

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S
REPORT TO**

Cabinet
12 January 2022

Report Title: Revenue and Capital Budgets and Strategies 2022/23

Submitted by: Head of Finance (Section 151 Officer)

Portfolios: Finance, Town Centres and Growth

Ward(s) affected: All

Purpose of the Report

To review progress on the completion of the revenue and capital budgets for 2022/23 and approve the 5 year Medium Term Financial Strategy for 2022/23 to 2026/27.

To consider drafts of the Flexible Use of Capital Receipts Strategy (updated for 2022/23), the Capital Strategy for 2022/32, the Treasury Management Strategy for 2022/23 and the Investment Strategy for 2022/23 prior to their submission to Full Council for final approval.

Recommendation

1. That the progress on the completion of the Revenue (Appendix 1) and Capital Budgets (Appendix 4) be noted.
2. That the updated Medium Term Financial Strategy 2022/23 to 2026/27 (Appendix 2) be approved.
3. That the strategy for ensuring a balanced revenue outturn position for 2021/22 be noted.
4. That the mid-year estimate of capital expenditure be approved (Appendix 4).
5. That the calculation of the Council Tax base and the Council Tax increase to be proposed for 2022/23 of 1.99% per Band D equivalent property be noted.
6. That the risk assessment at Appendix 3 and S151 Officer's recommendation on the level of reserves and contingencies provisionally required to be maintained in 2022/23 be noted.
7. That the draft Flexible Use of Capital Receipts Strategy (Appendix 6) for 2022/23 be noted.
8. That the draft Capital Strategy (Appendix 7) for 2022/32 be noted.
9. That the draft Treasury Management Strategy (Appendix 8) for 2022/23 be noted.
10. That the draft Investment Strategy (Appendix 9) for 2022/23 be noted.
11. That the draft Budget and Council Tax proposals be referred to Finance, Assets and Partnerships Scrutiny Committee for comment before the final proposals are considered at Cabinet on 2 February 2022.

Reasons

To inform the Cabinet in recommending a robust and affordable budget for 2022/23 to the Council meeting on 23 February 2022.

The Council needs to have an approved Flexible Use of Capital Receipts Strategy for 2022/23, an approved Capital Strategy for 2022/23, an approved Treasury Management Strategy for 2022/23 and an approved Investment Strategy for 2022/23 in place before the start of the 2022/23 financial year.

1. **Background**

- 1.1 The Council is committed to the delivery of high quality services. Integral to this ambition is effective targeting of financial resources in line with the vision of “a growing borough that is an attractive and welcoming place for all” and the Council’s stated aims and objectives, as set out in the Council Plan 2018/22, which was approved by Cabinet on 19 September 2018.
- 1.2 The Medium Term Financial Strategy (MTFS) sets out the Council’s financial position over the next 5 years. This is aligned to the Council Plan 2018/2022 and is the key vehicle for ensuring efficiency in service delivery and targeting resources to priority areas.
- 1.3 Despite the COVID-19 pandemic, and the challenges faced by the Council in its response, there has been good progress against Council Plan objectives in the current year, with high standards of service delivery being achieved overall. Key Council Achievements so far in 2021/22 are set out in Appendix 5.
- 1.4 The draft 2022/23 budget is based on the assumptions set out in the MTFS which was approved as a basis for consultation by the Cabinet at its meeting on 1 December 2021 and scrutinised by the Finance, Assets and Partnerships Scrutiny Committee at its meeting on 13 December 2021.
- 1.5 The draft and provisional proposals included in this report will inform the Revenue and Capital Budgets and Council Tax 2022/23 reports to Cabinet on 2 February 2022 and to Council on 23 February 2022.
- 1.6 The Capital Strategy 2022/32 sets out how the Council proposes to deploy its capital resources in order to achieve its corporate and service objectives. It takes into account other relevant Council strategies, policies and plans and the views of partners and interested parties with whom the Council is involved. It also takes account of the resources which are likely to be available to the Council to fund capital investment and the effect of that investment on the Council’s revenue budget. It will serve as a useful point of reference when determining or reviewing the Council’s Capital Programme.
- 1.7 The Council has adopted the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice. This requires approval by Council concerning the Treasury Management Strategy to be followed in carrying out its treasury management activities in the forthcoming financial year, 2022/23.
- 1.8 The Investment Strategy 2022/23 is compiled according to the Ministry of Housing, Communities and Local Government’s Guidance on Local Government Investments (‘the Guidance’) and the 2017 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes (‘the CIPFA TM Code’) It sets out the Council’s policies for managing its investments and for giving priority to the security and liquidity of those investments.

2. Issues

Budget 2021/22 – Provisional Outturn Forecast

Revenue

- 2.1 The Council approved a General Fund Revenue Budget for 2021/22 of £14.960m on 24 February 2021. The actual and forecast position compared to this budget is continuously monitored by managers, EMT and Portfolio Holders in order to detect any significant variances of expenditure or income from the approved amounts contained in the budget.
- 2.2 It is forecast that adverse variances incurred will again be offset in total by the emergency Coronavirus funding received from the Government and by the Government income compensation scheme and that this will enable a balanced outturn to be presented at the year end, any variance remaining will be paid into or from the general fund reserve. Close management of the financial position will continue and remains absolutely essential.
- 2.3 The Coronavirus pandemic continues to have an impact on the Council's financial position, primarily through lost income, although this is showing a marked improvement compared to the losses incurred during 2020/21. To date un-ringfenced Government funding of £0.915m has been secured (including £0.240m of new burdens funding to offset the costs of administering Coronavirus business support grants and test and trace payments) in relation to 2021/22, which has reduced the immediate pressure on additional spending on the Council finances.
- 2.4 Further specific Government funding to assist with the Council's response to the Coronavirus during 2021/22 has also been secured in relation to elections (£0.035m), outbreak control (£0.174m) and the Welcome Back fund (£0.115m).
- 2.5 The Council's revenue budget relies on service income from fees and charges of around £0.850m per month across a wide range of services, with a significant proportion coming from Jubilee 2 and car parking. Taking account of the current restrictions, it is forecast that income losses from fees and charges for the financial year will amount to £1.140m.
- 2.6 The Government announced that it will fund income losses, relating to irrecoverable fees and charges, above the first 5% at the rate of 75p in the pound for the quarter 1 of the current financial year, this will help to insulate the Council from income related financial risks for quarter 1 only. It is forecast that the Government's income compensation scheme will offset these income losses to the sum of £0.360m.
- 2.7 Additional expenditure pressures continue to be incurred as a result of the Coronavirus pandemic, albeit at a vastly reduced rate when compared to 2020/21 (excluding the provision of services/activity for which specific funding has been received).
- 2.8 Expenditure continues to be reduced wherever possible throughout the Council to ensure that only absolutely necessary spending is being incurred, this helps to reduce the adverse variance on a service by service basis. It has been forecast that this situation continues throughout the remainder of the financial year.
- 2.9 Further consequences of the Coronavirus on the Council's financial position will depend significantly on any future lockdown or restrictions being imposed, the recovery of income from fees and changes and on any further Government financial support that may be received.
- 2.10 Careful monitoring of the financial position will be required over coming weeks and months leading to prompt corrective action where necessary to ensure the Council remains in a position of being able to deliver a balanced budget position.

Capital

- 2.11 A Capital Programme totalling £12.923m was approved for 2021/22. Of this total £10.923m relates to the total cost of new schemes for 2021/22 together with £1.000m for schemes funded by external sources (Disabled Facilities Grants) and £1.000m contingency. In addition £2.256m has been brought forward from the 2020/21 Capital Programme, resulting in a total Capital Programme of £15.179m for 2021/22.
- 2.12 At the close of quarter 2 the profiled capital budget amounts to £5.447m, actual spend for this period totals £5.451m. There are no significant variances in expected spend at this point.
- 2.13 A mid-year review of the capital programme has been undertaken as part of the Efficiency Board and budget setting process for 2022/23 in order to identify any projects that may need to be re-profiled from 2021/22 into future years. The revised capital programme also includes projects for which funding has been obtained relating to 2021/22 via the Town Deals Fund (£3.246m) and the Future High Streets Fund (£5.341m). The revised capital programme for 2021/22 totalling £19.552m can be seen at Appendix 4.

Medium Term Financial Strategy

- 2.14 The draft MTFS was approved as a basis for consultation by Cabinet on 1 December 2021.
- 2.15 A number of savings and funding strategies have been identified as being both feasible and sustainable, via a vigorous Financial Recovery 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, have enabled a balanced financial position to be proposed for 2022/23.

Detail	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
<i>Income</i>	58	10	-	-	-
<i>One Council</i>	601	126	-	-	-
<i>Staffing Related</i>	79	18	-	-	-
<i>Good Housekeeping</i>	120	-	-	-	-
<i>Tax Base</i>	148	210	212	215	218
<i>Council Tax Increase</i>	154	190	192	194	196
<i>Health and Social Care Levy</i>	153	-	-	-	-
TOTAL SAVINGS	1,313	554	404	409	414
UPDATED MTFS GAPS	1,313	1,182	926	457	387
REMAINING GAP	-	628	522	48	(27)

Draft Revenue Budget 2022/23

- 2.16 The draft MTFS provides for a gap in 2022/23 of £1.313m and over the 5 year period of the MTFS of £4.265m.
- 2.17 The table below shows the factors which give rise to the £1.313m gap for 2022/23:

Additional Income	£'000
Fees and Charges	(158)
Business Rates Retention	(116)
Total Additional Income	(274)
Loss of Income	
Government Grant (New Homes Bonus, Housing Benefits Admin)	170
Reduction in income from under achieved budgets	116
Reduction in recycling credits scheme	70
Total Loss of Income	356
Additional Expenditure	
Employees (pay awards, increments, national insurance, pension)	1,007
Premises (business rates and utilities)	38
Transport (fuel)	13
Borrowing	(141)
Reduction in flexible use of capital receipts	100
Other pressures (inc. software licences, Kidsgrove Sports Centre, contracts)	214
Total Additional Expenditure	1,231
Net Increase in Base Budget	1,313

2.18 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 for 2022/23 are summarised below, with further detail in Appendix 1. These savings and strategies enable a balanced financial position to be proposed for 2022/23.

Category	Amount £'000	Comments
Income	58	Additional sources of income generation and an increased demand for services that the Council charges for
One Council	601	Efficiencies to be generated from the introduction of a new Council operating model and the continued prioritisation of digital delivery
Staffing Related Efficiencies	79	No redundancies are anticipated to arise from these proposals
Good Housekeeping/More Efficient Processes	120	Various savings arising from more efficient use of budgets
Tax Base Increase	148	Increased in Council Tax and Business Rates tax base
Council Tax Increase	154	An assumed 1.99% per Band D equivalent increase in Council Tax
Government Reimbursement	153	Reimbursement of Health and Social Care levy
Total	1,313	

2.19 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 13 December 2021. The Committee will also scrutinise this Cabinet report at its meeting on 20 January 2022.

- 2.20 The One Council Programme was launched in February 2021 following Full Council approval of the budget in order to meet the changing needs of our residents by increasing our ability to provide flexible, efficient and customer driven services. The programme is designed to respond to the key lessons from the Covid-19 pandemic, how this impacted on how customers accessed Council services, and how services flexed in order to remain resilient. The programme focusses on reviewing customer need alongside modernising internal processes whilst developing our internal cultural transformation and ensuring we address financial demands.
- 2.21 The One Council programme facilitates a fundamental change in Newcastle-Under-Lyme Borough Council's operating model and how we address our challenges. Significantly, it sets out to enable the Council to make better use of the resources available to it, ensuring both efficient and effective service delivery.
- 2.22 Given the broad remit of the programme, overall aims have been considered by integrated work streams aligned to core principles of delivery and achievement and the initial work has been supported by the delivery partner Ignite Consulting who have enabled the team to develop skills in management change and service redesign. Whilst a significant aspect of the programme is to facilitate a move to customer self service via an enhanced website, traditional face to face and telephone access will remain available to those who need it.
- 2.23 One Council is a "spend to save" programme with an agreed investment of £1.2m. Recurrent benefits of circa £1m will be achieved moving forward. The savings are set to be staggered over the life of the 3 year programme (£0.196m has been achieved in 2021/22, £0.601m will be achieved in 2022/23 with a further £0.126m in 2023/24).

Borough Growth Fund

- 2.24 The Borough Growth Fund was established in 2020 for the purpose of enabling investment in corporate priorities. 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.
- 2.25 Since the establishment of the Borough Growth Fund, investments have been made in the following areas:-

Investment Area	£'000	Details
Council Modernisation	130	Embedding digitalisation across services and developing the skills of staff.
One Council Programme	100	Contribution to drive the digital programme which will transform public access to council services and drive efficiency savings.
Environmental Sustainability	100	Tree planting/carbon reduction
Walley's Quarry	70	Addressing community concerns regarding the quarry's unpleasant odour omissions.
Town Centre Support	50	Used to support the Town Deal bids for Newcastle and Kidsgrove and the rejuvenation of the Markets.
Car Parking Machines	30	Purchase of car parking machines with cashless payment options
Commercial Property Review	20	Review to develop income generation ideas as part of the Commercial Strategy.

2.26 The savings and funding strategies identified in the table in paragraph 2.18 and in Appendix 1 will enable continued investment of £0.250m in the Council's priorities as per the Council Plan 2018/2022 via the Borough Growth Fund. The Borough Growth Fund will continue to be used to provide pump priming investment in initiatives, including Digital Delivery, 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.

2.27 The 2022/23 Borough Growth Fund investment will be used in the following areas;-

Investment Area	£'000
Environmental Sustainability	100
One Council Programme	100
Economic Development	50
Total	250

2.28 In order to boost environmental sustainability within the Borough, £0.100m per annum over the life of the MTFs continues to be ring-fenced from the Borough Growth Fund to enable such projects to be fully funded.

2.29 As approved at the Full Council meeting on 24 February 2021, £0.100m of the 2022/23 Borough Growth Fund will be allocated to the One Council Programme in order to drive the digital programme which will transform public access to Council services and drive efficiency savings.

2.30 The remaining £50k will be used within economic development on initiatives for boosting footfall within the town centre.

Council Tax and Collection Fund

2.31 The savings and funding strategy assumes a 1.99% per Band D equivalent property Council Tax increase, producing £0.154m of additional income. This increase in Council Tax would equate to the following monetary increases for residents:

Property Band	Annual Increase £ p	Weekly Increase £ p
A	2.73	0.05
B	3.19	0.06
C	3.65	0.07
D	4.10	0.08
E	5.01	0.10
F	5.93	0.11
G	6.84	0.13
H	8.20	0.16

2.32 Taking into account the reduced level of Council Tax Support claimants when compared to the height of the COVID-19 pandemic and other changes to the Council Tax base (i.e. new properties, discounts and exemptions), the Council Tax base has increased by 581 band D equivalent properties from 37,087 in 2021/22 to 37,668 in 2022/21.

2.33 The Council is required to declare its estimated surplus or deficit on the Collection Fund (for both Business Rates and Council Tax) ahead of the financial year end for 2021/22. This

surplus or deficit is then shared between the relevant preceptors in 2022/23 (a surplus if paid out to preceptors, including the Council, and a deficit is repaid to the collection fund from preceptors, including the Council).

- 2.34 In response to the continued impact of the Coronavirus pandemic on retail business, the government has continued its retail discount business rates relief scheme, for 2021/22. For the first quarter of 2021/22 eligible businesses were awarded a 100% reduction in the business rates liability, for the remainder of 2021/22 they have been awarded a 66% reduction (up to a total value of £2m per business).
- 2.35 This has the impact of a reduction in income that was expected to be received by the Council from business rates payers during 2021/22 which will generate a forecasted deficit on the collection fund of £6.295m of which the Council's share is £2.518m. However, the government will award Section 31 grant to the Council to offset the losses incurred by this in full, this will be paid into the general fund and will be set aside to offset the deficit that will be incurred on the collection fund.
- 2.36 The Council Tax Collection Fund is estimated to be in a surplus position as at 31 March 2022, primarily due to a reduced number of Council Tax Support claimants when compared to the height of the COVID-19 pandemic. This deficit is estimated to amount to £1.122m, of which the Council's share is £0.125m.
- 2.37 The Local Government Finance Settlement for 2022/23 was received on 16 December 2021. The business rates retention element of the settlement differs with the assumptions that had previously been made via the MTFs due to the decision to not increase the business rates multiplier (as part of the Government's protection of businesses), the MTFs assumed an inflationary increase of £0.116m.
- 2.38 The Government have again allocated the Council a Lower Tier Services Grant, this grant is un-ringfenced and is specific to lower tier authorities only. The Council will receive £0.168m from this funding source in 2022/23, it is proposed that this funding be used to offset the reduced business rates retention element of the settlement (£0.116m) and that the remainder (£0.052m) be paid into the General Fund Reserve in order to boost the Council's financial resilience during the forthcoming financial year.
- 2.39 In addition to the Lower Tier Services Grant, the Council will also receive a Services Grant of £0.257m, which will be a one off un-ringfenced grant. It is proposed that this funding be paid into the General Fund Reserve in order to boost the Council's financial resilience during the forthcoming financial year as a result of the continuing impact of the Covid-19 pandemic.
- 2.40 Finally the Local Government Settlement for 2022/23 announced that the New Homes Bonus (NHB) Scheme will continue for a further year, the allocation amount for the Council is £0.331m due to the increase in properties within the borough in the last year.

Budget Consultation

- 2.41 Public consultation has been undertaken on the budget, the consultation ran between 2 December 2021 and 4 January 2022. The results of which will be reported to Cabinet on 2 February 2022.

Capital Programme 2022/23 to 2024/25 and Capital Strategy 2022/32

- 2.42 The Capital Programme for 2022/23 to 2024/25 (Appendix 4) is based on new schemes which are vital to ensure continued service delivery and in assisting the Council to achieve its corporate and service objectives as set out in the Council Plan 2018/22. These schemes total

£66.652m, of which £33.588m relates to 2022/23. These schemes include those arising from major investment into the Borough via external funding in terms of the Future High Streets Fund and the Town Deals Fund for both Newcastle and Kidsgrove.

- 2.43 The Capital Strategy for 2022/32 (Appendix 7) meets the requirements of statutory guidance issued by the Government in January 2018. The Council's capital investment is carried out within the statutory framework laid down by the Local Government Act 2003 and regulations under that Act. Accordingly, only expenditure which fits the definition of capital expenditure contained in the Act or Regulations pursuant to it will be capitalised.
- 2.44 The Capital Programme is produced in line with the Capital Strategy for 2022/32 (Appendix 7). 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.
- 2.45 Delivering the capital programme for 2022/23 will require prudential borrowing to be undertaken. The impact of borrowing is included in the MTFS pressures for 2022/23 and future years.
- 2.46 Advice will be sought from the Council's Treasury Management advisors, Arlingclose, as to the most beneficial timing of prudential borrowing. Their current advice remains to borrow on a short term basis (up to 4 years) from other local authorities whilst interest rates remain low.
- 2.47 In summary, investment in the capital programme for 2022/23 to 2024/25 totalling £33.588m will be funded by:
- £5.322m External Funding including Disabled Facilities Grant and s106;
 - £6.753m Capital Receipts; and,
 - £18.982m Prudential Borrowing

Treasury Management Strategy 2022/23 and Investment Strategy 2022/23

- 2.48 The Treasury Management Strategy for 2022/23 is attached at Appendix 8. The Minimum Revenue Provision Policy for 2022/23 is contained in Annex C to the strategy.
- 2.49 The Treasury Management Strategy for 2022/23 allows for borrowing. Although not utilised in recent years, the Council has previously considered the option of long-term borrowing from the Public Works Loans Board (PWLB). After the utilisation of capital receipts and internal borrowing, the Council will now look to borrow short term from other local authorities in the first instance and will then review any other sources of funding if required.
- 2.50 The Investment Strategy for 2022/23 is attached at Appendix 9. This investment strategy meets the requirements of statutory guidance issued by the government in January 2018 and is based on guidance provided by Arlingclose, the Council's treasury management advisors. Quantitative investment indicators are included within the Strategy to allow elected members and the public to assess the Council's total risk exposure as a result of its investment decisions.

Balances and Reserves

- 2.51 A review of the Council's Balances and Reserves together with a financial resilience risk assessment informing the levels of these has been undertaken by the Council's S151 Officer. Details of the risk factors considered and the weightings applied to each are set out at Appendix 3.
- 2.52 The Council currently holds a minimum balance of £0.100m as an Income Reserve in order to provide increased flexibility to manage year-to-year fluctuations in income. If the Income Reserve is used in year it is proposed that this be replenished to a balance of £0.100m during the budget setting process for the following financial year.
- 2.53 It is recommended that a minimum level of unallocated reserves and contingencies of £2.160m be held in 2022/23 to reflect the levels of revenue risk shown in the draft budget for 2022/23. Therefore, the Council's Balances and Reserves Strategy for 2022/23 is that there should be a minimum General Fund balance of £2.160m and an Income Reserve of £0.100m.
- 2.54 The minimum level of unallocated reserves and contingencies recommended to be held enables the transfer of £0.840m to the approved Walley's Quarry reserve. This together with a transfer to the Walley's Quarry reserve of the 2021/22 Lower Tier Services grant of £0.160m totals the approved amount of £1.000m budget allocation.

Timetable

Event	Committee	Date
Approval of final MTFS & consideration of draft budget proposals	Cabinet	12 January 2022
Scrutiny of draft budget proposals	FAPSC	20 January 2022
Final budget proposals recommended for approval by Full Council	Cabinet	2 February 2022
Full Council to approve budget	Full Council	23 February 2022

3. Proposals

- 3.1 That the progress on the completion of the Revenue (Appendix 1) and Capital Budgets (Appendix 4) be noted.
- 3.2 That the updated Medium Term Financial Strategy 2022/23 to 2026/27 (Appendix 2) be approved.
- 3.3 That the strategy for ensuring a balanced revenue outturn position for 2021/22 be noted.
- 3.4 That the mid-year estimate of capital expenditure be approved (Appendix 4).
- 3.5 That the calculation of the Council Tax base and the Council Tax increase to be proposed for 2022/23 of 1.99% per Band D equivalent property be noted.
- 3.6 That the risk assessment at Appendix 3 and S151 Officer's recommendation on the level of reserves and contingencies provisionally required to be maintained in 2022/23 be noted.
- 3.7 That the draft Flexible Use of Capital Receipts Strategy (Appendix 6), updated for 2022/23, be noted.
- 3.8 That the draft Capital Strategy (Appendix 7) for 2022/32 be noted.
- 3.9 That the draft Treasury Management Strategy (Appendix 8) for 2022/23 be noted.
- 3.10 That the draft Investment Strategy (Appendix 9) for 2022/23 be noted.

3.11 That the draft Budget and Council Tax proposals be referred to Finance, Assets and Partnerships Scrutiny Committee for comment before the final proposals are considered at Cabinet on 2 February 2022.

4. **Reasons for Proposed Solution**

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

5. **Options Considered**

5.1 None.

6. **Legal and Statutory Implications**

6.1 The Council is required to set its Council Tax for 2022/23 by 11 March 2022, per Section 30(6) of the Local Government Finance Act 1992. It is planned to approve the final budget and Council Tax rates on 23 February 2022.

7. **Equality Impact Assessment**

7.1 Local authorities have a responsibility to meet the Public Sector Duty of the Equality Act 2010. The Act gives people the right not to be treated less favourably due to protected characteristics. It is important to consider the potential impact on such groups and individuals when designing or delivering services and budgets. Budget proposals requiring changes or new services and policies will be subject to Equality Impact Assessments including consultation with affected people and organisations.

8. **Financial and Resource Implications**

8.1 These are addressed in the body of the report.

9. **Major Risks**

9.1 Section 25 of the Local Government Acts 2003 places a duty on the Section 151 officer to report on the robustness of the budget. The main risks to the budget include spending in excess of budget; income falling short of the budget (including capital receipts from disposal of assets); and unforeseen elements such as changes to Government funding. In the context of the COVID-19 pandemic and uncertainty regarding Government funding reforms there are significant budget risks that will need to be managed. It will be essential the Council has sufficient reserves to call on if required.

9.2 Such risks require regular and robust monitoring and it is essential that the Council has sufficient useable reserves to call on if required (see Section 6 above). The review and risk assessment indicates that overall unallocated reserves and contingencies are required to be held at a minimum level of £2.160m to reflect the levels of revenue risk shown in the draft budget for 2022/23. In addition an earmarked reserve of £1m is required to provide flexibility to manage risks relating to delivery of the capital programme.

9.3 The assessment of the Section 151 Officer is that the 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 2022/23 reports to Cabinet on 2 February 2022 and to Council on 23 February 2022.

9.4 Treasury management is a major area of risk for the Council in that large amounts of money are dealt with on a daily basis and there are a number of limits and indicators, which must be complied with.

9.5 The overriding consideration in determining where to place the Council's surplus funds is to safeguard the Council's capital. Within this constraint the aim is to maximise the return on capital. Operational procedures, coupled with monitoring arrangements, are in place to minimise the risk of departures from the approved strategy.

10. **UN Sustainable Development Goals (UNSDG)**

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



11. **Key Decision Information**

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

12. **Earlier Cabinet/Committee Resolutions**

12.1 None

13. **List of Appendices**

- 13.1 Appendix 1 – 2022/23 MTFS Funding Strategy
- 13.2 Appendix 2 – 2022/23 to 2026/27 MTFS 'Gaps'
- 13.3 Appendix 3 – Risk Assessment on Required Balances/Contingency Reserve
- 13.4 Appendix 4 – 2022/23 to 2024/25 Capital Programme and 2021/22 Mid-Year Estimate
- 13.5 Appendix 5 – Key Council Achievements in 2021/22 and Plans for 2022/23
- 13.6 Appendix 6 – Flexible Use of Capital Receipts Strategy 2022/23
- 13.7 Appendix 7 – Capital Strategy 2022 to 2032
- 13.8 Appendix 8 – Treasury Management Strategy 2022/23
- 13.9 Appendix 9 – Investment Strategy 2022/23

14. **Background Papers**

CIPFA Treasury Management Code of Practice (revised December 2017)
Council's Treasury Management Policy Statement
Local Government Act
Local Authorities (Capital Finance and Accounting) (England) Regulations

Department of Levelling up and Housing Communities Guidance on Local Government Investments Statutory Guidance on the Flexible Use of Capital Receipts

Appendix 1 – 2022/23 MTFS Funding Strategy



Ref	Service Area	Description	£000's	Detail
Income				
I1	Recycling and Fleet	Supply of recycling/waste bins	29	Implementation of charge to developers for the provision of recycling/waste bins
I2	Leisure and Cultural	School swimming	29	School swimming lessons are now being offered directly to schools generating additional income
			58	
Income				
O1	Corporate	One Council	601	Efficiencies to be generated from the introduction of a new Council operating model and the continued prioritisation of digital delivery
			601	
Staffing Related Efficiencies				
S1	Corporate	Terms and conditions	10	Standardisation of contracts under the One Council programme, including a review of enhancements
S2	Leisure and Cultural	Life-saving detection system	50	Introduction of a life-saving detection system leading to a reduced number of life guards being required
S3	Leisure and Cultural	Jubilee 2 reception	14	Increases use of automated kiosks and digital booking
S4	Leisure and Cultural	Virtual fitness instructors	5	Increased staffing of fitness classes using a virtual class licence
			79	
Good Housekeeping/More Efficient Processes				
G1	ICT Services	Flexi time software	4	Removal of software costs of current system
G2	ICT Services	Network circuits	10	Contract savings from current provider
G3	Recycling and Fleet	Green waste permits	24	Saving in postage costs from provider of permit stickers
G4	Leisure and Cultural	Music licence fees	10	Move to royalty free provision of music at Jubilee 2
G5	Leisure and Cultural	New Victoria Theatre	22	Reduction in grant awarded
G6	Finance	VAT (Value Added Tax)	50	Recovery of VAT on leisure facility income
			120	
Alternative Sources of Finance/Other				
A1	Corporate	Tax base – Council Tax	87	Increase in tax base based on market housing supply requirement (431 properties per year)
A2	Corporate	Tax base – Business Rates	61	Assumed increase in tax base of 1%
A3	Corporate	Health and Social Care levy	153	Reimbursement by Government of increased national insurance costs
A4	Corporate	Council Tax increase	154	Assumed increase of 1.99% per Band D property
			455	
Grand Total			1,313	

Appendix 2 – 2022/23 to 2026/27 MTFS ‘Gaps’



Detail	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Description
Employees:						
Increments	73	40	20	3	-	Employees due an increment
Pay awards	517	318	326	335	343	2.5% pay award assumed for all years plus 2% re. 2021/22
Superannuation increases	100	61	59	58	59	17.1% of increase in salaries
Superannuation lump sum increases	76	76	76	76	76	Contribution towards pension deficit
National Insurance	88	54	52	51	52	15.05% of increase in salaries
Health and Social Care Levy	153	-	-	-	-	1.25% increase in National Insurance contributions
Premises:						
Business Rates	23	16	16	16	17	Inflationary increase in business rates payable (per CPI)
Utilities	15	11	10	11	11	Inflationary increase in gas and electric (per CPI)
Transport:						
Fuel	13	9	9	9	9	Inflationary increase in fuel (per CPI)
Financing:						
Borrowing	(141)	438	464	17	17	Borrowing costs regarding the financing of capital expenditure
Elections reserve	(50)	-	-	-	-	One off contribution made in 2021/22
Flexible use of capital receipts	100	100	-	-	-	Removal of the flexible use of capital receipts to fund revenue
New Pressures:						
ICT software and maintenance	134	20	20	20	20	ICT costs re. systems maintenance and software licences
Card processing charges	20	-	-	-	-	To reflect the increase in card payments received
Kidsgrove Sports Centre	100	-	-	-	-	Subsidy regarding the operation of Kidsgrove Sports Centre
Occupational health	21	-	-	-	-	Increase in contract costs
Waste Services	4	-	-	-	-	Including contract standardisation and inflationary increases
Licensing	15	-	-	-	-	Additional staffing resources
Income:						
Fees and charges	(158)	(187)	(192)	(198)	(204)	3% increase in fees and charges
New Homes Bonus	158	192	5	-	-	Drop out of New Homes Bonus legacy payments
Government grant	12	12	12	12	12	Reduction in Housing Benefit /Council Tax Admin grant
Business Rates baseline funding level	(116)	(118)	(121)	(123)	(125)	Inflationary increase in baseline funding level (per CPI)
Tax base – Council Tax support	(30)	(30)	-	-	-	Reduction in Council Tax support claimants
Income pressures	186	170	170	170	100	Green waste recycling credits and general income shortfalls
Collection Fund deficit re. 2020/21	1,056	1,056	-	-	-	Collection fund losses incurred re. COVID-19
Transfer from Business Rates reserve	(1,056)	(1,056)	-	-	-	Government funding set aside re. collection fund losses
TOTAL GAPS	1,313	1,182	926	457	387	

Appendix 3 – Risk Assessment on Required Balances (£2.160m)

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
1	Increase in fees and charges does not result in higher income levels	Shortfall in income leading to overspends	3 x 4	High	Included in calculation of minimum balances	3 x 3	High	Regular monitoring of income levels	EMT
2	Reduced Income due to non-availability of service (e.g. COVID-19 related or similar)	Shortfall in income leading to overspends	3 x 3	High	Included in calculation of minimum balances	3 x 3	High	Regular monitoring of income levels	EMT
3	Income, including collection fund income, falls short of budget because of changes in market conditions, e.g. demand fluctuations COVID-19 related or failure to fully recover	Shortfall in income leading to overspends	3 x 5	High	Included in calculation of minimum balances	3 x 3	High	Regular monitoring of income levels	EMT
4	Bad debts reduce the Council's income	Shortfall in income leading to overspends and need to top up provision	3 x 4	High	A contribution to the bad debts provision is budgeted for	3 x 3	High	Increase monitoring of collection rates	EMT
5	Employee budgets – the budget is discounted on the assumption there will be vacancies	Vacancies do not occur leading to additional costs	3 x 3	High	The budget assumes a vacancy factor of 2%, this is realistic compared with previous years	3 x 3	High	Regular monitoring of vacancy levels	EMT
6	Employee budgets - the 2022/23 employee pay settlement results in an increase higher than included in the budget	Additional unbudgeted costs	2 x 3	Moderate	Balances sufficient to deal with any additional costs, plus reduced job security in economy	2 x 3	Moderate	None	EMT
7	Problems with staff recruitment/retention resulting in the payment	Additional unbudgeted costs	3 x 3	High	Subject to ongoing review	3 x 3	High	None	EMT

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
	of market supplements at extra cost								
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	Absence management procedures in place	2 x 3	Moderate	Monitoring of sickness levels	EMT
9	Council becomes liable to pay compensation or legal fees or another unforeseen commitment arises	Additional unbudgeted costs	3 x 3	High	Included in calculation of minimum balances	3 x 3	High	None	EMT
10	Inflation relating to supplies and services exceeds the allowance in the budget	Additional unbudgeted costs	3 x 3	High	Included in calculation of minimum balances. Regular review of inflation levels	3 x 3	High	None	EMT
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	EMT
12	Fall in interest rates reduces income to the Council	Investment income targets not met	1 x 1	Low	Rates are very low now. A decrease would make no difference investment wise but would reduce costs	1 x 2	Low	None	EMT
13	Capital receipts expected are not realised	Additional unbudgeted borrowing costs	3 x 3	High	Capital Budgets and receipt expectations have been realistically set. Allowance provided for in calculation of minimum balances	3 x 3	High	None	EMT

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
14	Fuel costs increase by more than allowed for in budget	Additional unbudgeted costs	3 x 3	High	Realistic increases included in base budget	3 x 3	High	None	EMT
15	Energy costs increase by more than allowed for in budget	Additional unbudgeted costs	3 x 3	High	Realistic increases included in base budget	3 x 3	High	None	EMT
16	Unforeseen major repairs needed to Council properties	Additional unbudgeted costs	4 x 3	High	Planned maintenance programme in place and stock condition survey.	2 x 2	Low	None	EMT
17	Insurances – unexpected increases in premiums	Additional unbudgeted costs	3 x 3	High	Included in calculation of minimum balances	3 x 3	High	None	EMT
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 minimum balances. Insurance Provision established	3 x 3	High	Monitor level of Insurance Provision	EMT
19	Government further increase NI rates during 2022/23. An increase of 1% adds about £120,000 to the Council's costs	Additional unbudgeted costs	3 x 3	High	Included in calculation of minimum balances. Increased rate built into budget	1 x 2	Low	None	EMT
20	Loss of VAT Exempt Status	Additional unbudgeted costs	2 x 3	Moderate	None	2 x 3	Moderate	Continue to monitor position regularly	EMT
21	Savings built into Budget are not realised	Additional unbudgeted costs	3 x 3	High	Regular Budget Monitoring	2 x 1	Low	None	EMT
22	New Legislation imposes extra costs but provides insufficient resources	Additional unbudgeted costs	3 x 3	High	Contingency Reserve available. Included in calculation of minimum balances	3 x 3	High	None	EMT

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
23	Partnerships - expenses falling on Council as accountable body	Additional unbudgeted costs	2 x 3	Moderate	Monitor partnership activities and ensure carried out according to agreements	2 x 1	Low	None	EMT
24	Civil Emergency	Additional unbudgeted costs	5 x 2	High	Bellwin Scheme will meet 100% of eligible expenditure within 1 month of an emergency	4 x 2	Moderate	None	EMT
25	Investment Counterparty fails to meet its financial commitments	Loss of interest due	2 x 3	Moderate	Use of credit rating agencies. Extensive use of DMO. No investment income budgeted for	1 x 1	Low	Frequent reviews of investment strategy	EMT
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 necessary	EMT
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	EMT
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	EMT
29	Volatility in respect of Brexit	Additional unbudgeted costs re supplies and services and utilities	3 x 3	High	Include in calculation of minimum balances	3 x 3	High	Monitor	EMT

Appendix 4 – 2022/23 to 2024/25 Capital Programme and 2021/22 Mid-Year Estimate



2021/22 (Mid-Year) £	CAPITAL PROGRAMME	2022/23 £	2023/24 £	2024/25 £	TOTAL £
	PRIORITY - Local Services that work for Local People				
490,630	Service Area - Council Modernisation	609,820	655,000	287,000	1,551,820
490,630	Total	609,820	655,000	287,000	1,551,820
	PRIORITY - Growing our People and Places				
1,363,806	Service Area - Housing Improvements	1,340,000	1,290,000	1,290,000	3,920,000
1,785,178	Service Area - Managing Property & Assets	1,885,576	1,374,991	1,084,639	4,345,206
3,148,984	Total	3,225,576	2,664,991	2,374,639	8,265,206
	PRIORITY - A Healthy, Active and Safe Borough				
19,000	Service Area - Environmental Health	60,000	60,000	-	120,000
420,365	Service Area - Streetscene and Bereavement Services	2,438,850	950,000	1,465,000	4,853,850
369,000	Service Area - Recycling and Fleet	922,500	2,899,500	565,500	4,387,500
4,996,028	Service Area – Leisure and Cultural	848,000	90,000	16,000	954,000
521,160	Service Area - Engineering	590,000	1,070,000	85,000	1,745,000
6,325,553	Total	4,859,350	5,069,500	2,131,500	12,060,350
	PRIORITY - A Town Centre for All				
0	Service Area - Managing Property & Assets	1,750,000	3,500,000	750,000	6,000,000
5,341,178	Future High Streets Fund	3,635,916	1,691,166	-	5,327,082
2,124,000	Town Deals – Newcastle	12,092,000	4,706,000	2,251,000	19,049,000
1,122,000	Town Deals - Kidsgrove	6,415,000	4,190,000	2,794,000	13,399,000
8,587,178	Total	23,892,916	14,087,166	5,795,000	43,775,082
1,000,000	CONTINGENCY	1,000,000	-	-	1,000,000
19,552,345	TOTAL	33,587,662	22,476,657	10,588,139	66,652,458
	FUNDING				
4,320,000	Capital Receipts	3,128,000	500,000	8,000,000	11,628,000
10,361,521	External Contributions	23,377,916	11,622,166	6,080,000	41,080,082
4,870,824	Borrowing	7,081,747	10,354,491	(3,491,962)	13,944,376
19,552,345	TOTAL	33,587,663	22,476,657	10,588,139	66,652,458

Appendix 5 – Key Council Achievements in 2021/22 and Plans for 2022/23

Key Council Achievements in 2021/22

Delivery of a New Recycling and Waste Service

Recycling collection tonnage remains up by 22% over the previous service, and participation rates are up at well over 90%, with significant increase in the north of the borough. We relaunched the separate food waste service in the spring and have seen increased tonnage of food waste, again up over 20% on the previous service. Increased processing of food waste via anaerobic digestion reduces CO2 emissions over energy from waste, if food is disposed of through the refuse bin.

High resident satisfaction levels are supported by increased tonnage and participation!

We are providing high quality materials, as good as if not better than previous service, into the re-processing industry. This is recognised in very low contamination rates of under 3% (10%+ is the norm) , and as a result we are getting very good income levels for our materials, particularly paper and card and plastics. All our materials are now re-processed in the UK, plastics in particular, and we have detailed end destination reports to substantiate where our collected material goes.

The benefits in its simplicity of use, and greater reliability and efficiency in operation have been recognised by the majority of collection authorities across Staffordshire, with all the southern districts in Staffordshire are now adopting the same recycling collection methodology, we along with Stafford Borough were the leaders in this.

Britain in Bloom

The regional and local Bloom campaigns were run digitally in 2021 because of pandemic restrictions. The Borough celebrated its 30th year of participating in the campaign by winning a 19th consecutive gold award and achieving five judges' discretionary awards. The 30-year anniversary was celebrated at a special community event at the New Vic Theatre, where local competition awards were also presented. Business sponsorship continued and achieved cash income of over £50,000. Phase 7 of the Public Art programme, a "family of deer" sculpture, was commissioned and will be installed at Parkhouse Roundabout, and Nelson Place Fountains were refurbished. A total of 7 of the Borough's strategic parks and cemeteries achieved Green Flag status this year.

Bereavement Services

The Council's Bereavement Services achieved Gold Standard again in the Charter for the Bereaved and continued to deliver high quality services to families in a Covid-secure manner. Live streaming of services at the crematorium continued and the cremators were relined to extend their operational life by a further 10 years. A low cost Resident Funeral offer was launched in partnership with a local funeral director, including a direct cremation option. Local charities were supported with donations from the metal recycling scheme which the crematorium participates in. Drainage improvements were carried out at Silverdale Cemetery to mitigate longstanding waterlogging issues. The Bereavement Service was a finalist in the APSE Performance Networks Most Improved Performer 2021 for cemeteries and crematoria, placing it in the top 8 most improved performers in the UK (results announced on 2nd December 2021).

Environmental Action

The Council delivered an increased programme of environmental education and enforcement activities, following relaxation of Covid restrictions, and facilitated the resumption of community volunteering activity in local parks, open spaces and neighbourhoods. Successful enforcement action has been delivered in relation to abandoned vehicles and unauthorised traveller encampments and community litter picking activity has increased. Capital programme improvement and equipment replacement projects have been successfully delivered in relation to the Council's playground stock, and a programme of footpath resurfacing and railings/fencing/gate repairs has been completed to identify high risk areas. Advance Town Deal Funding has delivered major improvements in Clough Hall Park and a state of the art pump track at Newchapel Recreation Ground, as well as a comprehensive refurbishment of the Grosvenor sunken roundabout incorporating new tiling featuring artwork based on a Britain in Bloom theme, CCTV to all barrels, new landscaping and murals to all entrances and exits.

Garden Waste Service

Garden waste service subscriptions have increased slightly again this year, and the tonnage collected has remained high, along with the quality of material processed into compost.

Streetscene

As well as delivering the daily Borough-wide street cleansing and grounds maintenance work, the Streetscene team continued to support the Recycling and Waste collection teams throughout the pandemic to ensure that this vital service to residents continued. The annual town centres floral displays were delivered to support economic recovery and street furniture was refurbished alongside an enhanced cleansing programme using Welcome Back Fund monies from government. Banners were also installed in Newcastle and Kidsgrove to promote support for local businesses and keeping town centres tidy. Strategic parks and open spaces were maintained to an enhanced level to ensure residents had access to high quality green space for exercise and relaxation, and the contract has been re-let to progress the large volume of tree work which has been identified as part of the Council's ongoing tree inspection programme.

Deliver Borough Local Plan

It has been decided that it is better for the Borough's growth aspirations that a Borough Local Plan be developed and the work on a Joint Local Plan was ceased with Stoke City Council. The now Borough Joint Statement of Community Involvement has been updated accordingly and consultation has begun on the Borough's own Issue and Strategic Options paper through events across the Borough and online until late January 2022.

Development Management Service

The Government have set up performance criteria for the determination of planning applications by Councils. For major developments (sites of 10 or more houses or commercial development over 1000 m²), the target is 60% or more decisions in 13 weeks and for non-majors 70% of decisions within 8 weeks. For 2020/21, the team has far exceeded these targets and delivered figures of 100% in both categories. This is a reflection not only of the new processes and approach to decision making that the team has adopted but also the hard work put in to keeping the service operating effectively especially during the pandemic.

Supporting Retailers and Local Businesses

Although queries have slowed significantly with the reduction in the availability of local business support grants, work has continued in signposting businesses to appropriate support. Well over 100 queries have been dealt with and requests continue to come in. 4 e-newsletters have been sent out to over 120 businesses who have requested these regular updates of support on offer from the council and partners. The business pages have been regularly updated to include relevant information and advice. Business pages have been transferred to the new website to ensure continuity for businesses.

Further tranches of Additional Restrictions Grants have been administered by the council. Some of this funding was used to ensure specific support for Newcastle businesses from the County Council Staffordshire Means Back to Business grants; Small Business to Thrive Financial Support, Staffordshire 500 Apprentices Wage Support programme, Free Training Top-up Project and Staffordshire Start-up 0% interest loan scheme. In addition, funding was also used to provide 27 free memberships to the Federation of Small Businesses, all of which have been taken up by a wide variety of Borough businesses.

Officers have continued to support the Newcastle BID and the Kidsgrove town team in helping the recovery of businesses in the two town centres. The Welcome Back fund has provided a number of initiatives to make shoppers feel safe returning to the high streets.

Regeneration of the Newcastle and Kidsgrove Town Centres

The Council successfully bid to the Future High Streets Fund for Newcastle Town Centre and received a grant award of £11 million. This funding will enable delivery of exciting new plans for the redevelopment of the Ryecroft area with demolition of the former Civic Offices building well under way. And the appointment of a contractor to design and build a new multi storey car park on land at Ryecroft. Further work is under way with partners to deliver the remaining elements of the Future High Street Fund proposals which will see transformative change in Newcastle town centre.

Town Deal Investments Plans were submitted and approved for both Newcastle and Kidsgrove town centres. Kidsgrove town Investment Plan received an offer of £16.9 million for a range of transformational projects in

Kidsgrove Town Centre around the themes of enhanced enterprise infrastructure, a connected and accessible town centre and health and wellbeing.

In Newcastle, the Town Investment Plan received an award of £23.6 million. The projects are designed to complement and add to those in the Future High Street Fund bid. The investment plan has projects around the themes of enhanced physical and digital connectivity, diversify and enhance the town centre experience by encouraging new uses and the regeneration of local communities.

The Council has also awarded Accelerated Town Fund monies for projects in Newcastle and Kidsgrove. We delivered on a range of projects in the two town centres that were in line with the aims of the Town Deal programme.

Business Support

Work has continued in signposting businesses to appropriate support, having fielded well over 100 queries have been dealt with and requests continue to come in. 4 e-newsletters have been sent out to over 120 businesses who have requested these regular updates of support on offer from the council and partners. The business pages have been regularly updated to include relevant information and advice. Business pages have been transferred to the new site to ensure continuity for businesses.

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The Welcome Back fund has provided support to the annual Business Boost awards, which this year have focussed on business recovery from the pandemic. The funding will enable survive and thrive stories of these businesses to be shared to a wider audience to encourage confidence amongst local businesses moving forward.

Knutton Village Masterplan One Public Estate

The Knutton Village Masterplan set out proposals for the use or development of a number of sites around the centre of Knutton in the ownership of the Borough and County Council and Aspire Housing. The objective is to bring forward new housing development in the area and to assess the potential for investing in the improvement and consolidation of community facilities. Following consultation with the local community, which had to take place virtually due to Covid restrictions, the proposals were refined and considered by Cabinet in June 2021. Elements of the Knutton masterplan are included in Newcastle Town Deal Town Investment Plan and partners continue to develop plans for delivery of proposals within the masterplan. Accelerated Town Deal monies have been used to clear the site of the former community centre and neighbouring buildings in preparation for its future development for housing.

Environmental Health & Licensing

An ongoing responsibility for the authority this year is for the team to ensure the Covid 19 restrictions were applied and in place as directed by Government. Also the new pavement licensing regime has been implemented and extended until summer 2022, this is a temporary licence which allows premises to apply for a licence for tables & chairs and other furniture on the pavement outside of their premises. In addition, the service is continuing to supporting the County Council in the Covid outbreak controls for high risk premises and is continuing with advising business, responding to complaints and undertaking enforcement for non-compliance with Covid controls. It is unknown at present how long these responsibilities will remain in place.

North Staffs Local Air Quality Plan

Work is continuing with Stoke-on-Trent City Council and Staffordshire County Council to create the North Staffordshire Local Air Quality Plan to bring about improvements in Nitrogen Dioxide (NO₂) levels. This year has seen the proposed works be split into three phases, one of these for the Borough is the proposed part-time bus gate for the A53. Funding has been awarded by Government to develop the Full Business Case in 2022.

Work on the retrofitting of busses operating on the A53 has been completed this year and the operation of these now cleaner busses has started the works to improve air quality along the A53 corridor. Works to provide branding for these busses, has now commenced.

Walleys Quarry Landfill Odour Complaints

Since December 2020 the Council has received an unprecedented number of complaints arising from foul and offensive odours arising from Walleys Quarry Landfill site. The Council has been working with the principal regulator the Environment Agency and other partners including the UK Health Security Agency and the County Council to bring about improvements in the odour, provide air quality and health advice for residents.

An investigation in relation to the odour has also been undertaken by the environmental health service, which has included undertaking odour tours, visits during the day and night time period and taking measurements of hydrogen sulphide. This investigation resulted in an abatement notice being served on Walleys Quarry Ltd on 13th August 2021. An appeal against this notice has been made to the Magistrates Court and a directions hearing in November 2021 set a trial date for 6th June 2022. Alongside this the Council will enter into mediation in order to bring about the fastest resolution to the odour issues that the local community are experiencing.

Our New Website

Recently, our new website was launched and supports developments within the One Front Door programme. Initial feedback was requested and will continue, to ensure the content develops in line with the changes to service delivery and to ensure it satisfies the need to remain user friendly to everyone accessing the site for information.

Transformation of Customer Services to the One Front Door.

The One Council's vision to deliver a One Front Door transactional service has commenced by merging the Revenues and Benefits service with Customer Services. Other Services will be merged in future phases.

Following a full organisational structure and a number of internal promotions to develop staff, training has commenced to upskill staff in their new roles with the ambition to be able to deliver a first point of contact resolution for our customers with these types of enquiries. A central customer reception service is being embedded, to provide a consistent customer experience for all our customers attending Castle House, Jubilee 2, Brampton Museum, Knutton Depot and Kidsgrove Customer Service Centre.

Customer Relations staff have relocated to Legal Services too, as part of the planned service changes.

Most services are now accessible on the new website via online digital forms, enabling the customers to do business with the council 24/7, 7 days a week.

A full review is in place to look at ways of improving how we deliver an optimum service to our customers, where these are identified, new processes will be developed.

Accessibility Audit

As part of the IAG project, the council's website was redesigned and reimagined to provide all residents of the borough with a nice clean, easy to use site that was accessible to all. We had previously been audited by the Accessibility Monitoring Team which is a government agency and we had failed in certain areas. This formed one of our main aims for the project to ensure that all residents are included.

Following on from the design and further communications with the Accessibility Monitoring Team we passed the further audit and our compliance of accessibility statement is now compliant.

Cultural Developments

The new temporary exhibition gallery, the activity and events space and café/shop areas are now complete. External works will begin in January 2022 to create a decked area over the pond. Work has started on the redisplay of the ground floor local history galleries, reinterpreting the collections to tell new stories to engage visitors. An externally funded Activities and Events Officer is now in post for three years. The purpose of the post is to broaden the improve engagement, museum's audience and to raise visitor numbers through a full activity programme.

Developing our Workforce

Due to Covid our teams have continued with hybrid working and office based staff have gradually returned to the workplace, allowing face to face development sessions and meeting to take place. We have continued to develop workforce plans which support our future vision and whilst recruitment in some areas have been paused due to the One Council work, we continue to try to improve our recruitment processes. The development of the online recruitment portal on the new website has supported this in recent months, and videos have been created to showcase to potential recruits what we have to offer as an employer.

This year has seen a significant amount of work undertaken on culture and change, the new values and behaviours have been launched and work is underway to ensure they are embedded in all that we do, a Cultural survey undertaken in the summer provided a base line and highlighted our priorities in terms of cultural development. We celebrated Inclusion week for the first time in September and hope to build upon this work going forward to create a truly inclusive and diverse workplace.

As work continues on the detailed design of the One Council transformation, the People Team will continue the focus on alignment of vision and people processes, supporting the organisation to identify people processes which could be managed more efficiently or in different ways.

With a change to both our occupational health provider, and our learning portal, we are continually developing the digital offer for simple “self-service” functions where possible. Work is ongoing to develop a robust learning and development package for all staff, and it has recently been signed off that all staff will be given access to our online systems, including those in front line roles around the Borough who did not previously have this.

Working to ensure staff wellbeing

The Mental Health Working group has gone from strength to strength and has had some real impact over the past year, a video has recently been compiled celebrating the achievements of the group. The group has also supported some wider events such as a wellbeing coffee morning at the Depot which it is hoped will be a regular event. An annual day for teams to volunteer with good causes within the Borough has been agreed and will be rolled out shortly, with the HR team spending time at a local foodbank creating Christmas boxes to be distributed in the community.

Development of Key People Policies

A number of policies have been reviewed in partnership with the Trade Unions and some new policies drafted in order to provide clear guidance and transparency on people processes. Regular working groups have been set up for the Trade Unions and HR to review people policies in partnership.

Democratic Services

We continued to support democratic decision making throughout the challenges presented by the pandemic working, with colleagues in ICT, to deliver remote committee meetings with full public engagement and live-streaming. We responded quickly when the legislation changed to move back to Covid-Secure face to face meetings, hosting annual council and mayor making, along with Freedom of the Borough celebrations alongside our usual programme of meetings. We supported a detailed and challenging scrutiny process of the odour issues at Walleys Quarry and undertook a review of the Member’s allowance scheme. We also organised a programme of Mayoral events following the relaxation of Covid requirements which meant in person events became possible once again. We supported colleagues with the protocols that applied following the sad death of HRH Prince Phillip.

Information Governance

The land-charges team re-joined the Governance Service during the year to bring together information requests made to the Council in one place. As well as managing the busy land charges work-load we began a process of migrating land charges data and responsibility for searched to the Land Registry as part of a national project. The Information Governance Officer undertook a wide ranging review of our processes and set out a plan for the improvements necessary, making significant progress on how we manage information and reduce data breaches, with improvements being noted through an external audit process.

Legal Services

We continued to support all colleagues deliver the services the council is responsible for, responding to ever changing Covid legislation. Significantly, we completed on the build contract and lease agreement for a new sports centre in Kidsgrove, and helped colleagues with the legal work needed to advance our ambitious Town Deals and Future High Streets projects. We have also provided close support to Environmental Health colleagues dealing with the odour problems at Walleys Quarry. We’ve also started a review of our constitution and our contracting processes to make the council more efficient.

COVID Response and Vulnerability work in our Communities

The Council have continued to work closely with our partners at the Realise Foundation and Support Staffordshire during the last 12 months, in supporting our communities and in particular those most vulnerable in need of support. Some of these residents may not have care and support needs but may have been self-isolating or struggling for a variety of reasons as a result of the pandemic and have needed assistance or signposting. Assistance such as help getting shopping, walking the dog or even being put in touch with local community groups or someone to talk to was made available. In addition, the Council have continued to assist more complex cases and other vulnerable households with partners through the work of the Vulnerability Hub, Multi Agency Risk Assessment Conference (MARAC) and the Newcastle Housing Advice Service – this area of work has seen referrals triple over the last 12 months which demonstrates the effect that the pandemic has had on the Borough's most vulnerable households and also highlights the success of the evolving partnership arrangements in place to assist those in need.

Return of the Newcastle Housing Advice Service

The Council transferred the Newcastle Housing Advice (NHA) service back in house, which had previously been outsourced and delivered by Midland Heart. NHA is the Borough's provision for statutory homelessness, housing advice and housing register services. The service is managed within the Housing and Partnerships Team and has a strategic fit with the Council's existing work around vulnerability, including rough sleeping, domestic abuse, community safety and wellbeing. The Council also procured new ICT systems for the NHA service, branded as NHA Options and also launched a new website – www.NHAoptions.co.uk to host the new Joint Housing Register, which included the re-registration of some 1500 applicants and the new Joint Housing Allocation Policy created with Aspire Housing to ensure a more efficient service can be delivered for home seekers in the Borough.

Development of homelessness projects and temporary accommodation options for the Borough

The Council approved a Temporary Accommodation Policy and later secured additional DLUCH (formerly MHCLG) homelessness and homelessness prevention funding to commission a number of projects including a shared Rough Sleepers Co-ordinator with SOTCC, a Rough Sleepers Navigator post, development of a Homelessness Healthcare Worker, four furnished temporary accommodation units and development of further furnished and supported temporary accommodation units. The Council working with partners at Aspire Housing has also secured considerable match funding to purchase six housing led supported accommodation units with support for rough sleepers with complex needs, this project will be mobilised late 21/22 / early 22/23.

Town Centre Community Safety activity

The Council have been working with our partners, including the Local Policing Team and BID, to continue to co-ordinate a range of partnership activity in the area and have invested considerable time and resources, in order to offer reassurance to town centre users and deter anti-social behaviour where possible. A weekly Partnership Forum has been created and seeks to task on leading the disruption activity in and around the town centre. More specifically this year it has been working to coordinate the Police and the BID patrols, to ensure that resources can be tasked to hotspot locations – in response to and dependent on the reports of incidents received; encouraging ongoing consultation and dialogue with the market traders to share intelligence and to provide reassurance of ongoing activities; delivery of further target hardening enhancements / deterrents with assistance from the Crime Prevention Team at Staffordshire Police. Work has also been undertaken to simplify and improve methods of ASB reporting for town centre users, using QR codes on contact cards with the BID and promoting the Staffordshire Police Facebook page for reporting via private messages.

The Council has also secured funding to enhance the new town centre CCTV system so that it can be used to its full potential, linking to Police patrols and flagging up incidents in real time. Additional CCTV installations have been made to the sunken roundabout subways. The Council have also mobilised the introduction of a Street Marshalls pilot project initially for 6 months, which will provide an additional visible presence to challenge and disrupt hotspots/incidents and offer extra reassurance to the public, using Town Deal funding.

Future Plans 2022/23

Development of the Recycling Service

We await the outcome of the government's consultation on the implementation of the Resources and Waste Strategy for England, which will help in us being able to collect an even greater range of materials for recycling. We are also planning to focus on increasing participation in the separate food waste service, including trials of collections from flats.

Development of the Environmental Service

The service will continue working with Staffordshire County Council and partner organisations in relation to Covid-19 controls, outbreak investigations and enforcement as necessary. This work has been a priority, resulting in the need to develop of new work plans to recover some routine regulatory activities and ensure our regulatory responsibilities are delivered.

The Council is working with Stoke-on-Trent City Council and Stafford Borough Council to implement a grant for the installation of rapid chargers for taxis and members of the public to use throughout the area.

Work will continue on the North Staffordshire Local Air Quality Plan to develop the full business case, in addition for local air quality management work will commence on preparations for the revocation of two local air quality management areas in respect of Nitrogen dioxide, as monitoring has shown that levels of the air pollutant have reduced to below the statutory level, resulting in cleaner air for our residents.

With the progression of HS2, the service will continue review and regulate the environmental implications which arise from the development.

Keele University Growth Corridor

Work continues on this initiative but it is linked to the Borough Local Plan and release of Green Belt for the potential housing scheme. The Borough Local Plan is just beginning its development and consultation phases and we will need to wait to see the outcome before work can commence in any detail.

Regeneration of the Newcastle and Kidsgrove Town Centres

The Council will continue to work with Town Deal Boards in Newcastle and Kidsgrove to develop business cases for projects to be delivered in the respective Town Investment Plans around the key objectives. Delivery of the Future High Street Fund in Newcastle town centre will continue with development of a new Multi Storey car park at Ryecroft and further work to bring forward proposals for the town centre.

Cultural Offer

There will be a full year of new heritage activities for the public and for targeted communities based around the history of the borough, using the new activity spaces. As the final part of the reconfiguration of the museum will be the creation of a research and volunteer room and improved collection stores. There will be a volunteer recruitment drive to increase the number of volunteers and diversify the roles they fulfil. New education sessions for schools will be rolled out. To improve the visitor experience the museum entrance and toilet facilities will be updated.

Development of the Planning-Enforcement Service

The Planning service is working on pursuing more enforcement case work in 2022.

Business Support

To continue to signpost businesses to sources of information and support via the Council's website. To deliver Business Boost 2022.

Re-opening of the Kidsgrove Sports Centre

The Council is working to improve access to sports and leisure facilities for residents in Kidsgrove and surrounding areas as part of a community led initiative to refurbish and re-open the Kidsgrove Sport Centre. The Council has now procured Willmott Dixon to undertake the refurbishment of the centre which is progressing well with completion on track for late spring 2022. The Building has been successfully transferred to the Council from Staffordshire County Council and the community group, Kidsgrove Sports Centre Community Group, have signed a 25 year lease on the building and are actively marketing and recruiting to the Centre in anticipation of opening.

Britain in Bloom

Newcastle-under-Lyme will be participating in the regional Heart of England in Bloom campaign, with a return to “live” judging. A programme of projects and events will be launched in spring 2022 and phase 8 of the public art programme will be developed, as well as many other community projects making a welcome return after the enforced lay off during the pandemic. 7 of the Borough’s strategic parks and cemeteries will apply for Green Flag status in 2022.

Bereavement Services

The Council’s Bereavement Services will seek to achieve Gold Standard again in the Charter for the Bereaved and resume the annual stakeholder meeting with local Funeral Directors, Memorial Masons and Clergy to discuss future service improvements. The Council will continue to offer an affordable “Resident Funeral” in partnership with a local Funeral Director and explore the potential for a greater choice of memorialisation options in the grounds of Bradwell Crematorium and Keele Cemetery. The memorial safety testing programme will continue and targeted improvements to grounds maintenance and furniture will be implemented.

Environmental Action

The Council will deliver a programme of environmental education and enforcement activities, engage with schools, and facilitate community volunteering activity in local parks, open spaces and neighbourhoods. Successful enforcement action will be delivered in relation to unauthorised traveller encampments and abandoned vehicles. The number of vacant allotment plots will be further reduced through proactive letting. Capital programme improvement and equipment replacement projects will be successfully delivered in relation to the Council’s playground stock, and Section 106 agreement funding will be used to improve a range of facilities in line with the aims of the Open Space Strategy. The first tranche of native broadleaf tree planting will be implemented as part of the Council’s Urban Tree Planting Strategy to commence the creation of carbon capture parks to mitigate the effects of climate change and to contribute to the Queens Green Canopy initiative for the platinum jubilee.

Streetscene

As well as delivering the daily Borough-wide street cleansing and grounds maintenance work, the Streetscene team hope to resume work in partnership with the Probation Service Community Payback team to deliver a programme of litter and graffiti clearance, painting of railings, play equipment and planters, and vegetation management at various sites across the Borough. The Council’s footpath and railing stock will be repaired at key sites and a new mini wheels facility will be delivered in Silverdale Park. A contract to progress the large volume of tree work which has been identified as part of the Council’s ongoing tree inspection programme will continue, and monthly clearances of identified “grotspot” areas will take place. Work will continue as part of the One Council Programme to embed Streetscene into the new Customer Hub and the new Mobile Multi-functional Team concept will be developed to tackle a range of environmental and enforcement issues.

Housing and Partnerships

For the year ahead the following is planned by the service:-

- Creation of a Supported Exempt Accommodation Policy and Standards and further development of housing options in the Borough.
- Working with partners at Aspire Housing to mobilise six housing led supported accommodation units with support for rough sleepers with complex needs.
- Further development of housing options for temporary accommodation and supported accommodation for homeless households.
- Embedding pilot projects created to address rough sleeping and the most complex homeless cases.
- Commissioning a range of partnership services to deliver shared objectives supporting our most vulnerable residents.
- Reviving the Council’s Safeguarding Action plan and work of the Safeguarding Champions, including review and further development of safeguarding training.
- Review the work of the Vulnerability Hub and MARAC.
- Continue to deliver a multi-agency response for the challenges from the town centre and further develop a communication plan, to sensitively raise the profile of the issues in the town with the public

and to seek to encourage promotion of an alternative giving scheme, which had been previously delayed due to the pandemic.

ICT Delivery

The ICT team will continue to 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 support how services are delivered; allowing staff to be more productive and deliver better outcomes for the residents, visitors and businesses within Newcastle under Lyme. Some of these whilst supporting these outcomes will deliver cost savings too such as migration to Microsoft InTune and Always On VPN and the re contract of all Council data circuits. The next year will see the full implementation of Microsoft O365 licences, integration of Mitel Telephony with TEAMS and development of Service Desk Support. Cloud technology has been invested in so that we are more resilient to Cyber Attack and have 24/7 access from any location. The beginning of the journey for cloud will be Northgate Revenues and Benefits and Civica Financials. This will mean we will have secured our income stream and budgetary systems.

Digital Developments

The advent of COVID-19 has created some new challenges for the Council and has highlighted the importance of having well designed services that are structured to work via a multitude of channels. This presents a significant opportunity for the authority to fundamentally alter how it works in the future. Key priorities for the years ahead will include:

- Continuing to redesign Customer facing services to ensure they focus on customer need and deliver consistent, reliable outcomes. Improving the IAG to support the OFD.
- Invest in the use of automation of and AI technologies to improve our service offering and ensure that we are able to meet public expectations.
- Develop our internal processes, focusing on what is possible with modern technology to remove inefficiency and waste.
- Ensuring that the wider Newcastle communities are digitally enabled and individually capable, working with partners to ensure that no one is left behind
- Encouraging investment in the Newcastle area to ensure our infrastructure is capable of supporting our digital future – for both residents and businesses

Developing our Workforce

Work will continue in terms of focusing on culture change, embedding our desired behaviours and ensuring all our people practices are values based. We aim to have a values based model for recruitment, appraisals and all our key policies during 2022/23.

The people team will continue to review policies, procedures and materials in order to make them accessible to all, whilst also developing our learning and development offer and ensuring all employees have access to meaningful development. We aim to launch a core statutory and mandatory cycle in April 2022 and spend the year ensuring all staff are confident to access this.

The One Council work will continue in terms of transformational change, and we will aim to learn lessons and improve our people practises as we move through this process.

Democratic Services

We will continue to build on the technological advancements made during the Covid pandemic to embed digital engagement with the democratic decision making process, and to make the most of the technology available to us. We will complete a review of the constitution and member code of conduct to bring our processes up to date, and ensure that we have a constitution that is easy to understand and empower the council to get things done. We will continue to support the Council's civic function, in particular Jubilee preparations and the borough's 850 year celebrations.

Information Governance

We will continue with the land charges migration project and strengthen resources in the team to continue improving how the council manages the information that it holds. We will bring together into one team responsibility for information management and requests, as well as priority correspondence including Stage 2 Customer Complaints and Ombudsman Complaints. That way we can be sure that we are dealing with customer feedback in the most efficient way and helping the council on a constant journey of improvement.

Legal Services

We will continue to provide support to colleagues in service delivery and in delivering the ambitions Town Deal and Future High Street Fund projects. In particular, we are exploring how to achieve the right combination of external and in-house support to ensure that all of our client services are able to achieve their objectives in a safe and efficient way.



Flexible Use of Capital Receipts

2022/23



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.

In February 2021, DLUHC announced a 3 year extension to the flexibility to use capital receipts from 2022/23 onwards.

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 2023 – 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 a Flexible Use of Capital Receipts 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. 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 the Strategy should be prepared and approved before the start of the year.

2022/23 Strategy

The Council intends to use capital receipts received in 2022/23 to finance qualifying expenditure up to £300,000 in accordance with the Guidance, this includes the final £200,000 of the £1.030m agreed by Council on 24 February 2021 as a contribution to the One Council programme. The projects which will be financed in this way are shown in the table below.

Project	Expenditure	Expected Savings
	£'000	£'000
One Council Project (per Council approval)	200	126
Financial Sustainability	100	100
Total	300	126

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

2021/22 and Previous Years' Flexible use of Capital Receipts

The Council financed qualifying expenditure in 2017/18, 2018/19, 2019/20 and 2020/21 in accordance with the Guidance, and further intends to finance such expenditure in 2021/22, as shown in the table below.

Project	Allocation of Flexible Use of Capital Receipts	Actual Spend	Estimated Savings	Actual One off Savings	Actual Ongoing Saving	Notes
	£'000	£'000	£'000	£'000	£'000	
2017/18						
Castle House Project - Redundancy Costs	80	80	80		80	
2018/19						
Digital Delivery Project	66	66	100		96	Flexible retirements and vacant posts

Chargeable Garden Waste Preparatory Costs	233	233	371		200	CGW income
Waste Recycling Service	142	142	150	150		
Building Efficiency Works Expenditure	59	59	50		50	
2019/20						
Digital Delivery Project	128	128	150		145	Payroll Staffordshire Connects
New Recycling Service - Preparatory Costs	134	134	100		100	Ongoing project, expect to save circa £100k per annum
Chargeable Garden Waste Preparatory Costs	38	38	40		500	CGW income
Building for the Future	200	200	217		300	Revenues & Benefits, Customer Services and ICT restructure
2020/21						
One Council Project	100	103	195		195	One Council Project
Digital Delivery Project	250	250	258		258	Staffordshire Connects, Staffing Related Efficiencies, Revenues & Benefits, Customer Services and ICT restructure
New Recycling Service - Preparatory Costs	150	151				Ongoing project, expect to save circa £100k per annum as above
2021/22						
One Council Project	750	TBC	601		TBC	One Council Project
Digital Delivery Project	200	TBC				Support to One Council project and website/intranet as above
Total	2,530	1,584	2,312	150	1,924	

A number of these projects are in the process of being completed. The total savings for these projects cannot be totally quantified until their completion, monitoring of these will continue to be provided to Cabinet on a quarterly basis.