

REVENUE AND CAPITAL BUDGETS 2018/19

Submitted by: Executive Director (Resources and Support Services)

Portfolio: Finance and Resources

Wards(s) affected: All

Purpose of the Report

To review progress on the completion of the revenue and capital budgets for 2018/19 following agreement of the 5 year Medium Term Financial Strategy.

Recommendations

- (a) That the assumptions set out in the report be approved.**
- (b) That the Cabinet determine the Council Tax levy to be proposed for 2018/19.**
- (c) That the Finance, Resources and Partnerships Scrutiny Committee be asked to consider what comments it wishes to make on the draft Budget and Council Tax proposals before the final proposals are considered at Cabinet on 7 February 2018.**

Reasons

To enable the Cabinet to recommend a robust and affordable budget for 2018/19 to the Council meeting on 21 February 2018.

1. Background

- 1.1 The Council is committed to the delivery of high quality services. Integral to this ambition is the need to effectively target its financial resources in line with its stated aims and objectives, as set out in the Council Plan.
- 1.2 The work of the Council in 2018/19 is focused, via the Council Plan 2016 -18 approved by Cabinet on 14 September 2016, on its vision of “creating a borough that is prosperous, clean, healthy and safe.”
- 1.3 There has been good progress in the current year, with high standards of service delivery being achieved overall. Key Outcomes so far in 2017/18 are set out in Appendix 1.
- 1.4 The Council has a Medium Term Financial Strategy (MTFS) to look at its financial position over the next 5 years. This is aligned to the Council Plan and will be the main vehicle in ensuring efficiency in service delivery and targeting resources to its priority areas.
- 1.5 It should be noted that the MTFS and the draft 2018/19 Budget have been compiled against a continuing national picture of reduced funding from central government for local authorities.
- 1.6 The draft 2018/19 budget is based upon the assumptions made in the MTFS which was approved by the Cabinet at its meeting on 18 October 2017 and scrutinised by the Finance, Resources and Partnerships Scrutiny Committee at its meeting on 5 October 2017.

2. **Budget 2017/18**

- 2.1 Monthly reports monitoring actual spending against budget have shown adverse variances during the first eight months of the year, the latest reported variance being £0.102m as at the end of November.
- 2.2 The main reasons for this overall adverse variance were:
- Waste Services is operating at a net overspend.
 - Income from car parking is below the amount budgeted for
- 2.3 It was also reported at the cabinet meeting on 4 January 2018 that the situation may become significantly worse due to additional expenditure associated with the elections service, the redundancies of the cleaners as part of the Castle House project and the interim senior management arrangements.
- 2.4 The savings of £2.728m incorporated in the 2017/18 budget are on target to be achieved. This means that altogether over the ten years from 2008/09 to 2017/18 £22.010m of “gaps” will have been met via a combination of savings, efficiencies and additional income, as shown in the table below:

| Year | £m |
|-------------|-----------|
| 2008/09 | 1.250 |
| 2009/10 | 2.572 |
| 2010/11 | 2.389 |
| 2011/12 | 2.655 |
| 2012/13 | 2.621 |
| 2013/14 | 1.783 |
| 2014/15 | 2.100 |
| 2015/16 | 2.078 |
| 2016/17 | 1.834 |
| 2017/18 | 2.728 |

3. **Draft Budget 2018/19**

- 3.1 In 2018/19, whilst aiming to continue delivering high performing, good quality services and ensuring efficiencies in Council operations, there are a number of key activities planned towards achieving Council Plan outcomes. Examples of these are set out in Appendix 2.
- 3.2 The MTFs was approved by the Cabinet on 18 October 2017. This illustrated that the Council would have a shortfall of £1.535m in 2018/19 which could be addressed by a combination of actions, such as efficiency measures, reductions in expenditure, increases in income and a council tax increase.
- 3.3 The Council has accepted the government’s offer of a four year funding settlement, which provide it with provisional allocations for the next two years, 2018/19 and 2019/20. The MTFs assumes that these allocations will be the ones which the Council will receive. Based on the provisional amounts, in 2018/19 funding will reduce by £0.359m, which is a 7.8% reduction compared to the 2017/18 settlement and by a further £0.399m (9.5%) in 2019/20. The MTFs assumes for the following two years, 2020/21 and 2021/22, that there will be a reduction of £0.062m and no further change in 2021/22. The final funding allocation for 2018/19 should be announced in late January/early February 2018, and should not differ from the provisional amount which the Council has accepted under the four year offer.

- 3.4 There has been one change to the MTFs since its approval in October, resulting in an increase of £0.161m in the funding “gap” to £1.696m for 2018/19 and this is in respect of the 2018/19 pay settlement where a 2 per cent offer has been made by the national employers whereas the MTFs had assumed 1 per cent.

The table below shows the factors which give rise to the £1.696m “gap” for 2018/19:-

| CHANGES TO BASE BUDGET | £'000 |
|---|--------------|
| <u>ADDITIONAL INCOME</u> | |
| Fees and Charges | 114 |
| TOTAL ADDITIONAL INCOME (A) | 114 |
| <u>ADDITIONAL EXPENDITURE & LOSS OF INCOME</u> | |
| Reduction in Government Funding | 471 |
| Government funding re Business Rates Baseline | (112) |
| New Homes Bonus - Revised Scheme | 518 |
| Provision for Pay Awards | 301 |
| Incremental Pay Rises for Staff | 64 |
| Superannuation increase in employers contribution | 296 |
| Price Increases e.g. energy, fuel, rates, insurances, supplies & services | 46 |
| Adjustments re One-Off items in 2017/18 | 126 |
| TOTAL ADDITIONAL EXPENDITURE AND LOSS OF INCOME (B) | 1,710 |
| <u>OTHER ITEMS</u> | |
| <u>NEW PRESSURES</u> | |
| Castle House Project - holding costs in respect of the Civic Offices | (100) |
| Other New Pressures, e.g. debit/credit card charges, insurance premiums, reduction in summons costs | 200 |
| TOTAL NEW PRESSURES (C) | 100 |
| NET INCREASE IN BASE BUDGET (B + C - A) | 1,696 |

- 3.5 Members, under both the previous administration and the new one, and your officers have been identifying and considering ways of eliminating the 2018/19 gap, building upon the work which has already been done to identify savings opportunities as part of the 2020 project. As a result, a number of savings and funding strategies have been identified and agreed with managers as being both feasible and sustainable. The proposed savings, totalling £1.676m to £1.696m (dependent on the level of council tax increase proposed), are outlined in the table below and set out in detail in Appendix 3:

| Category | Amount | Comments |
|--|---------------|--|
| | £'000 | |
| Procurement | 50 | Rationalisation of Multi-Function devices and negotiation of contract pricing |
| Staffing Efficiencies | 461 | No redundancies are anticipated to arise from these proposals |
| Good Housekeeping Efficiencies, General Other Savings, Changes in Base Budgets | 289 | Various savings arising from more efficient use of budgets |
| Alternative Sources of Finance/ Other Savings | 794 to 814 | New Homes Bonus funding, savings from negotiated contribution rates and advanced |

| | | | | |
|------------------|-----------|-------|-----------------------|--|
| | | | | payments of superannuation contributions, effect of forecast Council Tax Base increase, savings from Parish Council concurrent functions contributions, capitalisation of equipment purchases. An increase in Council Tax of either £5 per band D property (equivalent to 2.7%) or 2.99% per band D property. |
| Savings Reviewed | Currently | Being | 82 | Savings to be confirmed |
| Total | | | 1,676 to 1,696 | |

- 3.6 As in previous years, the first draft of the savings plan set out at Appendix 3 was made available to the Finance, Resources and Partnerships Scrutiny Committee for scrutiny at its meeting on 27 November 2017. The Committee did not request any additional information as a result of its consideration of the plan and will scrutinise this Cabinet report at its meeting on 24 January.
- 3.7 A decision is required as to how much to increase council tax from its 2017/18 level. When the 2017/18 council tax was considered Cabinet and Council decided to increase the tax by £5.00 (an increase of 2.77%).

Councils have only limited freedom to increase council tax, the Secretary of State each year notifying a percentage and/or an absolute amount in £s by which the tax may increase compared with the previous year. Higher increases are deemed to be “excessive” and not permissible without a council carrying out a costly referendum of taxpayers to determine whether they approve of the increase. If it is not approved, it cannot be implemented and savings must be found to balance the budget. The Secretary of State is currently consulting local authorities about the arrangements for 2018/19. He is proposing that district councils are permitted to increase the tax levy by up to 3 per cent or by an additional £5, if this produces a larger amount of income, which is the same principle as applied to 2017/18 but using 3 per cent rather than 2 per cent as one of the two measures. If the Council were to increase tax to a point below the referendum threshold, the amount of additional income would equate to £68k for a 1.00 per cent increase (the equivalent of a 3.6p per week on a Band D property) and a proportionate amount for a different percentage. An increase of £5.00 (2.70 per cent) would result in £184k of additional income, whilst an increase of 2.99 per cent would result in £204k of additional income. The table below shows the effect of a £5 (2.70 per cent) and a 2.99 per cent Band D increase across all the council tax bands, as an annual amount and a weekly amount.

| Band | £5 (2.70 per cent) Increase | | 2.99 per cent Increase | |
|------|-----------------------------|-----------------|------------------------|-----------------|
| | Annual Increase | Weekly Increase | Annual Increase | Weekly Increase |
| | £ p | £ p | £ p | £ p |
| A | 3.33 | 0.06 | 3.69 | 0.07 |
| B | 3.89 | 0.07 | 4.31 | 0.08 |
| C | 4.44 | 0.09 | 4.92 | 0.09 |
| D | 5.00 | 0.10 | 5.54 | 0.11 |
| E | 6.11 | 0.12 | 6.77 | 0.13 |
| F | 7.22 | 0.14 | 8.00 | 0.15 |
| G | 8.33 | 0.16 | 9.22 | 0.18 |
| H | 10.00 | 0.20 | 11.07 | 0.21 |

Currently the savings and funding strategy, referred to in paragraph 3.5 and set out in Appendix 3, shows two possible scenarios for a tax increase: a 2.99 per cent increase producing £204k of additional income and a £5 (2.70 per cent) increase producing £184k additional income. If it is proposed to increase it by less than 2.99 per cent, then there will be a need to find further savings to make good the shortfall.

4. **Medium Term Financial Strategy - 2018/19 to 2022/23**

- 4.1 The MTFS is being continually reviewed for 2018/19 to 2022/23. The shortfalls were estimated as follows in the MTFS approved by Cabinet in September 2017:

£1.497m in 2019/20
£0.894m in 2020/21
£0.606m in 2021/22
£0.433m in 2022/23

- 4.2 The national local government employers' pay offer of a pay increase of 2.0% for both 2018/19 and 2019/20 means that the shortfall in 2019/20 will increase by at least £0.165m. Certain decisions taken in respect of the 2018/19 budget could also impact on future years' budgets.
- 4.3 The previous years' shortfalls have been addressed by a combination of measures such as efficiency savings, reductions in expenditure or income increases, consideration of the need for Council Tax increases and service reviews. These will continue to be pursued to meet future shortfalls but it is inevitable that there will also have to be service reductions, cessation of services or looking at alternative models of service delivery.

5. **Capital Programme 2017/18 - 2018/19**

- 5.1 The Newcastle Capital Investment Programme Report considered by Cabinet on 5 February 2014 (see 5.9 below) set out the essential capital investment needed over the four years 2015/16 to 2018/19. This report, together with the associated "Funding the Council's Capital Investment Programme" report was endorsed by Full Council when it approved the Capital Strategy 2015-2019, to which these were appended, in February 2015. The capital expenditure proposed for 2018/19 reflects the needs identified in the report updated to take account of current priorities and resources expected to be available for funding purposes.
- 5.2 The Council has commissioned a stock condition survey of its operational and commercial buildings and structures. This will identify and cost work that needs to be done in respect of each asset over the next few years, categorising it according to degree of urgency. The survey is not due to be completed until April/May 2018, after the capital programme is submitted to Full Council for approval on 21 February. It is possible that the survey will identify some urgent work which needs to be carried out in 2018/19 and which has not been included in the draft capital programme. Additionally, the cost of already identified works may change. Should this be the case, it will be necessary to reflect this in a revised Asset Management Strategy and Capital Programme in due course.
- 5.3 Attached at Appendix 4 is the updated capital programme 2017/18 to 2018/19 based on current commitments and agreed schemes plus a number of new schemes which are vital to ensure continued service delivery. New schemes total £1.552m. The remainder of items included in the Programme (totalling £1.047m) relate to continuing expenditure on current schemes, funding for which has already been approved and the externally funded disabled facilities grants.
- 5.4 The programme for 2018/19 is constrained by the availability of funding. Because funds in hand are minimal and the current programme of land sales has not resulted so far in any significant capital receipts arising (and will not now do so until at least towards the end of the final quarter of

2018/19), only a limited programme of schemes can be supported. Accordingly, the programme to be funded from Council resources has been limited to an amount of £1.552m, which is considered to be the most that can be prudently put forward at the present time following an assessment of receipts thought reasonably likely to arise by the end of 2018/19. The schemes included are those which most urgently need to be carried out to ensure continued service delivery or to safeguard income. If the anticipated capital receipts are not forthcoming the Council will have to borrow to fund the expenditure which will have an impact on the Revenue Budget in 2019/20.

5.5 Particular points to note are:

- a) Consideration has been given to requirements for essential plant and equipment replacements, buildings repairs and maintenance and other work which will be needed over the next few years to enable services to be continued at acceptable levels (including compliance with Health and Safety legislation) or to safeguard income from commercial properties. The most urgently required items have been included in the proposed capital programme.
- b) The Housing Programme provides only for the continuation of activities which are externally funded, i.e. disabled facilities grants which are funded by a contribution from the Staffordshire Better Care Fund.
- c) In summary, expenditure of £2.599m shown in the proposed programme for 2018/19 at Appendix 4 comprises:

| | £m |
|---|---------------------|
| (a) New Schemes funded by the Council from Capital Receipts | 1.552 |
| (b) New Schemes funded from External Sources (Disabled Facilities Grants) | 1.000 |
| (c) Schemes brought forward from the original 2017/18 Programme | <u>0.047</u> |
| Grand Total | <u>2.599</u> |

Funding for Item (c) has already been approved in February 2017 when the 2017/18 Capital programme was approved.

A summary of all of the new items included in the Programme and how they are proposed to be funded is set out in the table below:

| Scheme | Cost | Funding | |
|---|--------|------------------------|------------------|
| | | Other External Funding | Capital Receipts |
| | £'000s | £'000s | £'000s |
| Housing Programme | | | |
| Disabled Facilities Grants | 1,000 | 1,000 | 0 |
| Replacement Vehicles and Equipment | | | |
| Vehicles | 938 | | 938 |
| Waste Bins | 150 | | 150 |
| Baler | 25 | | 25 |
| Capitalisation of Equipment Purchases and Repairs previously included in Revenue Budget | 160 | | 160 |
| Stock Condition Works | | | |
| Jubilee 2 - Stairs, Roof and Glazing Works | 80 | | 80 |
| Depot - Garage Workshop | 20 | | 20 |
| Car Park Rear High Street Newcastle | 60 | | 60 |

| | | | |
|--|--------------|--------------|--------------|
| Public Railings Painting | 13 | | 13 |
| Roadbridge over former railway, Audley | 50 | | 50 |
| Merrial Street - Water main diversions | 30 | | 30 |
| Lancaster Buildings | 6 | | 6 |
| Commercial Portfolio - Energy Efficiency Works | 20 | | 20 |
| TOTAL | 2,552 | 1,000 | 1,552 |

- 5.6 There is clearly a direct link with the revenue budget as there may be revenue implications arising from new capital projects and the requirement to spend capital funds will lessen the ability to earn interest on the cash that is invested. It is therefore vital that the revenue and capital budgets are integrated.
- 5.7 Continuation of the capital programme beyond 2018/19 is dependent upon the achievement of a continued programme of receipts from the disposal of assets. It is essential that sufficient capital receipts are generated from these asset sales to enable essential capital investment to take place.
- 5.8 The Council's overall capital strategy was most recently updated in February 2016. Neither this document nor the related Asset Management Strategy has been comprehensively updated for 2018/19 since the underlying strategies remain the same (although Members will note an item elsewhere on this agenda regarding the latter).
- 5.9 Two key reports have been considered by Cabinet in relation to future capital investment needs. These are the Newcastle Capital Investment Programme (Cabinet 5 February 2014) and Funding the Council's Capital Investment Programme (Cabinet 15 October 2014). The first report set out the amount of capital investment required over the four year period 2015/16 to 2018/19 in order to maintain service continuity and to safeguard income from the commercial property portfolio. The second report set out options for funding the capital investment identified in the preceding report. It concluded that the only realistic option to meet investment needs is a systematic programme of surplus land disposal, which will also enable the Council to deliver its policy objective of bringing forward more affordable and social housing by the release of some of its land holdings. The alternative of borrowing to part fund the programme is seen to be a more expensive option owing to the cost of servicing the debt. Accordingly it was resolved: ***"That Cabinet agrees with the principle that the Council, as a first resort, will seek to fund its future known capital programme needs through the annual asset management planning process by the identification of land or property in its ownership that is capable of, and appropriate for disposal"***.

6. **Balances and Reserves**

- 6.1 The Council's Balances and Reserves Strategy for 2017/18 is that there should be a minimum General Fund balance of £1.20m and a Contingency Reserve of £100,000. The Council currently holds these reserves.
- 6.2 A review of all the Council's Balances and Reserves together with a risk assessment is being undertaken for inclusion in the final report on the budget to the Cabinet on 7 February 2018 and the full Council on 21 February 2018.

7. **Legal and Statutory Implications**

- 7.1 The Council is required to set its Council Tax for 2018/19 by 11 March 2018. However, it is planned to approve the final budget and council tax rates on the 21 February 2018.

8. **Risk Statement**

8.1 Section 25 of the Local Government Act 2003 places a duty on the Chief Finance Officer to report on the robustness of the budget. The main risks to the budget include:

- Spending in excess of the budget.
- Income falling short of the budget.
- Unforeseen elements e.g. changes to legislation or reductions in government grants.

8.2 Such risks require regular and careful monitoring and it is essential that the Council has sufficient reserves to call on if required (see Section 6 above), for example the Council has a General Fund balance sufficient to cover foreseen risks.

9. **Budget Timetable**

9.1 The current timetable for the setting of the 2018/19 budget and Council Tax levels is:-

| When | Who | What |
|-------------|--------------|---|
| 17 January | Cabinet | Consideration of draft budget proposals |
| 24 January | FRAPSC | Scrutiny of the draft budget proposals |
| 7 February | Cabinet | Final budget proposals to be recommended for approval by Full Council |
| 21 February | Full Council | To approve the budget and set council tax levels |

FRAPSC – Finance, Resources and Partnerships Scrutiny Committee

10. **Earlier Cabinet Resolutions**

Newcastle Capital Investment Programme (Cabinet 5 February 2014);
Funding the Council's Capital Investment Programme (Cabinet 15 October 2014).
Medium Term Financial Strategy 2018/19 to 2021/22 (Cabinet 18 October 2017);

11. **List of Appendices**

Appendix 1: Key Council Plan Outcomes in 2017/18
Appendix 2: Key Future Activities 2018/19
Appendix 3: Savings and Funding Strategies
Appendix 4: Capital Programme 2017/18 to 2018/19.

Key Council Plan Outcomes in 2017/18

| Reference number | Achievements 2017-18 |
|------------------|--|
| 1.1 | The Council's website achieved three stars out of four in the Society of Internet Management (SOCITM) annual assessment of all public sector websites, rising from two stars rating the year before and also received the Plain English Crystal Mark. |
| 1.2 | Customer Services has maintained its Customer Service Excellence (CSE) accreditation for the 6 th year, by demonstrating continuous improvement in all areas of the Standard. Customer Services has supported relevant front line services to achieve accreditation, with the Planning Service, Leisure Services and Revenues & Benefits all now achieving accreditation. |
| 1.3 | In 2017, improvements have been delivered to the taxi licensing service to make it more responsive to customers, and improve efficiency and process in the back office. |
| 1.4 | Environmental Health worked with other agencies to undertake a review of HS2 proposals and also to develop an action plan to improve air quality within the Borough. |
| 1.5 | Public Space Protection Orders for dog control implemented across the Borough. |
| 1.6 | Undertaken a multi-agency review of licensed premises to protect and safeguard public use of premises and ensured the continuity of service from Licensing Administration. |
| 1.7 | A review of the Safeguarding Policy was undertaken this year and a range of Safeguarding training was delivered to Members and staff. There was also a programme of Child Sexual Exploitation (CSE) awareness training to staff, members, partners and taxi drivers. |
| 1.8 | With regard to housing, we have removed 174 hazards to health from rented properties. 86 empty homes were also brought back into occupation (focussed on long term empty properties in poor condition with hard to reach owners. 62 residents were supported to live safely and independently by investing in home adaptations (year-end figure projected to be 120). |
| 1.9 | Continuation of the national food hygiene rating scheme work for food businesses, with a total of 270 food safety inspections undertaken in 2017-18 with businesses in the borough and improved standards within several, consistently poor performing food businesses. |
| 1.10 | Obtained two successful prosecutions in the Magistrates Court for breach of a noise abatement notice with a full investigation costs award to the Council. |
| 1.11 | A successful multi- agency investigation of significant fly-tipping incidents and effective removal of the waste at a number of locations across the Borough |
| 1.12 | The Domestic Abuse service contract was extended this year, and saw the delivery of awareness campaigns and training to staff, members and partners. |
| 1.13 | The council has served a total of 790 pest control clients, 433 Dog clients and seized 50 stray dogs this year to date. |
| 1.14 | The Council have also worked with County colleagues to implement the Sustainable Transport Strategy resulting in £700K of investment to improve pedestrian access to the town centre bus station and create the much improved Red Lion Square. |

| | |
|------|--|
| 1.15 | The Council has worked with the Council's preferred developer Henry Davidson Developments and the County Council to facilitate the redevelopment of the Ryecroft site for a retail led scheme including student accommodation to support the regeneration of the town centre. |
| 1.16 | In 2017-18, with the County Council and partners, the Council have worked to complete Castle House which will provide improved customer services with other statutory partners, including an improvement scheme to Queens Gardens. |
| 1.17 | Officers have worked to find an alternative delivery provision for the management of Newcastle Outdoor Market and have now procured a contract. |
| 1.18 | The Newcastle Business Boost Awards has the aim inspiring enterprise activity in the Borough by getting businesses to think more strategically about their future development – thus increasing the wealth and employment opportunities available. In 2017, 18 submissions reached the final stage. The entrants came from a variety of sectors including manufacturing, design, retail, hospitality, transport, recruitment and finance. The value of the prizes awarded was approximately £10,500. |
| 1.19 | In 2017, 7 Green Flag Awards were gained for our strategic parks and cemeteries and the Council won the Regional and National Britain in Bloom competition in the small city category. |
| 1.20 | The Open Space Strategy and Green Infrastructure Strategies was adopted to support the development of the joint Local Plan, and work was undertaken with community groups and partners to implement the recommendations of the Playing Pitch Strategy. |
| 1.21 | Working in partnership with a range of local partners the Council has secured a £165,000 Heritage Lottery funding bid to celebrate the life of Philip Astley in 2018. In addition, match funding was received from the Civic Society (£1,000) and the Weston Loan Fund (£1000) to support the Brampton Museum exhibition in 2018. The New Vic has secured £750,000 Arts Council funding for related events with support from Brampton Museum. |
| 1.22 | The Festival of Sport 2017 was a great event which ran throughout the month of May this year offering a variety of sports (17), with 98 activities and events, and encouraging 2,881 participants to engage and involving 127 volunteers. |
| 1.23 | Leisure services supported the delivery of the OPCC's SPACE scheme over the summer holidays. |
| 1.24 | The Council in partnership with Stoke on Trent City Council continued its preparation of a Joint Local Plan by completing a public consultation on Strategic Options in the summer of 2017 and with the publication of a Preferred Options document that will be the subject of a further consultation in February 2018. |

Key Future Activities 2018/19

| Reference number | Planned Activities for 2018-19 |
|------------------|---|
| 1.1 | In 2018-19 we will see the Council working towards a corporate Customer Service Excellence Accreditation across all service areas. |
| 1.2 | It is planned to increase Customer Self – Serve, and drive more services to encourage customers to access them online (to include, web chat, usage of mobile apps, texting, web forms, social media – twitter/face book, improve telephone functionality etc). |
| 1.3 | Improvements will continue in the Taxi Licensing service with the development and implementation of a new Taxi policy. |
| 1.4 | Implementation of new licensing regulations in relation to houses in multiple occupation which will enable the Council to tackle properties in poor condition and further investment in adaptations to homes of disabled residents to allow them to live independently or be cared for at home. |
| 1.5 | Environmental Health will implement the new Air Quality Action Plan. |
| 1.6 | The Local Police and Crime Plan for 2017-2020 has been reviewed and the Council will work to assist Office of Police Crime Commissioner (OPCC) to deliver key objectives in the year ahead. |
| 1.7 | Officers will assist the OPCC and the County Council with Joint Commissioning of pan-Staffordshire Domestic Abuse service from October 2018. |
| 1.8 | Work will continue with implementation of a land disposals programme in accordance with the forthcoming refresh of the Asset Management Strategy. |
| 1.9 | Officers will continue working with the Council’s preferred developer Henry Davidson Developments and the County Council to facilitate the redevelopment of the Ryecroft site. |
| 1.10 | The masterplanning for Newcastle Western Extension in partnership with Staffordshire County Council and Keele University will continue in 2018-19. |
| 1.11 | Officers will work with the LEP Education Trust Programme Group to implement the Skills Strategy 2016-2020. |
| 1.12 | Compete in the Regional and National Champion of Champions Britain in Bloom competition. |
| 1.13 | In 2018/19, the museum will look to secure external funding to redevelop the museum in order to increase access and income thereby improving resilience and sustainability. |
| 1.14 | Another Festival of Sport is planned for May 2018 and officers plan to build on the excellent engagement and results from the event in April/May 2017. |
| 1.15 | The Council will continue to work with Stoke on Trent City Council on the preparation of a joint Local Plan including public consultation on a draft Local Plan during autumn 2018. |

Appendix 3 - 2018/19 Savings and Funding Strategies Being Considered (will require robustness checks and final review)

| Ref | Service Area | Description | £000's | % of Budget Line(s) | Detail |
|--|-------------------------------------|--------------------------------------|------------|---------------------|---|
| Procurement | | | | | |
| P1 | Communications | Multi-Functional Devices | 50 | 67.6% | Rationalisation of number of devices following the move to Castle House, and entering into a new contract |
| | | | 50 | | |
| Staffing Related Efficiencies | | | | | |
| S1 | All | Flexible Retirements | 190 | 1.2% | Employees approved for flexible retirement |
| S2 | Environmental Health | Health and Safety | 12 | 28.7% | Replacement of Health and Safety Officer post with shared resource (South Staffordshire District Council) |
| S3 | Environmental Health | Restructure | 43 | 4.5% | Minor restructure of Environmental Health section |
| S4 | Finance | Car Leasing Scheme | 36 | 42.4% | Car leases not renewed following expiry |
| S5 | Waste & Recycling | Restructure | 20 | 6.5% | Minor restructure of Waste Strategy section |
| S6 | Streetscene | Restructure | 150 | 8.4% | Restructure of Streetscene, Community Wardens and Parks Attendant Service. This net saving of £150,000 allows for additional resources to be spent on tree work. It also includes full cost recovery from Staffordshire County Council in respect of Highways Ground Maintenance. |
| S7 | Central Services | Staffing | 10 | 9.6% | Minor change following the retirement of the Mayor's Secretary |
| | | | 461 | | |
| Good Housekeeping/General Other Savings/Changes in Base Budgets | | | | | |
| G1 | Finance | Subscriptions | 20 | 17.1% | Reductions in corporate subscriptions including CIPFA service for revenues and benefits and the Co-Operative Councils Innovation Network membership |
| G2 | Assets | Public Sector Hub | 37 | TBC | Remainder of revenue savings from occupation of new public sector hub when compared to occupation of Civic Offices |
| G3 | Assets | CCTV | 20 | 33.3% | Reduction in costs of monitoring and equipment maintenance |
| G4 | Business Improvement & Partnerships | Grants | 37 | 50.0% | Balance of grants budget following the introduction of a Borough lottery to replace current grants process, with proceeds distributed to local good causes and charities |
| G5 | Customer & ICT Services | Reduction in Computer Software Costs | 20 | 4.8% | Reduction in budgetary requirement for computer software costs |
| G6 | Central Services | Council 2018 | 60 | 19.7% | Reduction of the number of elected members |
| G7 | Leisure & Cultural | Community Centres | 14 | 25.9% | Reduction in grant given by the Council and reduction in repairs and maintenance following grant of full leases to Community Centre committees, agreed as part of the 2015/16 budget setting process |

| | | | | | |
|-----|--------------------|----------------------------|------------|-------|---|
| G8 | Leisure & Cultural | New Victoria Theatre Grant | 10 | 14.9% | Phased reduction of grant given over a 5 year period agreed as part of the 2015/16 budget setting process |
| G9 | All | Good Housekeeping Savings | 50 | TBC | Reductions in budgetary requirements for supplies and services |
| G10 | Central Services | Members Expenditure | 21 | 6.3% | Members allowance savings re. reduction in Cabinet members from 7 to 6, reduction in Mayoral Allowance of 25% and discontinuation of members' IPAD's scheme |
| | | | 289 | | |

Alternative Sources of Finance/Other

| | | | | | |
|----|-----------|--|-------------------|---------------|--|
| A1 | Corporate | Superannuation Lump Sum | 137 | 7.9% | Negotiation of contribution rate and discount for payment to the Pensions Actuary in advance of superannuation lump sums |
| A2 | Corporate | Capitalisation | 160 | TBC | Capitalisation of anticipated equipment purchases |
| A3 | Corporate | Council Tax Base | 48 | 0.7% | Increase in Council Tax Base (forecast increase of 260 residential properties) |
| A4 | Corporate | New Homes Bonus contribution | 157 | 9.7% | Further additional New Homes Bonus funding to be received in 2018/19. |
| A5 | Corporate | Council Tax Increase | 184 to 204 | 2.7% to 2.99% | Assumed increase of either £5 per Band D equivalent property (£184,000), or 2.99% per Band D equivalent property (£204,000) |
| A6 | Corporate | Parish Council Section 136 Contributions | 15 | 25.0% | Reduction of 25% of the 2016/17 payment made to Parish Councils for concurrent functions as agreed as part of the 2017/18 budget setting process |
| A7 | Corporate | Business Rates | 43 | 1.0% | Additional revenue generated through the Business Rates Retention system |
| A8 | Corporate | Contributions to Earmarked Reserves | 50 | 40.0% | Reduction of contributions to the Cremators and Jubilee 2 equipment replacement funds by 40% |
| | | | 794 to 814 | | |

Savings Currently Being Reviewed

| | | | | | |
|--------------------|-----------|--|-----------------------|-----|--|
| TBC1 | Corporate | Potential savings currently being reviewed | 82 | TBC | A number of other areas are currently being looked at e.g. payment of town centre CCTV costs by the Business Improvement District and savings associated with the Council's Digital Delivery project |
| | | | 82 | | |
| Grand Total | | | 1,676 to 1,696 | | |

NEWCASTLE-U-LYME BOROUGH COUNCIL CAPITAL PROGRAMME 2017/18 TO 2018/19

| PROJECTS WITHIN CAPITAL PROGRAMME THEMES | 2017/18 Est Exp | 2018/19 Est Exp | Total Exp | External Contributn | Council Financing |
|---|----------------------------|----------------------------|------------------|--------------------------------|------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| IMPROVING HOUSING IN THE BOROUGH | | | | | |
| HIP Disabled Facilities Grants | 1,000 | 1,000 | 2,000 | 2,000 | 0 |
| SUB TOTAL | 1,000 | 1,000 | 2,000 | 2,000 | 0 |
| INVESTING IN COMMUNITY FACILITIES | | | | | |
| Footpaths Repairs | 25 | 0 | 25 | 0 | 25 |
| Play Area Refurbishment | 56 | 0 | 56 | 0 | 56 |
| Railings,/Structures, Repairs | 25 | 0 | 25 | 0 | 25 |
| Public Railings Painting | 25 | 13 | 38 | 0 | 38 |
| Crematorium Petal Garden | 20 | 0 | 20 | 0 | 20 |
| Crematorium Monthly Gardens | 5 | 0 | 5 | 0 | 5 |
| Thistleberry Parkway | 1 | 0 | 1 | 1 | 0 |
| Cemetery Memorial Survey Works | 10 | 0 | 10 | 0 | 10 |
| Wolstanton Marsh Improvements | 2 | 0 | 2 | 0 | 2 |
| Pool Dam Marshes Nature Reserve | 0 | 47 | 47 | 47 | 0 |
| S106 Works Lowlands Road | 27 | 0 | 27 | 0 | 27 |
| Jubilee 2 Stairs, Roof and Glazing Works | 0 | 80 | 80 | 0 | 80 |
| SUB TOTAL | 196 | 140 | 336 | 48 | 288 |
| COMMUNITY CENTRES | | | | | |
| Silverdale CC Roof Damage | 18 | 0 | 18 | 0 | 18 |
| SUB TOTAL | 18 | 0 | 18 | 0 | 18 |
| SAFEGUARDING THE BOROUGH'S HERITAGE | | | | | |
| Museum | 6 | 0 | 6 | 0 | 6 |
| SUB TOTAL | 6 | 0 | 6 | 0 | 6 |
| INVESTING FOR THE FUTURE | | | | | |
| Strategic Investment Framework/Markets Software | 9 | 0 | 9 | 0 | 9 |
| Ryecroft Development | 3 | 0 | 3 | 0 | 3 |
| Knutton Lane Depot - Garage Workshop | 0 | 20 | 20 | 0 | 20 |
| Asset Site Disposal Tranche 2 Fees | 165 | 0 | 165 | 0 | 165 |
| New Waste Service - Vehicles, Equipment and Premises | 439 | 0 | 439 | 0 | 439 |
| ICT Projects | 72 | 0 | 72 | 0 | 72 |
| Customer Relationship Management | 5 | 0 | 5 | 0 | 5 |
| Castle House * | 3,676 | 0 | 3,676 | 0 | 3,676 |
| Midway Car Park - Structural Repairs & Lighting Maintenance | 20 | 0 | 20 | 0 | 20 |
| Car Park Rear High Street Newcastle - Stock Condition Works | 0 | 60 | 60 | 0 | 60 |
| Roadbridge over former railway, Audley | 0 | 50 | 50 | 0 | 50 |
| Merrial Street - Water Main Diversions | 0 | 30 | 30 | 0 | 30 |
| Lancaster Buildings - Stock Condition Works | 0 | 6 | 6 | 0 | 6 |
| Commercial Portfolio - Energy Efficiency Works | 0 | 20 | 20 | 0 | 20 |
| Subway Improvement Programme | 15 | 0 | 15 | 15 | 0 |
| SUB TOTAL | 4,404 | 186 | 4,590 | 15 | 4,575 |
| VEHICLES PLANT AND EQUIPMENT | | | | | |
| Vehicles | 289 | 938 | 1,227 | 0 | 1,227 |

| | | | | | |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|
| Waste Bins | 25 | 150 | 175 | 0 | 175 |
| Baler | 0 | 25 | 25 | 0 | 25 |
| Equipment and capitalised repairs | 0 | 160 | 160 | 0 | 160 |
| SUB TOTAL | 314 | 1,273 | 1,587 | 0 | 1,587 |
| | | | | | |
| GRAND TOTAL | 5,938 | 2,599 | 8,537 | 2,063 | 6,474 |

* A small amount of Castle House expenditure may fall into 2018/19, for example in relation to retention payments.

| Sources of Funding | 2017/18 Est Exp | 2018/19 Est Exp | Total Exp |
|--|------------------------|------------------------|------------------|
| | £'000 | £'000 | £'000 |
| External Contributions: | | | |
| Bettercare Fund (Disabled Facility Grants) | 1,000 | 1,000 | 2,000 |
| S106 Planning Contributions | 16 | 47 | 63 |
| <i>Sub Total External Contributions</i> | <i>1,016</i> | <i>1,047</i> | <i>2,063</i> |
| Council Financing: | | | |
| Other Revenue Funds (ICT Devel Fund) | 72 | 0 | 72 |
| Borrowing (Castle House) | 3,677 | 0 | 3,677 |
| Capital Receipts | 1,173 | 1,552 | 2,725 |
| <i>Sub Total Council Financing</i> | <i>4,922</i> | <i>1,552</i> | <i>6,474</i> |
| Capital Programme | 5,938 | 2,599 | 8,537 |