Stafford
BOROUGH COUNCIL

Civic Centre
Riverside
Stafford
ST16 3AQ

14 November 2022

Dear Members

Council Meeting

I hereby give notice that a meeting of the Council will be held in the **Council Chamber, County Buildings, Martin Street, Stafford** on **Tuesday 22 November 2022 at 7.00pm** to deal with the business as set out on the agenda.

Tim Clegg

Tim Clegg
Chief Executive

COUNCIL MEETING - 22 NOVEMBER 2022

Mayor, Councillor Philip Leason MBE

AGENDA

1 Approval of the Minutes of the meeting of Council held on 13 September 2022 as published on the Council's website.

2 Apologies for Absence

3 Declarations of Interest

4 Announcements (Paragraph 3.2(iii) of the Council Procedure Rules)

5 Public Question Time

Nil

6 Councillor Session

Nil

7 Notice of Motion

(a) A Notice of Motion pursuant to Paragraph 13 of the Council Procedure Rules has been proposed by Councillors R P Cooke and A T A Godfrey as follows:-

Standing up for Responsible Tax Conduct

Stafford Borough Council notes that:

1 The pressure on organisations to pay their fair share of tax has never been stronger.

2 Polling from the Institute for Business Ethics finds that "corporate tax avoidance" has, since 2013, been the clear number one concern of the British public when it comes to business conduct.

3 Two thirds of people (66%) believe the Government and local councils should at least consider a company's ethics and how they pay their tax, as well as value for money and quality of service provided, when awarding contracts to companies.

4 Around 17.5% of public contracts in the UK have been won by companies with links to tax havens.

5 It has been conservatively estimated that losses from multinational profit-shifting (just one form of tax avoidance) could be costing the UK some £17bn per annum in lost corporation tax revenues.

6 The Fair Tax Mark offers a means for business to demonstrate good tax conduct and has been secured by a wide range of businesses across the UK, including FTSE-listed PLCs, co-operatives, social enterprises and large private businesses.

Stafford Borough Council believes that:

1 Paying tax is often presented as a burden, but it should not be.

2 Tax enables us to provide services from education, health and social care, to flood defence, roads, policing and defence. It also helps to counter financial inequalities and rebalance distorted economies.

3 As recipients of significant public funding, local authorities should take the lead in the promotion of exemplary tax conduct; be that by ensuring contractors are paying their proper share of tax, or by refusing to go along with offshore tax dodging when buying land and property.

4 Where councils hold substantive stakes in private enterprises, influence should be wielded to ensure that such businesses are exemplars of tax transparency and tax avoidance is shunned.

5 More action is needed, however, as current and proposed new UK procurement law significantly restricts councils' ability to either penalise poor tax conduct (as exclusion grounds are rarely triggered) or reward good tax conduct, when buying goods or services.

6 UK cities, counties and towns can and should stand up for responsible tax conduct - doing what they can within existing frameworks and pledging to do more given the opportunity, as active supporters of international tax justice.

Stafford Borough Council resolves to:

1 Approve the Councils for Fair Tax Declaration.

2 Lead by example and demonstrate good practice in our tax conduct, right across our activities.

3 Ensure IR35 is implemented robustly and contract workers pay a fair share of employment taxes.

4 Not use offshore vehicles for the purchase of land and property, especially where this leads to reduced payments of stamp duty.

5. Undertake due diligence to ensure that not-for-profit structures are not being used inappropriately by suppliers as an artificial device to reduce the payment of tax and business rates.

6. Demand clarity on the ultimate beneficial ownership of suppliers in the UK and overseas, given lack of clarity could be strong indicators of poor financial probity.

7. Support calls for urgent reform of UK procurement law to enable local authorities to better penalise poor tax conduct and reward good tax conduct through their procurement policies.

(b) A Notice of Motion pursuant to Paragraph 13 of the Council Procedure Rules has been proposed by Councillors A N Pearce and A D Hobbs as follows:-

This council believes that:

- Everyone has the right to a warm home that is affordable to heat;

- Improving energy efficiency is central to tackling the energy crisis and cost of living crisis;

- Fossil fuels should be left in the ground, and investment in energy supply should instead be targeted at renewables;

- All new homes and workplaces should be built to the highest possible energy efficiency standards.

The council notes that:

- Stafford Borough Council declared a climate emergency in 2019.

- Buildings account for 23% of UK greenhouse gas emissions;

- Stafford Borough Council needs far more support from central government to help families and businesses improve energy efficiency

- Current UK government investment in energy efficiency is nowhere near the level required to address fuel poverty or meet our legally binding UK climate targets.

The council therefore calls on the executive to write to the Prime Minister and to the Borough MPs to call for:

- Additional financial support to help people to manage the cost of living crisis, with most support provided to low income households;

- A fully funded nationwide action plan to insulate all homes and businesses as quickly as possible to improve energy efficiency and reduce bills;

- A commitment to keep fossil fuels in the ground, and to invest instead in developing the renewable energy technologies and businesses that are essential for our future energy security

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Chief Executive

Civic Centre
Riverside
Stafford
ST16 3AQ

Agenda Item 8

Committee:	Council
Date of Meeting:	22 November 2022
Report of:	Head of Finance
Contact Officer:	Tim Willis
Telephone Number:	01543 464720
Ward Interest:	Nil
Report Track:	Council 22/11/2022 Cabinet 03/11/2022

The following matter was considered by Cabinet at its meeting held on 3 November 2022 and is submitted to Council for approval.

Fees and Charges Review 2023

1 Purpose of Report

1.1 The purpose of this report is to propose to the Council the Fees and Charges for 2023.

2 Recommendation

2.1 That the proposed Fees and Charges for 2023 be approved, specifically the new charges in paragraph 5.5 and the increases above 12.3% in paragraph 5.6.

3 Key Issues and Reasons for Recommendations

3.1 The report sets out the proposed changes to Fees and Charges for 2023. In accordance with the revised financial regulations agreed by Council on the 16 September 2019 the following items are included:

- Where a new charge has been introduced.
- The proposed increase is above the annual level of inflation.
- Where the power to set fees and charges has been specifically reserved by the Council.

3.2 In addition, this report includes those fees and charges where no increase is proposed for 2023, for noting.

4 Relationship to Corporate Business Objectives

4.1 This report supports all of the Council's Corporate Priorities.

5 Report Detail

5.1 The process for setting fees and charges from 1 January 2023 reflects the revised financial regulations as agreed by Council on 16 September 2019. This set out the criteria for fees and charges which would be reported to Cabinet and Council for approval as follows:

- Where a new charge has been introduced.
- The proposed increase is above the annual level of inflation.
- Where the power to set fees and charges has been specifically reserved by the Council.

5.2 For 2023, inflation - as defined in financial regulations - is the Retail Prices Index, which currently stands at 12.3%. However, in general, where officers have delegated authority, charges will rise by approximately 5%, allowing for rounding.

5.3 Certain fees are set by reference to external bodies or set by legislation/ regulations. These are included in the full list of published fees and charges but are not referred to in this report.

5.4 Fees and charges are also set after bearing in mind market conditions and the local economy. As a result, some charges where the Council has the power to vary them will not rise, the most significant of which are:

- All car parking charges are frozen.
- All Hackney Carriage and private hire licences and associated charges such as vehicle plates, knowledge test and administration fees. These remain frozen on the basis that taxi costs have risen significantly and demand has fallen.
- The garden waste service charge and additional bin charge is frozen.
- All markets charges frozen on the basis of a challenging trading environment and the fact that the number of market stalls/sites has fallen. This includes the Market Square hire, Farmers' Markets and street trading licences.

5.5 Charges for new services are as set out below.

- The following animal welfare regulation licence charges were levied in 2022 but were omitted from the published list last year, so are included for completion:
    - Reinspection of establishment £115.00
    - Variation to licence £63.00

- Exhibition Licence 3 years £136.50
- Additional Charge after licence is granted £73.50

New charges are:

- Animal welfare regulation administration fee for additions/amendments of licence £10.50.
- Hackney Carriage and private vehicle hire, electric/hybrid/plug-in vehicle licences £200.00 - this is a discounted fee compared to the standard charge of £230.00, consistent with the Council's objectives in relation to climate change.
- Crematorium, display of photographs/videos via tribute link £10.00.

5.6 Proposed increases above the threshold of 12.3% are as follows:

- Some sport and recreation charges are proposed to increase above 12.3%, these are attached as an **APPENDIX.** These proposed increases reflect significantly higher costs (particularly energy), the desire to achieve greater cost recovery and in keeping with the contract with Freedom Leisure.
- Section 106 agreement deed of variation charge is proposed to increase from £424.36 to £566.00 which represents a 33.4% increase. This level of charge is comparable to Cannock Chase District Council.

5.7 A full copy of Fees and Charges will be available on the Members' portal before the Council meeting and published on the website once approved by Council.

6 Implications

6.1 Financial

Fees and charges are an important source of income to the Council. As costs rise with inflation, if income from fees and charges does not rise proportionately, this will add to the 2023-24 budget gap - the difference between projected expenditure and income. The Council currently projects a budget gap of £2 million for 2023-24.

6.2 Legal

As set out in the report.

6.3 Human Resources

As set out in the report.

6.4 Human Rights Act

As set out in the report.

6.5 Data Protection

As set out in the 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.

The level of income generated by the Council from fees and charges is a key risk as a number of the Council's main income streams are sensitive to adverse economic conditions and can vary significantly as a result.

6.7 Community Impact Assessment Recommendations

Impact on Public Sector Equality Duty:

Nil

6.8 Wider Community Impact:

Nil

7 Previous Consideration

Cabinet – 3 November 2022 – Minute No CAB34/22

8 Background Papers

File available in Financial Services.

Stafford Borough Council
Leisure Portfolio - Client
Fees and Charges Proposed Charges 2023

OUTDOOR SPORT AND RECREATION	£ - p	VAT	Date Set	PROPOSED CHARGE 01-Jan-23 £ - p	Increase %
RIVERWAY FLOODLIT SYNTHETIC PITCH					
Hire of Pitch					
Hourly rates inclusive of floodlighting					
Peak Times					
Full pitch	**60.50**	E or S	01/01/22	**70.00**	**15.7**
School use	**21.00**	E or S	01/01/22	**24.00**	**14.3**
Part pitch (one third)	**40.00**	E or S	01/01/22	**45.00**	**12.5**
School use	**16.70**	E or S	01/01/22	**19.00**	**13.8**
Off Peak Times					
Full pitch	**41.00**	E or S	01/01/22	**47.00**	**14.6**
School use	**21.00**	E or S	01/01/22	**24.00**	**14.3**
Part pitch (one third)	**30.30**	E or S	01/01/22	**35.00**	**15.5**
School use	**16.70**	E or S	01/01/22	**19.00**	**13.8**
OTHER SPORT AND RECREATION					
Bowls					
Per hour					
Adults	**4.60**	S	01/01/22	**5.20**	**13.0**
Concessionary rate	**2.30**	S	01/01/22	**2.60**	**13.0**
Season tickets					
Adults	**78.00**	S	01/01/22	**87.00**	**11.5**
Concessionary rate	**39.00**	S	01/01/22	**43.00**	**10.3**
Teams					
Per session					
Adults	**72.00**	E or S	01/01/22	**80.00**	**11.1**
Concessionary rate	**36.00**	E or S	01/01/22	**40.00**	**11.1**
Per season (each week)					
Adults	**410.00**	E	01/01/22	**470.00**	**14.6**
Concessionary rate	**205.00**	E	01/01/22	**230.00**	**12.2**
Per season (alternate weeks)					
Adults	**205.00**	E	01/01/22	**230.00**	**12.2**
Concessionary rate	**102.50**	E	01/01/22	**115.00**	**12.2**
Pavilions					
Per session	**14.20**	E or S	01/01/22	**15.75**	**10.9**
Per season					
Alternate weeks	**66.00**	E or S	01/01/22	**72.00**	**9.1**
Weekly	**132.00**	E or S	01/01/22	**150.00**	**13.6**

VAT
S = standard rated (charges shown inclusive of vat) E = exempt (no VAT to be applied
ZR = zero rated (no VAT to be applied NB = non-business (outside the scrope of vat)

OUTDOOR SPORT AND RECREATION continued…	£ - p	VAT	Date Set	PROPOSED CHARGE 01-Jan-23 £ - p	Increase %
Grass Pitches					
Football Pitch					
Per match					
Adults	**70.00**	S	01/01/22	**78.00**	**11.4**
Concessionary rate	**34.00**	S	01/01/22	**43.00**	**26.5**
Per season - Per team					
Adults	**467.00**	E	01/01/22	**530.00**	**13.5**
Concessionary rate	**233.50**	E	01/01/22	**265.00**	**13.5**
Dressing Room Supplement					
Per match	**39.00**	S	01/01/22	**43.00**	**10.3**
Per season - Per team	**272.00**	E	01/01/22	**300.00**	**10.3**
Tennis					
Per court (per hour)					
Adults	**5.70**	S	01/01/22	**6.50**	**14.0**
Concessionary rate	**2.85**	S	01/01/22	**3.30**	**15.8**
Club bookings	**by negotiation**	S	01/01/13	**by negotiation**	**-**
Multi-Games Area					
Per hour	**5.50**	E or S	01/01/22	**6.30**	**14.5**

VAT
S = standard rated (charges shown inclusive of vat) E = exempt (no VAT to be applied
ZR = zero rated (no VAT to be applied NB = non-business (outside the scrope of vat) 2

Agenda Item 9

Committee:	Council
Date of Meeting:	22 November 2022
Report of:	Deputy Head of Finance
Contact Officer:	Emma Fullagar
Telephone Number:	01543 464334
Ward Interest:	Nil
Report Track:	Council 22/11/2022 Audit and Accounts 16/11/2022

The following matter was considered by the Audit and Accounts Committee at its meeting held on 16 November 2022 and is submitted to Council as required.

Treasury Management Mid-Year Report 2022/23

1 Purpose of Report

1.1 To update members on Treasury Management activity and performance during the first half of the 2022/23 financial year.

1.2 To provide an economic update and a background to the latest economic forecasts of interest rates; both detailed in the **APPENDIX**.

2 Recommendation

2.1 To note the report, the treasury activity and the Prudential Indicators for 2022/23.

3 Key Issues and Reasons for Recommendation

3.1 To report the Treasury Management activity and performance during the first half of the 2022/23 financial year.

4 Relationship to Corporate Business Objectives

4.1 Treasury Management and investment activity link in with all of the Council’s priorities and their spending plans.

5 Report Detail

Background

5.1 Capital Strategy

In December 2017, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued revised Prudential and Treasury Management Codes. As from 2020/21, all local authorities have been required to prepare a Capital Strategy which is to provide the following: -

- a high-level 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.

5.2 **Treasury Management**

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.

5.3 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.

5.4 Accordingly, CIPFA defines "Treasury Management" as:

"The management of the local authority's borrowing, investments and cash flows, 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."

Introduction

5.5 This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2017).

The primary requirements of the Code are as follows

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's Treasury Management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
3. Receipt by the full council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report, (stewardship report), covering activities during the previous year.
4. Delegation by the Council of responsibilities for implementing and monitoring Treasury Management policies and practices and for the execution and administration of Treasury Management decisions.
5. Delegation by the Council of the role of scrutiny of Treasury Management strategy and policies to a specific named body. For this Council the delegated body is the Audit and Accounts Committee.

5.6 This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:

- An economic update for the first part of the 2022/23 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's capital expenditure, as set out in the Capital Strategy, and Prudential Indicators;
- A review of the Council's investment portfolio for 2022/23;
- A review of the Council's borrowing strategy for 2022/23;
- A review of any debt rescheduling undertaken during 2022/23;
- A review of compliance with Treasury and Prudential Limits for 2022/23.

Treasury Management Strategy Statement and Annual Investment Strategy Update

5.7 The Treasury Management Strategy Statement, (TMSS), for 2022/23 was approved by this Council on 01/02/2022. There has been one policy change. As the cash balances significantly grew during the course of 22/23, a recommendation to increase the investment limits on the Money Market Fund (MMF) counterparties rose from £6m to £9m was made to Council. It was argued that such proposal would facilitate greater control and of the cashflows and management and thus mitigate any breaches the TMSS. Council accepted this recommendation on 13 September 2022.

Prudential Indicator 2022/23	**Original Prudential Indicator £'000**	**Revised Prudential Indicator £'000**
Authorised Limit	9,893	9,893
Operational Boundary	6,893	6,893
Capital Financing Requirement	6,705	6,705

The Council's Capital Position (Prudential Indicators)

5.8 This part of the report is structured to update:

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the Prudential Indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

Prudential Indicator for Capital Expenditure

5.9 This table shows the estimates for capital expenditure and the changes since the capital programme was agreed at Budget time.

Capital Expenditure by Portfolio	**2022/23 Original Estimate £'000**	**2022/23 Estimates £'000**
Community	2,408	2,408
Environment	150	150
Leisure and Culture	2,406	2,406
Planning and Regeneration	14,519	14,519
Resources	50	50
Total	**19,533**	**19,533**

5.10 The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

Capital Expenditure	**2022/23 Original Estimate £'000**	**2022/23 Estimates £'000**
Total Spend	**19,533**	**19,533**
Financed by:		
Capital Receipts	1,164	1,164
Capital Grants/contributions	14,552	14,552
Revenue	2,389	2,389
Total Financing	**18,105**	**18,105**
Borrowing Need	**1,428**	**1,428**

Changes to the Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary

5.11 The table below shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period, which is termed the Operational Boundary.

Prudential Indicators - CFR and Operational Boundary

5.12 We are on target to achieve the original forecast Capital Financing Requirement.

	2022/23 Original Estimate £'000	**2022/23 Estimates £'000**
Prudential Indicator - Capital Financing Requirement		
Total CFR	6,705	6,705
Net movement in CFR	**2,720**	**2,720**
Prudential Indicator - the Operational Boundary for external debt		
Operational Boundary	**6,893**	**6,893**
Borrowing	1,428	1,428
Other long-term liabilities*	3,080	3,080
Headroom	**2,385**	**2,385**

** On balance sheet finance leases etc.*

Limits to Borrowing Activity

5.13 The first key control over the treasury activity is a Prudential Indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2022/23 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

	2022/23 Original Estimate £'000	**2022/23 Estimates £'000**
Borrowing	1,428	1,428
Other long-term liabilities*	3,080	3,080
Total debt	**4,508**	**4,508**
CFR* (year-end position)	**6,705**	**6,705**

** Includes on balance sheet finance leases etc.*

5.14 The Director of Finance reports that no difficulties are envisaged for the current or future years in complying with this Prudential Indicator.

5.15 A further Prudential Indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3(1) of the Local Government Act 2003.

Authorised limit for external debt	**2022/23 Original Estimate £'000**	**2022/23 Estimates £'000**
Authorised limit	**9,893**	**9,893**
Borrowing	1,428	1,428
Other long-term liabilities*	3,080	3,080
Headroom	**5,385**	**5,385**

** Includes on balance sheet finance leases etc.*

Annual Investment Strategy 2022/23

5.16 In accordance with CIPFA's Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. As shown by detailed in **APPENDIX 2** with the accompanying forecast interest rate in near time horizon, Bank rate was 0.1% in December 2021 and increased to 0.5% in February 2022. 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 has correspondingly increased the bank rate: 0.75% in March 2022; 1% in May 2022; 1.25% in June 2022, 1.25% and 2.25% on 22nd September 2022. Based on current market conditions and intelligence, it is projected Bank Rate to year-end is around 3% to 5%. Accordingly, with some active management of the Council's investment portfolio and a greater diversification of fund types across different time horizon along with other interest-bearing instruments, the Council's surplus cash can be optimally worked in order to higher investments returns that, in turn, can be used to revenue budgets whilst being consistent with the spirit of CIPFA's requirements (namely, security, liquidity and then yield) and honouring the Council's tolerance to risk.

5.17 The Council held £74m of investments as at 30 September 2022 (£64m at 31 March 2022).

5.18 A full list of investments held as at 30 September 2022 is in **APPENDIX 1**.

Investment Counterparty criteria

5.19 The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the Treasury Management function.

Borrowing

5.20 The Council's capital financing requirement (CFR) for 2022/23 is £6.705m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing).

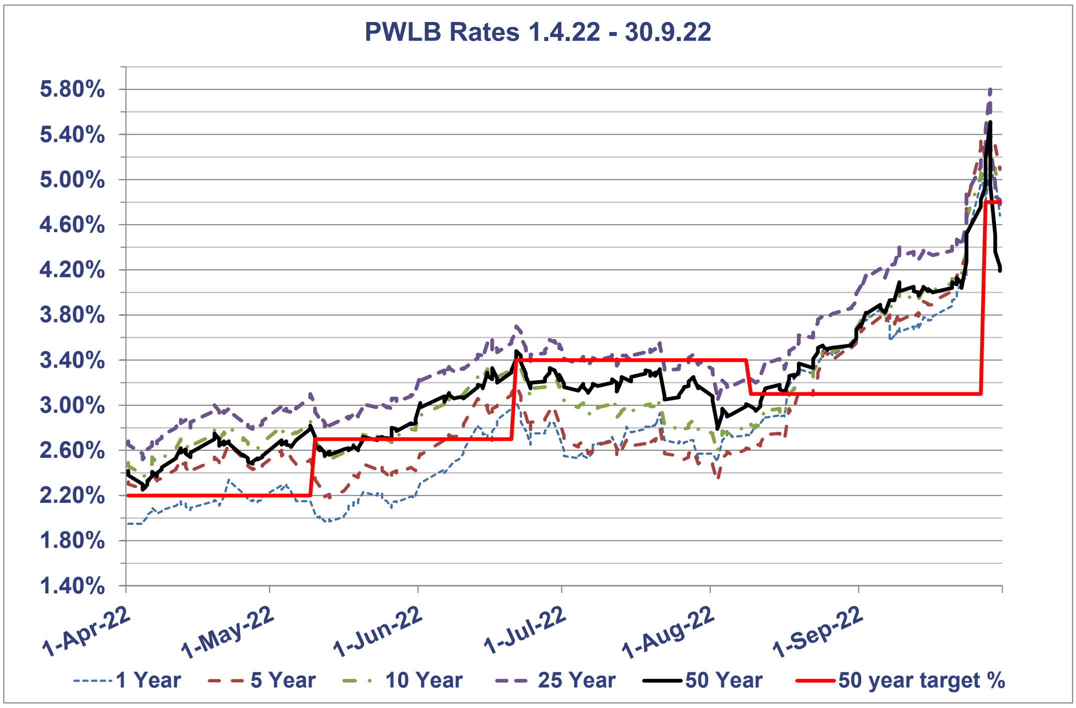
The balance of external and internal borrowing is generally driven by market conditions. This is a prudent and cost-effective approach in the current economic climate but will require ongoing monitoring in the event that upside risk to gilt yields prevails.

5.21 It is anticipated that borrowing might be undertaken during this financial year, subject to capital slippage into 2023-24 and the trajectory of borrowing rates for the remainder of 22/23.

5.22 Gilt yields and PWLB rates were on a rising trend between 1 April and 30 September.

The 50-year PWLB target certainty rate for new long-term borrowing started 2022/23 at 2.20% before increasing to 4.80% in September.

PWLB RATES 01.04.22 - 30.09.22



HIGH/LOW/AVERAGE PWLB RATES FOR 01.04.22 – 30.09.22

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

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

Audit and Accounts Committee – 16 November 2022 – Minute No TBC

8 Background Papers

Available in Financial Services

Appendix 1:	Current Investment List at 30 September 2022.
Appendix 2:	Economic Update (provided by Link Asset Services as of 30 September 2022)
Appendix 3:	Interest Rate Forecast (provided by Link Asset Services as of 30 September 2022)

APPENDIX 1

Committee: Council

Date of Meeting: 22 November 2022

Treasury Management Mid-Year Report 2022/23

Current Investment List as at 30 September 2022

Counterparty	**Start Date**	**Maturity**	**Value (£)**	**Rate (%)**
Al Rayan Bank Plc	22/08/2022	22/02/2023	6,000,000	2.30
Nationwide B/S	19/04/2022	19/10/2022	6,000,000	0.88
National Westminster Bank Plc	19/04/2022	19/10/2022	2,000,000	1.30
Skipton B/S	06/05/2022	04/11/2022	3,000,000	0.75
Helaba Bank	19/05/2022	19/12/2022	5,000,000	1.40
National Bank of Kuwait	20/09/2022	20/10/2022	6,000,000	2.05
Bank of Scotland Plc	06/06/2022	06/12/2022	6,000,000	0.40
Skipton B/S	20/06/2022	19/12/2022	3,000,000	1.50
National Westminister Bank Plc	04/08/2022	04/01/2023	4,000,000	2.10
*Deutsche Managed GBP LVNAV Platinum		*MMF	3,000,000	1.78
***Handelsbanken		***Call	3,000,000	0.70
*Morgan Stanley GBP Liquidity Institutional Plus		*MMF	6,000,000	2.18
*Federated Hermes Short-Term GBP Prime Class 3		*MMF	6,000,000	2.08
*Invesco Liquidity GBP Institutional		*MMF	9,000,000	2.12
**Santander UK		**Call180	6,000,000	1.21
			74,000,000	

*MMF - Money Market Fund (Instant Access)

**Call 180 days' Notice Account

***Call Account (No Notice. Instant Access)

APPENDIX 2

Committee: Council

Date of Meeting: 22 November 2022

Treasury Management Mid-Year Report 2022/23

Economics update

- The second quarter of 2022/23 saw:
  - GDP in Q1 2022/23 revised upwards to 0.2% q/q from -0.1%, which means the UK economy has avoided recession for the time being;
  - Signs of economic activity losing momentum as production fell due to rising energy prices;
  - CPI inflation ease to 9.9% y/y in August but domestic price pressures showing little sign of abating in the near-term;
  - The unemployment rate fall to a 48-year low of 3.6% due to a large shortfall in labour supply;
  - Bank Rate rise by 100bps over the quarter, taking Bank Rate to 2.25% with further rises to come;

    Gilt yields surge and sterling fall following the "fiscal event" of the former Prime Minister, Liz Truss, and former Chancellor, Kwasi Kwarteng on the 23rd September.
- The UK economy grew by 0.2% in July following an upward revision to Q1's GDP data (+0.2% q/q), though revisions to historic data left it below pre-pandemic levels.
- There are signs of higher energy prices creating more persistent downward effects in economic activity. Both industrial production (-0.3% m/m) and construction output (-0.8% m/m) fell in July 2022 for a second month in a row. Although some of this was probably due to the heat wave at the time, manufacturing output fell in some of the most energy intensive sectors (e.g., chemicals), pointing to signs of higher energy prices weighing on production. With the drag on real activity from high inflation having grown in recent months, GDP is at risk of contracting through the autumn and winter months.
- The fall in the composite PMI from 49.6 in August to a 20-month low of 48.4 in September points to a fall in GDP of around 0.2% q/q in Q3 and consumer confidence is at a record low. Retail sales volumes fell by 1.6% m/m in August, which was the ninth fall in 10 months. That left sales volumes in August just 0.5% above their pre-Covid level and 3.3% below their level at the start of the year. There are also signs that households are spending their excess savings in response to high prices. Indeed, cash in households' bank accounts rose by

£3.2bn in August, which was below the £3.9bn rise in July and much smaller than the 2019 average monthly rise of £4.6bn.

- The labour market remained exceptionally tight. Data for July and August provided further evidence that the weaker economy is leading to a cooling in labour demand. Labour Force Survey (LFS) employment rose by 40,000 in the three months to July (the smallest rise since February). But a renewed rise in inactivity of 154,000 over the same period meant that the unemployment rate fell from 3.8% in June to a new 48-year low of 3.6%. The single-month data showed that inactivity rose by 354,000 in July itself and there are now 904,000 more inactive people aged 16+ compared to before the pandemic in February 2020. The number of vacancies has started to level off from recent record highs but there have been few signs of a slowing in the upward momentum on wage growth. Indeed, in July, the 3my/y rate of average earnings growth rose from 5.2% in June to 5.5%.
- CPI inflation eased from 10.1% in July to 9.9% in August, though inflation has not peaked yet. The easing in August was mainly due to a decline in fuel prices reducing fuel inflation from 43.7% to 32.1%. And with the oil price now just below $90pb, we would expect to see fuel prices fall further in the coming months.
- However, utility price inflation is expected to add 0.7ppts to CPI inflation in October when the Ofgem unit price cap increases, typically, to £2,500 per household (prior to any benefit payments). But, as the government has frozen utility prices at that level until April 2023 at which time a Treasury-led will be initiated, energy price inflation will fall sharply after October and have a big downward influence on CPI inflation.
- Nonetheless, the rise in services CPI inflation from 5.7% y/y in July to a 30-year high of 5.9% y/y in August suggests that domestic price pressures are showing little sign of abating. A lot of that is being driven by the tight labour market and strong wage growth. CPI inflation is expected to peak close to 10.4% in November and, with the supply of workers set to remain unusually low, the tight labour market will keep underlying inflationary pressures strong until early next year.
- The former Prime Minister and former Chancellor appeared to make a step change in government policy. The government's huge fiscal loosening from its significant tax cuts will add to these domestic inflationary pressures and will leave a legacy of higher interest rates and public debt. Whilst the government's utility price freeze will reduce peak inflation from 14.5% in January next year to 10.4% in November this year, the long list of tax measures announced at the "fiscal event" adds up to a loosening in fiscal policy relative to the previous government's plans of £44.8bn (1.8% of GDP) by 2026/27. Following the resignation of Kwasi however, on 17 October 2022, the new Chancellor, Jeremy Hunt, made a fiscal statement reversing almost all tax measures announced at the Mini-budget on 23 September 2022, other than those that have already been legislated. Mini-budget measures that have already been legislated for and which have not been reversed include the reversal of the April 2022 increase in National Insurance rates of 1.25% from 6 November 2022; the cancellation of the proposed 1.25% Health and Social Care Levy; and the reductions in Stamp Duty Land Tax (SLDT) thresholds.

- Fears that the government has no fiscal anchor on the back of these announcements has meant that the pound has weakened, adding further upward pressure to interest rates. Whilst the pound fell to a record low of $1.035 on the Monday following the government's "fiscal event", it has since recovered to around $1.12. That is due to hopes that the Bank of England will deliver a very big rise in interest rates at the policy meeting on 3 November and the government will lay out a credible medium-term plan in the fiscal statement on 17 November. Nevertheless, with concerns over a global recession growing, there are downside risks to the pound.
- Since the fiscal event, we now expect the Monetary Policy Committee (MPC) to increase interest rates further and faster, from 2.25% currently to a peak of 5.00% in February 2023 (up from our previous forecast peak of 2.75%). The combination of the government's fiscal loosening, the tight labour market and sticky inflation expectations means we expect the MPC to raise interest rates by 100bps at the policy meetings in November (to 3.25%) and 75 basis points in December (to 4%) followed by further 50 basis point hikes in February and March (to 5.00%). Market expectations for what the MPC will do are volatile. If Bank Rate climbs to these levels the housing market looks very vulnerable, which is one reason why the peak in our forecast is lower than the peak of 5.50% priced into the financial markets at present.
- Gilt yields rose sharply at the end of September as investors demanded a higher risk premium and expected faster and higher interest rate rises to offset the government's extraordinary fiscal stimulus plans. The 30-year gilt yield rose from 3.60% to 5.10% following the "fiscal event", which threatened financial stability by forcing pension funds to sell assets into a falling market to meet cash collateral requirements. In response, the Bank did two things. First, it postponed its plans to start selling some of its quantitative easing (QE) gilt holdings until 31 October. Second, it committed to buy up to £65bn of long-term gilts to "restore orderly market conditions" until 14th October. In other words, the Bank is restarting QE, although for financial stability reasons rather than monetary policy reasons.
- Since the Bank's announcement on 28 September, the 30-year gilt yield has fallen back from 5.10% to 3.83%. The 2-year gilt yield dropped from 4.70% to 4.30% and the 10-year yield fell back from 4.55% to 4.09%.
- There is a possibility that the Bank continues with QE at the long-end beyond 14th October or it decides to delay quantitative tightening beyond 31 October, even as it raises interest rates. So far at least, investors seem to have taken the Bank at its word that this is not a change in the direction of monetary policy nor a step towards monetary financing of the government's deficit. But instead, that it is a temporary intervention with financial stability in mind.
- The S&P 500 and FTSE 100 climbed in the first half of Q2 2022/23 before falling to their lowest levels since November 2020 and July 2021 respectively. The S&P 500 is 7.2% below its level at the start of the quarter, whilst the FTSE 100 is 5.2% below it as the fall in the pound has boosted the value of overseas earnings in the index. The decline has, in part, been driven by the rise in global real yields and the resulting downward pressure on equity valuations as well as concerns over economic growth leading to a deterioration in investor risk appetite.

MPC meetings 4 August and 22 September 2022

- In August, the Bank of England's Monetary Policy Committee (MPC) increased Bank Rate to 1.75%, and on 22 September moved rates up a further 50 basis points to 2.25%. The increase reflected a split vote - five members voting for a 50 basis points increase, three for 75 basis points and one for 25 basis points. The MPC continues to grapple with getting inflation back on track over a three-year horizon.
- Moreover, the UK now has a new Prime Minister, a new Chancellor and new economic policies that seek to grow the UK economy faster than at any time since the 1980s. The central planks to the government's new policies are tax cuts and regulatory simplification. It is too early to say whether such policies will boost growth in the ways intended, but what is clear at this juncture is that the lack of scrutiny of the various projections, ideally by the Office of Budget Responsibility (OBR), and an emphasis upon borrowing to fund the significant cost of the proposals scared the markets.
- Subsequently, the Government has announced that the OBR will scrutinise their spending plans on 23 November, after the MPC next meets on 3 November. Naturally, the Bank Rate forecast set out below will be dependent on a more joined-up set of communications from the Bank of England and the government than that which we have seen or heard so far. In addition, the fiscal governance aspects referred to in the OBR's upcoming review in November will need to be suitably couched in reassuring language and analysis to persuade the markets that fiscal rectitude has not been abandoned.
- Of course, what happens outside of the UK is also critical to movement in gilt yields. The US FOMC has led with increases of 300 basis points in the year to date and is expected to increase rates further before the end of the year. Similarly, the ECB has also started to tighten monetary policy, albeit from an ultra-low starting point, as have all the major central banks apart from Japan. Arguably, though, it is US monetary policies that are having the greatest impact on global bond markets.
- What happens in Ukraine will also impact the global economy, but particularly in Europe. The search for alternative providers of energy, other than Russia, will take both time and effort. The weather will also play a large part in how high energy prices stay and for how long.

APPENDIX 3

Committee: Council

Date of Meeting: 22 November 2022

Treasury Management Mid-Year Report 2022/23

Interest rate forecasts

The Council has appointed Link Group as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 basis points) which has been accessible to most authorities since 1 November 2012.

The latest forecast on 27 September sets out a view that both short and long-dated interest rates will be elevated for some little while, as the Bank of England seeks to squeeze inflation out of the economy, whilst the government is providing a package of fiscal loosening to try and protect households and businesses from the ravages of ultra-high wholesale gas and electricity prices. The increase in PWLB rates reflects a broad sell-off in sovereign bonds internationally but more so the disaffection investors have with the position of the UK public finances after September's "fiscal event". To that end, the MPC has tightened short-term interest rates with a view to trying to slow the economy sufficiently to keep the secondary effects of inflation - as measured by wage rises - under control, but its job is that much harder now.

Our current and previous PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1 November 2012.

Link Group Interest Rate View	27.09.22											
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
BANK RATE	4.00	5.00	5.00	5.00	4.50	4.00	3.75	3.25	3.00	2.75	2.75	2.50
3 month ave earnings	4.50	5.00	5.00	5.00	4.50	4.00	3.80	3.30	3.00	2.80	2.80	2.50
6 month ave earnings	4.70	5.20	5.10	5.00	4.60	4.10	3.90	3.40	3.10	3.00	2.90	2.60
12 month ave earnings	5.30	5.30	5.20	5.00	4.70	4.20	4.00	3.50	3.20	3.10	3.00	2.70
5 yr PWLB	5.00	4.90	4.70	4.50	4.20	3.90	3.70	3.50	3.40	3.30	3.20	3.20
10 yr PWLB	4.90	4.70	4.60	4.30	4.10	3.80	3.60	3.50	3.40	3.30	3.20	3.20
25 yr PWLB	5.10	4.90	4.80	4.50	4.30	4.10	3.90	3.70	3.60	3.60	3.50	3.40
50 yr PWLB	4.80	4.60	4.50	4.20	4.00	3.80	3.60	3.40	3.30	3.30	3.20	3.10

Link Group Interest Rate View	09.08.22												
	Sep-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
BANK RATE	2.25	2.50	2.75	2.75	2.75	2.50	2.50	2.25	2.25	2.25	2.25	2.25	2.00
3 month ave earnings	2.50	2.80	3.00	2.90	2.80	2.50	2.40	2.30	2.30	2.30	2.20	2.20	2.20
6 month ave earnings	2.90	3.10	3.10	3.00	2.90	2.80	2.70	2.60	2.50	2.50	2.40	2.30	2.30
12 month ave earnings	3.20	3.30	3.20	3.10	3.00	2.90	2.80	2.70	2.40	2.40	2.40	2.40	2.40
5 yr PWLB	2.80	3.00	3.10	3.10	3.00	3.00	2.90	2.90	2.80	2.80	2.80	2.70	2.70
10 yr PWLB	3.00	3.20	3.30	3.30	3.20	3.10	3.10	3.00	3.00	3.00	2.90	2.90	2.80
25 yr PWLB	3.40	3.50	3.50	3.50	3.50	3.40	3.40	3.30	3.30	3.20	3.20	3.20	3.10
50 yr PWLB	3.10	3.20	3.20	3.20	3.20	3.10	3.10	3.00	3.00	2.90	2.90	2.90	2.80

Link Group Interest Rate View 21.06.22												
	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
BANK RATE	1.75	2.25	2.75	2.75	2.75	2.75	2.50	2.50	2.25	2.25	2.25	2.25
3 month ave earnings	2.00	2.50	2.80	2.80	2.80	2.80	2.60	2.50	2.30	2.30	2.20	2.20
6 month ave earnings	2.50	2.80	3.00	3.00	2.90	2.90	2.80	2.70	2.60	2.50	2.40	2.30
12 month ave earnings	3.10	3.20	3.20	3.20	3.00	2.90	2.80	2.60	2.50	2.40	2.40	2.40
5 yr PWLB	3.20	3.30	3.30	3.30	3.30	3.20	3.10	3.00	3.00	3.00	2.90	2.90
10 yr PWLB	3.40	3.50	3.50	3.50	3.50	3.40	3.30	3.20	3.20	3.20	3.10	3.10
25 yr PWLB	3.70	3.70	3.70	3.70	3.70	3.70	3.60	3.50	3.50	3.40	3.40	3.30
50 yr PWLB	3.40	3.40	3.50	3.50	3.40	3.40	3.30	3.20	3.20	3.10	3.10	3.00

LIBOR and LIBID rates ceased at the end of 2021. In a continuation of our previous forecasts, our money market yield forecasts are based on expected average earnings by local authorities for 3 to 12 months. Our forecasts for average earnings are averages i.e., rates offered by individual banks may differ significantly from these averages, reflecting their different needs for borrowing short-term cash at any one point in time.

SUMMARY OVERVIEW OF THE FUTURE PATH OF BANK RATE

- Our central forecast for interest rates was previously updated on 9 August and reflected a view that the MPC would be keen to further demonstrate its anti-inflation credentials by delivering a succession of rate increases. This has happened but the “fiscal event” has complicated the picture for the MPC, who will now need to double-down on counteracting inflationary pressures stemming from the government’s widespread fiscal loosening.
- Further down the road, we anticipate the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures are behind us - 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 10.4% in November 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.
- Regarding the “provisional” plan to sell £10bn of gilts back into the market each quarter, this is still timetabled to take place but not until October at earliest.
- 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 households whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

PWLB RATES

- The yield curve has shifted upwards since our August update and PWLB 5 to 50 years Certainty Rates are, generally, in the range of 4.25% to 5.75%. The yield curve is currently inverted.
- We view 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.

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 quickly to cut taxes and/or increases expenditure in the light of the cost-of-living squeeze.
- **The pound weakens** because of the UK's growing borrowing requirement resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Longer term **US treasury yields** continue to rise strongly and pull gilt yields up even higher than currently forecast.

Agenda Item 10

Committee:	Council
Date of Meeting:	22 November 2022
Report of:	Interim Head of Corporate Business and Partnerships
Contact Officer:	Tracy Redpath
Telephone Number:	01785 619195
Ward Interest:	Nil
Report Track:	Council 22/11/2022 Cabinet 03/11/2022

The following matter was considered by Cabinet at its meeting held on 3 November 2022 and is submitted to Council for approval.

Climate Change and Green Recovery - Annual Update

1 Purpose of Report

1.1 To provide an update on the activities that have been undertaken by the Council in relation to climate change and green recovery.

2 Recommendation

2.1 That the progress as detailed in the report be noted.

3 Key Issues and Reasons for Recommendations

3.1 It was agreed that a progress report be submitted to full council to outline the activities that have taken place to deliver against the council's climate change objectives. The full report is contained in section 5 and it details the work that has been undertaken by officers for each of the climate change and green recover objectives.

4 Relationship to Corporate Business Objectives

4.1 Climate change and green recovery are cross-cutting issues that contribute and support the over-arching vision and business objectives contained in the Corporate Business Plan.

5 Report Detail

5.1 The council has recognised that it has an important role in responding to the threat of climate change and in response to this formulated a Climate Change and Green Recovery Strategy that was approved in 2020. The strategy outlined what the commitments would be over the next 20 years with a focus upon:

- Reducing emissions from our own activities
- Working in partnership
- Mitigating and adapt to climate change
- Continuing to implement our green recovery objectives.

5.2 A considerable amount of progress has been made over the 12-month period in relation to the delivery of our climate change objectives and the following paragraphs contain a thematic summary of this progress.

5.3 **Climate Change Commitment:** The Leader of the Council reaffirmed his commitment to climate change earlier in the year and implemented a new cabinet position with the sole responsibility for climate change. The cabinet member for climate change has overall responsibility for the delivery of the council's Climate Change and Green Recovery Strategy and for working across the cabinet portfolios to ensure that climate change is integrated into all council activities.

5.4 Reducing emissions from our own activities: Members will recall that a carbon audit was commissioned last year to audit the carbon balance of our council activities. This audit is currently being refreshed and the figures from last year, along with this years, will be utilised to determine the target reductions that need to be achieved. In addition to this work:

- Feasibility studies have been commissioned to explore the viability of installing renewable energy infrastructure on council owned assets.
- LED lighting and movement sensors - a five-year programme of works has commenced to replace the existing lighting at the Waterfront Car Park.
- Green energy - the council has made arrangements to switch to a UK Renewable energy tariff and will run on electricity backed by renewable generation
- Contracted services - colleagues continue to work with both Freedom Leisure and Veolia to explore carbon reduction strategies
- Electrical Vehicle Charging: The council has installed a further 12 electrical vehicle charging points this year and will be working to produce a local strategy that will feed into the overall climate change strategy.

5.5 **Working in Partnership:** This is quite a broad area of work for the council as it recognises that we cannot achieve carbon reductions on our own, it is everyone's responsibility to do whatever they can to protect our planet. The broad areas of work under this objective relate to: the Staffordshire Sustainability Board; Local Area Energy Planning and also the activities of the community panel. The next few paragraphs will provide a summary of the progress made.

5.6 The council is now a member of the Staffordshire Sustainability Board set up in the latter part of 2021. The Board comprises of representatives from each council within Staffordshire with a sustainability / climate change portfolio and includes support from council officers, directors and additional council staff as and when required. The Stafford Borough representatives are Cllr Price and Tracy Redpath. The purpose of the board is to facilitate discussion and updates on relevant environmental sustainability issues and to debate matters affecting multiple authorities and decide outcomes and objectives for collective projects. There are a number of initiatives that have been implemented since April which are:

- Nature Recovery Declaration has been developed and agreed by cabinet and work is underway to incorporate all of the elements into the relevant council policies and plans
- Vision and Base Pledge has been developed and agreed by cabinet. The base pledge contains ten broad principles of how the council can work collaboratively to achieve its climate change objectives.
- Carbon Literacy Training is currently being commissioned and this will be rolled out to elected members and staff.
- The Board are also working collectively on Active Travel; Biodiversity/Nature Recovery; Taxi Licensing; Behavioural Change.

5.7 Local Area Energy Planning: Over the past eight months the council has been involved in a multi-agency project and a partnership of Stafford, Cannock and Lichfield being carried out by Innovate UK and led by Burro Happold supported by Engie and Se2. It is looking at how areas can reach carbon neutral by preparing a robust feasibility study that can be used as an evidence base, open opportunities for funding projects and feed into the national picture for central government. It consists of a whole system approach that will look at energy systems and energy flow that will determine which pathways and solutions are the best fit for our local area and which areas we need to prioritise. A draft feasibility study has now been produced and will be available once it has been finalised and agreed by cabinet.

5.8 Community Panel: A community panel was set up earlier in the year and now consists of 15 members who are passionate about climate change and green recovery. The panel meets on a bi-monthly basis and is co-chaired by two members of the panel. As well as being active on a number of other community groups, members of the panel are working tirelessly over the past few months and are currently formulating and implementing projects relating to:

- Plastic and Waste Reduction
- Food and Farming
- Biodiversity and Wellbeing
- Raising Awareness

All of the projects are being designed in a way so that they can be easily replicated across communities in the borough.

5.9 **Climate Change Mitigation and Adaptation:** A considerable amount of work has been undertaken in relation to climate change mitigation and adaptation. A risk-based assessment of the vulnerabilities to weather and the climate was undertaken which informed the formulation of a Stafford Borough Climate Change Adaptation Strategy. The strategy has been designed using best practice guidance from Sustainability West Midlands who are leading the way on adaptation work across the region. The strategy has been subject to a full public consultation and was approved by cabinet in September but is currently subject to call-in procedures.

5.10 **Green Recovery:** One of the main areas of success under this objective has been the success of the funding application for £4.1 million to develop the Stafford Brookes Project in partnership with Staffordshire Wildlife Trust, the Environment Agency and National Highways. In addition to this a new Local Nature Reserve was declared by the council earlier in the year and as part of that up to 750 trees have been planted on it by council staff and volunteers including members of the community panel. A further 250 trees have also been planted at Westbridge in Stone. Work has also progressed in relation to the preparation of the Preferred Options Stage of the new Local Plan and also in the development of a countywide Local Nature Recovery Strategy that will lead to Biodiversity Net Gail requirements as part of the Environment Act 2022.

5.11 **Cost of Living Crisis:** The impact of the rise in the cost of living is already being seen as disposable income is tightening to an extent that families are already having to take difficult decisions to either heat their home or feed their families. This situation will be challenging for the majority, but in particular, those households who are particularly vulnerable. The council has been allocated a limited amount of funding from the Department for Business, Energy and Industrial Strategy (BEIS) to proactively target private rented accommodation to improve energy efficiency and/or reduce/remove fuel poverty, through measures installed and advice provided. The feasibility study that will be produced as part of the Local Area Energy Planning Project will look at what opportunities are available to improve the fabric of existing housing and also what renewable energy source are most suitable for that area.

5.12 **Benchmarking:** During the 12-month period the council has participated in the West Midlands self-assessment sustainability benchmarking exercise. The benchmark comprises of nine main themes:

- 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

21 local authorities out of 32 responded to the request and Stafford Borough was ranked 9 overall indicating improvements made in social equity and health; sustainable energy use; resource efficiency; carbon reduction; leadership and governance and adapting to climate change. This exercise has just been undertaken once again and we are anticipating the results very soon.

6 Implications

6.1 Financial

The full financial implications associated with the council being able to achieve its climate change objectives are unknown. It is anticipated that the feasibility studies that have been commissioned will be able to provide a substantial enough evidence base to determine the level of financial contribution required for those projects. It is also worth noting that the authority does not have a high value of unallocated capital funding with which to finance the actions required arising from the review so it is likely any actions required will require alternative methods of finance.

6.2 Legal

None

6.3 Human Resources

None

6.4 Human Rights Act

None

6.5 Data Protection

Nil

6.7 Risk Management

Nil

6.8 Community Impact Assessment Recommendations

Impact on Public Sector Equality Duty:

There are no known impacts.

Wider Community Impact:

Wider community impact will be addressed through the individual project plans that will be developed.

7 Previous Consideration

Cabinet – 3 November 2022 – Minute No CAB36/22

8 Background Papers

Corporate Business and Partnerships

SBC Climate Change and Green Recovery Delivery Plan 2022 onwards

Ref	We will:	Performance Indicators (Reported to Scrutiny)	Annual Target	Outcome	Resources Budgets/ Sources of funding
1	**Reduce emissions from our own activities** **(Strategic Lead: Interim Head of Corporate Business and Partnerships)**	% reduction in emissions	To be set	To continue to reduce our carbon emissions, enabling us to reach carbon neutrality by 2040 at the latest	Staff time £8,500 feasibility studies
Ref	**Actions**	**Milestone**	**Timescale**	**Owner**	**Working with**
1.1	Audit the carbon balance of our council activities for 2022/23	Carbon Audit completed and target reduction set	May - December 2022	Corporate Business	All service areas
1.2	Continue with the work in relation to Organisational Development and Hybrid working	Hybrid working model formalised and implemented	March 2023	Organisational Development Group	All service areas
1.3	Embed climate change objectives into council and partnership policies and plans.	Review Procurement Regulation and include guidance on sustainable procurement	March 2023	Governance Law and Administration	All service areas
1.4	Explore the feasibility to extend the solar array and install battery storage at Riverway Depot, Waterfront car park and other council owned car parks and land	Options appraisals secured for the installation of solar arrays on council owned car parks and land	December 2022	Operations	Corporate Assets
		Options appraisal secured for the installation of battery storage on council owned car parks and land	December 2022	Operations	Corporate Assets
1.5	Install LED lighting and movement sensors to Waterfront car park	A five-year programme of replacement in place. As and when the existing lights fail – one full floor each year – assuming sufficient % lighting failures.	To commence in 2022, with the entire site completed by May 2025	Corporate Assets	Appointed contractor

1.6	Passive Infrared Sensors and LED lighting to continue to be installed in office and circulation areas	Infrared Sensors and LED lighting installed in Block A of the Civic Centre	October 2022	Corporate Assets	Electrical team
1.7	Explore the potential to install renewable energy infrastructure on rooftops of council owned buildings. To include solar panels and battery storage.	Engineering surveys to take place on suitability – completed for detailed appraisal.	March 2023	Corporate Assets	Engineer/solar specialist
1.8	Investigate the feasibility of moving to a zero carbon utility tariff	Details on charges and tariff received from CCS for financial calculation and appraisal. Increased cost implication will need approval.	November 2022	Corporate Assets	Crown commercial
1.9	Work with Freedom Leisure to explore the feasibility of further reducing carbon emissions at Freedom Leisure managed buildings and facilities.	Annual audits undertaken on all Leisure Centres operated by Freedom Leisure to identify and plan for correction of inefficient technologies, building equipment, systems and practices to optimize energy and resource efficiency.	March - September 2022	Freedom Leisure	Corporate Business, Freedom Leisure Operations
		Environmental Sustainability Teams set up at each Freedom Leisure site who will support the sharing of information, monitoring of activities and reporting improvements.	March - June 2022	Freedom Leisure	
		Environmental Awareness training undertaken for Freedom Leisure staff to ensure they are aware of the impact of their actions and decisions on the	Management 100% by July 2022 All staff	Freedom Leisure	

		environmental footprint of the organisation.	85% by December 2022		
		Environmental Sustainability Performance Site Plans undertaken (aligned with findings of audits and Councils targets)	October 2022	Freedom Leisure	
1.10	Work with Freedom Leisure to explore the feasibility of further reducing carbon emissions at Freedom Leisure managed buildings and facilities.	Meaningful and verifiable measuring and reporting of energy use, waste and resource management, water use and carbon emissions at facility level implemented.	June - September 2022	Freedom Leisure	Corporate Business, Freedom Leisure Operations
		Waste audits completed and practices identified to minimise waste generation and increase recycling.	October 2022 - March 2023	Freedom Leisure	
		Environmental Sustainability Performance Scorecards implemented per site.	October 2022 - March 2023		
1.11	Work with Veolia to explore future carbon reduction strategies that can be included in the waste contract when it is due for retender in 2028	Incorporate the contents of Veolia's Carbon Reduction Plan into future carbon reduction plans produced by the Council	March 2023	Operations	Veolia
1.12	Explore options for reducing emissions from staff and member travel. To include the feasibility of electric pool bikes and electric vehicles for lease car scheme.	To be developed		HR	
1.13	Increase the rate of carbon sequestration across Stafford Borough through tree planting schemes at Fairway Local Nature	Work in partnership with BIFOR to devise a Tree Planting Strategy which will see an increase in carbon	December 2022	Operations	Strategic Planning and Placemaking, Corporate Business

	Reserve and Westbridge Park and implementing garden top bus shelters.	sequestration whilst enhancing biodiversity			
1.14	Investigate the opportunity for council owned land to be utilised for carbon offsetting	Explore the potential for tree planting on council owned landfill sites Explore the potential for tree planting on small parcels of council owned land	March 2023 March 2023	Operations; Development; Law and Admin	Corporate Business
1.15	Work with business to promote more sustainable practices to improve their carbon footprint	Work in partnership with Staffordshire Chamber of Commerce to help local businesses increase their sustainability	March 2023	Development	Corporate Business, Staffordshire Chamber of Commerce, Town Centre Partnership
1.16	Work towards eliminating the use of peat compost in the landscaping activities of the council	Perform a trial looking at how the use of peat-free compost impacts the growth of flowers in council owned spaces	December 2022	Operations	

SBC Climate Change and Green Recovery Delivery Plan 2022 onwards

Ref	We will:	Performance Indicators (Reported to Scrutiny)	Annual Target	Outcome	Resources Budgets/ Sources of funding
2	**Work in partnership to raise awareness of and identify opportunities to implement sustainable low carbon initiatives and promote community action on reducing emissions** **(Strategic Lead: Interim Head of Corporate Business and Partnerships)**	Narrative updates reported to Resources Scrutiny on a quarterly basis	Not applicable	All stakeholders aware of how they can reduce carbon emissions from their own activities Community involved and participating in the development of initiatives and schemes Vulnerable residents supported	Staff time
Ref	**Actions**	**Milestone**	**Timescale**	**Owner**	**Working with**
2.1	Work in partnership to determine best practice and increase awareness of climate change in our council, communities, businesses, and contractors	Participation in Staffordshire Sustainability Board and countywide officer groups.	On-going	Corporate Business	Corporate Business and Partnerships working with Centre for Alternative Technology, Keele University, residents, Staffordshire Climate Change Working Group. Communications, Climate Change and Green Recovery Group
		Countywide nature recovery declaration developed and agreed	March - April 2022	Corporate Business and Development	

		Nature recovery declaration incorporated into relevant council policies and plans.	May - March 2023	Corporate Business	
		Countywide vision and base pledge developed and agreed.	January - June 2022	Corporate Business	
		Vision and base pledge actions incorporated into relevant council policies and plans.	July - March 2023	Corporate Business	
		Roll out carbon literacy training to elected members and staff	Ongoing	Corporate Business	All service areas; elected members;
		Investigate the feasibility of local area energy planning for Stafford Borough	Ongoing	Corporate Business	Burro Happold; SE2; Midland Energy HUB; Energy Systems Catapult; Lichfield District Council; Cannock Chase District Council
2.2	To encourage local communities to transition to a low carbon lifestyle.	Develop information packs that promote and raise awareness of carbon neutral/energy efficient schemes, how to reduce single use plastics and live more sustainably and healthy	March 2023	Corporate Business	Elected members; Community groups Climate Change Panel Communications
		Develop community campaigns that promote environmental sustainability and encourage carbon reduction	March 2023	Corporate Business	Communications Elected members; Community groups Climate Change Panel
2.3	Continue work to support residents who are in financial difficulty and are vulnerable with energy efficiency measures	Secure funding to enable the delivery of Annual contract targets for volume of households supported to improve energy efficiency and/or reduce/remove	March 2023	Health and Housing	Specialist energy agent, Staffordshire County Council, Community

		fuel poverty, through measures installed and advice provided.			Wellbeing Partnership
2.4	Work in partnership with the county council, local businesses, and the community to increase the provision of electric vehicle charging points across the Borough	Continue to work in partnership with the County Council to produce a masterplan which will inform the deployment of electric vehicle infrastructure in the Borough that included provision in rural areas	Ongoing	Corporate Business and Operations	Staffordshire County Council, Corporate Business, Strategic Planning and Placemaking Car Parking Manager, Economic Development, Environmental Health
		Continue to install electric vehicle charging points on council owned car parks	Ongoing	Corporate Business and Operations	Staffordshire County Council, Corporate Business, Strategic Planning & Placemaking Car Parking Manager, Economic Development, Environmental Health

SBC Climate Change and Green Recovery Delivery Plan 2022 onwards

Ref	We will:	Performance Indicators (Reported to Scrutiny)	Target	Outcome	Resources Budgets/ Sources of funding - Cost Centre Staff time
3	**Refresh the Climate Change Adaptation Strategy** **(Strategic Lead: Interim Head of Corporate Business and Partnerships)**	**Narrative updates reported to Resources Scrutiny on a quarterly basis**	Not applicable	1. Integration of climate change principles into the procurement process to timescale 2. Identification of relevant campaigns to timescale 3. Progress of Adaptation Strategy 4. Deployment of climate change adaptation measures 5. Publication of Adaptation Strategy	Staff time

Ref	Actions	Milestones	Timescales	Owner	Working with
3.1	Implement and monitor the Climate Change Adaptation Action Plan	Integrate the findings of the Climate Change Committee's Independent Assessment of UK Climate Risk report and embed measures to increase the delivery of nature-based solutions to climate adaptation into the Council's Climate Change Adaptation Plan	April 2022	Corporate Business	Corporate Business and Partnerships Staffordshire County Council Businesses Community groups Voluntary Sector Communications Operations
		Draft Adaptation Strategy to be agreed for public consultation	April 2022	Corporate Business	

		Draft Climate Change Adaptation Strategy to be agreed and implemented.	July 2022 Currently subject to call in procedures	Corporate Business	
3.2	Work with council services and partners to ensure vulnerabilities and opportunities not yet addressed are featured in strategies and action plans	Embed individual adaptation measures for each service area into relevant policies and plans	July 2022 - March 2023	Corporate Business	
3.3	Update the risk-based assessment of vulnerabilities to weather and climate - now and in the future.	Revise the risk-based assessment of vulnerabilities to weather and climate on annual basis	September 2022	Corporate Business	
3.4	Increase public awareness relating to the importance of Climate Change Adaptation	Run a communications campaign on the council's website and social media focusing on climate adaptation	July - December 2022	Corporate Business	Communications
3.5	Monitor the progress being made against the targets outlined in the Climate Change Adaptation Plan	Quarterly reports to cabinet and relevant scrutiny committee	Ongoing	Corporate business	Corporate Business Communications Law and Administration Elected members

Ref	We will:	Performance Indicators (Reported to Scrutiny)	Target Frequency of Reporting	Outcome	Resources Budgets/ Sources of funding
4	**Follow the Lawton Principles of delivering more, bigger, better and connected habitats** **(Strategic Leads: Head of Development and Head of Operations)**		Quarterly narrative update	1. Enhance existing habitats throughout the Borough. 2. Seek opportunities to create new habitats. 3. Ensure connectivity through a network of high-quality connected habitats throughout the Borough. 4. Well managed Blue and Green infrastructure	Local Plan budget
Ref	**Actions**	**Milestones**	**Timescales**	**Owner**	**Working with**
4.1	Developing delivery of Biodiversity Net Gain to support Local Nature Recovery Strategy.	Progress a local approach based on detailed government guidance when available	July 2022	Strategic Planning and Placemaking	Ecology and Landscape Officer, Principal Planning Officer, Strategic Planning and Placemaking working with Wildlife Trust and Environment Agency, Freedom Leisure, Sport England, Allotment Associations, Operations Community Groups

4.2	Investigate green network enhancements in Stafford and Stone	Stafford Brook project bid – if successful progress with governance and project management arrangements	July 2022	Strategic Planning and Placemaking	Ecology and Landscape Officer, Principal Planning Officer, Strategic Planning and Placemaking working with Wildlife Trust and Environment Agency, Freedom Leisure, Sport England, Allotment Associations, Operations Community Groups
4.3	Integrate climate change policies within New Local Plan	Integrate climate change policies into the Preferred Options document	June - July 2022	Strategic Planning and Placemaking	Ecology and Landscape Officer, Principal Planning Officer, Strategic Planning and Placemaking working with Wildlife Trust and Environment Agency, Freedom Leisure, Sport England, Allotment Associations, Operations Community Groups
4.4	Continue to deliver Cannock Chase SAC projects	New memorandum of understanding and developer contribution approach implemented	April 2022	Strategic Planning and Placemaking	Ecology and Landscape Officer, Principal Planning Officer, Strategic Planning and Placemaking

					working with Wildlife Trust and Environment Agency, Freedom Leisure, Sport England, Allotment Associations, Operations Community Groups
4.5	Work in partnership to improve air quality for the Borough and Southern Staffordshire SAC’s	Assess air quality/nitrogen dioxide and monitor and review the quality to determine whether national air quality objectives are being met		Strategic Planning and Placemaking, Operations	Ecology and Landscape Officer, Principal Planning Officer, Strategic Planning and Placemaking working with Wildlife Trust and Environment Agency, Freedom Leisure, Sport England, Allotment Associations, Operations Community Groups