

REVENUE AND CAPITAL BUDGETS 2019/20

Submitted by: Executive Director (Resources and Support Services)

Portfolio: Finance and Efficiency

Wards(s) affected: All

Purpose of the Report

To review progress on the completion of the revenue and capital budgets for 2019/20 following agreement of the 5 year Medium Term Financial Strategy.

Recommendations

- (a) That the progress on the completion of the Revenue and Capital Budgets for 2019/20 be received and noted.
- (b) That the strategy for addressing the provisional forecast outturn for the 2018/19 revenue budget be noted.
- (c) That the Council Tax levy to be proposed for 2019/20 be noted.
- (d) That the level of reserves provisionally required to be maintained in 2019/20 be noted.
- (e) That the report be updated following the announcements at the Cabinet meeting and then the Finance, Assets and Partnerships Scrutiny Committee be asked to consider what comments it wishes to make on the draft Budget and Council Tax and be asked to consider and respond to the following questions before the final proposals are considered at Cabinet on 6th February 2019.

Does the Scrutiny Committee:

- 1. Support the inclusion of the income from the Charged Garden Waste Service in the revenue budget?
 - 2. Support the use of the 75% Business Rates Retention Pilot income to accelerate the introduction of the Council's new recycling service?
 - 3. Support the creation of the Borough Growth Fund as set out in the 'Statutory Guidance on the Flexible Use of Capital Receipts'?
 - 4. Have you any comments on the use of the Borough Growth Fund to support the Corporate Priorities as set out in 3.14?
- (f) That the Flexible Use of Capital Receipts Strategy be recommended for approval by Council on 20th February 2019.

Reasons

To inform the Cabinet in recommending a robust and affordable budget for 2019/20 to the Council meeting on 20 February 2019.

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 2018-22.
- 1.2 The work of the Council in 2019/20 is focused, via the Council Plan 2018-22 approved by Cabinet on 19 September 2018, on its vision of “a growing borough that is an attractive and welcoming place for all.”
- 1.3 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 2018-2022 and will be the main vehicle in ensuring efficiency in service delivery and targeting resources to its priority areas.
- 1.4 There has been good progress in the current year, with high standards of service delivery being achieved overall. Key Outcomes so far in 2018/19 are set out in Appendix 4.
- 1.5 It should be noted that the MTFS and the draft 2019/20 Budget have been compiled against a continuing national picture of reduced funding from central government for local authorities.
- 1.6 The draft 2019/20 budget is based upon the assumptions made in the MTFS which was approved by the Cabinet at its meeting on 17 October 2018 and scrutinised by the Finance, Assets and Partnerships Scrutiny Committee at its meeting on 20 September 2018.
- 1.7 The draft and provisional proposals included in this report will inform the Revenue and Capital Budgets and Council Tax 2019/20 reports to Cabinet on 6th February 2019 and to Council on 20th February 2019.

2. **Budget 2018/19 – Provisional Outturn Forecast**

Revenue

- 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 £0.136m as at the end of November. It is forecast that this adverse variance will increase to £0.201m at the close of the financial year.
- 2.2 The main reasons for this overall adverse variance were:
 - Waste Services is operating at a net overspend, it is forecast that this will amount to £0.489m at the close of the financial year due predominantly to a shortfall in recycled material income;
 - Jubilee 2 is operating at a net overspend, it is forecast that this will amount to £0.128m at the close of the financial year due to high levels of sickness within the service (which are now being addressed) and a shortfall of income in relation to the climbing wall;
 - Income from car parking is below the amount budgeted for, it is forecast that this will amount to £0.106m at the close of the financial year; and,
 - A shortfall in court summons income as a result of improved Council Tax collection rates, it is forecast that this will amount to £0.108m at the close of the financial year.

These adverse variances are partially offset by favourable variances including:

- Employee costs in respect of a number of vacant posts and flexible retirements that have taken place across the Council, it is forecast that these will amount to £0.322m at the close of the financial year;
- Planning Application Fee income exceeding the budget due to the Council receiving a number of large development planning applications. It is forecast that this variance will amount to £0.311m at the close of the financial year.

- 2.3 As in previous years, a strategy to address the forecast overspend is being implemented. This includes the flexible use of capital receipts totalling up to £500,000 in 2018/19. This will also provide a more secure underpinning for the longer term financial stability of the Council through the establishment of an enhanced level of reserves. Overall reserves will be increased to £1.548m (see Section 6 below).
- 2.4 The Interim Director of Resources and Support Services informed the Ministry of Housing, Communities and Local Government by letter on 5 December 2018 of the Council's intention to make flexible use of up to £500,000 of capital receipts in each of the financial years 2018/19 and 2019/20.
- 2.5 Officers have reviewed the 'Statutory Guidance on the Flexible Use of Capital Receipts', and have identified expenditure that meets the eligibility criteria laid out in the guidance document, in that it relates to initiatives that are forecast to generate, or have generated, on-going revenue savings through reducing the costs of service delivery. The Council's Flexible Use of Capital Receipts Strategy is included as Appendix 5 to this report. Cabinet are asked to endorse the strategy and recommend to Council that it be approved, as required by the statutory guidance.
- 2.6 With the exception of savings agreed from the Waste and Recycling review as part of the budget setting process for the 2016/17 and 2017/18 budgets, the majority of savings incorporated in the 2018/19 budget are on target to be achieved. This means that altogether over the ten years from 2009/10 to 2018/19 £22.456m of "gaps" will have been met via a combination of savings, efficiencies and additional income.

Capital

- 2.7 A Capital Programme totalling £2.549 million was approved for 2018/19. Of this, £1.502m related to the total cost of new schemes for 2018/19, £1.000m related to schemes funded by external sources (Disabled Facilities Grants) and £0.047m was brought forward from the 2017/18 Capital Programme. In addition £0.333 million slippage was incurred in 2017/18, resulting in a total Capital Programme of £2.882 million for 2018/19.
- 2.8 It is forecast that the Capital Programme outturn for 2018/19 will largely be in line with the expenditure detailed in paragraph 2.7, i.e. there will not be any significant variance to report.

3. Draft Budget 2019/20

- 3.1 The MTFFS was approved by the Cabinet on 17 October 2018. This illustrated that the Council would have a shortfall of £1.891m in 2019/20 which could be addressed by a combination of actions, such as efficiency measures, reductions in expenditure, increases in income and a council tax increase.
- 3.2 The Provisional Local Government Finance Settlement for 2019/20 was announced on 13th December 2018. The assumptions made in the Medium Term Financial Strategy regarding the Council's baseline funding levels are in line with those announced.
- 3.3 The New Homes Bonus provisional allocation for 2019/20 the Council was also announced. The additional funding for 2019/20 was previously calculated to be £131,000 and assumed an increase in the deadweight applied to the New Homes Bonus to 0.44%. The provisional allocation announcement has confirmed that this increase in the deadweight will not be applied to 2019/20.
- 3.4 In addition to this the Affordable Housing Premium element of the New Homes Bonus was also announced. This will result in a further £61,000 of New Homes Bonus allocation being received in 2019/20 than had previously been assumed.
- 3.5 Notification has been received of the grants that are received in respect of Council Tax Benefit administration, Housing Benefits administration and Housing Benefits New Burdens (including Universal Credit), these have reduced by £61,000 for 2019/20.

- 3.6 An additional amount of surplus arising from the Business Rates Retention levy account will be redistributed as a one off payment to Local Authorities. This is in addition to the Council's baseline funding levels and amounts to £56,000 to be paid during 2019/20. The proposed use of this funding is set out in paragraph 3.13.
- 3.7 In July 2018, Government invited Local Authorities to bid for the opportunity to undertake a pilot of 75% Business Rates Retention for 2019/20 only. As part of the Staffordshire and Stoke-on-Trent Business Rates pool, the Council has been successful in its application. The pilot scheme will enable 75% of future growth in Business Rates to be retained within Staffordshire. An estimated £200,000 of additional resources will be generated as a result of this for the Council in 2019/20.
- 3.8 There have been a number of changes to the MTFS since its approval in October, resulting in an increase of £0.329m in the funding "gap" to £2.220m for 2019/20:
- The Council and the proposed contractor for the operation of the Council's markets have mutually agreed not to proceed with the proposals for the management of the Market as set out in the 2018/19 budget, resulting in a cost of £27,000 needing to be reinstated into the budget;
 - As the Council has improved collection rates of income from Council Tax in recent years, income from the raising of summons relating to Council Tax debtors has increasingly diverged from the budget. The income shortfall is forecast to be £108,000 in 2019/20, of which £55,000 has already been provided for via the existing pressures in the Medium Term Financial Strategy. £53,000 remains as an additional pressure;
 - Income relating to the recycling of plastics and glass has fallen due to fluctuations in the prices within the recycling market. This has resulted in a significant shortfall in income. £187,500 is required to reflect the reduced income from this source; and,
 - As noted at paragraph 3.5, grants that are received in respect of Council Tax Benefit administration, Housing Benefits administration and Housing Benefits New Burdens have reduced by £61,000.

The table below shows the factors which give rise to the £2.220m "gap" for 2019/20:-

Additional Income (Included in the MTFS)	£'000
Fees and Charges	94
Total Additional Income (A)	94
Additional Expenditure and Loss of Income (Included in the MTFS)	
Reduction in Government Funding	526
Government funding re Business Rates Baseline	(80)
New Homes Bonus - Revised Scheme	519
Provision for Pay Awards (including National Insurance)	326
Incremental Pay Rises for Staff	80
Superannuation increase in employers and lump sum contributions	335
Price Increases e.g. energy, fuel, rates, insurances, supplies & services	89
Adjustments re One-Off items in 2018/19	66
Reduction in income received from summons costs	55
Reduction in waste income and recycling credits awarded	69
Total Additional Expenditure and Loss of Income (B)	1,985

New Pressures (Identified After MTFs Reported)	
Reductions in waste income and recycling credits (following a re-evaluation)	188
Reduction in income received from summons costs	53
Market continuing to be operated by the Council	27
Reduction in Council Tax Benefit and Housing Benefit Administration Grants	61
Total New Pressures (C)	329
Net Increase In Base Budget (B+C-A)	2,220

- 3.9 Members and your officers have been identifying and considering ways of eliminating the 2019/20 gap. As a result, a number of savings and funding strategies have been identified, via a vigorous Efficiency Board process, and agreed with managers as being both feasible and sustainable. The proposed savings, totalling £2.468m are outlined in the table below and set out in detail in Appendix 1:

Category	Amount £'000	Comments
Income	500	Additional sources of income generation and an increased demand for services that the Council charges for.
Staffing Related Efficiencies	410	No redundancies are anticipated to arise from these proposals. The proposals also allow for a review of organisational capacity – £125,000 is currently available for this purpose.
Good Housekeeping Efficiencies, General Other Savings, Changes in Base Budgets	442	Various savings arising from more efficient use of budgets.
Alternative Sources of Finance/ Other Savings	1,116	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. An assumed 2.99% (per band D equivalent) increase in Council Tax. Flexible use of capital receipts for the delivery of restructuring, digital and Council transformation efficiencies.
Total	2,468	

- 3.10 As in previous years, the first draft of the savings plan set out at Appendix 1 was made available to the Finance, Assets and Partnerships Scrutiny Committee for scrutiny at its meeting on 17 December 2018. The Committee will scrutinise this Cabinet report at its meeting on 24 January 2019.
- 3.11 The Finance, Assets and Partnerships Scrutiny Committee at its meeting on 17 December 2018 requested an update on the Local Government Finance Settlement, the position of New Homes Bonus and the likely success of the application to become a 75% Business Rates Pilot. The provisional allocations regarding the Local Government Finance Settlement and the New Homes Bonus are shown in paragraphs 3.2, 3.3 and 3.4. The success application to become a 75% Business Rates Pilot is shown in paragraph 3.7.
- 3.12 The Finance, Assets and Partnerships Scrutiny Committee at its meeting on 17 December 2018 also requested details of the proposed Capital Programme for 2019/20. This is shown as Appendix 3 to this report.

3.13 The savings and funding strategies identified in the table above and in Appendix 1 will result in £248,000 over and above the budget 'gap' being made available for investment in the Council's priorities as per the Council Plan 2018-2022. In addition to this it is also proposed that the additional funding received from the distribution of the surplus on the national Business Rates Retention levy account (£56,000) be used for these purposes. This will result in a 'Borough Growth' fund of £304,000 being established.

3.14 The 'Borough Growth' fund will provisionally be used to enable investment in the following corporate priorities:

A Town Centre for All (£104,000)

- Developing and implementing a 10 year Parking Strategy aimed at supporting the local economy. Cabinet has set out a number of areas of focus for the new strategy, these were detailed at 2.14 to 2.17 of the 16th October 2018 Cabinet report 'Review of Town Centre Car Parks'.
- Revitalising the market, developing with traders a clear programme for improvement. At its 7th November 2018 meeting Cabinet agreed to review the management and operation of the market in Newcastle town centre in co-operation and consultation with local interested parties to revitalise our historic market.
- Facilitating bids for grants, including the Future High Street Fund (FHSF). FHSF is a government initiative announced in 2018 budget to help local areas regenerate high streets and town centres. Bids will be considered for both Kildgrove and Newcastle town centres.

Council Transformation (£100,000)

- Digital Delivery Programme. The Council is committed to introducing more streamlined and speedy processes to improve service delivery to residents, particularly in recycling and waste, environmental services and planning. Residents will be able to customise, via 'My Account', how they get up to date information on particular Council services.
- Establishing capacity to develop commercial working practices to reduce costs and generate improved revenue streams. This includes creating a work force fit for the future by developing the skills of our staff and also investing in apprenticeship opportunities.

Building for the Future (£100,000)

- Enable Residential & Commercial development to generate improved revenue streams. We will use innovative models to ensure that when development opportunities arise the Council retains an income stream or reinvests the income into further opportunities.

3.15 In accordance with the 'Statutory Guidance on the Flexible Use of Capital Receipts', the 'Borough Growth' fund is required to be used to invest in initiatives that are forecast to generate on-going revenue savings through reducing the costs of service delivery or through the generation of additional income. 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.

3.16 The additional resources generated from the successful application to become a 75% Business Rates Retention pilot (£200,000), will be retained to meet financing costs associated with the vehicle fleet renewals and replacement programme, including the acquisition of vehicles required for the new recycling service included in the capital programme. A full appraisal of financing options will be undertaken for these assets.

- 3.17 The provisional Local Government Finance Settlement announced that for District Councils, increases of less than 3% or up to and including £5 (whichever is higher) above the authority's Band D amount of Council Tax for 2018/19 can be made without triggering a referendum.
- 3.18 The savings and funding strategy assumes a 2.99% increase, producing £211,000 of additional income. A 2.99% increase in Council Tax would equate to the following monetary increases for residents:

Property Band	Annual Increase £ p	Weekly Increase £ p
A	3.80	0.07
B	4.43	0.09
C	5.06	0.10
D	5.69	0.11
E	6.96	0.13
F	8.23	0.16
G	9.49	0.18
H	11.39	0.22

- 3.19 Public consultation has been undertaken on the budget (Appendix 6). The consultation clearly determined that residents felt that the following services were the most important to them.
- Street cleansing;
 - Parks, playgrounds and open spaces;
 - Refuse and recycling collection; and,
 - Town centre regeneration.

It also showed that residents feel that both indoor and outdoor leisure facilities should be protected in addition to the regeneration of the town centre.

- 3.20 The consultation has been reviewed by Cabinet and the views of those residents that have engaged in the consultation have been taken account of, and reflected, in the 2019/20 savings and funding strategy.

4. Medium Term Financial Strategy - 2019/20 to 2023/24

- 4.1 The MTFS is being continually reviewed for 2020/21 to 2023/24. The shortfalls were estimated as follows in the MTFS approved by Cabinet on 17 October 2018:
- £1.064m in 2020/21;
 - £0.764m in 2021/22;
 - £0.644m in 2022/23; and,
 - £0.508m in 2023/24.
- 4.2 The Finance Settlement for 2018/19 announced that by 2020/21 local government will retain 75% of business rate revenues; this will be a significant reform of local government finance and is likely to come with additional responsibilities for local authorities (details of which have yet to be announced).
- 4.3 It may further empower local authorities to deliver services in a way that is right for their area, whilst also significantly increasing the risks associated with the levels of business rates collected (i.e. the less collected due to non-payment or appeals against revaluations by businesses, the less business rates the Council will retain).
- 4.4 The 2019 Spending Review will confirm overall local government resourcing from 2020/21. The Government is working towards significant reform in the local government finance system in 2020/21,

including an updated, more robust and transparent distribution methodology to set baseline funding levels.

- 4.5 For the purposes of the Medium Term Financial Strategy it has been assumed that the Council will be in a cost neutral position following the reform of local government finance and the introduction of 75% business rates retention, however, this cannot be guaranteed and funding streams may differ significantly from this neutral position.
- 4.6 Previous years' budget 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, the flexible use of capital receipts, and service reviews. These will continue to be pursued to meet future shortfalls.

5. Capital Programme 2019/20 to 2021/22

- 5.1 The Capital Programme for 2019/20 to 2021/22 (Appendix 3) is based on new schemes which are vital to ensure continued service delivery and in assisting the Council to achieve its corporate and service objectives as set out in the Council Plan 2018-22 approved by Cabinet on 19 September 2018. These schemes total £18.992m.
- 5.2 The Capital Programme is produced in line with the new Capital Strategy for 2019/20 to 2028/29 (separate report on the agenda). In addition to the Council's corporate and service objectives, as set out in the Council Plan 2018-22, the Capital Programme is also influenced by a number of external parties and factors:
- Central government and its agencies;
 - Legislation requiring capital works;
 - Partner organisations;
 - Businesses and Developers; and,
 - The needs and views of other interested parties, particularly those of Borough residents.
- 5.3 The capital programme for 2019/20 will be funded without the need for long term prudential borrowing. If the anticipated capital receipts are delayed the Council will manage the resulting cash-flow impact by re-profiling expenditure or undertaking temporary borrowing. It is not expected that this will have a material impact on the revenue budget, given the current low level of interest rates.
- 5.4 In the longer term prudential borrowing will be required by the Council in order to fund the ongoing maintenance of assets and planned investment once capital receipts have been exhausted. Advice will be sought from the Council's Treasury Management advisors, Arlingclose as to the most beneficial method of capital financing and timing of any prudential borrowing.
- 5.5 In summary, investment in the capital programme totalling £18.992m will be funded by:
- £6.165m External Funding;
 - £9.271m Capital Receipts;
 - £0.217m ICT Development Fund; and,
 - £3.339m Vehicle Leasing / Prudential Borrowing

6. Balances and Reserves

- 6.1 A review of the Council's Balances and Reserves together with a risk assessment informing the levels of these has been undertaken. Details of the risk factors considered and the weightings applied to each are set out at Appendix 2.

6.2 The Council's S151 Officer has recommended that a minimum level of un-earmarked reserves and contingencies of £1.548m be held to reflect the levels of revenue risk shown. Therefore, the Council's Balances and Reserves Strategy for 2019/20 is that there should be a minimum General Fund balance of £1.448m and a Contingency Reserve of £100,000.

6.3 The strategy referred to in paragraph 2.3 (flexible use of capital receipts) will be utilised in order to ensure that the minimum General Fund balance of £1.448m and Contingency Reserve balance of £100,000 will be provided for 2019/20.

7. **Legal and Statutory Implications**

7.1 The Council is required to set its Council Tax for 2019/20 by 11 March 2019. However, it is planned to approve the final budget and council tax rates on the 20 February 2019.

8. **Risk Statement**

8.1 Section 25 of the Local Government Act 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 the budget;
- Income falling short of the budget; and,
- Unforeseen elements e.g. changes to legislation or reductions in government grants.

8.2 Such risks require regular and robust monitoring and it is essential that the Council has sufficient reserves to call on if required (see Section 6 above). The review and risk assessment indicates that overall reserves are required to be increased to £1.548m to reflect the levels of risk shown.

8.3 The assessment of the Section 151 Officer is that the draft proposals included in this report are robust and will ensure an adequate level of reserves. However, it should be noted that a number of assumptions and proposals are provisional or draft, and as such this opinion will be confirmed in the Revenue and Capital Budgets and Council Tax 2019/20 reports to Cabinet on 6th February 2019 and to Council on 20th February 2019.

9. **Budget Timetable**

9.1 The current timetable for the setting of the 2019/20 budget and Council Tax levels is:-

When	Who	What
16 January	Cabinet	Consideration of draft budget proposals
24 January	FAPSC*	Scrutiny of the draft budget proposals
6 February	Cabinet	Final budget proposals to be recommended for approval by Full Council
20 February	Full Council	To approve the budget and set council tax levels

*FAPSC – Finance, Assets and Partnerships Scrutiny Committee

10. **Earlier Cabinet Resolutions**

Medium Term Financial Strategy 2019/20 to 2021/22 (Cabinet 17 October 2018)

11. **List of Appendices**

Appendix 1: Savings and Funding Strategies

Appendix 2: Risk Assessment on Required Balances/Contingency Reserve

Appendix 3: Capital Programme 2019/20 to 2021/22

Appendix 4: Key Council Achievements in 2018/19

Appendix 5: Flexible Use of Capital Receipts Strategy 2019 to 2022

Appendix 6: 2019/20 Budget Consultation Report

Appendix 1 - 2019/20 Savings and Funding Strategies Being Considered

Ref	Service Area (Portfolio Holder)	Description	£000's	% of Budget Line	Detail
Income					
I1	Communications (Councillor Tagg)	Advertising Income	20	44.4%	Additional income from advertising income project (i.e. billboards and car parks). Sites have been identified to be pursued further
I2	Environmental Health (Councillor Johnson)	Licensing Income	80	20.0%	Increased demand in licensing requirements from customers, based on the number of licences forecast to be applied for during 2019/20
I3	Operational Services (Councillor Johnson)	Bereavement Services Income	100	5.9%	Increased demand in Bereavement Services requirements from customers, based on the number of cremations forecast to be undertaken during 2019/20
I4	Planning and Development (Councillor Northcott)	Development Control Income	100	20.7%	Increase in planning income as a result of the 20% national increase in fees chargeable
I5	Recycling and Fleet (Councillor Johnson)	Green Waste Income	200	N/A	Introduction of a fee of £36 per initial bin for subscribing households for the collection of green waste, resulting from the withdrawal of green waste recycling credits payments received from Staffordshire County Council
			500		
Staffing Related Efficiencies					
S1	All (Councillor Tagg)	Vacant Posts and Flexible Retirements	159	TBC	A review of vacant posts and service. A number of employees have been approved for flexible retirement within the Revenues and Benefits and Customer Services
S2	Finance (Councillor Sweeney)	Car Leasing Scheme	36	76.2%	Staff car leases to which the Council previously contributed not renewed following expiry
S3	Housing, Regeneration and Assets (Councillor Jill Waring)	Transfer of Disabled Facilities Function	72	29.9%	The transfer and retirement of Housing Officers following the transfer of the disabled facilities function to Millbrook Healthcare
S4	Housing, Regeneration and Assets (Councillor Northcott)	Restructure	26	6.0%	Minor restructure of the Facilities Management section and a reduction in hours of the Head of Housing, Regeneration and Assets
S5	Executive Management Team (Councillor Tagg)	Restructure	117	24.2%	A restructure of the Executive Management Team following a review of the Council's Senior Management structure
			410		

Good Housekeeping/General Other Savings/Changes in Base Budgets

G1	Central Services (Councillor Tagg)	Whole Council Elections	50	44.6%	Following the move to all out, 4 yearly Elections, an annual saving in the amount set aside for Elections can be made. A contribution will be made into a reserve from the remaining budget to allow for the required budget at the next all out Election (including printing costs)
G2	Finance (Councillor Sweeney)	External Audit Fees	13	20.6%	A reduction in the fees charged to the Council by Grant Thornton for the audit of the Council's statement of accounts
G3	Leisure and Cultural (Councillor Holland)	Community Centres	14	27.2%	As a result of the successful granting of full leases to Community Centre committees, agreed as part of the 2015/16 budget setting process
G4	Leisure and Cultural (Councillor Holland)	New Victoria Theatre Grant	10	17.5%	Phased reduction of grant given over a 5 year period agreed as part of the 2015/16 budget setting process
G5	Leisure and Cultural (Councillor Tagg)	Kidsgrove Sports Centre	100	100.0%	Reduction in base budgets required relating to the re-opening and running of the centre by a Community Interest Group. This is net of the borrowing costs associated with the initial contribution to the Community Interest Group from the Council
G6	Leisure and Cultural (Councillor Holland)	Castle Sport/Sports Council	19	100.0%	The reserves that are held on behalf of Castle Sport are sufficient to enable the organisation to work towards becoming self-sufficient in the medium term
G7	Housing, Regeneration and Assets (Councillor Northcott)	Public Toilets Business Rates	5	100.0%	Introduction of Government legislation to grant a 100% relief from business rates for all standalone public toilets
G8	All (All)	Good Housekeeping Savings	231	TBC	Reductions in budgetary requirements for supplies and services following a review of areas of underspend (e.g. printing, training, fuel, fees for services)
			442		

Alternative Sources of Finance/Other

A1	Corporate (Councillor Tagg)	Superannuation Lump Sum	140	7.7%	Negotiation of the contribution rate relating to pensions contributions and a discount for the advanced payment to the Pensions Actuary of superannuation lump sums
A2	Corporate (Councillor Tagg)	Council Tax Base	58	0.8%	An increase in the Council Tax Base resulting from new properties, an increase in collection rate and a reduction in residents eligible for Council Tax Reduction (increase of 305 residential properties)
A3	Corporate (Councillor Northcott)	New Homes Bonus contribution	192	15.2%	Further additional New Homes Bonus funding to be received in 2019/20 as a result of new properties and a reduction in the number of empty properties within the Borough.
A4	Corporate (Councillor Sweeney)	Council Tax Increase	211	2.99%	Assumed increase of 2.99% per Band D equivalent property, any increase above this amount would be subject to a referendum
A5	Corporate (Councillor Sweeney)	Parish Council Section 136 Contributions	15	25.0%	Following on from the previous administrations policy, regarding the payment made to Parish Councils for concurrent functions, as agreed as part of the 2017/18 budget setting process

A6	Corporate (Councillor Sweeney)	Flexible Use of Capital Receipts	500	N/A	The flexible use of capital receipts direction allows certain types of expenditure to be charged to capital rather than revenue, examples of these include, restructuring, digital delivery, generation of ongoing efficiencies and equipment
			1,116		
Grand Total			2,468		

Appendix 2 – Risk Assessment on Required Balances/Contingency Reserve

Note: All these risks relate to the Business Objective 'To set a balanced, affordable and achievable budget'

All of the risks fall into the “Finance” Category

Item	Risk	Potential Consequences	Risk Score I * L	Risk Rating	Specify Existing Control Measures	Final Score I * L	Final Risk Rating	Further Action Required	Owner	Target Date
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 prudent minimum balances.	3 x 3	High	None	Exec Mgt Team	N/a
2	Reduced Income due to non-availability of service (e.g. through closure of facilities for repairs)	Shortfall in income leading to overspends	3 x 3	High	Included in calculation of prudent minimum balances.	3 x 3	High	None	Exec Mgt Team	N/a
3	Income falls short of Budget because of general change in market conditions, eg because of demand fluctuations	Shortfall in income leading to overspends	3 x 5	High	Included in calculation of prudent minimum balances.	3 x 3	High	None	Exec Mgt Team	N/a
4	Bad debts reduce the Council's income	Shortfall in income leading to overspends Need to top up Bad Debts Provision	3 x 4	High	The Council has a sundry bad debts provision (£104k balance at 31/03/18). £30k contribution to provision included in the base budget.	3 x 3	High	Increase monitoring of collection performance	Exec Dir Resources	N/a
5	Employee budgets – The budget is discounted on the assumption there will be vacancies. The impact of 1% vacancy is about £150,000	Vacancies do not occur leading to additional costs	3 x 3	High	The budget assumes a vacancy factor of 2%. This is realistic compared with experience from previous years.	3 x 3	High	None	Exec Mgt Team	N/a
6	Employee Budgets - The 2019/20 employee pay settlement results in an increase higher than included in the budget.	Additional unbudgeted costs	2 x 1	Low	Pay Spine review known in advance. Balances sufficient to deal with any additional costs, plus reduced job security in economy.	2 x 1	Low	None	Exec Mgt Team	N/a
7	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	Exec Mgt Team	N/a
8	Problems with staff sickness/suspensions	Additional unbudgeted costs	3 x 3	High	Situation subject to ongoing review.	3 x 3	High	None	Exec Mgt Team	N/a

Item	Risk	Potential Consequences	Risk Score I * L	Risk Rating	Specify Existing Control Measures	Final Score I * L	Final Risk Rating	Further Action Required	Owner	Target Date
	resulting in the needs to use agency/interim staff at extra cost.									
9	Council becomes liable to pay compensation or legal fees or other unforeseen commitment arises.	Additional unbudgeted costs	3 x 3	High	Included in calculation of prudent minimum balances	3 x 3	High	None	Exec Mgt Team	N/a
10	Inflation relating to supplies and services exceeds the allowance in the budget.	Additional unbudgeted costs	3 x 3	High	Included in calculation of prudent minimum balances	3 x 3	High	None	Exec Mgt Team	N/a
11	Existing commitment(s) missed out of budget	Additional unbudgeted costs	3 x 2	Moderate	Budgets subject to checking at several levels. Preparation of standstill budget for comparison.	3 x 2	Moderate	None	Exec Mgt Team	N/a
12	Fall in interest rates reduces income to the Council.	Investment income targets not met	2 x 2	Moderate	Rates are very low now. A decrease would make only a relatively small difference. Included in calculation of prudent minimum balances	1 x 2	Low	None	Exec Mgt Team	N/a
13	Profile of capital spend differs adversely from that assumed in the investment interest calculation	Investment income targets not met	2 x 2	Moderate	Capital Budgets have been realistically set. Due to low interest rates investment income is no longer significant.	1 x 2	Low	None	Exec Mgt Team	N/a
14	Fuel costs increase by more than allowed for in budget.	Additional unbudgeted costs	3 x 3	High	Realistic increases included in base budget.	2 x 3	Moderate	None	Exec Dir Op Serv	N/a
15	Energy costs increase by more than allowed for in budget.	Additional unbudgeted costs	3 x 3	High	Realistic increases included in base budget.	2 x 3	Moderate	None	Exec Mgt Team	N/a
16	Unforeseen major repairs needed to Council properties.	Additional unbudgeted costs	4 x 3	High	Planned maintenance programme in place and stock condition survey.	3 x 2	Moderate	None	Exec Mgt Team	N/a
17	Insurances – unexpected increases in premiums.	Additional unbudgeted costs	3 x 3	High	Included in calculation of prudent minimum balances	3 x 3	High	None	Chief Exec	N/a
18	Insurances - high level of excesses to be met by Council or uninsured losses	Additional unbudgeted costs	3 x 3	High	Included in calculation of prudent minimum balances. Insurance Provision established.	3 x 3	High	Monitor level of Insurance Provision	Chief Exec	N/a
19	Government increase NI rates during 2019/20. An	Additional unbudgeted costs	3 x 3	High	Included in calculation of prudent minimum balances	3 x 3	High	None	Exec Dir Resources	N/a

Item	Risk	Potential Consequences	Risk Score I * L	Risk Rating	Specify Existing Control Measures	Final Score I * L	Final Risk Rating	Further Action Required	Owner	Target Date
	increase of 1% adds about £100,000 to the Council's costs									
20	Loss of VAT Exempt Status	Additional unbudgeted costs	3 x 3	High	None	3 x 2	Moderate	Continue to monitor position regularly	Exec Mgt Team	N/a
21	Savings built into Budget are not realised	Additional unbudgeted costs	3 x 3	High	Regular Budget Monitoring	3 x 3	High	None	Exec Mgt Team	N/a
22	New Legislation imposes extra costs but provides insufficient resources	Additional unbudgeted costs	3 x 3	High	Contingency Reserve available. Included in calculation of prudent minimum balances.	3 x 3	High	None	Exec Mgt Team	N/a
23	Partnerships - expenses falling on Council as accountable body	Additional unbudgeted costs	2 x 3	Moderate	Few partnerships in place now. Monitor partnership activities and ensure carried out according to agreements.	2 x 1	Low	None	Exec Mgt Team	N/a
24	Civil Emergency	Additional unbudgeted costs	5 x 2	High	Bellwin Scheme will meet 100% of eligible expenditure within 1 month of an emergency (over threshold set- £25k for NBC)	4 x 2	Moderate	None	Exec Mgt Team	N/a
25	Investment Counterparty (including own bank re current account, etc) fails to meet its financial commitments	Loss of interest due Ongoing loss of interest owing to loss of capital	2 x 3	Moderate	Use of credit rating agencies Counterparty list based on minimum ratings with CDS overlay. Limits to investments with one counterparty (£7m)	2 x 3	Moderate	Frequent reviews of investment strategy	Exec Dir Resources	N/a
26	Municipal Mutual Insurance (MMI) Clawback	Additional unbudgeted costs	4 x 4	Extreme	MMI Provision	4 x 3	High	Consider increasing amount of provision if reports from administrator indicate it to be necessary	Exec Dir Resources	N/a
27	Data Protection breach resulting in fine	Additional unbudgeted costs	3 x 3	High	Data Protection Policy Reminders to staff. All staff complete mandatory Data Protection e-learning module.	3 x 3	High	None	Exec Mgt Team	N/a

Item	Risk	Potential Consequences	Risk Score I * L	Risk Rating	Specify Existing Control Measures	Final Score I * L	Final Risk Rating	Further Action Required	Owner	Target Date
28	Members act against officer advice resulting in cost to the Council	Additional unbudgeted costs	3 x 3	High	Agenda pre-meetings. Liaison with members. Monitoring Officer.	3 x 3	High	None	Exec Mgt Team	N/a
29	Volatility in respect of Brexit	Additional unbudgeted costs re supplies and services and utilities	3 x 3	High	Include in calculation of prudent minimum balances.	3 x 3	High	Monitor	Exec Mgt Team	N/a

Impact (I)

- 1 - Negligible <£25,000
- 2 - Marginal <£50,000
- 3 - Serious <£250,000
- 4 - Critical <£1m
- 5 - Catastrophic >.£1m

Likelihood (L)

- 1 - Extremely Unlikely
- 2 - Remote Chance
- 3 - Possible
- 4 - Probable
- 5 - Frequent / very likely

Score

- 1-2
- 3-8
- 9-15
- 16-25

Risk rating

- Low Risk
- Moderate Risk
- High Risk
- Extreme Risk

Appendix 3 – Capital Programme 2019/20 to 2021/22

CAPITAL PROJECTS	Proposed Programme			
	2019/20	2020/21	2021/22	TOTAL
	£	£	£	£
PRIORITY - Local Services that work for Local People				
Service Area - Council Modernisation	195,000	320,000	486,000	1,001,000
Total	195,000	320,000	486,000	1,001,000
PRIORITY - Growing our People and Places				
Service Area - Housing Improvements	1,075,000	1,080,000	1,130,000	3,285,000
Service Area - Managing Property & Assets	437,456	82,359	101,500	621,315
Total	1,512,456	1,162,359	1,231,500	3,906,315
PRIORITY - A Healthy, Active and Safe Borough				
Service Area - Environmental Health	0	10,000	0	10,000
Service Area - Streetscene and Bereavement Services	355,000	470,600	945,600	1,771,200
Service Area - Recycling and Fleet	666,000	3,983,000	573,500	5,222,500
Service Area - Leisure	546,000	681,000	331,000	1,558,000
Service Area - Museum	30,000	140,000	240,000	410,000
Service Area - Managing Property & Assets	387,463	49,035	40,456	476,954
Service Area - Engineering	172,215	15,873	170,193	358,281
Total	2,156,678	5,349,508	2,300,749	9,806,935
PRIORITY - A Town Centre for All				
Service Area - Managing Property & Assets	652,165	1,519,428	1,106,383	3,277,975
Total	652,165	1,519,428	1,106,383	3,277,975
CONTINGENCY	1,000,000	0	0	1,000,000
TOTAL	5,516,298	8,351,295	5,124,631	18,992,225
FUNDING				
Capital Receipts	3,508,298	3,927,295	1,836,132	9,271,725
External Contributions	1,335,000	2,065,000	2,765,000	6,165,000
ICT Development Fund	117,000	50,000	50,000	217,000
Fleet Replacement - Leasing or Borrowing	556,000	2,309,000	473,500	3,338,500
TOTAL	5,516,298	8,351,295	5,124,632	18,992,225

Appendix 4 - Key Council Achievements in 2018/19

KEY ACHIEVEMENTS IN 2018/19

Britain in Bloom -

Newcastle-under-Lyme has swept the board at the Heart of England in Bloom awards for the third year in a row. The borough's entry was announced the overall winner of the regional competition, with top spot also being achieved in the coveted small city category and a 17th consecutive gold award, at the National Brewery Centre in Burton recently. This year's campaign has been the most successful ever for the Borough, winning a gold award in the RHS Britain in Bloom national finals Champion of Champions category, the highest accolade in the campaign. The Borough also won the national Wild About Gardens award for the second year in a row, and a Community Champion award for one of our local volunteers. A total of 7 of the Borough's strategic parks and cemeteries received Green Flag status this year.

Move to Castle House

This year has seen the move to our new home at Castle House, and it is encouraging that early feedback about the new building and working arrangements has been positive. This move allows the Council to embrace a new way of working and new opportunities of joined-up service delivery both amongst our own teams but also with our partners who are sharing the building with us, in order to provide improved local services for the people of the borough.

Our Digital Council

The introduction of a customer portal and self-service tools for a basket of council services will be a major step forward in the digital delivery of services for residents in Newcastle-under-Lyme. Digital technologies have the potential to improve the way the majority of council customers interact with local authority services whilst at the same time generating significant efficiency savings. A customer portal will help the Council make progress with both of these considerations and over the next 12 months we will further embrace the digital delivery of other services of the Council to enhance the local services offered.

Added to this, officers in the Recycling and Waste service are delivering major successes in a drive to get the most out of the Bartec waste management system. The technology is used by more than 60 councils in the UK for scheduling all types of waste collection, monitoring performance and continuous service improvement. Bartec helps teams out on the road to record key service data such as missed bins, contamination, presentation rates and so on.

ICT Infrastructure

During 2018, ICT oversaw the biggest upgrade of the Council's ICT infrastructure for the past 20 years. ICT oversaw the relocation of both the Council's primary and secondary data centres, without incurring any significant disruption for services during operational hours. Agile working has been successfully rolled out to more than half of the Council's office based staff and was a significant contributor towards the move to Castle House. Improved, flexible technology has been introduced across Council sites that facilitate staff working from any location and ICT has developed its relationship with Staffordshire County Council, resulting in a fully shared network infrastructure across Castle House.

The Council's website

The Council's website has been awarded a four star status for the first time since 2012/13. In addition the Borough Council recently retained its Plain English Crystal Mark – a key factor in accessibility.

Kidsgrove Sports Centre

Plans to reopen part of Kidsgrove sports centre under a community management model have taken another positive step forward. Cabinet has agreed to make a one-off capital contribution of £300,000 towards opening the "dry side" facilities.

Use of Guildhall

The Council has worked with Support Staffordshire and a range of partners to establish a community and voluntary sector hub based at the Guildhall, which is now up and running. A wide range of organisations such as Staffordshire Adult Autistic Society, Shaw Trust-Work and Health Programme and Moneyline are providing their services for the people of the Borough. Friends of the Guildhall Group are providing cover for the reception area.

Supporting Retailers and Local Businesses

Working with partners the Council continues to support retailers and local business to remain and prosper in the town centres. The annual Business Boost competition, which provides business support and cash prizes is open to Newcastle based businesses some of which are based in our town centres. Working with Newcastle Business Improvement District and Appetite Creative People and Places Programme, we continue to celebrate our local cultural heritage by promoting events which encourage visitors, support local businesses and raise the profile of our towns. Newcastle town centre vacancy rate currently stands at less than 17% with NBC owned building having a vacancy rate of 8.9% and Kidsgrove town centre vacancy rate is one of the lowest in the County at 6.4%.

FUTURE PLANS

New Recycling Service Planned

Within two years a new kerbside recycling and residual waste collection service will be introduced for all households. A new recycling service is planned for launch / delivery in two years' time. This will be a twin stream system and is at the heart of a proposed new kerbside recycling service. Residents will place most recycling in one wheelie bin, using a separate container for paper and card, and this will be collected every fortnight. This is only the first strand to a complete overhaul of the Council's recycling and waste services.

Keele University Growth Corridor

Exciting plans have been announced for the long-term expansion of the area to the west of Newcastle as a result of a significant planning exercise by the Council and its partners.

The vision outlines aspirational plans for the former golf course at Keele, parts of Silverdale and land adjacent to Keele University. The Keele University Growth Corridor responds to the borough's housing needs and ambitious plans set out in the Keele Deal which identifies opportunities for significant investment at the university and includes the provision for new housing on the former golf course, a new primary school and a small convenience store. An important feature will be the creation of attractive walking routes within the campus and residential parts of the scheme. Land has also been set aside to help the university meet its sustainability aims with renewable energy provision on the campus.

Regeneration of the Ryecroft area

Given the national changes to town centre retail demand, plans for the regeneration of the Ryecroft are to be reviewed. Newcastle-under-Lyme Borough Council and Staffordshire County Council will be working together to review options regarding the future development of the Ryecroft site. Both Councils are keen to ensure the successes of the Castle House development are mirrored within the Ryecroft scheme and provide an uplift to the townscape and the contribute to the development of a vibrant and successful town centre.

ICT Delivery

Over the next 12 months ICT will significantly improve the desktop services offered to users, with the roll out of Windows 10 and the latest version of Office. The team will also play a crucial role in supporting the Council's Digital ambitions from both the external customer perspective and for internal users. The technology and solutions that ICT deliver over the next 12 months will pave the way to fundamentally alter how services are delivered; allowing staff to be more productive and deliver better outcomes for the residents, visitors and businesses within Newcastle under Lyme.

Employment & Skills

The Council will continue to co-ordinate the Newcastle Employment and Skills Group, working with partners to address key issues around skills and employment across the borough, and work with the Stoke and Staffordshire LEP Education Trust to deliver the Skills Strategy to better meet employers' requirements. Our current claimant levels at 1.4% are lower than both the West Midlands (2.9%) and national levels (2.3%). This allows more focus and support to the long term unemployed, claiming Employment Support Allowance, to help them back into training and work.



Flexible Use of Capital Receipts 2019 to 2022



Introduction

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

Power under which the guidance is issued

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

Application

4. This guidance applies with effect from 1 April 2016 to 31 March 2022 – i.e. to the financial year 2016-17 and for each subsequent financial year to which the flexible use of capital receipts direction applies.
5. The Council cannot borrow to finance the revenue costs of service reform and can only use capital receipts from the sale of property, plant and equipment received in the years in which this flexibility is offered.

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

Qualifying expenditure

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

Accountability and transparency

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

Qualifying expenditure

Types of qualifying expenditure

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

Examples of qualifying expenditure

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

Accountability and transparency

Preparation

12. For each financial year, the Council should ensure it prepares at least one Capital Strategy (“the Strategy”)

Content

13. As a minimum, the Strategy should list each project that plans to make use of the capital receipts flexibility, that it details the split of up front funding for each project between capital receipts and other sources, and that on a project by project basis, a cost benefit analysis is included to highlight the expected savings. The Strategy should report the impact on the Councils Prudential Indicators for the forthcoming year and subsequent years.
14. From the 2017-18 Strategy and in each future year, the Strategy should contain details on projects approved in previous years, including a commentary on whether the planned savings or service transformation have been/are being realised in line with the initial cost/benefit analysis.
15. The Strategy may also include any other matters considered to be relevant.

Approval

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

Timing

17. For any financial year an efficiency Strategy (“the initial Strategy”) should be prepared and approved before the start of the year.

2019/20 Strategy

The Council intends to use capital receipts received in 2019/20 to finance qualifying expenditure up to £500,000 in accordance with the Guidance. The projects which will be financed in this way are shown in the table below.

Project	Expenditure	Expected Savings
	£,000	£'000
Digital Delivery Project	100	200
New Recycling Service - Preparatory Costs	120	187
Chargeable Garden Waste Preparatory Costs	40	306
Building Efficiency Works Expenditure	36	36
Town Centre	104	TBC
Building for the Future	100	217
Total	500	946

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

2018/19 and Previous Years' Flexible use of Capital Receipts

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

Project	Expenditure	Expected Savings
	£,000	£'000
2017/18		
Castle House Project - Redundancy Costs	80	80
2018/19		
Restructuring Costs	196	302
Digital Delivery Project	86	200
Castle House - Project Supervision	22	50
Chargeable Garden Waste Preparatory Costs	157	306
Building Efficiency Works Expenditure	39	50
Total	500	

All of these projects are in the process of being completed. It is anticipated that the expected savings will be achieved.



2019/20 Budget Consultation report

Headline findings

- 124 responses
 - 99 per cent were residents from the borough
- Improving street cleaning and reducing litter seen as important to improve quality of life for local community
 - Followed closely by re-opening Kidsgrove sports centre and improving leisure facilities there
- Most important services were:
 - Street cleaning
 - Parks, playgrounds and open spaces
 - Refuse collection
 - Town centre regeneration
 - Recycling facilities
- Non-statutory services that respondents want to be protected:
 - Town centre regeneration
 - Indoor leisure centres
 - Outdoor leisure facilities
- 58 per cent want to protect services even if it means an increase in Council Tax
- Oldest and youngest age groups were under-represented
- Responses from 20 wards.

Background

There were 124 responses to this survey, which was open from 18 October until 30 November, but not all respondents answered every question. In the introductory text respondents were advised of services that were not the responsibility of the Borough Council, though some respondents still recommended that we protected such services from funding cuts.

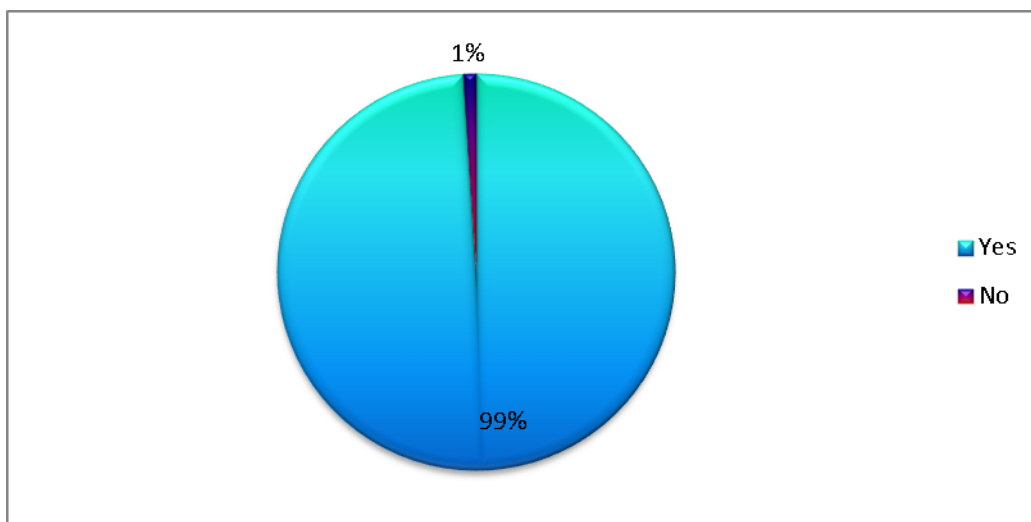
Analysis of data

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

Not everyone answered this question, but, of the 119 who did, 99 per cent of them said that they were a resident. Only 1 respondent said that they were not.

- Five respondents did not answer the question,
 - One later provided a Newcastle-under-Lyme borough postcode so they have been classed as being a resident of the borough.
 - One respondent provided a Stoke-on-Trent postcode
 - Three did not provide a postcode at all.

Figure 1: Q1) Are you a resident of the borough of Newcastle-under-Lyme? 120 respondents



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, purely unprompted, with no suggested answers to choose from.

101 respondents answered this question. Unfortunately, despite the disclaimer at the start of the survey about which services we did not provide, there were several comments that said we should improve the NHS, schools and social care and give more money to the police.

Of the other responses there were some themes that were mentioned by several respondents:

- Improve street cleaning and reduce litter / have more litter bins (13 responses)
- Re-open Kidsgrove swimming pool / improve leisure facilities there (12 responses)
 - Three separate comments said that there should be further general investment in Kidsgrove
 - Use the spare land around Mount Road / Liverpool Road
- Improve town centres (11 responses)
 - Free parking in town centres
 - Ban chuggers / beggars
 - Reduce/freeze business rates to fill empty shops and the markets
- Improve waste / recycling collection (seven responses)
 - Pick up what has been dropped
 - Provide service to flats
 - Introduce nail recycling
- Don't charge for garden waste (four responses)
- Improve leisure / sports facilities (four responses)
- Improve public transport, in particular in rural parts of the borough (four responses)
- Be quicker / better to sort fly-tipping (three responses)

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

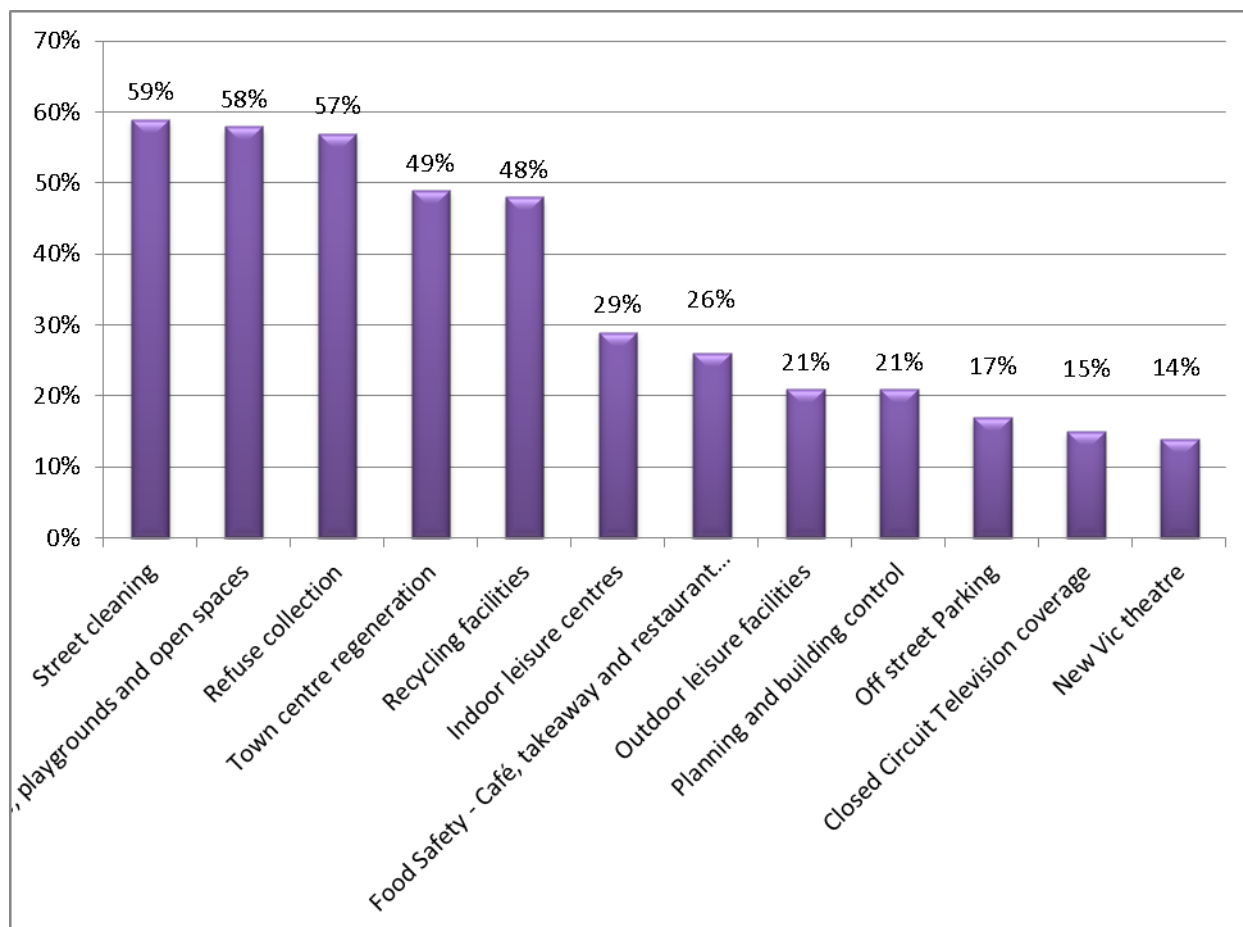
For this question, respondents were asked to choose up to five services from a list of 12 services. As respondents could choose up to five options, totals will add up to more than 100 per cent.

Five services were, by some distance, more popular than the other choices:

- Street cleaning (chosen by 59 per cent of respondents)
- Parks, playgrounds and open spaces (58 per cent)

- Refuse collection, (57 per cent)
- Town centre regeneration (49 per cent)
- Recycling facilities (48 per cent)

Figure 2: Which of these Council services are the most important to you? 124 respondents



Respondents were given the chance to answer 'other' and then to say which other services they considered important, and 12 gave the following responses which are as submitted – only spelling mistakes have been altered:

- Filling in potholes
- A secure parking area in the town where disabled people, who can manage a short stroll in town, could park their mobility scooters would be a wonderful help. an indoor market and an office in town were people with serious problems with goods they have purchased from certain shops could report their problem. Now we cannot report to Trading Standards directly we have to log are complaint with an agency who forward it onto them, we are told we will not be able to find out the outcome of our complaints! I myself have lost £2,500 from a store in town and have no one to help me as have other people I presume.
- As above support for the most vulnerable in our community
- Free parking in city centres and hospitals
- All of these
- Financial inclusion initiatives
- Why if I go to Kidsgrove can one person deal with everything, but if I go to the Guildhall, benefits are downstairs but I have to see someone different if I want anything else. It's stupid.
- Community centre
- Community involvement

- Because it's part of your remit to provide these services under your current charges without adding extra expense
- Very annoyed at additional charges for green waste collection. The council are asking we sign up for a 'new service' - this is an existing service we already pay for!!! Not prepare to register to pay extra for services we already pay for - predict people will just use general waste (grey bin) or fly tip. You will be creating your own problems. Really annoyed this 'dressed up' as a new service!
- The excellent Brampton Museum - needs to have Wi-Fi access available.

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.

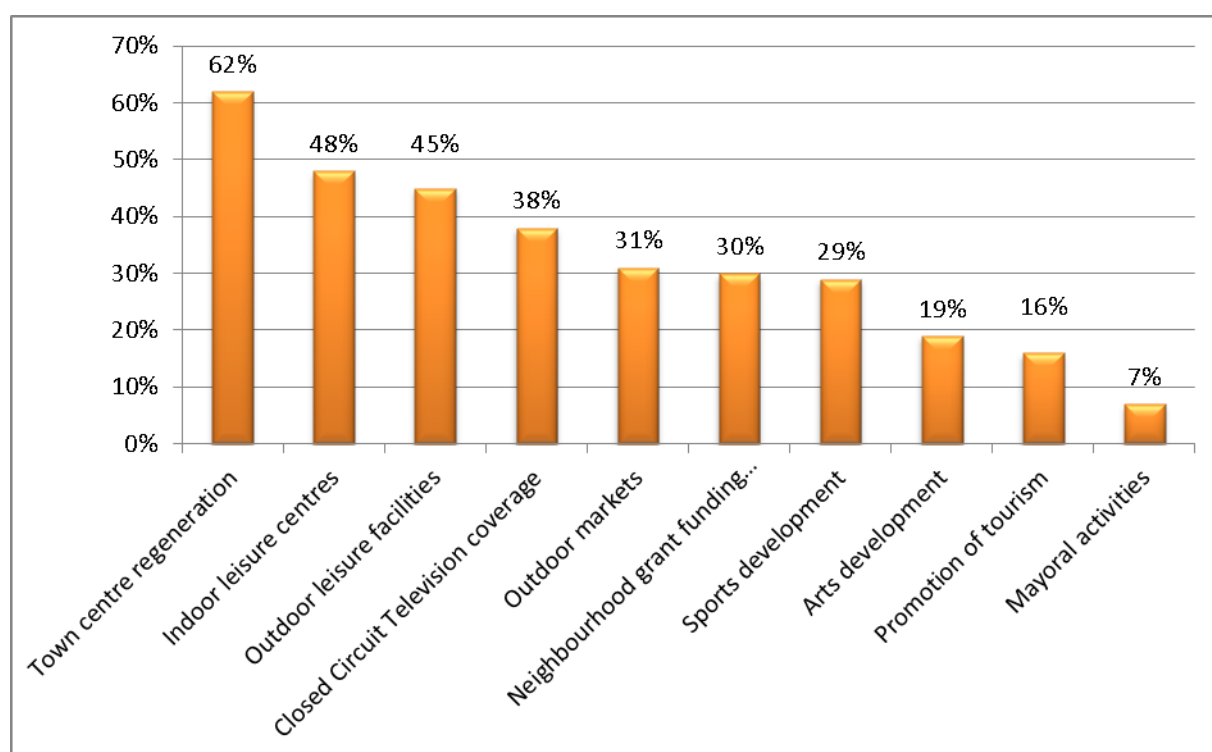
Again, respondents were asked to choose up to five options out of a list of 10 services. There were three services that were significantly more popular than any others, namely:

- Town centre regeneration (62 per cent)
- Indoor leisure centres (48 per cent)
- Outdoor leisure facilities (45 per cent)

...and three in particular were chosen by relatively few respondents:

- Mayoral activities (7 per cent)
- Promotion of tourism (16 per cent)
- Arts development (19 per cent)

Figure 3: Out of the following services which the Council is not required by law to provide would you most like to see protected? 124 responses

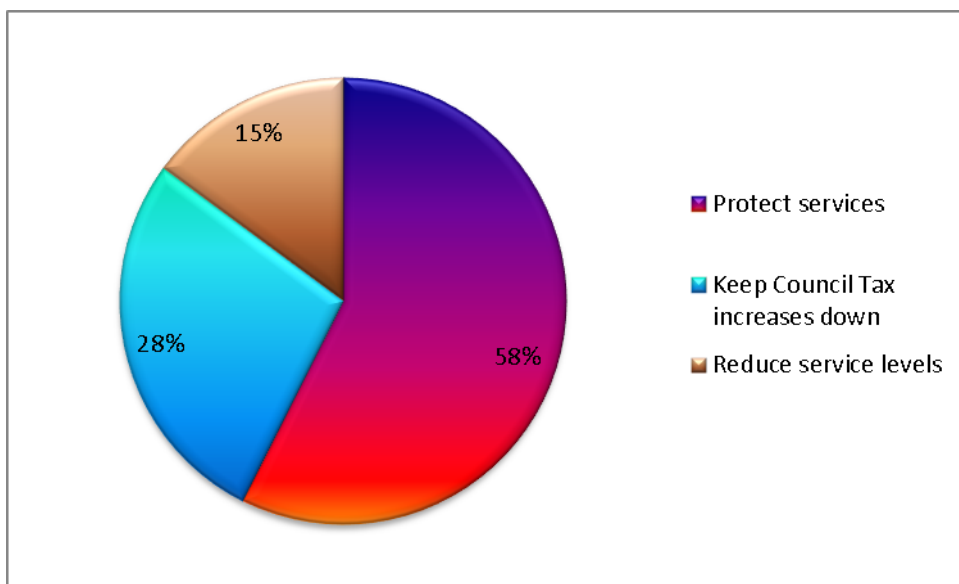


Q5) When making decisions about spending plans for next year and beyond, should we...

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 by far the most popular option, chosen by more than half (58 per cent) of all respondents.
- *Reduce levels of service to make sure that Council Tax rises and fee increases for service users are kept to a minimum* was the second most popular choice. This was selected by a little over one-quarter (28 per cent) of respondents.
- *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,* was comparatively unpopular, chosen by 15 per cent.

Figure 4: When making decisions about spending plans for next year and beyond, should we....121 responses



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

This was another open comments box where respondents were asked to make suggestions, unprompted, and 88 did so. Unfortunately, a significant proportion mentioned services that are not provided by the Borough Council – mostly schools, the police and potholes - and they are therefore disregarded here. But of the relevant services, there were themes mentioned by several respondents:

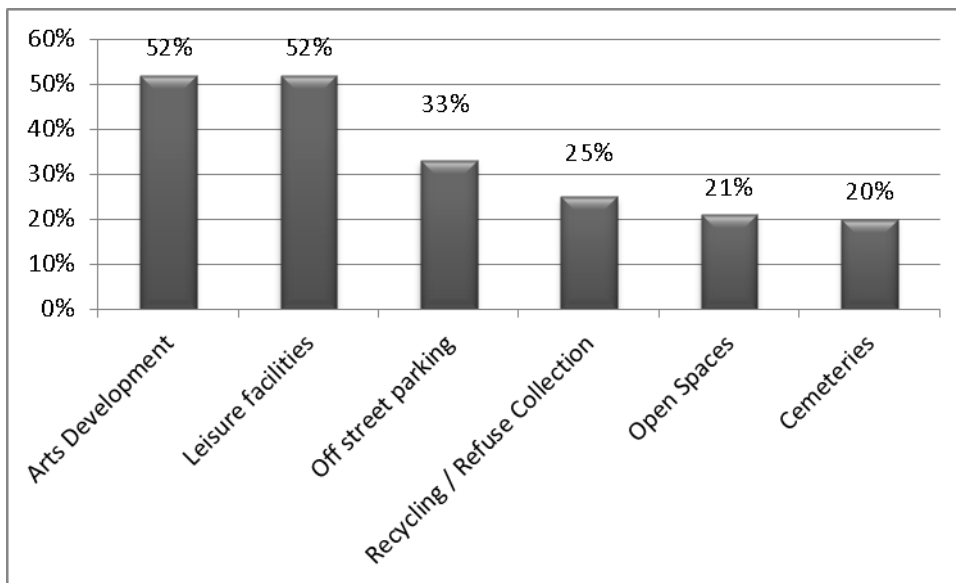
- | | |
|---|----------------|
| • Refuse/recycling collection | 17 respondents |
| ○ Garden waste | 5 |
| • Street cleaning | 9 |
| • Leisure | 8 |
| • Town centre regeneration | 7 |
| • Reduce nothing – austerity should be over | 5 |
| • Environmental health | 3 |

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 could select as many of these six as they wanted to – explaining why percentages add up to more than 100 per cent.

Arts development and leisure facilities were chosen clearly ahead of the others as the following chart demonstrates.

Figure 5: Out of the following services which the Council is not required by law to provide would you most like to see protected? 124 responses



Q8) Is there anything else you think the Council should consider a priority when setting the budget?

Another open comments box invited respondents to make unprompted suggestions and 66 took the opportunity to do so. Again, several of the comments related to services that the borough council does not provide and they have been disregarded. The below are all the comments made by at least two respondents

- Sort out parking 5 respondents
 - Town centre parking should be free or cheaper – to generate the town and to prevent people parking on pavements
- Give Kidsgrove its fair share of money 4
 - 20 per cent of the population should get 20 per cent of funding
 - Clough Hall and town centre are neglected
- Communicate better with residents 4
 - Be clear and open about what you are spending and on what, how much was spent on Castle House and renovating where the Civic Offices were located – explain what the Borough Council does and what is provided by Staffordshire County Council
- Reduce numbers of councillors and managers 4
 - Cut expenses - Half of councillors waste money by having Ipads and printed documents on paper in meetings
- Reconsider charging for garden waste 3
- Town centre regeneration 3
- Work better with other councils (Stoke and Staffordshire) 3
- Stop wasting money on Britain in Bloom 2
- Build only on brownfield – not green belt 2
- Do not make any cuts 2
- Save money by abolishing the position of mayor 2

Profile of respondents

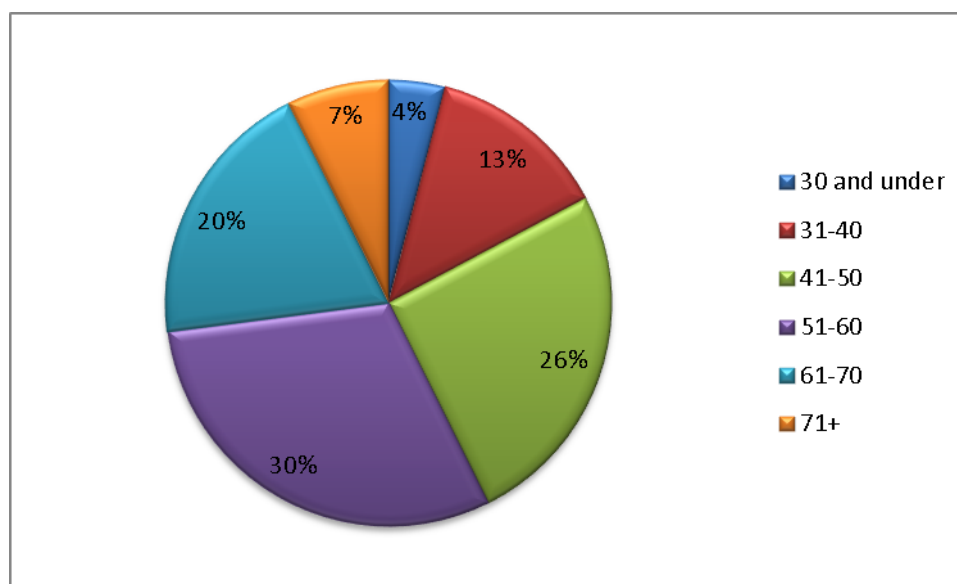
Finally, respondents were asked to provide their age and postcode – this enables us to see how representative of the borough the respondents were. The following table shows how many respondents were received by broad age group compared to the population of the borough.

As the following table shows, the youngest and the oldest age groups were very much under-represented, with those aged 41 to 70 being over-represented.

Table 1: Age profile of respondents compared to the borough based on 122 responses

Broad age group	Proportion of respondents	Proportion of residents in the borough
30 and under	4.1%	22.7%
31-40	13.1%	14.1%
41-50	25.4%	15.2%
51-60	30.3%	16.6%
61-70	19.7%	14.2%
71+	7.4%	17.3%

Figure 6: Age profile of respondents – 122 responses



Location of respondents

Unfortunately, not all respondents did provide valid postcodes –

- 13 put incomplete ST5 postcodes
- Nine put incomplete ST7 postcodes

There were only 82 valid postcodes, and they were from 20 wards, as follows:

Table 2: Respondents by ward. 82 valid responses

Ward	Respondents
Audley	4
Bradwell	2
Clayton	3
Crackley and Red Street	1
Cross Heath	1
Holditch and Chesterton	2
Keele	1
Kidsgrove and Ravenscliffe	13
Knutton	4
Loggerheads	5
Madeley and Betley	2
Maer and Whitmore	1
May Bank	7
Newchapel and Mow Cop	3
Talke and Butt Lane	7
Thistleberry	3
Town	7
Westbury Park and Northwood	3
Westlands	3
Wolstanton	10
Unknown ST5	13
Unknown ST7	9
No postcode provided	18