

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S
REPORT TO

Cabinet
10 January 2023

Report Title: Revenue and Capital Budgets and Strategies 2023/24

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 2023/24 and approve the 5 year Medium Term Financial Strategy for 2023/24 to 2027/28.

To consider drafts of the Flexible Use of Capital Receipts Strategy (updated for 2023/24), the Capital Strategy for 2023/33, the Treasury Management Strategy for 2023/24 and the Investment Strategy for 2023/24 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 2023/24 to 2027/28 (Appendix 2) be noted.
3. That the strategy for ensuring a balanced revenue outturn position for 2022/23 be noted.
4. That the calculation of the Council Tax base and the Council Tax increase to be proposed for 2023/24 of 1.99% per Band D equivalent property be noted.
5. That the risk assessment at Appendix 3 and Section 151 Officer's recommendation on the level of reserves and contingencies provisionally required to be maintained in 2023/24 be noted.
6. That the draft Flexible Use of Capital Receipts Strategy (Appendix 5) for 2023/24 be noted.
7. That the draft Capital Strategy (Appendix 6) for 2023/33 be noted.
8. That the draft Treasury Management Strategy (Appendix 7) for 2023/24 be noted.
9. That the draft Investment Strategy (Appendix 8) for 2023/24 be noted.
10. That the draft Budget and Council Tax proposals be referred to Finance, Assets and Performance Scrutiny Committee for comment before the final proposals are considered at Cabinet on 7 February 2023.

Reasons

To inform the Cabinet in recommending a robust and affordable budget for 2023/24 to the Council meeting on 15 February 2023.

The Council needs to have an approved Flexible Use of Capital Receipts Strategy for 2023/24, an approved Capital Strategy for 2023/24, an approved Treasury Management Strategy for 2023/24 and an approved Investment Strategy for 2023/24 in place before the start of the 2023/24 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 “good local services, a prosperous borough and safe and welcoming places for all” and the Council’s stated aims and objectives, as set out in the Council Plan 2022-2026, which was approved by Cabinet on 6 September 2022.
- 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 2022-2026 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 Cost of Living Crisis, 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, linked to the Council Plan objectives, are reported to Cabinet on a quarterly basis. (Details of the Council Plan 2022-2026 can be seen here <https://www.newcastle-staffs.gov.uk/policies-1/council-plan-2022-2026>)
- 1.4 The draft 2023/24 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 6 December 2022 and scrutinised by the Finance, Assets and Performance Scrutiny Committee at its meeting on 8 December 2022.
- 1.5 The draft and provisional proposals included in this report will inform the Revenue and Capital Budgets and Council Tax 2023/24 reports to Cabinet on 7 February 2023 and to Full Council on 15 February 2023.
- 1.6 The Capital Strategy 2023/33 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 Full Council concerning the Treasury Management Strategy to be followed in carrying out its treasury management activities in the forthcoming financial year, 2023/24.
- 1.8 The Investment Strategy 2023/24 is compiled according to Central 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 2022/23 – Provisional Outturn Forecast

Revenue

- 2.1 The Council approved a General Fund Revenue Budget for 2022/23 of £15.269m on 23 February 2022. 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 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 and 2021/22. No Government funding for 2022/23 in respect of financial pressures relating to the Coronavirus pandemic (including income compensation) is likely to be received.
- 2.3 The Council's revenue budget relies on service income from fees and charges income of around £725k 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 £0.489m.
- 2.4 The local government pay award of £1,925 per full time employee, which is in excess of the amount provided for in the budget (2.5%), including national insurance and pension, is estimated to amount to a further £0.591m for the financial year.
- 2.5 As per the widely reported Cost of Living Crisis, increased fuel, electricity and gas prices when compared to the amounts provided for in the budget are forecast to amount to £0.314m by the close of the financial year.
- 2.6 It is forecast that a balanced position will be achieved as at the close of the financial year. The adverse variances highlighted above will be offset by:
 - Utilisation of the Cost of Living Reserve that was established during the budget setting for 2022/23 in order to respond to any above inflationary increases in costs. It is anticipated that the £0.400m paid into this reserve will be fully used.
 - Use of £0.240m New Homes Bonus funding paid into the Budget Support Fund that was established during the budget setting for 2022/23 in order to boost the Council's financial resilience during 2022/23 as a result of the continued impact of the Coronavirus pandemic.
 - Application of £0.167m Administration Grant paid to the Council and set aside during 2021/22 in relation to Coronavirus grants.
 - Interest receivable on cash that the Council holds in terms of Town Deal and Future High Street funding, together with Section 31 grant and remaining Coronavirus grant funding (that are repayable to Central Government) is forecast to increase significantly following recent interest rate hikes to £0.504m for the financial year.
- 2.7 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.
- 2.8 Further consequences of the Coronavirus and the Cost of Living Crisis on the Council's financial position will depend significantly on any restrictions being imposed, the recovery of income from

fees and changes, rates of inflation and on any further Government financial support that may be received.

- 2.9 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 in the current financial year and beyond.

Capital

- 2.10 A Capital Programme totalling £32.309m was approved for 2022/23. Of this total £30.309m relates to the total cost of new schemes for 2022/23 together with £1.000m for schemes funded by external sources (Disabled Facilities Grants) and £1.000m contingency. In addition £5.548m has been brought forward from the 2021/22 Capital Programme (including £4.017m from the Town Deals Fund and the Future High Streets Fund), resulting in a total Capital Programme of £37.857m for 2022/23.
- 2.11 At the close of quarter two the profiled capital budget amounts to £4.345m, actual spend for this period totals £4.475m.
- 2.12 A mid-year review of the capital programme for 2022/23 has been undertaken as part of the Efficiency Board and budget setting process for in order to identify any projects that may need to be re-profiled from 2022/23 into future years. The revised capital programme for 2022/23 totalling £32.977m was approved by Cabinet on 6 December 2022.

Medium Term Financial Strategy

- 2.13 The draft MTFS was approved as a basis for consultation by Cabinet on 6 December 2022 and has since been updated to reflect the impact of the Local Government Finance Settlement.
- 2.14 A number of savings and funding strategies have been identified as being both feasible and sustainable, via a vigorous Financial Efficiency Board process including challenge sessions for each of the Portfolios involving Cabinet Members, the Executive Management Team, Heads of Service and the Finance Manager. The proposed savings identified to date for the period of the MTFS, have enabled a balanced financial position to be proposed for 2023/24.

Detail	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Income	270	-	-	-	-
One Council	376	-	-	-	-
Staffing Related	18	-	-	-	-
Good Housekeeping	215	-	-	-	-
Tax Base	337	219	222	224	227
Council Tax Increase	159	161	163	165	167
Government Grants	728	-	-	-	-
Total Savings	2,103	380	385	389	394
Updated MTFS Gaps	2,103	1,593	423	455	1,299
Remaining Gaps	-	1,213	38	66	905

- 2.15 The table below shows the amendments to items included in the saving strategy reported to Cabinet on 6 December 2022 reflecting the impact of the Local Government Finance Settlement on them (further details are included at 2.39 to 2.45):

Detail	£'000
Total Savings at 6 December 2022	(2,134)
Additional New Homes Bonus Grant	(15)
New Minimum Funding Guarantee Grant	(228)
Removed Lower Tier Services Grant	170
Reduced Services Grant	104
Total Revised Savings	(2,103)

Draft Revenue Budget 2023/24

2.16 The MTFs has been updated to reflect the Local Government Finance Settlement received on 19 December 2022. It provides for a gap in 2023/24 of £2.103m and a revised gap to reflect the continued review of the capital programme, over the 5 year period of the MTFs of £5.873m.

2.17 The table below shows the factors which give rise to the £2.103m gap for 2023/24:

	£'000
Additional Income	
Fees and Charges	(253)
Business Rates Retention	(186)
Council Tax Support	(30)
Total Additional Income	(469)
Loss of Income	
Government Grant (New Homes Bonus, Housing Benefits Admin)	210
Reduction in income from under achieved budgets	100
Total Loss of Income	310
Additional Expenditure	
Employees (pay awards, increments, national insurance, pension)	1,450
Premises (business rates and utilities)	143
Transport (fuel)	172
Borrowing	305
Reduction in flexible use of capital receipts	100
Other pressures (inc. software licences, contracts)	92
Total Additional Expenditure	2,262
Net Increase in Base Budget	2,103

2.18 The table below shows the amendments to items included in the MTFs 'gap' reported to Cabinet on 6 December 2022 reflecting the impact of the Local Government Finance Settlement on them (further details are included at 2.39 to 2.45):

Detail	£'000
Total Pressures at 6 December 2022	2,134
Additional Settlement Funding Assessment Grant	(142)
Additional Compensation re. Freezing of Business Rates Multiplier	(208)
Removed Council Tax Support Administration Grant	136
Removed Family Annexe Council Tax Grant	8
Removal of the Lower Tier Service Grant	169
Reduction in Housing Benefit Administration Grant	6
Total Revised Pressures	2,103

2.19 The proposed savings identified for 2023/24 are summarised below, with further detail in Appendix 1. These savings and strategies enable a balanced financial position to be proposed for 2023/24.

Category	£'000	Comments
Income	270	Additional sources of income generation and an increased demand for services that the Council charges for
One Council	376	Efficiencies to be generated from the continued implementation of a new Council operating model and the continued prioritisation of digital delivery
Staffing Related Efficiencies	18	No redundancies are anticipated to arise from these proposals
Good Housekeeping/More Efficient Processes	215	Various savings arising from more efficient use of budgets
Tax Base Increase	337	Increased in Council Tax and Business Rates tax base
Council Tax Increase	159	An assumed 1.99% per Band D equivalent increase in Council Tax
Government Grants	728	Grants in respect of New Homes Bonus and Minimum Funding Guarantee
Total	2,103	

- 2.20 As in previous years, the first draft of the savings plan set out at Appendix 1 was made available to the Finance, Assets and Performance Scrutiny Committee for scrutiny at its meeting on 8 December 2022. The Committee will also scrutinise this Cabinet report at its meeting on 19 January 2023.
- 2.21 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.
- 2.22 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.
- 2.23 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.
- 2.24 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 £0.376m in 2023/24).
- 2.25 It is anticipated that the £0.376m saving for 2023/24 will be made up as follows:
- £0.056m from a widening of the One Front Door team to encompass all Council services;
 - £0.265m from a restructure of internal support services and a review of vacant posts; and,
 - £0.056m from the implementation of a Mobile Multi-Functional approach to Council services.

Borough Growth Fund

2.26 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.

2.27 Since the establishment of the Borough Growth Fund, investments have been made and committed to in the following areas:

Investment Area	£'000	Details
Council Modernisation	329	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	75	Addressing community concerns regarding the quarry's unpleasant odour omissions.
Town Centre Support	117	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.

2.28 The savings and funding strategies identified in the table in paragraph 2.14 and in Appendix 1 will enable continued investment of £0.250m in the Council's priorities as per the Council Plan 2022-2026 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.

2.29 The 2023/24 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

2.30 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.

2.31 £0.100m of the 2023/24 Borough Growth Fund will continue to be allocated to the used to drive the digital programme which will transform public access to Council services and drive efficiency savings.

2.32 The remaining £0.050m will be used within economic development on initiatives for boosting footfall within the town centre during the 850 celebration year.

Council Tax and Collection Fund

2.33 The savings and funding strategy assumes a 1.99% per Band D equivalent property Council Tax increase, producing £0.159m 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	2.79	0.05
B	3.25	0.06
C	3.72	0.07
D	4.18	0.08
E	5.11	0.10
F	6.04	0.12
G	6.97	0.13
H	8.37	0.16

2.34 Taking into account a 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 431 band D equivalent properties from 37,668 in 2022/23 to 38,099 in 2023/24.

2.35 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 2022/23. This surplus or deficit is then shared between the relevant preceptors in 2023/24 (a surplus if paid out to preceptors, including the Council, and a deficit is repaid to the collection fund from preceptors, including the Council).

2.36 The Business Rates Collection Fund is estimated to be in a deficit position in relation to 2022/23 in isolation, this is due to the revaluation and backdated reduction in value of a large distribution centre within the Borough. The deficit is estimated to amount to £0.996m, of which the Council's share is £0.398m.

2.37 The Business Rates Collection Fund also settles actual deficits from previous years, for 2021/22 a deficit of £12.024m was declared to preceptors. The actual deficit at the close of the financial year amounted to £9.594m due to the amount set aside to provide for potential being significantly higher than the amount calculated at the year end. The Council's share of this amounts to £0.972m and will be repaid to the Council during 2023/24, it will be transferred to the Business Rates Reserve to allow for fluctuations in Business Rates in future years and to provide contingency for the forthcoming Fair Funding Review.

2.38 The Council Tax Collection Fund is estimated to be in a surplus position as at 31 March 2023, primarily due to a continued reduction in the number of Council Tax Support claimants when compared to the height of the COVID-19 pandemic. This surplus is estimated to amount to £0.552m, of which the Council's share is £0.064m.

2.39 The Local Government Finance Settlement for 2023/24 was received on 19 December 2022. Overall, the MTFs provides for an increase in funding of £0.111m. The amount receivable is provisionally an additional £0.169m than assumed in the MTFs, and it is proposed that this be paid into the Budget and Borrowing Support Fund (formally named the Budget Support Fund) in order to be utilised for interest rate rises in respect of borrowing and to safeguard against a number of income budget pressures that are yet to fully recover from the COVID-19 pandemic.

- 2.40 Local Council Tax Support Administration Grant and the Family Annexe Council Tax Grant have been consolidated into the local government finance settlement for the first time. This effectively eliminates these grants but merges an equivalent amount into the settlement funding assessment.
- 2.41 Taking account of the above, Baseline Settlement Funding (via Business Rates Retention scheme and Revenue Support Grant) and compensation for the under indexing of the business rates multiplier has increased by £0.186m when compared to 2022/23, this varies from the MTFS assumption of an increase of £0.149m by £0.037m. This compensates the Council, via Section 31 Grant, for the freeze in the business rates multiplier which would otherwise have generated additional business rates income, at a rate of CPI inflation over that assumed in the MTFS.
- 2.42 The MTFS assumed that the Lower Tier Services Grant (£0.170m) would be continued. Lower Tier Services Grant will be discontinued and has been rolled into the funding of a minimum funding guarantee.
- 2.43 The Services Grant was proposed for the local government finance settlement 2022 to 2023 to provide funding to all tiers of local government in recognition of the vital services delivered at every level of local government. The MTFS assumed that the Services Grant would be continued. Services Grant will be continued but at a reduced rate of £0.104m less than the amount received in 2022/23.
- 2.44 The Local Government Settlement for 2023/24 announced that the New Homes Bonus (NHB) Scheme will continue for a further year, the allocation amount for the Council is £0.500m due to the increase in properties within the borough in the last year.
- 2.45 A minimum funding guarantee has been introduced to ensure that all authorities will see an increase in core spending power of at least 3%, this will result in a grant to the Council of £0.228m for 2023/24. Core spending power includes New Homes Bonus, it is therefore likely that in the instance of New Homes Bonus discontinuing in 2024/25 that the grant from the minimum funding guarantee will increase to offset the New Homes Bonus received in 2023/24.

Budget Consultation

- 2.46 Public consultation has been undertaken on the budget, the consultation ran between 7 December 2022 and 2 January 2023. The results of which will be reported to Cabinet on 7 February 2023.

Capital Programme 2023/24 to 2025/26 and Capital Strategy 2023/33

- 2.47 The Capital Programme for 2023/24 to 2025/26 (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 2022-26. These schemes total £48.064m, including major investment into the Borough via external funding (and elements of matched funding contributions from the Council) in terms of the Future High Streets Fund and the Town Deals Fund for both Newcastle and Kidsgrove.
- 2.48 The Capital Programme for 2023/24 allows for a further contribution of £2.600m to the Multi Storey Car Park to reflect increased build costs resulting from inflationary pressures faced within the construction sector.
- 2.49 The Capital Strategy for 2023/33 (Appendix 6) 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.

2.50 The Capital Programme is produced in line with the Capital Strategy for 2023/33. In addition to the Council's corporate and service objectives, as set out in the Council Plan 2022-26, 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.

2.51 Delivering the capital programme for 2023/24 will require prudential borrowing to be undertaken. The impact of borrowing is included in the MTFs pressures for 2023/24 and future years.

2.52 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 where possible.

2.53 In summary, investment in the capital programme for 2023/24 to 2025/26 totalling £48.064m will be funded by:

- £22.585m External Funding including Disabled Facilities Grant and s106;
- £10.400m Capital Receipts; and,
- £15.079m Prudential Borrowing.

Treasury Management Strategy 2023/24 and Investment Strategy 2023/24

2.54 The Treasury Management Strategy for 2023/24 is attached at Appendix 7. The Minimum Revenue Provision Policy for 2023/24 is contained in Annex C to the strategy.

2.55 The Treasury Management Strategy for 2023/24 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.

2.56 The Investment Strategy for 2023/24 is attached at Appendix 8. 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

2.57 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 Section 151 Officer. Details of the risk factors considered and the weightings applied to each are set out at Appendix 3.

2.58 It is recommended that a minimum level of unallocated reserves and contingencies (i.e. the Council's Balance and Reserve Strategy for 2023/24) of £1.910m be held in 2023/24 to reflect the levels of revenue risk shown in the draft budget for 2023/24. The remaining £0.250m from the balance currently held will be transferred to the Budget and Borrowing Support Fund.

2.59 The Walley's Quarry reserve is forecast to have a balance of £0.600m at the close of 2022/23. It is recommended that £0.100m is retained within this reserve as a contingency and that £0.400m is transferred to the Cost of Living Reserve to provide contingency for any above inflationary increases in costs that may arise. It is recommended that the remaining £0.100m, along with the £0.100m held in the Income Reserve, is transferred to the Budget and Borrowing Support Fund in order to boost the Council's financial resilience during the forthcoming financial year.

Timetable

Event	Committee	Date
Scrutiny of draft budget proposals	FAPSC	19 January 2023
Final budget proposals recommended for approval by Full Council	Cabinet	7 February 2023
Full Council to approve budget	Full Council	15 February 2023

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 2023/24 to 2027/28 (Appendix 2) be noted.
- 3.3 That the strategy for ensuring a balanced revenue outturn position for 2022/23 be noted.
- 3.4 That the calculation of the Council Tax base and the Council Tax increase to be proposed for 2023/24 of 1.99% per Band D equivalent property be noted.
- 3.5 That the risk assessment at Appendix 3 and Section 151 Officer's recommendation on the level of reserves and contingencies provisionally required to be maintained in 2023/24 be noted.
- 3.6 That the draft Flexible Use of Capital Receipts Strategy (Appendix 5), updated for 2023/24, be noted.
- 3.7 That the draft Capital Strategy (Appendix 6) for 2023/33 be noted.
- 3.8 That the draft Treasury Management Strategy (Appendix 7) for 2023/24 be noted.
- 3.9 That the draft Investment Strategy (Appendix 8) for 2023/24 be noted.
- 3.10 That the draft Budget and Council Tax proposals be referred to Finance, Assets and Performance Scrutiny Committee for comment before the final proposals are considered at Cabinet on 7 February 2023.

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 2023/24 by 10 March 2023, per Section 30(6) of the Local Government Finance Act 1992. It is planned to approve the final budget and Council Tax rates on 15 February 2023.

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. The review and risk assessment indicates that overall unallocated reserves and contingencies are required to be held at a minimum level of £1.910m to reflect the levels of revenue risk shown in the draft budget for 2023/24. 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 2023/24 reports to Cabinet on 7 February 2023 and to Council on 15 February 2023.

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 Medium Term Financial Strategy 2023/24 to 2027/28 (Cabinet 6 September 2022)

12.2 Revenue and Capital Budgets 2023/24 – First Draft Savings Plans (Cabinet 6 December 2022)

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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 – 2023/24 MTFS Funding Strategy

Ref	Service Area	Description	£000's	Detail
Income				
I1	Bereavement Services	Income review	75	Full review of charges made including comparisons and levelling up with charges made by other local authorities
I2	Leisure and Cultural	Museum commercialisation	25	Increased commerciality of the Museum service through charging and promotion
I3	Leisure and Cultural	School swimming	30	Expansion of school swimming lessons scheme
I4	Leisure and Cultural	Student memberships	19	Introduction of a student specific membership
I5	Recycling and Fleet	Garden waste	36	Removal of discount given for additional garden waste bins and increase in fee
I6	Recycling and Fleet	Waste transfer notice	15	Introduction of a charge to recover administration fee
I7	Recycling and Fleet	Sale of recyclable materials	50	Reflection of increased prices paid by contractors for recyclable materials
I8	Recycling and Fleet	Advertising	20	Advertising on the Council's vehicle fleet
			270	
One Council				
O1	Corporate	One Council	376	Efficiencies to be generated from the introduction of a new Council operating model, continuous review and development of services and continued prioritisation of digital delivery
			376	
Staffing Related Efficiencies				
S1	Leisure and Cultural	Life-saving detection system	18	Introduction of a life-saving detection system leading to a reduced number of life guards being required
			18	
Good Housekeeping/More Efficient Processes				
G1	ICT	Centralisation	25	Centralisation and rationalisation of ICT and telephony budgets
G2	Leisure and Cultural	Subsidy reduction	100	Reduction in subsidy to Leisure service to reflect performance
G3	Recycling and Fleet	Green waste recycling credits	70	Contractor costs paid by Staffordshire County Council following removal of recycling credits
G4	Corporate	Good housekeeping	20	Review of temporary staff and other fees for services budgets
			215	
Alternative Sources of Finance/Other				
A1	Corporate	Tax base – Council Tax	91	Increase in tax base based on market housing supply requirement (431 properties per year)
A2	Corporate	Tax base – Business Rates	246	Assumed increase in tax base of 4%
A3	Corporate	New Homes Bonus	500	Assumed one year allocation of New Homes Bonus based on submitted data (CTB1 form)
A4	Corporate	Minimum Funding Guarantee	228	Minimum Funding Guarantee as per provisional Local Government Finance Settlement
A5	Corporate	Council Tax increase	159	Assumed increase of 1.99% per Band D property
			1,224	
Grand Total			2,103	

Appendix 2 – 2023/24 to 2027/28 MTFS ‘Gaps’

Detail	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Description
Employees:						
Increments	61	40	10	2	-	Employees due an increment
Pay awards	508	330	339	347	356	4% pay award assumed for 2023/24 and 2.5% for all years thereafter
2022/23 Pay award	447	-	-	-	-	Pay award proposed for 2022/23 above MTFS assumption of 2.5%
Superannuation increases	224	82	77	77	78	22% of increase in increments and pay awards
Superannuation lump sum increases	57	39	41	43	45	Contribution towards pension deficit
National Insurance	153	56	52	53	54	13.8% of increase in increments and pay awards
Premises:						
Business Rates	30	16	16	16	16	Inflationary increase in business rates payable (per CPI)
Utilities	113	11	11	11	11	Inflationary increase in gas and electric (per CPI) and realignment of budget re. 2022/23 increases
Transport:						
Fuel	172	12	12	12	12	Inflationary increase in fuel (per CPI) and realignment of budget re. 2022/23 increases
Financing:						
Borrowing/leasing costs	305	550	15	52	892	Borrowing costs regarding the financing of capital expenditure
Flexible use of capital receipts	100	-	-	-	-	Removal of the flexible use of capital receipts to fund revenue
New Pressures:						
ICT software and maintenance	26	20	20	20	20	ICT costs re. systems maintenance and software licences
Internal Audit fees	8	-	-	-	-	Inflationary increase in contracted costs
Payroll fees	8	-	-	-	-	Inflationary increase in contracted costs
Repairs and renewals	50	-	-	-	-	Increased contract prices
External audit fees	-	100	-	-	-	Likely increase in external audit fees
Income:						
Fees and charges	(253)	(197)	(203)	(209)	(216)	4% increase in fees and charges in 2023/24 and 3% each year thereafter
New Homes Bonus	192	500	-	-	-	Drop out of New Homes Bonus legacy payments
Government grant	18	12	12	12	12	Reduction in Housing Benefit Administration grant
Business Rates baseline funding level	(186)	(78)	(79)	(81)	(81)	Inflationary increase in baseline funding level (per CPI)
Tax base – Council Tax support	(30)	-	-	-	-	Reduction in Council Tax support claimants
Income pressures	100	100	100	100	100	General income shortfalls
TOTAL GAPS	2,103	1,593	423	455	1,299	

Appendix 3 – Risk Assessment on Required Balances (£1.910m)

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 2023/24 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	A decrease would make no difference investment wise but would reduce borrowing costs	1 x 2	Low	None	EMT
13	Additional interest costs incurred resulting from loss of income and additional expenditure	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	2 x 3	Moderate	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 2023/24	Additional unbudgeted costs	2 x 3	Moderate	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 – 2023/24 to 2025/26 Capital Programme and 2022/23 Mid-Year Estimate



CAPITAL PROGRAMME	2022/23 MID YEAR	2023/24	2024/25	2025/26	TOTAL (2023/24 to 2025/26)
	£	£	£	£	£
PRIORITY – One Council Delivering for Local People					
Service Area - Council Modernisation	309,303	1,991,500	269,000	481,500	2,742,000
Total	309,303	1,991,500	269,000	481,500	2,742,000
PRIORITY – A Successful and Sustainable Growing Borough					
Service Area - Housing Improvements	1,720,000	1,670,000	1,670,000	1,720,000	5,060,000
Service Area - Managing Property & Assets	930,725	883,342	1,442,918	1,266,411	3,591,671
Total	2,650,725	2,552,342	3,112,918	2,986,411	8,651,671
PRIORITY – Healthy, Active and Safe Communities					
Service Area - Environmental Health	60,000	60,000	-	12,000	72,000
Service Area - Streetscene and Bereavement Services	940,000	790,000	240,000	280,000	1,310,000
Service Area - Recycling and Fleet	900,927	5,601,000	303,000	1,230,000	7,134,000
Service Area – Leisure and Cultural	800,341	368,000	16,000	150,000	534,000
Service Area - Engineering	155,000	110,000	1,415,000	120,000	1,645,000
Total	2,856,268	6,929,000	1,974,000	1,792,000	10,695,000
PRIORITY – Town Centres for All					
Service Area - Managing Property & Assets	-	7,300,000	-	-	7,300,000
Future High Streets Fund	5,388,399	1,691,166	-	-	1,691,166
Town Deals – Newcastle	14,356,811	4,706,000	2,251,000	807,000	7,764,000
Town Deals - Kidsgrove	6,415,000	4,190,000	2,794,000	1,236,000	8,220,000
Total	26,160,210	17,887,166	5,045,000	2,043,000	24,975,166
CONTINGENCY (will be carried forward to 2023/24 if)	1,000,000	1,000,000	-	-	1,000,000
TOTAL	32,976,506	30,360,008	10,400,918	7,302,911	48,063,837
FUNDING					
Capital Receipts	3,684,500	2,400,000	4,000,000	4,000,000	10,400,000
External Contributions	27,877,210	12,497,166	6,545,000	3,543,000	22,585,166
Borrowing	1,414,796	15,462,842	(144,082)	(240,089)	15,078,671
TOTAL	32,976,506	30,360,008	10,400,918	7,302,911	48,063,837

Appendix 5 – Flexible Use of Capital Receipts Strategy



Flexible Use of Capital Receipts

2023/24



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 2024 – 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 and Content

12. For each financial year, the Council should ensure it prepares a Flexible Use of Capital Receipts Strategy ("the Strategy")

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.

2023/24 Strategy

The Council intends to use capital receipts received in 2023/24 to finance previously agreed qualifying expenditure in accordance with the Guidance, this relates solely to any remaining sum (currently estimated to be around £0.150m) 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)	150	250
Total	150	250

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

2022/23 and Previous Years' Flexible use of Capital Receipts

The Council financed qualifying expenditure in 2017/18, 2018/19, 2019/20, 2020/21 and 2021/22 in accordance with the Guidance, and further intends to finance such expenditure in 2022/23, as shown in the table below.

Project	Allocation of Flexible Use of Capital Receipts £'000	Actual Spend £'000	Estimated Savings £'000	Actual One off Savings £'000	Actual Ongoing Saving £'000	Notes
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	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	134	134	100		100	Ongoing project, expect to save circa £100k per annum
Chargeable Garden Waste - Preparatory	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
2021/22						
One Council Project	750	675	601		601	One Council Project
Digital Delivery Project	200	200	As above		As above	Support to One Council project and website/intranet
2022/23						
One Council Project	200	TBC	126		TBC	One Council Project
Financial Sustainability	100	TBC	100		TBC	Investment in securing growth within the Borough
Total	2,830	2,459	2,538	150	2,525	

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.