housing under the Right to Buy legislation. However, Right to Buy sales have diminished from historically high levels, both because of the present depressed property market and there being fewer potential purchasers as time goes by. Future sales income is projected to be in the range of £0.5m per annum.

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

The Asset Management Strategy sets out expected sales over the next ten years. It is anticipated that receipts from sales will increase in the medium term, enabling some increase in financing of capital

investment from this source. The Capital, Assets and Commercial Investment Review Group meets on a bi-monthly basis and is responsible for the formulation of strategies in respect of income generation relating to asset disposals.

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

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

Funding will be sought towards the cost of capital projects from external parties wherever possible and appropriate. The prime examples of these being the Town Deals (£34.5m between 2022/23 and 2025/26), Future High Streets Fund (£5.3m between 2022/23 and 2023/24) and Disabled Facilities Grants. These may include property developers, central government and government agencies, funding bodies such as the National Lottery or the Football Foundation and partner organisations that may join with the Council to bring forward particular projects of mutual benefit.

The Council is presently debt free, having no long term loans outstanding. The capital investment programme set out in Annex B will require a significant amount of borrowing if it is to be carried out in its entirety. The use of borrowing has an effect on the General Fund Revenue account in terms of interest payable and the requirement to allocate a Minimum Revenue Provision, for a typical asset with a useful life of 20 years borrowing costs currently amount to around £6,000 for every £100,000 borrowed.

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

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

The Head of Finance (Section 151 Officer) will prepare estimates of the resources which are presently in hand plus those likely to be available in future to finance capital investment. She will keep these estimates up to date and periodically report upon them to Cabinet and Council, particularly when the Capital Programme is being considered. The Council will decide on the appropriate form of financing for projects included in the Capital Programme based on advice from the Head of Finance (Section 151 Officer) as to availability and the consequences and costs of use of the various options.

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

Revenue Implications

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

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

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

Appraisal and Prioritisation of Investment Proposals

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

Work is being undertaken to develop the project prioritisation process further during 2021/22 in order to provide a robust, transparent and impartial basis for determining the relative merits of individual projects proposed for inclusion in the capital programme. No projects should be considered in isolation. They must be required to be measured against all other competing projects to determine which should go forward. This process should also apply to any projects which are proposed subsequent to the approval of the programme, to ensure that only those projects with a high priority are proceeded with and funds are not diverted to projects of a lesser priority.

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

Monitoring Arrangements and Project Management

Progress in relation to individual projects will be monitored through the Council's arrangements for the monitoring of capital projects, which entail quarterly monitoring reports to be received by the Cabinet. The Capital Assets and Commercial Investment Review Group will also review project progress and corrective action will be initiated where projects fall behind schedule, appear likely to overspend or otherwise give cause for concern. Individual Project Forms will be maintained in respect of each project by the Head of Finance (S151 Officer) which will track the progress of projects and be available to officers and members with an interest in reviewing progress of those projects.

All projects will be assigned to a named officer who will be responsible for overseeing the project, including project monitoring and control and implementing exception reports and, where appropriate, corrective action if the project deviates from its planned progress or cost. Where complex major projects are to be carried out, consideration will be given to employing the Prince2 project management methodology.

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

Statutory Framework

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

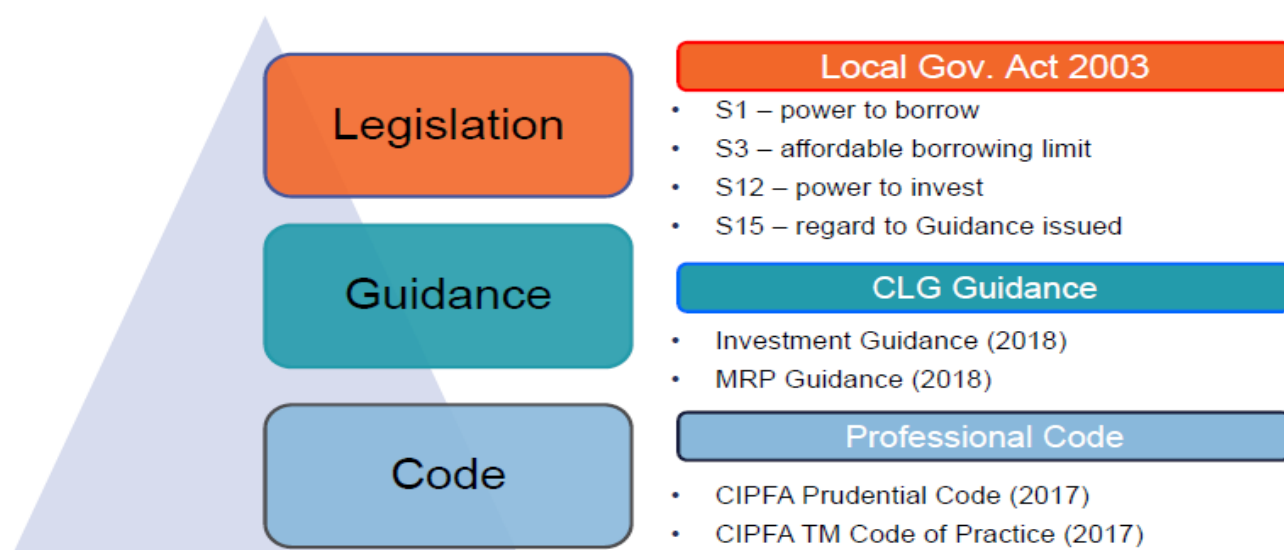
Capital expenditure is defined by the 2003 Act as that which falls to be capitalised in accordance with proper practices, which means in accordance with the Code of Practice on Local Authority Accounting, published by the Chartered Institute of Public Finance and Accountancy (CIPFA), applicable to all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

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

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

Capital Finance Regulations

Legal and Regulatory Requirements



Prudential Indicators

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

- Estimates of capital expenditure

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

- Actual capital expenditure

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

- Estimates of capital financing requirement

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

- Actual capital financing requirement

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

- Ratio of financing costs to net revenue streams

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

- Authorised limit on external borrowing

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

- Operational boundary for external debt

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

- Gross debt and capital financing requirement

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

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

Procurement

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

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

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

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

Future Capital Programme

Capital investment needs have been assessed over a ten year period (2022/23 to 2031/32) and are set out in Annex B.

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

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

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

- In respect of the Town Deals and Future High Streets Fund funding successfully bid for, these projects will have a significant impact upon the regeneration and recovery of both Newcastle and Kidsgrove Town centres
- In respect of the commercial portfolio in order to keep properties in a state of repair such as to continue to obtain a reasonable rental income
- To maintain various engineering structures such as walls, bridges, drains, and reservoirs to ensure safety to the public
- To enable agreed actions in relation to approved policies and strategies to be progressed and to meet other Council commitments.

Over the period 2022/23 to 2031/32 it is estimated that this expenditure will total £101.375m.

Funding will depend on capital receipts from asset sales. There will be insufficient capital receipts arising from these planned sales to meet all of the costs of the investment programme. Accordingly, it is estimated that around £13.369m of net expenditure will have to be funded from borrowing over the ten year period if the programme is to be delivered in its entirety.

There will be a consequent cost to the revenue budget which will have to be included in the MTFS projections. Based on the expenditure shown in Annex B and forecasts of the amount and timing of receipts and current capital financing costs, the additional costs to the revenue budget will be around £10.562m over 10 years, with the costs in each year 2022/23 to 2031/32 being as shown below:

Year	Total £m
2022/23	0.166
2023/24	0.609
2024/25	1.073
2025/26	1.090
2026/27	1.107
2027/28	1.267
2028/29	1.285
2029/30	1.303
2030/31	1.322
2031/32	1.340
Total	10.562

A capital programme for 2022/23 to 2024/25 totalling £66.652m will be recommended to Full Council on 23 February 2022, consistent with the detail shown in Annex B. The prudential indicators that will apply for this 3 year period are set out at Annex C.

Funding for 2022/23 expenditure is likely to be available from the following sources:

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

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

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

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

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

Expenditure that should be capitalised will include expenditure on the:

- Acquisition, reclamation or laying out of land
- Acquisition, construction, preparation, enhancement or replacement of roads, buildings and other structures
- Acquisition, installation or replacement of movable or immovable plant, machinery, apparatus, vehicles and vessels

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

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

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

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

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

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

2022/23 to 2031/32 Capital Programme

Annex B

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CAPITAL PROGRAMME	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	TOTAL
	£	£	£	£	£	£	£	£	£	£	£
PRIORITY - Local Services that work for Local People											
Service Area - Council Modernisation	609,820	55,000	287,000	485,500	80,000	4,000	65,000	80,000	45,000	145,000	3,646,320
Total	609,820	655,000	287,000	485,500	380,000	94,000	365,000	480,000	145,000	145,000	3,646,320
PRIORITY - Growing our People and Places											
Service Area - Housing Improvements	1,340,000	1,290,000	1,290,000	1,340,000	1,290,000	1,290,000	1,290,000	1,290,000	1,290,000	1,290,000	13,000,000
Service Area - Managing Property & Assets	1,885,576	1,374,991	1,084,639	1,634,201	865,622	727,875	519,919	405,400	1,243,371	1,243,371	10,984,965
Total	3,225,576	2,664,991	2,374,639	2,974,201	2,155,622	2,017,875	1,809,919	1,695,400	2,533,371	2,533,371	23,984,965
PRIORITY - A Healthy, Active and Safe Borough											
Service Area - Environmental Health	60,000	60,000	-	2,000	-	-	-	12,000	-	-	144,000
Service Area - Streetscene & Bereavement Services	2,438,850	950,000	1,465,000	415,000	300,000	205,000	165,000	180,000	1,205,000	1,205,000	8,528,850
Service Area - Recycling & Fleet	922,500	2,899,500	565,500	1,026,500	3,431,000	1,395,000	303,000	3,109,000	600,000	600,000	14,852,000
Service Area – Leisure and Cultural	848,000	90,000	16,000	150,000	-	10,000	-	-	-	-	1,114,000
Service Area - Engineering	590,000	1,070,000	85,000	272,000	20,000	-	-	-	125,000	125,000	2,287,000
Total	4,859,350	5,069,500	2,131,500	1,875,500	3,751,000	1,610,000	468,000	3,301,000	1,930,000	1,930,000	26,925,850
PRIORITY - A Town Centre for All											
Service Area - Managing Property & Assets	1,750,000	3,500,000	750,000	-	-	-	-	-	-	-	6,000,000
Future High Streets Fund	3,635,916	1,691,166	-	-	-	-	-	-	-	-	5,327,082
Town Deals – Newcastle	12,092,000	4,706,000	2,251,000	807,000	-	-	-	-	-	-	19,856,000
Town Deals - Kidsgrove	6,415,000	4,190,000	2,794,000	1,236,000	-	-	-	-	-	-	14,635,000
Total	23,892,916	14,087,166	5,795,000	2,043,000	-	-	-	-	-	-	45,818,082
CONTINGENCY											
TOTAL	33,587,662	22,476,657	10,588,139	7,378,201	6,286,622	3,721,875	2,642,919	5,476,400	4,608,371	4,608,371	101,375,217

FUNDING											
Capital Receipts	3,128,000	500,000	8,000,000	8,000,000	8,000,000	8,000,000	500,000	500,000	500,000	500,000	37,628,000
External Contributions	23,377,916	11,622,166	6,080,000	3,088,000	1,035,000	1,035,000	1,035,000	1,035,000	1,035,000	1,035,000	50,378,082
Borrowing	7,081,747	10,354,491	(3,491,861)	(3,709,799)	(2,748,378)	(5,313,125)	1,107,919	3,941,400	3,073,371	3,073,371	13,369,136
TOTAL	33,587,663	22,476,657	10,588,139	7,378,201	6,286,622	3,721,875	2,642,919	5,476,400	4,608,371	4,608,371	101,375,218

Annex C – Prudential Indicators

Capital Prudential Indicators

Actual and Estimate of Capital Expenditure

31/03/21 Actual (£000's)	31/03/22 Estimate (£000's)	31/03/23 Estimate (£000's)	31/03/24 Estimate (£000's)	31/03/25 Estimate (£000's)
7,521	19,522	33,588	22,477	10,588

The Capital Financing Requirement (The Councils Borrowing Need)

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

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

The CFR projections are below:

31/03/21 Actual (£000's)	31/03/22 Estimate (£000's)	31/03/23 Estimate (£000's)	31/03/24 Estimate (£000's)	31/03/25Estimate (£000's)
5,395	10,266	17,348	27,702	24,210

The amounts shown above from 2021/22 onwards allow the Council to borrow during those years to finance capital expenditure which cannot be funded from other revenue or capital resources. However, the likelihood of individual schemes, the timings and the amounts involved cannot be assessed with certainty at this point.

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

Affordability Prudential Indicators

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

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

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

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

	2020/21 Actual (£000's)	2021/22 Estimate (£000's)	2022/23 Estimate (£000's)	2023/24 Estimate (£000's)	2024/25 Estimate (£000's)
Net Revenue Stream	15,685	14,960	14,960	14,960	14,960
Financing Costs	(3)	115	166	609	1,073
Ratio	(0.02%)	0.77%	1.10%	4.07%	7.17%

Treasury Indicators

Limits to Borrowing Activity

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

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

The Operational Boundary

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

Operational boundary	2021/22 Estimate (£000's)	2022/23 Estimate (£000's)	2023/24 Estimate (£000's)	2024/25 Estimate (£000's)
Borrowing	75,000	75,000	75,000	75,000
Other long term liabilities	0	0	0	0

The Authorised Limit for External Borrowing

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

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

The Council is asked to approve the following authorised limit:

Authorised limit	2021/22 Estimate (£000's)	2022/23 Estimate (£000's)	2023/24 Estimate (£000's)	2024/25 Estimate (£000's)
Debt	85,000	85,000	85,000	85,000
Other Long Term Liabilities	0	0	0	0

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

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

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

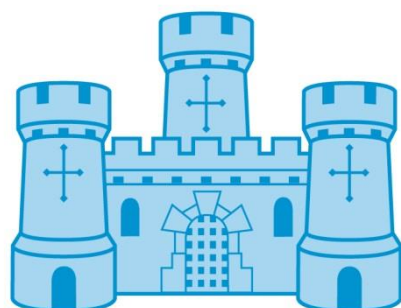
	Borrowing		Investments	
	Upper	Lower	Upper	Lower
2021/22	100%	0%	100%	0%
2022/23	100%	0%	100%	0%
2023/24	100%	0%	100%	0%
2024/25	100%	0%	100%	0%

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

	Borrowing		Investments	
	Upper	Lower	Upper	Lower
2021/22	100%	0%	100%	0%
2022/23	100%	0%	100%	0%
2023/24	100%	0%	100%	0%
2024/25	100%	0%	100%	0%

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

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**NEWCASTLE
UNDER LYME**
BOROUGH COUNCIL

Investment Strategy

2022/23



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Introduction

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

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

The Council invests its money for three broad purposes:

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

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

Possible Revisions to the Strategy

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

Treasury Management Investments

The Council typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £0m and £15m during the 2022/23 financial year.

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

Further details: Full details of the Council’s policies and its plan for 2022/23 for treasury management investments are covered in a separate document, the treasury management strategy.

Service Investments: Loans

Contribution: During 2020/21 the Council has not lent money to local charities, housing associations or any other bodies, and none has been lent to date during 2021/22. However the Council would consider applications from such bodies individually, in order to support local public services and stimulate local economic growth.

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

Loans for service purposes in £ thousands

Category of borrower	31/03/2021 Actual			2022/23
	Balance owing £'000	Loss allowance £'000	Net figure in accounts £'000	Approved Limit £'000
Local charities	0	0	0	500
Housing associations	0	0	0	10,000
Other bodies	0	0	0	500
TOTAL	0	0	0	11,000

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

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

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

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

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

The Council will consider the following points:

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

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

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

Service Investments: Shares

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

Shares held for service purposes in £ thousands

Category of company	31/03/2021 actual			2022/23
	Amounts invested £'000	Gains or losses £'000	Value in accounts £'000	Approved Limit £'000
Suppliers	0	0	0	250
Local businesses	0	0	0	250
TOTAL	0	0	0	500

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

If the Council were to consider placing funds in any other type of investment which would be categorised as Non-Specified, the security of the capital sum would be the paramount

concern. The same requirements as to credit ratings relating to Specified Investments will apply, and in appropriate cases the advice of the Council's treasury management advisors will be sought.

Commercial Investments: Property

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

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

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

The majority of the investment property portfolio was acquired some time ago and there is no debt associated with any of the properties and the initial investment costs have been recouped many years ago. Investment properties are valued at fair value. The values of the properties will fluctuate according to market conditions prevailing from time to time, however these fluctuations do not constitute losses of capital invested. The value of investment properties included in the Council's balance sheet as at 31 March 2021 is £14.749m.

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

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

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

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

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

- barriers to entry into and exit out of the market concerned;
- the nature and level of competition;
- how the market and customer needs will evolve over time;

- ongoing need for further investment to be made, for example to adapt investment property or repair defects or carry out cyclical maintenance; and
- whether there is sufficient internal capacity to assess the business case and risks relating to the proposal.

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

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

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

Loan Commitments and Financial Guarantees

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

Proportionality

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

Net investment property income is subject to fluctuation according to market conditions and other factors such as bad debts and unforeseen expenditure. Accordingly the possibility of shortfalls in contribution towards the revenue budget from this source is one of the factors specifically taken into consideration in calculating the level of General Fund balance to be held as a contingency against adverse budget variances. A total of £2.160m is held in balances at 31st March 2021 to cover this and other risks and can be drawn upon in the event of risks materialising.

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

Borrowing in Advance of Need

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

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

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

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

Capacity, Skills and Culture

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

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

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

Investment Indicators

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

Gross and Net Income - Historic and Current Year

	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Estimate*
	£'000	£'000	£'000	£'000
Commercial Properties				
Gross Income	907	806	925	959
Gross Expenditure - Excluding Capital Charges	(649)	(519)	(964)	(916)
Net Income / (Expenditure)	258	287	(40)	43
Net Service Expenditure (Whole Council)	(7,011)	(7,487)	(7,515)	(7,645)
Ratio of Net Income to Net Service Expenditure	3.68%	3.83%	-0.53%	0.56%

*Gross and Net Income - Over Period of Approved Medium Term Financial Strategy 2022/23 to 2026/27 – Based on 2% increase on 2021/22**

	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
	£'000	£'000	£'000	£'000	£'000
Gross Income	959	978	997	1,017	1,038
Gross Expenditure	-916	-935	-953	-972	-992
Net Income	43	43	44	45	46

* Change in recharge process, property staffing costs now directly charged to commercial properties

Vacancy Levels

	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual at Q2
	%	%	%	%
	10.1	8.3	5.7	6.4

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Treasury Management Strategy

2022/23



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Introduction

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

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

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

Economic Situation

Highlights of the report supplied by Arlingclose Ltd.

External Context

Economic background: The ongoing impact on the UK from coronavirus, together with higher inflation, the likelihood of higher interest rates, and the country's trade position post-Brexit, will be major influences on the Authority's treasury management strategy for 2022/23.

The Bank of England (BoE) held Bank Rate at 0.10% in November 2021 and maintained its Quantitative Easing programme at £895 billion. The Monetary Policy Committee (MPC) voted 7-2 to keep rates on hold and 6-3 to maintain the asset purchase programme. Within the announcement the MPC suggested interest rates would be increased soon, but not to the 1% level expected by financial markets. Within the November 2021 Monetary Policy Report, the Bank expected consumer price index (CPI) inflation to peak at around 5% in April 2022 before falling back as the impact from higher energy prices fade and demand slows.

UK CPI for September 2021 registered 3.1% year on year, slightly down from 3.2% in the previous month. Core inflation, which excludes the more volatile components, fell to 2.9% y/y from 3.1%. The most recent labour market data for the three months to August 2021 showed the unemployment rate fell to 4.5% while the employment rate rose to 75.3%. Both measures were helped by the extension of the government's furlough scheme, but this ended in September 2021 and while this may put some pressure on the jobs market, it is not expected to be material, with the BoE forecasting unemployment will only increase modestly in Q4 2021 according to its November 2021 Monetary Policy Report but remain low overall.

In August 2021, the headline 3-month average annual growth rate for wages were 7.2% for total pay and 6.0% for regular pay. In real terms, after adjusting for inflation, total pay growth was up 4.7% while regular pay was up 3.4%. These figures should be interpreted with caution, however, as pay growth is now being impacted by base effects compared to 12 months ago when earnings were first affected by the coronavirus pandemic. Moreover, there has also been a fall in the number and proportion of lower paid jobs, helping to push up the average earnings figure.

Gross domestic product (GDP) grew by 5.5% in the second calendar quarter of 2021, compared to a fall of -1.6% q/q in the previous three months, with the annual rate jumping to 23.6% from -6.1%. Here too, base effects from 2020 have resulted in the high Q2 2021 data. Monthly GDP estimates have shown the economy is recovering, with the economy now just 0.8% below its pre-pandemic level. Looking ahead, the BoE's November 2021 Monetary Policy Report forecasts economic growth will rise by 1.5% in Q3 2021, 1.0% in Q4 2021 with the economy expected to get back to its pre-pandemic

level in Q1 2022. GDP growth is now expected to be around 5% in 2022 (revised down from 6%), before slowing to 1.5% in 2023 and 1% in 2024.

Credit outlook: Since the start of 2021, relatively benign credit conditions have led to credit default swap (CDS) prices for the larger UK banks to remain low and have steadily edged down throughout the year to almost pre-pandemic levels. The improved economic outlook during 2021 helped bank profitability and reduced the level of impairments many had made as provisions for bad loans. However, the relatively recent removal of coronavirus-related business support measures by the government means the full impact on bank balance sheets may not be known for some time.

The improved economic picture during 2021 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several financial institutions, revising them from negative to stable.

Looking ahead, while there is still the chance of bank losses from bad loans as government and central bank support is removed, the institutions on the Authority's counterparty list are well-capitalised and general credit conditions across the sector are expected to remain benign. Duration limits for counterparties on the Authority's lending list are under regular review and will continue to reflect economic conditions and the credit outlook.

Interest rate forecast: The Authority's treasury management adviser Arlingclose is forecasting that Bank Rate will rise in calendar Q2 2022 to subdue inflationary pressures and the perceived desire by the BoE to move away from emergency levels of interest rates.

Investors continue to price in multiple rises in Bank Rate over the next forecast horizon, and Arlingclose believes that although interest rates will rise, the increases will not be to the extent predicted by financial markets. In the near-term, the risks around Arlingclose's central case are to the upside while over the medium-term the risks shift towards the downside.

Gilt yields had increased sharply on the back of higher inflation and anticipated central bank action, however in its November MPC meeting, the committee noted that market expectations for rates were excessive, and yields have since fallen back. Yields are expected to remain broadly at current levels over the medium-term, with the 5, 10 and 20 year gilt yields expected to average around 0.60%, 1.0%, and 1.35% respectively. The risks around the gilt yield forecast are judged to be broadly balanced in the near-term and to the downside over the remainder of the forecast horizon. As ever, there will almost certainly be short-term volatility due to economic and political uncertainty and events.

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

Local Context

On 30th November 2021, the Council held no borrowing and £16.8million of treasury investments, largely due to grant monies temporarily held. This is set out in further detail at Annex B. Forecast changes in these sums are shown in the balance sheet analysis in table below:

Balance Sheet Summary and Forecast	31/03/2021 Actual £m	31/03/2022 Forecast £m	31/03/2023 Forecast £m	31/03/2024 Forecast £m	31/03/2025 Forecast £m
General Fund CFR	5.4	10.3	17.3	27.7	24.2
Less: Existing external borrowing	0.0	0.0	(4.9)	(12.0)	(22.3)
Capital borrowing level	5.4	10.3	12.4	15.7	1.9
Less: Usable reserves	(13.4)	(7.4)	(5.0)	(3.9)	(4.0)
Less: Working capital	3.4	2.0	(0.3)	(1.5)	(1.4)
(New Investments or Cash)/ New external borrowing	(4.6)	4.9	7.1	10.3	(3.5)

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

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

CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. The table above shows that the Council expects to comply with this recommendation during 2022/23.

Liability benchmark: To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as above, but that cash and investment balances are kept to a minimum level of £1m at each year-end to maintain sufficient liquidity but minimise credit risk.

Liability Benchmark	31/03/2021 Actual £m	31/03/2022 Forecast £m	31/03/2023 Forecast £m	31/03/2024 Forecast £m	31/03/2025 Forecast £m
General Fund CFR	5.4	10.3	17.3	27.7	24.2
Less: Balance sheet resources	(10.0)	(5.4)	(10.2)	(17.4)	(27.7)
Net loans requirement	(4.6)	(4.9)	(7.1)	(10.3)	3.5
Plus: Liquidity Allowance	-	1.0	1.0	1.0	1.0
Liquidity benchmark	(4.6)	5.9	8.1	11.3	(4.5)

Borrowing Strategy

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

The balance sheet forecast, in the table above, shows that the Authority expects to borrow by the end of 2021/22. The Authority may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing.

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

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

By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal or short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2022/23 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

Although not utilised in recent years, the Council has previously considered the option of long-term borrowing from the Public Works Loans Board (PWLB). However consideration will now be given to long-term loans from other sources including banks, pensions and local authorities, and the Council will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Council intends to avoid this activity in order to retain its access to PWLB loans.

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

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

Sources of borrowing:

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

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board);
- any institution approved for investments (see below);
- any other bank or building society authorised to operate in the UK;
- any other UK public sector body;
- UK public and private sector pension funds;
- capital market bond investors; and
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues.

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

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

Municipal Bonds Agency: UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to Council.

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

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

Treasury Investment Strategy

The Council can hold significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's treasury investment balance has ranged between £2 million and £25 million. The highest figure of £25 million was invested at the beginning of the financial year, when the Council received monies in relation to grants that were to be distributed to local businesses in relation to Covid-19.

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

The Covid-19 pandemic has increased the risk that the Bank of England will set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. Since investments cannot pay negative income, negative rates will be applied by reducing the value of investments. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Given the increasing risk and very low returns from short-term unsecured bank investments, the Council aims to diversify into more secure and higher yielding asset classes during 2022/23.

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

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

Approved investment counterparties and limits

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	25 years	£7m	unlimited
Secured investments*	25 years	£7m	unlimited
Banks (unsecured)*	13 months	£7m	unlimited
Building societies (unsecured)*	13 months	£7m	£7m
Registered providers (unsecured)*	10 years	£10m	£10m
Money market funds*	n/a	£7m	unlimited
Real estate investment trusts	n/a	£2m	£2m
Other investments	5 years	£7m	£7m

* Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

For entities without published credit ratings, investments may be made either where external advice indicates the entity to be of similar credit quality.

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

Secured investments: Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the

counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

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

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

Money market funds: Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

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

Real estate investment trusts: Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

Other investments: This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.

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

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

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

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") so that it may fall below the approved rating criteria, then only investments that can be withdrawn will be made with that organisation until the outcome of the review is

announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

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

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

Investment limits: In order that the Council will not be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government and Registered Providers) will be £7 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes.

Limits are also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Additional Investment limits

	Cash limit
Any group of pooled funds under the same management	£7m per manager
Negotiable instruments held in a broker's nominee account	£7m per broker
Foreign countries	£7m per country

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

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

Treasury Management Indicators

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

Security

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

Credit risk indicator	Target
Portfolio average credit rating	A

Liquidity

The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling [three] month period, without additional borrowing.

Liquidity risk indicator	Target
Total cash available within 3 months	£1m

Interest rate exposures

This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest rate indicator	Limit
Upper limit on one-year revenue impact of a 1% rise in interest rates	(£121,000)
Upper limit on one-year revenue impact of a 1% fall in interest rates	£121,000

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at new market rates.

Maturity structure of borrowing

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

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

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

Principal sums invested for periods longer than a year

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

Price risk indicator	2021/22	2022/23	2023/24
Limit on principal invested beyond year end	£25m	£25m	£25m

Related Matters

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

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

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

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.

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

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

Financial Implications

Due to the current rate of return on investments, the budget for investment income in 2022/23 is nil. If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different.

Other Options Considered

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

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

Annex A – Arlingclose Economic & Interest Rate Forecast November 2020

Underlying assumptions:

- The global economy continues to recover from the pandemic but has entered a more challenging phase. The resurgence of demand has led to the expected rise in inflationary pressure, but disrupted factors of supply are amplifying the effects, increasing the likelihood of lower growth rates ahead. This is particularly apparent in the UK due to the impact of Brexit.
- While Q2 UK GDP expanded more quickly than initially thought, the 'pingdemic' and more latterly supply disruption will leave Q3 GDP broadly stagnant. The outlook also appears weaker. Household spending, the driver of the recovery to date, is under pressure from a combination of retail energy price rises, the end of government support programmes and soon, tax rises. Government spending, the other driver of recovery, will slow considerably as the economy is taken off life support.
- Inflation rose to 3.2% in August. A combination of factors will drive this to over 4% in the near term. While the transitory factors affecting inflation, including the low base effect of 2020, are expected to unwind over time, the MPC has recently communicated fears that these transitory factors will feed longer-term inflation expectations that require tighter monetary policy to control. This has driven interest rate expectations substantially higher.
- The supply imbalances are apparent in the labour market. While wage growth is currently elevated due to compositional and base factors, stories abound of higher wages for certain sectors, driving inflation expectations. It is uncertain whether a broad-based increased in wages is possible given the pressures on businesses.
- Government bond yields increased sharply following the September FOMC and MPC minutes, in which both central banks communicated a lower tolerance for higher inflation than previously thought. The MPC in particular has doubled-down on these signals in spite of softer economic data. Bond investors expect higher near-term interest rates but are also clearly uncertain about central bank policy.
- The MPC appears to be playing both sides, but has made clear its intentions to tighten policy, possibly driven by a desire to move away from emergency levels. While the economic outlook will be challenging, the signals from policymakers suggest Bank Rate will rise unless data indicates a more severe slowdown.

Forecast:

- Arlingclose expects Bank Rate to rise in Q2 2022. We believe this is driven as much by the Bank's desire to move from emergency levels as by fears of inflationary pressure.
- Investors have priced in multiple rises in Bank Rate to 1% by 2024. While we believe Bank Rate will rise, it is by a lesser extent than expected by markets.

- Gilt yields have risen sharply as investors factor in higher interest rate and inflation expectations. From here, we believe that gilt yields will be broadly steady, before falling as inflation decreases and market expectations fall into line with our forecast.
- The risk around our forecasts for Bank Rate is to the upside over the next few months, shifting to the downside in the medium term. The risks around the gilt yield forecasts are initially broadly balanced, shifting to the downside later.

	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Official Bank Rate													
<i>Upside risk</i>	0.15	0.15	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Arlingclose Central Case	0.10	0.10	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
<i>Downside risk</i>	0.00	0.00	-0.15	-0.15	-0.15	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40
3-mth money market rate													
<i>Upside risk</i>	0.10	0.15	0.20	0.20	0.30	0.30	0.30	0.30	0.35	0.35	0.35	0.35	0.35
Arlingclose Central Case	0.10	0.15	0.35	0.40	0.45	0.60	0.65	0.65	0.60	0.60	0.60	0.60	0.60
<i>Downside risk</i>	0.00	-0.05	-0.25	-0.25	-0.30	-0.45	-0.50	-0.50	-0.45	-0.45	-0.45	-0.45	-0.45
5-yr gilt yield													
<i>Upside risk</i>	0.25	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Arlingclose Central Case	0.65	0.65	0.65	0.65	0.65	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
<i>Downside risk</i>	-0.25	-0.25	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40
10-yr gilt yield													
<i>Upside risk</i>	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
Arlingclose Central Case	1.05	1.05	1.05	1.05	1.05	1.05	1.00	0.95	0.95	0.95	0.90	0.90	0.90
<i>Downside risk</i>	-0.25	-0.35	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50
20-yr gilt yield													
<i>Upside risk</i>	0.30	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Arlingclose Central Case	1.40	1.40	1.40	1.40	1.35	1.35	1.30	1.30	1.30	1.30	1.30	1.30	1.30
<i>Downside risk</i>	-0.35	-0.40	-0.45	-0.45	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
50-yr gilt yield													
<i>Upside risk</i>	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Arlingclose Central Case	1.30	1.30	1.30	1.30	1.25	1.25	1.20	1.20	1.20	1.20	1.20	1.20	1.20
<i>Downside risk</i>	-0.35	-0.35	-0.35	-0.40	-0.40	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

Annex B – Existing Investment & Debt Portfolio Position

	30/11/2021 Actual Portfolio £m	30/11/2021 Average Rate %
<i>Treasury investments:</i>		
Banks & building societies (unsecured)	3.8	0.00
Government (incl. local authorities)	11.0	0.00
Money Market Funds	2.0	0.05
Total treasury investments	16.8	
Total external borrowing	0.0	
Net investments	16.8	

Annex C – Minimum Revenue Provision Policy

Background

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

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

Option 1 – Regulatory Method

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

Option 2 – Capital Financing Requirement Method

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

Option 3 – Asset Life Method

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

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

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

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

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

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

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

Option 4 – Depreciation Method

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

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

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

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

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

MRP Policy in respect of Finance Leases

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

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

MRP Policy – Other Capital Expenditure

Capital Financing Requirement (CFR)

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

Option for making MRP

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

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

Annex D – Treasury Management Glossary of Terms

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

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

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S REPORT TO

Finance Assets and Performance Scrutiny Committee 20 January 2022

Report Title: Scale of Fees and Charges 2022/23

Submitted by: Head of Finance (Section 151 Officer)

Portfolios: Finance, Town Centres and Growth

Ward(s) affected: All

Purpose of the Report

To enable the Committee to scrutinise the proposed scale of fees and charges to apply from 1 April 2022.

Recommendation

1. That the fees and charges proposed to apply from 1 April 2022, as set out in Appendix 1 be noted.

Reasons

It is necessary to scrutinise the fees and charges which the Council makes in order to keep them in line with the cost of service provision, ensure compliance with the Charging Policy and to establish the amounts to be included in the 2022/23 budget.

1. **Background**

- 1.1 The Cabinet is asked annually to consider proposals for the fees and charges to be applied during the following financial year. It is proposed that the new fees and charges set out at Appendix 1 should take effect from 1 April 2022 and remain in force until 31 March 2023.
- 1.2 The Council has an approved Charging Policy (the most recent version of which was approved by Cabinet on 10 September 2014, shown at Appendix 2), which is followed when fees and charges are proposed and agreed. This sets out the criteria that should be taken into consideration when establishing the amounts to be charged.

2. **Issues**

- 2.1 The Medium Term Financial Strategy, reviewed by Cabinet on 1 December 2021, assumed a 3% increase in the amount of income raised from fees and charges in 2022/23 in line with assumptions about the rate of inflation over the period that these charges will be in force, reflecting the real increases in costs being incurred by services.
- 2.2 The proposals made vary between minimal decreases, freezes in fees and charges and increases. When these proposals are applied to the appropriate income budgets they fall broadly in line with the assumed overall 3% increase.

- 2.3 Most of the fees and charges are inclusive of VAT but in some cases no VAT is chargeable or VAT is added to the fee or charge. The VAT status of individual fees and charges is shown in Appendix 1.
- 2.4 When considering the level of fees and charges the principles contained in the Charging Policy should be followed.
- 2.5 In drawing up the proposed fees and charges for 2022/23 these have been considered by Heads of Service who were provided with a copy of the Charging Policy and were requested to ensure that their charges were set in accordance with the Charging Policy, taking into account:
- The cost of providing the service;
 - How much income it is desired to generate and why;
 - Comparison of charges made by other Councils or providers of similar services;
 - Whose use of services it is desired to subsidise and by how much;
 - Whose behaviour it is desired to influence and in what ways;
 - How will charges help to improve value for money, equity and access to services;
 - Will the cost of collecting the income outweigh the income likely to be collected; and
 - Any other relevant factors.
- 2.6 It is acceptable for charges to be set at a level where costs are not fully recovered. There may be particular reasons for doing so, such as a desire to encourage take up of a service by specified groups, for example the unemployed, benefits recipients, the elderly, disabled persons or children, or to influence particular forms or patterns of behaviour.
- 2.7 The decision to charge less than cost ought to be a conscious one, taken by members and justified by reference to the reasons for setting charges at less than cost as set out in the charging principles contained in section 5 of the Charging Policy, shown in Appendix 2.
- 2.8 For 2022/23 a considerable number of fees compared to previous years have remained frozen due to the impact of Covid-19. This is due to the negative impact it may have had on service uptake. This has been factored into the Medium Term Financial Strategy assumptions.
- 2.9 The Scale of Fees and Charges (Appendix 1) shows the current and proposed fees and charges for 2022/23 and indicates those which have been frozen at current levels. There are a number of new charges proposed for 2022/23. The table below shows these:

New Charges - Description of Charge	Fee / Charge 2022/23 (£)
CEMETERIES / CREMATORIUM	
Sundry Items	
Casket Plaque for Crematorium Boxes	15.00
Double Casket	118.00
MUSEUM & ART GALLERY	
Hire of Alder Room per hour (Function/Corporate)	20.00
Hire of Alder Room per hour (Not for profit/Charity)	14.00
Hire of Willow Room per hour (Function/Corporate)	30.00
Hire of Willow Room per hour (Not for profit/Charity)	20.00

- 2.10 Following the Museum's refurbishment, the Alder room and Willow room have been added as new fees for 2022/23. These replace the previous meeting room fees that are shown in the table of deletions below.
- 2.11 A new product category is being provided by bereavement services, allowing for double caskets and plaques for crematorium boxes.
- 2.12 A number of fees and charges approved for 2021/22 have been deleted from the proposed fees and charges for 2022/23. The table below shows these:

Deleted Charges - Description of Charge	Fee / Charge 2021/22 (£)
HIRE OF ROOMS (KIDSGROVE)	
Standard rates:	
Room 1 - per day (Mon & Fri)	21.00
Room 1 - per half day (Tues & Thurs pm)	11.00
Local statutory bodies:	
Room 1 - per day (Mon & Fri)	16.00
Room 1 - per half day (Tues & Thurs pm)	9.00
Voluntary & community sector:	
Room 1 - per day (Mon & Fri)	11.00
Room 1 - per half day (Tues & Thurs pm)	8.00
MUSEUM & ART GALLERY	
Hire of meeting room - half day	30.50
Hire of meeting room - half day - community/charity	22.50
Hire of meeting room - full day	60.00
Hire of meeting room - full day - community/charity	37.75

- 2.13 Fees in relation to the Hire of Rooms (Kidsgrove) have been removed as the rooms are no longer available for hire.
- 2.14 The removal of meeting room hire fees at the Museum & Art Gallery have been replaced with specific fees for each of the rooms available following the building extension and refurbishment. The fees for the Alder and Willow room are highlighted above in the table of new charges.
- 2.15 Due to the commercial sensitivity of the proposed charges for the trade waste service, these are not included on part 1 of the agenda and are exempt from publication by reasons of paragraph 3 of part 1 of schedule 12a of the Local Government Act 1972. The proposed charges can be found in part 2 of the agenda.

3. **Proposal**

- 3.1 That the fees and charges proposed to apply from 1 April 2022, as set out in Appendix 1 be noted.

4. **Reason for Preferred Solution**

- 4.1 Applying selective increases to fees and charges will enable economic activity to be promoted within the Borough. It will also contribute to the delivery of a sustainable budget for 2022/23 and later years and will help to keep fees and charges in line with the cost of service provision.

5. **Options Considered**

- 5.1 None.

6. **Legal and Statutory Implications**

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

7. **Equality Impact Assessment**

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

8. **Financial and Resource Implications**

- 8.1 The approved levels of fees and charges will be incorporated in the General Fund Budget for 2022/23. The Medium Term Financial Strategy (MTFS) assumes increased income of £158,000 from an average increase of 3% across the existing range of fees and charges.
- 8.2 The proposals made vary between minimal decreases to increases. When these proposals are applied to the appropriate income budgets they fall broadly in line with the assumed overall 3% increase.

9. **Major Risks**

- 9.1 A major risk is that the current depressed economic situation due to the Covid-19 virus leads to less demand from users of Council services, resulting in significant loss of income. The level of charges will in some cases influence this demand.

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

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



11. **Key Decision Information**

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

12. **Earlier Cabinet / Committee Resolutions**

- 12.1 Medium Term Financial Strategy 2022/23 to 2026/27, Cabinet 13 October 2021.
- 12.2 Medium Term Financial Strategy 2022/23 to 2026/27, Cabinet 1 December 2021.
- 12.3 Medium Term Financial Strategy 2022/23 to 2026/27, Finance, Assets and Performance Scrutiny Committee 13 December 2021.
- 12.3 Fees and Charges 2022/23, Cabinet 12 January 2022.

13. **List of Appendices**

- 13.1 Appendix 1 – Proposed charges from 1 April 2022.
Appendix 2 – Charging principles included in Charging Policy.

14. **Background Papers**

- 14.1 None.

SCALE OF FEES AND CHARGES 2022/23

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	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
ALLOTMENTS				Cabinet	No VAT
Rent (per annum) per square metre Note: 20% concession for Junior/60+/Unemployed	0.48	0.50	0.02		
BULKY RECYCLING				Cabinet	No VAT
1-3 Items non reusable/waste items	39.30	40.50	1.20		
4-6 Items non reusable/waste items	62.75	64.75	2.00		
7-9 Items non reusable/waste items	78.60	81.00	2.40		
Additional items non reusable/waste items	11.75	12.10	0.35		
Reusable items	Free	Free	Freeze		
BUS DEPARTURE CHARGES				Cabinet	Plus VAT
Fee per departure	0.23	0.24	0.01		
CAR PARKS				Cabinet	No VAT
Charges for Infringements					
Civic parking enforcement - higher charge	70.00	70.00	Freeze		
Civic parking enforcement - lower charge	50.00	50.00	Freeze		
Discount for block purchase of permits					
Discount for purchase of 20 or more permits	20.00	20.00	Freeze		
Construction permit (max of 1 week permit)					VAT Incl.
Initial day rate	15.00	15.00	Freeze		
Additional days	6.00	6.00	Freeze		
Bankside					VAT Incl.
Season ticket - per quarter	156.00	156.00	Freeze		
Each additional permit for the same numbered bay - per quarter	25.00	25.00	Freeze		
Overnight quarterly permit	60.00	60.00	Freeze		

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
Blackfriars (Zone C)					VAT Incl.
Up to 1 hour	1.00	1.00	Freeze		
Up to 2 hours	1.50	1.50	Freeze		
Up to 3 hours	2.00	2.00	Freeze		
Up to 4 hours	2.50	2.50	Freeze		
Up to 6 hours	3.00	3.00	Freeze		
6 hours to 24 hours	3.50	3.50	Freeze		
Season ticket - per quarter	156.00	156.00	Freeze		
Overnight 1pm to 8am	1.00	1.00	Freeze		
Overnight quarterly permit	60.00	60.00	Freeze		
Bank Holiday	1.00	1.00	Freeze		
Event Parking	1.00	1.00	Freeze		
Cherry Orchard (Zone B)					VAT Incl.
Up to 1 hour	1.00	1.00	Freeze		
Up to 2 hours	1.90	1.90	Freeze		
Up to 3 hours	2.80	2.80	Freeze		
Up to 4 hours	4.00	4.00	Freeze		
4 hours to 24 hours	5.20	5.20	Freeze		
Season ticket - per quarter	156.00	156.00	Freeze		
Overnight 1pm to 8am	1.00	1.00	Freeze		
Overnight quarterly permit	60.00	60.00	Freeze		
Bank Holiday	1.00	1.00	Freeze		
Event Parking	1.00	1.00	Freeze		
Civic Offices - Saturdays Only (Zone A)					VAT Incl.
Up to 1 hour	1.00	1.00	Freeze		
Up to 2 hours	1.90	1.90	Freeze		
Up to 3 hours	2.80	2.80	Freeze		
Up to 4 hours	4.00	4.00	Freeze		
Event Parking	1.00	1.00	Freeze		
Corporation Street/Merrial Street (Zone A)					VAT Incl.
Up to 1/2 hour	0.80	0.80	Freeze		
Up to 1 hour	1.50	1.50	Freeze		
Overnight 1pm to 8am	1.00	1.00	Freeze		
Overnight quarterly permit	60.00	60.00	Freeze		
Bank Holiday	1.50	1.50	Freeze		
Event Parking	1.50	1.50	Freeze		

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
Fogg Street East (Zone A)					
Season ticket - per quarter	156.00	156.00	Freeze		VAT Incl.
Each additional permit for the same numbered bay - per quarter	25.00	25.00	Freeze		
Overnight quarterly permit	60.00	60.00	Freeze		
Goose Street (Zone B)					VAT Incl.
Up to 1 hour	1.00	1.00	Freeze		
Up to 2 hours	1.90	1.90	Freeze		
Up to 3 hours	2.80	2.80	Freeze		
Up to 4 hours	4.00	4.00	Freeze		
4 hours to 24 hours	5.20	5.20	Freeze		
Season ticket - per quarter	156.00	156.00	Freeze		
Overnight 1pm to 8am	1.00	1.00	Freeze		
Overnight quarterly permit	60.00	60.00	Freeze		
Bank Holiday	1.00	1.00	Freeze		
Event Parking	1.00	1.00	Freeze		
Hassell Street (Zone B)					VAT Incl.
Up to 1 hour	1.00	1.00	Freeze		
Up to 2 hours	1.90	1.90	Freeze		
Up to 3 hours	2.80	2.80	Freeze		
Up to 4 hours	4.00	4.00	Freeze		
4 hours to 24 hours	5.20	5.20	Freeze		
Season ticket - per quarter	156.00	156.00	Freeze		
Resident permit - per quarter	60.00	60.00	Freeze		
Overnight 1pm to 8am	1.00	1.00	Freeze		
Overnight quarterly permit	60.00	60.00	Freeze		
Bank Holiday	1.00	1.00	Freeze		
Event Parking	1.00	1.00	Freeze		
High Street (Rear of)					VAT Incl.
Season ticket - per quarter	156.00	156.00	Freeze		
Each additional permit for the same numbered bay - per quarter	25.00	25.00	Freeze		
Overnight quarterly permit	60.00	60.00	Freeze		
King Street (Zone C)					VAT Incl.
Up to 1 hour	1.00	1.00	Freeze		
Up to 2 hours	1.50	1.50	Freeze		
Up to 3 hours	2.00	2.00	Freeze		

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
Up to 4 hours	2.50	2.50	Freeze		
Up to 6 hours	3.00	3.00	Freeze		
6 hours to 24 hours	3.50	3.50	Freeze		
Season Ticket - per quarter	156.00	156.00	Freeze		
Overnight 1pm to 8am	1.00	1.00	Freeze		
Overnight quarterly permit	60.00	60.00	Freeze		
Bank Holiday	1.00	1.00	Freeze		
Event Parking	1.00	1.00	Freeze		
Lyme Valley					
Up to 2 hours	Free	Free	Freeze		VAT Incl.
Up to 3 hours	3.20	3.20	Freeze		
Up to 3 hours – Buckmaster Ave	Free	Free	Freeze		
Up to 4 hours	4.25	4.25	Freeze		
4 - 24 hours	6.00	6.00	Freeze		
Lyme Valley A34 Season Ticket - per quarter	156.00	156.00	Freeze		
Lyme Valley Buckmaster Ave - Season Ticket - per quarter	156.00	156.00	Freeze		
Lyme Valley - LymeValley Road Season Ticket - per quarter	156.00	156.00	Freeze		
Bank Holiday	Free	Free	Freeze		
Midway (Zone A)					VAT Incl.
Up to 1 hour	1.10	1.10	Freeze		
Up to 2 hours	2.10	2.10	Freeze		
Up to 3 hours	3.20	3.20	Freeze		
Up to 4 hours	4.25	4.25	Freeze		
Up to 24 hours	6.00	6.00	Freeze		
Season ticket - per quarter	156.00	156.00	Freeze		
Overnight 1pm to 8am (closed at 9pm Mon-Sat and 5.30pm on Sunday))	1.00	1.00	Freeze		
Overnight quarterly permit	60.00	60.00	Freeze		
Bank Holiday	1.10	1.10	Freeze		
Event Parking	1.10	1.10	Freeze		
Ryecroft (Zone B)					VAT Incl.
Up to 1 hour	1.10	1.10	Freeze		
Up to 2 hours	2.10	2.10	Freeze		
Up to 3 hours	3.20	3.20	Freeze		
Up to 4 hours	4.25	4.25	Freeze		
Up to 24 hours	6.00	6.00	Freeze		

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
Overnight 1pm to 8am	1.10	1.10	Freeze		
Bank Holiday	1.10	1.10	Freeze		
Event Parking	1.10	1.10	Freeze		
School Street/Barracks Road (Zone B)					VAT Incl.
Up to 1 hour	1.00	1.00	Freeze		
Up to 2 hours	1.90	1.90	Freeze		
Up to 3 hours	2.80	2.80	Freeze		
Season ticket - per quarter	156.00	156.00	Freeze		
Overnight 1pm to 8am	1.00	1.00	Freeze		
Overnight quarterly permit	60.00	60.00	Freeze		
Bank Holiday	1.00	1.00	Freeze		
Event Parking	1.00	1.00	Freeze		
Silverdale Road (Zone C)					VAT Incl.
Up to 1 hour	1.00	1.00	Freeze		
Up to 2 hours	1.50	1.50	Freeze		
Up to 3 hours	2.00	2.00	Freeze		
Up to 6 hours	3.00	3.00	Freeze		
6 hours to 24 hours	3.50	3.50	Freeze		
Season ticket - per quarter	156.00	156.00	Freeze		
Resident permit - per quarter	60.00	60.00	Freeze		
Overnight 1pm to 8am	1.00	1.00	Freeze		
Overnight quarterly permit	60.00	60.00	Freeze		
Bank Holiday	1.00	1.00	Freeze		
Event Parking	1.00	1.00	Freeze		
Windsor Street (Zone B)					VAT Incl.
Up to 1 hour	1.00	1.00	Freeze		
Up to 2 hours	2.00	2.00	Freeze		
Season ticket - after school (30 minutes)	30.00	30.00	Freeze		
Overnight 1pm to 8am	1.00	1.00	Freeze		
Overnight quarterly permit	60.00	60.00	Freeze		
Bank Holiday	1.00	1.00	Freeze		
Event Parking	1.00	1.00	Freeze		
CEMETERIES				Cabinet	
Interment Fees - Resident Fees					No VAT
17 years and under	Free	Free	Freeze		
18 years & over	960.00	989.00	29.00		

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
Woodland burial - Keele Cemetery (1 full interment only in each grave)	512.00	527.00	15.00		
Cremated remains at 2 feet	421.00	434.00	13.00		
Woodland burial cremated remains at 2 feet - Keele Cemetery (4 interments only in each grave)	421.00	434.00	13.00		
Additional depth for cremated remains over 2 feet	151.00	156.00	5.00		
Additional depth over 6 feet per foot	161.00	166.00	5.00		
Purchase of Graves - Resident Fees (includes right to erect memorial for single grave)					No VAT
Exclusive Right of Burial & Memorialisation for a Single Grave	1,294.00	1,333.00	39.00		
Lawn Graves Reservation	1,294.00	1,333.00	39.00		
Exclusive Right of Burial in a Woodland Grave at Keele Cemetery (1 full interment only in each grave plus memorial tree)	953.00	982.00	29.00		
Reservation of Woodland Grave	953.00	982.00	29.00		
Exclusive Right of Burial and Memorialisation in a Cremated Remains Grave at 2ft	640.00	659.00	19.00		
Reservation of a Cremated Remains Grave	640.00	659.00	19.00		
Exclusive Right of Burial in a Woodland Cremated Remains Grave, Keele Cemetery at 2ft	640.00	659.00	19.00		
Inclusive of a Shrub					
Reservation of Woodland Cremated Remains Grave	640.00	659.00	19.00		
Renewal of exclusive right of burial & memorialisation (full grave)	612.00	630.00	18.00		
Renewal of exclusive right of burial & memorialisation (cremated remains grave)	307.00	316.00	9.00		
Transfer of ownership of exclusive rights of burial & memorialisation	98.00	101.00	3.00		
Duplicate deed	51.00	53.00	2.00		
Interment Fees - Non-Resident Fees					No VAT
17 years and under	Free	Free	Freeze		
18 years & over	1,440.00	1,483.00	43.00		

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
Woodland burial - Keele Cemetery (1 full interment only in each grave)	768.00	791.00	23.00		
Cremated remains at 2 feet	631.00	650.00	19.00		
Woodland burial cremated remains at 2 feet - Keele Cemetery (4 interments only in each grave)	631.00	650.00	19.00		
Additional depth for cremated remains over 2 feet	226.00	233.00	7.00		
Additional depth over 6 feet per foot	242.00	249.00	7.00		
Purchase of Graves - Non-Resident Fees (includes right to erect memorial for single grave)					No VAT
Exclusive Right of Burial & Memorialisation for a Single Grave	1,941.00	2,000.00	59.00		
Lawn Graves Reservation	1,941.00	2,000.00	59.00		
Exclusive Right of Burial in a Woodland Grave at Keele Cemetery (1 full interment only in each grave plus memorial tree)	1,430.00	1,473.00	43.00		
Reservation of Woodland Grave	1,430.00	1,473.00	43.00		
Exclusive Right of Burial and Memorialisation in a Cremated Remains Grave at 2ft	960.00	989.00	29.00		
Reservation of a Cremated Remains Grave	960.00	989.00	29.00		
Exclusive Right of Burial in a Woodland Cremated Remains Grave, Keele Cemetery at 2ft	960.00	989.00	29.00		
Inclusive of a Shrub					
Reservation of Woodland Cremated Remains Grave	960.00	989.00	29.00		
Renewal of exclusive right of burial & memorialisation (full grave)	918.00	946.00	28.00		
Renewal of exclusive right of burial & memorialisation (cremated remains grave)	461.00	475.00	14.00		
Transfer of ownership of exclusive rights of burial & memorialisation	147.00	152.00	5.00		
Duplicate deed of exclusive rights of burial & memorialisation	77.00	80.00	3.00		
Erection of Memorials (no prior right given)					No VAT
Memorial not exceeding 3 feet in height	157.00	162.00	5.00		

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
Replacement memorial	52.00	54.00	2.00		
Columbarium					No VAT
10 year lease including 1st interment	595.00	613.00	18.00		
2nd interment	83.00	86.00	3.00		
Renewal of 10 year lease	298.00	307.00	9.00		
Additional 5 year lease	298.00	307.00	9.00		
Use of Chapel & Community Room					No VAT
Newcastle cemetery chapel	83.00	86.00	3.00		
Keele community room - service	83.00	86.00	3.00		
Keele community room - full day hire	80.00	80.00	Freeze		
Keele community room - half day hire	43.00	43.00	Freeze		
Keele community room - per hour hire	16.50	16.50	Freeze		
Private Maintenance of Grave Non-Lawn Types					No VAT
Turfing	51.00	53.00	2.00		
Spring/summer planting & maintenance	106.00	109.00	3.00		
Sundry Items					VAT Incl.
Single abstract information from registrar	74.00	76.00	2.00		
Family history research	24.00	25.00	1.00		
Casket - Single	90.00	93.00	3.00		
Casket - Double	-	118.00	New		
Casket Plaque for Crematorium Boxes	-	15.00	New		
Wooden cross	50.00	51.00	1.00		
Memorial benches	768.00	791.00	23.00		
Memorial benches - maintenance By request (cleaning & staining)	179.00	184.00	5.00		
Memorial trees	393.00	405.00	12.00		
Barrier fob replacements	11.00	12.00	1.00		
CIRCUSES & FAIRS				Cabinet	No VAT
Hire rate per day of site presence (based on an 8 hour day - 1 day to set up & 1 day to dismantle free of charge)	650.00	670.00	20.00		
Returnable deposit - cleaning	950.00	980.00	30.00		

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
Returnable deposit - damage	950.00	980.00	30.00		
COVENANT CONSENTS				Cabinet	No VAT
Covenant consents	150.00	155.00	5.00		
CREMATORIUM				Cabinet	No VAT
Cremation Fees					No VAT
17 years of age and under	Free	Free	Freeze		
18 years & over 9.20am service time only	486.00	501.00	15.00		
18 years & over from 10am	715.00	736.00	21.00		
Cremation environmental charge	75.00	77.00	2.00		
Burial of remains cremated elsewhere	221.00	228.00	7.00		
Chapel hire - additional use to cremation service	81.00	86.00	5.00		
Obitus Fees					VAT Incl.
Webcast Live	31.00	32.00	1.00		
Webcast Live + 28 day + downloadable	46.00	47.00	1.00		
Webcast - Keepsake copy	51.00	53.00	2.00		
Single Photo	12.50	13.00	0.50		
Slideshow	39.00	40.00	1.00		
Pro Tribute	71.00	73.00	2.00		
Family-made Video Checking	19.00	20.00	1.00		
Keepsake copy of Pro Tribute	24.00	25.00	1.00		
Downloadable Pro Tribute	11.00	11.00	Freeze		
Additional physical copies	24.00	24.00	Freeze		
Each extra 25 photos	22.00	23.00	1.00		
Extra work	22.00	23.00	1.00		
Urns & Containers					VAT Incl.
Casket - Single	90.00	93.00	3.00		
Casket - Double	-	118.00	New		
Casket Plaque for Crematorium Boxes	-	15.00	New		
Postage & packaging	Cost	Cost	Freeze		
Memorialisation					VAT Incl.
Book of remembrance per line (up to 3 lines)	33.00	34.00	1.00		

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
Book of remembrance for 4 lines	112.00	115.00	3.00		
Book of remembrance for 5 lines	144.00	148.00	4.00		
Book of remembrance for 6 lines	175.00	180.00	5.00		
Book of remembrance for 7 lines	205.00	211.00	6.00		
Book of remembrance for 8 lines	239.00	246.00	7.00		
Simple floral emblem	97.00	100.00	3.00		
Coat of arms, badges, ornate floral emblem	133.00	137.00	4.00		
Additional lines of inscription for cards/books	33.00	34.00	1.00		
Plaques					VAT Incl.
12" x 4" new plaque & 10 year hire	362.00	373.00	11.00		
Each succeeding 10 year hire	145.00	149.00	4.00		
12" x 8" new plaque & 10 year hire	723.00	745.00	22.00		
Each succeeding 10 year hire	291.00	300.00	9.00		
24" x 8" each succeeding 10 year hire	577.00	594.00	17.00		
Adding to existing plaque per letter or figure	7.00	7.00	Freeze		
Regilding existing letters	5.00	5.00	Freeze		
Additional Memorials					VAT Incl.
Memorial benches	768.00	791.00	23.00		
Memorial benches maintenance by request (cleaning & staining)	179.00	184.00	5.00		
Memorial vases	353.00	364.00	11.00		
Each succeeding 5 year hire	213.00	220.00	7.00		
Vases various – small	Various	Various	Freeze		
Planters	815.00	839.00	24.00		
Each succeeding 5 year hire	332.00	342.00	10.00		
Trees	697.00	718.00	21.00		
Each succeeding 10 year hire	364.00	375.00	11.00		
Additional plaques	89.00	92.00	3.00		
Shrubs (inclusive of aluminium vase)	387.00	399.00	12.00		
Each succeeding 5 year hire	166.00	171.00	5.00		
Donations Memorial Fish/Bulbs	Various	Various	Freeze		

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
DOG WARDEN SERVICE				Cabinet	
Recovery of Stray Dogs					No VAT
During normal working hours - reclaim fee	70.00	70.00	Freeze		
Daily kennelling fees	Cost	Cost	Freeze		
ELECTIONS				Statutory	
Regulations 48 & 49 Representation of the People Regulations 2001					No VAT
Supply of Full Register					
Sale of full register (printed)	10.00	10.00	Freeze		
Plus per 1,000 names or part 1,000 (printed)	5.00	5.00	Freeze		
Sale of full register (data)	20.00	20.00	Freeze		
Plus per 1,000 names or part 1,000 (data)	1.50	1.50	Freeze		
List of overseas electors (printed)	10.00	10.00	Freeze		
Plus per 100 names or part 100 (printed)	5.00	5.00	Freeze		
List of overseas electors (data)	20.00	20.00	Freeze		
Plus per 100 names or part 100 (data)	1.50	1.50	Freeze		
Supply of Edited Register					No VAT
Sale of edited register (printed)	10.00	10.00	Freeze		
Plus per 1,000 names or part 1,000 (printed)	5.00	5.00	Freeze		
Sale of register (data)	220.00	220.00	Freeze		
Plus per 1,000 names or part 1,000 (data)	1.50	1.50	Freeze		
Regulations 120 Representation of the People Regulations 2001					No VAT
Supply of Marked Register					
Supply of marked registers (printed)	10.00	10.00	Freeze		
Plus per 1,000 entries or part 1,000	2.00	2.00	Freeze		
Supply of marked registers (data)	10.00	10.00	Freeze		
Plus per 1,000 entries or part 1,000	1.00	1.00	Freeze		

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
Inspection & Copies of Documents Regulation 10 representation of the people regulations 2001 - inspection of candidates expenses A4 - copies (black & white)	5.00 0.20	5.00 0.20	Freeze Freeze		No VAT No VAT
Town & Parish Elections <i>Borough Council Election taking place on the same day:</i> Town or Parish specific printing / postage costs - Room hire - Staffing costs (polling & count) <i>Town or Parish Election on different day i.e. by-election</i> - printing, postage, stationery, room hire costs and other associated costs - polling station / count staff cost Uncontested Town or Parish Election Administration Fee Room hire	Market rate + 5% admin 50% of cost 50% of staffing rate Market rate + 5% admin Standard NULBC staffing rates 100.00 Full costs	Market rate + 5% admin 50% of cost 50% of staffing rate Market rate + 5% admin Standard NULBC staffing rates 100.00 Full costs	N/A N/A N/A N/A N/A Freeze N/A		
ENVIRONMENTAL HEALTH Works in default of statutory notice Calculated in accordance with the following formula - a) Contractor costs b) Officer costs (per hour at actual rate) c) Car mileage & subsistence d) On costs (b+c) + 25% e) Disbursements (e.g. warrant application, postage, printing, cost of invoice etc.) Total = a+d+e+ interest on outstanding balance as determined by council at start of financial year Environmental Offences - Fixed Penalty Notices Waste receptacles - Section 47ZA(2) (paid in 10 days) Waste receptacles - Section 47ZA(2) (paid in 14 days)	 Per Formula 60.00 80.00	 Per Formula 60.00 80.00	 Freeze Freeze Freeze	Cabinet Statutory	 No VAT No VAT

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
Failure to Produce Waste Carrier Registration Documents – Control of Pollution (Amendment) Act 1989 – section 5B	300.00	300.00	Freeze		
Failure to furnish documentation (waste carrier authority - Section 34(2))	300.00	300.00	Freeze		
Litter - Section 88(1) (paid in 10 days)	75.00	75.00	Freeze		
Litter - Section 88(1) (paid in 14 days)	100.00	100.00	Freeze		
Unauthorised distribution of literature on designated land - Schedule 3A (7)2 (paid in 10 days)	75.00	75.00	Freeze		
Unauthorised distribution of literature on designated land - Schedule 3A (7)2 (paid in 14 days)	100.00	100.00	Freeze		
Failure to comply with a Community Protection Notice or Public Spaces Protection Order (paid in 10 days)	75.00	75.00	Freeze	Cabinet	
Failure to comply with a Community Protection Notice or Public Spaces Protection Order (paid in 14 days)	100.00	100.00	Freeze	Cabinet	
Littering from vehicles outside of London (Keepers: Civil Penalties) Regulations 2018 , Regulation 6 (Paid in 14 days)	75.00	75.00	Freeze	Public Protection Committee	
Littering from vehicles outside of London (Keepers: Civil Penalties) Regulations 2018 , Regulation 6 (Paid in 28 days)	100.00	100.00	Freeze		
Graffiti and Fly Posting (Anti-Social Behaviour Act 2003 - Section 43)	100.00	100.00	Freeze		
Household waste duty of care fixed penalty notices.	120.00	120.00	Freeze		
Environmental protection Act 1990 Section 34(2)A) (paid within 10 days)					
Household waste duty of care fixed penalty notices.					
Environmental protection Act 1990 Section 34(2)A) (paid within 14 days)	200.00	200.00	Freeze		

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
Fly tipping (The Unauthorised Deposit of Waste (Fixed Penalties) Regulations 2016 which amends Environmental Protection Act 1990 "33ZA Fixed penalty notices for contravention of section 33(1)(a): England (paid in 10 days)	350.00	350.00	Freeze		
Fly tipping (The Unauthorised Deposit of Waste (Fixed Penalties) Regulations 2016 which amends Environmental Protection Act 1990 "33ZA Fixed penalty notices for contravention of section 33(1)(a): England (paid in 14 days)	400.00	400.00	Freeze		
Vehicle repair & sale offences (Clean Neighbourhoods and Environment Act 2005, Sections 3 & 4	100.00	100.00	Freeze		
FPN for abandoned vehicles	200.00	200.00	Freeze		
Environmental Protection Act 1990 - Part 1 Pollution Prevention & Control Act 1999 Register of Permits				Cabinet	No VAT
Copy of tape/CD recorded interviews	16.50	17.00	0.50		
Environmental Information Regulations 1992 (requests for information), Charge per Hour (ICO guidance)	25.00	25.00	Freeze	ICO Guidance	
Noise monitoring service for Registered Social Landlords & Private Landlords for 1 period of up to 7 days & subsequent report & copy of recording	285.00	295.00	10.00		
Noise monitoring service for Aspire Housing for 1 period of up to 7 days & subsequent report & copy of recording	285.00	295.00	10.00		
Environmental Health Licences				Cabinet	No VAT
Dangerous wild animals - first licence	600.00	625.00	25.00		
Dangerous wild animals - renewal	300.00	310.00	10.00		
Zoo - first licence	Price on Application	Price on Application	Freeze		
Zoo - renewal	Price on Application	Price on Application	Freeze		
Selling animals as Pets – Grant new licence	330.00	350.00	20.00		

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
Selling animals as Pets – Renew licence	300.00	310.00	10.00		
Selling animals as Pets – Grading review (no visit)	80.00	80.00	Freeze		
Selling animals as Pets – Variation	100.00	100.00	Freeze		
Animal Boarding – Grant new licence	330.00	350.00	20.00		
Animal Boarding – Renew licence	300.00	310.00	10.00		
Animal Boarding – Grading review (no visit)	80.00	80.00	Freeze		
Animal Boarding – Variation	100.00	100.00	Freeze		
Hiring out horses – Grant new licence Exc Vet Fee	550.00	560.00	10.00		
Hiring out horses – Renew licence Exc Vet Fee	520.00	510.00	(10.00)		
Hiring out horses – Grading review (no visit)	80.00	80.00	Freeze		
Hiring out horses – Variation	100.00	100.00	Freeze		
Hiring out horses – Annual horse check	280.00	350.00	70.00		
Breeding Dogs – Grant new licence	550.00	580.00	30.00		
Breeding Dogs – Renew licence	300.00	310.00	10.00		
Breeding Dogs – Grading review (no visit)	80.00	80.00	Freeze		
Breeding Dogs – Variation	100.00	100.00	Freeze		
Keeping or training animals for exhibition - Grant new licence (3yrs)	220.00	240.00	20.00		
Keeping or training animals for exhibition - Renew licence (3yrs)	220.00	240.00	20.00		
Keeping or training animals for exhibition - Variation	100.00	100.00	Freeze		
Re-inspection	100.00	100.00	Freeze		
Registration of premises for acupuncture, tattooing, cosmetic piercing, electrolysis & semi-permanent skin colouring	150.00	155.00	5.00		
Registration of each operative	92.00	95.00	3.00		
Additional treatment registration	76.00	79.00	3.00		
Export health certificates	160.00	165.00	5.00	Statutory	
Charges for Authorised Process - Local Authority Pollution Prevention Control Act					

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
The scale of charges is set by DEFRA annually after consultation with Local Authorities, representatives of industry and other stakeholders. The scale of charges is designed to cover the costs (including visits, administration, advice and time) to the regulator arising from each process. The 2018/19 charges are to be advised by DEFRA in February 2018.	As per DEFRA Guidance	As per DEFRA Guidance	Freeze	To be advised by DEFRA	
Factual Statements (Food Safety Act, Health & Safety at Work Act, Environmental Protection Act)				Cabinet	
Charge for factual statements - additional time	143.00	150.00	7.00		
Charge for factual statements - disclosure of documents	75.00	80.00	5.00		
Private Water Supplies				Statutory	No VAT
Risk assessment (per hour, plus mileage)	Hourly charge out rate for officer plus mileage or cost incurred if contractor (each LA sample visit to also include an additional £40 to cover UKAS accreditation)	Hourly charge out rate for officer plus mileage or cost incurred if contractor (each LA sample visit to also include an additional £40 to cover UKAS accreditation)	Freeze		
Sampling					
Investigation					
Authorisation					
Analysis - during Regulation 10			Freeze		
Analysis - during check monitoring	Laboratory cost	Laboratory cost			
Analysis - during audit monitoring					
Swimming Pools				Cabinet	No VAT
Sampling of pool water - per annum	668.00	690.00	22.00		
Sampling of pool water - one sample	69.00	72.00	3.00		
Food Hygiene Rating Scheme				Public Protection Committee	
Food Hygiene Rating Scheme inspection	203.00	210.00	7.00		No VAT

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
FACILITIES MANAGEMENT NULBC delivery of Facilities Management services to Community Centres on full repairing leases and Kidsgrove Town Council. Calculated in accordance with the following formula - a) Contractor costs + b) Officer costs for admin and management + c) Car mileage & subsistence + d) On costs + 5% For any exceptional requests/project related works to Bus Station on-cost 3%	As per formula	As per formula	Freeze	Cabinet	Plus VAT
GARDEN WASTE RECYCLING Garden waste service - one bin 36.00 Every additional garden waste bin 30.00 Delivery of each additional garden waste bin 26.25				Cabinet	No VAT
LAND CHARGES Residential LLC1 – land charges register search only 42.00 Commercial LLC1 – land charges register search only 105.00 Residential – Con 29R (conveyancer search) 125.50 Commercial – Con 29R (conveyancer search) 315.00 Residential – full standard search (LLC1 & Con 29R) 168.00 Commercial – full standard search (LLC1 & Con 29R) 419.00 Con 290 – (conveyancer optional form) each enquiry 36.70 Each additional enquiry Cost Residential – additional parcel of land 84.00				Cabinet	LLC1 – No VAT LLC1 – No VAT CON29 – Plus VAT, CON29 – Plus VAT, Plus VAT on Con29 Element Plus VAT on Con29 Element

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
Commercial – additional parcel of land	209.00	215.30	6.30		
LEISURE CHARGES				Cabinet	
Sport Development Sports Development Activities up to 2 hours	4.00	4.00	Freeze		No VAT
Jubilee 2 Equipment Resale					
Saleable items	Market Value	Market Value	N/A		VAT Incl.
Equipment Hire	Market Value	Market Value	N/A		
<i>Plus Membership</i> Plus Membership - annual fee <i>entitles the holder to use the facilities with a £1.00 discount off the lite membership price, includes first session</i>	12.00	10.00	(2.00)		VAT Incl.
Plus Membership (Concession) <i>yearly membership, entitles holder to concession prices, includes first session</i>	7.00	6.00	(1.00)		
<i>Junior Memberships</i> Active2 12-16 years: Swimming , gym*, and appropriate classes (14 years and above with a paying Adult) *Access between the hours Monday – Friday 6.00 pm to 9.00pm with an appropriate adult. All other times individuals can attend unsupervised	16.00	16.00	Freeze		VAT Incl.
DJD Junior Dance - Daniel Jones Dance Junior Membership	21.00	21.00	Freeze		No VAT
<i>Premium Membership Charges Adults (including gym, classes, swim, climbing, discount on retail)</i> Joining fee (includes inductions) (16 years +) (one off fee - includes key)	20.00	20.00	Freeze		VAT Incl.
Single Membership - 12 month minimum contract - payment monthly by direct debit.	29.50	29.50	Freeze		

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
Single Membership - no contract - per month	37.50	37.50	Freeze		
Single Membership - 12 month membership for price of 11 months - payable in advance	346.50	346.50	Freeze		
Corporate membership – peak (includes Students) monthly contract	25.00	29.99	4.99		
Corporate membership - peak (includes Students) 12 month contract	25.00	25.00	Freeze		
Swim and aquatic membership 12 month contract	24.50	24.50	Freeze		
Swim and aquatic membership monthly contract	32.50	32.50	Freeze		
Gym and group exercise classes 12 month contract	24.50	24.50	Freeze		
Gym and group exercise classes monthly contract	32.50	32.50	Freeze		
Climbing only membership 12 month contract	15.00	15.00	Freeze		
Blue light membership NHS, Armed Forces, Police, Fire Brigade) 12 month contract	19.99	19.99	Freeze		
Promotions in line with Alliance Leisure	N/A	N/A	Freeze		
Legacy Off Peak Memberships annual % increase (rounded to nearest 10p)	3%	3%	Freeze		
<i>Studio Hire</i>					VAT Incl.
Studio 1	30.00	40.00	10.00		
Studio 2	30.00	40.00	10.00		
<i>Swim / Climbing Casual Fee</i>					
Adult - Lite membership	6.00	6.00	Freeze		
Adult - Plus membership	5.00	5.00	Freeze		
Adult - Plus Membership concession fee	4.00	4.00	Freeze		
Juniors	3.00	3.00	Freeze		
Children u4 (swim only)	Free	Free	Freeze		
<i>Gym / Classes Casual Fee</i>					VAT incl.
Adult - Lite membership	7.00	7.00	Freeze		
Adult - Plus membership	6.00	6.00	Freeze		
Adult - Plus Membership concession fee	5.00	5.00	Freeze		
Junior 12 and over - Activities accessed in accordance with Industry guidance	4.00	4.00	Freeze		

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
<i>Swimming Instruction</i>					
<i>Swimming Lessons</i>					No VAT
Adult swimming lesson (30 minutes)	9.00	9.00	Freeze		
Junior swimming lesson (30 minutes) price per lesson - block of 12	6.00	6.00	Freeze		
Spectators - Lyme Card	Free	Free	Freeze		
<i>Private Lessons</i>					No VAT
1:1 swim lesson (per 30 minutes)	20.00	20.00	Freeze		
1:1 dance lesson with DJD Dance - 30 minutes	20.00	20.00	Freeze		
1:1 swim / dance lesson with DJD Dance - 30 minutes, block of four lessons	70.00	70.00	Freeze		
<i>Pool Courses</i>					No VAT
Rookie lifeguards (per 2 hour session) - Lyme Card	10.00	10.00	Freeze		
Other courses	Market Value	Market Value	Freeze		
<i>Swimming Pool Hire</i>					VAT Incl.
Teaching Pool Hire	65.00	65.00	Freeze		
Main Pool Hire - (8 lane) (per lane per hour)	18.00	18.00	Freeze		
Additional staff for pool hire (per staff member)	28.00	28.00	Freeze		
Set up fee - galas	28.00	30.00	2.00		
Time equipment hire - galas	28.00	30.00	2.00		
<i>Parties</i>					VAT Incl.
Pool Party inclusive of 1 hour studio use	90.00	90.00	Freeze		
Climbing Party (six people) inclusive of studio use	90.00	90.00	Freeze		
Additional instructor per six children	28.00	30.00	2.00		
Bowls					VAT Incl.
Adult	4.41	4.54	0.13		
Junior/60+	2.20	2.27	0.07		
Summer season ticket - adult	62.52	64.40	1.88		
Summer season ticket - junior/60_/unemployed	41.24	42.48	1.24		
Winter season ticket	15.44	15.90	0.46		
Summer/winter season ticket - adult	74.07	76.29	2.22		
Summer/winter season ticket - junior/60+/unemployed	52.02	53.58	1.56		

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
Merit competition per player - per hour	8.40	8.65	0.25		
Greenage fees for pre-booking (plus playing fee per person)	10.25	10.56	0.31		
Tennis (Westlands, Wolstanton, Chesterton, Silverdale, Birchenwood, Bradwell, Clough Hall)	Free	Free	Freeze		
Football (alternate weekly use per season)					No VAT
Wolstanton Marsh Pavilion	578.00	595.00	17.00		
All other pitches	401.00	413.00	12.00		
Junior pitch	60% of fee	60% of fee	Freeze		
Mini soccer pitch (unmarked)	234.00	241.00	7.00		
Mini soccer pitch (marked)	328.00	338.00	10.00		
Rugby (alternate weekly use per season)					No VAT
Bathpool	814.50	839.00	24.50		
Lyme Valley	814.50	839.00	24.50		
Clough Hall	814.50	839.00	24.50		
Junior Pitch	60% of fee	60% of fee	Freeze		
Rugby (casual use per match)	94.60	97.00	2.40		VAT Incl.
Concessionary Licences					No VAT
Brampton Park ice cream sales	788.00	812.00	24.00		
Brampton Park use of bouncy castle	788.00	812.00	24.00		
4 Large Parks Northern part of Borough – ice cream	677.00	697.00	20.00		
4 Large Parks Southern part of Borough – ice cream	677.00	697.00	20.00		
Community Events					Plus VAT
Wedding Photos within a park setting	44.00	45.00	1.00		
Advertising within parks	10.00 to 5,125.00	10.00 to 5,125.00	Freeze		Plus VAT
Booking large events - more than 6 months planning	176.00	181.00	5.00		No VAT
Booking medium events - more than 6 months planning (firework displays, carnivals etc.)	88.00	91.00	3.00		No VAT
Booking small events - more than 6 months planning (competitions, fun days, picnics etc.)	33.00	34.00	1.00		No VAT

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
LICENCES				Licensing Committee	
General					No VAT
Sex establishments - application fee	3,289.00	3,388.00	99.00		
Sex establishments - Renewal	3,289.00	3,388.00	99.00		
Sex establishments - variation	1,114.00	1,147.00	33.00		
Sex establishments - transfer	1,114.00	1,147.00	33.00		
Scrap metal dealer site licence	281.00	289.00	8.00		
Scrap metal dealer collectors licence	222.00	289.00	67.00		
Gambling Act 2005					No VAT
Lotteries - application fee	40.00	40.00	Freeze		
Lotteries - annual fee	20.00	20.00	Freeze		
Bingo - application fee	3,500.00	3,500.00	Freeze		
Bingo - annual fee	1,000.00	1,000.00	Freeze		
Bingo - application to vary	1,750.00	1,750.00	Freeze		
Bingo – application for transfer	1,200.00	1,200.00	Freeze		
Bingo – application to reinstate	1,200.00	1,200.00	Freeze		
Track betting - application fee	2,500.00	2,500.00	Freeze		
Track betting - annual fee	1,000.00	1,000.00	Freeze		
Track betting - application to vary	1,250.00	1,250.00	Freeze		
Track betting - application to transfer	950.00	950.00	Freeze		
Track betting – application to reinstate	950.00	950.00	Freeze		
Betting premises - application fee	3,000.00	3,000.00	Freeze		
Betting premises - annual fee	600.00	600.00	Freeze		
Betting premises - application to vary	1,500.00	1,500.00	Freeze		
Betting premises - application to transfer	1,200.00	1,200.00	Freeze		
Betting premises – application to reinstate	1,200.00	1,200.00	Freeze		
Family entertainment centre - application fee	2,000.00	2,000.00	Freeze		
Family entertainment centre - annual fee	750.00	750.00	Freeze		
Family entertainment centre - application to vary	1,000.00	1,000.00	Freeze		
Family entertainment centre - application to transfer	950.00	950.00	Freeze		
Family entertainment centre – application to reinstate	950.00	950.00	Freeze		
Adult gaming centre - application fee	2,000.00	2,000.00	Freeze		
Adult gaming centre - annual fee	1,000.00	1,000.00	Freeze		

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
Adult gaming centre - application to vary	1,000.00	1,000.00	Freeze		
Adult gaming centre - application to transfer	1,200.00	1,200.00	Freeze		
Adult gaming centre – application to reinstate	1,200.00	1,200.00	Freeze		
Copy of any of the above licences (lost, stolen, damaged)	25.00	25.00	Freeze		
Notice of Intention – 2 or less gaming machines	50.00	50.00	Freeze		
Licensed Premises Gaming Machine Permits – more than 2 machines	150.00	150.00	Freeze		
Licensed Premises Gaming Machine Permits – more than 2 machines – Variation	100.00	100.00	Freeze		
Licensed Premises Gaming Machine Permits – more than 2 machines – Transfer	25.00	25.00	Freeze		
Licensed Premises Gaming Machine Permits – more than 2 machines – Annual Fee	50.00	50.00	Freeze		
Licensed Premises Gaming Machine Permits – more than 2 machines – Change of Name	25.00	25.00	Freeze		
Licensed Premises Gaming Machine Permits – more than 2 machines – Copy (lost, stolen, damaged)	15.00	15.00	Freeze		
Club Gaming/Club Machine Permits – New/Renew	200.00	200.00	Freeze		
Club Gaming/Club Machine Permits for holders of Club Premises Certificates (under LA03) – New/Renew	100.00	100.00	Freeze		
Club Gaming/Club Machine Permit – Annual Fee	50.00	50.00	Freeze		
Club Gaming/Club Machine Permit – Variation	100.00	100.00	Freeze		
Club Gaming/Club Machine Permit – Copy (lost, stolen, damaged)	15.00	15.00	Freeze		
UFEC (Unlicensed family entertainment Centre – 10 year licence)	300.00	300.00	Freeze		
Prize Gaming Permit – New/Renewal	300.00	300.00	Freeze		
Prize Gaming Permit – Change of Name	25.00	25.00	Freeze		
Prize Gaming Permit – Copy (lost, stolen, damaged)	15.00	15.00	Freeze		
Temporary Use Notice (TUN)	-	200.00	200.00		
Casino Small – New application	7,138.00	7,352.00	214.00		
Casino Small – Annual Fee	3,569.00	3,676.00	107.00		

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
Casino Small - Variation	2,379.00	2,450.00	71.00		
Casino Small – Application for Transfer	1,530.00	1,576.00	46.00		
Casino Small – application to reinstate	1,530.00	1,576.00	46.00		
Private Hire/Hackney Carriage OPERATORS				Public Protection	No VAT
PHO Application fee	250.00	267.00	17.00		
Add/Remove Director	38.00	41.00	3.00		
Copy/Replacement Licence	6.00	7.00	1.00		
Basic DBS	23.00	23.00	Freeze		
DRIVERS					No VAT
Dual Driver Badge - 3 years	257.00	273.00	16.00		
Change of address	16.00	17.00	1.00		
Replacement badge	12.00	13.00	1.00		
Replacement vehicle badge	12.00	13.00	1.00		
Reissue/replacement badge (with amended details)	26.00	29.00	3.00		
DBS (CRB check)	40.00	40.00	Freeze		
DBS (CRB check) online	60.34	60.34	Freeze		
Safeguarding training	38.00	33.00	(5.00)		
Fail to attend Safeguarding Training	38.00	33.00	(5.00)		
Exemption certificates	12.00	13.00	1.00		
Knowledge test	25.00	25.00	Freeze		
Fail to attend Knowledge Test	25.00	25.00	Freeze		
Replacement Safeguarding training certificate	6.00	7.00	1.00		
Change of Name	16.00	18.00	2.00		
Replacement vehicle badge holder	5.00	5.00	Freeze		
Disability Training	35.00	35.00	Freeze		VAT
Disability Training (fail to attend)	35.00	35.00	Freeze		VAT
DE Training replacement cert	-	-	Freeze		
Copy of Paper Licence	6.00	7.00	1.00		
VEHICLES					No VAT
Transfer of vehicle	38.00	41.00	3.00		
Change of vehicle registration	43.00	47.00	4.00		
Failure to attend for vehicle test	104.00	66.00	(38.00)		
Retest	42.00	30.00	(12.00)		
Replacement plate carrier – front	8.00	9.00	1.00		
Replacement plate carrier – rear	10.00	11.00	1.00		
Replacement vehicle plate - front	7.00	8.00	1.00		

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
Replacement vehicle plate - rear	10.00	10.00	Freeze		
Replacement vehicle sticker	5.00	5.00	Freeze		
Copy of paper part of licence	6.00	7.00	1.00		
Change of Vehicle Colour	43.00	47.00	4.00		
HCV test	108.00	70.00	(38.00)		
HCV test 10yrs+	108.00	70.00	(38.00)		
PHV test	108.00	70.00	(38.00)		
PHV test 10yrs+	108.00	70.00	(38.00)		
HCV application fee	230.00	234.00	4.00		
PHV application fee	228.00	231.00	3.00		
Basic DBS	23.00	24.00	1.00		
Change of Name/Address	38.00	41.00	3.00		
Spot check	25.00	19.00	(6.00)		
Replacement Internal Plate	7.00	7.00	Freeze		
Licensing Act 2003 - New Application				Statutory	No VAT
Premise licence, band A (rateable value of up to £4,300)	100.00	100.00	Freeze		
Premise licence, band B (rateable value of £4,301 to £33,000)	190.00	190.00	Freeze		
Premise licence, band C (rateable value of £33,001 to £87,000)	315.00	315.00	Freeze		
Premise licence, band D (rateable value of £87,001 to £125,000)	450.00	450.00	Freeze		
Premise licence, band E (rateable value of >£125,001)	635.00	635.00	Freeze		
Additional fee (5,000 to 9,999 patrons)	1,000.00	1,000.00	Freeze		
Additional fee (10,000 to 14,999 patrons)	2,000.00	2,000.00	Freeze		
Additional fee (15,000 to 19,999 patrons)	4,000.00	4,000.00	Freeze		
Additional fee (20,000 to 29,999 patrons)	8,000.00	8,000.00	Freeze		
Additional fee (30,000 to 39,999 patrons)	16,000.00	16,000.00	Freeze		
Additional fee (40,000 to 49,999 patrons)	24,000.00	24,000.00	Freeze		
Additional fee (50,000 to 59,999 patrons)	32,000.00	32,000.00	Freeze		
Additional fee (60,000 to 69,999 patrons)	40,000.00	40,000.00	Freeze		
Additional fee (70,000 to 79,999 patrons)	48,000.00	48,000.00	Freeze		
Additional fee (80,000 to 89,999 patrons)	56,000.00	56,000.00	Freeze		
Additional fee (90,000 patrons & above)	64,000.00	64,000.00	Freeze		

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
Licensing Act 2003 - Annual Fee				Statutory	No VAT
Premise licence, band A (rateable value of up to £4,300)	70.00	70.00	Freeze		
Premise licence, band B (rateable value of £4,301 to £33,000)	180.00	180.00	Freeze		
Premise licence, band C (rateable value of £33,001 to £87,000)	295.00	295.00	Freeze		
Premise licence, band D (rateable value of £87,001 to £125,000)	320.00	320.00	Freeze		
Premise licence, band E (rateable value of £125,001 & above)	350.00	350.00	Freeze		
Additional fee (5,000 to 9,999 patrons)	500.00	500.00	Freeze		
Additional fee (10,000 to 14,999 patrons)	1,000.00	1,000.00	Freeze		
Additional fee (15,000 to 19,999 patrons)	2,000.00	2,000.00	Freeze		
Additional fee (20,000 to 29,999 patrons)	4,000.00	4,000.00	Freeze		
Additional fee (30,000 to 39,999 patrons)	8,000.00	8,000.00	Freeze		
Additional fee (40,000 to 49,999 patrons)	12,000.00	12,000.00	Freeze		
Additional fee (50,000 to 59,999 patrons)	16,000.00	16,000.00	Freeze		
Additional fee (60,000 to 69,999 patrons)	20,000.00	20,000.00	Freeze		
Additional fee (70,000 to 79,999 patrons)	24,000.00	24,000.00	Freeze		
Additional fee (80,000 to 89,999 patrons)	28,000.00	28,000.00	Freeze		
Additional fee (90,000 patrons & above)	32,000.00	32,000.00	Freeze		
Licensing Act 2003 - Miscellaneous Fees (Application or Notice)				Statutory	No VAT
Section 25 (theft, loss, etc. of premises licence or summary)	10.50	10.50	Freeze		
Section 29 (application for a provisional statement)	315.00	315.00	Freeze		
Section 33 (notification of change of name or address)	10.50	10.50	Freeze		
Section 37 (application to vary licence to specify individual as premises supervisor)	23.00	23.00	Freeze		
Section 42 (application for transfer of premises licence)	23.00	23.00	Freeze		

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
Section 47 (interim authority notice following death of licence holder)	23.00	23.00	Freeze	Statutory	No VAT
Section 79 (theft, loss etc. of certificate or summary)	10.50	10.50	Freeze		
Section 82 (notification of change of name or alteration of rules of club)	10.50	10.50	Freeze		
Licensing Act 2003 - Miscellaneous Fees (Application or Notice)					
Section 83 (1) or (2) (change of relevant registered address of club)	10.50	10.50	Freeze		
Section 100 (temporary event notice)	21.00	21.00	Freeze		
Section 110 (theft, loss of temporary event notice)	10.50	10.50	Freeze		
Section 117 (application for, or renewal of personal licence)	37.00	37.00	Freeze		
Section 126 (theft, loss of personal licence)	10.50	10.50	Freeze		
Section 127 (duty to notify change of name/address)	10.50	10.50	Freeze		
Section 110 (theft or loss of temporary event notice)	10.50	10.50	Freeze		
Section 126 (theft or loss of personal licence)	10.50	10.50	Freeze		
Section 127 (duty to notify change of name/address)	10.50	10.50	Freeze		
Section 178 (right of freeholder etc.)	21.00	21.00	Freeze		
Minor Variation	89.00	89.00	Freeze		
Removal of DPS at community premises	23.00	23.00	Freeze		
MARKETS				Cabinet	No VAT
Open market - stall (per day) Monday,	20.00	20.00	Freeze		
Open market - second stall (per day) Monday,	10.00	10.00	Freeze		
Open market - stall (per day) Wednesday	11.00	11.00	Freeze		
Open market - second stall (per day) Wednesday	10.00	10.00	Freeze		
Open market - stall (per day) Fri/Sat Zone A	21.00	21.00	Freeze		
Open market - stall (per day) Fri/Sat Zone B	21.00	21.00	Freeze		
Open market - additional space (per day) Fri/Sat	10.00	10.00	Freeze		
Farmers market - stall (per day)	20.00	20.00	Freeze		

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
Antique market - stall (per day)	7.50	7.50	Freeze		
Craft fair (bric-a-brac) - stall (per day)	5.00	5.00	Freeze		
Catering Pitches - minimum charge (per day)	25.00	25.00	Freeze		
MOT				Cabinet	No VAT
MOT - car	46.70	46.70	Freeze		
MOT - car (for discounted partner incl. Lyme Card)	41.10	41.10	Freeze		
MOT - class 7 (up to 3.5 tonnes)	58.65	58.65	Freeze		
Retest	16.10	16.10	Freeze		
MUSEUM & ART GALLERY				Cabinet	
Reproduction prints of items in collection	N/A	N/A	Freeze		VAT Incl.
Photocopies (black & white)	1.00	1.00	Freeze		VAT Incl.
Commission of picture sales from exhibitions	30% of price	0.30	Freeze		Plus VAT
Education session per pupil - half day	4.15	5.00	0.85		No VAT
Education session per pupil - full day	6.75	7.00	0.25		No VAT
Education sessions - minimum charge half day (20 pupils or fewer)	71.50	75.00	3.50		No VAT
Education sessions - minimum charge full day (20 pupils or fewer)	112.00	120.00	8.00		No VAT
Holiday activities per child	10.50	11.00	0.50		No VAT
Adult object handling/reminiscence sessions per hour	30.75	32.00	1.25		
Outreach fee	40.75	50.00	9.25		No VAT
Outreach education – schools per session	76.50	80.00	3.50		No VAT
Hire of Red Room per hour (Function/Corporate)	30.50	12.00	(18.50)		No VAT
Hire of Red Room per hour (Not for profit/Charity)	22.50	8.00	(14.50)		No VAT
Hire of Alder Room per hour (Function/Corporate)	-	20.00	New		No VAT
Hire of Alder Room per hour (Not for profit/Charity)	-	14.00	New		No VAT
Hire of Willow Room per hour (Function/Corporate)	-	30.00	New		No VAT
Hire of Willow Room per hour (Not for profit/Charity)	-	20.00	New		No VAT
Refreshments	2.25	2.60	0.35		

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
Education item loan	15.75	20.00	4.25		No VAT
Saleable items	RRP	RRP	Freeze		
Open art registration - up to 2 items	5.25	10.00	4.75		VAT Incl.
Open art registration - per item concession	4.75	8.00	3.25		VAT Incl.
Event Fees					VAT Incl.
Visit to Father Christmas	5.50	7.50	2.00		
Talks & Classes	15.50	20.00	4.50		
NAMING/NUMBERING OF STREETS/PROPERTIES				Cabinet	
New or Redevelopment					No VAT
Charge for naming of a street	200.00	206.00	6.00		
Charge for naming of a commercial building	100.00	103.00	3.00		
Single residential property on existing street	130.00	134.00	4.00		
Number/name 2-9 properties (includes first property)	200.00	206.00	6.00		
Plus - per plot	70.00	72.00	2.00		
Number/name 10 plus properties	200.00	206.00	6.00		
Plus - per plot	70.00	72.00	2.00		
Change to layout after notification	250.00	258.00	8.00		
Plus - per plot	40.00	41.00	1.00		
Existing Properties/Streets					No VAT
Adding or alteration of a house/building name	70.00	72.00	2.00		
Renaming of a street	On request	On request	Freeze		
House or building renumbering (including sub division to flats)	250.00	258.00	8.00		
Confirmation of postal address	40.00	41.00	1.00		
Requests not included in above fees per hour	50.00	51.00	1.00		
Road closure	30.00	31.00	1.00		
PEST CONTROL				Cabinet	VAT Incl.
Treatment of rats (domestic) - prepayment (up to 4 visits)	50.00	55.00	5.00		
Treatment of rats (domestic) - payment by invoice (up to 4 visits)	70.00	75.00	5.00		
Treatment of mice (domestic) – prepayment (up to 3 visits)	50.00	55.00	5.00		

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
Treatment of mice (domestic) – payment by invoice (up to 3 visits)	70.00	75.00	5.00		
Fleas / Bedbugs / Cockroaches (domestic) - prepayment	105.00	115.00	10.00		
Fleas / Bedbugs / Cockroaches (domestic) - payment by invoice	125.00	135.00	10.00		
Insect control treatments (domestic) including wasps, & ants - prepayment	75.00	75.00	Freeze		
Insect control treatments (domestic) including wasps & ants - payment by invoice	95.00	95.00	Freeze		
Pest control commercial (other) - first hour	105.00	110.00	5.00		
Pest control commercial (other) - per 1/4 extra hour	26.25	27.50	1.25		
Mole & Rabbit control (per treatment course, max 3 visits) - prepayment	180.00	190.00	10.00		
Mole & Rabbit control (per treatment course, max 3 visits) - payment by invoice	200.00	210.00	10.00		
Squirrel control - prepayment (up to 4 visits)	125.00	140.00	15.00		
Squirrel control - payment by invoice (up to 4 visits)	145.00	160.00	15.00		
Telephone Advice (prepayment only)	10.00	10.00	Freeze		
Advice Visit (no treatment) - prepayment	50.00	55.00	5.00		
Advice Visit (no treatment) - payment by invoice	70.00	75.00	5.00		
Fixed term pest control treatment agreements (commercial premises)	On request	On request	Freeze		
Works in default (Prevention of Damage by Pests Act 1949) first hour (invoiced)			Freeze		
Works in default (Prevention of Damage by Pests Act 1949) per additional 1/4 hour (invoiced)	As per formulae for works in default	As per formulae for works in default			
PLANNING SERVICES				Cabinet	
Postage & packaging Copies up to £1 are free of charge	1.00	1.10	0.10		No VAT No VAT
Paper copies of planning/building control decisions & documents - per sheet (A4 black & white)	0.25	0.25	Freeze		No VAT

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
Paper copies of planning/building control decisions & documents - per sheet (A3 black & white)	0.35	0.40	0.05		No VAT
Paper copies of plans - planning files - per sheet (A4 black & white)	0.25	0.25	Freeze		No VAT
Paper copies of plans - planning files - per sheet (A3 black & white)	0.45	0.50	0.05		No VAT
Paper colour copies of an A4 sheet of planning/building control decision, planning documents or plan	0.45	0.50	0.05		No VAT
Paper colour copies of an A3 sheet of decision, planning documents or plan	0.75	0.80	0.05		No VAT
Scanned copies of documents - charge per hour of scanning (where legal to charge)	36.00	38.00	2.00		No VAT
Paper copies of plans - planning files - each plan (A2)	2.40	2.50	0.10		No VAT
Paper copies of plans - planning files - each plan (A1)	3.50	3.70	0.20		No VAT
Paper copies of plans - planning files - each plan (A0)	4.60	4.80	0.20		No VAT
Weekly lists - statutory consultees	Free	Free	Freeze		
Requests for site information – commercial per hour	78.00	82.00	4.00		No VAT
Requests for site information - individuals	Cost	Cost	Freeze		No VAT
Pre Planning Application Advice					VAT Incl.
Large Scale Major Developments (residential developments over 200 dwellings or where number not known, a site area of 4 ha or more. Non-residential developments over 10,000m2 of floor space or where floor space not known, a site area of 2ha or more)	715.00	735.00	20.00		
Small Scale Major Developments (residential developments of between 10 & 200 dwellings or where number not known, a site area of between 0.5ha & 4ha. Non- residential developments of between 1000m2 & 10,000m2 of floor space or where floor space not known, a site area of between 1ha & 2ha)	360.00	370.00	10.00		
1 dwelling	105.00	110.00	5.00		

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
Minor Developments (residential developments of between 2 & 9 dwellings or where number not known, a site area of less than 0.5ha. Non-residential developments of under 1,000m2 of floor space or where floor space not known, a site area of less than 1ha) Householder Development. Half hour appointment Appointment in excess of 30 minutes Other Development (excluding householder development but including changes of use, advertisements, prior approval proposals & listed building proposals)	162.00 24.00 34.00 58.00	167.00 25.00 35.00 60.00	5.00 1.00 1.00 2.00	Statutory Partnership Board	No VAT
Planning Application Fees Owing to the complexity of the fee structure, it is not shown here. Details of fees payable may be obtained from the Council's Planning Section. Alternatively, the fee calculator available at the Planning Portal website can be used to determine the fees payable in respect of individual applications. Building Control fees (North Staffs Building Control Partnership) Planning & development briefs (as & when prepared) Core spatial strategy Local development framework proposals map - north or south Local development framework proposals map - north & south Strategic housing land availability assessment (SHLAA)	Planning Portal Per Board Free 37.00 8.25 13.50 37.00	Portal Per Board Free 38.00 8.50 14.00 40.00	Freeze Freeze Freeze 1.00 0.25 0.50 3.00		
PRIVATE SECTOR HOUSING Houses in multiple occupation licence fee Each additional bedroom Renewal of houses in multiple occupation licence Each additional bedroom	 623.00 8.25 461.00 8.25	 642.00 8.50 475.00 8.50	 19.00 0.25 14.00 0.25	Cabinet	No VAT

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
Houses in multiple occupation licence fee for a member of the North Staffs Landlord Accreditation Scheme	523.00	539.00	16.00		
Each additional bedroom	8.25	8.50	0.25		
Renewal of houses in multiple occupation licence or a member of the North Staffs Landlord	361.00	372.00	11.00		
Immigration Inspections	130.00	134.00	4.00		
Provision of accommodation for homeless households	Cost	Cost	Freeze		
Annual interest to be applied to unpaid debts for enforcement action	0.08	0.08	Freeze		
Charges for work in default notices to remedy Housing Health & Safety issues					No VAT
Officer time (per hour)	Cost	Cost	Freeze		
Travelling costs (per mile)	Cost	Cost	Freeze		
Management costs (per hour)	Cost	Cost	Freeze		
Land registry fee	Cost	Cost	Freeze		
Inspection by qualified electrician or gas engineers	Cost	Cost	Freeze		
Recorded delivery	Cost	Cost	Freeze		
Other costs (stated as per individual case)	Cost	Cost	Freeze		
Administration fee (to cover service recharges)	12% Cost	12% Cost	Freeze		
Annual interest to be applied to unpaid debts for enforcement action	0.08	0.08	Freeze		
REMOVAL OF DOMESTIC ANIMAL CARCASSES				Cabinet	VAT Incl.
Removal of domestic animal carcasses	39.00	40.00	1.00		
SALE OF SANDBAGS				Cabinet	VAT Incl.
5 sand bags	40.00	41.00	1.00		
10 sand bags	55.00	57.00	2.00		
15 sand bags	70.00	72.00	2.00		
20 sand bags	85.00	88.00	3.00		
STREET TRADING				Cabinet	No VAT
Newcastle Town Centre (daily)	27.50	28.50	1.00		
Eastbound layby A500 (per annum)	9,400.00	9,700.00	300.00		

	Fee/ Charge 2021/22 £.p	Proposed Fee/ Charge 2022/23 £.p	Increase/ (Decrease) £.p	Committee Approval / Comments	VAT Status
Northbound layby A500 (per annum)	9,400.00	9,700.00	300.00		
TOWN CENTRE DISPLAYS				Cabinet	No VAT
Local promotions (minimum charge)	27.50	28.00	0.50		
Charity & local community groups	5.50	6.00	0.50		
National promotions (minimum charge)	77.50	80.00	2.50		
TREE PRESERVATION ORDERS				Cabinet	No VAT
Single copy of a tree preservation order	31.00	31.00	Freeze		
WASTE & RECYCLING BINS/RECEPTACLES				Cabinet	No VAT
Bins/receptacles per property on new developments (to be paid by the developer)	66.30	70.00	3.70		
Replacement bin due to loss / theft	25.50	27.00	1.50		
Replacement / additional Food waste Caddy. (new item)	10.00	10.00	Freeze		
Internal food caddy	5.00	5.00	Freeze		
Maximum Delivery Charge	27.00	27.00	Freeze		
New property - resident	27.00	27.00	Freeze		
Replacement / additional recycling bag. (new item)	5.00	5.00	Freeze		

Charging Principles Included in the Charging Policy

5. CHARGING PRINCIPLES

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

The cost of providing the service

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

How much income is it desired to generate and why?

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

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

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

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

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

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

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

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

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

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

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

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

Any other relevant factors

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

- 5.6 Where, without prior agreement by the Council, individuals or organisations engage in activities that result in a cost to the Council, the Council will seek to recover this cost, wherever possible.
- 5.7 Consideration may be given to offering a discount or other reduction, in appropriate cases, where it is felt that this may improve take up of the service or to encourage prompt payment, following consultation with the Head of Finance (S151 Officer) who must approve all such initiatives.
- 5.8 Penalties, in the form of fines, may also be imposed in order to deter inappropriate or antisocial behaviour, for example littering. The amount of the fine will be set at a level designed to deter such behaviour.
- 5.9 Activities carried out by the Council will be continually reviewed in order to identify any new areas where it would be appropriate to make a charge to persons or organisations benefiting (actually or potentially) from those activities. The level of the charge will be determined in accordance with these charging principles.

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 – One Council, People and Partnerships

Councillor Stephen Sweeney - Deputy Leader – Finance, Town Centres and Growth



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

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

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

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

For more information on the Committee or its Work Programme please contact Denise French on 01782 742211 or at denise.french@newcastle-staffs.gov.uk

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

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DATE OF MEETING	ITEM	BACKGROUND/OBJECTIVES	OUTCOME
	Commercial Strategy	Review Governance and Risk Management	Assurance that risks are being appropriately managed. Compliance to MTFS.
	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.

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DATE OF MEETING	ITEM	BACKGROUND/OBJECTIVES	OUTCOME
			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 Hammersmith & Fulham and Bristol, and draft NULBC Code of Collection Practice.	Assurance that use of 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	Councillor Hutton to report back on his investigative findings.

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DATE OF MEETING	ITEM	BACKGROUND/OBJECTIVES	OUTCOME
		projects/contracts and robustness of contract management procedures.	
Thursday 17 September 2020	Financial Sustainability and Recovery Plan Quarter 1 Performance Report CIPFA Guide to Financial Scrutiny	Pre-cabinet scrutiny Review Performance Indicators Information and guidance to members on best practice	Alignment to Council Plan and MTFS Assurance that indicators accurately reflect progress with 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	Review Performance Indicators	

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DATE OF MEETING	ITEM	BACKGROUND/OBJECTIVES	OUTCOME
	Quarter 2 Performance Report		Assurance that indicators accurately reflect progress with Council Plan.
18 January 2021	Revenue/Capital Budget plus Capital Strategy, Treasury Management Strategy and Investment Strategy	Pre-cabinet scrutiny	Alignment to Council Plan and MTFS
	Scale of fees and charges	Pre-cabinet scrutiny	
25 March 2021	Quarter 3 Performance Report	Review Performance Indicators	Assurance that indicators accurately reflect progress with Council Plan
	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 May 2021	Newcastle Crematorium - outcome of consultation	Pre-cabinet scrutiny	
16 September, 2021	Commercial Strategy Update	Regular update	6 month review requested by the Committee

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DATE OF MEETING	ITEM	BACKGROUND/OBJECTIVES	OUTCOME
	Procurement Review		Requested by the Committee
	Q4 Finance and Performance Review	Review Performance Indicators	Assurance that indicators accurately reflect progress with Council Plan
	Q1 Finance and Performance Review	Review Performance Indicators	
	J2 Resolution of issues	Update	
	Covid review	To enable scrutiny of lessons learned	
13 December 2021	Q2 Finance and Performance Review	Review Performance Indicators	Assurance that indicators accurately reflect progress with Council Plan
	Draft savings proposals & MTFS 2022/23		
	One Council update		To enable scrutiny of the programme
20 January 2022	Draft Revenue & Capital Budget and Strategies 2022/23	Pre-Cabinet Scrutiny	Alignment to Council Plan and MTFS
	Schedule of Fees and Charges	Pre-Cabinet Scrutiny	Alignment to Council Plan and MTFS
24 March 2022	Commercial Strategy update	Regular update	6 month review requested by the Committee
	Q3 Finance and Performance Review	Review Performance Indicators	

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DATE OF MEETING	ITEM	BACKGROUND/OBJECTIVES	OUTCOME
	Asset Management Strategy	Update on progress	Assurance that indicators accurately reflect progress with Council Plan
	Procurement Strategy to include the effectiveness of the strategy in achieving its aims	Regular updates requested by the Committee	
30 June 2022	Q4 Finance and Performance Review	Review Performance Indicators	

To keep under review

- Procurement Strategy – to review whether resources are available to provide a report for June/September 2021
- Commercial Strategy Update – 6 monthly update to the Committee

December 2021

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

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