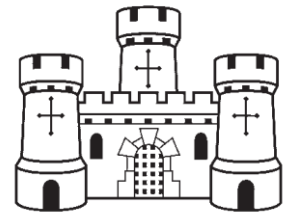


Date of meeting Thursday, 19th January, 2023

Time 7.00 pm

Venue Astley Room - Castle

Contact Geoff Durham 742222



**NEWCASTLE
UNDER LYME**
BOROUGH COUNCIL

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

Finance, Assets & Performance Scrutiny Committee

AGENDA

PART 1 – OPEN AGENDA

- 1 APOLOGIES**
- 2 DECLARATIONS OF INTEREST**
- 3 MINUTES OF A PREVIOUS MEETING** (Pages 5 - 8)
To consider the Minutes of a previous meeting.
- 4 REVENUE AND CAPITAL BUDGETS AND STRATEGIES 2023/24** (Pages 9 - 90)
This item includes a supplementary report at page 85.
- 5 SCALE OF FEES AND CHARGES 2023/24** (Pages 91 - 136)
- 6 WORK PROGRAMME** (Pages 137 - 140)
- 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 reports, 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 2023/24 - CONFIDENTIAL (Pages 141 - 142)
APPENDIX

11 DATE OF NEXT MEETING

Thursday 30 March, 2023 (7:00pm)

Members: Councillors Holland (Chair), Bryan (Vice-Chair), Parker, J Tagg, P Waring, Bettley-Smith, Stubbs, Brockie, Talbot, Allport and Lawley

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 Quorum: The meeting quorum for Scrutiny Committees is 4 of the 11 members.

SUBSTITUTE MEMBER SCHEME (Section B5 – Rule 2 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:	Whieldon	D Jones
	Panter	Fox-Hewitt
	Skelding	Wright
	Wilkes	Grocott
	Crisp	Gorton
	Adcock	

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)

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

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

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

FINANCE, ASSETS & PERFORMANCE SCRUTINY COMMITTEE

Thursday, 8th December, 2022
Time of Commencement: 7.00 pm

[View the agenda here](#)

[Watch the meeting here](#)

Present: Councillor Mark Holland (Chair)

Councillors:	Bryan	P Waring	Talbot
	J Tagg	Stubbs	Lawley

Apologies: Councillor(s) Parker, Bettley-Smith, Brockie and Allport

Substitutes: Councillor Joan Whieldon (In place of Councillor Robert Bettley-Smith)
Councillor Rupert Adcock (In place of Councillor Andrew Parker)
Councillor David Grocott (In place of Councillor Wendy Brockie)

Officers:	Denise French	Democratic Services Team Leader
	Sarah Wilkes	Head of Finance / S151 Officer
	Simon McEneny	Executive Director - Growth and Development
	Craig Turner	Finance Manager
	Georgina Evans	Head of Strategy, People and Performance

Also in attendance: Portfolio Holder for Finance, Town Centres & Growth

59. DECLARATIONS OF INTEREST

There were no declarations of interest made.

60. MINUTES OF A PREVIOUS MEETING

Resolved: that the minutes of the meeting held on 30 June 2022 be agreed as a correct record.

61. UPDATE FROM CABINET

The Portfolio Holder for Finance, Town Centres and Growth updated on 2 points raised at the previous meeting:

- A request had been made to include a running total alongside the quarterly financial position in the quarterly Finance and Performance Review reports and this had now been implemented.
- The symbols used in the above reports be reviewed. This had been done and the next quarterly report would have amended symbols and a training session would be held before the meeting to explain the symbols.

Resolved: that the update be noted and welcomed.

62. REVENUE AND CAPITAL BUDGET 2023/24 - FIRST DRAFT SAVINGS PLANS

The committee considered a report on the refreshed Medium Term Financial Strategy including the first draft budget proposals being considered to balance the revenue budget and the proposed capital programme for 2023/24.

The Portfolio Holder for Finance, Town Centres and Growth outlined how a number of savings and funding strategies had been identified to enable a balanced financial position to be proposed for 2023/24. There had been a number of impacts on the council's finances including inflationary pressures and a pay award above the figure budgeted for. The budget proposals would enable a contribution to continue to be made to the Borough Growth Fund and a Council Tax increase of 1.99% per Band D property.

Members raised the following queries and issues:

- The report identified £376,000 savings through the One Council programme – could further detail be supplied and a breakdown of the individual savings? Members were advised the details for the support services restructure were currently being worked through and some savings had been identified. There were also savings through digitisation of a number of workstreams within the Multi Mobile Functional Team. There would be a more detailed update to a future meeting.
- The report identified a review of charges in Bereavement Services, would this mean an across the board impact? The committee was informed that work had been carried out to compare the council's charges with other local authorities and the proposed changes would bring the council more into alignment with other areas. A report on fees and charges would be submitted to the January cycle of meetings.
- Further details were sought on the Life-Saving Detection system – this was explained as a drowning detection system which took photos above and below the water which would sound an alarm if necessary which meant fewer lifeguards were needed at poolside.
- What was meant by museum commercialisation and would charges be introduced? Members were informed the museum would remain free of charge but the commercial element referred to the events that were held and room hire charges.
- The garden waste scheme ran from January each year, when would the new charges be implemented from? This was confirmed as being from January 2023.
- The demographic information in section 4 of the MTFS showed a decrease in population overall but an increase in people of pensionable age. Was there any concern that those of working age were leaving the Borough? The committee was informed that this information was from the Census and there was a national issue with the Census data arising from the time when it was carried out. The Census had taken place during the pandemic and many UK students were at home rather than at university which had impacted the data for university towns. It was noted that there were around 20k students at Keele University during term time.

Resolved: that

- (a) The first draft proposals as set out in Appendix A and Appendix B be noted.
- (b) The amendment to the Medium Term Financial Strategy funding gap as a result of revisions to capital financing and inflationary assumptions be noted.
- (c) The refreshed Medium Term Financial Strategy be noted.
- (d) The next meeting include more detail on the fees and charges review.
- (e) An update on the One Council programme, with further detail around how the savings will be achieved, be submitted to a future meeting.

[Click here to watch the debate](#)

63. COMMERCIAL STRATEGY

The committee considered an update on the Commercial Strategy which had been approved in 2019. The council received around £400k in revenue per year from the current property portfolio.

The report outlined a number of income generation opportunities that were being explored. The council had bid for Levelling Up funding but would fund schemes by borrowing if necessary.

Members raised the following queries and points:

- Were any proposals in place to address the waiting list for swimming lessons? Members were informed that there was a programme for swimming lessons that included lessons during the school day. This helped with freeing up time outside school hours for general lessons but there were challenges for schools around providing transport to the pool for lessons. Members also noted Kidsgrove swimming pool offered lessons.
- The Chatterley Valley project would involve a facility currently based in Stoke on Trent, moving to the Borough. Would this see the creation of any new jobs? The committee was advised that a company called Lucideon was relocating but their facilities would be increased including a new headquarters and manufacturing facility as well as a Research and Development building and nationwide centre of excellence. There were also new units which had already attracted interest. The overall facility was expected to deliver 1700 new jobs.
- Was there any risk to the scale of York Place arising from the current financial situation? Members were advised that the scheme had been value engineered to ensure it maintained the original scope and remained value for money.

Resolved: that the update be received.

[Click here to watch the debate](#)

64. FINANCIAL AND PERFORMANCE REVIEW REPORT - FIRST QUARTER (APRIL - JUNE 2022)

The committee received the Quarter 1 finance and performance review; the Quarter 2 review was also on the agenda which provided more up to date information.

RESOLVED: that the report be noted.

65. FINANCIAL AND PERFORMANCE REVIEW REPORT - SECOND QUARTER (JULY - SEPTEMBER 2022)

The committee considered the financial and performance review report for the second quarter – July – September 2022. The Portfolio Holder for Finance, Town Centres and Growth outlined the financial position at Q2 which showed an adverse variance of £0.105m but a balanced position was forecast at year end. Members queried how this variance would relate to a balanced position by year end and were advised that there had been loss of income at the start of the year but this was now recovering, the council would also use the Cost of Living reserve and Budget Support reserve to achieve a balanced outturn.

Members discussed sickness absence and accident reporting. The committee was informed that one accident had been reported late which made it difficult to investigate. It was thought that some sickness absence had been masked during the pandemic when staff were working from home and may not have taken sick leave. There was a lot of support available for staff in regards to mental health. Some staff were being trained as mental health first aiders.

The next round of performance reports would include new symbols including a gradient system to show the direction of travel.

RESOLVED: that the report be received.

[Click here to watch the debate](#)

66. WORK PROGRAMME

The committee considered the work programme. Members agreed to consider an update on the Commercial Strategy at the June meeting.

RESOLVED: that work programme be received.

67. PUBLIC QUESTION TIME

There were no members of the public present.

68. URGENT BUSINESS

There was no urgent business.

69. DATE OF NEXT MEETING - 19 JANUARY 2023

**Councillor Mark Holland
Chair**

Meeting concluded at 8.00 pm

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S
REPORT TO

Finance Assets and Performance Scrutiny Committee
19 January 2023

Report Title: Revenue and Capital Budgets and Strategies 2023/24

Submitted by: Head of Finance (Section 151 Officer)

Portfolios: Finance, Town Centres and Growth

Ward(s) affected: All

Purpose of the Report

To review progress on the completion of the revenue and capital budgets for 2023/24 and approve the 5 year Medium Term Financial Strategy for 2023/24 to 2027/28.

To enable the committee to consider and scrutinise drafts of the Flexible Use of Capital Receipts Strategy (updated for 2023/24), the Capital Strategy for 2023/33, the Treasury Management Strategy for 2023/24 and the Investment Strategy for 2023/24 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) be noted.
2. That the updated Medium Term Financial Strategy 2023/24 to 2027/28 (Appendix 2) be noted.
3. That the strategy for ensuring a balanced revenue outturn position for 2022/23 be noted.
4. That the calculation of the Council Tax base and the Council Tax increase to be proposed for 2023/24 of 1.99% per Band D equivalent property be noted.
5. That the risk assessment at Appendix 3 and Section 151 Officer's recommendation on the level of reserves and contingencies provisionally required to be maintained in 2023/24 be noted.
6. That the draft Flexible Use of Capital Receipts Strategy (Appendix 5) for 2023/24 be noted.
7. That the draft Capital Strategy (Appendix 6) for 2023/33 be noted.
8. That the draft Treasury Management Strategy (Appendix 7) for 2023/24 be noted.
9. That the draft Investment Strategy (Appendix 8) for 2023/24 be noted.

Reasons

To inform the Cabinet in recommending a robust and affordable budget for 2023/24 to the Council meeting on 15 February 2023.

The Council needs to have an approved Flexible Use of Capital Receipts Strategy for 2023/24, an approved Capital Strategy for 2023/24, an approved Treasury Management Strategy for 2023/24 and an approved Investment Strategy for 2023/24 in place before the start of the 2023/24 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 “good local services, a prosperous borough and safe and welcoming places for all” and the Council’s stated aims and objectives, as set out in the Council Plan 2022-2026, which was approved by Cabinet on 6 September 2022.
- 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 2022-2026 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 Cost of Living Crisis, 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, linked to the Council Plan objectives, are reported to Cabinet on a quarterly basis. (Details of the Council Plan 2022-2026 can be seen here <https://www.newcastle-staffs.gov.uk/policies-1/council-plan-2022-2026>)
- 1.4 The draft 2023/24 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 6 December 2022 and scrutinised by the Finance, Assets and Performance Scrutiny Committee at its meeting on 8 December 2022.
- 1.5 The draft and provisional proposals included in this report will inform the Revenue and Capital Budgets and Council Tax 2023/24 reports to Cabinet on 7 February 2023 and to Full Council on 15 February 2023.
- 1.6 The Capital Strategy 2023/33 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 Full Council concerning the Treasury Management Strategy to be followed in carrying out its treasury management activities in the forthcoming financial year, 2023/24.
- 1.8 The Investment Strategy 2023/24 is compiled according to Central 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 2022/23 – Provisional Outturn Forecast

Revenue

- 2.1 The Council approved a General Fund Revenue Budget for 2022/23 of £15.269m on 23 February 2022. 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 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 and 2021/22. No Government funding for 2022/23 in respect of financial pressures relating to the Coronavirus pandemic (including income compensation) is likely to be received.
- 2.3 The Council's revenue budget relies on service income from fees and charges income of around £725k 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 £0.489m.
- 2.4 The local government pay award of £1,925 per full time employee, which is in excess of the amount provided for in the budget (2.5%), including national insurance and pension, is estimated to amount to a further £0.591m for the financial year.
- 2.5 As per the widely reported Cost of Living Crisis, increased fuel, electricity and gas prices when compared to the amounts provided for in the budget are forecast to amount to £0.314m by the close of the financial year.
- 2.6 It is forecast that a balanced position will be achieved as at the close of the financial year. The adverse variances highlighted above will be offset by:
 - Utilisation of the Cost of Living Reserve that was established during the budget setting for 2022/23 in order to respond to any above inflationary increases in costs. It is anticipated that the £0.400m paid into this reserve will be fully used.
 - Use of £0.240m New Homes Bonus funding paid into the Budget Support Fund that was established during the budget setting for 2022/23 in order to boost the Council's financial resilience during 2022/23 as a result of the continued impact of the Coronavirus pandemic.
 - Application of £0.167m Administration Grant paid to the Council and set aside during 2021/22 in relation to Coronavirus grants.
 - Interest receivable on cash that the Council holds in terms of Town Deal and Future High Street funding, together with Section 31 grant and remaining Coronavirus grant funding (that are repayable to Central Government) is forecast to increase significantly following recent interest rate hikes to £0.504m for the financial year.
- 2.7 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.
- 2.8 Further consequences of the Coronavirus and the Cost of Living Crisis on the Council's financial position will depend significantly on any restrictions being imposed, the recovery of income from

fees and changes, rates of inflation and on any further Government financial support that may be received.

- 2.9 Careful monitoring of the financial position will be required over coming weeks and months leading to prompt corrective action where necessary to ensure the Council remains in a position of being able to deliver a balanced budget position in the current financial year and beyond.

Capital

- 2.10 A Capital Programme totalling £32.309m was approved for 2022/23. Of this total £30.309m relates to the total cost of new schemes for 2022/23 together with £1.000m for schemes funded by external sources (Disabled Facilities Grants) and £1.000m contingency. In addition £5.548m has been brought forward from the 2021/22 Capital Programme (including £4.017m from the Town Deals Fund and the Future High Streets Fund), resulting in a total Capital Programme of £37.857m for 2022/23.
- 2.11 At the close of quarter two the profiled capital budget amounts to £4.345m, actual spend for this period totals £4.475m.
- 2.12 A mid-year review of the capital programme for 2022/23 has been undertaken as part of the Efficiency Board and budget setting process for in order to identify any projects that may need to be re-profiled from 2022/23 into future years. The revised capital programme for 2022/23 totalling £32.977m was approved by Cabinet on 6 December 2022.

Medium Term Financial Strategy

- 2.13 The draft MTFS was approved as a basis for consultation by Cabinet on 6 December 2022 and has since been updated to reflect the impact of the Local Government Finance Settlement.
- 2.14 A number of savings and funding strategies have been identified as being both feasible and sustainable, via a vigorous Financial Efficiency Board process including challenge sessions for each of the Portfolios involving Cabinet Members, the Executive Management Team, Heads of Service and the Finance Manager. The proposed savings identified to date for the period of the MTFS, have enabled a balanced financial position to be proposed for 2023/24.

Detail	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Income	270	-	-	-	-
One Council	376	-	-	-	-
Staffing Related	18	-	-	-	-
Good Housekeeping	215	-	-	-	-
Tax Base	337	219	222	224	227
Council Tax Increase	159	161	163	165	167
Government Grants	728	-	-	-	-
Total Savings	2,103	380	385	389	394
Updated MTFS Gaps	2,103	1,593	423	455	1,299
Remaining Gaps	-	1,213	38	66	905

- 2.15 The table below shows the amendments to items included in the saving strategy reported to Cabinet on 6 December 2022 reflecting the impact of the Local Government Finance Settlement on them (further details are included at 2.39 to 2.45):

Detail	£'000
<i>Total Savings at 6 December 2022</i>	<i>(2,134)</i>
Additional New Homes Bonus Grant	(15)
New Minimum Funding Guarantee Grant	(228)
Removed Lower Tier Services Grant	170
Reduced Services Grant	104
<i>Total Revised Savings</i>	<i>(2,103)</i>

Draft Revenue Budget 2023/24

2.16 The MTFS has been updated to reflect the Local Government Finance Settlement received on 19 December 2022. It provides for a gap in 2023/24 of £2.103m and a revised gap to reflect the continued review of the capital programme, over the 5 year period of the MTFS of £5.873m.

2.17 The table below shows the factors which give rise to the £2.103m gap for 2023/24:

	£'000
<i>Additional Income</i>	
Fees and Charges	(253)
Business Rates Retention	(186)
Council Tax Support	(30)
<i>Total Additional Income</i>	<i>(469)</i>
<i>Loss of Income</i>	
Government Grant (New Homes Bonus, Housing Benefits Admin)	210
Reduction in income from under achieved budgets	100
<i>Total Loss of Income</i>	<i>310</i>
<i>Additional Expenditure</i>	
Employees (pay awards, increments, national insurance, pension)	1,450
Premises (business rates and utilities)	143
Transport (fuel)	172
Borrowing	305
Reduction in flexible use of capital receipts	100
Other pressures (inc. software licences, contracts)	92
<i>Total Additional Expenditure</i>	<i>2,262</i>
<i>Net Increase in Base Budget</i>	<i>2,103</i>

2.18 The table below shows the amendments to items included in the MTFS 'gap' reported to Cabinet on 6 December 2022 reflecting the impact of the Local Government Finance Settlement on them (further details are included at 2.39 to 2.45):

Detail	£'000
<i>Total Pressures at 6 December 2022</i>	<i>2,134</i>
Additional Settlement Funding Assessment Grant	(142)
Additional Compensation re. Freezing of Business Rates Multiplier	(208)
Removed Council Tax Support Administration Grant	136
Removed Family Annexe Council Tax Grant	8
Removal of the Lower Tier Service Grant	169
Reduction in Housing Benefit Administration Grant	6
<i>Total Revised Pressures</i>	<i>2,103</i>

2.19 The proposed savings identified for 2023/24 are summarised below, with further detail in Appendix 1. These savings and strategies enable a balanced financial position to be proposed for 2023/24.

Category	£'000	Comments
Income	270	Additional sources of income generation and an increased demand for services that the Council charges for
One Council	376	Efficiencies to be generated from the continued implementation of a new Council operating model and the continued prioritisation of digital delivery
Staffing Related Efficiencies	18	No redundancies are anticipated to arise from these proposals
Good Housekeeping/More Efficient Processes	215	Various savings arising from more efficient use of budgets
Tax Base Increase	337	Increased in Council Tax and Business Rates tax base
Council Tax Increase	159	An assumed 1.99% per Band D equivalent increase in Council Tax
Government Grants	728	Grants in respect of New Homes Bonus and Minimum Funding Guarantee
Total	2,103	

2.20 As in previous years, the first draft of the savings plan set out at Appendix 1 was made available to the Finance, Assets and Performance Scrutiny Committee for scrutiny at its meeting on 8 December 2022.

2.21 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.

2.22 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.

2.23 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.

2.24 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 £0.376m in 2023/24).

2.25 It is anticipated that the £0.376m saving for 2023/24 will be made up as follows:

- £0.056m from a widening of the One Front Door team to encompass all Council services;
- £0.265m from a restructure of internal support services and a review of vacant posts; and,
- £0.056m from the implementation of a Mobile Multi-Functional approach to Council services.

Borough Growth Fund

2.26 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.

2.27 Since the establishment of the Borough Growth Fund, investments have been made and committed to in the following areas:

Investment Area	£'000	Details
Council Modernisation	329	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	75	Addressing community concerns regarding the quarry's unpleasant odour omissions.
Town Centre Support	117	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.

2.28 The savings and funding strategies identified in the table in paragraph 2.14 and in Appendix 1 will enable continued investment of £0.250m in the Council's priorities as per the Council Plan 2022-2026 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.

2.29 The 2023/24 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

2.30 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.

2.31 £0.100m of the 2023/24 Borough Growth Fund will continue to be allocated to the used to drive the digital programme which will transform public access to Council services and drive efficiency savings.

- 2.32 The remaining £0.050m will be used within economic development on initiatives for boosting footfall within the town centre during the 850 celebration year.

Council Tax and Collection Fund

- 2.33 The savings and funding strategy assumes a 1.99% per Band D equivalent property Council Tax increase, producing £0.159m 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	2.79	0.05
B	3.25	0.06
C	3.72	0.07
D	4.18	0.08
E	5.11	0.10
F	6.04	0.12
G	6.97	0.13
H	8.37	0.16

- 2.34 Taking into account a 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 431 band D equivalent properties from 37,668 in 2022/23 to 38,099 in 2023/24.
- 2.35 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 2022/23. This surplus or deficit is then shared between the relevant preceptors in 2023/24 (a surplus if paid out to preceptors, including the Council, and a deficit is repaid to the collection fund from preceptors, including the Council).
- 2.36 The Business Rates Collection Fund is estimated to be in a deficit position in relation to 2022/23 in isolation, this is due to the revaluation and backdated reduction in value of a large distribution centre within the Borough. The deficit is estimated to amount to £0.996m, of which the Council's share is £0.398m.
- 2.37 The Business Rates Collection Fund also settles actual deficits from previous years, for 2021/22 a deficit of £12.024m was declared to preceptors. The actual deficit at the close of the financial year amounted to £9.594m due to the amount set aside to provide for potential being significantly higher than the amount calculated at the year end. The Council's share of this amounts to £0.972m and will be repaid to the Council during 2023/24, it will be transferred to the Business Rates Reserve to allow for fluctuations in Business Rates in future years and to provide contingency for the forthcoming Fair Funding Review.
- 2.38 The Council Tax Collection Fund is estimated to be in a surplus position as at 31 March 2023, primarily due to a continued reduction in the number of Council Tax Support claimants when compared to the height of the COVID-19 pandemic. This surplus is estimated to amount to £0.552m, of which the Council's share is £0.064m.
- 2.39 The Local Government Finance Settlement for 2023/24 was received on 19 December 2022. Overall, the MTFs provides for an increase in funding of £0.111m. The amount receivable is provisionally an additional £0.169m than assumed in the MTFs, and it is proposed that this be paid into the Budget and Borrowing Support Fund (formally named the Budget Support Fund) in order to be utilised for interest rate rises in respect of borrowing and to safeguard against a number of income budget pressures that are yet to fully recover from the COVID-19 pandemic.

- 2.40 Local Council Tax Support Administration Grant and the Family Annexe Council Tax Grant have been consolidated into the local government finance settlement for the first time. This effectively eliminates these grants but merges an equivalent amount into the settlement funding assessment.
- 2.41 Taking account of the above, Baseline Settlement Funding (via Business Rates Retention scheme and Revenue Support Grant) and compensation for the under indexing of the business rates multiplier has increased by £0.186m when compared to 2022/23, this varies from the MTFS assumption of an increase of £0.149m by £0.037m. This compensates the Council, via Section 31 Grant, for the freeze in the business rates multiplier which would otherwise have generated additional business rates income, at a rate of CPI inflation over that assumed in the MTFS.
- 2.42 The MTFS assumed that the Lower Tier Services Grant (£0.170m) would be continued. Lower Tier Services Grant will be discontinued and has been rolled into the funding of a minimum funding guarantee.
- 2.43 The Services Grant was proposed for the local government finance settlement 2022 to 2023 to provide funding to all tiers of local government in recognition of the vital services delivered at every level of local government. The MTFS assumed that the Services Grant would be continued. Services Grant will be continued but at a reduced rate of £0.104m less than the amount received in 2022/23.
- 2.44 The Local Government Settlement for 2023/24 announced that the New Homes Bonus (NHB) Scheme will continue for a further year, the allocation amount for the Council is £0.500m due to the increase in properties within the borough in the last year.
- 2.45 A minimum funding guarantee has been introduced to ensure that all authorities will see an increase in core spending power of at least 3%, this will result in a grant to the Council of £0.228m for 2023/24. Core spending power includes New Homes Bonus, it is therefore likely that in the instance of New Homes Bonus discontinuing in 2024/25 that the grant from the minimum funding guarantee will increase to offset the New Homes Bonus received in 2023/24.

Budget Consultation

- 2.46 Public consultation has been undertaken on the budget, the consultation ran between 7 December 2022 and 2 January 2023. The results of which will be reported to Cabinet on 7 February 2023.

Capital Programme 2023/24 to 2025/26 and Capital Strategy 2023/33

- 2.47 The Capital Programme for 2023/24 to 2025/26 (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 2022-26. These schemes total £48.064m, including major investment into the Borough via external funding (and elements of matched funding contributions from the Council) in terms of the Future High Streets Fund and the Town Deals Fund for both Newcastle and Kidsgrove.
- 2.48 The Capital Programme for 2023/24 allows for a further contribution of £2.600m to the Multi Storey Car Park to reflect increased build costs resulting from inflationary pressures faced within the construction sector.
- 2.49 The Capital Strategy for 2023/33 (Appendix 6) 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.

2.50 The Capital Programme is produced in line with the Capital Strategy for 2023/33. In addition to the Council's corporate and service objectives, as set out in the Council Plan 2022-26, 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.

2.51 Delivering the capital programme for 2023/24 will require prudential borrowing to be undertaken. The impact of borrowing is included in the MTFs pressures for 2023/24 and future years.

2.52 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 where possible.

2.53 In summary, investment in the capital programme for 2023/24 to 2025/26 totalling £48.064m will be funded by:

- £22.585m External Funding including Disabled Facilities Grant and s106;
- £10.400m Capital Receipts; and,
- £15.079m Prudential Borrowing.

Treasury Management Strategy 2023/24 and Investment Strategy 2023/24

2.54 The Treasury Management Strategy for 2023/24 is attached at Appendix 7. The Minimum Revenue Provision Policy for 2023/24 is contained in Annex C to the strategy.

2.55 The Treasury Management Strategy for 2023/24 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.

2.56 The Investment Strategy for 2023/24 is attached at Appendix 8. 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

2.57 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 Section 151 Officer. Details of the risk factors considered and the weightings applied to each are set out at Appendix 3.

2.58 It is recommended that a minimum level of unallocated reserves and contingencies (i.e. the Council's Balance and Reserve Strategy for 2023/24) of £1.910m be held in 2023/24 to reflect the levels of revenue risk shown in the draft budget for 2023/24. The remaining £0.250m from the balance currently held will be transferred to the Budget and Borrowing Support Fund.

- 2.59 The Walley's Quarry reserve is forecast to have a balance of £0.600m at the close of 2022/23. It is recommended that £0.100m is retained within this reserve as a contingency and that £0.400m is transferred to the Cost of Living Reserve to provide contingency for any above inflationary increases in costs that may arise. It is recommended that the remaining £0.100m, along with the £0.100m held in the Income Reserve, is transferred to the Budget and Borrowing Support Fund in order to boost the Council's financial resilience during the forthcoming financial year.

Timetable

Event	Committee	Date
Final budget proposals recommended for approval by Full Council	Cabinet	7 February 2023
Full Council to approve budget	Full Council	15 February 2023

3. Proposals

- 3.1 That the progress on the completion of the Revenue (Appendix 1) and Capital Budgets (Appendix 4) be noted.
- 3.2 That the updated Medium Term Financial Strategy 2023/24 to 2027/28 (Appendix 2) be noted.
- 3.3 That the strategy for ensuring a balanced revenue outturn position for 2022/23 be noted.
- 3.4 That the calculation of the Council Tax base and the Council Tax increase to be proposed for 2023/24 of 1.99% per Band D equivalent property be noted.
- 3.5 That the risk assessment at Appendix 3 and Section 151 Officer's recommendation on the level of reserves and contingencies provisionally required to be maintained in 2023/24 be noted.
- 3.6 That the draft Flexible Use of Capital Receipts Strategy (Appendix 5), updated for 2023/24, be noted.
- 3.7 That the draft Capital Strategy (Appendix 6) for 2023/33 be noted.
- 3.8 That the draft Treasury Management Strategy (Appendix 7) for 2023/24 be noted.
- 3.9 That the draft Investment Strategy (Appendix 8) for 2023/24 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 2023/24 by 10 March 2023, per Section 30(6) of the Local Government Finance Act 1992. It is planned to approve the final budget and Council Tax rates on 15 February 2023.

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. The review and risk assessment indicates that overall unallocated reserves and contingencies are required to be held at a minimum level of £1.910m to reflect the levels of revenue risk shown in the draft budget for 2023/24. 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 2023/24 reports to Cabinet on 7 February 2023 and to Council on 15 February 2023.
- 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 Medium Term Financial Strategy 2023/24 to 2027/28 (Cabinet 6 September 2022)

12.2 Revenue and Capital Budgets 2023/24 – First Draft Savings Plans (Cabinet 6 December 2022)

12.3 Revenue and Capital Budgets and Strategies 2023/24 – (Cabinet 10 January 2023)

13. **List of Appendices**

13.1 Appendix 1 – 2023/24 MTFS Funding Strategy

13.2 Appendix 2 – 2023/24 to 2027/28 MTFS 'Gaps'

13.3 Appendix 3 – Risk Assessment on Required Balances/Contingency Reserve

13.4 Appendix 4 – 2023/24 to 2025/26 Capital Programme and 2022/23 Mid-Year Estimate

13.5 Appendix 5 – Flexible Use of Capital Receipts Strategy 2023/24

13.6 Appendix 6 – Capital Strategy 2023 to 2033

13.7 Appendix 7 – Treasury Management Strategy 2023/24

13.8 Appendix 8 – Investment Strategy 2023/24

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 – 2023/24 MTFS Funding Strategy



Ref	Service Area	Description	£000's	Detail
Income				
I1	Bereavement Services	Income review	75	Full review of charges made including comparisons and levelling up with charges made by other local authorities
I2	Leisure and Cultural	Museum commercialisation	25	Increased commerciality of the Museum service through charging and promotion
I3	Leisure and Cultural	School swimming	30	Expansion of school swimming lessons scheme
I4	Leisure and Cultural	Student memberships	19	Introduction of a student specific membership
I5	Recycling and Fleet	Garden waste	36	Removal of discount given for additional garden waste bins and increase in fee
I6	Recycling and Fleet	Waste transfer notice	15	Introduction of a charge to recover administration fee
I7	Recycling and Fleet	Sale of recyclable materials	50	Reflection of increased prices paid by contractors for recyclable materials
I8	Recycling and Fleet	Advertising	20	Advertising on the Council's vehicle fleet
			270	
One Council				
O1	Corporate	One Council	376	Efficiencies to be generated from the introduction of a new Council operating model, continuous review and development of services and continued prioritisation of digital delivery
			376	
Staffing Related Efficiencies				
S1	Leisure and Cultural	Life-saving detection system	18	Introduction of a life-saving detection system leading to a reduced number of life guards being required
			18	
Good Housekeeping/More Efficient Processes				
G1	ICT	Centralisation	25	Centralisation and rationalisation of ICT and telephony budgets
G2	Leisure and Cultural	Subsidy reduction	100	Reduction in subsidy to Leisure service to reflect performance
G3	Recycling and Fleet	Green waste recycling credits	70	Contractor costs paid by Staffordshire County Council following removal of recycling credits
G4	Corporate	Good housekeeping	20	Review of temporary staff and other fees for services budgets
			215	
Alternative Sources of Finance/Other				
A1	Corporate	Tax base – Council Tax	91	Increase in tax base based on market housing supply requirement (431 properties per year)
A2	Corporate	Tax base – Business Rates	246	Assumed increase in tax base of 4%
A3	Corporate	New Homes Bonus	500	Assumed one year allocation of New Homes Bonus based on submitted data (CTB1 form)
A4	Corporate	Minimum Funding Guarantee	228	Minimum Funding Guarantee as per provisional Local Government Finance Settlement
A5	Corporate	Council Tax increase	159	Assumed increase of 1.99% per Band D property
			1,224	
Grand Total			2,103	

Appendix 2 – 2023/24 to 2027/28 MTFS ‘Gaps’

Detail	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Description
Employees:						
Increments	61	40	10	2	-	Employees due an increment
Pay awards	508	330	339	347	356	4% pay award assumed for 2023/24 and 2.5% for all years thereafter
2022/23 Pay award	447	-	-	-	-	Pay award proposed for 2022/23 above MTFS assumption of 2.5%
Superannuation increases	224	82	77	77	78	22% of increase in increments and pay awards
Superannuation lump sum increases	57	39	41	43	45	Contribution towards pension deficit
National Insurance	153	56	52	53	54	13.8% of increase in increments and pay awards
Premises:						
Business Rates	30	16	16	16	16	Inflationary increase in business rates payable (per CPI)
Utilities	113	11	11	11	11	Inflationary increase in gas and electric (per CPI) and realignment of budget re. 2022/23 increases
Transport:						
Fuel	172	12	12	12	12	Inflationary increase in fuel (per CPI) and realignment of budget re. 2022/23 increases
Financing:						
Borrowing/leasing costs	305	550	15	52	892	Borrowing costs regarding the financing of capital expenditure
Flexible use of capital receipts	100	-	-	-	-	Removal of the flexible use of capital receipts to fund revenue
New Pressures:						
ICT software and maintenance	26	20	20	20	20	ICT costs re. systems maintenance and software licences
Internal Audit fees	8	-	-	-	-	Inflationary increase in contracted costs
Payroll fees	8	-	-	-	-	Inflationary increase in contracted costs
Repairs and renewals	50	-	-	-	-	Increased contract prices
External audit fees	-	100	-	-	-	Likely increase in external audit fees
Income:						
Fees and charges	(253)	(197)	(203)	(209)	(216)	4% increase in fees and charges in 2023/24 and 3% each year thereafter
New Homes Bonus	192	500	-	-	-	Drop out of New Homes Bonus legacy payments
Government grant	18	12	12	12	12	Reduction in Housing Benefit Administration grant
Business Rates baseline funding level	(186)	(78)	(79)	(81)	(81)	Inflationary increase in baseline funding level (per CPI)
Tax base – Council Tax support	(30)	-	-	-	-	Reduction in Council Tax support claimants
Income pressures	100	100	100	100	100	General income shortfalls
TOTAL GAPS	2,103	1,593	423	455	1,299	

Appendix 3 – Risk Assessment on Required Balances (£1.910m)

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 2023/24 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	A decrease would make no difference investment wise but would reduce borrowing costs	1 x 2	Low	None	EMT
13	Additional interest costs incurred resulting from loss of income and additional expenditure	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	2 x 3	Moderate	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 2023/24	Additional unbudgeted costs	2 x 3	Moderate	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 – 2023/24 to 2025/26 Capital Programme and 2022/23 Mid-Year Estimate

CAPITAL PROGRAMME	2022/23 MID YEAR	2023/24	2024/25	2025/26	TOTAL (2023/24 to 2025/26)
	£	£	£	£	£
PRIORITY – One Council Delivering for Local People					
Service Area - Council Modernisation	309,303	1,991,500	269,000	481,500	2,742,000
Total	309,303	1,991,500	269,000	481,500	2,742,000
PRIORITY – A Successful and Sustainable Growing Borough					
Service Area - Housing Improvements	1,720,000	1,670,000	1,670,000	1,720,000	5,060,000
Service Area - Managing Property & Assets	930,725	883,342	1,442,918	1,266,411	3,591,671
Total	2,650,725	2,552,342	3,112,918	2,986,411	8,651,671
PRIORITY – Healthy, Active and Safe Communities					
Service Area - Environmental Health	60,000	60,000	-	12,000	72,000
Service Area - Streetscene and Bereavement Services	940,000	790,000	240,000	280,000	1,310,000
Service Area - Recycling and Fleet	900,927	5,601,000	303,000	1,230,000	7,134,000
Service Area – Leisure and Cultural	800,341	368,000	16,000	150,000	534,000
Service Area - Engineering	155,000	110,000	1,415,000	120,000	1,645,000
Total	2,856,268	6,929,000	1,974,000	1,792,000	10,695,000
PRIORITY – Town Centres for All					
Service Area - Managing Property & Assets	-	7,300,000	-	-	7,300,000
Future High Streets Fund	5,388,399	1,691,166	-	-	1,691,166
Town Deals – Newcastle	14,356,811	4,706,000	2,251,000	807,000	7,764,000
Town Deals - Kidsgrove	6,415,000	4,190,000	2,794,000	1,236,000	8,220,000
Total	26,160,210	17,887,166	5,045,000	2,043,000	24,975,166
CONTINGENCY (will be carried forward to 2023/24 if)	1,000,000	1,000,000	-	-	1,000,000
TOTAL	32,976,506	30,360,008	10,400,918	7,302,911	48,063,837
FUNDING					
Capital Receipts	3,684,500	2,400,000	4,000,000	4,000,000	10,400,000
External Contributions	27,877,210	12,497,166	6,545,000	3,543,000	22,585,166
Borrowing	1,414,796	15,462,842	(144,082)	(240,089)	15,078,671
TOTAL	32,976,506	30,360,008	10,400,918	7,302,911	48,063,837



Flexible Use of Capital Receipts

2023/24



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 2024 – 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 and Content

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

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.

2023/24 Strategy

The Council intends to use capital receipts received in 2023/24 to finance previously agreed qualifying expenditure in accordance with the Guidance, this relates solely to any remaining sum (currently estimated to be around £0.150m) 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)	150	250
Total	150	250

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

2022/23 and Previous Years' Flexible use of Capital Receipts

The Council financed qualifying expenditure in 2017/18, 2018/19, 2019/20, 2020/21 and 2021/22 in accordance with the Guidance, and further intends to finance such expenditure in 2022/23, as shown in the table below.

Project	Allocation of Flexible Use of Capital Receipts £'000	Actual Spend £'000	Estimated Savings £'000	Actual One off Savings £'000	Actual Ongoing Saving £'000	Notes
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	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	134	134	100		100	Ongoing project, expect to save circa £100k per annum
Chargeable Garden Waste - Preparatory	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
2021/22						
One Council Project	750	675	601		601	One Council Project
Digital Delivery Project	200	200	As above		As above	Support to One Council project and website/intranet
2022/23						
One Council Project	200	TBC	126		TBC	One Council Project
Financial Sustainability	100	TBC	100		TBC	Investment in securing growth within the Borough
Total	2,830	2,459	2,538	150	2,525	

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.

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Capital Strategy

2023 to 2033



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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.

Capital expenditure is where the Council spends money on assets, such as property or vehicles that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.

Due to the ongoing impact of the COVID-19 pandemic, together with higher inflation, higher interest rates, uncertain government policy, and a deteriorating economic outlook, additional financial pressures have been placed on the Council. In consideration of these pressures, a review of the 2022/23 Capital Programme has been completed with the assistance of Budget Holders, members of the Capital, Assets and Commercial Investment Review Group and the Council's Efficiency Board. The rationale behind this review was to establish which of the capital projects approved in the programme were essential or health and safety related, could be deferred to the following year due to resources and services available or were no longer required.

The revised 2022/23 Capital Programme totals £32.977m which includes £27.786m for schemes funded by external sources (£20.898m Town Deals, £5.388m Future High Streets and £1.500m Disabled Facilities Grants) and is summarised below, showing the constituent categories of projects:

Project Categories	Planned Expenditure £m
One Council delivering for local people	0.309
A successful and sustainable growing Borough	2.671
Healthy, active and safe communities	2.856
Capital contingency	1.000
Town Centres for all	26.160
Total	32.977

Full Council will consider a capital programme to continue investment beyond 2022/23 on 15 February 2023.

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:

One Council Delivering for Local People
A Successful and Sustainable Growing Borough
Healthy, Active and Safe Communities
Town Centres 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
Green Spaces Strategy
Private Sector Housing Renewal Strategy
Housing Strategy
Customer Service and Access Strategy
Treasury Management 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.

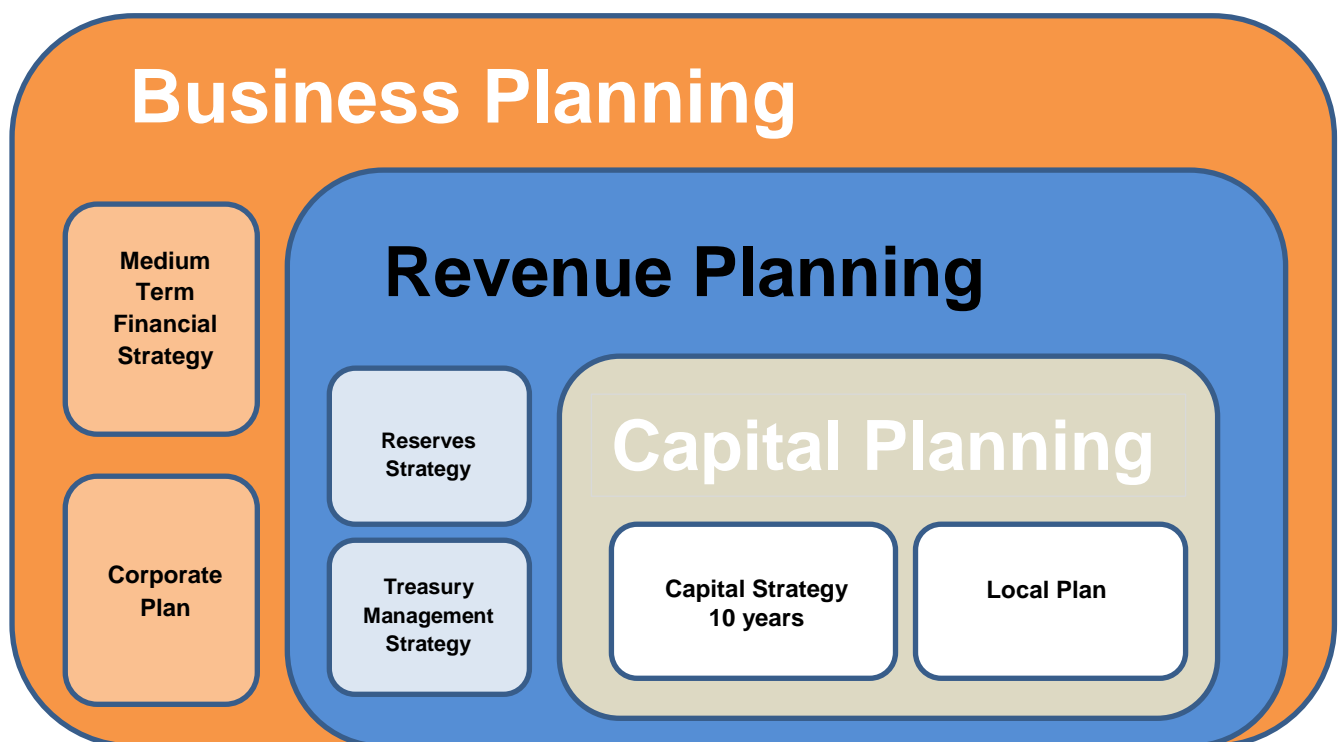
Appraisal, procurement and management of capital projects needs to be carried out with regard to the objectives, methodologies the principles and practices set out in the Procurement Strategy.

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 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 2.5%, every £100,000 of such capital receipts or reserve balances used will cost £2,500 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 (£36.756m between 2022/23 and 2025/26), Future High Streets Fund (£7.080 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 £7,000 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. They 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 £100,000 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 £100,000 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 2022/23 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 £100,000.

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

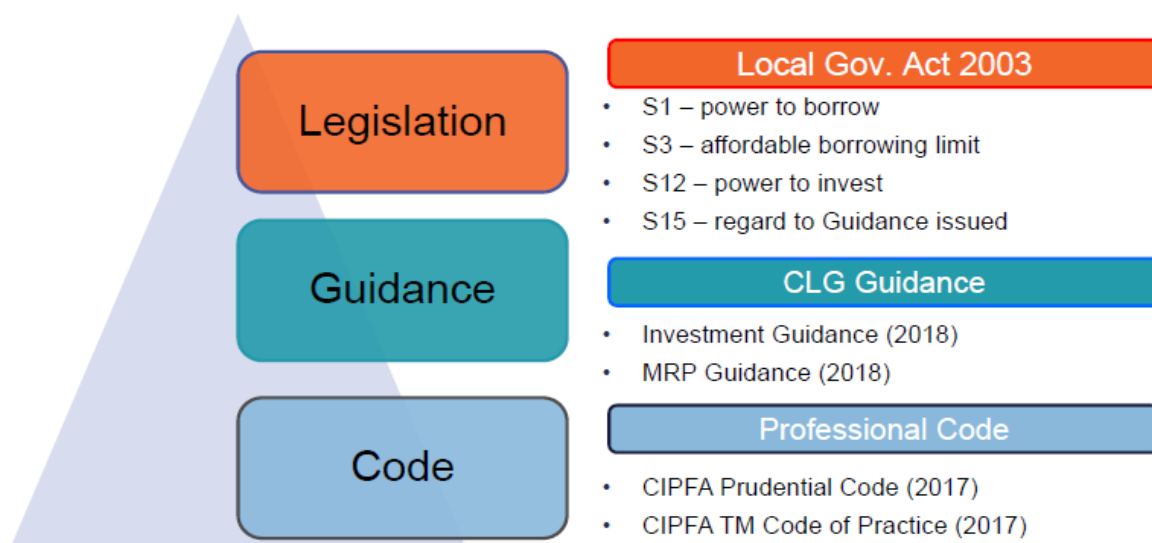
The Council's capital investment is carried out within the statutory framework laid down by the Local Government Act 2003 and regulations under that Act. Accordingly, only expenditure which fits the definition of capital expenditure contained in the Act or Regulations pursuant to it will be capitalised.

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.

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 (2023/24 to 2032/33) 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 2023/24 to 2032/33 it is estimated that this expenditure will total £84.353m.

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 £30.368m 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 £15.718m over 10 years, with the costs in each year 2023/24 to 2032/33 being as shown below:

Year	Total £m
2023/24	0.471
2024/25	1.023
2025/26	1.037
2026/27	1.090
2027/28	1.982
2028/29	2.002
2029/30	2.022
2030/31	2.043
2031/32	2.06
2032/33	1.988
Total	15.718

A capital programme for 2023/24 to 2025/26 totalling £48.064m will be recommended to Full Council on 15 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 2023/24 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; and
- 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.

Annex A – Definition of Capital Expenditure included in the Code of Practice on Local Authority Accounting in the United Kingdom

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

Expenditure that should be capitalised will include expenditure on the:

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

Annex B - 2023/24 to 2032/33 Capital Programme

CAPITAL PROGRAMME	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	TOTAL
	£	£	£	£	£	£	£	£	£	£	£
PRIORITY - One Council Delivering for Local People											
Service Area - Council Modernisation	1,991,500	269,000	481,500	331,000	75,000	346,000	431,000	121,000	31,000	31,000	4,108,000
Total	1,991,500	269,000	481,500	331,000	75,000	346,000	431,000	121,000	31,000	31,000	4,108,000
PRIORITY - A Successful and Sustainable Growing Borough											
Service Area - Housing Improvements	1,670,000	1,670,000	1,720,000	1,670,000	1,595,000	1,595,000	1,595,000	1,595,000	1,595,000	1,595,000	16,300,000
Service Area - Managing Property & Assets	882,342	1,442,918	1,266,411	569,746	495,475	590,448	310,000	704,483	172,500	172,500	6,606,823
Total	2,552,342	3,112,918	2,986,411	2,239,746	2,090,475	2,185,448	1,905,000	2,299,483	1,767,500	1,767,500	22,906,823
PRIORITY - Healthy, Active and Safe Communities											
Service Area - Environmental Health	60,000	-	12,000	-	-	-	12,000	-	-	-	84,000
Service Area - Streetscene & Bereavement Services	790,000	240,000	280,000	165,000	140,000	140,000	165,000	1,690,000	140,000	140,000	3,890,000
Service Area - Recycling & Fleet	5,601,000	303,000	1,230,000	5,943,100	1,900,000	654,000	6,643,000	1,391,000	700,000	700,000	25,065,100
Service Area – Leisure and Cultural	368,000	16,000	150,000	-	-	-	-	-	-	-	534,000
Service Area - Engineering	110,000	1,415,000	120,000	50,000	-	-	-	95,000	-	-	1,790,000
Total	6,929,000	1,974,000	1,792,000	6,158,100	2,040,000	794,000	6,820,000	3,176,000	840,000	840,000	31,363,100
PRIORITY - Town Centres for All											
Service Area - Managing Property & Assets	7,300,000	-	-	-	-	-	-	-	-	-	7,300,000
Future High Streets Fund	1,691,166	-	-	-	-	-	-	-	-	-	1,691,166
Town Deals – Newcastle	4,706,000	2,251,000	807,000	-	-	-	-	-	-	-	7,764,000
Town Deals - Kidsgrove	4,190,000	2,794,000	1,236,000	-	-	-	-	-	-	-	8,220,000
Total	17,887,166	5,045,000	2,043,000	-	-	-	-	-	-	-	24,975,166
CONTINGENCY £1m to be carried forward from 2022/23	1,000,000	-	-	-	-	-	-	-	-	-	-
TOTAL	30,360,008	10,400,918	7,302,911	8,728,846	4,205,475	3,325,448	9,156,000	5,596,483	2,638,500	2,638,500	84,353,089
FUNDING											
Capital Receipts	2,400,000	4,000,000	4,000,000	4,000,000	4,000,000	500,000	500,000	500,000	500,000	500,000	20,900,000
External Contributions	12,497,166	6,545,000	3,543,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	33,085,166
Borrowing/Leasing	15,462,842	-144,082	-240,089	3,228,846	-1,294,525	1,325,448	7,156,000	3,596,483	638,500	638,500	30,367,923
TOTAL	30,360,008	10,400,918	7,302,911	8,728,846	4,205,475	3,325,448	9,156,000	5,596,483	2,638,500	2,638,500	84,353,089

Annex C – Prudential Indicators

Capital Prudential Indicators

Actual and Estimate of Capital Expenditure

31/03/22 Actual (£000's)	31/03/23 Estimate (£000's)	31/03/24 Estimate (£000's)	31/03/25 Estimate (£000's)	31/03/26 Estimate (£000's)
14,743	32,976	30,360	10,400	7,303

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:

31/03/22 Actual (£000's)	31/03/23 Estimate (£000's)	31/03/24 Estimate (£000's)	31/03/25 Estimate (£000's)	31/03/26 Estimate (£000's)
10,726	11,100	26,600	26,500	26,300

The amounts shown above from 2022/23 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:

	2021/22 Actual (£000's)	2022/23 Estimate (£000's)	2023/24 Estimate (£000's)	2024/25 Estimate (£000's)	2025/26 Estimate (£000's)
Net Revenue Stream	14,956	15,269	15,269	15,269	15,269
Financing Costs	65	94	499	1,008	1,023
Ratio	0.43%	0.62%	3.27%	6.60%	6.70%

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	2022/23 Estimate (£000's)	2023/24 Estimate (£000's)	2024/25 Estimate (£000's)	2025/26 Estimate (£000's)
Borrowing	95,000	95,000	95,000	95,000
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	2022/23 Estimate (£000's)	2023/24 Estimate (£000's)	2024/25 Estimate (£000's)	2025/26 Estimate (£000's)
Debt	100,000	100,000	100,000	100,000
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)

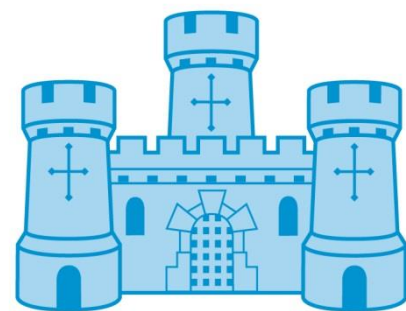
	Borrowing		Investments	
	Upper	Lower	Upper	Lower
2022/23	100%	0%	100%	0%
2023/24	100%	0%	100%	0%
2024/25	100%	0%	100%	0%
2025/26	100%	0%	100%	0%

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

	Borrowing		Investments	
	Upper	Lower	Upper	Lower
2022/23	100%	0%	100%	0%
2023/24	100%	0%	100%	0%
2024/25	100%	0%	100%	0%
2025/26	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

Treasury Management Strategy

2023/24



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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 2021 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 the war in Ukraine, together with higher inflation, higher interest rates, uncertain government policy, and a deteriorating economic outlook, will be major influences on the Authority's treasury management strategy for 2023/24.

The Bank of England (BoE) increased the Bank Rate by 0.75% to 3.0% in November 2022, the largest single rate hike since 1989 and the eighth successive rise since December 2021. The decision was voted for by a 7-2 majority of the Monetary Policy Committee (MPC), with one of the two dissenters voting for a 0.50% rise and the other for just a 0.25% rise.

The November quarterly Monetary Policy Report (MPR) forecast a prolonged but shallow recession in the UK with CPI inflation remaining elevated at over 10% in the near-term. While the projected peak of inflation is lower than in the August report, due in part to the government's support package for household energy costs, inflation is expected remain higher for longer over the forecast horizon and the economic outlook remains weak, with unemployment projected to start rising.

The UK economy grew by 0.2% between April and June 2022, but the BoE forecasts Gross Domestic Product (GDP) will decline 0.75% in the second half of the calendar year due to the squeeze on household income from higher energy costs and goods prices. Growth is then expected to continue to fall throughout 2023 and the first half of 2024.

CPI inflation is expected to peak at around 11% in the last calendar quarter of 2022 and then fall sharply to 1.4%, below the 2% target, in two years' time and to 0% in three years' time if Bank Rate follows the path implied by financial markets with a peak of 5.25%. However the BoE has stated it considers this path to be too high, suggesting that the peak in interest rates will be lower, reducing the risk of inflation falling too far below target.

The labour market remains tight for now, with the most recent statistics showing the unemployment rate fell to 3.5%, driven mostly by a shrinking labour force. Earnings were up strongly in nominal terms by 6% for total pay and 5.4% for regular pay but factoring in inflation means real total pay was -2.4% and regular pay -2.9%. Looking forward, the MPR shows the labour market weakening in response to the deteriorating outlook for growth, leading to the unemployment rate rising to around 6.5% in 2025.

Credit outlook: Credit default swap (CDS) prices have followed an upward trend throughout the year, indicating higher credit risk. They have been boosted by the war in Ukraine, increasing economic and political uncertainty and a weaker global and UK outlook, but remain well below the levels seen at the beginning of the Covid-19 pandemic.

CDS price volatility has been higher in 2022 compared to 2021 and this year has seen a divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities once again.

The weakening economic picture during 2022 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several local authorities and financial institutions, revising them from negative to stable.

There are competing tensions in the banking sector which could impact bank balance sheet strength going forward. The weakening economic outlook and likely recessions in many regions increase the possibility of a deterioration in the quality of banks' assets, while higher interest rates provide a boost to net income and profitability.

However, the institutions on our adviser Arlingclose's counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

Interest rate forecast (November 2022): The Authority's treasury management adviser Arlingclose forecasts that Bank Rate will continue to rise in 2022 and 2023 as the Bank of England attempts to subdue inflation which is significantly above its 2% target.

While interest rate expectations reduced during October and November 2022, multiple interest rate rises are still expected over the forecast horizon despite looming recession. Arlingclose expects Bank Rate to rise to 4.25% by June 2023 under its central case, with the risks in the near- and medium-term to the upside should inflation not evolve as the Bank forecasts and remains persistently higher.

Yields are expected to remain broadly at current levels over the medium-term, with 5-, 10- and 20-year gilt yields expected to average around 3.6%, 3.7%, and 3.9% respectively over the 3-year period to September 2025. The risks for short, medium and longer-term yields are judged to be broadly balanced over the forecast horizon. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.

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

Local Context

On 21st November 2022, the Council held no borrowing and £29.75million 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	31/03/2022 Actual £m	31/03/2023 Forecast £m	31/03/2024 Forecast £m	31/03/2025 Forecast £m	31/03/2026 Forecast £m
General Fund CFR	10.7	11.1	26.6	26.5	26.3
Less: Existing external borrowing	0.0	0.0	(0.4)	(15.9)	(15.8)
Less: Usable reserves	(10.9)	(3.8)	(4.1)	(2.0)	(2.1)
Less: Working capital	(15.5)	(6.9)	(6.6)	(8.7)	(8.6)
(New Investments or Cash)/ New external borrowing	(15.7)	0.4	15.5	(0.1)	(0.2)

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, including 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 2023/24.

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.

The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

Liability Benchmark	31/03/2022 Actual £m	31/03/2023 Forecast £m	31/03/2024 Forecast £m	31/03/2025 Forecast £m	31/03/2026 Forecast £m
General Fund CFR	10.7	11.1	26.6	26.5	26.3
Less: Balance sheet resources	(26.4)	(10.7)	(11.1)	(26.6)	(26.5)
Net loans requirement	(15.7)	0.4	15.5	(0.1)	(0.2)
Plus: Liquidity Allowance	-	1.0	1.0	1.0	1.0
Liability benchmark	(15.7)	1.4	16.5	0.9	0.8

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 2022/23. 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.

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 2023/24 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;
- Private Finance Initiative; 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. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.

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 £5.9 million and £38.6 million. The highest figure of £38.6 million was invested in October, when the Council received monies in relation to Town Deal Funding and Disabled Facilities grants.

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 Council aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.

The Council expects to be a long-term borrower and new treasury investments will therefore be made primarily to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different sectors and boost investment income.

Under the 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	3 years	Unlimited	n/a
Local authorities & other government entities	3 years	£7m	unlimited
Secured investments*	3 years	£7m	unlimited
Banks (unsecured)*	13 months	£7m	unlimited
Building societies (unsecured)*	13 months	£7m	£7m
Registered providers (unsecured)*	3 years	£10m	£10m
Money market funds*	n/a	£7m	unlimited
Real estate investment trusts	n/a	£2m	£2m
Other investments	3 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 Prudential 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	(£113,000)
Upper limit on one-year revenue impact of a 1% fall in interest rates	£113,000

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	2023/24	2024/25	2025/26	No Fixed Date
Limit on principal invested beyond year end	£25m	£25m	£25m	£25m

Long-term investments with no fixed maturity date include strategic pooled funds and real estate investment trusts but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

The Council's Operational Boundary and Authorised Limit for External Borrowing are detailed in the Council's Capital Strategy.

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

The budget for investment income in 2023/24 is nil. The budget for debt interest paid in 2023/24 is £254,000. 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 2022

Underlying assumptions:

- UK interest rate expectations have eased following the mini-budget, with a growing expectation that UK fiscal policy will now be tightened to restore investor confidence, adding to the pressure on household finances. The peak for UK interest rates will therefore be lower, although the path for interest rates and gilt yields remain highly uncertain.
- Globally, economic growth is slowing as inflation and tighter monetary policy depress activity. Inflation, however, continues to run hot, raising expectations that policymakers, particularly in the US, will err on the side of caution, continue to increase rates and tighten economies into recession.
- The new Chancellor dismantled the mini-budget, calming bond markets and broadly removing the premium evident since the first Tory leadership election. Support for retail energy bills will be less generous, causing a lower but more prolonged peak in inflation. This will have ramifications for both growth and inflation expectations.
- The UK economy is already experiencing recessionary conditions, with business activity and household spending falling. Tighter monetary and fiscal policy, alongside high inflation will bear down on household disposable income. The short- to medium-term outlook for the UK economy is bleak, with the BoE projecting a protracted recession.
- Demand for labour remains strong, although there are some signs of easing. The decline in the active workforce has fed through into higher wage growth, which could prolong higher inflation. The development of the UK labour market will be a key influence on MPC decisions. It is difficult to see labour market strength remaining given the current economic outlook.
- Global bond yields have steadied somewhat as attention turns towards a possible turning point in US monetary policy. Stubborn US inflation and strong labour markets mean that the Federal Reserve remains hawkish, creating inflationary risks for other central banks breaking ranks.
- However, in a departure from Fed and ECB policy, in November the BoE attempted to explicitly talk down interest rate expectations, underlining the damage current market expectations will do to the UK economy, and the probable resulting inflation undershoot in the medium term. This did not stop the Governor affirming that there will be further rises in Bank Rate.

Forecast:

- The MPC remains concerned about inflation but sees the path for Bank Rate to be below that priced into markets.
- Following the exceptional 75bp rise in November, Arlingclose believes the MPC will slow the rate of increase at the next few meetings. Arlingclose now expects Bank Rate to peak at 4.25%, with a further 50bp rise in December and smaller rises in 2023.
- The UK economy likely entered into recession in Q3, which will continue for some time. Once inflation has fallen from the peak, the MPC will cut Bank Rate.
- Arlingclose expects gilt yields to remain broadly steady despite the MPC's attempt to push down on interest rate expectations. Without a weakening in the inflation outlook, investors will price in higher inflation expectations given signs of a softer monetary policy stance.
- Gilt yields face pressures to both sides from hawkish US/EZ central bank policy on one hand to the weak global economic outlook on the other. BoE bond sales will maintain yields at a higher level than would otherwise be the case.

	Current	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
Official Bank Rate													
<i>Upside risk</i>	0.00	0.25	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75	1.50	1.25	1.25
Arlingclose Central Case	3.00	3.50	4.00	4.25	4.25	4.25	4.25	4.00	3.75	3.50	3.50	3.50	3.50
<i>Downside risk</i>	0.00	0.25	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00
3-mth money market rate													
<i>Upside risk</i>	0.00	0.25	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75	1.50	1.25	1.25
Arlingclose Central Case	3.00	3.90	4.40	4.40	4.40	4.35	4.30	4.25	4.00	3.75	3.75	3.75	3.75
<i>Downside risk</i>	0.00	0.25	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00
5-yr gilt yield													
<i>Upside risk</i>	0.00	0.60	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.36	3.65	3.90	3.90	3.90	3.90	3.80	3.70	3.60	3.50	3.40	3.30	3.20
<i>Downside risk</i>	0.00	0.70	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
10-yr gilt yield													
<i>Upside risk</i>	0.00	0.60	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.46	3.70	3.75	3.75	3.75	3.70	3.70	3.70	3.70	3.70	3.70	3.70	3.70
<i>Downside risk</i>	0.00	0.70	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
20-yr gilt yield													
<i>Upside risk</i>	0.00	0.60	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.88	4.00	4.00	4.00	4.00	4.00	3.90	3.90	3.90	3.90	3.90	3.90	3.90
<i>Downside risk</i>	0.00	0.70	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
50-yr gilt yield													
<i>Upside risk</i>	0.00	0.60	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.24	3.40	3.40	3.40	3.40	3.40	3.30	3.30	3.30	3.30	3.30	3.30	3.30
<i>Downside risk</i>	0.00	0.70	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

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

Annex B – Existing Investment & Debt Portfolio Position

	21/11/2022 Actual Portfolio £m	21/11/2022 Average Rate %
<i>Treasury investments:</i>		
Banks & building societies (unsecured)	3.5	2.90
Government (incl. local authorities)	25.25	2.72
Money Market Funds	1.0	2.77
Total treasury investments	29.75	
Total external borrowing	0.0	
Net investments	29.75	

Annex C – Minimum Revenue Provision Policy

Background

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

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

Option 1 – Regulatory Method

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

Option 2 – Capital Financing Requirement Method

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

Option 3 – Asset Life Method

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

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

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

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

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

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

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

Option 4 – Depreciation Method

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

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

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

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

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

MRP Policy in respect of Finance Leases

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

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

MRP Policy – Other Capital Expenditure

Capital Financing Requirement (CFR)

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

Option for making MRP

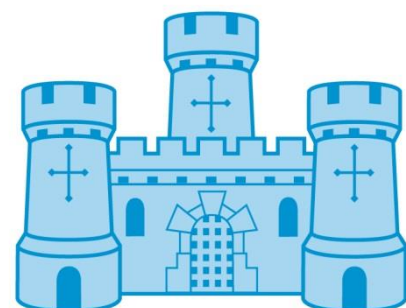
The most appropriate of the four options permitted by the Regulations is Option 3, the Asset Life Method, within which there are two further options, an equal instalment method and an annuity method (as detailed in 1.1 – option 3). The Council is permitted to apply either of these two further options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

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

Annex D – Treasury Management Glossary of Terms

- **Basis Points** – there are 100 basis points to 1%.
- **Credit Default Swap** – an additional assessment of credit worthiness by providing a risk analysis of changes in credit quality as perceived by the market.
- **CFR** – the Capital Financing Requirement is the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources.
- **CIPFA** – the Chartered Institute of Public Finance and Accountancy, is the professional body for accountants working in Local Government and other public sector organisations.
- **Counterparty** – an institution with whom a borrowing or investment transaction is made.
- **CPI** – a measure that examines the weighted average of prices of a basket of consumer goods and services. The Consumer Price Index is calculated by taking price changes for each item in the predetermined basket of goods/services and averaging them; the goods are weighted according to their importance. Changes in CPI are used to assess price changes associated with the cost of living.
- **Credit Rating** – is an opinion on the credit-worthiness of an institution, based on judgements about the future status of that institution. The main rating agencies are Fitch. Standard and Poor's and Moody's.
- **Depreciation** – the measure of the cost or revalued amount of the benefits of the fixed asset that have been consumed during the period. Consumption includes wearing out, using up or other reduction in the useful life of a fixed asset whether arising from use, time or obsolescence through either changes in technology or demand for the goods and services produced by the asset.
- **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.
- **IFRS (International Financial Reporting Standards)** – International accounting standards that govern the treatment and reporting of income and expenditure in an organisation's accounts, which came fully into effect from 1 April 2010.
- **Leasing** - a lease is a contractual arrangement calling for the lessee (user) to pay the lessor (owner) for use of an asset.
- **Liquidity** – relates to the amount of readily available or short term investment money which can be used for either day to day or unforeseen expenses. For example Call Accounts allow instant daily access to invested funds.
- **MHCLG** – Ministry of Housing, Communities, and Local Government (formerly the Department for Communities and Local Government).
- **Money Market Funds (MMF)** – Money Market Funds are investment funds that are invested by a Fund Manager in a wide range of money market instruments. MMF's are monitored by the official ratings agencies and due to many requirements that need to be fulfilled; the funds usually receive the highest quality rating (AAA) so provide minimal risk. They are very flexible and can be withdrawn in the same way as any other call deposit.
- **MPC** – interest rates are set by the Bank of England's Monetary Policy Committee. The MPC sets an interest rate it judges will enable the inflation target to be met
- **MRP** – the Minimum Revenue Provision represents the revenue charge for the repayment of debt.
- **PWLB** – the Public Works Loan Board is a statutory board that is run within the UK Debt Management Office (DMO), its function is to lend money to Local Authorities and other prescribed bodies.

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**NEWCASTLE
UNDER LYME**
BOROUGH COUNCIL

Investment Strategy

2023/24



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Introduction

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

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

The Council invests its money for three broad purposes:

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

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

Possible Revisions to the Strategy

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

Treasury Management Investments

The Council typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £0m and £30m during the 2023/24 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 2023/24 for treasury management investments are covered in a separate document, the treasury management strategy.

Service Investments: Loans

Contribution: During 2021/22 and 2022/23 to date the Council has not lent money to local charities, housing associations or any other bodies. However the Council would consider applications from such bodies individually, in order to support local public services and stimulate local economic growth.

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

Loans for service purposes in £ thousands

Category of borrower	31/03/2022 Actual			2023/24
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Local charities	0	0	0	500
Housing associations	0	0	0	10,000
Other bodies	0	0	0	500
TOTAL	0	0	0	11,000

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

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

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

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

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

The Council will consider the following points:

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

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

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

Service Investments: Shares

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

Shares held for service purposes in £ thousands

Category of company	31/03/2022 actual			2023/24
	Amounts invested	Gains or losses	Value in accounts	Approved Limit
Suppliers	0	0	0	250
Local businesses	0	0	0	250
TOTAL	0	0	0	500

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

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

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

Commercial Investments: Property

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

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

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

The majority of the investment property portfolio was acquired some time ago and there is no debt associated with any of the properties and the initial investment costs have been recouped many years ago. Investment properties are valued at fair value. The values of the properties will fluctuate according to market conditions prevailing from time to time, however these fluctuations do not constitute losses of capital invested. The value of investment properties included in the Council's balance sheet as at 31 March 2022 is £11.554m.

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 2022 to cover this and other risks and can be drawn upon in the event of risks materialising.

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

Borrowing in Advance of Need

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

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

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

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

Capacity, Skills and Culture

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

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

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

Investment Indicators

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

Gross and Net Income - Historic and Current Year

	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Estimate*
	£'000	£'000	£'000	£'000
Commercial Properties				
Gross Income	806	925	864	1,005
Gross Expenditure - Excluding Capital Charges	(519)	(964)	(837)	(944)
Net Income / (Expenditure)	287	(40)	27	61
Net Service Expenditure (Whole Council)	(7,487)	(7,515)	(7,641)	(7,919)
Ratio of Net Income to Net Service Expenditure	3.83%	-0.53%	0.35%	0.77%

*Gross and Net Income - Over Period of Approved Medium Term Financial Strategy 2023/24 to 2027/28 – Based on 2% increase on 2022/23**

	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
	£'000	£'000	£'000	£'000	£'000
Gross Income	1,025	1,046	1,067	1,088	1,110
Gross Expenditure	(963)	(982)	(1,002)	(1,022)	(1,042)
Net Income	62	64	65	66	68

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

Vacancy Levels

2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Actual at Q2
%	%	%	%
8.3	5.7	10.2	11.5

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Newcastle-under-Lyme Borough Council

Report by the Labour Group to the Finance, assets and Performance Scrutiny Committee

Strategic amendments to the;

- Revenue and Capital Budgets and Strategies 2023/24
- 5 year Medium Term Financial Strategy for 2023/24 to 2027/28
- Flexible Use of Capital Receipts Strategy (updated for 2023/24), the Capital Strategy for 2023/33
- Treasury Management Strategy for 2023/24 and the Investment Strategy for 2023/24

Overview:

In making the proposed amendments and request for further information, the Labour Group draw attention to the obligation to move a lawful budget each year which is shared equally by each individual Member. In discharging that obligation, Members owe a fiduciary duty to the Council Taxpayer.

Notwithstanding the legislative requirement to set a budget, financial plans are important because they act as a financial expression of the Council's policies and instruct officers on the areas to which they should attribute spend.

The Labour group is; i) very concerned at the proposed level of borrowing (an initial £15 million pounds this coming financial year followed by a further £15 million over the life cycle of the capital strategy), ii) the potential financially vulnerable position this will leave the council in from 2026 onwards, iii) the lack of transparency over financial decisions being made by the Conservative administration, iv) the spiralling costs of plans to build a new multi-story car park in the town centre, and v) the proposal to defund the Walley's Quarry legal fund.

We are committed to getting good value for money on behalf of our residents. As a consequence, we are unable to support the budget in its current form, where significant borrowing is unlikely to be matched by realised value of capital receipts. We feel that to be able to take a decision on potential borrowing, and commitments to expensive capital projects we require significant further information that has not been forthcoming or available in the public domain.

Our specific concerns, and proposals to help alleviate these are as follows:

1. Level of borrowing proposed to meet capital expenditure.

The Labour group notes that the Conservative administration's capital strategy will require the sale of assets, predominantly in the form of land for housing development, alongside significant borrowing. The proposed Capital programme amounts to £84.353 million spending, funded by £20.900 million in capital receipts, £33.085 million in external contributions, and £30.367 million in borrowing.

The Labour group notes that for 2023/24 the Capital budget the Conservative administration proposes to borrow £15 million, incurring an annual estimated interest of £1.05 Million. To

balance payments the budget anticipates capital receipts of £2.4 million in capital receipts and £12.4 million in external contributions.

The Labour group has significant concerns over the level of borrowing proposed by the Conservative administration, particularly given the current financial situation with volatility of financial markets, interest rates and affordability. Further, we are concerned that i) the value of capital receipts, in particular from proposed land sales, will not be realised, and ii) the costs associated with capital projects will be subject to unbudgeted increases in costs. We are concerned that under these circumstances the Conservative administration will be forced into further borrowing to meet the requirements of the capital programme. We therefore propose that the administration tie an annual limit on borrowing to capital receipts, with a three times multiplier; permitting the Conservative administration to borrow three times the value of funding received from capital receipts. This sensible borrowing ceiling would be set annually by, and reported to, full council.

2. Volatility in UK financial markets

The Labour group notes the number of identifiable high risks highlighted in Appendix 3 – Risk Assessment on Required Balances within the Revenue and Capital Budgets and Strategies 2023/24 report, such as;

- Increased fuel costs
- Increased energy costs
- Staff pay awards
- Unbudgeted borrowing costs
- Volatility due to Brexit

The Labour group further notes that each of these risks are a consequence of policy decisions made by the Conservative national government, represent significant potential costs, and has contributed to the current MTFS funding gaps. We are concerned that given the current financial situation with volatility of financial markets, interest rates and affordability; that council should be aware in full of these risks. We therefore propose that council receive a full report on these identified risks, including mitigation strategies and contingencies within the MTFS.

3. Value of assets proposed for disposal.

The Labour group notes the Conservative administrations £20.9 million assumption within the capital programme, to be presumably funded largely via the sale of land for housing development. We further note that the identity, location, and assumed value for these assets can be found within the Asset Management Strategy. We note that this document is not publicly available and has not been included with the proposed budget/programme assumptions.

The Labour group has significant concerns that the value of capital assets will be realised within the lifetime of the proposed capital programme. We have further concern that should the value of these assets not be realised; the Conservative administration will resort to increased borrowing to fund the capital programme. We therefore propose that the full list of sites identified as contributing to the capital receipts assumption of the capital programme be published, with the capital programme, including evidence of financial viability assumptions and risks.

4. Costs associated with proposed new multi-story carpark in Newcastle town centre.

The Labour group notes the costs associated with the development of the new multi-story car park on the former Sainsbury's/Ryecroft site within the town centre. We further note that the financial settlement for the proposed development is to be funded through a £3.5 million contribution from the Future High Streets Fund, £400K from the Newcastle Town Deal Fund, and £7.1 million from the Council Capital programme, presumably funded through borrowing. We further note that on acceptance of the Future High Street Funds, cabinet approved match funding of £3.5 million for the whole project. We note that over a period of 24 months, that councils' financial contributions for this development have risen exponentially from less than £3.5 million to £7.1 million.

The Labour group is significantly concerned that costs associated with the development of the multi-story car park are growing exponentially. We propose that a full need and viability assessment for the creation of a new multi-story car park be conducted. We further propose that following this assessment, should a recommendation be made to proceed with this development, a 'value engineering' exercise be conducted to bring the costs of the development in line with the financial envelope approved by cabinet in April 2021.

5. Removal of the financial allocation to support legal action regarding regulation of the abatement notice at Walley's quarry.

The Labour group notes the significant victory for the council in securing the abatement notice regarding nuisance odours at Walley's quarry. This abatement notice provides a formal route for potential further legal action should the operator fail to comply with the requirements. The decision at full council to allocate £1 million to a ring-fenced fund for potential legal action, associated with the abatement notice, received cross-party support. We note however, that in reallocating reserves, the Conservative administration propose taking £400K out of this ring-fenced fund, leaving the fund with £100K to fund further legal action. Given that the abatement notice has only recently been legally enforced, we believe that removal of this funding would leave the council in a weak position should further legal action be required.

The Labour group strongly condemns the reallocation £400K out of the Walley's quarry legal fund to reallocate budgets within the general reserve strategy. We note, that part of the settlement of the legal action with the operator included recovery of costs associated with serving of the abatement notice. We further note, that these recovered costs are not accounted for within the published budget papers, and should be reallocated to the ring-fenced legal fund too provide the legal contingency fund. We recognise that a considerable amount of legal work has already been undertaken and that could be assumed that such a level of reserves is no longer required. However, the costs in taking the operator to court for a breach of the abatement notice, and work to establish the impacts of causative links to ill health for example would, incur significant costs. We therefore propose that Conservative administration continue to protect this ring-fenced budget set in line with the level set at full council with full cross party agreement, at (1 million).

Summary

- (i) Council agrees an annual limit on borrowing to capital receipts, with a three times multiplier; permitting the borrowing of up to three times the value of funding received from capital receipts in the municipal year
- (ii) council to receive a full report on the identified risks contained within the financial risk assessment, including mitigation strategies and contingencies within the MTFS
- (iii) Publication of the full list of sites identified as contributing to the capital receipts assumption of the capital programme, including evidence of financial viability assumptions and risks.
- (iv) full need and viability assessment for the creation of a new multi-story car park be conducted. Following the assessment, should a recommendation be made to proceed with this development, a 'value engineering' exercise be conducted to bring the costs of the development in line with the financial envelope approved by cabinet in April 2021.
- (v) Re-allocate and protect Walley's Quarry budget line at the level set with cross-party support at full council (1 Million pounds).



Proposed and seconded by Cllr Dave Jones and Cllr Andrew Fox-Hewitt

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S REPORT TO

Finance Assets and Performance Scrutiny Committee 19 January 2023

Report Title: Scale of Fees and Charges 2023/24

Submitted by: Head of Finance (Section 151 Officer)

Portfolios: Finance and Efficiency

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 2023.

Recommendation

- (a) That the fees and charges proposed to apply from 1 April 2023, as set out in Appendix 1 be noted.
- (b) Note that fees and charges in relation to Bereavement Services come into effect from the 16 February 2023.

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 2023/24 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 2023 and remain in force until 31 March 2024.
- 1.2 The Council has an approved Charging Policy (the most recent version of which was approved by Cabinet on 10 September 2014), which is followed when fees and charges are proposed and agreed. This sets out the criteria that should be taken into consideration when establishing the amounts to be charged.

2. **Issues**

- 2.1 The Medium Term Financial Strategy, reviewed by Cabinet on 6 December 2022, assumed an overall 4% increase in the amount of income raised from fees and charges in 2023/24 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 4% increase.

- 2.3 Most of the fees and charges are inclusive of VAT but in some cases no VAT is chargeable or VAT is added to the fee or charge. The VAT status of individual fees and charges is shown in Appendix 1.
- 2.4 When considering the level of fees and charges the principles contained in the Charging Policy, as approved by Cabinet on 10 September 2014, should be followed.
- 2.5 In drawing up the proposed fees and charges for 2023/24 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 2023/24 a considerable number of fees compared to previous years have remained frozen due to the ongoing impact of Covid-19 and current cost of living situation. 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 2023/24 and indicates those which have been frozen at current levels. There are a number of new charges proposed for 2023/24. The table below shows these:

New Charges - Description of Charge	Fee / Charge 2023/24 (£)
CEMETERIES	
Interment Fees – Resident Fees	
17 years and under	1,030.00
18 years & over 4ft 6	1,030.00
Interment Fees – Non Resident Fees	
17 years and under	1,560.00
18 years & over 4ft 6	1,560.00
Sundry items	
Late arrival of Funeral Directors	30.00
Late paperwork	50.00

New Charges - Description of Charge	Fee / Charge 2023/24 (£)
Incorrect coffin size	50.00
CREMATORIUM	
Cremation Fees	
17 years of age and under	845.00
Direct cremation no service or family, before 9.00am, Tues, Thursday, Friday	350.00
Sundry items	
Chapel service 40 mins	470.00
Temporary deposit of ashes (per week after the first 4 weeks)	15.00
Genealogy enquiry per deceased	30.00
Service overrun at Bradwell Crem charge to be made to the funeral director	30.00
Late Paperwork	50.00
Incorrect coffin size	50.00
Early/late arrival at cemeteries by more than 15 minutes, charge to be made to the funeral directors	200.00
LEISURE	
DJ Dance Memberships	
DJ Dance membership DJ classes and live steam only, 12 month contract	22.50
Student membership month to month NUS card, college card letter form school 16+ month to month	20.00
Private Lessons	
1:1 swim Lessons 5 consecutive sessions in payable in advance	90.00
DJ Wedding Package	200.00
LICENCING	
Joint Disability and Safeguarding Training	48.00
MARKETS	
New Trader - Introductory Price (16 weeks only / per day)	5.00
Catering Pitches - Secondary offer (16 weeks / weekly charge - up to 4 days trading)	25.00
Catering Pitches - minimum charge (per day) Mon / Weds	13.00
Small Stalls (adjacent to Guildhall)	10.00
Antique Market - second stall (per day)	4.00
Craft fair (bric-a-brac) - second stall (per day)	2.50
Service Charge (for licensed markets)	29.00
Events Markets - per stall / pitch (e.g. CAM / Vegan)	5.00
MUSEUM & ART GALLERY	
Early entry or late stay - per hour	25.00
Room set up	25.00

- 2.10 With regard to Bereavement Service charges, Officers have undertaken a robust benchmarking exercise with other local Council services and private operators to ensure that the Council can keep costs as low as possible for the residents of the Borough.

One benchmarking example is an additional uplift in cost for services taking place for non-residents, however it should be noted that the differentiation between residents and non-resident fees is significantly lower than those of other Councils / providers.

A review of our charging policy for comparable services the Council provides has also taken place, to ensure parity in the charges dependent on the deceased's chosen burial location. For example a woodland burial will now be the same price as a traditional lawn grave. Officers are also taking the opportunity to review memorial sales to ensure that full cost recovery is achieved. This review is expected to be completed by February 2023, with the proposed 2023/24 fees being presented for Portfolio Holder approval at this time

In relation to burial and cremation fees for under 17's, a new charge has been introduced. This will not be passed on to the family, but instead will be recovered from the children's funeral fund. If a fee is not documented, then this claim from the fund cannot take place.

Bereavement Services charges are to be implemented from 15 February 2023 to enable new services to commence as soon as possible. This includes the facility to provide direct cremations.

- 2.11 A number of fees and charges approved for 2022/23 have been deleted from the proposed fees and charges for 2023/24. The table below shows these:

Deleted Charges - Description of Charge	Fee / Charge 2022/23 (£)
CEMETERIES	
Interment Fees – Resident Fees	
Additional depth for cremated remains over 2 feet	156.00
Additional depth over 6 feet per foot	166.00
Private Maintenance of Grave Non-Lawn Types	
Turfing	53.00
Spring/summer planting & maintenance	109.00
Sundry Items	
Memorial benches	791.00
Late paperwork	50.00
Incorrect coffin size	50.00
LAND CHARGES	
Residential LLC1 – land charges register search only	43.30
Commercial LLC1 – land charges register search only	108.20
LEISURE	
Tennis Class A (Westlands, Wolstanton)	
Annual Household Pass	52.00
Linked Jubilee 2 Annual Household Pass	34.50
Adult Pay as you Go (per hour per court)	7.00
Junior / Concession (per hour per court)	5.00

Deleted Charges - Description of Charge	Fee / Charge 2022/23 (£)
Education / Not for Profit Organisations	5.00
LTA Tennis Development Initiatives	Free
Coaching / Competitions	Negotiable
MARKETS	
Open market - stall (per day) Fri/Sat Zone B	21.00
MUSEUM & ART GALLERY	
Open art registration - per item concession	8.00
WASTE & RECYCLING BINS/RECEPTACLES	
Replacement / additional Food waste Caddie. (new item)	10.00
Internal food caddy	5.00
Replacement / additional recycling bag. (new item)	5.00

- 2.12 In relation to Land Charges, all LLC1 Requests are now conducted online via HM Land Registry using their national register. Therefore the Council are no longer responsible for providing this service. This change took place during 2022/23.
- 2.13 Changes have also taken place with the market setup. Market zones are no longer in situ, and therefore charges for separate zones are no longer required.
- 2.14 Tennis fees in relation to class A sites are no longer applicable. Casual usage fees of these courts will not be applicable, but options will be considered for charges to coaching companies who wish to use the facilities once capital investment is undertaken, funded through the Lawn Tennis Association.
- 2.15 The remaining fees listed above are no longer being provided and therefore have been removed.
- 2.16 Taxi Licensing fees proposed went to the Licensing and Public Protection Committee on 13 December, with subsequent consultation for 28 days to follow.
- 2.17 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 2023, as set out in Appendix 1 be noted.
- 3.2 Note that fees and charges in relation to Bereavement Services come into effect from the 16 February 2023.

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 2023/24 and later years and will help to keep fees and charges in line with the cost of service provision.

5. **Legal and Statutory Implications**

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

6. **Financial and Resource Implications**

- 6.1 The approved levels of fees and charges will be incorporated in the General Fund Budget for 2023/24. The Medium Term Financial Strategy (MTFS) assumes increased income of £253,000 from an average increase of 4% across the existing range of fees and charges.
- 6.3 The proposals made vary between minimal decreases to increases. When these proposals are applied to the appropriate income budgets they fall broadly in line with the assumed overall 4% increase.

7. **Major Risks**

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

8. **Key Decision Information**

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

9. **List of Appendices**

Appendix 1 – Proposed charges from 1 April 2023

Appendix 2 – Charging principles included in Charging Policy

SCALE OF FEES AND CHARGES 2023/24

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	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
ALLOTMENTS				Cabinet	No VAT
Rent (per annum) per square metre	0.50	0.52	0.02		
Note: 20% concession for Junior/60+/Unemployed					
BULKY RECYCLING				Cabinet	No VAT
1-3 Items non reusable/waste items	40.50	42.50	2.00		
4-6 Items non reusable/waste items	64.75	67.50	2.75		
7-9 Items non reusable/waste items	81.00	84.00	3.00		
Additional items non reusable/waste items	12.10	12.70	0.60		
Reusable items	Free	Free	Freeze		
BUS DEPARTURE CHARGES				Cabinet	Plus VAT
Fee per departure	0.24	0.30	0.06		
CAR PARKS					
Charges for Infringements				Cabinet	No VAT
Civic parking enforcement - higher charge	70.00	70.00	Freeze		
Civic parking enforcement - lower charge	50.00	50.00	Freeze		
Discount for block purchase of permits				Cabinet	
Discount for purchase of 20 or more permits	20.00	20.00	Freeze		
Construction permit (max of 1 week permit)				Cabinet	VAT Incl.
Initial day rate	15.00	15.00	Freeze		
Additional days	6.00	6.00	Freeze		
Bankside				Cabinet	VAT Incl.
Season ticket - per quarter	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 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
Blackfriars (Zone C)				Cabinet	VAT Incl.
Up to 1 hour	1.00	1.00	Freeze		
Up to 2 hours	1.50	1.50	Freeze		
Up to 3 hours	2.00	2.00	Freeze		
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)				Cabinet	VAT Incl.
Up to 1 hour	1.00	1.00	Freeze		
Up to 2 hours	1.90	1.90	Freeze		
Up to 3 hours	2.80	2.80	Freeze		
Up to 4 hours	4.00	4.00	Freeze		
4 hours to 24 hours	5.20	5.20	Freeze		
Season ticket - per quarter	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)				Cabinet	VAT Incl.
Up to 1 hour	1.00	1.00	Freeze		
Up to 2 hours	1.90	1.90	Freeze		
Up to 3 hours	2.80	2.80	Freeze		
Up to 4 hours	4.00	4.00	Freeze		
Event Parking	1.00	1.00	Freeze		
Corporation Street/Merrial Street (Zone A)				Cabinet	VAT Incl.
Up to 1/2 hour	0.80	0.80	Freeze		
Up to 1 hour	1.50	1.50	Freeze		
Overnight 1pm to 8am	1.00	1.00	Freeze		
Overnight quarterly permit	60.00	60.00	Freeze		
Bank Holiday	1.50	1.50	Freeze		
Event Parking	1.50	1.50	Freeze		
Fogg Street East (Zone A)				Cabinet	VAT Incl.
Season ticket - per quarter	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 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
Goose Street (Zone B)				Cabinet	VAT Incl.
Up to 1 hour	1.00	1.00	Freeze		
Up to 2 hours	1.90	1.90	Freeze		
Up to 3 hours	2.80	2.80	Freeze		
Up to 4 hours	4.00	4.00	Freeze		
4 hours to 24 hours	5.20	5.20	Freeze		
Season ticket - per quarter	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)				Cabinet	VAT Incl.
Up to 1 hour	1.00	1.00	Freeze		
Up to 2 hours	1.90	1.90	Freeze		
Up to 3 hours	2.80	2.80	Freeze		
Up to 4 hours	4.00	4.00	Freeze		
4 hours to 24 hours	5.20	5.20	Freeze		
Season ticket - per quarter	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)				Cabinet	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)				Cabinet	VAT Incl.
Up to 1 hour	1.00	1.00	Freeze		
Up to 2 hours	1.50	1.50	Freeze		
Up to 3 hours	2.00	2.00	Freeze		
Up to 4 hours	2.50	2.50	Freeze		
Up to 6 hours	3.00	3.00	Freeze		
6 hours to 24 hours	3.50	3.50	Freeze		
Season Ticket - per quarter	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		

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
Lyme Valley				Cabinet	VAT Incl.
Up to 2 hours	Free	Free	Freeze		
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)				Cabinet	VAT Incl.
Up to 1 hour	1.10	1.10	Freeze		
Up to 2 hours	2.10	2.10	Freeze		
Up to 3 hours	3.20	3.20	Freeze		
Up to 4 hours	4.25	4.25	Freeze		
Up to 24 hours	6.00	6.00	Freeze		
Season ticket - per quarter	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)				Cabinet	VAT Incl.
Up to 1 hour	1.10	1.10	Freeze		
Up to 2 hours	2.10	2.10	Freeze		
Up to 3 hours	3.20	3.20	Freeze		
Up to 4 hours	4.25	4.25	Freeze		
Up to 24 hours	6.00	6.00	Freeze		
Overnight 1pm to 8am	1.10	1.10	Freeze		
Bank Holiday	1.10	1.10	Freeze		
Event Parking	1.10	1.10	Freeze		
School Street/Barracks Road (Zone B)				Cabinet	VAT Incl.
Up to 1 hour	1.00	1.00	Freeze		
Up to 2 hours	1.90	1.90	Freeze		
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		

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
Silverdale Road (Zone C)				Cabinet	VAT Incl.
Up to 1 hour	1.00	1.00	Freeze		
Up to 2 hours	1.50	1.50	Freeze		
Up to 3 hours	2.00	2.00	Freeze		
Up to 6 hours	3.00	3.00	Freeze		
6 hours to 24 hours	3.50	3.50	Freeze		
Season ticket - per quarter	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)				Cabinet	VAT Incl.
Up to 1 hour	1.00	1.00	Freeze		
Up to 2 hours	2.00	2.00	Freeze		
Season ticket - after school (30 minutes)	30.00	30.00	Freeze		
Overnight 1pm to 8am	1.00	1.00	Freeze		
Overnight quarterly permit	60.00	60.00	Freeze		
Bank Holiday	1.00	1.00	Freeze		
Event Parking	1.00	1.00	Freeze		
CEMETERIES					
Interment Fees - Resident Fees				Cabinet	No VAT
17 years and under	N/A	1,030.00	New	Children's Funeral Fund	
18 years & over 7ft	989.00	1,230.00	241.00		
18 years & over 4ft 6	N/A	1,030.00	New		
Woodland burial - Keele Cemetery (1 full interment only in each grave)	527.00	1,030.00	503.00		
Cremated remains at 2 feet	434.00	450.00	16.00		
Woodland burial cremated remains at 2 feet - Keele Cemetery (4 interments only in each grave)	434.00	450.00	16.00		
Exhumation fee	Cost	Cost	Freeze		
Purchase of Graves - Resident Fees				Cabinet	No VAT
(includes right to erect memorial for single grave)					
Exclusive Right of Burial & Memorialisation for a Single Grave	1,333.00	1,390.00	57.00		
Lawn Graves Reservation	1,333.00	1,990.00	657.00		

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
Exclusive Right of Burial in a Woodland Grave at Keele Cemetery (1 full interment only in each grave plus memorial tree)	982.00	1,450.00	468.00	Cabinet	No VAT
Reservation of Woodland Grave	982.00	2,050.00	1,068.00		
Exclusive Right of Burial and Memorialisation in a Cremated Remains Grave at 2ft	659.00	685.00	26.00		
Reservation of a Cremated Remains Grave	659.00	985.00	326.00		
Exclusive Right of Burial in a Woodland Cremated Remains Grave, Keele Cemetery at 2ft Inclusive of a Shrub	659.00	685.00	26.00		
Reservation of Woodland Cremated Remains Grave	659.00	1,045.00	386.00		
Renewal of exclusive right of burial & memorialisation (full grave)	630.00	400.00	-230.00		
Renewal of exclusive right of burial & memorialisation (cremated remains grave)	316.00	200.00	-116.00		
Transfer of ownership of exclusive rights of burial & memorialisation	101.00	105.00	4.00		
Duplicate deed of exclusive rights of burial & memorialisation	53.00	55.00	2.00		
Memorial fee permit	N/A	55.00	New		
Interment Fees - Non-Resident Fees					
17 years and under	N/A	1,560.00	New		
18 years & over 7ft	1,483.00	1,760.00	277.00		
18 years & over 4ft 6	N/A	1,560.00	New		
Woodland burial - Keele Cemetery (1 full interment only in each grave)	791.00	1,560.00	769.00		
Cremated remains at 2 feet	650.00	675.00	25.00		
Woodland burial cremated remains at 2 feet - Keele Cemetery (4 interments only in each grave)	650.00	675.00	25.00		
Additional depth for cremated remains over 2 feet	233.00	240.00	7.00		
Additional depth over 6 feet per foot	249.00	260.00	11.00		
Exhumation fee	Cost	Cost	Freeze		

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
Purchase of Graves - Non-Resident Fees (includes right to erect memorial for single grave)				Cabinet	No VAT
Exclusive Right of Burial & Memorialisation for a Single Grave	2,000.00	2,780.00	780.00		
Lawn Graves Reservation	2,000.00	2,780.00	780.00		
Exclusive Right of Burial in a Woodland Grave at Keele Cemetery (1 full interment only in each grave plus memorial tree)	1,473.00	2,780.00	1,307.00		
Reservation of Woodland Grave	1,473.00	2,780.00	1,307.00		
Exclusive Right of Burial and Memorialisation in a Cremated Remains Grave at 2ft	989.00	1,370.00	381.00		
Reservation of a Cremated Remains Grave	989.00	1,370.00	381.00		
Exclusive Right of Burial in a Woodland Cremated Remains Grave, Keele Cemetery at 2ft Inclusive of a Shrub	989.00	1,370.00	381.00		
Reservation of Woodland Cremated Remains Grave	989.00	1,370.00	381.00		
Memorial permit	946.00	950.00	4.00		
Renewal of exclusive right of burial & memorialisation (cremated remains grave)	475.00	500.00	25.00		
Transfer of ownership of exclusive rights of burial & memorialisation	152.00	160.00	8.00		
Duplicate deed of exclusive rights of burial & memorialisation	80.00	85.00	5.00		
Erection of Memorials (no prior right given)				Cabinet	No VAT
Memorial not exceeding 3 feet in height	162.00	170.00	8.00		
Replacement memorial	54.00	55.00	1.00		
Columbarium					
10 year lease including 1st interment	613.00	613.00	Freeze	Memorialisation fees currently under review to ensure full cost recovery.	No VAT
2nd interment	86.00	86.00	Freeze		
Renewal of 10 year lease	307.00	307.00	Freeze		
Additional 5 year lease	307.00	307.00	Freeze		

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
Use of Chapel & Community Room					No VAT
Newcastle cemetery chapel	86.00	200.00	114.00		
Keele community room - service	86.00	200.00	114.00		
Keele community room - full day hire	80.00	150.00	70.00		
Keele community room - half day hire	43.00	75.00	32.00		
Keele community room - per hour hire	16.50	25.00	8.50		
Sundry Items					VAT Incl.
Single abstract information from registrar	76.00	80.00	4.00		
Family history research	25.00	25.00	Freeze	Memorialisation fees currently under review to ensure full cost recovery.	
Casket - Single	93.00	93.00	Freeze		
Casket - Double	118.00	118.00	Freeze		
Casket Plaque for Crematorium Boxes	15.00	15.00	Freeze		
Wooden cross	51.00	51.00	Freeze		
Memorial benches	791.00	791.00	Freeze		
Memorial benches - maintenance By request (cleaning & staining)	184.00	184.00	Freeze		
Memorial trees	405.00	405.00	Freeze		
Barrier fob replacements	12.00	12.00	Freeze		
Late arrival of Funeral Directors	N/A	30.00	New		
Late Paperwork	N/A	50.00	New		
Incorrect coffin size	N/A	50.00	New		
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)	670.00	700.00	30.00		
Returnable deposit - cleaning	980.00	1000.00	20.00		
Returnable deposit - damage	980.00	1000.00	20.00		
COVENANT CONSENTS				Cabinet	No VAT
Covenant consents	155.00	160.00	5.00		

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
CREMATORIUM				Cabinet	No VAT
Cremation Fees				Children's Funeral Fund	
17 years of age and under	N/A	845.00	New		
Direct cremation no service or family, before 9.00am, Tues, Thursday, Friday	N/A	350.00	New		
18 years & over 9.20am service time only	501.00	600.00	99.00		
18 years & over from 10am	736.00	845.00	109.00		
Cremation environmental charge	77.00	80.00	3.00		
Burial of remains cremated elsewhere	228.00	250.00	22.00		
Chapel hire - additional use to cremation service	86.00	200.00	114.00		
Chapel service 40 mins	N/A	470.00	New		
Temporary deposit of ashes (per week after the first 4 weeks)	N/A	15.00	New		
Genealogy enquiry per deceased	N/A	30.00	New		
Obitus Fees				Memorialisation fees currently under review to ensure full cost recovery.	VAT Incl.
Webcast Live	32.00	32.00	Freeze		
Webcast Live + 28 day + downloadable	47.00	47.00	Freeze		
Webcast - Keepsake copy	53.00	53.00	Freeze		
Single Photo	13.00	13.00	Freeze		
Slideshow	40.00	40.00	Freeze		
Pro Tribute	73.00	73.00	Freeze		
Family-made Video Checking	20.00	20.00	Freeze		
Keepsake copy of Pro Tribute	25.00	25.00	Freeze		
Downloadable Pro Tribute	11.00	11.00	Freeze		
Additional physical copies	24.00	24.00	Freeze		
Each extra 25 photos	23.00	23.00	Freeze		
Extra work	23.00	23.00	Freeze		
Urns & Containers				Cabinet	VAT Incl.
Casket - Single	93.00	93.00	Freeze		
Casket - Double	118.00	118.00	Freeze		
Casket plaque for Crematorium Boxes	15.00	15.00	Freeze		
Postage & packaging	Cost	Cost	Freeze		
Memorialisation				Cabinet	VAT Incl.
Book of remembrance per line (up to 3 lines)	34.00	34.00	Freeze		
Book of remembrance for 4 lines	115.00	115.00	Freeze		

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
Book of remembrance for 5 lines	148.00	148.00	Freeze		
Book of remembrance for 6 lines	180.00	180.00	Freeze		
Book of remembrance for 7 lines	211.00	211.00	Freeze		
Book of remembrance for 8 lines	246.00	246.00	Freeze		
Simple floral emblem	100.00	100.00	Freeze		
Coat of arms, badges, ornate floral emblem	137.00	137.00	Freeze		
Additional lines of inscription for cards/books	34.00	34.00	Freeze		
Plaques				Cabinet	VAT Incl.
12" x 4" new plaque & 10 year hire	373.00	373.00	Freeze		
Each succeeding 10 year hire	149.00	149.00	Freeze		
12" x 8" new plaque & 10 year hire	745.00	745.00	Freeze		
Each succeeding 10 year hire	300.00	300.00	Freeze		
24" x 8" each succeeding 10 year hire	594.00	594.00	Freeze		
Adding to existing plaque per letter or figure	7.00	7.00	Freeze		
Regilding existing letters	5.00	5.00	Freeze	Cabinet	VAT Incl.
Additional Memorials					
Memorial benches	791.00	791.00	Freeze		
Memorial benches maintenance by request (cleaning & staining)	184.00	184.00	Freeze		
Memorial vases	364.00	364.00	Freeze		
Each succeeding 5 year hire	220.00	220.00	Freeze		
Vases various – small	Various	Various	Freeze		
Planters	839.00	839.00	Freeze		
Each succeeding 5 year hire	342.00	342.00	Freeze		
Trees	718.00	718.00	Freeze		
Each succeeding 10 year hire	375.00	375.00	Freeze		
Additional plaques	92.00	92.00	Freeze		
Shrubs (inclusive of aluminium vase)	399.00	399.00	Freeze		
Each succeeding 5 year hire	171.00	171.00	Freeze		
Donations Memorial	Various	200.00	New		
Fish/Bulbs					
Service overrun at Bradwell Crematorium charge to be made to the funeral director	N/A	30.00	New		
Late Paperwork	N/A	50.00	New		
Incorrect coffin size	N/A	50.00	New		

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
Early/late arrival at cemeteries by more than 15 minutes, charge to be made to the funeral directors	N/A	200.00	New		
DOG WARDEN SERVICE				Cabinet	No VAT
Recovery of Stray Dogs					
During normal working hours - reclaim fee	70.00	75.00	5.00		
Daily kennelling fees	Cost	Cost	Freeze		
ELECTIONS					
Rule 9 (1) Parliamentary Election Regulations & Rule/Reg 9 (1) Police Fire and Crime Commissioner Election Regulations - Candidates' Deposits				Statutory	No VAT
Parliamentary election candidate	500.00	500.00	Freeze		
Police Fire and Crime Commissioner candiate	5,000.00	5,000.00	Freeze		
Regulations 48 & 49 Representation of the People Regulations 2001				Statutory	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				Statutory	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)	20.00	20.00	Freeze		
Plus per 1,000 names or part 1,000 (data)	1.50	1.50	Freeze		

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
Regulations 120				Statutory	No VAT
Representation of the People Regulations 2001					
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		
Inspection & Copies of Documents				Statutory	No VAT
Regulation 10 representation of the people regulations 2001 - inspection of candidates expenses	5.00	5.00	Freeze		
A4 - copies (black & white)	0.20	0.20	Freeze		
Town & Parish Elections				Cabinet	No VAT
<i>Borough Council Election taking place on the same day:</i>					
Town or Parish specific printing / postage costs - Room hire - Staffing costs (polling & count)	Market rate + 5% admin 50% of cost 50% of staffing rate	Market rate + 5% admin costs 50% of cost 50% of staffing rate on the same day, or full costs if the count is taking place on a different day	Freeze		
<i>Town or Parish Election on different day i.e. by-election</i>					
- printing, postage, stationery, room hire costs and other associated costs	Market rate + 5% admin	Full costs for each election per ward or parish	Freeze		
- polling station / count staff cost	Standard NULBC staffing rates	Standard NULBC staffing rates	Freeze		
Uncontested Town or Parish Election Administration Fee (per ward / parish)	100.00	100.00 per election	Freeze		
Room hire	Full costs	Full costs	Freeze		

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
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	Per Formula	Per Formula	Freeze	Cabinet	No VAT
Environmental Offences - Fixed Penalty Notices Waste receptacles - Section 47ZA(2) (paid in 10 days)	60.00	60.00	Freeze	Statutory	No VAT
Waste receptacles - Section 47ZA(2) (paid in 14 days)	80.00	80.00	Freeze		
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	

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
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. Environmental protection Act 1990 Section 34(2)A) (paid within 10 days)	120.00	120.00	Freeze		
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		
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					
Copy of tape/CD recorded interviews	17.00	18.00	1.00	Cabinet	No VAT
Environmental Information Regulations 1992 (requests for information), Charge per Hour (ICO guidance)	25.00	26.00	1.00		

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
Noise monitoring service for Registered Social Landlords & Private Landlords for 1 period of up to 7 days & subsequent report & copy of recording	295.00	310.00	15.00	Cabinet	No VAT
Noise monitoring service for Aspire Housing for 1 period of up to 7 days & subsequent report & copy of recording	295.00	310.00	15.00		
Environmental Health Licences					
Dangerous wild animals - first licence	625.00	650.00	25.00		
Dangerous wild animals - renewal	310.00	323.00	13.00		
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	350.00	364.00	14.00		
Selling animals as Pets – Renew licence	310.00	323.00	13.00		
Selling animals as Pets – Grading review (no visit)	80.00	83.00	3.00		
Selling animals as Pets – Variation	100.00	104.00	4.00		
Animal Boarding – Grant new licence	350.00	364.00	14.00		
Animal Boarding – Renew licence	310.00	323.00	13.00		
Animal Boarding – Grading review (no visit)	80.00	83.00	3.00		
Animal Boarding – Variation	100.00	104.00	4.00		
Hiring out horses – Grant new licence Exc Vet Fee	560.00	583.00	23.00		
Hiring out horses – Renew licence Exc Vet Fee	510.00	531.00	21.00		
Hiring out horses – Grading review (no visit)	80.00	83.00	3.00		
Hiring out horses – Variation	100.00	104.00	4.00		
Hiring out horses – Annual horse check	350.00	364.00	14.00		
Breeding Dogs – Grant new licence	580.00	603.00	23.00		
Breeding Dogs – Renew licence	310.00	323.00	13.00		
Breeding Dogs – Grading review (no visit)	80.00	83.00	3.00		
Breeding Dogs – Variation	100.00	104.00	4.00		
Keeping or training animals for exhibition - Grant new licence (3yrs)	240.00	250.00	10.00		

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
Keeping or training animals for exhibition - Renew licence (3yrs)	240.00	250.00	10.00		
Keeping or training animals for exhibition - Variation	100.00	104.00	4.00		
Re-inspection	100.00	104.00	4.00		
Registration of premises for acupuncture, tattooing, cosmetic piercing, electrolysis & semi-permanent skin colouring	155.00	160.00	5.00		
Registration of each operative	95.00	100.00	5.00		
Additional treatment registration	79.00	83.00	4.00		
Export health certificates	165.00	172.00	7.00	Statutory	
Charges for Authorised Process - Local Authority Pollution Prevention Control Act					
The scale of charges is set by DEFRA annually after consultation with Local Authorities, representatives of industry and other stakeholders. The scale of charges is designed to cover the regulatory and administrative costs (including visits, administration, advice and time) to the regulator arising from each process. The 2018/19 charges are to be advised by DEFRA in February 2018.	As per DEFRA Guidance	As per DEFRA Guidance	Freeze	DEFRA	
Factual Statements (Food Safety Act, Health & Safety at Work Act, Environmental Protection Act)					
Charge for factual statements - additional time	150.00	150.00	Freeze	Cabinet	
Charge for factual statements - disclosure of documents	80.00	80.00	Freeze		
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					

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
Analysis - during Regulation 10	Laboratory cost	Laboratory cost	Freeze		
Analysis - during check monitoring	Laboratory cost	Laboratory cost	Freeze		
Analysis - during audit monitoring	Laboratory cost	Laboratory cost	Freeze		
Swimming Pools				Cabinet	No VAT
Sampling of pool water - per annum	690.00	720.00	30.00		
Sampling of pool water - one sample	72.00	75.00	3.00		
Food Hygiene Rating Scheme				Public Protection	No VAT
Food Hygiene Rating Scheme inspection	210.00	220.00	10.00		
FACILITIES MANAGEMENT				Cabinet	
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 administration 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		Plus VAT
GARDEN WASTE RECYCLING				Cabinet	No VAT
Garden waste service - one bin	36.00	38.50	2.50		
Every additional garden waste bin	30.00	38.50	8.50		
Delivery of each additional garden waste bin	26.25	28.50	2.25		

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
LAND CHARGES				Cabinet	
Residential – Con 29 only (conveyancer search)	129.30	144.00	14.70		Plus VAT
Residential – additional parcel of land - each	86.50	90.00	3.50		
Residential - Con290 optional enquiries - each	37.80	38.00	0.20		
Commercial – Con 29 only (conveyancer search)	324.50	360.00	35.50		
Commercial – additional parcel of land - each	215.30	216.00	0.70		
Commercial – Con290 optional enquiries - each	37.80	38.00	0.20		
LEISURE CHARGES					
Sport Development				Cabinet	No VAT
Sports Development Activities up to 2 hours	4.00	4.50	0.50		
Jubilee 2					
Equipment Resale Saleable items	Market Value	Market Value	Freeze	Cabinet	VAT Incl.
Equipment Hire	Market Value	Market Value	Freeze		
<i>Plus Membership</i>				Cabinet	VAT Incl.
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>	10.00	10.00	Freeze		
Plus Membership (Concession scheme) <i>yearly membership, entitles holder to concession prices, includes first session</i>	6.00	6.00	Freeze		
<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	16.50	0.50	Cabinet	VAT Incl.

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
<i>Premium Membership Charges Adults (including gym, classes, swim, climbing, discount on retail)</i>				Cabinet	VAT Incl.
Joining fee (includes inductions) (16 years +) (one off fee - includes key)	20.00	20.00	Freeze		
Single Membership - 12 month minimum contract - payment monthly by direct debit.	29.50	30.00	0.50		
Single Membership - no contract - per month	37.50	39.50	2.00		
Single Membership - 12 month membership for price of 11 months - payable in advance	324.50	330.00	5.50		
Corporate membership – peak (includes Students) monthly contract	29.99	31.99	2.00		
Corporate membership - peak (includes Students) 12 month contract	25.00	25.50	0.50		
Swim and aquatic membership 12 month contract	24.50	25.00	0.50		
Swim and aquatic membership monthly contract	32.50	34.00	1.50		
Gym and group exercise classes 12 month contract	24.50	25.00	0.50		
Gym and group exercise classes monthly contract	32.50	34.00	1.50		
Climbing only membership 12 month contract	15.00	17.00	2.00		
Blue light membership NHS, Armed Forces, Police, Fire Brigade) 12 month contract	19.99	19.99			
DJ Dance membership DJ classes and live steam only, 12 month contract	N/A	22.50	New	Cabinet	No VAT
DJ Dance Membership existing customers only	25.00	26.00	1.00		
student membership month to month NUS card, college card letter form school 16+ month to month	N/A	20.00	New		
Legacy Off Peak Memberships annual % increase (rounded to nearest 10p)	3%	4%	1%		

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
<i>Studio Hire</i>				Cabinet	VAT Incl.
Studio 1	40.00	42.00	2.00		
Studio 2	40.00	42.00	2.00		
<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	4.00	1.00		
Children u4 (swim only)	Free	1.00	New		
<i>Gym / Classes Casual Fee</i>				Cabinet	VAT incl.
Adult - Lite membership	7.00	6.00	-1.00		
Adult - Plus membership	6.00	6.00	Freeze		
Adult - Plus Membership concession fee	5.00	4.00	-1.00		
Junior 12 and over - Activities accessed in accordance with Industry guidance	4.00	4.00	Freeze		
<i>Swimming Instruction</i>					
<i>Swimming Lessons</i>				Cabinet	No VAT
Adult swimming lesson (30 minutes)	9.00	9.50	0.50		
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>				Cabinet	No VAT
1:1 swim lesson (per 30 minutes)	20.00	21.00	1.00		
1:1 Lessons 5 consecutive sessions in payable in advance	N/A	90.00	New		
1:1 dance lesson with DJD Dance - 30 minutes	20.00	22.50	2.50		
1:1 swim / dance lesson with DJD Dance - 30 minutes, block of four lessons	70.00	80.00	10.00		
DJ Wedding Package	N/A	200.00	New		
<i>Pool Courses</i>				Cabinet	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>				Cabinet	VAT Incl.
Teaching Pool Hire	65.00	70.00	5.00		
Main Pool Hire - (8 lane) (per lane per hour)	18.00	19.00	1.00		

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
Additional staff for pool hire (per staff member)	28.00	30.00	2.00		
Set up fee - galas	30.00	35.00	5.00		
Time equipment hire - galas	30.00	35.00	5.00		
<i>Parties</i>				Cabinet	VAT Incl.
Pool Party inclusive of 1 hour studio use	90.00	95.00	5.00		
Climbing Party (six people) inclusive of studio use	90.00	95.00	5.00		
Additional instructor per six children	30.00	35.00	5.00		
Bowls				Cabinet	VAT Incl.
Adult	4.54	4.73	0.19		
Junior/60+	2.27	2.36	0.09		
Summer season ticket - adult	64.40	66.98	2.58		
Summer season ticket - junior/60_/unemployed	42.48	44.18	1.70		
Winter season ticket	15.90	16.54	0.64		
Summer/winter season ticket - adult	76.29	79.34	3.05		
Summer/winter season ticket - junior/60+/unemployed	53.58	55.72	2.14		
Merit competition per player - per hour	8.65	9.00	0.35		
Greenage fees for pre- booking (plus playing fee per person)	10.56	10.98	0.42		
Tennis Class A (Westlands, Wolstanton)				Cabinet	VAT Incl.
Adult Pay as you Go (per hour per court)	7.00	Free	-7.00		
Junior / Concession (per hour per court)	5.00	Free	-5.00		
Education / Not for Profit Organisations	5.00	Free	-5.00		
LTA Tennis Development Initiatives	Free	Free	Freeze		
Coaching / Competitions	Negotiable	Negotiable	Freeze		
Tennis Class B (Chesterton, Silverdale, Birchenwood, Bradwell, Clough Hall)	Free	Free	Freeze	Cabinet	
Football (alternate weekly use per season)				Cabinet	No VAT
Wolstanton Marsh Pavilion	595.00	619.00	24.00		
All other pitches	413.00	430.00	17.00		
Junior pitch	60% of fee	60% of Fee	Freeze		
Mini soccer pitch (unmarked)	241.00	251.00	10.00		

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
Mini soccer pitch (marked)	338.00	352.00	14.00		
Rugby (alternate weekly use per season)				Cabinet	No VAT
Bathpool	839.00	873.00	34.00		
Lyme Valley	839.00	873.00	34.00		
Clough Hall	839.00	873.00	34.00		
Junior Pitch	60% of fee	60% of fee	Freeze		
Rugby (casual use per match)	97.00	101.00	4.00	Cabinet	VAT Incl.
Concessionary Licences				Cabinet	No VAT
Brampton Park ice cream sales	812.00	845.00	33.00		
Brampton Park use of bouncy castle	812.00	845.00	33.00		
4 Large Parks Northern part of Borough – ice cream	697.00	725.00	28.00		
4 Large Parks Southern part of Borough – ice cream	697.00	725.00	28.00		
Community Events				Cabinet	Plus VAT
Wedding Photos within a park setting	45.00	47.00	2.00		
Advertising within parks	10.00 to 5125.00	10.00 to 5125.00	Freeze		
Booking large events - more than 6 months planning	181.00	188.00	7.00		No VAT
Booking medium events - more than 6 months planning (firework displays, carnivals etc.)	91.00	95.00	4.00		
Booking small events - more than 6 months planning (competitions, fun days, picnics etc.)	34.00	35.00	1.00		
LICENCES					
General				Licencing Committee	No VAT
Sex establishments - application fee	3,388.00	3,524.00	136.00		
Sex establishments - Renewal	3,388.00	3,524.00	136.00		
Sex establishments - variation	1,147.00	1,193.00	46.00		
Sex establishments - transfer	1,147.00	1,193.00	46.00		
Scrap metal dealer site licence	289.00	301.00	12.00		
Scrap metal dealer collectors licence	229.00	238.00	9.00		

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
Gambling Act 2005				Statutory	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		
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		

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
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	Freeze		
Casino Small – New application	7,352.00	7,646.00	294.00		
Casino Small – Annual Fee	3,676.00	3,823.00	147.00		
Casino Small - Variation	2,450.00	2,548.00	98.00		
Casino Small – Application for Transfer	1,576.00	1,639.00	63.00		
Casino Small – application to reinstate	1,576.00	1,639.00	63.00		

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
Private Hire/Hackney Carriage				Public Protection	No VAT
OPERATORS					
PHO Application fee	267.00	289.00	22.00		
Add/Remove Director	41.00	44.00	3.00		
Copy/Replacement Licence	7.00	8.00	1.00		
Basic DBS	18.00	18.00	Freeze		
DRIVERS				Public Protection	No VAT
Dual Driver Badge - 3 years	273.00	275.00	2.00		
Change of address	17.00	18.00	1.00		
Replacement badge	13.00	15.00	2.00		
Replacement vehicle badge	13.00	15.00	2.00		
Reissue/replacement badge (with amended details)	29.00	31.00	2.00		
DBS (CRB check)	40.00	38.00	-2.00		
DBS (CRB check) online	60.34	64.34	4.00		
Exemption certificates	13.00	15.00	2.00		
Knowledge test	25.00	20.00	-5.00		
Fail to attend Knowledge Test	25.00	20.00	-5.00		
Change of Name	18.00	21.00	3.00		
Replacement vehicle badge holder	5.00	6.00	1.00		
DE Training replacement cert	Free	Free	Freeze		
Copy of Paper Licence	7.00	8.00	1.00		
Joint Disability and Safeguarding Training	N/A	48.00	New		
VEHICLES				Public Protection	No VAT
Transfer of vehicle	41.00	44.00	3.00		
Change of vehicle registration	47.00	50.00	3.00		
Failure to attend for vehicle test	66.00	74.00	8.00		
Retest	30.00	33.00	3.00		
Replacement plate carrier – front	9.00	10.00	1.00		
Replacement plate carrier – rear	11.00	12.00	1.00		
Replacement vehicle plate - front	8.00	9.00	1.00		
Replacement vehicle plate - rear	10.00	11.00	1.00		
Replacement vehicle sticker signage	5.00	6.00	1.00		
Copy of paper part of licence	7.00	8.00	1.00		
Change of Vehicle Colour	47.00	50.00	3.00		
HCV test	70.00	79.00	9.00		
HCV test 10yrs+	70.00	79.00	9.00		
PHV test	70.00	79.00	9.00		

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
PHV test 10yrs+	70.00	79.00	9.00	Statutory	No VAT
HCV application fee	234.00	242.00	8.00		
PHV application fee	231.00	238.00	7.00		
Basic DBS	24.00	18.00	-6.00		
Change of Name/Address	41.00	44.00	3.00		
Spot check	19.00	22.00	3.00		
Replacement Internal Plate	7.00	8.00	1.00		
Licensing Act 2003 - New Application					
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		
Licensing Act 2003 - Annual Fee				Statutory	No VAT
Premise licence, band A (rateable value of up to £4,300)	70.00	70.00	Freeze		

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
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		
Section 47 (interim authority notice following death of licence holder)	23.00	23.00	Freeze		
Section 79 (theft, loss etc. of certificate or summary)	10.50	10.50	Freeze		

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
Section 82 (notification of change of name or alteration of rules of club)	10.50	10.50	Freeze	Statutory	No VAT
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	21.00	1.00		
Open market - second stall (per day) Monday,	10.00	11.00	1.00		
Open market - stall (per day) Wednesday	11.00	12.00	1.00		
Open market - second stall (per day) Wednesday	10.00	11.00	1.00		
Open market - stall (per day) Fri/Sat	21.00	22.00	1.00		
Open market - additional space (per day) Fri/Sat	10.00	11.00	1.00		
Farmers market - stall (per day)	20.00	21.00	1.00		
Other Pitches - minimum charge (per day)	26.00	27.00	1.00		
Catering Pitches - minimum charge (per day) Fri / Sat	25.00	26.00	1.00		

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
Catering Pitches - minimum charge (per day) Mon / Weds	N/A	13.00	New		
Small Stalls (adjacent to Guildhall)	N/A	10.00	New		
All stalls / pitches above are charged at 50% during winter period (1st Oct - 31st March)					
New Trader - Introductory Price (16 weeks only / per day)	N/A	5.00	New		
Catering Pitches - Secondary offer (16 weeks / weekly charge - up to 4 days trading)	N/A	25.00	New		
Antique market - stall (per day)	8.00	8.00	Freeze		
Antique Market - second stall (per day)	N/A	4.00	New		
Craft fair (bric-a-brac) - stall (per day)	5.50	5.50	Freeze		
Craft fair (bric-a-brac) - second stall (per day)	N/A	2.50	New		
Service Charge (for licensed markets)	N/A	29.00	New		
Events Markets - per stall / pitch (e.g. CAM / Vegan)	N/A	5.00	New		
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					VAT Incl.
Photocopies	1.00	1.10	0.10		
Commission of picture sales from exhibitions	30%	30%	Freeze		Plus VAT
Education session per pupil - half day	5.00	5.50	0.50		No VAT
Education session per pupil - full day	7.00	7.50	0.50		
Education sessions - minimum charge half day (20 pupils or fewer)	75.00	80.00	5.00		

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
Education sessions - minimum charge full day (20 pupils or fewer)	120.00	125.00	5.00		
Holiday activities per child	11.00	12.00	1.00		
Adult object handling/reminiscence sessions per hour	32.00	34.00	2.00		
Outreach fee	50.00	60.00	10.00		
Outreach education – schools per session	80.00	85.00	5.00		
Hire of Drawing Room per hour (Function/Corporate)	12.00	15.00	3.00		
Hire of Drawing Room per hour (Not for profit/Charity)	8.00	10.00	2.00		
Hire of Alder Room per hour (Function/Corporate)	20.00	25.00	5.00		
Hire of Alder Room per hour (Not for profit/Charity)	14.00	20.00	6.00		
Hire of Willow Room per hour (Function/Corporate)	30.00	35.00	5.00		
Hire of Willow Room per hour (Not for profit/Charity)	20.00	27.00	7.00		
Hire of Event Space per hour (function/corporate/park business)	50.00	50.00	Freeze		
Hire of Event Space per hour (Not for Profit/charity/park)	34.00	36.00	2.00		
Early entry or late stay - per hour	N/A	25.00	New		
Room set up	N/A	25.00	New		
Education item loan	20.00	25.00	5.00		
Saleable items	RRP	RRP	Freeze		
Open art registration - up to 2 items	10.00	5.00	-5.00		VAT Incl.
Event Fees					
Visit to Father Christmas	7.50	10.00	2.50		
Talks & Classes	20.00	30.00	10.00		
NAMING / NUMBERING OF STREETS/PROPERTIES				Cabinet	No VAT
New or Redevelopment					
Charge for naming of a street	206.00	215.00	9.00		
Charge for naming of a commercial building	103.00	108.00	5.00		
Single residential property on existing street	134.00	140.00	6.00		
Number/name 2-9 properties (includes first property)	206.00	215.00	9.00		
Plus - per plot	72.00	75.00	3.00		

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
Number/name 10 plus properties (includes first property)	206.00	215.00	9.00	Cabinet	No VAT
Plus - per plot	72.00	75.00	3.00		
Change to layout after notification	258.00	270.00	12.00		
Plus - per plot	41.00	43.00	2.00		
Existing Properties/Streets					
Adding or alteration of a house/building name	72.00	75.00	3.00		
Renaming of a street	On request				
House or building renumbering (including sub division to flats)	258.00	270.00	12.00		
Confirmation of postal address	41.00	43.00	2.00		
Requests not included in above fees per hour	51.00	54.00	3.00		
Road closure	31.00	33.00	2.00		
PEST CONTROL				Cabinet	VAT Incl.
Treatment of rats (domestic) - prepayment (up to 4 visits)	55.00	60.00	5.00		
Treatment of rats (domestic) - payment by invoice (up to 4 visits)	75.00	80.00	5.00		
Treatment of mice (domestic) – prepayment (up to 3 visits)	55.00	60.00	5.00		
Treatment of mice (domestic) – payment by invoice (up to 3 visits)	75.00	80.00	5.00		
Fleas / Bedbugs / Cockroaches (domestic) - prepayment	115.00	120.00	5.00		
Fleas / Bedbugs / Cockroaches (domestic) - payment by invoice	135.00	140.00	5.00		
Insect control treatments (domestic) including wasps, & ants - prepayment	75.00	80.00	5.00		
Insect control treatments (domestic) including wasps & ants - payment by invoice	95.00	100.00	5.00		
Pest control commercial (other) - first hour	110.00	120.00	10.00		
Pest control commercial (other) - per 1/4 extra hour	27.50	30.00	2.50		
Mole & Rabbit control (per treatment course, max 3 visits) - prepayment	190.00	195.00	5.00		

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
Mole & Rabbit control (per treatment course, max 3 visits) - payment by invoice	210.00	215.00	5.00		
Squirrel control - prepayment (up to 4 visits)	140.00	145.00	5.00		
Squirrel control - payment by invoice (up to 4 visits)	160.00	165.00	5.00		
Telephone Advice (prepayment only)	10.00	15.00	5.00		
Advice Visit (no treatment) - prepayment	55.00	60.00	5.00		
Advice Visit (no treatment) - payment by invoice	75.00	80.00	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)	As per formulae for works in default	As per formulae for works in default	Freeze		
Works in default (Prevention of Damage by Pests Act 1949) per additional 1/4 hour (invoiced)					
PLANNING SERVICES				Cabinet	No VAT
Postage & packaging	1.10	1.40	0.30		
Copies up to £1 are free of charge					
Paper copies of planning/building control decisions & documents - per sheet (A4 black & white)	0.25	0.30	0.05		
Paper copies of planning/building control decisions & documents - per sheet (A3 black & white)	0.40	0.50	0.10		
Paper copies of plans - planning files - per sheet (A4 black & white)	0.25	0.30	0.05		
Paper copies of plans - planning files - per sheet (A3 black & white)	0.50	0.60	0.10		
Paper colour copies of an A4 sheet of planning/building control decision, planning documents or plan	0.50	0.60	0.10		
Paper colour copies of an A3 sheet of decision, planning documents or plan	0.80	0.90	0.10		
Scanned copies of documents - charge per hour of scanning (where legal to charge)	38.00	42.00	4.00		

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
Paper copies of plans - planning files - each plan (A2)	2.50	2.80	0.30	Cabinet	VAT Incl.
Paper copies of plans - planning files - each plan (A1)	3.70	4.10	0.40		
Paper copies of plans - planning files - each plan (A0)	4.80	5.30	0.50		
Weekly lists - statutory consultees	Free	Free	Freeze		
Requests for site information – commercial per hour	82.00	90.00	8.00		
Requests for site information - individuals	Cost	Cost	Freeze		
Pre Planning Application Advice					
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)	735.00	810.00	75.00		
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)	370.00	410.00	40.00		
1 dwelling	110.00	125.00	15.00		
Minor Developments (residential developments of between 2 & 9 dwellings or where number not known, a site area of less than 0.5ha. Non-residential developments of under 1,000m2 of floor space or where floor space not known, a site area of less than 1ha)	167.00	185.00	18.00		
Householder Development					
Half hour appointment	25.00	28.00	3.00		
Appointment in excess of 30 minutes	35.00	40.00	5.00		

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
Other Development (excluding householder development but including changes of use, advertisements, prior approval proposals & listed building proposals)	60.00	66.00	6.00		
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.	Per Planning Portal	Per Planning Portal	Freeze	Cabinet	No VAT
Building Control fees (North Staffs Building Control Partnership)	Per Board	Per Board	Freeze		
Planning & development briefs (as & when prepared)	Free	Free	Freeze		
Core spatial strategy	38.00	42.00	4.00		
Local development framework proposals map - north or south	8.50	10.00	1.50		
Local development framework proposals map - north & south	14.00	16.00	2.00		
Strategic housing land availability assessment (SHLAA)	40.00	45.00	5.00		
PRIVATE SECTOR HOUSING				Cabinet	No VAT
Houses in multiple occupation licence fee	642.00	668.00	26.00		
Each additional bedroom	8.50	9.00	0.50		
Renewal of houses in multiple occupation licence	475.00	495.00	20.00		
Each additional bedroom	8.50	9.00	0.50		
Houses in multiple occupation licence fee for a member of the North Staffs Landlord Accreditation Scheme	539.00	568.00	29.00		
Each additional bedroom	8.50	9.00	0.50		
Renewal of houses in multiple occupation licence or a member of the North Staffs Landlord	372.00	395.00	23.00		
Immigration Inspections	134.00	140.00	6.00		

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
Provision of accommodation for homeless households	Cost	Cost	Freeze	Cabinet	No VAT
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					
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	40.00	41.60	1.60		
SALE OF SANDBAGS				Cabinet	VAT Incl.
5 sand bags	41.00	42.64	1.64		
10 sand bags	57.00	59.28	2.28		
15 sand bags	72.00	74.88	2.88		
20 sand bags	88.00	91.52	3.52		
STREET TRADING				Cabinet	No VAT
Eastbound layby A500 (per annum)	9,700.00	10,100.00	400.00		
Northbound layby A500 (per annum)	9,700.00	10,100.00	400.00		
TOWN CENTRE DISPLAYS				Cabinet	No VAT
Local promotions (minimum charge)	28.00	30.00	2.00		
Charity & local community groups	6.00	6.50	0.50		
National promotions (minimum charge)	80.00	85.00	5.00		

	Fee/ Charge 2022/23 £.p	Proposed Fee/ Charge 2023/24 £.p	Increase/ Decrease £.p	Committee Approval / Comments	VAT Status
TREE PRESERVATION ORDERS				Cabinet	No VAT
Single copy of a tree preservation order	31.00	35.00	4.00		
WASTE & RECYCLING BINS/RECEPTACLES				Cabinet	No VAT
Bins/receptacles per property on new developments (to be paid by the developer)	70.00	74.00	4.00		
Replacement bin due to loss / theft	27.00	28.50	1.50		
Delivery Charge	27.00	28.50	1.50		
New property - resident	27.00	28.50	1.50		

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.

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FINANCE, ASSETS AND PERFORMANCE SCRUTINY COMMITTEE

Work Programme 2022/26

Chair: Councillor Mark Holland

Vice-Chair: Councillor Amy Bryan

Members: David Allport, Robert Bettley-Smith, Wendy Brockie, Annabel Lawley, Andrew Parker, Mike Stubbs, John Tagg, Stephanie Talbot and Paul Waring

Portfolio Holders covering the Committee's remit:

Councillor Simon Tagg, Leader – One Council, People and Partnerships

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



This committee scrutinises how the council, as a whole, performs. It scrutinises how the council develops and implements its various plans and strategies. It scrutinise how the council plans for and uses its finances (including income generation) and other assets including plant and machinery, equipment, vehicles, land and buildings and staff. In scrutinising the council's performance, it will also consider how the council performs alongside the organisations it works in partnership with.

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
30 June 2022	Q4 Finance and Performance Review Asset Management Strategy	Regular item

Classification: NULBC **UNCLASSIFIED**

DATE OF MEETING	ITEM	BACKGROUND/OBJECTIVES
8 September 2022 CANCELLED	MTFS Q1 Finance and Performance Review Procurement Strategy Commercial Strategy	Regular item Regular item
8 December 2022	Q1 Finance & Performance Report 2022/23 Q2 Finance & Performance Report 2022/23 Commercial Strategy Update 2023/24 Draft Savings Proposals	Regular items
19 January 2023	Revenue and Capital Budget and Strategies 2023/24 Schedule of Fees and Charges 2023/24	Pre-decision scrutiny
30 March 2023	Q3 Finance & Performance Report 2022/23 Asset Management Strategy One Council update	Regular items
26 June 2023	Q4 Finance & Performance Report 2022/23 Commercial Strategy Update	Regular items
25 September 2023		
13 December 2023		
18 January 2024		
14 March 2024		

Classification: NULBC **UNCLASSIFIED**

DATE OF MEETING	ITEM	BACKGROUND/OBJECTIVES
27 June 2024		
5 September 2024		
5 December 2024		
16 January 2025		
27 March 2025		
26 June 2025		
4 September 2025		
4 December 2025		
12 January 2026		
26 March 2026		

Classification: NULBC **UNCLASSIFIED**

DATE OF MEETING	ITEM	BACKGROUND/OBJECTIVES
11 June 2026		

December 2022

Classification: NULBC **UNCLASSIFIED**

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

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