

**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

**PORTFOLIO HOLDER (FINANCE AND EFFICIENCY)**  
**REPORT TO FINANCE, ASSETS AND PERFORMANCE SCRUTINY COMMITTEE**

**16 December 2019**

**Report Title:** Revenue Budget 2020/21 – First Draft Savings Plans

**Submitted by:** Portfolio Holder (Finance and Efficiency)

**Portfolio:** Finance and Efficiency

**Wards(s) affected:** All

**Purpose of the Report**

To inform the Committee of the current proposals being considered to balance the 2020/21 revenue budget and the proposed capital programme for 2020/21 to 2022/23.

**Recommendations**

- a) That the Committee note the proposals as set out in the Appendix 1 and Appendix 2 to the report.
- b) That the Committee identify any areas where further information is required for consideration at its meeting in January.
- c) That the Committee suggest any further areas of savings that should be considered.

**Reasons**

To enable the Committee to review the proposals and to determine whether further information is required on any of the proposals.

1. **Background**

- 1.1 The Council's Draft Medium Term Financial Strategy for 2020/21 to 2024/25 was approved for consultation by Cabinet on 16 October 2019. It indicated that there will be a budget "gap" of £1.208m in respect of 2020/21 and that this will need to be closed in order to produce a balanced budget.
- 1.2 The Council's Capital Strategy for 2020/21 to 2029/30 will be available for scrutiny at the Committee on 16 January 2020.

2. **Proposed Savings and Funding Strategies to eliminate the Budget Gap for 2020/21**

- 2.1 A number of savings and funding strategies have been identified as being both feasible and sustainable, via a vigorous Efficiency Board process including challenge sessions for each of the Portfolios involving Cabinet Members, the Executive Management Team, Heads of Service and the Finance Manager. The proposed savings identified to date for the period of the MTFs,

and the remaining funding gaps are outlined in the table below, with further detail for 2020/21 in Appendix 1. This enables the Committee to review them and determine whether any further information is required on any of the proposals for consideration at its meeting in January.

Detail	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
<b>Income</b>	116	50	-	-	-
<b>Commercial Strategy</b>	-	250	250	250	250
<b>Digital Strategy</b>	-	150	150	150	150
<b>Staffing Related</b>	495	37	-	-	-
<b>Good Housekeeping</b>	10	-	-	-	-
<b>Tax Base</b>	351	150	152	154	157
<b>Council Tax Increase</b>	219	227	236	244	253
<b>Contributions</b>	18	-	-	-	-
<b>TOTAL SAVINGS</b>	<b>1209</b>	<b>864</b>	<b>788</b>	<b>798</b>	<b>810</b>
<b>UPDATED MTFS GAPS</b>	<b>1208</b>	<b>1993</b>	<b>785</b>	<b>818</b>	<b>1041</b>
<b>REMAINING GAP</b>	<b>-1</b>	<b>1129</b>	<b>-3</b>	<b>20</b>	<b>231</b>

### 3. Capital

- 3.1 The Capital Programme for 2020/21 to 2022/23 (Appendix 2) 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. These schemes total £24.112m
- 3.2 The Capital Programme for 2020/21 includes £3.151m for the refurbishment and opening of Kidsgrove Sports Centre, this replaces the Kidsgrove Sports Centre scheme previously scheduled to commence in 2023/24.

### 4. Timetable

- 4.1 Set out in the table below are the key dates of the events still to take place before the budget for 2020/21 is finally approved.

Event	Body Affected	Date
Budget consultation	Proposed to run from 7 November to 19 December	
Scrutiny of draft MTFS and savings proposals	Finance, Assets and Performance Scrutiny Committee	16 December
Approval of final MTFS and consideration of draft Budget proposals	Cabinet	15 January
Scrutiny of draft budget	Finance, Assets and Performance Scrutiny Committee	16 January
Final budget proposals recommended for approval by Full Council	Cabinet	4 February
Full Council to approve Budget	Full Council	19 February

### 5. List of Appendices

- Appendix 1: 2020/21 MTFS Funding Strategy  
Appendix 2: 2020/21 to 2022/23 Capital Programme

**2020/21 MTFS Funding Strategy**

**Appendix 1**

Ref	Service Area	Description	£000's	% of Budget Line(s)	Detail
<b>Income</b>					
I2	Environmental Health	Licensing Income	20	3.8%	Increased demand in licensing requirements from customers
I3	Operational Services	Bereavement Services Income	10	0.7%	Increased memorialisation offer to customers
I4	Housing Regeneration & Assets	Street Naming/ Numbering	20	166.7%	Increased levels of income received during 2018/19 and 2019/20
I5	Recycling and Fleet	New Properties Delivery Charge	16	New	Delivery charge for waste/recycling bins to properties on new developments
I6	Recycling and Fleet	Trade Waste Income	50	10.0%	Increased marketing and sales regarding the trade waste service
			<b>116</b>		
<b>Staffing Related Efficiencies</b>					
S1	Revenues & Benefits/Customer Services	Restructure	300	TBC	Restructure of Revenues and Benefits and Customer Services
S2	Finance	Car Leasing Scheme	8	72.7%	Car leases not renewed following expiry
S3	Finance	Payroll	25	44.9%	Payroll function to be undertaken by Stoke-on-Trent City Council
S4	All	Vacant Posts, Retirements, Reprioritisation	162	TBC	Vacant posts, service reprioritisation and employees retirement
			<b>495</b>		
<b>Good Housekeeping/General Other Savings/Changes in Base Budgets</b>					
G1	Housing Regeneration & Assets	Bus Station	10	33.4%	Contribution to Banksman post - post ceased
			<b>10</b>		
<b>Alternative Sources of Finance/Other</b>					
A1	Corporate	Council Tax Base	51	0.7%	Increase in Council Tax Base (increase of 260 residential properties)
A2	Corporate	Business Rates Base	300	6.3%	This additional funding is due to the Business Rates collection fund being in surplus at the end of 2018/19 and is net of additional provision for appeals.
A3	Corporate	Council Tax Increase	219	2.99%	Assumed increase of 2.99% per Band D equivalent property
A4	Corporate	Parish Council Section 136 Contributions	18	25.0%	Reduction of 25% of the 2016/17 payment made to Parish Councils for concurrent functions as agreed as part of the 2017/18 budget setting process - final reduction
			<b>588</b>		
<b>Grand Total</b>			<b>1,209</b>		

**2020/21 to 2022/23 Capital Programme**

**Appendix 2**

CAPITAL PROGRAMME	2020/21	2021/22	2022/23	TOTAL
	£	£	£	£
<b>PRIORITY - Local Services that work for Local People</b>				
Service Area - Council Modernisation	380,000	506,000	110,000	996,000
<b>Total</b>	<b>380,000</b>	<b>506,000</b>	<b>110,000</b>	<b>996,000</b>
<b>PRIORITY - Growing our People and Places</b>				
Service Area - Housing Improvements	1,070,000	1,080,000	2,615,000	4,765,000
Service Area - Managing Property & Assets	131,531	101,500	410,846	643,877
<b>Total</b>	<b>1,201,531</b>	<b>1,181,500</b>	<b>3,025,846</b>	<b>5,408,877</b>
<b>PRIORITY - A Healthy, Active and Safe Borough</b>				
Service Area - Environmental Health	10,000	0	0	10,000
Service Area - Streetscene and Bereavement Services	270,600	1,145,600	1,240,600	2,656,800
Service Area - Recycling and Fleet	3,666,000	609,500	351,000	4,626,500
Service Area - Leisure	3,682,000	331,000	687,000	4,700,000
Service Area - Museum	95,000	240,000	40,000	375,000
Service Area - Managing Property & Assets	55,547	40,456	273,403	369,406
Service Area - Engineering	165,873	140,193	806,287	1,112,353
<b>Total</b>	<b>7,945,020</b>	<b>2,506,749</b>	<b>3,398,290</b>	<b>13,850,059</b>
<b>PRIORITY - A Town Centre for All</b>				
Service Area - Managing Property & Assets	1,673,553	1,106,383	77,126	2,857,061
<b>Total</b>	<b>1,673,553</b>	<b>1,106,383</b>	<b>77,126</b>	<b>2,857,061</b>
<b>CONTINGENCY</b>	1,000,000	0	0	<b>1,000,000</b>
<b>TOTAL</b>	<b>12,200,103</b>	<b>5,300,631</b>	<b>6,611,262</b>	<b>24,111,997</b>
<b>FUNDING</b>				
Capital Receipts Carried Forward from 2019/20	2,062,506			<b>2,062,506</b>
Flexible Use of Capital Receipts	-400,000			<b>-400,000</b>
Capital Receipts	3,930,000	500,000	500,000	<b>4,930,000</b>
External Contributions	2,065,000	2,765,000	1,015,000	<b>5,845,000</b>
ICT Development Fund	50,000	50,000	50,000	<b>150,000</b>
Borrowing/Leasing	4,492,597	1,985,631	5,046,262	<b>11,524,491</b>
<b>TOTAL</b>	<b>12,200,103</b>	<b>5,300,631</b>	<b>6,611,262</b>	<b>24,111,997</b>