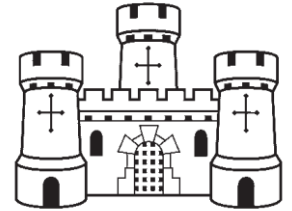


Public Document Pack

Date of meeting Monday, 25th September, 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 3 - 4)
To consider the Minutes of a previous meeting.
- 4 FINANCIAL & PERFORMANCE REVIEW REPORT - FIRST QUARTER 2023/24** (Pages 5 - 40)
- 5 SICKNESS ABSENCE UPDATE REPORT** (Pages 41 - 62)
- 6 MEDIUM TERM FINANCIAL STRATEGY 2024/25 TO 2028/29** (Pages 63 - 68)
- 7 ASSET MANAGEMENT STRATEGY** (Pages 69 - 114)
- 8 COMMERCIAL STRATEGY UPDATE** (Pages 115 - 118)
- 9 WORK PROGRAMME** (Pages 119 - 122)
- 10 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
- 11 URGENT BUSINESS**
To consider any business which is urgent within the meaning of Section 100B (4) of the Local Government Act 1972
- 12 DATE OF NEXT MEETING**
Monday 17 December 2018 (7:00pm)

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

Members of the Council: If you identify any personal training/development requirements from any of the items included in this agenda or through issues raised during the meeting, please bring them to the attention of the Democratic Services Officer at the close of the meeting.

Meeting 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	Adcock
	Skelding	D Jones
	Wilkes	Wright
	Crisp	Gorton

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.

Agenda Item 3

Finance, Assets & Performance Scrutiny Committee - 26/06/23

FINANCE, ASSETS & PERFORMANCE SCRUTINY COMMITTEE

Monday, 26th June, 2023
Time of Commencement: 7.00 pm

[View the agenda here](#)

Present: Councillor Mark Holland (Chair)

Councillors: Bryan Parker J Tagg P Waring Bettley-Smith Stubbs Lawley

Apologies: Councillor(s) Brockie and Talbot

Substitutes: Councillor David Grocott (In place of Councillor Stephanie Talbot)

Officers: Sarah Wilkes Georgina Evans-Stadward Service Director - Finance / S151 Officer Service Director - Strategy, People and Performance

Also in attendance: Councillor Simon Tagg Leader of the Council and Portfolio Holder - One Council, People and Partnerships

1. **APOLOGIES**

2. **DECLARATIONS OF INTEREST**

There were no declarations of interest stated.

3. **MINUTES OF A PREVIOUS MEETING**

Resolved: That the minutes of the previous meeting held on 30th March 2023 be agreed as accurate record.

4. **FINANCIAL & PERFORMANCE REVIEW REPORT - 4TH QUARTER 2022-23**

The Leader presented the Financial and Performance Review report including the Council's Financial Position and Key Performance Indicators for 2022-23 which showed that 80% of indicators were on target.

The Leader also presented two supplementary papers that detailed the Council Capital budget and the Officers' response to sickness absence.

Issues were raised and responses were provided as follows:

Finance, Assets & Performance Scrutiny Committee - 26/06/23

- Cllr Stubbs expressed his concerns over negative trends figures, in particular sickness absences. – These were consistent with trends observed at national level.
- Cllr Stubbs said that the Council shouldn't satisfy itself with meeting national average and should instead focus on resolving problems affecting the organisation and staff. – The Chair asked that members willing to raise issues specify what sort of information they would need to assess whether any particular problem needs addressing so that responses can be provided at the next meeting.
- Cllr Bettley-Smith noted that officers were looking at ways and means of improving statistics and wondered if there may be insight to be gained in looking into other authorities' practices. – Local government conventions and community forums were a good place for that.

Members discussed further the case of sickness absences and a complementary report was requested from officers to allow for scrutiny at the next committee meeting, including breakdown of causes.

Resolved: That the contents of the report and appendices be noted, and that the Council's service and financial performance for this period continue to be monitored and challenged.

5. WORK PROGRAMME

A report on sickness absences was requested for the September meeting.

Resolved: That the work programme be received.

6. PUBLIC QUESTION TIME

There were no questions from members of the public.

7. URGENT BUSINESS

There were no urgent business.

8. DATE OF NEXT MEETING

Resolved: That the next meeting be held on the 25th September 2023.

**Councillor Mark Holland
Chair**

Meeting concluded at 7.47 pm

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

CORPORATE LEADERSHIP TEAM'S REPORT TO FINANCE, ASSETS AND PERFORMANCE SCRUTINY COMMITTEE

25 September 2023

Report Title: Financial and Performance Review report – First quarter 2023-24.

Submitted by: Corporate Leadership Team

Portfolios: One Council, People & Partnerships, Finance, Town Centres & Growth

Ward(s) affected: All

Purpose of the Report

To provide Finance, Assets and Performance Scrutiny Committee with the Financial and Performance Review report for the first quarter of 2023-24.

Recommendation

That Members note

- 1. The contents of the attached report and appendices, and continue to monitor and challenge the Council's service and financial performance for this period.**

Reasons

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

1. Background

- 1.1 This quarterly report provides Members with a detailed update on how the Council has performed during the first quarter of 2023/24 by presenting performance data and progress summary set within a financial context. The report provides broad financial information (Appendix A) and also details service performance (Appendix B) for the first quarter 2023/24.

2023-24 Revenue and Capital Budget Position

- 1.2 The Council approved a General Fund Revenue Budget of £16,856,730 on 15 February 2023. Further financial information is provided in Appendix A.

Performance

- 1.3 The Q1 report (April 2023 to June 2023) has been produced using new business intelligence tools in order automate and improve the monitoring, analysis and reporting of Council performance. The indicators included are those agreed as part of the new Council Plan and reflect the priorities for the Borough. In addition to reporting on key performance indicators, the report also includes progress summaries for each priority action, detailing the progress with the delivery of planned activities.
- 1.4 Contextual performance information is provided (indicators without a target), not only to ensure the monitoring of the corporate activities of the Council, but also to inform Members,

businesses and residents of performance in their local area that the Council cannot directly control.

- 1.5 Any indicators failing to meet the set targets include a comment explaining mitigating factors , and what steps are being taken to ensure improvement in the future.
- 1.6 For this report a total of 42 indicators were monitored, 17 of these indicators were contextual and had no set target. Of the remaining 25 indicators the proportion of indicators which have met their target during this period stands at 76% with the remaining 24% falling short of target. A small number of these 'off target' measures have more stretching targets this year, in line with benchmarking findings and council ambition but as it is still early in the year, it is hoped that these targets can be met as the year progresses. In terms of trend data, the proportion of indicators showing an improvement or maintenance of the previous year's performance stands at 45%.
- 1.7 As part of its new service planning approach the Council has developed new 3-year targets through service-led priority delivery plans. These targets have been through internal quality assurance and challenge and have been included within the Q1 report to provide elected councillors with an opportunity to scrutinise the performance levels being proposed. The targets will be reviewed annually as part of the service planning process.
- 1.8 The Quarter One Report contains some new additional supporting measures to enable fuller information to be provided for members in relation to channel shift (1.8b), market occupancy (4.3a, b and c) and rough sleeping in relation to institutional discharges (4.4d – as required by central government).

2. **Issues**

- 2.1 There are 6 indicators off target this quarter (2 of which are showing a trend improvement from last quarter), and officers consider that the performance against these indicators does not give rise to serious cause for concern at present (see commentaries provided in Appendix B). The management of each of the service areas concerned continue to monitor and take steps to deal with under achievement of targets where possible and/or appropriate.
- 2.2 Progress on delivery of planned activities is summarised for each priority and the only concern raised is around the plans for increased recycling rates and the delayed national guidance.

3. **Proposal**

- 3.1 That Members note the contents of the attached report and Appendices A and B, and continue to monitor and challenge the Council's performance alongside its financial performance for the same period.

4. **Reasons for Proposed Solution**

- 4.1 To enable financial and performance information to be presented for continued scrutiny and encourage improvement within council delivery.

5. **Options Considered**

- 5.1 At this time it is felt there is no other option necessary for consideration, however the presentation of information is continually reviewed.

6. Legal and Statutory Implications

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

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

8. Financial and Resource Implications

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

9. Major Risks

9.1 The ongoing changing market conditions represents the greatest risk to the revenue budget, particularly with regard to the impact it may have upon income receivable in relation to services where customers may choose whether or not to use Council facilities or in the case of the waste/recycling service where the volume of recycled materials is liable to fluctuate. The impact of Covid 19 is still apparent in the reporting of this quarter, despite seeing improvements, impacting on many areas and the situation will continue to be monitored through the normal budget monitoring procedure.

9.2 The capital programme will require regular monitoring to identify any projects which are falling behind their planned completion dates. This will be carried out by the Capital Programme Review Group, which meets on a monthly basis together with quarterly reports to Cabinet.

10. UN Sustainable Development Goals and Climate Change Implications



11. Key Decision Information

11.1 Included on the Forward Plan

12. Earlier Cabinet/Committee Resolutions

12.1 N/A

13. List of Appendices

13.1 Financial information (Appendix A), Performance Outturn (Appendix B)

14. **Background Papers**

14.1 Working papers held by officers responsible for calculating indicators.



2023/24

**Quarter One
Financial
Performance**

1. Background and Introduction

1.1 In accordance with the Council's Financial Procedure Rules and recommended good practice, a quarterly financial report is presented to Members. This is the first report for 2023/24.

1.2 The report summarises overall financial performance for 2023/24 with particular emphasis on the key sources of financial risk to the Council. Specific considerations are as follows:

- **General Fund Revenue Account (Section 2)** – considers budgetary performance on the General Fund Account by looking at variations in income and expenditure and the funding received by the Council.
- **Efficiency and Savings Plan (Section 3)** – considers progress in achieving the efficiency and savings forecast for 2023/24.
- **Capital Programme (Section 4)** – provides an update to Members on progress against the Council's Capital Programme and major project funded through the Town Deal Funds and Future High Street Fund.
- **Treasury Management (Section 5)** – sets out the key statistics in terms of investments and borrowings;
- **Collection Fund (Section 6)** – considers progress to date in collecting the Council Tax, Business Rates and Sundry Debts.

2. General Fund Revenue Budget

2.1 This section of the report considers the financial performance of the General Fund Revenue Account against budget by setting out variations in income and expenditure and funding received by the Council.

Area	2023/24 General Fund	
	Estimate £	Band D Council Tax £
Central Services	2,157,470	56.63
Cultural Services	3,769,940	98.95
Environmental Services	8,868,690	232.78
Planning	1,838,180	48.25
Transport	(294,420)	(7.73)
Housing	1,493,410	39.20
Net Cost of Services	17,833,270	468.08
Pensions Liabilities Account	415,000	10.89
Investment Properties	74,940	1.97
Interest and Investment Income	227,000	5.96
Net Operating Expenditure	18,550,210	486.89
Contribution to/(from) Revenue Reserves	904,430	23.74
**Contribution to/(from) Capital Reserves	(2,597,910)	(68.19)
Amount to be met from Government Grant and Local Taxpayers	16,856,730	442.45

** Contributions to/(from) Capital Reserves. Comprises transfers to or from the Capital

Adjustment Account. This account is used to eliminate capital transactions, such as depreciation, which have to be debited or credited to the revenue account in order to comply with proper accounting practice but which statutorily cannot count against the council tax.

- 2.2 The Council approved a General Fund Revenue Budget of £16.857m on 15 February 2023 for the financial year 2023/24. The actual and forecast position compared to this budget is continuously monitored by Budget Holders, the Corporate Leadership Team and Portfolio Holders in order to detect any significant variances of expenditure or income from the approved amounts contained in the budget.
- 2.3 The table above shows how this budget has been allocated.
- 2.4 The quarter one projected outturn on the General Fund Revenue Account for the year is £16.857m. This represents a balanced outturn for the year.
- 2.5 The adverse variances that have occurred during the first quarter of 2023/24 include:
 - a. Income shortfalls from sales, fees and charges which amount to £0.153m (forecast to be £0.548m for the financial year),
 - b. A shortfall of £0.109m in Housing Benefits subsidy grant regarding accommodation and payments for which full subsidy is not claimable (forecast to increase to £0.434m for the financial year),
 - c. A pay award that is forecast to be in excess of the amount provided for in the budget (4%), including national insurance and pension the additional amount is forecast to total £0.100m at the close of quarter one (and £0.400m for the financial year),
- 2.6 These adverse variances have been offset in full by the following favourable variances:
 - a. Utilisation of the Cost of Living Reserve that was established during the budget setting for 2023/24 in order to respond to any above inflationary increases in costs. This will be fully used to offset the forecast pay award (£0.100m at the close of quarter one and £0.400m for the financial year).
 - b. 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) totals £0.301m at quarter one following recent interest rate hikes (it is forecast that this will grow to £0.901m of income by the close of the financial year).

3. Efficiency and Savings Plan

- 3.1 This section of the report considers the financial performance of the Council's Efficiency and Savings Plan in 2023/24.
- 3.2 The Council's Medium Term Financial Strategy (approved in February 2023) included the five year (2023/24 – 2027/28) Efficiency and Savings Plan targeting savings of £5.874m.
- 3.3 The Efficiency and Savings Plan is set on the need to both reduce expenditure and increase income. The need to grow income is now more of a priority as the Council moves

more towards being self-financing. The plan has been developed with the underlying principles of protecting frontline service delivery. It is also intended that the plan is a tool to enable the Council to ensure that its service spending is determined by the established priorities set out in the Corporate Plan.

- 3.4 The 2023/24 budget was set in February 2023 with the assumption of £2.103m of savings in the year. These savings are detailed in the table below:

Category	Amount £'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 introduction 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 Reimbursement	728	Grant in respect of New Homes Bonus and Minimum Funding Guarantee
Total	2,103	

- 3.5 At the end of quarter one, all savings have been achieved.

4. Capital Programme and Major Projects

- 4.1 This section of the report provides an update to Members on the Council's Capital Programme and major projects funded by the Town Deal Funds and Future High Street Fund.
- 4.2 The table below shows a high level (service) summary of the General Fund Capital Programme position at 30 June 2023:

Priority	Budget at Period 3 £'000	Actual at Period 3 £'000	Variance at Period 3 £'000
One Council Delivering for Local People	115	117	2
A Successful and Sustainable Growing Borough	389	383	(6)
Healthy, Active and Safe Communities	1,171	1,173	2
Town Centres for All	3,470	3,471	1
Contingency	-	-	-
Total	5,145	5,144	(1)

- 4.3 A Capital Programme totalling £30.360m was approved for 2023/24. Of this total £17.863m relates to the total cost of new schemes for 2023/24 together with £12.497m for schemes funded by external sources (Town Deals Fund, Future High Streets Fund and Disabled Facilities Grants) and £1.000m contingency. In addition £24.013m was brought forward from the 2022/23 Capital Programme (including £22.771m from the Town Deals Fund and the Future High Streets Fund), resulting in a total Capital Programme of £54.373m for 2023/24.
- 4.4 A mid-year review of the capital programme will be undertaken in the autumn with any changes being reported to Members.
- 4.6 The expected total capital receipts due to be received this year following the sale of assets amount to £1.500m. A summary of the expected income is shown in the table below.

Funding	Amount
Proceeds from Right to Buy sales	£0.500m
Asset sales	£1.000m
Total	£1.500m

Major Projects Funding

- 4.7 The Council was awarded Future High Streets Fund funding in June 2021 of £11.0m to progress projects to help future economic growth. £10.7m has been received to date of which £5.6m has been spent at 30 June 2023, as shown below:

Project	Award (£000's)	Spend/Ordered (£000's)	Remaining (£000's)
Ryecroft / Site Preparation	3,756	2,776	980
Multi Story Car Park	3,500	637	2,863
York Place	3,015	1,934	1,081
Stones Public Realm	321	-	321
Market Stalls	76	-	76
Project Management	380	234	146
Total	11,048	5,581	5,467

- 4.8 £23.6m was awarded to the Council via the Town Deals Fund for Newcastle to enable a vision to improve communications, infrastructure, and connectivity in Newcastle-under-Lyme to become a reality. £14.3m has been received to date of which £1.0m has been spent as shown below:

Project	Award (£000's)	Spend/Ordered (£000's)	Remaining (£000's)
Digital Infrastructure	2,285	-	2,285
Sustainable Public Transport	3,421	-	3,421
Electric Vehicle Charging	400	-	400
Pedestrian Cycle Permeability	950	-	950
Transform Key Gateway Sites	3,810	-	3,810
Astley Centre for Circus	1,810	12	1,798
Digital Society	3,510	273	3,237
Heart into Knutton Village	3,534	157	3,377
Cross Street, Chesterton	2,955	-	2,955
Project Management	925	529	396
Total	23,600	971	22,629

4.9 £16.9m has also been awarded via the Town Deals fund for Kidsgrove to enable real and lasting economic benefits to be realised in Kidsgrove and the surrounding area. To date £9.2m has been received of which £6.7m has been spent as shown below:

Project	Award (£000's)	Spend/Ordered (£000's)	Remaining (£000's)
Kidsgrove Sports Centre	2,328	2,328	-
Chatterley Valley West	3,661	3,661	-
Kidsgrove Station	3,638	147	3,511
Shared Services Hub	6,183	17	6,166
Canal Enhancement	420	-	400
Project Management	670	579	91
Total	16,900	6,732	10,168

4.10 The Council has been awarded £4.8m over a 3-year period of UK Shared Prosperity Funding as part of the governments mission to level up opportunity and prosperity and to overcome geographical inequalities. It also aims to level up people's pride in the places they love and seeing that reflected in empowered local leaders and communities, a stronger social fabric and better life chances. 25 projects have been identified for which spend has commenced. The 2022/23 and 2023/24 allocations totalling £1.781m have been received, total spend at 30 June 2023 amounted to £0.4m as shown below:

Project	Award (£000's)	Spend/Ordered (£000's)	Remaining (£000's)
CML Community Hubs	6	3	3
Newcastle 850 Anniversary	20	20	-
Nature and Wellbeing	22	16	6
Canal Connectivity	102	5	97
Clough Hall Park	234	-	234
Cold Night Shelter	160	-	160
Mental Health Worker	86	10	76
Nature Recovery	265	85	180
Epicentre for Circus	100	8	92
Homelessness Hub	955	14	941
Beat The Street	23	20	3
New Vic Theatre - 850 Event	10	-	10
Volunteering for all	71	19	52
Discharge Officer	86	10	76
BES Enterprise Coaching	89	2	87
Kidsgrove Town Hall	250	19	231
Security Marshalls	32	12	20
Flourishing Keele (KU)	466	6	460
Moving Ahead (KU)	454	5	449
Advanced Digital Technologies	627	2	625
BIC Innovation and service	279	-	279
Chamber Growth Hub	59	-	59
Brampton Wedding Venue	54	28	26
Technical Innovation upskilling	129	-	129
Project Management	193	8	112
Total	4,772	365	4,407

4.11 Several projects within the Town Deals and Future High Streets Fund (e.g., Multi Storey Car Park, Ryecroft Development, York Place and Chatterley Valley) will require further

funding from the Council in addition to the government grants, this will include the Council borrowing to fund these projects.

- 4.12 The Public Works Loan Board (PWLB) borrowing rate is subject to change daily and could have a significant impact on the financial viability if increases in interest rates are forthcoming or may result in considerably less costs in the instances of lower rates being obtained when borrowing is required. Additionally, the level of inflationary demands is also considered on a project-by-project basis.
- 4.13 Rigorous financial challenge and monitoring of each project's expenditure will be required in both the interim and during subsequent construction phases. Financial monitoring will continue to be reported as part of the scrutiny process and will also form part of the quarterly financial report to Cabinet.

5. Treasury Management

- 5.1 This section of the report sets out the key treasury management statistics in relation to the Council's investments and borrowings. This report comprises a high level treasury management summary. The Audit and Standards Committee receives detailed operational updates on treasury management.

Investments

- 5.2 Cash Investments held on the 30 June 2023 amounted to £23.250m. Interest earned on these investments during the first quarter amounted to £0.301m and the average level of funds available for investment was £21.625m.
- 5.3 The Council has not budgeted to receive investment income in 2023/24. A surplus of £0.902m is anticipated for the financial year which is due to rising interest rates, the most recent being an increase to the Bank of England base rate of 0.25%, to 5.25% in August 2023.

Borrowing

- 5.4 It is expected that borrowing may be required during the latter part of 2023/24 to fund the capital programme however no borrowing arrangements have been required to date, primarily due to advanced monies being received in terms of Town Deals and Future High Streets funding.
- 5.5 Although not utilised in recent years, the Council has previously considered the option of long-term borrowing from the PWLB. After the utilisation of capital receipts and internal borrowing, the Council will look to borrow short term from other local authorities in the first instance and will then review any other sources of funding if required.
- 5.6 Advice from the Council's Treasury Management Advisors, Arlingclose, is to continue to utilise internal funding whilst it is available as opposed to borrowing whilst the interest rates are high. This approach also reduces the need to place funding in long term deposits, whilst minimising any potential investment risks.

6. Collection Fund

- 6.1. This section of the report details progress to date in collecting the Council Tax, Business Rates and Sundry Debt.
- 6.2 Local tax income is collected by billing authorities and paid into local 'collection funds' (the Council is a billing authority). Where there is a shortfall in tax receipts (compared to expected levels), this leads to a deficit on the collection fund. Billing and major precepting authorities are usually required to meet their share of any deficit during the following financial year.
- 6.3 The quarter one collection rate was as follows:
- Council Tax – 27.3% of Council Tax was collected by 30 June 2023, compared to a target for the first quarter of 24.4%.
 - Business Rates – 27.7% of Business Rates was collected by 30 June 2023, compared to a target for the first quarter of 24.3%.
- 6.4 The current forecast of tax receipts and Section 31 grant are shown below:

Tax	Forecast (Surplus)/Deficit at 30.6.23	Council's Share
Council Tax	(£0.290m)	(£0.033m) (11%)
Business Rates	(£0.143m)	(£0.057m) (40%)
Business Rates Section 31 Grant	(£0.147m)	(£0.059m) (40%)
Total	(£0.580m)	(£0.149m)

- 6.5 At the end of quarter one the value of sundry debt that was over 60 days old was 2.69% compared to a target of 5%.

ANNEX A

Capital Programme 2023/24 approved at Council on 15 February 2023

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	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

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Quarter 1 - April 2023 to June 2023

All Performance Indicators Current Status



Corporate Aim (Priority)	Count of ID
Priority 1: One Council delivering for Local People	18
Priority 2: A Successful and Sustainable Growing Borough	6
Priority 3: Healthy, Active and Safe Communities	15
Priority 4: Town Centres for All	3
Total	42

Smart Narrative

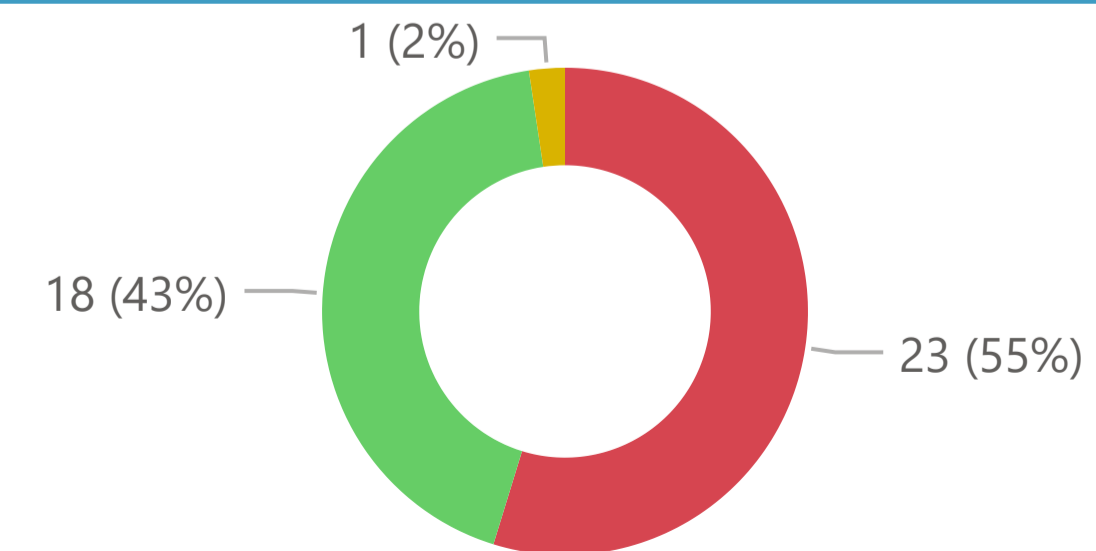
- There are 25 Indicators which have set targets this quarter.
- 76% met their targets within Quarter One. 11 Indicators which met their target also showed improvement when compared to the same time period last year. 8 Indicators which met their target showed a negative trend when being compared to last year.
- 24% of Indicators were off target this quarter. 2 of these indicators showed an improvement when compared to last year. 4 indicators showed a negative trend.
- There are 17 Indicators which are contextual this quarter and do not have a target to meet. When compared to last year, 11 of the contextual measures showed a negative trend, 5 measures showed an improved trend and 1 measure show no change.
- 1 Projects/Actions within Priority 3 has been identified as not progressing as expected.

All Qtr. 1 Summary Project Status Split

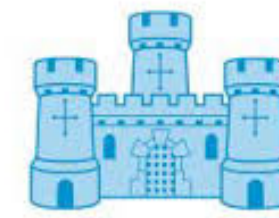
● Project/Action is Not Progressing as Expected ● Project/Action is Progressing as Expected



All Qtr.1 Trend Status of PI's Compared On Same Qtr in the Previous Financial Year



● Deterioration of Previous Year ● Improvement of Previous Year ● No Change



Priority 1: Performance Indicators Current Status



Corporate Aim (Priority)	Number of Indicators
Priority 1: One Council delivering for Local People	18

Smart Narrative

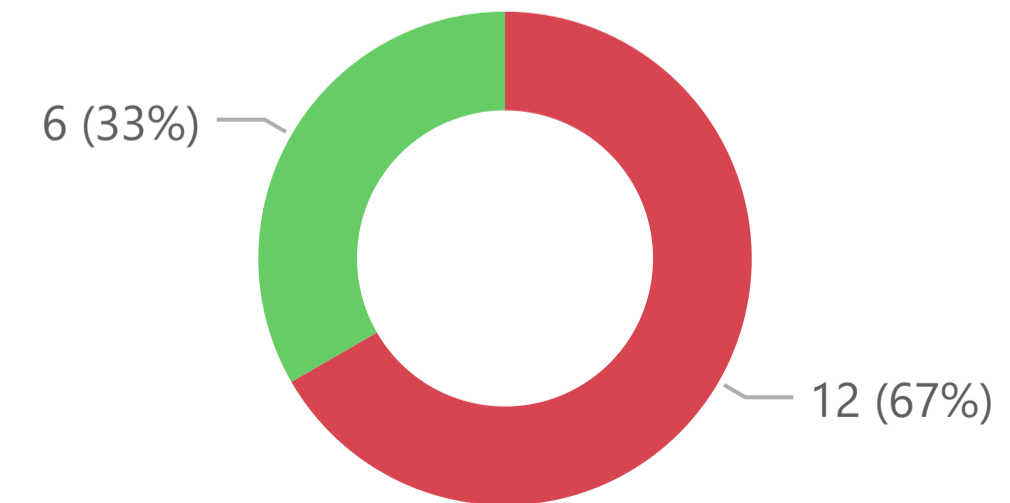
- There are 18 Indicators which have set targets this quarter within Priority 1.
- 64% met their targets within Quarter One. 4 Indicators which met their target also showed improvement when compared to the same time period last year. 5 Indicators which met their target showed a negative trend when being compared to last year.
- 36% of Indicators were classed as off target this quarter. Only 1 of these indicators showed an improvement when compared to last year. 4 indicators showed a negative trend.
- There are 4 Indicators which are contextual this quarter and do not have a target to meet. When compared to last year, 3 of these measures showed a negative trend whereas 1 of the measures showed a positive trend.
- All Projects/Actions within Priority 1 are classed to be progressing as expected.

Priority 1: Qtr. 1 Summary Project Status Split

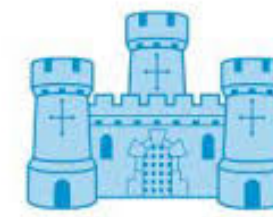
● Project/Action is Progressing as Expected



Priority 1: Qtr.1 Trend Status of PI's Compared On Same Qtr in the Previous Financial Year



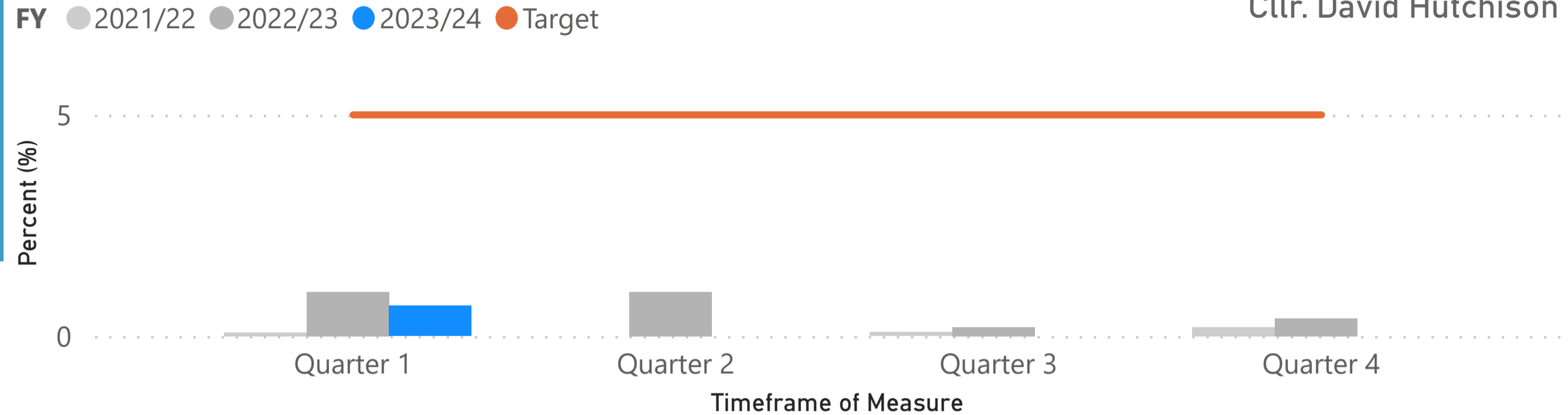
● Deterioration of Previous Year ● Improvement of Previous Year



ID1.1 - Percentage of food premises that have a zero or one national food hygiene rating Current Status SMART Actions if Off Target

Low
Is Good
Per
Quarter
(Snapshot)

Cllr. David Hutchison



0.69✓

Not Required as Target Met

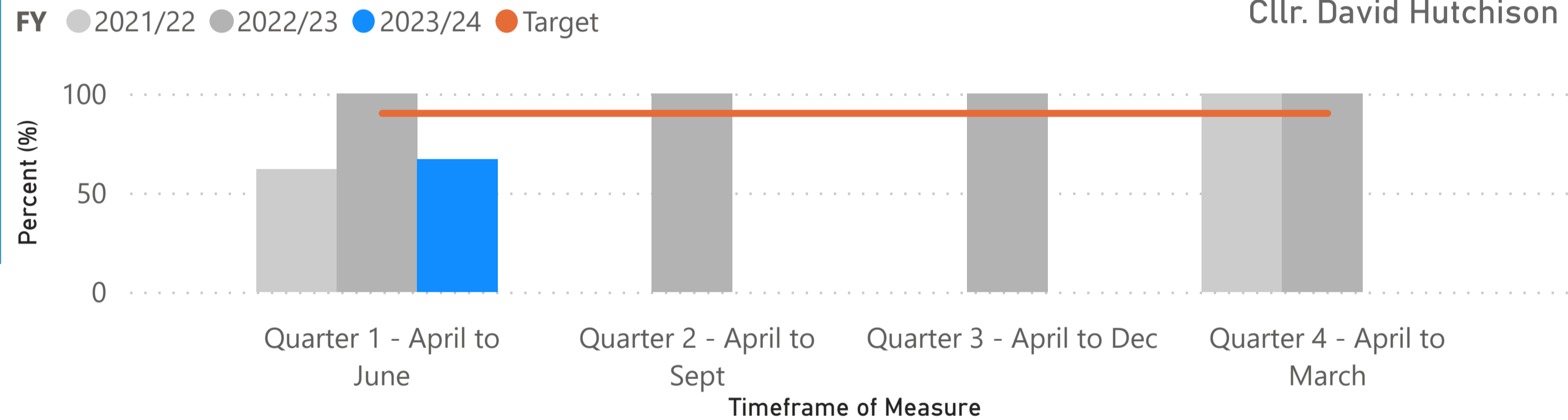
Target:
5.00

Positive
Yearly Trend

ID1.2 - Percentage of category A and B food business inspections completed on time Current Status SMART Actions if Off Target

High
Is Good
Cumulative
(Per
Annum)

Cllr. David Hutchison



67.00!

We did not achieve the target within quarter 1, however the overdue inspection was completed within 5 days of the quarter ending. 3 inspections were planned with 1 unable to be completed which resulted in the high percentage drop seen in quarter 1. Unfortunately this was due to staff absence and delays in obtaining access to the premises.

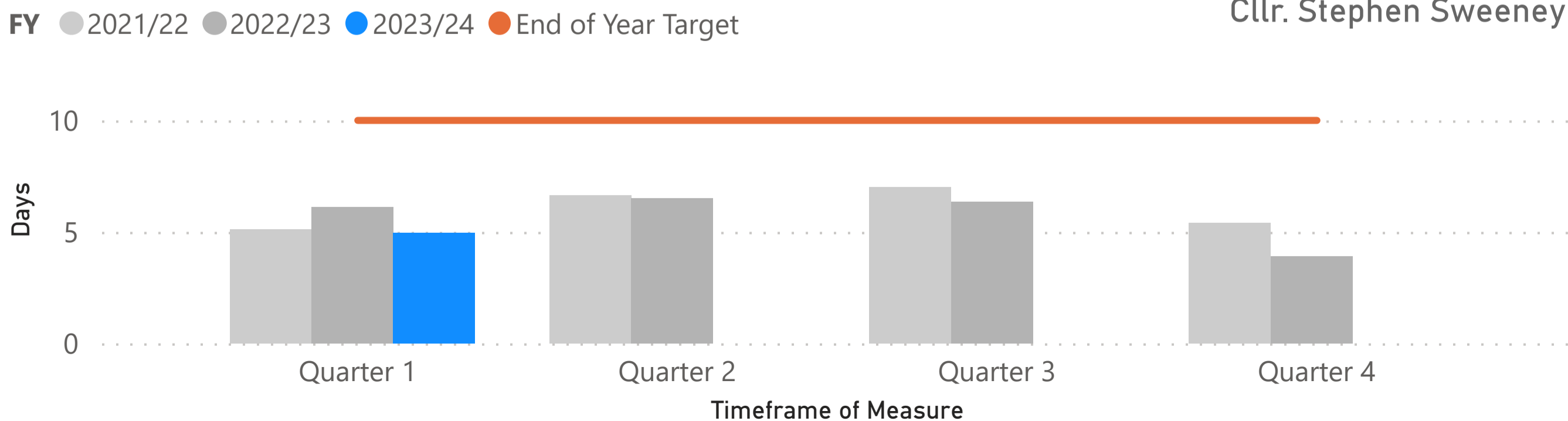
Target:
90.00

Negative
Yearly Trend

ID1.10 - Time taken to process Housing Benefit new claims/change events (Days) Current Status SMART Actions if Off Target

Low
Is Good
Cumulative
(Per
Annum)

Cllr. Stephen Sweeney

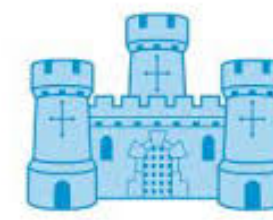


4.96✓

Not Required as Target Met

End of Year Target:
10.00

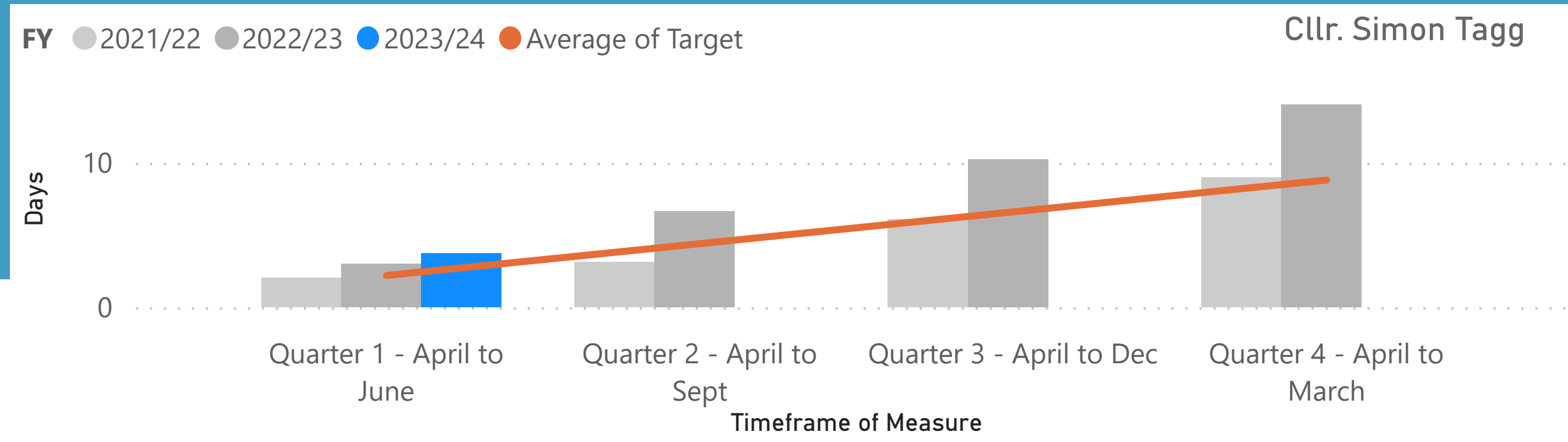
Positive
Yearly Trend



ID1.13 - Average number of days per employee lost to sickness - Per Employee Current Status SMART Actions if Off Target

Low
Is Good
Cumulative (Per Annum)

Negative
Yearly Trend



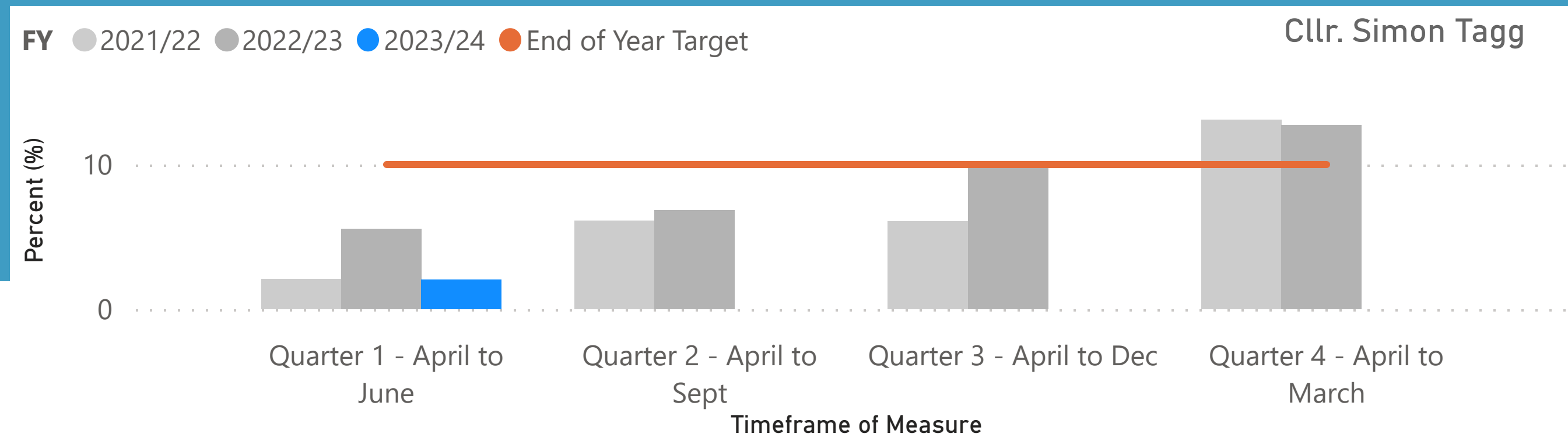
3.71 !
Target: 2.20

Sickness absence continues to remain above target, this mirrors the national picture and we have an action plan designed to try and address some of the challenges

ID1.14 - Staff Turnover Current Status SMART Actions if Off Target

Low
Is Good
Cumulative (Per Annum)

Positive
Yearly Trend



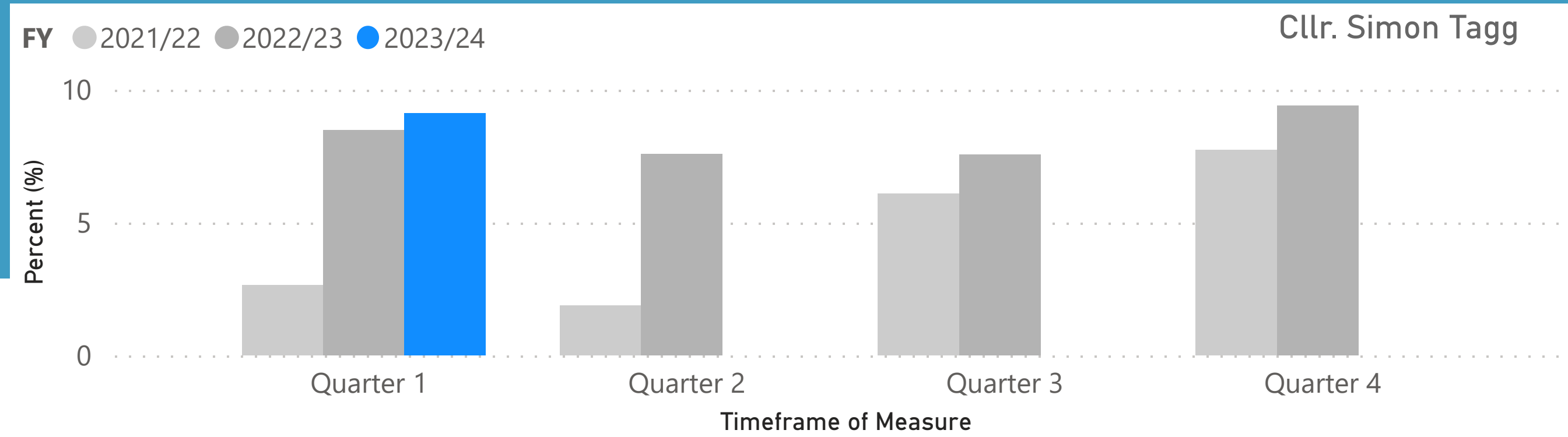
2.03 ✓
End of Year Target: 10.00

Not Required as Target Met

ID1.15 - Staff Vacancy Rate Current Status SMART Actions if Off Target

Low
Is Good
Per Quarter (Snapshot)

Negative
Yearly Trend



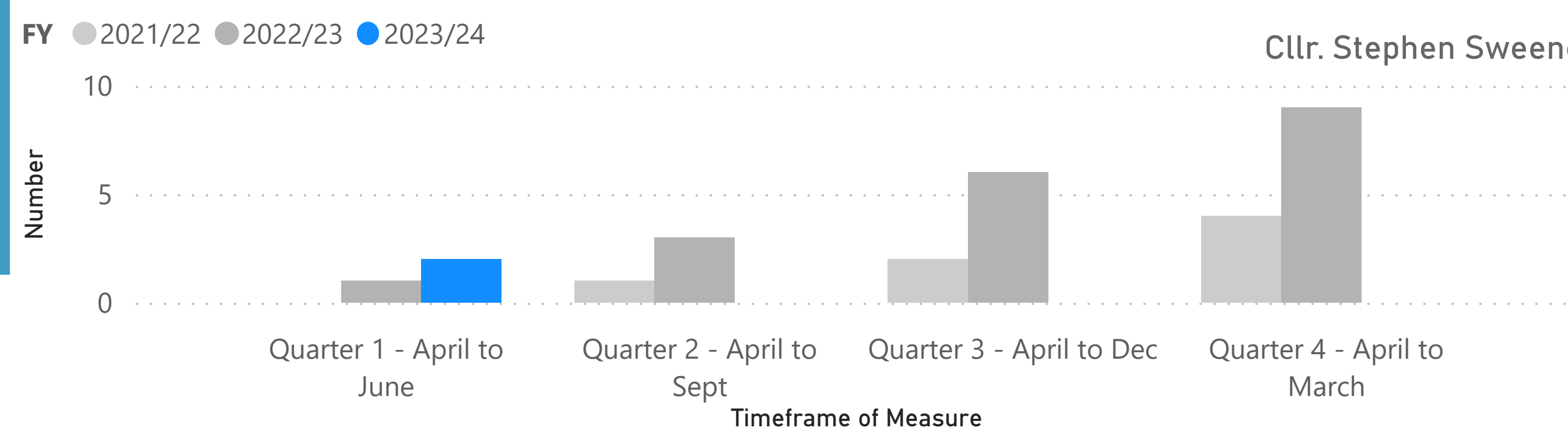
9.11

Vacancy rates remain above baseline value of 6.6, however some of this relates to restructures and cost saving exercises

ID1.3 - No. Accidents/Incidents reported (RIDDOR) Current Status SMART Actions if Off Target

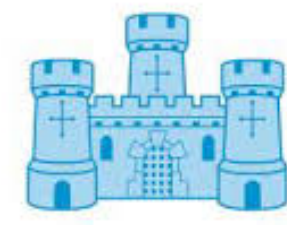
Low
Is Good
Cumulative (Per Annum)

Negative
Yearly Trend



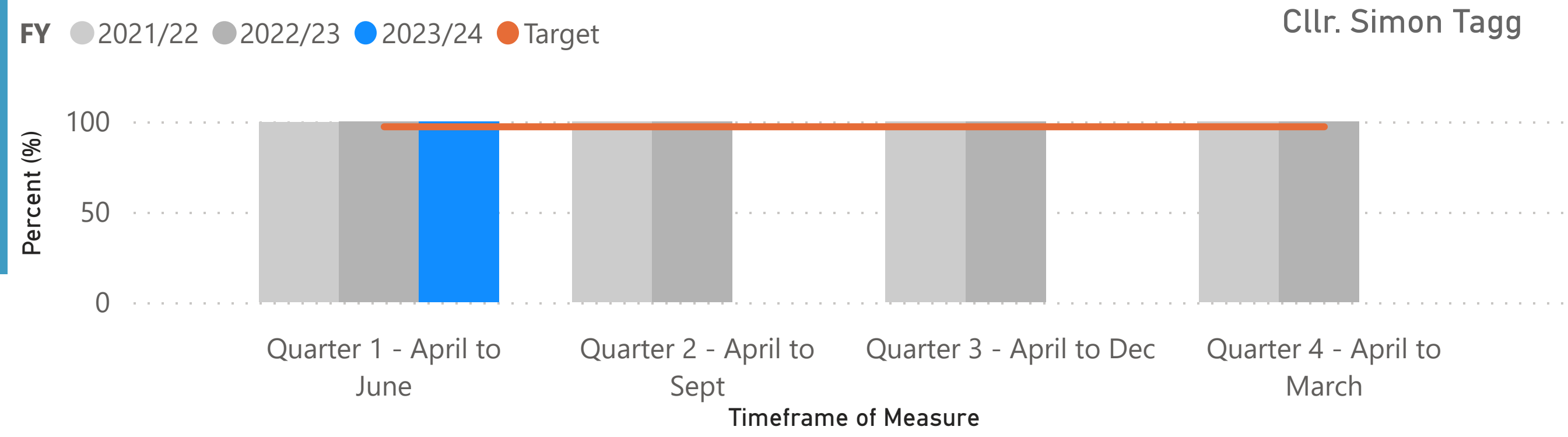
2.00

There has been 1 more accident reported when comparing against Quarter 1 of 2022/23 however if accidents remain this low over future quarters then it is anticipated that measure will fall below last year's outturn. Measure will be monitored to ensure that there are no abnormal spikes.



High ID1.6 - Percentage of Customer Hub requests resolved at first point of contact **Current Status** SMART Actions if Off Target

Is Good
Cumulative (Per Annum)



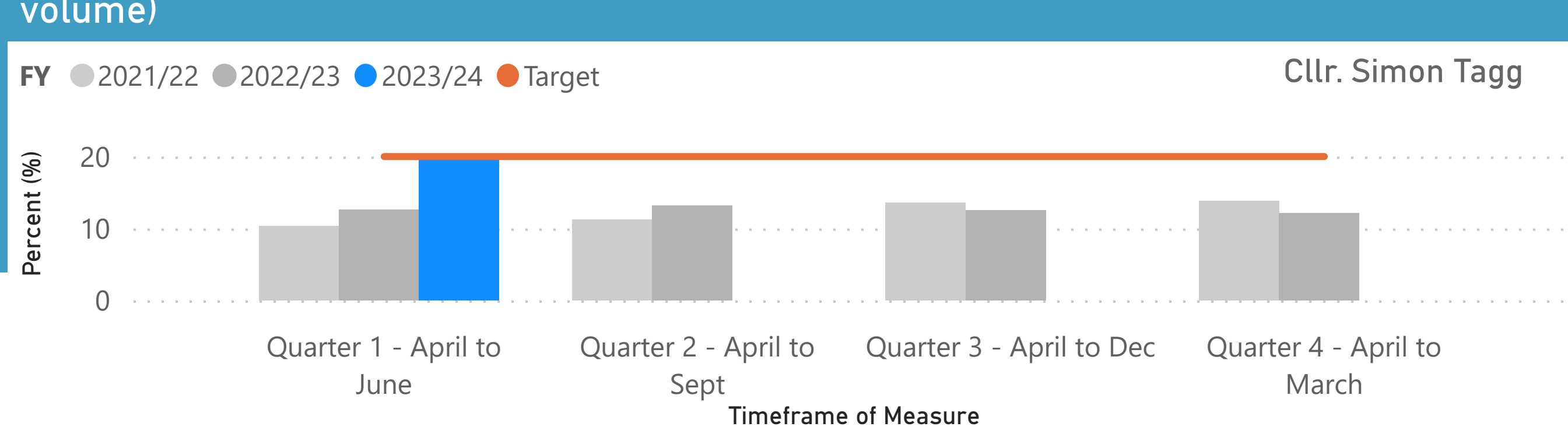
100.00 ✓
Target: 97.00

Not Required as Target Met

Positive
Yearly Trend

Low ID1.7 - % Unmet demand (number of calls not answered as a % of total call handling volume) **Current Status** SMART Actions if Off Target

Is Good
Cumulative (Per Annum)



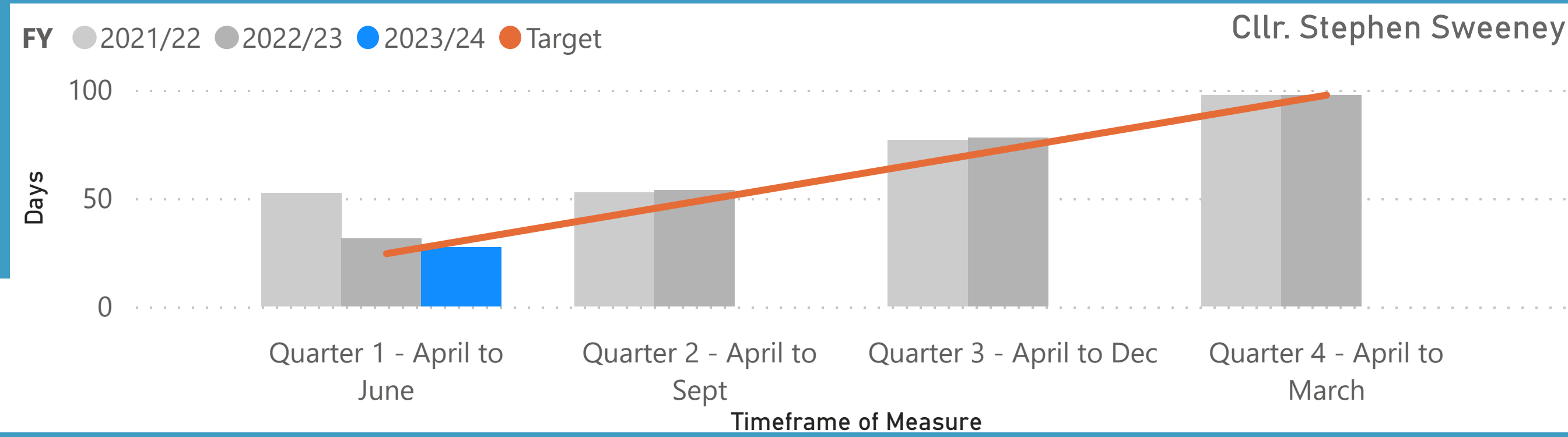
19.50 ✓
Target: 20.00

Target Met however to further improve measure 3 staff members have been diverted to the NHA project for the next 3 months which impacts on call handling. Elections have dispatched registrations forms which creates additional short term demand

Negative
Yearly Trend

High ID1.11 - Percentage of Council Tax collected **Current Status** SMART Actions if Off Target

Is Good
Cumulative (Per Annum)



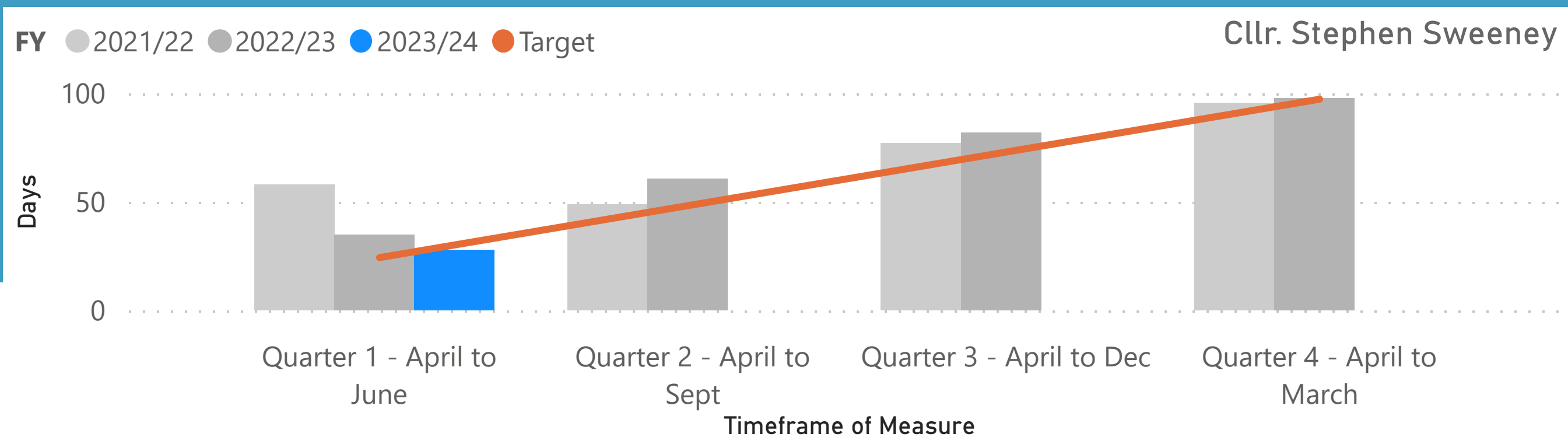
27.30 ✓
Target: 24.38

Not required as Target Met - Should be noted that measure is 4.1% lower than last year for same period

Negative
Yearly Trend

High ID1.12 - Percentage of National non-domestic rates collected **Current Status** SMART Actions if Off Target

Is Good
Cumulative (Per Annum)



27.70 ✓
Target: 24.33

Not required as Target Met - Should be noted that measure is 7% lower than last year for same period

Negative
Yearly Trend



Priority 1: One Council delivering for Local People



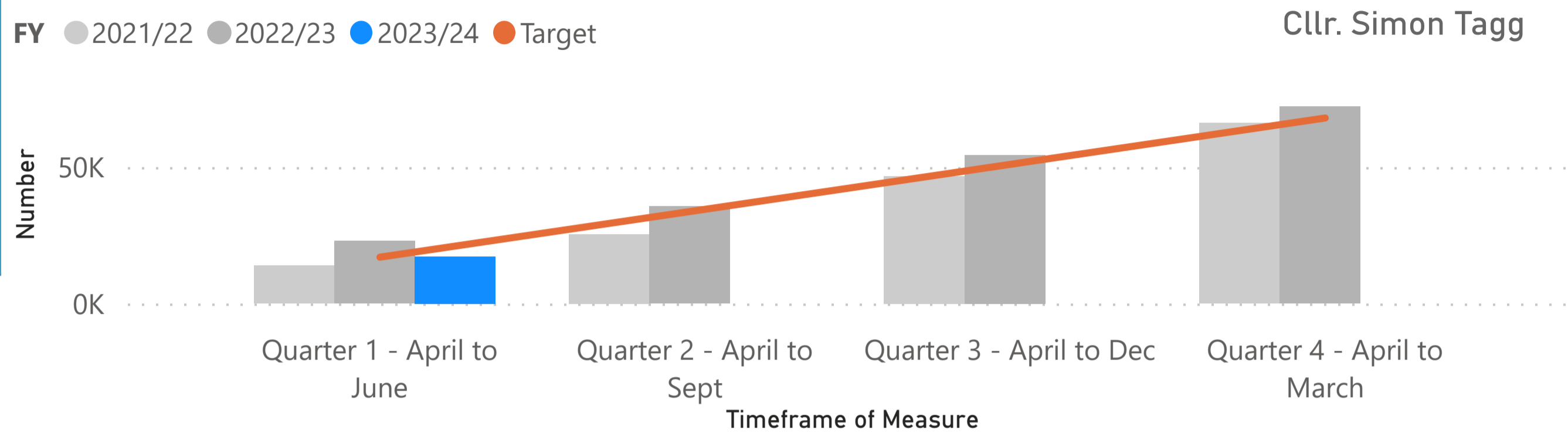
NEWCASTLE UNDER LYME
BOROUGH COUNCIL

All ▼

ID1.8a - Total number of digital online transactions Current Status SMART Actions if Off Target

High
Is Good
Cumulative (Per Annum)

Negative
Yearly Trend



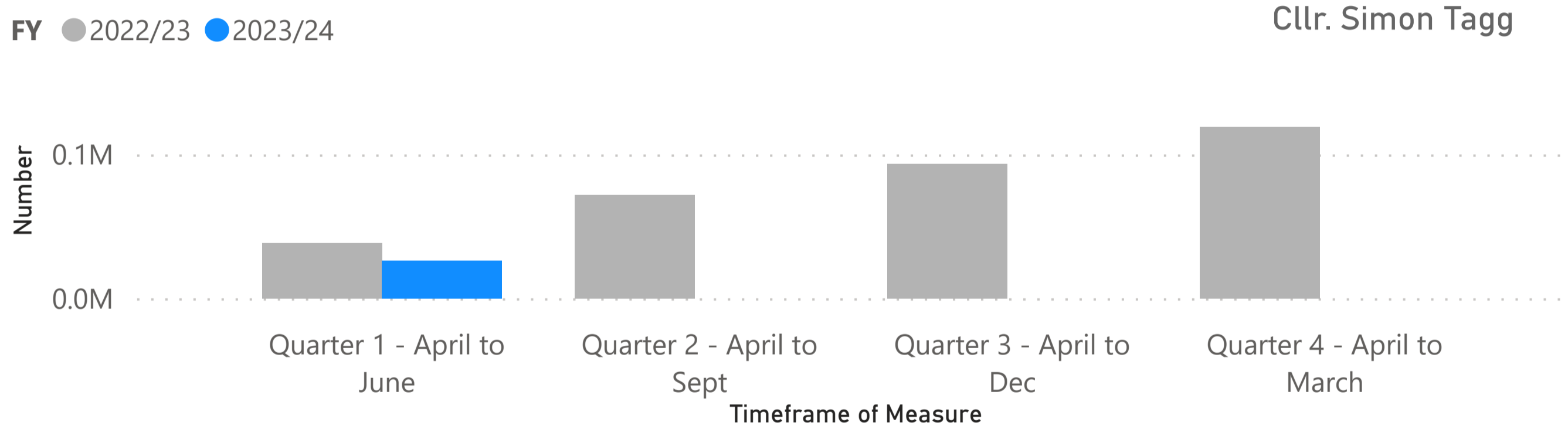
17.28K ✓
Target: 17.00K

Target Met - Information Advice and Guidance has been reviewed, updated and standardised over the past 12 month with back end processes vastly improved. Number of Jadu Forms now being ran in Citizens Access. Jadu Forms account for 14040 and Citizens Access Transactions account for 3237 for Q1. Citizens Access Transactions were lower than expected in April due to NEC being down during this period.

ID1.8b- Total number of calls offered into the Customer Hub Current Status SMART Actions if Off Target

Low
Is Good
Cumulative (Per Annum)

Positive
Yearly Trend



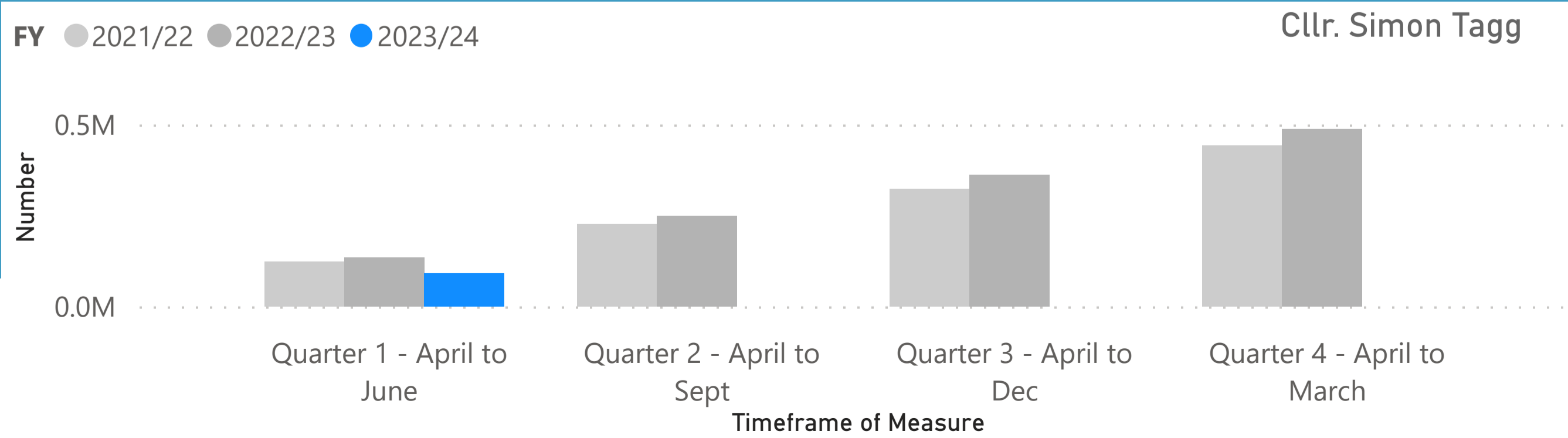
26.15K

Number of calls offered have dropped by 12439 when comparing against Quarter 1 from 2022/23. The improved digital forms and improved citizens access functionality will have had some impact as this can be related to the council providing better digital customer experiences than compared to a year ago. The large drop however is likely to have been impacted by other factors such as implementing of "5 a day" to remove work backlog and reduce failure demand into the council for customer chasing for updates.

ID1.9 - Total number of unique users to the website Current Status SMART Actions if Off Target

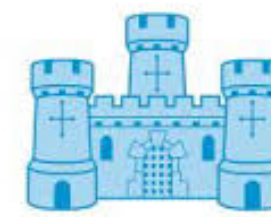
High
Is Good
Cumulative (Per Annum)

Negative
Yearly Trend



90.74K

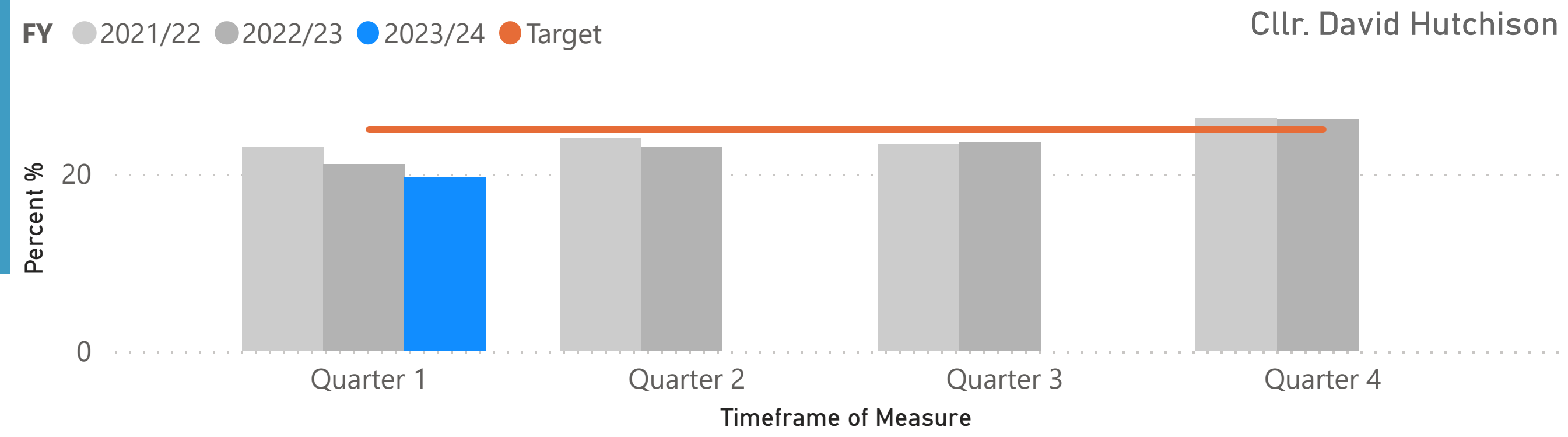
Google Analytics new version GA4 went live on the 1st July 2023 with the old version stopped recording new data. This new version is different to the original Google Analytics setup which has required new set up and an understanding on what what can be extracted out of it. Following investigations on GA4, we have been able to view active users for our website at particular date ranges. These figures are consistent and appropriate, but are significantly lower to the figures that we thought were correct previously. Looking at the dashboard figures in particular and Google's explanation behind the figures, we believe that the old report was not a true reflection of the users and was giving significant higher values than the actual figure. It is also worth noting that the change in Google Analytics versions has also impacted how certain metrics are calculated, so there may be some slight variation on figures while we adjust over to the new GA4 version.



ID1.4a - Dry Recycling:- Household collections from the kerbside (%) Current Status SMART Actions if Off Target

High
Is Good
Per Quarter (Snapshot)

Negative
Yearly Trend



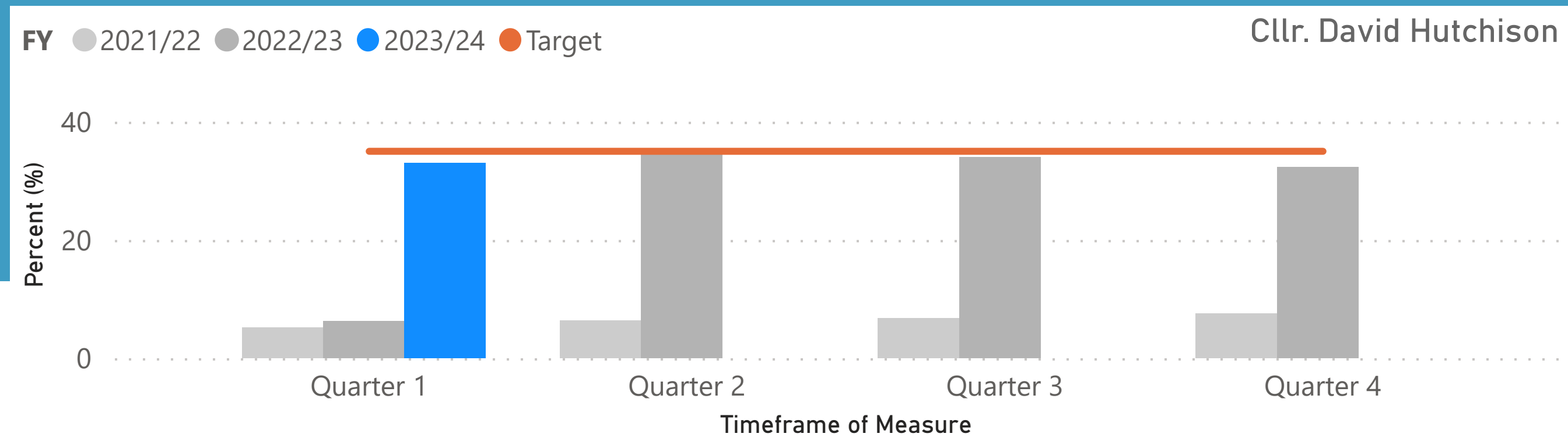
19.67!
Target: 25.00

Garden waste tonnage has increased disproportionately with better growing conditions. As this takes a bigger proportion of the whole, it has the effect of lowering the dry recycling percentage. That said tonnages of recycling and general waste are dropping probably due to cost of living crisis. This is being seen across the country.

ID1.4b - Food:- Household collections from the kerbside (%) Current Status SMART Actions if Off Target

High
Is Good
Per Quarter (Snapshot)

Positive
Yearly Trend



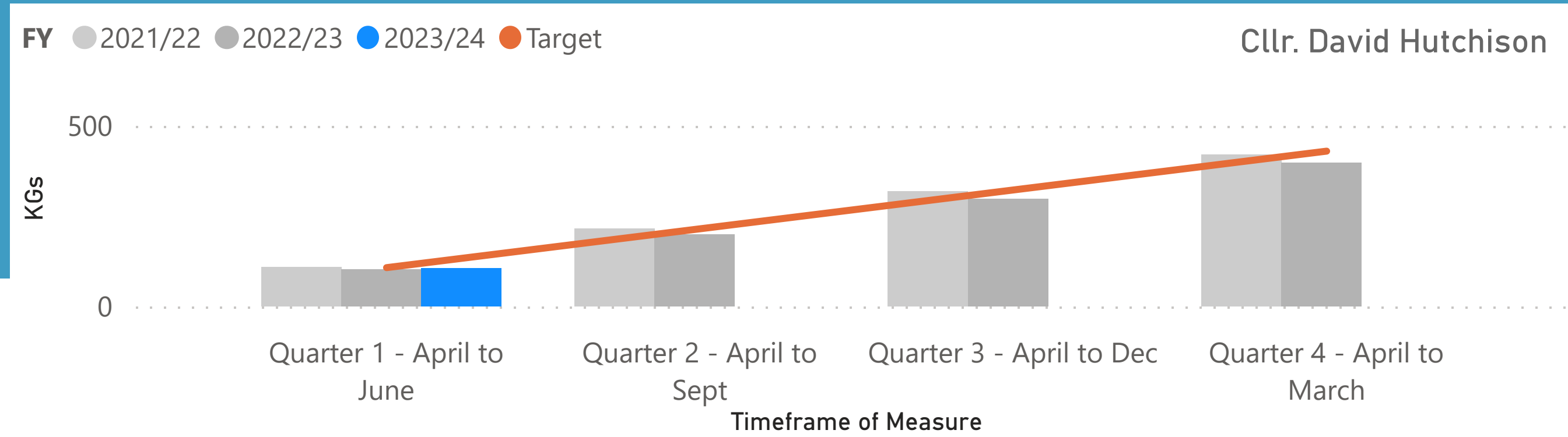
33.00.
Target: 35.00

Measure is under target by 2% however is vastly improved upon from Quarter 1 in financial year 22/23 and also showing improvements from last year's outturn. Under Target due to new targets set for 23/24 to help drive councils performance with measure heading in the right direction to meet this.

ID1.4c - Residual Waste per household:- Household collections from the kerbside (Kgs) Current Status SMART Actions if Off Target

Low
Is Good
Cumulative (Per Annum)

Negative
Yearly Trend



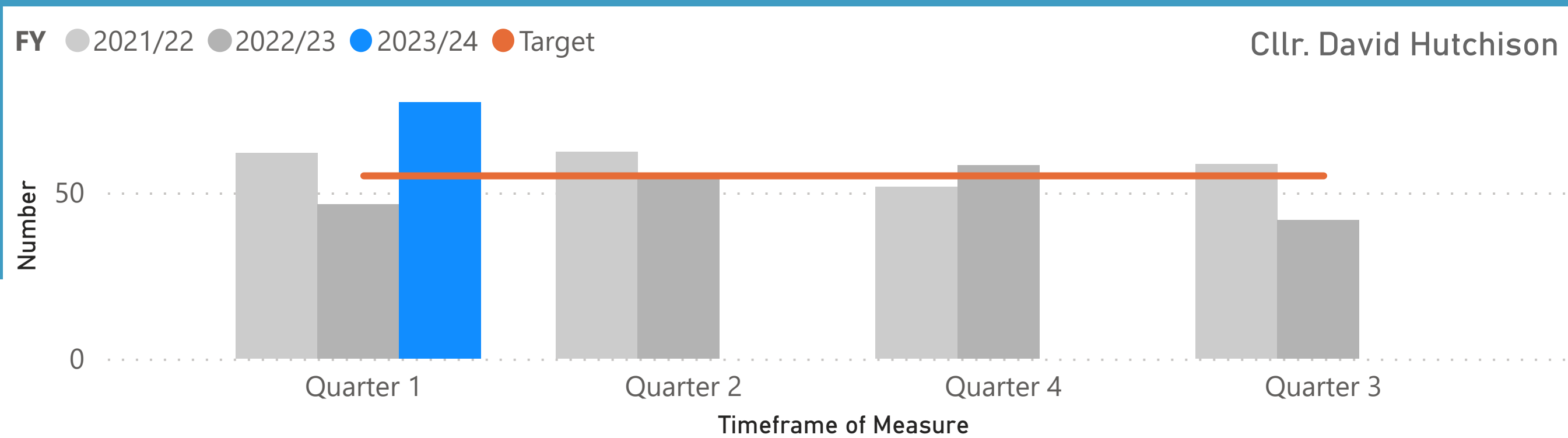
106.20✓
Target: 107.50

Not Required as Target Met

ID1.4d - Number of missed kerbside collections:- Total (per 100,000 collections) Current Status SMART Actions if Off Target

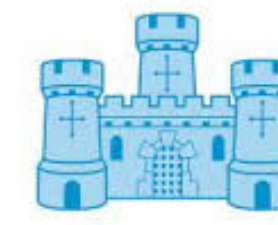
Low
Is Good
Per Quarter (Snapshot)

Negative
Yearly Trend



77.05!
Target: 55.00

High sickness level and other vehicle issues have affected collections across all services. This unfortunately has had a knock on effect on missed collections

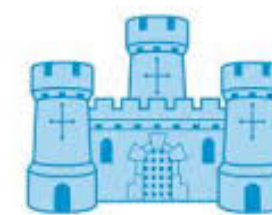


Project Status Split for Priority 1.

Project/Action is Progressing as Expected

5

Portfolio Holder	Service Area	Action	Corporate Objective	Status report	Commentary on progress
Cllr. Simon Tagg	1. Strategy, People and Performance 2. All services	Deliver a Workforce Strategy	Develop professional talent across the Council and provide opportunities for staff to grow their careers	✔ Project/Action is Progressing as Expected	Work has begun on development of a People Strategy which aims at ensuring resourcing and talent management, culture and performance goals are realised long term through development of our people and capability.
Cllr. Simon Tagg	1. Strategy, People and Performance 2. IT and Digital 3. Neighbourhoods 4. All (digital enablement)	Deliver the One Council Programme	Ensure our services are efficient and accessible	✔ Project/Action is Progressing as Expected	The One Council programme remains on target for benefit delivery within timescales. Work continues across services and consideration is being given as to how continuous improvement can be embedded post programme.
Cllr. Stephen Sweeney	1. Commercial Delivery 2. Finance 3. Legal & Governance	Identify and deliver opportunities to generate income from commercial development	Ensure strong financial discipline across the Council	✔ Project/Action is Progressing as Expected	1. The museum is continuing to run a range of events, many of which are 850 focussed to increase visitor numbers and spend. 2. Bereavement services are promoting the availability of services and burials, plus looking at increasing the range of memorial options available. 3. Initial species surveys for the land at Keele are being undertaken as part of the investigations into the potential solar scheme.
Cllr. Simon Tagg	1. Strategy, People and Performance 2. All services	Work with our communities to ensure services reflect local need	Work with our communities to ensure services reflect local need	✔ Project/Action is Progressing as Expected	An element of the People Strategy focusses on ensuring inclusivity and equal opportunity of recruitment processes aiming for a workforce which mirrors the local population.
Cllr. Simon Tagg	1. Strategy, People and Performance 2. neighbourhoods 3. Regulatory	Work with partners to deliver the best for our communities	Work with partners to deliver the best for our communities	✔ Project/Action is Progressing as Expected	The Newcastle Partnership Board are meeting regularly to address key themes facing our residents. Work is ongoing to provide cost of living support and guidance, employment opportunities and community safety initiatives.



Priority 2: Performance Indicators Current Status



Corporate Aim (Priority)	Number of Indicators
Priority 2: A Successful and Sustainable Growing Borough	6

Smart Narrative

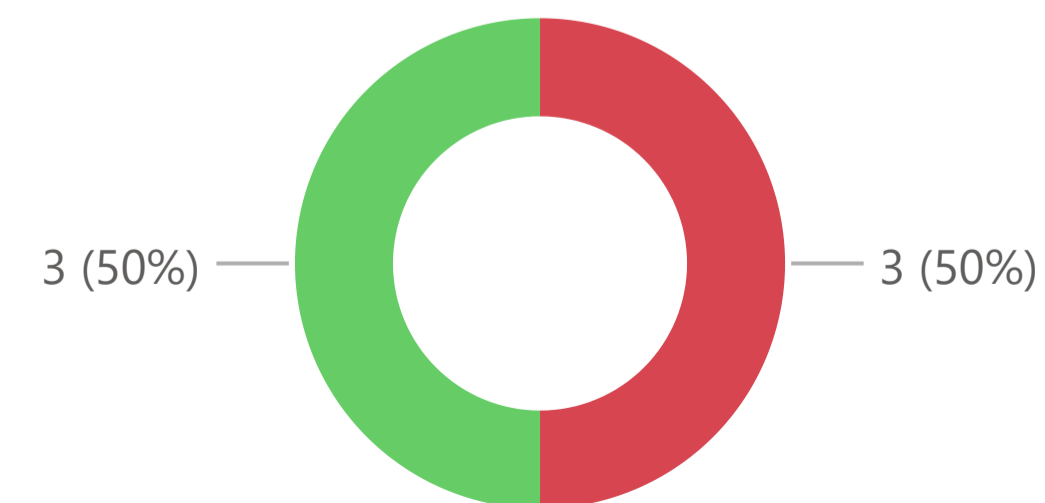
- There are 6 Indicators which have set targets this quarter within Priority 2.
- 83% met their targets within Quarter One. 2 Indicators which met their target showed improvement when compared to the same time period last year. 3 Indicators which met their target showed a negative trend when being compared to last year.
- There is 1 measure (2.6) shown as off target this qquarter which equates to 17% overall. This measure however did show an improvement when compared to the previous financial year.
- All Projects/Actions within Priority 2 are classed to be progressing as expected.

Priority 2: Qtr. 1 Summary Project Status Split

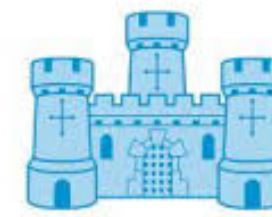
● Project/Action is Progressing as Expected



Priority 2: Qtr.1 Trend Status of PI's Compared On Same Qtr in the Previous Financial Year



● Deterioration of Previous Year ● Improvement of Previous Year



ID2.1 - Percentage of investment portfolio vacant (NBC owned)

Current Status

SMART Actions if Off Target

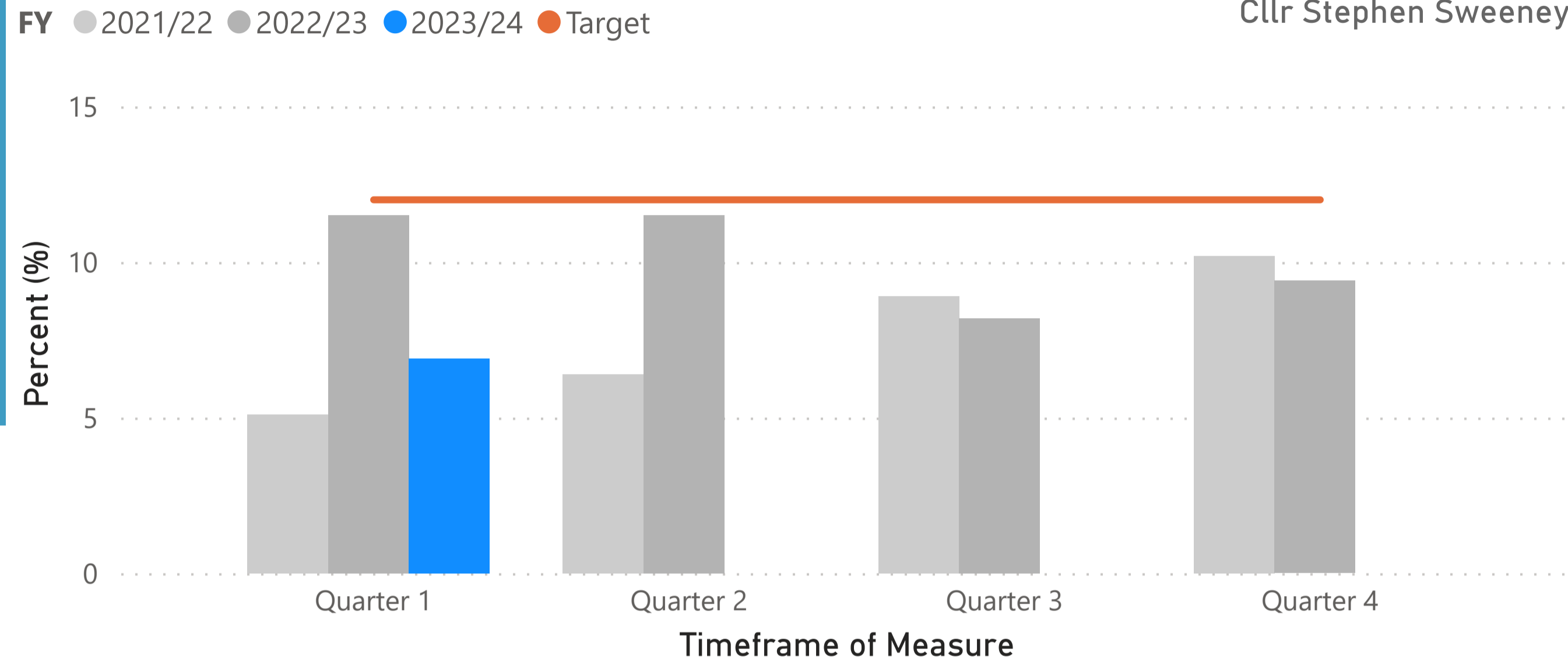
Low

Is Good

Per Quarter (Snapshot)

Positive

Yearly Trend



Cllr Stephen Sweeney

6.90✓

The number of properties % vacant is below target

Target:

12.00

ID2.6 - Percentage of complainants informed within the required timescales of any action to be taken about alleged breaches of planning control

Current Status

SMART Actions if Off Target

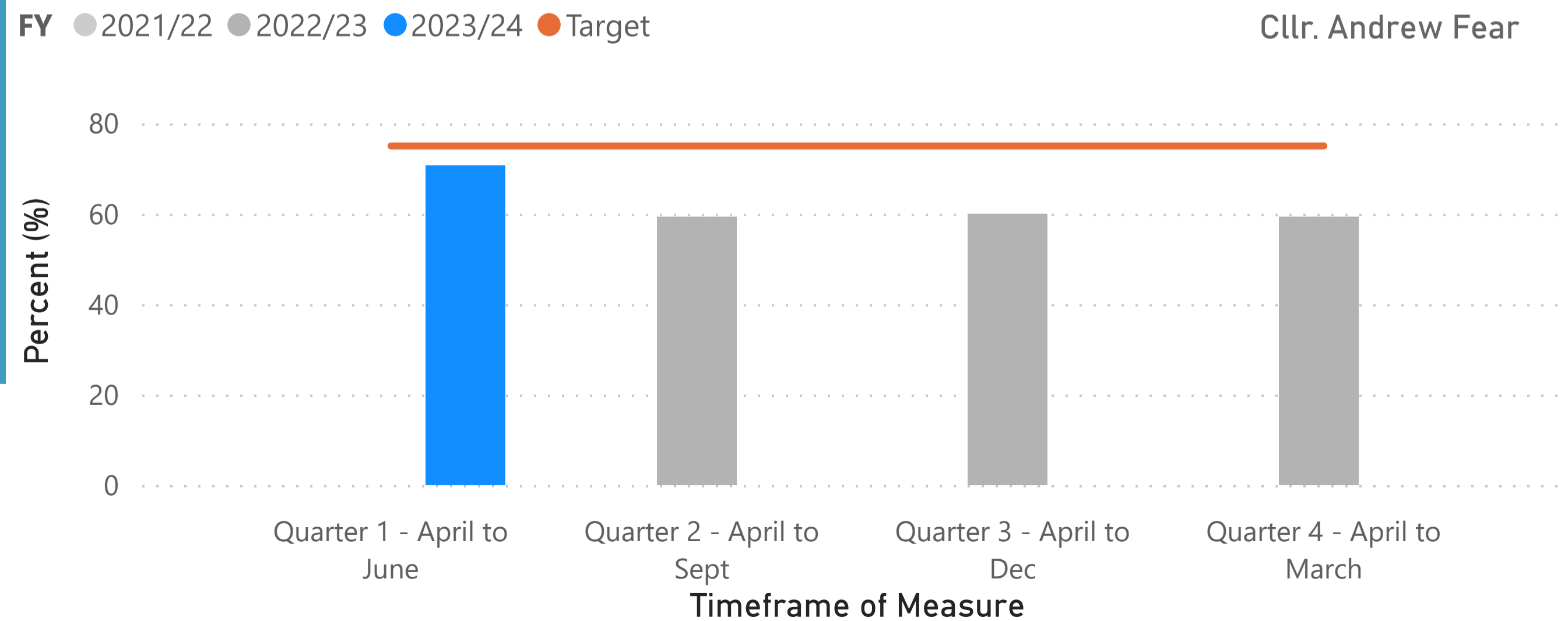
High

Is Good

Cumulative (Per Annum)

Positive

Yearly Trend



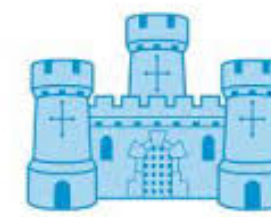
Cllr. Andrew Fear

70.70•

This is a significant improvement from the previous quarter but the number of complaints received remains high. A review is currently being undertaken of the enforcement policy and procedures including the resource implications arising from this. The service is also currently under review as part of the 'One Council' approach

Target:

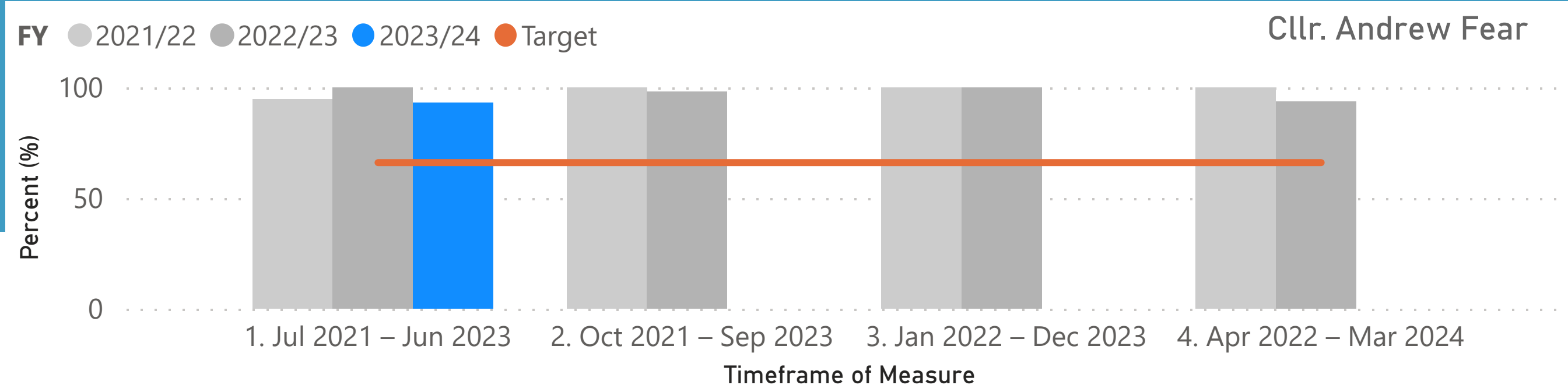
75.00



High ID2.2 - Speed of major development applications (P151a - 24 Month Rolling Period up to End of Each Quarter) Current Status SMART Actions if Off Target

Is Good
Planning

Negative
Yearly Trend



Cllr. Andrew Fear

93.00 ✓

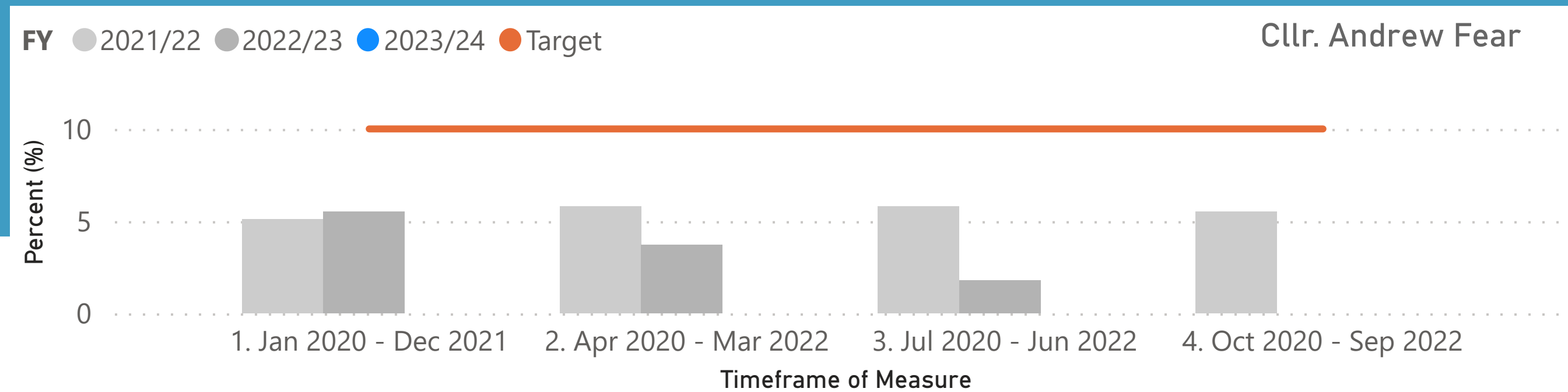
Target: 66.00

Measure shown is the % within 13 weeks or within agreed time - Central Gov metric which measures a rolling time period of 24 months - Newest metric shows the following time period July 2021 – June 2023

Low ID2.3 - Quality of major development applications (P152a - 24 Month Rolling Period - See SMART Actions) Current Status SMART Actions if Off Target

Is Good
Planning

Positive
Yearly Trend



Cllr. Andrew Fear

0.00 ✓

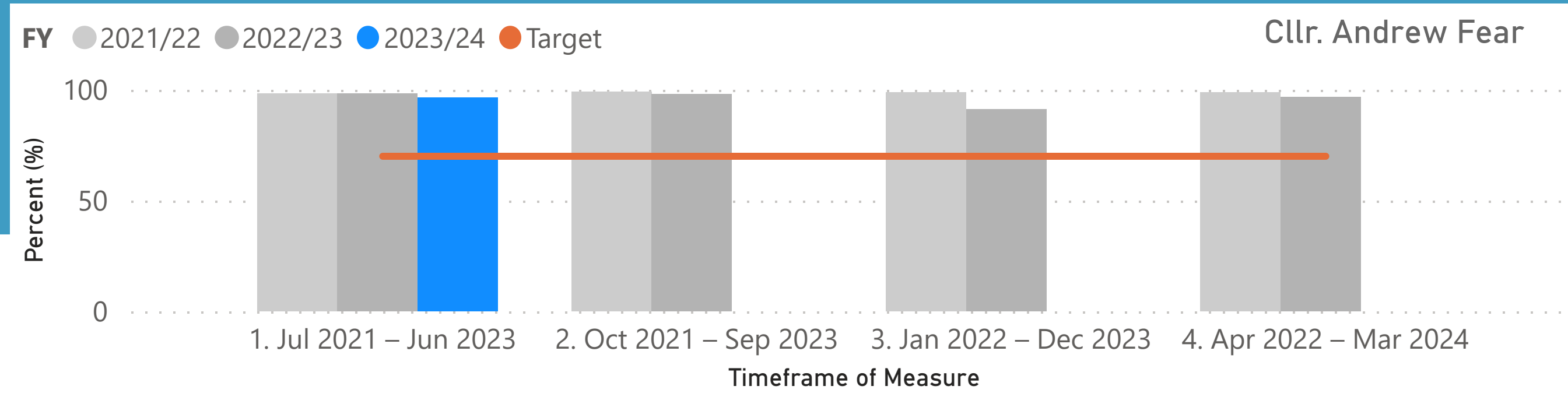
Target: 10.00

Measure shown is the Quality of decisions (% overturned at appeal) - Central Gov metric which measures a rolling time period of 24 months - They have currently advised they are behind schedule. Newest metric shows the following time period January 2020 – December 2021

High ID2.4 - Speed of non-major development applications (P153 - 24 Month Rolling Period up to End of Each Quarter) Current Status SMART Actions if Off Target

Is Good
Planning

Negative
Yearly Trend



Cllr. Andrew Fear

96.40 ✓

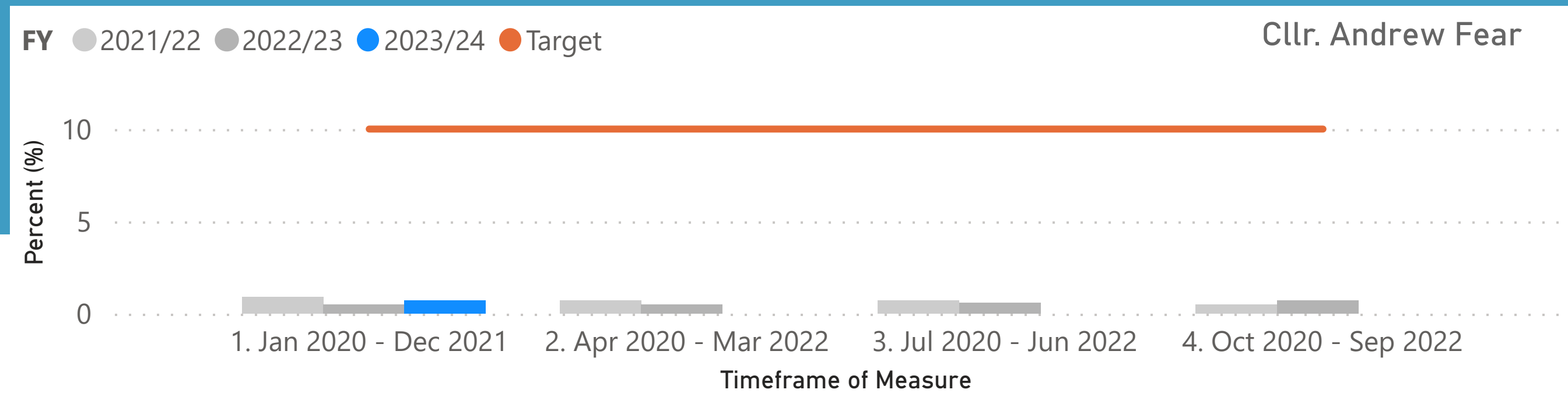
Target: 70.00

Measure shown is the % within 8 weeks or within agreed time - Central Gov metric which measures a rolling time period of 24 months - Newest metric shows the following time period July 2021 – June 2023

Low ID2.5 - Quality of non-major development applications (P154 - 24 Month Rolling Period - See SMART Actions) Current Status SMART Actions if Off Target

Is Good
Planning

Negative
Yearly Trend

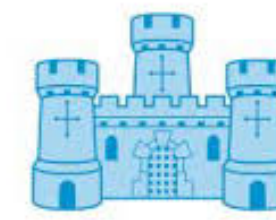


Cllr. Andrew Fear

0.70 ✓

Target: 10.00

Measure shown is the Quality of decisions (% overturned at appeal) - Central Gov metric which measures a rolling time period of 24 months - They have currently advised they are behind schedule. Newest metric shows the following time period January 2020 – December 2021

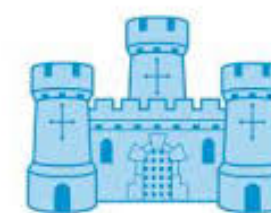


Project Status Split for Priority 2.

Project/Action is Progressing as Expected

10

Portfolio Holder	Service Area	Action	Corporate Objective	Status report	Commentary on progress
Cllr. Andrew Fear	1. Planning 2. Legal & Governance	Delivering the Newcastle Local Plan	Support the sustainable development of our towns and villages	✔ Project/Action is Progressing as Expected	Public consultation on the Regulation 18 (First Draft) Local Plan started on the 19 June and lasts until the 14 August 2023. The 8 week consultation process is supported by consultation events taking place across the Borough. The team will consider all the responses received to the consultation process, alongside any additional evidence and will look to prepare the next stage of the Local Plan, in line with the timeframe of the Local Development Scheme.
Cllr. David Hutchison	1. Neighbourhoods	Protect our parks and green spaces for future generations	Ensuring that the Council's operations are carbon neutral by 2030	✔ Project/Action is Progressing as Expected	Phase 4 of the Urban Tree Planting Strategy is complete, including the 850 Lyme Forest at the former Keele Golf Course. Phase 5 is being planned for planting in winter 2023/24. Wildflower meadows have been planted at Sandy Lane and Winchester Drive open spaces.
Cllr. David Hutchison	1. Regulatory 2. Neighbourhoods	Secure a successful resolution to the Walley's Quarry odour problem.	Protecting our communities by improving how we use our enforcement powers.	✔ Project/Action is Progressing as Expected	Complaints of odour increased in April and May but have reduced in June. Monitoring and visits are continuing to support the investigation. A community event was attended along with partners from EA and UK-HSA. Project prioritisation is identification of the root cause of recent episodes.
Cllr. David Hutchison	1. Sustainable Environment 2. All	Deliver the Sustainable Environment Strategy	Ensuring that the Council's operations are carbon neutral by 2030	✔ Project/Action is Progressing as Expected	RoadMap contract in final stages of completion. Scheduled for Cabinet along with updated Sustainable Environment Strategy for October 23.
Cllr. David Hutchison	1. Sustainable Environment 2. All	Play an active role in the Staffordshire Sustainability Board	Secure a carbon neutral Borough by 2050	✔ Project/Action is Progressing as Expected	The Council is playing a leading role in the SSB. we have taken a number of reports and updates for information / consideration of the board .
Cllr. Gill Heesom	1. Regulatory 2. Legal & Governance	Ensure that there are good homes for everyone and that every citizen has a safe and secure place to live	Ensure that there are good homes for everyone and that every citizen has a safe and secure place to live	✔ Project/Action is Progressing as Expected	The Disabled Facilities Grant service transferred from being a commissioned service to being provided in house on 1st April 2023. A backlog of cases had built up which the service is working through and has an aim to reduce the time from enquiry through to completion of works.
Cllr. Stephen Sweeney	1. Commercial Delivery 2. Strategy, People and Performance 3. Finance	Continue to bid for government funding to support the borough's ambitions, including the further development of Keele Science and Innovation Park and the University Growth Corridor.	A strong and sustainable economy where everyone benefits	✔ Project/Action is Progressing as Expected	Successful bids for Future High Street Funding, two Town Deals and the delivery plan for the Shared Prosperity Fund has been approved. Levelling Up Fund 2 bid was unsuccessful. Awaiting news on Levelling Up Fund 3.



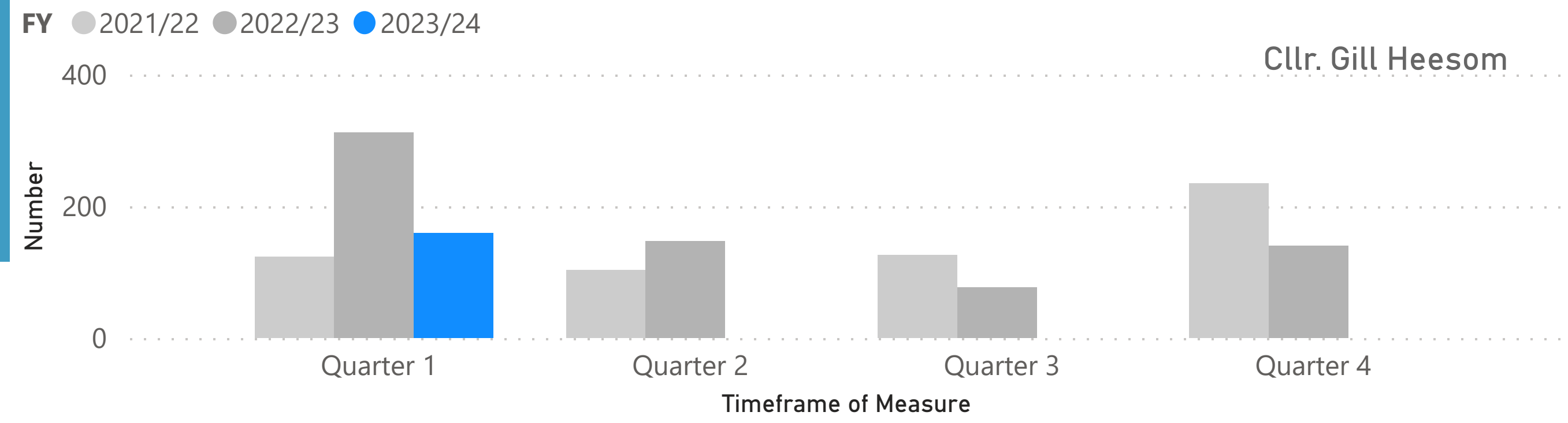
Portfolio Holder	Service Area	Action	Corporate Objective	Status report	Commentary on progress
Cllr. Stephen Sweeney	Commercial Delivery	Delivering the £16m Kidsgrove Town Deal, including: Facilitating the Chatterley Valley Enterprise Zone development to deliver 1700 quality jobs for local people; Enhancing Kidsgrove Railway Station and access to the local canal network; Developing a Shared Service Hub with key partners.	A strong and sustainable economy where everyone benefits	✔ Project/Action is Progressing as Expected	All projects have been approved for delivery by DLUHC. Kidsgrove Sports Centre project is complete. Town Deal funded element of Chatterley Valley link road is complete with delivery continuing through other funding sources. Grant funding agreement with Canal & River Trust now complete with delivery due to commence later this year. The Railway Station and Shared Service Hub projects remain under development with partners.
Cllr. Stephen Sweeney	Commercial Delivery	Delivering the £23m Newcastle Town Deal, including: Development of key gateway sites including the 'Zanzibar' and Midway; Connecting residents and businesses to skills training for the digital world; Improving bus, cycling and walking infrastructure; Delivering a circus-themed performing arts Centre; Building more than 400 homes in Knutton and Chesterton.	A strong and sustainable economy where everyone benefits	✔ Project/Action is Progressing as Expected	Eight of the nine Newcastle TD projects have been approved for delivery. The remaining one has been submitted and is awaiting approval. Grant funding agreements for the improved bus, cycling and walking infrastructure are at the final stage of development. Delivery of digital elements has progressed with the signing of a grant funding agreement for one element of delivery. Work continues with partners to deliver on the remaining projects for Knutton, Chesterton and key gateway sites.
Cllr. Stephen Sweeney	1. Commercial Delivery 2. Neighbourhoods	Delivering the £4.8m Uk Shared Prosperity Fund programme, including: Improving the town centre; Supporting culture and heritage; Skills development for local people; Supporting the most vulnerable people.	A strong and sustainable economy where everyone benefits	✔ Project/Action is Progressing as Expected	The delay in receiving confirmation of funding from Government created several reviews of the projects in line with meeting outcomes agreed in July 2022, this review meant operational delivery was either delayed with planning for operational delivery was affected. The communities and place projects revolved around the natural environment and over 8000 trees have been planted across the borough to support the biodiversity targets. The museum received investment as the external refurbishment took place and support to purchase internal provisions such as chairs, tables all adding to an increase of rental income and a more welcoming venue for tourists or visitors to the Borough. The UKSPF has invested in people in skills as the partnership with support Staffordshire has enabled the recruitment of a volunteer coordinator creating the opportunity for work experience and tackling confidence and mental wellbeing barriers. In April 2023 we saw the employment of two roles which will support the homeless as a Mental Health counsellor and Discharge officers were appointed to tackle the needs of those most vulnerable in the locality. The grant payment to BES (Business Enterprise Support) was seen as an investment in people and providing them with skills to register official as self-employed or as a SME business enterprise. The guidance and professional advice took the side hustle idea to reality with mentoring along the way and currently 8 people have taken on a business venture.



ID3.1a - Anti-Social Behaviour (ASB) cases - New cases received during the quarter Current Status SMART Actions if Off Target

Low
Is Good
Per
Quarter
(Snapshot)

Positive
Yearly Trend



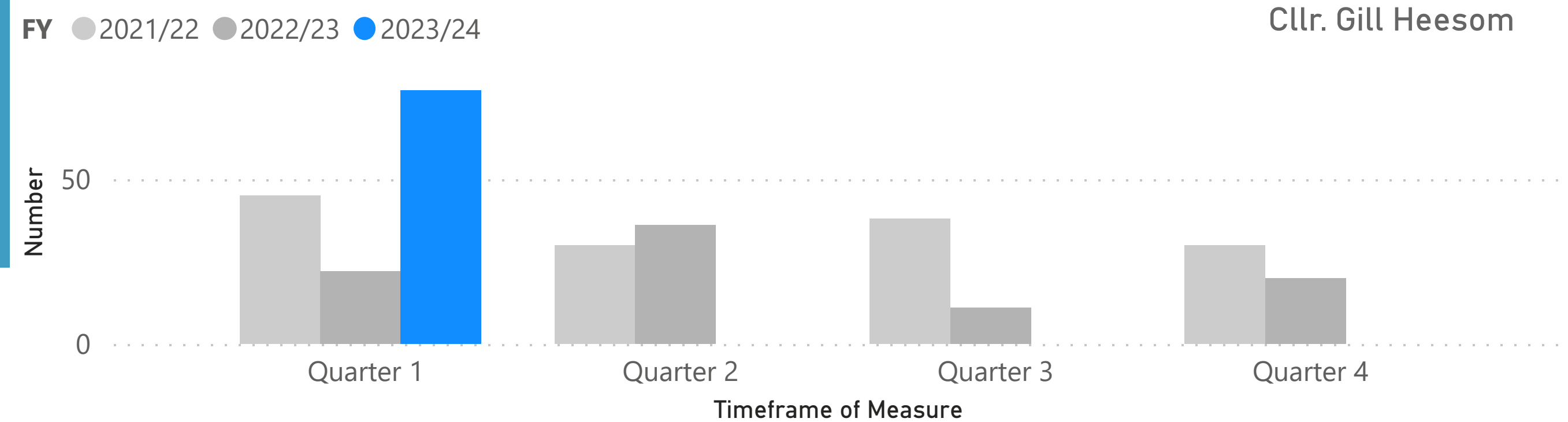
159.00

This measure is roughly on target with work continuing with a range of partner agencies to address ASB efficiently and effectively. We are also working on ways to encourage reporting of ASB to ensure that this is a fair reflection on ASB problems.

ID3.1b - (ASB) cases - Current open cases at the end of the quarter Current Status SMART Actions if Off Target

Low
Is Good
Per
Quarter
(Snapshot)

Negative
Yearly Trend



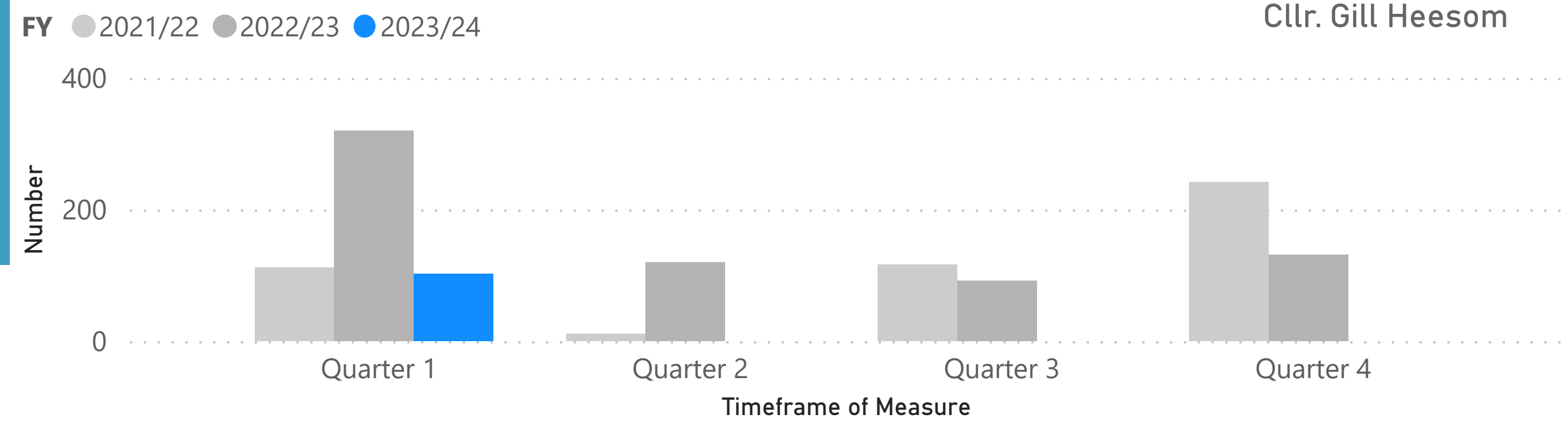
77.00

We continue partnership working to reduce ASB and ensure any complaints are dealt with efficiently and effectively in a timely manner. We are also working on ways to encourage reporting of ASB to ensure that this is a fair reflection on ASB problems.

ID3.1c - (ASB) cases - Cases closed in the quarter Current Status SMART Actions if Off Target

High
Is Good
Per
Quarter
(Snapshot)

Negative
Yearly Trend



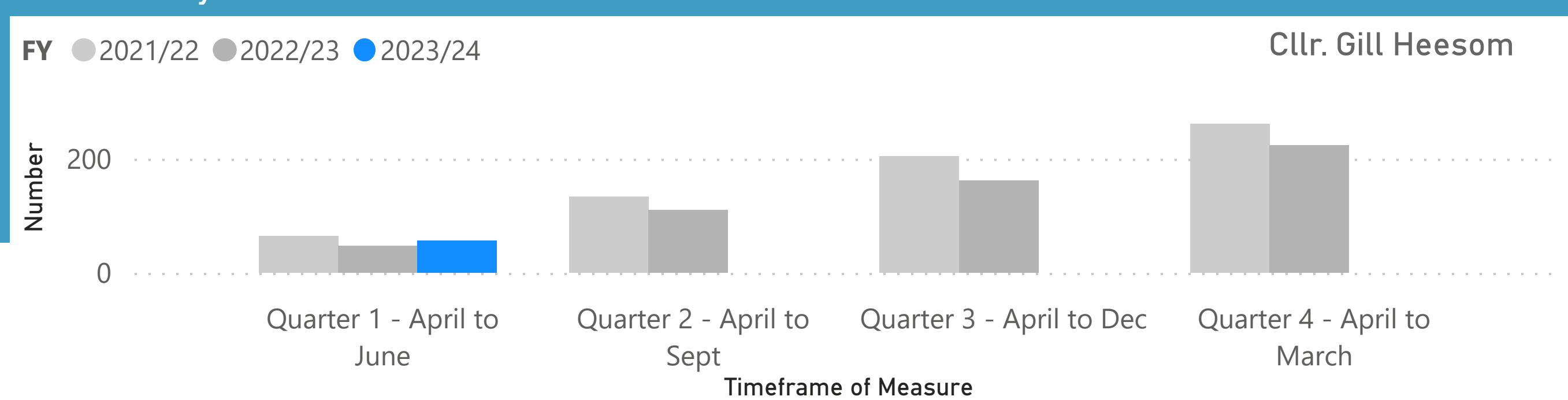
102.00

Value is also relative to the measure of new cases received. We continue partnership working to reduce ASB and ensure any complaints are dealt with efficiently and effectively in a timely manner.

ID3.2 - Number of referrals made regarding vulnerability by participating organisations at the Daily Hub Current Status SMART Actions if Off Target

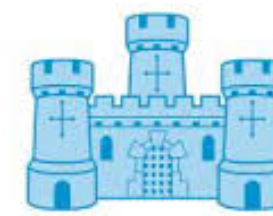
Low
Is Good
Cumulative
(Per
Annum)

Negative
Yearly Trend



56.00

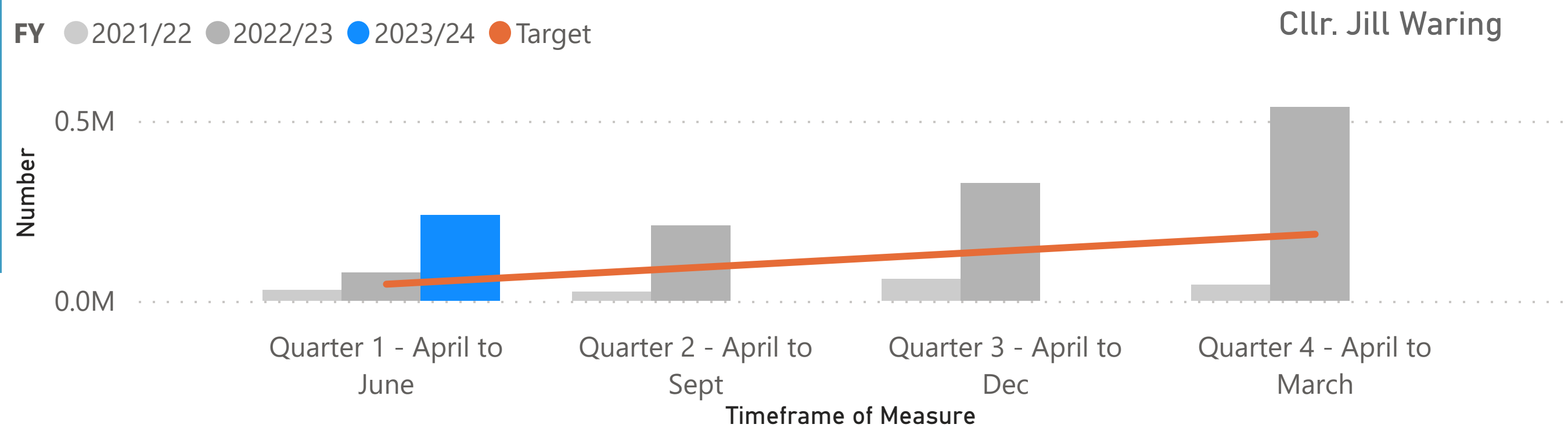
Quarter 2 and 3 of monitoring will identify any trends



ID3.3 - Number of People Accessing the Museum's collections online and in person Current Status SMART Actions if Off Target

High
Is Good
Cumulative (Per Annum)

Positive
Yearly Trend



237.24K ✓

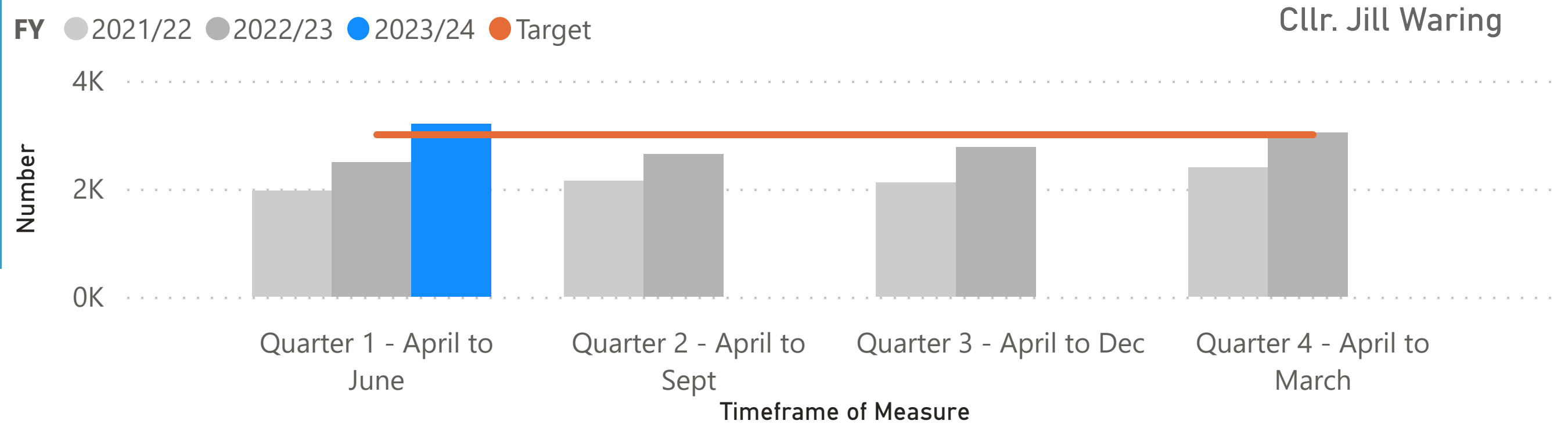
Not Required as Target Met

Target:
46.25K

ID3.4 - J2 Membership growth Current Status SMART Actions if Off Target

High
Is Good
Cumulative (Per Annum)

Positive
Yearly Trend



3.20K ✓

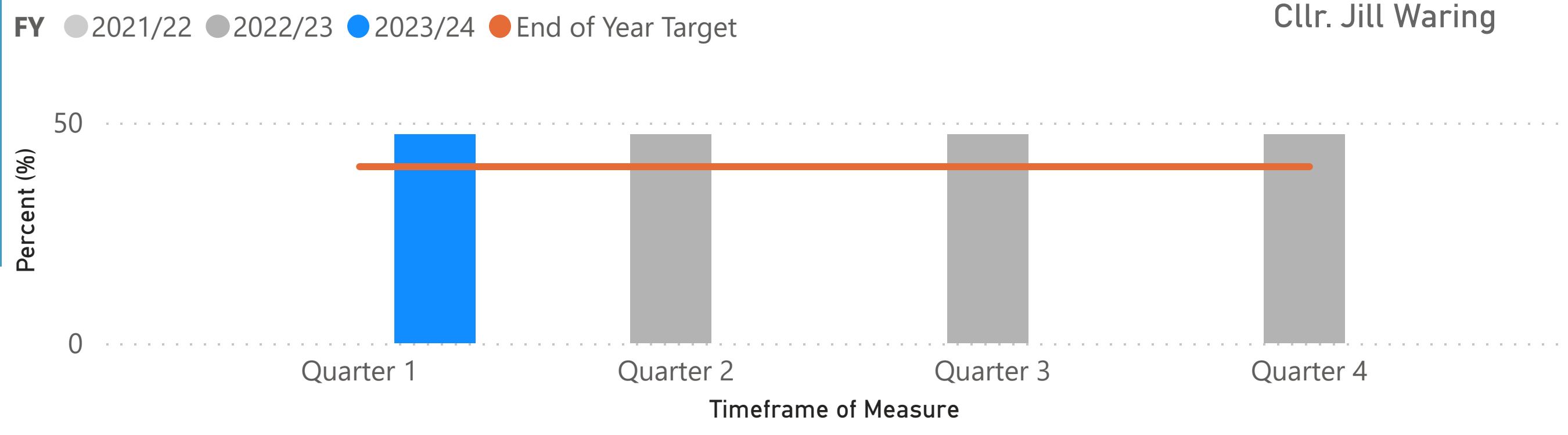
Not Required as Target Met

Target:
3.00K

ID3.5 - Jubilee 2 Customer Satisfaction – Net Promotor Score Current Status SMART Actions if Off Target

High
Is Good
Per Quarter (Snapshot)

Positive
Yearly Trend



47.30 ✓

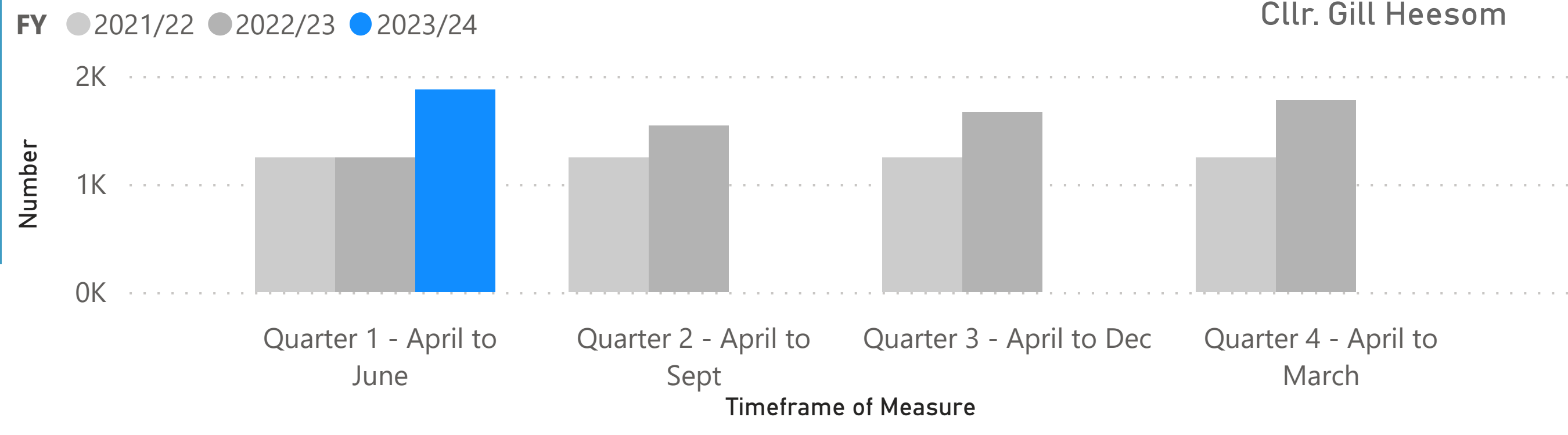
Not Required as Target Met

End of Year Target:
40.00

ID3.6 - Live application on the housing register Current Status SMART Actions if Off Target

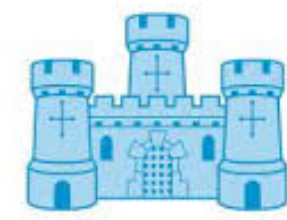
Low
Is Good
Per Quarter (Snapshot)

Negative
Yearly Trend



1.87K

Live application numbers reflects the increasing demand for social housing at a time of increasing housing costs



ID3.7 - Number of lets to registered providers from the housing waiting list

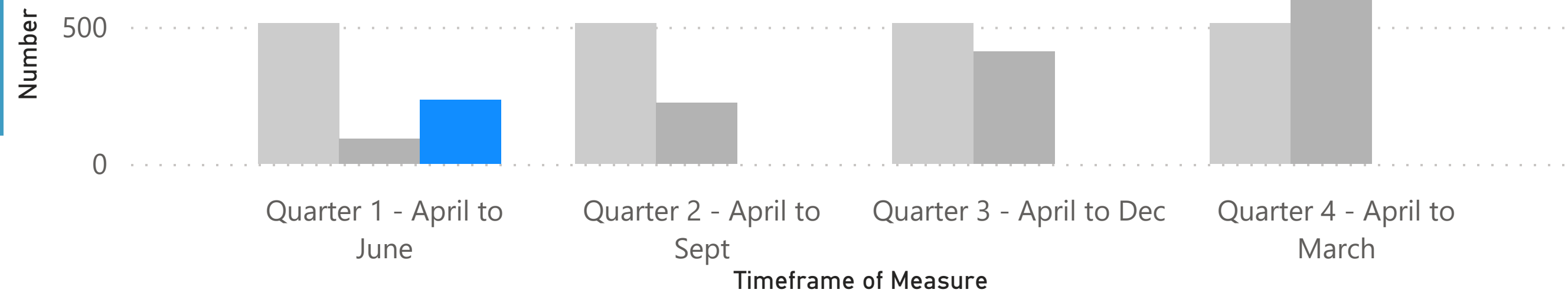
Current Status

SMART Actions if Off Target

High
Is Good
Per Quarter
(Snapshot)

FY ● 2021/22 ● 2022/23 ● 2023/24

Cllr. Gill Heesom



233.00

Depends on partnership working with registered providers in the borough

Positive
Yearly Trend

ID3.8 - Emergency homeless presentations

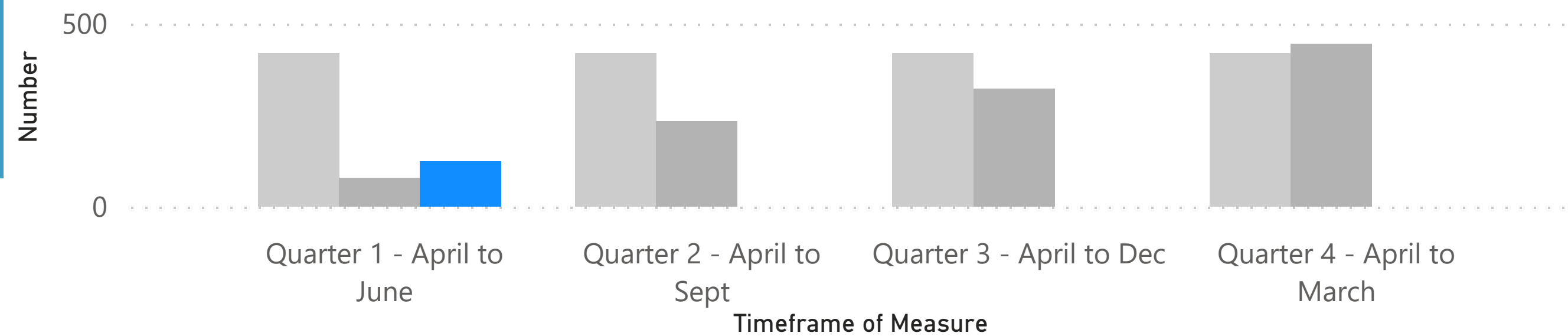
Current Status

SMART Actions if Off Target

Low
Is Good
Cumulative
(Per Annum)

FY ● 2021/22 ● 2022/23 ● 2023/24

Cllr. Gill Heesom



124.00

Second quarter of monitoring will identify any trends

Negative
Yearly Trend

ID4.4 - Total Rough Sleepers Verified in Quarter

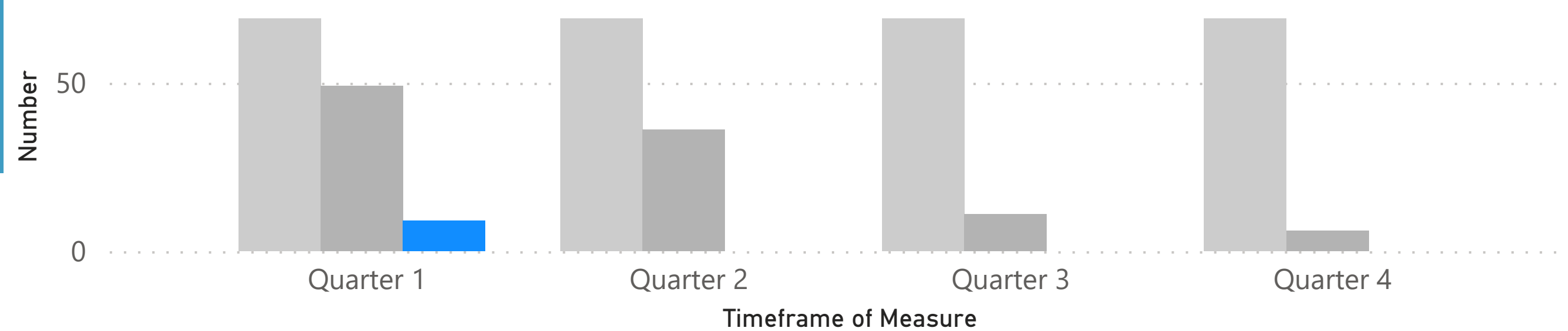
Current Status

SMART Actions if Off Target

Low
Is Good
Per Quarter
(Snapshot)

FY ● 2021/22 ● 2022/23 ● 2023/24

Cllr. Gill Heesom



9.00

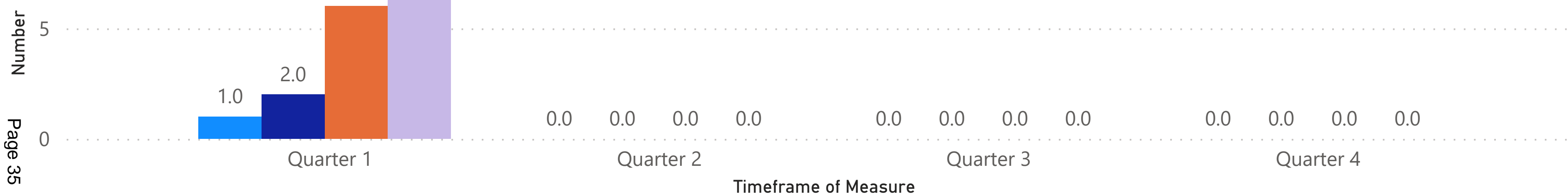
Positive
Yearly Trend

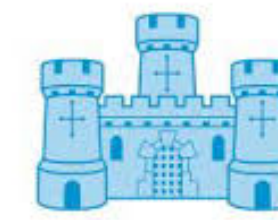
Our rough sleeper figures for a single night have increased this month. Out of the 9 rough sleeping, 5 have Stoke connection. The 6 that are entrenched are our target priority group. They have been offered accommodation outside the area, but they refuse to accept it as they only want Newcastle. They do not meet the criteria for the temporary accommodation pathway created with Aspire, as they require 24/7 staffed accommodation, something we do not have in the Borough.

ID4.4a, 4.4b, 4.4c and 4.4d - Breakdown of Rough Sleepers Verified in Quarter

● 1. Prevented 1 - New Rough Sleepers ● 2. Non-Recurring 1 - Returning Rough Sleepers ● 3. Brief 1 - Entrenched Rough Sleepers ● 4. Prevented 2 - Rough Sleepers after ...

Cllr. Gill Heesom





Project Status Split for Priority 3.

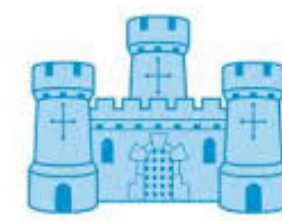
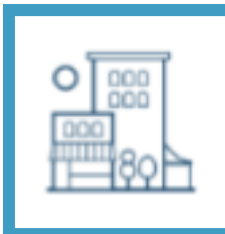
Project/Action is Progressing as Expected

5

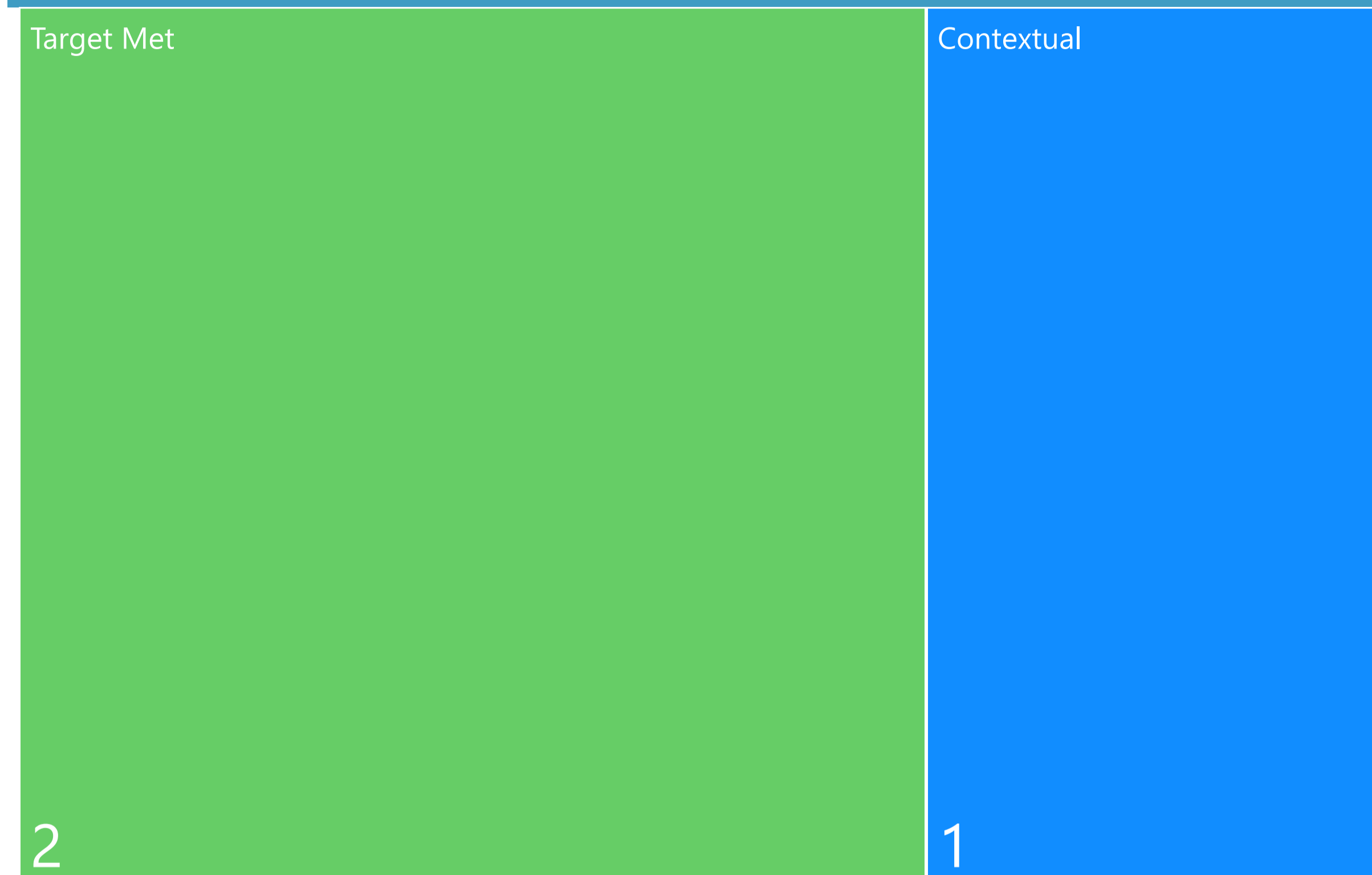
Project/Action is Not Progressi...

1

Portfolio Holder	Service Area	Action	Corporate Objective	Status report	Commentary on progress
Cllr. Gill Heesom	Neighbourhoods	Build on our work with Staffordshire Police	Reduce anti-social behaviour and crime in our communities	✔ Project/Action is Progressing as Expected	Work is in progress with the Local Policing Team to plan an enforcement campaign for the Public Space Protection Order in Newcastle Town Centre. The Safe Space and Street Pastor scheme continues to operate on Friday evenings and the Safer Streets Round 4 project to improve gating, lighting and CCTV is progressing.
Cllr. Jill Waring	1. Commercial Delivery 2. Neighbourhoods	Delivering an economic and cultural legacy from the celebration of the borough's 850th anniversary in 2023.	Delivering an economic and cultural legacy from the celebration of the borough's 850th anniversary in 2023.	✔ Project/Action is Progressing as Expected	3,000 people attended the medieval Celebrate Castle fun day, local talks are continuing at the museum, schools and youth groups participated in a make your own castle competition, 850 plates and mugs were launched alongside the maquette of the Queen.
Cllr. David Hutchison	1. Neighbourhoods 2. Sustainable Environment	Expansion of the street warden scheme and the creation of neighbourhood delivery teams.	Secure a step change in street cleanliness and the quality of the public domain	✔ Project/Action is Progressing as Expected	Consultation is in progress with the team regarding the new operating model and roles. Training is also in progress to cross-skill the team. System and process redesign is underway to streamline and improve customer journeys and drive efficiencies.
Cllr. David Hutchison	Sustainable Environment	Further increasing recycling rates across the borough with a particular focus on food waste	Further increasing recycling rates across the borough with a particular focus on food waste	⚠ Project/Action is Not Progressing as Expected	Proving difficult to achieve with a background nationally of falling recycling rates in England. The cost of living crisis is one of the main factors behind falling recycling rates. Governments delay in releasing Consistency in collections is of concern to the industry as its purpose is to boost recycling rates nationally.
Cllr. Simon Tagg	1. Strategy, People and Performance 2. Neighbourhoods	Work collaboratively with the Newcastle Partnership	Ensure that our most vulnerable residents are supported through the impact of the rising cost of living.	✔ Project/Action is Progressing as Expected	The Financial Wellbeing service has been re-commissioned and is operating to provide support for residents. Performance of the service is monitored through review meetings.
Cllr. Jill Waring	Neighbourhoods	Work with partners to develop effective community bodies	Support the development of community solutions to local problems	✔ Project/Action is Progressing as Expected	Support and advice is being provided to community groups to develop local projects.



Priority 4: Performance Indicators Current Status



Corporate Aim (Priority)	Number of Indicators
Priority 4: Town Centres for All	3

Smart Narrative

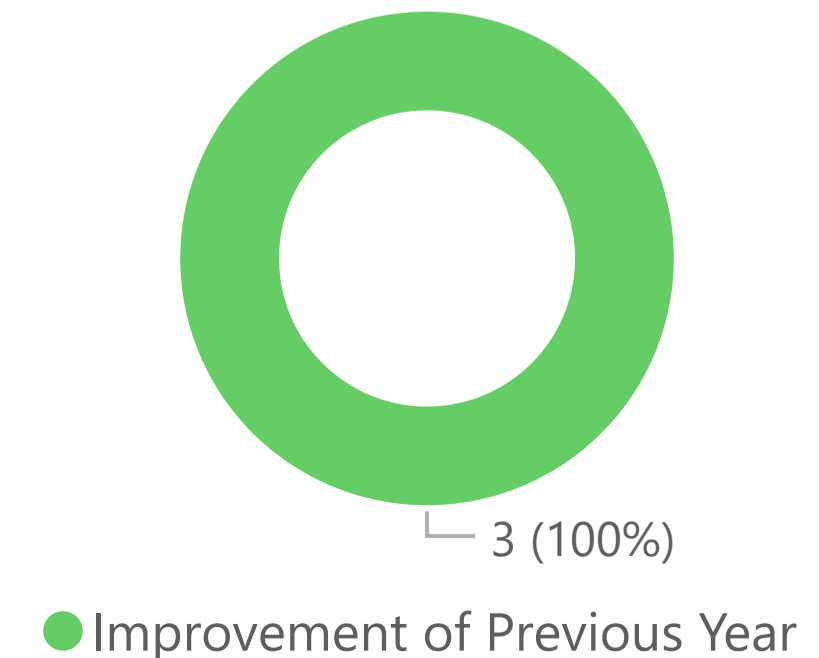
- There are 3 Indicators which have set targets this quarter within Priority 4.
- 100% of measures with set Target. met them within Quarter One. With both indicators which met their target also showed improvement when compared to the same time period last year; the remaining 2 showed no change.
- There is 1 Indicators which are contextual this quarter and does not have a target to meet. When compared to last year, this measure demonstrated an improvement in terms of performance. 3.
- Within Priority 4, All Projects/Actions were identified to be progressing as expected.

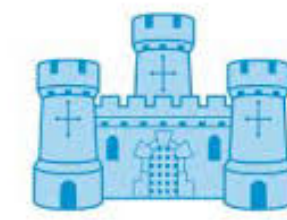
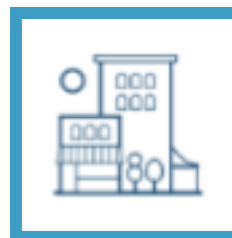
Priority 3: Qtr. 1 Summary Project Status Split

● Project/Action is Progressing as Expected



Priority 4: Qtr.1 Trend Status of PI's Compared On Same Qtr in the Previous Financial Year

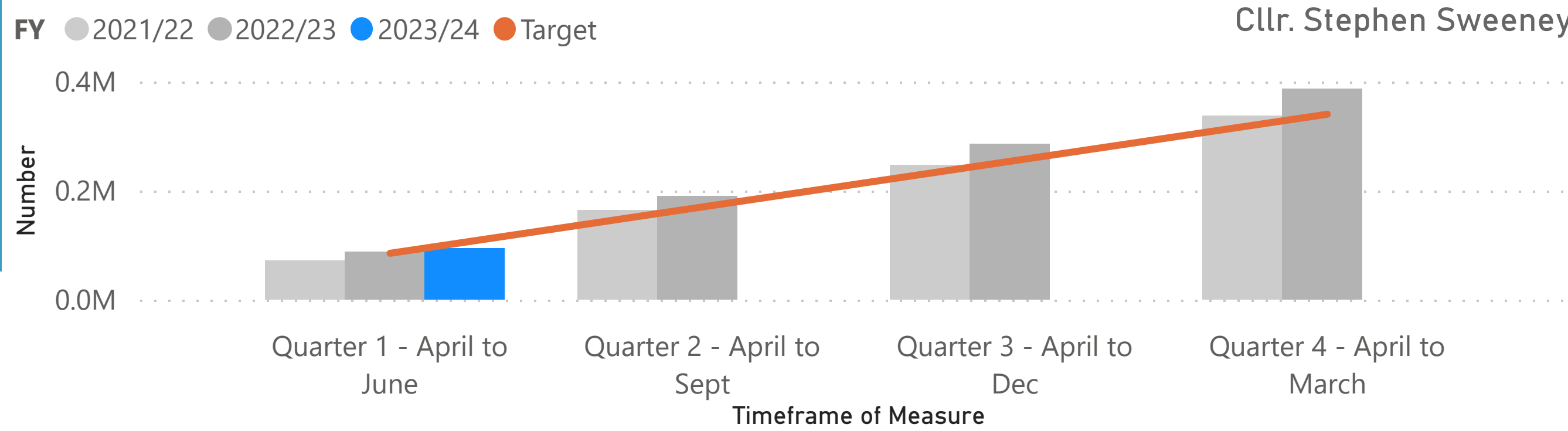




ID4.1 - Car parking usage:-Number of tickets purchased Current Status SMART Actions if Off Target

High
Is Good
Cumulative (Per Annum)

Positive
Yearly Trend



93.71K ✓

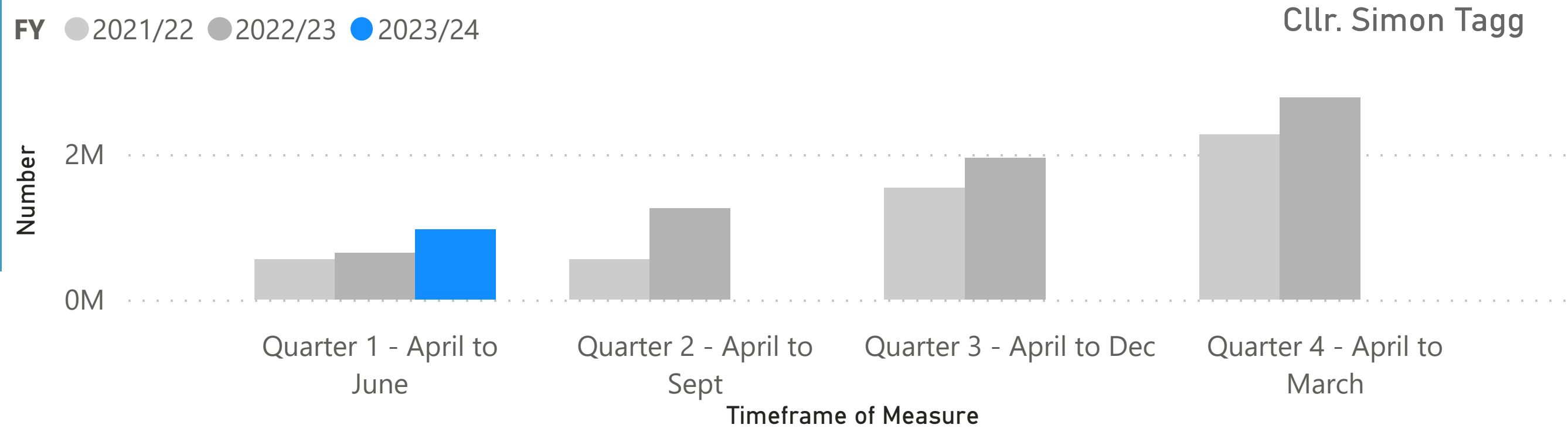
Target:
85.00K

Not Required as Target Met

ID4.2 - Town Centre Footfall - Newcastle Current Status SMART Actions if Off Target

High
Is Good
Cumulative (Per Annum)

Positive
Yearly Trend



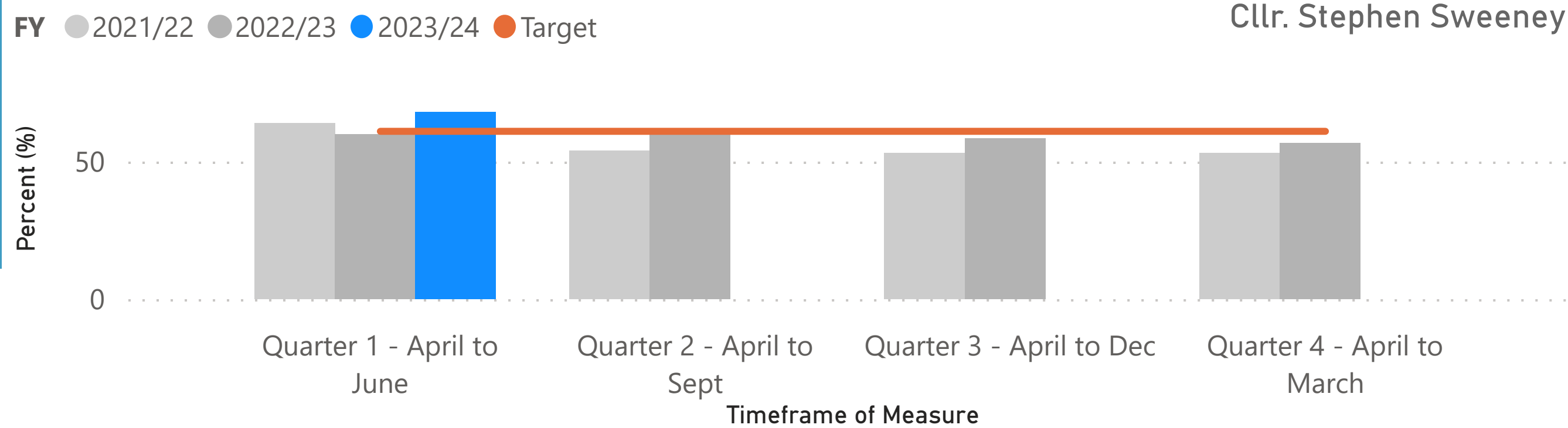
960.59K

Footfall figures have been provided by the BID monthly and currently for end of Quarter 1 are showing much higher figures than seen by the end of Quarter 1 in 2022/23 year.

ID4.3 - Average stall occupancy rate for markets - Overall Current Status SMART Actions if Off Target

High
Is Good
Cumulative (Per Annum)

Positive
Yearly Trend



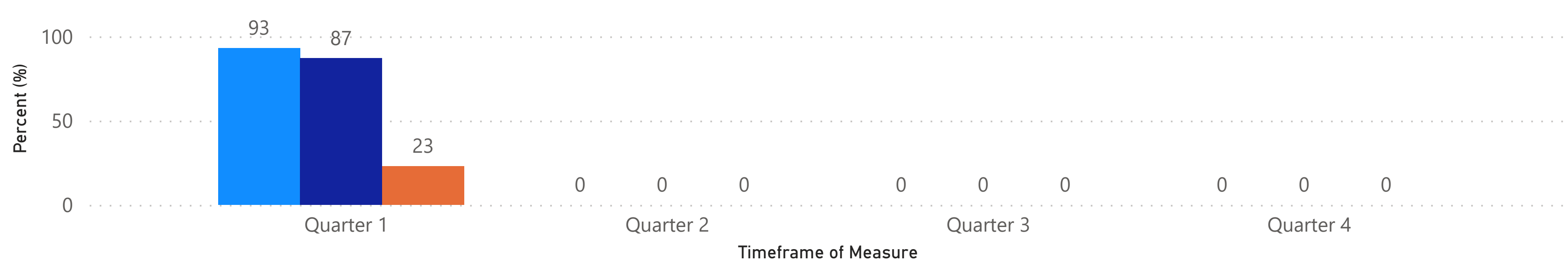
68.00 ✓

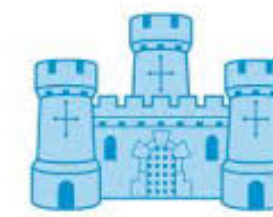
Target:
61.00

An under-performing General market is adversely affecting the overall stall occupancy average on which no days meet the 61% target: Monday General Market 12%, Wednesday General Market 15%, Friday General Market 37%, Saturday General Market 26%. A stall rationalisation review is underway with consideration given to a review of the General Market operating days.

ID4.3a, 4.3b and 4.3c- Average stall occupancy rate for Specific Markets

● 1. Specialist event markets - Average stall occupancy rate for markets ● 2. Antique Forum Group Licensed Market - Average stall occupancy rate ● 3. General market - Average stall occupancy rate





Project Status Split for Priority 4.

Project/Action is Progressing as Expected

5

Portfolio Holder	Service Area	Action	Corporate Objective	Status report	Commentary on progress
Cllr. Stephen Sweeney	1. Commercial Delivery 2. Planning	Redeveloping Midway car park to provide aspirational town centre residential accommodation	Increasing the number of people living, working and using Newcastle town centre	✔ Project/Action is Progressing as Expected	This is a longer term project that is expected to commence in the latter part of 2023/24
Cllr. Stephen Sweeney	1. Neighbourhoods 2. Commercial Delivery	Developing a Town Centre Strategy for Kidsgrove	Encourage visitors and support local businesses in Kidsgrove	✔ Project/Action is Progressing as Expected	A draft "Experience Kidsgrove" strategy has been prepared in consultation with Go Kidsgrove and Kidsgrove Town Council. A survey has been conducted with local businesses and residents to gauge ideas to increase footfall and proposals are being developed for a potential pilot artisan market event and music event, subject to funding.
Cllr. Stephen Sweeney	Commercial Delivery	Redevelopment of Ryecroft Site	Continuing to work with key partners to deliver the redevelopment of opportunities across the borough	✔ Project/Action is Progressing as Expected	Planning consent has been granted for construction of a new multi storey car park at Ryecroft. progress continues on work to develop a hotel on Ryecroft. Work with partners continues on development of housing on the remaining area of Ryecroft.
Cllr. Stephen Sweeney	Commercial Delivery	Redevelopment of York Place	Continuing to work with key partners to deliver the redevelopment of opportunities across the borough	✔ Project/Action is Progressing as Expected	Plans for the redevelopment of York Place are progressing well with planning consent granted for its demolition and construction of a replacement building. Work continues to ensure that existing tenants are relocated from York place to enable demolition to commence.
Cllr. Stephen Sweeney	Neighbourhoods	Further enhance the historic market and public realm and boost our signature specialist market programme	Further enhance the historic market and public realm and boost our signature specialist market programme	✔ Project/Action is Progressing as Expected	Work is in progress to develop a project to improve the market using the Future High Streets Fund. Consultation is underway with specialist market operators and proposals are being drawn up to improve the appearance of the current stalls.

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NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**CORPORATE LEADERSHIP TEAM'S
REPORT TO
FINANCE, ASSETS & PERFORMANCE SCRUTINY COMMITTEE**

25 September 2023

Report Title: Sickness Absence Update Report

Submitted by: Service Director Strategy, People and Performance

Portfolios: Portfolio Holders – One Council, People and Performance

Ward(s) affected: All

<u>Purpose of the Report</u>	<u>Key Decision</u> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<p>To provide information and assurance around the management and understanding of sickness absence rates within the organisation as well as taking account of local and regional benchmarking data.</p> <p>To provide assurance as to progress against the sickness absence action plan.</p>	
<u>Recommendation</u>	
<p>1. That scrutiny acknowledge and debate content of the report</p>	
<u>Reasons</u>	
<p>The Council's Sickness Absence rate remains at a level higher than our target. There are local and national drivers for this and this report provides assurance that the Council recognises and embraces its duty of care to employees and that absence is being managed fairly and consistently.</p>	

1. Background

- 1.1 Sickness Absence and wellbeing remains a key focus of the People Strategy and for individual services. Since the pandemic we have seen a rise in sickness absence, as have many other organisations nationally as seen within the ONS data for 2022. ([source ONS](#))
- 1.2 The teams have undertaken significant proactive work with regard to supporting the mental health and wellbeing of staff and this has resulted in a significant decrease in absences relating to depression, anxiety and stress.

2. Issues

- 2.1 Sickness Absence remains higher than target. We acknowledge the importance of this and are both seeking to understand the causes and contributory factors to this (both internal and external) and then enacting a structured and measurable action plan to mitigate.
- 2.2 The appendix report included here outlines the fact that absence rates are exacerbated by external issues such as NHS waiting lists, particularly with regard to musculoskeletal conditions.

3. Recommendation

- 3.1 Scrutiny Committee reviews the appendix report.

4. Reasons

- 4.1 Absence is an important performance indicator for the organisation which can highlight areas for improvement, engagement and wellbeing. High absence rates also represent a financial cost. The Strategic Hub have supported in conducting a 'deep dive' into our absence rates, reasons and demographics to support delivery a focussed action plan.

5. Options Considered

n/a

6. Legal and Statutory Implications

- 6.1 none

7. Equality Impact Assessment

- 7.1 The attendance policy and related processes are equality impact assessed to ensure no discriminatory impact.

8. Financial and Resource Implications

- 8.1 The cost of sickness absence across the council in Q1 was approximately £240k; it is therefore important that we continue to monitor and reduce absence levels.

9. Major Risks & Mitigation

- 9.1 Should the council fail to address absence levels this would have a negative impact both financially but more importantly on the wellness of our people. By addressing our processes and support we mitigate this risk and seek to improve the wellbeing of our workforce.

10. UN Sustainable Development Goals (UNSDG)

- 10.1 This report relates to the wellness of our workforce. In that respect, the project supports the realisation of the following UNSDG objectives:-

3 GOOD HEALTH
AND WELL-BEING



11. Key Decision Information

11.1 n/a

12. Earlier Cabinet/Committee Resolutions

12.1 n/a

13. List of Appendices

13.1 Sickness Absence report update

14. Background Papers

14.1 None.

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Sickness Absence Update September 2023

Current Position

Sickness absence remains above the Council's monthly target (0.73) for days lost per employee with an average of 1.55 working days lost per employee in August.



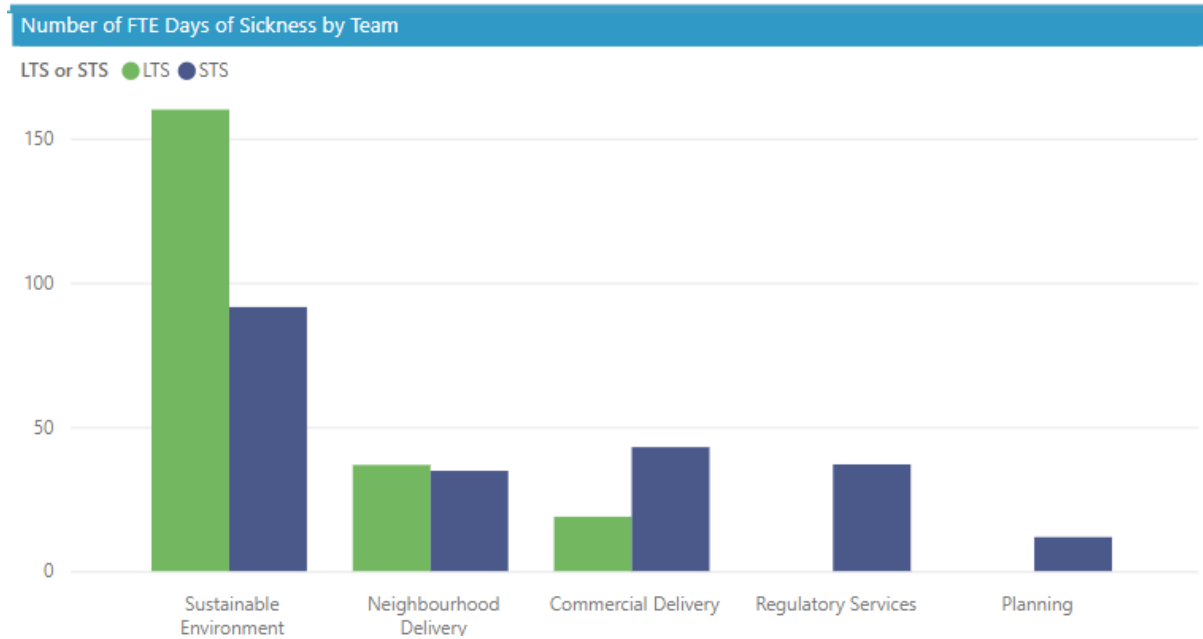
Long term absence remains the higher categorised absence which is to be expected and is consistent with benchmarking.

Absences for stress, anxiety and depression fell to the lowest % since November 2022, and have more than halved since June 2023 which is positive, whilst back and spinal absences also saw a slight decrease.

We are seeing a much wider range of conditions contributing to long term absence, in August over 17% of long term absence was due to joint and muscular problems, but injuries (on and off duty) also contributed to over 11% of absences.

Absences are not highest where change processes or One Council activity and occurring.

80% of days lost due to sickness are within our largest directorate, Sustainable Environment. As this area contains potentially the most physically demanding work and also has an ageing workforce profile, this is to be expected and we are considering ways in which this particular staff group can be supported. A more detailed report for Quarter 1 is contained in appendix a) which looks at the workforce profile against absence.



Contributory Factors and Mitigation

We have an ageing workforce who carry out physically demanding work. Reasonable adjustments that can be made to these roles to keep people in work when unwell are minimal and so therefore, relatively minor ailments may lead to absence in a way that they would not in other areas.

The fact that the majority of our absence remains in these areas and that long term absence in other areas remains so low, demonstrates that we work well to make adjustments and offer flexibility for people to prevent sickness absence where this is possible.

When reviewing data from sickness review meetings and Occupational Health reports, it is increasingly clear that we have a number of individuals absent from work due to long waiting lists for diagnostic tests such as MRIs and CT scans, or for essential treatment such as surgery or physiotherapy. We have at least five long term absence cases that are awaiting diagnosis or treatment due to NHS waiting lists and we also seeing significant delays in obtaining medical reports requested by Occupational Health which are used to inform applications for Ill Health Retirement.

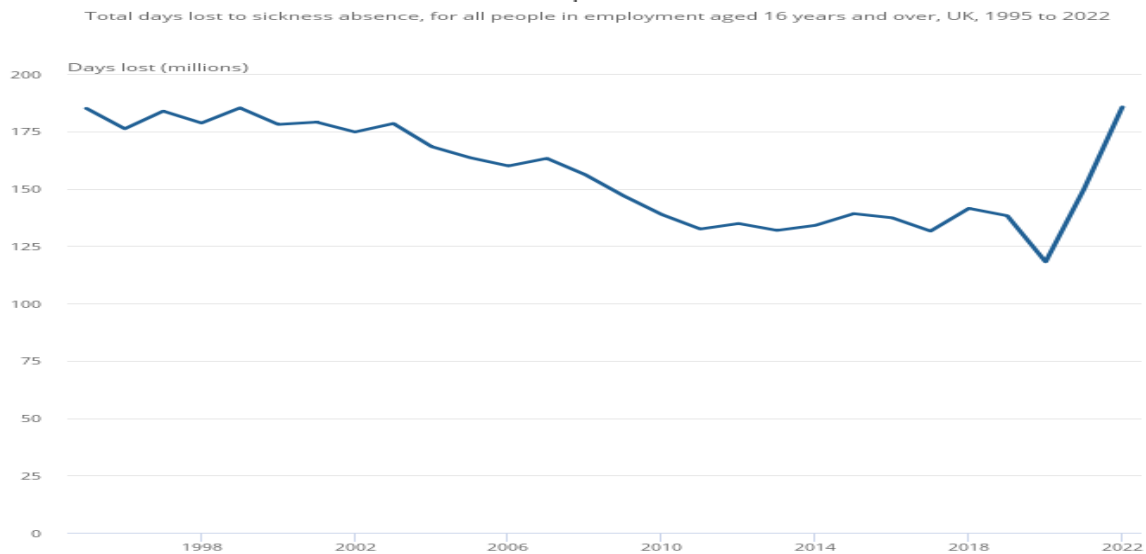
The fact that we are seeing a reduction in stress, anxiety and depression related absences, despite the impact of the cost of living, demonstrates the effectiveness of the proactive work we are doing to promote mental health support within the Council, in particular with the introduction of the mental health first aiders. We have had some very positive feedback about how beneficial these roles have been and how our MHFA team have supported people to remain in work and signpost to wider support. . We also continue to receive positive feedback around the Dove counselling service and have supported some requests to extend counselling sessions to assist people to remain in work.

When benchmarking our data against the National and local picture, most areas seem to be seeing increased levels of sickness absence, but there seems to be a variance between those who have a larger % of physically demanding roles vs those that can offer flexibility such as home based working.

The LG Inform benchmark average increased in September by 50% (from average of 5.8 days per FTE to average of 8.8 days per FTE). Included in this benchmark group are councils in which manual roles are largely outsourced.

National data (taken from the Sickness Absence in the UK labour Market ONS 2022 survey¹) shows that 2022 has seen a record high in absence rates and it is likely that this trend continues and impacts into 2023.

Figure 2: The number of days lost to sickness absence has increased to a record high in 2022 after remaining relatively flat in the 10 years leading up to the pandemic



Source: Labour Force Survey from the Office for National Statistics

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/articles/sicknessabsenceinthelabourmarket/2022#sickness-absence-data>

Action plan and next steps

The People and OD team are working to deliver an action plan to target sickness absence, an apprentice People Assistant is expected to start in late September 2023 which will create some capacity for the newly created People Advisor post to focus on primarily offering support around sickness absence.

Actions included on the plan are included in appendix 2, but essentially involve deeper analysis of data, support and training for managers, auditing absence documents and trying to improve the process. The People Advisor will proactively be contacting all managers around their sickness cases each month and monitoring feedback and compliance.

Consideration is also being given, and costings gathered, for some additional staff benefit schemes which some employers are offering to see if these could have a positive impact on sickness absence levels. Some suggestions include a buying annual leave scheme and an employee funded healthcare plan which could include fast tracked physio and appointments.

Appendices

Appendix 1 Sickness Absence Quarter 1 2023-23 Detailed Analysis



Sickness Absence Quarter 1 2023-23 – Detailed Analysis

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Background

The purpose of this report is to deep dive into the data gathered around sickness absence to understand trends and potential reasons which are impacting the increasing sickness figures within the council. For Quarter 1 2023/24 the average sick days per employee is calculated at 3.71 days. This value is calculated by using the total number of sick days and dividing it by the established FTE total of the work force; this is done on a monthly basis, with the quarterly value being the sum of the three months in the specific quarter. Graphs below show the deviation between this figure and the actual average time lost due to sickness per employee. The key purpose of the analysis is to understand which services are most impacted, with what type of absence are they most affected by and understand potential reasons for the absence.

Data

Data has been collected from MyView and is reliant on line managers of absent staff to input the data on time and correctly.

Comments

The data used includes staff who have been absent with long term sickness prior to the start of Quarter 1 and have remained off during Quarter 1. It must be noted that the average FTE days takes into account any time an employee has had off and includes time lost since the start of the sickness regardless of if the sickness started prior to Quarter 1.

It must also be noted that measure of average FTE days used within the report only takes into account staff who have lost days due to absence within Quarter 1 and is not representing an average against the entire workforce establishment.

Analysis

The scatter graph (Fig1a.) plots each service using the average number of FTE days that an employee loses due to sickness and also the total number of staff that have had time off within the quarter. The size of the marker relates to the total sum of FTE days lost by the service; therefore if the marker is larger this translates as more FTE days lost as a total sum and vice versa for a smaller marker. This visual uses the overall sickness and the split between long term and short term sickness is shown later in the report.

To help with understanding how each service compares, a constant line has been added to show the overall average FTE days lost by an employee, this measure is shown at 24.51 FTE Days. Also included is another constant line showing the average number of staff that each service has off within the quarter; this measure sits at 12.71 and is also used to help understand how each service compares.

Using the average lines, outliers can be quickly identified. The bottom left quadrant indicates services which have below average sick days and below average number of staff off within the quarter. Any services outside this have been highlighted below;

- Sustainable Environment – Shown to have a much higher than average number of staff off and a slightly higher than average number of days off per employee within Quarter 1. The large marker size indicates that this service has lost the most FTE days out of all sickness absence within the council. This is also demonstrated by Table 1a and Fig 1b.
- Strategy, People and Performance (SPP) – This service is showing a smaller staff count but the average time staff had lost is sitting well above the average number of days lost. It sits 4th in terms of sum of FTE days lost to sickness absence.
- Neighbourhood Delivery – This is the second highest service in terms of the sum of FTE days lost to sickness absence. The time staff lost due to absence is lower than the overall average but the number of staff who have had time off is greater.
- Commercial Delivery – This service also has a higher than average staff count but a below average FTE days lost.

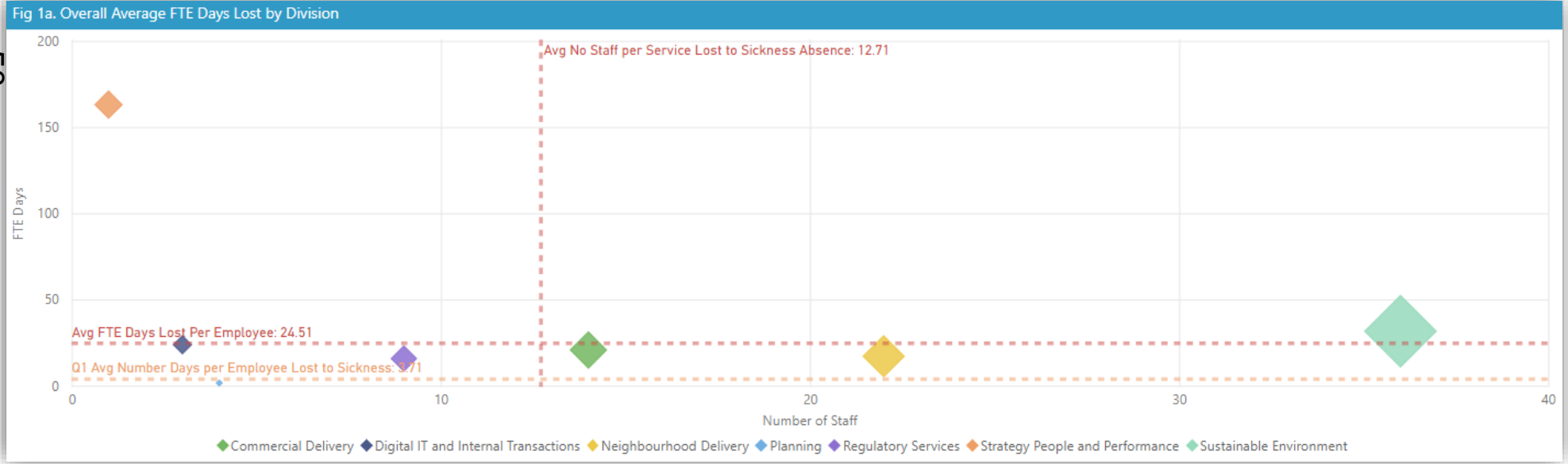
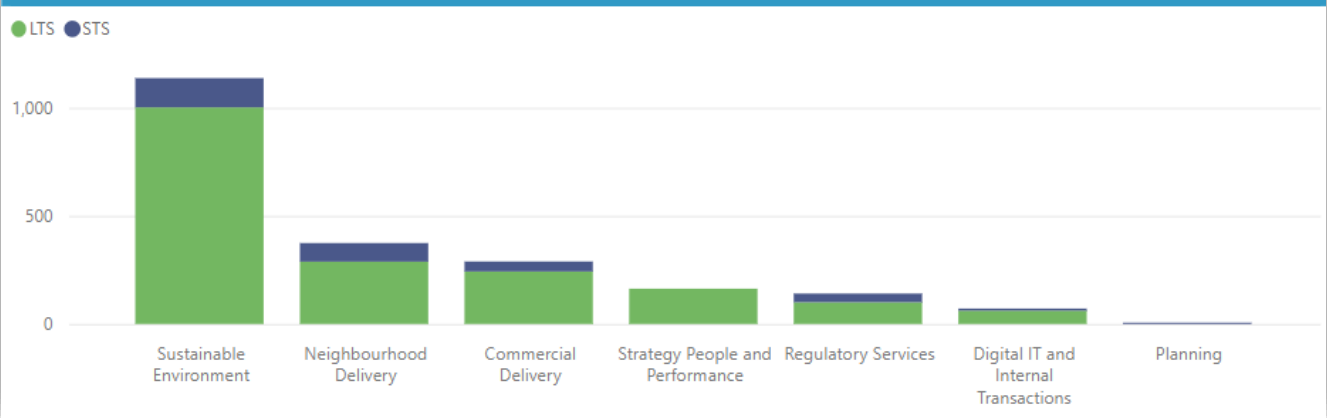


Table 1a.

DIVISION	Number of Staff	Average FTE Days in Service	Sum of FTE Days in Service
Commercial Delivery	14	20.63	288.80
Digital IT and Internal Transactions	3	23.72	71.16
Neighbourhood Delivery	22	17.01	374.25
Planning	4	1.50	6.00
Regulatory Services	9	15.62	140.62
Strategy People and Performance	1	163.00	163.00
Sustainable Environment	36	31.59	1,137.16

Fig 1b. FTE Days of Sickness Loss by Team



Due to the potential differences between short term and long term sickness, the overall sickness has been split into these two categories using the same format; these are shown below as short term sickness (STS) Fig2a and long term sickness (LTS) Fig2b. Short term sickness has been defined as being 19 days or less.

Looking at STS the average FTE Days lost per employee sits at 5.14 whilst the average number of staff lost per service due to STS sits at 9.83. Again using these average lines, outliers can be identified.

- Sustainable Environment – Similar to the overall value this service is showing high numbers in terms of staff absence with STS and is also showing an above average in terms of days lost by employee, with an Average FTE Days lost sitting at 6.14. It also has the largest marker showing that it has lost the most FTE days in total within quarter 1 – being 135.14 FTE days.
- Neighbourhood Delivery – This service also shows a similar pattern to the overall value in having high staff numbers on STS. The service sits just below the average FTE days lost but it is still relatively high. Neighbourhood Delivery also has the second highest sum of FTE days lost for short term sickness.
- Commercial Delivery – This service sits around the centre mark and has been highlighted due to being over the average number of staff with STS. It is however third in terms of total FTE days lost due to STS within Quarter 1.
- Regulatory – This Service is an outlier in having a lower number of staff off for an averaged longer time period. The average time lost due to short term sickness within Regulatory sits at 6.68 FTE Days.

Table 2a.

DIVISION	Number of Staff	Average FTE Days in Service	Sum of FTE Days in Service
Commercial Delivery	10	4.63	46.34
Digital IT and Internal Transactions	2	4.72	9.43
Neighbourhood Delivery	15	4.41	66.20
Planning	4	1.50	6.00
Regulatory Services	6	6.68	40.08
Sustainable Environment	22	6.14	135.14

Fig 2a. STS Average FTE Days Lost by Division

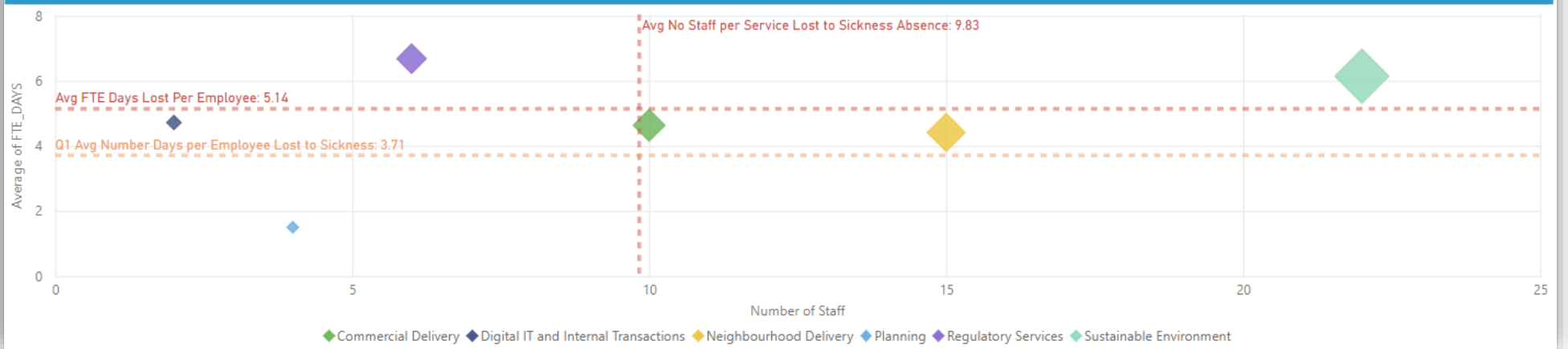
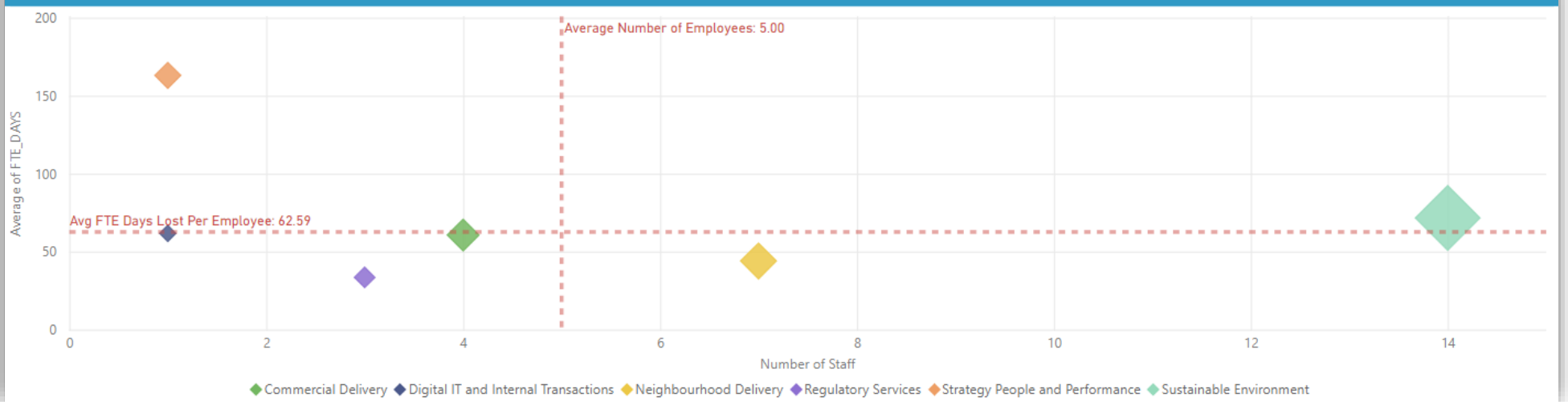


Fig 2b. LTS Average FTE Days Lost by Division



Within LTS the average FTE days lost per employee is much higher as expected as per the definition of being 20 days or higher. The average as shown within Fig2b sits at 62.59 FTE Days however the average number of staff each service has off with LTS sits much lower at 5. Using the averages again the outliers can be seen and are listed below;

- Sustainable Environment – This service again has a high number of staff on LTS; the service is also showing a slightly above average FTE days lost by employee at 71.57. It also shows the highest sum of FTE days lost within Quarter 1, losing 1002.02 FTE days due to LTS.
- Neighbourhood Delivery – Whilst having a below average number of FTE days lost per employee, this service has shown a higher than average count of staff who have been off with LTS. This has impacted the total sum of FTE days the service has lost due to LTS causing it to have the second highest FTE days lost.
- Strategy, People and Performance (SPP) – This service is an outlier in having a small number of staff on LTS but a higher than average FTE days lost.
- Commercial Delivery – Whilst this service sits below average for both number of days lost per employee and the average staff count, it has shown the third highest sum total of FTE days lost for LTS in Quarter 1 – losing 242.46 FTE days.

Table 2b.

DIVISION	Number of Staff	Average FTE Days in Service	Sum of FTE Days in Service
Commercial Delivery	4	60.62	242.46
Digital IT and Internal Transactions	1	61.73	61.73
Neighbourhood Delivery	7	44.01	308.05
Regulatory Services	3	33.51	100.54
Strategy People and Performance	1	163.00	163.00
Sustainable Environment	14	71.57	1,002.02

The top reasons for sickness in Quarter 1 2023/24 can be quickly identified using the below pie chart (Fig3a.) where Stress (incl Work related stress), Anxiety, Depression and Musculoskeletal absence reasons make up 65.22% of the total reasons.

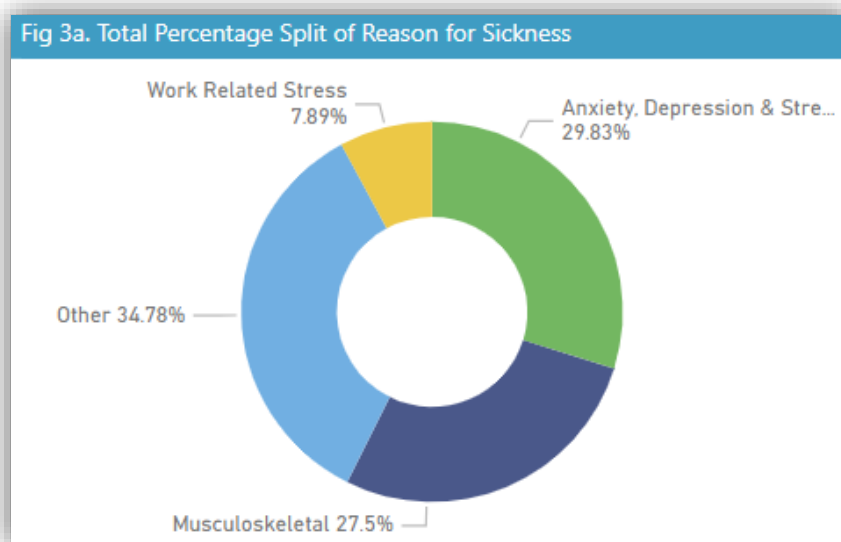


Table 3a shows the breakdown of the top ten reasons for sickness absence within Quarter 1 with the average FTE days lost per employee and the total FTE days lost because of the reason. It identifies again the top two reasons being Musculoskeletal and Stress, Anxiety and Depression.

Table 3a

REASON (groups)	Number of Staff	Average FTE Days lost per Employee for Reason	Sum of FTE Days for Reason
Accident at Work	2	63.50	127.00
Anxiety, Depression & Stress	14	41.89	586.45
Cold/Influenza	8	5.99	47.92
Ear/Nose/Throat Disorder	4	1.19	4.74
Eye Condition	2	23.40	46.80
Migraine/Headache	6	4.37	26.24
Musculoskeletal	17	35.29	599.88
Other	15	16.63	249.42
Post Operative Debility	9	26.84	241.54
Virus	4	16.28	65.13
Vomiting and Diarrhoea	6	2.31	13.87
Work Related Stress	2	86.00	172.00

Additional scatter graphs have been created to show the two top sickness reasons against each service to understand and compare. These have been split in terms of STS and LTS to ensure data is not skewed.

Anxiety, Stress and Depression (including Work Related Stress).

When focusing on short term sickness, the average FTE Days lost per employee for this reason sits at 9.43 whilst the average number of staff lost per service due to sickness falls relatively low at 1.6. The average FTE days lost per employee is significantly higher than the overall average for short term sickness suggesting that this type of sickness results in a longer absence period. This is also reiterated when looking at long term sickness where the average FTE days lost is 83.01 for Anxiety, Stress and Depression which is over 20 days longer than the overall LTS average FTE days lost per employee.

For short term sickness Anxiety, Stress and Depression (including Work Related Stress) scatter graph Fig 3b helps to show the significant outliers.

- Neighbourhood Delivery – This service has an average STS FTE Days lost per employee at 12.74 with a Sum FTE days lost for the service sitting at 38.21 for Quarter 1. The latter measure being the largest for the 5 services affected. It also shows the highest number of staff off for this reason within Q1.
- Sustainable Environment – There was 9.5 average STS FTE days lost per employee for this service sitting slightly above the overall average. This service was the second highest in terms of total summed FTE days lost falling at 19 in total for Quarter 1.

Long term sickness Anxiety, Stress and Depression (including Work Related Stress) scatter graph Fig 3c has been created to show the significant outlying services. For LTS there are a high number of services which are above average for both staff count and average FTE days lost per employee.

- Neighbourhood Delivery – Shows a high number of staff lost due to sickness absence but the average time lost by employee is below the average, this service’s average FTE Days lost per employee sits at 49.51. It also has the second highest total FTE days lost within quarter 1 with a measure of 198.05 days lost. Given the higher FTE days per employee lost under STS, this service could soon show the most FTE days lost for LTS if STS sickness isn’t improved for this sickness reason.
- Sustainable Environment – Falls just above the average for both FTE days lost per employee and number of employees. It has the largest total LTS FTE days lost for the quarter with a measure of 204 days lost for this reason.
- Commercial Delivery – This service has a lower than average staff count but the staff who have lost LTS FTE days have lost a higher number of days.
- Strategy, People and Performance – as per Commercial Delivery, this service has a low staff count for long term sickness absence but the average time these staff lose is much higher than the average for this reason type.

Musculoskeletal

For at short term sickness for this sickness reason, the average FTE Days lost per employee measured at 5 whilst the average number of staff lost per service due to sickness measured at 4. There are only two services which have this type of sickness absence under STS, with only Sustainable Environment showing a key outlier, detail of which is listed below;

- Sustainable Environment – Shows a higher than average number of staff and also the average FTE days lost per employee is higher with a measure of 6.26. As a sum total for short term sickness this service has lost 37.57 FTE days within Quarter 1.

Long term sickness for this reason shows a similar trend. Average FTE days lost per employee for this reason falls at 62.21 with the average number of staff lost per service is 2.25. The key outlier again is Sustainable environment;

- Sustainable Environment – As per Short term sickness this service has a higher number of staff absent due to this reason and also a higher than average FTE days lost per employee with a measure of 79.67 days. In total this service lost 478.02 FTE days in quarter 1 because of this reason.

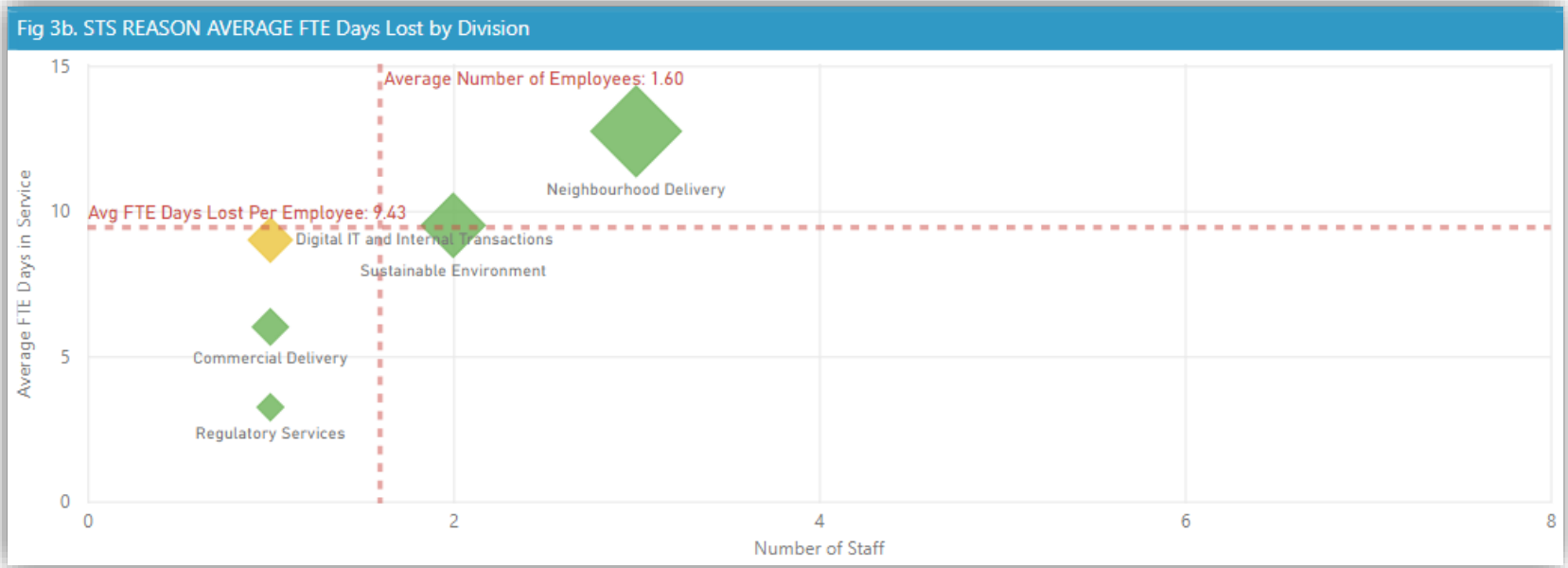
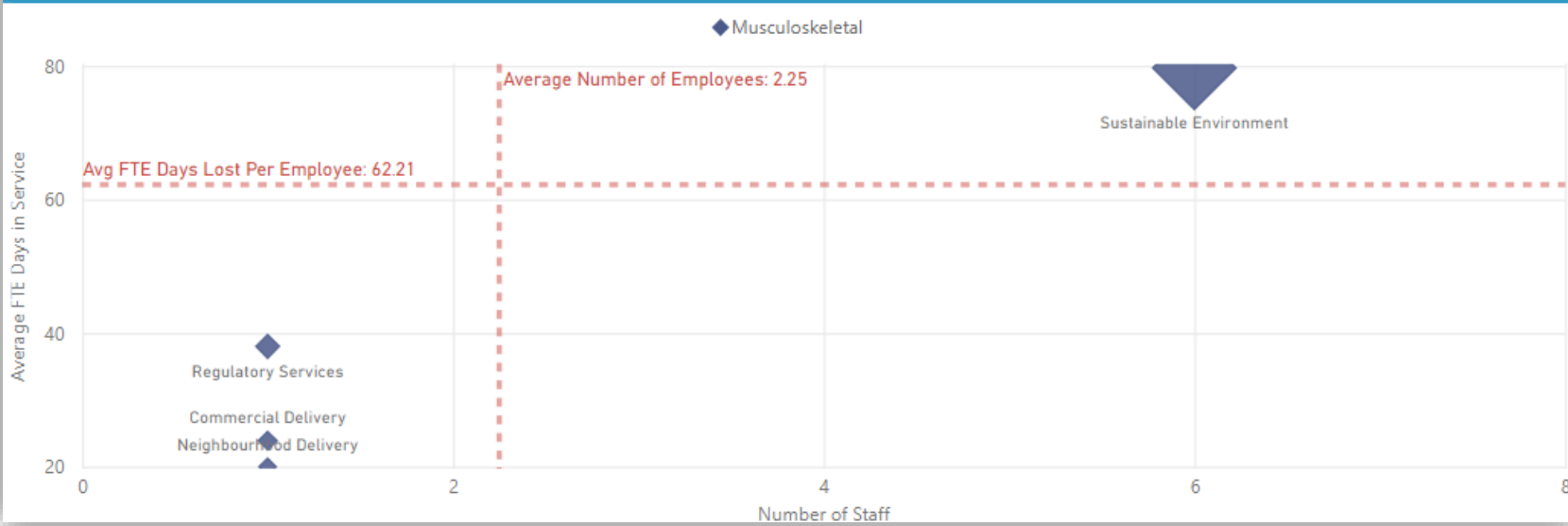


Fig 3d. STS REASON AVERAGE FTE Days Lost by Division



Fig 3e. LTS REASON AVERAGE FTE Days Lost by Division



Possible causes

In looking at all the data available from across the council, there is a potential relationship between musculoskeletal sickness absence and the age of the workforce within Sustainable Environment. This service has a higher number of roles that require manual labour and is partnered alongside an aging workforce; with the service having the highest number of staff aged between 50 and 64 (Fig 4a). Given these two metrics there is the suggestion that the two variables are related however due to limitations on the MyView data, age of absent staff members is not available so this cannot be verified at present. If more metadata around the absentee staff was available then further additional analysis could be undertaken.

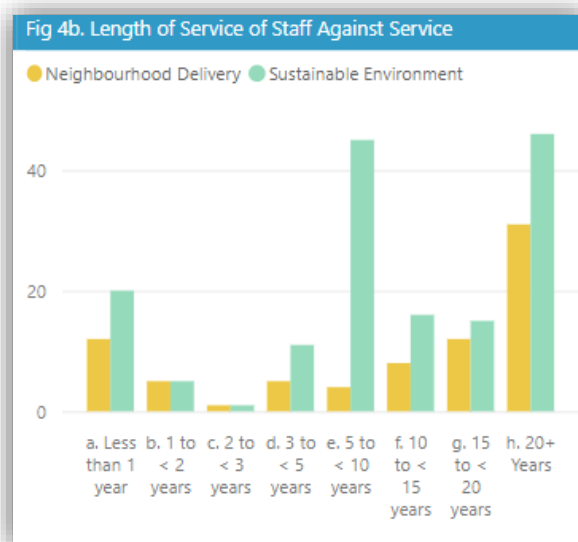
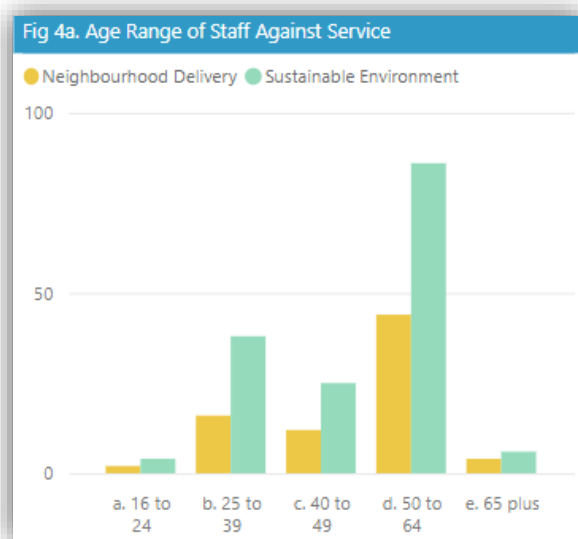


Fig 4b shows the number of staff and the length of service. Again, the longest timeframe of 20+ years' service for Sustainable Environment is the highest in the council. Due to data limitations, it cannot be confirmed if the staff who have worked for the council for 20+ years

have done so in the same role, however it is likely that they may have been doing similar roles which could potentially require some form of manual labour, in turn this could provide another relationship to musculoskeletal sickness absence reason.

Anxiety, Stress and Depression can have numerous factors impacting it. Given this nature of the sickness absence reason the relationship between possible causes cannot be fully confirmed. However, it must be noted that Neighbourhood Delivery has currently been undergoing an organisational restructure. This service has shown one of the higher numbers in terms of staff who have been absent and also the average time lost due to this reason as per Fig3b and Fig3c. Whilst it cannot be confirmed in terms of data, the uncertainty of people's roles is likely to have had an impact on Staff sickness. Due to the high STS volumes within quarter 1, it is likely to result in greater LTS for future quarters for this service and sickness reason.

Summary

The main service areas for review based on the data from quarter 1 would be Neighbourhood Delivery and Sustainable Environment which feature regularly across the report; specifically in terms of the two main sickness reasons. These two services will have impacted the overall measure and likely to be impacting the Councils Quarter 1 performance measure for average sick days per employee being calculated at 3.71 days (sitting above the targeted 2.2 days.). Services such as Strategy, People and Performance and Commercial Delivery have a small number of staff on long term sick due to Stress, Anxiety and Depression and whilst the number of staff is low, the length of time lost is well above average and should also be reviewed as an outlier. To help with further review, additional metadata could also be sourced to help identify trends and causes to absentee staff to help gain a greater understanding.

Appendix 2 Extract from Sickness Absence Action Plan



Extract of sickness
action plan.xlsx

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

CORPORATE LEADERSHIP TEAM'S REPORT TO

Finance Assets and Performance Scrutiny Committee 25 September 2023

Report Title: Medium Term Financial Strategy 2024/25 to 2028/29

Submitted by: Service Director for Finance (Section 151 Officer)

Portfolios: Finance, Town Centres and Growth

Ward(s) affected: All

Purpose of the Report

To present an update regarding the financial pressures facing the Council for the period 2024/25 to 2028/29.

Recommendation

- 1. The funding pressures of £2.751m in 2024/25 and £5.082m over the 5-year period covered by the Medium-Term Financial Strategy (MTFS) be noted.**
- 2. The approach regarding the development of savings and income generation proposals in the medium-term be noted.**
- 3. Note the continued uncertainty regarding the medium-term impact of local government funding and the Cost-of-Living crisis. The Portfolio Holder for Finance, Town Centres and Growth will be writing to Central Government and Local MP's to lobby for funding to assist with the additional pressures in respect of the national pay award and temporary accommodation.**

Reasons

To ensure that the Council meets its statutory duty to set a balanced budget in February 2024.

1. Background

- 1.1 Full Council agreed a Medium-Term Financial Strategy (MTFS) for the period 2023/24 to 2027/28 in February 2023 as part of the budget setting process. This report updates the assumptions regarding financial pressures facing the Council from that time and sets out the strategy for development of the 2024/25 budget and MTFS for 2024/25 to 2028/29.**

2. Issues

- 2.1 The MTFS provides an overarching framework for the allocation of resources to the Council's key priorities as set out in the Council Plan.**
- 2.2 After a ten year period of austerity together with the current cost of living pressures, the financial strategy will focus on the need for the Council to become self-sustaining through developing a strong and growing tax base, making best use of its resources, promoting an "everyone's responsibility" culture in which there is widespread internal ownership of the**

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

- 2.3 It is currently unclear when the Government will press ahead with plans for a business rates reset which would see the accumulated growth built up since 2013/14 being redistributed across the system. As a member of the Staffordshire Business Rates Pool the Council currently saves £0.890m per annum in levy payments which would be payable to the Treasury if the Council ceased to be part of a pooling arrangement. In addition to this, growth within the Borough has enabled a further £2.220m of business rates income to be retained by the Council (this has been recognised in previous savings) over and above the funding baseline set by Central Government. In the event that a business rates reset goes ahead strong lobbying will be required to ensure that appropriate transitional arrangements are in place to cushion the impact locally.
- 2.4 The Council has been successful in securing resources required to regenerate the Borough via Town Deals and Future High Street Fund funding. It is important that the Council continues to work closely with Staffordshire County Council to secure inward investment in the Borough to drive growth and employment opportunities for local people.
- 2.5 The current MTFS approved by Council as part of the budget setting process in February 2023 forecast a budget gap of £5.873m over the period 2023/24 to 2027/28 (including £1.593m for 2024/25). The MTFS is being rolled forward by a year and assumptions are constantly revisited. The current forecast around financial pressures facing the Council is for a gap in 2024/25 of £2.751m and over the 5-year period of the MTFS, £5.082m. Further details are shown in Appendix A.
- 2.6 The revised budget gap provides for a 3% pay award in relation to 2024/25. It also provides for a £1,925 per FTE pay award in relation to 2023/24 as per the latest employers offer, this was not budgeted for in full for 2023/24, the MTFS originally allowed for a 4% pay award, however due to the Cost of Living crisis, increasing inflation and interest rates, a pay offer of £1,925 per FTE or of around 6% has been mooted. This pay offer is an increase when compared to the 4% previously built into the MTFS.
- 2.7 Considerable pressure will continue to be placed on the Council's finances in the medium term as a result of a number of national issues. These include the proposed Local Government pay award offer, the additional pressure that rising inflation and interest rates are or will be placing on the Council in terms of fuel and utilities, contractor costs, supplies and services and borrowing costs and the rising costs and availability of temporary accommodation that the Council is required to provide for vulnerable and homeless residents. Since the award of a number of regeneration grants, inflation costs have considerably increased which in turn has resulted in increases in contract prices for projects.
- 2.8 Work on the detail of the 2024/25 budget including investment and savings proposals is underway and is being overseen by an Efficiency Board chaired by the Leader of the Council. Draft budget proposals will be presented to Finance, Assets and Performance Scrutiny Committee (FAPSC) in December.
- 2.9 Based on this work, key themes for further exploration are anticipated to include digital transformation, the One Council programme, commercial opportunities and asset management.
- 2.10 A full risk assessment is being carried out on the Council's reserves. A preliminary assessment suggests that a minimum General Fund reserve of £1.910m will be required to provide sufficient cover for potential risks. Further consideration of the levels of other reserves held will be considered as part of this assessment.

- 2.11 The Council agreed a 10 year capital strategy in February 2023. The capital strategy sets out how the Council will invest capital resources to support service delivery and facilitate the achievement of key objectives. The strategy has been reviewed and updated including expected capital receipts from asset disposals.
- 2.12 The capital financing requirement is estimated to increase to £42.380m by 2033/34 based on the current capital programme and the revenue implications have been reflected in the revised MTFS. It is anticipated that the current revenue budget of £0.431m will need to be increased by £0.471m to provide for borrowing costs that may be incurred during 2024/25 if the programme remains as is.
- 2.13 It should be noted that the MTFS will need to be updated in the coming weeks regarding the Council's carbon journey to net zero by 2030. Further details will be provided in a report which will be taken to Cabinet in October, following which the MTFS will be updated accordingly. Part of the Capital Programme review considers the Council's green agenda on current projects in order for the Council to align the budget to the net zero priority.
- 2.14 The table below sets out the key dates of the events to take place before the budget for 2024/25 is finally approved:

Event	Committee	Date
First draft savings proposals	Cabinet	5 December 2023
Budget consultation	Proposed to run during December	
Scrutiny of first draft savings proposals	FAPSC	13 December 2023
Approval of final MTFS & consideration of draft budget proposals	Cabinet	16 January 2024
Scrutiny of draft budget proposals	FAPSC	18 January 2024
Final budget proposals recommended for approval by Full Council	Cabinet	6 February 2024
Full Council to approve budget	Full Council	14 February 2024

3. **Proposal**

- 3.1 That Finance, Assets and Performance Scrutiny Committee note the funding gap of £2.751m in 2024/25 and £5.082m over the life of the MTFS.
- 3.2 That Finance, Assets and Performance Scrutiny Committee note the approach regarding the development of savings and income generation proposals in the medium term.
- 3.3 That Finance, Assets and Performance Scrutiny Committee note the continued uncertainty regarding the medium-term impact of local government funding and the Cost-of-Living crisis. The Portfolio Holder for Finance, Town Centres and Growth will be writing to Central Government and Local MP's to lobby for funding to assist with the additional pressures in respect of the national pay award and temporary accommodation.

4. **Reasons for Proposed Solution**

- 4.1 The Council has a statutory duty to set a balanced budget by February 2024. Best practice is for financial planning to take place over a 5-year period in the form of a Medium-Term Financial Strategy that sets out how the Council plans to allocate resources to meet its objectives.

5. **Options Considered**

5.1 None.

6. **Legal and Statutory Implications**

6.1 The MTFs is not a statutory document but it is considered best practice.

7. **Equality Impact Assessment**

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

8. **Financial and Resource Implications**

8.1 These are addressed in the body of the report.

9. **Major Risks**

9.1 Section 25 of the Local Government Acts 2003 places a duty on the Section 151 Officer to report on the robustness of the budget. The main risks to the budget include spending in excess of budget; income falling short of the budget (including capital receipts from disposal of assets); and unforeseen elements such as changes to Government funding. In the context of the cost-of-living crisis 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.

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 MTFs as part of the budget setting process will be a key decision.

12. **Earlier Cabinet/Committee Resolutions**

12.1 None

13. **List of Appendices**

13.1 Appendix A – MTFS 'Gaps'

14. **Background Papers**

14.1 None

Appendix A – 2024/25 to 2028/29 MTFS ‘Gaps’



Detail	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Description
Employees:						
Increments	40	10	2	-	-	Employees due an increment
Pay awards	730	427	440	453	467	3% pay award assumed for all years plus £1,925 per FTE re. 2023/24
Superannuation increases	169	96	97	100	103	22% of increase in salaries
Superannuation lump sum increases	39	41	43	45	45	Net increase of lump sum pension payment
National Insurance	106	60	61	63	64	National insurance on increase in salaries (increments and pay awards)
Premises:						
Business Rates	30	32	33	34	35	Inflationary increase in business rates payable (per CPI)
Utilities	26	27	28	29	30	Inflationary increase in gas and electric (per CPI)
Transport:						
Fuel	12	13	14	14	15	Inflationary increase in fuel (per CPI)
Hydrotreated Vegetable Oil	9	9	9	10	10	Inflationary increase in HVO (per CPI)
Financing:						
Borrowing costs	471	640	26	86	32	Borrowing costs regarding the financing of capital expenditure
New Pressures:						
ICT software, hosting and maintenance	100	10	10	10	10	ICT costs re. systems maintenance and software licences
Audit fees	100	-	-	-	-	Increase in external audit fees
Temporary accommodation/vulnerable residents	500	-	-	-	-	Increase in both demand and costs
Waste/Recycling driver cover	60	-	-	-	-	Increased level of cover required by the service
Staff Retention	40	-	-	-	-	Initiatives to encourage staff retention
Market Stalls	57	-	-	-	-	Putting up and taking down of temporary stalls to enable event space
Income:						
Fees and charges	-266	-277	-288	-300	-312	4% increase in fees and charges
New Homes Bonus	500	-	-	-	-	Drop out of New Homes Bonus legacy payments
Government grant	12	12	12	12	12	Reduction in Housing Benefit /Council Tax Admin grant
Business Rates baseline funding level	-164	-170	-177	-184	-192	Inflationary increase in baseline funding level (per CPI)
Income pressures	180	100	100	100	100	General income shortfalls
TOTAL GAPS	2,751	1,030	410	472	419	

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**CORPORATE LEADERSHIP TEAM'S
REPORT TO
FINANCE, ASSETS & PERFORMANCE SCRUTINY COMMITTEE**

25 September 2023

Report Title: Asset Management Strategy

Submitted by: Deputy Chief Executive

Portfolios: Portfolio Holders - Finance, Town Centres and Growth, and Sustainable Environment

Ward(s) affected: All

<u>Purpose of the Report</u>	<u>Key Decision</u> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
To seek Scrutiny approval to the new Asset Management Strategy.	
<u>Recommendation</u>	
That	
1. Scrutiny Committee reviews the Asset Management Strategy 2023-2028 and provides feedback to the Portfolio Holder for Finance, Town Centres and Growth.	
<u>Reasons</u>	
The Council has an adopted Asset Management Strategy 2018/19-2021/22. It is important that the Council has an up-to-date strategy which outlines the Council's approach to managing its assets, including the disposal of sites which are surplus to operational requirements and may have alternative uses. A new strategy has been produced taking into account the Council's progress in delivering the current strategy and the needs moving forward over the next 5 years. This strategy is timetabled to be considered by Cabinet on 19 th September and it is appropriate that Scrutiny Committee provides any comments to the Portfolio Holder for further consideration.	

1. Background

1.1 The Council's Capital Strategy and Asset Management Strategy are key documents evidencing the Council's approach to its use of resources. The Asset Management Strategy provides a clear framework for understanding the value and condition of property owned by the Council so that, in turn, investment decisions can be taken to optimise the use of the said land/property

to meet the needs of the Borough’s residents, businesses and visitors. This Strategy along with the Council’s Capital Strategy seeks to demonstrate alignment with, and delivery of, the Council’s ambitions as set out in the Council Plan.

- 1.2 The current Asset Management Strategy was adopted in 2018 therefore it is appropriate to review and adopt a new Strategy.

2. Issues

- 2.1 The Asset Management Strategy directs the Council’s disposal of surplus land and property assets. Since the 2018 refresh of the Asset Management Strategy, the Council has successfully delivered key disposals, the main ones are detailed below, totalling circa £6.1m:

Freehold sale – Eccleshall Road, Loggerheads	Mar-21
Freehold sale- 20 Sidmouth Ave, Newcastle	Nov -21
Freehold sale – Apedale, Chesterton	Nov -21
Covenant release – Midway, Newcastle	Dec-21
Freehold sale – Market Drayton Road Newcastle	Apr-22
Freehold sale – Knype Way, Bradwell	Jan-23

- 2.2 As part of the Council’s Sustainable Environment Strategy, approved by the Council in December 2020, there is a desire to create Carbon Capture Areas within the Borough. These consist of 60 council owned green spaces and have been saved for tree planting and other environmental improvements which is taking place as part of the wider Urban Tree Planting Strategy. To date four phases have been completed and a further phase in planned for Winter 23.

- 2.3 The proposed Asset Management Strategy 2023-28 sets out the approach to managing the two types of Council assets; the operational and the commercial. The Council holds a wide range of assets for a wide range of functions. It is necessary for the Council to ensure these continue to deliver our service needs and wider community objectives. A key element is ensuring that all buildings and land holdings continue to meet the needs of our users and are effective to manage. The Council needs to ensure that assets maximise income where they are commercial assets to ensure that the Council generates needed income to support the operational costs and investment plans.

- 2.4 The new Strategy builds on the previous strategy and has been set out with an appendix for the Asset Management Plan which sets out the sites recommended for disposal and the current position in respect of the Property led projects. The strategy has clarified the consultation process so it is clear when and what consultation is undertaken.

2.5 The full list of sites included in the refreshed Asset Management Plan are outlined in the annex. The key sites notable as works in progress are:

2.5.1 Planned Capital Works and Projects

Ryecroft

Ryecroft is the site of former Civic Offices and the former Sainsburys supermarket and car park. The Council is to redevelop this site and the proposals are set out below:

Planning permission has been approved to develop a new multi-storey car park (Castle car park) on the western third of the site. This is being partially funded by the Future High Street's fund.

The plans for the middle part of the site include the possible provision of a new hotel.

Options are currently being considered for the remainder of the site.

York Place Shopping Centre

The Council acquired the York Place shopping centre in early 2022 to facilitate the delivery of the Future High Street Fund regeneration proposals and improvements to the town centre. There are only two commercial tenants remaining in the Centre that are due to relocate elsewhere in the Town in the near future. It is proposed to redevelop the site with a mixed use development which will include a small public square in the centre.

Midway Car Park

Upon completion of the Castle car park on the Ryecroft site, the Midway Car Park will become surplus to requirements and therefore alternative uses will need to be considered. The proposal is to redevelop the site with a contribution from the town deal monies.

Land Adjacent to Keele Cemetery

There are plans to install a solar energy installation on Council owned land that is adjacent to Keele Cemetery, this project is in the planning stage and further details will be provided in a report to the October Cabinet meeting.

2.5.2 Asset Disposals

Knutton

One of the major Newcastle Town Deal projects is to master plan parts of Knutton, The former clinic was acquired and subsequently demolished along with the adjacent community Centre. It is proposed that this along with the site of the former Knutton Recreation Centre be redeveloped for both residential and industrial purposes. This involves disposing of land to Staffordshire County Council to extend its enterprise centre, the building of a new village hall which will remain in the Borough Council's ownership and the disposal of the remainder of the land for residential development.

As part of this masterplan a new football changing facility is to be built at the Wammy. The Council will retain ownership of this asset and lease is to a community group.

Parkhouse West

This site was approved in the last Asset Management Strategy for disposal for industrial development purposes. Options for disposal are currently being considered.

Town Centre Car Parks

Once Castle car park has been completed, the car parks listed below will potentially become surplus to requirements and therefore alternative uses may need to be considered. These will be consulted on in accordance with the consultation process as set out in Section 8 of the Strategy. Additionally these sites have been put forward to the Planning Authority for consideration as potential bonus / windfall sites within the new Local Plan and will be subject to review as to their merits under the Planning framework, prior to their reclassification and potential disposal.

Consideration as part of the draft Local plan consultation has prompted petitions to be raised particularly regarding the significance of the Hassell Street Car Park for local businesses. Reflecting this, officers will be required to bring forward proposals for development which include the provision of some public parking spaces at Hassell Street and others as appropriate.

Blackfriars car park, Newcastle	0.32 acres
Blackfriars car park, Newcastle	0.21 acres
Hassell Street, Newcastle ST5 1AY	0.32 acres
Cherry Orchard Newcastle ST5 2UB	0.30 acres
Goose Street Newcastle ST5 2EA	0.84 acres
Borough Arms King Street Newcastle ST5 1HX	1.39 acres
Bankside/ Well Street Newcastle ST5 1BP	0.10 acres

Former Keele Golf Course

As per the previous Asset Management Strategy's, the former Keele Golf Course site is again listed for possible disposal. The site is currently classified as Green Belt land. Prior to any Council build out and/or sale to third party developers, this classification will need to be changed to allow for any residential development. As noted within this report in previous sections, the Local Plan is currently out for consultation and a new Draft Local Plan will be published in 2024, with a view that the Plan is either adopted or not after a Planning Inspectorate Inquiry. The proposal is for 900 homes but until the Green Belt classification is amended or not, no such development or sale can be considered.

2.5.3 Other Projects

Chatterley Valley

The Council is currently working with the land owner on the development of the overall site and there is a potential for the Council to invest in the site for commercial returns and regeneration of the site – to bring employment opportunities to the Borough as set out below:

Plot D - to construct a circa 120,000 sq. ft. unit which will be let to an advanced ceramics organisation and associated research facility,

Plot C - to construct a circa 78,000 sq. ft. of industrial space which will be, split into units ranging from 19,000 sq. ft to 33,000 sq. ft. When built these units will form part of the Council's non-operational (investment portfolio) and be leased out.

Kidsgrove

There are plans for the creation of a shared service hub in Kidsgrove. This is on land partly owned by the Council that is currently used as a car park (Meadows Road Car Park) and an adjacent piece of privately owned land. NBC will own the building, but Kidsgrove Town Council will lease it from the Council. There are also planned associated public realm improvements.

Refurbishment of Kidsgrove Town Hall to create lettable office space to be funded through shared prosperity.

Creation of a Circus Heritage Centre.

Initially refurbishing a unit on Merrial Street in the Council's ownership with intended occupation for 2 years and then a move to a redeveloped York Place. This is to be funded through the Town Deal.

2.5.4 Government Funding

The Council is in receipt of government funds which include Town Deal, Future High Street and the Shared Prosperity Funds. Some of these funding streams directly impact Council assets, the major schemes are set out in sections 12-14 of the Strategy. The remainder of these projects are set out below

Kidsgrove Town Deal

Construction of an access road is planned at Chatterley Valley to facilitate industrial development.

Refurbishment of Kidsgrove Railway Station and creation of a transport hub is also planned. The land areas involved in this project are owned by Network Rail and operated by East Midlands Railway.

There are a number of planned improvements that will be made to the Canal towpath on land that is owned by the Canal & River Trust. (Some shared prosperity fund is also to be used for this)

Newcastle Town Deal

Digital Infrastructure Project – This project is still under development but is likely to include enhancing Wi-Fi provision in the town centre and possibly some form of fibre connection.

Sustainable Transport Solutions - A mix of measures are being introduced in regards to public transport. A new bus entrance is planned at Keele University (on land owned by the University), installation of real time passenger information at Newcastle Bus station and other locations and plans to improve bus service reliability with Keele University.

Electric Vehicle charging points are to be installed at the new multi storey car park at Ryecroft.

The former Zanzibar nightclub (Aspire Housing owned) has been demolished. It is intended to be replaced with residential development, along with approximately 6 small enterprise units which the Council will own and manage.

Digital Society – The Town Deal will fund the conversion of a town centre building for use by Keele University for a learning / enterprise space, which will include some form of food offering. The building is owned by Keele University.

Cross Street Chesterton – The plan for this project is that the Town Deal Council will fund the re-development of the current housing land that is owned by Aspire housing in this area.

Future High Street Fund

A public realm and market improvement project is planned, which will see a proportion of the fixed stalls removed, and installation of mobile seating and space for pop-up gazebos for specialist markets.

Shared Prosperity Fund

Improvements are planned for Clough Hall Park in line with the existing masterplan.

The creation of a Homeless Hub is also planned, although the site has not yet been defined a building has been earmarked for purchase (subject to proof of the business case) and satisfactory terms agreed with the current owner.

3. Recommendation

- 3.1 Scrutiny Committee reviews the Asset Management Strategy 2023-2028 and provides feedback to the Portfolio Holder for Finance, Town Centres and Growth.

4. Reasons

- 4.1 In order to effectively manage a wide range of capital projects which require significant financial investment the Council needs to understand and plan for the appropriate disposal of assets no longer needed and that may deliver against other objectives such as the delivery of housing.

5. Options Considered

- 5.1 If the Council did not actively fulfil its Asset Management role it would not be possible to either manage assets dynamically or demonstrate the rationale for investment; thereby exposing the Council to criticism that it had a weak approach to the management and use of its physical resources.
- 5.2 More importantly and practically, if capital receipts are not generated through the disposal of assets or there is a delay in this happening, this will mean that it will be necessary to either abandon or postpone investment in the capital programme or to find an alternative source of funding, most likely to be further borrowing (the revenue consequences of which would need to be addressed as part of the General Fund budget setting process).

6. Legal and Statutory Implications

- 6.1 The Council has a duty, both fiduciary and operationally, to utilise its Assets for the benefit of the community.
- 6.2 The Local Government Act 1972 (as amended) – Section 123 - the Council has a duty to achieve best consideration when disposing of its assets.

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

7. Equality Impact Assessment

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

8. Financial and Resource Implications

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

9. Major Risks & Mitigation

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

10. UN Sustainable Development Goals (UNSDG)

10.1 This Strategy is intends to ensure that the assets held by the Council support the corporate objectives and service needs. Where assets can be disposed this may contribute to better land use, all of which would be subject to the normal controls that the Planning system holds. In that respect, the project supports the realisation of the following UNSDG objectives:-



11. Key Decision Information

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

12. Earlier Cabinet/Committee Resolutions

12.1 Cabinet 19th September 2018 adopted the current Asset Management Strategy.

13. List of Appendices

13.1 Asset Management Strategy.

14. Background Papers

14.1 None.

ASSET MANAGEMENT STRATEGY

2023 - 2028



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1. Foreword

The Council's Capital Strategy and Asset Management Strategy are key strategies that establish the Council's approach to its use of resources. The Asset Management Strategy provides a clear framework for understanding the value and condition of property owned by the Council so that, in turn, investment decisions can be taken to optimise the Council's asset portfolio to meet the needs of the Borough's residents, businesses and visitors. As we move into the future with a new set of challenges and priorities, we have had to tailor the Asset Strategy in such a way as to meet those challenges head on, whilst taking other Council-wide strategies into consideration. This Strategy builds on the previous Asset Management Strategy.

By having an Asset Management Plan as part of this Asset Management Strategy for 2023 to 2028 the Council is well placed to ensure we are able to adapt to the changing market and deliver our corporate priorities.

Cllr Stephen Sweeney

Deputy Leader of the Council and Portfolio Holder - Finance, Town Centres and Growth

MISSION STATEMENT

“Our mission is to establish an Asset Management Strategy that reduces ongoing expenditure, increases investment income and renews and grows the Council’s asset portfolio so that we can provide the highest attainable standard of buildings and facilities for the people of Newcastle-under-Lyme.”

2. Background

- 2.1 The Borough of Newcastle-under-Lyme is part of the conurbation of North Staffordshire. It is the most populated district in Staffordshire with a population of around 125,000 and has an area of 81 square miles. The two main towns within the Borough are Newcastle-under-Lyme and Kidsgrove, and there is an extensive rural area to the west/south-west of the urban area.
- 2.2 The industrial base of the Borough has changed significantly in the last century, with the closure of local coal mines and the development of the distribution sector. Service industries are the largest employers in the area, with the number of people employed in water, energy and construction industries being higher than average. The presence of Keele University with the growing number of hi-tech, research and medical technology businesses in its Science and Innovation Park, along with the medical school demonstrates the potential for added value growth of the area.
- 2.3 Newcastle town centre is recognised as being one of two strategically important centres in the North Staffordshire conurbation, with further growth predicated upon its good connections to major transport routes. In particular the emerging investment in HS2 and other transportation links means that Newcastle will become part of a wider West Midlands “commuter belt” connecting people to Birmingham and London to the south and cities in the north such as Manchester, Leeds, and Glasgow.
- 2.4 There continues to be ongoing reductions in funding provided to local authorities, government, and its agencies, arising from the need to restrain public expenditure to rebalance public finances following the global economic recession that began with the banking crisis in 2008 and more recent increase in inflation. Services remain under pressure to reduce costs and to keep fixed outgoings such as property related costs under review.

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Some specific funds have however been made available recently including the 'Town Deal', 'Future High Street Fund and the Shared Prosperity Fund and it is key that those funding sources are spent on the right projects.

- 2.5 At the same time, the Council's own resources available to finance capital projects are limited and income is key to further delivery of the capital programme. The Council continues to require receipts from land and property disposals to fund future capital programmes.
- 2.6 In 2020, Cushman and Wakefield Surveyors were commissioned to carry out an independent Investment Property Portfolio Review. A detailed statement of the Council's current property portfolio is detailed within this and some of the key findings and recommendations from that review has assisted in developing the Asset Vision and will drive much of the Asset Management Strategy between 2023 and 2028. The Cushman and Wakefield Report as referred to at Section 18 below is available upon request.

3. Core Strategic Objectives

- 3.1 The core strategic objectives for asset management are designed to support the Council's vision and priorities. They are:
- To ensure that the Council's asset portfolio supports the delivery of its services and objectives.
 - To maximise the Council's assets to deliver corporate objectives such as major regeneration programmes.
 - To ensure that all assets are demonstrably managed in the most economic, efficient, and effective manner.
- 3.2 In achieving these objectives the principles to be followed are that all operational assets must be:
- In the right location to allow customers to access the service and any other related services of partners, in suitable condition to enable staff to deliver services in a comfortable environment for both staff and customers without interruption.
 - Suitable and sufficient for the purpose for which they are being used in terms of size, type, and layout of accommodation – including accessible to people with disabilities.
 - Flexible to the extent that they can be adapted economically to adjust to changing services' needs, including sharing with partners in service delivery.

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- Able to demonstrate 'Best Value' in terms of a balance between efficiency in operational running costs and long-term sustainability.
- Able to convey a positive image of the Council and the service being provided and able to contribute positively to the immediate environment, particularly where there is a need for physical regeneration of the locality.
- Good examples of sustainable development if new or extensively refurbished.
- Maintained in such a way so as to minimise reactive maintenance by improving planned maintenance arrangements; and managed to mitigate their impact on and the effect of climate change.

3.3 All non-operational assets must be:

- Able to make the maximum contribution to service revenue budgets in terms of rental income; or
- Able to make a positive contribution to the social wellbeing of the community either through its presence as a heritage asset or through use by others such as voluntary groups, charity organisations or small businesses; or
- Retained for reasons of strategic importance, such as to influence the physical economic regeneration of the Borough.
- Please note that some non-operational assets such as xyz Business Centre are subsidised to assist new start-ups.

3.4 In order to deliver a sound, well planned asset management strategy, the Council must first analyse the current position against our vision, then set key priorities for the overall assets portfolio and for individual assets. Where there are key priorities for specific assets the Council needs to evaluate funding opportunities and timescales. When proceeding with asset purchases, sales or long term leases there needs to be clear policies, procedures and processes that will ensure the successful delivery of the overall Strategy.

3.5 The Council has ambitious plans over the forthcoming years and this strategy seeks to support these. Whenever possible the Council will seek to maximise outcomes with external funding stream and working with the best partners. Timescales for individual asset management decisions will be made taking a whole range of issues into account. This Asset Strategy has been drafted in accordance with and supportive of the Commercial Strategy.

4. Approach

4.1 As the wider landscape within the Council's asset portfolio is constantly changing and evolving and as many factors are outside of the Council's control, the general approach that has been adopted, is to:

- Establish the asset portfolio in two groups [operational and non-operational estates]
- Carry out an updated assessment of the two groups /estates (following the Cushman and Wakefield Report's headings [see Annex A]
- Establish what funding streams and capital reserves are available / allocable
- Review already planned capital works and other projects
- Establish what can and should be done to the assets in each asset class (operational and non-operational) to find savings and improve efficiency.

4.2 It is important to note that the Asset Management Strategy will be ever evolving as new challenges and objectives are revealed and as new funding sources become available.

4.3 It is paramount that any strategic objectives are fulfilled and delivered within governance rules and guidelines set out by central government, the constitution, property law and are reflective of the various other strategies across the Council

This Strategy along with the Council's Capital Strategy seeks to demonstrate alignment with, and delivery of, the Council's ambitions as set out in the Council Plan 2022-26 and is also aligned with:

- The Financial Strategy
- The Digital Agenda
- The Carbon Management Plan
- The Council's Constitution
- Local Plan including Open Space and Green Infrastructure Strategy
- Playing Pitch Strategy

The Carbon Net Zero Roadmap

4.3b The Council is leading Newcastle-Under-Lyme to a sustainable and carbon net zero future. The Council is working with partners in the private, public and educational sectors

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to create an energy efficient environment in Newcastle-under-Lyme. This should ensure that the Borough remains a preferred place in which to live, work and invest.

The Council's Carbon Net Zero Roadmap represents a further step in the journey to become a carbon net zero council. The Council has made a good start in their contribution to the Council's reduction in energy use over the past year.

The Council are working with the Carbon Net Zero Roadmap to reduce its carbon footprint as well as the carbon footprint of the Borough (by 2050) as whole, which includes our homes, businesses and public spaces. The Council are introducing energy saving measures in properties, for example the council now collect food waste to be converted into energy through anaerobic digestion. The Carbon Net Zero Roadmap is still being finalised however we are beginning to take action now to reduce and cut the emissions we produce directly and indirectly. The Roadmap alongside other strategies and information about sustainability and climate can be found on our Sustainability and the Environment webpages which will be published soon on our website.

4.3c Our approach to more efficient and carbon net zero buildings:

Newcastle-under-Lyme Borough Council is currently consulting and reviewing the energy use and consumption of its built estate. The buildings the Council owns contribute to a vast amount of emissions that we release into the atmosphere, contributing to climate change. In our soon to be released Carbon Net Zero Roadmap we will be initiating multiple projects to decarbonise our owned facilities such as J2, Knutton Lane Depot and Kidsgrove Town Hall. Our goal is to become fully carbon net zero by 2030 within the Council's built estate by developing renewable energy projects for electricity and heating, upgrading the fabric specifications (insulation) of our buildings, embedding biodiversity net gain in all our developments, facilitating sustainable behaviour campaigns and upgrading our buildings ventilation, lighting and the controls that regulate it sustainably. Our goal for 2030 within the built estate is also accompanied by our wider goal to become a net zero Borough by 2050, aligning ourselves with the UK Governments initiatives.

5. Governance

5.1 Legal and Constitutional Context

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

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- b. The Local Government Act 1972 (as amended) – Section 123 - the Council has a duty to achieve best consideration when disposing of its assets.
- c. The Local Government Act 2000 - powers to promote the economic, social, and environmental wellbeing of the Borough.

5.2 The National Context – Government Policy

Many Government initiatives, policy statements and/or guidance influence the Authority's asset policies, including:

- The Quirk review of ownership of public assets
- The Gershon Review, and the drive to improve efficiency
- The Prudential Code for the management of capital finance
- Leaner and Greener Report – Delivering effective estate management
- Leaner and Greener II – Putting Building to Work
- Penfold Review
- Laying the foundations of a Housing Strategy for England
- The Localism Act - Community Right to Bid
- The National Planning Policy Framework
- Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015

Statutory Responsibilities

5.3 The Authority as an employer, a landowner, a landlord and a provider of services, has a wide range of responsibilities with an implication for accommodation including:

- The legislative framework in respect of buildings
- A range of health and safety legislation, EEC requirements. HSE best practice and guidance notes, Industry standards and Insurance requirements.
- Carbon reduction and energy efficiency legislation and requirements.
- Equality Act 2010. This does not simply encompass accessibility considerations and should be taken into account in virtually all development and maintenance work which is carried out to ensure that every possible aspect of disability has been considered when implementing work.
- Management of the risks associated with property assets including regular maintenance and servicing to address matters such as:

- i) Legionella – A managed programme of water testing and preventative measures are carried out including weekly flushing regimes, monthly temperature tests, bi-annual bacteria testing and, as required, physical system cleansing. A robust legionella policy is in place for the council as required by law.
- ii) Asbestos – An on-going programme of surveys and management together with the use of asbestos registers and regular monitoring to prevent the release of dangerous fibres and warn of the presence of asbestos across the portfolio. A robust asbestos policy is in place for the council as required by law.
- iii) Fire Safety – The Authority undertakes Fire Risk Assessments in respect of its properties and tests fire safety equipment e.g. alarms on an annual basis. Weekly, monthly and annual testing of fire monitoring and backup systems also take place as required by the legislation to ensure that fire systems are maintained.
- iv) Gas Safety – Inspections and services are carried out on an annual basis to ensure that all gas appliances are safe to use. The correct pre-planned maintenance approach has also ensured that gas appliance failures are now very rare which has delivered a considerable saving in respect of reactive maintenance costs.
- v) Electrical Safety - An ongoing program of periodic tests is carried out to fixed wiring as required by both legislation and our insurers together with Portable Appliance Testing and emergency lighting testing.
- vi) Lifts, pressure vessels, safety line, chimney maintenance - checks are carried in accordance with best practice.
- vii) Lightning Conductors – checked in accordance with best practice.
- viii) Routine inspection and repair/maintenance of assets including tree stock, playground stock, railings and structures, footpaths and roads etc.
- ix) Testing and maintenance of generators, air conditioning and mechanical services equipment.
- x) Glass and glazing assessment.

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NB: The above summary is not an exhaustive list of statutory inspections/maintenance arrangements.

6. The Current Estate

6.1 The Council owns a broad variety of over 186 properties (buildings) ranging from crematoria to sports centres to industrial premises. As previously indicated the Council's property assets are divided into two portfolios – the operational and non-operational portfolio – see below: -

Operational assets

6.2 In broad terms this is property that is held, occupied, used, or contracted to be used on behalf of the authority in the direct delivery of services for which it has a responsibility, whether statutory or discretionary or for the service of strategic objectives of the authority. This includes 'Community Assets' which are delivering wider benefits of the community and the wider Council objectives.

6.3 This category includes (not exhaustive list):

- Castle House
- Knutton Lane depot
- Jubilee 2 Health & Wellbeing Centre
- The Museum/Art Gallery
- Crematorium and Cemeteries
- Land associated with operational property
- Parks and Open Spaces
- Historic Buildings/Monuments
- Allotments
- Sports facilities and pitches
- Community Centres
- Off-street car parks (non-fee-paying)
- Structures bridges, watercourses etc.
- CCTV infrastructure

Non-Operational Assets

6.4 These property assets are those held by the Council but not directly occupied, used, or concerned in the delivery of services, although they are likely to align with the authority's strategic objectives. Examples in this category (list not exhaustive) mainly related to commercial land and property, leased/rented to other parties, and generating income which include:

- Town Centre Retail Premises
- Industrial Units
- Offices
- Ground Leases
- Market
- Town Centre Car Parks (fee paying)

7. Key Objectives and Priorities

a. Asset Management Priorities

- Lease Renewals / Rent Reviews Backlog. As with most local authorities across the country, there is a percentage of the non-operational portfolio where leases are holding over and need to be reviewed and renewed and there are also a number of lease renewals outstanding. Many lease renewals will have been purposely left alone, to avoid tenants requesting re-gears where the rent is inevitably reduced. It is in a landlord's best interest therefore to get the timing right on when to press the tenant on rent reviews (subject to lease terms).
- There is an aspiration (subject to funding) to introduce regular building condition surveys on operational buildings on a rolling basis. The condition, sufficiency and suitability of the estate, and the associated performance measures are essential in enabling strategic decision making. This is a continual assessment process, and will inform budget setting facilitating improved service delivery, energy efficiency, and compliance with statutory requirements.
- Greater emphasis will be placed on rationalisation, refurbishment and re-use of the portfolio to deliver efficiency savings.

b. Regular Performance Analysis and Management

- The Council should re-assess processes to maximise revenue opportunities, particularly in relation to asset management.

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- There is a requirement to review all non-operational assets and the processes involved in managing investment assets and maintaining operational assets.
- Disposal of none or low income generating properties could deliver capital receipts for reinvestment in the Capital programme.
- Consideration must be given to under-utilised and unsuitable operational assets to determine opportunities for re-use, investment, regeneration or disposal. For example, the Council currently owns a number of small and outdated unused buildings such as public conveniences across the borough and consideration needs to be given on what should happen to these assets.

8. Consultation & Engagement

- 8.1 The Council constantly consults residents and key stakeholders on a wide range of issues. The aim being to become more accountable to our customers and to make our decision making processes more transparent. Communication on the challenges both in terms of policy and service delivery and finance is something that the Council is striving to deliver.

Consultation Arrangements on Future Disposals

- 8.3 The primary purpose of the consultation on potential freehold land disposals is to identify any physical, technical or other constraints that might affect the scope/opportunity for alternative use or development being pursued. The outcome of such consultation exercises, taken together with desktop technical assessments, allows the Council as a landowner to consider the latter approach. Importantly it is considered that the Town Planning processes (Local Plan and Planning Applications) should consider the appropriateness of land or property being developed or used for alternative purposes rather than the Council as landowner making potentially subjective judgements.
- 8.4 The consultation process approach involves Ward councillors being notified prior to the start of the process; notices being placed on site and; the adjacent property owners being notified, along with the Parish/Town Council, where relevant. The consultation timetable

Classification: NULBC UNCLASSIFIED

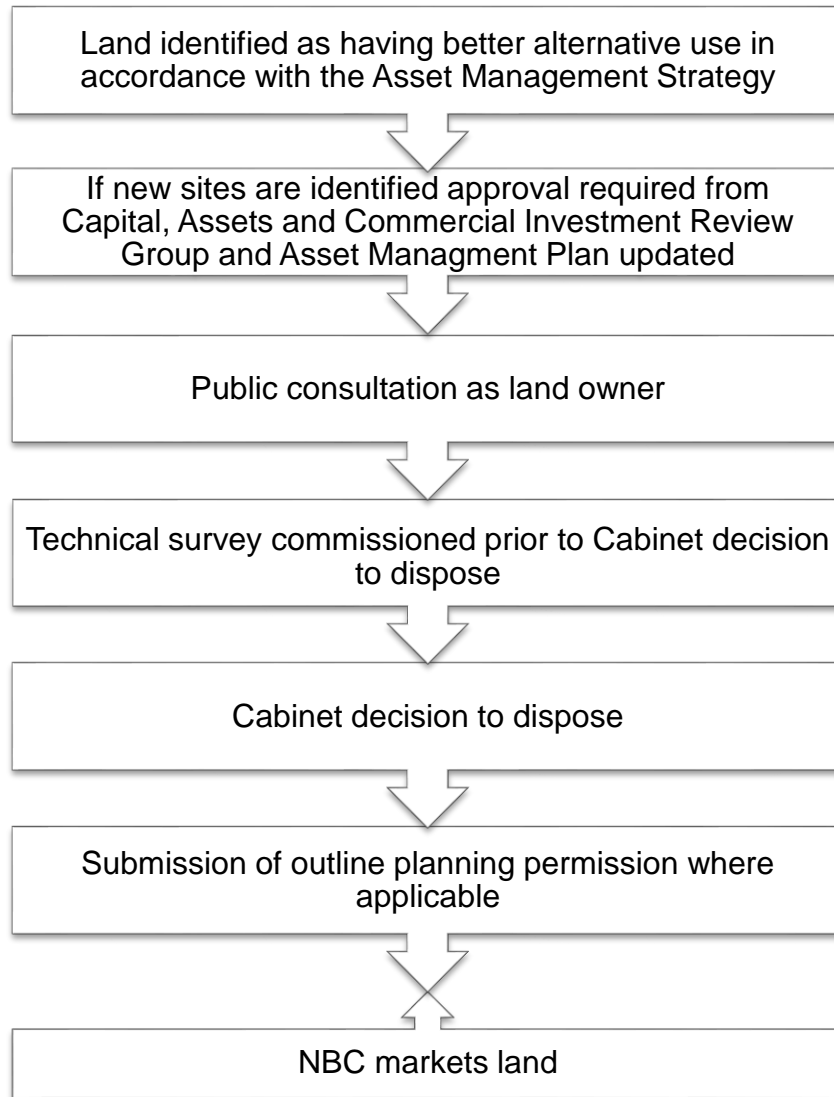
is set out below. This arrangement is considered to be generally proportionate and appropriate to the majority of sales of both land and property.

8.5 Property Description Consultation Approach

Property Description	Local members (prior to general public)	General public
Publicly accessible open space >0.5 ha.	3 weeks	6 weeks
Publicly accessible open space <0.5 ha.	3 weeks	3 weeks
Grazing / agricultural land >1 ha.	3 weeks	3 weeks
Grazing / agricultural land <1 ha.	2 weeks	2 weeks
Operational estate with active community use	2 weeks	4 weeks
Commercial, retail and industrial premises and land designated for a particular purpose i.e industrial	No consultation required	No consultation required
Incidental areas <0.1 ha of land adjacent to neighbouring property	No consultation required	No consultation required

8.6 There will however be some circumstances in respect of certain disposals, such as the disposal of disused public toilets, where a public consultation process will not be necessary or may be scaled to a more proportionate level. Other examples could include land or property where the future use is consistent with the present use (e.g. a shop premises in a shopping parade) where there is unlikely to be any public interest at stake. The approach to consultation in each case will seek to ensure that any public/stakeholder consultation is proportionate to the particular disposal.

Typical freehold land disposal process in respect of sites that require consultation above in 8.5



NB. Attention is drawn to the council's proposed approach to consultation as both land owner and as local planning authority.

9. Operational and Non-Operational Portfolio Strategy Vision

- 9.1 Our vision is for Newcastle-under-Lyme to be a sustainable and business-oriented Council that maximises commercial opportunities in order to deliver long-term benefits for residents of the borough and support the Council's medium-term financial strategy.
- 9.2 This will be achieved through:
- Generation of service efficiencies [Operational Estate (O)]
 - Generation of new income streams [Non-Operational Estate (N/O)]
 - Maximising existing revenue streams [N/O]
 - Effective procurement and contract management [O&N/O]
 - Prudent investment in income generating assets [N/O]
 - Strategic asset development [O&N/O]
- 9.3 Generating income through commercial activity that can be re-invested in local priorities, services, and improvements for our residents.
- 9.4 Building strong working relationships with public, private and third sector partners to maximise collaboration and generate efficiencies.
- 9.5 Embedding a commercial culture within the council and ensure that our staff are equipped with the skills they need to operate in a more commercial environment.
- 9.6 Supporting the council in delivering the council plan and growth agenda as a key pillar of the medium-term financial strategy and our goal of financial self-sufficiency.
- 9.7 Optimising the council's use of technology and support our digital agenda to enable new, more efficient and flexible ways of working and interacting with customers and residents.

10. Arrears / Tenant Debt Policy

- 10.1 As the Covid pandemic has hit small to medium sized businesses hard, this has had a knock-on effect to the Council's tenant debt / arrears levels. Adding the cost-of-living crisis and heightened inflation to this has increased current tenant debt levels above average.

- 10.2 That said, if the Council was to take an aggressive stance on arrears at this stage, that could lead to increased business closures and that will not benefit the Council in the medium to long term.
- 10.3 Therefore the approach to this increased level of debt must be well balanced, so as to provide an appropriate level of support, whilst remaining reasonably assertive and finding positive solutions for all stakeholders.
- 10.4 In July 2023, Cabinet approved a new Debt Recovery Policy.

11 Acquisition and Disposal Policy

- 11.1 The objectives to be achieved from any asset acquisition are that it should provide one or more of the following benefits and that the benefits are more valued than the cost of acquisition:
- a demonstrable contribution towards the delivery of the Council's priorities and the provision of its services;
 - a strategic acquisition for redevelopment or tactical purposes;
 - to facilitate economic development; or
 - to generate revenue income.
- 11.2 Where surplus capacity in property or land is identified, its future use or disposal will be considered in accordance with the Council's priorities and within the planning framework. The opportunity to share with partner organisations will also be explored as part of the options appraisal process.
- 11.3 Where property is proposed for disposal, consideration will also be given to the consequences of the piece of land or property not being subject to the Council's control in terms of standard of care, maintenance etc., by the inclusion, where appropriate, of covenants in the contract to maintain the required standards of care.
- 11.4 Options appraisals for capital investment or disposal will include whole life costings. These are the systematic consideration of all relevant costs, revenues and performance associated with the acquisition and ownership of an asset over its physical, economic, functional, service or design life.
- 11.5 The strategic approach to asset management planning will assist in the development of a more comprehensive and co-ordinated medium to long term capital budget strategy and is an important aspect in the planning of the Council's resources in delivering its ambitions and priorities.

12. Planned Capital Works and Projects

(The current position in respect of following planned capital works and projects, asset disposals and other projects, which build on the previous Strategy, are set out in the Asset Plan Table at Appendix A)

12.1 Land Adjacent to Keele Cemetery

There are plans to install a solar energy installation on Council owned land that is adjacent to Keele Cemetery, this project is currently in the planning stage.

12.2 Ryecroft

Ryecroft is the site of former Civic Offices and the former Sainsburys supermarket and car park. The Council is to redevelop this site and the proposals are set out below:

12.3.1 Planning permission has been approved to develop a new multi-storey car park (Castle car park) on the western third of the site. This is being partially funded by the Future High Street's fund

12.3.2 The plans for the middle part of the site include the possible provision of a new hotel.

12.3.3 The plans for the remainder of the site are for residential and commercial development.

12.3 York Place Shopping Centre

The Council acquired the York Place shopping centre in early 2022 to facilitate the delivery of the Future High Street fund regeneration proposals and improvements to the town centre. There are only two commercial tenants remaining in the Centre that are due to relocate elsewhere in the Town in the near future. It is proposed to redevelop the site with a mixed use development which includes a small public square in the centre

12.4 Midway Car Park

Upon completion of the Castle car park on the Ryecroft site, the Midway Car Park will become surplus to requirements and therefore alternative uses will need to be considered. The proposal is to redevelop the site with a contribution from the town deal monies.

12.5 Carbon Capture Areas

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As part of the Council's Sustainable Environmental Strategy, approved by the Council in December 2020, there is a desire to create Carbon Capture Areas within the Borough. These will consist of 60 Council owned green spaces saved for tree planting which is taking place as part of the wider Urban Tree Planting Strategy. To date four phases have been completed and a further phase is planned for Winter 2023.

13. Asset Disposals

13.1 Knutton

One of the major Newcastle Town Deal projects is to master plan parts of Knutton, The former clinic was acquired and subsequently demolished along with the adjacent community Centre. It is proposed that this along with the site of the former Knutton Recreation Centre be redeveloped for both residential and industrial purposes. This involves disposing of land to Staffordshire County Council to extend its enterprise centre, the building of a new village hall which will remain in the Borough Council's ownership and the disposal of the remainder of the land for residential development.

As part of this masterplan a new football changing facility is to be built at the Wammy. The Council will retain ownership of this asset and lease is to a community group.

13.2 Parkhouse West

This site was approved in the last Asset Management Strategy for disposal for industrial development purposes. Options for disposal are currently being considered.

13.3 Town Centre Car Parks

Once Castle car park has been completed, the car parks listed below will potentially become surplus to requirements and therefore alternative uses for these brownfield sites may need to be considered. These will be consulted on in accordance with the consultation process as set out in Section 8 above. Additionally these sites have been put forward to the Planning Authority for consideration as potential bonus/windfall sites within the new local Plan and will be subject to review as to their merits under the planning framework, prior to their reclassification and potential disposal.

Consultation as part of the draft local plan has prompted petitions to be raised particularly regarding the significance of the Hassell Street car park for local businesses. Reflecting this, Officers will be required to bring forward proposals for development which include the provision of some public parking spaces at Hassell Street and others as appropriate.

Blackfriars car park, Newcastle

0.32 acres

Classification: NULBC UNCLASSIFIED

Blackfriars car park, Newcastle	0.21 acres
Hassell Street, Newcastle ST5 1AY	0.32 acres
Cherry Orchard Newcastle ST5 2UB	0.30 acres
Goose Street Newcastle ST5 2EA	0.84 acres
King Street Newcastle ST5 1HX	1.39 acres
Bankside/ Well Street Newcastle ST5 1BP	0.10 acres

13.4 Former Keele Golf Course

As per the previous Asset Management Strategy, the former Keele Golf Course site is again listed for possible disposal. The site is currently classified as Green Belt land. Prior to any Council build out and/or sale to third party developers this classification will need to be changed to allow for any residential development. As noted within the Strategy in previous sections, the Local Plan is currently out for consultation and a new draft Local Plan will be published in 2024 with a view that the Plan is either adopted or not after a Planning Inspectorate Inquiry. The proposal is for 900 homes but until the Green Belt classification is amended or not, no such development or sale can be considered.

13.5 Land at Glenwood Close, Silverdale

This 0.69 acre site is designated as low quality and low value in the latest Open Space and Green Infrastructure Strategy therefore given it has little value as open space alternative uses need to be considered.

14. Other Projects

14.1 Chatterley Valley

The Council is currently working with the landowner on the development of the overall site and there is a potential for the Council to invest in the site for commercial returns and for regeneration – to bring employment opportunities for the Borough, details of which are set out below:

Plot D - to construct a circa 120,000 sq. ft. unit which will be let to an advanced ceramics organisation and associated research facility,

Plot C - to construct a circa 78,000 sq. ft. of industrial space which will be, split into units ranging from 19,000 sq. ft to 33,000 sq. ft. When built these units would form part of the Council's non-operational (investment portfolio) and be leased out.

14.2 **Kidsgrove**

14.2.1 There are plans for the creation of a shared service hub in Kidsgrove. This is on land partly owned by the Council that is currently used as a car park (Meadows Road Car Park) and an adjacent piece of privately owned land which the Council is looking to acquire (with town deal monies). NBC will own the building, but Kidsgrove Town Council will lease it from the Council.

14.2.2 It is proposed that Kidsgrove Town Hall be refurbished to create modern lettable office space. This is to be funded through shared prosperity.

14.3 **Creation of a Circus Heritage Centre.**

Initially a unit on Merial Street in the Council's ownership will be refurbished. Intended occupation is for 2 years and then it is proposed that there be a move to a redeveloped York Place. This is to be funded through the Town Deal.

15. **Government Funding**

The Council is in receipt of government funds which include Town Deal, Future High Street and the Shared Prosperity Funds. Some of these funding streams directly impact Council assets, the major schemes are set out in section 12-14 of this Strategy. The remainder of these projects are set out below

15.1 **Kidsgrove Town Deal**

15.1A Construction of an access road is planned at Chatterley Valley, on privately owned land.

15.1B Refurbishment of Kidsgrove Railway Station and creation of a transport hub is also planned. The land areas involved in this project are owned by Network Rail / operated by East Midlands Railway.

15.1C There are a number of planned improvements that will be made to the Canal towpath on land that is owned by Canal & River Trust. (Some shared prosperity fund is also to be used for this)

15.2 **Newcastle Town Deal**

15.2A **Digital Infrastructure Project** – This project is still under development but is likely to include enhancing Wi-Fi provision in the town centre and possibly some form of fibre connection.

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- 15.2B **Sustainable Transport Solutions** - A mix of measures are being introduced in regards to public transport. A new bus entrance is planned at Keele University (on land owned by the University), installation of real time passenger information at Newcastle Bus station and other locations and plans to improve bus service reliability with Keele University.
- 15.2C **Electric Vehicle charging points** are to be installed at the new multi storey car park at Ryecroft.
- 15.2D **Transformation of Key Gateway Sites** - Demolition of the Midway multi storey car park is planned as set out above. The former Zanzibar nightclub site (that is in the ownership of Aspire Housing) has been demolished and it is intended to be replaced with residential development, along with approximately 6 small enterprise units which the Council will own and manage.
- 15.2E **Digital Society** – The Town Deal will fund the conversion of a town centre building for use by Keele University for a learning / enterprise space, which will include some form of food offering. The building is owned by Keele University.
- 15.2F **Cross Street Chesterton** – The plan for this project is that the Town Deal will fund the re-development of the current housing land that is owned by Aspire housing in this area.

15.3 Future High Street Fund

- 15.3A A public realm and market improvement project is planned, which will see a proportion of the fixed stalls removed, and installation of mobile seating and space for pop-up gazebos for specialist markets.

15.4 Shared Prosperity Fund

- 15.4A Improvements are planned to Clough Hall Park, in line with the existing masterplan
- 15.4B The creation of a Homeless Hub is planned, although the site has not yet been defined a building has been earmarked for purchase subject to proof of the business case and satisfactory terms agreed with the current owner.

16. Completed Projects

- 16.1 The refurbishment of Kidsgrove Sports Centre was completed using monies provided by Kidsgrove Town Deal. It was opened in Summer 2022 and is managed by Kidsgrove Sports Centre Community Group.

17. Completed Significant Land Disposals

Address	Disposal Date
Freehold sale – Eccleshall Road, Loggerheads	Mar-21
Freehold sale- 20 Sidmouth Ave, Newcastle	Nov -21
Freehold sale – Apedale, Chesterton	Nov -21
Covenant release – Midway, Newcastle	Dec-21
Freehold sale – Market Drayton Road Newcastle	Apr-22
Freehold sale – Knype Way, Bradwell	Jan-23

The total value of the above disposals from March 2021 is circa £6.1m

18. The Market

- 18.1 In respect of the objective of being a town centre for all, diversification of the type of market is key. As such we currently host General Markets each week, Antiques Markets each week, Artisan market each month, up to 3 Vegan Festivals, up to 3 Bring your dog to town Markets, 6 vinyl collectors fairs and one-odd events such as a King's Coronation Market, Young Traders Market and Charity and Plant Fair.
- 18.2 The Council works in partnership with Newcastle-under-Lyme BID to deliver its portfolio of events such as the circus-themed Homecoming and outdoor music festivals. As a licensed premises we are able to host licensable events.
- 18.3 In April 2023 the market went cashless for collection of stall rents. This has made resource savings and embraces the digital payment and banking trend. We are in advanced talks to use a self-help portal so that traders can book and pay for their own stall.
- 18.4 The Council won the Enjoy Staffordshire Gold award for Innovation and resilience in 2023. This was in recognition of the platform we offer for fledgling businesses to test and grow their business model. An example is that an artisan coffee seller was able to launch a business in Lockdown and has now taken on a Newcastle-under-Lyme town centre business.
- 18.5 Our footfall figures and performance indicators show that we have made a significant difference to visitor numbers on our new event and trader-run markets. Work continues to rejuvenate the General market and market infrastructure to ensure we remain contemporary market offer.

19. Community Centres

- 19.1 The Council is continuing to explore options for the long-term sustainability and management of the Community Centres in partnership with the community and voluntary sector and to review the management arrangements linked to these options and implement the proposals.
- 19.2 To date four community centres have been leased on 25 year leases to community groups, whereby over a 5 year period the maintenance and running costs are transferred to the community organisation thereby reducing the Council's liabilities. In addition it allows the management committees greater freedoms to pursue external funding. Negotiations are ongoing in relation to two other community centres.

20. Further Reading & Associated Publications

- The Corporate Strategy
- The Commercial Strategy
- The Capital Strategy
- The Financial Strategy
- The Digital Agenda
- The Carbon Plan
- The Council's Constitution
- The Local Plan (including Open Space and Green Infrastructure Strategy)
- The Playing Pitch Strategy
- The Debt Recovery Policy
- The Cushman Report

Further Information

For further information on the Asset Strategy, please contact:

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APPENDIX A ASSET PLAN

SITE LOCATION	SITE AREA (Acres)	CURRENT POSITION
Land Adjacent to Keele Cemetery	35.59	Proposal to install a solar array on this land. This project is in the planning stage.
Lowlands Road, Ravensdale	7.70(developable)	Industrial development land, under offer and subject to an option to purchase
Plot E Apedale Road, Chesterton	4.42	Industrial development land approved in the last Asset Management Strategy for approval. This site has been on the market for a number of years. There have been a number of offers but none have progressed through to completion. The site is being marketed
Site of former Recreation Centre, Knutton	5.31	Masterplan approved by Cabinet. It is proposed that this site be developed for residential and industrial purposes
Site of former community centre and clinic, Knutton Lane, Knutton	1.72	Masterplan approved by Cabinet. It is proposed that this site be developed for residential purposes
Former Keele Golf Course	150	Plans are being considered for the potential development of the former Keele Golf Course site that currently sits in the Green Belt, which could involve Council build out and / or sale to third party developers. The Local Plan is currently out for consultation of which this site forms part. The proposal is for 900 homes.
Chatterley Valley		The Council is currently working with the land-owner on the development of the overall site. There is a potential for the Council to invest in the site for commercial returns and the regeneration of the site – to bring employment opportunities for the Borough
Ryecroft	4.18	Planning permission has been approved to develop a new multi-storey car park (Castle car park) on the western third of the site.
York Place Shopping Centre	0.72	Cabinet approved the demolition of York Place in June 2023. A further report in respect of the redevelopment will be considered by Cabinet in Autumn 2023
Midway Car Park	n/a	An option report will be considered by Cabinet in Autumn 2023.
Blackfriar's Car Park	0.53	The site is partially vacant and partially used as a public car park. Once Castle Car Park is completed this brownfield site will potentially

Classification: NULBC UNCLASSIFIED

		become surplus to requirements and alternative uses may need to be considered
Part of King Street carpark	1.39	Once Castle Car Park is completed this brownfield site will potentially become surplus to requirements and alternative uses may need to be considered for part of this car park
Cherry Orchard car park	0.30	Once Castle Car Park is completed this brownfield site will potentially become surplus to requirements and alternative uses may need to be considered for this car park
Part of Goose Street car park	0.84	Once Castle Car Park is completed this brownfield site will potentially become surplus to requirements and alternative uses may need to be considered for part of this car park
Hassell Street car park	0.32	Once Castle Car Park is completed this brownfield site will potentially become surplus to requirements and alternative uses may need to be considered for this car park
Garden Street/ Bankside car park	0.10	Once Castle Car Park is completed this brownfield site will potentially become surplus to requirements and alternative uses may need to be considered for this car park
Parkhouse Road West/ Crackley Bank, Chesterton	2.22	Options for disposal are currently being considered. The site was approved in last Asset Management Strategy for disposal
Land at Glenwood Close, Silverdale	0.69	This site is designated as low quality and low value in the latest Open Space and Green Infrastructure Strategy therefore given it has little value as open space alternative uses need to be considered.
Land site of former mortuary, Newcastle Cemetery	0.23	Mortuary demolished June 2020. Public consultation complete. Options for residential development to be considered
Sites approved in previous Asset Management Strategy (Low value or little or no interest)		
Cotswold Avenue, Knutton	0.44	Grassland area not included in latest Open Space and Green Infrastructure Strategy for review. Site offered to Housing Associations, but no interest.
Kinnersley Street, Kidsgrove	1.60	Site not included in latest Open Space and Green Infrastructure Strategy for review. Grass and tree covered area on very steep slope. Topography to be analyzed to assess which parts maybe developable only likely to be a small part
Rear of Kidsgrove Town Hall, Liverpool Road. Kidsgrove	0.36	Surplus brownfield land at the rear of Kidsgrove Town Hall. Poor access to the site
Victoria Street, Chesterton	0.04	Developability of site to be explored
Silverdale Road, Newcastle	1.38	Brownfield site, former plant nursery which is located on the flood plain

Classification: NULBC UNCLASSIFIED

Brick Kiln Lane, Chesterton	11.76	Grassland area not included in latest Open Space and Green Infrastructure Strategy for review. Third party access to the site is required
Former Public Conveniences, Merrial Street, Newcastle	n/a	Closed in 2015, alternative uses being considered once development of Ryecroft is underway
Pepper Street Public Conveniences, Newcastle	n/a	Closed alternative uses to be considered

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NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

CORPORATE LEADERSHIP TEAM'S
REPORT TO

Cabinet
19 September 2023

Report Title: Procurement of a Joint Venture Development Partner and the appointment of Capital and Centric for Key Regeneration Projects

Submitted by: Deputy Chief Executive

Portfolios: Finance, Town Centres and Growth, **and One Council, People and Partnerships**

Ward(s) affected: Town

Purpose of the Report

To provide Cabinet an update and to note the progress made with the appointment of Capital and Centric for key regeneration projects in Newcastle Town Centre as a result of the work undertaken recently to procure a Joint Venture Development Partner.

Recommendation

Key Decision: Yes

That Cabinet:-

1. **Notes the progress made to date with the procurement exercise for the Joint Venture Development Delivery Partner redevelopment plans for key town centre sites;**
2. **Note the benefits of the Capital and Centric operating model as set out in Paragraph 2.14-2.21 of this report;**
3. **Agree to the procurement through a direct award under the Pagabo Development Management Framework of Capital and Centric to develop plans and development business cases for the York Place and Midway Car Park sites, at a cost not exceeding £256,500;**
4. **Authorise the Deputy Chief Executive, in consultation with the Portfolio Holder for Finance, Town Centres and Growth, and Portfolio Holder for One Council, People and Partnerships to progress discussions with third parties for the sale or lease of a portion of the York Place site;**
5. **Authorise the Deputy Chief Executive, in consultation with the Portfolio Holder for Finance, Town Centres and Growth, and Portfolio for One Council, People and Partnerships to undertake the necessary preparatory work for the closure of the Midway Carpark in autumn 2024.**

Reasons

The Council has been developing plans for several key sites across the Town Centre of Newcastle-under-Lyme as part of the Future High Street Fund and Town Deal Fund.

This report enables progress to be made across these sites.

1. **Background**

1.1 As reported to previous Cabinets, the Council has secured Future High Street Fund and Town Deal Fund for the redevelopment of several key regeneration sites across the Town Centre. Work has been continuing in the development of the schemes for the past couple of years, and the current position regarding each is as follows:

- Castle Car Park (Ryecroft)– Planning consent was secured in June 2023 and a contract for delivery has been let to Morgan Sindall. Construction will commence in September 2023.
- New Hotel (Ryecroft) - A procurement exercise is ongoing for the brand that the hotel will operate under. This in turn will inform procurement of a design and build contractor to provide initial cost and design advice on. These are due to be reported at a future Cabinet for agreement on next steps.
- York Place – The Council purchased this site in March 2022 and secured planning consent in June 2023 for the demolition of the current building and rebuilding of a mixed-use development. Demolition works are due to commence in October 2023, funded from the Future High Street Fund.

1.2 In order to identify advantageous delivery models which could leverage external finance and expertise, a procurement exercise was undertaken in the spring of 2023 to gauge market interest in a joint venture partnership to develop out Key town centre sites. This is detailed later in this report.

2 **Update**

York Place – Update on Current position

2.1 The York Place complex was purchased by the Council March 2022 and in April 2022 Willmott Dixon were appointed as Design and Build Contractors through the Pagabo Framework to develop the design and costs for the replacement of York Place, including the demolition of the existing building. We have a process in place where the project is broken down into RICS Stages and at each stage we can choose whether or not to place an order for the next stage. These stages are:

- To prepare designs and secure planning consent for the demolition of the existing building and construction of the replacement. This stage has been completed, with the Council securing planning consent in June 2023 This has been funded from the Future High Street Fund.
- Let contract for demolition of the existing buildings - The planning consent for demolition was granted in June 2023 alongside the permission for the replacement development. The contract for demolition has not been progressed, although funding from the Future High Streets Fund is allocated for this element of the project.
- The next stage would have been to get full construction drawings and costings finalised and to commence construction of the new development once the demolition works are complete in spring 2024. This has not been commissioned and we are not now planning to undertake the work in this manner.

Midway – Update on Current Position

2.2 The Midway Car Park site will be unlocked for development once the new Castle Car Park becomes operational. Funds are allocated in the Town Deal for its demolition, and the site is earmarked for residential development. The next steps for this development are to develop deliverable plans for the site, and also to arrange for its decommissioning as a car park once the new facility on Ryecroft, Castle Car Park, is open.

Joint Venture Development Delivery Partner Exercise

2.3 In developing the York Place scheme in particular, but the town centre sites in general, the Council has been acutely aware of the need to strike an appropriate balance between commercial risk and commercial return, particularly in the light of current interest rate and inflation rates. Over the last eighteen months whilst these have been in development we have seen construction costs increase sharply. Alongside this we have seen the cost of borrowing increase by several percentage points over the same period. There are early signs that early next year and into 2024 these effects could start to ease, but there remains considerable uncertainty.

2.4 Whilst the immediate local commercial interest in York Place is positive, the Council has taken the opportunity to explore other delivery options which might enable the scheme to be brought forward more quickly or reduce the risk burden on the Council. The Council has been out to tender to gauge interest from the market for a joint venture development delivery partner to see what assistance we could get from the market to deliver schemes such as York Place and Midway. Specifically, the tender invited responses which would bring a level of engagement and innovation that the Council would benefit from in terms of access to alternative means of borrowing, shared risk taking, innovative or established routes to end users, and market intelligence for such developments (what does the market need / want / will embrace).

2.5 We have had three interesting returns from well renowned contractors / developers. Which are summarised below:

- Submission A – a national contractor, with extensive experience of constructing and the delivery of similar projects, who wished to be our preferred contractor to build out our schemes, without the need to procure further phases of our regeneration programme. They proposed to provide pre contact advice on the development of the regeneration project plans
- Submission B - a national contractor, with extensive experience of constructing and the delivery of similar projects, who wished to be our preferred contractor to build out our schemes, without the need to procure further phases of our regeneration programme. They proposed to provide pre contact advice on the development of the regeneration project plans
- Submission C – a national development professional services group who partner with third parties, construction companies and developers to shape and deliver regeneration projects. They indicated that they would be happy to partner with either of the companies who submitted interest (as noted above).

2.6 In reviewing the submissions it is unclear what would be provided over and above the procurement / construction route that the Council has used in the three past projects – Kidsgrove Sports Centre, Civic Building Demolition and the forthcoming new Castle Car Park. Specifically, the submissions are all structured such that all the

critical risks sit with the Council, eg the end users, programme and cost. Whilst this is usual for a straightforward construction project, it adds no value to a more complex regeneration project such as those with which the Council is now engaged.

- 2.7 Analysis of the three submissions indicate that the procurement of a development delivery partner through this route will merely provide a 'lock in' for one contractor for our programme of projects in the future, and a profit share mechanism that would reduce the Council's revenue potential, without any 'extra' benefits which would offset these potential downsides. This is adding another layer of costs to the projects – these could be used to contribute to potential construction inflationary pressures instead.
- 2.8 Had the procurement resulted in innovative solutions, then the 6-12 months required to progress to establish a Joint Venture would be worthwhile, notwithstanding potentially another year of construction cost inflation.
- 2.9 There is no legal obligation to progress with the development partner procurement exercise if we don't feel that the market is providing anything over and above that which we are delivering ourselves directly.
- 2.10 In addition to the three submissions received, the procurement exercise has drawn the Council's attention to opportunities which exist within Pagabo Framework, which the Council has used previously.

Pagabo Framework

- 2.11 The Pagabo Procurement Framework is built up of OJEU compliant series of frameworks which allow access to both construction and professional services, without the need to go out with 'open procurement' exercises, as the procurement has already been undertaken prior to the framework being made available to local authorities and others. There are a number of such frameworks which allow easy access and save time and costs of lengthy procurement exercises. The Council has used this framework on several schemes to date.
- 2.12 One of the "lots" within the Pagabo framework enables the appointment of Development Partners. The Council has taken the opportunity to engage with one of the companies on that framework which has a particular reputation for place making developments to discuss potential collaborations on our regeneration projects – Capital & Centric, who are an innovative and socially minded development company – see section 2.14 to 2.21 below for further details.
- 2.13 Capital and Centric) are on the Pagabo framework, Lot 3, which allows a direct award to a contractor / developer. This framework is an OJEU compliant framework with all contractors and developers having gone through a procurement exercise to gain entry to the framework and the Lot they have bid for. As the Council's direct procurement exercise, where an open call was issued to the market for a Joint Venture Development Delivery Partner, did not produce the results or participation that it had hoped for (we understand that the market is extremely busy with pipeline and current tender works at the moment), the opportunity to engage directly with Capital and Centric is attractive due to their market presence, their track record, and their national profile, which can all add real value to the plans that the Council has for its town centre regeneration.

Capital and Centric

- 2.14 Capital and Centric are property developers based in Manchester and responsible for some of the most innovative and exciting new developments in Manchester City, as well as developments under way in Stockport and Stoke-on-Trent. A particular characteristic of Capital & Centric (C&C) is that once construction and fit out of a development has been completed, they continue to manage the development, as owners, to ensure it remains successful in terms of end user experience and satisfaction.
- 2.15 The Capital and Centric approach, whereby they retain ownership and management of developments once completed has a significant positive impact for the Council in terms of both financial and operational risk:
- The model requires only short-term financing by the Council, rather than long term borrowing. This reduces interest costs from c.40 years to 2-3 years; the model also removed the need for the Council to fund Minimum Revenue Provision (MRP), which is in effect the “capital repayment” element of PWLB borrowing as the asset would transfer ownership once complete;
 - The model shifts the ongoing risk of maintaining occupancy of the finished development away from the Council and onto the operator;
- 2.16 We have received a proposal from Capital and Centric to take a lead role in the development of York Place and Midway. As outlined above, one of the keys stages in the development of a regeneration project is to define project costs such that a credible business case can be developed. Capital and Centric have submitted a proposal to develop a RIBA Stage 1 proposal for each of the sites, developing plans and business cases for further approval for assisting with us to complete York Place, develop plans for Midway Car Park.
- 2.17 The proposal covers work which the Council would need to commission individually if it chose not to go down this route, such as preparing the design and indicative costings for redevelopment of Midway.
- 2.18 From their initial work, completed at risk, Capital and Centric have identified a redevelopment route for York Place which is both lower cost and more environmentally sustainable, through retention and re-use of key elements of the original construction frame of the building – an approach they have successfully deployed elsewhere.
- 2.19 Capital and Centric propose to undertake this work for a fee of up to £256,500 and deliver within six months.
- 2.20 If the Council is satisfied with the RIBA Stage 1 works, it would then be able to use the Pagabo Framework to commission Capital and Centric to develop the schemes to RIBA 4, which provides a fully costed scheme with planning applications made.
- 2.21 In terms of commerciality, the Capital and Centric model would involve:
- Capital and Centric design and cost the schemes
 - NuLBC fund the build (utilising Town Deal, external bidding, and borrowing through PWLB)
 - Upon completion, Capital and Centric purchase and operate the developments, thereby removing a key risk to the Council of maintaining end users.

Third Party Interest

2.22 In addition to the Capital and Centric proposal, the Council has been approached by a third party regarding their potential purchase of a portion of the York Place site for a complementary development. This has the potential to enable one element of the development to be funded without Council borrowing, with a capital receipt from the sale contributing to the overall scheme. It is essential that, were this proposal to progress, it works as part of the overall development and is consistent with the design values overall.

2.23 Through this report authority is sought to progress discussions and, if possible and appropriate, bring them to legal completion.

Next Steps

2.24 Whilst the Capital and Centric model envisages taking developments through to completion and then purchasing the completed development and assuming the lead role in managing the operation of the development, as with all developments, there are a series of gateways through which schemes must pass to assure their viability. These are based upon agreements through the Pagabo Framework and once each stage is complete a subsequent agreement is signed for the next stage of the project development:

- Once feasibility is assessed then a new agreement to take the scheme up to planning permission and a cost envelope are obtained;
- Upon receipt of planning permission, the final construction drawings are produced and a contract sum is agreed;
- Construction will then commence to an agreed plan / design and cost

2.25 At this stage, the commitment to Capital and Centric extends only to step 1, after which the Council would need to take a formal decision to progress to step 2, and incur the expenses for full planning drawings and submission to gather planning approval and new target cost. The final decision on whether or not to commit to borrow and develop is then taken before the final Stage 3. A critical part of this final stage would be determining which of the elements would remain in Council ownership, and which would be bought by Capital and Centric.

2.26 Critically, the model which involves Capital and Centric purchasing the end development is highly significant in terms of the Council's borrowing for the schemes. Rather than borrowing over, say, a 40 year period, during which the Council would need to both pay interest and capital, the Council's borrowing would only be for, approximately, the duration of the build, as any loan and associated interest would be repaid upon sale of the asset. This minimises the revenue impact of the schemes for the Council.

3. Proposal

3.1 That Cabinet

- a. **Notes the progress made to date with the procurement exercise for the Joint Venture Development Delivery Partner redevelopment plans for key town centre sites;**
- b. **Note the benefits of the Capital and Centric operating model as set out in Paragraph 2.14-2.21 of this report;**

- c. **Agree to the procurement through a direct award under the Pagabo Development Management Framework of Capital and Centric to develop plans and development business cases for the York Place and Midway Car Park sites, at a cost not exceeding £256,500;**
- d. **Authorise the Deputy Chief Executive, in consultation with the Portfolio Holder for Finance, Town Centres and Growth, and Portfolio Holder for One Council, People and Partnerships to progress discussions with third parties for the sale or lease of a portion of the York Place site;**
- e. **Authorise the Deputy Chief Executive, in consultation with the Portfolio Holder for Finance, Town Centres and Growth, and Portfolio Holder for One Council, People and Partnerships to undertake the necessary preparatory work for the closure of the Midway Carpark in autumn 2024.**

4. **Reasons for Proposed Solution**

- 4.1 The decision will enable the project to progress as per the programme agreed with Government and the Future High Street Fund awards and commitments and get York Place underway
- 4.2 To use this Government funding opportunity to support delivery of Council Plan objectives.
- 4.3 To uplift the status of Newcastle Town Centre as the heart of economic, social and community life in the Borough.
- 4.4 Bring a national developer to Newcastle to assist in the transformational programme of regeneration that is being undertaken.

5. **Options Considered**

- 5.1 The report above highlights the options that have been considered in some detail.

6. **Legal and Statutory Implications**

- 6.1 Section 2(1) of the Local Government Act 2000 permits local authorities to do anything they consider likely to promote or improve the economic, social and environmental well-being of their area. That would include actions to deliver the Future High Street Fund and Town Deal Fund programme for Newcastle Town Centre.

7. **Equality Impact Assessment**

- 7.1 The nature of the project is intended to seek benefits for all people who use the town centre and to support the economic and social health of Newcastle Town Centre as a destination.

8. **Financial and Resource Implications**

York Place

- 8.1 The demolition of the existing York Place complex is funded through the Future High Street Fund which has been confirmed and allocated as shown in the table below:-

Project	FHSF allocation (inc contingency)	Spend as at 31 August 23	Balance remaining
Ryecroft	£3,756,191	£2,776,507	£979,684
MSCP Development	£3,500,000	£642,761	£2,857,239
York Place (Purchase, relocation and demolition)	£3,015,218	£1,933,349	£1,081,869
Stone public realm	£321,251	£0	£321,251
Market Stalls	£75,600	£2,990	£72,610
Programme Management	£380,000	£252,657	£127,343
Total	£11,048,260	£5,608,264	£5,439,996

8.2 The estimated build costs for the new development, which will be sourced from borrowing, are circa £16.8m. If the Council operate the development the cost of borrowing will be covered by rental income from the commercial units and the offices over the useful life of the development but will require a budget pressure of £0.297m in year 1 of operation (which reduces to nil in year 16 of operation) in addition to interest costs incurred during the construction phase. Should the preferred developer take on the ownership of the completed development then the proceeds from the sale will be used to repay the development loan and interest costs that the Council incurs. Interest costs (based on current interest rates) up to the completion date relating to the loan would amount to £0.583m (£0.245m in 2024/25 and £0.339m in 2025/26).

Midway Development

8.3 The estimated build costs for a development of the Midway site, which will be sourced from borrowing are circa £14.0m. Should the preferred developer take on the ownership of the completed development then the proceeds from the sale will be used to repay the development loan and interest costs that the Council incurs. Interest costs (based on current interest rates) up to the completion date relating to the loan would amount to £0.509m (£0.067m in 2024/25 and £0.441m in 2026/27).

Development of Business Case

8.4 Funding for the development of the business case for York Place and the Midway via Capital and Centric is available through Future High Streets Funding allocated for the demolition of York Place and remaining allocations in the approved 2024/25 Capital Programme for feasibility studies and master planning.

9. Major Risks

9.1 The main risk to the demolition element of the York Place project is achieving vacant possession of the site by ensuring that the last remaining tenant is relocated in time for the demolition works to be completed by the end of the Future High Street Programme in March 2024.

9.2 The proposed demolition of York Place is in a densely occupied town centre location and therefore will require careful management throughout the contract.

9.3 The potential for multiple demolition and / or construction projects being undertaken in a short period of time in the Town Centre could impact negatively on the enjoyment of the town amenities by users and will need careful messaging and monitoring. Each stakeholder will be able to assist with this.

9.4 The scheme for Midway could be based around partial demolition to save construction programmes, development costs and the carbon footprint of the scheme. Clearly the structure needs to be examined to see what elements can be retained, and if the structure is unusable then these benefits won't be achieved.

9.5 The inflationary pressures and the cost of borrowing is a risk to the delivery of all of the schemes and each needs to be planned carefully to minimise the effects of each prior to the start or award of any contract.

9.6 Each scheme / project will have a dedicated risk register for the potential risks of each scheme from the feasibility stage to the construction phases.

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

10.1 Newcastle Town Centre is a highly accessible location, encouraging greater use of its land and assets enhances its role as a centre for services, leisure, retail and living and its connection to local residents. Further this project is intended to enable the redevelopment of a underused retail complex that is in a poor state of repair and currently blocks good connectivity between the Rycroft site and Ironmarket / High Street, bringing with it sustainability improvements, regeneration and economic benefits as well as in that respect, the project supports the realisation of the following UNSDG objectives:-



11. **Key Decision Information**

11.1 This is a Key Decision

12. **Earlier Cabinet/Committee Resolutions**

12.1 October 2019, Cabinet concerning development of the second stage FHSF bid and procurement of consultancy support.

12.2 December 2019, Economy Environment & Place Overview and Scrutiny Committee Town Centre Funding Update (information item).

12.3 July 2020, Cabinet concerning approval for submission of bid into MHCLG (now DLUHC).

12.4 April 2021 Cabinet accepting FHSF Grant monies and grant conditions.

12.5 December 2021 Cabinet purchase of York place Newcastle under Lyme.

12.6 March 2022 Cabinet award of contract for design and build contractor

12.7 January 2023 Cabinet progress report on the York Place project

12.8 June 2023 Cabinet award of contract for the demolition of York Place

12.9 June 2023 Cabinet approval for procurement of Hotel Brand and Design and Build Contractor

12.10 June 2023 Cabinet award of contract for Castle Multi Storey Car Park

13. **List of Appendices**

13.1 None.

14. **Background Papers**

14.1 None

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**CORPORATE LEADERSHIP TEAM'S
REPORT TO
FINANCE, ASSETS & PERFORMANCE SCRUTINY COMMITTEE**

25 September 2023

Report Title: Commercial Strategy update

Submitted by: Deputy Chief Executive

Portfolios: Portfolio Holders - Finance, Town Centres and Growth, and Sustainable Environment

Ward(s) affected: All

<u>Purpose of the Report</u>	<u>Key Decision</u> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
To update Scrutiny Committee on the plans to review the delivery of the Commercial Strategy as major projects develop.	
<u>Recommendation</u>	
That	
1. Scrutiny Committee receives a further report on the delivery of the Commercial Strategy in early 2024.	
<u>Reasons</u>	
The Council adopted the Commercial Strategy in October 2019. The report outlines the scope of the Commercial Strategy and recommends that a further report on the potential schemes that could be delivered as part of the strategy be reviewed early in the 2024 Scrutiny work programme. This is recommended as several schemes highlighted in the report are currently being developed to business case or contract award, therefore further information will be available for Scrutiny to consider in this timeframe.	

1. Background

- 1.1 The Council's Commercial Strategy was adopted by Cabinet in October 2019. The aim of the commercial strategy is to facilitate sensible investments, based on local need and subject to robust risk management, which enable the Council to improve outcomes for our residents in accordance with the priorities set out in the Council Plan.
- 1.2 The Commercial Strategy set out the overriding objective of a Commercial Asset Acquisition Programme to generate and secure a long-term and

sustainable income stream for the Council. In 2019 the Council approved the principle of investing in assets with a projected minimum level of return of 2% above the cost of borrowing and other holding and management costs.

1.3 Direct investment in commercial property offers a relatively familiar path as the Council already has a diversified property portfolio including office, retail and industrial assets which currently generates a net annual revenue stream.

1.4 The aim of the strategic asset development programme will be to steer and manage development opportunities from the Council's property asset base so as to deliver capital receipts and improved revenue income streams but at the same time securing the regeneration and economic development objectives of the Council. Examples include acquisition and development of strategic town centre sites, housing and industrial sites within the borough (including, for example within the Chatterley Valley Enterprise Zone). Developments may be undertaken on a co-investment basis with public, not for profit and private sector partners.

2. Issues

2.1 The Council is working a range of projects that could be considered in line with the Commercial Strategy, the following outline the headline project and indicative timescales for more business case / contract information:

2.1.1 Ryecroft

Development of new multi-storey car park (Castle car park), partially funded by the Future High Street's fund. A contract has been let to Morgan Sindall and construction will commence this month.

Development of a new hotel, tenders for the hotel brand are currently being evaluated, this will inform procurement of the design and build contractor to provide initial costs and design steps.

2.1.2 York Place Shopping Centre

The Council acquired the York Place shopping centre in early 2022 to facilitate the delivery of the Future High Street Fund regeneration proposals and improvements to the town centre. The September Cabinet is due to consider a report on the key regeneration sites and recommends to agree to the procurement through a direct award under the Pagabo Development Management Framework of Capital and Centric to develop plans and development business cases for the York Place and Midway Car Park sites.

2.1.3 Midway Car Park

Upon completion of the Castle car park on the Ryecroft site, the Midway Car Park will become surplus to requirements and therefore alternative uses will need to be considered. Funds are allocated in the Town Deal for its demolition, and the site is earmarked for residential development. Further work will be required on the business case for the future use.

2.1.4 Land Adjacent to Keele Cemetery

There are plans to install a solar energy installation on Council owned land that is adjacent to Keele Cemetery, this project is in the planning stage and further details will be provided in a report to the October Cabinet meeting.

2.1.5 Chatterley Valley

The Council is currently working with the land owner on the development of the overall site and there is a potential for the Council to invest in the site for commercial returns and regeneration of the site – to bring employment opportunities to the Borough as set out below:

Plot D - to construct a circa 120,000 sq. ft. unit which will be let to an advanced ceramics organisation and associated research facility,

Plot C - to construct a circa 78,000 sq. ft. of industrial space which will be, split into units ranging from 19,000 sq. ft to 33,000 sq. ft. When built these units will form part of the Council's non-operational (investment portfolio) and be leased out.

2.1.6 Enterprise Units

The former Zanzibar nightclub (Aspire Housing owned) has been demolished. It is intended to be replaced with residential development, along with approximately 6 small enterprise units which the Council will own and manage.

3. Recommendation

- 3.1 Scrutiny Committee receives a further report on the delivery of the Commercial Strategy in early 2024.

4. Reasons

- 4.1 Generating efficiencies and additional income by adopting a more commercial approach is a key in the Council's plans for maintaining financial sustainability in the medium to long term. The Commercial Strategy provides a framework for managing and coordinating commercial activities, it is appropriate that the Council reviews key major projects when they are at an appropriate stage of business planning and contract award.

5. Options Considered

- 5.1 The Council continues to progress a number of strategies and approaches to ensure that it can maintain a financially sustainable future and deliver the key priorities set out in the Council plan.

6. Legal and Statutory Implications

- 6.1 The Local Government Act 2000 - powers to promote the economic, social and environmental wellbeing of the Borough.
- 6.2 The Council will need to make sure that its commercial activities are legally and state aid compliant, including having regard to the Public Sector Duty within the Equality Act 2010, statutory guidance on local authority investments and The Prudential Code for Capital Finance in Local Authorities.

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

7. Equality Impact Assessment

7.1 The Commercial Strategy does not create any specific equality impacts.

8. Financial and Resource Implications

8.1 As detailed in section 2 of the report, the Council is working a range of projects that could be considered in line with the Commercial Strategy. Financial details in respect of these projects will be provided in early 2024 once approval to proceed has been made by Cabinet.

9. Major Risks & Mitigation

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

10. UN Sustainable Development Goals (UNSDG)

10.1 This strategy is intended to ensure that the assets held by the Council support the corporate objectives and service needs. In that respect, the project supports the realisation of the following UNSDG objectives:-



11. Key Decision Information

11.1 The strategy affects more than 2 wards and future investments have the potential to have significant financial implications. This will be subject to further reports which may be key decisions.

12. Earlier Cabinet/Committee Resolutions

12.1 Cabinet 16th October 2019 adopted the Commercial Strategy.

13. List of Appendices

13.1 None.

14. Background Papers

14.1 Commercial Strategy 2019/24.

FINANCE, ASSETS AND PERFORMANCE SCRUTINY COMMITTEE



Work Programme 2023/24

Chair

Cllr M. Holland

Vice-Chair

Cllr A. Bryan

Members

Cllrs D. Allport, R. Bettley-Smith, W. Brockie, D. Grocott, A. Lawley, A. Parker, M. Stubbs, J. Tagg and P. Waring

Scrutiny Champion

Sarah Wilkes

Portfolio Holders within the Committee's remit

Cllr S. Tagg, Leader – One Council, People and Partnerships

Cllr S. 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 scrutinises 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.

This Work Programme is set and reviewed at quarterly meetings of the Scrutiny Management Group. The Chair and Vice Chair also meet regularly with the Portfolio Holders to discuss this Work Programme. There is an opportunity for committee Members to discuss the Work Programme at each committee meeting. Part D of the Council's [Constitution](#) governs the scrutiny process.

For more information on the Committee or its work Programme please contact the Democratic Services:

✚ Geoff Durham at geoff.durham@newcastle-staffs.gov.uk or on (01782) 742222

✚ Alexandra Bond at alexandra.bond@newcastle-staffs.gov.uk or on (01782) 742211

Planned Items

DATE OF MEETING	ITEM	NOTES
25 September 2023	<ul style="list-style-type: none">- Asset Management Strategy- Medium Term Financial Strategy 24/25- Q1 Finance and Performance Report- Commercial Strategy Update- Sickness Absence Reporting	
13 December 2023	<ul style="list-style-type: none">- Q2 Finance and Performance Report- Draft Savings Proposals 24/25- Council's Annual Report 2022/23	
18 January 2024	<ul style="list-style-type: none">- Revenue and Capital Strategies 24/25- Draft Schedule of Fees and Charges 24/25	
14 March 2024	<ul style="list-style-type: none">- Q3 Finance and Performance Report- Commercial Strategy Update	

Previous Items

DATE OF MEETING	ITEM	NOTES
30 June 2022	<ul style="list-style-type: none">- Q4 Finance and Performance Review- Asset Management Strategy	
8 September 2022 CANCELLED	<ul style="list-style-type: none">- MTFS- Q1 Finance and Performance Review- Procurement Strategy- Commercial Strategy	
8 December 2022	<ul style="list-style-type: none">- Q1 Finance & Performance Report 2022/23- Q2 Finance & Performance Report 2022/23- Commercial Strategy Update- 2023/24 Draft Savings Proposals	
19 January 2023	<ul style="list-style-type: none">- Revenue and Capital Budget and Strategies 2023/24- Schedule of Fees and Charges 2023/24	
30 March 2023	<ul style="list-style-type: none">- Q3 Finance & Performance Report 2022/23- One Council update	
26 June 2023	<ul style="list-style-type: none">- Q4 Finance & Performance Report 2022/23- Commercial Strategy Update	

Last updated on 15th September 2023

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