

FINANCE, ASSETS & PERFORMANCE SCRUTINY COMMITTEE

Thursday, 15th January, 2026
Time of Commencement: 7.00 pm

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Present:	Councillor Mark Holland (Chair)		
Councillors:	Parker Turnock	Bettley-Smith Stubbs	Grocott
Apologies:	Councillor(s) Allport, Lawley and Dean		
Officers:	Craig Turner Stephen Heppell	Service Director - Finance / S151 Officer Finance Manager / Deputy S151 Officer	
Also in attendance:	Councillor Stephen Sweeney	Deputy Leader of the Council and Portfolio Holder - Finance, Town Centres and Growth	

1. APOLOGIES

Apologies were received as listed above.

2. DECLARATIONS OF INTEREST

There were no declarations of interest stated.

3. MINUTES OF A PREVIOUS MEETING

Resolved: That the minutes of the previous meeting held on 4th December 2025 be agreed as a true and accurate record.

4. DRAFT REVENUE AND CAPITAL BUDGETS AND STRATEGIES 2026/27

The Deputy Leader / Portfolio Holder for Finance, Town Centres and Growth introduced the report on the Draft Revenue and Capital Budgets and Strategies for the upcoming financial year.

The Deputy Leader also welcomed the new Finance Manager (Deputy S151 Officer) who was taking over the role previously held by the Service Director for Finance (S151 Officer).

Cllr Stubbs referred to the current year adverse income variances for car parking, trade waste, bereavement and the temporary pool closure; and asked what analysis underpinned the 2026-27 fee uplifts as well as what would be the scenario if higher prices further depressed demand. Cllr Stubbs added that the Risk Register explicitly flagged that the fact that an increase in fees and charges did not result in a higher income was a high risk.

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The Service Director for Finance (S151 Officer) responded that while there were shortfalls in some areas these were not as bad as they had been in previous years and there were also areas where income was performing over the budget, such as planning fees, which was enough to offset these. Efforts were put in to rebalance some of the budget in line with the Medium-Term Financial Strategy.

About the risks highlighted, it was the nature of having an income budget and fluctuations in it. The Risk Register fed into the general fund reserves which was wholly risk assessed and took into account potential shortfalls.

Cllr Stubbs wondered what were the quantified outputs that would reduce temporary accommodation spend and what tracking mechanisms were in place to ensure that the extra grant would be achieving what it was intended for.

The Service Director for Finance (S151 Officer) advised that the budget had been increased and that half a million would go towards temporary accommodations. This was consistent with the current forecasts for the year and corresponded to the amount expected to be spent.

The Temporary Accommodation Working Group was nonetheless working on trying to reduce the spending looking at a number of options liaising with housing providers. Capital fundings were also being sought from the government.

Cllr Stubbs noted that both the council tax and business rate collection funds were forecast to be in deficit at year end and asked how confident the Council was that the business rates reserve would absorb any further shocks in 2026-27 along with what additional measures were in place to reduce appeal related volatility before the authority commits to using one-off reserves to smooth the new three-year settlement reductions.

The Service Director for Finance (S151 Officer) stated being confident that the money in the business rate reserve was sufficient to meet any future volatilities with a balance of about 2 million pounds for the year ahead, which would likely increase by half a million the year after. The deficit that was being declared this year related essentially to the deficit of the previous year, bearing in mind that a surplus of about 3 million had been declared the year before leading to re-evaluations between January and March 2025.

Cllr Stubbs wondered if the surplus was related to business rates appeals.

The Service Director for Finance (S151 Officer) confirmed that was the case, adding that successful appeals could be backdated. With the new business rates cycle starting on 1st April, this appeals provision would have to be built right back up to allow for appeals over the next three-year period.

Cllr Waring asked for clarification regarding the estimate figures of the capital expenditures for 2025-26 and 2026-27.

The Service Director for Finance (S151 Officer) advised that coincidentally, the estimated capital expenditure for 2025-26 was 35 million pounds and the capital programme for 2026-27 also amounted to 35 million pounds.

Cllr Waring enquired about the calculation behind the 150 million pounds operational boundary and 170 million pounds operational limit for 2028-29.

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The Service Director for Finance (S151 Officer) responded that there was no anticipation to borrow that much money and the figures allowed for a safeguard. The estimates were for about 60 million pounds over the next couple of years.

There was a capital financing requirement outside of the regeneration borrowing schemes which was around 20 million pounds and had been enabled without any external borrowing using the reserves and grants received. Depending on the completion of the schemes and timeline there was an unlikely worst-case scenario was around 100 million pounds.

Cllr Stubbs asked about the Capital Strategy affordability and risks, more specifically what concrete mitigations were in place if capital receipts slept or interest rates stayed elevated so that these costs did crowd out core services.

The Service Director for Finance (S151 Officer) said that if interest rates went up, borrowing costs would go up too, however the developers of all schemes would be paying those interest costs.

Cllr Stubbs referred to the authorised and operational borrowing limits and enquired about the contingency of regeneration receipts in case of underperformance or delay, more particularly whether schemes would be paused, rescoped or reprioritized and how this would be governed.

The Service Director for Finance (S151 Officer) responded that the schemes wouldn't be paused, in fact they would probably be coming along faster than originally anticipated. In the event receipts would be delayed, in the meantime, between the schemes being completed and the receipts actually coming along, there would be operational assets and income from rentals on those that would cover borrowing costs.

Cllr Grocott wondered what was covered under the facilities management and leisure headings and if Jubilee II leisure centre was included.

The Service Director for Finance (S151 Officer) clarified that facilities management covered normal repairs and the general upkeep of the buildings including for Jubilee II. The leisure section was for service improvements such as the decarbonation projects.

The Deputy Leader / Portfolio Holder for Finance, Town Centres and Growth thanked members for their questions and the Service Director for his comprehensive responses, adding that having a Council tax rise of just 1.99% was a tremendous achievement.

Cllr Stubbs referred to the borrowing approach and the liability benchmarks and asked what the trigger point would be in relation to switching from short-term to long-term borrowing.

The Service Director for Finance (S151 Officer) advised that the Council was working with experts who were best positioned to suggest an opportune moment for the switch and that there would probably be a mixture of both short-term and long-term borrowing to offset the risks of either.

The Service Director added that the borrowing limits in the Treasury Management Strategy applied to capital financing requirements only.

Cllr Stubbs enquired about the Commercial Strategy's full decision path from opportunity identification to approval, as well as the specific Cabinet and officer checkpoints that would be used to halt or reshape the investment if assumptions were to drift.

The Service Director for Finance (S151 Officer) said that some councils got into troubles in the past following commercial investments leading to decisions being now more about the regeneration of the town rather than for the sake of a return which allowed for more borrowing options.

Cllr Stubbs asked what meticulous due diligence and rigorous approval processes were in place to enable timely decision making in the event of constitutional changes.

The Service Director for Finance (S151 Officer) responded that input from this Committee would be very important in terms of suggesting what commercial investment processes would be is probably this committee and a quick back of decisions wouldn't be allowed.

The Chair added that it would be a matter for full Council and that how constitutional changes would be handled in terms of commercial decisions could be brought to this Committee for scrutiny after the May elections.

- Resolved:**
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 2026/27 to 2030/31 (Appendix 2) be noted.
 3. That the strategy for ensuring a balanced revenue outturn position for 2025/26 be noted.
 4. That the calculation of the Council Tax base and the Council Tax increase to be proposed for 2026/27 of 1.99% per Band D equivalent property be noted.
 5. That the risk assessment at Appendix 3 and the Section 151 Officer's recommendation on the level of reserves and contingencies provisionally required to be maintained in 2026/27 be noted.
 6. That the draft Capital Strategy (Appendix 5) for 2026/36 be noted.
 7. That the draft Treasury Management Strategy (Appendix 6) for 2026/27 be noted.
 8. That the draft Investment Strategy (Appendix 7) for 2026/27 be noted.

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5. SCALE OF FEES AND CHARGES 2026/27

The Deputy Leader / Portfolio Holder for Finance, Town Centres and Growth introduced the report on the review of the Council's fees and charges made to keep

them in line with the cost-of-service provision and ensure compliance with the Charging Policy.

Cllr Waring asked how common it was to receive fees for the exhumation of cremated remains as well as fines for littering and graffiti.

The Deputy Leader said the Council would prosecute every time they could identify the authors of vandalism.

The Service Director for Finance (S151 Officer) advised that there were litter enforcement procedures, which depended on somebody actually littering in front of the enforcement officer. People seemed to have gone wiser in recent years leading to a drop in related incomes.

Cllr Waring wondered who would exhume cremated remains as an act of vandalism and whether there were any statistics on this.

The Deputy Leader clarified that it related to cases where people would move house and wish for the remains to be buried at another location.

The Service Director for Finance (S151 Officer) said he would seek out the figures and provide them to Cllr Waring.

Cllr Stubbs asked for the evidence and cost recovery modelling used to justify service fees increases above inflation and if any assessment had been made on the impact for low-income residents.

The Service Director for Finance (S151 Officer) responded that on average fees had gone up by 3.8%, with some slightly more and some other slightly less. Lots of the fees and charges were about choices to use specific services and increasing those by only an inflationary amount helped keeping the Council tax at a £0.10 per week increase i.e. 1.99% per year for 95% of our residents.

Cllr Stubbs commented that using certain services like cemetery services was not always a choice and the increase of car parking fees would discourage low-income residents to come into the town centre.

Cllr Stubbs also wondered what the strategic rationale was for having different levels of variations between the fees and charges – some going up above the inflation and some other below – and whether these were driven by financial sustainability or regulatory costs.

The Service Director for Finance (S151 Officer) advised that the Charging Policy suggested that the Council should try and recover all costs of providing services. The fees and charges were designed to address the costs incurred in e.g. the provision and maintenance of car parks and associated buildings. There were also rounding differences.

The Service Director added that the fees were kept to a minimum compared to other areas of the Midlands.

Cllr Stubbs appreciated the response, meanwhile expressing his concern that the offer may not improve in future and people would not be willing to pay the difference to come to the town centre.

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The Service Director for Finance (S151 Officer) said that the offer was likely to improve over the next couple of years with the regeneration projects coming together. Newcastle would be a town to come to and a town to be very proud of which himself would certainly be.

The Deputy Leader supported the statement adding that there was already more and more footfall recorded in the town. As the Midway car park fees only went up by 10p in 15 years it was also fair to ask that any increase be justified.

The Chair concluded by emphasising that increasing the fees by a smaller amount than that proposed would mean raising the Council tax to recover the costs of services.

The Deputy Leader commented that the cemetery fees were in fact only partly covering the costs incurred by the Council.

Cllr Parker added that the parking fees were designed to create an incentive for people to get quarterly or monthly tickets and save money.

Cllr Grocott enquired about the sports facilities and asked if there was a single fee for using the pavilion and football pitches or if these were separate fees given that the pavilion was often not used by players.

The Chair noted that a written response would be provided by officers.

Cllr Waring said that not everyone was using the services. Finding the right balance was of the essence and increasing fees for actual users felt fair as opposed to raising the Council tax.

Resolved: That the fees and charges proposed to apply from 1 April 2026, as set out in Appendix 1 and 3 be noted.

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6. WORK PROGRAMME

The Chair commented that was only one remaining meeting before the end of the cycle and mayor's election.

Resolved: That the work programme be noted.

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7. PUBLIC QUESTION TIME

There were no questions received from members of the public.

8. URGENT BUSINESS

There was no urgent business.

9. DATE OF NEXT MEETING

Resolved: That the next meeting be held on 26th March 2026 at 7pm.

10. DISCLOSURE OF EXEMPT INFORMATION

The Chair asked members if they wished to discuss the confidential appendix. There were no requests to do so which concluded the meeting.

Resolved: That the public be excluded from the meeting during consideration of the following report because of the likelihood of disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A (as amended) of the Local Government Act 1972.

11. TRADE REFUSE SCALE OF FEES AND CHARGES - CONFIDENTIAL APPENDIX

Resolved: That the confidential appendix be received.

**Councillor Mark Holland
Chair**

Meeting concluded at 7.53 pm