

Council Budget 2018/19: Responses to Questions asked at Council Meeting on 1 February 2018

1. Report Page 32 General Fund Bullet Point 5

Did the Council apply to be a Business rates pilot in 2018/19 and what criteria were required for areas to be eligible to apply to be a pilot?

Response:

The Budget of 2016 announced that a number of devolution deal areas would pilot 100% rates retention from 1 April 2017.

The Initial offer of 100% business rate retention for 2017 was only open to selected authorities that had ratified their devolution deals and were committed to elected mayors. Authorities that were granted pilot status in this round were Greater Manchester, Liverpool City Region, Greater London Authority, West of England Combined Authority, West Midlands Combined Authority and Cornwall.

The intention of the pilots was to test elements of the 100% Scheme.

Following the Spring Budget announcement in 2017 for the 2018/19 pilot scheme, the Government wanted to extend the testing undertaken in the previous pilots in a way that would see authorities form pools and, with agreement in place from all authorities, apply jointly for pilot status. The Government argued there was an opportunity for authorities to work together as a pool across a functional economic area will allow authorities to make coherent strategic decisions about the wider area and to jointly manage risk and reward.

The Government was interested in exploring how rates retention could operate across more than one authority to promote financial sustainability and to support coherent decision-making across functional economic areas. Accordingly, the Government encouraged, in particular, areas to apply as pools (either on existing, or revised pool boundaries), which comprise county council(s) and all relevant district councils; groups of unitary authorities; or groups of county councils, all their districts and unitaries. Arrangements needed to reflect the position of precepting authorities, such as Fire and Rescue authorities.

Initial discussion were held between the finance officers and lead members of Northumberland, Newcastle and North Tyneside, but it was determined that due to timing issues a proposal would not be submitted.

The successful authorities in the second round of pilots are London Combined Boroughs, Berkshire, Derbyshire, Devon, Gloucestershire, Kent & Medway, Leeds, Lincolnshire, Solent, Suffolk and Surrey.

Attached is a list of Business Rates pilots for 2017/18 and 2018/19

2. Report Page 35 3rd para Business Rate Appeals

If the new process for Business rate appeals is backdated to the date of the appeals would this affect the figures for 2017/18 or even earlier?

Response:

The 2017 rating list was implemented from 1 April 2017. A business can apply for an appeal at any time that list exists i.e. until the time of the next revaluation/reset. This means that a business could appeal during 18/19 financial year which could impact on 17/18 and well as 18/19 if the circumstance of the appeal were in existence in 17/18. The appeals cannot go any further back than 17/18 as that is the period the current valuation list started. We do have a number of appeals outstanding from the 2010 list i.e. the last revaluation which in essence covers the period 2010/11 to 2016/17. Appeals against this old list are now closed unless the Valuation Office specifically allows such an appeal.

An estimated provision is made for the anticipated cost of appeals which is reflected in anticipated Business Rate income returns provided to Government. We have assumed a 4% provision for 2017/18 and 4% for 2018/19; this is lower than the 4.5% suggested by THCLG on the basis of the performance on appeals we have seen to date during 2017/18.

3. Report Page 35 5th para Business Rates

Which is the correct figure for the estimate of compensation for changes through a S31 grant: £0.968m (referred to on page 35) or £1.273m (referred to in Appendix B on page 66 of the report).

Also, is the extra amount the Council is receiving in Business Rates £3.273m rather than £2m?

An analysis of the various elements of the S31 grant to be provided.

Response:

The Base budget 17/18 for the S31 grant as held in the ledger is £1,377,499, at the time of writing the 24 January Report the estimated S31 grant for 2018/19 was £2,650,499, a movement of £1,273,000 as set out in Appendix B.

Analysis of the S31 grant for 2018/19 is attached

4. Report Page 36 Table General Fund Financial Plan Resources Assumptions

Can the expected figures for Council Tax for properties across each Band in the Borough be provided? What is the amendment to the Business Rates figures in the light of the updated NNDR 1 return that was completed yesterday?

Response:Council Tax increase 4.99% - North Tyneside Council element

Band	2017/2018	2018/2019	Increase
A	£966.78	£1015.03	£48.25
B	£1127.91	£1184.19	£56.28
C	£1289.04	£1353.36	£64.32
D	£1450.17	£1522.53	£72.36
E	£1772.43	£1860.87	£88.44
F	£2094.69	£2199.20	£104.51
G	£2416.95	£2537.55	£120.60
H	£2900.34	£3045.06	£144.72

Update to the NNDR figures included in the 24 January report:
£13,783 additional NNDR
£3,981 additional S31 grant
(£1,382) less funding for Cost of collection

Total £16,382 additional resources.

5. Report Page 40 Dedicated schools Grant

Can confirmation be provided of the amount of Pupil Premium expected for schools in 2018/19?

Response:

In addition to the funding provided through the Dedicated Schools Grant schools will continue to receive Pupil Premium. The Pupil Premium rates in 2018/19 are as follows:

- £1,320 per pupil for primary aged children
- £935 for Secondary aged children
- £2,300 for adopted children
- £2,300 for looked after children
- £300 for service children

6. Report Page 66 Appendix B – Contingencies

Which is the correct figure for Contingencies in 2018-19, £2.925m referred to in Appendix B or £3.8m referred to by the Cabinet Member? An explanation be given with a reconciliation.

Response:

2017/18 Contingency base budget	1,375,836
Allocated to Pay award	(500,000)
Growth (Appendix B)	<u>1,295,000</u>
Base budget 2018/19	3,800,836

Being Adult Social Care £1800,000
Children's Social Care £2,000,000
Remaining balance £836.

7. Business case VFM Tested Social Care page 11 Direct Payments

Can details of the recent case referred to on page 11 (R vs Davey) be provided?

Response:

In R (Davey) v Oxfordshire County Council & Others [2017] the Claimant sought judicial review of the decision of Oxfordshire County Council to reduce his personal budget and to revise his care and support plan pursuant to the Care Act 2014. The effect of these decisions was to set the personal budget at £950 per week, a substantial reduction from the previous budget of £1651 per week.

The claim was dismissed in the High Court and on appeal to the Court of Appeal. The critical finding was that as no evidence had been provided that the changes in the pay and conditions of the Claimant's personal assistants had resulted or would result in the break-up of the existing

support team, there was no therefore breach of the Authority's duty to promote individual well-being in accordance with Section 1 of the Care Act 2014.

Comment: Application to the Business Case

The Business Case proposes a reduction in the amount the Authority pays to recipients of Direct Payments who employ Personal Assistants from £10.54 per hour to £8.50 per hour. The £10.54 currently paid covers, in addition to the hourly rate of pay (which at this point varies between £7.20 and £8.50 per hour- £8.50 being in line with the North Tyneside Living Wage), a contingency to cover issues such as sick pay, redundancy, holiday pay etc.

It is proposed to reduce where possible the rate paid to recipients to £8.50 per hour to cover the hourly rate only of their Personal Assistants. The Authority will hold the balance between this hourly rate and the additional contingency sum, centrally and only make payment if, and only if, the relevant event - sickness, holidays, or redundancy etc. occurs.

The proposal will reduce the amount of the Direct Payment the Authority pays to recipients.

It is proposed that this new arrangement will be introduced at the point of review for each recipient or the commencement of a new Direct Payment arrangement. However transitional arrangements are also proposed. Under the transitional arrangements recipients who are already paying their Personal Assistants an amount in excess of £8.50 per hour will not be subject to a reduction in the level of Direct Payment currently paid. This will minimise any impact on the care being provided or on the employment contract between the recipient of the Direct Payment and their Personal Assistant.

8. Business case Fit for Purpose Page 25-26 Law and Governance -Complaints Service

In relation to the reduction of the centralised officer support for the complaints process, what are the grades of the two posts being lost, what is the salary, and does the figure include National Insurance costs?

Response:

Through a broader restructure within the service there is a net loss of 2FTE GR7 posts. The 2017-18 salary costs for a GR7 post with on costs (national insurance and superannuation) is £30,856 (with the 3% 'vacancy factor' applied).

9. Business case Fit for Purpose Law and Governance Page 25 Civic Functions

What is the cost of the remaining civic events after the reduction and what will those events be?

Response:

It is not possible to determine which events will proceed next year as these will be determined by the incoming Chair when they have been elected by full Council. These will be done within the budget.

10. Business case Fit for Purpose Page 26 Staffing Implications

With reference to the reduction of 50-75 staff shown in Management and service savings, how many managers will be affected by this, and can a list of managers in each service area be provided, together with details of any vacancies in management posts?

Response:

Attached is a schedule of Manager posts from Tier 1 (CEX, and Deputy CEX, through to Tier 4) In addition to this schedule there are 9 vacant posts across these Tiers.

11. Business case People Wellbeing Services Page 34 Staffing Implications

With reference to the reduction of 13.8 Full Time Equivalent staff, can clarification be given that this adds up to a saving of £553,000 as shown on page 34?

Response:

FTE	Grade	Cost Saving including National Insurance & Pension £k
0.4	8	15
1	5	24
5	7	159
1	11	57
1	10	49
1	7	32
1	14	69
0.4	10	18
1	11	56
1	9	43
1	7	31
13.8		553

12. Business case Alternative Weekly Collections Page 53

Can evidence (figures) be provided to support the statement that residents are already only putting residual waste bins out every fortnight?

Response:

There is a significant difference in relation to the number of green bins (household waste) being placed out for collection when comparing the green bin only collection week to the green and grey (household recycling) bin collection week. Waste weight figures support this, as approximately 82 tonnes less is collected during the green bin only collection week.

13. Business case Alternative Weekly Collections Page 53

With regard to the weekly collections support scheme grant that has now come to an end, can a breakdown be provided on how much of the grant has been spent on weekly collections and how much has been spent on recycling, and can the figures that were provided in the base budget for each be provided?

Response:

The table below sets out the analysis of the grant award to the authority.

Grant Proposal		Revenue Grant	Capital Grant	Total
Government Categories	Further description	£'000	£'000	£'000
Bridging the Gap	additional crews & vehicles and disposal costs(i.e. retaining weekly collection)	-2,082	-105	-2,187
Delivering an incentives and awareness campaign	Groundwork waste awareness campaign and promotional items and publicity	-296	0	-296
Increase Recycling on the go	Vehicles maintenance and fuel and bins	-87	-658	-745
Harmonising Household bins	Bins and publicity	-7	-120	-127
Total		-2,472	-883	-3,355

Capital spend: The Table below sets out the actual capital expenditure which includes £29,000 which will be spent by the 31 March 2018. The categories of capital spend as set out below indicate the investment made in accordance with the proposal, rather than against the grant categories.

	£'000
Bins- general waste and recycling	327
Recycling and Litter receptacles supplied	170
Vehicles	386
Total	883

Revenue Spend: The Table below sets out the actual revenue spend against the grant.

	£'000
Bridging the Gap	2,048
Delivering an incentives and awareness campaign	265
Increase Recycling on the go & Harmonising Household bins	159
Total	2,472

14. Business Case Protect the Cultural Offer Page 65

With reference to the reduction of 11.88 Full Time Equivalent staff, can clarification be given that this adds up to a saving of £139,000 as shown on page 65? What are the salary rates of these staff, and is this the total cost to the Council including pension costs, National Insurance, etc?

Response:

There was an error in the business case. Some posts had been counted in from a previous iteration. The correct staffing figure should be 4.8 posts. This equates to 1.4 Grade 4 posts (a saving of £30,598) and 3.4 Grade 7 posts (a saving of £108,147) with on costs for NI and pension costs included. Total £139,000.

15. Business Case Protect the Cultural Offer Page 65

With reference to 'Options for book return at Customer First Centres outside of library hours' under Mitigating Actions on page 65, has this been costed, and if so, what is the cost?

Response:

This will be dealt with at the reception desk at the centres concerned at no extra cost.

16. Business Case Protect the Cultural Offer Page 65

With reference to 'Review mobile library route to compensate for lack of fixed position' under Mitigating Actions on page 65, has the extra cost of fuel, any additional staff that might be needed and depreciation of the mobile library vehicle been factored into the budget, and if so, what is the cost?

Response:

No additional staffing costs are required. Depreciation and fuel costs will be monitored but it is not anticipated that routing will add significant mileage as modifications will take into account existing routes.

17. Report Budget Engagement Page 115

How many opportunities for face to face engagement were there as part of the engagement process; how many people attended and where did the events take place?

Response:

The 2018/19 budget engagement strategy was agreed at Cabinet on 11 September 2017. The engagement strategy was considered by the Overview, Scrutiny and Policy Development Committee Budget sub-group and as set out in its report of 9 January 2018, the sub-group considered the engagement approach appropriate subject to ensuring that the groups targeted came from all wards of the borough and ensured all 9 protected characteristics from the Equality Act 2010 were represented.

The Authority's overall approach to engagement ensures that the public should have the opportunities to have their say throughout the year.

Between June and September 2017 there was an extensive programme of face to face engagement across the Borough through the 'Big Community Conversation' which fed into the work to refresh the Our North Tyneside Council Plan. This involved 486 residents in face to face discussions at 34 different visits across all wards in the Borough. Each ward was visited and where numbers were low, they were supplemented by 36 telephone surveys with members of the Residents Panel who live in the ward concerned.

Engagement on the Cabinet's initial budget proposals agreed on 27 November 2017 took place from 28 November 2017 to the end of January 2018. This was both on-line and face to face.

The face to face engagement on the budget proposals took place at three sessions with the Residents Panel. 38 people (including some of our young people) took part in these sessions. These sessions were publicised widely via the press and social media as well as direct invitations to Panel members (just over 1000 people with representation from all wards across the borough). The sessions were not just for existing Residents Panel members – the publicity made it clear that anyone could come along, take part and become a member of the Panel and some of the attendees had done just that.

The budget engagement process was publicised via the following

- notice on the Council website homepage and also a dedicated page on the website
- press release to the local news outlets which was subsequently published in the News Guardian, the Evening Chronicle and the Journal in print and also online versions
- social media (Facebook reach was 17,300 and Twitter 8,000)
- YouTube video (490 views)
- information available in Customer First Centres

At the three face to face sessions full information was provided on the make-up of the Council's budget; the range of services provided and the budget proposals. The sessions were attended by Cabinet members and senior managers from Council services in order to be able to provide detailed information on the proposals and to answer questions. This was a much more in-depth approach than in previous years and the feedback from the sessions in terms of the engagement process was very positive.

Face to face engagement on the budget proposals has also taken place with specific stakeholder groups including the North Tyneside Strategic Partnership, the Business Forum, the community and voluntary sector and adult social care user groups.

Taking on board both the on-line and face to face elements of the budget engagement, this year we have engaged with 445 people compared with only 200 last year. The face to face approach last year included a session for existing Residents Panel members (not open to non-members) and four public events (one in each area of the Borough). However the numbers of people attending the four public events were extremely low (2 in North Shields, 5 in Whitley Bay, 2 in Wallsend and 3 in Longbenton) which was not a value for money or cost effective way to do engagement. For this reason, the approach was changed for this year but it ensured that all residents who wanted to, could come along to a face to face engagement session.

18. Report Budget Engagement Page 115

Can evidence of responses received during the engagement process be provided?

Response:

In total, 256 on line questionnaires were completed and the two most frequently raised issues were in relation to libraries (114 responses) and household waste (40 responses). 38 residents took part in the face to face sessions with the Residents Panel (open to all residents to attend).

The responses provided in relation to libraries demonstrated that there was no support for any closures and also that residents were keen for community organisations or "friends of" groups to be given the opportunity to do more to support the provision of the service. It also demonstrated that when considering any potential changes to opening hours it will be important to base this on clear evidence of usage and local need.

The responses highlighted the value place on libraries not just for providing access to books and information but also for enabling social inclusion, intergenerational contact and community cohesion; supporting the vulnerable; providing services and support that prevent the need for more costly interventions.

Regarding the responses on household waste, most either actively agreed with alternate weekly collection, especially if it was accompanied by improved recycling. Some responses called for consideration of very large families or people with particular needs (eg medical) that might require a different level of service or a larger refuse or recycling bin. There was also support for educational publicity campaigns to promote and encourage more recycling.

There was also feedback on the following issues:

- **Road maintenance:** respondents asked for spending on road maintenance to be prioritised. Comments were also made about tackling congestion, improving road safety and gritting
- **Street lighting :** some people suggested the introduction of more LED street lighting and for more street lights to be switched off late at night
- **Council tax levels :** responses were mixed, with some people suggesting that further increases in council tax might be needed and others calling for further efficiencies or further pooling of budgets with public sector partners to ensure value for money for the council tax levels currently paid
- **Preventative services :** there was support for a greater focus on preventative services especially in relation to services for children
- **Community and voluntary sector :** there was support to help the voluntary sector grow and the use of the community and voluntary sector to provide services
- **Fit for purpose organisation :** there was support for : streamlined procurement; investment in IT and new technology; charging for more services; and efficiencies in staffing, building costs and allowances for Elected Members
- **Social Care:** some responses asked for no further reductions to the social care budget and that funding to be equal to the true cost of support required by those in need to ensure quality and continuity of care. There was also support for greater joint working with the NHS
- **Housing and development:** there was support for more affordable housing and for new developments to include provision for families e.g. schools, play areas
- **Local environmental issues :** there was support for maintaining environmental standards to address dog fouling and improve estate maintenance. Residents were keen to see the council encourage residents to take more responsibility for their local community. This included taking care of the local environment by helping to maintain environmental standards

Annex A

100% business rates retention pilot authorities launched in 2017/2018.

Area	Local authorities
Greater Manchester Combined Authority	<ul style="list-style-type: none"> • Bolton • Bury • Manchester • Oldham • Rochdale • Salford • Stockport • Tameside • Trafford • Wigan
Liverpool City Region	<ul style="list-style-type: none"> • Liverpool • St Helens • Sefton • Wirral • Knowsley • Halton
West Midlands	<ul style="list-style-type: none"> • Birmingham • Wolverhampton • Coventry • Dudley • Sandwell • Solihull • Walsall
West of England Combined Authority	<ul style="list-style-type: none"> • Bath and North East Somerset • Bristol • South Gloucestershire
Cornwall	<ul style="list-style-type: none"> • Cornwall
London	<ul style="list-style-type: none"> • Greater London Authority

Annex B

100% business rates retention pilot authorities launched in 2018/2019.

Pool	Local authorities
London Pool	<ul style="list-style-type: none"> • GLA - all functions • Barking and Dagenham • Barnet • Bexley • Brent • Bromley • Camden • City of London • Croydon • Ealing • Enfield • Greenwich • Hackney • Hammersmith and Fulham • Haringey • Harrow • Havering • Hillingdon • Hounslow • Islington • Kensington and Chelsea • Kingston upon Thames • Lambeth • Lewisham • Merton • Newham • Redbridge • Richmond upon Thames • Southwark • Sutton • Tower Hamlets • Waltham Forest • Wandsworth • Westminster
Berkshire Pool	<ul style="list-style-type: none"> • Bracknell Forest • Reading • Slough • West Berkshire • Windsor and Maidenhead • Wokingham

Pool	Local authorities
Derbyshire Pool	<ul style="list-style-type: none"> • Derbyshire • Amber Valley • Bolsover • Chesterfield • Derbyshire Dales • Erewash • High Peak • North East Derbyshire • South Derbyshire • Derbyshire Fire Authority • Derby
Devon Pool	<ul style="list-style-type: none"> • Devon • East Devon • Exeter • Mid Devon • North Devon • South Hams • Teignbridge • Torridge • West Devon • Plymouth • Torbay
Gloucestershire Pool	<ul style="list-style-type: none"> • Gloucestershire • Cheltenham • Cotswold • Forest of Dean • Gloucester • Stroud • Tewkesbury
Kent Pool	<ul style="list-style-type: none"> • Kent • Ashford • Canterbury • Dartford • Dover • Gravesham • Maidstone • Sevenoaks • Shepway • Swale • Thanet • Tonbridge and Malling • Tunbridge Wells • Kent Fire Authority • Medway

Pool	Local authorities
Leeds Pool	<ul style="list-style-type: none"> • Harrogate • York • Bradford • Calderdale • Kirklees • Leeds • Wakefield
Lincolnshire Pool	<ul style="list-style-type: none"> • Lincolnshire • Boston • East Lindsey • Lincoln • North Kesteven • South Holland • South Kesteven • West Lindsey • North Lincolnshire
Solent Pool	<ul style="list-style-type: none"> • Portsmouth • Isle of Wight Council • Southampton
Suffolk Pool	<ul style="list-style-type: none"> • Suffolk • Babergh • Forest Heath • Ipswich • Mid Suffolk • St Edmundsbury • Suffolk Coastal • Waveney
Surrey Pool	<ul style="list-style-type: none"> • Surrey • Elmbridge • Epsom and Ewell • Guildford • Mole Valley • Reigate and Banstead • Runnymede • Spelthorne • Surrey Heath • Tandridge • Waverley • Woking

NATIONAL NON-DOMESTIC RATES RETURN - NNDR1

2018-19

Please e-mail to: nndr.statistics@communities.gsi.gov.uk by no later than **31 January 2018**.
In addition, a certified copy of the form should be returned by no later than **31 January 2018** to the same email address

All figures must be entered in whole £

If you are content with your answers please return this form to DCLG as soon as possible

Local Authority : **North Tyneside**

Ver 1.00

PART 1C: SECTION 31 GRANT (See Note C)

This page is for information only; please do not amend any of the figures

Estimated sums due from Government via Section 31 grant, to compensate authorities for the cost of changes to the business rates system announced in the 2013 to 2016 Autumn Statements and 2017 (November) Budget

	Column 2 North Tyneside	Column 3	Column 4 Tyne and Wear Fire	Column 5 Total
Multiplier Cap	£	£	£	£
27. Cost of cap on 2014-15, 2015-16 and 2018-19 small business rates multiplier	582,968	0	11,837	594,805
Small Business Rate Relief				
28. Cost of doubling SBRR & threshold changes for 2018-19	1,939,106	0	39,345	1,978,451
29. Cost to authorities of maintaining relief on "first" property	12,706	0	259	12,965
Rural Rate Relief				
30. Cost to authorities of providing 100% rural rate relief	0	0	0	0
Local Newspaper Temporary Relief				
31. Cost to authorities of providing relief	0	0	0	0
Supporting Small Businesses Relief				
32. Cost to authorities of providing relief	9,604	0	196	9,800
Discretionary Scheme				
33. Cost to authorities of providing relief	75,032	0	1,531	76,563
Pub Relief (<£100k RV)				
34. Cost to authorities of providing relief	35,014	0	715	35,729
Designated Areas qualifying relief in 100% pilot areas				
35. Cost to authorities of providing relief	0	0	0	0
TOTAL FOR THE YEAR	£	£	£	£
36. Amount of Section 31 grant due to authorities to compensate for reliefs	2,654,430	0	53,883	2,708,313

NB To determine the amount of S31 grant due to it, the authority will have to add / deduct from the amount shown in line 36, a sum to reflect the adjustment to tariffs / top-ups in respect of the multiplier cap (See notes for Line 36)

Certificate of Chief Financial Officer / Section 151 Officer

I confirm that the entries in this form are the best I can make on the information available to me and amounts are calculated in accordance with regulations made under Schedule 7B to the Local Government Act 1988. I also confirm that the authority has acted diligently in relation to the collection of non-domestic rates.

Name of Chief Financial Officer
or Section 151 Officer :

Signature :

Date :

Count of Tier	Tier				
Service	Tier 1	Tier 2	Tier 3	Tier 4	Grand Total
Business & Economic Development		1	3	14	18
Chief Executive Office	1	0	0	2	3
Commercial & Business Redesign		1	4	26	31
Commissioning & Investment		1	6	14	21
Corporate Strategy		1	5	23	29
Deputy Chief Executive Central	1	0	0	1	2
Environment, Housing & Leisure		1	4	24	29
Finance		1	4	5	10
Health, Education, Care and Safeguarding		1	12	45	58
Housing Revenue Account - S		0	3	11	14
HR & Organisational Development		1	4	14	19
Law & Governance		1	3	22	26
Public Health		1	4	0	5
Grand Total	2	10	52	201	265