

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

REPORT OF THE EXECUTIVE MANAGEMENT TEAM TO COUNCIL

20 FEBRUARY 2019

REVENUE AND CAPITAL BUDGETS AND COUNCIL TAX 2019/20

Submitted by: Executive Director (Resources and Support Services)

Portfolio: Finance and Resources

Wards(s) affected: All

Purpose of the Report

This report sets out the recommendations of Cabinet for the Revenue and Capital Budgets for 2019/20 and sets out the recommendations for setting the 2019/20 Council Tax.

Recommendations

That the Council approve the recommendations set out in Appendix 'A'.

1. Background

- 1.1 This report is the culmination of the 2019/20 budget process, which started before the current 2018/19 budget was set. The Cabinet and the Finance, Assets and Performance Scrutiny Committee (FAPSC) have already considered the content of the 2019/20 Budget and the resultant Council Tax which is recommended. Cabinet met on 6 February 2019 and after considering comments made by the FAPSC, recommend a Council Tax for this Council in 2019/20 of £196.14 (based on Band D), as set out in Appendix B. This is an increase of £5.69 a year from the 2018/19 amount (an increase of 2.99%), which is within the maximum increase permitted without triggering the requirement for a referendum in accordance with the excessive council tax legislation.

2. Budget 2018/19 – Outturn Forecast

Revenue

- 2.1 Monthly reports monitoring actual spending against budget have shown adverse variances during the first nine months of the year, 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 are:
- 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 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 the 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; and,
- 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 for approval, as required by the statutory guidance, as Appendix H to this report.
- 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. Revenue Budget 2019/20

- 3.1 Excluding levies for Town and Parish Councils the recommended Borough Council Tax for a Band D property is £196.14, a 2.99% increase compared with 2018/19, based on a Borough Council Tax requirement of £7,280,130, as set out below.

	Estimated Expenditure £	Rate of Council Tax (Band D) £
Total Net Expenditure	13,050,020	351.59
Less: External Support	(5,769,890)	(155.45)

Borough Council Tax requirement	7,280,130	196.14
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Appendix B sets out the budget summarised over services. Copies of detailed budgets are available on request.

In addition to the basic Council Tax the Council is required to levy additional charges in the following parishes. These are shown below:

Parish	Rate of Council Tax (Band D) £
Audley	60.83
Betley, Balterley & Wrinehill	27.26
Chapel & Hill Chorlton	22.93
Keele	37.38
Kidsgrove	34.05
Loggerheads	21.08
Madeley	43.62
Maer	19.65
Silverdale	18.32
Whitmore	32.38

The above levies are based on the requirements supplied by the parishes.

Meetings to formally set the precepts from Staffordshire County Council and Staffordshire Commissioner Fire and Rescue Authority are to be held shortly. Accordingly, the amounts shown in the tables in Appendix A are based on provisional notifications provided by these bodies. If any of the provisional amounts change these will be reported to you and the tables in Appendix A will be redone.

4. Medium Term Financial Strategy and Budgets for 2019/20

4.1 The Council's Medium Term Financial Strategy (MTFS), as reported to Cabinet on 17 October 2018, indicated a forecast budget shortfall of £1.891m for 2019/20.

4.2 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;
- As noted at paragraph 4.10, 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

- 4.3 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 C:

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	

4.4 The savings and funding strategies considered by Cabinet on 16 January 2019, as included in Appendix B, 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, which will 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.

4.5 It is proposed that the 'Borough Growth' fund 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 16 October 2018 Cabinet report 'Review of Town Centre Car Parks'.
- Revitalising the market, developing with traders a clear programme for improvement. At its 7 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.

4.6 The Final Local Government Finance Settlement for 2019/20 was announced on 29 January 2019. The assumptions made in the Medium Term Financial Strategy regarding the Council's baseline funding levels are in line with those announced.

4.7 The New Homes Bonus allocation for 2019/20 the Council was also confirmed. 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 allocation announcement has confirmed that this increase in the deadweight will not be applied to 2019/20. 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.

- 4.8 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.
- 4.9 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 4.5.
- 4.10 As reported to Cabinet on 16 January 2019, 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, these resources 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.
- 4.11 Cabinet recommends an increase in council tax for 2019/20 of 2.99% from the 2018/19 amount (an increase of £5.69) which is within the maximum increase permitted without triggering the requirement for a referendum in accordance with the excessive council tax legislation. The table below shows the effect of a 2.99% Band D increase across all the council tax bands, as an annual amount and a weekly amount.

Property Band	Annual Increase £	Weekly Increase £
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

- 4.12 Public consultation has been undertaken on the budget. 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.
- 4.13 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.
- 4.14 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).

- 4.15 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).
- 4.16 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.
- 4.17 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.

5. Localised Council Tax Support Scheme 2019/20

- 5.1 Section 13A of the Local Government Finance Act 1992, substituted by section 10 of the Local Government Finance Act 2012 requires each billing authority in England to make a Localised Council Tax Reduction scheme, specifying the reductions which are to apply to amounts of Council Tax payable by persons or classes of person whom the authority consider are in financial need.
- 5.2 Any scheme needs to be approved by the 11 March before the start of a new financial year or a default scheme prescribed by regulations will be imposed by the Secretary of State for Communities and Local Government.
- 5.3 The introduction of a de minimis amount below which Council Tax bills will not be recalculated for Universal Credit claimants has been the subject of a public consultation, three valid responses to the consultation were received, two in favour of a £2 de minimis and one not in favour of a de minimis. Taking into account the considerable time that would be spent by Officers amending Council Tax bills, it is recommended that the £2 de minimis be introduced. The remainder of the scheme (Appendix I) is intended to remain as per the 2018/19 scheme, as reported to Council on 22 November 2017.

6. Balances and Reserves

- 6.1 A review of all the Council's Balances and Reserves together with a risk assessment informing the levels of these has been undertaken. Details of these are included in Appendices D and E.
- 6.2 The Council's Section 151 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 Based on these minimum levels of reserves being sustained the Section 151 Officer is of the opinion that the Revenue Budget is robust and that the Council's Revenue Reserves are adequate to support it based on the assumptions set out in this report.

7. Finance, Assets and Performance Scrutiny Committee

- 7.1 The Medium Term Financial Strategy and the budget proposals have been considered by the FAPSC at their meetings on 20 September 2018, 17 December 2018 and 24 January 2019. Following the January FAPSC meeting, the Committee's comments were fed back to the Cabinet at their meeting on 6 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 Revenue Budget is robust and that the Council's Revenue Reserves are adequate to support it based on the assumptions set out in this report.

9. Capital Programme 2019/20 - 2021/22

- 9.1 The Capital Programme for 2019/20 to 2021/22 (Appendix F) 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 £19.301m.
- 9.2 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.
- 9.3 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.
- 9.4 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.
- 9.5 In summary, investment in the capital programme totalling £19.301m will be funded by:
- £6.165m External Funding;
 - £9.271m Capital Receipts;
 - £0.217m ICT Development Fund; and,
 - £3.648m Vehicle Leasing / Prudential Borrowing
- 9.6 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.

10. List of Appendices

- Appendix A: Schedule of Detailed Recommendations
- Appendix B: Revenue Budget 2019/20
- Appendix C: 2019/20 Savings and Funding Strategies
- Appendix D: Actual and Estimated Reserves at 31 March 2018 to 31 March 2020
- Appendix E: Risk Assessment on Required Balances/Contingency Reserve
- Appendix F: Capital Programme 2019/20 to 2021/22, including financing of expenditure
- Appendix G: Key Council Achievements in 2018/19
- Appendix H: Flexible Use of Capital Receipts Strategy
- Appendix I: Localised Council Tax Support Scheme 2019/20

Appendix A – Schedule of Detailed Recommendations

The following recommendations set out the decisions needed for the Council to set its own budgets and Council Tax for 2019/20.

Recommendations

- (a) That the Revenue Budget for 2019/20 be approved, as set out in Appendix B.
- (b) That the Band D Council Tax for 2019/20 be set at £196.14 (a 2.99% increase).
- (c) That the Capital Programme to 2019/20 to 2021/22 be approved as set out in Appendix F.
- (d) That the Local Council Tax Reduction Scheme for 2019/20 be approved (unchanged from 2018/19), and that a de minimis amount of £2, below which Council Tax bills will not be recalculated, be approved for Universal Credit claimants.
- (e) That the Flexible Use of Capital Receipts Strategy be approved.
- (f) That the un-earmarked and contingencies minimum balances requirement be confirmed as £1,548,000.
- (g) That it be noted that the Executive Director (Resources and Support Services), under delegated authority assigned by Cabinet on 20 January 2016 and Full Council on 18 May 2016 calculated the following amounts for the year 2019/20:
 - (i) 37,117 being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as its council tax base for the whole Council area for the year (Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the “Act”))
 - (ii) For dwellings in those parts of the Council’s area to which a Parish precept relates as in the table below:

Parish/Town Council	Base
Audley	2,558
Betley, Balterley & Wrinehill	598
Chapel & Hill Chorlton	191
Keele	337
Kidsgrove	6,794
Loggerheads	1,935
Madeley	1,492
Maer	259
Silverdale	1,518
Whitmore	853

- (h) That the Council Tax requirement for the Council’s own purposes for 2019/20 (excluding Parish precepts) is £7,280,130.
- (i) That the following amounts be calculated for the year 2019/20 in accordance with Sections 31 to 36 of the Act:
 - (i) £71,326,230 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act taking into account all precepts issued to it by Parish Councils.
 - (ii) £63,459,530 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.

- (iii) £7,866,700 being the amount by which the aggregate at (h)(i) above exceeds the aggregate at (h)(ii) above, calculated by the Council, in accordance with Section 31A (4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
- (iv) £211.94 being the amount at (h) (iii) above (Item R), all divided by Item T (f) (i) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- (v) £586,570 being the aggregate amount of all special items (Parish precepts) referred to in Section 34 (1) of the Act.
- (vi) £196.14 being the amount at (h) (iv) above less the result given by dividing the amount at (h) (v) above by item T (f) (i) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item (Parish precept) relates.
- (vii) **Part of the Council's Area**

Parish/Town Council	£
Audley	256.97
Betley, Balterley & Wrinehill	223.40
Chapel & Hill Chorlton	219.07
Keele	233.52
Kidsgrove	230.19
Loggerheads	217.22
Madeley	239.76
Maer	215.79
Silverdale	214.46
Whitmore	228.52

Being the amounts given by adding to the amount at (h) (vi) above, the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above, divided in each case by the amount at (f) (ii) above calculated by the Council in accordance with Section 34(3) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

(viii) **Valuation Bands**

Parish/Town Council	Valuation Bands (£)							
	A	B	C	D	E	F	G	H
Audley	171.31	199.86	228.41	256.97	314.08	371.18	428.28	513.94
Betley, Balterley & Wrinehill	148.93	173.75	198.57	223.40	273.05	322.69	372.33	446.80
Chapel & Hill Chorlton	146.05	170.38	194.72	219.07	267.76	316.43	365.12	438.14
Keele	155.68	181.62	207.57	233.52	285.42	337.30	389.20	467.04
Kidsgrove	153.46	179.03	204.61	230.19	281.35	332.49	383.65	460.38
Loggerheads	144.81	168.95	193.08	217.22	265.49	313.76	362.03	434.44
Madeley	159.84	186.48	213.11	239.76	293.04	346.32	399.60	479.52
Maer	143.86	167.83	191.81	215.79	263.75	311.69	359.65	431.58
Silverdale	142.97	166.80	190.62	214.46	262.12	309.77	357.43	428.92
Whitmore	152.35	177.73	203.12	228.52	279.31	330.08	380.87	457.04
Other Parts of Borough Area	130.76	152.55	174.34	196.14	239.73	283.31	326.90	392.28

Being the amounts given by multiplying the amounts at (h)(vi) and (h)(vii) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- (j) That it be noted that for the year 2019/20 the major precepting authorities have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwelling shown below:-

Preceptor	Valuation Bands (£)							
	A	B	C	D	E	F	G	H
Staffordshire County Council	830.82	969.29	1,107.76	1,246.23	1,523.17	1,800.11	2,077.05	2,492.46
Staffordshire Commissioner Fire & Rescue Authority	50.49	58.90	67.32	75.73	92.56	109.39	126.22	151.46
Office of the Staffordshire Police & Crime Commissioner	144.37	168.44	192.50	216.56	264.68	312.81	360.93	433.12

- (k) That having calculated the aggregate in each case of the amounts at (h) (viii) and (i) above, the Council, in accordance with Section 30(2) of the Act, hereby sets the following amounts as the amounts of Council Tax for the year 2019/20 for each of the categories of dwelling shown below:

Parish/Town Council	Valuation Bands (£)							
	A	B	C	D	E	F	G	H
Audley	1,196.99	1,396.49	1,595.99	1,795.49	2,194.49	2,593.49	2,992.48	3,590.98
Betley, Balterley & Wrinehill	1,174.61	1,370.38	1,566.15	1,761.92	2,153.46	2,545.00	2,936.53	3,523.84
Chapel & Hill Chorlton	1,171.73	1,367.01	1,562.30	1,757.59	2,148.17	2,538.74	2,929.32	3,515.18
Keele	1,181.36	1,378.25	1,575.15	1,772.04	2,165.83	2,559.61	2,953.40	3,544.08
Kidsgrove	1,179.14	1,375.66	1,572.19	1,768.71	2,161.76	2,554.80	2,947.85	3,537.42
Loggerheads	1,170.49	1,365.58	1,560.66	1,755.74	2,145.90	2,536.07	2,926.23	3,511.48
Madeley	1,185.52	1,383.11	1,580.69	1,778.28	2,173.45	2,568.63	2,963.80	3,556.56
Maer	1,169.54	1,364.46	1,559.39	1,754.31	2,144.16	2,534.00	2,923.85	3,508.62
Silverdale	1,168.65	1,363.43	1,558.20	1,752.98	2,142.53	2,532.08	2,921.63	3,505.96
Whitmore	1,178.03	1,374.36	1,570.70	1,767.04	2,159.72	2,552.39	2,945.07	3,534.08
Other Parts of Borough Area	1,156.44	1,349.18	1,541.92	1,734.66	2,120.14	2,505.62	2,891.10	3,469.32

Appendix B – Revenue Budget 2019/20

Area	2018/19 General Fund		2019/20 General Fund		Note
	Estimate £	Band D Council Tax £	Estimate £	Band D Council Tax £	
Administration Before Recharges	5,942,480	161.43	5,384,660	145.07	
Less Recharges to Services	(5,942,480)	(161.43)	(5,384,660)	(145.07)	
Total Administration Net of Recharges	-	-	-	-	
Holding Accounts Before Recharges	2,084,490	56.63	2,377,120	64.04	
Less Recharges to Services	(2,084,490)	(56.63)	(2,377,120)	(64.04)	
Total Holding Accounts Net of Recharges	-	-	-	-	
Central Services	2,441,950	66.33	2,153,090	58.01	
Cultural Services	3,520,460	95.63	3,600,430	97.00	
Environmental Services	6,478,910	176.00	6,788,170	182.89	
Planning	1,344,910	36.53	1,367,010	36.83	
Transport	(46,190)	(1.25)	(69,640)	(1.88)	
Housing	1,346,340	36.57	1,236,550	33.31	
Net Cost of Services	15,086,380	409.81	15,075,610	406.16	
Pensions Liabilities Account	300,000	8.15	412,000	11.10	
Investment Properties	(238,500)	(6.48)	443,800	11.96	A
Interest and Investment Income	10,170	0.28	10,170	0.27	
Net Operating Expenditure	15,158,050	411.76	15,941,580	429.49	
Contribution to/(from) Revenue Reserves	119,920	3.26	821,840	22.14	B
Contribution to/(from) Capital Reserves	(1,942,550)	(52.77)	(3,713,400)	(100.04)	C
Amount to be met from Government Grant and Local Taxpayers	13,335,420	362.25	13,050,020	351.59	
Revenue Support Grant	(588,980)	(15.99)	-	-	
Other Non-Specific Grants	(1,261,680)	(34.27)	(934,680)	(25.18)	
Business Rates Retention Funding	(4,494,390)	(122.09)	(4,893,370)	(131.84)	
Collection Fund Deficit/(Surplus)	20,470	0.55	58,160	1.57	
Borough Council Tax Requirement	7,010,840	190.45	7,280,130	196.14	
Staffordshire County Council Precept		1,210.52		1,246.23	
Fire Authority Precept		73.53		75.73	
Police Authority Precept		192.56		216.56	
Total Council Tax Requirement		1,667.06		1,734.66	

The Council Tax Base used for 2019/20 in the above table is 37,117.

Notes

- A greater value of impairment is budgeted to be made during 2019/20. This reflects the increased capital programme that will be undertaken, and is also reflected in the increased contribution from capital reserves.
- Budgeted contributions to revenue reserves will increase for 2019/20. This reflects the establishment of the Borough Growth Fund and the funds to be set aside to allow for borrowing or leasing during 2019/20 in relation to vehicles.
- Budget contributions from capital reserves will increase for 2019/20. This reflects the additional impairment referred to in Note A and the Flexible Use of Capital Receipts Strategy adopted for 2019/20.

GLOSSARY OF TERMS

Depreciation. The measure of the cost or revalued amount of the benefits of a fixed asset that have been consumed during the year. Consumption includes wearing out, using up or other reduction in the useful life of a fixed asset whether arising from use, passage of time or obsolescence. Depreciation charges are offset by a transfer from the Capital Adjustment Account in order to ensure that they do not count against the council tax.

Impairment. A reduction in the value of a fixed asset below its carrying amount on the balance sheet. In this case, certain assets will have works of repair or improvement or other work to assets is planned to take place in 2019/20, which might be expected to result in an addition to the balance sheet carrying amount of the same amount as the expenditure incurred. However, it is likely that in fact the value will not be increased because the valuation principles employed do not recognise any increase in the real value of the assets. In such cases, the amount of non-value adding expenditure is classed as impairment and is written off as an impairment charge. These impairment charges are offset by a transfer from the Capital Adjustment Account in order to ensure that they do not count against the council tax.

Collection Fund. A fund accounting for Council Tax and Non-Domestic Rates received by the Council and the payments which are made from the fund including precepts to other authorities, the Council's own demand and shares of business rates receipts. The surplus or deficit for the year (essentially the difference between the amounts collected and the amounts paid out of the Fund) must be cleared by a transfer out of or into the Fund in the following year by the Council and the other major precepting authorities.

Contributions to/(from) Capital Reserves. Comprises transfers to or from the Capital Adjustment Account. This account is used to eliminate capital transactions, such as depreciation and impairment charges, which have to be debited or credited to the revenue account in order to comply with proper accounting practice but which statutorily cannot count against the council tax.

Appendix C – 2019/20 Savings and Funding Strategies

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 D – Actual and Estimated Reserves at 31 March 2018 to 31 March 2020

Reserve	Actual Balance at 31/3/18 (£000's)	Estimated Change in 2018/19 (£000's)	Estimated Balance at 31/3/19 (£000's)	Estimated Change in 2019/20 (£000's)	Estimated Balance at 31/3/20 (£000's)	Purpose
General Fund Balance	1,200	248	1,448	-	1,448	Working balance to cover unforeseen adverse events affecting the budget. Approved minimum balance of £1.448m
Contingency Reserve	210	(110)	100	-	100	To meet cost of unforeseen contingencies or for any other purpose approved by Council. Approved minimum balance of £0.100m
Equipment Replacement Fund	552	61	613	141	754	To pay for the replacement of items of plant and equipment
Renewals & Repairs Fund	-	-	-	-	-	To meet the cost of repairs and maintenance of Council owned buildings and structures
ICT Development Fund	67	(42)	25	50	75	To meet the cost of new IT requirements, including capital expenditure
Budget Support Fund	355	(118)	237	(110)	127	To support the General Fund revenue budget or to meet costs approved by Council
Borough Growth Fund	-	-	-	304	304	To fund investment in corporate priorities
Conservation & Heritage Fund	45	(5)	40	(5)	35	To provide repair grants to owners of historic buildings
Museum Purchases Fund	61	-	61	-	61	To purchase, conserve and enhance exhibits
Maintenance Contributions	75	(15)	60	(15)	45	To fund maintenance costs in respect of land transferred to the Council from developers contributions to periodic maintenance costs
Standards Fund	6	-	6	-	6	To ensure the Council meets its responsibilities under the ethical and other standards frameworks
Business Reserve	1353	(552)	801	(287)	514	To hold surpluses of business rates received per the revenue account and to pay subsequent deficits on the collection fund
Keele Master Plan Reserve	82	(63)	19	(19)	-	To meet the costs of the Keele master planning exercise

Appendix E – 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

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
8	Problems with staff sickness/suspensions resulting in the needs to use agency/interim staff at extra cost.	Additional unbudgeted costs	3 x 3	High	Situation subject to ongoing review.	3 x 3	High	None	Exec Mgt Team	N/a
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

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
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 increase of 1% adds about £100,000 to the Council's costs	Additional unbudgeted costs	3 x 3	High	Included in calculation of prudent minimum balances	3 x 3	High	None	Exec Dir Resources	N/a
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	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
								administrator indicate it to be necessary		
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
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 F – 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 & Bereavement Services	355,000	470,600	945,600	1,771,200
Service Area - Recycling & Fleet	756,000	4,166,000	609,500	5,531,500
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	2,246,678	5,532,508	2,336,749	10,115,935
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	5,606,298	8,534,295	5,160,631	19,301,225

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	646,000	2,492,000	509,500	3,338,500
TOTAL	5,606,298	8,534,295	5,160,632	19,301,225

CAPITAL PROJECTS	Proposed Programme 2019/20 £
PRIORITY - Local Services that work for Local People	
<i>Service Area - Council Modernisation</i>	
Mobile Telephony Refresh	10,000
Mobile Technology Roll Out	10,000
Desktop Technology Refresh	10,000
Microsoft LAR Uplifts	10,000
Digital Delivery Integration Costs	30,000
Replacement of Civica APP	30,000
Replacement of Mobile Device Management Solution	15,000
Implementation of SharePoint	20,000
Roll out of Windows 10/Office 365	30,000
Pilate Gauge Replacement	10,000
Public Service Wi-Fi	20,000
Total (Service Area)	195,000
Total Priority	195,000
PRIORITY - Growing our People and Places	
<i>Service Area - Housing Improvements</i>	
Disabled Facilities Grants	1,000,000
Empty Homes Grants	40,000
Carbon Management	35,000
Total (Service Area)	1,075,000
<i>Service Area - Managing Property & Assets</i>	
High Carr Farm, Talke Road, Bradwell	14,343
Golfers Arms/Golf House, Keele Road, Newcastle	10,828
20 Sidmouth Avenue, Newcastle	10,000
Croft Road, Newcastle	19,835
Brampton Sidings, Newcastle	24,000
Newcastle Business Centre	1,050
Central Depot	357,400
Total (Service Area)	437,456
Total Priority	1,512,456
PRIORITY - A Healthy, Active and Safe Borough	
<i>Service Area - Streetscene & Bereavement Services</i>	
Footpath Repairs	75,000
Play Area Refurbishment	75,000
Railings/Structures Repairs	50,000
Tree Management System Updates	20,000
Traveller Encroachment	10,000
Memorial Survey	5,000
Town Centres Street Furniture	5,000
Crematorium Petal Garden	5,000
Crematorium Monthly Gardens	5,000
Bradwell Crematorium Extension	50,000
Grounds Maintenance Invest to Save Programme	15,000
Pool Dam Marshes LNR	40,000
Total (Service Area)	355,000

Service Area - Recycling & Fleet	
Replacement Bins/Containers	100,000
Transfer Station Alterations (New Recycling Service)	10,000
Corporate Fleet Replacement	646,000
Total (Service Area)	756,000
Service Area - Leisure	
Chemical Dosing System Invest to Save	25,000
Gym Equipment Replacement	280,000
Aqua Sauna Refurbishment	150,000
Structural/Electrical/Mechanical Survey	16,000
Thermal Wheel	35,000
Westlands Tennis Courts LTA Match Funding	40,000
Total (Service Area)	546,000
Service Area - Museum	
Wi-Fi	30,000
Total (Service Area)	30,000
Service Area - Managing Property & Assets	
Ski Slope, Bathpool Park, Kidsgrove	7,115
Clough Hall Park, Kidsgrove	8,515
Birchenwood Sports Complex, Kidsgrove	2,500
Chesterton Park, Chesterton	14,230
Bradwell Park, Porthill	1,400
Public Conveniences, Bradwell	6,154
Queen Elizabeth Park, Poolfields	1,400
Silverdale Cemetery, Silverdale	5,097
Golf House, Keele	2,000
Westlands Sports Ground, Westlands	202
Cemetery Lodge, Newcastle	5,097
Museum and Art Gallery	12,641
Roe Lane, Clayton	495
Crematorium, Bradwell	250
Wolstanton Marsh, May Bank	6,034
Jubilee 2	214,333
Madeley Pool Embankment	100,000
Total (Service Area)	387,463
Service Area - Engineering	
Kidsgrove Loophole Bridge Over Walkway in Park	21,450
Car Park at Butchers Arms Retaining Walls	100,000
St James Closed Churchyard, Audley	45,760
St James Closed Churchyard, Newchapel	5,005
Total (Service Area)	172,215
Total Priority	2,246,678
PRIORITY - A Town Centre For All	
Service Area - Managing Property & Assets	
Victoria Hall, Kidsgrove	5,749
Merial Street, Newcastle	57,876
Lancaster Building Tanking	20,000
Guildhall, Newcastle	8,600
Midway Car Park, Newcastle	134,915
Market Office, Newcastle	25
Consultancy to Assist Master Planning/Site Disposal	100,000

EPC Works on Commercial Portfolio	40,000
Feasibility Study	100,000
Car Parking Machines	30,000
Markets	50,000
Bus Shelters	5,000
Civic Centre Holding Costs	100,000
Total (Service Area)	652,165
Total Priority	652,165
CONTINGENCY	1,000,000
TOTAL	5,606,298

Funding	
Capital Receipts	3,508,298
External Contributions	1,335,000
ICT Development Fund	117,000
Fleet Replacement - Leasing or Borrowing	646,000
TOTAL	5,606,298

Appendix G – 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 Kildgrove 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 wheellie 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.

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	988

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

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

Discretionary Payments

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