

AGENDA ITEM

REPORT TO COUNCIL

DATE: 20 NOVEMBER 2024

REPORT OF CABINET

COUNCIL DECISION

Portfolio Title – Leader of the Council, Councillor Bob Cook

Powering Our Future – Prudential Borrowing Requirements

SUMMARY

This report seeks approval for prudential borrowing to enable delivery of transformation projects approved by Cabinet on 17th October 2024. The requirement of £4.3m of prudential borrowing for the acquisition of food and recycling waste receptacles, green waste bins, site preparation costs for a Waste Transfer Station and resurfacing of Wellington Square car park.

REASONS FOR RECOMMENDATIONS/DECISIONS

Council is recommended to agree the recommendation to allow the most beneficial method of funding the investment required, to aid the immediate financial pressures on the Medium Term Financial Plan.

RECOMMENDATIONS

Council is recommended to

1. Approve £4.3m prudential borrowing for the acquisition of food and recycling waste receptacles, green waste bins, site preparation costs for a Waste Transfer Station and resurfacing of Wellington Square car park.

DETAIL

1. The Powering our Future Update report to Cabinet on 17th October 2024 outlined a number of service changes through the Transformation Mission. The report to Cabinet is included as an appendix which provides more detail on each of the proposals.
2. Upfront investment is required to enable some of these service changes and these are detailed below
 - a) Green Waste – a one-off capital cost of £1,000,000 to purchase 40,000 green waste bins
 - b) Waste Transfer Station – site preparation costs of £1,100,000
 - c) New Waste Receptacles - £1,200,000

d) Car Parking – Resurface Wellington Square - £1,000,000

3. The total investment required is £4.3m. If the Council were to fund these costs upfront, and negate the need for borrowing, this would effectively increase the in year financial pressure which would increase the need to utilise earmarked reserves. Alternatively the costs can be funded by prudential borrowing, allowing the cost to be spread over a longer period. This allows the budget savings to be realised straight away, contributing towards the Council's MTFP. It is therefore recommended that prudential borrowing is used.
4. The costs of prudential borrowing will be funded by the savings or new income generated from the service changes. This has been factored into the financial implications included within the Cabinet report.
5. The prudential borrowing repayments and the repayment terms are summarised in the table below.

	Amount of Borrowing	Annual Repayments	Repayment Term
	£'000	£'000	Years
Green Waste - Bins	1,000	130	10
Waste - Transfer Station – Make good	1,100	75	30
Receptacles	1,200	156	10
Car Parking - Wellington Square Resurfacing	1,000	80	20
Total	4,300	441	

COMMUNITY IMPACT IMPLICATIONS

6. Powering Our Future puts communities at the heart of everything we do. It will change the way we work with our communities, so they use their knowledge, skills and strengths to help them deliver positive outcomes for themselves. Not only will this save money, but it will also mean that our residents are healthy, happy and feel like they belong.
7. Our approach will:
 - Empower communities and increase individual, family and community level activities, helping people and communities to be independent and have less reliance on Council services.
 - Always look for opportunities to be innovative and improve the way we work, so that we remain in the best possible financial position now and in the future.
 - Ensure that if we redesign a service, we will do this in a way that minimises impact for our residents, communities and partner organisations.

CORPORATE PARENTING IMPLICATIONS

8. There are no direct corporate parenting implications as a result of this report.

FINANCIAL IMPLICATIONS

9. The prudential borrowing total amount of £4.3m will cost 441,000 in annual repayments. This will be funded by the savings or new income generated as a result of the transformation proposals included within the report to Cabinet on 17th October 2024 (Appendix A)
10. As outlined in the Medium-Term Financial Plan and Budget Report to Council in February 2024, the Council is forecasting a budget gap across the MTFP of £1.9m in 24/25, £7.1m in 25/26 and £8.1m in 26/27.
11. Using prudential borrowing to fund this investment, allows savings to be made towards meeting this budget. Further details on the financial implications are included in the Cabinet Report (Appendix A)

LEGAL IMPLICATIONS

12. There are no direct legal impacts as a result of this report. Implications will be identified, and legal advice sought/provided as part of individual project activity for Powering Our Future.

RISK ASSESSMENT

13. This report provides an update on the development of the Powering Our Futures Programme. There are two main risks associated with the programme. Firstly, the programme does not achieve the levels of financial savings needed to put the Council on a financially sustainable footing. Secondly, the programme does not improve outcomes for our communities. Both these risks could lead to reputational risk.
14. To manage the risks, the Council has implemented a robust governance structure to manage the Powering Our Future programme. The structure includes senior management oversight, steering groups for each strand of the programme, clearly defined projects and programme and project management arrangements and regular reporting to Cabinet. In addition, the programme will be appropriately resourced with additional officer capacity to ensure outputs are achieved that lead to delivering the aims of the programme.

WARDS AFFECTED AND CONSULTATION WITH WARD/COUNCILLORS

15. Powering Our Future is a Borough-wide Programme.

BACKGROUND PAPERS

- Powering Our Future Programme Update (January 2024, April 2024)
- MTFP and Budget Report to Council (February 2024)
- Financial update report to Cabinet (September 2024)
- Scrutiny Review of Domestic Waste Collections, Kerbside Recycling and Green Waste to Cabinet (February 2024)
- The Environment Act 2021
- Governments 'Simpler Recycling' guidelines 2023

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REPORT TO CABINET

DATE: 17 OCTOBER 2024

**REPORT OF THE CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

Portfolio Title – Leader of the Council, Councillor Bob Cook

Powering Our Future – Programme Update

SUMMARY

This report provides an update on the Powering Our Future Programme including:

- Transformation Powering Our Future – proposals for new ways of working and recommended options for the following reviews:
 - Waste Collection
 - Fees and Charges – Car Parking
 - Fees and Charges – School Meals
 - Fees and Charges - Non-residential care charge
 - Administration and Business Services – Courier Services
 - Community Safety and Regulatory Services.
- Communities Powering Our Future:
 - Building our intelligence, skills and experience
 - Rolling out an Appreciative Inquiry approach
 - Partnership working
 - Effective communication and Proud to Care campaign.
- Partnerships Powering Our Future:
 - Place Leadership Board
 - Business Ambassadors Group.
- Colleagues Powering Our Future – implementation of the Workforce Development Strategy.
- Regeneration Powering Our Future – work is taking place to re-frame this Mission with a focus on Place Making. Further detail will be brought to a future Cabinet meeting.

REASONS FOR RECOMMENDATIONS/DECISIONS

Cabinet is recommended to agree the updates and recommendations to ensure that the Council continues to deliver its commitment to the Powering Our Future Missions; to address the financial challenges we face at the same time as improving outcomes for communities, including:

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- Creation of opportunities to build brighter futures for our communities and reduce inequality, using the limited amount of money we have available.
- Carefully managing our resources, creating a new relationship with communities, while providing efficient services that are valued by our residents.

RECOMMENDATIONS

Cabinet is recommended to:

1. Approve the recommended options set out in the report in respect of the Waste and Recycling Reviews:
 - Introduction of charging for green waste from 1st April 2025
 - Introduction of weekly food waste and recycling service from 1st April 2026 with the acquisition of associated vehicles and the development of a Waste Transfer Station
 - Cease the provision of the Community Recycling Centres with immediate effect.
2. Approve the removal of the maximum charge for non-residential care.
3. Approve an increase in the charges to schools for the provision of traded school meals service to reflect the true cost of the service provided; and increase the per meal charge for Council maintained schools to £3 per meal to reflect the increased cost of provision.
4. Approve the introduction of Free School Meals auto-enrolment as detailed in paragraphs 71 and 72.
5. Approve the changes to car parking charges in Stockton and Yarm Town centres; including removal of the first hour free parking and introduction of the rate of £1.50 for three hours stay in short stay car parks, alongside an uplift to long stay car parking charges.
6. Note the operational changes in respect of Administration and Business Services, Community Safety and Regulatory Services set out in paragraphs 76 to 81.
7. Note that the changes proposed will contribute £375,000 in 24/25, £2,296,000 in 25/26 and £4,644,000 in 26/27 towards the budget gap estimated within the budget report to Council in February 2024, at the same time as delivering improved outcomes, set out in the detail of the report.
8. Note the progress updates for other aspects of the Transformation Mission outlined in paragraph 10.
9. Note the progress updates for all other Missions of the Powering our Future Programme.

Cabinet Recommend to Council

10. It is proposed that Cabinet recommend to Council approval of £4.3m prudential

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borrowing for the acquisition of food and recycling waste receptacles, green waste bins, site preparation costs for a Waste Transfer Station and resurfacing of Wellington Square car park.

Introduction - Powering Our Future

16. The Powering our Future Programme continues to drive our plans to be a bold, brave and innovative Council and work with our partners to make sure Stockton-on-Tees is a fair and equal place, where everyone is proud to live and work, where our communities flourish and people feel they belong.
17. Significant progress has been made against all the Missions in the Programme, supporting us in our planned approach to carefully manage our resources over the longer term. This will see us create a new relationship with communities, while providing efficient services that offer value for money and are valued by our residents.
18. Our approach continues to be iterative, building over time, to engage communities and undertake thorough reviews. This can avoid the need to make short-term cuts, which can be damaging to services and the residents we serve.
19. The remainder of this report provides an update on each of the Missions, for Cabinet comment and approval. Regular reports to Cabinet will ensure that our member-led approach drives the development and delivery of Powering Our Future.

Transformation Powering Our Future

20. This Mission will identify new and innovative ways of working that are better for communities and more efficient.
21. In April 2024, Cabinet agreed the scope for each of the Transformation Reviews in Phase 1 of the Programme. These provided clarity on the objectives for each project, in alignment with the Council's Mission Statement.
22. The reviews have now moved into Discovery and Design stage. This work has led to a comprehensive understanding of organisational challenges, to develop and refine ideas for transformation making use of research, data and intelligence.
23. As part of this process, we have and continue to carry out extensive engagement with Members and colleagues to ensure robust challenge and feedback in shaping the change. This includes:
 - Members and Colleagues Marketplace Events (providing information about all Phase 1 reviews)
 - Colleagues Community of Practice sessions (managing interdependencies between projects across the programme)
 - Member Briefings
 - Informal Member Engagement Group (a cross-party group met in August to inform fees and charges reviews)
 - Scrutiny Committees (the Scrutiny Programme for 2024-25 has been designed and

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agreed to inform reviews where areas of policy change are anticipated)

24. The findings relating to an initial tranche of reviews have now been concluded. Drivers for change along with options, proposals and recommendations for transformation are summarised below.

25. In addition to the areas below, we have made progress in relation to:

- Discharge to Assess / Reablement – a new way of working is being progressed that will see the council de-commission current provision and reallocate resources for a more joined up approach to reablement. This will focus on supporting more people to live independently through a single-provider approach that makes every contact count and will support high performance of the local system, which is acknowledged as one of the best in the county. This is estimated to save up to £500,000.
- Placement Sufficiency Strategy – this operational strategy sets out our approach to provide a range of accommodation and support services that:
 - Keep children with their families of origin, wherever it is safe to do so.
 - Provide children with alternative, nurturing homes if they need short, or long-term alternative care or support arrangements.
 - Enable our children and young people with disabilities to live an ordinary life.
- Introduction of new practice for Children's Services – this supports us in achieving the objectives set out as part of the placement sufficiency strategy and includes:
 - The creation of an Edge of Care Team designed to work intensively with individuals, siblings and families to maintain them in the family home rather than take them into care. The team has been successful in keeping children out of care, with 73 children and young people being supported by the team since January 2024.
 - The establishment of the Social Work academy and International Recruitment to address recruitment and retention issues.

Waste Collection & Recycling

26. A Place Committee Scrutiny Review of Domestic Waste and Recycling was undertaken in 2023, with the assistance of Waste and Resources Action Programme (WRAP). WRAP provided guidance around a range of considerations on how alternative collection models could support the Council to meet the new requirements set out by the Government, whilst also tackling low recycling rates and increased waste disposal costs.

27. In support of this, in February 2024 Cabinet agreed to: change to fortnightly refuse collections; adopt weekly 'multi-stream' collections of dry recycling and food waste; undertake a review of green waste collections; and implement a comprehensive communication and community engagement plan on proposed changes.

28. Options for implementation have been the focus of a transformation review, which also responded to the following drivers for change:

- Significant gate fee increases linked to changes in the current waste disposal contract arrangements. These costs are already factored into the MTFP and

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contribute to the budget gap.

- A new statutory duty to collect food waste separately, and to treat this waste as recycling.
- Our recycling levels are currently the lowest in the Tees Valley and behind target. Collection model changes have been proven to be the primary catalyst for improving recycling levels.

Green Waste

29. The current position in respect of the Green Waste service is as follows:

- Collections currently take place for 30 weeks per year although the service is only funded for 26 weeks
- As part of the new 'Simpler Recycling' guidelines, councils are required to provide a 36-week service from April 2026 which would result in a budget pressure for our council of circa £70,000
- There is no charge for the service to households, with the service effectively fully subsidised by the Council
- We are one of the few councils in the country not to charge for the service.

30. It is proposed to introduce a chargeable green waste service from April 2025 at a charge of £40 per annum to households.

31. A range of options are available for charging, and work has been undertaken to understand comparable charges across local authorities. These ranged between £35-£60. In the Northeast, the highest charge is Newcastle at £43, however we understand several Councils are in the process of reviewing their charges. The proposed charge of £40 therefore compares favourably to other local authorities and is the recommended option.

32. Associated with this proposal:

- Residents will be able to sign up to the scheme through a variety of channels from December 2024.
- The first bin will be provided free of charge to each household (effectively paid for from the income collected).
- Households with larger green space will be able to benefit from the new arrangements as additional bins can be purchased on request for a charge of £25.

33. Subject to the pace and level of take-up amongst households, the proposal is estimated to provide up to £600,000 income in year 1 and £1,200,000 in year 2 and future years, before the costs associated with implementation. The income modelling assumption is based on 20% take-up in year 1 with a further 20% take-up the year after. The model has been run following the gathering of intelligence from other comparable authorities who have rolled out chargeable green waste in recent years.

34. There are 2 options for the purchase of the bins which need to be factored into the model:

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- The one-off capital cost of purchasing the bins is £1,000,000 for 40,000 bins. This is expected to cover the take up for years 1 and 2. This cost would exceed any potential new income in the first year.
 - An alternative is to use prudential borrowing powers to fund the bins. This would cost around £130,000 per annum and effectively spread the up front cost over a period of ten years.
35. Given the financial pressure in 2025/26, it is proposed that Cabinet agree to the changes and recommend to Council borrowing £1m to fund the Capital cost associated with the acquisition of a stock of green bins.
36. The Council will work with communities to ensure there is an equitable approach to implementation, which will include extensive community engagement and support for change. We will explore opportunities that can build on community strengths for shared approaches amongst neighbours.

New Waste and Recycling Service

37. Based on the WRAP modelling, with a preferred option previously proposed by Scrutiny Committee and endorsed by Cabinet (set out a paragraph 12), it is now proposed to progress with the following for delivery:
- Collect food waste and recycling every week
 - Collect residual waste on a fortnightly basis
 - Each household will receive an additional weighted bag for the collection of dry recycling and a new indoor and outdoor caddy for food waste. Giving every household the opportunity to increase the amount of waste that can be collected and recycled on a weekly basis.
38. The introduction of weekly food waste collection is required from April 2026. Since this is a new burden to local authorities, Government is required to cover all additional costs. As members will recall the most cost effective means of collecting this waste is on the same vehicle. This model also results in a cleaner product alongside increasing our recycling rates. This assumed approach is reflected in the options analysis and proposals below.
39. It is proposed that changes will take affect from April 2026 to ensure we meet statutory requirements and allow sufficient lead in time to make operational arrangements and to communicate and support residents with the changes.
40. Back alleys have unique challenges relating to waste collection. High levels of waste are disposed of here, and fly tipping can be an issue if not carefully managed. The proposal therefore includes the retention of waste on a weekly basis for these areas only, in order to address these issues.
41. New receptacles are needed to implement the proposed new model set out at paragraph 22, based on WRAP modelling.

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Food Waste

42. This requires new receptacles for residents as follows:

- 130,000 5L Internal Food Caddies costing £1.25 per unit to store waste in households
- 130,000 23L Food Caddies costing £3.30 per unit to be used externally and to be collected from waste collection service
- 250 400L Commercial Food Waste bins costing £370 per unit.

43. The Government has committed to fund the costs of food waste collection and disposal. At the current time we do not know our allocation for the new revenue funding but based on the proposal we are estimating that this should be £150k up front to meet enablement costs and then £900k per annum from 26/27 to meet ongoing costs.

Recycling

44. The recommendation approved by Cabinet to move to weekly recycling and food waste collections and fortnightly residual waste collections, precludes the use of bins as a collection receptacle as the collection vehicle used for this method cannot accommodate a lift for bins and requires recycling to be partially segregated at the kerbside. This was assessed as part of the Scrutiny Review as scenario 4 and it was determined that the use of a co-mingled bin comes with a capital cost of £2.3 million, high contamination rates and a move to a gate fee for recyclable material therefore is not a viable option against the approved recommendation of scenario 3.

45. Under the new service, each property requires an additional recycling receptacle. Feedback from residents suggests they would prefer a bag that is heavier to prevent it from blowing away in heavy winds. Currently the white bags offered to residents have a 500g weight within them. Operational modelling will be undertaken to identify the preferred receptacle that is both efficient and meets residents' needs.

46. Based on the above, the overall estimated cost of new receptacles covering food and recycling collection changes is in the region of £1.2m. This can either be funded in year from one off revenue budgets, which would add to the existing budget gap as included in February 2024 MTFP report, or alternatively the cost could be funded through prudential borrowing, which would allow the cost to be spread over ten years. Based on the overall financial position of the Council, it is therefore proposed that we fund the costs through prudential borrowing to maintain the position outlined in the February 2024 MTFP report to Council.

47. The new food waste collection and disposal service create further logistical demands, including:

- Based on the model proposed, new vehicles are required. The most efficient model involves food waste and recycling collection in one vehicle.
- Additional vehicles will also need secure overnight storage. The Council's depot space is already at full capacity and there is no capacity on our current Fleet

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Operator License to add more vehicles to existing depots, therefore there is a requirement to identify space.

- The collection method means the vehicles will be fuller sooner, creating the requirement for more rounds.

48. To deliver proposals, 22 recycling vehicles are needed. We currently lease 11 vehicles just for recycling which are not suitable to collect food waste. These vehicles will no longer be in use after April 2026.
49. Under the proposed new arrangements, we will continue to lease vehicles as the cost difference between borrowing and buying is negligible. However, there are significant operational benefits to leasing linked fleet management and maintenance.
50. It is proposed to establish a Waste Transfer Station, which will allow waste to be sorted and transferred onto different vehicles ready for transportation to the designated recycling facility. This will require less collection rounds and establish further storage space for vehicles. This would require additional capital investment of £2.5m.
51. Consideration has been given to direct transfer to the Recycling Facility in Hartlepool although this will add significant downtime when considering travelling time as well as waiting times as the facility will be used by a multitude of other local authorities. This would equate to the equivalent of 3 additional rounds therefore the most appropriate and cost-effective solution is to use a transfer station in the Borough, which would allow us to depot the recycling and then arrange separate bulk haulage to the recycling facility.
52. Whilst the acquisition of the land can be funded through the DEFRA Food Waste capital grant of £1.4m, a further borrowing requirement of £1.1m would be required to enable delivery of the overall capital investment outlined above.

Community Recycling Centres

53. The Council still operates 5 Community Recycling Centres in the Borough. These are on private land, attract significant antisocial behaviour, and we are under increasing pressure from landowners (in fact some have recently closed at the landowner's request).
54. The facilities were opened at a time when we had few recycling opportunities. However, the proposed new waste and recycling model will give residents the opportunity to increase the amount of waste that can be collected and recycled on a weekly basis, in a more convenient way. Other recycling options are also available to communities, and it is therefore proposed to close the Community Recycling Centres with immediate effect.
55. This will prevent fly tipping and offer a financial saving of up to £66,000 per annum increasing to a potential saving of £95,000 upon the increase of the gate fee in 2025 and supports our plans to mitigate the budget gap estimated within the budget report to Council in February 2024,
56. Communication and engagement - the proposals above include a high level of change

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for residents. Supporting our communities to understand this, whilst ensuring high take up from the start of the new arrangements is fundamental to the success of the new service, to delivering higher recycling rates and maintaining an exemplary service. A detailed communications and engagement plan focusing on education and support for residents is therefore being developed and an allocation of £200,000 is included alongside other implementation costs.

57. Cost implications - the overall financial implications from the above proposals are:

	2025/26	2026/27 and Future Years
	£'000	£'000
Green Waste Income	(600)	(1,200)
Alternate Weekly		(1,000)
Recycling centres	(66)	(95)
Estimated revenue food grant (To be announced)	(150)	(900)
Communication & Engagement Costs	200	
Prudential Borrowing Repayments	130	361
Total reduction in budget envelope	(486)	(2,834)

58. There are significant upfront one off costs that will be required prior to April 2026 to allow delivery of the service considering the changes referenced above. These are:

- £1.1m to support Waste Transfer Station (after applying Capital Grant)
- Green Waste receptacles £1m
- Recycling and food waste receptacles £1.2m.

59. In order to fund these one-off costs, it is proposed that Cabinet agree to the changes and recommend to Council approval of prudential borrowing of £3.3m with an annual repayment cost of £361k.

Fees and Charges Review

Non-residential Care

Charge

60. Income generated from fees and charges for non-residential care has not been reviewed since 2017. At this time, it was agreed that Stockton would continue implementing the maximum charge of 60% of the cost of a Grade 1 care home placement. As such, the Council has a maximum charge for residents receiving care at home of £459.60 per week. In a number of cases this is below the true cost of care. This is adding to the financial pressures experienced within this service.

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61. Following a change to legislation many years ago, most councils from a national and regional perspective removed the 60% cap. Hartlepool is the only other regional authority that has a cap, which is no more than equivalent of current weekly residential cap which is £802 per week. Having reviewed 24 other authorities, many our CIPFA nearest neighbours, all charge the full cost of the package.

Recommendations and Benefits

62. It is proposed to remove the maximum charge so that clients with resources over the savings threshold or with eligible incomes would pay the full cost of their care package.

63. We will ensure that all charges are dealt in a fair and consistent way, subject to a financial assessment that ensures we protect residents from impacts of inequality and that they are supported to receive their full eligible income.

64. Proposals support our approach to mitigate the budget gap, set out in the budget report to Council in February 2024.

65. There are currently 49 clients paying the maximum charge. If all of these clients paid the full cost of their care this would generate an additional £300,000 p.a. income. All clients are offered a financial assessment to assess what they can afford to pay, as such a deduction of 50% has been applied to arrive at an estimated additional income of £150,000p.a.

66. To realise these benefits, it is proposed that changes are effective immediately for new clients and implemented in April 2025 for existing clients. This will allow time for an updated financial assessment to be undertaken.

Car Parking

67. Income generated through car parking has been unstable since 2020, with Covid having a significant affect. Shopping behaviours have also changed in this time, with a shift to online and some big-name high-street retailers have left Stockton High Street.

68. Costs to maintain and operate car parks currently outweighs income. Investment needs have also been identified to ensure our car parks remain fit for purpose, and whilst some investment has taken place in recent years, we do not have adequate investment to keep our car parks to the optimum standard.

69. The Council currently offers the first hour free in our car parks. We are an outlier in doing so, and this can disincentivise residents to use active travel such as walking or cycling to visit our town centres.

70. Tees Valley Combined Authority funded a fixed term initiative of free parking within short stay car parks for the period of February 2021 to February 2023. Following this period the council has not been recovering sufficient income to cover the costs of maintaining and operating its car parks.

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71. The Council is currently forecasting a shortfall in car parking of approximately £500,000 against the car parking budget. In addition to this investment is required to maintain and improve car parking infrastructure which is a further budget pressure. There also needs to be consideration of the overhead costs associated with running and maintaining car parks that are not charged to the car parking budget.

Recommendations and benefits

72. For car parks in Stockton Town Centre and Yarm, it is proposed to remove the first hour free, introduce charging for the first 3 hours and increase long stay in all car parks. Standardised pricing for car park passes available to use at all of these sites, will also be offered at a discounted price. These changes apply to Stockton Town Centre and Yarm only as these are currently the areas a parking charge system is implemented. Options for different pricing have been modelled and are shown below.

Options	Annual increase in income
£0.50 for first 30 mins £1.50 thereafter	£500,000
£1.50 for first 3 hrs	£800,000
£2 for first 3 hrs	£1,250,000

73. The recommended option is £1.50 for the first three hours, which is competitive compared to other car parks within the Tees Valley. For stays up to 1 hour Stockton's new price will be comparable and for stays up to 3 hours it will be the cheapest.

74. The car park surface at Wellington Square Car Park requires resurfacing at a cost of £1m. It is recommended that this is funded by prudential borrowing with the annual borrowing repayments of £80,000 funded from the new income generated from the proposal.

75. To improve customer experience all machines will be upgraded to allow contactless payments. This is alongside the pay by phone method and cash payments already in use. There will also be upgrades to a small number of faulty machines. This will be a one off cost of £80,000, covered by the new income generated within the first year.

76. Enforcement of car parking penalty charge notices will continue to be maintained and potential for additional income linked to the proposal kept under review.

77. With implementation in February 2025, these measures are estimated to generate additional income of £800,000 per year.

78. There are no proposed changes to: Billingham, Norton, Ingleby Barwick and Thornaby.

79. Subject to Cabinet agreement, the new arrangements will be reviewed after 1 year, to consider the impact on residents, visitors, and council finances.

80. The Blueprint for Stockton Town Centre and North Thornaby also considers accessibility into our town centres ensuring residents and visitors have options including utilising active travel, public transport and car parking.

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81. Approval of the recommendations will support the Council to:

- Ensure sustainability of the service and recovery of the associated costs of the service
- Meet the current maintenance and development requirements in and maintain existing car park sufficiency
- Invest in the Highways network/assets with the income generated in line with the Road Traffic Act.
- Encourage more people to visit and stay in Stockton Town Centre, supporting vibrancy and economic growth of the area.

School Catering Service

82. Local authorities are not required to provide school meals, it is a traded service. Other local authorities, including neighbouring ones, have already taken the decision to cease their school meals service, with rising costs being a common reason.

83. Due to rising costs, the existing charges made to schools and academies no longer cover the cost of the service. There is an existing annual budget pressure of £350,000 within this service.

84. The Council has continued to prioritise its school meals service to ensure that we offer healthy and nutritious options for school children in the Borough. Many of the schools and academy trusts within the Borough continue to use the Council's school meals service because of its excellent reputation.

85. The Council currently charge maintained schools based on £2.80 per meal, with a range of prices for academies based on the costs of their particular circumstances, for example geography and size. Typically, a small primary school with low pupil numbers will cost more to provide a school meal service per meal than a larger school where economies of scale can be achieved. These charges do not cover the costs of the service.

Free school meals (FSM) auto-enrolment

86. Whilst the latest Department of Education data estimates that 27.7% of pupils in the Borough are known to be eligible for FSM and all known eligible pupils are taking up this entitlement, these statistics do not account for pupils/households that are not recorded as eligible. It is therefore proposed that the Council operates an FSM auto-enrolment scheme. Using existing data held by the Council, parents/carers identified as eligible for FSM and have a child attending a state or academy school on a full time basis within the Borough will be written to and ask to 'opt out' if they prefer not to be registered. The project will be implemented in the Spring school census (which opens 16.1.25) and then re-run on a regular basis (based on the school census dates) to maximise take-up.

87. It should be noted that currently the Council offers a charged FSM eligibility checker to schools (alongside maintaining eligibility lists and dealing with school queries) which generates £31k per year, it is anticipated that this income will cease.

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Recommendations and benefits

88. It is proposed to implement the new charges for all maintained schools and academies effective from January 2025. Maintained School meals would increase to £3 per head. Academy Trusts will be charged the full cost of the service being delivered, which varies depending on the size of the Trust (as highlighted in paragraph 70).
89. This will generate additional income to the Council of £300,000. The Council will recover costs of providing this traded service to Academy Trusts, however we will continue with a small subsidy for the remainder of the service.
90. FSM Auto enrolment will seek to ensure that all eligible families receive the benefit they are entitled to, all eligible children benefit from a guaranteed hot daily meal while in school, are able to access other out of school initiatives such as Holidays are Fun (HAF) and that schools secure additional Pupil Premium funding (£1,455 per primary pupil and £1,035 per secondary pupil per year).

Administration and Business Services – Courier Services

91. Progress and savings have been made following a review of mail services 2018, including deletion of first-class mail, promotion of Royal Mail's clean option and cancellation of timed deliveries. However, further opportunities were identified to introduce more efficient processes that are digital by design and informed by insight.

Plans for New Ways of Working

92. It is planned to cease the existing courier service and implement a new policy and process that aims to reduce paper mail. This can direct greater volumes of mail requiring printing through the Xentrall Design and Print 'Print to Post Service' and the Corporate Mailroom.
93. The move to the Modern.Gov Committee System has provided the facility to move to paperless agenda despatch for Councillors. Combined with the development of fit for purpose meeting rooms in Dunedin House, this improvement is planned for implementation in the coming months and could go live summer 2025.
94. These new ways of working will generate potential savings of £60,000 aligned to plans to mitigate the budget gap estimated within the budget report to Council in February 2024, at the same time as supporting our climate change priorities and improving intelligence and insight of activities to identify future transformation and efficiency opportunities.

Community Safety and Regulatory Services

95. Ensuring efficient use of resources and financial stability - following a review of the corporate senior management structure in May 2022, a number of the Council's regulatory areas were brought together under a single management structure known as Community Safety and Regulated Services. Since then, a significant amount of work has

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been done consolidate our offer and improve the protection we offer to our communities.

96. The final stage of this is a review of the management structure, needed to unlock the final phase of changes with the aim of streamlining functions.

Plans for new ways of working

97. Streamlining the service management team – plans are being developed to merge the leadership of Trading Standards and Licensing together under one single Service Manager. This will drive out efficiencies in process and resources whilst improving the experience of service users by allowing us to simplify access to services.

Transformation Powering Our Future - Next Steps

98. Should the recommendations above be approved, work will commence to develop detailed delivery plans and implementation will commence in Quarter 3 2024.
99. Discovery and Design work continues on the remaining transformation reviews in Phase 1 of the Programme. Outcomes and proposals will be brought to Cabinet towards the end of 2024.

Communities Powering Our Future

100. This Mission seeks to change our relationship with communities to make sure our residents have happy, healthy lives.
101. Following Cabinet agreement of workstream activity in April 2024, progress has included:
102. Building our intelligence, skills and experience – we are continuing to learn from our communities and best practice in other areas about new ways of working that can improve outcomes across the Borough. Findings from the Residents' Survey and community conversations, alongside our work with Cormac Russell on Asset Based Community Development and the National Development Team for Inclusion (NDTi) have given an improved understanding of the journey we need to take and is informing the Council's future approach to community led development and service design.
103. Alongside this, we have undertaken a review of commissioned services to understand potential opportunities for improved ways of working.
104. Appreciative Inquiry - we are developing a new approach and methodology for 'Let's Talk' Stockton-on-Tees. Using Appreciative Inquiry, we will work with our communities to understand what is working well and how to build on it.
105. Partnership working in communities – we are working with our network of 7 Community Partnerships to gather their views current ways of working and how this can be improved to make a difference for communities. This includes developing a shared

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approach with our partners through the Place Leadership Board.

106. As part of our approach, we are looking at ways to improve our communication with communities, so they are aware of the resources available to support them.
107. The Proud to Care Campaign was launched in May 2024 and continues to receive positive feedback on social media. The campaign shares case studies of people who go the extra mile to build strong communities across our Borough. For example: Pauline Spicer from Ingleby Barwick, the 'Queen of Tea making.' Pauline volunteers every week at Thornaby Warm Welcome Social, making 60-80 cuppas every session. She helps run the Warm Welcome sessions, and in doing so, has made many new friends in the community. New case studies are being sought each week to maintain momentum and continued visibility of the campaign.

Partnerships Powering Our Future

108. This Mission seeks to ensure we are 'Stronger together.'
109. The Place Leadership Board continues to see strong engagement from partners, developing joint solutions to our shared challenges and opportunities, whilst removing organisational boundaries to meet the needs of our People and our Place. Project activity is progressing across all priority areas, including:
- Developing skills for public service, including options for shared pathways
 - Building Pride in Place, including a shared campaign for National Volunteers Week in June 2024
 - Support for Care Leavers, including a Single Point of Contact in partner agencies aligned to the support they can offer
 - Maximising use of shared resources and aligning approaches to community development and reducing inequalities
 - Exploring opportunities for Health and Social Care Integration.
110. A small group of Business Leaders are working together through a new Business Ambassadors Group. This will provide a business-led platform and support to build confidence in Stockton-on-Tees as a place to live, work and invest. The group has informed the development of a communications approach, that can be used to support the profile of businesses and supply chains in our Borough. The group is also considering business-led solutions to improve feelings of safety in our town centres and reduce inequalities by supporting people into employment.

Colleagues Powering Our Future

111. This Mission seeks to empower our colleagues to do the best they can for communities. We want to be an employer of choice where our colleagues feel valued, informed and involved in a working environment that is fit to meet the future demands of the Borough.
112. Following approval of Workforce Strategy by Cabinet in April 2024, activity is being progressed that that will support us in our Vision to have a talented and diverse workforce

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that is committed, engaged and empowered to deliver the Council's priorities and ambitious Powering Our Future Programme.

- **Organisational Values and Behaviours** – workshops to develop the new values and behaviours are underway with colleagues across the organisation.
- **Communications & Engagement** – we are gathering colleague's views on communication methods. We are also exploring alternative options to the intranet. Work is underway to review how we celebrate success and work continues to further develop the Employee Networks and overall employee engagement offer.
- **Attract & Retain** – 5 Priority Areas of focus include: – Recruitment & Manager Engagement; Exit Interviews; Advertising; Corporate Offer & Employee Benefits and Apprentice & Graduate Opportunities. Following the apprenticeship recruitment process and open day in May, we have 43 new apprentices starting with the council across September and October.
- **Happy & Healthy Workforce** – employees from across the organisation are developing a new Employee Health and Wellbeing Charter and exploring how we can ensure employees are aware of the extensive Health and Wellbeing offer we have available with an emphasis on equity across all areas.
- **Workforce Planning** – we are focusing on how workforce data is accessed, analysed and presented to inform succession planning, talent management and identifying key skills needed for the future.
- **Workforce Development** – we are focusing on leadership and management development and maximising the opportunities available through the apprenticeship route for our existing workforce. E-learning modules continue to be available to all staff via "My Development" and in-person training sessions will take place on key topics on a demand led basis.
- **Smarter Working** – a number of colleagues have been relocated into the recently refurbished Dunedin House and a Smarter Working Policy and Remote Working Guidance have been published. This ensures we have supportive processes and a suitable and vibrant working environment that supports colleagues to do the job in the most efficient and smart way.

Regeneration Powering Our Future

113. Work is taking place to re-frame this Mission with a focus on Place Making. Further detail will be brought to a future Cabinet meeting.

COMMUNITY IMPACT IMPLICATIONS

114. Powering Our Future puts communities at the heart of everything we do. It will change the way we work with our communities, so they use their knowledge, skills and strengths to help them deliver positive outcomes for themselves. Not only will this save money, but it will also mean that our residents are healthy, happy and feel like they belong.

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115. Our approach will:
- Empower communities and increase individual, family and community level activities, helping people and communities to be independent and have less reliance on Council services.
 - Always look for opportunities to be innovative and improve the way we work, so that we remain in the best possible financial position now and in the future.
 - Ensure that if we redesign a service, we will do this in a way that minimises impact for our residents, communities and partner organisations.
116. Equality and Poverty Impact Assessments (EPIA) have been undertaken for individual reviews as required.

CORPORATE PARENTING IMPLICATIONS

117. There are no direct impacts on Corporate Parenting as a result of this report. Implications will be identified as part of individual project activity for Powering Our Future.

FINANCIAL IMPLICATIONS

118. As outlined in the Medium-Term Financial Plan and Budget Report to Council in February 2024, the Council is forecasting a budget gap across the MTFP of £1.9m in 24/25, £7.1m in 25/26 and £8.1m in 26/27.
119. The measures identified in the report above are summarised in the table below.

	2024/25	2025/26	2026/27
	£'000	£'000	£'000
Waste Collection and Disposal		486	2,834
Supporting People to Live Independently at Home	250	500	500
Administration and Business Services - Courier Services		60	60
Fees and Charges - Car Parking	50	800	800
Fees and Charges - School Meals	75	300	300
Fees and Charges - Adult Social Care Cap	-	150	150
Total	375	2,296	4,644

120. The table above demonstrates positive progress towards closing the budget gap, with a lot more work still ongoing with opportunities for greater successes. A number of assumptions have been made within the modelling and financial implications contained in this report. These will be updated in future MTFP reporting and updates brought back to Cabinet.
121. The report contains prudential borrowing requirements, this is summarised in the table below:

	Amount of Borrowing	Annual Repayments	Repayment Term

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	£'000	£'000	Years
Green Waste - Bins	1,000	130	10
Waste - Transfer Station – Make good	1,100	75	30
Receptacles	1,200	156	10
Car Parking - Wellington Square Resurfacing	1,000	80	20
Total	4,300	441	

122. The prudential borrowing repayments are included in the changes to budgets described above.

LEGAL IMPLICATIONS

123. There are no direct legal impacts as a result of this report. Implications will be identified, and legal advice sought/provided as part of individual project activity for Powering Our Future.

RISK ASSESSMENT

124. This report provides an update on the development of the Powering Our Futures Programme. There are two main risks associated with the programme. Firstly, the programme does not achieve the levels of financial savings needed to put the Council on a financially sustainable footing. Secondly, the programme does not improve outcomes for our communities. Both these risks could lead to reputational risk.

125. To manage the risks, the Council has implemented a robust governance structure to manage the Powering Our Future programme. The structure includes senior management oversight, steering groups for each strand of the programme, clearly defined projects and programme and project management arrangements and regular reporting to Cabinet. In addition, the programme will be appropriately resourced with additional officer capacity to ensure outputs are achieved that lead to delivering the aims of the programme.

WARDS AFFECTED AND CONSULTATION WITH WARD/COUNCILLORS

126. Powering Our Future is a Borough-wide Programme.

BACKGROUND PAPERS

- Powering Our Future Programme Update (January 2024, April 2024)
- MTFP and Budget Report to Council (February 2024)
- Financial update report to Cabinet (September 2024)
- Scrutiny Review of Domestic Waste Collections, Kerbside Recycling and Green Waste to Cabinet (February 2024)
- The Environment Act 2021
- Governments 'Simpler Recycling' guidelines 2023
- SBC Anti-Poverty Strategy 2024-2027

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