



Civic Centre, Riverside, Stafford

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Dear Members

### **Cabinet**

A meeting of the Cabinet will be held on **Thursday 9 February 2023** at **6.30pm** in the **Craddock Room, Civic Centre, Riverside, Stafford** to deal with the business as set out on the agenda.

Please note that this meeting will be recorded

Members are reminded that contact officers are shown at the top of each report and members are welcome to raise questions etc in advance of the meeting with the appropriate officer.

A handwritten signature in black ink, appearing to read "I. Curran".

Head of Law and Administration

## CABINET - 9 FEBRUARY 2023

Chair - Councillor P M M Farrington

### AGENDA

- 1 Minutes of 19 January 2023 as circulated and published on 20 January 2023
- 2 Apologies
- 3 Councillors' Question Time (if any)
- 4 Proposals of the Cabinet Members (as follows):-

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### Membership

Chair - Councillor P M M Farrington

P M M Farrington	- Leader
F Beatty	- Economic Development and Planning Portfolio
J M Pert	- Deputy Leader and Community Portfolio
J K Price	- Climate Change Portfolio
R M Smith	- Resources Portfolio
C V Trowbridge	- Leisure Portfolio
M J Winnington	- Environment Portfolio

## Agenda Item 4(a)(i)

<b>Cabinet Date:</b>	9 February 2023
<b>Contact Officer:</b>	Chris Forrester
<b>Telephone Number:</b>	01543 464334
<b>Ward Interest:</b>	Nil
<b>Report Track:</b>	Cabinet 09/02/2023 Resources 28/02/23 Econ Dev and Planning 07/03/23 Community Wellbeing 23/03/23
<b>Key Decision:</b>	No
<b>Submission by:</b>	Councillor R M Smith, Resources Portfolio

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## Final Accounts 2019-2020

### 1 Purpose of Report

- 1.1 To present to the Cabinet the final accounts position for 2019/20.

### 2 Proposal of Cabinet Member

- 2.1 To approve the final accounts position for the year ending 31 March 2020 and refer the figures on to the appropriate Scrutiny Committees for information;
- 2.2 To approve the financing of the capital programme as outlined in the report.

### 3 Key Issues and Reasons for Recommendations

- 3.1 The overall revenue account outturn position shows the Council's net controllable budget as reflected in its Portfolio Budget reducing by £58,000 when compared with the budget agreed by the Council.
- 3.2 The portfolio outturn favourable variance primarily arises as a result of additional income £80,000 and savings on controllable budgets including staffing variations of £76,000. The favourable variation has been partly offset by one off variations of £234,000.
- 3.3 Technical items excluded from Portfolio totals show a major variation of £5,270,000. The variation arises from an increase in transfer to reserves relating to Business Rates income as described below of £4,399,000, and an

additional contribution to capital reserves to provide support for Economic Growth Initiatives.

- 3.4 Income from the Business Rates Retention scheme is some £4.399 million higher than anticipated. This increase reflects additional growth; one off windfall of the business rates pilot £1.7 million and changes in the distribution methodology for both the Central Investment Fund and Contingency Fund forming part of the revised Governance arrangements for the 2019/20 Staffordshire and Stoke on Trent Business Rates Pool (pilot).
- 3.5 The above pool was formed on the 1 April 2019 with an increased membership including authorities previously subject to pooling arrangements with the Greater Birmingham and Solihull LEP area. The new pooling agreement for 2019/20 only (pilot year) provided for 40% of the Levy saving to be retained by the relevant authority to promote economic growth rather than being retained by the pool.
- 3.6 The final accounts therefore show a reduced transfer to working balances reflecting an additional contribution to capital reserve funding for Economic Growth Initiatives. The actual transfer to Working Balances of £83,000 as compared with the expected contribution to balances of £773,000 that was anticipated when the budget was finalised.
- 3.7 The Medium Term Financial Plan is currently being refreshed to take into account the outturn for the first quarter of 2020/21 in conjunction with the 2019/20 draft outturn and the impact of the COVID pandemic.

## **4 Relationship to Corporate Business Objectives**

- 4.1 The final accounts for 2019/20 cover all of the Council's priorities.

## **5 Report Detail**

### **Background**

- 5.1 This report provides an analysis of the final accounts position for 2019/20. It covers the following accounts:-
- Revenue account - known as the General Fund - which bears the net cost of providing day-to-day services;
  - Business Rates Retention;
  - Capital expenditure and how it is financed; Collection Fund.
- 5.2 Due to the COVID pandemic, the accounts deadlines have been amended to require draft accounts to be approved by the 31 August 2020 and final audited accounts to be published by the 30 November 2020. However the accounts have been prepared in advance of that timetable and have been published on the website on the 25 June 2020. The auditors are due to commence

inspection on the 6 July 2020 and are planned to go to Audit and Accounts Committee in early September subject to audit progression.

### **Revenue Outturn**

- 5.3 The table below summarises the outturn position of the General Fund Revenue Account for the year compared with the budget position.

### **General Fund Revenue Account Outturn Position**

- 5.4 The Council's Net Expenditure (Portfolio Budgets) in relation to revenue budget for 2019/20 was set by the Council at a net expenditure of £14.509 million in February 2019. The Net expenditure of the Council was forecast to be £17.447 million. In determining the 2020/21 Budget in January 2020 Council approved the Forecast Outturn Portfolio Budget for 2019/20 at £14.567 million and Net Expenditure of £17.190 million. The increase reflecting reduced transfers to reserves in relation to business rates (£0.280 million), reflecting the anticipated reduced income in business rates, additional investment income (£0.030 million), offset by an increase in portfolio spending (£0.058 million).
- 5.5 The Table below shows that the overall revenue account outturn position for the Council's net controllable budget as reflected in its Portfolio Budget £14.509 million reducing by £58,000 when compared with the budget £14.567 million agreed by the Council.

<b>Stafford Preliminary Outturn 2019/2020</b>				
		<b>Revised Budget £'000</b>	<b>Actual £'000</b>	<b>Variance to Revised £'000</b>
<b><u>Portfolios</u></b>				
1	Community	909	851	(58)
2	Environment	4,830	4,693	(137)
3	Leisure	2,088	2,113	25
4	Planning & Regen	362	425	63
5	Resources	6,378	6,427	49
6	Total Portfolios	14,567	14,509	(58)
7	Investment Income	(305)	(364)	(59)
8	Reserves	2,774	8,046	5,272
9	Technical Items	154	152	(2)
10	Net Expenditure	17,190	22,343	5,153
11	Use of Government Grants	(3,443)	(3,532)	(89)
12	<b>Net Revenue Budget</b>	<b>13,747</b>	<b>18,811</b>	<b>5,064</b>
<b>Financed by:</b>				
Business Rates				
13	Core funding	(2,779)	(2,779)	-
14	Growth	(2,203)	(3,510)	(1,307)
15	S&SOT Redistribution	(881)	(2,056)	(1,175)
16	Pilot Windfall	(1,184)	(1,731)	(547)
17	Redistribution growth pre 20/21		(1,370)	(1,370)
18	Rural Service Grant	(25)	(25)	-
19	Collection fund surplus	(25)	-	25
20	Council Tax	(7,423)	(7,423)	-
21	Total Financing	(14,520)	(18,894)	(4,374)
22	<b>Trf to/(from) working balances</b>	<b>773</b>	<b>83</b>	<b>(690)</b>
23	<b>Net Revenue Budget</b>	<b>(13,747)</b>	<b>(18,811)</b>	<b>(5,064)</b>

5.6 Principal cost variations on each portfolio are as follows (+) is an unfavourable variance (-) is a favourable variance):

### **Community**

- CCTV – reduced operational costs £4,000 (-)
- Homelessness – staffing variations £28,000 (-), additional net cost of bed and breakfast £18,000 (+), reduction in costs £25,000 (-) and recovery of loans £18,000 (-)
- Glover Street – reduced income £7,000 (+)

## **Environment**

- Bereavement Services – income from fees and charges was higher than expected by £37,000 (-), staffing £30,000 (-), partly offset by additional maintenance to cremators £30,000 (+)
- Waste and Recycling – additional contract costs £23,000 (+) and staffing variations £33,000 (-)
- Dog Warden – reduced collection cost £-14,000 (-)
- Other – additional net income was generated in relation to Streetscene £50,000 (-), Regulatory Services £25,000 (-)

## **Leisure**

- Reserve contribution, net additional cost for HLF co-ordinator post extension £23,000 (+)

## **Planning and Regeneration**

- Development Control – reducing planning fee income of £50,000 (+)
- Parking – reduced income partly reflecting closure of car parks at end of March due to COVID £73,000 (+) additional electricity costs £18,000 (+) and bank charges £12,000 (+)
- Management – additional street naming income £13,000 (-) combined with reduction in costs £30,000 (-)
- Land Charges Local Searches – additional search fee income of £5,000 (-) combined with reduction in costs of £24,000 (-)
- Building Control – reduced operational costs £16,000 (-)

## **Resources**

- Revenues and Benefits – net additional income of £60,000 (-)
- Law and Administration – additional income £33,000 (-)
- Items to be allocated – one off additional cost £155,000 (+)

5.7 A summary of performance of the main streams of income against budget is set out in the following table:

Main Streams of Income					
	Original	Forecast	Actual	Original Variance	Outturn Variance
	£'000	£'000	£'000	£'000	£'000
Waste & Recycling	( 1,713)	( 1,705)	( 1,737)	( 24)	( 32)
Bereavement Services	( 1,935)	( 1,847)	( 1,891)	44	( 44)
Borough Markets	( 245)	( 214)	( 200)	45	14
Regulatory Services	( 261)	( 261)	( 291)	( 30)	( 30)
Development Management	( 819)	( 749)	( 699)	120	50
Land Charges - Local Searches	( 134)	( 122)	( 128)	6	( 6)
Off Street Parking Services	( 2,403)	( 2,561)	( 2,501)	( 98)	60
Public Buildings	( 643)	( 797)	( 799)	( 156)	( 2)
Revenues and Benefits	( 288)	( 317)	( 420)	( 132)	( 103)
Parks & Open Spaces	( 143)	( 90)	( 85)	58	5
	<b>( 8,584)</b>	<b>( 8,663)</b>	<b>( 8,751)</b>	<b>( 167)</b>	<b>( 88)</b>

- 5.8 Overall income levels were £88,000 higher than anticipated. Increased income was received from court costs and penalty fees in relation to the Revenues and Benefits service. Waste and recycling had higher than anticipated recycling credits (£20,000) together with special collections (£12,000). Bereavement services income was higher than anticipated (£44,000). Off Street Parking was some £60,000 lower than anticipated partly reflecting closure of car parks at the end of March due to COVID. Income from planning fees was down on expectation by £50,000.
- 5.9 A full review of the major streams of income will be carried out as a matter of course this autumn during the detailed budget preparation process for 2021/22 onwards to ensure that income targets are as realistic as possible, and the impact of COVID--19 is reflected in both current year and future year projections.
- 5.10 More detailed explanations for all expenditure and income variances greater than £10,000 and 10% are attached for each portfolio at **APPENDIX 1**.
- 5.11 The final accounts overall show a contribution to the General Fund balance of £0.083 million. There was a planned transfer to capital reserves of £0.169 million. In accordance with the approved budget this contribution was transferred in year to earmarked reserves to offset the previously identified borrowing requirement arising from the Capital Programme leaving a Working Balance of £1.226 million as at 31 March 2020.
- 5.12 The majority of variances identified in the final accounts for 2019/20 were identified early in the year and are therefore reflected in the current year's budget (2020/21). In addition further variations that have arisen during the year will be reflected, where appropriate, in the preparation of the financial plan 2021/22 - 2023/24 which will form the basis for the preparation of the detailed base budget for 2021/22 this autumn.



- 5.13 As the Council's current policy is to retain a working balance of £1.000 million, £0.226 million will be available from general balances to support the Council's revenue budget and/ or Capital Programme going forward.

### **Business Rates Retention**

- 5.14 The Business Rates Retention Scheme forms part of the current funding regime for Local Government and incentivise councils to promote economic growth in their area as they are entitled to retain a share of business rates growth.
- 5.15 The scheme came into operation in April 2013; therefore 2019/20 is the seventh year of operation. Income being shared between central government, the Council, Staffordshire County Council, Staffordshire Commissioner Fire and Rescue Service and the Stoke on Trent and Staffordshire Business Rates Pool. For 2019/20 the Council was part of a 75% Business rates pilot.
- 5.16 The Business Rates Retention regime carries the following financial risks for the Council:
- Failure to collect business rates income in accordance with the "Start-Up" funding assessment;
  - Failure to collect business rates billed;
  - Reduced business rates collectable as a result of appeals.
  - Delays in new developments

Nevertheless the Council has seen its income from business rates, reflecting the new developments, within its area, increase year on year. The original budget for 2019/20 included additional resources of £4.548 million reflecting this Council's share of cumulative Business Rates Growth since 2013/14. The total Business Rates Rateable Value for the Borough as at 31 March 2020 reduced by £1.135 million during the year following an interim valuation of Stafford Town Centre Shops by the Valuation Office Agency.

- 5.17 2019/20 did, however, see an increase in Mandatory Relief (£0.714 million); Small Business Rates Relief (£0.026 million) and Void Exemptions (£0.480 million); however the biggest change related to the provision for appeals.
- 5.18 The provision for outstanding appeals stands at 31 March 20 is £6.732 million (31 March 2019 £13.4 million). This reduction principally relates to settled appeals during the year. The Council's share of the balance at the 31 March is £2.693 million.
- 5.19 The actual Income from the Business Rates Retention scheme is therefore some £4.399 million higher than anticipated. This increase reflects additional growth; one off windfall of the business rates pilot £1.7 million and changes in the distribution methodology for both the Central Investment Fund and

Contingency Fund forming part of the revised Governance arrangements for the 2019/20 Staffordshire and Stoke on Trent Business Rates Pool (pilot).

- 5.20 In accordance with the Governance arrangements of the Business Rates Pool and the Councils own Budget strategy the additional resources generated have been transferred to relevant earmarked reserves resulting in an increase in net expenditure of £5.153 million

### Capital outturn

- 5.21 The Council approves the Capital Programme for the financial year as part of the budget process and the amount that can be spent is limited by the amount of capital resources available to the Council. The 2019/20 capital programme was approved in January 2019.
- 5.22 Many of the schemes within the Capital Programme take some time to develop and implement so the detailed programme can experience many changes. Considerable variation will therefore arise over the 18 month period from the time the Capital Programme for the financial year is initially considered, right through to the end of March of the relevant year.
- 5.23 The Council spent £2.894 million on capital projects in 2019/20 which was £1.984 million less than the budget of £4.878 million. The main reason for the difference in 2019/20 is scheme slippage where the scheme will proceed later than planned and the expenditure will occur in a future year.

<b>Capital Outturn Position</b>			
	<b>Budget</b>	<b>Actual</b>	<b>Variance from Budget</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Community	980	771	(209)
Environment	291	159	(132)
Leisure	3,484	1,903	(1,581)
Planning & Regeneration	25	7	(18)
Resources	98	54	(44)
<b>Total</b>	<b>4,878</b>	<b>2,894</b>	<b>(1,984)</b>

5.24 The major items of capital spend in the year were:

- **£1,086,380** on Victoria Park Refurbishment;
- **£755,980** on the provision of grants for disabled adaptations in homes;
- **£370,330** on Charnley Road Destination Park
- **£358,490** on Stone Leisure Strategy
- **£159,480** on the purchase of replacement wheeled bins.

The detailed Capital Programme outturn for 2019/20 is attached at **APPENDIX 2** along with explanations for major variations.

5.25 The capital programme of £2.894 million was financed in the following way:

	<b>£'000</b>
Capital receipts	454
Capital grants and contributions	1,695
Direct revenue contributions	745
<b>Total</b>	<b>2,894</b>

5.26 After financing the capital programme for 2019/20, the Council has, excluding Section 106 monies, approximately £11.843 million of estimated capital resources to finance the approved capital programme up to 2022/23, to help deliver its priorities. The budget report identified uncommitted resources of £0.065 million at 31 March 2023. Following the 2019-20 outturn the uncommitted general fund resources now stand at £0.071 million at 31 March 2023.

### **Collection Fund**

5.27 Stafford is the billing authority and as such has a statutory requirement to establish and maintain a separate fund covering the collection and distribution of amounts due in respect of council tax and national non-domestic rates (NNDR). Net Business Rates attributable to the Council are accounted for as part of the General Fund under the new Business Rates regime.

### **Council Tax**

5.28 The net position on the Collection Fund for the year was a surplus of £0.459 million. The overall position after taking account the balance brought forward

in relation to previous years' surpluses, leaves a net surplus on the fund of £2.112 million at 31 March 2020 (of which £0.220 million relates to this Council).

### **National Non Domestic Rates**

- 5.29 A deficit of £0.266 million exists in relation to Business Rates as at 31 March 2020. The reduction in the deficit during the year relates to reduced provision for appeals following settlement of cases, partly offset by a redistribution of surplus during the year of £1.555 million. The Council's share of the deficit at 31 March 20 is £0.106 million however it should be noted that the deficit is only notional. Business Rate collection fund accounts are based on figures estimated in January of each year prior to the start of the relevant financial year. The Comprehensive Income and Expenditure account reflects the actual position as at 31 March 2020 and an earmarked reserve has been created that offsets the deficit set out in the Collection Fund Income and Expenditure account.

## **6 Implications**

### **6.1 Financial**

Included in the report

### **6.2 Legal**

Nil

### **6.3 Human Resources**

Nil

### **6.4 Human Rights Act**

Nil

### **6.5 Data Protection**

Nil

### **6.6 Risk Management**

The formal reporting of the Council's financial position is part of the overall control framework that is designed to minimise the financial risks facing the Council.

**6.7 Community Impact Assessment Recommendations**

**Impact on Public Sector Equality Duty:**

Nil

**Wider Community Impact:**

Nil

**7 Previous Consideration**

Nil

**8 Background Papers**

File available in Financial Services

## RESOURCES PORTFOLIO

	Original Budget	Annual Budget	Total Spend including Commitments	Variance from Annual Budget		Comments £5,000 and 10%
	£	£	£	£	%	
<b>Public Buildings</b>						
Expenditure	1,371,460	1,405,030	1,398,327	(6,703)	(0.5%)	
Income	(642,610)	(805,180)	(799,228)	5,952	(0.7%)	
<b>Net</b>	<b>728,850</b>	<b>599,850</b>	<b>599,099</b>	<b>(751)</b>		
<b>Executive Management</b>						
Expenditure	210,090	210,090	239,902	29,812	14.2%	Contribution to reserves balance of Brexit grant £25k and minor variations
Income	-	-	(34,968)	(34,968)	n/a	Brexit grant
<b>Net</b>	<b>210,090</b>	<b>210,090</b>	<b>204,934</b>	<b>(5,156)</b>		
<b>Law and Administration</b>						
Expenditure	1,350,380	1,318,780	1,317,942	(838)	(0.1%)	
Income	(373,920)	(373,920)	(421,760)	(47,840)	12.8%	Saltings commission sale of plots (£33k), additional legal income (£17k) and minor variations
<b>Net</b>	<b>976,460</b>	<b>944,860</b>	<b>896,183</b>	<b>(48,677)</b>		
<b>Finance</b>						
Expenditure	556,290	556,290	554,730	(1,560)	(0.3%)	
<b>Net</b>	<b>556,290</b>	<b>556,290</b>	<b>554,730</b>	<b>(1,560)</b>		
<b>Human Resources Services</b>						
Expenditure	744,140	745,200	728,708	(16,492)	(2.2%)	
Income	(306,020)	(307,080)	(295,376)	11,704	(3.8%)	
<b>Net</b>	<b>438,120</b>	<b>438,120</b>	<b>433,332</b>	<b>(4,788)</b>		
<b>Technology</b>						
Expenditure	1,606,740	1,667,580	1,685,921	18,341	1.1%	
Income	(766,820)	(827,660)	(845,925)	(18,265)	2.2%	
<b>Net</b>	<b>839,920</b>	<b>839,920</b>	<b>839,997</b>	<b>77</b>		

## RESOURCES PORTFOLIO

## Final Accounts 2019-2020

	Original Budget	Annual Budget	Total Spend including Commitments	Variance from Annual Budget		Comments £5,000 and 10%
	£	£	£	£	%	
<b>Revenues &amp; Benefits</b>						
Expenditure	1,415,720	1,506,930	1,556,231	49,301	3.3%	Increased court costs bad debts provision £44k Additional court costs (£78k) and penalty income (£25k)
Income	(830,700)	(957,210)	(1,066,752)	(109,542)	11.4%	
<b>Net</b>	<b>585,020</b>	<b>549,720</b>	<b>489,480</b>	<b>(60,240)</b>		
<b>Housing Benefit Payments</b>						
Expenditure	22,065,200	21,069,690	20,732,957	(336,733)	(1.6%)	
Income	(22,065,200)	(21,069,690)	(20,732,957)	336,733	(1.6%)	
<b>Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Parish Councils</b>						
Expenditure	51,000	51,000	51,159	159	0.3%	
<b>Net</b>	<b>51,000</b>	<b>51,000</b>	<b>51,159</b>	<b>159</b>		
<b>Corporate and Democratic Core</b>						
Expenditure	126,770	129,770	144,672	14,902	11.5%	Sundry debtor bad debts provision
<b>Net</b>	<b>126,770</b>	<b>129,770</b>	<b>144,672</b>	<b>14,902</b>		
<b>Non-Distributed Costs</b>						
Expenditure	287,710	287,710	278,237	(9,473)	(3.3%)	
<b>Net</b>	<b>287,710</b>	<b>287,710</b>	<b>278,237</b>	<b>(9,473)</b>		
<b>Asset Management/Energy Conservation</b>						
Expenditure	32,560	40,560	39,280	(1,281)	(3.2%)	
<b>Net</b>	<b>32,560</b>	<b>40,560</b>	<b>39,280</b>	<b>(1,281)</b>		
<b>Electoral Registration</b>						
Expenditure	43,200	82,050	78,283	(3,767)	(4.6%)	
Income	-	(38,850)	(41,513)	(2,663)	6.9%	
<b>Net</b>	<b>43,200</b>	<b>43,200</b>	<b>36,770</b>	<b>(6,430)</b>		

## RESOURCES PORTFOLIO

## Final Accounts 2019-2020

	Original Budget	Annual Budget	Total Spend including Commitments	Variance from Annual Budget		Comments £5,000 and 10%
	£	£	£	£	%	
<b>Elections</b>						
Expenditure	195,000	245,920	246,952	1,032	0.4%	
Income	(155,500)	(206,420)	(206,423)	(3)	0.0%	
<b>Net</b>	<b>39,500</b>	<b>39,500</b>	<b>40,529</b>	<b>1,029</b>		
<b>Members Services</b>						
Expenditure	293,830	293,830	279,245	(14,585)	(5.0%)	
Income	-	-	(40)	(40)	n/a	
<b>Net</b>	<b>293,830</b>	<b>293,830</b>	<b>279,205</b>	<b>(14,625)</b>		
<b>Out of Hours Service</b>						
Expenditure	6,840	6,840	6,883	43	0.6%	
<b>Net</b>	<b>6,840</b>	<b>6,840</b>	<b>6,883</b>	<b>43</b>		
<b>Facilities Management</b>						
Expenditure	200,560	200,560	205,556	4,996	2.5%	
<b>Net</b>	<b>200,560</b>	<b>200,560</b>	<b>205,556</b>	<b>4,996</b>		
<b>Corporate Business and Partnerships</b>						
Expenditure	303,720	320,720	306,117	(14,603)	(4.6%)	
Income	-	-	(2,942)	(2,942)	n/a	
<b>Net</b>	<b>303,720</b>	<b>320,720</b>	<b>303,175</b>	<b>(17,545)</b>		
<b>Communications</b>						
Expenditure	149,670	140,670	137,571	(3,099)	(2.2%)	
<b>Net</b>	<b>149,670</b>	<b>140,670</b>	<b>137,571</b>	<b>(3,099)</b>		
<b>Customer Services</b>						
Expenditure	317,720	309,720	307,300	(2,420)	(0.8%)	
<b>Net</b>	<b>317,720</b>	<b>309,720</b>	<b>307,300</b>	<b>(2,420)</b>		



## RESOURCES PORTFOLIO

## Final Accounts 2019-2020

	Original Budget	Annual Budget	Total Spend including Commitments	Variance from Annual Budget		Comments £5,000 and 10%
	£	£	£	£	%	
<b>Items to be Allocated</b>						
Expenditure	43,500	(30,000)	174,816	204,816	(682.7%)	Turnover provision £50k and one off additional cost £155k
Income	-	-	(1,561)	(1,561)	n/a	
<b>Net</b>	<b>43,500</b>	<b>(30,000)</b>	<b>173,255</b>	<b>203,255</b>		
<b>Audit, Risk, Resilience and Procurement</b>						
Expenditure	229,350	229,350	229,200	(150)	(0.1%)	
<b>Net</b>	<b>229,350</b>	<b>229,350</b>	<b>229,200</b>	<b>(150)</b>		
<b>Insurance Premiums</b>						
Expenditure	175,490	175,490	180,366	4,876	2.8%	
Income	-	-	(4,029)	(4,029)	n/a	
<b>Net</b>	<b>175,490</b>	<b>175,490</b>	<b>176,337</b>	<b>847</b>		
<b>Portfolio Total</b>	<b>6,636,170</b>	<b>6,377,770</b>	<b>6,426,885</b>	<b>49,115</b>		

## ENVIRONMENT PORTFOLIO

## Final Accounts 2019-2020

	Original Budget	Annual Budget	Total Spend including Commitments	Variance from Annual Budget		Comments £5,000 and 10%
	£	£	£	£	%	
<b>Management &amp; Support</b>						
Expenditure	341,790	323,090	338,329	15,239	4.7%	
Income	(2,650)	(2,650)	-	2,650	(100.0%)	
<b>Net</b>	<b>339,140</b>	<b>320,440</b>	<b>338,329</b>	<b>17,889</b>		
<b>Partnerships Environmental Management</b>						
Expenditure	64,080	72,050	75,231	3,181	4.4%	
Income	(9,500)	(17,470)	(19,470)	(2,000)	11.5%	
<b>Net</b>	<b>54,580</b>	<b>54,580</b>	<b>55,760</b>	<b>1,180</b>		
<b>Waste &amp; Recycling</b>						
Expenditure	4,555,180	4,778,450	4,793,039	14,589	0.3%	
Income	(1,713,320)	(1,705,320)	(1,736,603)	(31,283)	1.8%	
<b>Net</b>	<b>2,841,860</b>	<b>3,073,130</b>	<b>3,056,436</b>	<b>(16,694)</b>		
<b>Cleansing Services</b>						
Expenditure	61,780	74,430	61,242	(13,188)	(17.7%)	Reduced public conveniences cost, maintenance (£12k) and utilities (£6k), partly offset by additional supplies
Income	(320)	(12,970)	(12,658)	312	(2.4%)	
<b>Net</b>	<b>61,460</b>	<b>61,460</b>	<b>48,584</b>	<b>(12,876)</b>		
<b>Bereavement Services</b>						
Expenditure	704,360	704,360	707,180	2,820	0.4%	
Income	(1,945,440)	(1,857,440)	(1,903,027)	(45,587)	2.5%	Higher than anticipated income
<b>Net</b>	<b>(1,241,080)</b>	<b>(1,153,080)</b>	<b>(1,195,846)</b>	<b>(42,766)</b>		
<b>Drainage Services</b>						
Expenditure	107,910	107,910	107,822	(88)	(0.1%)	
<b>Net</b>	<b>107,910</b>	<b>107,910</b>	<b>107,822</b>	<b>(88)</b>		

## ENVIRONMENT PORTFOLIO

## Final Accounts 2019-2020

	Original Budget	Annual Budget	Total Spend including Commitments	Variance from Annual Budget		Comments £5,000 and 10%
	£	£	£	£	%	
<b>Misc Highways Functions (ex Planning)</b>						
Expenditure	38,530	38,530	34,010	(4,520)	(11.7%)	
Income	(5,000)	(5,000)	(6,500)	(1,500)	30.0%	
<b>Net</b>	<b>33,530</b>	<b>33,530</b>	<b>27,510</b>	<b>(6,020)</b>		
<b>Street Scene</b>						
Expenditure	2,598,650	2,633,700	2,697,210	63,510	2.4%	
Income	(722,160)	(757,210)	(869,829)	(112,619)	14.9%	Additional external fee income
<b>Net</b>	<b>1,876,490</b>	<b>1,876,490</b>	<b>1,827,381</b>	<b>(49,109)</b>		
<b>Regulatory Services</b>						
Expenditure	602,220	607,490	624,018	16,528	2.7%	
Income	(260,870)	(266,140)	(295,766)	(29,626)	11.1%	Additional licensing income (£20k) and minor variations
<b>Net</b>	<b>341,350</b>	<b>341,350</b>	<b>328,252</b>	<b>(13,098)</b>		
<b>Strategic Health Delivery</b>						
Expenditure	87,620	115,450	85,652	(29,798)	(25.8%)	Rephased spending plan and staffing variation
Income	(35,290)	(63,120)	(41,016)	22,104	(35.0%)	
<b>Net</b>	<b>52,330</b>	<b>52,330</b>	<b>44,636</b>	<b>(7,694)</b>		
<b>Dog Warden Service</b>						
Expenditure	33,580	21,480	6,726	(14,754)	(68.7%)	Reduced streetscene collection and contract cost
Income	(11,180)	(11,180)	(10,735)	445	(4.0%)	
<b>Net</b>	<b>22,400</b>	<b>10,300</b>	<b>(4,009)</b>	<b>(14,309)</b>		
<b>Pest Control</b>						
Expenditure	207,430	201,430	203,104	1,674	0.8%	
Income	(166,480)	(149,480)	(144,774)	4,706	(3.1%)	
<b>Net</b>	<b>40,950</b>	<b>51,950</b>	<b>58,330</b>	<b>6,380</b>		
<b>Portfolio Total</b>	<b>4,530,920</b>	<b>4,830,390</b>	<b>4,693,184</b>	<b>(137,206)</b>		

## LEISURE AND CULTURE PORTFOLIO

## Final Accounts 2019-2020

	Original Budget	Annual Budget	Total Spend including Commitments	Variance from Annual Budget		Comments £5,000 and 10%
	£	£	£	£	%	
<b>Leisure Section</b>						
Expenditure	107,040	107,730	74,205	(33,525)	(31.1%)	Reduced hours (£10k), rephased use of reserve (£12k) and general underspends
Income	(33,680)	(45,370)	-	45,370	(100.0%)	Planned use of reserves rephased
<b>Net</b>	<b>73,360</b>	<b>62,360</b>	<b>74,205</b>	<b>11,845</b>		
<b>Alleyes Sports Centre</b>						
Expenditure	-	79,090	83,674	4,584	5.8%	
<b>Net</b>	<b>-</b>	<b>79,090</b>	<b>83,674</b>	<b>4,584</b>		
<b>Westbridge Park Fitness Centre</b>						
Expenditure	-	3,600	6,747	3,147	87.4%	
<b>Net</b>	<b>-</b>	<b>3,600</b>	<b>6,747</b>	<b>3,147</b>		
<b>Parks &amp; Open Spaces</b>						
Expenditure	890,700	867,060	804,673	(62,387)	(7.2%)	HLF rephased spend (£43k) and rephased use of reserve (£18k)
Income	(246,420)	(199,780)	(114,497)	85,283	(42.7%)	HLF rephased grant usage £66k and rephased use of reserve £18k
<b>Net</b>	<b>644,280</b>	<b>667,280</b>	<b>690,176</b>	<b>22,896</b>		
<b>Allotments</b>						
Expenditure	16,600	16,600	17,133	533	3.2%	
Income	(1,160)	(1,160)	(3,708)	(2,548)	219.7%	
<b>Net</b>	<b>15,440</b>	<b>15,440</b>	<b>13,424</b>	<b>(2,016)</b>		
<b>Stafford Gatehouse Theatre</b>						
Expenditure	7,240	7,240	9,005	1,765	24.4%	
Income	(7,240)	(7,240)	(7,237)	3	0.0%	
<b>Net</b>	<b>-</b>	<b>-</b>	<b>1,768</b>	<b>1,768</b>		

## LEISURE AND CULTURE PORTFOLIO

## Final Accounts 2019-2020

	Original Budget	Annual Budget	Total Spend including Commitments	Variance from Annual Budget		Comments £5,000 and 10%
	£	£	£	£	%	
<b>Ancient High House</b>						
Expenditure	9,840	9,840	12,150	2,310	23.5%	
<b>Net</b>	<b>9,840</b>	<b>9,840</b>	<b>12,150</b>	<b>2,310</b>		
<b>Broadeye Windmill</b>						
Expenditure	1,990	1,990	814	(1,176)	(59.1%)	
Income	-	-	(1)	(1)	n/a	
<b>Net</b>	<b>1,990</b>	<b>1,990</b>	<b>813</b>	<b>(1,177)</b>		
<b>Izaak Walton Cottage</b>						
Expenditure	8,230	8,230	3,704	(4,526)	(55.0%)	
<b>Net</b>	<b>8,230</b>	<b>8,230</b>	<b>3,704</b>	<b>(4,526)</b>		
<b>Stafford Castle</b>						
Expenditure	12,340	12,340	10,876	(1,464)	(11.9%)	
<b>Net</b>	<b>12,340</b>	<b>12,340</b>	<b>10,876</b>	<b>(1,464)</b>		
<b>Borough Tourism</b>						
Expenditure	18,520	18,520	14,295	(4,225)	(22.8%)	
<b>Net</b>	<b>18,520</b>	<b>18,520</b>	<b>14,295</b>	<b>(4,225)</b>		
<b>Stafford Leisure Centre</b>						
Expenditure	-	-	3,117	3,117	n/a	
<b>Net</b>	<b>-</b>	<b>-</b>	<b>3,117</b>	<b>3,117</b>		
<b>Leisure Management Contract</b>						
Expenditure	1,045,050	1,110,050	1,110,278	228	0.0%	
Income	(305,330)	(305,330)	(305,330)	-	0.0%	
<b>Net</b>	<b>739,720</b>	<b>804,720</b>	<b>804,948</b>	<b>228</b>		

**LEISURE AND CULTURE PORTFOLIO**  
**Final Accounts 2019-2020**

	<b>Original Budget</b>	<b>Annual Budget</b>	<b>Total Spend including Commitments</b>	<b>Variance from Annual Budget</b>		<b>Comments £5,000 and 10%</b>
	£	£	£	£	%	
<b>Leisure Strategy</b>						
Expenditure	443,470	404,470	392,896	(11,574)	(2.9%)	Staffing vacancy (£6k) and minor variations
<b>Net</b>	<b>443,470</b>	<b>404,470</b>	<b>392,896</b>	<b>(11,574)</b>		
<b>Portfolio Total</b>	<b>1,967,190</b>	<b>2,087,880</b>	<b>2,112,793</b>	<b>24,913</b>		

## PLANNING AND REGENERATION PORTFOLIO

## Final Accounts 2019-2020

	Original Budget	Annual Budget	Total Spend including Commitments	Variance from Annual Budget		Comments £5,000 and 10%
	£	£	£	£	%	
<b>Management and Support</b>						
Expenditure	528,210	551,480	498,565	(52,915)	(9.6%)	Rephased use of reserve (£23k) and reduced supplies (£27k)
Income	(27,270)	(50,540)	(40,074)	10,466	(20.7%)	Rephased use of reserve £23k, partly offset by additional street naming income (£13k)
<b>Net</b>	<b>500,940</b>	<b>500,940</b>	<b>458,491</b>	<b>(42,449)</b>		
<b>Building Control</b>						
Expenditure	137,900	137,900	121,576	(16,324)	(11.8%)	50% share of reduced costs
<b>Net</b>	<b>137,900</b>	<b>137,900</b>	<b>121,576</b>	<b>(16,324)</b>		
<b>Development Management</b>						
Expenditure	980,820	975,320	967,991	(7,329)	(0.8%)	
Income	(836,660)	(766,660)	(716,730)	49,930	(6.5%)	Reduced Income
<b>Net</b>	<b>144,160</b>	<b>208,660</b>	<b>251,261</b>	<b>42,601</b>		
<b>Forward Planning</b>						
Expenditure	545,260	621,460	662,769	41,309	6.6%	
Income	(117,000)	(215,200)	(260,645)	(45,445)	21.1%	Neighbourhood plan grant (£20k) and additional use of reserves neighbourhood plan and LDF (£22k)
<b>Net</b>	<b>428,260</b>	<b>406,260</b>	<b>402,124</b>	<b>(4,136)</b>		
<b>Land Charges - Local Searches</b>						
Expenditure	123,970	117,970	94,542	(23,428)	(19.9%)	Reduced search fees
Income	(134,020)	(122,020)	(127,691)	(5,671)	4.6%	
<b>Net</b>	<b>(10,050)</b>	<b>(4,050)</b>	<b>(33,149)</b>	<b>(29,099)</b>		
<b>Off Street Parking Services</b>						
Expenditure	1,300,690	1,331,640	1,379,912	48,272	3.6%	
Income	(2,330,200)	(2,563,650)	(2,501,331)	62,319	(2.4%)	Delay in charges increase / impact of COVID 19
<b>Net</b>	<b>(1,029,510)</b>	<b>(1,232,010)</b>	<b>(1,121,419)</b>	<b>110,591</b>		

## PLANNING AND REGENERATION PORTFOLIO

## Final Accounts 2019-2020

	Original Budget	Annual Budget	Total Spend including Commitments	Variance from Annual Budget		Comments £5,000 and 10%
	£	£	£	£	%	
<b>Land &amp; Properties</b>						
Expenditure	60,960	60,960	64,444	3,484	5.7%	
Income	(52,990)	(52,990)	(56,695)	(3,705)	7.0%	
<b>Net</b>	<b>7,970</b>	<b>7,970</b>	<b>7,749</b>	<b>(221)</b>		
<b>Economic Growth and Strategic Projects</b>						
Expenditure	293,190	1,149,610	558,213	(591,397)	(51.4%)	Garden community spend rephased (£536k), reduced spend of reserves (£46k) and staffing variations
Income	-	(856,420)	(276,926)	579,494	(67.7%)	Garden community spend rephased £536k and reduced spend of reserves £46k
<b>Net</b>	<b>293,190</b>	<b>293,190</b>	<b>281,288</b>	<b>(11,902)</b>		
<b>Borough Markets</b>						
Expenditure	328,670	321,670	310,943	(10,727)	(3.3%)	
Income	(309,250)	(278,250)	(254,051)	24,199	(8.7%)	Reduced income due to occupancy and closure of market at end of March due to COVID 19
<b>Net</b>	<b>19,420</b>	<b>43,420</b>	<b>56,891</b>	<b>13,471</b>		
<b>Portfolio Total</b>	<b>492,280</b>	<b>362,280</b>	<b>424,813</b>	<b>62,533</b>		



## COMMUNITY PORTFOLIO

## Final Accounts 2019-2020

	Original Budget	Annual Budget	Total Spend including Commitments	Variance from Annual Budget		Comments £5,000 and 10%
	£	£	£	£	%	
<b>Private Sector Housing (Standards)</b>						
Expenditure	141,990	155,650	147,873	(7,777)	(5.0%)	
Income	(2,390)	(16,050)	(9,773)	6,278	(39.1%)	Rephased use of reserve
<b>Net</b>	<b>139,600</b>	<b>139,600</b>	<b>138,101</b>	<b>(1,499)</b>		
<b>Housing Act Sewerage Works</b>						
Expenditure	2,110	2,110	-	(2,110)	(100.0%)	
<b>Net</b>	<b>2,110</b>	<b>2,110</b>	<b>-</b>	<b>(2,110)</b>		
<b>Private Sector Hsg (Loans &amp; Mortgages)</b>						
Expenditure	5,560	5,560	3,219	(2,341)	(42.1%)	
Income	(11,420)	(11,420)	(11,335)	85	(0.7%)	
<b>Net</b>	<b>(5,860)</b>	<b>(5,860)</b>	<b>(8,116)</b>	<b>(2,256)</b>		
<b>Partnerships</b>						
Expenditure	25,290	188,420	155,122	(33,298)	(17.7%)	Rephased use of reserve (£21k) and general underspends
Income	-	(163,130)	(142,495)	20,635	(12.6%)	Rephased use of reserve
<b>Net</b>	<b>25,290</b>	<b>25,290</b>	<b>12,626</b>	<b>(12,664)</b>		
<b>Homelessness &amp; Housing Advice</b>						
Expenditure	535,790	877,390	880,788	3,398	0.4%	
Income	(37,000)	(367,600)	(419,431)	(51,831)	14.1%	Housing benefit recovered (£18k), Cold weather grant (£4k), additional income (£18k). Homelessness prevention additional grants and use of reserves (£8k)
<b>Net</b>	<b>498,790</b>	<b>509,790</b>	<b>461,358</b>	<b>(48,432)</b>		
<b>Glover Street</b>						
Expenditure	10,690	10,690	10,938	248	2.3%	
Income	(24,680)	(17,680)	(4,022)	13,659	(77.3%)	Reduced income from empty pitches
<b>Net</b>	<b>(13,990)</b>	<b>(6,990)</b>	<b>6,916</b>	<b>13,906</b>		

## COMMUNITY PORTFOLIO

## Final Accounts 2019-2020

	Original Budget	Annual Budget	Total Spend including Commitments	Variance from Annual Budget		Comments £5,000 and 10%
	£	£	£	£	%	
<b>CCTV</b>						
Expenditure	107,510	127,140	123,617	(3,523)	(2.8%)	
Income	-	(11,630)	(11,634)	(4)	0.0%	
<b>Net</b>	<b>107,510</b>	<b>115,510</b>	<b>111,983</b>	<b>(3,527)</b>		
<b>COVID 19</b>						
Expenditure	-	-	49,743	49,743	n/a	Spend of grant £15k and contribution of balance to reserve
Income	-	-	(49,743)	(49,743)	n/a	Additional grant for COVID costs
<b>Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Grants &amp; Contributions</b>						
Expenditure	128,960	128,960	128,440	(520)	(0.4%)	
Income	-	-	(380)	(380)	n/a	
<b>Net</b>	<b>128,960</b>	<b>128,960</b>	<b>128,059</b>	<b>(901)</b>		
<b>Portfolio Total</b>	<b>882,410</b>	<b>908,410</b>	<b>850,927</b>	<b>(57,483)</b>		

## RESOURCES CAPITAL PORTFOLIO

## Final Accounts 2019-2020

	Budget	Total Spend	Variance from Budget	Comments
	£	£	£	
CORPORATE IT EQUIPMENT	57,780	53,918	-3,862	
ACCOMODATION TRANSFORMATION & RATIONALIS	40,000	0	-40,000	Project slipped
<b>Portfolio Total</b>	<b>97,780</b>	<b>53,918</b>	<b>-43,862</b>	

## ENVIRONMENT CAPITAL PORTFOLIO

## Final Accounts 2019-2020

	Budget	Total Spend	Variance from Budget	Comments
	£	£	£	
STREETSCENE EQUIPMENT	66,370	0	-66,370	Reallocation to fund fleet replacement
GREEN CONTAINERS - REPLACEMENT PROGRAMME	100,270	85,855	-14,415	Expenditure reflects demand
BLUE BINS	79,150	73,628	-5,522	Expenditure reflects demand
WASTE CONTAINERS - REPLACEMENT	44,960	0	-44,960	Expenditure reflects demand
<b>Portfolio Total</b>	<b>290,750</b>	<b>159,483</b>	<b>-131,267</b>	

## LEISURE CAPITAL PORTFOLIO

## Final Accounts 2019-2020

	Budget	Total Spend	Variance from Budget	Comments
	£	£	£	
CASTLE HEALTH & SAFETY WORKS	6,020	0	-6,020	Final payment awaited
CASTLE MOTTE	20,990	0	-20,990	Project slipped
VICTORIA PARK REFURBISHMENT	1,667,000	1,086,378	-580,622	Project delayed slightly due to COVID and flooding
CHARNLEY RD DESTINATION PARK	385,260	370,328	-14,932	Completion delayed by government lockdown
STONE LEISURE STRATEGY	501,620	358,492	-143,128	Play Area works outstanding
GATEHOUSE MET RIGGING	78,250	1,000	-77,250	Slippage
GNOSALL LEISURE FACILITIES	47,420	9,972	-37,448	Slippage
HOLMCROFT LEISURE FACILITIES	482,520	24,113	-458,407	Slippage
VICTORIA PARK PEDESTRIAN BRIDGE	94,930	2,895	-92,035	Project slipped
STONE LEISURE PHASE 2	200,000	49,545	-150,455	Slippage
<b>Portfolio Total</b>	<b>3,484,010</b>	<b>1,902,722</b>	<b>-1,581,288</b>	

**PLANNING & REGENERATION CAPITAL PORTFOLIO**  
**Final Accounts 2019-2020**

	<b>Budget</b>	<b>Total Spend</b>	<b>Variance from Budget</b>	<b>Comments</b>
	<b>£</b>	<b>£</b>	<b>£</b>	
STAFFORD TOWN CENTRE ENHANCEMENTS	25,450	7,007	-18,443	Project slipped
<b>Portfolio Total</b>	<b>25,450</b>	<b>7,007</b>	<b>-18,443</b>	

## COMMUNITY CAPITAL PORTFOLIO

## Final Accounts 2019-2020

	Budget	Total Spend	Variance from Budget	Comments
	£	£	£	
DISABLED FACILITIES GRANT (DFG)	900,190	755,979	-144,211	Expenditure reflects demand
EMPTY HOMES	50,000	0	-50,000	Project slippage
PRIVATE SECTOR HOUSING ASSISTANCE	30,270	14,726	-15,544	Expenditure reflects demand
<b>Portfolio Total</b>	<b>980,460</b>	<b>770,705</b>	<b>-209,755</b>	

**COMMUNITY CAPITAL PORTFOLIO**  
**Final Accounts 2019-2020**

	<b>Budget</b>	<b>Total Spend</b>	<b>Variance from Budget</b>	<b>Comments</b>
	<b>£</b>	<b>£</b>	<b>£</b>	
<b>Grand Total</b>	<b>4,878,450</b>	<b>2,893,835</b>	<b>-1,984,615</b>	



<b>Cabinet Date:</b>	9 February 2023
<b>Contact Officer:</b>	Rob Wolfe
<b>Telephone Number:</b>	01785 619 239
<b>Ward Interest:</b>	Nil
<b>Report Track:</b>	Cabinet 09/02/2023 Council 21/02/2023
<b>Key Decision:</b>	Yes
<b>Submission by:</b>	Councillor R M Smith, Resources Portfolio

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## **Local Council Tax Reduction Scheme 2023-24**

### **1 Purpose of Report**

- 1.1 To outline proposed changes to the Council's Local Council Tax Reduction (LCTR) scheme for the financial year beginning on 1 April 2023.
- 1.2 To report the outcome of the consultation process undertaken in respect of those changes.
- 1.3 To make provision for the updating of the Council's LCTR scheme on a timely basis in future, should this be necessary, as a result of changes to the wider benefit system or support made available to assist residents with cost of living or energy bill increases.

### **2 Recommendation**

- 2.1 That Cabinet recommends to Council the approval of the removal of the 80% cap for working aged claimants, in respect of the LCTR scheme for 2023-24 only;
- 2.2 That authority be delegated to the s151 Officer to make incidental changes to the scheme where such changes do not impact on the Council's budget or policies and are necessary to ensure that claimants' entitlement to LCTR is not reduced by receipt of payments made which are intended to assist with cost of living and energy bill increases.

### **3 Key Issues and Reasons for Recommendation**

- 3.1 Working aged claimants of Local Council Tax Reduction, who are not the parents of children under 5 years and are not disabled are subject to a 80% cap in the amount of reduction available to them. This report recommends the removal of that cap so that these claimants may receive up to 100% reduction for the 2023-24 year.
- 3.2 The Council needs the ability to ensure that any changes to the benefit schemes made in the future, which are intended to deal with specific issues such as increases in the cost of living, do not impact negatively on claimants' entitlement to reduction. Delegated authority is therefore sought for the Chief Financial Officer to respond to changes as necessary.
- 3.3 A full review of the Local Council Tax Reduction scheme will be undertaken in 2023, with any improvements identified being reported to members.

### **4 Relationship to Corporate Business Objectives**

- 4.1 Corporate Business Objective 4 is served by this response to the immediate financial needs of some of the poorest residents in the Stafford area.

### **5 Report Detail**

- 5.1 Prior to April 2013 the Council Tax Benefit scheme was a national, statutory scheme, which afforded a reduction of 100% to the Council Tax bills of those residents on the lowest incomes. This scheme was abolished from 1 April 2013 when local authorities were required to implement local schemes.
- 5.2 Government funding for the new Local Council Tax Reduction system was reduced by 10% meaning that local authorities were required to either fund the difference or produce a scheme that achieved 10% savings. As the scheme for claimants who had reached the qualifying age for Pension Credits was prescribed by statute and maintained the previous level of awards, the savings required by the change fell to be made from within the Working aged caseload.
- 5.3 This Council, in common with most others, introduced a scheme which stated that most working aged claimants could be granted LCTR of a maximum of 80% of their bill, meaning that they had to pay at least 20%. Exceptions to this rule were included for parents of children aged under 5 years, and disabled people in receipt of certain disability based benefits, who could still qualify for up to 100%
- 5.4 From 1 April 2020, this Council made changes to its scheme for working aged claimants by introducing a banded income discount scheme. This simplified the calculation of entitlement for working aged claimants and increased the number of claimants that could receive up to 100% reduction. The 80% cap

remains a feature of the scheme and still affects most working aged claimants.

- 5.5 The Council is very aware that current issues relating to increases in the cost of living and to energy bills are causing difficulties for many households, with those on the lowest incomes being affected the most. In view of this Cabinet is asked to recommend to Council that the 80% cap on working age LCTR be removed for the financial year 2022-23. This change would directly mean that an additional 1,700 of the poorest, working aged households will have no Council Tax to pay in that year.
- 5.6 The full impact of the changes to our scheme in 2020 have been difficult to properly assess at this point. The changes coincided exactly with the start of the covid-19 pandemic, lockdowns, and government support for residents. Council Tax arrears have increased during the past two years as more people have found it difficult to pay their bills. Providing the one year easement to some of the poorest residents will give those residents and the Council an opportunity to address those arrears.
- 5.7 The Council is required to consult its major preceptors and people affected by the changes. The consultation is ongoing and closes on 27 January 2023. The results of the consultation process will be available to Cabinet.
- 5.8 The change is requested for one year only with the cap being re-introduced from 1 April 2024. Any variation to that position will require a further report and consultation process.
- 5.9 Other options exist, such as limiting the additional support only to households with dependant children or increasing support to all LCTR claimants. The former, whilst reducing the financial cost by around of the proposal 50% is not believed to properly address current issues. The latter is cost prohibitive as it would increase the cost by around 50% of the current proposal. The current proposal specifically targets the lowest income groups who cannot currently claim a 100% council tax reduction.
- 5.10 The results of the consultation exercise are appended to this report with many valid and constructive comments being made. Concerns are raised about the cost of providing the support and suggestions to provide support to a wider group of people. These matters have been considered in the current proposal and will be considered again when the scheme is reviewed later in the year.
- 5.11 Over the past three financial years, a number of changes have been made to the national benefit system to accommodate the response to the covid-19 pandemic and a number of welfare related payments have been made by the government. This situation continues in response to energy and cost of living issues. As our LCTR scheme is not directly aligned to national benefit schemes there is a potential that such payments could adversely affect the amount of LCTR that a claimant receives. As this is clearly not the intention of

either the Government or the Council, minor changes to the wording of our scheme will ensure that the Council can act quickly to neutralise the impact of any future payments, on Council Tax reductions.

## **6 Implications**

### **6.1 Financial**

The change will increase the expenditure on Local Council Tax Reduction by around £334,000 based on 2022-23 figures. Stafford Borough Council will be responsible for 10% of that cost, £33.4K. The cost will in part be offset by a reduction in irrecoverable debts, which are suffered by the preceptors in the same proportion.

This cost results from a reduction in the Council's Council Taxbase caused by the reduced charges proposed. This and other reductions are however offset by other positive changes to the taxbase. The overall effect is that the Council's taxbase has increased from 2022-23, by an amount of 374.94 band D equivalent properties. The financial effect of this increase in the taxbase, (based on the 2022-23 precept levels) is an increase in income of £710,000 shared amongst the Council and its Major Preceptors.

### **6.2 Legal**

Section 13A of Local Government Finance Act 1992 requires the Council, as a billing authority, to adopt a Local Council Tax Reduction Scheme and to review it each year. Any changes to a scheme must be approved by Council no later than the date that the Council sets its council tax and are implemented from the start of a financial year.

### **6.3 Human Resources**

None

### **6.4 Human Rights Act**

None

### **6.5 Data Protection**

There is no personal data within this report.

### **6.6 Risk Management**

The risk issues contained in this report are not strategic and therefore should not be included in the Strategic Risk Register.

## **6.7 Community Impact Assessment Recommendations**

### **Impact on Public Sector Equality Duty:**

There is no negative impact on any of the protected groups. The proposed change is available to all residents subject to their income and capital levels.

Nobody can be adversely affected by the proposed changes. Protection already exists for vulnerable groups such as the elderly and disabled, within the LCTR scheme, and this protection is maintained.

### **Wider Community Impact:**

The lowest income banded residents are benefited by having their council tax bills fully rebated. No adverse affect is suffered by other claimants as a result of the change.

## **7 Previous Consideration**

The current Local Council Tax Reduction has been unchanged since April 2020, when the banded income scheme was implemented.

## **8 Background Papers**

None

**Cabinet Date:** 9 February 2023

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## **Local Council Tax Reduction Scheme 2023-24**

### **CONSULTATION WITH MAJOR PRECEPTORS**

The major preceptors responded to the consultation as follows.

#### **Staffordshire County Council**

Our Leader and the Cabinet Member for Finance and Resources are happy to support the revised LCTR scheme. They have asked that the County Council's support is mentioned in any communications to residents please

#### **Staffordshire Commissioner for Police, Fire and Rescue, Crime**

This is a formal response from the Staffordshire Commissioner's Office regarding the changes to the Local Council Tax Reduction Scheme proposed for both Stafford Borough Council and Cannock Chase District Council to take effect from 1 April 2023. This response also represents the views from Staffordshire Police and Staffordshire Fire and Rescue Service.

I understand that the proposed change is to remove the 80% cap currently applied to non-protected working aged claimants, for one year only. This means that for the 2023-24 financial years the lowest income working aged claimants in the two council areas will have no council tax to pay. In my role as Staffordshire Police, Fire & Crime Commissioner I will always be happy to consider ways to support the poorest households particularly during what is a very challenging time with escalating costs for all.

I respect the right of each billing authority to set its share of council tax however this proposed change will directly impact, not just the two councils, but also the major precepting authorities providing services into these two areas and indirectly impact the other councils in our shared geography.

When considering the proposed changes only around 10% of the total cost will be met by the billing authorities leaving 90% for the major precepting authorities to absorb. I am also concerned that of the nine local billing authority areas only two will benefit from this proposed scheme which does not appear to be equitable given we have c.1.2 million residents within Staffordshire and Stoke on Trent.

In the future I would expect that any council tax proposals being considered by a billing authority which had financial implications for the major precepting authorities or other billing authorities to be discussed with the respective elected leaders and with the Staffordshire Chief Finance Officers Group (SCFOG), in order to gather



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opinion from a broader range of S151 Officers, prior to any consultation document being released.




In summary I would prefer that alternative ways to support the households addressed by these proposals had been considered.

# Stafford Borough Council - Council Tax Reduction Scheme 2023/24 Consultation

## 1. Background to the Consultation

1. Background to the Consultation			
Yes			
No			

2. Option 1 – To increase the maximum level of support available (up to 100% subject to household income) to working age applicants who are currently in a non-protected category for a one year period only

2. Do you agree with this change to the scheme?			
<b>Answer Choices</b>		<b>Response Percent</b>	<b>Response Total</b>
1	Yes		40.00% 26
2	No		40.00% 26
3	Don't Know		20.00% 13
		answered	65
		skipped	28

3. If you disagree what alternative would you propose?			
<b>Answer Choices</b>		<b>Response Percent</b>	<b>Response Total</b>
1	Open-Ended Question	100.00%	30
1	There should be no increase in CT for anyone next year. We are all struggling and personally I can not afford an increase. I do not get any government benefits, as many do, and I am in a situation where I can not afford to pay more. People need to learn to manage without taking off others. If I have to pay more my direct debit will be cancelled and I will pay what I can afford and when I can afford it. What you are planning is discrimination against the people who manage their lifestyle to fit their finances.		
2	I suggest that those who pay Zero council tax pay £50 per month. They can afford it. Especially pensioners as the gvt won't allow them to be "poor" and reduce the amount that is paid by the people who pay full CT by £50. Am sure it's a vote winner and the Council will still receive the income		
3	I'd share the discount across the borough		



### 3. If you disagree what alternative would you propose?




4	Everyone in the stafford uses these services and they have to be payed for ,so if you want to use them you should have to pay for them ,why should other people have to pay extra to cover this,we are all struggling right now and could all do without paying council tax.
5	I think the extra 20% help given to band one should be shared between all bands or bands 1 and 2 as it is a big drop from 100% to 60% if you earn only a little more than income thresholds in band 1
6	No extra discount, simply put we are all struggling and I for one can't afford another penny to subsidise others I work but don't qualify for any help so why should I suffer even more for those that should work harder! We need to change it so that anyone who doesn't have a medical reason not to work should have to work for the council to get even there benefit, those that work and are struggling shouldn't subsidise those that don't work hard enough to pay the council tax!!
7	The scheme should take into account the council band of the property also as those on low income could potentially receive a big discount, even though they are living in a large house potentially rent and mortgage free.
8	My husband is severely disabled, in receipt of PIP at higher rates and over 70, I am 61 and his unwaged carer. We do not receive any private pensions. Due to total lack of mobility, my husband needs extra heating to keep warm, extra use of hot water for washing clothes/bed clothes due to double incontinence, etc. Can anything be done to help us?
9	What about working people that are struggling, but don't meet any of these requirements? We both work and are struggling with everything and we are fending for ourselves. Doesn't matter what people earn, they too are suffering, but nothing is being done to help the working class. Feels like you should just give up work and be better off.
10	I think it should be left as it is.
11	Looking after single people . One salary this rise is to great for me
12	No alternative
13	What discount gor people on low pensions? Do they pay more to support these change
14	Everyone is struggling with the costs. I am a single person who lives in a shared ownership property and I struggle to afford to pay the bills. I am not on what is considered a low income but my bills before food come to £1200 which does not leave me with much to live on for food or petrol to get to work. Those who are already on reduced payments receive other benefits so I do not believe this is a fair proposal. It is people like me who get penalised as we don't qualify for any schemes or assistance but all bills have increased and my salary has not! I have had to get a second job just to survive so I am working 7 days a week just to live. I do not agree that anything should be put in place. If anything, the money should be put towards keeping council tax low for the next year as I'm bloody terrified about the cost of the rises that are coming! I can't work anymore hours in the week.
15	We are all feeling the pinch this year,use the money for this scheme to lower everybody's council tax
16	Stop giving free money and discounts to people who already have lots of support for not working regardless of reason why and support working people and single people who struggle more due to one wage coming into the household but want to work. In my situation I have no incentive to work for a living even though I'm worse off
17	No relief.
18	Reduce the discount given as the council and continuing council tax payers cannot afford the scheme
19	None. Keep it as it is. Theses schemes mean the cost gets passed onto those who don't qualify for these discount.
20	A reduction of sorts would surely be the better way forward. There a a large number of households just above the threshold who would not benefit. Whilst it is now becoming the norm for households below the threshold to be given financial support from every angle.a reduction of sorts would be better than nothing at all.
21	Everyone should pay their share, otherwise the system is discriminatory.
22	Leave the scheme as it is

### 3. If you disagree what alternative would you propose?

23	As someone who will be on a fixed income in receipt of a personal and state pension (and not eligible for any benefits) I think this proposed change is unfair to the older population as they will have to fund the extra amount. This will make a mockery of the state pension increase which is there to help with the increased cost of living for pensioners. Whoever thought this was a good idea should think again, it will NOT help my own household in this cost of living crisis, in fact it will have a detrimental affect.  I propose we stay as we are with the current arrangements. We are already helping those who are on benefits with discounts.		
24	I'm concerned that is this group of households don't have to pay council tax the households that do have to pay will be increased to make up for the shortfall.		
25	Who will be paying to make up the loss of income?		
26	The whole system is stupid for all payers. Having a system based on the value of a property calculated decades ago is ridiculous. As a pensioner, living in a bungalow, why should I pay 1000 pound more than a neighbour where there are two working teachers?? We live on a 'cliff edge' system where some benefit and others do not.		
27	I still believe that there should be an element of Council Tax still being paid by all customers		
28	I believe the current relief available to low income families to be sufficient.		
29	Keep as is. Vital public services will see a reduction in income, and longer term this places an additional burden on those who pay the full bill. This loss of income will see more pot holes, worse care services and less police officers		
30	Nothing I'm happy with that		
		answered	30
		skipped	63

### 3. Option 2 – The scheme will disregard certain crisis payments paid to taxpayers (Local Welfare Provision)

#### 4. Do you agree with this change to the scheme?

Answer Choices		Response Percent	Response Total
1	Yes 	54.69%	35
2	No 	21.88%	14
3	Don't Know 	23.44%	15
		answered	64
		skipped	29

#### 5. If you disagree what alternative would you propose?

Answer Choices		Response Percent	Response Total
1	Open-Ended Question	100.00%	18

### 5. If you disagree what alternative would you propose?

1	No changes to be made		
2	Give people lessons in financial management and lifestyle changes. I am not a charity and am already struggling. I shouldn't be put in debt to pay for other people.		
3	Do a means test on each. Those who brag how much they receive and go buy luxuries with the handouts rather than use them to help with cost of living. Don't forget that those who pay £0 CT are at least £100 better off each month than those who do.		
4	To share the benefits across the bourough		
5	Any change will cost the council money resulting in more council tax for those that work!! We don't have the money to pay more!		
6	See previous page		
7	Everyone needs assistance regardless.		
8	Please look at the single persons rate		
9	No alternative		
10	Extend to people on low pensions		
11	As per my precious comments!! It should be made available for all who are struggling to pay bills. Not just those who are in specific categories. It is disgusting how certain groups are just left to struggle as they don't fit into "low income" etc.		
12	Same response think about what incentive and support you provide for single wage households that can not claim anything so are worse off		
13	Everyone should pay the same we all use the same services		
14	Additional payments should be counted as income to add consistency when assessing an individual's income		
15	As per before. There doesn't seem to be any discount available for those who are on higher tax bands. Other councils offer discount if you pay in one go instead of instalments. The rate seems to be going higher and higher for us.		
16	As in my previous answer "who will be making up the shortfall of income?"		
17	The fact that Government is already providing additional support to households, and may continue or increase it in the future, is why I disagree with the proposal.		
18	Nothing I'm happy with this proposal		
		answered	18
		skipped	75

### 4. Alternatives to changing the Council Tax Reduction Scheme

#### 6. Please use this space to make any other comments on the proposed scheme.

Answer Choices		Response Percent	Response Total
1	Open-Ended Question	100.00%	23
1	<p>I am concerned about this proposal for several reasons. These are as follows:</p> <p>Regarding the proposal to exempt some people from CT for the financial year 2023/24, this group is already receiving a very generous reduction of 80%. Whilst I do not question their entitlement to this</p>		

## 6. Please use this space to make any other comments on the proposed scheme.

	<p>reduction in CT, I think it only fair that they continue to pay 20%. I would imagine that such people will already be receiving financial help from Government sources at this difficult time. All the things that Stafford BC is required to do will not cease because people are 'feeling the pinch'.</p> <p>My understanding is that in the current climate Councils are under extreme financial pressure. I am assuming that this situation applies to Stafford BC, and therefore does it not make sense that as many people as possible pay CT, even if some of those contributions are very small?</p> <p>My belief is that when people are not obliged to make any contribution towards a service, or in this case CT, they tend not to put the same value on it, and become complacent. It is important that official bodies are questioned and held to account as to how decisions are made and money is spent.</p> <p>I cannot help but feel that there is an element of virtue signalling in this proposal, ie being generous with other people's money. I am assuming that money will need to be diverted from other services in order to fund this exemption.</p> <p>Finally, what happens in a year's time when we may not, as a country, have made much headway to recovery? Try insisting that people must resume paying their 20% and wait for the reaction! Instead of seeing it as a temporary concession, it will be portrayed as an entitlement that is being taken away.</p> <p>Please think carefully about the advisability of this measure.</p>
2	Fed up of paying bills for other people. I am a pensioner and can no longer afford to give money to people who don't take responsibility for themselves.
3	How is this being funded? Will people have to pay more council tax?
4	Supporting the poor in our community is vital
5	The scheme should be fair to everyone no matter how big there house is - its more likely that the bigger the property the more likely that that person will be suffering more.
6	It seems if your just above the savings & work you want be eligible, the benefit is being paid yet again for those receiving extra benefit anyway on the cost of living
7	The proposal should not go ahead in my opinion,the council struggle for money already so how is this possibly going to help pay for things we all need and use like bin collections,emergency services etc .we all use these services that the council tax pay for so we should all have to pay for them it should not be left for a few to pay for the many,this seems like a government short term fix for a long term problem.
8	See earlier comments
9	I propose no extra help for those claiming unless they work for it!
10	I am of working age, but have been unwaged throughout most of my working life due to caring for relatives with various disabilities - immobility/dementia/incontinence etc. Despite this, there never seems to be any help for me - at present the tasks that I perform have been assessed as 'challenging' for two waged carers - but I manage them alone for no reward.
11	I am a working age, widowed single parent who has no financial help from anyone. I have to mangle with the cost of living crisis. I have to work hard to make sure that my 75% council tax payments are met!
12	None
13	See previous
14	Everyone regardless of age. Benefits, disability should pay the same. We all use the same services. This is called equality
15	Don't agree with 100% reduction.
16	The whole thing should be scrapped and everyone should pay their way. The cost of living has increased for everyone. The benefit claimants will get their increases in April. Some people will have no increase in income. We can barely afford our own Council Tax so WILL NOT be paying for other people.
17	I personal struggle to pay the Council tax , iam nearly 65 years old ,I work part time and it's hard work .I live in my own ! Please help with this !



**7. Please use the space below if you would like the Council to consider any other options (please state).**



11	Change the whole system to charges based solely on income. This could be achieved by making payments based on the PAYE payments made by every occupant of a property and then everyone would pay a fair share according to total income.		
12	I believe that the Council is providing sufficient support already.		
13	No		
		answered	13
		skipped	80

**8. If you have any further comments or questions to make regarding the Council Tax Reduction scheme that you haven't had opportunity to raise elsewhere, please use the space below.**




Answer Choices		Response Percent	Response Total
1	Open-Ended Question	100.00%	10
1	who actually qualifies as i am on UC only my income is only the UC i get which is £864 per month but my discount is only 40%		
2	Just be fair to all and give us a break		
3	None		
4	I don't know why for those working it can not be linked to a persons P60 from the previous year and based on that carried on for the next three months and then reviewed. If the person earns more then make adjustment. Not pay slip to payslip. that generates to many changes. Those below the Income Tax threshold should be exempt		
5	Every year I read the information leaflet which accompanies my Council Tax Bill. No where does it say that a percentage is used to cover the costs for others. I, like many others, did not know that this happened. Before putting this out for consultation the council should have been transparent and advised every household what they are paying on behalf of others. There are many pensioners struggling who don't have the means of increasing their income.		
6	This proposed change will unfairly impact those on fixed incomes.		
7	Annual payment discounts available for 10% especially for high tax band payers.		
8	Very unfair on pensioners who have lived responsibly. Why should I pay for those who cannot be bothered to work hard? We live in a something for nothing society, abused by those who can work.		
9	I note that it is stated that the scheme will be for one year only. This indicates to me a degree of naïveté on the part of those putting forward the proposal. Once a benefit or concession is granted, any attempt to withdraw or not continue with it will be loudly criticised, and portrayed as an attack on the poor, leading to yet more loss of faith and trust in public bodies.		
10	No		
		answered	10
		skipped	83

**5. About You**









### 9. Are you, or someone in your household, getting a Council Tax Reduction at this time?

Answer Choices		Response Percent	Response Total
1	Yes		20.34% 12
2	No		79.66% 47
3	Don't Know		0.00% 0
			answered 59
			skipped 34





### 10. What is your sex?

Answer Choices		Response Percent	Response Total
1	Male		43.10% 25
2	Female		51.72% 30
3	Prefer not to say		5.17% 3
			answered 58
			skipped 35




### 11. Age

Answer Choices		Response Percent	Response Total
1	18-24		0.00% 0
2	25-34		5.08% 3
3	35-44		15.25% 9
4	45-54		25.42% 15
5	55-64		15.25% 9
6	65-74		27.12% 16
7	75-84		6.78% 4
8	85+		1.69% 1
9	Prefer not to say		3.39% 2
			answered 59
			skipped 34

**12. Disability: Are your day to day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?**

Answer Choices			Response Percent	Response Total
1	Yes		17.24%	10
2	No		74.14%	43
3	Don't know		1.72%	1
4	Prefer not to say		6.90%	4
			answered	58
			skipped	35

**13. Ethnic Origin: What is your ethnic group? Select each that apply.**

Answer Choices			Response Percent	Response Total
1	Prefer not to say		13.56%	8
2	White British		83.05%	49
3	White Irish		0.00%	0
4	White Gypsy or Irish Traveller		0.00%	0
5	Any other White background		0.00%	0
6	Mixed/Multiple ethnic groups - White & Black African		0.00%	0
7	Mixed/Multiple ethnic groups - White & Black Caribbean		0.00%	0
8	Mixed/Multiple ethnic groups - White & Asian		0.00%	0
9	Any other multi mixed background		0.00%	0
10	Asian or Asian British Pakistani		0.00%	0
11	Asian or Asian British Indian		3.39%	2
12	Asian or Asian British Bangladeshi		0.00%	0
13	Asian or Asian British Chinese		0.00%	0
14	Any other Asian background		0.00%	0
15	Black African		0.00%	0
16	British Caribbean		0.00%	0



**13. Ethnic Origin: What is your ethnic group? Select each that apply.**

17	Black British		0.00%	0
18	Any other Black background		0.00%	0
			answered	59
			skipped	34

**14. Other Ethnic Group**

Answer Choices		Response Percent	Response Total
1	Open-Ended Question	0.00%	0
No answers found.			
		answered	0
		skipped	93

## Agenda Item 4(a)(iii)

<b>Cabinet Date:</b>	9 February 2023
<b>Contact Officer:</b>	Chris Forrester
<b>Telephone Number:</b>	01543 464334
<b>Ward Interest:</b>	Nil
<b>Report Track:</b>	Audit and Accounts 20/02/2023 Council 21/02/2023
<b>Key Decision:</b>	Yes
<b>Submission by:</b>	Councillor R M Smith, Resources Portfolio

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# Treasury Management Strategy, Minimum Revenue Provision Policy, Annual Investment Strategy 2023/24

## 1 Purpose of Report

This report is presented to obtain the Council's approval to: -

- 1.1 Prudential and Treasury Indicators - setting of indicators to ensure that the capital investment plans of the Council are affordable, prudent and sustainable;
- 1.2 The Minimum Revenue Provision (MRP) Policy;
- 1.3 Treasury Management Strategy Statement for 2023/24 - to set treasury limits for 2023/24 to 2024/25 and to provide a background to the latest economic forecasts of interest rates
- 1.4 Annual Investment Strategy 2023/24- to set out the strategy of investment of surplus funds.

## 2 Proposal of Cabinet Member

- 2.1 That the following be recommended for approval by Council:-
  - (a) The Prudential and Treasury Indicators;
  - (b) The MRP Policy Statement;
  - (c) The Treasury Management Policy;

(d) The Annual Investment Strategy for 2023/24;

- 2.2 To note that indicators may change in accordance with the final recommendations from Cabinet to Council in relation to both the General Fund Revenue Budget and the Capital Programme

### **3 Key Issues and Reasons for Recommendations**

- 3.1 The Council is required to approve its treasury management, investment and capital strategies to ensure that cash flow is adequately planned and that surplus monies are invested appropriately.

### **4 Relationship to Corporate Business Objectives**

- 4.1 Treasury management and investment activities are interwoven with all of the Council's priorities and their spending plans.

### **5 Report Detail**

#### **Background**

- 5.1 The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Accordingly, a significant function of Treasury Management is ensuring that cash flows are adequately planned and controlled to meet this objective. Any surplus monies are invested with low risk counterparties and managed appropriately so that sufficient levels of liquid cash are available to meet any payment obligations as well as offer headroom for unexpected circumstances. Such considerations underpin the day-to-day operations of Treasury Management when determining investment-related outcomes rather than the sole factor of yield that aims to generate higher return on investments with little or no regards to financial risks.
- 5.2 The second main function of the Treasury Management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer-term cash may involve arranging long or short-term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 5.3 The contribution the treasury management function makes to the Authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate

security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

5.4 CIPFA defines treasury management as:

“The management of the local authority’s borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

5.5 Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

This Council has not engaged in any commercial investments and has no non-treasury investments.

### **Reporting Requirements**

5.6 The CIPFA 2021 Prudential and Treasury Management Codes require all Local Authorities to prepare a Capital Strategy report which will provide the following: -

- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

5.7 The aim of this capital strategy is to ensure that all elected members on the full council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

5.8 The capital strategy approved on the 6 December 2018 covers the period 2018/22 but has been extended to the end of March 2024.

### **Treasury Management Reporting**

5.9 The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

5.10 **Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report covers:-

- the capital plans (including Prudential Indicators);
- a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);

- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
  - an Investment Strategy (the parameters on how investments are to be managed).
- 5.11 **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending Prudential Indicators as necessary, and whether any policies require revision.
- 5.12 **An annual treasury report** - This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.
- 5.13 **Scrutiny** - The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Audit and Accounts Committee.
- 5.14 The Council has adopted the following reporting arrangements in accordance with the requirements of the CIPFA Code of Practice:-

Area of Responsibility	Council/Committee	Frequency
Treasury Management Strategy/ Annual Investment Strategy/ MRP policy	Full Council	Annually in January/February each year
Treasury Management Strategy/ Annual Investment Strategy/ MRP policy/Monitoring of Prudential Indicators	Full Council	Mid-year
Treasury Management Strategy/ Annual Investment Strategy/ MRP policy - updates or revisions at other times	Full Council	As required
Annual Treasury Outturn Report	Audit and Accounts Committee and Council	Annually by 30 September after the end of the year
Scrutiny of treasury management strategy	Audit and Accounts Committee	Annually in December before the start of the year

## **Treasury Management Strategy for 2023/24**

5.15 The Strategy for 2023/24 covers two main areas:-

### Capital issues

- the capital expenditure plans and the associated Prudential Indicators;
- the minimum revenue provision (MRP) policy.

### Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.

5.16 These elements cover the requirements of the Local Government Act 2003, DLUHC Investment Guidance, DLUHC MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

### Training

5.17 The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.

Furthermore, pages 47 and 48 of the Code state that they expect “all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making.

The scale and nature of this will depend on the size and complexity of the organisation’s treasury management needs. Organisations should consider how to assess whether treasury management staff and board/ council members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.

As a minimum, authorities should carry out the following to monitor and review knowledge and skills:

- Record attendance at training and ensure action is taken where poor attendance is identified.
- Prepare tailored learning plans for treasury management officers and board/council members.
- Require treasury management officers and board/council members to undertake self-assessment against the required competencies (as set out in the schedule that may be adopted by the organisation).
- Have regular communication with officers and board/council members, encouraging them to highlight training needs on an ongoing basis.”

In further support of the revised training requirements, CIPFA’s Better Governance Forum and Treasury Management Network have produced a ‘self-assessment by members responsible for the scrutiny of treasury management’, which is available from the CIPFA website to download.

- 5.18 Training has been undertaken by members of the Audit and Accounts Committee in January 2020 but there has been a gap in training due to Covid and Lockdown since. The training needs of members are currently being reviewed in light of the additional requirements of the code and further training is planned during 2023/24.

### **Treasury Management Consultants**

- 5.19 The Council uses Link Asset Services, Treasury Solutions as its external treasury management advisors.
- 5.20 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

### **The Capital Prudential Indicators 2023/24 - 2025/26**

- 5.21 The Council’s capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in Prudential Indicators, which are designed to assist members’ overview and confirm capital expenditure plans.

### **Capital expenditure**

- 5.22 This Prudential Indicator is a summary of the Council’s capital expenditure plans, both those agreed previously, and those forming part of this budget

cycle. Members are asked to approve the capital expenditure forecasts, which include a review of current schemes together with the continuation of the applicable rolling programme schemes, but to note these may change as part of the scrutiny process and finalisation of the Budget.

- 5.23 Any change to the forecast and any new growth bids will be separately identified in future Budget Reports and reflected in this indicator as reported to full Council.

<b>Capital Expenditure (£m)</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	
	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Unallocated</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Community Portfolio</b>	887	1,180	3,735	1,522	1,522	2,075
<b>Environment Portfolio</b>	109	231	385	50	50	101
<b>Leisure and Culture Portfolio</b>	156	661	1,917	0	0	16
<b>Planning and Regeneration</b>	137	2,427	13,801	5,500	0	3,548
<b>Resources Portfolio</b>	29	153	50	50	50	750
<b>Total</b>	<b>1,318</b>	<b>4,652</b>	<b>19,888</b>	<b>7,122</b>	<b>1,622</b>	<b>6,490</b>

- 5.24 In addition to the above Capital Programme, the expenditure and borrowing of the Council may increase as a result of match funding requirements for bids in relation to the Future High streets fund/ Garden Village or Station Gateway projects. The projects and business cases will be subject to reports to Cabinet and Council as approved. Should borrowing need to be undertaken the council will look to utilise the PWLB discount rate if appropriate.
- 5.25 Other long-term liabilities. The financing need excludes other long-term liabilities, such leasing arrangements which already include borrowing instruments.
- 5.26 The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.



<b>Capital expenditure</b>	<b>2021/22 Actual £'000</b>	<b>2022/23 Estimate £'000</b>	<b>2023/24 Estimate £'000</b>	<b>2024/25 Estimate £'000</b>	<b>2025/26 Estimate £'000</b>	<b>Unallocated £'000</b>
Total Spend	1,318	4,652	19,888	7,122	1,622	6,490
Financed by:						
Capital Receipts	185	603	854	0	43	6
Capital grants/ contributions	943	2,806	18,592	3,522	1,578	2,119
Revenue	190	1,243	442	3,600	1	4,365
Net financing need for the year	0	0	0	0	0	0

5.27 The capital financing of the programme will similarly be reviewed as part of the Budget process and any change will be separately identified in future Budget Reports and reflected in this indicator.

### **The Council's borrowing need (the Capital Financing Requirement)**

5.28 The second Prudential Indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so it's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

5.29 The CFR does not increase indefinitely, as the Minimum Revenue Provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each assets life and so charges the economic consumption of capital assets as they are used.

5.30 The CFR includes any other long-term liabilities (e.g. finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the PPP lease provider and so the Council is not required to separately borrow for these schemes. The Council currently has £2.301m of such Finance Leases within the CFR,

however going forward it is anticipated that this figure will rise during 2024/25 in respect of the Civic Centre leased land coming on balance sheet. Further work will be undertaken to ensure that this is reflected in the calculations when appropriate.

- 5.31 The Council is asked to approve the following CFR projections, subject to any changes arising from the budget process:-

### Capital Financing Requirement (CFR)

	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Total CFR	4,077	3,777	3,586	4,924	4,764
Movement in CFR		(300)	(191)	1,338	(160)

### Movement in CFR represented by

	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Net financing need for the year	0	0	0	0	0
Less MRP and other financing movements	(357)	(300)	(191)	1,338	(160)
Movement in CFR	(357)	(300)	(191)	1,338	(160)

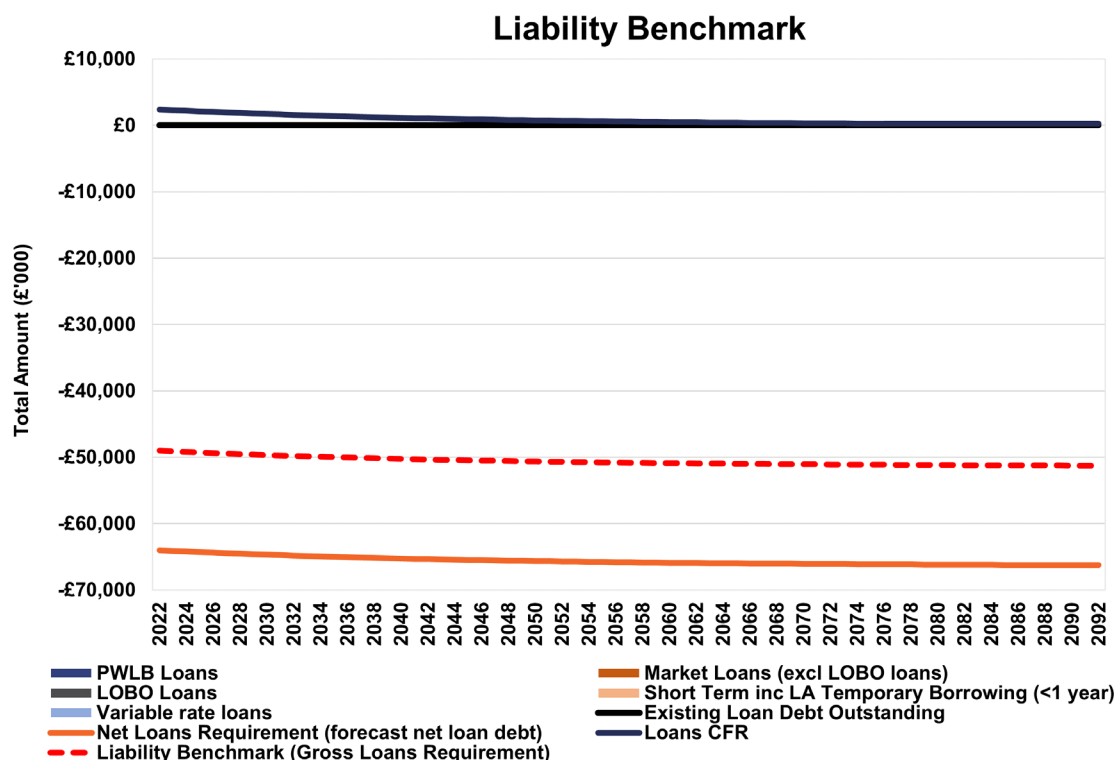
### Liability Benchmark

- 5.32 A third and new Prudential Indicator for 2023/24 is the Liability Benchmark (LB). The Council is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.

There are four components to the LB: -

1. **Existing loan debt outstanding:** the Authority's existing loans that are still outstanding in future years.
2. **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
3. **Net loans requirement:** this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. **Liability benchmark** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

The Liability Benchmark is effectively the Net Borrowing Requirement of a local authority plus a liquidity allowance. In its simplest form, it is calculated by deducting the amount of investable resources available on the balance sheet (reserves, cash flow balances) from the amount of outstanding external debt and then adding the minimum level of investments required to manage day-to-day cash flow.



As the Council’s Treasury position is debt-free across the entire forecast period, the Council’s Liability Benchmark is also negative across the same time horizon. The Graph therefore indicates that there is no present need to borrow given the Council’s current resources and capital intentions.

### Core funds and expected investment balances

5.33 The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

<b>Year-End Resources</b>	<b>2021/22 Actual £'000</b>	<b>2022/23 Estimate £'000</b>	<b>2023/24 Estimate £'000</b>	<b>2024/25 Estimate £'000</b>	<b>2025/26 Estimate £'000</b>
Earmarked Fund balances / reserves	31,749	30,326	28,658	22,919	27,187
Unallocated Reserves	395	830	830	830	830
Capital receipts	1,506	903	49	49	6
Capital grants	7,709	16,777	3,817	2,823	798
Provisions	3,435	3,435	-	-	-
Section 106 Capital	3,214	3,489	2,970	1,970	1,970
Section 106 Revenue	2,003	2,082	1,625	1,625	1,625
<b>Total core funds</b>	<b>50,011</b>	<b>57,842</b>	<b>37,949</b>	<b>30,216</b>	<b>32,416</b>
Working Cashflow requirement	(16,278)	5,000	5,000	5,000	5,000
Under/over borrowing	2,289	2,197	2,109	2,024	1,943
Expected investments	<b>64,000</b>	<b>50,645</b>	<b>30,840</b>	<b>23,192</b>	<b>25,473</b>

\*Working cashflow requirement shown are estimated year-end; these may be higher mid-year.

### **Minimum revenue provision (MRP) Policy Statement**

- 5.34 Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Authority has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge (the Minimum Revenue Provision - MRP).
- 5.35 The Council is required to calculate a prudent provision of MRP which ensures that the outstanding debt liability is repaid over a period that is

reasonably commensurate with that over which the capital expenditure provides benefits. The MRP Guidance (2018) gives four ready-made options for calculating MRP, but the Authority can use any other reasonable basis that it can justify as prudent. The MRP Policy Statement requires Full Council approval in advance of each financial year.

5.36 The Authority is recommended to approve the following MRP Statement:

Under powers delegated to the Section 151 Officer, the Council's Annual MRP provision for expenditure incurred after 1 April 2008 and before 31 March 2017 will be based on the uniform rate of 4% of the Capital Financing Requirement.

The Council's Annual MRP provision for expenditure incurred on or after 1 April 2017 will be based on the asset life method (i.e. the provision will be calculated with reference to the estimated life of the assets acquired), in accordance with the Regulations.

5.37 Capital expenditure incurred during 2022/23 will not be subject to an MRP charge until 2023/24, or in the year after the asset becomes operational.

5.38 The Authority will apply the asset life method for any expenditure capitalised under a Capitalisation Direction.

5.39 Repayments included in finance leases are applied as MRP.

5.40 The Council are satisfied that the policy for calculating MRP set out in this Policy Statement will result in the Council continuing to make prudent provision for the repayment of debt, over a period that is on average reasonably commensurate with that over which the expenditure provides benefit.

5.41 The Section 151 Officer will, where it is prudent to do so, use discretion to review the overall financing of the Capital Programme and the opportunities afforded by the regulations, to maximise the benefit to the Council whilst ensuring the Council meets its duty to charge a prudent provision.

5.42 For capital expenditure on loans to third parties where the principal element of the loan is being repaid in annual instalments, the capital receipts arising from the principal loan repayments will be used to reduce the CFR instead of MRP.

Where no principal repayment is made in a given year, MRP will be charged at a rate in line with the life of the assets funded by the loan.

5.43 **MRP Overpayments** - Under the MRP guidance, any charges made in excess of the statutory MRP can be made, known as voluntary revenue provision (VRP).

VRP can be reclaimed in later years if deemed necessary or prudent. In order for these amounts to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year.

The Council has previously not made any VRP overpayments.

### **Affordability Prudential Indicators**

- 5.44 The previous sections cover the overall capital and control of borrowing Prudential Indicators, but within this framework Prudential Indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:-

#### **Ratio of financing costs to net revenue stream**

- 5.45 This indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs net of investment income) against the net revenue stream. The figures below show a negative ratio due to the investment income being received by the council on its treasury investments.

%	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>Ratio of financing costs</b>	1.2%	-2.4%	-1.8%	-2.4%	-0.5%

### **Borrowing**

- 5.46 The capital expenditure plans above provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Authority's Capital Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / Prudential Indicators, the current and projected debt positions, and the Annual Investment Strategy.

#### **Current portfolio position**

- 5.47 The Council's forward projections for borrowing are summarised below. The table shows the actual external debt against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Estimate	Estimate	Estimate
External Debt{	£'000	£'000	£'000	£'000	£'000
PWLB debt at 1 April	0	0	0	0	0
Expected change in Debt	0	0	0	0	0
Other long-term liabilities (OLTL)	2,049	1,788	1,580	1,477	2,900
Expected in-year change in OLTL	(261)	(208)	(103)	1,423	(79)
Actual gross debt at 31 March	1,788	1,580	1,477	2,900	2,821
The Capital Financing Requirement	4,077	3,777	3,586	4,924	4,764
<b>Under / (over) borrowing</b>	<b>2,289</b>	<b>2,197</b>	<b>2,109</b>	<b>2,024</b>	<b>1,943</b>

5.48 Within the range of Prudential Indicators there are several key indicators to ensure that the Authority operates its activities within well-defined limits. One of these is that the Authority needs to ensure that its gross debt does not, except in the short-term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2023/24 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

5.49 The Director of Finance reports that the Authority complied with this Prudential Indicator in the current year and does not envisage difficulties for the future. This view takes account of current commitments, existing plans and the proposals in this budget report.

### Treasury Indicators: limits to borrowing activity

5.50 **The Operational Boundary.** This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Operational boundary	2022/23	2023/24	2024/25	2025/26
	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000
Debt	2,385	2,385	11,385	11,385
Other long-term liabilities	1,580	1,477	2,900	2,821
Total	3,965	3,862	14,285	14,206

5.51 **The Authorised Limit for External Debt.** This is a key Prudential Indicator and represents a control on the maximum level of borrowing. This represents

a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

1. This is the statutory limit determined under section 3(1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
2. The Council is asked to approve the following authorised limit:-

Authorised limit	2022/23	2023/24	2024/25	2025/26
	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000
Debt	5,385	5,385	14,385	14,385
Other long-term liabilities	1,580	1,477	2,900	2,821
Total	6,965	6,862	17,285	17,206

### Prospects for interest rates

- 5.52 The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 08.11.22. These are forecasts for certainty rates, gilt yields plus 80 bps.

Link Group Interest Rate View	08.11.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
<b>BANK RATE</b>	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.30	4.30	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.50	4.50	4.40	4.30	4.20	4.00	3.90	3.70	3.60	3.50	3.40	3.30	3.20
25 yr PWLB	4.70	4.70	4.60	4.50	4.40	4.30	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.40	3.30	3.20	3.20

- 5.53 Link's central forecast reflects a view that the MPC will be keen to demonstrate its anti-inflation credentials by delivering a succession of rate increases. This has happened throughout 2022, but the new Government's policy of emphasising fiscal rectitude will probably mean Bank Rate does not now need to increase to further than 4.5%.

Further down the road, we anticipate the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures have lessened – but that timing will be one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.

The CPI measure of inflation will peak at close to 11% in Q4 2022. Despite the cost-of-living squeeze that is still taking shape, the Bank will want to see evidence that wages are not spiralling upwards in what is evidently a very



tight labour market. Wage increases, excluding bonuses, are currently running at 5.7%.

Regarding the plan to sell £10bn of gilts back into the market each quarter (Quantitative Tightening), this has started but will focus on the short to medium end of the curve for the present. This approach will prevent any further disruption to the longer end of the curve following on from the short-lived effects of the Truss/Kwarteng unfunded dash for growth policy.

In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but the on-going conflict between Russia and Ukraine. (More recently, the heightened tensions between China/Taiwan/US also have the potential to have a wider and negative economic impact.)

On the positive side, consumers are still estimated to be sitting on over £160bn of excess savings left over from the pandemic so that will cushion some of the impact of the above challenges. However, most of those are held by more affluent people whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

- 5.54 **Bond yields / PWLB rates.** Yield curve movements have become less volatile under the Sunak/Hunt government. PWLB 5 to 50 years Certainty Rates are, generally, in the range of 3.75% to 4.50%. The medium to longer part of the yield curve is currently inverted (yields are lower at the longer end of the yield curve compared to the short to medium end).

Link views the markets as having built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the poor inflation outlook but markets are volatile and further whipsawing of gilt yields across the whole spectrum of the curve is possible.

#### **The balance of risks to the UK economy: -**

- The overall balance of risks to economic growth in the UK is to the downside. Indeed, the Bank of England projected two years of negative growth in their November Quarterly Monetary Policy Report.

#### **Downside risks to current forecasts for UK gilt yields and PWLB rates include: -**

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, rising gilt yields).
- **The Bank of England** acts too quickly, or too far, over the next two years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.

- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- **Geopolitical risks**, for example in Ukraine/Russia, China/Taiwan/US, Iran, North Korea and Middle Eastern countries, which could lead to increasing safe-haven flows.

**Upside risks to current forecasts for UK gilt yields and PWLB rates: -**

- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly and for a longer period within the UK economy, which then necessitates an even more rapid series of increases in Bank Rate faster than we currently expect.
- **The Government** acts too slowly to increase taxes and/or cut expenditure to balance the public finances, in the light of the cost-of-living squeeze.
- **The pound weakens** because of a lack of confidence in the UK Government’s fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Longer term **US treasury yields** rise strongly, if inflation numbers disappoint on the upside, and pull gilt yields up higher than currently forecast.

5.55 **Borrowing advice:** Link’s long-term (beyond 10 years) forecast for Bank Rate stands at 2.5%. As all PWLB certainty rates are now above this level, borrowing strategies will need to be reviewed in that context. Better value can generally be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive whilst the market waits for inflation, and therein gilt yields, to drop back later in 2023.

Link’s suggested budgeted earnings rates for investments up to about three months’ duration in each financial year are as follows: -

<b>Average earnings in each year</b>	
2022/23 (remainder)	3.95%
2023/24	4.40%
2024/25	3.30%
2025/26	2.60%
2026/27	2.50%
Years 6 to 10	2.80%
Years 10+	2.80%

- 5.56 As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

Link's interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. The Council's advisors continue to monitor events and will update our forecasts as and when appropriate.

### **Borrowing strategy**

- 5.57 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate increases over the remainder of 2022 and the first half of 2023

- 5.58 Against this background and the risks within the economic forecast, caution will be adopted with the 2023/24 treasury operations. The Director of Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.
- if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years

- 5.59 Any decisions will be reported to Members appropriately at the next available opportunity.

### **Treasury management limits on activity**

- 5.60 **Maturity structure of borrowing.** These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

- 5.61 The Council is asked to approve the following treasury indicators and limits:

**Maturity structure of fixed interest rate borrowing 2023/24**

	<b>Lower</b>	<b>Upper</b>
Under 12 months	0%	100%
12 months to 2 years	0%	100%
2 years to 5 years	0%	100%
5 years to 10 years	0%	100%
10 years and above	0%	100%

**Maturity structure of variable interest rate borrowing 2023/24**

	<b>Lower</b>	<b>Upper</b>
Under 12 months	0%	75%
12 months to 2 years	0%	75%
2 years to 5 years	0%	75%
5 years to 10 years	0%	75%
10 years and above	0%	75%

**Policy on borrowing in advance of need**

- 5.62 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.
- 5.63 Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

## **Rescheduling**

- 5.64 Rescheduling of current borrowing in our debt portfolio is unlikely to occur as there is still a large difference between premature redemption rates and new borrowing rates.

If rescheduling is to be undertaken, it will be reported to the Council, at the earliest meeting following its action.

## **New Financial Institutions as a Source of Borrowing and / or Types of Borrowing**

- 5.65 Currently the PWLB Certainty Rate is set at gilts + 80 basis points. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

- Local authorities (primarily shorter dated maturities out to 3 years or so – generally still cheaper than the Certainty Rate).
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years).
- UK Municipal Bonds Agency
- UK Infrastructure Bank - where the project meets its investment principles (namely, economic regeneration and tackling climate change), the Infrastructure Bank offers loans at the relevant Gilts rate +60 basis points (20 basis points lower than the PWLB Certainty rate) and can match the length of the loan and repayment profile to needs of the project.

Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

## **Annual Investment Strategy**

### **Investment policy – management of risk**

- 5.66 The Department of Levelling Up, Housing and Communities (DLUHC - this was formerly the Ministry of Housing, Communities and Local Government (MHCLG)) and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets and service investments, are covered in the Capital Strategy, (a separate report).

The Authority’s investment policy has regard to the following: -

- DLUHC’s Guidance on Local Government Investments (“the Guidance”)
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 (“the Code”)

- CIPFA Treasury Management Guidance Notes 2021

5.67 The Council's investment priorities will be security first, portfolio liquidity second and then yield, (return). The Authority will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council's risk appetite. In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider "laddering" investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated, as well as wider range fund options.

5.68 The above guidance from the DLUHC and CIPFA places a high priority on the management of risk. This Authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short-term and long-term ratings.
2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Authority will engage with its advisors to maintain a monitor on market pricing such as "**credit default swaps**" and overlay that information on top of the credit ratings.
3. **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

5.69 This Authority has defined the list of types of investment instruments that the Treasury Management Team are authorised to use, as per **APPENDIX 2**.

- Specified investments are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity, if originally they were classified as being non-specified investments solely due to the maturity period exceeding one year.
- Non-specified investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

- 5.70 **Non-specified investments limit.** The Council has determined that it will limit the maximum total exposure to non-specified investments as being 50% of the total investment portfolio.
- 5.71 **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in the **APPENDIX 2**.
- 5.72 **Transaction limits** are set for each type of investment in **APPENDIX 2**.
- 5.73 The Council will set a limit for the amount of its investments which are invested for longer than 365 days.
- 5.74 Investments will only be placed with counterparties from countries with a specified minimum sovereign rating.
- 5.75 The Council has engaged external consultants, to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
- 5.76 All investments will be denominated in sterling.
- 5.77 As a result of the change in accounting standards for 2022/23 under IFRS 9, this Authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23. Following consultation this has now extended until 31.3.25.
- 5.78 However, this Authority will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the financial year.

### **Creditworthiness policy**

- 5.79 The Council applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:-
- credit watches and credit outlooks from credit rating agencies;
  - Credit Default Swaps (CDS) spreads to give early warning of likely changes in credit ratings;

- sovereign ratings to select counterparties from only the most creditworthy countries.
- 5.80 This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:-
- Yellow 5 years \*
  - Dark pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.25
  - Light pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.5
  - Purple 2 years
  - Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
  - Orange 1 year
  - Red 6 months
  - Green 100 days
  - No colour not to be used
- 5.81 The Link creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.
- 5.82 Typically, the minimum credit ratings criteria the Council uses will be a short-term rating (Fitch or equivalents) of F1 and a long-term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.
- 5.83 All credit ratings will be monitored weekly. The Council is alerted to changes to ratings of all three agencies through its use of our creditworthiness service.
- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
  - in addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.
- 5.84 Sole reliance will not be placed on the use of this external service. In addition the Council will also use market data and market information, information on any external support for banks to help support its decision making process.
- 5.85 The Council has determined that it will only use approved counterparties from the UK and countries with a minimum sovereign credit rating of AA- from Fitch



or equivalent. The list of countries that qualify using this credit criteria as at the date of this report are shown in **APPENDIX 3**. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

### **Creditworthiness**

- 5.86 Significant levels of downgrades to Short and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, more recently the UK sovereign debt rating has been placed on Negative Outlook by the three major rating agencies in the wake of the Truss/Kwarteng unfunded tax-cuts policy. Although the Sunak/Hunt government has calmed markets, the outcome of the rating agency reviews is unknown at present, but it is possible the UK sovereign debt rating will be downgraded. Accordingly, when setting minimum sovereign debt ratings, this Authority will not set a minimum rating for the UK.

### **CDS Prices**

- 5.87 Although bank CDS prices, (these are market indicators of credit risk), spiked upwards during the days of the Truss/Kwarteng government, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Authority has access to this information via its Link-provided Passport portal.

### **Investment Strategy**

- 5.88 Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that is the case at present, but there is the prospect of Bank Rate peaking in the first half of 2023 and possibly reducing as early as the latter part of 2023 so an agile investment strategy would be appropriate to optimise returns.
- 5.89 Accordingly, while most cash balances are required in order to manage the peaks and troughs of cash flows, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer-term investments will be carefully assessed.
- 5.90 **Investment returns expectations.** It should be observed that there is a relationship with inflation and interest rates. Rise in inflation will invariably lead to a rise in interests . The same wisdom holds turn from the opposite situation. Holding true to this relationship, the persistent rise of inflation as seen at the time of writing this report, has correspondingly increased the Bank Rate.

Based on current modelling, it is projected that Bank Rate could reach 4.50% in Q2 2023.

5.91 The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows: -

<b>Average earnings in each year</b>	
2022/23 (remainder)	3.95%
2023/24	4.40%
2024/25	3.30%
2025/26	2.60%
2026/27	2.50%
Years 6 to 10	2.80%
Years 10+	2.80%

It should be observed, however, that as there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

5.92 **Investment treasury indicator and limit** - Total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Authority is asked to approve the Treasury Indicator and limit:-

**Maximum principal sums invested > 365 days**

	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
Principal sums invested > 365 days	£10m	£10m	£10m

- 5.93 For its cash flow generated balances, the Council will seek to utilise its business reserve instant access and notice accounts, money market funds and short-dated deposits (overnight to 100 days) in order to benefit from the compounding of interest.

#### **Investment risk benchmarking**

- 5.94 This Council will use an investment benchmark to assess the investment performance of its investment portfolio of overnight, 7 day, 1, 3, 6 or 12 month compounded / SONIA.

#### **End of year investment report**

- 5.95 At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

## **6 Implications**

### **6.1 Financial**

Included in the report

### **6.2 Legal**

Nil

### **6.3 Human Resources**

Nil

### **6.4 Human Rights Act**

Nil

### **6.5 Data Protection**

Nil

### **6.6 Risk Management**

The Council regards security of the sums it invests to be the key objective of its Treasury Management activity. Close management of counterparty risk is therefore a key element of day-to-day management of treasury activity. The practices designed to ensure that risks are managed effectively are set out in the Treasury Management Practices available on the Council's website.

## 6.7 Community Impact Assessment Recommendations

### Impact on Public Sector Equality Duty:

Nil

### Wider Community Impact:

Nil

## 7 Previous Consideration

Nil

## 8 Background Papers

Available in Financial Services

Appendix 1:	Economic Update (provided by Link Asset Services as of 30 November 2022).
Appendix 2:	Treasury Management Practice (TMP1) - Credit and Counterparty Risk Management
Appendix 3:	Approved Countries for Investment
Appendix 4:	Treasury Management Scheme Of Delegation
Appendix 5:	The Treasury Management Role Of The Section 151 Officer

## Appendix 1

**Cabinet Date:** 9 February 2023

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# Treasury Management Strategy, Minimum Revenue Provision Policy, Annual Investment Strategy 2023/24

## ECONOMIC BACKGROUND

Against a backdrop of stubborn inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK Government policies, it is no surprise that UK interest rates have been volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2022.

Market commentators' misplaced optimism around inflation has been the root cause of the rout in the bond markets with, for example, UK, EZ and US 10-year yields all rising by over 200bps since the turn of the year. The table below provides a snapshot of the conundrum facing central banks: inflation is elevated but labour markets are extra-ordinarily tight, making it an issue of fine judgment as to how far monetary policy needs to tighten.

	UK	Eurozone	US
<b>Bank Rate</b>	3.0%	1.5%	3.75%-4.00%
<b>GDP</b>	-0.2%q/q Q3 (2.4%y/y)	+0.2%q/q Q3 (2.1%y/y)	2.6% Q3 Annualised
<b>Inflation</b>	11.1%y/y (Oct)	10.0%y/y (Nov)	7.7%y/y (Oct)
<b>Unemployment Rate</b>	3.6% (Sep)	6.6% (Sep)	3.7% (Aug)

Q2 of 2022 saw UK GDP revised upwards to +0.2% q/q, but this was quickly reversed in the third quarter, albeit some of the fall in GDP can be placed at the foot of the extra Bank Holiday in the wake of the Queen's passing. Nevertheless, CPI inflation has picked up to what should be a peak reading of 11.1% in October, although with further increases in the gas and electricity price caps pencilled in for April 2023, and the cap potentially rising from an average of £2,500 to £3,000 per household, there is still a possibility that inflation will spike higher again before dropping back slowly through 2023.

The UK unemployment rate fell to a 48-year low of 3.6%, and this despite a net migration increase of c500k. The fact is that with many economic participants registered as long-term sick, the UK labour force actually shrunk by c£500k in the

year to June. Without an increase in the labour force participation rate, it is hard to see how the UK economy will be able to grow its way to prosperity, and with average wage increases running at 5.5% - 6% the MPC will be concerned that wage inflation will prove just as sticky as major supply-side shocks to food and energy that have endured since Russia's invasion of Ukraine on 22nd February 2022.

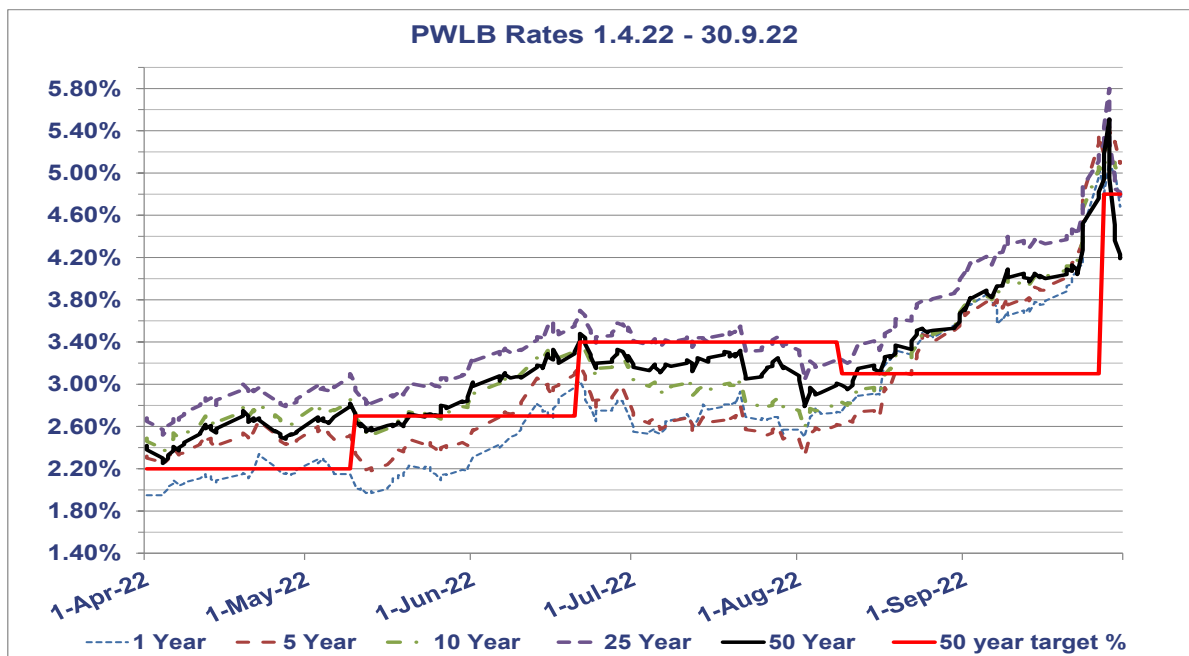
Throughout Q3 Bank Rate increased, finishing the quarter at 2.25% (an increase of 1%). Q4 has seen rates rise to 3% in November and the market expects Bank Rate to hit 4.5% by May 2023.

Following a Conservative Party leadership contest, Liz Truss became Prime Minister for a tumultuous seven weeks that ran through September and December. Put simply, the markets did not like the unfunded tax-cutting and heavy spending policies put forward by her Chancellor, Kwasi Kwarteng, and their reign lasted barely seven weeks before being replaced by Prime Minister Rishi Sunak and Chancellor Jeremy Hunt. Their Autumn Statement of 17 November gave rise to a net £55bn fiscal tightening, although much of the "heavy lifting" has been left for the next Parliament to deliver. However, the markets liked what they heard, and UK gilt yields have completely reversed the increases seen under the previous tenants of No10/11 Downing Street.

Globally, though, all the major economies are expected to struggle in the near term. The fall below 50 in the composite Purchasing Manager Indices for the UK, US, EZ and China all point to at least one if not more quarters of GDP contraction. In November, the MPC projected eight quarters of negative growth for the UK lasting throughout 2023 and 2024, but with Bank Rate set to peak at lower levels than previously priced in by the markets and the fiscal tightening deferred to some extent, it is not clear that things will be as bad as first anticipated by the Bank.

The £ has strengthened of late, recovering from a record low of \$1.035, on the Monday following the Truss government's "fiscal event", to \$1.20. Notwithstanding the £'s better run of late, 2023 is likely to see a housing correction of some magnitude as fixed-rate mortgages have moved above 5% and affordability has been squeezed despite proposed Stamp Duty cuts remaining in place.

In the table below, the rise in gilt yields, and therein PWLB rates, through the first half of 2022/23 is clear to see.



However, the peak in rates on 28 September as illustrated in the table covering April to September 2022 below, has been followed by the whole curve shifting ever lower. PWLB rates at the front end of the curve are generally over 1% lower now whilst the 50 years is over 1.75% lower.

	1 Year	5 Year	10 Year	25 Year	50 Year
<b>Low</b>	1.95%	2.18%	2.36%	2.52%	2.25%
<b>Date</b>	01/04/2022	13/05/2022	04/04/2022	04/04/2022	04/04/2022
<b>High</b>	5.11%	5.44%	5.35%	5.80%	5.51%
<b>Date</b>	28/09/2022	28/09/2022	28/09/2022	28/09/2022	28/09/2022
<b>Average</b>	2.81%	2.92%	3.13%	3.44%	3.17%
<b>Spread</b>	3.16%	3.26%	2.99%	3.28%	3.26%

After a shaky start to the year, the S&P 500 and FTSE 100 have climbed in recent weeks, albeit the former is still 17% down and the FTSE 2% up. The German DAX is 9% down for the year.

### CENTRAL BANK CONCERNS – NOVEMBER 2022

At the start of November, the Fed decided to push up US rates by 0.75% to a range of 3.75% - 4%, whilst the MPC followed a day later by raising Bank Rate from 2.25% to 3%, in line with market expectations. EZ rates have also increased to 1.5% with further tightening in the pipeline.

Having said that, the press conferences in the US and the UK were very different. In the US, Fed Chair, Jerome Powell, stated that rates will be elevated and stay higher for longer than markets had expected. Governor Bailey, here in the UK, said the opposite and explained that the two economies are positioned very differently so you should not, therefore, expect the same policy or messaging.

Regarding UK market expectations, although they now expect Bank Rate to peak within a lower range of 4.5% - 4.75%, caution is advised as the Bank of England

Quarterly Monetary Policy Reports have carried a dovish message over the course of the last year, only for the Bank to have to play catch-up as the inflationary data has proven stronger than expected.

In addition, the Bank's central message that GDP will fall for eight quarters starting with Q3 2022 may prove to be a little pessimistic. Will the £160bn excess savings accumulated by households through the Covid lockdowns provide a spending buffer for the economy – at least to a degree? Ultimately, however, it will not only be inflation data but also employment data that will mostly impact the decision-making process, although any softening in the interest rate outlook in the US may also have an effect (just as, conversely, greater tightening may also).



## Appendix 2

**Cabinet Date:** 9 February 2023

# Treasury Management Strategy, Minimum Revenue Provision Policy, Annual Investment Strategy 2023/24

### TREASURY MANAGEMENT PRACTICE (TMP1) - CREDIT AND COUNTERPARTY RISK MANAGEMENT

**SPECIFIED INVESTMENTS:** All such investments will be sterling denominated, with **maturities up to maximum of 1 year**, meeting the minimum 'high' quality criteria where applicable. (Non-specified investments which would be specified investments apart from originally being for a period longer than 12 months, will be classified as being specified once the remaining period to maturity falls to under twelve months.)

**NON-SPECIFIED INVESTMENTS:** These are any investments which do not meet the specified investment criteria. A maximum of 50% will be held in aggregate in non-specified investments.

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made it will fall into one of the above categories.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:-

	<b>Minimum credit criteria / colour band</b>	<b>Max % of total investments/ £ limit per institution</b>	<b>Max. maturity period</b>
DMADF – UK Government	Yellow	100%	6 months (max. is set by the DMO*)
UK Government gilts	UK sovereign rating	£6 million	5 years
UK Government Treasury bills	UK sovereign rating	£6 million	12 months

Bonds issued by multilateral development banks	AAA	£6 million	5 years
Money Market Funds CNAV	AAA	100%	Liquid
Money Market Funds LNAV	AAA	100%	Liquid
Money Market Funds VNAV	AAA	100%	Liquid
Ultra-Short Dated Bond Funds with a credit score of 1.25	AAA	100%	Liquid
Ultra-Short Dated Bond Funds with a credit score of 1.5	AAA	100%	Liquid
Local authorities	N/A	100%	12 months
Call Accounts	N/A	£9 million	Liquid
Term deposits with housing associations	Blue Orange Red Green No Colour	£6 million	12 months 12 months 6 months 100 days Not for use

Term deposits with banks and building societies	Blue	£6 million	12 months
	Orange		12 months
	Red		6 months
	Green		100 days
	No Colour		Not for use
CDs or corporate bonds with banks and building societies	Blue	£6 million	12 months
	Orange		12 months
	Red		6 months
	Green		100 days
	No Colour		Not for use
Gilt funds	UK sovereign rating	£6 million	12 months

\* DMO – is the Debt Management Office of HM Treasury

**Accounting treatment of investments.** The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this Council. To ensure that the Council is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

## Appendix 3

**Cabinet Date:** 9 February 2023

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# Treasury Management Strategy, Minimum Revenue Provision Policy, Annual Investment Strategy 2023/24

### APPROVED COUNTRIES FOR INVESTMENT

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link creditworthiness service.

#### Based on lowest available rating

##### AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

##### AA+

- Canada
- Finland
- U.S.A.

##### AA

- Abu Dhabi (UAE)
- France

##### AA-

- Belgium
- U.K.

## Appendix 4

**Cabinet Date:** 9 February 2023

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# Treasury Management Strategy, Minimum Revenue Provision Policy, Annual Investment Strategy 2023/24

## TREASURY MANAGEMENT SCHEME OF DELEGATION

### Full Council

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.

### Committees/Council

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

### Body/person(s) with responsibility for scrutiny

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

## Appendix 5

**Cabinet Date:** 9 February 2023

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### **Treasury Management Strategy, Minimum Revenue Provision Policy, Annual Investment Strategy 2023/24**

**THE S151 (RESPONSIBLE) OFFICER:**

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers;
- preparation of a capital strategy to include capital expenditure, capital financing, and treasury management, with a long-term timeframe.

## Agenda Item 4(b)(i)

<b>Cabinet Date:</b>	9 February 2023
<b>Contact Officer:</b>	Tracy Redpath
<b>Telephone Number:</b>	01785 619195
<b>Ward Interest:</b>	Nil
<b>Report Track:</b>	Cabinet 09/02/2023 (Only)
<b>Key Decision:</b>	No
<b>Submission by:</b>	Councillor J M Pert, Community Portfolio

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## Anti-Social Behaviour Update 2022

### 1 Purpose of Report

- 1.1 To provide an update on how Stafford Borough Council deals with reports of Anti-Social Behaviour (ASB) and to discuss the current levels of ASB across the Borough and activities implemented to prevent it and provide support to victims

### 2 Proposal of Cabinet Member

- 2.1 That the update be considered and noted.

### 3 Key Issues and Reasons for Recommendations

- 3.1 Stafford Borough Council has a statutory duty to investigate reports and complaints of anti-social behaviour under the Anti-Social Behaviour Crime and Policing Act 2014. This update provides an opportunity to review current levels of Anti-Social Behaviour and the tools and powers used to deal with this
- 3.2 The update demonstrates the Council's commitment to reducing anti-social behaviour, improving the quality of life for local people. If left unchallenged, ASB can have a detrimental, negative impact for individuals, in particular, on their health and wellbeing and also upon communities, including those who live, work, visit and invest in our borough.

### 4 Relationship to Corporate Business Objectives

- 4.1 This contributes to all the corporate business objectives and directly supports business objective 2: 'To improve the quality of life of local people by

providing a safe, clean, attractive place to live and work and encouraging people to be engaged in developing strong communities that promote health and wellbeing’.

## 5 Report Detail

- 5.1 The council has a statutory responsibility for community safety, as defined by the Crime and Disorder Act 1998. The Act states that the council must work with the police and other agencies (Responsible Bodies) to help prevent and reduce crime and disorder within the Borough. In addition to this, the council also has powers under the Anti-Social Behaviour Crime and Policing Act 2014, to investigate reports and complaints of ASB. This legislation is applicable to local authorities, housing providers and also the police.
- 5.2 Although ASB is generally reported to the police, both the council and local housing providers also deal with reports and complaints. As you would expect, the levels of ASB reported to the council are significantly less than that made to the police, but as a collective provide a picture of the levels of ASB in the borough. However, this does not always reflect the level of impact that the behaviour has on victims.
- 5.3 The table below provides an at a glance view of the levels of ASB that has taken place in the borough from April 2019 to March 2022.

Date	Police ASB Data Number of incidents reported	SBC ASB Data Number of cases reported
01.04.2019 - 31.03.2020	<p><b>3430</b></p> <p>65% of incidents are classified as rowdy and inconsiderate behaviour</p> <p>15% of incidents are classified as neighbour disputes</p>	<p><b>*108</b></p> <p>*This includes multiple reports of separate incidents</p>
01.04.2020 - 31.03.2021	<p><b>*4890</b></p> <p>*Includes 1915 incidents relating to COVID legislation breeches</p> <p>65% of incidents are classified as Rowdy and inconsiderate behaviour</p> <p>18% of calls are classified as neighbour disputes</p>	<p><b>123</b></p>
01.04.2021 - 31.03.2022	<p><b>2739</b></p>	<p><b>108</b></p>



Of the 108 cases reported to Stafford Borough Council in 2021-2022 all cases are followed up by contacting the complainant and asking for diary sheets to be completed. Approx. 50% of these cases have some action taken. Examples including providing advice, utilizing ASB powers or requesting Youth Net to do some outreach work in a specific location.

Rowdy and inconsiderate behaviour in Stafford and Stone town centers is mainly reported to police rather than the council. Police reported ASB was at its lowest level (for 3 years) in the months of January 2020 and January 2021 which is during the Covid pandemic when restrictions were still in place.

Stafford Town Neighborhood has seen consistently high levels of ASB reported to the police over a period of 4 years (April 2017 to March 2021) This mean that it was ranked 1<sup>st</sup> overall in Stafford Borough neighbourhood policing team and 2<sup>nd</sup> overall in the Staffordshire force, for the volume of ASB reported. (Source: Staffordshire Police precision policing Document 2022). Although the levels are high, this is because the area covers the town centre where there are usually large volumes of people in the area at any given time.

- 5.4 During the Covid pandemic, the ASB team at the council found that there was an increase in the number of neighbour disputes which were mainly related to tolerance issues. Generally, people were spending more time at home, including children being home schooled, and therefore seeing and hearing their neighbors far more than previously. Many residents still spend more time at home than pre covid, due to working remotely. In addition to this, because of the changes in day-to-day living and the restrictions imposed, there was an increase in issues relating to mental health as access to support services during this time was restricted.
- 5.5 Both the police and council have the same powers to deal with ASB and therefore generally take ownership of the cases reported to them. However, some cases require the council and police to jointly work together to resolve the issues. For example, if there is evidence of criminal damage as well as the ASB, the council may lead on the ASB leaving the police to concentrate on the criminal damage.

### **Case Study**

An older couple, one who had alcohol misuse issues were coming to police attention due to escalating Domestic Abuse issues. Neither party wanted to make complaints to the police however police then started to receive 3<sup>rd</sup> party complaints of Anti-social behaviour when the Domestic Incidents were occurring. The property that the incidents occurred in was tenanted by only one of the couple. The council with the backing and support of the police and housing provider served Community Protections warnings on both parties, to address the associated issues. As a result, the person with the tenancy then had the confidence to end the dependency of the other person on them and refused them access to the property, thus resulting in no Domestic Abuse or

Anti-social behaviour occurring at the property. Housing reports the tenant is still living at the property with no issues.

- 5.6 Other cases reported to the council involve tenants of social housing providers. These are sent over to the housing providers to deal with, but the council request updates on the case. There is always the offer to the housing provider that police or council can assist by using powers available, for example, serving a Community Protection Notice on the perpetrator of the ASB.
- 5.7 Several cases that are dealt with as ASB by the council come from a noise complaint being made to Environmental Health, and these are complaints that do not meet the statutory threshold for environmental health but can be investigated as ASB complaints. This would include cases where there are reports of shouting, swearing, and banging of doors. These types of cases if reported to environmental health, are passed for the ASB team to deal with. There are also cases where both teams are involved to tackle the behaviour.
- In addition, input from other internal teams within the council may be required to help address the issues, including Housing, Development Control, Licencing and Enviro crime.
- 5.8 Early intervention and prevention is essential in keeping the numbers of ASB reports at current low levels and even more so with youth related ASB. Through the Staffordshire commissioners funding (LDF) the council commission several organisations to support with this: Youthnet deliver outreach to young people in hot spot areas, The Right Stuff boxing club deliver targeted work with identified young people and Re-Solv deliver workshops in schools around substances misuse which directly links into ASB and impacts on health and wellbeing. During the year 2021 - 2022 over 6,400 people were engaged in these projects.
- 5.9 The Staffordshire Commissioners office also delivers Space, a programme which commissions diversionary activities for young people aged 8- to 17-year-olds during the school summer holidays, which prevents numbers of ASB reports increasing.
- 5.10 If issues of ASB cannot be resolved, then the council would look to utilise the powers and tools available to tackle the issues. Not all cases would require this, but consideration should always be given to the impact the behaviour is having on the victim and the impacts on their health and wellbeing. In addition, managing the expectations of the victims is essential to allow process to be followed and to ensure a satisfactory outcome.

## **6 Implications**

### **6.1 Financial**

Staffordshire Police would be required to assist in the enforcement, working in partnership with Stafford Borough Council officers.

There may be added costs for prosecutions and if Civil Injunctions were necessary. However other enforcement options would be explored in the first instance.

Should the Staffordshire Commissioners office not provide the same level of LDF funding prevention and early intervention measures that are commissioned for ASB would have to cease

### **6.2 Legal**

The Legal service has been and will continue to be consulted with for advice around enforcement options.

### **6.3 Human Resources**

N/A

### **6.4 Human Rights Act**

The Anti-Social Behaviour Crime and Policing Act 2014 is designed to put victims at the heart of an organisation's response to ASB and gives professionals the flexibility to deal with any given situation.

### **6.5 Data Protection**

There is a requirement in the Act to ensure that the council have effective information sharing procedures in place. We adhere to the new General Data Protection Regulations when sharing information with partnership agencies

### **6.6 Risk Management**

The council have and continue to implement the requirements of the Act to adhere to its statutory duty.

### **6.7 Community Impact Assessment Recommendations**

#### **Impact on Public Sector Equality Duty:**

The Borough Council considers the effect of its actions on all sections of our community and has addressed all the Equality Strands in the production of this report.

ASB can and does affect anyone irrespective of, Age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

The ASB team will work closely with agencies to support individuals with vulnerabilities, such as those listed above, using appropriate referral mechanisms and the Partnership Hub.

**Wider Community Impact:**

Nil

**7 Previous Consideration**

Nil

**8 Background Papers**

File available in Corporate Business and Partnerships

## Agenda Item 4(b)(ii)

<b>Cabinet Date:</b>	9 February 2023
<b>Contact Officer:</b>	Anna Nevin
<b>Telephone Number:</b>	01785 619176
<b>Ward Interest:</b>	Forebridge
<b>Report Track:</b>	Cabinet 09/02/2023 (Only)
<b>Key Decision:</b>	No
<b>Submission by:</b>	Councillor J M Pert, Communities Portfolio

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## Sale of North Walls, Stafford

### 1 Purpose of Report

- 1.1 To recommend the sale of the former Stafford District Voluntary Services (SDVS) offices at North Walls in Stafford.

### 2 Proposal of Cabinet Member

- 2.1 That the former SDVS offices be sold on the open market, subject to obtaining a valuation prior to their sale. Cabinet is asked to consider how any receipt should be used, including whether to support the delivery of affordable housing to meet identified needs within the Borough.

### 3 Key Issues and Reasons for Recommendations

- 3.1 Stafford Borough Council owns the former SDVS offices at North Walls (see plan at the attached **APPENDIX**); these offices have been vacant since 31 March 2015. Prior to their use as offices, they were terrace houses. While a long term plan for their use has been explored, the Council has incurred costs relating to their upkeep and maintenance as well as paying business rates.
- 3.2 A variety of options have been explored for their use, without success. It is therefore recommended that the properties are sold on the open market. Cabinet is asked to consider how any receipt should be used, including whether it can be used to support the delivery of affordable housing within the Borough.

## **4 Relationship to Corporate Business Objectives**

- 4.1 The sale of North Walls and reinvestment of funds in new affordable housing is directly related to corporate business objectives one, two and four:

To deliver sustainable economic and housing growth to provide income and jobs.

To improve the quality of life of local people by providing a safe, clean, attractive place to live and work and encouraging people to be engaged in developing strong communities that promote health and wellbeing.

To be a well-run, financially sustainable and ambitious organisation, responsive to the needs of our customers and communities and focussed on delivering our objectives.

## **5 Report Detail**

- 5.1 Stafford Borough Council (SBC) owns the former SDVS offices at North Walls; these offices have been vacant since 31 March 2015. Prior to their last use as the SDVS offices they were residential, terraced properties, subsequently converted in the 1980s with the removal of internal dividing walls between the properties as well as individual bathrooms, kitchens and gas central heating systems.

- 5.2 From 31 June 2015 SBC has been responsible for paying the empty rates on the properties, with a current annual cost of £17,664. The total amount defrayed on rates since 2015 has been just over £136,000. There has been an annual standing charge for utilities of £414, insurance of £800 per annum and, expenditure on repairs and maintenance of between £500 and £3,000 annually. The properties have been subject to vandalism which has escalated recently pushing the repairs budget to the top of that range. There isn't a budget for enhancement or improvement of the properties.

- 5.3 Since they became vacant there have been ongoing discussions about alternative uses for North Walls.

- 5.4 There is an ongoing need for more affordable housing within Stafford Borough, this was an avenue explored with Stafford and Rural Homes (SARH) for the North Walls property. Following inspection by SARH, North Walls was ruled out as not being viable. The cost of the conversion would be too great and, there was no space available for recreation areas or car parking. It should be noted that there is a right of access to the parking behind North Walls for the tenants and owners of businesses on Eastgate Street, which results in very limited space outside the buildings.

- 5.5 There is a need in the Borough for supported accommodation and several models and partnerships have been investigated in relation to North Walls. All

concluded, following inspection of the buildings that costs of conversion were too high and revenue funding for support uncertain.

- 5.6 An affordable or supported housing end use for these properties has to date not proven viable, despite initial interest from several providers. Currently, the property is not serving any specific purpose and is a financial cost to the Council.
- 5.7 Several prospective purchasers have approached the Council interested in the properties, so it is reasonable to expect if they were put on the market there would be some interest in them and a receipt to the Council forthcoming via a sale. A valuation would be obtained prior to the buildings being put on the market.

#### Delivery of affordable housing

- 5.8 Delivery of affordable housing since 2014 has been relatively strong with the target of 210 homes per year cumulatively being delivered within that timeframe. Going forward there are a number of challenges to delivery. The financial environment within which Registered Providers work has become more difficult. The recent announcement on a rent increase of 7% as opposed to CPI plus 1% has seen many providers have to relook at their business plans and review their priorities.
- 5.9 Given the need for affordable housing within Stafford it is recommended that when consideration is given to how any receipt received for the property is used, that Cabinet consider investing in additional affordable housing for the benefit of the Borough's residents.

#### Planning Policy

- 5.10 Any purchaser of these buildings would need to be mindful that any future use would need to be in line with the adopted [Plan for Stafford Borough 2011-2031](#).

## 6 Implications

### 6.1 Financial

As set out in paragraph 5.2 there is an annual cost of holding this asset of approximately £20,000 per annum with the highest cost being the business rates of £17,664 currently per annum. Whilst there is no specific budget for advertising disposal this would be easily offset by the rates budget saved.

Any capital receipt could then be utilised to support the authorities capital programme.

There is currently no valuation on what receipt the sale could generate.

**6.2 Legal**

Section 123 of the Local Government Act 1972 allows the Council to dispose of its land for the best consideration that can reasonably be obtained.

**6.3 Human Resources**

Nil

**6.4 Human Rights Act**

Nil

**6.5 Data Protection**

Nil

**6.6 Risk Management**

Nil

**6.7 Community Impact Assessment Recommendations**

**Impact on Public Sector Equality Duty:**

Nil

**Wider Community Impact:**

Nil

**7 Previous Consideration**

Nil

**8 Background Papers**

N/A



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Council Offices

Car Park

Voluntary  
Services Centre  
0141 01131  
131 to 141

Town Wall (course)

Avarne  
Place

William Salt

130  
129  
128  
125

## Agenda Item 4(c)(i)

<b>Cabinet Date:</b>	9 February 2023
<b>Contact Officer:</b>	Martyne Manning
<b>Telephone Number:</b>	01785 619470
<b>Ward Interest:</b>	Nil
<b>Report Track:</b>	Cabinet 09/02/2023 (Only)
<b>Key Decision:</b>	Yes
<b>Submission by:</b>	Councillor F Beatty, Economic Development and Planning Portfolio

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## Government Grant Funding Stafford Borough UK Shared Prosperity Fund (UKSPF)

### 1 Purpose of Report

- 1.1 To note the Government's confirmation of the Borough Council's funding allocation under the UK Shared Prosperity Fund and to seek delegated powers to spend the funding in line with the submitted Investment Plan. To also seek the same delegated powers for funding under the Rural England Prosperity Fund, subject to this funding subsequently being confirmed.

### 2 Proposal of Cabinet Member

- 2.1 That the Cabinet accepts the UKSPF allocation of £4,673,295 awarded by Government to the Borough Council and an additional £20,000 of funding to support the preparatory work required to deliver the programme awarded by Government to the Borough Council as per the agreed Memorandum of Understanding (MOU) **APPENDIX 5**.
- 2.2 That the Head of Development be authorised to work with partners to develop and commence the commissioning of projects to be funded by UKSPF and commence commissioning on Council-led projects in accordance with the submitted and approved Investment Plan.
- 2.3 That authority to spend the Department for Environment Food and Rural Affairs (DEFRA) Rural England Prosperity Fund (REPF) award of £487,936 if subsequently confirmed by Government be delegated to the Head of Development.

- 2.4 That the Head of Development and where relevant the S151 Officer be authorised in conjunction with the Portfolio Holder for Economic Development and Planning to agree any non-material project/programme changes.
- 2.5 That authority to enter into any necessary legal agreements with grant recipients that are required to facilitate the delivery of the projects be delegated to the Head of Development in consultation with the Portfolio Holder.
- 2.6 That Cabinet authorise the Head of Development to finalise the terms of reference and membership of the Stafford Shared Prosperity Board.
- 2.7 That the Head of Development is authorised to produce and submit any financial and output returns and monitoring and evaluation information as required to the Department for Levelling Up, Housing and Communities (DLUHC).
- 2.8 That Cabinet authorises the funding for capital projects to be brought into the capital budget. This being £364,462 in year 2022/23, £625,538 for year 2023/24 and £2,376,363 in year 2024/25

### **3 Key Issues and Reasons for Recommendations**

- 3.1 On the 6 December 2022 the Council received notification that its Investment Plan to draw down a provisionally allocated UK Shared Prosperity Funding allocation of £4,673,295 had been approved by the Department of Levelling Up, Housing and Communities (DLUHC). This funding replaces previous European Funding support and is to be used to support three investment priorities - Communities and Place, Local Business Support, People and Skills  
**APPENDIX 6.**
- 3.2 On the 3 September 2022 the Council was allocated £487,936 by Department of the Environment, Food and Rural Affairs (DEFRA) to increase support and continue the development of our Rural Economy. To access the funding the Council was required to submit an Investment Plan to show how it intended to use the monies. This Plan was duly submitted by the 30 November deadline. Subject to receiving approval for the Plan, the funding will be available from 1 April 2023.
- 3.3 With the confirmation of the UKSPF funding and potential decision on the REPF to come hopefully shortly, the relevant delegated authorisations are required to enable the projects and programmes set in the respective Investment Plans to be delivered.
- 3.4 Governance for delivery of UKSPF including REPF is recommended to be delivered via the creation of a new programme board and supported by the UKSPF project delivery team as set out in paragraph 5.4

## **4 Relationship to Corporate Business Objectives**

4.1 Both these fully funded programmes will contribute towards the Corporate Business Plan's 2021-2024 vision, and the four objectives:

“To deliver innovative, sustainable economic and housing growth to provide income and jobs.”

“To improve the quality of life of local people by providing a safe, clean, attractive place to live and work and encouraging people to be engaged in developing resilient communities that promote health and wellbeing.”

“To tackle Climate Change by implementing our Climate Change and Green Recovery objectives”

“To be a well-run, financially sustainable and ambitious organisation, responsive to the needs of our customers and communities and focussed on delivering our objectives.

In addition to our Corporate Business Objectives the two funding streams within this report will support delivery of the Council's Economic Growth Strategy.

## **5 Report Detail**

5.1 In April 2022 the Government announced provisional allocations of UK Shared Prosperity Funding to local authorities, replacing previous European funding streams. Stafford Borough Council was allocated a provisional sum of £4,673,363 to cover both revenue and capital expenditure. To access the funding allocation the Borough Council and all other local authorities were required to prepare an Investment Plan (IP) to show how it would wish to use the monies in line with guidance and criteria published alongside the provisional allocations.

5.2 Via engagement with internal and external stakeholders and the Borough Council's Cabinet an Investment Plan was endorsed and submitted by the August 1 deadline for drawing down the funding. The plan was focused on 5 areas of spend in line with the criteria and guidance issued by Government, these areas being in respect of:

- Visitor Economy
- Innovation
- Climate Change
- Rural Economy
- Town Centre Transformation

The submitted Investment Plan (IP) identified several individual projects and proposals against the aforementioned themes with associated funding requirements as shown below:

- Visitor Economy - £920,000
- Innovation - £1,000,000
- Climate Change - £240,000
- Rural Economy - £780,000
- Town Centre Transformation - £1,546,363

Within the rules of the UKSPF local authorities are permitted to use up to 4% of the total allocation to meet the resource costs of delivering their Investment Plans. An additional discretionary £20,000 was made available to support the development and raise awareness of the launch of the UKSPF. This will be utilised during 2022/23/24. This fund has to be utilised or returned at the end of the programme.

The submitted IP for Stafford included proposals totalling £4,486,363 plus Admin and Management Fee allowance of £186,932.

The Investment Plan was also required to profile spend over the period 22/23 - 24/25 and within this specifically show the proposed split between revenue and capital spend, the latter subject to a minimum sum that must be allocated.

The minimum required yearly capital spend is 10% in year 1, 13% in year 2 and 20% in year 3 which equates to:

£56,715 in 2022/2023

£147,458 in 2023/2024 £594,371 in 2024/2025

Our actual capital spend over the period of the fund is £3,393,586. The balance is allocated to revenue projects.

The UKSPF grant breakdown of the funding can be found in **APPENDIX 1**. The Borough Council was required to provide an expenditure spreadsheet with our Investment Plan showing the projects supported, the budget allocated and in which year we will be defraying the funding allocated to the projects. In some instance the projects are shown to roll over to subsequent years which is permitted in the guidelines.

Any underspend in one year can be rolled over to the following year without a project change request. DLUHC require us to submit a credible plan setting out how we will utilise the underspends in the following year (no further extension will be allowed). We will then need to meet appropriate milestones and spend or return any unspent money to DLUHC. Credible plans will be submitted through routine end-of year reporting, a change request notification is not required.

Within the investment plan there are 2 projects included which relate to the Council and will increase the total funding identified for existing projects.

These are:

**£496,363 towards land acquisition as part of the Council's redevelopment plans. £500,000 towards town centre regeneration**

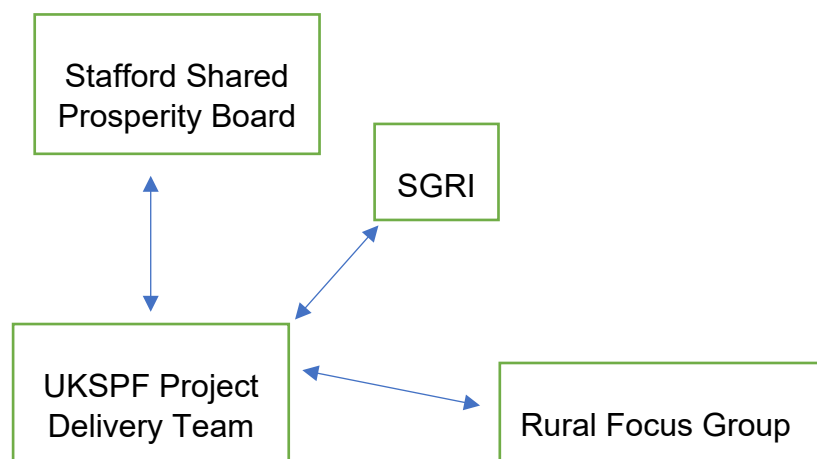
- 5.3 The December 2022 announcement by Government confirmed that the Borough Council's Investment Plan had been accepted and that all the provisional allocation was to be paid to the Authority. Due to this decision being later than expected (October 2022 was the given timeline) there is pressure to deliver projects within the timelines as indicated in our Investment Plan. This applies particularly to 2022/23 projects those being the Scout Building, Crown Wharf Theatre, and the roll out of promotional visitor economy campaigns.
- 5.4 With respect to governance arrangements The UKSPF prospectus advises a new or existing governing group should support the development of the investment plan and provide advice on strategic fit and deliverability. This will ensure that the funds' investments complement other activities in the area and meets the fund and local objectives. As lead authority, the Council will be required to complete monitoring returns and financial statements.

The existing Stafford Growth, Regeneration and Infrastructure Partnership (SGRIP) were involved in the preparation of the draft Investment Plan. Their role going forwards is reflected in the governance arrangements for UKSPF delivery in that they will act as critical friend and delivery partner alongside the newly created Stafford Shared Prosperity Board, Draft Terms of Reference are attached at **APPENDIX 3**.

A UKSPF Investment Plan Delivery Team responsible for finance, project delivery, risk, audit, communications, and procurement and will be accountable against the overarching principles of UKSPF and report into the Shared Prosperity Board.

The proposed governance structure for Stafford UKSPF is:

- Stafford Shared Prosperity Board - responsible for decision making,
- UKSPF Investment Plan Delivery Team - responsible for progressing the projects
- SGRIP - effectively a consultee and critical friend to the programme



Due to the lateness of approval of funding the 3 projects for 2022/23 have delivery plans already in place. This group will start functioning fully in April 2023.

In line with UKSPF reporting requirements updates will be provided quarterly into the Stafford Shared Prosperity Board (SSPB) directly from the UKSPF Delivery Team.

SGRIP will be kept informed quarterly on the progress of the programme and used for advice and support as appropriate. In addition once REPF approval is received the Rural Focus Group will be informed of progress by the UKSPF Delivery Team.

Proposed members for these groups appear in **APPENDIX 2**.

### **Administration and Resources**

- 5.5 There will be a demand for resources to administer the fund and deliver the various projects. Lead authorities are able to use up to 4% of their allocation to undertake necessary fund administration, such as project assessment, contracting, monitoring and evaluation and ongoing stakeholder engagement.
- 5.6 The SBC Enterprise Growth Manager and the SBC Growth and Investment Officer will be delivering the UKSPF programme with the support of an additional officer resourced via the 4% admin fee, mentioned above. Partners will be responsible for delivery of the Rural Grants and Green Solution business support programmes. The programme of promotional activities is being delivered by an appointed agency. Three capital projects - Crown Wharf Theatre, Staffordshire History Centre, and the proposed Institute Of Technology - are being delivered externally with ongoing monitoring and reporting agreed. The inhouse SBC projects will be delivered and managed by the UKSPF Project Delivery Team in conjunction with colleagues across service areas.
- 5.7 The Rural England Prosperity Fund (REPF) is a top-up to UKSPF allocations and required an addendum to be submitted which was duly delivered on 29 November 2022. We were asked to provide any additional information about specific rural challenges, market failures, and opportunities for rural businesses or rural communities in our area that we would like DLUHC to consider. An overview of REPF is attached at **APPENDIX 4**. The Council is awaiting confirmation that the Government has approved this addendum.
- 5.8 As we now have the UKSPF allocation confirmed by Government, we require the necessary authorisations to be able deliver the approved Investment Plan.

## 6 Implications

### 6.1 Financial

As set out in the report the Council was awarded an indicative allocation of £4,673,295 for UK Shared Prosperity fund. This required an investment plan to be produced and approved by DHLUC. Notification was received on the 5 December 2022 that this had been agreed and accepted by DHLUC. Following this the memorandum of understanding has been agreed and signed off by the Section 151 officer. To compensate for the work required to produce the investment plan an additional £20,000 has been agreed taken the total grant payable to £4,693,295.

The UK shared prosperity guidance allows for 4% of the total allocation to be used for delivery of the projects which will be used for the officer support.

The submitted investment plan proposes the following spending profile

	<b>Capital</b>	<b>Revenue</b>	<b>Total</b>
	£000	£000	£000
2022/23	364	203	567
2023/24	625	509	1,134
2024/25	2,376	595	2,971
<b>Total</b>	<b>3,365</b>	<b>1,307</b>	<b>4,672</b>

The funding will be spent in accordance with the Councils financial regulations and financial monitoring reports will be taken from the Councils finance system to enable completion of the financial aspects of the grant claims.

### 6.2 Legal

The Subsidy Control Act 2022 came into force on 4 January 2023. The provisions of this Act have to be considered if the Council is giving a “subsidy”,

The Act defines a “subsidy” as financial assistance which is:

- given directly or indirectly from public resources by a public authority



- confers an economic advantage on an enterprise
- is specific, i.e., benefits one enterprise over another
- has, or is capable of having, an effect on the UK or a territory outside the UK

If the Council is giving a subsidy then it must demonstrate it has considered and complied with the “subsidy control principles” of the Act. The Council must not give a subsidy unless satisfied that the subsidy is consistent with those principles.

Subsidies that do not exceed £315,000 over a three year period are not subject to the subsidy control requirements of the Act.

It is important to note that in all cases where a subsidy is more than £100,000 the Act requires details of the subsidy to be published on a public database, run by the Government Department for Business, Energy and Industrial Strategy (BEIS).

It is critical that the Council complies with the provisions of the Act in cases where it is giving subsidies. Failure to comply could lead to a challenge by an interested party via the Competition Appeal Tribunal, and the Tribunal has powers to set aside the Council’s decision to award the subsidy and to make a recovery order, requiring the Council to recover some or all of the subsidy from the beneficiary.

The deadline for bringing a challenge is one month from when details of the subsidy is uploaded to the public transparency database.

Consideration will need to be given to the capacity within Legal Services for drafting and advice regarding legal agreements, and commercial property matters, and whether the additional work will be outsourced or carried out by Legal Services.

### **6.3 Human Resources**

In the case of the UKSPF the Council is permitted to use a proportion of the funding allocation to ensure there is sufficient capacity to deliver the Investment Plan. It is proposed to use this funding to bring in a fixed term post aligned to the period of spend (to March 2025) for UKSPF that will be located within Development Services. There will be no additional costs to the Council. These costs will include any redundancy payments if relevant.

If over the period of the UKSPF and REPF programmes resource issues are identified this will be addressed and if necessary, further report(s) brought to Cabinet.

These costs will include any redundancy payments if relevant.

### **6.4 Human Rights Act**

Nil

## **6.5 Data Protection**

Business Advice Privacy Notice and Business Grant Applications Privacy Notice are in place.

## **6.6 Risk Management**

There will be legal and compliance risks around project delivery that will need to be appropriately managed on a case-by-case basis using the Council's Risk.

Management framework. On completing the Investment Plan no risks were identified in terms of key fraud risks; as set out in **APPENDIX 8**.

## **6.7 Community Impact Assessment Recommendations**

### **Impact on Public Sector Equality Duty:**

The Borough Council considers the effect of its actions on all sections of our community and has addressed all the following Equality Strands in the production of this report, as appropriate:

age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

### **Wider Community Impact:**

The delivery of both the UKSPF and the REPF will have a favourable impact and make a positive contribution to the wider community of businesses, employees, and residents of the Borough.

Attached at **APPENDIX 7**

## **7 Previous Consideration**

Consultation with Cabinet July 2022

## **8 Background Papers**

Correspondence from DLUHC held on Development Service files.

## Appendix 1

Cabinet Date: 9 February 2023

### Government Grant Funding Stafford Borough UK Shared Prosperity Fund (UKSPF)

<b>UKSPF Proposed Programme Spend by Project Years 1 to 3</b>				
<b>Project (Interventions)</b>	<b>Year 1 Budget</b>	<b>Project Budget Allocated</b>	<b>Proposed Spend Oct 22 - March 23</b>	<b>Project Spend Roll Over to Next Year</b>
OBB (E8)		£80,000.00	£80,000.00	£0.00
Scout Building (E1, E2)		£100,000.00	£100,000.00	£0.00
4% Admin		£22,685.00	£22,685.00	£0.00
Crown Wharf (E1, E2)		£495,000.00	£364,462.00	£130,538.00
<b>Total</b>	<b>£567,147.00</b>		<b>£567,147.00</b>	<b>£0.00</b>
<b>Project (Interventions)</b>	<b>Year 2 Budget</b>	<b>Project Budget Allocated</b>	<b>Proposed Spend 23/24</b>	<b>Project Spend Roll Over to Next Year</b>
Crown Wharf (E1, E2)		£0.00	£130,538.00	£0.00
4% Admin		£45,371.00	£45,371.00	£0.00
Rural Grants (E18, E20)		£500,000.00	£293,386.00	£206,614.00
Rural Feasibility (E22)		£30,000.00	£30,000.00	£0.00
Green Solutions E29)		£140,000.00	£140,000.00	£0.00
History Centre (E3, E4)		£250,000.00	£250,000.00	£0.00
2 x car parks (E1, E2)		£245,000.00	£245,000.00	£0.00
<b>Total</b>	<b>£1,134,295.00</b>		<b>£1,134,295.00</b>	<b>£0.00</b>
<b>Project (Interventions)</b>	<b>Year 3 Budget</b>	<b>Project Budget Allocated</b>	<b>Proposed Spend 24/25</b>	<b>Spend Roll Over to Next Year</b>
Rural Grant (E18, E20)		£0.00	£206,614.00	£0.00
4% Admin		£118,876.00	£118,876.00	£0.00
Innovation Hub (E22)		£1,000,000.00	£1,000,000.00	£0.00
Solar panels (E2)		£100,000.00	£100,000.00	£0.00
Feature lighting (E1, E4)		£300,000.00	£300,000.00	£0.00
Land acquisition (E1)		£496,363.00	£496,363.00	£0.00
Rural workspace studies (E22)		£250,000.00	£250,000.00	£0.00
Town Centre Capital (E5)		£500,000.00	£500,000.00	£0.00
<b>Total</b>	<b>£2,971,853.00</b>		<b>£2,971,853.00</b>	<b>£0.00</b>

## APPENDIX 2

### **SSPB Proposed members of the board:**

Council Leader  
Portfolio Holder for Economic Development and Planning  
Portfolio Holder for Community  
Chief Executive (or Deputy CEO)  
Head of Development  
Head of Finance/S151 Officer

### **UKSPF Project Delivery Team will include:**

Economic Growth and Strategic Projects Manager  
Enterprise Growth Manager  
Growth and Investment Officer  
Project Support Officer  
Chief Finance Officer  
Communications Manager  
Principal Solicitor  
Officers of SCC Economy, Infrastructure and Skills Teams

### **Current SGRIP members include:**

Stafford Borough Council  
Staffordshire County Council  
Staffordshire Police/Staffordshire Commissioner's Office  
Homes England  
Staffordshire Chambers of Commerce  
Newcastle and Stafford Colleges Group  
Stafford Borough Town Centre Partnership  
Homes Plus  
Staffordshire Fire and Rescue Service

### **Rural Focus Group Members include:**

Stafford Borough Council  
Staffordshire County Council  
National Farmers Union  
CLA - Country Land and Business Association  
Newcastle and Stafford College Group  
2 x Rural Businesses

Appendices here:

3. Terms of Reference
4. REPF
5. MOU
6. UKSPF IP
7. CIA
8. Risk Register

## TERMS OF REFERENCE FOR THE STAFFORD SHARED PROSPERITY BOARD

### What is the UKSPF?

The UK Shared Prosperity Fund (UKSPF) is the government's domestic replacement for the European Structural and Investment Programme (ESIF) which the UK continues to participate in until 2023. The ESIF programme was essential for local regeneration, employment, and skills.

The UKSPF is a central pillar of the government's Levelling Up agenda. It provides a total of £2.6bn for local investment by March 2025, from which Stafford Borough has been allocated £4.673m and an additional £480,000 in REPF (awaiting approval). SBC is responsible for planning and delivering UKSPF interventions in conjunction with local partners.

The primary goal of the UKSPF is to build pride in place and increase life chances across the UK. The three main investment priorities are:

- Community and Place
- Supporting local business
- People and skills

### The purpose of the Stafford Shared Prosperity Board

The Stafford Shared Prosperity Board will support SBC to deliver our approved UKSPF investment plan. The Board is advisory to the Borough Council, who are the decision makers and accountable body.

### Membership

The composition of the Stafford Shared Prosperity Board (SSPB) should allow it to function efficiently and effectively in fulfilling its functions and responsibilities and promote equality and diversity.

The SSPB will be led by a Chair, Leader of the Council and Deputy Leader of the Council. These roles will provide leadership to the Board including its strategic direction. At least one of these roles must be in attendance for a board meeting to take place.

SSPB members may send an alternative representative if they are unable to attend a meeting. It is the SSPB member's responsibility to ensure that the alternate is familiar with the Terms of Reference, has received the relevant documentation and is entitled to vote on any decisions that need to be taken.

Each member will have one vote on any decisions to be taken at a Board meeting. A vote will be taken by either:

- A simple show of hands and the decision recorded in the Action Log or
- written confirmation, including email, evidence of which will be kept electronically.

In the event of a tie, the Chair will have the casting vote. Advisors to member are welcome to attend meetings but will have no voting rights.

The composition of the SSPB will be reviewed annually to ensure that its composition reflects the requirements of the preparation and delivery of the UKSPF.

## The role of an SSPB member

SSPB members have a responsibility to:

- Make an active contribution to delivering the vision and strategic priorities of the UKSPF Investment Plan
- Declare any conflicts of interest in accordance with the policies of Stafford BC as the accountable body for the UKSPF
- Actively communicate with their networks and all key stakeholders to raise the profile of the UKSPF, the priorities of the Investment Plan and the SSPB work programme.
- Champion the work of the SSPB to the wider community, including its vision, strategic priorities, and programmes, to drive growth and investment and secure additional funding where this would deliver added value.
- As part of the Board, to consider delivery commissioning options; ensure value for money and effective risk management in all UKSPF activity; monitor delivery and determine actions to address areas of under- performance.
- Actively engage in relevant subgroups and lead appropriate task and finish groups on behalf of the Board; and promote the interests of the SSPB by making a positive and active contribution to the well-being of the local area.
- Be aware of and confirm their responsibilities as SSPB members and to fulfil their obligations in terms of agreed actions in a timely and professional manner.

## Responsibilities of the Chair

In addition to the responsibilities set out above, the Chair of the SSPB will:

- Provide high quality leadership of the SSPB, ensuring that the Group is run in a transparent and equitable manner and that Group members are actively engaged in contributing to the work of the SSPB.
- Chair meetings of the SSPB effectively, ensuring there is full participation during meetings, that all relevant matters are discussed, and that effective decisions are made, logged and actioned.
- Champion and represent the vision and strategic priorities of the SSPB both locally and nationally as required, on occasions acting as the 'face' of the SSPB.
- In exceptional circumstances, if an extremely urgent decision is required the Chair may make decisions on behalf of the SSPB, that are in line with the strategic vision, priorities, and values of the Board.

## Commitment

The SSPB has responsibility for the strategic direction of the UKSPF. Members are expected to play active roles in leading and/or contributing their expertise. The SSPB will meet as required by the prevailing work programme for the UKSPF and the Investment Plan. The role is likely to require the equivalent of 3 hours per quarter.

## Conduct

Decisions will be made in accordance with the following principles:

- Due consultation will be carried out where appropriate (including taking relevant professional advice from relevant officers).
- Decision making will be open and transparent (within the limits of any confidential information).

SSPB members will make decisions as members of the SSPB and not on behalf of specific organisations or areas.

### **Operation**

SSPB members should adhere to the Borough Council's Conflict of Interest Policy. Declarations of interest will form a standing agenda item at the start of every meeting. Members should inform the Chair of any conflict of interest that arises and may be asked to leave the meeting whilst that item is under discussion.

SSPB meetings will be used for detailed discussions of matters that are of strategic importance. The Board will receive reports and presentations as relevant to the business of the meeting.

Meetings will be quorate when three members are in attendance

All conflicts of interest will be included in Action Logs.

### **Accountable Body**

Stafford Borough Council is the Accountable Body for the UKSPF. The Council's S151 Officer will ensure compliance with all necessary financial regulations.

Internal governance arrangements for the Borough Council will be put in place to ensure openness and transparency in the management of the UKSPF.

## Rural England Prosperity Fund Overview

### Background

Stafford Borough Council has been allocated £487,936 of Rural England Prosperity Funding (REPF). This is a 'rural' top-up to the £4,673,295 in UK Shared Prosperity Funding and is complementary to funding used to support rural areas under the UKSPF allocation.

Stafford Borough is one of 4 districts in Staffordshire to receive this based on our rural population, number of rural businesses, productivity and the importance of agriculture in the local economy.

Each authority allocated monies have flexibility to invest in activities or 'interventions' that support rural businesses and rural communities.

### Funding details

REPF replaces the former EU funding provided by the LEADER and the Growth Programmes which were part of the Rural Development Programme for England. It is intended to support activities that specifically address the particular challenges rural areas face.

The Rural EP Fund provides funding to:

- support new and existing rural businesses to develop new products and facilities that will be of wider benefit to the local economy. This includes farm businesses looking to diversify income streams
- support new and improved community infrastructure, providing essential community services and assets for local people and businesses to benefit the local economy

A key issue is that unlike the UKSPF, this new funding stream can only support **capital** projects.

Monies will be made available in April 2023 to be defrayed by 31 March 2025

### REP Approval Process

To enable the Council to draw down our allocated REPF monies we were required to complete an **Addendum** to our original UKSPF Investment Plan taking into account:

- Local context - referencing the Fund's investment priorities: supporting rural business and supporting rural communities.
- Interventions - identifying against a menu of options how interventions will address our rural priorities
- Delivery - the means by which how the Council will deliver the interventions selected.



## Criteria

Funding must be spent on capital projects only with lasting assets such as a building or equipment and be for business or community purposes. Grants cannot be used to fund domestic property improvements, to buy private vehicles or be spent on revenue costs such as running costs or promotional activities.

In line with government guidelines projects must be located in a rural area.

Rural areas are defined as:

- Towns, villages and hamlets with populations below 10,000 and the wider countryside
- Market or 'hub towns' with populations of up to 30,000 that serve their surrounding rural areas as centres of employment and in providing services

The funding guidance sets out 13 potential interventions that cover:

- Supporting Local Business
- Communities and Place
- Small scale investment in micro and small enterprises in rural areas
- Rural circular economy projects

## Completing the Addendum

SBC has submitted its UKSPF investment plan to government and has now been approved. REPF is an extension of UKSPF.

We were asked to provide additional information about specific rural challenges, market failures, and opportunities for rural businesses or rural communities in our area and were required to set out the indicative spend profile of our REPF allocation. Indicative budgets at investment priority level and at intervention level were detailed, for the 2 years of the fund, and specified if REPF money will be used to complement UKSPF funded projects.

We were also asked to set out how we intend to select projects to support, detailing including how we will ensure they deliver value for money, including additionality. Also required was how we will determine that projects cannot be funded by private finance.

## Response

Using evidence from previous grant schemes we looked at the demand and determined that a fair split of funding would be as follows:

- Total support for supporting rural businesses = £360,000
- Total support for supporting rural communities = £120,000

Through our economic development work the Council identified a list of rural businesses who have demonstrated growth paths and who seek further funding to achieve their ambitions. The Staffordshire Means Back to Business programme saw a record number of Stafford Borough businesses apply for funding to buy capital equipment, take on apprentices, developing new products for example. There is now a gap in funding, and REPF is a way to support those rural growth businesses.

There are few, if any, grants to support rural businesses. Most grant schemes are oversubscribed and will finish in June 2023.

In terms of community infrastructure there are some current DEFRA schemes to support our communities for example the Platinum Jubilee Village Hall Improvement Grant.

We are working with partners as well as internal Council services to identify where and how support can be given to community-based schemes.

## **Timelines**

The following dates and milestones are relevant:

- 12 September 2022 - Rural Fund addendum platform launched.
- 3 October 2022 - 30 November 2022 - Window open to allow for Addendums to be prepared and submitted to Government
- December 2022 - January 2023 - Government will appraise submissions.
- January 2023 - anticipated date for confirmation of Rural Fund proposals
- April 2023 - first payments expected to be received for Council's to commence the programme.

## **Next Steps**

We created a Stafford Borough Rural Focus Group with representatives from SBC, SCC, NFU, CLA, Growth Hub, NSCG and 2 local rural businesses to help inform and develop the Addendum. Once confirmation of our addendum has been received, we will work with the group to develop the criteria for projects and put forward a call for expressions of interest to be submitted.

These projects will be awarded on a competitive basis by a panel of 4. Projects will be assessed on best value for money, additionality and the number of interventions supported and outputs/outcomes to be delivered.

As with UKSPF - governance will be via SGRIP and the UKSPF Project Delivery Team will deliver REPF.

## MEMORANDUM OF UNDERSTANDING

**Between**

**The Secretary of State for Levelling Up, Housing and Communities**

**-and-**

**Stafford Borough Council**

### **1 Purpose**

- 1.1 This Memorandum of Understanding (MOU) sets out the terms that will apply to the relationship between the Secretary of State for Levelling Up, Housing and Communities (the Secretary of State) and Stafford Borough Council (the Lead Local Authority) regarding the administration and delivery of the UK Shared Prosperity Fund (UKSPF). This MOU will be for the period April 2022 to March 2025. Changes will be made only where signatories deem it necessary. If necessary the MOU will be amended for the period April 2023 to March 2025 to accommodate the inclusion of the Rural England Prosperity Fund, this will not apply in Scotland and Wales.
- 1.2 The MOU sets out the universal fund wide conditions and expectations for appropriate spend of the UKSPF core allocations in England Scotland and Wales and Multiply allocations in Scotland and Wales.
- 1.3 This MOU is not intended to create legal or binding obligations. It describes the understanding between both parties for the use of funding specified in section 3 of this agreement.

### **2 Background**

- 2.1 The UKSPF was launched on the 13 April 2022. The Secretary of State has signed-off the Lead Local Authority's investment plan. This MOU covers the funding commitments from the Secretary of State and the delivery, financial expenditure, agreed milestones, reporting and evaluation, communications and branding expectations between the Parties and the steps the Secretary of State could take in the event of underperformance if required.
- 2.2 The Secretary of State has published guidance on the delivery of the UKSPF. Referred to in this document as the [UKSPF Additional Information](#). References to the UKSPF Additional Information includes any updates that may be published from time to time. The Secretary of State will notify the Lead Local Authority of any changes to the Additional Information and, if necessary, provide guidance on how changes are to be managed.

### **3 Purpose of the Funding**

- 3.1 The UKSPF allocation remains as set out in the published [UKSPF allocations](#) and is being provided to deliver the Fund's priorities, outputs and outcomes as set out in the investment plan and accompanying expenditure and deliverables spreadsheets agreed by the Secretary of State or subsequently agreed by the Secretary of State as per section 9.
- 3.2 Funding should be used to meet the costs of implementing your investment plan. The Lead Local Authority can make changes to the investment plan agreed by the Secretary of State. The scale, type and process for making changes is set out in published guidance.
- 3.3 Details of the annual funding allocation, broken down into capital and revenue funding, will be confirmed in the annual grant determinations.

### **4 Reporting**

- 4.1 As part of the delegated delivery model, the Lead Local Authority will provide 'light touch' reporting, as set out in the [UKSPF Additional Information](#).

### **5 Financial Arrangements**

- 5.1 The agreed funds will be issued to the Lead Local Authority as grant payments under Section 50 of the United Kingdom Internal Markets Act 2020 ('UKIM').
- 5.2 Payment of the funding for 2022-2023 will be made after investment plans have been agreed and this MoU is signed.
- 5.3 Grant Determination Letters (GDL) will be provided following confirmation of the annual payment for each year until 2025.
- 5.4 The Lead Local Authority will provide regular reporting using the process established by the Secretary of State and set out in the UKSPF Additional Information demonstrating expenditure and that outputs and outcomes are being met in line with the original investment plan, or investment plan amended under section 9. Or failing that, there is a realistic plan to address underperformance.
- 5.5 Funding for the years 2023-2024 and 2024-2025 will be paid annually, provided that the information provided under paragraph 5.4 demonstrates delivery of forecast outputs, outcomes and spend for the previous financial year have been met, or failing that, there is a realistic plan to address underperformance.
- 5.6 UKSPF capital grant funding, as set out in grant determinations, may be used only for capital expenditure.

- 5.7 UKSPF revenue grant funding may be used for revenue or capital expenditure, in line with the Lead Local Authority's accounting practices
- 5.8 Release of payments for the financial year 2023-24 and 2024-2025 is dependent on the submission of a Statement of Grant Usage for 2022-23 and 2023-2024 spend and corresponding reporting and monitoring returns, signed by a S151 Officer (appointed under the Local Government Act 1972) or S95 Officer (appointed under the Local Government (Scotland) Act 1973).
- 5.9 This information will be taken into consideration by the Secretary of State before subsequent payments to the Lead Local Authority are finalised and paid. The Secretary of State reserves the right to reduce payments or withhold payments where there are concerns over delivery.
- 5.10 The Secretary of State retains the right to withhold annual instalments until receipt of credible plans demonstrating revised delivery to achieve expected targets. This might include requirements that set out how the Lead Local Authority will utilise underspends in the next year and/or appropriate milestones and spend have been achieved for the previous year.
- 5.11 Further to this, if the Secretary of State has concerns around future spending plans based on the experience of local delivery to date, or wider financial issues or governance affecting delivery then the Secretary of State may pay in instalments, or withhold future funding.
- 5.12 In the circumstance that the Lead Local Authority is a Combined Authority or is managing the distribution of UKSPF funding to a group of other local authorities, where a member of the Combined Authority or the local authority group becomes subject to a S114 Notice of the Local Government Finance Act 1988 or Statutory Commissioner Intervention of the Local Government Act 1999, the Lead Local Authority will be responsible for decisions on how funds aligned to such a member Authority are controlled and utilised.
- 5.13 No funding will be provided for activity after 31 March 2025. The Lead Local Authority must have spent all grant funding i.e. be able to include funding within the 2024-2025 accounts by the end of the funding period, 31 March 2025. Underspends in the final year of the programme will need to be repaid to the Secretary of State.
- 5.14 In accordance with the declaration signed by the Lead Local Authority's Section 151 (appointed under the Local Government Act 1972) or S95 Officer (appointed under the Local Government (Scotland) Act 1973) as part of the investment plan, the Lead Local Authority accepts responsibility for meeting any costs over and above the Secretary of State's contribution, agreed in the annual grant determination. This includes potential cost overruns and the underwriting of any funding contributions expected from third parties.

## **6 Branding and Communication**

- 6.1 The Secretary of State has provided the Lead Local Authority with guidance on the Branding and Communication associated with UKSPF projects in the [UKSPF Additional Information](#).
- 6.2 The Parties agree to adhere to the guidance and any updates subsequently released by the Secretary of State or HMG on communications linked to UKSPF or wider Levelling Up Funding.
- 6.3 The Lead Local Authority should publish information regarding the delivery of the UKSPF in its area e.g. by publishing a summary of the investment plan and activities being funded in the area.

## **7 Evaluation**

- 7.1 Monitoring and Evaluation will be carried out as set out in [UKSPF Additional Information](#).
- 7.2 The Lead Local Authority will support evaluation through capturing and providing relevant data and engaging with place and intervention level evaluations as stated within the [UKSPF Additional Information](#).

This will include but is not exclusive to the following main evaluation requirements:

- 7.2.1 Continuous monitoring and evaluation of progress aligned to the deliverables stated within the UKSPF Investment Plan submitted by the Lead Local Authority and approved by the Secretary of State;
  - 7.2.2 Engaging with our evaluation partners to collect and provide additional quantitative data as required to support, where relevant, intervention and place-specific evaluations
- 7.3 As set out in the [UKSPF Additional Information](#) the Lead Local Authority is encouraged to undertake its own place-based evaluations of how the UKSPF has worked in their area, particularly process evaluation on individual projects, alongside any place-based case studies commissioned by DLUHC. For those lead local authorities with large allocations, DLUHC require a robust evaluation to support the centrally coordinated evaluation.
- 7.4 The Lead Local Authority agrees to undertake these activities using the administration costs for the Fund.

## **8 Assurance**

- 8.1 The Secretary of State has set out the approach to assurance for the UKSPF in the [UKSPF Additional Information](#).

8.2 The Lead Local Authority is expected to have the necessary governance and assurance arrangements in place and that all legal and other statutory obligations and consents will be adhered to. The Lead Local Authority will provide the Secretary of State with the following via UKSPF reporting:

8.2.1 Details of the checks that the Chief Finance Officer has taken to assure themselves that the Lead Local Authority has in place the processes that ensure proper administration of financial affairs relating to their UKSPF allocation.

8.2.2 Confirmation that the lead local authority has applied management controls that:

- mitigate the risk of fraud;
- ensure funding has been used in accordance with UK subsidy control legislation;
- ensure that any procurement undertaken by a Contracting Authority using UKSPF funds has complied with public procurement rules;
- ensure compliance with its statutory obligations under the Public Sector Equality Duty; and
- ensure that any personal data obtained in connection with UKSPF activities is handled in compliance with the Data Protection Act 2018.

8.3 As part of the first monitoring return the Lead Local Authority will provide a summary statement of how it is:

- mitigating the risk of fraud;
- ensuring funding has been used in accordance with UK subsidy control legislation; and
- ensuring that any procurement undertaken by a Contracting Authority using UKSPF funds has complied with public procurement rules

8.4 The Lead Local Authority will respond directly to questions addressing the local delivery of UKSPF and cooperate with the Secretary of State in any inquiries regarding the delivery of the UKSPF.

8.5 On an annual basis the Lead Local Authority will complete and return the templated Statement of Grant Usage letter.

## **9 Changes to agreed Investment Plan**

9.1 The Lead Local Authority will notify the Secretary of State of any proposed non-material changes to the investment plan through the regular monitoring returns.

- 9.2 The Lead Local Authority will submit a change request if a change constitutes “A Material Change” as set out in the [UKSPF Additional Information](#) .
- 9.3 Requests for material changes can be made to the Secretary of State as and when required. A template will be provided for the Lead Local Authority to use.
- 9.4 The Secretary of State recognises that not all change will meet the materiality threshold for a change request. However, the Lead Local Authority should report any change affecting the delivery of the funding as part of the usual reporting cycle. If the Lead Local Authority is not sure on whether a change meets the materiality threshold they should consult with the Secretary of State for guidance.
- 9.5 All change requests must be signed off by the Lead Local Authority’s Section 151 (appointed under the Local Government Act 1972) or S95 Officer (appointed under the Local Government (Scotland) Act 1973) to testify that they are necessary and deliverable.

## **10 Compliance with the MOU**

- 10.1 The Parties to this MOU are responsible for ensuring that they have the necessary systems and appropriate resources in place within their respective organisations to comply fully with the requirements of this MOU.

## **11 Changes to the MOU**

- 11.1 The arrangements under this MOU will be kept under review. Amendments to this MOU may only be made upon written agreement between the Parties.

## **12 Resolution of Disputes**

- 12.1 Any dispute that may arise as to the interpretation or application of this MOU will be settled by consultation between the parties



**Signed on Behalf of the Lead Local Authority (by Chief Executive / Section 151/95 Officer):**



**Name: Chris Forrester**

**Job Title: Head of Financial Services (S151)**

**Date: 12/12/2022**

**Signed on Behalf of Secretary of State:**



**Name: Jessica Blakely/Carmen Suarez Garcia**

**Job Title: Directors: Levelling Up: Major Programmes**

**Date: 5 December 2022**

# UK Shared Prosperity Fund

Investment Plan Drafting Template

Version 2  
May 2022

## Your location

To be eligible for funding, you will need to be applying on behalf of a lead authority in one of the [delivery geographies](#).

Select the lead authority

**For Scotland and Wales only:** Who else is this investment plan being submitted on behalf of? Select all that apply

## Your details

Name Martyne Manning

Email address [mmanning@staffordbc.gov.uk](mailto:mmanning@staffordbc.gov.uk)

Phone number 07800 619470

Organisation name Stafford Borough Council

## Local challenges and opportunities

In this section, we will ask you:

- If you've identified any challenges or opportunities, you intend to support
- Which of the UKSPF investment priorities these fall under

### **ARE THERE ANY LOCAL CHALLENGES YOU FACE WHICH FALL UNDER THE COMMUNITIES AND PLACE INVESTMENT PRIORITY?**

**(If yes) Describe these challenges, give evidence where possible**

#### **Visitor Economy**

The Staffordshire Destination Management Partnership (DMP) is a private/public sector partnership of major attractions, tourism businesses and local authorities created to develop and drive the visitor economy in Staffordshire. In 2020 the DMP commissioned a report on the economic value of tourism. For Stafford Borough the results are as follows:

District	Visitor Trips 2019	Value 2019	Visitor Trips 2020	Value 2020	Variance in spend
Stafford	3,828,100	£ 231,629,000	1,702,600	£ 96,824,000	58%

Whilst Stafford Borough showed the third largest value of income generated directly and indirectly from tourism being £96,824,000 when compared to all County wide districts, the pandemic has clearly taken its toll in the face of lockdowns and social distancing, representing a loss of 58%.

This study also evidenced that Stafford Borough's total actual tourism related employment for 2019 was 4093, with figures for 2020 being 2,708, that is a drop of 44%.

A challenge for Stafford Borough will be to recoup some of the losses in terms of income generated and jobs lost since the start of the pandemic.

#### **Stafford Town Centre Transformation**

Compared to the other two towns in the Borough – Stone and Eccleshall whose High Streets are fully occupied - Stafford has a high proportion of vacant retail outlets.

Retail vacancy rates at Q2 2021 was at 26% of town centre units, reflecting a marked increase since 2019. COVID-19 will have accelerated the increase in store closures, which has been a long-term trend across the UK.

Stafford's investment market is relatively weak, especially from institutional investors, stemming from a lack of good quality space and low rents being achieved in the town and lack of a strong occupier market.

Two of the larger landholdings are the former M & S store and the former CO-OP department store. Whilst the M & S had been auctioned off in March 2018 there has been no redevelopment from the owner. The building has fallen into disrepair and has attracted several vandals on the roof and homeless people breaking into the store . .

With traditional retail practices showing unprecedented levels of decline, now is the time to reconsider the future role of the town centre, and specifically the northern quarter. The retailer landscape is changing at a pace not seen previously, with institutional brands finding themselves in extremely difficult financial positions, with very uncertain futures ahead, with in some cases outdated commercial models.

The recent sale of the Guildhall Shopping Centre resulting in a number of major brands leaving the town centre has resulted in a decrease in footfall as well as presenting an image of a town very much on the decline.

Staffordshire Police data shows that Stafford Borough is seeing a rise in the number & percentage of crime & anti-social behaviour in specific areas such as Stafford Town Centre, including 'Victoria Park' located between the town centre and railway station. Figures have also increased in the Stone area.

Area	Anti-Social Behaviour May 2021	Anti-Social Behaviour May 2022	Anti-Social Behaviour % Change
Stafford Town	45	61	35.56 %
Stone Town	28	35	25.00 %

Types Of Crimes	May 2021	May 2022	% Change
Burglary Business and Community	5	8	60 %
Less Serious Violent Crime with Injury	57	102	79 %
More Serious Violent Crime with Injury	3	11	267 %
Sexual Offences	7	9	29 %
Serious Sexual Offences	7	18	157 %
Public Order	30	42	40%

When compared with other neighbouring districts in Staffordshire, Stafford Borough has seen the second largest increase in knife crime incidents over the last 6 months.

More young people are experiencing issues with drugs, alcohol, mental health, and exploitation. There is a general perception that Stafford Town Centre is not always a safe place, particularly effecting the night-time economy.

All the above challenges are having a collective impact on peoples' perception of the area and there is a need to restore a sense of local pride and belonging in our community.

## Climate Change

Stafford Borough like all areas has a responsibility to look after the environment and its residents to ensure the long-term survival of the planet for everyone and everything that lives on it and make it safe for future generations.

As part of this process Stafford Borough has a duty to address the Net Zero Strategy: Build Back Greener. As part of this drive one of our challenges is to continue work towards our climate change and green recovery as detailed in our Climate Change and Green Recovery Strategy 2020-2040. This supports Stafford Borough Council's Corporate Plan objectives relevant to the Communities and Place priority which include:

- To improve the quality of life of local people by providing a safe, clean, attractive place to live and work and encouraging people to be engaged in developing strong communities that promote health and wellbeing.
- Keep the streets and parks clean and attractive for everyone to enjoy. People will have a better quality of life and health because the streets, parks and open spaces will be kept clean and tidy and safe.

Reviewing properties that we are responsible for and how they could be more energy efficient is part of this process. This would help to reduce energy and other running costs and accord with the Council's stated aims in respect of addressing climate change and providing for greener operations.

Our enterprises face a particular challenge in sourcing funding to make the changes necessary to create a net zero environment. Several ERDF programmes to provide low carbon reviews around energy efficiency and associated grants to help businesses implement recommendations will end in March 2023. Our challenge is to support these businesses, of which we have in the region of 6000 in the Borough, by delivering new funding streams with wrap around business support.

#### **ARE THERE ANY LOCAL OPPORTUNITIES UNDER THE COMMUNITIES AND PLACE INVESTMENT PRIORITY THAT YOU INTEND TO SUPPORT?**

**(If yes) Describe these opportunities, give evidence where possible**

A series of capital and revenue projects are currently being developed which will create opportunities to address the challenges described in the previous section. Opportunities exist to bring forward wholly new projects but also build upon existing initiatives and as such deliver enhanced outcomes

#### **Visitor Economy**

There is an opportunity to take advantage of the increased number of 'staycationers' that we have seen particularly since the start of the pandemic. There are several intended projects that will take place adjacent to the canal and riverside in Stone (which is known as Stafford's 'canal town').

In Stone, Westbridge Park over recent years has seen a £9m investment including a new leisure centre and swimming pool, with development works still ongoing such as new play facilities and generally improving the look of the area. There is the opportunity to support the facilities with further funding to attract residents and visitors into the town.

To try and recover some of the 58% loss in revenue associated directly and indirectly with visitors to the Borough there is the opportunity to fund a continuation of the Welcome Back Fund (ERDF) promotional campaigns. These campaigns will support our local economies in parallel with #WeAreStaffordshire branding campaigns that are more generic and support the wider county.

#### **Stafford Town Centre Transformation**

The Future High Street Fund (£14.3m from Government and £5.4m from the Borough Council) is currently supporting the delivery of several projects to physically regenerate the north end of Stafford Town Centre, including the Market Square area. There is an opportunity to support this with additional funding.

The Stafford Gateway Project, based around the railway station will see the area west of the station redeveloped with a combination of residential, workspace, commercial and leisure development. This £500m project has come about on the back of HS2 and the opportunities that it will bring to Stafford. Currently a LUF2 application is being prepared for submission which if successful would

assist in delivering land remediation and site preparedness prior to re-development proposals coming forward.. There will be an element of land acquisition involved too and where additional funding will be required.

### **Climate Change**

We can reduce greenhouse emissions through projects specifically aimed at reducing our carbon footprint and/or ensuring that all or the projects delivered through UKSPF consider the impact on the environment with actions to mitigate these where possible. A project to support this challenge, would be the installation of solar panels on Stone Leisure Centre. There is the opportunity as a Borough Council to show community leadership on the green agenda and along with partners provide examples which the private sector and other public bodies could follow.

## **ARE THERE ANY LOCAL CHALLENGES YOU FACE WHICH FALL UNDER THE SUPPORTING LOCAL BUSINESS INVESTMENT PRIORITY?**

**(If yes) Describe these challenges, give evidence where possible**

### **Innovation**

Innovation is necessary for companies to adapt and overcome the challenges of change. It fosters growth. Stagnation can be extremely detrimental to a business and the local economy. Achieving organisational and economic growth through innovation is key to staying afloat in today's highly competitive world.

The Stoke-on-Trent and Staffordshire LEP is bottom of the league table nationally in stimulating innovation and R & D. Data for Staffordshire also suggests relatively lower rates of patent activity than other parts of the country.

One missing piece for Stafford Borough is that we have no physical presence in the form of an Innovation Hub like the Keele Innovation Hub. This particular hub consists of office space and business support opportunities, for new business and entrepreneurs to grow their businesses through collaboration stimulating a new more intuitive approach to business and innovation development.

Having such an innovation hub would help maximise our opportunities in this sector, thus helping to raise the Stoke on Trent and Staffordshire LEP up the league tables in terms of innovation.

### **Climate Change**

Approximately 92% (NOMIS UK Business Count 2021) of Stafford Borough's businesses are classed as Small and Medium Enterprises (SMEs). There is therefore an urgent need for us to continue to engage with them to support the growth and development of our economy whilst moving towards Net Zero.

Many of our businesses in general are seeking support to help reduce their carbon footprint and increase energy efficiency, not just for the sake of the environment, but following initial investment, as a way in the long term of reducing costs and increasing profitability.

The challenge we face is replacing previously ERDF funded small business grants to help our enterprises to make changes. The current Low Carbon Business Evolution Programme (LCBEP) helps businesses reduce their carbon footprint and increase energy efficiency. This is due to finish in March 2023.

## **Rural Economy**

The rural economy is important to the Borough and its residents. This should not be overlooked and should be an integral component of our overarching approach to economic growth.

Stafford is a largely rural area with 91% of the borough classified as rural, making it the most rural local authority in Staffordshire

### Rural Grants

Of the 5,365 businesses in Stafford 1,910 are based in rural areas, equivalent to over a third (36%) which is above the 28% average for Staffordshire. Of the 59,325 jobs in Stafford 21,070 are in rural areas, equivalent to over a third (36%) which is above the 27% average for Staffordshire.

As several ERDF funded business support grants are coming to an end in 2023, there will be a gap in funding for our rural business in terms of business growth grants to stimulate investment to grow the economy. There is concern that there will be very little in the way of support to signpost our rural businesses to. Many of the current providers will not commit to the continuation of their programmes without funding from districts. Districts are now looking at alternative methods of business support as we all have different local economies.

This gap needs to be filled specifically in the smaller business sector who would perhaps not be in such a strong position to readily invest in their business (compared to larger firms) without public sector involvement. Grant funding investment is seen as particularly advantageous to our rural businesses to stimulate growth, given the additional disadvantages they have when compared with their urban counterparts.

### Rural workspace

Rural businesses, entrepreneurs and home workers face particular challenges - a lack of business premises, slow internet connection and fragmented business networks are some of them. The highest rate of home working has been found in rural hamlets and dispersed areas, at 34 per cent. Overall rural areas had a higher rate of home working (25 per cent) compared with urban areas (16 per cent). (ONS data April 2020)

The challenge we face is 95% of our rural commercial space is occupied and there is very little room for entrepreneurs working from home to take the next steps. Supported workspace is necessary where rural business can start up and grow, access technologies, information, and advice.

## **ARE THERE ANY LOCAL OPPORTUNITIES UNDER THE SUPPORTING LOCAL BUSINESS INVESTMENT PRIORITY THAT YOU INTEND TO SUPPORT?**

**(If yes) Describe these opportunities, give evidence where possible**

### Innovation

Stafford and Newcastle Colleges Group (NSCG) working with Keele University and other partners, have been successful in securing £13m of funding to set up an Institute of Technology. This will bring together industry, education, and research, to jointly design and develop education and training opportunities aligned to the skills needed by employers, the local, regional, and national economy and Government priorities for technical education.

There is now the opportunity to support the creation of a Innovation and Technology Hub as part of the Institute of Technology.

This hub will provide opportunities to:

- Create high skilled job roles for Stafford and its residents
- Develop significant, high-value companies

- Regenerate an under-developed part of Stafford Town to create a new, exciting technology/science business and innovation cluster.
- Encourage other established high-value technology businesses to consider Stafford as a place to be in the North Midlands.
- Increase the presence in Stafford of Keele University, alongside the IoT, reaffirming Stafford as a learning town.

### **Climate Change**

There is an opportunity to support a brand-new business support programme under the proposed 'green solutions' project. The project is currently being developed with the primary intention of encouraging and supporting local businesses to think about decarbonisation. The project is based on a current scheme that is running until funding ends in June 2023.

The opportunity here is for lessons to be learnt from the existing schemes which will allow adaptation of the scheme for the better, to ensure enhanced value for money and have a greater impact on the local economy. Grants for businesses to make recommended changes to their environment and ways of working will create an opportunity to fund such a programme

### **Rural Economy**

A Staffordshire Rural Economy Strategy has recently been prepared with mention of a rural enterprise hub as a key driver to economic growth. There is the opportunity to work with the County Council and other partners, such as the NFU and CLA, to identify specific issues to the rural sector and explore further the potential to develop such a centre.

The concept of a Rural Enterprise Centre will provide a base from which more rural business can start up and grow, access technologies, information, and advice. A focal point which serves new and existing businesses can give a boost to local communities and unlock the economic potential of rural areas. Similar urban-based centres have proven to be successful across Staffordshire.

We will commission a feasibility report to understand the demand for such a hub(s) in the Borough and if this exists to identify potential locations that would best serve our rural economy and business.

With some of the business support grant schemes ending in 2023, there will be a gap in funding for our rural businesses in terms of business growth grants. There is concern that there will be very little in the way of support to signpost our rural businesses to. We have the opportunity to create a bespoke funding stream tailored to suit our local rural economy. Grants will be provided to rural businesses to help fund:

- Taking on an apprentice (s)
- Development of a new product or service
- Costs of taking on additional workspace
- Upskilling of existing employees
- Purchasing of new capital equipment
- Provision of technical advice where planning/development concerned



**ARE THERE ANY LOCAL CHALLENGES YOU FACE WHICH FALL UNDER THE PEOPLE AND SKILLS INVESTMENT PRIORITY? (In Scotland, Wales, and Northern Ireland this should also include challenges relating to Multiply)**

**(If yes) Describe these challenges, give evidence where possible**

The Borough has posted the highest number of job vacancies of all districts in Staffordshire in the 1<sup>st</sup> quarter of this year. A total of 5840 were advertised.

We do have a high number of vacancies in Hospitality, Tourism and Leisure but this is common across the whole of the UK in this sector. The UK hospitality sector is experiencing 83% more vacancies across the sector compared to March-May 2019 (the most recent comparable period), according to latest figures released by the ONS.

At the same time, the sector has created nearly 300,000 new jobs over the last 12 months, equal to one-in-three of all new jobs.

**ARE THERE ANY LOCAL OPPORTUNITIES UNDER THE PEOPLE AND SKILLS INVESTMENT PRIORITY THAT YOU INTEND TO SUPPORT? (In Scotland, Wales, and Northern Ireland this should also include challenges relating to Multiply)**

**(If yes) Describe these opportunities, give evidence where possible**

Not directly. Staffordshire County Council has several programmes currently available to address the skills issues across the County.

The Destination Management Partnership (DMP) is looking at the hospitality skills shortage. Stafford BC has contributed £15,000 towards the DMP to help deliver support to the sector.

Interventions

In this section, we will ask you about:

- Interventions you've chosen for each year of funding
- Outcomes you want to deliver
- Any interventions that are not listed here
- How these interventions fall under the UKSPF investment priorities, and your rationale for them
- Interventions not included in our list will be assessed before being approved, where you will need to show a clear rationale, how the intervention is value for money, what outcomes it will deliver and how you will monitor and evaluate the intervention. This may include a theory of change or logic chain.

**WHAT ARE THE OUTCOMES YOU WANT TO DELIVER UNDER THE COMMUNITIES AND PLACE INVESTMENT PRIORITY? SELECT ALL THAT APPLY.**

<b>Outcome</b>	<b>Tick if applicable</b>
Jobs created	
Jobs safeguarded	
Increased footfall	✓
Increased visitor numbers	
Reduced vacancy rates	

Greenhouse gas reductions	
Improved perceived/experienced accessibility	✓
Improved perception of facilities/amenities	✓
Increased number of properties better protected from flooding and coastal erosion	
Increased users of facilities / amenities	
Improved perception of facility/infrastructure project	✓
Increased use of cycleways or paths	
Increase in Biodiversity	
Increased affordability of events/entry	
Improved perception of safety	
Reduction in neighbourhood crime	✓
Improved engagement numbers	
Improved perception of events	
Increased number of web searches for a place	
Volunteering numbers as a result of support	
Number of community-led arts, cultural, heritage and creative programmes as a result of support	
Increased take up of energy efficiency measures	✓
Increased number of projects arising from funded feasibility studies	
Number of premises with improved digital connectivity	
None of the above	

**SELECT THE INTERVENTIONS YOU INTEND TO USE WHICH MEET THE COMMUNITIES AND PLACE INVESTMENT PRIORITY. YOU CAN SELECT AS MANY AS YOU LIKE.**

**Intervention**

*A full list of nation-specific interventions is available in the relevant annex to the Prospectus.*

E1: Funding for improvements to town centres & high streets including better accessibility for disabled people, including capital spend & running costs.

E2: Funding for new or improvements to existing, community and neighbourhood infrastructure projects, including those that increase communities' resilience to natural hazards, such as flooding. This could cover capital spend and running costs.

E3: Creation of and improvements to local green spaces, community gardens, watercourses and embankments, along with incorporating natural features into wider public spaces.

E4: Enhanced support for existing cultural, historic and heritage institutions that make up the local cultural heritage offer.

E5: Design and management of the built & landscaped environment to 'design out crime'

E8: Funding for the development and promotion of wider campaigns which encourage people to visit and explore the local area.

**DO YOU PLAN TO USE ANY INTERVENTIONS NOT INCLUDED IN THE COMMUNITIES AND PLACE LIST?**

**State the name of each of these additional interventions and a brief description of each of these**

No bespoke interventions will be created.

**Explain how each intervention meets the Communities and Place investment priority. Give evidence where possible, including why it is value money and the outcomes you want to deliver.**

N/A

**Do you consider that any of these interventions may provide a subsidy to potential recipients of the funding under the intervention's planned activity?**  
**All bids must also consider how they will deliver in line with subsidy control as [set out in the guidance](#).**

Yes

No

**Detail the assessment you undertook to consider whether the intervention is a subsidy and any specific measures you will take to make sure the subsidy is permitted.**

N/A

**HAVE YOU ALREADY IDENTIFIED ANY PROJECTS WHICH FALL UNDER THE COMMUNITIES AND PLACE INVESTMENT PRIORITY?**

**Describe these projects, including how they fall under the Communities and Place investment priority and the location of the proposed project.**

Several different projects have been identified.

**Visitor Economy Projects**

1.Crown Wharf Theatre - Stone

The exterior structure of the Theatre has been completed and the Crown Wharf Theatre Charity has raised some £330,000 and completed much of the interior work, including electrical "first fix", procured second-hand seating, lighting rig, and plaster boarding of changing rooms etc. The group is seeking funding for an air handling unit (a legal requirement to open the theatre) and other fittings to complete this tourist and cultural destination. The theatre will be home to many local drama, dance and other groups and provide a venue for commercial artists to encourage more visitors to our 'Canal Town'.

This project will deliver the Community and Place Investment priority by underpinning the following interventions E1 and E2.

2.Upgrade of Westbridge Car Parks - Stone

The Park is an exciting destination park which over the last few years has seen major improvements in the leisure offer for the town and its surrounding communities,' complementing the leisure centre and swimming pool which opened on the site in 2019 as part of a £9 million scheme. The Park is currently seeing improved facilities for youngsters, a multi-use games area, wheeled sports provision, outdoor gym equipment, as well as toilets, picnic and seating areas, enhanced pathways, and landscaping. Key space for local events and existing football provision will also be incorporated into the design.

The existing surfaces to the car park are of a temporary nature and will need to be upgraded to accommodate the increased usage, and to provide improved parking for users of the park. The council will enhance the car parks on site to make them clean, safe, and easy to use. This destination site in its entirety will help to boost not only the area as a tourist/visitor destination but help to boost the local economy, given it is adjacent to the town centre.

This project will deliver the Community and Place Investment priority by underpinning the following interventions E1 and E2.

### 3. Scout Building - Stone

The old pump house has provided a valuable meeting place for the thriving scout group for many years and home to the Town Band and community events. The building has space to allow a range of activities, including a climbing wall and band rehearsals. There is storage for camping and canoeing equipment for the Scouts and musical instruments for the Town Band.

The building is on a long-term lease to the Scouts from the Council on a full repairing lease. The Scouts and their parents have in recent years replaced the roof at a cost of circa £30,000 and the Council has replaced some windows and made other improvements. However, the original floor slab has deteriorated significantly making the building unusable. The Scouts have no funding themselves to refurbish.

The proposed works will include the replacement of the disintegrating floor slab in the main hall, refurbishment of areas of the interior (probably toilets and entrance area).

This project will deliver the Community and Place Investment priority by underpinning the following interventions E1 and E2.

### 4. Visitor Promotional Campaigns – Stafford Borough

An opportunity exists to build on a project that was created and supported by the 'Welcome Back Fund'. The 'Our Beautiful Borough' campaign (OBB) involved a dedicated web site, social media advertising, website promotions (google etc), billboard advertising, adverts in local magazines, leaflets in tourist attractions, vinyls in bus shelters and shops. These featured the three main towns in the borough being Stafford, Stone and Eccleshall showcasing places to eat, buy and do business with. This was set up in response to the effect of the pandemic and the coming out of lockdown.

The assets that were created remain in place but there is a need to update them and not to lose the successful impact of the work that has already been achieved. The OBB campaign in addition to helping drive people to the borough, will also help to attract new employees to take up vacancies, raise awareness of the borough but also support local businesses in retail hospitality and leisure.

This project will deliver the Community and Place Investment priority by underpinning the following intervention E8.

### **Stafford Town Centre Transformation Projects**

There is the opportunity to support the transformation of Stafford Town Centre utilising our UKSPF allocation and 4 major projects have been identified:

1. [REDACTED]

Further investment to support the remediation [REDACTED] the North end of town, an area that has been significantly adversely impacted by the change in shopping habits and more recently the after effects of the pandemic.

This project will deliver the Community and Place Investment priority by underpinning the following intervention E5.

### 2. Staffordshire History Centre

As part of a larger project to bring forward a re-purposed building, development of a 'Green' walkway through the Staffordshire History Centre (SHC) site from North Walls in the north end of Stafford Town Centre through to Eastgate Street heading southwards in the town centre. This public realm improvement scheme will link with on-going or planned projects which are intended to provide for better pedestrian connectivity in and around the town centre as well as enhance the overall environment.

This project will deliver the Community and Place Investment priority by underpinning the following interventions E3 and E4.

### 3. Night-time Economy

Feature Lighting to create a coherent scheme designed to highlight the architectural merit of our most attractive buildings. In addition to the feature lighting there will be further pea lighting along treelined walkways to enhance the evening economy.

This project will deliver the Community and Place Investment priority by underpinning the following interventions E1 and E4.

### 4. Stafford Station Gateway masterplan

The Stafford Station Gateway site is a key corporate objective being progressed by the Borough Council with partners. Stafford Gateway will deliver a dynamic and high profile town centre mixed use development which will complement other town centre renewal plans. An opportunity to take advantage of the opportunities presented to Stafford for growth as a result of High Speed 2 rail services becoming accessible.

The 28-hectare site is located next to the Stafford railway station and was home to manufacturing, industrial and rail-related use - with much of it now ceased.

Developers have already shown interest in the site which could see 650 apartments, 150 houses, and a new multi storey car park with 1400 spaces. Leading leisure chains have already expressed an interest in building a hotel with conferencing facilities.

Improvements would see another entrance to open up the railway station on both sides and enhanced walking and cycle routes through to the town centre.

There is an opportunity to use UKSPF monies to part fund the acquisition of land in and around the Stafford Station Gateway as part of the transformation of 28 hectares of land next to the town's railway station.

This project will deliver the Community and Place Investment priority by underpinning the following intervention E1.

## **Climate Change Projects**

### Stone Leisure Centre Solar Panels - Stone

This project involves installing solar panels on the roof of the council owned Stone Leisure Centre. This will help support the Communities and Place Investment priorities by reducing greenhouse gas emissions and helping towards achieving the national net zero target. In addition to this, there will also be financial savings to the running cost of the leisure centre allowing these savings to support other costs e.g., sports provision etc.

In 2019/2020, the energy use of all Freedom Leisure managed assets (of which Stone Leisure Centre is among them) contributed 1,103 tonnes of carbon to the overall footprint of the council.

This project will deliver the Community and Place Investment priority by underpinning the following intervention: E2.

**Do you consider these projects may provide a subsidy to potential recipients of the funding under the proposed planned activity?**

**All bids must also consider how they will deliver in line with subsidy control as [set out in the guidance](#).**

Yes ✓

No N/A

**Detail the assessment you undertook to consider whether the proposed projects constitute a subsidy and any specific measures you will take to make sure the subsidy is permitted.**

All projects in this section that involve a potential subsidy to recipients are less than the minimum financial assistance of £325,000 apart from the Crown Wharf Theatre project. Looking at the Crown Wharf project - and four criteria for a subsidy

The support measure:

1. Constitutes a financial contribution in the form of a grant
2. Confers an economic advantage
3. Is specific insofar as it benefits as a matter of law or fact certain economic actors over others in relation to the production of certain goods or services
4. However we do not see it has the potential to cause a distortion or harm to competition, trade or investment. The application is for a grant to a small local charity, and extremely unlikely to impact outside of Stone. This is explained in more detail below.

There is a **specific public policy objective** behind applying for UKSPF funding for the Crown Wharf i.e. as the UKSPF Investment Priority Communities and Place. Cultural investment in a local community to act as a catalyst for further local investment is key to:

- Create a social and cultural hub, enabling people to reconnect and build social capital
- Create additional footfall across the town's day and night-time economies, helping Stone to build back better post Covid-19
- Build a workforce of volunteers to support community events and activities
- Deliver a varied programme of activities, learning and cultural events, supporting other charities and community groups to develop and grow

The **rationale for this intervention or funding** is that the scale of the required regeneration requires additional financial assistance that cannot be fully covered by either the private or public sector. Fundraising has continued however this will not meet the urgent need of the project to become fully active.

The **rationale** for the intervention is to:

- Support the current range of arts education in Stone
- Ensure the auditorium shell in to a fully operational, flexible, multi-purpose community space
- Deliver an accessible and fit for purpose facility to encourage new groups/activities
- Increase footfall and length of stay in the town
- Offer a quality destination between the canal-side Taphouse, Heritage Centre and Crown Wharf Theatre

The **desired outcomes** of the intervention are to:

- Create a hub for older people to meet, connect and share their interests including holding regular afternoon film screenings and discounted tickets being made available
- Offer children diverse learning experiences whilst providing parents flexibility during the holidays
- Deliver a varied programme of activities, learning and cultural events
- Support other charities and community groups to grow and develop
- Connect people, learning new skills, developing health and wellbeing across the community and fostering a sense of belonging and self worth

The **subsidy or scheme is proportionate** as it would allow the charity to deliver on the crucial final phase. Much of the groundwork, including significant private sector investment, planning,

construction, engagement and general fundraising was completed before and during the pandemic. As a result of the pandemic and the capital funding streams not being available there is a gap in funding. This injection of new funding would offer a genuine kickstart at this crucial moment in attracting further investment into the town and contributing to recovery our the visitor economy.

The application is for a grant to a small local charity, and extremely unlikely to impact outside of Stone.

In terms of **economic behaviour change** the subsidy will provide a quality town centre destination, offering a diverse mix of cultural events and learning opportunities currently entirely absent.

Attracting more economically active visitors will generate significant economic multipliers for the towns array of independent shops, cafes and restaurants.

The global pandemic has had a major impact upon charitable funding for cultural projects and particular funding available to support development of new facilities. Without the UKSPF grant the completion of the project is in jeopardy.

The types of costs the subsidy is to be used to support include:

- Auditorium heating, ventilation and air conditioning system
- Theatrical lighting fixtures
- Sound system infrastructure
- Community cinema projector and screen
- Access and workshop equipment
- Fit out of changing rooms
- Raked seating

These costs have been provided by the proposed recipient.

The subsidy is an **appropriate policy instrument** as no further loans or grants are available at this time. The project needs the final grant monies to fit out the auditorium and open as a local community hub.

Significant private sector funding (£600,000) has seen the shell of the new auditorium and back house facilities built. Stone Town Hall Charity Trust provided £50,000 and further funding has been received from HS2. The project cannot be achieved through less distortive means.

The grant would have **no negative effect on trade or investment between the UK and the EU** as it is a small subsidy to a local charity and extremely unlikely to affect international trade.

There are many positive effects including:

- Creating a social and cultural hub, enabling people to reconnect and build social capital
- Generating additional footfall across the towns day and night-time economies, helping Stone to build back better post Covid-19
- Build a workforce of volunteers to support community events and activities
- Delivering a varied programme of activities, learning and cultural events, supporting other charities and community groups to develop and grow
- Offering a quality destination between the canal-side Taphouse, Heritage Centre and Crown Wharf Theatre
- Supporting the current range of arts education in Stone
- Delivering an accessible and fit for purpose facility to encourage new groups/activities
- Increasing footfall and length of stay in the town

The charity is not an ailing or insolvent business, a bank, credit institution or insurance company, or an air carrier, or insurance company.

**WHAT ARE THE OUTCOMES YOU WANT TO DELIVER UNDER THE SUPPORTING LOCAL BUSINESS INVESTMENT PRIORITY? SELECT ALL THAT APPLY.**

<b>Outcome</b>	<b>Tick if applicable</b>
Jobs created	
Jobs safeguarded	
Increased footfall	
Increased visitor numbers	
Reduced vacancy rates	
Greenhouse gas reductions	
Number of new businesses created	
Improved perception of markets	
Increased business sustainability	
Increased number of businesses supported	
Increased amount of investment	✓
Improved perception of attractions	
Number of businesses introducing new products to the firm	
Number of organisations engaged in new knowledge transfer activity	
Number of premises with improved digital connectivity	
Number of businesses adopting new to the firm technologies or processes	✓
Number of new to market products	
Number of R&D active businesses	
Increased number of innovation active SMEs	
Number of businesses adopting new or improved products or services	✓
Increased number of innovation plans developed	
Number of early-stage firms which increase their revenue following support	
Number of businesses engaged in new markets	
Number of businesses engaged in new markets	
Number of businesses increasing their export capability	
Increased amount of low or zero carbon energy infrastructure installed	
Number of businesses with improved productivity	
Increased number of projects arising from funded feasibility studies	
Increased number of properties better protected from flooding and coastal erosion	
None of the above	

**SELECT THE INTERVENTIONS YOU INTEND TO USE WHICH MEET THE SUPPORTING LOCAL BUSINESS INVESTMENT PRIORITY. YOU CAN SELECT AS MANY AS YOU LIKE.**

**Intervention**

*A full list of nation-specific interventions is available in the relevant annex to the Prospectus.*

E18: Supporting Made Smarter Adoption: Providing tailored expert advice, matched grants and leadership training to enable manufacturing SMEs to adopt industrial digital technology solutions including artificial intelligence; robotics and autonomous systems; additive manufacturing; industrial internet of things; virtual reality; data analytics. The support is proven to leverage high levels of private investment into technologies that drive growth, productivity, efficiency and resilience in manufacturing.

E20: Research and development grants supporting the development of innovative products and services.

E22: Investing in enterprise infrastructure and employment/innovation site development projects. This can help to unlock site development projects which will support growth in places



E29: Supporting decarbonisation and improving the natural environment whilst growing the local economy. Taking a whole systems approach to invest in infrastructure to deliver effective decarbonisation across energy, buildings, and transport and beyond, in line with our legally binding climate target. Maximising existing or emerging local strengths in low carbon technologies, goods and services to take advantage of the growing global opportunity.

**DO YOU PLAN TO USE ANY INTERVENTIONS NOT INCLUDED IN THE SUPPORTING LOCAL BUSINESS LIST?**

**State the name of each of these additional interventions and a brief description of each of these**

No bespoke interventions are being considered at this stage.

**Explain how each intervention meets the Supporting Local Business investment priority. Give evidence where possible, including why it is value money and the outcomes you want to deliver.**

N/A

**Do you consider that any of these interventions may provide a subsidy to potential recipients of the funding under the intervention’s planned activity? All bids must also consider how they will deliver in line with subsidy control as [set out in the guidance](#).**

Yes

No

**Detail the assessment you undertook to consider whether the intervention is a subsidy and any specific measures you will take to make sure the subsidy is permitted.**

N/A

**HAVE YOU ALREADY IDENTIFIED ANY PROJECTS WHICH FALL UNDER THE SUPPORTING LOCAL BUSINESS INVESTMENT PRIORITY?**

**Describe these projects, including how they fall under the Supporting Local Business investment priority and the location of the proposed project.**

**Innovation Project**

Newcastle and Stafford Colleges Group (NSCG) is proposing to deliver a Technology Innovation Business Hub in Stafford to complement the proposed Institute of Technology. This hub will create a flexible business space to support the growth and development of new, embryonic technology and science businesses into competitive, impactful organisations.

This proposal will trigger further development of several exciting, innovative new technology and science businesses and associated high-value jobs in Stafford over the coming years, supporting the creation of a high-performance industries cluster, contributing to thriving and exciting future for the town.

Examples of how Stafford Town will benefit are included below:

- Two purpose-built technology/science businesses are expected to develop into significant, high-value companies.
- The creation of high skilled job roles for Stafford and its residents.
- Regenerating an under-developed part of Stafford town to create a new, exciting technology/science business and innovation cluster.
- Encourage other established high-value technology businesses to consider Stafford as THE place to be in the North Midlands.
- Increasing the presence in the town of Keele University alongside the IoT, reaffirming Stafford as a learning town.

Businesses will benefit from:

- Access to competitive specialist training & development from the IoT and Keele University including engineering & advanced manufacture; advanced construction engineering; digital, artificial intelligence and cyber; health technology and sciences; sustainability.
- Access to business development advice and support from the IoT and Keele University.
- Knowledge transfer support through the IoT, Keele University and associated partners.
- State of the art accommodation and facilities
- Being at the heart of a growing technology and science network facilitated through the IoT.
- Support from the IoT and Keele University to access other technology/science companies and other business support networks.

This project will deliver the Supporting Local Business Investment priority by underpinning the following intervention: E22.

## **Climate Change Project**

### Green Solutions Scheme

Staffordshire County Council has put forward a proposal for a 'Green Solutions' scheme which the County Council are planning to co-fund alongside partners.

This will involve providing for businesses grants and includes support through other 'green business tools' such as the Carbon Tracker and SUSTAINABILITY mapper. These will help businesses analyse, understand and respond to their carbon footprint.

This will help support the Communities and Place Investment priority by reducing greenhouse gas emissions and helping towards achieving the national net zero target. In addition to this it will also help support the viability of our local business community regardless of the type of business they are.

This project will deliver the Supporting Local Business Investment priority by underpinning the following intervention: E29.

## **Rural Economy Projects**

### Rural Business Feasibility Study

The concept of a Rural Enterprise Centre providing a base from which more rural business can start up and grow, access technologies, information and advice is a good one and has been developed across the UK. A focal point which serves new businesses and existing can give a boost to local communities and unlock the economic potential of rural areas.

Such a facility would be suitable for both coworking and private office arrangements and will help farm and rural businesses to develop into innovative, profitable, and market-led enterprises.

Our adopted Local Plan details promoting Stafford Borough as a location for new business start-ups, new enterprise and incubator units, and Information Technology capacity sectors in urban and rural areas that are in accordance with other elements of the development strategy.

We are proposing to commission a feasibility report to understand the demand for such a centre in the Borough and to uncover suitable locations.

This project will deliver the Supporting Local Business Investment priority by underpinning the following intervention: E22.

### Rural Business Grant

It's clear that most of the current business support programmes funded by ERDF (European Regional Development Fund) and will cease in June of 2023. This will leave a gap in funding for our rural businesses in terms of business growth grants. There is concern that there will be very little in the way of support to signpost our rural businesses to.

We are proposing to develop a rural business grant scheme to support growth with wrap around business support tailored to our rural SMEs who are selling business to business including those in the supply chain.

The grant will provide a £5,000 payment to support

- Taking on an apprentice (s)
- Marketing of a new product or service
- Costs of taking on additional space
- Upskilling of existing employees
- Purchasing of new capital equipment
- New Product/Service design and associate consultancy
- Planning applications
- 

Businesses will have to demonstrate their growth plans and an element of match funding.

Evidence suggests that there will be demand. Following on from the success of our Additional Restrictions Grant, we have received numerous requests for grants to support growth and development.

This project will deliver the Supporting Local Business Investment priority by underpinning the following interventions: E18 and E20.

**Do you consider these projects may provide a subsidy to potential recipients of the funding under the proposed planned activity?**

**All bids must also consider how they will deliver in line with subsidy control as [set out in the guidance](#).**

Yes X	No
-------	----

**Detail the assessment you undertook to consider whether the proposed projects constitute a subsidy and any specific measures you will take to make sure the subsidy is permitted.**

Projects in this section fall below the minimum financial assistance limit of £325,000 apart from the Innovation project.

The four criteria for a subsidy have been met as follows.

The support measure:

- Constitutes a financial contribution in the form of a grant

- Confers an economic advantage
- Is specific insofar as it benefits as a matter of law or fact certain economic actors over others in relation to the production of certain goods or services
- However we do not see it has the potential to cause a distortion or harm to competition, trade or investment, as it is extremely unlikely to impact outside Stafford. This is explained in more detail below.
- 

There is a **specific public policy objective** behind applying for UKSPF funding i.e -the UKSPF Investment Priority Supporting Local Businesses, in particular investing in enterprise infrastructure and innovation site development projects.

The Technology Innovation Business Hub will:

- Create two purpose-built technology/science businesses are expected to develop into significant, high-value companies.
- Create high skilled job roles for Stafford and its residents.
- Regenerate an under-developed part of Stafford town
- Create a new, exciting technology/science business and innovation cluster.
- Encourage other established high-value technology businesses to consider Stafford as THE place to be in the North Midlands.
- Increase the presence in the town of Keele University alongside the Institute of Technology, reaffirming Stafford as a learning town.

The scale of the required regeneration requires additional financial assistance that cannot be fully covered by either the private or public sector.

The **rationale** for the intervention is to:

1. Promote the Borough as a leading place for innovation there is support for a facility to sustain and encourage entrepreneurship and development of new companies and goods/services.
2. Deliver a Technology Innovation Business Hub to complement the proposed Institute of Technology.
3. Create a flexible business space to support the growth and development of new, embryonic technology and science businesses into competitive, impactful organisations.
4. Benefit businesses by providing ready access to specialist technical and business development expertise provided by the IoT and Keele University.
5. Trigger further development of several exciting, innovative new technology and science businesses and associated high-value jobs in Stafford over the coming years
6. Support the creation of a high-performance industries cluster, contributing to thriving and exciting future for the town.

The **desired outcomes of the intervention** are to provide businesses and entrepreneurs with:

- Access to competitive specialist training & development from the IoT and Keele University including:  
engineering & advanced manufacture; advanced construction engineering;  
digital, artificial intelligence and cyber; health technology and sciences;  
sustainability.
- Access to business development advice and support from the IoT and Keele University.

- Knowledge transfer support through the IoT, Keele University and associated partners.
- State of the art accommodation and facilities
- Being at the heart of a growing technology and science network facilitated through the IoT.
- Support from the IoT and Keele University to access other technology/science companies and other business support networks.

The **subsidy or scheme is proportionate** as it would allow the college to deliver on a **£3,398,218.00** scheme.

This **specific level of intervention is necessary**. The existing buildings on site are a mixture of two and single storey units. These buildings are of poor quality technically, and functionally are not suitable to house an TIBH and would be demolished. Due to the current usage of the site, all services, foundations and other such obstructions associated with the existing buildings are to be cleared as part of the demolition process.

UKSPF investment at this stage of £1 million would contribute to the sub structure work (excavation and disposal, piled foundations, pile caps, ground beams and suspended ground slab) and partly towards the superstructure to kick start the project.

The application for a grant is **extremely unlikely to impact outside of Stafford** town centre.

In terms of **economic behaviour change** the subsidy will provide a flexible business space to support the growth and development of new, embryonic technology and science businesses into competitive, impactful organisations. The development would also support local independent shops, cafes and restaurants and provide investment to upskill people in the region.

This **behaviour would not be achieved in the absence of the subsidy** as funding is required to support the delivery and construction of the Innovation Centre. Without the grant the whole project is in jeopardy and may not start.

The types of costs the subsidy is to be used to support include:

- Excavation and disposal, piled foundations, pile caps, ground beams and suspended ground slab.
- Braced structural steel frame, fire protected and encased.
- Concrete slabs on metal decking to composite steel beams.
- Concrete roof deck to plant areas, insulation and associated drainage either gravity or syphonic. Mansafe or equivalent maintenance system, walkway tiles.
- Core staircases in precast reinforced concrete with half landings.
- Aluminium double glazed curtain walling system.
- Internal, doors, walls & Partitions

These costs have been provided by the recipient via Avison Young RIBA Stage 2 report.

The **subsidy is an appropriate policy instrument** as no further loans or grants are available at this time. The project needs the grant monies to kickstart the development of the hub and cannot be achieved through less distortive means.

The grant would have no **negative effect on trade or investment between the UK and the EU as it is a grant to a local educational establishment.**

There are many positive effects including:

- Offering high-end technology/business facilities which will be made available to local start-up businesses undertaking research and development for innovative activities
- The creation of high skilled job roles for Stafford and its residents.
- Regenerating an under-developed part of Stafford town to create a new, exciting
- technology/science business and innovation cluster.

- Encouraging other established high-value technology businesses to consider Stafford as THE place to be in the North Midlands.
- Increasing the presence in the town of Keele University alongside the IoT, reaffirming Stafford as a learning town.

The College is not an ailing or insolvent business, a bank, credit institution or insurance company, or an air carrier, or insurance company.

**WHAT ARE THE OUTCOMES YOU WANT TO DELIVER UNDER THE PEOPLE AND SKILLS INVESTMENT PRIORITY? SELECT ALL THAT APPLY.**

<b>Outcome</b>	<b>Tick if applicable</b>
Number of economically inactive individuals in receipt of benefits they are entitled to following support	
Increased active or sustained participants of UKSPF beneficiaries in community groups [and/or] increased employability through development of interpersonal skills	
Increased proportion of participants with basic skills (English, maths, digital and ESOL)	
Number of people in supported employment [and] number of people engaging with mainstream healthcare services	
Number of people sustaining engagement with keyworker support and additional services	
Number of people engaged in job-searching following support	
Number of people in employment, including self-employment, following support	
Number of people sustaining employment for 6 months	
Increased employment, skills and/or UKSPF objectives incorporated into local area corporate governance	
Number of people in education/training	
Increased number of people with basic skills (English, maths, digital and ESOL)	
Fewer people facing structural barriers into employment and into skills provision	
Increased number of people familiarised with employers' expectations, including, standards of behaviour in the workplace	
Fewer people facing structural barriers into employment and into skills provision	
Number of people gaining a qualification or completing a course following support	
Number of people gaining qualifications, licences, and skills	
Number of economically active individuals engaged in mainstream skills education, and training.	
Number of people engaged in life skills support following interventions	
Number of people with proficiency in pre-employment and interpersonal skills (relationship, organisational and anger-management, interviewing, CV and job application writing)	

<b>Multiply only</b> - Increased number of adults achieving maths qualifications up to, and including, Level 2.	
<b>Multiply only</b> - Increased number of adults participating in maths qualifications and courses up to, and including, Level 2.	
None of the above	✓

**SELECT THE INTERVENTIONS YOU INTEND TO USE WHICH MEET THE PEOPLE AND SKILLS INVESTMENT PRIORITY. YOU CAN SELECT AS MANY AS YOU LIKE.**

**Intervention**

*A full list of nation-specific interventions is available in the relevant annex to the Prospectus.*

N/A


**DO YOU PLAN TO USE ANY INTERVENTIONS NOT INCLUDED IN THE PEOPLE AND SKILLS LIST?**

**State the name of each of these additional interventions and a brief description of each of these**

N/A

**Explain how each intervention meets the People and Skills investment priority. Give evidence where possible, including why it is value money and the outcomes you want to deliver.**

N/A

**Do you consider that any of these interventions may provide a subsidy to potential recipients of the funding under the intervention's planned activity? All bids must also consider how they will deliver in line with subsidy control as [set out in the guidance](#).**

Yes

No

**Detail the assessment you undertook to consider whether the intervention is a subsidy and any specific measures you will take to make sure the subsidy is permitted.**

N/A

**ENGLAND ONLY:** People and Skills interventions can only be used in 2022-2023 and 2023-2024 if you have identified a local voluntary and community provision, previously supported by the European Social Fund, at risk of closure. If you have not identified a suitable provision, you will not be able to select interventions for 2022-2023 and 2023-2024 and your investment plan will not be approved.

**HAVE YOU ALREADY IDENTIFIED ANY PROJECTS for 2024-2025 WHICH FALL UNDER THE PEOPLE AND SKILLS INVESTMENT PRIORITY?**

No

**Describe the projects for 2024-25, including how they fall under the People and Skills investment priority and the location of the proposed project.**

N/A

**Do you consider these projects may provide a subsidy to potential recipients of the funding under the proposed planned activity?**

**All bids must also consider how they will deliver in line with subsidy control as [set out in the guidance](#).**

Yes N/A

**Detail the assessment you undertook to consider whether the proposed projects constitute a subsidy and any specific measures you will take to make sure the subsidy is permitted.**

N/A

**HAVE YOU IDENTIFIED A LOCAL VOLUNTARY PROVISION AT RISK AS PART OF YOUR PEOPLE AND SKILLS INVESTMENT PRIORITIES?**

Yes

No ✓

**(If Yes) Describe the local voluntary provision at risk and your rationale for supporting it.**

N/A

**Provide the European Social Fund Project Names and Project References for this voluntary and community provision at risk.**

N/A

**What year do you intend to fund these projects? Select all that apply.**

2022-2023 N/A

2023-2024 N/A

2024-2025 N/A

**Describe the projects for 2022-2023 and 2023-2024, including how they fall under the People and Skills investment priority and the location of the proposed project.**

N/A

**Do you consider these projects may provide a subsidy to potential recipients of the funding under the proposed planned activity?**



<b>All bids must also consider how they will deliver in line with subsidy control as <a href="#">set out in the guidance</a>.</b>	
Yes N/A	No N/A
<b>Detail the assessment you undertook to consider whether the proposed projects constitute a subsidy and any specific measures you will take to make sure the subsidy is permitted.</b>	
N/A	

<b>SCOTLAND, WALES &amp; NORTHERN IRELAND ONLY</b>	
<b>HAVE YOU ALREADY IDENTIFIED ANY PROJECTS WHICH FALL UNDER THE PEOPLE AND SKILLS INVESTMENT PRIORITY?</b>	
Yes	No
<b>Describe the projects, including how they fall under the People and Skills investment priority and the location of the proposed project.</b>	
N/A	
<b>Do you consider these projects may provide a subsidy to potential recipients of the funding under the proposed planned activity?</b>	
<b>All bids must also consider how they will deliver in line with subsidy control as <a href="#">set out in the guidance</a>.</b>	
Yes N/A	No N/A
<b>Detail the assessment you undertook to consider whether the proposed projects constitute a subsidy and any specific measures you will take to make sure the subsidy is permitted.</b>	
N/A	

### Approach to delivery and governance

In this section, we will ask you about:

- Structures you have in place to support delivery
- Support you have from stakeholders and the local community
- How you've engaged with MPs as part of your investment plan
- Opportunities you have identified to work with other places

Places need to show how MPs that cover the lead local authority have been engaged on the investment plan and whether they support it. More detail on the role of MPs can be found [here](#).

<b>STAKEHOLDER ENGAGEMENT AND SUPPORT</b>		
<b>Have you engaged with any of the following as part of your investment plan? Select all that apply.</b>		
Public sector organisations ✓	Private sector organisations ✓	Civil society organisations ✓
<b>Describe how you have engaged with any of these organisations. Give examples where possible.</b>		

The Borough Council has been working on a continual basis with partners across Staffordshire to begin the process of delivering opportunities presented by the UKSPF.

As well as internal briefings given to the Borough Council's Members and Leadership team, a wide range of external partners and stakeholders have been engaged.

Below are engagement activities:

- Meeting on 20 May 2022 with Staffordshire Growth and Infrastructure Engagement Partnership (SGRIP) and Community Wellbeing Partnership (CWP)
- Monthly Staffordshire Means Back to Business Board meeting
- Monthly Destination Management Partnership Board meeting
- Monthly Destination Management Partnership Stakeholder meetings
- Monthly Staffordshire Economic Development Officers Group meetings
- Cabinet briefing on 1<sup>st</sup> July
- Leadership Team briefing on 20<sup>th</sup> July
- Regular updates to Staffordshire Chamber of Commerce
- Engagement with Keele University and Staffordshire University Business, Innovation & Enterprise teams
- Engagement with SCC Skills, Funding, Business & Enterprise teams

#### UKSPF Stakeholder/Partners

- Theo Clarke MP and Sir William Cash MP
- Staffordshire County Council
- Staffordshire University
- Stafford and Newcastle College Group
- Staffordshire Chambers of Commerce
- Staffordshire Fire
- Staffordshire Police
- University of Wolverhampton
- Keele University
- Staffordshire Business Innovation Centre
- Staffordshire Economic Development Officers Group
- Stoke on Trent and Staffordshire LEP
- Manufacturing Growth Programme
- Staffordshire Business & Environmental Network
- Homes England
- Care Plus
- Enterprise Support (Building Better Opportunities)
- Internal SBC Services

All meeting attendees were briefed on UKSPF and its opportunities and encouraged to suggest potential projects which could be funded through the UKSPF which is running in parallel with round 2 of the Levelling Up Fund (LUF2)

Potential stakeholders/partners have been invited to submit projects which they thought would help address some of the challenges that the borough faces.

Stafford Borough has two MPs Theo Clark MP for Stafford and Sir Bill Cash MP for Stone. Whilst they are not members of SGRIP, they have been engaged in terms of reviewing intentions of Stafford Borough's UKSPF. They will continue to be engaged with regular updates and reviews by the Programme Manager of the Delivery Team.

**Summarise the governance structures you have in place, including how any advisory panels or associated partnership groups are made up**

The overarching partnership for Stafford Borough's UKSPF, is the Stafford Growth, Regeneration & Infrastructure Partnership (SGRIP).

SGRIPS vision is:

"To underpin, grow and enhance Stafford's status as the County Town in Staffordshire, along with Stone and the rural villages, delivering quality well designed homes in an environmentally sensitive setting, an attractive place where it is good to live, employment opportunities and a skilled workforce that is well positioned to drive forward and benefit from growth opportunities.

SGRIP members include:

- Stafford Borough Council
- Staffordshire County Council
- Staffordshire Police/POCC
- Homes England
- Staffordshire Chambers of Commerce
- Stafford College
- Stafford Borough Town Centre Partnership
- Stafford and Rural Homes
- Staffordshire Fire and Rescue Service

SGRIP has its own Terms of Reference which is available upon request.

## **Governance**

Governance for SGRIP involves:

- Senior elected members for Stafford Borough Council and Staffordshire County Council meeting on a 6 monthly basis or as appropriate. This group is responsible for making key decisions on, and overseeing, development opportunities and initiatives and how they may impact on partnership priorities and strategies.
- Senior officers from the member organisations, meeting on a bi-monthly basis to co-ordinate the delivery of the key development initiatives.
- These delivery groups will report progress bi-monthly to the senior officers group.
- The Stafford Growth & Infrastructure Partnership reports to and informs the Stafford Local Strategic Partnership of progress.

Governance for delivery of the UKSPF involves:

At inception of any contract with suppliers, the strategic objectives will form part of the Terms of Reference and all associated reporting requirements for finance, project delivery, risk, audit, communications, and procurement will be accountable against the overarching principles of UKSPF.

The Project Delivery Team will be responsible for the management of contracts with suppliers.

The Project Delivery Team will consist of:

- Martyne Manning, Programme Manager
- Mary Timmis, Project Manager
- Project Support Officer – yet to be recruited
- Jo McCloy, Finance
- Will Conaghan, Communications
- Simon Turner, Legal
- Clair Smith, Property Services
- Tracy Redpath, Corporate Business & Partnerships

- Officers of SCC Economy, Infrastructure & Skills Teams

## **Delivery**

- All suppliers will have been required to go through a procurement process, ascertaining their suitability prior to engagement and contract commencement.
- All outputs and outcomes forming part of the UKSPF bid, will be set out in relevant contracts with key suppliers and inhouse delivery teams.
- Contract Management will be through Monthly meetings, consisting of the Project Delivery Team.
- All suppliers will be expected to complete full risk management, identifying risks and mitigations, accessible to all members of the Delivery Team always.
- All suppliers and in house teams will be expected to provide full action logs, available for access by all members of the Delivery Team always.
- Monthly meetings to be held with suppliers/ contractor/inhouse teams as a minimum, with further meetings on an ad hoc basis as required.
- The Project Delivery Team will track all actions against agreed outputs and outcomes identified at the commencement of the project.
- Monthly meetings with the Head of Development to advise on progress and agree any actions if required.
- The Project Delivery Team's Programme Manager will report to SGRIP.

## **Expenditure & Deliverables**

### Procurement

Stafford Borough Council will lead the procurement and management of the appointed delivery partners. A call down agreement will be put in place between the Borough Council (as the holder of the funds) and the delivery partners.

Stafford Borough Council has a good track record in administering high value projects. Future High Street Funding, Lottery Funded Heritage Grant, Additional Restriction Grant, Welcome Back Fund to name but a few.

### Grants

Projects identified where a grant will be awarded to support the delivery of the project will be financed via a straight transfer of funds and formalised via a funding agreement detailing key terms, the amount, what it is eligible to be spent on and confirmation of the outputs being delivered.

### Capability & Resource

The in-house Business Engagement Team has been instrumental in delivery of the Covid-19 Additional Restrictions Grant. The scheme has delivered the following to support those businesses who were ineligible for mandatory Covid-19 payments:

- £4,200,000 ARG paid to businesses
- 15 policies written and approved for local discretionary payments
- 10,000 business support email enquiries received
- 30 Start-ups supported with one-to-one advice

Running concurrently to ARG was the Re-Opening High Streets and Welcome Back Fund ERDF schemes that were also developed and delivered by the inhouse Business Engagement Team in conjunction with external partners.

All administration, reporting of outputs/outcomes, financial information, engagement with recipients and delivery partners, credit monitoring, fraud checks were all carried out inhouse for both projects.

An audit has been undertaken of capabilities across the team, and there has been a skills gap identified which will be plugged via recruitment of an additional officer dedicated to support the delivery of our UKSPF programmes. Most of the interventions will be delivered by partners and a dedicated officer is required to manage the programme on a day-to-day basis.

**Confirm all MPs covering your lead local authority have been invited to join the local partnership group.**

Yes  No

**Are there MPs who are not supportive of your investment plan?**

Yes  No

**(If Yes) Who are the MPs that are not supportive and outline their reasons why.**

N/A

## PROJECT SELECTION

**Are you intending to select projects in any way other than by competition for funding?**

Yes  No

**(If Yes) Describe your approach to selecting projects, and why you intend to do it this way.**

A number of partners and stakeholders presented opportunities for funding from UKSPF these in the main were business support programmes. Many of these if not all are currently being funded by ERDF allocations and therefore we discounted them as not being best value for money having funding currently in place. There was no guarantee that these programmes would deliver after EU funding ceased.

There are 3 projects that we wish to select that can only be delivered by the potential recipient of the grant. Business cases have been provided to support this

These will be awarded under the grant guidelines of:

Uncompleted (or 'direct') award - by exception, a grant may be awarded without competition - in such instances, strong justification must be provided in the business case and approved at the appropriate level in the organisation.

Other projects are those that the Council can deliver and have been selected based on how they support our overall arching strategy whilst meeting the UKSPF requirement of Communities and Place and Local Business Support.

**DO YOU INTEND TO WORK WITH OTHER PLACES ON ANY OF THE INTERVENTIONS WHICH FALL UNDER THE COMMUNITIES AND PLACE INVESTMENT PRIORITY?**

**Which interventions do you intend to collaborate on? Select all that apply.**



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**DO YOU INTEND TO WORK WITH OTHER PLACES ON ANY OF THE INTERVENTIONS WHICH FALL UNDER THE PEOPLE AND SKILLS INVESTMENT PRIORITY?**

**Which interventions do you intend to collaborate on? Select all that apply.**

Intervention	Tick if applicable
<i>A full list of nation-specific interventions is available in the relevant annex to the Prospectus.</i>	
N/A we will not be working with other places	

**Describe any interventions not included in this list?**

N/A

**Who are the places you intend to collaborate with?**

N/A

**PUBLIC SECTOR EQUALITY DUTY**

**How have you considered your public sector equality duty in the design of your investment plan?**

Yes, this has been considered as part of the impact assessment process and there are no known impacts.

**How will you consider your public sector equality duty when implementing your investment plan, including in the selection of projects?**

Yes, the implementation of the investment plan will be subject to a community impact assessment.

**RISKS**

**Have you identified any key risks that could affect delivery, for example lack of staff or expertise?**

Yes  | No

**(If Yes) Describe these risks or issues, including the contingency measures you have in place to mitigate them.**

Whilst Stafford Borough Council has expertise in house to programme manage UKSPF, the authority will require additional capacity to do so. It is intended therefore to recruit an additional member of staff full time to carry out this role.

<b>Have you identified any key fraud risks that could affect UKSPF delivery?</b>	
Yes	No <b>X</b>
<b>(If Yes) Describe these risks or issues, including the contingency measures you have in place to mitigate them.</b>	

### Capacity and capability

In this section, we will ask you about:

- The capacity and capability of your team to manage funding
- The resources you have in place for work related to UKSPF

Your answers here will help us know how to support you with delivery. They will not affect the amount of funding you will get.

Answer as honestly as possible.

<b>TEAM RESOURCE</b>
<b>How many people (FTE) will be put in place to work with UKSPF funding?</b>
<p>The main officers involved in bringing together the programme and monitoring its deliver at ground level will be:</p> <ul style="list-style-type: none"> <li>• Enterprise Growth Manager</li> <li>• Growth and Investment Officer</li> <li>• Project Officer</li> </ul> <p>The Delivery Structure for UKSPF will consist of a <b>Project Delivery Team</b>, responsible for the management of contracts with suppliers, reporting to the Programme Board.</p> <p>The project Delivery team will consist of:</p> <ul style="list-style-type: none"> <li>• Martyne Manning, Programme Manager</li> <li>• Mary Timmis, Project Manager</li> <li>• Project Support Officer – yet to be recruited</li> <li>• Jo McCloy, Finance</li> <li>• Will Conaghan, Comms</li> <li>• Simon Turner, Legal</li> <li>• Clair Smith, Property Services</li> <li>• Tracy Redpath, Partnerships</li> </ul> <p>All the above will help undertake delivery of the Investment Plan as part of their ongoing duties amongst others. The only role to be recruited to work full time on delivery of the Investment Plan will be the Project Support Officer.</p>
<b>Describe what role these people will have, including any seniority and experience.</b>
<p>The roles of the main officers involved in bringing together the programme and monitoring its delivery at ground level are:</p> <ul style="list-style-type: none"> <li>• The Enterprise Growth Manager will assume overall responsibility for delivery of the programme drawing on over 20 years' experience of delivering ERDF business support programmes for both entrepreneurs and enterprises.</li> </ul>



- The Growth and Investment Officer will take the role of working with our local businesses and entrepreneurs to ensure that they benefit from the programmes that are in place drawing on over 20 years' experience of delivering business support. The officer will liaise with external business support organisations to keep them informed of projects.
- The Project Officer will be newly appointed and will take the role of the day-to-day management of the project including liaison with other council colleagues and external partners delivering the various projects. Monitoring and reporting on outputs/outcomes as well as reviewing expenditure will be their responsibility reporting directly to the Enterprise Growth Manager.

- Strong capability: Has extensive experience and/or a proven track record of delivery in this area.
- Strong capacity: High degree of confidence that there is enough staffing/resource to manage funding in this area.
- Some capability: Has previous experience of delivery in this area.
- Some capacity: Confident that there is enough staffing/resource to manage funding in this area.
- Limited capability: Does not have previous experience and/or no track record of delivery in this area.
- Limited capacity: Limited confidence that there is enough staffing/resource to manage funding in this area. Additional resource may be needed to support delivery.

#### **CAPACITY AND CAPABILITY**

**How would you describe your team's current experience of delivering funding and managing growth funds?**

Very experienced ✓	Some experience	No previous experience
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**How would you describe your team's current capability to manage funding for procurement?**

Strong capability ✓	Some capability	Limited capability
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**How would you describe your team's current capability to manage funding for procurement?**

Strong capability ✓	Some capability	Limited capability
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**How would you describe your team's current capacity to manage funding for procurement?**

Strong capacity	Some capacity ✓	Limited capacity
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**How would you describe your team's current capability to manage funding for subsidies?**

Strong capability	Some capability	Limited capability ✓
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**How would you describe your team's current capacity to manage funding for subsidies?**

Strong capacity	Some capacity	Limited capacity ✓
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#### **COMMUNITIES AND PLACE CAPACITY AND CAPABILITY**

**Does your local authority have any previous experience of delivering the Communities and Place interventions you have select?**

Yes ✓	No
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**How would you describe your team's current capability to manage funding for Communities and Place interventions?**

Strong capability ✓	Some capability	Limited capability
---------------------	-----------------	--------------------

**Describe the key capability challenges (if you have any) for delivering Communities and Place interventions. This may include challenges within your local authority and/or your local/regional delivery system.**

None.

<b>Describe what further support would help address these challenges.</b>		
None		
<b>How would you describe your team's current capacity to manage funding for Communities and Place interventions?</b>		
Strong capability ✓	Some capability	Limited capability
<b>Describe the key capacity challenges (if you have any) for delivering Communities and Place interventions. This may include challenges within your local authority and/or your local/regional delivery system.</b>		
We will need to recruit a Project Officer who will carry out the day-to-day management of the project including liaison with other council colleagues and external partners delivering the various projects. Monitoring and reporting on outputs/outcomes as well as reviewing expenditure which will be reported directly to the Enterprise Growth Manager.		
<b>Describe what further support would help address these challenges.</b>		

<b>SUPPORTING LOCAL BUSINESS CAPACITY AND CAPABILITY</b>		
<b>Does your local authority have any previous experience of delivering the Supporting Local Business interventions you have select?</b>		
Yes ✓	No	
<b>How would you describe your team's current capacity to manage funding for Supporting Local Business interventions?</b>		
Strong capability ✓	Some capability	Limited capability
<b>Describe the key capacity challenges (if you have any) for delivering Supporting Local Business interventions. This may include challenges within your local authority and/or your local/regional delivery system.</b>		
None		
<b>Describe what further support would help address these challenges.</b>		
None		
<b>How would you describe your team's current capacity to manage funding for Supporting Local Business interventions?</b>		
Strong capability ✓	Some capability	Limited capability
<b>Describe the key capacity challenges (if you have any) for delivering Supporting Local Business interventions. This may include challenges within your local authority and/or your local/regional delivery system.</b>		
We will need to recruit a Project Officer for the whole programme, who will carry out the day-to-day management of the project including liaison with other council colleagues and external partners		

delivering the various projects. Monitoring and reporting on outputs/outcomes as well as reviewing expenditure which will be reported directly to the Enterprise Growth Manager.

**Describe what further support would help address these challenges.**

--

**PEOPLE AND SKILLS CAPACITY AND CAPABILITY**

**Does your local authority have any previous experience of delivering the People and Skills interventions you have select?**

Yes  No

**How would you describe your team’s current capability to manage funding for People and Skills interventions?**

Strong capability  Some capability  Limited capability

**Describe the key capability challenges (if you have any) for delivering People and Skills interventions. This may include challenges within your local authority and/or your local/regional delivery system.**

N/A

**Describe what further support would help address these challenges.**

N/A

**How would you describe your team’s current capacity to manage funding for People and Skills interventions?**

Strong capability  Some capability  Limited capability

**Describe the key capacity challenges (if you have any) for delivering People and Skills interventions. This may include challenges within your local authority and/or your local/regional delivery system.**

N/A

**Describe what further support would help address these challenges.**

N/A

**SUPPORT TO DELIVERY UKSPF**

All lead authorities can use up to 4% of their UKSPF allocation to support the delivery of their chosen interventions but by exception, lead authorities will be able to use more than 4%. Are you planning to use more than 4%?

Yes  No

**(If Yes) Explain why you wish to use more than 4%.**

Approvals

Before submitting your investment plan, you should have approval from your:

- Chief Executive Officer
- Section 151 Officer
- Leader of your lead authority

Do you have approval from your Chief Executive Officer for this investment plan?

- Yes ✓
- No

Do you have approval from your Section 151 Officer for this investment plan?

- Yes ✓
- No

Do you have approval from the leader of your lead authority for this investment plan?

- Yes ✓
- No

**If you do not have approval from any of these people, please explain why this is:**

Additional documents

You will have received an email giving you access to a folder where you will need to upload supporting evidence to your investment plan. All applicants must complete and upload the following spreadsheet to the folder prior to submitting their investment plan:

- UKSPF Expenditure Profile spreadsheet
- UKSPF Indicative Deliverables spreadsheet

Your investment plan submission will be considered incomplete without the required documents.

Have you completed and uploaded the two spreadsheets to the SharePoint folder as requested?

- Yes ✓
- No

<b>Title of proposal/policy/strategy</b>	<b>UKSPF/REPF</b>	<p><b>Please ensure that you have read the following before completing the CIA</b></p> <ul style="list-style-type: none"> <li>A CIA will help you to identify the potential impacts, risks and benefits of your proposed policy, service or project. Doing this at an early stage enables engagement and research to be undertaken to identify actions that will either lessen the risk or maximise the benefits. The assessment will also help you to identify mitigating factors whereby risks may be balanced out to an extent by the benefits.</li> <li>This template should be used to support the development of a proposal during the planning stage, therefore should identify how it contributes to the Council's MTFs and Corporate Business Plan.</li> <li>A CIA Team should be identified with different, but relevant expertise to ensure that a full range of views are considered.</li> <li>Engagement and/or consultation should take place with appropriate and representative groups of people that are most likely to be affected. This must then be used to help shape the design/outcomes of the project. Please note that due to the publication of CIAs, it is advisable not to record personal details of members of the public, such as names or addresses.</li> <li><b>Once completed, the main findings from your CIA should be incorporated into section 6 of your Cabinet report before submission and then included as an appendix. Please ensure that this is signed off by your Head of Service.</b></li> </ul>
<b>Date Conducted</b>	<b>3/1/2023</b>	
<b>Lead Officer and Service Area</b>	<b>Martyne Manning - Development</b>	
<b>CIA Team</b> (Must include a range of people with the appropriate knowledge and expertise in the subject area)	<b>Martyne Manning, Michelle Smith, Mary Timmis</b>	
<b>Head of Service Sign off and Date</b>	<b>Craig Jordan, 4<sup>th</sup> Jan 2023</b>	
<b>Summary of recommendations and mitigations</b> (Please include in section 6 of cabinet report)		
<b>Impact on Public Sector Equality Duty (taken from section 1 – p.3):</b>  The Borough Council considers the effect of its actions on all sections of our community and has addressed all the following Equality Strands in the production of this report, as appropriate: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.		
<b>Wider community Impact (taken from section 2 – p.4-8):</b>  The delivery of both the UKSPF and the REPF will have a favourable impact and make a positive contribution to the wider community of businesses, employees, and residents of the Borough.		

<b>Leadership Team Sign off and Date</b>		

The table below describes what is required when completing the key sections of your assessment.

Which groups will be affected	Impact	Evidence of impact	Mitigations / Recommendations
<p>Which groups of people will be impacted by the proposed policy, service or project? This could be people in a particular area, a street, or a group of people with similar characteristics e.g. older people, young people or people with care needs.</p> <p>Also consider staff, residents and other external stakeholders.</p>	<p>Think about the impact the proposal may have on each of the different category areas and identify the benefits/risks associated with the proposal.</p>	<p>Please identify what evidence you have used to determine your decision of yes or no in relation to the impact.</p> <p>This can be information from the proposal, research, any data you have used etc.</p>	<p>Set out any recommendations as to how the benefits will be maximised and the risks minimised.</p> <p>Also highlight any trade-offs that may occur.</p>
	<p><b>Please note:</b></p> <ul style="list-style-type: none"> <li>• Potential impacts should <b>not</b> be included if it is considered highly unlikely that they would occur.</li> <li>• Where <b>no major impacts</b> have been identified, please state N/A.</li> <li>• Due to the publication of CIAs, it is <b>advisable not to record personal details of members of the public</b>, such as names or addresses.</li> </ul>		

## Community Impact Assessment 2021

### Section 1: Public Sector Equality Duty (PSED)

Use this section to identify if the proposal will impact on our legal obligations under the Equality Act 2010 for both residents, staff and members. In summary, those subject to the general equality duty must have due regard to the need to: Eliminate unlawful discrimination, harassment and victimisation, advance equality of opportunity between different groups and foster good relations between different groups. Consider the following questions:

1. Who is currently using the service, across the protected characteristics?
2. What relevant information is available from the Census and population trends data?
3. What were the findings of the engagement/consultation?
4. What do we know about their experiences and outcomes?
5. Is there any relevant national, regional and/or local sources of research/evidence available?
6. Is there any relevant information from partners or voluntary, community, social enterprise organisations?
7. What is the analysis of the impact on those with relevant protected characteristics?

Protected Characteristics	Does the proposal impact on, or cause any issues for these groups?	Does the proposal impact on, or cause any issues for these groups?	Use this section to identify the impacts/issues and to explain why there are no issues if you indicated No.	Please indicate how you intend to address the impacts/issues.
	Yes	No		
Race		X		
Disability		X		
Sex		X		
Age		X		
Religion or Belief		X		
Gender Reassignment		X		



**Community Impact Assessment 2021**

Protected Characteristics	Does the proposal impact on, or cause any issues for these groups? Yes	Does the proposal impact on, or cause any issues for these groups? No	Use this section to identify the impacts/issues and to explain why there are no issues if you indicated No.	Please indicate how you intend to address the impacts/issues.
Sexual Orientation		X		
Pregnancy and Maternity		X		
Marriage and Civil Partnership		X		

**Section 2: Wider Community Impact**

**Community Impact: Economic Growth**

Category Area	Does the proposal impact on, or cause any issues in these areas? Yes	Does the proposal impact on, or cause any issues in these areas? No	Use this section to identify the impacts/issues and to explain why there are no issues if you indicated No.	Please indicate how you intend to address the impacts/issues.
Covid-19 or Brexit	X		Our businesses are still feeling the effects of Covid-19 and Brexit. Both of these have caused financial and employment issues.	Funding will be made available to support hospitality, tourism and leisure businesses who have been impacted. This particularly applies to businesses in the supply chain

### Community Impact Assessment 2021

Category Area	Does the proposal impact on, or cause any issues in these areas?  Yes	Does the proposal impact on, or cause any issues in these areas?  No	Use this section to identify the impacts/issues and to explain why there are no issues if you indicated No.	Please indicate how you intend to address the impacts/issues.
				who were not mandated to close and did not receive recovery grants. These organisations were also affected during the Brexit transition with problems relating to their supply chains particularly those who import/export.
Business Start Ups	X		Many residents of the Borough chose to start their own business during the past 2 years, whether this be as a result of furlough/redundancy or simply a change of career. These entrepreneurs need continued support and there is a lack of support available to start-ups with ERDF programmes closing.	This programme will have a positive impact on business start-ups via a funding and grant scheme. There will also be plenty of support for entrepreneurs that can be provided by funding to develop the Innovation Hub.
The built environment and land use	X		Vacant land has been identified to support further town centre developments. In addition there are large vacant units in the town centre that have been empty for many years and will remain derelict unless suitable interventions take place.	The fund will support the acquisition of land and bring it back into use to create jobs. There will be elements of support to put existing commercial properties back into suitable use.
Economic and sustainable growth	X		The Borough continues to enjoy a high level of rural occupancy rates with many new companies moving into the area. We need to continue to support sustainable growth however	The programme will support 5 themes all designed to encourage economic sustainable growth. These being: Visitor Economy, Innovation, Climate Change,

### Community Impact Assessment 2021

Category Area	Does the proposal impact on, or cause any issues in these areas?  Yes	Does the proposal impact on, or cause any issues in these areas?  No	Use this section to identify the impacts/issues and to explain why there are no issues if you indicated No.	Please indicate how you intend to address the impacts/issues.
			with many ERDF programmes ending there is very little business support available.	Rural Economy, Stafford Town Centre Transformation. A series of capital and revenue projects funded by UKSPF will enable our businesses to grow.
Rural communities	X		We have identified and reported to members our findings on the issues faced by our rural communities. These include businesses who pay a lower rate of pay, who suffer from a lack of applicants for jobs, who also face transportation issues. UK research has also shown that rural business hubs are becoming more popular for those rural residents who wish to work alongside others away from the home. At the moment we have no evidence to qualify the need in our area.	In addition to UKSPF we are waiting confirmation of a c£500k allowance to help develop our rural communities and the businesses within. Within the programme of UKSPF we will be looking at the feasibility of developing a rural workspace hub.
Gaining employment and access to better jobs?	X		Stafford has one of the highest employment levels in the county with increased vacancy rates occurring each quarter. Our businesses face a skills shortage and need as much support as possible to attract suitable candidates.	The programme will support businesses directly and assist with their recruitment drives.

**Community Impact: Improving quality of Life, providing a safe, clean, attractive place to live and work, promoting wellbeing and stronger communities**

Category Area	Does the proposal impact on, or cause any issues in these areas?  Yes	Does the proposal impact on, or cause any issues in these areas?  No	Use this section to identify the impacts/issues and to explain why there are no issues if you indicated No.	Please indicate how you intend to address the impacts/issues.
Community Recovery/Living with Covid		N/A		
Does the proposal promote clean and attractive environments		N/A		
Recycling and minimising residual waste		N/A		
Health and wellbeing of our residents	X		<p>There will be elements of the programme such as supporting Westbridge Park redevelopment proposals at Stone that will enhance the health and wellbeing of our residents.</p> <p>A large area of the Borough is rural and therefore vehicle access to facilities is key.</p>	<p>Parking provision will be improved supporting use of our open spaces and play equipment</p>
Opportunities for volunteering	X		<p>There will be certain projects eg. Crown Wharf Theatre, Stone that will continue to support volunteering opportunities. Options for volunteering in an indoor venue create more</p>	<p>Bringing the theatre into use creates additional volunteering opportunities</p>

**Community Impact Assessment 2021**

Category Area	Does the proposal impact on, or cause any issues in these areas?  Yes	Does the proposal impact on, or cause any issues in these areas?  No	Use this section to identify the impacts/issues and to explain why there are no issues if you indicated No.	Please indicate how you intend to address the impacts/issues.
			opportunities for people who may experience loneliness or social isolation	
Participation in social and leisure activities	X		Business cases for existing projects have already identified gaps in culture provision in the Borough. Funding will be used to create new and develop existing leisure facilities including the Crown Wharf Theatre, the Staffordshire History Centre, Westbridge Park which will increase opportunities for participation.	Supporting existing projects through their delivery phases
Community safety		N/A		
Areas of deprivation and vulnerable communities		N/A		
Access to safe and suitable accommodation		N/A		

**Community Impact Assessment 2021**
**Community Impact: Climate Change and Green Recovery**

Category Area	Does the proposal impact on, or cause any issues in these areas?  Yes	Does the proposal impact on, or cause any issues in these areas?  No	Use this section to identify the impacts/issues and to explain why there are no issues if you indicated No.	Please indicate how you intend to address the impacts/issues.
Covid-19 Recovery	X		The projects and programmes being funded through UKSPF will support businesses impacted by the implications of CV19 and measures introduced by Government.	Focusing financial support on those projects and businesses still dealing with the impacts of the pandemic
Reducing emissions from our own activities	X		Where capital spend is involved the UKSPF funding will be expected to focus on sustainable investment. For example the potential for Solar panels to be erected at Stone Leisure Centre to help reduce energy consumption and costs.	Specifying reduced energy consumption is demonstrated with relevant awards of funding
Encouraging others to take action that contributes to carbon neutrality/sustainable development within communities		N/A		
Mitigating and adapting to climate change		N/A		
Supporting green recovery objectives	X		Our businesses previously benefitted from ERDF grants to enable them to assess their sustainability and make recommended changes. This will cease in June 2022.	Funding via the SCC Green Solutions programme to encourage businesses to adopt sustainable operating practices will be available. This funding will pay for assessments and go some way to paying for capital items.

**Community Impact Assessment 2021**

**Community Impact: Financially sustainable and responsive to customer need**

Category Area	Does the proposal impact on, or cause any issues in these areas?  Yes	Does the proposal impact on, or cause any issues in these areas?  No	Use this section to identify the impacts/issues and to explain why there are no issues if you indicated No.	Please indicate how you intend to address the impacts/issues.
Financial Recovery	X		Covid-19 effected businesses are still recovering financially	The programme will provide c£500k directly to support financial aid to businesses from UKSPF and a further c £450k from our REPF allowance
Customer contact and interaction with our services		N/A		
Does the proposal have any additional risks and impacts not yet identified?	X		There is the potential for some projects not to be completed or to the required standards.	Regularly monthly meetings via the project delivery team with stakeholders and grant recipients will ensure impacts are identified and mitigated.
<b>Financial/Resource Implications</b>				
Are there any financial/resource implications associated with the proposal?	X		If Yes, please state them here:  Capacity to deliver has been discussed corporately with the need to consider all projects currently committed and the officers involved (including support services)	Please state how your proposals for addressing the implications here: 4% admin grant to resource additional generic project support. Internal officers to be involved in Project Delivery Team to ensure any issues around capacity are appropriately risk assessed and mitigated

Once completed, please return to Corporate Business and Partnerships: [corporatebusiness@staffordbc.gov.uk](mailto:corporatebusiness@staffordbc.gov.uk)

**OPERATIONAL RISK REGISTER**

Ref No:	<b>Risk: UKSPF &amp; REPF</b>	Risk Owner : <b>Martyne Manning</b>		
Consequences Of Risk: <ul style="list-style-type: none"> <li>• Projects within the Investment Plan not being delivered due to unforeseen circumstances</li> <li>• Underspend of allocated amount</li> <li>• Lack of inhouse resource to deliver programme</li> </ul>				
Gross Risk Score (ie without controls)	Likelihood 5	Impact 1	Total Score 6	
Key Controls in Place:: <ul style="list-style-type: none"> <li>• Monthly progress monitoring meetings with external delivery partners</li> <li>• Flexibility within the programme to roll over underspend to following years without the need for project change.</li> <li>• Majority of programmes are being delivered by external partners - affect of non-delivery is minimal inhouse.</li> </ul>				
Residual/Net Risk Score (ie with controls in place)	Likelihood 0	Impact 0	Total Score 0	
Provisional Assessment of Risk – does the residual risk score need to be reduced			<b>YES*</b>	<b>NO</b>

\* If the risk score needs to be reduced, please complete the action plan below

Actions Planned	Timescale/Person Responsible	Progress/Comments



## Agenda Item 4(d)(i)

<b>Cabinet Date:</b>	9 February 2023
<b>Contact Officer:</b>	Eleanor Warren
<b>Telephone Number:</b>	01785 619408
<b>Ward Interest:</b>	Nil
<b>Report Track:</b>	Cabinet 09/02/2023 (Only)
<b>Key Decision:</b>	No
<b>Submission by:</b>	Councillor Jonathan Price, Corporate Climate Change Portfolio

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## Sustainability West Midlands Local Authority Sustainability Benchmark 2022 Results

### 1 Purpose of Report

- 1.1 To provide an update to members regarding the results of Sustainability West Midlands Local Authority Sustainability Benchmark 2022.

### 2 Recommendation

- 2.1 That the information be noted.

### 3 Key Issues and Reasons for Recommendation

- 3.1 Implementing the council's Climate Change and Green Recovery objectives is objective 3 in the Corporate Business Plan. The progress which has been made against these objectives are reported in quarterly performance updates. The council also engages in an annual performance update with the external organisation Sustainability West Midlands. The results are reported in their annual Local Authority Sustainability Benchmark.
- 3.2 Sustainability West Midlands are a member led organisation which seek to facilitate and enable the transition to a sustainable future in the West Midlands. To steer their efforts, SWM have produced a "roadmap to 2030". This sets out what actions need to be taken across all sectors in the West Midlands to enable the region to stay on track to deliver a sustainable future and avoid the worst impacts of climate change. SWM recognise that all

sectors have a role to play in supporting this, including local authorities across the region.

- 3.3 The Local Authority Benchmark Report identifies a series of milestones that fall within the jurisdiction of local authorities, which would contribute to a sustainable future in the West Midlands. Councils are asked to provide an update on their progress against each milestone. The results are then consolidated, giving each local authority an overall sustainability score, and a score against each individual theme. Local authorities are then ranked, enabling the identification of which authorities are acting as sustainability leaders across the region.
- 3.4 The Local Authority Sustainability Benchmark 2022 is detailed in the **APPENDIX** [www.sustainabilitywestmidlands.org.uk/wp-content/uploads/2022/12/West-Midlands-Local-Authority-Sustainability-Benchmark-2022-Summary-report.pdf](http://www.sustainabilitywestmidlands.org.uk/wp-content/uploads/2022/12/West-Midlands-Local-Authority-Sustainability-Benchmark-2022-Summary-report.pdf) and members are asked to note its contents.

## **4 Relationship to Corporate Business Objectives**

- 4.1 The Local Authority Sustainability Benchmark 2022 interlinks with corporate business objective three.

## **5 Report Detail**

- 5.1 This report provides an overview of the results of the Local Authority Sustainability Benchmark 2022. 21 local authorities were assessed as part of the exercise. Overall, Stafford Borough Council were ranked third in delivering the identified sustainability objectives. This represents a 6-place increase from the 2021 report.
- 5.2 The themes that local authorities are assessed against in the Local Authority Benchmark are wide ranging and provide a holistic assessment of sustainability. The themes include:
- Carbon reduction
  - Resource efficiency
  - Clean and active travel
  - Clean air and water
  - Natural environment
  - Sustainable growth
  - Social equity and health
  - Sustainable energy use
  - Adapting to climate change

- 5.3 Of the 21 authorities Stafford Borough Council were ranked in the top five of four of these themes. These are resource efficiency, social equity and health, sustainable energy use, and adapting to climate change;
- The council demonstrated a 5.5% score increase in resource efficiency, maintaining a top 5 place.
  - The council obtained a 6.5% score increase in sustainable energy use to remain in 2<sup>nd</sup> place.
  - The council were ranked as being in first place in adapting to climate change, with a 28.6% score increase.
  - The council were joint leaders in social equity and health with no score increase from the 94.4% score that was awarded in 2021.
- 5.4 Progress was also demonstrated across the majority of the other themes;
- The council demonstrated a 7.4% score increase in carbon reduction, to rise from 11<sup>th</sup> to 10<sup>th</sup> place.
  - A 14.3% score increase in clean and active travel, to rise from 9<sup>th</sup> to 6<sup>th</sup> place was observed.
  - A 25% score increase in the natural environment to rise from 10<sup>th</sup> to 7<sup>th</sup> place.
- 5.5 The only themes the council did not demonstrate progress against was clean air and water, meaning the council fell to last place, and sustainable development, where the council fell from 8<sup>th</sup> to 13<sup>th</sup> place. However, it's worth noting that the data collection for the benchmark report was conducted before the Preferred Options stage of the New Local Plan was published. Therefore, the progress that has been made in this area was unaccounted for.
- 5.6 Whilst the benchmarking report highlights areas where the council could make further progress against its sustainability objectives, overall, the council continues to make good progress towards contributing to a sustainable future. Rising to third place overall in the West Midlands means that the council is now recognised as a leader in the region.
- 5.7 The benchmark report will be used to identify local authorities which are exhibiting best practice against the areas where improvements need to be sought, for example in increasing measures to improve clean air and water.
- 5.8 The Local Authority Benchmark Report will be updated in 2023. Focus will be placed on ensuring consistent progress is delivered against all of the identified themes, ensuring the council retains its current position.
- 5.9 A full copy of the report is contained within **APPENDIX 1**  
[www.sustainabilitywestmidlands.org.uk/wp-content/uploads/2022/12/West-Midlands-Local-Authority-Sustainability-Benchmark-2022-Summary-report.pdf](http://www.sustainabilitywestmidlands.org.uk/wp-content/uploads/2022/12/West-Midlands-Local-Authority-Sustainability-Benchmark-2022-Summary-report.pdf)

## **6 Implications**

### **6.1 Financial**

Any financial implications of individual actions will be reviewed by the lead organisation for each workstream.

### **6.2 Legal**

Nil

### **6.3 Human Resources**

Nil

### **6.4 Human Rights Act**

Nil

### **6.5 Data Protection**

Nil

### **6.6 Risk Management**

Nil

### **6.7 Community Impact Assessment Recommendations**

#### **Impact on Public Sector Equality Duty:**

There are no known impacts.

#### **Wider Community Impact:**

There are no known impacts

## **7 Previous Consideration**

Nil

## **8 Background Papers**

File available in Corporate Business and Partnerships

## Appendix

**Cabinet Date:** 9 February 2023

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### **Sustainability West Midlands Local Authority Sustainability Benchmark 2022 Results**

<https://www.sustainabilitywestmidlands.org.uk/wp-content/uploads/2022/12/West-Midlands-Local-Authority-Sustainability-Benchmark-2022-Summary-report.pdf>