

Date of meeting Tuesday, 3rd February, 2026
Time 2.00 pm
Venue Astley Room - Castle
Contact Geoff Durham 742222



**NEWCASTLE
UNDER LYME**
BOROUGH COUNCIL

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

Cabinet

AGENDA

OPEN AGENDA

- 1 APOLOGIES**
- 2 DECLARATIONS OF INTEREST**
To receive declarations of interest from Members on items included in the agenda.
- 3 MINUTES OF PREVIOUS MEETINGS** **(Pages 5 - 14)**
To consider the Minutes of the previous meeting.
- 4 WALLEYS QUARRY UPDATE** **(To Follow)**
- 5 REVENUE AND CAPITAL BUDGETS AND STRATEGIES 2026/27** **(Pages 15 - 102)**
- 6 FINANCIAL AND PERFORMANCE REVIEW REPORT - THIRD QUARTER 2025/26** **(Pages 103 - 138)**
- 7 LOCAL GOVERNMENT REORGANISATION AND DEVOLUTION UPDATE** **(Pages 139 - 158)**
- 8 FORWARD PLAN** **(To Follow)**
- 9 URGENT BUSINESS**
To consider any business which is urgent within the meaning of Section 100B(4) of the Local Government Act 1972.
- 10 DISCLOSURE OF EXEMPT INFORMATION**
To resolve that the public be excluded from the meeting during consideration of the following reports, because it is likely that there will be disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A (as amended) of the Local Government Act 1972.

ATTENDANCE AT CABINET MEETINGS

Councillor attendance at Cabinet meetings:

- (1) The Chair or spokesperson of the Council's scrutiny committees and the mover of any motion referred to Cabinet shall be entitled to attend any formal public meeting of Cabinet to speak.
- (2) Other persons including non-executive members of the Council may speak at such meetings with the permission of the Chair of the Cabinet.

Public attendance at Cabinet meetings:

- (1) If a member of the public wishes to ask a question(s) at a meeting of Cabinet, they should serve two clear days' notice in writing of any such question(s) to the appropriate committee officer.
- (2) The Council Leader as Chair of Cabinet is given the discretion to waive the above deadline and assess the permissibility of the question(s). The Chair's decision will be final.
- (3) The maximum limit is three public questions at any one Cabinet meeting.
- (4) A maximum limit of three minutes is provided for each person to ask an initial question or make an initial statement to the Cabinet.
- (5) Any questions deemed to be repetitious or vexatious will be disallowed at the discretion of the Chair.

Members: Councillors S Tagg (Leader) (Chair), Sweeney (Vice-Chair), Heesom, Fear, Skelding and Hutchison

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

Meeting Quorums: Where the total membership of a committee is 12 Members or less, the quorum will be 3 members.... Where the total membership is more than 12 Members, the quorum will be one quarter of the total membership.

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:

If you are unable to attend this meeting and wish to appoint a Substitute to attend on your place you need to identify a Substitute member from the list above who is able to attend on your behalf

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

NOTE: IF THE FIRE ALARM SOUNDS, PLEASE LEAVE THE BUILDING IMMEDIATELY THROUGH THE FIRE EXIT DOORS.

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CABINET

Tuesday, 13th January, 2026
Time of Commencement: 1.00 pm

[View the agenda here](#)

[Watch the meeting here](#)

Present: Councillor Simon Tagg (Chair)

Councillors:	Sweeney	Fear	Hutchison
	Heesom	Skelding	

Officers:	Gordon Mole	Chief Executive
	Anthony Harold	Service Director - Legal & Governance / Monitoring Officer
	Andrew Bird	Service Director - Sustainable Environment
	Nesta Barker	Service Director - Regulatory Services
	Georgina Evans-Stadward	Service Director - Strategy, People and Performance
	Geoff Durham	Civic & Member Support Officer
	Craig Turner	Service Director - Finance / S151 Officer
	Simone Harris	Marketing and Communications Officer

Also in attendance: Councillor Fox-Hewitt

1. **DECLARATIONS OF INTEREST**

There were no declarations of interest stated.

2. **MINUTES OF PREVIOUS MEETINGS**

Resolved: That the Minutes of the meeting held on the 2 December, 2025 be agreed as a correct record.

3. **WALLEYS QUARRY UPDATE**

The Leader introduced a report updating Cabinet on the latest position regarding odours in the Borough associated with Walleys Quarry.

The Leader stated that this was the post-Christmas meeting and previous years' reports at this meeting had reported odours and discomfort and many complaints. That was not the case this time.

The Council's Chief Executive advised that this was a slightly more streamlined version of the report but all historic data remained available from the previous reports or on request.

Figure 2 at paragraph 2.1 of the report showed the contrast throughout the past year of odour complaints, with only two being received in December.

The change was recognised at the recent political multi-agency meeting where an update was received from the Environment Agency (EA) on the activity at the site.

Although the site was largely shut down over the Christmas period, leachate was still being removed and EA and Council officers were monitoring the situation. Any complaints received would be investigated and work would continue with the multi-agency partners on defining, designing and delivering the next steps.

Councillor Fear stated that this was heartening and looking to the future it was hoped that it would remain like this. Councillor Fear also hoped that the Government would provide national funding for the recovery and restoration of the site and also that a public inquiry would be held.

Councillor Sweeney agreed with Councillor Fear, the crucial question being who would pay for the recovery and restoration. Referring to paragraph 2.1 and the position this time last year, Councillor Sweeney said that it was amazing.

The Leader stated that it showed what could be done when a site was managed correctly, as the contractor for the EA was doing.

The Council would be playing a key part in the recovery stage, with other agencies although it was not the responsible agency for restoration or capping but did have powers as a regulator for the statutory nuisance.

Resolved: That the contents of the update report be received and noted.

[Watch the debate here](#)

4. DRAFT REVENUE AND CAPITAL BUDGETS AND STRATEGIES 2026/27

The Portfolio Holder for Finance, Town Centres and Growth introduced the Draft Revenue and Capital Budgets and Strategies 2026/27 and sought approval for the five year Medium Term Financial Strategy for 2026/27.

In addition, consideration was given to the Commercial Strategy for 2026/27 to 2030/31, the Treasury Management Strategy for 2026/27, the Investment Strategy for 2026/27 and the Commercial Strategy for 2026/27 prior to their submission to Full Council for final approval.

Savings and funding strategies had been identified to address a £1.599m budget gap for 2026/27 via the Efficiency Board Process and the first draft of those had been scrutinised by the Finance, Assets and Performance Scrutiny Committee. A below inflation increase in Council Tax of 1.99% for a Band D property was again proposed which equated to 10p or less per week for 95% of households within the Borough.

The Leader stated that the Council had seen a cut in funding allocation of £1.1m from the government over three years but the Council was still able to deliver a balance budget and spend money on the services that really mattered to people.

Councillor Skelding, referring to his Portfolio for Leisure, Heritage and Culture stated that J2 had shown a strong growth in membership over the last few years. The money being brought in through the Salex bid would help to cut energy costs.

Although the main pool had been closed temporarily, there was minimum disruption to members of the Centre as the small pool and gym were open.

Councillor Hutchison, referring to his Portfolio for Sustainable Environment stated that this year had seen a reduction in annual bedding plants in Queens Gardens and those had been replaced with sustainable bedding plants and residents had given positive comments.

Pet cremations would soon be commencing at Bradwell Crematorium which would bring in income.

The Leader referred to the regeneration that was going on in the town centre from funding received from the Government. There would be a presentation in Parliament today by Capital and Centric around this Council's plans for the former Midway car park into apartments as it would be the first 1960's structure in Europe where such a project had been undertaken.

- Resolved:**
- (i) That the progress on the completion of the Revenue (Appendix 1) and Capital Budgets (Appendix 4), be noted.
 - (ii) That the updated Medium Term Financial Strategy 2026/27 to 2030/31 (Appendix 2), be noted.
 - (iii) That the strategy for ensuring a balanced revenue outturn position for 2025/26, be noted.
 - (iv) That the calculation of the Council Tax base and the Council Tax increase to be proposed for 2026/27 of 1.99% per Band D equivalent property, be noted.
 - (v) That the risk assessment at Appendix 3 and the Section 151 Officer's recommendation on the level of reserves and contingencies provisionally required to be maintained in 2026/27, be noted.
 - (vi) That the draft Capital Strategy (Appendix 5) for 2026/36 be noted.
 - (vii) That the draft Treasury Management Strategy (Appendix 6) for 2026/27, be noted.
 - (viii) That the draft Investment Strategy (Appendix 7) for 2026/27, be noted.
 - (ix) That the draft Commercial Strategy (Appendix 8) for 2026/27, be noted.
 - (x) That the updated Asset Management Strategy (Appendix 9) for 2023/28, be noted.
 - (xi) That the draft Budget and Council Tax proposals be referred to Finance, Assets and Performance Scrutiny

Committee for comment before the final proposals are considered at Cabinet on 3 February 2026.

[Watch the debate here](#)

5. SCALE OF FEES AND CHARGES 2026/27

The Portfolio Holder for Finance, Town Centre's and Growth introduced a report seeking approval for the proposed scale of fees and charges applying from 1 April, 2026.

The proposed fees and charges were set out at Appendix 1 of the report.

Councillor Fox-Hewitt had requested to ask a question. He noted within the report that there were increases in costs for football/rugby pitch hire, bowls, swimming pool hire, the gym in J2 membership and educational sessions at the Museum. At the same time there were no increases in costs for licences in connection with gambling premises or licensed premises.

Given that one of the core objectives of the Council was for a green and healthy Borough, there was an opportunity for the Council to move some of the revenue raising required onto other areas that would enable healthy activities to remain much more accessible and affordable for all ages, thus promoting health and wellbeing.

Councillor Sweeney stated that the Council was unable to amend nationally set charges such as licensing or betting. In relation to sports charges, tennis booking fees had recently been introduced and the Council was seeking to keep at an affordable level. The charges were in line with the Council's policy, reflecting both the level of use and the fact that team games could be split across a larger number of players.

The Leader invited Councillor Fox-Hewitt to meet with the Portfolio Holder and Finance officer if he wished, to discuss the sports fees before the item was taken to the Finance, Assets and Performance Scrutiny Committee for consideration.

Resolved: That the fees and charges proposed to apply from 1 April 2026, as set out in Appendix 1 and 3, be approved.

[Watch the debate here](#)

6. CIVIC PRIDE (EMPOWERING OUR COMMUNITIES) - EVALUATION OF 2025 ACTIVITIES

The Leader introduced a report for Cabinet to review and evaluate activities that had been delivered in the initial year of the Civic Pride (Empowering our Communities) initiative and to look ahead to the next phase of delivery.

Events were held in each ward around the Borough to start the initiative and this years' events were outlined on page 149 of the agenda.

The Civic Prize Fund that had been received by the Council was now in its last phase of giving funding to community groups.

The Portfolio Holder for Sustainable Environment advised that Civic Pride in 2025 had been a great success with Councillors, officers of the Council, partners, community groups, businesses and residents all getting involved. The initiative was committed to creating a cleaner, safer and more welcoming Borough.

The Portfolio Holder for Community Safety and Wellbeing stated that Civic Pride events had been held across the Borough and had been supported by key partners such as the police, Aspire and Staffordshire County Council, plus local groups and schools. There had been a wide range of activities such as bulb planting and litter picking. Councillor Heesom stated that she had been pleasantly surprised by the number of young people who had attended the event in Silverdale where the police were security marking bicycles. Thanks were given to everyone involved in what had been a really good first year.

The Portfolio Holder for Finance, Town Centres and Growth stated that people had been asking what 'Civic Pride' meant him and his answer had been 'being proud of where he lived'. Councillor Sweeney stated that his reason for being elected was to make his ward, Clayton the best possible place it could be.

The Leader stated that communities across the Borough were unique but all had a strong sense of belonging. Civic Pride was more than just clean streets and tidy gardens – it was about creating a shared commitment to the local environment, celebrating the heritage in towns and villages and working with everyone.

The Leader stated that at the last Full Council meeting it had been discussed how to get more people involved, getting the message out to everyone to help by joining community clean up days; volunteering for planting projects; reporting issues to the relevant authority or weeding the gutters outside of their properties.

- Resolved:**
- (i) That the report and notes the activities delivered in 2025 as part of the initial year of the Civic Pride (Empowering Our Communities) initiative, be received.
 - (ii) That the Civic Pride (Empowering Our Communities) Strategy 2025 – 2028 be formally adopted now that consultation has concluded
 - (iii) That the additional resource requirements of increasing community engagement activity and target setting and monitoring as set out in the motion which was approved at Full Council on 19th November 2025, be considered.
 - (iv) That this report be referred to the Health, Wellbeing and Environment Scrutiny Committee for consideration.

[Watch the debate here](#)

7. BOROUGH TREE PLANTING STRATEGY (PHASE 7) AND UPDATE ON PROTECTION OF GREEN SPACE

The Portfolio Holder for Sustainable Environment introduced a report seeking Cabinet approval to progress Phase 7 of the Borough Tree Planting Strategy.

The first 6 phases had been delivered over the last 5 years with over 24,000 having been planted over 37 sites. Phase 7 was now being planned and community groups had planted more than 9000 trees included in the Britain in Bloom plant a tree scheme. Therefore, in total 34,065 had been planted to date.

The sites that had been chosen for Phase 7 were shown in the table at paragraph 2.3 of the report and the varieties would include Silver Birch, Hazel, Beech and Wild Cherry.

Members would continue to be invited to put forward a list of sites within their areas in Borough Council ownership , for future planting.

In May, 2025, Cabinet approved a schedule of approximately 80 sites to be classified as 'Fields in Trust' which protected them from future development. A further 17 sites had been applied for since with 5 sites currently being finalised for submission.

The Leader stated that the tree planting was securing long term environmental recreational impacts. In addition, there was the environmental benefit and carbon reduction as part of the Council's Sustainable Environment Strategy.

- Resolved:**
- (i) That Phase 7 of the Borough Tree Planting Strategy be approved for immediate implementation, subject to the final consultation responses, and the Service Director – Neighbourhood Delivery is authorised to seek and accept quotations for the work.
 - (ii) That the Service Director – Neighbourhood Delivery be authorised to bid for and accept external grant funding and secure community donations to contribute to the delivery of the Borough Tree Planting Strategy and other related projects.
 - (iii) That the new planting sites be designated as Carbon Capture Areas in the Open Space Strategy.
 - (iv) That the progress made with the Field in Trust applications for the selected sites, be noted.

[Watch the debate here](#)

8. PROGRESS OF THE COUNCIL'S SUSTAINABLE ENVIRONMENT STRATEGY & DELIVERY PLAN

The Portfolio Holder for Sustainable Environment introduced a report which provided an annual review of the Delivery Plan which formed parts of the Council's Sustainable Environment Strategy and Delivery Plan (SESDP).

The SESDP was governed to be reviewed every six months ensuring that it was a living document.

Paragraph 2 outlined the progress to date and other achievements were outlined at paragraph 2.5.

The Leader welcomed the Strategy update which would now be considered by the Health, Wellbeing and Environment Scrutiny Committee.

Resolved: That the progress of the delivery plan associated with the Councils Sustainable Environment Strategy be noted, and that the update be referred to a future meeting of the Health Wellbeing and Environment Scrutiny Committee.

[Watch the debate here](#)

9. **SUPPORT FOR DRAFT STAFFORDSHIRE LOCAL NATURE RECOVERY STRATEGY**

The Leader introduced a report seeking support for the draft Local Nature Recovery Strategy (LNRS) for Staffordshire, prior to a full public consultation being undertaken.

The Strategy, which would cover the whole of Staffordshire, tied in well with what this Council had agreed locally a few years ago for the nature recovery declaration.

Council Officers are engaged with the Local Nature Recovery Team at the County Council to ensure that Newcastle was doing its part. The Leader stated that he would like this Council to continue to monitor and develop its own plans in case the County Council's commitment on nature recovery was not as it was previously.

Councillor Hutchison made reference to paragraph 1.13 which outlined the 9 strategic priorities and stated that he was really excited about implementing them.

The Leader stated that this Council had a strong track record, being the first Authority in Staffordshire to agree a Local Nature Recovery Declaration in 2021.

- Resolved:**
- (i) That the Council's support for the development of the LNRS for Staffordshire be confirmed and respond to the consultation for the draft LNRS with the comments set out in section 2 of this report; and
 - (ii) That a model of delivery within a specific plan for the Borough of Newcastle-under-Lyme, be adopted.

[Watch the debate here](#)

10. **RECYCLING & WASTE SERVICES OPERATIONAL STAFF STRUCTURE DEVELOPMENT**

The Portfolio Holder for Sustainable Environment introduced a report seeking approval for changes to the management structure within the Recycling and Waste Team, creating 4 supervisor posts. This would align them to the same structure as the Streetscene team.

Councillor Sweeney stated that the words 'offering career progression' were to be applauded.

The Leader stated that this would help to improve services through the structure and development of staff. The Leader thanked the staff for their operations throughout the recent bad weather and thanked the public for their understanding.

Resolved: That the use of pEPR funding for the creation of 4 supervisor positions within the Recycling & Waste Service as part of the service expansion to cater for increased housing and to fulfil the requirements of HM Government's Resources and waste Strategy, be approved.

[Watch the debate here](#)

11. FUTURE DELIVERY OF FINANCIAL WELL-BEING AND DEBT ADVICE SERVICE

The Portfolio Holder for Community Safety and Wellbeing introduced a report seeking authority to re-procure a Financial Well-being and Debt Advice Service ensuring that access to a knowledgeable, experienced and locally delivered service was accessible to residents.

The current service would expire at the end of March and would have to be re-procured. A six month extension to the current contract was also sought to ensure that the service was maintained. The service enabled residents to access debt advice, budgeting advice and IT support.

The Leader stated that this was a very important service as people faced higher bills.

- Resolved:**
- (i) That the proposal to re-procure the Financial Well-being and Debt Advice Service, be approved.
 - (ii) That the Portfolio Holder for Community Safety and Wellbeing, in consultation with the Service Director – Regulatory Services, be authorised to award the contract arising from the procurement.
 - (iii) That a six-month extension to the current contract to maintain this service during the procurement period, be approved.

[Watch the debate here](#)

12. LOCAL GOVERNMENT ELECTIONS 2026

The Leader introduced a report updating Cabinet on correspondence from the Minister for Local Government and Homelessness received on 18 December, 2025 and the response which would be sent from this Council.

The correspondence offered councils, who were involved in local government reorganisation, the option to postpone the local government elections in May, 2026. The Leader had stated that he did not think that acceptable and that elections should proceed as planned at Newcastle.

A letter would be sent back by 15 January stating that this Authority wished for the elections to go ahead and saw no reasons why they should not. Parish Council elections would be taking place and therefore money savings would be miniscule. In addition, the future of local government reorganisation was still uncertain date-wise and could be pushed back.

Councillor Fear endorsed the Leader's approach, noting that democracy mattered and this was just another coordinated attack on basic freedoms in this country.

Councillor Sweeney stated that the forced local government reorganisation was a disaster which would not save money or give better services.

The Leader stated that he would be working with the Chief Executive to ensure that this Council's comments were sent back to the Government before the deadline.

- Resolved:**
- (i) That the receipt of a letter from the Minister for Local Government & Homelessness in respect of the invitation for Councils to seek postponement of local authority elections in May 2026, be noted;
 - (ii) That it be agreed that elections to Newcastle-under-Lyme Borough Council will proceed as planned in May 2026;
 - (iii) That it be noted that the Leader and Chief Executive will confirm to the Ministry of Housing, Communities & Local Government by 15th January 2026 that there is no change to the planned elections for May 2026.

[Watch the debate here](#)

13. FORWARD PLAN

The Leader presented the Forward Plan.

Resolved: That the Forward Plan be received and noted.

[Watch the debate here](#)

14. URGENT BUSINESS

There was no Urgent Business.

15. DISCLOSURE OF EXEMPT INFORMATION

Resolved:- That the public be excluded from the meeting during consideration if the following matter because it is likely that there will be disclosure of exempt information as defined in paragraphs contained within Part 1 of Schedule 12A of the Local Government Act, 1972.

16. TRADE REFUSE SCALE OF FEES AND CHARGES - CONFIDENTIAL APPENDIX

Consideration was given to the confidential appendix.

Resolved: That the information contained within the confidential appendix be received and noted.

**Councillor Simon Tagg
Chair**

Cabinet - 13/01/26

Meeting concluded at 1.54 pm

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

CORPORATE LEADERSHIP TEAM'S REPORT TO CABINET

03 February 2026

Report Title: Revenue and Capital Budgets and Strategies 2026/27

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

Portfolios: Finance, Town Centres and Growth

Ward(s) affected: All

<u>Purpose of the Report</u>	<u>Key Decision</u>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
<p>To enable the Cabinet to recommend the 2026/27 General Fund Revenue Budget and the 2026/27 Capital Programme for approval to Full Council, at the meeting on 11 February 2026 following consideration by the Finance, Assets and Performance Scrutiny Committee on 15 January 2026.</p> <p>To recommend the Capital Strategy for 2026/36, the Treasury Management Strategy for 2026/27, the Investment Strategy for 2026/27 and the Commercial Strategy for 2026/27 for approval to Full Council, meeting on 11 February 2026.</p>			
<p><u>Recommendation</u></p> <p>That Cabinet:</p> <ol style="list-style-type: none"> 1. Recommend to Full Council for approval, the Revenue and Capital Budgets as detailed in this report and in the report to Cabinet dated 13 January 2026. 2. Recommend to Full Council for approval, the updated Medium Term Financial Strategy 2026/27 to 2030/31 (Appendix 2). 3. Approve the strategy for ensuring a balanced revenue outturn position for 2025/26. 4. Recommend to Full Council for approval, the calculation of the Council Tax base and a proposed Council Tax increase for 2026/27 of 1.99% per Band D equivalent property. 5. Recommend to Full Council for approval, the risk assessment at Appendix 3 and the Section 151 Officer's recommendation on the level of reserves and contingencies provisionally required to be maintained in 2026/27. 6. Approve the Civic Growth Fund priorities for 2026/27. 			

7. **Recommend an extension of the freeze, already announced to £1 after 1pm car parking, to all hourly car parking charges in support of the motion agreed by Full Council on 21 January 2026 to support the Borough's Town Centres, High Streets and Villages. And, that the creation of free 'nipper' parking at the South High Street is noted.**
8. **Recommend a freeze in fees relating to tennis, bowls, football and rugby fees and charges for 2026/27.**
9. **Recommend to Full Council for approval, the Capital Strategy (Appendix 5) for 2026/36.**
10. **Recommend to Full Council for approval, the Treasury Management Strategy (Appendix 6) for 2026/27.**
11. **Recommend to Full Council for approval, the Investment Strategy (Appendix 7) for 2026/27.**
12. **Recommend to Full Council for approval, the Commercial Strategy (Appendix 8) for 2026/27.**
11. **Recommend to Full Council for approval, the Local Council Tax Reduction Scheme (Appendix 9) for 2026/27.**

Reasons

To enable the Cabinet to recommend a robust and affordable budget for 2026/27 to the Full Council at its meeting on 11 February 2026.

The Council needs to have an approved Capital Strategy for 2026/27, an approved Treasury Management Strategy for 2026/27, an approved Investment Strategy for 2026/27 and an approved Commercial Strategy for 2026/27 in place before the start of the 2026/27 financial year.

1. Background

- 1.1 The Council is committed to the delivery of high quality services. Integral to this ambition is effective targeting of financial resources in line with the vision of "good local services, a prosperous borough and safe and welcoming places for all" and the Council's stated aims and objectives, as set out in the Council Plan 2022-2026, which was approved by Cabinet on 6 September 2022.
- 1.2 The Medium Term Financial Strategy (MTFS) sets out the Council's financial position over the next 5 years. This is aligned to the Council Plan 2022-2026 and is the key vehicle for ensuring efficiency in service delivery and targeting resources to priority areas.
- 1.3 There has been good progress against Council Plan objectives in the current year, with high standards of service delivery being achieved overall. Key Council Achievements, linked to the Council Plan objectives, are reported to Cabinet on a quarterly basis. (Details of the Council Plan 2022-2026 can be seen here <https://www.newcastle-staffs.gov.uk/policies-1/council-plan-2022-2026>)

- 1.4 The 2026/27 budget is based on the assumptions set out in the MTFS which was reported to the Cabinet at its meeting on 13 January 2026 and scrutinised by the Finance, Assets and Performance Scrutiny Committee at its meeting on 15 January 2026.
- 1.5 The proposals included in this report will inform the Revenue and Capital Budgets and Council Tax 2026/27 report to Full Council on 11 February 2026.
- 1.6 The Capital Strategy 2026/36 sets out how the Council proposes to deploy its capital resources in order to achieve its corporate and service objectives. It takes into account other relevant Council strategies, policies and plans and the views of partners and interested parties with whom the Council is involved. It also takes account of the resources which are likely to be available to the Council to fund capital investment and the effect of that investment on the Council's revenue budget. It will serve as a useful point of reference when determining or reviewing the Council's Capital Programme.
- 1.7 The Council has adopted the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice. This requires approval by Full Council concerning the Treasury Management Strategy to be followed in carrying out its treasury management activities in the forthcoming financial year, 2026/27.
- 1.8 The Investment Strategy 2026/27 is compiled according to Central Government's Guidance on Local Government Investments ('the Guidance') and the 2017 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ('the CIPFA TM Code'). It sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.
- 1.9 The Commercial Strategy 2026/27 is aligned with the Council's vision 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.

2. Issues

Budget 2025/26 – Provisional Outturn Forecast

Revenue

- 2.1 The Council approved a General Fund Revenue Budget of £19.730m on 12 February 2025 for 2025/26. 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.
- 2.2 At the close of quarter three a positive variance of £0.003m has been achieved. The projected outturn on the General Fund Revenue Account for the year is £19.726m. This represents a positive outturn of £0.004m for the year.
- 2.3 The positive variances that have occurred at the close of period 9 of 2025/26 include:

- a. Income from planning applications at the close of quarter three amounts to £0.582m more than budgeted, it is anticipated that income for the remainder of the financial year will remain in line with that budgeted and that the variance for the financial year will stay at £0.582m.
- b. Interest receivable on cash that the Council holds in terms of Town Deal funding totals £0.186m at the close of quarter three. It is forecast that interest receivable will amount to £0.207m for the financial year.
- c. Interest payable on borrowing has been vastly reduced due to the cash that the Council holds in terms of Town Deal and funding, this has saved £0.436m. It is anticipated that borrowing will commence during the final quarter, as such is it estimated that this saving may amount to £0.484m for the financial year.

2.4 These positive variances have been offset by the following adverse variances:

- a. Income shortfalls at the close of quarter three from car parking (£0.137m), trade waste (£0.075m), land charges (£0.044m) and bereavement services (£0.176m). It is forecast that these will total £0.504m for the financial year.
- b. Income shortfalls at the close of quarter three relating to the closure of the main pool for maintenance and repairs at Jubilee 2 and the associated freeze in memberships amounts (£0.079m). It is forecast that this will total £0.254m for the financial year.
- c. Use of overtime, casual and agency staff within the Household Waste and Food Waste Services along with increased contractor disposal payments has resulted in an overspend of £0.206m at the close of quarter three. It is forecast that this will amount to an overspend of £0.275m for the financial year.
- d. A contribution to the budget support fund of £0.140m has been assumed, dependent upon the outturn regarding interest payable and receivable.

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

Capital

2.6 A mid-year review of the Capital Programme for 2025/26 has been undertaken in order to identify any projects that may need to be re-profiled from 2025/26 into future years. The revised Capital Programme for 2025/26 totalling £35.635m was approved by Cabinet on 2 December 2025.

2.7 The table below shows a high level (service) summary of the Capital Programme position at the close of period 9:

Priority	Budget at Period 9 £'000	Actual at Period 9 £'000	Variance at Period 9 £'000
One Council Delivering for Local People	386	386	-
A Successful and Sustainable Growing Borough	5,514	5,522	8
Healthy, Active and Safe Communities	3,845	3,872	27
Town Centres for All	3,843	3,843	-
Total	13,588	13,623	35

Medium Term Financial Strategy

2.8 The updated MTFS was reported to Cabinet on 13 January 2026 this reflects the impact of the Local Government Finance Settlement.

2.9 A number of savings and funding strategies have been identified as being both feasible and sustainable, via a vigorous Financial Efficiency Board process including challenge sessions for each of the Cabinet Portfolios involving Cabinet Members, the Corporate Leadership Team, Service Directors and the Finance Manager. The proposed savings and funding strategies identified to date for the period of the MTFS have enabled a balanced financial position to be proposed for 2026/27.

Detail	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000
Income	87	119	50	50	50
Staffing Related	781	-	-	-	-
Good Housekeeping	66	275	50	50	50
Tax Base	212	264	348	317	267
Council Tax Increase	179	182	186	190	193
Other Financing	274	-	-	-	-
TOTAL SAVINGS	1,599	840	634	607	560
UPDATED MTFS GAPS	1,599	883	692	550	925
REMAINING GAP/(SURPLUS)	-	43	58	(57)	365

Revenue Budget 2026/27

2.10 The MTFS provides for a gap in 2026/27 of £1.599m and a gap over the 5 year period of the MTFS of £4.649m. The table below shows the factors which give rise to the £1.599m gap for 2026/27:

	£'000
Additional Income	
Fees and Charges	(364)
Total Additional Income	(364)
Loss of Income	
Settlement Funding Assessment	126
Reduction in income from under achieved budgets	100
National Insurance – not fully reimbursed as previously assumed	233
Total Loss of Income	459
Additional Expenditure	
Employees (pay awards, increments, national insurance, pension)	649
Premises (business rates and utilities)	65

Transport (fuel)	21
Borrowing	90
Temporary Accommodation	194
Other (inc. software licences, Local Government Re-Organisation, restructuring)	485
Total Additional Expenditure	1,504
Net Increase in Base Budget	1,599

2.11 The savings identified for 2026/27 are summarised at 2.9, with further detail in Appendix 1.

2.12 As in previous years, the first draft of the savings plan set out at Appendix 1 was made available to the Finance, Assets and Performance Scrutiny Committee for scrutiny at its meeting on 4 December 2025. The Committee also scrutinised the recommendations of the Cabinet report of 13 January 2026 at its meeting on 15 January 2026.

Civic Growth Fund

2.13 The Civic Growth Fund (formally the Borough Growth Fund) was established in 2020 for the purpose of enabling investment in corporate priorities. The Civic Growth Fund is required to be used to invest in initiatives that are forecast to generate on-going revenue savings through reducing the costs of service delivery, through the generation of additional income or through the provision of wider economic and health benefits.

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

Investment Area	£'000	Details
Council Modernisation	887	Embedding digitalisation across services and developing the skills of staff.
One Council Programme	100	Contribution to drive the digital programme which will transform public access to council services and drive efficiency savings.
Environmental Sustainability	183	Tree planting/carbon reduction
Walley's Quarry	175	Addressing community concerns regarding the quarry's unpleasant odour omissions.
Town Centre Support	211	Used to support the Town Deal bids for Newcastle and Kidsgrove and the rejuvenation of the Markets.
Car Parking Machines	30	Purchase of car parking machines with cashless payment options.
Commercial Property Review	20	Review to develop income generation ideas as part of the Commercial Strategy.

2.15 The savings and funding strategies identified in the table in paragraph 2.9 and in Appendix 1 will enable continued investment of £0.250m in the Council's

priorities as per the Council Plan 2022-2026 via the Civic Growth Fund. The Civic Growth Fund will continue to be used to provide investment in initiatives including Digital Delivery, that are forecast to generate on-going revenue savings through reducing the costs of service delivery, through the generation of additional income or through the provision of wider economic and health benefits. The Council's Section 151 Officer will determine whether any proposed use of the fund complies with this guidance on a case by case basis.

2.16 The 2026/27 Civic Growth Fund investment will be used in the following areas:

Investment Area	£'000
Environmental Sustainability	75
Digital Delivery	50
Place Development	125
Total	250

2.17 £0.125m will be used within place development on initiatives and events for boosting footfall within the town centres and the promotion of outdoor physical activity and teamwork.

2.18 An extension of the freeze, already announced to £1 after 1pm car parking, to all hourly car parking charges is recommended in support of the motion agreed by Full Council on 21 January 2026 to support the Borough's Town Centres, High Streets and Villages. The creation of free 'nipper' parking at the South High Street should also be noted as an initiative to boost footfall within the town centre.

2.19 In order to promote the benefits of outdoor sports it is also recommended that a freeze in fees relating to tennis, bowls, football and rugby fees and charges be implemented for 2026/27.

2.20 The costs of providing a freeze in these fees and charges will be met from the Place Development element of the Civic Growth fund for 2026/27 (£0.043m), a further £0.082m will be used on further initiatives.

2.21 In order to boost environmental sustainability within the Borough, £0.075m per annum over the life of the MTFs continues to be ring-fenced from the Civic Growth Fund to enable such projects to be fully funded.

2.22 £0.050m of the 2026/27 Civic Growth Fund will continue to be allocated to the digital programme which will transform public access to Council services and drive efficiency savings.

Council Tax and Collection Fund

2.23 The savings and funding strategy assumes a 1.99% per Band D equivalent property Council Tax increase, producing £0.179m of additional income. This increase in Council Tax would equate to the following monetary increases for residents:

Property Band	Annual Increase £ p	Weekly Increase £ p
A	2.95	0.06
B	3.46	0.07
C	3.94	0.08
D	4.44	0.09
E	5.42	0.10
F	6.42	0.12
G	7.39	0.14
H	8.88	0.17

- 2.24** Taking into account changes to the Council Tax base (i.e. new properties, empty homes premium, second home premium, single persons discount review), the Council Tax base has increased by 451 band D equivalent properties from 39,807 in 2025/26 to 40,258 in 2026/27.
- 2.25** The Council is required to declare its estimated surplus or deficit on the Collection Fund (for both Business Rates and Council Tax) to preceptors ahead of the financial year end for 2025/26. This surplus or deficit is then shared between the relevant preceptors in 2026/27 (a surplus if paid out to preceptors, including the Council, and a deficit is repaid to the collection fund from preceptors, including the Council).
- 2.26** The Council Tax Collection Fund is estimated to be in a deficit position as the close of 2025/26. This deficit is estimated to amount to £0.625m, of which the Council's share is £0.068m.
- 2.27** The Business Rates Collection Fund is estimated to be in a deficit position at the close of 2025/26. The deficit is estimated to amount to £2.982m, of which the Council's share is £1.193m.
- 2.28** The deficit primarily relates to successful appeals in the period January to March 2025 which resulted in an actual outturn position of a surplus of £1.823m for 2024/25 compared to the forecast declared surplus position as at December 2024 of £4.114m.
- 2.29** The Council's share of the deficit for both Business Rates and Council Tax will be provided for via Business Rates Reserve which was established to ensure the Council's resilience against Business Rates volatility.

Budget Consultation

- 2.30** Public consultation has been undertaken on the budget (Appendix 10), the consultation ran between 25 November 2025 and 1 January 2026. The consultation clearly determined that residents felt that the following services were the most important to them:
- Town centre regeneration
 - Street cleaning
 - Refuse collection
 - Parks, playgrounds and open spaces

It also showed that a greater number of residents feel that services should be protected as far as possible, even if that requires an increase in Council Tax as opposed to reducing services to a core statutory offer or reducing levels of services to ensure that Council Tax is frozen or increased at a minimal amount.

Capital Programme 2026/27 to 2028/29 and Capital Strategy 2026/36

- 2.31** The Capital Programme for 2026/27 to 2028/29 (Appendix 4) is based on new schemes which are vital to ensure continued service delivery and in assisting the Council to achieve its corporate and service objectives as set out in the Council Plan 2022-26. These schemes total £110.012m including major investment into the Borough via external funding in terms of the Town Deals Fund for both Newcastle and Kidsgrove.
- 2.32** The Capital Programme will require to be financed by borrowing, primarily for cash flow purposes, whilst assets are procured and constructed, after which time significant capital receipts are expected. The associated borrowing costs have been factored into the MTFS. The Capital Financing Requirement is set to increase to £31.278m by 2028/29 based on the 3 year Capital Programme for 2026/27 to 2028/29, the Capital Financing Requirement at 31 March 2025 (£19.893m) and the Capital Financing Requirement for capital expenditure during the current financial year and the financial years 2026/27 to 2028/29 (£11.385m).
- 2.33** The Capital Programme for 2026/27 to 2028/29 includes an estimate for the development of York Place which has been updated to reflect an adjusted cashflow and receipt of Homes England funding (£5.076m), this assumes spend of £16.112m plus capitalised interest (£0.612m) over the period 2025/26 to 2027/28 and a subsequent capital receipt including capitalised interest during 2028/29.
- 2.34** The Capital Programme for this period also includes an estimate for the redevelopment of the Midway Carpark which has been updated to reflect an adjusted cashflow and receipt of Homes England funding (£5.689m), this assumes spend of £35.955m plus capitalised interest (£1.372m) over the period 2025/26 to 2027/28 and a subsequent capital receipt plus capitalised interest during 2029/30.
- 2.35** In addition, the Capital Programme also includes an estimate for the redevelopment of the Ryecroft site which has been updated to reflect an adjusted cashflow and receipt of Homes England funding (£8.179m), this assumes spend of £33.132m plus capitalised interest (£1.049m) over the period 2025/26 to 2027/28 and a subsequent capital receipt including capitalised interest in 2030/31.
- 2.36** The Capital Strategy for 2026/36 (Appendix 5) meets the requirements of statutory guidance issued by the Government in January 2018. The Council's capital investment is carried out within the statutory framework laid down by the Local Government Act 2003 and regulations under that Act. Accordingly, only expenditure which fits the definition of capital expenditure contained in the Act or Regulations pursuant to it will be capitalised.
- 2.37** The Capital Programme is produced in line with the Capital Strategy for 2026/36. In addition to the Council's corporate and service objectives, as set out

in the Council Plan 2022-26, the Capital Programme is also influenced by a number of external parties and factors.

- 2.38** Delivering the capital programme for 2026/27 will require prudential borrowing to be undertaken, primarily for the purposes of the regeneration projects outlined above for which interest will be capitalised and for which capital receipts are expected, but also to reflect the Council's underlying capital financing requirement. The impact of borrowing is included in the MTFS pressures for 2026/27 and future years.
- 2.39** Advice will continue to be sought from the Council's Treasury Management advisors, Arlingclose, as to the most beneficial timing of prudential borrowing. Their current advice to reduce interest rate risk is to borrow on a short term basis (up to 4 years) from other local authorities where possible alongside longer term Public Works Loan Board borrowing where suitable.

Treasury Management Strategy 2026/27, Investment Strategy 2026/27 and Commercial Strategy 2026/27

- 2.40** The Treasury Management Strategy for 2026/27 is attached at Appendix 6. The Minimum Revenue Provision Policy for 2026/27 is contained in Annex C to the strategy.
- 2.41** The Treasury Management Strategy for 2026/27 allows for borrowing and for the capitalisation of interest costs in relation to development schemes. Although not utilised in recent years, the Council has previously considered the option of long-term borrowing from the Public Works Loans Board (PWLb). After the utilisation of capital receipts and internal borrowing, the Council will look to borrow short term (up to 4 years) from other local authorities where possible alongside longer term Public Works Loan Board borrowing where suitable.
- 2.42** The Investment Strategy for 2026/27 is attached at Appendix 7. This Investment Strategy meets the requirements of statutory guidance issued by the government in January 2018 and is based on guidance provided by Arlingclose, the Council's Treasury Management Advisors. Quantitative investment indicators are included within the Strategy to allow elected members and the public to assess the Council's total risk exposure as a result of its investment decisions.
- 2.43** The Commercial Strategy for 2026/27 is attached at Appendix 8. This strategy is aligned with the Council's vision 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.

Balances and Reserves

- 2.44** A review of the Council's Balances and Reserves together with a financial resilience risk assessment informing the levels of these has been undertaken by the Council's Section 151 Officer. Details of the risk factors considered and the weightings applied to each are set out at Appendix 3.
- 2.45** It is recommended that a minimum level of unallocated reserves and contingencies (i.e. the Council's Balance and Reserve Strategy for 2026/27) of

£2.225m be held in 2026/27 to reflect the levels of revenue risk shown in the draft budget for 2026/27.

- 2.46** The increase in the minimum level will be financed from the Recovery Grant to be received in 2026/27, the balance of which will be paid into the Budget and Borrowing Support Fund to increase the Council's financial resilience, ahead of its use in 2027/28 and 2028/29 to smooth the impact of the Fair Funding Review 2.0.

3. Recommendation

That Cabinet:

- 3.1** Recommend to Full Council for approval, the Revenue and Capital Budgets as detailed in this report and in the report to Cabinet dated 13 January 2026.
- 3.2** Recommend to Full Council for approval, the updated Medium Term Financial Strategy 2026/27 to 2030/31 (Appendix 2).
- 3.3** Approve the strategy for ensuring a balanced revenue outturn position for 2025/26.
- 3.4** Recommend to Full Council for approval, the calculation of the Council Tax base and a proposed Council Tax increase for 2026/27 of 1.99% per Band D equivalent property.
- 3.5** Recommend to Full Council for approval, the risk assessment at Appendix 3 and the Section 151 Officer's recommendation on the level of reserves and contingencies provisionally required to be maintained in 2026/27.
- 3.6** Approve the Civic Growth Fund priorities for 2026/27.
- 3.7** Recommend an extension of the freeze, already announced to £1 after 1pm car parking, to all hourly car parking charges in support of the motion agreed by Full Council on 21 January 2026 to support the Borough's Town Centres, High Streets and Villages. And, that the creation of free 'nipper' parking at the South High Street is noted.
- 3.8** Recommend a freeze in fees relating to tennis, bowls, football and rugby fees and charges for 2026/27.
- 3.9** Recommend to Full Council for approval, the Capital Strategy (Appendix 5) for 2026/36.
- 3.10** Recommend to Full Council for approval, the Treasury Management Strategy (Appendix 6) for 2026/27.
- 3.11** Recommend to Full Council for approval, the Investment Strategy (Appendix 7) for 2026/27.
- 3.12** Recommend to Full Council for approval, the Commercial Strategy (Appendix 8) for 2026/27.

3.13 Recommend to Full Council for approval, the Local Council Tax Reduction Scheme (Appendix 9) for 2026/27.

4. Reasons

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

5. Options Considered

5.1 None.

6. Legal and Statutory Implications

6.1 The Council is required to set its Council Tax for 2026/27 by 11 March 2026, per Section 30(6) of the Local Government Finance Act 1992. It is planned to approve the final budget and Council Tax rates on 11 February 2026.

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 & Mitigation

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 uncertainty regarding Government funding reforms there are significant budget risks that will need to be managed. It will be essential the Council has sufficient reserves to call on if required.

9.2 Such risks require regular and robust monitoring and it is essential that the Council has sufficient useable reserves to call on if required. The review and risk assessment indicates that overall unallocated reserves and contingencies are required to be held at a minimum level of £2.225m to reflect the levels of revenue risk shown in the draft budget for 2026/27. In addition a contingency of £1m is required to provide flexibility to manage risks relating to delivery of the capital programme.

- 9.3** The assessment of the Section 151 Officer is that the proposals included in this report are robust and will ensure an adequate level of reserves.
- 9.4** Treasury management is a major area of risk for the Council in that large amounts of money are dealt with on a daily basis and there are a number of limits and indicators, which must be complied with.
- 9.5** The overriding consideration in determining where to place the Council's surplus funds is to safeguard the Council's capital. Within this constraint the aim is to maximise the return on capital. Operational procedures, coupled with monitoring arrangements, are in place to minimise the risk of departures from the approved strategy.

10. UN Sustainable Development Goals (UNSDG)

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



11. One Council

Please confirm that consideration has been given to the following programmes of work:

One Commercial Council ☒

We will make investment to diversify our income and think entrepreneurially.

The recommended Capital Strategy sets out the Council's proposed approach to commercial delivery for 2025/2026.

One Digital Council ☒

We will develop and implement a digital approach which makes it easy for all residents and businesses to engage with the Council, with our customers at the heart of every interaction.

The Council's investment and modernisation programmes have allowed continued development of a digitalised offer for residents and customers.

One Green Council ☒

We will deliver on our commitments to a net zero future and make all decisions with sustainability as a driving principle.

The recommended Investment Strategy continues a commitment to invest in measures which enhance the Council's and borough's sustainability.



12. Key Decision Information

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

13. Earlier Cabinet/Committee Resolutions

13.1 Medium Term Financial Strategy 2026/27 to 2030/31 (Cabinet 2 September 2025).

13.2 Revenue and Capital Budgets 2026/27 – First Draft Savings Plans (Cabinet 2 December 2025).

13.3 Revenue and Capital Budgets 2026/27 – First Draft Savings Plans (Finance, Assets and Performance Scrutiny Committee 4 December 2025).

13.4 Draft Revenue and Capital Budgets and Strategies 2026/27 (Cabinet 13 January 2026).

13.5 Draft Revenue and Capital Budgets and Strategies 2026/27 (Finance, Assets and Performance Scrutiny Committee 15 January 2026).

14. List of Appendices

14.1 Appendix 1 – 2026/27 MTFS Funding Strategy

14.2 Appendix 2 – 2026/27 to 2029/30 MTFS 'Gaps'

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

14.4 Appendix 4 – 2026/27 to 2028/29 Capital Programme and 2025/26 Mid-Year Estimate

14.5 Appendix 5 – Capital Strategy 2026 to 2036

14.6 Appendix 6 – Treasury Management Strategy 2026/27

14.7 Appendix 7 – Investment Strategy 2026/27

14.8 Appendix 8 – Commercial Strategy 2026/27

14.9 Appendix 9 – Local Council Tax Reduction Scheme for 2026/27

14.10 Appendix 10 – 2026/27 Budget Consultation Summary

15. Background Papers

CIPFA Treasury Management Code of Practice (revised December 2017)

Council's Treasury Management Policy Statement

Local Government Act

Local Authorities (Capital Finance and Accounting) (England) Regulations

Appendix 1 – 2026/27 MTFS Funding Strategy

Ref	Service Area	Description	£000's	Detail
Income				
I1	Regulatory Services	Navigation House Rent	8	Rent contribution from contractor
I2	Commercial Delivery	Pet Cremations	10	Initial net income from the introduction of pet cremations
I3	Commercial Delivery	Museum Rent	10	Rental income from the Museum café
I4	Commercial Delivery	Electrical Works	12	Recharging of time spent by Electrician at non Council managed buildings
I5	Planning	Fees	15	Introduction of new fees and cost recovery for pre-planning application advice
I6	Neighbourhood Delivery	Digital Screen Advertising	8	Net income from advertising on Town Centre digital screen
I7	Sustainable Environment	Food Waste Transfer Station	19	Operating charge to users of the Waste Transfer Station
I8	Legal and Governance	Legal Costs	5	Recharging of legal costs relating to deed variations and Section 106 agreements
			87	
Staffing Related Efficiencies				
S1	Finance	Pension Contributions	744	Reduction in contributions to reflect improved funding levels
S2	Neighbourhood Delivery	Markets	37	Restructure of Markets and Events team to reflect the Markets operating model
			781	
Good Housekeeping/More Efficient Processes				
G1	Corporate	Printing and Postage	14	Reduction in printing and postage across the Council
G2	Legal and Governance	Contract Register Review	32	Savings from review of contracts including janitorial supplies, software, cash collections and licences
G3	Sustainable Environment	Sustainable Bedding Plants	20	Saving in bedding contract costs following the introduction of sustainable bedding plants
			66	
Alternative Sources of Finance/Other				
A1	Corporate	Tax base – Council Tax	100	Increase in tax base based on market housing supply requirement and current year tax base forecasts
A2	Corporate	Tax base – Business Rates	112	Assumed increase in tax base of 3%
A3	Corporate	Council Tax increase	179	Assumed increase of 1.99% per Band D property
A4	Sustainable Environment	Extended Producer Responsibility	274	Additional funding to be received during 2026/27, this enables a continued contribution of £200k to the Waste Reserve
			665	
Grand Total			1,599	

Appendix 2 – 2026/27 to 2030/31 MTFS 'Gaps'



Detail	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000	Description
Employees:						
Increments	68	45	17	4	-	Employees due an increment
Pay awards	396	465	479	494	509	3% pay award assumed for all years (2026/27 includes 2025/26 difference)
Members pay awards	8	9	9	9	10	3% pay award assumed for all years
Superannuation increases	99	97	94	95	97	19% of salary increases
Superannuation lump sum increases	-	33	35	37	39	Net increase of lump sum pension payment
National Insurance	78	77	74	75	76	15% of salary increases
Premises:						
Business Rates	28	23	24	25	25	Inflationary increase in business rates payable (per CPI)
Utilities	37	30	31	32	33	Inflationary increase in gas and electric (per CPI)
Transport:						
Fuel	21	17	17	18	18	Inflationary increase in fuel/HVO (per CPI)
Financing:						
Borrowing costs	90	175	38	(4)	363	Borrowing costs regarding the financing of capital expenditure
New Pressures:						
ICT software	10	10	10	10	10	Inflationary costs re. systems maintenance and software licences
Restructuring	25	-	-	-	-	Additional resource requirement
Inflationary pressures (contracts)	50	50	50	50	50	Inflationary uplifts allowance
Local Government Re-organisation	400	(200)	(200)	-	-	One off costs re. re-organisation (£400k in 2026/27, spend reduced to £200k in 2027/28 and nil in 2028/29)
Temporary Accommodation	194	-	-	-	-	Contribution towards costs of temporary accommodation
Recycling	-	195	250	-	-	Potential loss of recycling credits and income if contractor disposal undertaken by the County Council
Income:						
Fees and charges	(364)	(299)	(308)	(317)	(326)	Inflationary increase in fees and charges (per CPI)
Settlement Funding Assessment baseline funding level	126	454	472	(78)	(79)	Settlement Funding Assessment reductions per provisional settlement
Recovery Grant/Allowance for funding impact	-	(398)	(500)	-	-	Use of Recovery Grant to offset the reduction in the settlement in 2027/28. £0.5m included in the base budget for 2025/26 to allow for a reduction in the settlement, will be applied in 2028/29
National Insurance reimbursement	233	-	-	-	-	Shortfall in grant re. National Insurance rises in 2025/26
Income pressures	100	100	100	100	100	General income shortfalls
TOTAL GAPS	1,599	883	692	550	925	

Appendix 3 – (i) Risk Assessment on Required Balances/Contingency Reserve (£2.225m) and (ii) Actual/Forecast Reserve Balances at 31 March 2025 to 2027

(i) Risk Assessment on Required Reserves Balances (£2.225m)

Item	Risk	Potential Consequences	Risk Score I * L	Risk Rating	Specify Existing Control Measures	Final Score I * L	Final Risk Rating	Further Action Required	Balance Needed £
1	Increase in fees and charges does not result in higher income levels	Shortfall in income leading to overspends	3 x 4	High	Included in calculation of minimum balances	3 x 3	High	Regular monitoring of income levels	275,000
2	Reduced Income due to non-availability of service (e.g. COVID-19 related or similar)	Shortfall in income leading to overspends	3 x 3	High	Included in calculation of minimum balances	3 x 3	High	Regular monitoring of income levels	285,000
3	Bad debts reduce the Council's income	Shortfall in income leading to overspends and need to top up provision	3 x 4	High	A contribution to the bad debts provision is budgeted for	3 x 3	High	Increase monitoring of collection rates	205,000
4	Employee budgets – the budget is discounted on the assumption there will be vacancies	Vacancies do not occur leading to additional costs	3 x 3	High	The budget assumes a vacancy factor of 3.5%, this is realistic compared with previous years	2 x 3	Moderate	Regular monitoring of vacancy levels	50,000
5	Employee budgets - the 2024/25 employee pay settlement results in an increase higher than included in the budget	Additional unbudgeted costs	2 x 3	Moderate	Balances sufficient to deal with any additional costs, plus reduced job security in economy	2 x 3	Moderate	None	100,000
6	Problems with staff recruitment/retention resulting in the payment of market supplements at extra cost	Additional unbudgeted costs	3 x 3	High	Subject to ongoing review	3 x 3	High	None	75,000
	Problems with staff sickness/suspensions resulting in the needs	Additional unbudgeted costs	3 x 3	High	Absence management procedures in place	3 x 3	High	Monitoring of sickness levels	150,000



Item	Risk	Potential Consequences	Risk Score I * L	Risk Rating	Specify Existing Control Measures	Final Score I * L	Final Risk Rating	Further Action Required	Balance Needed £
	to use agency/interim staff								
8	Council becomes liable to pay compensation or legal fees or another unforeseen commitment arises	Additional unbudgeted costs	3 x 3	High	Included in calculation of minimum balances	3 x 2	Moderate	None	125,000
9	Inflation relating to supplies and services exceeds the allowance in the budget	Additional unbudgeted costs	3 x 3	High	Included in calculation of minimum balances. Regular review of inflation levels	3 x 3	High	None	100,000
10	Existing commitment(s) missed out of budget	Additional unbudgeted costs	3 x 3	High	Budgets subject to checking at several levels. Preparation of standstill budget for comparison	3 x 3	High	None	75,000
11	Additional interest costs incurred resulting from loss of income and additional expenditure	Additional unbudgeted borrowing costs	3 x 3	High	Capital Budgets and receipt expectations have been realistically set. Allowance provided for in calculation of minimum balances	3 x 3	High	None	220,000
12	Fuel costs increase by more than allowed for in budget	Additional unbudgeted costs	3 x 3	High	Realistic increases included in base budget	3 x 3	High	None	20,000
13	Energy costs increase by more than allowed for in budget	Additional unbudgeted costs	3 x 3	High	Realistic increases included in base budget	3 x 3	High	None	40,000
14	Unforeseen major repairs needed to Council properties	Additional unbudgeted costs	2 x 3	Moderate	Planned maintenance programme in place and stock condition survey.	2 x 3	Moderate	None	50,000
15	Insurances – unexpected increases in premiums	Additional unbudgeted costs	3 x 3	High	Included in calculation of minimum balances	2 x 3	Moderate	None	15,000



Item	Risk	Potential Consequences	Risk Score I * L	Risk Rating	Specify Existing Control Measures	Final Score I * L	Final Risk Rating	Further Action Required	Balance Needed £
16	Insurances - high level of excesses to be met by Council or uninsured losses	Additional unbudgeted costs	3 x 3	High	Included in calculation of minimum balances. Insurance Provision established	2 x 3	Moderate	Monitor level of Insurance Provision	40,000
17	Government further increase NI rates during 2026/27	Additional unbudgeted costs	2 x 3	Moderate	Included in calculation of minimum balances. Increased rate built into budget	2 x 3	Moderate	None	65,000
18	Savings built into Budget are not realised	Additional unbudgeted costs	3 x 3	High	Regular Budget Monitoring	3 x 2	Moderate	None	80,000
19	New Legislation imposes extra costs but provides insufficient resources	Additional unbudgeted costs	3 x 3	High	Contingency Reserve available. Included in calculation of minimum balances	3 x 2	Moderate	None	25,000
20	Partnerships - expenses falling on Council as accountable body	Additional unbudgeted costs	2 x 3	Moderate	Monitor partnership activities and ensure carried out according to agreements	2 x 1	Low	None	5,000
21	Civil Emergency	Additional unbudgeted costs	5 x 2	High	Bellwin Scheme will meet 100% of eligible expenditure within 1 month of an emergency	4 x 2	Moderate	None	60,000
22	Municipal Mutual Insurance (MMI) Clawback	Additional unbudgeted costs	3 x 3	High	MMI Provision	2 x 1	Low	Consider increasing amount of provision if necessary	15,000
23	Data Protection breach resulting in fine	Additional unbudgeted costs	3 x 3	High	Data Protection Policy Reminders to staff. All staff complete mandatory e-learning module	3 x 3	High	None	75,000
24	Members act against officer advice resulting in cost to the Council	Additional unbudgeted costs	3 x 3	High	Agenda pre-meetings. Liaison with members. Monitoring Officer	3 x 3	High	None	75,000

Actual/Forecast Reserve Balances at 31 March 2025 to 2027



Reserve	Actual Balance at 31/3/25 (£000's)	Forecast Change in 2025/26 (£000's)	Forecast Balance at 31/3/26 (£000's)	Forecast Change in 2026/27 (£000's)	Forecast Balance at 31/3/27 (£000's)	Purpose
General Fund Balance	2,007	-	2,007	218	2,225	Working balance to cover unforeseen adverse events affecting the budget. Recommended minimum balance of £2.225m for 2026/27
Walley's Quarry Reserve	591	(150)	441	(41)	400	To assist with the Council's actions regarding air quality issues at Walley's Quarry
Budget and Borrowing Support Fund	503	(63)	440	80	520	To support the General Fund revenue budget or to assist in meeting borrowing costs approved by Council
Budget Support Fund (Local Plan)	185	(185)	-	100	100	To fund the Borough Local Plan in addition to a base budget allocation and transfer of vacant post funding. This fund is fully committed
Budget Support Fund (Homelessness)	324	(172)	152	(50)	102	To hold homelessness grants to be used in future periods. This fund is fully committed
Civic Growth Fund	19	(19)	-	-	-	To fund investment in corporate priorities. This fund is fully committed
Conservation & Heritage Fund	31	(11)	20	-	20	To provide repair grants to owners of historic buildings
Mayor's Charity Reserve	7	(7)	-	-	-	To hold funds on behalf of the Mayor's Charity
Museum Purchases Fund	34	21	55	10	65	To purchase, conserve and enhance exhibits
Business Rates Reserve	1,363	1,312	2,675	(761)	1,914	To equalise any surplus or deficit on the collection fund and to provide contingency for appeals and future funding reviews
Elections Reserve	129	50	179	(179)	-	To provide budget on a 4 year cycle for Borough Elections
Small Repairs Reserve	28	(28)	-	-	-	To provide small repairs to Council maintained highways and footpaths
Maintenance Fund	283	(83)	200	-	200	To provide revenue fund maintenance per Section 106 agreements
Planning Appeals Reserve	-	100	100	-	100	To provide for costs associated with planning appeals
Waste and Recycling Reserve	-	329	329	(79)	250	To provide for service changes including route optimisation
Clayton Community Centre	13	(5)	8	-	8	Sinking fund held on behalf of Committee (contributions made by Committee)
Totals	5,517	1,089	6,606	(702)	5,904	

Appendix 4 2026/27 to 2028/29 Capital Programme and 2025/26 Mid-Year Estimate



CAPITAL PROGRAMME	2025/26 MID YEAR	2026/27	2027/28	2028/29	TOTAL 2026/27 to 2028/29
	£	£	£	£	£
PRIORITY – One Council Delivering for Local People					
Service Area – Council Modernisation	922,120	705,000	80,000	351,000	1,136,000
Total	922,120	705,000	80,000	351,000	1,136,000
PRIORITY – A Successful and Sustainable Growing Borough					
Service Area – Housing Improvements	3,474,641	3,421,363	2,095,000	2,095,000	7,611,363
Service Area – Managing Property & Assets	14,183,389	49,099,572	28,286,479	466,053	77,852,104
Total	17,658,030	52,520,935	30,381,479	2,561,053	85,463,467
PRIORITY – Healthy, Active and Safe Communities					
Service Area – Streetscene	536,760	542,419	130,000	130,000	802,419
Service Area – Bereavement Services	164,200	141,950	5,000	5,000	151,950
Service Area – Recycling and Fleet	3,717,650	3,049,661	6,279,419	2,323,428	11,652,508
Service Area – Leisure and Cultural	475,763	1,604,998	1,373,936	-	2,978,934
Service Area – Engineering	310,600	200,000	-	-	200,000
Total	5,204,973	5,539,028	7,788,355	2,458,428	15,785,811
PRIORITY – Town Centres for All					
Public Realm	10,000	-	-	-	-
Town Deals – Newcastle	8,040,484	3,432,755	-	-	3,432,755
Town Deals – Kidsgrove	3,318,343	1,955,030	1,239,313	-	3,194,343
Total	11,368,827	5,387,785	1,239,313	-	6,627,098
CONTINGENCY (assumes unspent contingency is carried forward from 2026/27)	480,954	1,000,000	-	-	1,000,000
TOTAL	35,634,904	65,152,748	39,489,147	5,370,481	110,012,376
FUNDING					
Capital Receipts	1,530,000	5,050,000	4,350,000	4,350,000	13,750,000
Regeneration Receipts	-	-	-	13,750,072	13,750,072
External Contributions	26,590,251	16,907,528	4,196,155	2,000,000	23,103,683
Borrowing	7,514,653	1,633,832	3,216,988	(979,519)	3,871,301
Regeneration Borrowing	-	41,561,388	27,726,004	(13,750,072)	55,537,320
TOTAL	35,634,904	65,152,748	39,489,147	5,370,481	110,012,376

Appendix 9 – Local Council Tax Reduction Scheme for 2026/27

Claim Type	Council Tax Support Scheme
Pensioner Claimants	
No scope for changes within LCTS	Up to 100% of Council Tax Bill
Working Age Claimants	
Claims will be based on a max of 80% Council Tax Liability (unless in a protected group)	Up to 80% of Council Tax Bill
Properties in bands higher than Band D will be based on 80% Band D Council Tax	Up to 80% of band D rate
Second Adult Rebate will not be retained in the Local Scheme	Nil
Capital Cut off at £6k (non-passported)	No Council Tax Support if capital exceeds £6k
Earnings Disregards	Flat rate of £25 if claimant working
Claimants who are eligible to Severe Disability Premium (SDP)	
May allow up to 100% LCTS as protected group	Up to 100% of Council Tax Bill
Claimants who are eligible to receive War Disablement Pensions, War Widow's Pensions and Armed Forces Compensation Scheme Payments	
May allow up to 100% LCTS as protected group	Up to 100% of Council Tax Bill

Discretionary Payments

The Council has discretion to award Council Tax Support, in excess of the accounts determined by this framework, where it is satisfied that exceptional circumstances exist.



2026/27 Budget Consultation report

Headline findings

- 25 responses – a significant decrease from 82 responses last year
- Parks, playgrounds and open spaces, followed by street cleaning, were seen as the two most important council services
- Town centre regeneration was the most important service that the Council did not have to provide
- 52 per cent of respondents chose to protect services, even if this means we will need to increase Council Tax and charges to service users because of central funding reductions
- A small majority said the Council should seek to generate additional revenue from arts development, leisure facilities or open spaces
- 52 per cent of respondents were aged between 41 and 60.

Background

This survey was available online from 26 November 2025 to 1 January 2026 via an online form on the Council's 'Have Your Say' web page, and was publicised by the Communications Team via social media. There were 25 responses – a significant decrease on the 82 received last year.

Q1) Are you a resident of the borough of Newcastle-under-Lyme?

84 per cent of respondents said that they were a resident of the borough, with the remaining 16 per cent saying they were not.

Q2) What is the single most important thing the Council could do differently to improve the quality of life for your local community?

This was a purely open question – an open text box was provided for respondents to answer, unprompted, with no suggested answers to choose from. Note in particular the prominence of the words ‘town’ and ‘centre’.



Q3) Which of these Council services are the most important to you?

For this question, respondents were asked to choose up to 5 services from a list of 17 services. As respondents could choose up to 5 options, totals will add up to considerably more than 100 per cent.

Two services were by far more popular than the other options:

- Parks, playgrounds and open spaces 68 per cent of respondents
- Street cleaning 60 per cent

More than one quarter of respondents chose the following options:

- Town centre regeneration 44 per cent
- Refuse collection 40 per cent

Q4) Out of the following services which the Council is not required by law to provide would you most like to see protected? Please tick up to five boxes.

Respondents were asked to choose up to 5 options out of a list of 10 services.

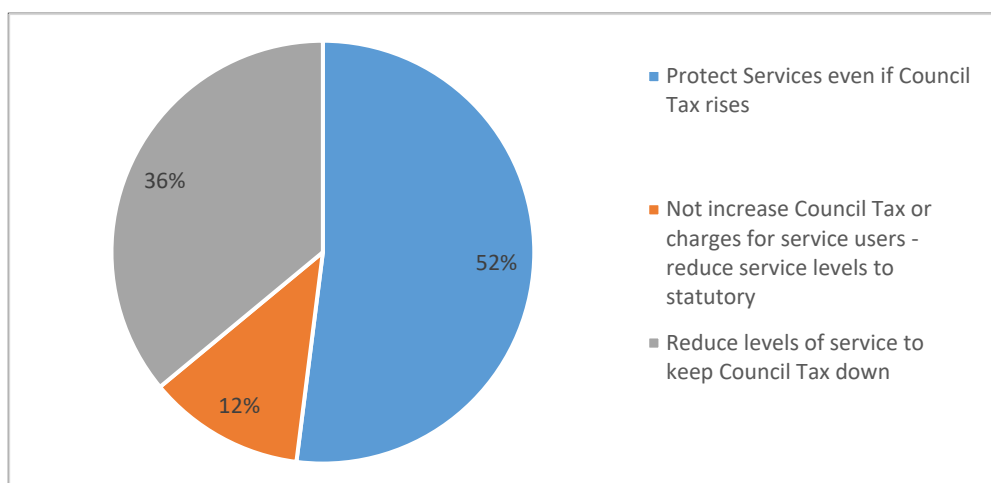
Four were chosen by more than 40 per cent of respondents:

- Town centre regeneration 65 per cent
- CCTV 52 per cent
- Outdoor leisure facilities 48 per cent
- Outdoor markets 44 per cent

Q5) When making decisions about spending plans for next year and beyond, should we...

Respondents were asked to choose from a set list of three options, and they were chosen as follows:

- *Protect services, even if this means we will need to increase Council Tax and charges to service users because of central funding reductions.* This was picked by more than half (52 per cent) and was the most popular choice.
- *To not increase Council Tax or charges for service users, but instead look to reduce service levels towards a core statutory offer - that is, excluding those listed in question 3.* This was the least popular choice, picked by only 12 per cent of respondents.
- *Reduce levels of service to make sure that Council Tax rises and fee increases for service users are kept to a minimum.* This was selected by 36 per cent of respondents.



Q6) Are there any particular service areas where you feel Newcastle-under-Lyme Borough Council should not reduce its funding?

The following word cloud shows the key themes.



Q7) Which service areas should the Council seek to generate additional income from service users in order to help balance the budget? Please tick as many as you feel are appropriate.

Respondents were asked to choose from a list of six options, and they could select as many of these six as they wanted to – explaining why percentages add up to considerably more than 100 per cent.

31-40	16%	15%
41-50	24%	15%
51-60	28%	17%
61-70	16%	14%
71+	4%	18%

Location of respondents

20 respondents did provide their postcodes, with 3 others providing the first part of theirs, enabling the following matching to take place. There were four responses from each of May Bank and Westlands, but none from the north-east of the borough. Three responses were received from residents of Stoke-on-Trent.

Table 2: Respondents by ward or other area - 23 respondents

Ward/area	Respondents
Audley	1
Bradwell	0
Clayton	1
Crackley and Red Street	0
Cross Heath	2
Holditch and Chesterton	0
Keele	0
Kidsgrove and Ravenscliffe	0
Knutton	0
Loggerheads	0
Madeley and Betley	1
Maer and Whitmore	1
May Bank	4
Newchapel and Mow Cop	0
Silverdale	0
Talke and Butt Lane	0
Thistleberry	1
Town	1
Westbury Park/Northwood	0
Westlands	4
Wolstanton	1
ST5 (incomplete postcode)	2
ST7 (incomplete postcode)	1
Stoke-on-Trent (Hartshill)	3

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Capital Strategy

2026 to 2036



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Introduction

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

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

A mid-year review of the Capital Programme for 2025/26 has been undertaken to identify any projects that may need to be re-profiled from 2025/26 into future years. This was approved by Cabinet on 2 December 2025.

The revised 2025/26 Capital Programme totals £35.635m and is summarised below, showing the constituent categories by the priorities identified in the Council Plan:

Council Priorities	Planned Expenditure £m
One Council Delivering for Local People	0.922
A Successful and Sustainable Growing Borough	17.658
Healthy, Active and Safe Communities	5.205
Capital Contingency	0.481
Town Centres for all	11.369
Total	35.635

Full Council will consider a capital programme to continue investment beyond 2025/26 on 11 February 2026.

The Strategy has been prepared against a background of continuing reductions in funding provided to local authorities by central government and its agencies, arising from the need to restrain public expenditure owing to the ongoing economic conditions and to rebalance public finances. The Council has also produced a Commercial Strategy with the aim to generate income through commercial activities which can then be reinvested in local priorities.

Key Objectives and Priorities

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

One Council Delivering for Local People
A Successful and Sustainable Growing Borough
Healthy, Active and Safe Communities
Town Centres for All

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

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

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

The Capital Assets and Commercial Investment Review Group is in place and chaired by the Cabinet Portfolio Holder for Finance, Town Centres and Growth. This Group keeps the Council's capital investment strategy under continuous review, including the prioritisation of projects for inclusion in future capital investment programmes over the medium term. Regular reviews of the property portfolio will be carried out by the group to identify properties or land which could potentially be disposed of, following a consultation process in the case of significant proposals, and a capital receipt obtained from the sale.

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

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

Factors Influencing the Capital Programme

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

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

These are discussed in greater detail in sections below:

Links with Other Strategies, Policies and Plans

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

Key Strategies	
Asset Management Strategy	Service and Financial Plans
Economic Development Strategy	Procurement Strategy
Investment Strategy	Housing Strategy
Medium Term Financial Strategy	Customer Service and Access Strategy
Flexible Use of Capital Receipts Strategy	Treasury Management Strategy

An important link is to the Asset Management Strategy in that many capital investment projects are related to the Council's fixed assets, such as its stock of buildings. Needs and priorities identified in the Asset Management Strategy will require consideration for inclusion in the Council's Capital Programme and have wider financial consequences. Equally important is the opportunity to generate

capital receipts from the disposal of land/property where there is no current or likely future operational need.

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

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

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

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

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

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

External Influences, Partners and Consultation with Other Interested Parties

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

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

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

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

and the community from any projects, both in terms of outputs and in relation to obtaining funding for the project.

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

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

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

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

Resources Available to Finance Capital Investment

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

Internal	External
Capital Receipts in Hand	Government Grants
Reserves	Borrowing
New Capital Receipts from Asset Sales	Contributions from Partners
Revenue Contributions	Other Contributions

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

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

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

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

The Asset Management Strategy sets out expected sales over the next ten years. The Capital, Assets and Commercial Investment Review Group meets on a bi-monthly basis and is responsible for the formulation of strategies in respect of income generation relating to asset disposals.

The use of capital receipts and reserves to finance new capital projects influences investment income receipts and hence the General Fund Revenue Account. At an investment interest rate of around 4%, every £100,000 of such capital receipts or reserve balances used will cost £4,000 to the revenue account on an ongoing basis. The use of capital receipts and reserves to finance the Capital Programme is taken account of in the Medium Term Financial Strategy. Any receipts generated from the sale of assets will be invested until they are required to finance capital expenditure.

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

Funding will be sought towards the cost of capital projects from external parties wherever possible and appropriate. The prime examples of these being the Town Deals, Future High Streets Fund and Disabled Facilities Grants. These may include property developers, central government and government agencies, funding bodies such as the National Lottery, the Football Foundation, the Lawn Tennis Association and partner organisations that may join with the Council to bring forward projects of mutual benefit.

The capital investment programme set out in Annex B will require a significant amount of borrowing if it is to be carried out in its entirety. The use of borrowing influences the General Fund Revenue account in terms of interest payable and the requirement to allocate a Minimum Revenue Provision, for a typical asset with a useful life of 20 years borrowing costs currently amount to around £9,000/year for every £100,000 borrowed.

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

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

The Service Director for Finance (S151 Officer) will prepare estimates of the resources which are presently in hand plus those likely to be available in future to finance capital investment. They will keep these estimates up to date and periodically report upon them to Cabinet and Council, particularly when the Capital Programme is being considered. The Council will decide on the appropriate form of financing for projects included in the Capital Programme based on advice from the Service Director for Finance (S151 Officer) as to availability and the consequences and costs of use of the various options.

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

Revenue Implications

The impact upon the General Fund Revenue Account arising from capital investment proposals will be calculated and considered at the time projects are placed before Cabinet or Full Council for inclusion in the approved Capital Programme or for specific approval. Such impact may be in the form of reduced interest receipts, where projects are to be financed from capital receipts or reserves, borrowing costs, if loan finance is to be employed, or additional running costs arising from the

provision of a new or altered facility. Offset against these costs will be any savings which might accrue, for example from “invest to save” projects.

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

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

Appraisal and Prioritisation of Investment Proposals

In accordance with the Council's Financial Regulations proposals for new capital investment estimated to cost more than £250,000 will be subject to an appraisal process, whereby a business case will be made out for the proposal, considering its contribution towards meeting corporate objectives and service priorities, its outputs and milestones, its cost and sources of and its effect, if any, upon the revenue budget in future years. Less significant projects costing below £250,000 will be subject to a simplified process. All new capital investment proposals must be considered by the Capital, Assets and Commercial Investment Review Group prior to specific Cabinet approval being requested. The project will only be included in the approved Capital Programme, after considering its priority relative to other proposed projects and the overall level of resources available to fund the Capital Programme as a whole.

No projects should be considered in isolation. They must be required to be measured against all other competing projects to determine which should go forward. This process should also apply to any projects which are proposed after the approval of the programme, to ensure that only those projects with a high priority are proceeded with and funds are not diverted to projects of a lesser priority.

A Risk Assessment, in the approved corporate format, will be completed for capital projects over £250,000.

Monitoring Arrangements and Project Management

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

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

All capital projects will be subject to Internal Audit review to ensure correct procedures have been followed and sums have been paid out in accordance with Financial Regulations and Standing Orders as they relate to contracts. Where projects have received funding from government or quasi-governmental sources, the expenditure will also be subject in many cases to external audit. European

Union funded projects may also be subject to audit by auditors on behalf of that body. Where monitoring returns or claims for reimbursement of expenditure are required to be sent to funding bodies, these will be completed and forwarded promptly to the relevant body in compliance with any deadlines laid down by them. All capital investment proposals and project progress and management are subject to the Council's scrutiny arrangements.

Statutory Framework

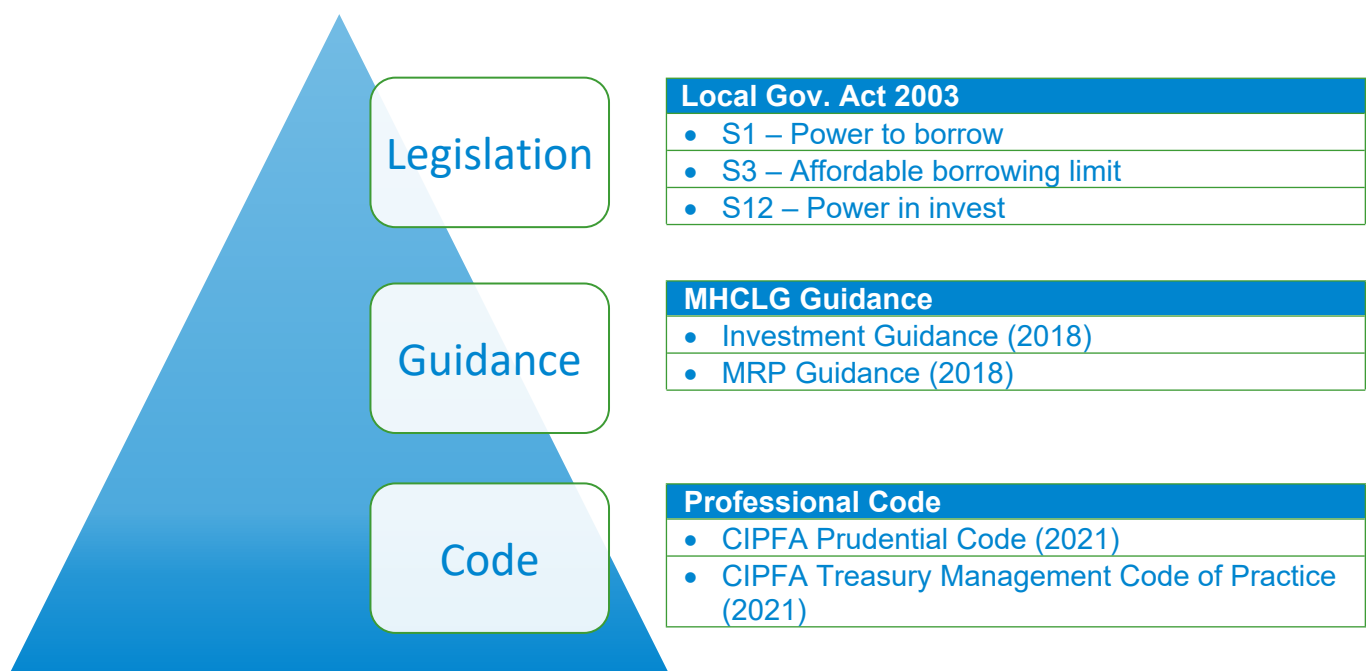
The Council's capital investment is carried out within the statutory framework laid down by the Local Government Act 2003 and regulations under that Act. Accordingly, only expenditure which fits the definition of capital expenditure contained in the Act or Regulations pursuant to it will be capitalised.

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

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

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

Legal and Regulatory Requirements



Prudential Indicators

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

- **Estimates of capital expenditure**

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

- **Actual capital expenditure**

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

- **Estimates of capital financing requirement**

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

- **Actual capital financing requirement**

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

- **Ratio of financing costs to net revenue streams**

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

- **Authorised limit on external borrowing**

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

- **Operational boundary for external debt**

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

- **Gross debt and capital financing requirement**

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

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

Procurement

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

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

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

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

Future Capital Programme

Capital investment needs have been assessed over a ten-year period (2026/27 to 2035/36) and are set out in Annex B.

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

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

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

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

Over the period 2026/27 to 2035/36 it is estimated that this expenditure will total £142.345m. There will be insufficient capital receipts arising from planned sales to meet all the costs of the investment programme.

The Capital Programme will require to be financed by borrowing, primarily for cash flow purposes, whilst assets are procured and constructed, after which time significant capital receipts are expected. The associated borrowing costs have been factored into the Medium Term Financial Strategy (MTFS). The Capital Financing Requirement is set to increase to £31.278m by 2028/29 based on the 3-year Capital Programme for 2026/27 to 2028/29, the Capital Financing Requirement at 31 March 2025 (£19.893m) and the Capital Financing Requirement for capital expenditure during the current financial year and the financial years 2026/27 to 2028/29 (£11.385m).

There will be a consequent cost to the revenue budget which will have to be included in the MTFS projections. Based on the expenditure shown in Annex B and forecasts of the amount and timing of receipts and current capital financing costs, the costs to the revenue budget relating to minimum revenue provision and interest payable on borrowings will be around £16.163m over 10 years, with the costs in each year 2026/27 to 2035/36 being as shown below:

Year	Total £m	Year	Total £m
2026/27	1.037	2031/32	1.820
2027/28	1.211	2032/33	1.889
2028/29	1.249	2033/34	1.960
2029/30	1.245	2034/35	2.034
2030/31	1.608	2035/36	2.110
		Total	16.163

A capital programme for 2026/27 to 2028/29 totalling £110.559m will be recommended to Full Council on 11 February 2026, consistent with the detail shown in Annex B. The prudential indicators that will apply for this 3-year period are set out at Annex C.

Funding for 2025/26 expenditure is likely to be available from the following sources:

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

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

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

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

Expenditure that should be capitalised will include expenditure on the:

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

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

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

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

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

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

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

Annex B – 2026/27 to 2035/36 Capital Programme

CAPITAL PROGRAMME	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	TOTAL
	£	£	£	£	£	£	£	£	£	£	£
PRIORITY - One Council Delivering for Local People											
Neighbourhood Delivery	5,000	5,000	5,000	25,000	5,000	5,000	5,000	5,000	5,000	5,000	70,000
ICT	700,000	75,000	346,000	431,000	121,000	31,000	31,000	31,000	31,000	31,000	1,828,000
Total	705,000	80,000	351,000	456,000	126,000	36,000	36,000	36,000	36,000	36,000	1,898,000
PRIORITY - A Successful and Sustainable Growing Borough											
Housing	3,421,363	2,095,000	2,095,000	2,095,000	2,095,000	2,095,000	2,095,000	2,095,000	2,095,000	2,095,000	22,276,363
Property	402,317	-	277,510	-	7,280	-	-	-	-	-	687,107
Facilities Management	534,904	560,475	188,543	310,000	724,742	172,500	172,500	150,000	150,000	150,000	3,113,664
Commercial Strategy	48,162,351	27,726,004	-	-	-	-	-	-	-	-	75,888,355
Total	52,520,935	30,381,479	2,561,053	2,405,000	2,827,022	2,267,500	2,267,500	2,245,000	2,245,000	2,245,000	101,965,489
PRIORITY - Healthy, Active and Safe Communities											
Environmental Health	-	-	-	12,000	-	-	-	-	-	-	12,000
Streetscene	542,419	130,000	130,000	130,000	155,000	130,000	130,000	130,000	130,000	130,000	1,737,419
Bereavement Services	141,950	5,000	5,000	10,000	1,530,000	5,000	5,000	5,000	5,000	5,000	1,716,950
Recycling and Fleet Services	3,049,661	6,279,419	2,323,428	2,086,514	6,874,835	700,000	700,000	700,000	700,000	700,000	24,113,857
Leisure	1,604,998	1,373,936	-	-	-	-	-	-	-	-	2,978,934
Engineering Works	200,000	-	-	-	95,000	-	-	-	-	-	295,000
Total	5,539,028	7,788,355	2,458,428	2,238,514	8,654,835	835,000	835,000	835,000	835,000	835,000	30,854,160
PRIORITY - Town Centres for All											
Town Deal - Newcastle	3,432,755	-	-	-	-	-	-	-	-	-	3,432,755
Town Deal - Kidsgrove	1,955,030	1,239,313	-	-	-	-	-	-	-	-	3,194,343
Total	5,387,785	1,239,313	-	-	-	-	-	-	-	-	6,627,098
CONTINGENCY	1,000,000	-	-	-	-	-	-	-	-	-	1,000,000
TOTAL	65,152,748	39,489,147	5,370,481	5,099,514	11,607,857	3,138,500	3,138,500	3,116,000	3,116,000	3,116,000	142,344,747
FUNDING											
Capital Receipts	5,050,000	4,350,000	4,350,000	4,350,000	550,000	550,000	550,000	550,000	550,000	550,000	21,400,000
Regeneration Receipts	-	-	13,750,072	27,313,611	33,202,160	-	-	-	-	-	74,265,843
External Contributions	16,907,528	4,196,155	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	37,103,683
Borrowing	1,633,832	3,216,988	(979,519)	(1,250,486)	4,079,406	588,500	588,500	566,000	566,000	566,000	9,575,221
Regeneration Borrowing	41,561,388	27,726,004	(13,750,072)	(27,313,611)	(28,223,709)	-	-	-	-	-	-
TOTAL	65,152,748	39,489,147	5,370,481	5,099,514	11,607,857	3,138,500	3,138,500	3,116,000	3,116,000	3,116,000	142,344,747

Annex C – Prudential Indicators

Capital Prudential Indicators

Actual and Estimate of Capital Expenditure

31/03/25 Actual (£000's)	31/03/26 Estimate (£000's)	31/03/27 Estimate (£000's)	31/03/28 Estimate (£000's)	31/03/29 Estimate (£000's)
26,236	35,635	65,153	39,489	5,370

The Capital Financing Requirement (The Councils Borrowing Need)

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

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

The CFR projections are below:

31/03/25 Actual (£000's)	31/03/26 Estimate (£000's)	31/03/27 Estimate (£000's)	31/03/28 Estimate (£000's)	31/03/29 Estimate (£000's)
19,893	27,408	29,041	32,258	31,278

The amounts shown above from 2025/26 onwards allow the Council to borrow during those years to finance capital expenditure which cannot be funded from other revenue or capital resources. However, the likelihood of individual schemes, the timings and the amounts involved cannot be assessed with certainty at this point.

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

Gross Debt and the Capital Financing Requirement

The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheaper short-term loans and long-term fixed rate loans where the future cost is known but higher.

The Council does not borrow to invest for the primary purpose of financial return and therefore retains full access to the Public Works Loans Board.

Projected levels of the Council's total outstanding debt, are shown below, compared with the capital financing requirement (see above):

	2024/25 Actual (£000's)	2025/26 Estimate (£000's)	2026/27 Estimate (£000's)	2027/28 Estimate (£000's)	2028/29 Estimate (£000's)
Debt (incl. PFI & leases)	Nil	10,336	11,969	15,186	14,207
Capital Financing Requirement	19,893	27,408	29,041	32,258	31,278
Debt Relating to Regeneration Projects	Nil	Nil	41,561	69,287	55,537

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term whereby capital receipts are expected. As can be seen from the table above, the Council expects to comply with this in the medium term, for information purposes debt relating to regeneration projects, for which capital receipts are expected from 2028/29 onwards is shown separately.

Affordability Prudential Indicators

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

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

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

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

	2024/25 Actual (£000's)	2025/26 Budget (£000's)	2026/27 Estimate (£000's)	2027/28 Estimate (£000's)	2028/29 Estimate (£000's)
Net Revenue Stream	17,026	19,730	19,730	19,730	19,730
Financing Costs	(390)	947	1,037	1,211	1,249
Ratio	(2.29%)	4.80%	5.26%	6.14%	6.33%

Treasury Indicators

Limits to Borrowing Activity

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

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

The Operational Boundary

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

Operational boundary	2025/26 Estimate (£000's)	2026/27 Estimate (£000's)	2027/28 Estimate (£000's)	2028/29 Estimate (£000's)
Borrowing	55,000	100,000	125,000	150,000
Other long term liabilities	0	0	0	0

The Authorised Limit for External Borrowing

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

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

The Council is asked to approve the following authorised limit:

Authorised limit	2025/26 Estimate (£000's)	2026/27 Estimate (£000's)	2027/28 Estimate (£000's)	2028/29 Estimate (£000's)
Debt	75,000	120,000	145,000	170,000
Other Long Term Liabilities	0	0	0	0

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

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

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

	Borrowing		Investments	
	Upper	Lower	Upper	Lower
2025/26	100%	0%	100%	0%
2026/27	100%	0%	100%	0%
2027/28	100%	0%	100%	0%
2028/29	100%	0%	100%	0%

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

	Borrowing		Investments	
	Upper	Lower	Upper	Lower
2025/26	100%	0%	100%	0%
2026/27	100%	0%	100%	0%
2027/28	100%	0%	100%	0%
2028/29	100%	0%	100%	0%

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

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Treasury Management Strategy

2026/27



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Introduction

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

Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2021 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

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

Economic Situation

Highlights of the report supplied by Arlingclose Ltd.

External Context

Economic background: The impact on the UK from the government's Autumn Budget is likely to be one of the major influences on the Council's treasury management strategy for 2026/27. Other influences will include lower short-term interest rates alongside higher medium and longer-term rates, modest economic growth, together with ongoing uncertainties around the global economy, stock market sentiment, and ongoing geopolitical issues.

The Bank of England's Monetary Policy Committee (MPC) maintained Bank Rate at 4.00% in November 2025, following a 0.25% cut in August. At the November meeting, five members, including the Governor's deciding vote, supported holding rates steady, while four favoured a further reduction to 3.75%.

The accompanying Monetary Policy Report projected modest economic growth, with GDP expected to rise by 0.2% in the final calendar quarter of 2025. Annual growth is forecast to ease from 1.4% before improving again later, reflecting the delayed effects of lower interest rates, looser monetary conditions, stronger global activity, and higher consumer spending.

CPI inflation was 3.8% in September 2025, unchanged from the previous two months and below the 4.0% expected. Core CPI eased to 3.5% from 3.6%, contrary to forecasts of a rise to 3.7%. The Bank of England's November Monetary Policy Report projects inflation to fall from this level - expected to mark the peak - to 3.2% by March 2026, before steadily returning to the 2% target by late 2026 or early 2027.

The labour market continues to ease with rising unemployment, falling vacancies and flat inactivity. In the three months to September 2025, the unemployment rate increased to 5.0%, while the employment rate slipped to 75.0% and the inactivity rate held at 21.0%. Pay growth for the same period eased modestly, with total earnings (including bonuses) rising by 4.8% and regular pay up 4.6%. Going forward, the Bank predicts the unemployment rate will increase modestly to around 5.0% by around the end of 2025 before trending downwards at a gradual pace.

The US Federal Reserve also continued to cut rates, most recently reducing the target range for the Federal Funds Rate by 0.25% at its October 2025 meeting, to 3.75%-4.00%, in line with expectations.

Financial markets anticipate a further 0.25% cut in December, although Chair Jerome Powell has cautioned that this is not guaranteed, signalling the Fed may pause before any additional easing. A factor influencing a potential pause is the ongoing government shutdown, which has delayed the publication of several important data releases used to inform monetary policy decisions.

The European Central Bank (ECB) kept its key interest rates unchanged in October for a third consecutive month, maintaining the deposit rate at 2.0% and the main refinancing rate at 2.15%. The ECB reiterated that future policy decisions will remain data-dependent, noting that inflation is close to its 2% target and that the euro area economy continues to expand despite a challenging global environment, including heightened geopolitical risks and trade tensions.

Credit outlook: Credit Default Swap (CDS) prices, which spiked in April 2025 following President Trump's 'Liberation Day' tariff announcements, have since trended lower, returning to levels broadly consistent with their 2024 averages. Although CDS prices rose modestly in October, the overall credit outlook remains stable, and credit conditions are expected to remain close to the range seen over the past two years.

While lower interest rates may weigh on banks' profitability, strong capital positions, easing inflation, steady economic growth, low unemployment, and reduced borrowing costs for households and businesses all support a favourable outlook for the creditworthiness of institutions on (the Council's treasury management advisor) Arlingclose's counterparty list. Arlingclose's advice on approved counterparties and recommended investment durations is kept under continuous review and will continue to reflect prevailing economic and credit conditions.

Interest rate forecast (10th November 2025): Arlingclose currently forecasts that the Bank of England's Monetary Policy Committee will continue to reduce Bank Rate through 2025 and 2026, reaching around 3.75%. This forecast was issued ahead of the Autumn Budget and is likely to be revised once the fiscal measures are announced on 26th November 2025 and their market implications are assessed.

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

Local Context

On 14 January 2026, the Council held no borrowing and £8.93 million of treasury investments, largely due to grant monies temporarily held. This is set out in further detail at Annex B. Forecast changes in these sums (including borrowing relating to regeneration projects, for which capital receipts are expected from 2028/29 onwards) are shown in the balance sheet analysis in table below:

Balance Sheet Summary and Forecast	31/03/2025 Actual £m	31/03/2026 Forecast £m	31/03/2027 Forecast £m	31/03/2028 Forecast £m	31/03/2029 Forecast £m
General Fund CFR	19.9	27.4	29.0	32.3	31.3
Less: Existing external borrowing	0.0	0.0	(10.3)	(53.5)	(84.4)
Less: Usable reserves	(9.6)	(10.6)	(9.9)	(10.0)	(10.0)
Less: Working capital	(13.4)	(6.5)	34.4	62.1	48.4
(New Investments or Cash)/ New external borrowing	(3.1)	10.3	43.2	30.9	(14.7)

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

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

CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. The table above shows that the Council expects to comply with this recommendation during 2026/27. Please note that this excludes borrowing in relation to regeneration projects for which it is anticipated that capital receipts will be received (hence no capital financing requirement).

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

The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow (note that this includes borrowing relating to regeneration projects, for which capital receipts are expected from 2028/29 onwards).

Liability Benchmark	31/03/2025 Actual £m	31/03/2026 Forecast £m	31/03/2027 Forecast £m	31/03/2028 Forecast £m	31/03/2029 Forecast £m
General Fund CFR	19.9	27.4	29.0	32.3	31.3
Less: Balance sheet resources	(23.0)	(17.1)	24.5	52.1	38.4
Net loans requirement	(3.1)	10.3	53.5	84.4	69.7
Plus: Liquidity Allowance	-	1.0	1.0	1.0	1.0
Liquidity benchmark	(3.1)	11.3	54.5	85.4	70.7

Borrowing Strategy

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

The balance sheet forecasts, in the table above, shows that the Council expects to borrow in 2026/27, in addition to undertaking borrowing towards the backend of the current year. The Council may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing.

The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which

funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. Short-term interest rates are currently higher than in the recent past but are expected to fall in the coming year and it is therefore likely to be more cost effective over the medium-term to either use internal resources, or to borrow short-term loans instead. The risks of this approach will be managed by keeping the Council's interest rate exposure within the limit set in the treasury management prudential indicators.

By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal or short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2026/27 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

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

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

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

Sources of borrowing:

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

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

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

- leasing;
- hire purchase;
- Private Finance Initiative;
- sale and leaseback; and
- Similar asset-based finance.

Municipal Bonds Agency: UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB

for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to Council.

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

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

Treasury Investment Strategy

The Council can hold significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's treasury investment balance has ranged between £-0.1 million and £22.7 million. The highest figure of £22.7 million was invested in December 2024, when the Council received the yearly Disabled Facilities Grant in addition to holding Town Deal funding.

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

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

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

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

Approved investment counterparties and limits

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	3 years	Unlimited	n/a
Local authorities & other	3 years	£7m	unlimited

government entities			
Secured investments*	3 years	£7m	unlimited
Banks (unsecured)*	13 months	£7m	unlimited
Building societies (unsecured)*	13 months	£7m	£7m
Registered providers (unsecured)*	3 years	£10m	£10m
Money market funds*	n/a	£7m	unlimited
Real estate investment trusts	n/a	£2m	£2m
Other investments	3 years	£7m	£7m

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

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

UK Government: Sterling-denominated investments with or explicitly guaranteed by the UK Government, including the Debt Management Account Deposit Facility, treasury bills and gilts. These are deemed to be zero credit risk due to the government's ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

Local authorities and other government agencies: Loans to, and bonds and bills issued or guaranteed by, other national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk.

Secured investments: Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds, secured deposits and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

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

Registered providers (unsecured): Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These

bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

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

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

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

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

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

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

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

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") so that it may fall below the approved rating criteria, then only investments that can be withdrawn will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

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

Reputational aspects: The Council is aware that investment with certain counterparties, while considered secure from a purely financial perspective, may leave it open to criticism, valid or

otherwise, that may affect its public reputation, and this risk will therefore be taken into account when making investment decisions.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

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

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

Additional Investment limits

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

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

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

Treasury Management Prudential Indicators

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

Security

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

Credit risk indicator	Target
Portfolio average credit rating	A

Liquidity

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

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

Interest rate exposures

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

Interest rate indicator	Limit
Upper limit on one-year revenue impact of a 1% rise in interest rates	(£184,690)
Upper limit on one-year revenue impact of a 1% fall in interest rates	£184,690

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

Maturity structure of borrowing

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

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

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

Principal sums invested for periods longer than a year

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

Price risk indicator	2025/26	2026/27	2027/28	2028/29	No Fixed Date
Limit on principal invested beyond year end	£25m	£25m	£25m	£25m	£25m

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

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

Related Matters

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

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

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

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

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

Markets in Financial Instruments Directive (MiFID II): As the Council did not consistently hold the minimum requirement of £10m to retain professional client status, it returned to its previously held retail client status with its providers of financial services, including advisers and banks, allowing it access to a smaller range of services but with greater regulatory protections afforded to individuals and small companies. This is believed to be the most appropriate status given the size and range of the Council's treasury management activities. The Council may upgrade their client status to professional if the requirements to do so are met during the year. This will allow a greater range of services but without the same level of regulatory protections provided by retail client status.

Financial Implications

The budget for investment income in 2026/27 is nil. The revenue budget for debt interest paid in 2026/27 is £738,780. If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different.

Interest in respect of capital expenditure on major projects which the Council is funding ahead of a sale to the developer undertaking the project will be capitalised and recouped as part of the sale price. This interest will not impact upon the revenue account and will be separately identified for each of these projects.

Other Options Considered

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

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

Annex A – Arlingclose Economic & Interest Rate Forecast November 2025

Underlying assumptions:

- The economic data, monetary and fiscal commentary have heightened the downside risks to our Bank Rate forecast, making rate cuts beyond 3.75% increasingly likely. As noted in the September forecast, however, we expect the Budget on 26th November 2025 to be the deciding factor for the path for interest rates. We will therefore review our interest rate forecast after this event.
- The MPC maintained Bank Rate at 4.0% in a dovish 5-4 vote, but a cut to 3.75% looks increasingly likely as the Governor teeters precariously on the divide between the hold and cut camps. While denying the Budget was an influence on his decision, it surely played into his desire to have more information before easing policy.
- Inflation surprised by holding at 3.8% in September and is forecast to fall to 3.5% by year end. However, household inflation expectations have picked up, likely largely the result of the noticeable rise in food prices, feeding caution among some policymakers.
- While services inflation remains somewhat elevated, spare capacity has opened up in the labour market and wage growth is moderating, which should place further downward pressure on inflation. Continuation of the rapid growth in administered prices is also unlikely to occur to the same extent.
- Underlying GDP growth remains subdued. While H1 2025 has been relatively strong, Q3 GDP growth has slowed, with July/August's figures suggesting a lack of momentum. Business investment is lacklustre and private sector output constrained by weaker domestic demand and spending. Ongoing uncertainty over the global outlook is still discouraging capital investment, particularly in the manufacturing sector. Downside risks persist, most notably the high probability of a tighter fiscal environment after the Budget, which may place downward pressure on consumption and growth.
- A more hawkish fiscal stance and easing inflation expectations have delivered lower gilt yields for the government. Given the outlook for growth and inflation, the key risk for yields appears to be Labour getting its own party on side with broad-based tax rises. Failure to do so could once again undermine credibility and lift gilt yields. Other factors continue to influence yields, the persistence of which is difficult to estimate.

Forecast:

- Bank Rate was retained at 4.0% in November. We continue to forecast a 0.25% rate cut in December to 3.75%.
- The UK Budget is an inflection point that may materially change the interest rate outlook. We will further review our interest rate forecast after this event; if in line with our expectations, our central forecast for Bank Rate will likely decrease below 3.75%.
- Short yields have declined to reflect a lower path for Bank Rate.
- Medium and long-term gilt yields have also declined but remain elevated for various reasons, both domestic and international. These issues may not be resolved quickly, but the UK Budget will be a key market driver.

	Current	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28
Official Bank Rate													
<i>Upside risk</i>	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	4.00	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
<i>Downside risk</i>	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
3-mth money market rate													
<i>Upside risk</i>	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	3.90	3.80	3.75	3.80	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85
<i>Downside risk</i>	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
5-yr gilt yield													
<i>Upside risk</i>	0.00	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70	0.70	1.00
Arlingclose Central Case	3.94	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
<i>Downside risk</i>	0.00	-0.55	-0.60	-0.70	-0.80	-0.90	-0.95	-1.00	-1.05	-1.10	-1.10	-1.10	-1.10
10-yr gilt yield													
<i>Upside risk</i>	0.00	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
Arlingclose Central Case	4.47	4.45	4.45	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40
<i>Downside risk</i>	0.00	-0.55	-0.60	-0.70	-0.80	-0.90	-0.95	-1.00	-1.05	-1.10	-1.10	-1.10	-1.10
20-yr gilt yield													
<i>Upside risk</i>	0.00	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
Arlingclose Central Case	5.13	5.10	5.10	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
<i>Downside risk</i>	0.00	-0.55	-0.60	-0.70	-0.80	-0.90	-0.95	-0.95	-0.95	-0.95	-0.95	-0.95	-0.95
50-yr gilt yield													
<i>Upside risk</i>	0.00	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
Arlingclose Central Case	4.73	4.70	4.75	4.65	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70
<i>Downside risk</i>	0.00	-0.55	-0.60	-0.70	-0.80	-0.90	-0.95	-0.95	-0.95	-0.95	-0.95	-0.95	-0.95

PWLB Standard Rate = Gilt yield + 1.00%

PWLB Certainty Rate = Gilt yield + 0.80%

PWLB HRA Rate = Gilt yield + 0.40%

National Wealth Fund (NWF) Rate = Gilt yield + 0.40%

Annex B – Existing Investment & Debt Portfolio Position

	14/1/2026 Actual Portfolio £m	14/1/2026 Average Rate %
<i>Treasury investments:</i>		
Banks & building societies (unsecured)	0.68	2.31
Government (incl. local authorities)	6.25	3.71
Money Market Funds	2.0	3.79
Total treasury investments	8.93	
Total external borrowing	0.0	
Net investments	8.93	

Annex C – Minimum Revenue Provision Policy

Background

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

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

Option 1 – Regulatory Method

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

Option 2 – Capital Financing Requirement Method

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

Option 3 – Asset Life Method

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

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

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

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

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

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

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

Option 4 – Depreciation Method

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

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

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

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

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

MRP Policy in respect of Finance Leases

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

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

MRP Policy – Other Capital Expenditure

Capital Financing Requirement (CFR)

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

Option for making MRP

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

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

Annex D – Treasury Management Glossary of Terms

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

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Investment Strategy

2026/27



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Introduction

This strategy is compiled according to the Ministry of Housing, Communities and Local Government's Guidance on Local Government Investments ("the Guidance") and the 2021 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code") It sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

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

The Council invests its money for three broad purposes:

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

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

Possible Revisions to the Strategy

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

Treasury Management Investments

The Council typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £0m and £10m during the 2026/27 financial year.

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

Further details: Full details of the Council's policies and its plan for 2026/27 for treasury management investments are covered in a separate document, the Treasury Management Strategy.

Service Investments: Loans

Contribution: During 2024/25 and 2025/26 to date the Council has not lent money to local charities, housing associations or any other bodies. However, the Council would consider applications from such bodies individually, in order to support local public services and stimulate local economic growth.

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

Loans for service purposes in £ thousands

Category of borrower	31/03/2025 Actual			2026/27
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Local charities	0	0	0	500
Housing associations	0	0	0	10,000
Other bodies	0	0	0	500
Total	0	0	0	11,000

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

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

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

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

The Council will consider the following points:

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

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

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

Service Investments: Shares

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

Shares held for service purposes in £ thousands

Category of company	31/03/2025 actual			2026/27
	Amounts invested	Gains or losses	Value in accounts	Approved Limit
Suppliers	0	0	0	250
Local businesses	0	0	0	250
Total	0	0	0	500

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

If the Council were to consider placing funds in any other type of investment which would be categorised as Non-Specified, the security of the capital sum would be the paramount concern. The same requirements as to credit ratings relating to Specified Investments will apply, and in appropriate cases the advice of the Council’s treasury management advisors will be sought.

Commercial Investments: Property

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

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

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

The majority of the investment property portfolio was acquired some time ago and there is no debt associated with any of the properties and the initial investment costs have been recouped many years ago. Investment properties are valued at fair value. The values of the properties will fluctuate according to market conditions prevailing from time to time, however these fluctuations do not constitute losses of capital invested. The value of investment properties included in the Council's balance sheet at 31 March 2025 is £15.349m.

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

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

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

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

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

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

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

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

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

Loan Commitments and Financial Guarantees

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

Proportionality

The Council is dependent on a return from investment property activity in terms of rentals to achieve a balanced revenue budget.

Net investment property income is subject to fluctuation according to market conditions and other factors such as bad debts and unforeseen expenditure. Accordingly the possibility of shortfalls in contribution towards the revenue budget from this source is one of the factors specifically taken into consideration in calculating the level of General Fund balance to be held as a contingency against adverse budget variances. A total of £2.007m is currently held in balances to cover this and other risks and can be drawn upon in the event of risks materialising.

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

Borrowing in Advance of Need

The Prudential Code for Capital Finance in Local Authorities (2021) issued by CIPFA states that local authorities should not borrow more than or in advance of their needs purely to profit from the investment of the extra sums borrowed. This is repeated in the Statutory Investment Guidance issued by the Ministry of Housing, Communities and Local Government.

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

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

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

Capacity, Skills and Culture

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

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

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

Investment Indicators

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

Gross and Net Income - Historic and Current Year

	2022/23 Actual (£000's)	2023/24 Actual (£000's)	2024/25 Actual (£000's)	2025/26 Estimate (£000's)
Commercial Properties				
Gross Income	1,018	1,011	1,024	982
Gross Expenditure - Excluding Capital Charges	(1,054)	(1,153)	(1,117)	(860)
Net Income / (Expenditure)	(36)	(142)	(93)	122
Net Service Expenditure (Whole Council)	(15,261)	(16,850)	(17,026)	(19,780)
Ratio of Net Income to Net Service Expenditure	(0.24%)	(0.84%)	(0.55%)	0.62%

Gross and Net Income - Over Period of Approved Medium Term Financial Strategy 2026/27 to 2030/31 (Based on 3% increase on 2025/26)

	2026/27 Estimate (£000's)	2027/28 Estimate (£000's)	2028/29 Estimate (£000's)	2029/30 Estimate (£000's)	2030/31 Estimate (£000's)
Gross Income	1,011	1,042	1,073	1,105	1,138
Gross Expenditure	(886)	(912)	(940)	(968)	(997)
Net Income	125	130	133	137	141

Vacancy Levels

2022/23 Actual (%)	2023/24 Actual (%)	2024/25 Actual (%)	2025/26 Actual at Q2 (%)
9.4	8.8	9.4	9.4

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Commercial Strategy 2026 to 2031



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Introduction

Our Corporate Plan sets out an ambitious agenda for Newcastle-under-Lyme. We want to help our communities to become stronger and more vibrant and we want to continue to deliver excellent services to our residents. We are focussing on our place-shaping role to create high quality neighbourhoods, facilities, town centres and jobs. We aspire to create new and better homes for our residents and we need to respond to the climate and ecological emergency. At the same time, our funding remains under pressure. Funding from Central Government continues to fall and, as a result, both our Corporate Plan and Medium Term Financial Strategy recognise the need for the Council to be a more commercial organisation.

This means that we need to improve service delivery and organisational efficiency and find ways to generate more income as a critical component of our financial strategy. Successful delivery of the Commercial Strategy should enable members and officers to make positive choices about what they want to invest in, and where, rather than being forced to make decisions about how, and where, to reduce expenditure.

Therefore, in order to deliver the priorities of the Corporate Plan, the Council needs a new, more agile, innovative, and commercially aware operating model to ensure that, in an environment of continued reductions in central funding, our limited resources are used to leverage maximum value and create a financially sustainable organisation that meets the changing needs and expectations of residents.

Key objectives and priorities

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

One Council Delivering for Local People
A Successful and Sustainable Growing Borough
Healthy, Active and Safe Communities
Town Centres for All

Vision

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. As a Council which adopts a commercial mind-set across the organisation. We expect staff to think innovatively and deliver services differently. We will use commercial principles to maximise the impact of our assets (whether physical or intangible) to benefit our communities and deliver financial sustainability.

This will be achieved through:

- Generation of service efficiencies and new income streams

- We will continually identify and develop opportunities to commercialise existing and new services
- When we need to charge for our services, we will price commercially, ensuring that this covers the full cost of the service unless we have made a conscious and evidenced decision to subsidise
- We will be commercially astute – we will understand the market for our services, and know how to make it work for us
- Effective procurement and contract management
- Prudent investment in income generating assets
- We will all understand and recognise where we have a role to play in maximising the impact of the Council's assets for the benefit of residents and communities.
- Strategic asset development
- Commercial One Council co-ordinates the delivery of services to maximise income generation and achieve best value.

Strategy outcomes

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

What 'commercial' means to us

Commercial approaches are being adopted by many local authorities. However, the focus and definition of what that means is different from one council to the next.

It is important therefore, to define what we, at Newcastle-under-Lyme, mean by being commercial.

Working commercially is about using our assets and capabilities in the most efficient and effective way to create a net benefit to the Council's finances. It is about identifying and implementing opportunities, which expand the ways the Council, can secure income.

Being commercial is also about being creative and exploring new ideas and activities, which will increase income to the Council. It means that we will need to work in different ways and Council employees will need to develop new skills and behaviours to help make the delivery of the Strategy a success.

Every commercial opportunity will be robustly assessed before it is put forward for formal approval and the Council will develop a range of commercial projects within the programme to balance risks. There will always be a clear link between any commercial endeavour and the Council delivering better services for residents.

Commercialisation is NOT just about making money. It is as much about avoiding costs, through early intervention and prevention, as it is about developing new projects.

This strategy impacts on all services across the Council. 'Being commercial' is a mindset that must underpin the way we all do our jobs.

This means 'commercialisation' at Newcastle-under-Lyme Borough Council and includes all of the following:

- Preventing costs arising in the first place
- Creating social value to enable delivery of excellence in services to our communities
- Early intervention to prevent a cost escalating
- Redesigning our staff structures and internal processes to be most efficient and effective
- Reviewing service delivery models (e.g. outsourced, shared service, company) to be most efficient and effective
- Effectively procuring and managing our contracts
- Identifying new sources of income
- Commissioning the right outputs/outcomes
- Enhanced financial ownership by service managers
- Maximising existing sources of income
- Eliminating unnecessary demand and work
- Insight and Intelligence to make good choices

Benefits

The successful delivery of the strategy will achieve multiple benefits including:

- Ensuring our resources are stewarded wisely to deliver outcomes for our residents and businesses.
- Enhancing our ability to provide social, economic and environmental outcomes that can help to deliver against all four of our priorities: One Council Delivering for Local People; A Successful and Sustainable Growing Borough; Healthy, Active and Safe Communities; Town Centres for All.
- Developing new income streams to support services and the Council's budget.
- Creating a culture where staff think and act differently to deliver new ways of service delivery to serve our residents and businesses.

- Inspiring staff by embedding a forward thinking, opportunity focused mind-set that can drive wider culture shift.
- Increasing the robustness of the organisation through the creation of a diverse commercial portfolio to ensure long term organisational sustainability.

Objectives

Primary Objective

The primary objective is to use the Council's resources as effectively and efficiently as possible when delivering the Council Plan.

Secondary Objectives

Achievement of the primary objective will come in part through the following secondary objectives:

- Developing a **commercial culture**
- Putting **sound governance** in place – being clear about responsibilities, authorities, processes, templates and funding
- Ensuring there is appropriate **performance management** in place for commercial initiatives

The overarching aim of this strategy is to deliver a financial return, which contributes to the Council's efficiencies and additional income targets. This will help to safeguard, and develop, frontline services that the Council currently provides and enhance the Council's ability to invest in its place shaping agenda.

Funding and investment will be required for the successful implementation of this strategy. It is important to note that the benefits of pursuing the Commercial Strategy are not purely financial. Becoming a commercially focused organisation means putting the customer at the heart of everything we do. We will actively encourage creative thinking to develop more effective and customer-centric ways to deliver our services.

Culture

Developing a commercial culture is an important part of this strategy. To achieve the ambitious objectives outlined in this strategy, all participants need to fulfil their roles. Whilst large commercial projects will be important, we are looking to develop a commercial culture across all service areas where, thinking in a business-like way and making business-like decisions, along with being creative and innovative is the normal way of working at the Council.

An embedded commercial culture will enable all our services to reach their potential and it will unlock new and innovative ways of delivering services to residents and businesses in Newcastle-under-Lyme. A commercial culture will encourage us to be creative and entrepreneurial, finding ways to add value to the way we serve residents. This will include behaviours such as challenging current approaches to look for improvements, seeking ways to maximise value for customers and the Council from contracts and looking for growth opportunities.

A culture can be defined as 'the way we do things round here' and the way we operate across our service areas will be ambitious and bold, working in new ways to steward the resources we have in the most effective way to deliver the priorities highlighted in the Council Plan.

Developing the programme and our priorities

A portfolio of opportunities has then been selected for further development. This approach should ensure that the Council pursues a diverse range of opportunities - different in their potential scale, complexity and nature – to balance the risks of the overall programme.

In selecting the opportunities, consideration has been given to:

- The need to generate a net financial return to support the pressures identified in the MTFS.
- The creation of large-scale commercial projects that have the potential to create long-term income for the Council.
- Development of a commercial culture across service areas, so that thinking and acting in a commercial manner becomes central to the Council's thinking and decision-making.

The following table shows the highest commercial priorities to investigate within the commercial programme.

Priority Area	Description	Impact
Commercial Waste	Developing the Commercial Waste income streams, building on the existing assumptions that form part of the Waste Transformation Programme	Increase the number of businesses using the council service and improve the level of income generated
Light Industrial	Develop and regenerate sites into light industrial units	Increased revenue generation, servicing demand in the local area and supporting economic development
Fees and Charges	Increasing fees and charges that benchmarking has shown to be currently charged at low rates in Staffordshire	Increase in income generated
Investment Opportunities for commercial return	Continue to investigate investment opportunities that will deliver a commercial return and build up our commercial portfolio	Increased revenue generation, servicing demand in the local area and supporting economic development
One Commercial Council	Delivery of digital screen including a small proportion of time dedicated to advertising	Advertising to pay for the running costs of the screen and therefore supporting cultural events and community messaging in Newcastle town centre

How will we realise our strategic outcomes?

- Act with intelligence and agility
- Embrace transformation and innovation
- Understand that resources are required for growth and change
- Act with integrity and high ethical standards
- Embrace commercialism and maximise income
- Create and nurture commercial and development opportunities
- Act strategically for the long-term benefit of the borough and its residents
- Greater focus on procurement and contract management
- Create a sustainable commercial programme
- Know the market place and act competitively
- Establish a strong commercial culture and invest in staff and member skills
- Drive our digital agenda forward
- Demand more from service providers and contracts
- Ensure we get value for money for residents
- Listen to our staff and customers
- Actively seek and work with partners commercially
- Engage with specialist commercial advisers and professional partners
- Pursue opportunities to generate efficiencies and financial savings
- Dispose of assets when the market is no longer viable
- Extract maximum value from our property and land assets and income streams
- Stop activities that add no value or benefit to customers
- Challenge where services can be commissioned

How will we make this happen?

- Endorsement from members of the council
- Sponsorship from the Corporate Leadership Team
- Facilitated by a highly skilled commercial team
- Collaboration across all council services and teams

- External specialist advice and support
- Initiatives owned by services

How does the strategy support our organisational goals?

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

What is the governance structure?

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

How will risks be managed?

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

What are the tools and structures we will use?

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

How will we fund and resource the journey?

- Generate a return on investment to fund services
- Make every penny count
- Explore opportunities to share services with other councils
- Maximise existing revenue streams, including advertising

- Effective and proportionate risk management
- Robust strategic and operational planning
- Access to government grants and other funding
- Invest to save

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

CORPORATE LEADERSHIP TEAM'S REPORT TO CABINET

03 February 2026

Report Title: Financial and Performance Review Report – Third Quarter 2025/26

Submitted by: Corporate Leadership Team

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

Ward(s) affected: All

<u>Purpose of the Report</u>	<u>Key Decision</u>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
To provide Cabinet with the Financial and Performance Review Report for 2025-26 (Quarter Three).			
<u>Recommendation</u> That (Cabinet): 1. Note the contents of the attached report and appendices and continue to monitor and challenge the Council's service and financial performance for this period.			
<u>Reasons</u> 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 quarter by presenting performance data and progress summaries set within a financial context. The report provides broad financial information (Appendix A) and also details service performance (Appendix B) for the period to the end of quarter three in 2025/26.
- 1.2 The Council approved a General Fund Revenue Budget of £19.730m on 12 February 2025. Further financial information is provided in Appendix A.

2. **Performance**

- 2.1 The Q3 report (April 2025 to December 2025) has been produced using business intelligence tools in order to 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.

- 2.2 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.
- 2.3 Any indicators failing to meet the set targets include a comment explaining the reasons behind the performance and what steps are being taken to ensure improvement in the future.
- 2.4 For this report a total of 50 indicators were monitored, 17 of these indicators were contextual and had no set target. Of these contextual measures that had historic trend data available, 46% showed an improvement or maintenance when compared to the previous year's performance. Of the remaining 33 indicators, the proportion which have met their target during this period stands at 82%, with the remaining 18% falling short of target. Five off target measures this quarter show a negative trend when comparing to the same time period of the previous financial year with one off-target measures showing an improvement from the year before. It must also be noted that a small number of these 'off target' measures have more stretching targets this year, in line with benchmarking findings and council ambition. In terms of trend data overall, with measures where there is comparable data, the proportion of indicators showing an improvement or maintenance of the previous year's performance stands at 56%.
- 2.5 Five project/actions have been classified as completed by their respective owners this quarter

3. Issues

- 3.1 There are six indicators 'off target' this quarter. Officers do not view these give rise to serious cause for concern (see commentaries within Appendix B). The management of each of the service areas concerned continue to monitor and take steps to address performance improvement where feasible and appropriate.
- 3.2 Progress on delivery of planned activities is summarised for each priority with one activity/action being amber rated in Quarter Three associated with Priority 3.
- 3.3 The action flagged as amber relates to Recycling rates across the borough. Comments by the action owner are listed below;

"The Council continues to roll out recycling and food waste services to flats, with the project scheduled for completion in April 2026. as stated in the last 2 quarters the Council is now fully compliant with the requirements of the governments Simpler Recycling requirements 2 years early. However overall recycling has not hit its target mainly due to less garden waste as stated in the last quarter. Food and dry recycling continue to perform well."

4. Recommendation

- 4.1 That Cabinet 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.

5. Reasons

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

6. Options Considered

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

7. Legal and Statutory Implications

- 7.1 The Council has a Best Value duty to provide value for money services.

8. Equality Impact Assessment

- 8.1 There are no differential equality issues arising directly from this report

9. Financial and Resource Implications

- 9.1 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.

10. Major Risks & Mitigation

- 10.1 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.
- 10.2 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 bi-monthly basis together with quarterly reports to Cabinet.

11. UN Sustainable Development Goals (UNSDG)



12. One Council

Please confirm that consideration has been given to the following programmes of work:

One Commercial Council ☒

We will make investment to diversify our income and think entrepreneurially.

One Digital Council ☒

We will develop and implement a digital approach which makes it easy for all residents and businesses to engage with the Council, with our customers at the heart of every interaction.

One Sustainable Council ☒

We will deliver on our commitments to a net zero future and make all decisions with sustainability as a driving principle.

12.1 The financial and performance measures contained within this report support the delivery of One Council aims.

13. Key Decision Information

13.1 This is not a key decision.

14. Earlier Cabinet/Committee Resolutions

14.1 Not relevant

15. List of Appendices

15.1 Financial information (Appendix A) and Performance Outturn (Appendix B)

16. Background Papers

16.1 Working papers held by officers responsible for calculating indicators.



2025/26

**Quarter Three
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 third report for 2025/26.
- 1.2 The report summarises overall financial performance for 2025/26 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 2024/25.
 - **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	2025/26 General Fund	
	Estimate £	Band D Council Tax £
Central Services	2,449,120	61.52
Cultural Services	3,513,630	88.27
Environmental Services	8,701,440	218.59
Planning	1,673,670	42.04
Transport	(238,330)	(5.99)
Housing	2,326,630	58.45
Net Cost of Services	18,426,160	462.88
Pensions Liabilities Account	400,000	10.05
Investment Properties	(101,270)	(2.54)
Interest and Investment Income	588,000	14.77
Net Operating Expenditure	19,312,890	485.16
Contribution to/(from) Revenue Reserves	2,683,000	67.40
Contribution to/(from) Capital Reserves	(2,266,000)	(56.92)
Amount to be met from Government Grant and Local Taxpayers	19,729,890	495.64

- 2.2 The Council approved a General Fund Revenue Budget of £19.730m on 12 February 2025 for 2025/26. 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 At the close of quarter three a positive variance of £0.003m has been achieved. The projected outturn on the General Fund Revenue Account for the year is £19.726m. This represents a positive outturn of £0.004m for the year.

2.5 The positive variances that have occurred at the close of period 9 of 2025/26 include:

- a. Income from planning applications at the close of quarter three amounts to £0.582m more than budgeted, it is anticipated that income for the remainder of the financial year will remain in line with that budgeted and that the variance for the financial year will stay at £0.582m.
- b. Interest receivable on cash that the Council holds in terms of Town Deal funding totals £0.186m at the close of quarter three. It is forecast that interest receivable will amount to £0.207m for the financial year.
- c. Interest payable on borrowing has been vastly reduced due to the cash that the Council holds in terms of Town Deal and funding, this has saved £0.436m. It is anticipated that borrowing will commence during the final quarter, as such is it estimated that this saving may amount to £0.484m for the financial year.

2.6 These positive variances have been offset by the following adverse variances:

- a. Income shortfalls at the close of quarter three from car parking (£0.137m), trade waste (£0.075m), land charges (£0.044m) and bereavement services (£0.176m). It is forecast that these will total £0.504m for the financial year.
- b. Income shortfalls at the close of quarter three relating to the closure of the main pool for maintenance and repairs at Jubilee 2 and the associated freeze in memberships amounts (£0.079m). It is forecast that this will total £0.254m for the financial year.
- c. Use of overtime, casual and agency staff within the Household Waste and Food Waste Services along with increased contractor disposal payments has resulted in an overspend of £0.206m at the close of quarter three. It is forecast that this will amount to an overspend of £0.275m for the financial year.
- d. A contribution to the budget support fund of £0.140m has been assumed, dependent upon the outturn regarding interest payable and receivable.

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 2025/26.

3.2 The Council's Medium Term Financial Strategy (approved in February 2025) identified pressures amounting to £5.275m for the period 2025/26 to 2029/30.

3.3 The Efficiency and Savings Plan to address these pressures aims to both reduce expenditure and increase income. The need to grow income continues to be a priority as the Council moves towards becoming 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 2025/26 budget was set in February 2025 with the assumption of £1.890m of savings in the year. These savings are detailed in the table below:

Category	Amount £'000	Comments
Income	235	Additional sources of income generation and an increased demand for services that the Council charges for
Staffing Related Efficiencies	156	No redundancies are anticipated to arise from these proposals
Good Housekeeping/More Efficient Processes	167	Various savings arising from more efficient use of budgets
Tax Base Increase	425	Increased in Council Tax and Business Rates tax base
Council Tax Increase	175	An assumed 1.99% per Band D equivalent increase in Council Tax
Government Reimbursement	732	Grant in respect of Extended Producer Responsibility
Total	1,890	

3.5 At the end of quarter three, all savings have been achieved or are on target to be achieved throughout the remainder of the financial year.

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 as at 31 December 2025.

Priority	Budget at Period 9 £'000	Actual at Period 9 £'000	Variance at Period 9 £'000
One Council Delivering for Local People	386	386	-
A Successful and Sustainable Growing Borough	5,514	5,522	8
Healthy, Active and Safe Communities	3,845	3,872	27
Town Centres for All	3,843	3,843	-
Total	13,588	13,623	35

4.3 A mid-year review of the Capital Programme for 2025/26 has been undertaken in order to identify any projects that may need to be re-profiled from 2025/26 into future years. The revised Capital Programme for 2025/26 totalling £35.635m was approved by Cabinet on 2 December 2025.

- 4.4 The expected total capital receipts due to be received this year following the sale of assets amount to £1.530m. A summary of the expected income is shown in the table below.

Funding	Amount
Proceeds from Right to Buy sales	£0.500m
Asset sales	£1.030m
Total	£1.530m

Major Projects Funding

- 4.5 The Council was awarded Future High Streets Fund funding in June 2021 of £11.0m to progress projects to help future economic growth. The full £11.0m has been received, all of which has been spent at 31 March 2025.
- 4.6 £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. All £23.6m has been received, of which £13.5m has been spent as shown below:

Project	Award (£000's)	Spend (£000's)	Remaining (£000's)
Digital Infrastructure	2,285	1,572	713
Sustainable Public Transport	3,421	1,211	2,210
Electric Vehicle Charging	400	400	0
Pedestrian Cycle Permeability	950	359	591
Transform Key Gateway Sites	3,810	1,397	2,413
Astley Centre for Circus	1,810	640	1,170
Digital Society	3,510	3,203	307
Heart into Knutton Village	3,534	2,908	626
Cross Street, Chesterton	2,955	987	1,968
Project Management	925	782	143
Total	23,600	13,459	10,141

- 4.7 £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 £15.7m has been received of which £7.8m has been spent as shown below:

Project	Award (£000's)	Spend (£000's)	Remaining (£000's)
Kidsgrove Sports Centre	2,328	2,328	0
Chatterley Valley West	3,496	3,496	0
Kidsgrove Station	3,658	261	3,397
Shared Services Hub	6,183	546	5,637
Canal Enhancement	400	341	59
Project Management	835	806	29
Total	16,900	7,778	9,122

- 4.8 The Council was awarded £4.8m (all of which has now been received and spent), over a 3 year period, of Phase 1 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.

- 4.9 A further £1.6m of Phase 2 UK Shared Prosperity Funding has been received in full by the Council for the financial year 2025/26. To date £0.8m has been spent as detailed below:

Project	Award (£000's)	Spend/ Ordered (£000')	Remaining (£000')
Outreach Mental Health Worker	51	38	13
Cultural Offer	85	9	76
Philip Astley Project (PAP)	30	18	12
Navigation House – Homeless Hub	292	301	(9)
Volunteering for all in Newcastle	30	11	19
Discharge Officer	51	38	13
Health Initiative	50	33	17
Homecoming	15	15	0
Natural Environment Project	50	41	9
Brampton Business Development	6	3	3
Honeybox	53	21	32
Promotional Work	37	3	34
Work Innovation Festival	30	4	26
Business Community Connects	24	24	0
Business Enterprise Coaching	33	22	11
Beauhurst Database	10	10	0
Flourishing Keele (KU)	141	80	61
Moving Ahead (KU)	81	22	59
Advanced Digital innovation (SU)	123	30	93
SSLEP Growth Hub	15	7	8
Carbon output calculator	31	21	10
Business Catalyst Academic Support	20	0	20
Newcastle Community Connector	32	16	16
Training Academy	87	16	71
Digital Initiative & AI	50	9	41
NSCG Technical Innovation	55	0	55
Project Management	54	47	7
Contingency	46	0	46
Total	1,582	839	743

- 4.10 Several projects within the Town Deals and Future High Streets Fund (e.g. Ryecroft Development, York Place and Chatterley Valley) require further funding from the Council in addition to the government grants, this will include the Council borrowing to fund these projects.

- 4.11 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.

- 4.12 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 Investments and cash held at the bank on the 31 December 2025 amounted to £6.117m. Interest earned amounted to £0.186m at the close of quarter three. The average level of funds available for investment between 1 April 2025 and 31 December 2025 was £6.524m.
- 5.3 The Council has not budgeted to receive investment income in 2025/26. However, due to projects being delayed for a number of reasons, funding has remained in the Council's bank account and in turn generated interest.

Borrowing

- 5.4 It is anticipated that borrowing for capital purposes will be required during the final quarter of the financial year. At 31 December 2025 borrowing amounting to £4.0m was held for temporary cash flow purposes.
- 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 external borrowing. 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 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 three collection rate was as follows:
- Council Tax – 76.4% of Council Tax was collected by 31 December 2025, compared to a target at the close of quarter three of 73.13%.
 - Business Rates – 82.2% of Business Rates was collected by 31 December 2025, compared to a target at the close of quarter three of 73.13%.

6.4 The current forecast of Council Tax and Business Rates receipts and Section 31 grant is shown below:

Tax	(Surplus)/Deficit at 31.12.25	Council's Share
Council Tax	£0.625m	£0.068m (11%)
Business Rates (2025-26 only)	£0.692m	£0.277m (40%)
Business Rates (2024-25 balance)	£2.291m	£0.916m (40%)
Business Rates Section 31 Grant	(£0.253m)	(£0.101m) (40%)
Total	£3.355m	£1.160m

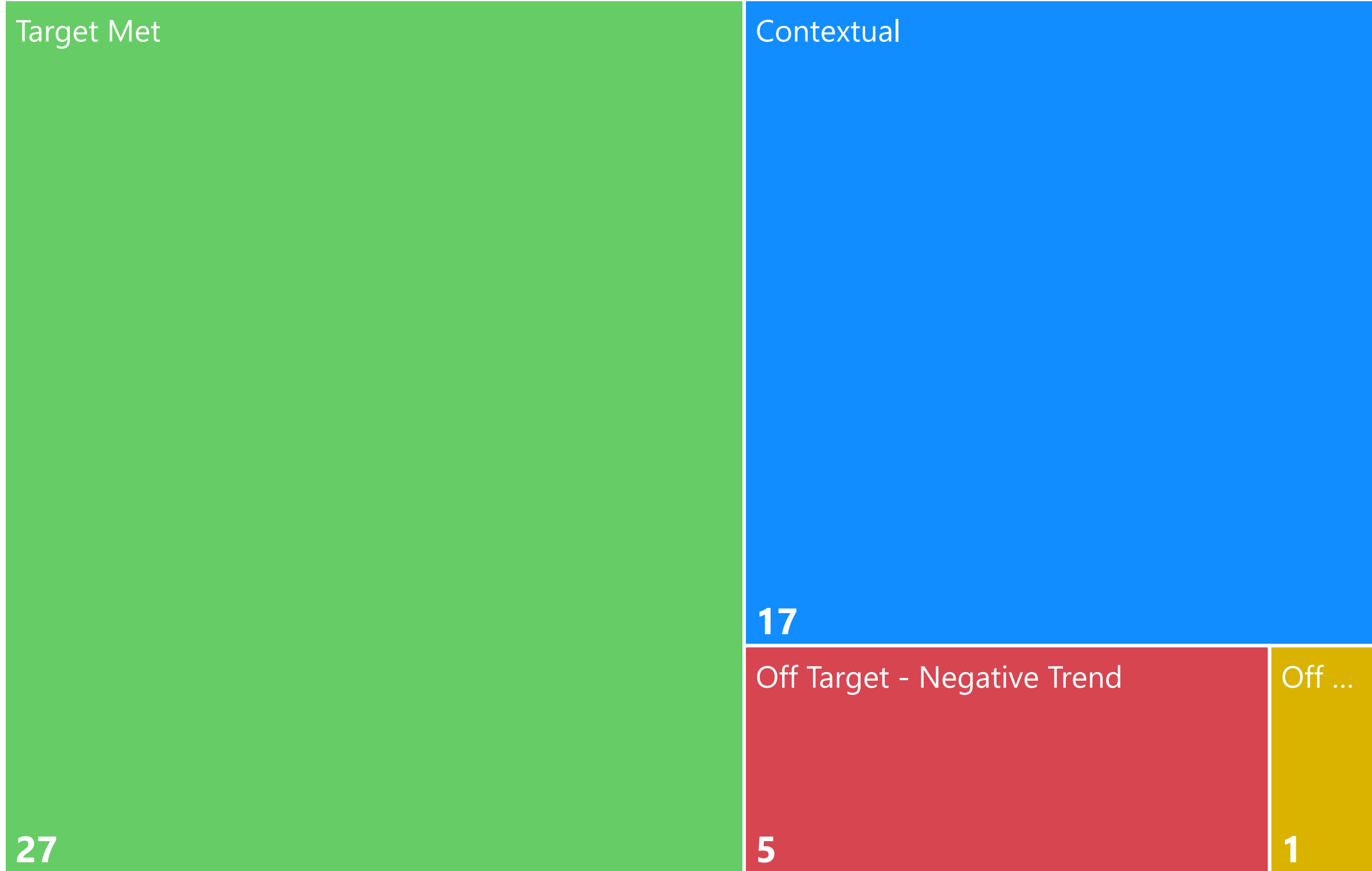
6.5 The Business Rates deficit in relation to 2024/25 reflects a change between the estimated surplus declared in January 2025 and the actual position calculated at 31 March 2025, largely relating to significant changes in rateable value agreed by the Valuation Office during the interim period. An amount to compensate for this is held in the Business Rates Reserve.



Quarter 3 - April 2025 to December 2025



All Performance Indicators Current Status



Corporate Aim (Priority)	Count
Priority 1: One Council delivering for Local People	16
Priority 2: A Successful and Sustainable Growing Borough	7
Priority 3: Healthy, Active and Safe Communities	24
Priority 4: Town Centres for All	3
	50

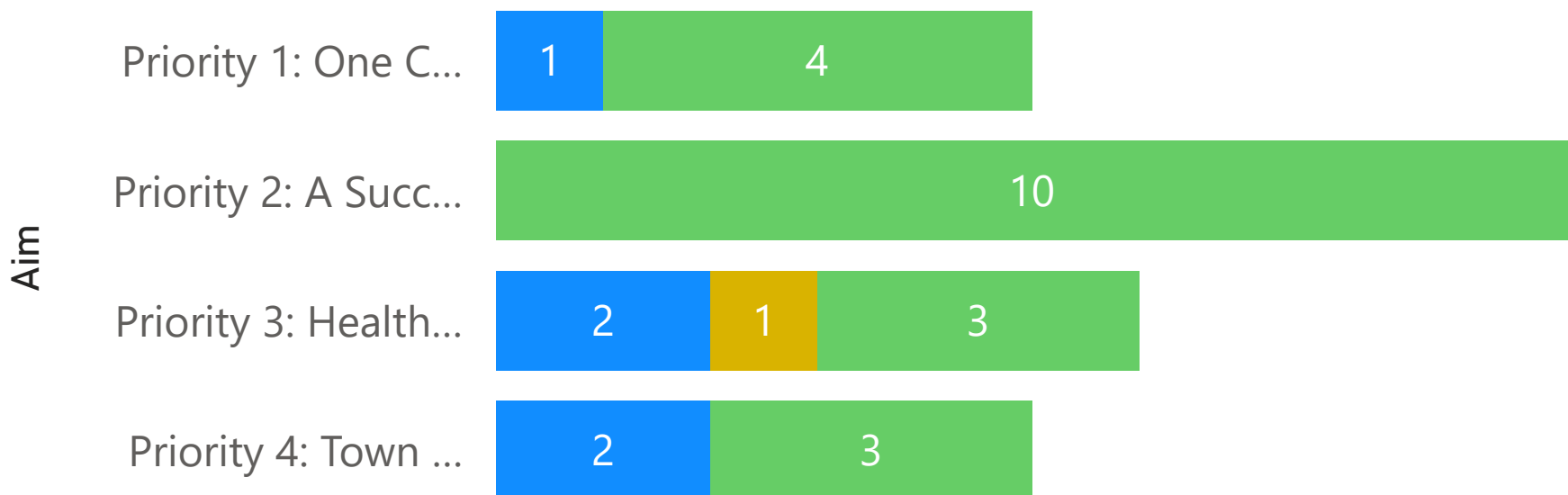
Smart Narrative

- A total of **33** measures were assigned targets this quarter. Of these, **82% achieved their targets**.
- **10** measures not only met their targets but also showed improvement compared to the same period last year. **7** met their targets but showed a negative year-on-year trend. **3** showed no change. **7** had no historical data available for comparison.
- The remaining **18%** did not meet their set targets this quarter.
- Of these, **5** demonstrated a negative trend compared to the same period last year, with **1** showing improved performance.
- An additional **17 measures were contextual** and therefore did not have set targets.
- **5** showed improvement. **7** showed a decline. **1** showed no change. **4** lacked historical data for comparison.

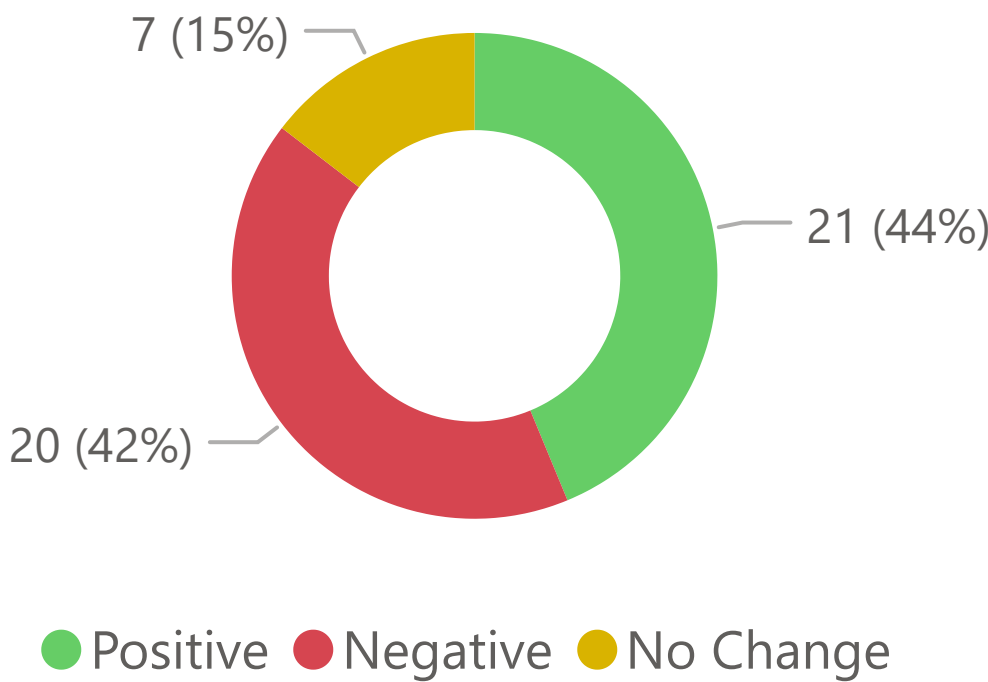
5 projects/actions have been completed, across **Priority 1, 3 and 4**. **Priority 3** has **1 projects/actions** identified as **not progressing as expected**, with further details provided within this report.

Summary Project Status Split

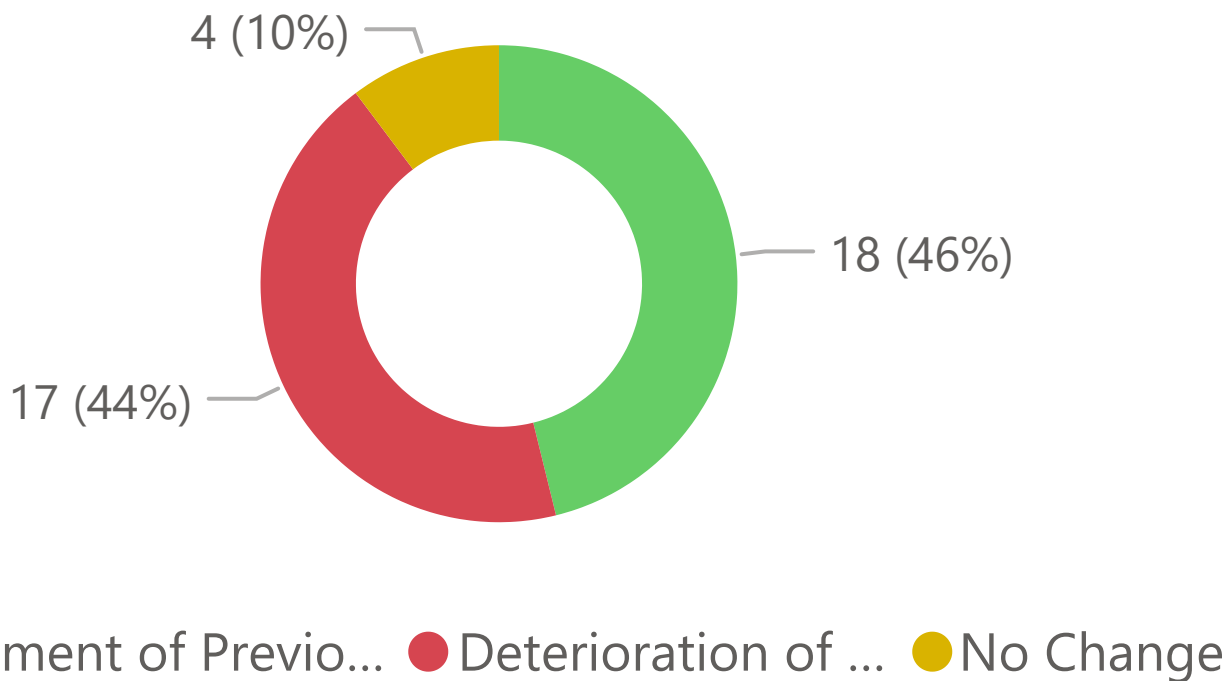
Project/Action is Completed Project/Action is Not Progr... Project/Action is Progr...

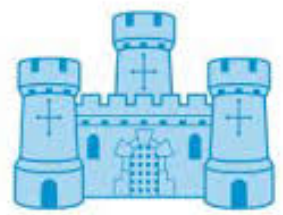


All Qtr.3 Trend Direction of PI's Compared to Previous Quarter

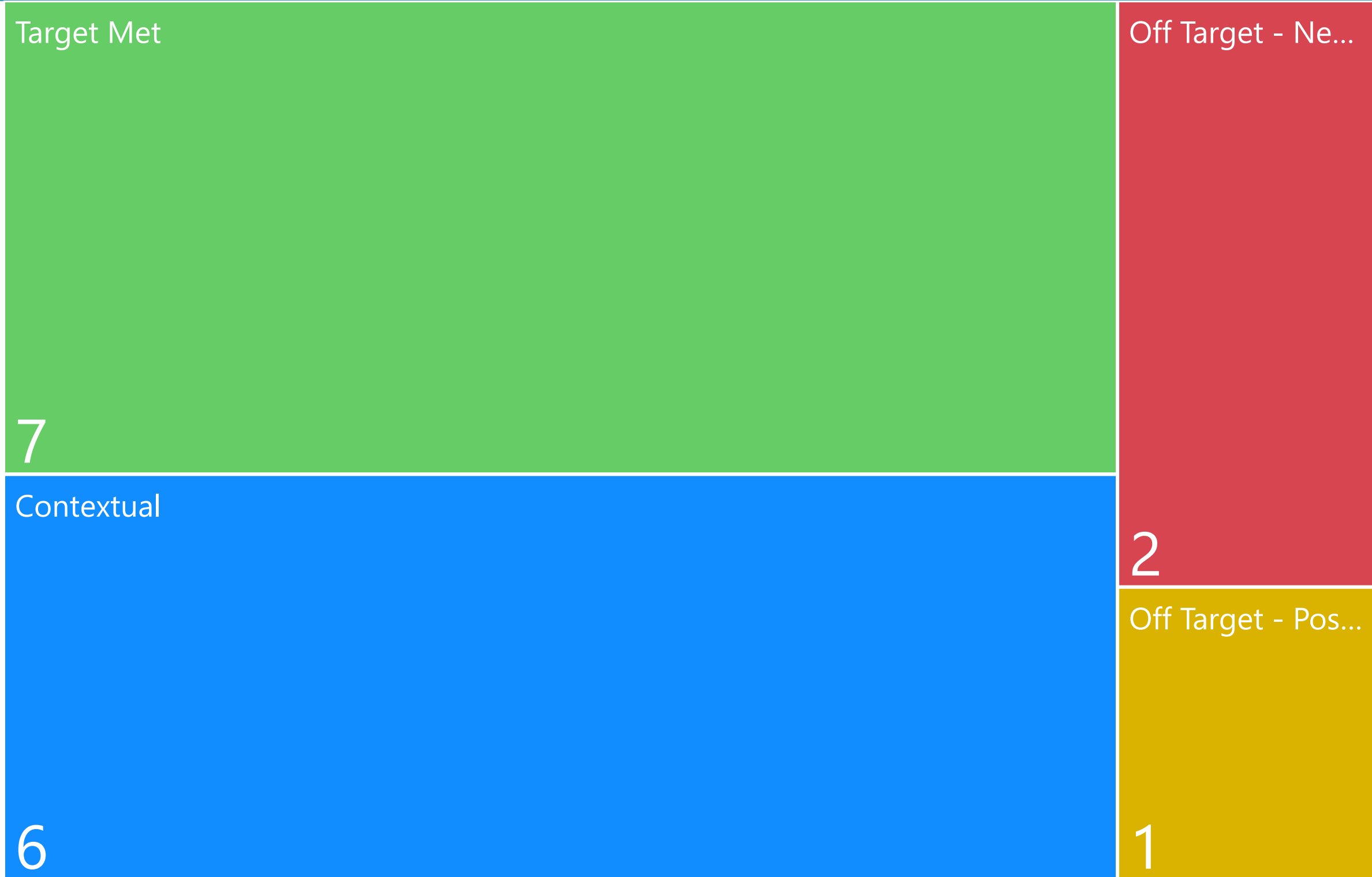


All Qtr.3 Trend Status of PI's Compared On Same Qtr in the Previous Financial Year





Priority 1: Performance Indicators Current Status

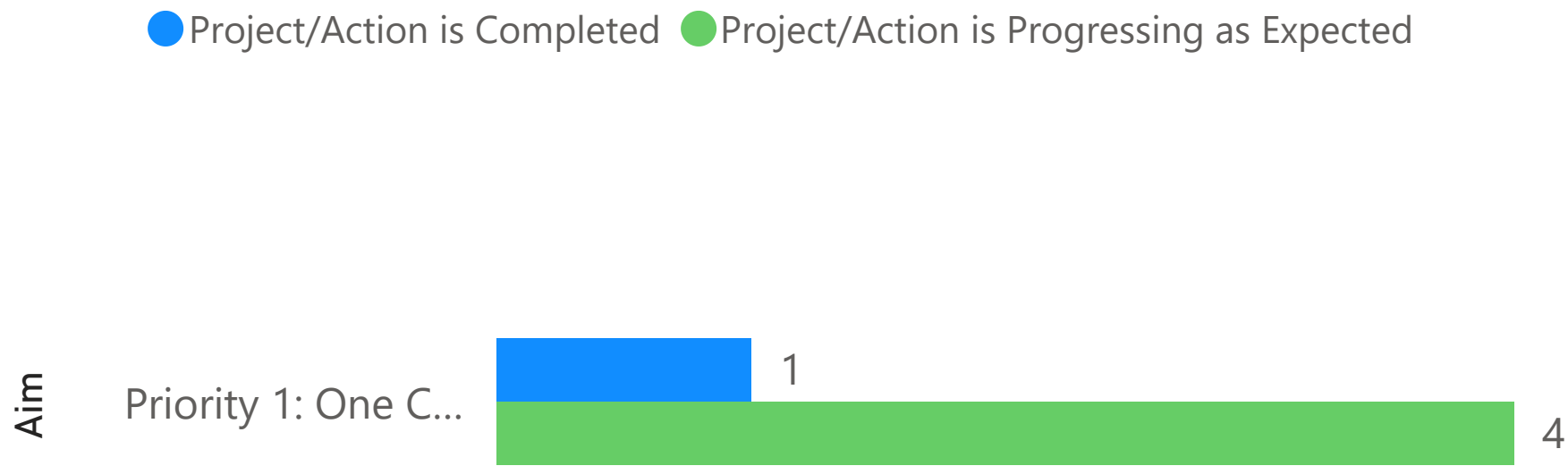


Corporate Objective	Count
Deliver services to a high standard every day	3
Develop professional talent across the Council and provide opportunities for staff to grow their careers	5
Ensure our services are efficient and accessible	6
Ensure strong financial discipline across the Council	2
Total	16

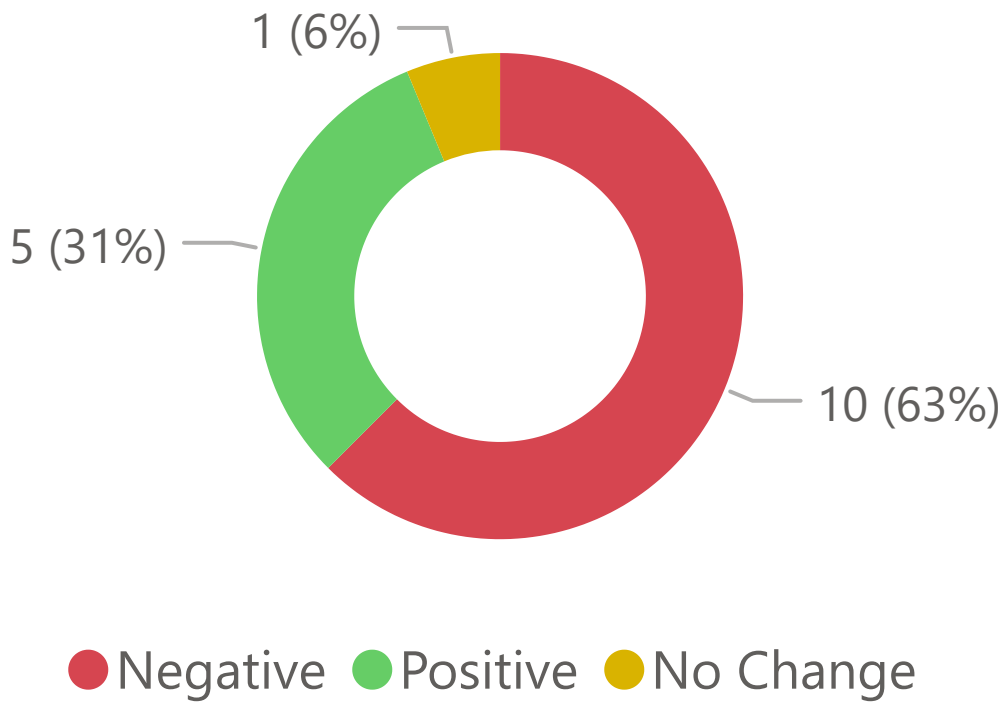
Smart Narrative

- A total of **10** measures were assigned targets this quarter. Of these, **70% achieved their targets**.
- **5** measures not only met their targets but also showed improvement compared to the same period last year. **2** met their targets but showed a negative year-on-year trend.
- The remaining **30%** did not meet their set targets this quarter.
- **2** of these measures showed year-on-year negative trend compared to the same period last year.
- **1** of the measures showed a positive trend when comparing year-on-year performance.
- An additional **6 measures were contextual** and therefore did not have set targets.
- **3** showed improvement. **3** lacked historical data for comparison.
- **1 projects/actions** has been completed, with all other project/actions progressing as expected this quarter, with further details provided within this report.

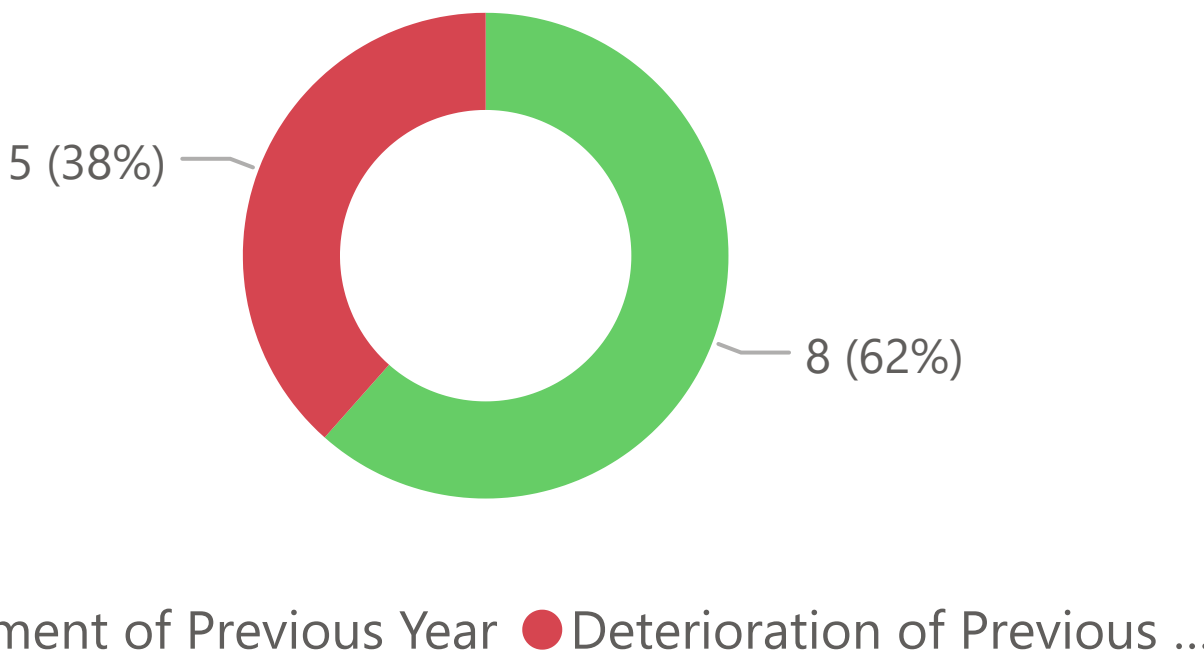
Priority 1: Summary Project Status Split

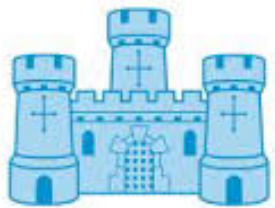


Priority 1: Qtr.3 Trend Direction of PI's Compared to Previous Quarter



Priority 1: Qtr.3 Trend Status of PI's Compared On Same Qtr in the Previous Financial Year





Low Is Good Per Quarter (Snapshot) Negative Yearly Trend	ID1.1 - Percentage of food premises that have a zero or one national food hygiene rating			Current Status	SMART Actions if Off Target																									
	<div>FY</div> <div>2023/242024/252025/26Target</div> <div>Cllr. David Hutchison</div> <div><table><tr><th>Quarter</th><th>2023/24</th><th>2024/25</th><th>2025/26</th><th>Target</th></tr><tr><td>Quarter 1</td><td>0.7</td><td>0.7</td><td>0.4</td><td>2.0</td></tr><tr><td>Quarter 2</td><td>0.6</td><td>0.5</td><td>0.7</td><td>2.0</td></tr><tr><td>Quarter 3</td><td>0.3</td><td>0.8</td><td>1.1</td><td>2.0</td></tr><tr><td>Quarter 4</td><td>0.6</td><td>0.4</td><td>-</td><td>2.0</td></tr></table></div>			Quarter	2023/24	2024/25	2025/26	Target	Quarter 1	0.7	0.7	0.4	2.0	Quarter 2	0.6	0.5	0.7	2.0	Quarter 3	0.3	0.8	1.1	2.0	Quarter 4	0.6	0.4	-	2.0	1.11✓ Target: 2.00	Not Required as Target Met
	Quarter	2023/24	2024/25	2025/26	Target																									
Quarter 1	0.7	0.7	0.4	2.0																										
Quarter 2	0.6	0.5	0.7	2.0																										
Quarter 3	0.3	0.8	1.1	2.0																										
Quarter 4	0.6	0.4	-	2.0																										
High Is Good Cumulative (Per Annum) Positive Yearly Trend	ID1.2 - Percentage of category A and B food business inspections completed on time			Current Status	SMART Actions if Off Target																									
	<div>FY</div> <div>2023/242024/252025/26Target</div> <div>Cllr. David Hutchison</div> <div><table><tr><th>Quarter</th><th>2023/24</th><th>2024/25</th><th>2025/26</th><th>Target</th></tr><tr><td>Quarter 1 - April to June</td><td>50</td><td>100</td><td>100</td><td>97</td></tr><tr><td>Quarter 2 - April to Sept</td><td>80</td><td>65</td><td>100</td><td>97</td></tr><tr><td>Quarter 3 - April to Dec</td><td>90</td><td>85</td><td>100</td><td>97</td></tr><tr><td>Quarter 4 - April to March</td><td>95</td><td>85</td><td>-</td><td>97</td></tr></table></div>			Quarter	2023/24	2024/25	2025/26	Target	Quarter 1 - April to June	50	100	100	97	Quarter 2 - April to Sept	80	65	100	97	Quarter 3 - April to Dec	90	85	100	97	Quarter 4 - April to March	95	85	-	97	100.00✓ Target: 97.00	Not Required as Target Met
	Quarter	2023/24	2024/25	2025/26	Target																									
Quarter 1 - April to June	50	100	100	97																										
Quarter 2 - April to Sept	80	65	100	97																										
Quarter 3 - April to Dec	90	85	100	97																										
Quarter 4 - April to March	95	85	-	97																										
High Is Good Cumulative (Per Annum) Positive Yearly Trend	ID1.16 - Percentage of Stage 1 complaints processed in time being 20 working days			Current Status	SMART Actions if Off Target																									
	<div>FY</div> <div>2023/242024/252025/26Target</div> <div>Cllr. Simon Tagg</div> <div><table><tr><th>Quarter</th><th>2023/24</th><th>2024/25</th><th>2025/26</th><th>Target</th></tr><tr><td>Quarter 1 - April to June</td><td>90</td><td>85</td><td>95.83</td><td>85</td></tr><tr><td>Quarter 2 - April to Sept</td><td>85</td><td>85</td><td>95.83</td><td>85</td></tr><tr><td>Quarter 3 - April to Dec</td><td>90</td><td>85</td><td>95.83</td><td>85</td></tr><tr><td>Quarter 4 - April to March</td><td>85</td><td>85</td><td>-</td><td>85</td></tr></table></div>			Quarter	2023/24	2024/25	2025/26	Target	Quarter 1 - April to June	90	85	95.83	85	Quarter 2 - April to Sept	85	85	95.83	85	Quarter 3 - April to Dec	90	85	95.83	85	Quarter 4 - April to March	85	85	-	85	95.83✓ Target: 85.00	Target Met - (APR) 7 responses were due and 7 were processed on time. (MAY) 9 responses were due and 8 were processed on time, 1 (Leisure) was processed 3 days over SLA date. (June) All responses were processed in time. (July) All responses were processed in time. (Aug) All responses were processed in time. (Sept) 7 responses were due 6 were processed on time, 1 (Housing) was processed 2 days over SLA date. (Oct) 4 responses were due and 4 were processed on time. (NOV 5 responses were due and 5 were processed on time. (DEC) 8 responses were due and 7 were processed on time, 1 (Legal) 6 days over SLA date.
	Quarter	2023/24	2024/25	2025/26	Target																									
Quarter 1 - April to June	90	85	95.83	85																										
Quarter 2 - April to Sept	85	85	95.83	85																										
Quarter 3 - April to Dec	90	85	95.83	85																										
Quarter 4 - April to March	85	85	-	85																										
High Is Good Cumulative (Per Annum) Positive Yearly Trend	ID1.17 - Percentage of FOI's dealt with in time being 20 working days			Current Status	SMART Actions if Off Target																									
	<div>FY</div> <div>2024/252025/26Target</div> <div>Cllr. Simon Tagg</div> <div><table><tr><th>Quarter</th><th>2024/25</th><th>2025/26</th><th>Target</th></tr><tr><td>Quarter 1 - April to June</td><td>45</td><td>90</td><td>85</td></tr><tr><td>Quarter 2 - April to Sept</td><td>65</td><td>90</td><td>85</td></tr><tr><td>Quarter 3 - April to Dec</td><td>70</td><td>90</td><td>85</td></tr><tr><td>Quarter 4 - April to March</td><td>75</td><td>-</td><td>85</td></tr></table></div>			Quarter	2024/25	2025/26	Target	Quarter 1 - April to June	45	90	85	Quarter 2 - April to Sept	65	90	85	Quarter 3 - April to Dec	70	90	85	Quarter 4 - April to March	75	-	85	90.00✓ Target: 85.00	Target Met - continue to show strong commitment to completing FOI's within the Statutory timeframe 90% achieved					
	Quarter	2024/25	2025/26	Target																										
Quarter 1 - April to June	45	90	85																											
Quarter 2 - April to Sept	65	90	85																											
Quarter 3 - April to Dec	70	90	85																											
Quarter 4 - April to March	75	-	85																											

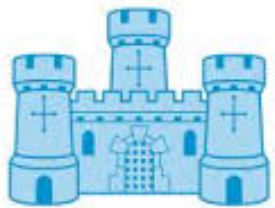
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Deliver services to a high standard every day

Ensure our services are efficient and accessible

Deliver services to a high standard every day

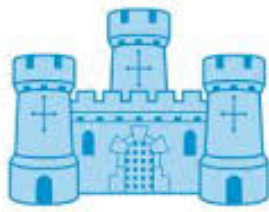
Ensure our services are efficient and accessible



<div>Low</div> <div>Is Good</div> <div>Cumulative (Per Annum)</div> <div>Negative</div> <div>Yearly Trend</div>	ID1.13 - Average number of days per employee lost to sickness - Per Employee		Current Status	SMART Actions if Off Target																									
	<div><div><div>FY</div><div><div>● 2023/24</div><div>● 2024/25</div><div>● 2025/26</div><div>● Target</div></div></div><div><div>Cllr. Simon Tagg</div><table><tr><th>Timeframe of Measure</th><th>2023/24</th><th>2024/25</th><th>2025/26</th><th>Target</th></tr><tr><td>Quarter 1 - April to June</td><td>4.0</td><td>3.0</td><td>3.0</td><td>3.0</td></tr><tr><td>Quarter 2 - April to Sept</td><td>7.0</td><td>6.0</td><td>7.0</td><td>5.0</td></tr><tr><td>Quarter 3 - April to Dec</td><td>10.5</td><td>10.0</td><td>10.5</td><td>7.0</td></tr><tr><td>Quarter 4 - April to March</td><td>11.0</td><td>11.0</td><td>-</td><td>9.0</td></tr></table></div></div>		Timeframe of Measure	2023/24	2024/25	2025/26	Target	Quarter 1 - April to June	4.0	3.0	3.0	3.0	Quarter 2 - April to Sept	7.0	6.0	7.0	5.0	Quarter 3 - April to Dec	10.5	10.0	10.5	7.0	Quarter 4 - April to March	11.0	11.0	-	9.0	10.42!	After a decrease in November, sickness rose again in December with absence higher than the previous 2 years, but remaining lower than Quarter 2 where absence was consistently high. The main increase was in long term absence with very little change in short term sickness. We are proactively managing all cases with all support mechanisms available and are hopeful that the downward trend will continue.
	Timeframe of Measure	2023/24	2024/25	2025/26	Target																								
	Quarter 1 - April to June	4.0	3.0	3.0	3.0																								
Quarter 2 - April to Sept	7.0	6.0	7.0	5.0																									
Quarter 3 - April to Dec	10.5	10.0	10.5	7.0																									
Quarter 4 - April to March	11.0	11.0	-	9.0																									
		Target: 6.60																											
<div>Low</div> <div>Is Good</div> <div>Cumulative (Per Annum)</div> <div>Positive</div> <div>Yearly Trend</div>	ID1.14 - Staff Turnover		Current Status	SMART Actions if Off Target																									
	<div><div><div>FY</div><div><div>● 2023/24</div><div>● 2024/25</div><div>● 2025/26</div><div>● Target</div></div></div><div><div>Cllr. Simon Tagg</div><table><tr><th>Timeframe of Measure</th><th>2023/24</th><th>2024/25</th><th>2025/26</th><th>Target</th></tr><tr><td>Quarter 1 - April to June</td><td>2.0</td><td>4.0</td><td>2.0</td><td>2.0</td></tr><tr><td>Quarter 2 - April to Sept</td><td>7.0</td><td>8.0</td><td>5.0</td><td>5.0</td></tr><tr><td>Quarter 3 - April to Dec</td><td>11.5</td><td>11.5</td><td>8.0</td><td>7.0</td></tr><tr><td>Quarter 4 - April to March</td><td>15.0</td><td>13.0</td><td>-</td><td>10.0</td></tr></table></div></div>		Timeframe of Measure	2023/24	2024/25	2025/26	Target	Quarter 1 - April to June	2.0	4.0	2.0	2.0	Quarter 2 - April to Sept	7.0	8.0	5.0	5.0	Quarter 3 - April to Dec	11.5	11.5	8.0	7.0	Quarter 4 - April to March	15.0	13.0	-	10.0	8.25!	Turnover for December increased slightly after being low in November . Please see below information on adjusted turnover to account for natural leavers where the same applies, the voluntary turnover remains significantly lower than overall turnover, which is to be expected when we have a number of seasonal workers (many who will finish in September/October)
	Timeframe of Measure	2023/24	2024/25	2025/26	Target																								
	Quarter 1 - April to June	2.0	4.0	2.0	2.0																								
Quarter 2 - April to Sept	7.0	8.0	5.0	5.0																									
Quarter 3 - April to Dec	11.5	11.5	8.0	7.0																									
Quarter 4 - April to March	15.0	13.0	-	10.0																									
		Target: 7.50																											
<div>Low</div> <div>Is Good</div> <div>Cumulative (Per Annum)</div> <div>N/A</div> <div>Yearly Trend</div>	ID1.14b - Voluntary Staff Turnover		Current Status	SMART Actions if Off Target																									
	<div><div><div>FY</div><div><div>● 2025/26</div></div></div><div><div>Cllr. Simon Tagg</div><table><tr><th>Timeframe of Measure</th><th>2025/26</th></tr><tr><td>Quarter 1 - April to June</td><td>2.0</td></tr><tr><td>Quarter 2 - April to Sept</td><td>3.5</td></tr><tr><td>Quarter 3 - April to Dec</td><td>5.0</td></tr><tr><td>Quarter 4 - April to March</td><td>-</td></tr></table></div></div>		Timeframe of Measure	2025/26	Quarter 1 - April to June	2.0	Quarter 2 - April to Sept	3.5	Quarter 3 - April to Dec	5.0	Quarter 4 - April to March	-	5.00	Voluntary turnover removes leavers who left due to end of FTC, dismissal or TUPE . This is a new measure designed to give context to the turnover figure by showing which of the leavers have left by choice (resigned/retired) so that a more rounded view of retention can be obtained.															
	Timeframe of Measure	2025/26																											
	Quarter 1 - April to June	2.0																											
Quarter 2 - April to Sept	3.5																												
Quarter 3 - April to Dec	5.0																												
Quarter 4 - April to March	-																												
<div>Low</div> <div>Is Good</div> <div>Per Quarter (Snapshot)</div> <div>Positive</div> <div>Yearly Trend</div>	ID1.15 - Staff Vacancy Rate		Current Status	SMART Actions if Off Target																									
	<div><div><div>FY</div><div><div>● 2023/24</div><div>● 2024/25</div><div>● 2025/26</div></div></div><div><div>Cllr. Simon Tagg</div><table><tr><th>Timeframe of Measure</th><th>2023/24</th><th>2024/25</th><th>2025/26</th></tr><tr><td>Quarter 1</td><td>9.0</td><td>9.0</td><td>8.5</td></tr><tr><td>Quarter 2</td><td>9.5</td><td>9.0</td><td>8.5</td></tr><tr><td>Quarter 3</td><td>9.5</td><td>9.0</td><td>8.5</td></tr><tr><td>Quarter 4</td><td>9.5</td><td>9.0</td><td>-</td></tr></table></div></div>		Timeframe of Measure	2023/24	2024/25	2025/26	Quarter 1	9.0	9.0	8.5	Quarter 2	9.5	9.0	8.5	Quarter 3	9.5	9.0	8.5	Quarter 4	9.5	9.0	-	8.68	Vacancy rates remain consistent, with regular reviews of vacant posts to ensure efficiency. Very few posts remain hard to fill					
	Timeframe of Measure	2023/24	2024/25	2025/26																									
	Quarter 1	9.0	9.0	8.5																									
Quarter 2	9.5	9.0	8.5																										
Quarter 3	9.5	9.0	8.5																										
Quarter 4	9.5	9.0	-																										

Develop professional talent across the Council and provide opportunities for staff to grow their careers

Develop professional talent across the Council and provide opportunities for staff to grow their careers



Low Is Good Cumulative (Per Annum)	ID1.7 - % Unmet demand (number of calls not answered as a % of total call handling volume)			Current Status	SMART Actions if Off Target
	<div><div>FY</div><div><div>2025/26</div></div></div> <div><div>Cllr. Simon Tagg</div><div><div><div></div><div></div><div></div><div></div></div><div><div>Quarter 1 - April to June</div><div>Quarter 2 - April to Sept</div><div>Quarter 3 - April to Dec</div><div>Quarter 4 - April to March</div></div><div>Timeframe of Measure</div></div></div> <div>19.70</div> <div>Since the beginning of the financial year, all data has been collected exclusively via Anywhere 365. Quarter 3 has continued the positive trend seen in the two Quarters with unmet demand decreasing from the start of the financial year, indicating the team's growing effectiveness in responding to incoming calls.</div>				
	N/A				
Yearly Trend					
High Is Good Cumulative (Per Annum)	ID1.8a - Total number of digital online transactions			Current Status	SMART Actions if Off Target
	<div><div>FY</div><div><div>2023/24</div><div>2024/25</div><div>2025/26</div><div>Target</div></div></div> <div><div>Cllr. Simon Tagg</div><div><div><div></div><div></div><div></div><div></div></div><div><div>Quarter 1 - April to June</div><div>Quarter 2 - April to Sept</div><div>Quarter 3 - April to Dec</div><div>Quarter 4 - April to March</div></div><div>Timeframe of Measure</div></div></div> <div>46,922!</div> <div>Target: 56,250</div> <div>Increase in Jadu form usage which aligns with the new Garden Waste subscriptions as expected. Year to date totals for Jadu remain below 2024 levels, with a deficit of 3,764 submissions. The most likely explanation is that the website's IAG is successfully directing enquiries to the appropriate services, and the forms themselves are now more effective. This is also evidenced when reviewing Citizens Access transactions which represents a more accurate measure of self-service behaviour. Citizens Access transactions have grown by 722 compared with 2024/25, reinforcing the shift toward more effective digital self-serve routes.</div>				
	Negative				
Yearly Trend					
Low Is Good Cumulative (Per Annum)	ID1.8b- Total number of calls offered into the Customer Hub			Current Status	SMART Actions if Off Target
	<div><div>FY</div><div><div>2023/24</div><div>2024/25</div><div>2025/26</div></div></div> <div><div>Cllr. Simon Tagg</div><div><div><div></div><div></div><div></div><div></div></div><div><div>Quarter 1 - April to June</div><div>Quarter 2 - April to Sept</div><div>Quarter 3 - April to Dec</div><div>Quarter 4 - April to March</div></div><div>Timeframe of Measure</div></div></div> <div>52,230</div> <div>Call volumes have continued to reduce again this month. This reduction may be attributed to a combination of factors, including enhanced system functionality, improved service delivery, and evolving customer demand patterns.</div>				
	Positive				
Yearly Trend					
Low Is Good Cumulative (Per Annum)	ID1.3 - No. Accidents/Incidents reported (RIDDOR)			Current Status	SMART Actions if Off Target
	<div><div>FY</div><div><div>2023/24</div><div>2024/25</div><div>2025/26</div></div></div> <div><div>Cllr. Stephen Sweeney</div><div><div><div></div><div></div><div></div><div></div></div><div><div>Quarter 1 - April to June</div><div>Quarter 2 - April to Sept</div><div>Quarter 3 - April to Dec</div><div>Quarter 4 - April to March</div></div><div>Timeframe of Measure</div></div></div> <div>7</div> <div>1 RIDDOR reported late which took place on 19/09/25 has been included into Quarter 2 figures - This was a manual handling back injury. There has been 1 RIDDOR which occurred within quarter 3 with the subsequent risk assessment currently being reviewed and an investigation is planned for the New Year.</div>				
	Negative				
Yearly Trend					

Ensure our services are efficient and accessible

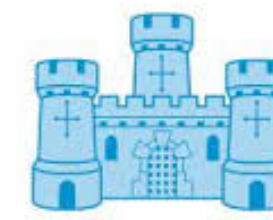
Develop professional talent across the Council and provide opportunities for staff to grow their careers

Ensure our services are efficient and accessible

Develop professional talent across the Council and provide opportunities for staff to grow their careers



Priority 1: One Council delivering for Local People



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BOROUGH COUNCIL

Project Status Split for Priority 1.

Project/Action is Progressing as Expected

4

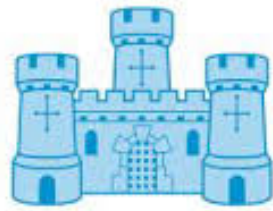
Project/Action is Completed

1

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	People Strategy in implementation stages. Progressing well.
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 Completed	Project/Action has been completed.
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	During Qtr 3 (Oct -Dec) we delivered: - (November) Re-negotiated the Off-site Storage contract to achieve IRO saving of £7800 annually. Further savings will be realised once storage volumes are reduced via IG Team - (December) Submitted 13 water charge appeals via Cadantis. Recharges pending - (November) Signed 2 new contracts for replacement Leisure Management Systems to take effect in May '26. Saving IRO £14000 annually - (December) Introduced e-permits for surface level car parks, saving £1600 annually in printing & postage costs - Sources alternative print supplier for Ctax annual billing (Gov notify from PSL) saving - Pet cremator tender issued to 5 bidders & architectural plans finalised ready for submission in Jan '26
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	Service delivery focussing on customer need ensures meaningful outcomes and postive customer experience
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	Partnership Board supporting joint working with community facing groups and organisations. Positive impact in specific areas such as Health Inequality and Excess Weight. Locality approach working to address hotspots and specific areas of higher need.

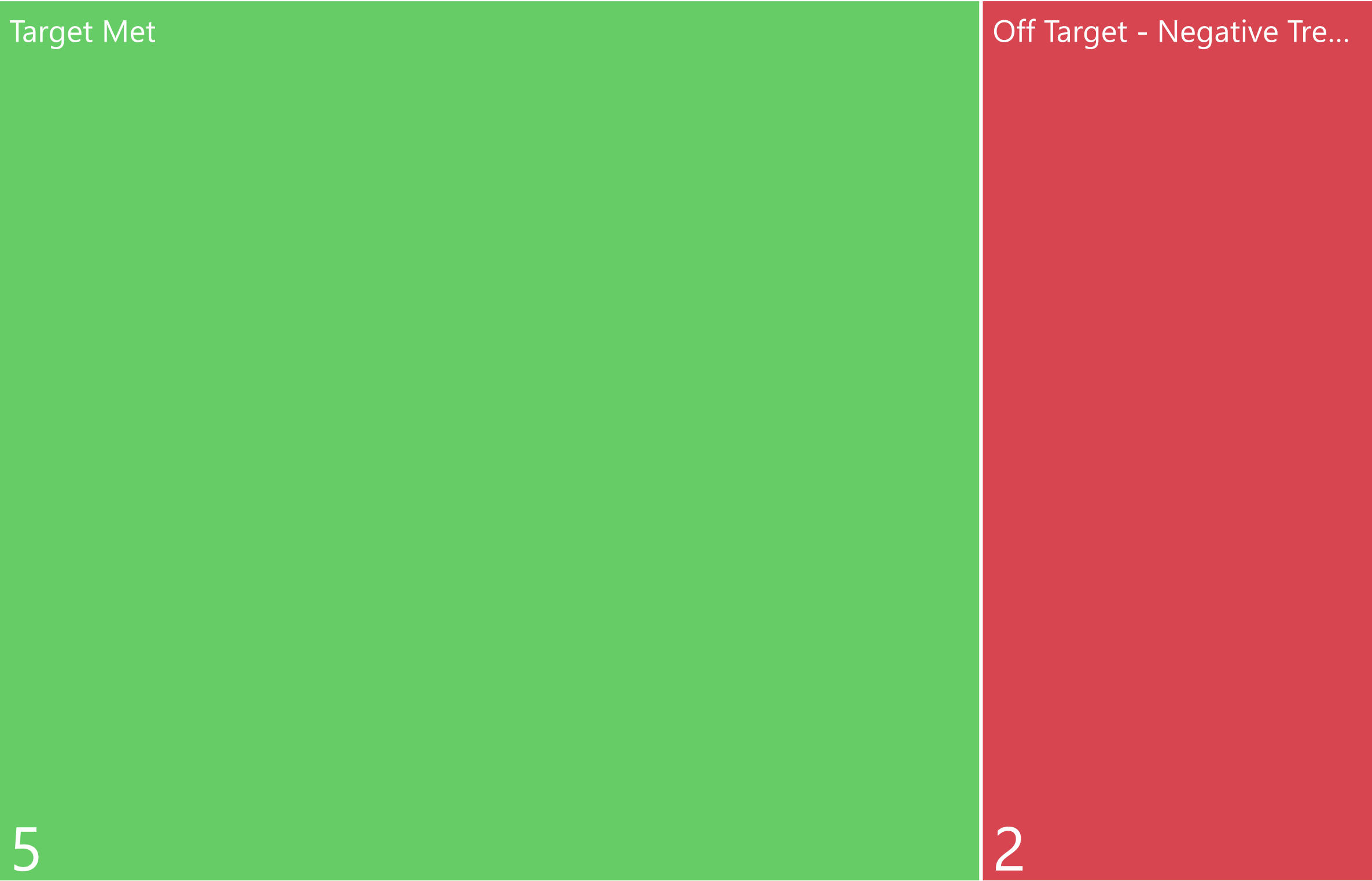


Priority 2: A Successful and Sustainable Growing Borough



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BOROUGH COUNCIL

Priority 2: Performance Indicators Current Status



Corporate Objective	Count
A strong and sustainable economy where everyone benefits	1
Protecting our communities by improving how we use our enforcement powers.	2
Support the sustainable development of our towns and villages	4
Total	7

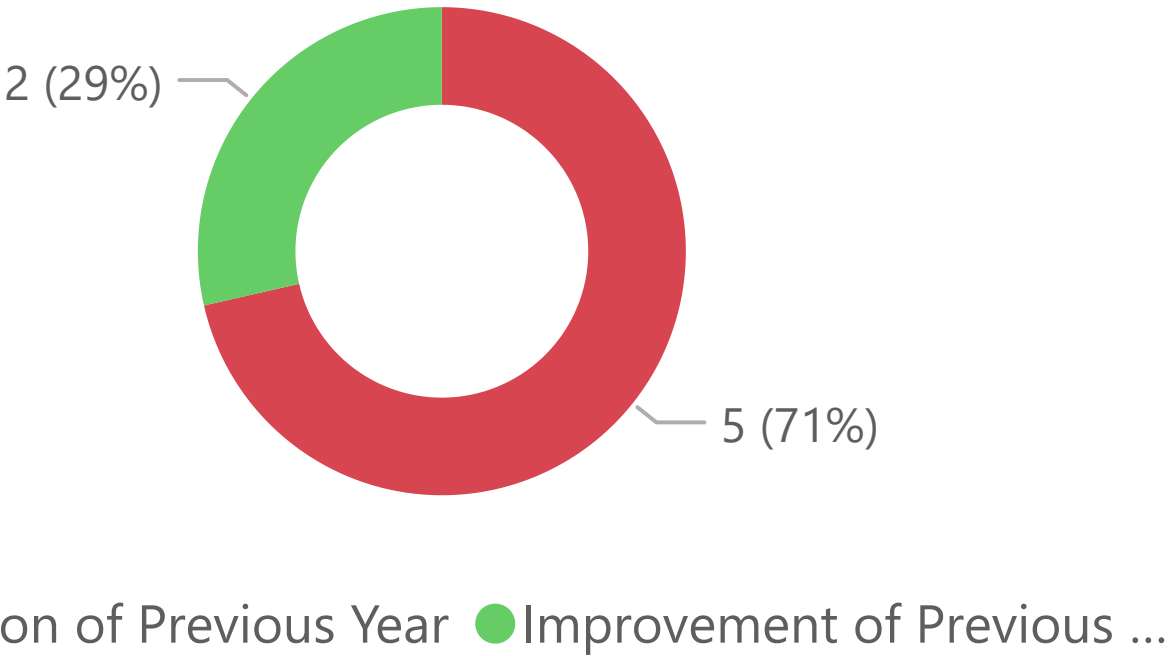
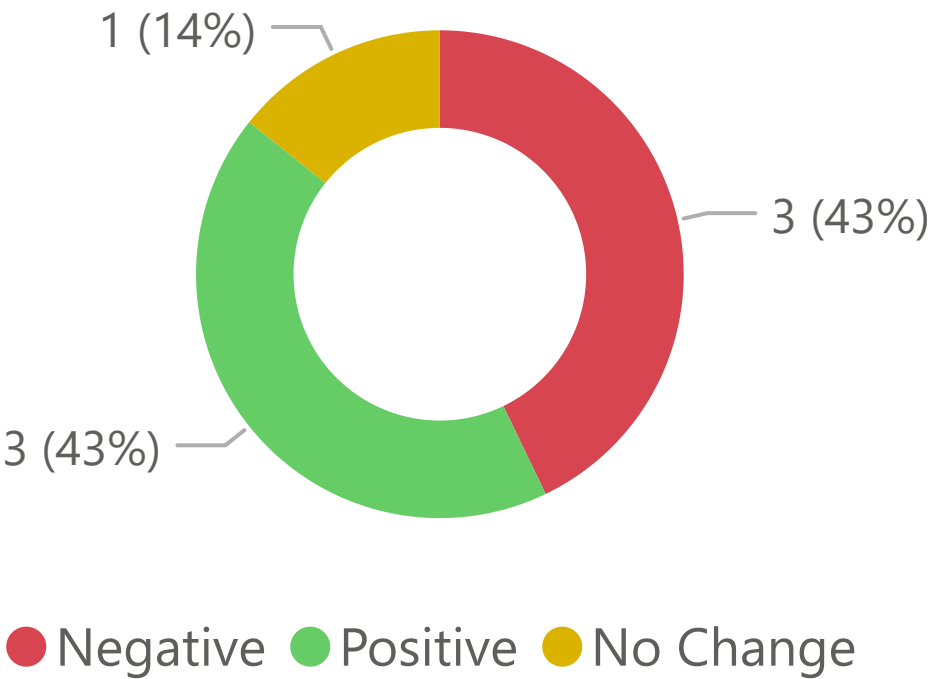
- Smart Narrative
- A total of **7** measures were assigned targets this quarter. Of these, **71% achieved their targets**.
 - **3** measures not only met their targets but also showed improvement compared to the same period last year. **2** met their targets but showed a negative year-on-year trend.
 - The remaining **29%** did not meet their set targets this quarter.
 - Both of these measures showed year-on-year negative trend compared to the same period last year.
 - There are no **contextual** measures within this priority.
 - **All projects/actions** are now progressing as expected this quarter, with further details provided within this report.

Priority 2: Summary Project Status Split

Priority 2: Qtr.3 Trend Direction of PI's Compared to Previous Quarter

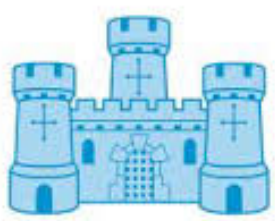
Priority 2: Qtr.3 Trend Status of PI's Compared On Same Qtr in the Previous Financial Year

● Project/Action is Progressing as Expected



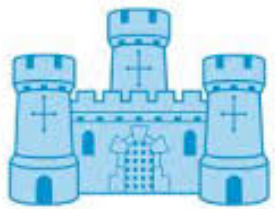


Priority 2: A Successful and Sustainable Growing Borough



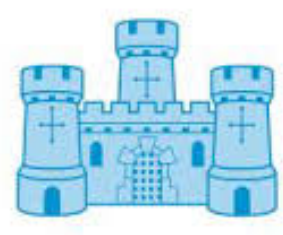
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BOROUGH COUNCIL

<div>Low</div> <div>Is Good</div> <div>Per Quarter (Snapshot)</div> <div>Positive</div> <div>Yearly Trend</div>	ID2.1 - Percentage of investment portfolio vacant (NBC owned)			Current Status	SMART Actions if Off Target	<div>A strong and sustainable economy where everyone benefits</div>
	<div><div>FY</div><div>● 2023/24 ● 2024/25 ● 2025/26 ● Target</div></div> <div><div>Cllr Stephen Sweeney</div><div><div>Percent (%)</div><div><div>Quarter 1</div><div>Quarter 2</div><div>Quarter 3</div><div>Quarter 4</div></div><div>Timeframe of Measure</div></div></div>			<div>6.90✓</div> <div>Target: 11.00</div>	Not Required as Target Met	
<div>High</div> <div>Is Good</div> <div>Cumulative (Per Annum)</div> <div>Negative</div> <div>Yearly Trend</div>	ID2.6a - Year to Date - 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	<div>Protecting our communities by improving how we use our enforcement powers.</div>
	<div><div>FY</div><div>● 2023/24 ● 2024/25 ● 2025/26 ● Target</div></div> <div><div>Cllr. Andrew Fear</div><div><div>Percent (%)</div><div><div>Quarter 1 - April to June</div><div>Quarter 2 - April to Sept</div><div>Quarter 3 - April to Dec</div><div>Quarter 4 - April to March</div></div><div>Timeframe of Measure</div></div></div>			<div>62.40!</div> <div>Target: 75.00</div>	Performance in this quarter has improved substantially from the previous quarter due to new processes implemented by Management and officers becoming more proficient in those procedures. Although performance for the year is below target, it is anticipated that recent improvements will continue and that the target will be met next year.	
<div>High</div> <div>Is Good</div> <div>Per Quarter (Snapshot)</div> <div>N/A</div> <div>Yearly Trend</div>	ID2.6b - Quarter in Isolation - Percentage of complainants informed within the required timescales of any action to be taken about alleged breaches of planning control			Current Status		
	<div><div>FY</div><div>● 2025/26 ● Target</div></div> <div><div>Cllr. Andrew Fear</div><div><div>Percent (%)</div><div><div>Quarter 1</div><div>Quarter 2</div><div>Quarter 3</div><div>Quarter 4</div></div><div>Timeframe of Measure</div></div></div>			<div>88.20✓</div> <div>Target: 75.00</div>		



High Is Good Planning N/A Yearly Trend	ID2.2 - Speed of major development applications (P151a - 12 Month Rolling Period up to End of Each Quarter)		Current Status	SMART Actions if Off Target
	<div><div>FY</div><div><div>● 2025/26</div><div>● Target</div></div><div>Cllr. Andrew Fear</div><div><div>Percent (%)</div><div><div><div>100</div><div>50</div><div>0</div></div><div><div>1. April 2024 – March 2025</div><div>2. Aug 2024 – June 2025</div><div>3. Oct 2024 – Sept 2025</div><div>4. Jan 2025 – Dec 2025</div></div><div>Timeframe of Measure</div></div></div></div>		100.00✓ Target: 92.00	The updated "Improving Planning Performance: Criteria for Designation" document has changed the assessment period for speed of decision-making for both major and non-major applications from 24 months to 12 months - because of this no annual comparison is available this year. Measure shown is the % within 13 weeks or within agreed time - Central Gov metric which measures a rolling time period of 12 months - Newest metric showing up until the end of December 2025
Low Is Good Planning Negative Yearly Trend	ID2.3 - Quality of major development applications (P152a - 24 Month Rolling Period - See SMART Actions)		Current Status	SMART Actions if Off Target
	<div><div>FY</div><div><div>● 2023/24</div><div>● 2024/25</div><div>● 2025/26</div><div>● Target</div></div><div>Cllr. Andrew Fear</div><div><div>Percent (%)</div><div><div><div>10</div><div>0</div></div><div><div>1. Jul 2022 – Jun 2024</div><div>2. Oct 2022 - Sep 2024</div><div>3. Jan 2023 - Dec 2024</div><div>4. Apr 2023 - Mar 2025</div></div><div>Timeframe of Measure</div></div></div></div>		10.90! Target: 10.00	Given the relatively low number of major applications received, it only takes a very small number of decisions to be overturned at appeal for the threshold to be breached. - 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 2023 - December 2024
High Is Good Planning N/A Yearly Trend	ID2.4 - Speed of non-major development applications (P153 - 12 Month Rolling Period up to End of Each Quarter)		Current Status	SMART Actions if Off Target
	<div><div>FY</div><div><div>● 2025/26</div><div>● Target</div></div><div>Cllr. Andrew Fear</div><div><div>Percent (%)</div><div><div><div>100</div><div>50</div><div>0</div></div><div><div>1. April 2024 – March 2025</div><div>2. Aug 2024 – June 2025</div><div>3. Oct 2024 – Sept 2025</div><div>4. Jan 2025 – Dec 2025</div></div><div>Timeframe of Measure</div></div></div></div>		95.50✓ Target: 90.00	The updated "Improving Planning Performance: Criteria for Designation" document has changed the assessment period for speed of decision-making for both major and non-major applications from 24 months to 12 months - because of this no annual comparison is available this year. Measure shown is the % within 13 weeks or within agreed time - Central Gov metric which measures a rolling time period of 12 months - Newest metric showing up until the end of December 2025
Low Is Good Planning Negative Yearly Trend	ID2.5 - Quality of non-major development applications (P154 - 24 Month Rolling Period - See SMART Actions)		Current Status	SMART Actions if Off Target
	<div><div>FY</div><div><div>● 2023/24</div><div>● 2024/25</div><div>● 2025/26</div><div>● Target</div></div><div>Cllr. Andrew Fear</div><div><div>Percent (%)</div><div><div><div>10</div><div>5</div><div>0</div></div><div><div>1. Jul 2022 – Jun 2024</div><div>2. Oct 2022 - Sep 2024</div><div>3. Jan 2023 - Dec 2024</div><div>4. Apr 2023 - Mar 2025</div></div><div>Timeframe of Measure</div></div></div></div>		0.69✓ 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 2023 – December 2024.

Support the sustainable development of our towns and villages

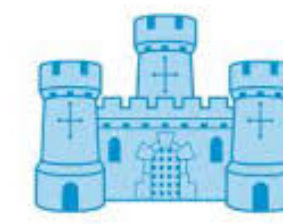


Project Status Split for Priority 2.

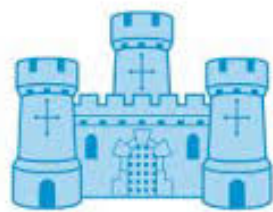
Project/Action is Progressing as Expected

10

Portfolio Holder	Service Area	Action	Corporate Objective	Status report	Commentary on progress
Cllr. 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	Annual update on progress with the SES being considered by Cabinet in January. Good progress is being made in all areas of the Council, with all directorates having agreed action / delivery plans
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	Consultation concluded on Phase 7 of the Borough Tree Planting Strategy. Tenders invited for the 8 sites and tree planting scheduled to take place in Quarter 4.
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	Following the Local Plan public examination hearings, held in May and June 2025, the Council has consulted on a set of modifications that are necessary to make the plan sound and legally compliant. The Council consulted on the set of modifications to the Plan from the 5th November until the 17th December. The responses have now been shared with the Inspector appointed to examine the Local Plan to consider next steps.
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	On 2nd December 2025 a Draft Housing and Homelessness Strategy 2026 - 2030 was presented to Cabinet. It highlighted 3 key housing priorities relating to Housing and Health, Housing and Prosperity and Homelessness and Rough Sleeping. The draft strategy has been approved to commence an eight week consultation period.
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 continues to play a leading roll in the SSB, with the Service Director for SE now being appointed as Chair of tyhe officer group for the Staffordshire Waste partnership, which feeds directly into the SSB.
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	<p>Walleys Quarry Ltd entered into liquidation in February 2025. This process is ongoing.</p> <p>CLP Envirogas Ltd continue to monitor and maintain the gas infrastructure onsite. In Q3 the data shows:</p> <ul style="list-style-type: none">- odour complaints reported to NULBC were at the lowest reported level for the period 2021-2025.- for the first time during this 5 year period there were no odour complaints reported in the month of November.- there has been no weekly exceedance of the World Health Organisation [WHO] odour annoyance guideline level with the exception of the week 15-21 December 2025 which reported 0.6% at the Mobile Monitoring Facility Maries Way. <p>The Environment Agency continue to use their discretionary powers under Regulation 57 of the Environmental Permitting Regulations to arrange for steps to be taken to remove a risk of serious pollution. The Environment Agency report that works have been carried out in the void to control landfill gas and leachate in the area and the levels of surface water are being effectively managed. Restoration of the leachate treatment plant is progressing and once commissioned this should reduce the frequency of road tanker movements to and from site.</p>



Portfolio Holder	Service Area	Action	Corporate Objective	Status report	Commentary on progress
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	Activity ongoing to secure a Homes England grant to support town centre development projects.
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	Two projects completed. Delivery underway for the remaining projects. Kidsgrove Station is at design development stage. Meadows Road enterprise units are out to tender. The public realm and highways work are under development ready for next year and the canal tow path, and connecting footpath improvements are substantially complete. Work on delivery of the community hub continues.
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	Projects are progressing to plan will the majority of projects well into delivery stage or nearing completion.
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	<p>The UKSPF performance is assessed against 30 defined outcomes and 28 outputs which align with these themes Communities and place People and Skills Supporting local businesses.</p> <p>We have successfully met our mid-year targets and remain on track to achieve—and exceed—the overall objectives established at the start of the year. The Creative Industries project – a detailed action plan to establish a Creative Hub, designed to align with the Local Industrial Strategy and address the specific needs of the sector. This initiative aims to stimulate innovation, attract investment, and support the growth of creative enterprises within the borough. We have seen investment in Adult learning – adult training for those most vulnerable and looking for employment reaches over 130 adults. Care leavers – currently launching a Pathways to Success programme – Industry - Sports Leadership. Apprenticeships – We are funding the hospitality sector.</p>



Priority 3: Performance Indicators Current Status



Corporate Objective	Count
Delivering an economic and cultural legacy from the celebration of the borough's 850th anniversary in 2023.	1
Ensure that our most vulnerable residents are supported through the impact of the rising cost of living.	1
Ensure that there are good homes for everyone and that every citizen has a safe and secure place to live	10
Further increasing recycling rates across the borough with a particular focus on food waste	4
Reduce anti-social behaviour and crime in our communities	5
Secure a step change in street cleanliness and the quality of the public domain	6
Support the development of community solutions to local problems	1
Total	28

Smart Narrative

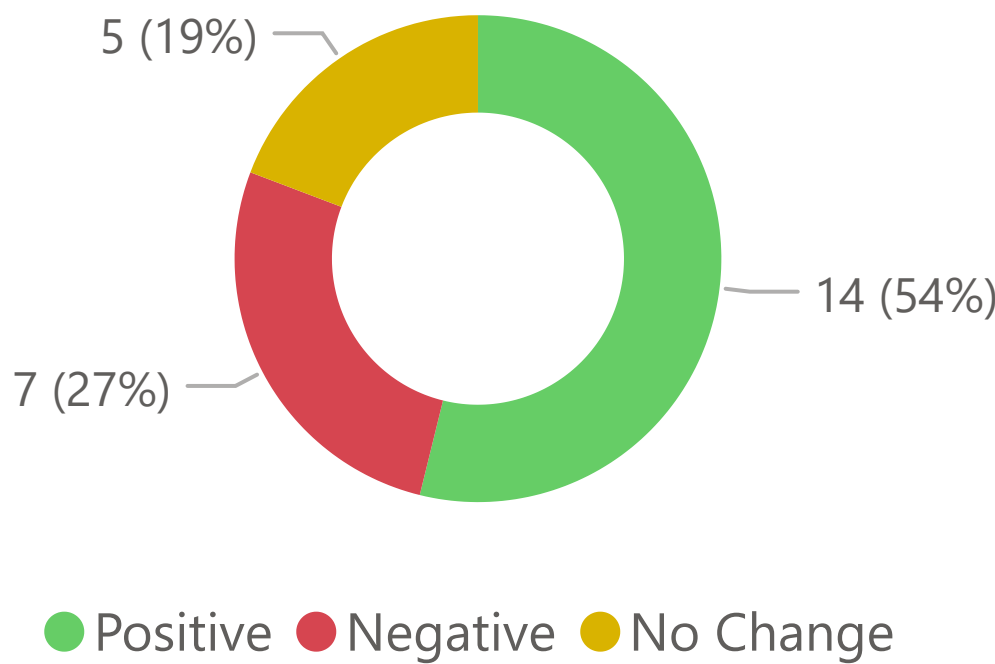
- A total of **15** measures were assigned targets this quarter. Of these, **93% achieved their targets**.
- **5** measures not only met their targets but also showed improvement. **2** met their targets but showed a negative year-on-year trend. **3** showed no change. **4** had no historical data available for comparison.
- The remaining **7%** did not meet their set targets this quarter.
- This **1** measure also had a negative trend compared to the same period last year.
- An additional **13 measures were contextual** and therefore did not have set targets.
- **4** showed improvement and **3** showed no change to the previous yearly figure. **6** showed a decline.
- **2 projects/actions** has been completed, **1 projects/actions** identified as **not progressing as expected**, with further details provided within this report. All other project/actions progressing as expected this quarter.

Priority 3: Summary Project Status Split

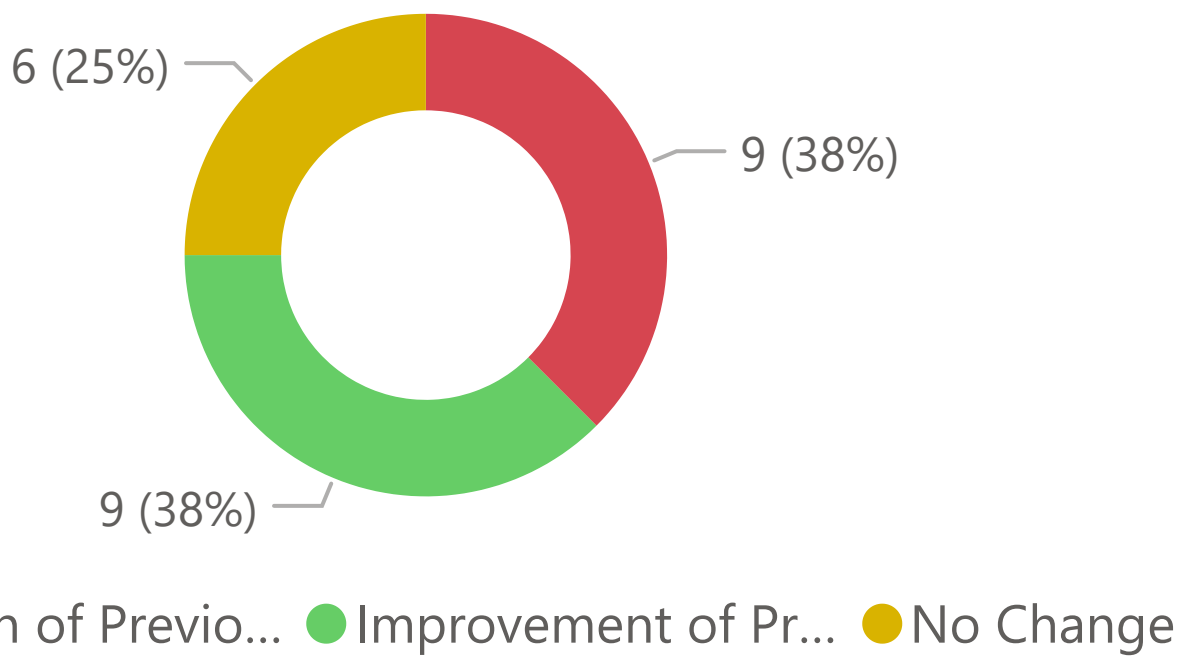
● Project/Action is Completed ● Project/Action is Not Progr... ● Project/Action is Pro...

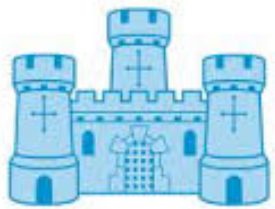


Priority 3: Qtr.3 Trend Direction of PI's Compared to Previous Quarter



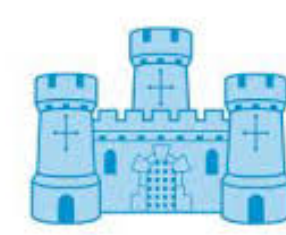
Priority 3: Qtr.3 Trend Status of PI's Compared On Same Qtr in the Previous Financial Year





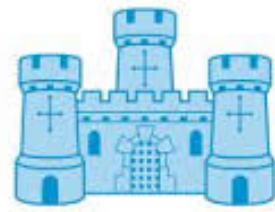
<div>High</div> <div>Is Good</div> <div>Cumulative (Per Annum)</div> <div>Negative</div> <div>Yearly Trend</div>	ID1.4a - Total % of materials collected for recycling and composting verified via WDF		Current Status	SMART Actions if Off Target																									
	<div>FY 2023/24 2024/25 2025/26 Target</div> <div>Cllr. David Hutchison</div> <div><table><tr><th>Timeframe of Measure</th><th>2023/24</th><th>2024/25</th><th>2025/26</th><th>Target</th></tr><tr><td>Quarter 1 - April to June</td><td>48</td><td>50</td><td>50</td><td>50</td></tr><tr><td>Quarter 2 - April to Sept</td><td>48</td><td>50</td><td>50</td><td>50</td></tr><tr><td>Quarter 3 - April to Dec</td><td>48</td><td>50</td><td>50</td><td>50</td></tr><tr><td>Quarter 4 - April to March</td><td>48</td><td>50</td><td></td><td>50</td></tr></table></div>		Timeframe of Measure	2023/24	2024/25	2025/26	Target	Quarter 1 - April to June	48	50	50	50	Quarter 2 - April to Sept	48	50	50	50	Quarter 3 - April to Dec	48	50	50	50	Quarter 4 - April to March	48	50		50	47.65!	Target: 51.00
Timeframe of Measure	2023/24	2024/25	2025/26	Target																									
Quarter 1 - April to June	48	50	50	50																									
Quarter 2 - April to Sept	48	50	50	50																									
Quarter 3 - April to Dec	48	50	50	50																									
Quarter 4 - April to March	48	50		50																									
<div>High</div> <div>Is Good</div> <div>Per Quarter (Snapshot)</div> <div>Negative</div> <div>Yearly Trend</div>	ID1.4b - Food:- Household collections from the kerbside (%)		Current Status	SMART Actions if Off Target																									
	<div>FY 2024/25 2025/26 Target</div> <div>Cllr. David Hutchison</div> <div><table><tr><th>Timeframe of Measure</th><th>2024/25</th><th>2025/26</th><th>Target</th></tr><tr><td>Quarter 1</td><td>44</td><td></td><td>44.84</td></tr><tr><td>Quarter 2</td><td>44</td><td>44.84</td><td>44.84</td></tr><tr><td>Quarter 3</td><td></td><td></td><td>44.84</td></tr><tr><td>Quarter 4</td><td>44</td><td></td><td>44.84</td></tr></table></div>		Timeframe of Measure	2024/25	2025/26	Target	Quarter 1	44		44.84	Quarter 2	44	44.84	44.84	Quarter 3			44.84	Quarter 4	44		44.84	44.84✓	Target: 37.00	Collected twice a year, most recent collection in Quarter 2 with a measure of 44.84%.				
Timeframe of Measure	2024/25	2025/26	Target																										
Quarter 1	44		44.84																										
Quarter 2	44	44.84	44.84																										
Quarter 3			44.84																										
Quarter 4	44		44.84																										
<div>Low</div> <div>Is Good</div> <div>Cumulative (Per Annum)</div> <div>Positive</div> <div>Yearly Trend</div>	ID1.4c - Residual Waste per household:- Household collections from the kerbside (Kgs)		Current Status	SMART Actions if Off Target																									
	<div>FY 2023/24 2024/25 2025/26 Target</div> <div>Cllr. David Hutchison</div> <div><table><tr><th>Timeframe of Measure</th><th>2023/24</th><th>2024/25</th><th>2025/26</th><th>Target</th></tr><tr><td>Quarter 1 - April to June</td><td>100</td><td>100</td><td>100</td><td>100</td></tr><tr><td>Quarter 2 - April to Sept</td><td>200</td><td>200</td><td>200</td><td>200</td></tr><tr><td>Quarter 3 - April to Dec</td><td>300</td><td>300</td><td>300</td><td>300</td></tr><tr><td>Quarter 4 - April to March</td><td>400</td><td>400</td><td></td><td>400</td></tr></table></div>		Timeframe of Measure	2023/24	2024/25	2025/26	Target	Quarter 1 - April to June	100	100	100	100	Quarter 2 - April to Sept	200	200	200	200	Quarter 3 - April to Dec	300	300	300	300	Quarter 4 - April to March	400	400		400	287.04✓	Target: 311.25
Timeframe of Measure	2023/24	2024/25	2025/26	Target																									
Quarter 1 - April to June	100	100	100	100																									
Quarter 2 - April to Sept	200	200	200	200																									
Quarter 3 - April to Dec	300	300	300	300																									
Quarter 4 - April to March	400	400		400																									
<div>High</div> <div>Is Good</div> <div>Cumulative (Per Annum)</div> <div>Positive</div> <div>Yearly Trend</div>	ID1.4d - Percentage of Successful Collections		Current Status	SMART Actions if Off Target																									
	<div>FY 2023/24 2024/25 2025/26 Average of Target</div> <div>Cllr. David Hutchison</div> <div><table><tr><th>Timeframe of Measure</th><th>2023/24</th><th>2024/25</th><th>2025/26</th><th>Average of Target</th></tr><tr><td>Quarter 1 - April to June</td><td>99.9</td><td>99.9</td><td>99.9</td><td>99.6</td></tr><tr><td>Quarter 2 - April to Sept</td><td>99.9</td><td>99.9</td><td>99.9</td><td>99.6</td></tr><tr><td>Quarter 3 - April to Dec</td><td>99.9</td><td>99.9</td><td>99.9</td><td>99.6</td></tr><tr><td>Quarter 4 - April to March</td><td>99.9</td><td>99.9</td><td></td><td>99.6</td></tr></table></div>		Timeframe of Measure	2023/24	2024/25	2025/26	Average of Target	Quarter 1 - April to June	99.9	99.9	99.9	99.6	Quarter 2 - April to Sept	99.9	99.9	99.9	99.6	Quarter 3 - April to Dec	99.9	99.9	99.9	99.6	Quarter 4 - April to March	99.9	99.9		99.6	99.98✓	Target: 99.60
Timeframe of Measure	2023/24	2024/25	2025/26	Average of Target																									
Quarter 1 - April to June	99.9	99.9	99.9	99.6																									
Quarter 2 - April to Sept	99.9	99.9	99.9	99.6																									
Quarter 3 - April to Dec	99.9	99.9	99.9	99.6																									
Quarter 4 - April to March	99.9	99.9		99.6																									

Further increasing recycling rates across the borough with a particular focus on food waste



High		Current Status	SMART Actions if Off Target
Is Good			
Per Quarter (Snapshot)			
Positive			
Yearly Trend			
ID1.5a - Litter: Levels of street and environment cleanliness (LAMS survey) free / predominantly free of litter			
FY 2023/24 2024/25 2025/26 Target Cllr. David Hutchison			
		100.00✓	Not Required as Target Met
		Target: 94.00	
ID1.5b - Detritus: Levels of street and environment cleanliness (LAMS survey) free / predominantly free of detritus			
FY 2023/24 2024/25 2025/26 Target Cllr. David Hutchison			
		100.00✓	Not Required as Target Met
		Target: 95.00	
ID1.5c -d environment cleanlin_Levels of street aness (LAMS survey) free / predominantly free of graffiti			
FY 2023/24 2024/25 2025/26 Target Cllr. David Hutchison			
		100.00✓	Not Required as Target Met
		Target: 98.00	
ID1.5d - Fly-Posting: Levels of street and environment cleanliness (LAMS survey) free / predominantly free of fly-posting			
FY 2023/24 2024/25 2025/26 Target Cllr. David Hutchison			
		100.00✓	Not Required as Target Met
		Target: 99.00	

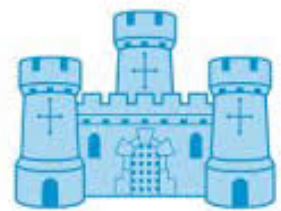
Secure a step change in street cleanliness and the quality of the public domain



Low Is Good Cumulative Negative Yearly Trend	ID3.11 - Number of Fly-Tipping Incidents (as per national measure)		Current Status	SMART Actions if Off Target
	<div><div>FY</div><div><div>2023/24</div><div>2024/25</div><div>2025/26</div></div><div>Cllr. David Hutchison</div><div><div>Number</div><div>1,000</div><div>500</div><div>0</div></div><div><div>Quarter 1 - April to June</div><div>Quarter 2 - April to Sept</div><div>Quarter 3 - April to Dec</div><div>Quarter 4 - April to March</div></div><div>Timeframe of Measure</div></div>		783	Measure shows 132 more than the end of Quarter 3 2024, the increase is a trend that is being seen nationally. Recent data suggests a potential shift, with numbers beginning to decline as we head towards the winter months. Quarter 3 in isolation showing 201 cases which is the lowest cases per quarter seen this financial year.
Low Is Good Cumulative (Per Annum) Positive Yearly Trend	ID3.12 - Average number of days from report of fly-tipping to clear-up (Case closed)		Current Status	SMART Actions if Off Target
	<div><div>FY</div><div><div>2024/25</div><div>2025/26</div><div>Target</div></div><div>Cllr. David Hutchison</div><div><div>Days</div><div>5</div><div>0</div></div><div><div>Quarter 1 - April to June</div><div>Quarter 2 - April to Sept</div><div>Quarter 3 - April to Dec</div><div>Quarter 4 - April to March</div></div><div>Timeframe of Measure</div></div>		4.30✓ Target: 6.00	Not Required as Target Met
High Is Good Cumulative (Per Annum) Negative Yearly Trend	ID3.13 - % of fly-tipping incidents where sufficient evidence gathered to proceed to formal enforcement		Current Status	SMART Actions if Off Target
	<div><div>FY</div><div><div>2024/25</div><div>2025/26</div><div>Target</div></div><div>Cllr. David Hutchison</div><div><div>Percent (%)</div><div>5</div><div>0</div></div><div><div>Quarter 1 - April to June</div><div>Quarter 2 - April to Sept</div><div>Quarter 3 - April to Dec</div><div>Quarter 4 - April to March</div></div><div>Timeframe of Measure</div></div>		1.53✓ Target: 1.50	All incidents of fly tipping are investigated at the point of clearing the waste. However, only a small proportion of fly- tips will have evidence in the waste that will allow Officers to proceed with enforcement. Where evidence is present within the waste or where an offence has been witnessed, officers will then proceed to formal enforcement.
High Is Good Cumulative (Per Annum) Positive Yearly Trend	ID3.14 - Number of Fly-tipping FPNs issued		Current Status	SMART Actions if Off Target
	<div><div>FY</div><div><div>2024/25</div><div>2025/26</div><div>Target</div></div><div>Cllr. David Hutchison</div><div><div>Number</div><div>10</div><div>0</div></div><div><div>Quarter 1 - April to June</div><div>Quarter 2 - April to Sept</div><div>Quarter 3 - April to Dec</div><div>Quarter 4 - April to March</div></div><div>Timeframe of Measure</div></div>		12✓ Target: 7.50	Target refers to the number of FPN's served for fly -tipping incidents but also incorporates Duty of Care offences. The measure is reliant on sufficient evidence being located as part of the investigation to enable enforcement to be undertaken.

Secure a step change in street cleanliness and the quality of the public domain

Reduce anti-social behaviour and crime in our communities

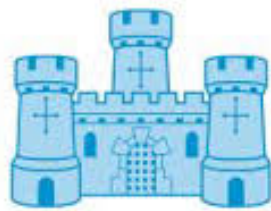


<div>High</div> <div>Is Good</div> <div>Cumulative (Per Annum)</div> <div>N/A</div> <div>Yearly Trend</div>	ID3.3 - Number of People Accessing the Museum’s collections in person only				Current Status	SMART Actions if Off Target	<div>Delivering an economic and cultural legacy from the celebration of the borough’s 850th anniversary in 2023.</div>
	<div>Cllr. Craig Skelding</div> <div><div><div><div>FY</div><div>● 2025/26 ● Target</div></div><div><div>Number</div><div>50K</div><div>0K</div></div><div><div>Quarter 1 - April to June</div><div>Quarter 2 - April to Sept</div><div>Quarter 3 - April to Dec</div><div>Quarter 4 - April to March</div></div><div>Timeframe of Measure</div></div></div> <div>52,129✓</div> <div>Target: 45,000</div> <div>Not Required as Target Met</div>						
<div>High</div> <div>Is Good</div> <div>Cumulative (Per Annum)</div> <div>N/A</div> <div>Yearly Trend</div>	ID3.4 - J2 Membership growth				Current Status	SMART Actions if Off Target	<div>Support the development of community solutions to local problems</div>
	<div>Cllr. Craig Skelding</div> <div><div><div><div>FY</div><div>● 2023/24 ● 2024/25 ● 2025/26 ● Target</div></div><div><div>Number</div><div>5K</div><div>0K</div></div><div><div>Quarter 1 - April to June</div><div>Quarter 2 - April to Sept</div><div>Quarter 3 - April to Dec</div><div>Quarter 4 - April to March</div></div><div>Timeframe of Measure</div></div></div> <div>N/A</div> <div>Target: 4,000</div> <div>Measure not available due to the main pool closure for refurbishment which will re-open in March 2026. Measure will be reported again in Q1 2026/27</div>						
<div>High</div> <div>Is Good</div> <div>Per Quarter (Snapshot)</div> <div>N/A</div> <div>Yearly Trend</div>	ID3.5 - Jubilee 2 Customer Satisfaction – Overall Visitor Experience				Current Status	SMART Actions if Off Target	
	<div>Cllr. Craig Skelding</div> <div><div><div><div>FY</div><div>● 2025/26 ● End of Year Target</div></div><div><div>Percent (%)</div><div>50</div><div>0</div></div><div><div>Quarter 1</div><div>Quarter 2</div><div>Quarter 3</div><div>Quarter 4</div></div><div>Timeframe of Measure</div></div></div> <div>79.25✓</div> <div>End of Year Target: 75.00</div> <div>Measure is collected annually with most recent measure being collected in Q2.</div>						

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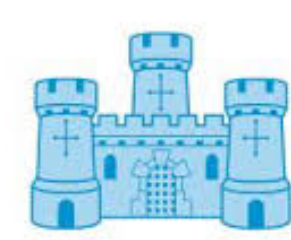
Priority 3: Healthy, Active and Safe Communities



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BOROUGH COUNCIL

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) Negative Yearly Trend	<div><div>FY</div><div><div>2023/24</div><div>2024/25</div><div>2025/26</div></div><div>Cllr. Gill Heesom</div><div><div>Number</div><div>200</div><div>100</div><div>0</div></div><div><div>Quarter 1</div><div>Quarter 2</div><div>Quarter 3</div><div>Quarter 4</div></div><div>Timeframe of Measure</div></div>	98	In Quarter 3, saw 2 more cases received compared to the same period in the previous financial year. Targeted training has recently been delivered to professionals to strengthen the triage and assessment of Anti-Social Behaviour (ASB) cases, improving both the quality and consistency of responses. Furthermore, we are actively involved in shaping a county-wide ASB policy that will establish clear expectations for the public and ensure alignment across all partner organisations.
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) Positive Yearly Trend	<div><div>FY</div><div><div>2023/24</div><div>2024/25</div><div>2025/26</div></div><div>Cllr. Gill Heesom</div><div><div>Number</div><div>50</div><div>0</div></div><div><div>Quarter 1</div><div>Quarter 2</div><div>Quarter 3</div><div>Quarter 4</div></div><div>Timeframe of Measure</div></div>	19	We continue partnership working to reduce ASB and ensure any complaints are dealt with efficiently and effectively in a timely manner.
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	<div><div>FY</div><div><div>2023/24</div><div>2024/25</div><div>2025/26</div></div><div>Cllr. Gill Heesom</div><div><div>Number</div><div>200</div><div>0</div></div><div><div>Quarter 1</div><div>Quarter 2</div><div>Quarter 3</div><div>Quarter 4</div></div><div>Timeframe of Measure</div></div>	109	We continue partnership working to reduce ASB and ensure any complaints are dealt with efficiently and effectively in a timely manner.

Reduce anti-social behaviour and crime in our communities



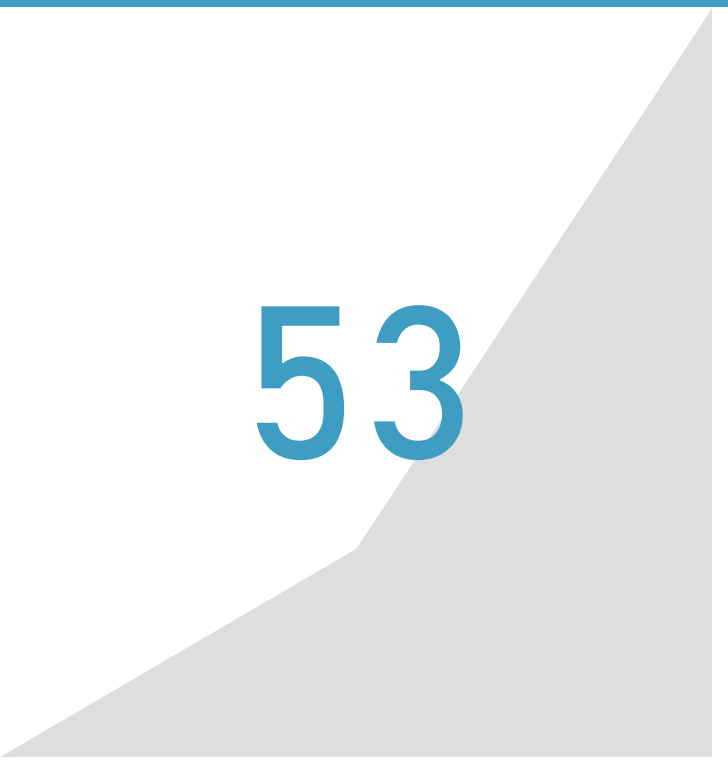
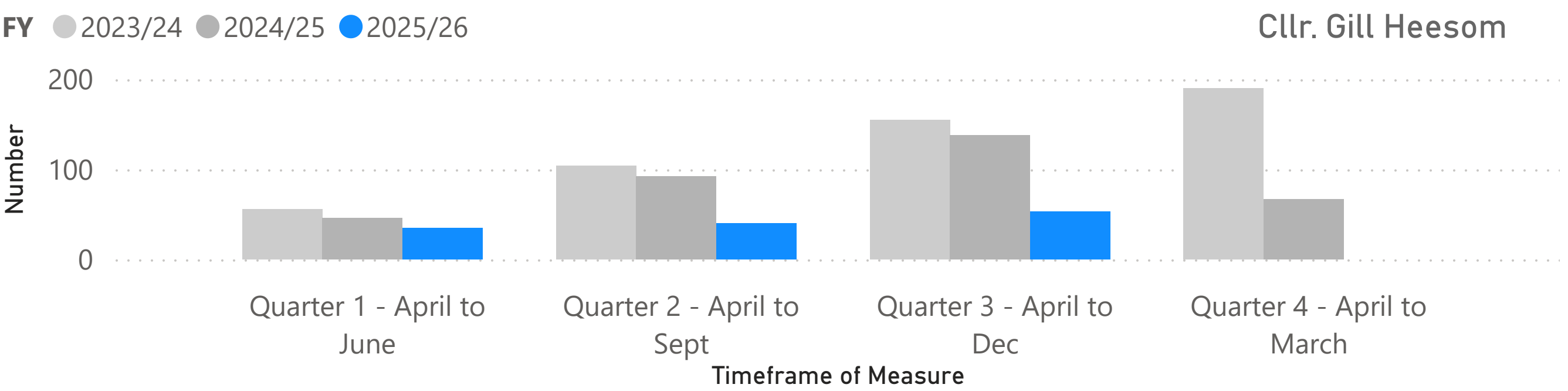
Low
Is Good
Cumulative
(Per Annum)

ID3.2 - Number of referrals made regarding vulnerability by participating organisations at the Daily Hub

Current Status

SMART Actions if Off Target

Positive
Yearly Trend



The vulnerability Hub continues to have a high number of complex cases with a broad range of vulnerabilities. The Hub partners are going to consider putting on a 'Vulnerability' Day to try and raise awareness on the range of issues people are facing with a view to accessing support earlier, we will look at this ahead of the winter.

Ensure that our most vulnerable residents are supported through the impact of the rising cost of living.

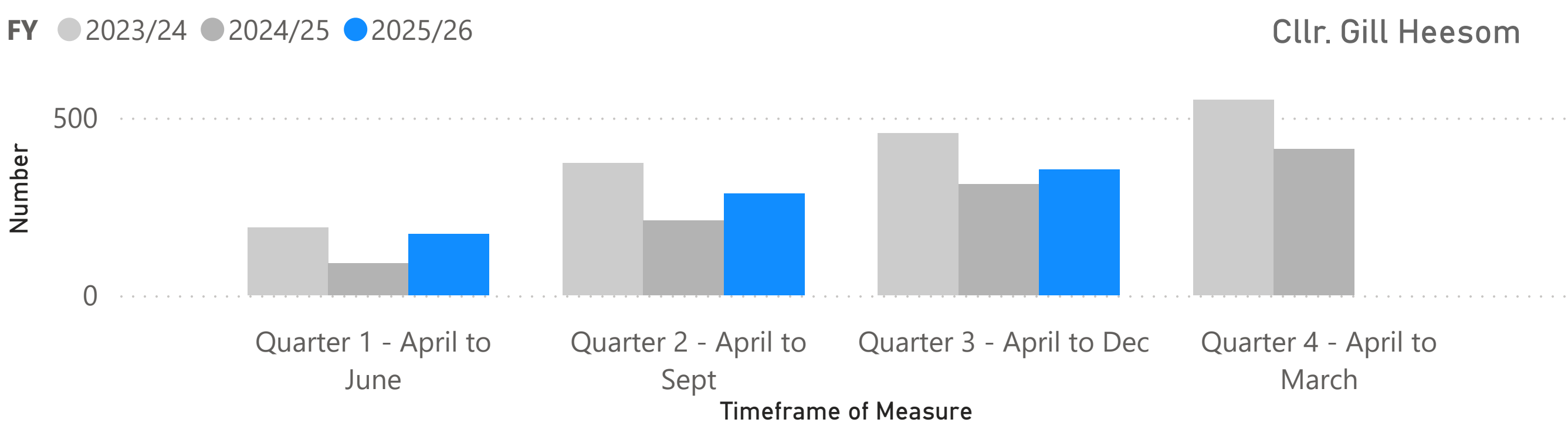
Low
Is Good
Cumulative
(Per Annum)

ID3.8 - Emergency homeless presentations

Current Status

SMART Actions if Off Target

Negative
Yearly Trend



All Homeless tonight presentations are monitored. A focus on earlier intervention.

Ensure that there are good homes for everyone and that every citizen has a safe and secure place to live

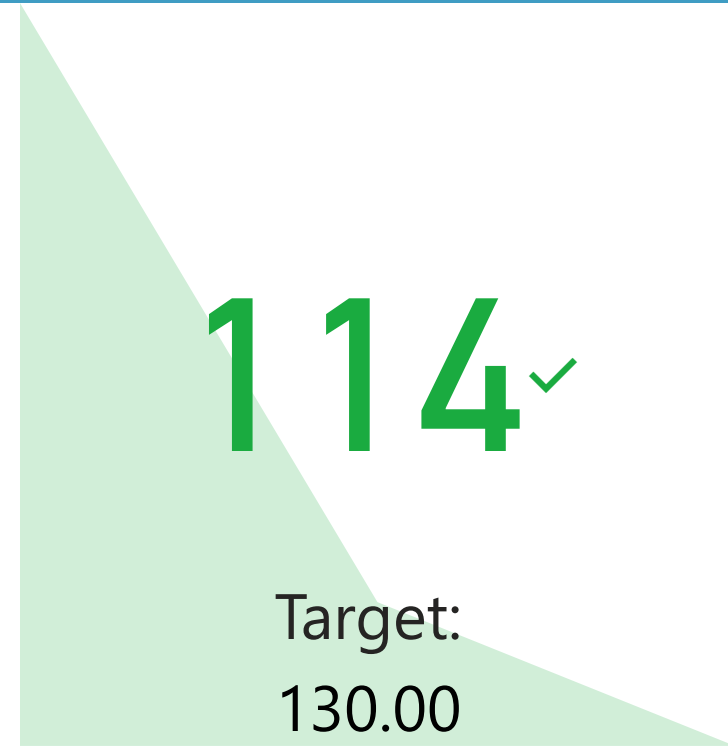
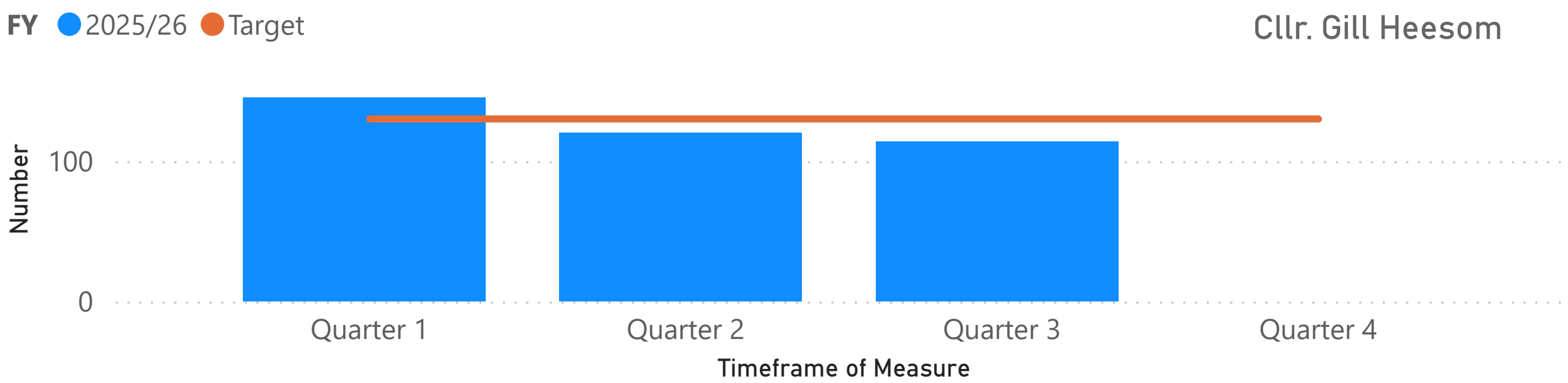
Low
Is Good
Per Quarter
(Snapshot)

ID3.9 - The average number of working days from occupational health referral to completion of works for stairlifts provided by a DFG

Current Status

SMART Actions if Off Target

N/A
Yearly Trend



This relates to 4 stairlifts completed in quarter 3.

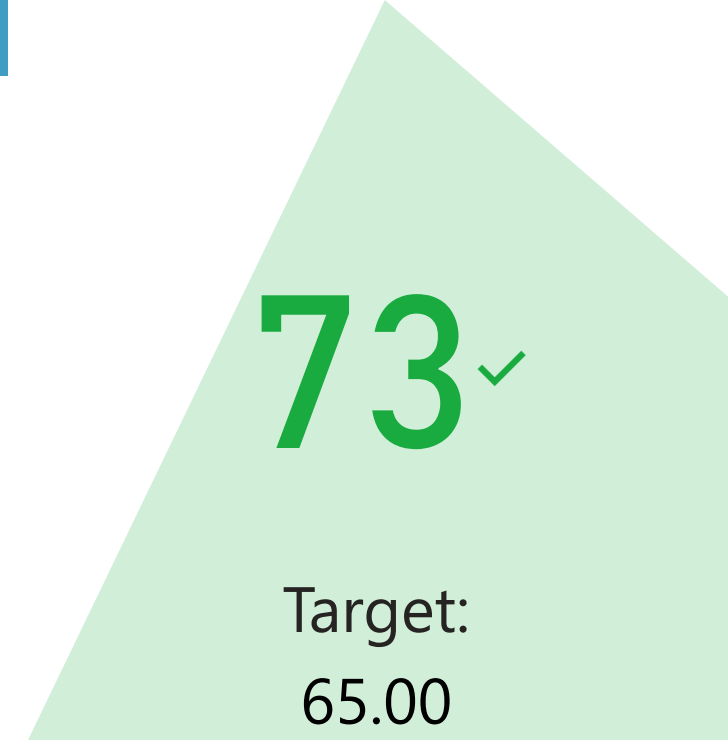
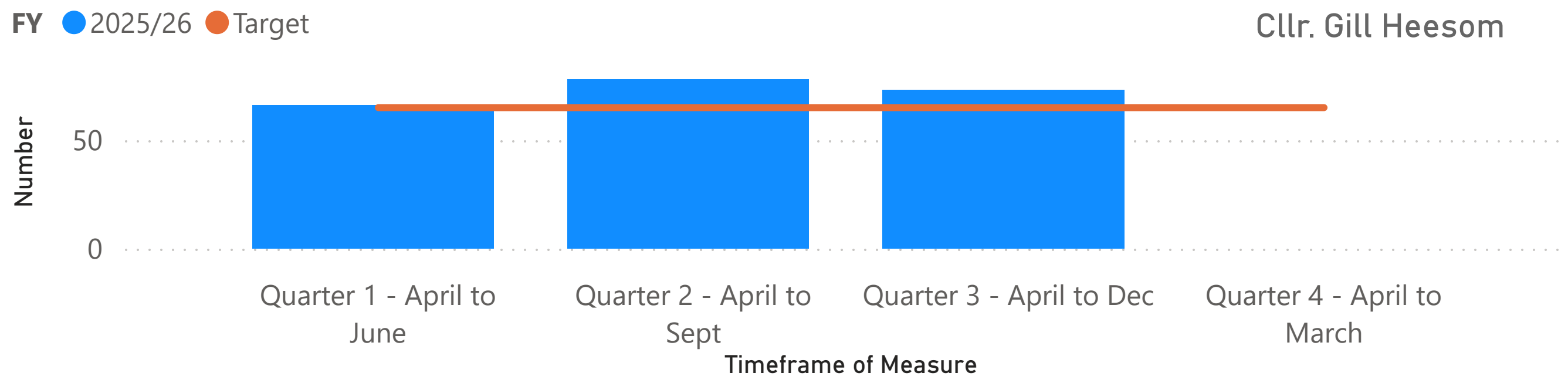
High
Is Good
Cumulative
(Per Annum)

ID3.10 - Percentage of non-complex Disabled Facilities Grants completed in 120 days from occupational health referral

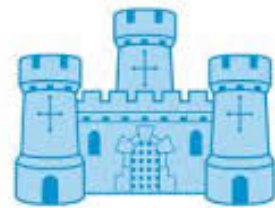
Current Status

SMART Actions if Off Target

N/A
Yearly Trend



19 out of 26 DFGs under £5000 completed within 120 working days



Low

Is Good

Per
Quarter
(Snapshot)

Positive

Yearly Trend

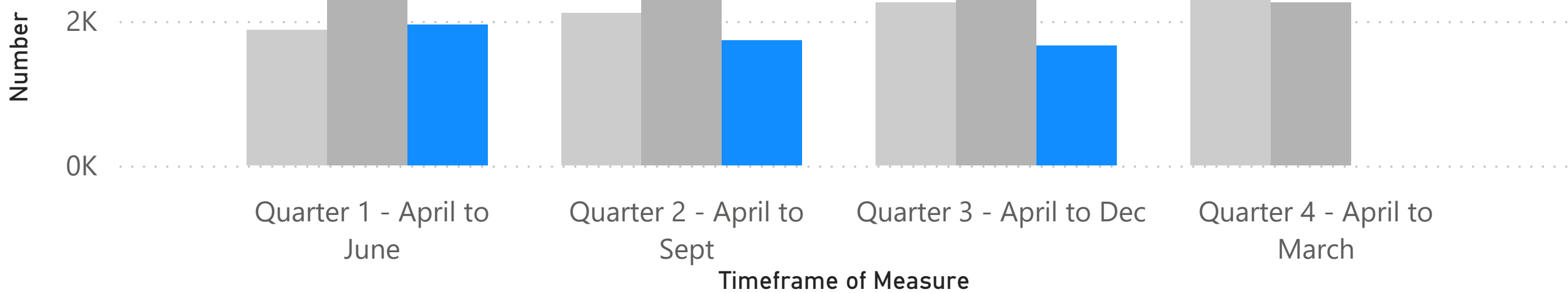
ID3.6 - Live application on the housing register

Current Status

SMART Actions if Off Target

FY 2023/24 2024/25 2025/26

Cllr. Gill Heesom



1,657

Trend increasing however compared to the previous year shows a reduction. Review module now in place.

High

Is Good

Per
Quarter
(Snapshot)

Negative

Yearly Trend

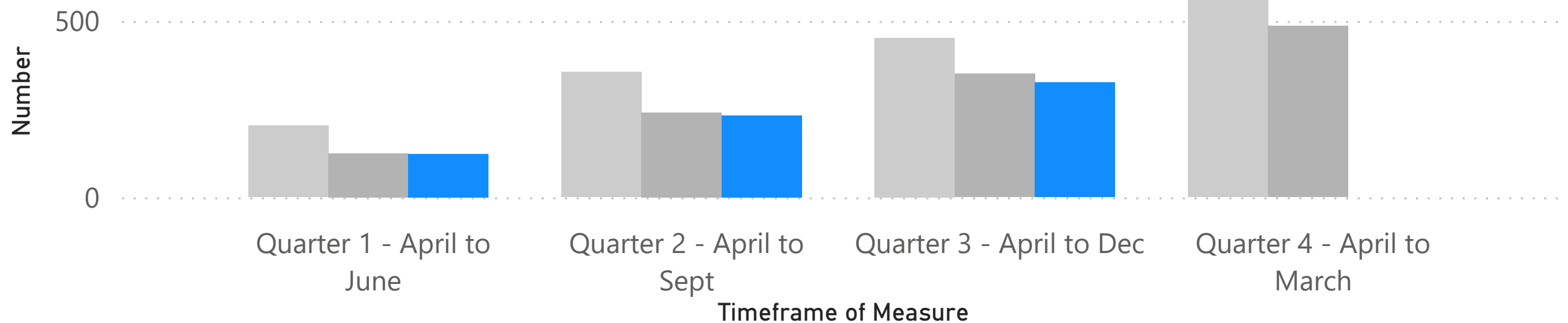
ID3.7 - Number of lets to registered providers from the housing waiting list

Current Status

SMART Actions if Off Target

FY 2023/24 2024/25 2025/26

Cllr. Gill Heesom



325

Nominations are monitored through Lettings Forum meetings. Nomination targets (75% for Aspire / 50% other providers)

Low

Is Good

Per
Quarter
(Snapshot)

No
Change

Yearly Trend

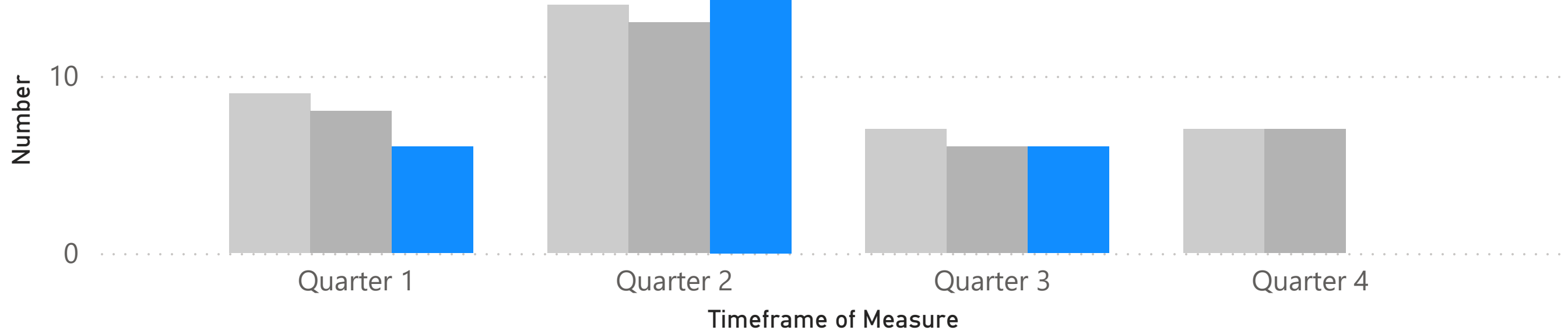
ID4.4 - Total Rough Sleepers Verified in Quarter

Current Status

SMART Actions if Off Target

FY 2023/24 2024/25 2025/26

Cllr. Gill Heesom



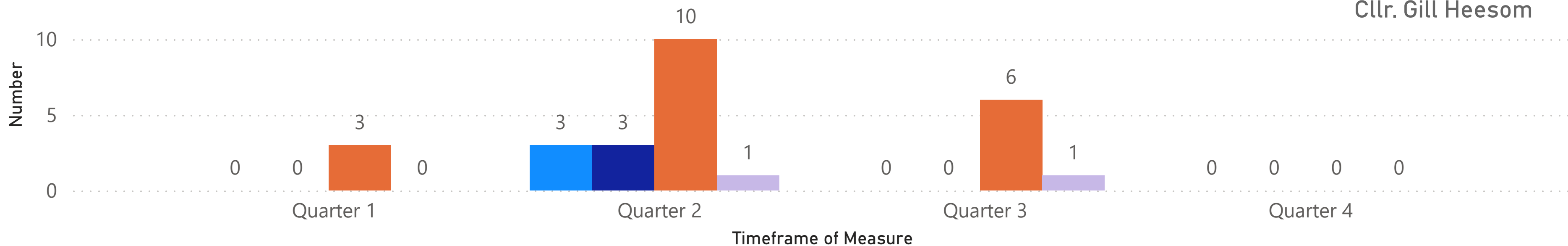
6

The annual rough sleeping count took place on the 14th November 2025. We verified 12 people that night. The process was verified through Homeless Link. We have had an increase in rough sleepers in comparison to last year's figure of 7. The increase is due to lack of suitable supported accommodation, lack of move on options and external factors such as the courts and hospital being in the centre of town.

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 ...

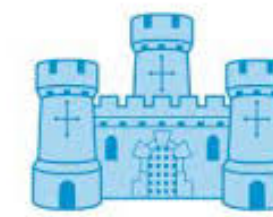
Cllr. Gill Heesom



Ensure that there are good homes for everyone and that every citizen has a safe and secure place to live



Priority 3: Healthy, Active and Safe Communities



NEWCASTLE UNDER LYME
BOROUGH COUNCIL

Project Status Split for Priority 3.

Project/Action is Progressing as Expected

3

Project/Action is Completed

2

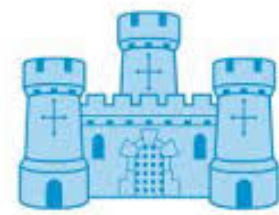
Project/Action is Not Progressi...

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	Joint working with the Police is continuing, with a particular focus on Newcastle town centre. Joint enforcement of the PSPO and interventions to make the Night Time Economy safer, particularly for women and girls, are in progress.
Cllr. Craig Skelding	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 Completed	Project/Action has been completed.
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 Completed	Project/Action has been completed.
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	The Council continues to roll out recycling and food waste services to flats, with the project scheduled for completion in April 2026. as stated in the last 2 quarters the Council is now fully compliant with the requirements of the governments Simpler Recycling requirements 2 years early. However overall recycling has not hit its target mainly due to less garden waste as stated in the last quarter. Food and dry recycling continue to perform well.
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	Better Health Partnership and Active Life Programmes both working well to support the health of residents
Cllr. Craig Skelding	Neighbourhoods	Work with partners to develop effective community bodies	Support the development of community solutions to local problems	✓ Project/Action is Progressing as Expected	The Civic Pride initiative is continuing to develop and the programme for 2026 has been set. Round 3 of the Civic Pride Investment Fund has been awarded and a programme of community engagement is being developed for 2026. Partner remain committed to supporting the initiative and the Strategy is due to be formally adopted in Quarter 4.

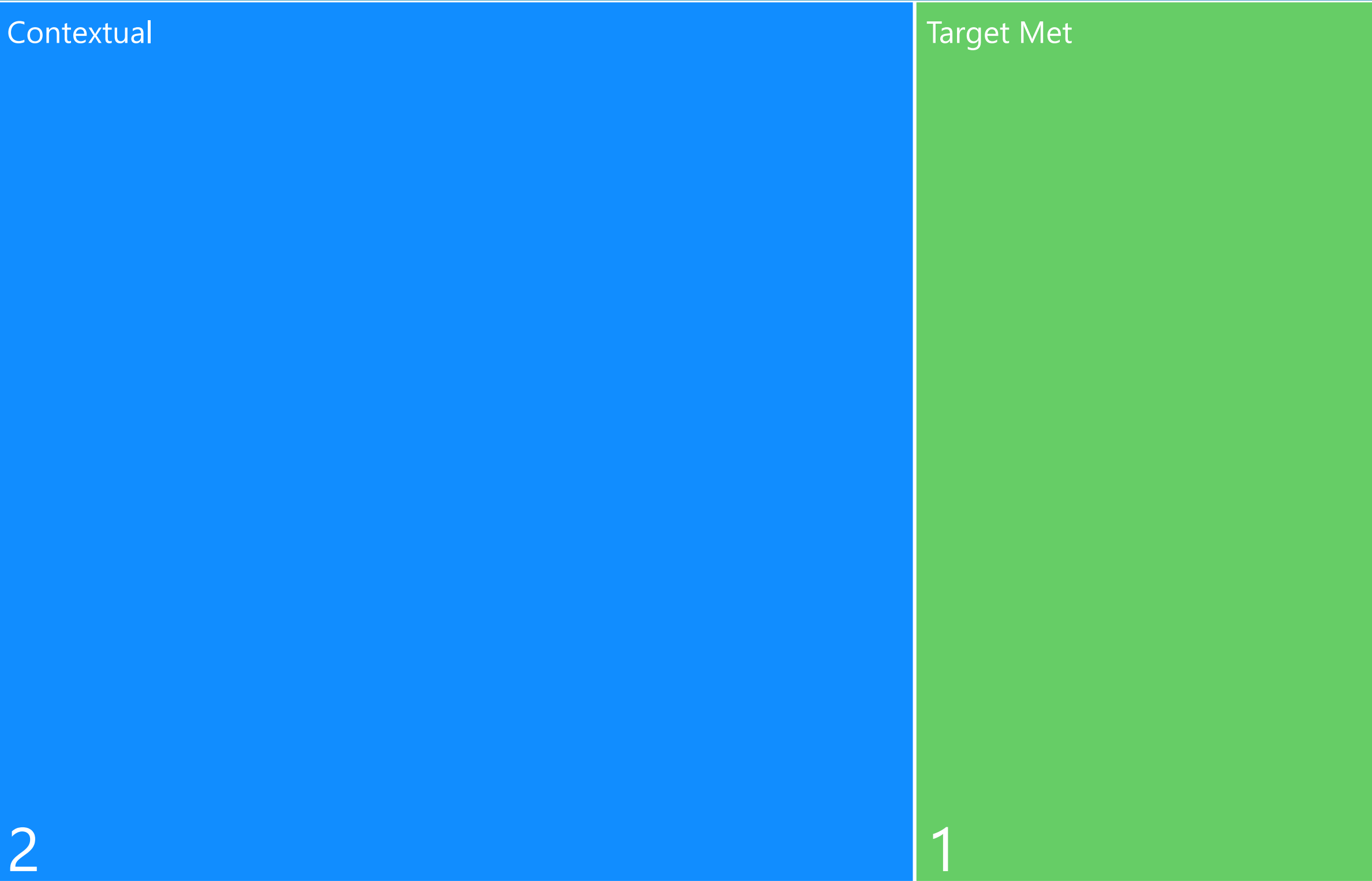


Priority 4: Town Centres for All



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BOROUGH COUNCIL

Priority 4: Performance Indicators Current Status

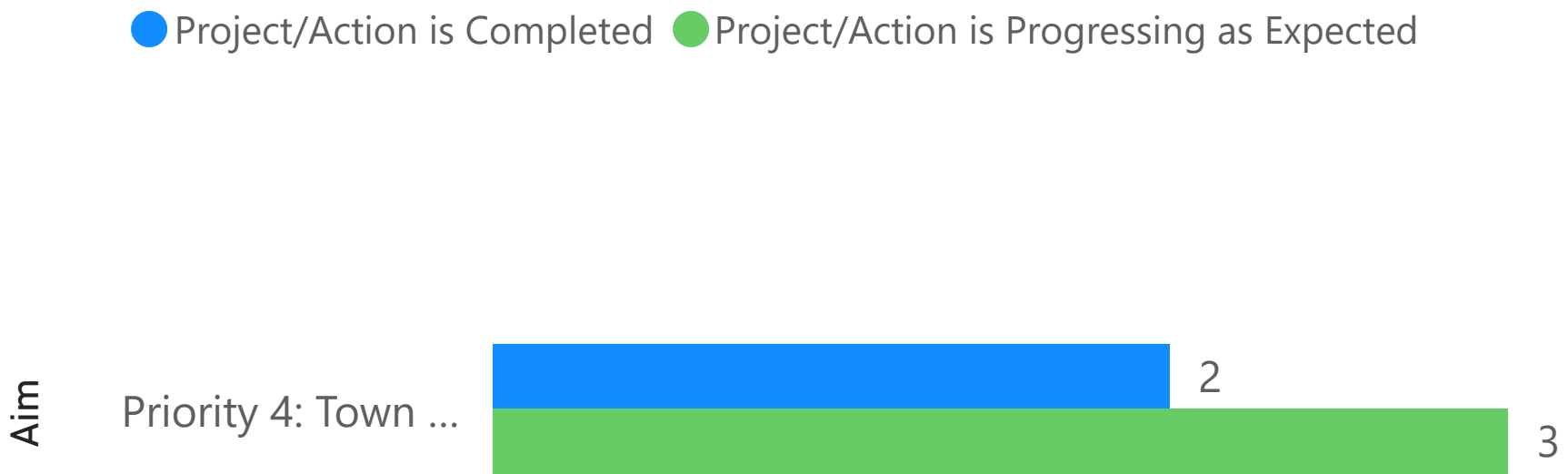


Corporate Objective	Count
Increasing the number of people living, working and using Newcastle town Centre	3
Total	3

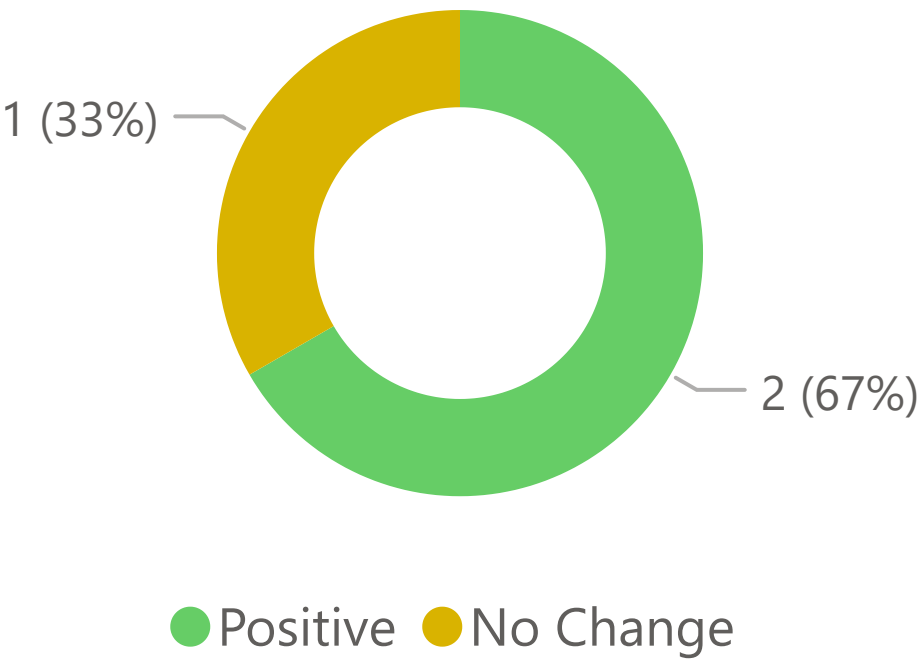
Smart Narrative

- A total of **1** measures were assigned targets this quarter. Of these, **100% achieved their targets**.
- An additional **2 measures were contextual** and therefore did not have set targets.
- **1** measure showed a decline in performance when compared to the previous year, with the other measure having no historic data to compare against.
- **1 projects/actions** has been completed, with all other project/actions progressing as expected this quarter, with further details provided within this report.

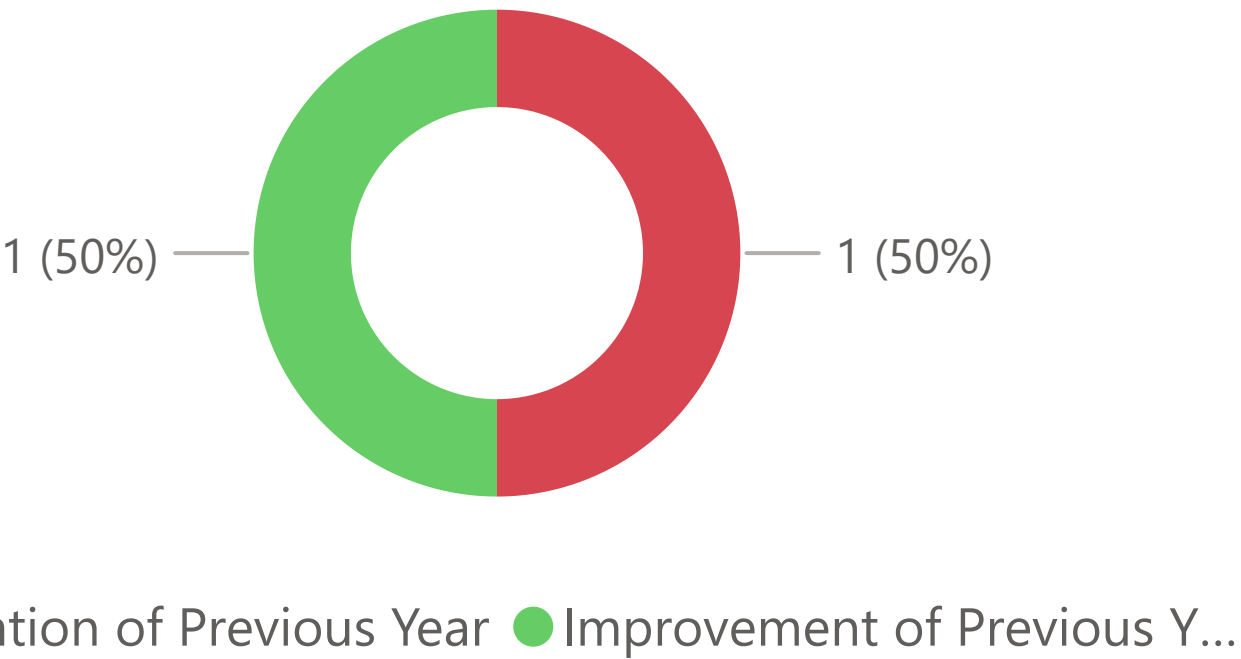
Priority 4: Summary Project Status Split



Priority 4: Qtr.3 Trend Direction of PI's Compared to Previous Quarter

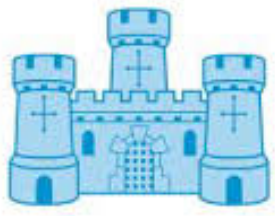


Priority 4: Qtr.3 Trend Status of PI's Compared On Same Qtr in the Previous Financial Year





Priority 4: Town Centres for All



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High
Is Good

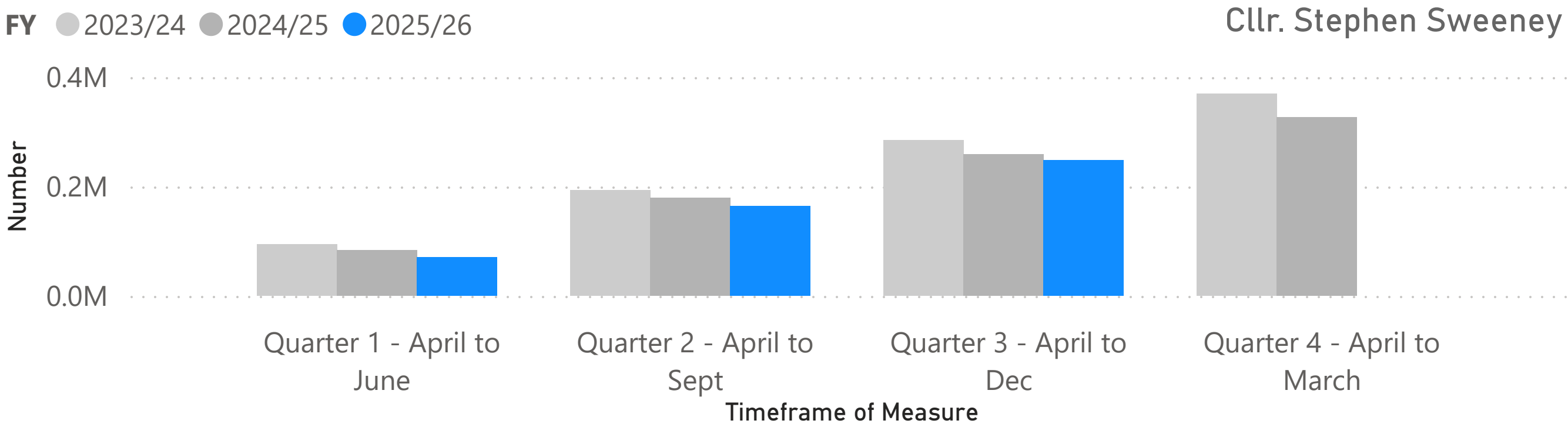
Cumulative
(Per Annum)

Negative
Yearly Trend

ID4.1 - Car parking usage:-Number of tickets purchased

Current Status

SMART Actions if Off Target



247,649

At the end of Quarter 3, there were 10988 fewer tickets issued than compared to the same time in the previous financial year. Despite the annual drop, Quarter 3 in isolation showed a total of 84080 tickets sold, being a greater number of parking tickets than Quarter 3 in 2024 that sold 79985.

High
Is Good

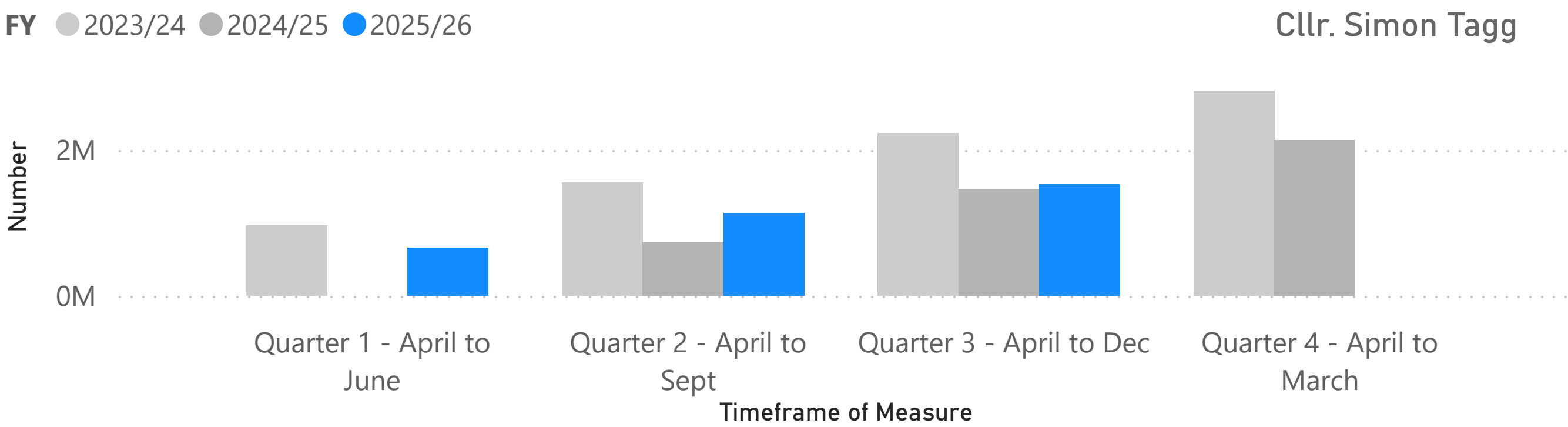
Cumulative
(Per Annum)

N/A
Yearly Trend

ID4.2 - Town Centre Footfall - Newcastle

Current Status

SMART Actions if Off Target



1,531,693

Footfall in the town centre experienced a continued decline into Quarter 3 when, likely caused by colder wetter weather with residents staying at home. Unfortunately there is no historic data available for comparison of the quarter due to limited data supplied from the previous financial year.

High
Is Good

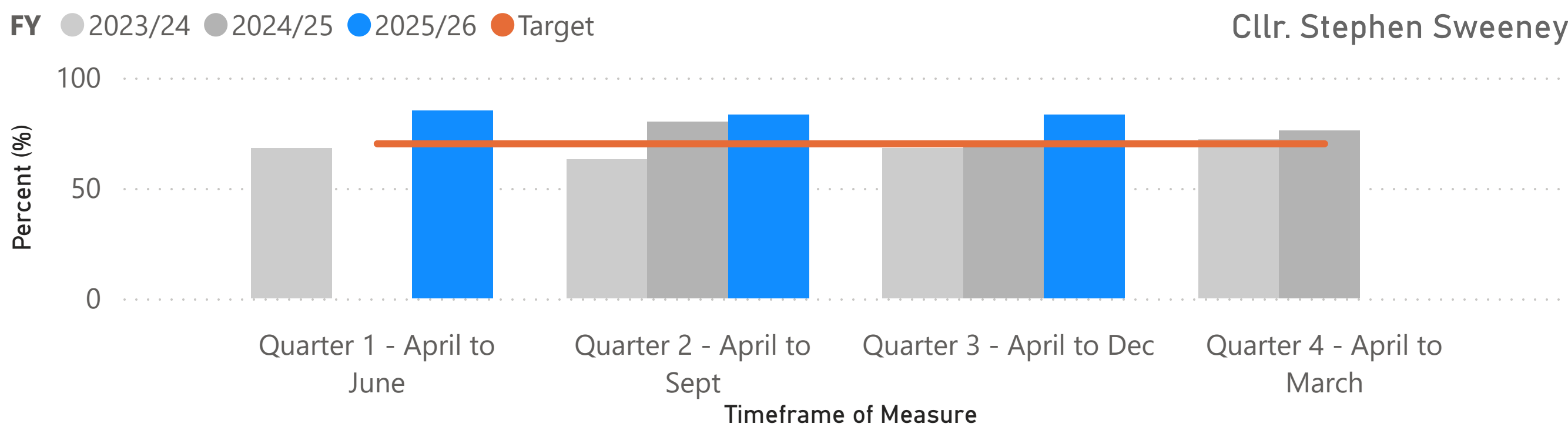
Cumulative
(Per Annum)

Positive
Yearly Trend

ID4.3 - Average stall occupancy rate for markets - Overall

Current Status

SMART Actions if Off Target



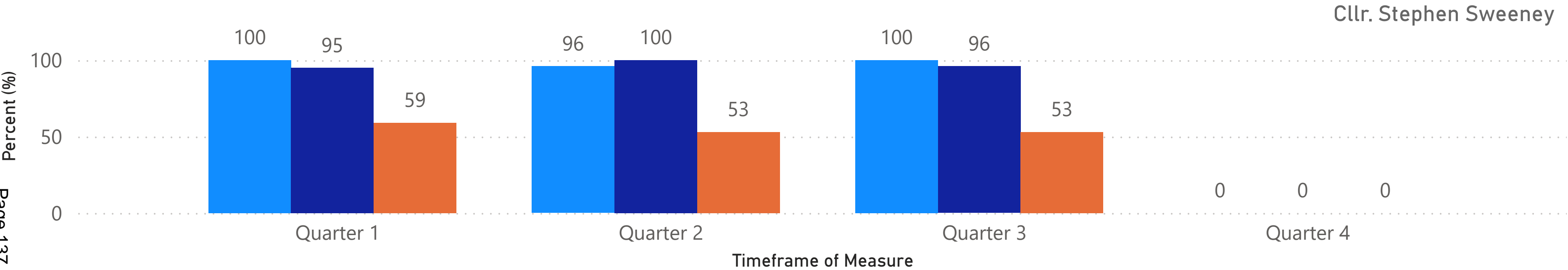
83.00✓

Target:
70.00

Overall Market target has been met - The General Market however has not achieved its target this quarter. Occupancy at the low Wednesday General Market is negatively impacting the overall average occupancy for the General Market, although the previous year's level of 52% has been maintained and is consistent. Seasonal fluctuations at the outdoor market reflect national trends, with colder weather leading to reduced stall occupancy. This is further evidenced by the reduction in the number of outdoor events during the colder autumn and winter months.

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

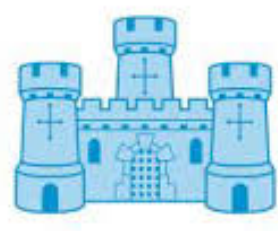
● 1. Specialist event markets - Average stall occupancy rate for markets ● 2. Antique Forum Group Licensed Market - Average st... ● 3. General market - Average stall occu...



Increasing the number of people living, working and using Newcastle town Centre



Priority 4: Town Centres for All



NEWCASTLE-UNDER-LYME
BOROUGH COUNCIL

Project Status Split for Priority 4.

Project/Action is Progressing as Expected	Project/Action is Completed
3	2

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	Work has commenced on site.
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 Completed	Project/Action has been completed.
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	Redevelopment of the Ryecroft site is continuing to schedule with enabling works new taking place on site.
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	Work has commenced on site.
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 Completed	The FHSF Market and Public Realm Improvement project is now complete, with the digital screen installed and operational. The programme of specialist markets for 2026 has been set.

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

CORPORATE LEADERSHIP TEAM'S REPORT TO CABINET

3rd February 2026

Report Title: Local Government Reorganisation and Devolution Update

Submitted by: Chief Executive

Portfolios: One Council, People and Partnerships

Ward(s) affected: All Wards

<u>Purpose of the Report</u>	<u>Key Decision</u>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
To note recent developments in respect of HM Government's planned agenda for local government reorganisation and English devolution.			
<u>Recommendation</u> That Cabinet: <ol style="list-style-type: none"> Notes the forthcoming statutory consultation on proposals for local government reorganisation (LGR) in Staffordshire and Stoke-on-Trent; Establishes a cross-party LGR Cabinet Panel, chaired by the Leader of the Council. Notes and endorses the work being undertaken to support a devolution offer for Staffordshire and Stoke-on-Trent; Notes that the Ministry for Housing, Communities & Local Government has acknowledged receipt of the Council's intention to hold elections in May 2026 and has confirmed this will proceed. 			
<u>Reasons</u> This report outlines the forthcoming stages of activity for local government reorganisation in Staffordshire and Stoke-on-Trent.			

1. Background

- 1.1 Following the release of its English Devolution White Paper on 16th December 2024, Government has expressed its intention to seek devolution settlements in every part of the United Kingdom, with the creation of new governance arrangements at revised population sizes.
- 1.2 Councils across England have been engaged in the process of Local Government Reorganisation (LGR) since December 2024. The Government's devolution agenda aims to create a new network of strategic authorities for the whole of England by 2029. LGR is stated as a required precursor to devolution in some areas, including

Staffordshire and Stoke-on-Trent, replacing two-tier county and borough/district councils and small unitary authorities with much larger unitary councils, which will be grouped into Strategic Authority areas.

- 1.3 Councils were invited by Government to make final submissions by 28th November 2025, following feedback from the Minister for Local Government & English Devolution (at the time) in June 2025. This collective feedback on interim plans was issued to all Staffordshire and Stoke-on-Trent authorities and did not rule in or out any proposals.
- 1.4 In September 2024, prior to the release of the White Paper and at the Government's request, the Staffordshire Leaders Board submitted its collective devolution plan to Government. This covered key themes:
 - 1.4.1 *Devolution must work for all:* plans must reflect and respond to a deep understanding of local needs and opportunities. That is what our authorities have been working hard at since the summer.
 - 1.4.2 *Form must follow function:* if we are to accept another layer of governance in the county, at additional cost to the people of Staffordshire and Stoke-on-Trent, then the prize in terms of devolved functions, powers and resources has to be significant.
 - 1.4.3 *Governance has to be inclusive:* current governance arrangements across our region work because all local authorities get to participate and contribute, and we want to ensure that this is also the case in any devolved arrangements.
 - 1.4.4 *Commitment to subsidiarity:* devolution should be to the most appropriate level of governance for the function in any question, and that should mean a combination of county-wide, local authority level and, perhaps most importantly, community level. We seek a devolution deal that gives us flexibility to make those judgements together.

2. Issues

- 2.1 The Minister for Local Government & Homelessness has reconfirmed the Government's intention for local government reorganisation to happen at pace, intending for this to be within the lifetime of the current parliament, with all new structures in place by Spring 2028. The Minister has acknowledged that this remains an ambitious timeframe for implementation.
- 2.2 There have, however, been some changes within the Devolution Priority Programme (those areas on an accelerated devolution programme), with elections delayed from an intended establishment date of 2026. This will see Mayoral elections scheduled for May 2026 for Greater Essex, Hampshire & Solent, Norfolk & Suffolk, and Sussex & Brighton deferred to May 2028, while Cumbria and Cheshire & Warrington moved to May 2027 to synchronise with existing local elections. The delays aim to ensure new unitary authorities are established before Mayors take office.
- 2.3 On 13th November 2025, HM Government announced plans to abolish Police and Crime Commissioners (PCCs) by 2028, transferring their functions to elected Mayors in combined authority areas or policing and crime boards where there is no Mayoral function established. In Staffordshire, the Police, Fire and Crime Commissioner also holds responsibility for Staffordshire Fire & Rescue Service.

- 2.4** As noted in a report to Cabinet on 13th January 2026, HM Government wrote to 63 councils with local elections in May 2026, inviting these authorities to postpone elections by one year, if they had a compelling case to focus resources on reorganisation.
- 2.5** The Leader of the Council and Chief Executive wrote to the Minister for Local Government & Homelessness on 14th January 2025, noting the Council's intention to hold local elections as planned, a copy of which is set out in Appendix 1 to this report. The Secretary of State confirmed on 22nd January 2026 that of 63 councils, 29 elections will be delayed, including two in Staffordshire (Cannock Chase and Tamworth). The elections of all other councils, including Newcastle-under-Lyme Borough Council, will proceed as planned.
- 2.6** Officers continue to meet with MHCLG officials, council networks and other authorities in the advancement of next steps.
- 2.7** Following agreement of the Council's LGR proposal at its Special full Council meeting in November 2025, the Council submitted its proposals to MHCLG. Civil servants have acknowledged receipt of proposals, and Ministers have continued to advise that a decision will be made ahead of the summer recess of Parliament in July 2026.
- 2.8** The Council's proposal for a Newcastle-under-Lyme unitary council, together with three further unitary councils covering the whole invitation area of Staffordshire and Stoke-on-Trent sets out a rationale for delivery of services within clear economic geographies. The proposal was endorsed on a cross-party basis.
- 2.9** Following submission, the Leader of the Council, supported by members from all political parties wrote to the Prime Minister and Secretary of State for Housing, Communities & Local Government to set out councillors' concerns in relation to LGR, noting that "Members from across the Council chamber made clear the view we have maintained since the launch of Local Government Reorganisation in the English Devolution and Community Engagement white paper in December last year, that is we fundamentally do not believe forced reorganisation is needed for Staffordshire, nor would it bring any clear benefit. We write collectively to express our serious concerns regarding the proposed introduction of local government reorganisation." A response from the Minister of Local Government & Homelessness is set out in Appendix 3 to this report.

Consultation

- 2.10** The Government's White Paper sets out that it seeks "universal coverage in England of Strategic Authorities (SA's) - which should be a number of councils working together, covering areas that people recognise and work in". Strategic Authorities are intended to reduce duplication and give cities and regions a bigger voice, while utilising economies of scale.
- 2.11** HM Government has maintained that local government reorganisation must first take place in areas without a Strategic Authority area. In November 2025, proposals for new unitary council structures were submitted to MHCLG. Five proposals were submitted covering the Staffordshire and Stoke-on-Trent area, details of which are set out in Appendix 2.
- 2.12** MHCLG has advised that it intends to consult on all proposals that seek to meet the terms of the invitation. We expect to launch consultations in early February 2026, for 7 weeks. At this time, MHCLG has not advised of any proposals which do not meet the invitation criteria.

- 2.13** In accordance with the Local Government and Public Involvement in Health Act 2007, the Secretary of State for Housing, Communities & Local Government will consult with named consultees (including neighbouring local authorities, education institutions and other public services, and business representative organisations), together with inviting views from the public. All consultees will have access to each of the proposals being consulted upon in Staffordshire and Stoke-on-Trent.

Forward Planning

- 2.14** The Council will continue to develop plans for implementation of a new unitary authority for Newcastle-under-Lyme in advance of the decision by the Secretary of State for Housing, Communities & Local Government, which MHCLG advises will take place by the summer parliamentary recess in 2026.
- 2.15** As part of this preparatory work, the Council will explore the option of creating new neighbourhood arrangements, as described in the submission to Government. This will also enable the Council to plan for the establishment of new town & Parish councils in the event of reorganisation on a differing unitary council footprint being determined by Ministers. This work will also enable the Council to plan to protect the whole Borough's heritage and traditions and support local governance. This is in line with work ongoing across councils within Staffordshire and nationally.
- 2.16** To support decision-making on the Council's LGR process, a cross-party Cabinet Panel, chaired by the Leader of the Council, will be established. The Panel will gather evidence from a range of stakeholders, including local MPs, to understand how Government policy may impact services for residents. If the LGR process proceeds, the Panel will meet regularly throughout the next phases from the summer onwards. Full terms of reference will be agreed at the Panel's first meeting.

Devolution

- 2.17** The Council has been clear in its view that authorities in Staffordshire and Stoke-on-Trent are ready to deliver a dynamic and meaningful devolution agenda, and will continue to work together in making the strongest possible case for securing powers and devolution outcomes for the region. Local Government Reorganisation should not have been a precursor to devolution, and presents a significant risk to Staffordshire and Stoke-on-Trent's economy, skills, transport and strategic plans that our county falls behind other regions in securing funding and powers.
- 2.18** The Council continues to work with other authorities to develop a Local Growth Plan (strategic devolution plan) for Staffordshire and Stoke-on-Trent, using the submission to HM Government in September 2024 as the basis of this plan. The 2024 submission has been used as the basis for the Council's proposed devolution approach within the Submission for Local Government Reorganisation. It is intended that this plan will be in place by late Spring 2026.
- 2.19** It is noted that areas including Staffordshire, which do not have an existing Strategic Authority or Mayoral arrangements in place will, from 2026-2027, not receive any direct allocations of funding to replace Levelling Up/UK Shared Prosperity funding.
- 2.20** The Council will continue to lobby for devolution powers and funding on a rapid timescale.

3. Recommendation

- 3.1** Notes the forthcoming statutory consultation on proposals for local government reorganisation (LGR) in Staffordshire and Stoke-on-Trent;
- 3.2** Establishes a cross-party LGR Cabinet Panel, chaired by the Leader of the Council.
- 3.3** Notes and endorses the work being undertaken to support a devolution offer for Staffordshire and Stoke-on-Trent;
- 3.4** Notes that the Ministry for Housing, Communities & Local Government has acknowledged receipt of the Council's intention to hold elections in May 2026 and has confirmed this will proceed.

4. Financial and Resource Implications

- 4.1** As noted in the report to full Council of 22nd January 2025, the Government has, to date, not provided an investment case or intended savings arising from local government reorganisation.
- 4.2** The act of reorganisation brings significant but as yet not fully quantifiable costs. The modelling of the options for investigation sets out forecast financial sustainability arising from revenue generation, transformation benefits and implementation costs. These vary across each option for investigation, but across all options are viewed as more marginal than some comparator area submissions.
- 4.3** As set out in the Local Government Reorganisation report to Cabinet of 8th July 2025, the Council has set aside funding for work on reorganisation. For the current financial year, £200,000 has been allocated, with the majority of this funding utilised in the delivery of Newcastle-under-Lyme's LGR proposal. For 2026-2027, £400,000 has been allocated for required work on reorganisation, and £200,000 has been allocated for 2027-2028.

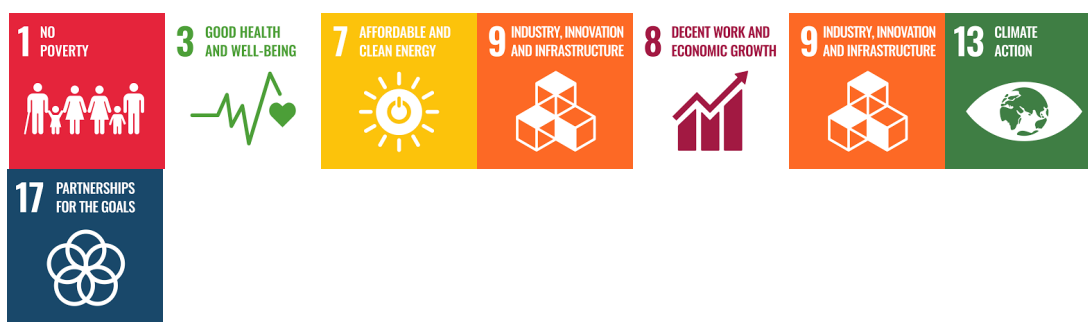
5. Major Risks & Mitigation

- 5.1** *Potential risks and mitigation* - Much remains unknown of detail at this stage so mitigation measures cannot yet be fully considered. Potential risks at this stage include staff recruitment and retention, a reduction in service delivery under a larger local authority, a potential 'democratic deficit' as details of local governance arrangements continue to be developed.
- 5.2** *Financial sustainability* – Over recent years, the Council has delivered a balanced budget based on efficiencies across its services and investment in the borough whilst seeking to maintain optimum delivery for residents. It is unknown at what stage in a reorganisation process would restrict spending or borrowing, or whether areas in a much worse financial position would be prioritised over Newcastle.
- 5.3** *Greater spend responsibilities* - A unitary council would have significantly greater spend responsibilities than existing borough and district councils, with statutory provision taking precedence over non-statutory and discretionary service delivery.
- 5.4** *Effectiveness of change* – There is a lack of proven success where local government reorganisation has taken place elsewhere in the country to date, and to date the

Government has provided limited detail on the business case/benefits of the approach being described in the White Paper.

- 5.5 Restructuring and staffing** - The process of local government reorganisation to new councils and the creation of a Strategic Authority would result in changes in employing organisations and structures. TUPE will apply to staff moving between organisations for the same roles as those that they undertake presently. This will be the responsibility of the vesting (new) authority. Following that process, the new authority will conduct an assessment of resource need.
- 5.6 Impact across the Borough** - It is likely that implementation of Local Government Reorganisation will have significant impact across the Borough, this initial stage is commencing the development of the outline proposals to be submitted to Government. The Legislation will be subject to an impact assessment.

6. UN Sustainable Development Goals (UNSDG)



7. One Council

- 7.1** Please confirm that consideration has been given to the following programmes of work:

One Commercial Council ☒

We will make investment to diversify our income and think entrepreneurially.

The reorganisation of local government would change the commercial asset holding of councils, for example leisure centres and museums, and decisions would be made on these at a unitary level.

One Digital Council ☒

We will develop and implement a digital approach which makes it easy for all residents and businesses to engage with the Council, with our customers at the heart of every interaction.

A new approach to digital delivery will become necessary through LGR, including the mapping of shared service opportunities.

One Sustainable Council ☒

We will deliver on our commitments to a net zero future and make all decisions with sustainability as a driving principle

Newcastle Borough Council has sustainability programme to meet a 2030 target for its scopes 1 and 2 emissions. Other local authorities are at different stages of implementing sustainability approaches.

8. Key Decision Information

- 8.1 This is a key decision as local government reorganisation may affect residents in all wards.

9. Earlier Cabinet/Committee Resolutions

- 9.1 Cabinet – 4th June 2024 – Staffordshire Leaders Board Joint Committee
- 9.2 Cabinet – 9th January 2025 – Devolution and Local Government Reorganisation: White Paper
- 9.3 Full Council – 22nd January 2025 – Devolution and Local Government Reorganisation White Paper
- 9.4 Special Full Council – 19th March 2025 – Newcastle-under-Lyme Borough Council Response to Local Government Reorganisation
- 9.5 Cabinet – 8th July 2025 – Local Government Reorganisation
- 9.6 Cabinet – 4th November 2025 - Local Government Reorganisation Update
- 9.7 Special Full Council – 19th November 2025 - Local Government Reorganisation and Devolution Update

10. List of Appendices

- 10.1 Appendix 1a – Letter to Alison McGovern MP re. Local Elections
- 10.2 Appendix 1b – Letter from Steve Reed OBE MP re. Local Elections
- 10.3 Appendix 2 - Summary of Local Government Reorganisation Proposals for Staffordshire and Stoke-on-Trent
- 10.4 Appendix 3 – Response to the Leader of the Council from Alison McGovern MP

11. Background Papers

- 11.1 [English Devolution White Paper](#), December 2024, HMSO.

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Your Ref:
Our Ref: GM/Cor1/1401a



Alison McGovern MP
Minister for Local Government and Homelessness
Ministry of Housing, Communities and Local Government
2 Marsham Street
London SW1P 4DF

Via email: PSAlisonMcGovern@communities.gov.uk
LGRElections@communities.gov.uk

14th January 2025

Dear Alison McGovern MP,

Local Elections – May 2026

Following consideration at Newcastle-under-Lyme Borough Council's Cabinet on 13th January 2025, we are writing to confirm that Newcastle-under-Lyme Borough Council intends to proceed with its scheduled elections as planned in 2026.

The full Borough Council election will take place on Thursday 7th May 2026, during which all 44 council seats will be contested, in line with the regular cycle of elections for the Borough. There will also be elections for town and parish councils on the same day.

Newcastle-under-Lyme Borough Council remains fully committed to upholding the democratic process and ensuring a fair and timely election, irrespective of ongoing local government reorganisation discussions.

Please do let us know if you have any questions in respect of the above.

Yours sincerely,

Simon Tagg
Leader

Gordon Mole
Chief Executive

Newcastle-Under-Lyme Borough Council
Castle House, Barracks Road, Newcastle-under-Lyme ST5 1BL

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Your Ref:
Our Ref: GM/Cor1/1401a



Alison McGovern MP
Minister for Local Government and Homelessness
Ministry of Housing, Communities and Local Government
2 Marsham Street
London SW1P 4DF

Via email: PSAlisonMcGovern@communities.gov.uk
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Castle House, Barracks Road, Newcastle-under-Lyme ST5 1BL

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Ministry of Housing, Communities & Local Government

Rt Hon Steve Reed OBE MP
*Secretary of State for Housing,
Communities & Local Government*
2 Marsham Street
London
SW1P 4DF

To: Leaders of councils with elections
in May 2026 where proposals for
reorganisation have been submitted
and decisions not yet taken

22 January 2026

Dear Leader,

Re: Decision on the Postponement of Local Elections Scheduled for May 2026

I am writing to follow up on the Minister for Local Government and Homelessness' letter of 18 December 2025 regarding the potential postponement of local elections in areas undergoing local government reorganisation.

This Government remains steadfast in its commitment to streamlining local government by replacing the outdated two-tier system with single-tier unitary councils, a landmark reform essential to ending the two-tier cost for local taxpayers and creating stronger local authorities equipped to drive economic growth and provide exceptional services to the public we serve.

We are grateful to you for your quick and helpful response to the Minister's last letter, and for the hard work that went into the representations that were submitted. I appreciate that for many of you it has been a challenging process for which you, like me, had to consider a wide range of factors before sharing your representations.

After carefully considering the representations made by councils, parliamentarians, residents and wider local government stakeholders, I have decided to bring forward legislation to **postpone the local elections scheduled for 7 May 2026 for a period of one year** for the following councils:

- Adur District Council
- Basildon Borough Council
- Blackburn with Darwen Council
- Burnley Borough Council
- Cannock Chase District Council
- Cheltenham Borough Council
- Chorley Borough Council
- City of Lincoln Council

- Crawley Borough Council
- East Sussex County Council
- Exeter City Council
- Harlow District Council
- Hastings Borough Council
- Hyndburn Borough Council
- Ipswich Borough Council
- Norfolk County Council
- Norwich City Council
- Peterborough City Council
- Preston City Council
- Redditch Borough Council
- Rugby Borough Council
- Stevenage Borough Council
- Suffolk County Council
- Tamworth Borough Council
- Thurrock Council
- Welwyn Hatfield Borough Council
- West Lancashire Borough Council
- West Sussex County Council
- Worthing Borough Council

This decision follows a comprehensive consideration of all the evidence available to me. I have listened to concerns regarding the resource pressures of running intensive elections for councils proposed for abolition shortly thereafter. By delaying these elections, I am confident that we will be releasing essential capacity within councils to allow your teams to focus their full energy on the complex reorganisation process, while also addressing concerns regarding the cost of holding elections for bodies that will soon cease to exist.

This move ensures our continued delivery against an ambitious timetable that sees new councils going live in April 2028, delivering on our promise to create sustainable, effective structures within this Parliament.

For a number of councils, we received representations indicating that they had the capacity required for elections to proceed during the process of local government reorganisation; representations indicating postponement would be helpful but without sufficient evidence of the impact on capacity; or postponement was not sought. For these councils, elections will go ahead as planned. A full list of May 2026 elections in areas undergoing reorganisation and their status is attached to this letter.

Next steps

The legislative process to postpone these elections will now commence, and the necessary Statutory Instrument will be laid as soon as possible. An Explanatory Memorandum will be published alongside the Statutory Instrument, which will give more detail about the

representations received. We will write to you again to share this with you once it has been published.

Town and Parish Council elections

Please note that I am making no provision for the postponement of **town or parish council elections**. As these bodies are outside the scope of the local government reorganisation, those elections will proceed as scheduled.

I am copying this letter to your Chief Executives, the other Leaders and Chief Executives of councils in the local government reorganisation programme, and to local MPs, Combined/Combined County Authority Mayors, Police and Crime Commissioners and Best Value Commissioners in local government reorganisation areas.

Many thanks once again for your continued hard work in delivering this important reorganisation programme.

Yours sincerely,

A handwritten signature in purple ink that reads "Steve Reed". The signature is written in a cursive style with a horizontal line underneath the name.

RT HON STEVE REED OBE MP

Secretary of State for Housing, Communities and Local Government

LIST OF 63 COUNCILS IN REORGANISATION AREAS WITH ELECTIONS SCHEDULED IN MAY 2026

Elections where legislation will be brought forward to postpone

Adur District Council
Basildon Borough Council
Blackburn with Darwen Council
Burnley Borough Council
Cannock Chase District Council
Cheltenham Borough Council
Chorley Borough Council
City of Lincoln Council
Crawley Borough Council
East Sussex County Council
Exeter City Council
Harlow District Council
Hastings Borough Council
Hyndburn Borough Council
Ipswich Borough Council
Norfolk County Council
Norwich City Council
Peterborough City Council
Preston City Council
Redditch Borough Council
Rugby Borough Council
Stevenage Borough Council
Suffolk County Council
Tamworth Borough Council
Thurrock Council
Welwyn Hatfield Borough Council
West Lancashire Borough Council
West Sussex County Council
Worthing Borough Council

Elections that are going ahead

Basingstoke and Deane Borough Council
Brentwood Borough Council
Broxbourne Borough Council
Cambridge City Council
Cherwell District Council
Colchester City Council
Eastleigh Borough Council
Epping Forest District Council

Essex County Council
Fareham Borough Council
Gosport Borough Council
Hampshire County Council
Hart District Council
Havant Borough Council
Huntingdonshire District Council
Isle of Wight Council
Newcastle-under-Lyme Borough Council
North East Lincolnshire Council
Nuneaton and Bedworth Borough Council
Oxford City Council
Pendle Borough Council
Plymouth City Council
Portsmouth City Council
Rochford District Council
Rushmoor Borough Council
South Cambridgeshire District Council
Southampton City Council
Southend-on-Sea City Council
St Albans City and District Council
Three Rivers District Council
Tunbridge Wells Borough Council
Watford Borough Council
West Oxfordshire District Council
Winchester City Council

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Ministry of Housing,
Communities &
Local Government

Alison McGovern MP

*Minister of State for Local Government and
Homelessness*

2 Marsham Street
London
SW1P 4DF

Our reference: MC2025/33576

Cllr Simon Tagg
Leader
Newcastle-under-Lyme Borough Council
Castle House
Barracks Road
Newcastle-under-Lyme
Staffordshire
ST5 1BL

15 December 2025

Dear Cllr Tagg and signatories,

Thank you for your letter of 25 November addressed to the Prime Minister and to the Secretary of State for Housing, Communities and Local Government, on behalf of Newcastle-under-Lyme Borough Councillors, regarding local government reorganisation in the Staffordshire and Stoke-on-Trent area. I am responding as the Minister responsible for this policy area.

Thank you for taking time to set out your views following Newcastle-under-Lyme Borough Council's Special Council meeting on 19 November. I thought it would be helpful to set out why the Government is pursuing local government reorganisation and why it will benefit residents.

This Government's ambition is to simplify local government, by ending the two-tier system and establishing new single-tier unitary councils. This is a once-in-a-generation reorganisation and our vision is clear: stronger local councils empowered across local services, equipped to drive economic growth, improve local public services, and empower their communities.

Strong local government will help grow the economy and drive up living standards - the Government's number one mission. With one council in charge in each area, we will see quicker decisions to grow our towns and cities and connect people to opportunity. Reorganisation will speed up house building, get vital infrastructure projects moving, and attract new investment - with more people able to buy their own homes and access high-quality local jobs.

It will also help reform local public services. Bringing services like housing, public health, and social care under one roof means one council can see the full picture and spot problems early - for example, supporting a family in need of housing and then supporting the children to stay in school. Ensuring public services are effective and responsive to their communities will help to improve the health and wellbeing of individuals and communities and enable people to reach their full potential.

As you know, final proposals from the Staffordshire and Stoke-on-Trent area were submitted on the 28 November. I anticipate the Government will consult in the new year on final proposals that meet the terms of the invitation letter of 5 February 2025 before deciding which, if any, to implement. To meet the terms of the invitation, the proposal must be for the whole of the area concerned and provide all the information requested. I encourage you all to respond to the consultation.

Decisions on the most appropriate option for each area will be judgements in the round, having regard to the criteria in the statutory guidance, the consultation responses received and all other relevant information. I am sure you will understand I am not able to give a view on specific unitary proposals at this stage, or to pre-empt future decisions under the statutory process for unitarisation.

Thank you again for writing on this important matter.

Yours sincerely,



ALISON MCGOVERN MP

Minister of State for Local Government and Homelessness