

Councillor Andy Cooper (Mayor)

Present (for all or part of the meeting):-

Councillors:

K M Aspin	A M Loughran
J A Barron	B McKeown
F E Beatty	A R McNaughton
E L Carter	D M McNaughton
R P Cooke	A Nixon
B M Cross	L Nixon
A P Edgeller	G P K Pardesi
P C Edgeller	A N Pearce
I D Fordham	J M Pert
A T A Godfrey	J P Read
A D Hobbs	A F Reid
J Hood	J T Rose
F D J James	D P Rouxel
R A James	A J Sandiford
E G R Jones	S N Spencer
P W Jones	J Thorley
R Kenney	M J Winnington
P A Leason	

Officers in attendance:-

T Clegg	-	Chief Executive
C Forrester	-	Deputy Chief Executive (Resources)
I Curran	-	Head of Law and Governance
W Conaghan	-	Press and Communication Manager
J Dean	-	Democratic Services Officer

C42 Minutes

The minutes of the meeting held on 28 November 2023 were agreed as a true and correct record.

C43 Apologies

Apologies for absence were received from Councillors M G Dodson and M Phillips.

C44 Announcements

The Mayor thanked those Members who supported the Mayor's Quiz Night which had raised in the region of £600.

The Mayor reported that £1000 had been donated to the Mayors Charity Appeal following the St Mary's Church Christmas Tree Festival.

Members were reminded of the Abba Tribute Evening to be held at the Top of the World, Stafford on Friday 1 March 2024 and were encouraged to contact the Mayor' Office for tickets should they wish to attend.

It was with sadness that the Mayor announced the passing of former Mayor Stuart Glaister. All present observed a minutes silence to pay their respects.

C45 General Fund Revenue Budget and Capital Programme 2023-26

Considered the report of the Deputy Chief Executive - Resources (V1 10/01/24).

Councillor R P Cooke introduced the report before reading the following prepared statement:-

"As members will have already read the Budget Report and as I have limited time to speak, I shall cover only the salient points.

The purpose of this report is to propose to the Council the General Fund Revenue Budget, the updated Capital Programme for 2024-27 and indicative budgets for 25-26 and 26-27. And also, to propose the approval of new car parking charges in Stone as per Appendix 8.

The Main recommendations are as set out in paragraph 2.1. and I shall deal with some of these later.

I shall now turn to some of the details about the budget issues for 2024-25.

- 1 There is to be increased investment in the Finance Team so that we can support our statutory obligations, for example, we are aware that the accounts audits are behind and, while this is not by any means unique in the local authority sector, we want to improve this performance. Now that the Council is involved with a number of schemes regarding the regeneration of the Town Centre, for the benefit of residents, greater support is needed by the Finance Section. You can't make bricks without straw and so £159k has been included in the base budget to increase staffing and support investment in the team. This is planned to be matched by Cannock due to the shared service arrangements and they will be contributing £141k to make a total of £300k investment in Finance.

- 2 £100k has been allocated for a transformational reserve for Stafford, and Cannock are planning to create one with £100k as well so that the Councils can review procedures, processes, systems, governance to ensure we are getting the most out of working practices and looking to delivering best practice in our service provision. All this is for the benefit of residents.

The investment income is good news, driven by higher interest rates. £1.950mn net is included for 2024/25 but I would stress that this income is a “windfall” as it cannot be guaranteed for the medium term, especially as it is increasingly looking as though interest rates will be falling over the course of the next financial year, thus reducing our investment income. This is why it is important that we use the money well and invest in the Council to future proof it, enhance service delivery and drive transformational change for the benefit of residents.

This surplus will be set aside to create two new reserves and an increase in the Climate Change reserve to allow the Council to make investments in services and assets.

- 1 The Investment Reserve (£1.5mn) is to provide money to invest in Council service delivery. This reserve will enable the Council to transform the way it delivers services, whether that be through new channels of engagement, new software and so on, for the benefit of residents and also helps us to invest to save so that we can improve the delivery of services while reducing the cost of that delivery or doing it more efficiently, then it stands us in good stead in case of future financial settlements which may not be as strong for the Council, thus helping us to deal with future shocks.
- 2 The Business Initiative Reserve (£500,000) is for service areas to build robust business cases to bid for resources to support service delivery. These business cases will be presented to an evaluation panel to ensure that maximum value for money is achieved.
- 3 Climate Change. £250,000 to be set aside to add to the existing climate change reserve, bringing the total to £275,000, as this is a key area. An example might be solar panels or the start of an EV fleet.

All three are one-off resources and not built into the base budget.

Now I turn to the Local Government Finance Settlement for 2024-25 and the Autumn Statement;

The headlines are:

- 1 Council Tax can be increased by the higher of 2.99% or £5 without a referendum.
- 2 There are various updates to policy regarding Business Rates reliefs, New Homes Bonus, for one year 2024-25 but did not include information on New Homes Bonus for the medium Term, nor for the Fair Funding Review or the Business Rates reset. How helpful!!! The Government seems to consider finance on a yearly basis but expects us to budget for the medium term. This can only be done with great difficulty with many question marks and unknowns. This is a major reason why prudence is necessary when creating a budget and considering the level of Council Tax.
- 3 However, the Settlement included £1.986m for a Funding Guarantee Grant. This is a one-off grant designed to maintain a minimum level of core spending power but it could well be repeated in the future and so predicted amounts are included in Table 2. It is important to note in Paragraph 5.13 that this grant was calculated on the basis that Council Tax is increased by the maximum of 2.99%. If the Council did not do this then it would have a negative effect on future years budgets as the grant in future years would be less than the “lost” potential income from not increasing Council Tax to the maximum allowed. So, the finance settlement was effectively based on us increasing Council Tax to the maximum 2.99% as this would give us the minimum guaranteed level of funding.

It should be noted that the financial settlement is provisional at this stage.

That brings me to the Revenue Budget Summary;

The Portfolio budget position set out in Table 2 of page 9 reflects the forecast outturn for 2023-24, the proposed budget for 24-25 and indicative budgets for 25-26 and 26-27. The detailed budgets are included in Appendix 1.

Table 2 has been updated from the report of 4 January to reflect the impact of the Cannock led shared service budgets. There have been no other changes although the local government finance settlement is still provisional at this stage.

During 2023-24 a zero-based budgeting exercise was carried out, when budgets were reviewed line by line by the Finance Team with the budget holders. The results of this are reflected in the budgets in Table 2.

Now we come to Reserves and Balances;

Paragraph 5.31 defines terms and explains why they are essential to good financial management. It also refers to Appendix 6, which includes the reassurance of the Chief Finance Officer on the robustness of the estimates and the adequacy of reserves.

Paragraph 5.32 deals with earmarked reserves and refers the reader to Appendix 4.

As to the Working Balance. For several years the policy has been to maintain the level of the General Fund Balance at a minimum of £1mn. This will continue.

I now turn to the Capital Programme 2023-24 to 2026-27.

The capital programme includes the Future High Streets Fund

Projects at this point in time and shows real investment in the town together with a desire to improve the town for residents.

Which brings us to the Council Tax Base and Collection Fund.

Covered in paragraphs 5.37 to 5.40.

And so, we come to Council Tax 2024-25;

The proposed increase of 2.99% is within the guidelines for district councils as contained in Government policy.

Each additional 1% increase in Council Tax would generate approximately £80k a year.

The proposed level of the Council's Council Tax for 2024-25 is £173.56 for a Band D property, with the overall level of Council Tax being finally determined in February when other authorities let us know their figures.

Such an increase amounts to £5.04 on a Band D property per year or about 10p per week.

A reminder that only about 10% of the total Council Tax comes to this Council. About 90 % goes to other authorities, such as the County Council. We collect the taxes but only keep about 10%.

Paragraphs 5.45 to 5.48 deal with Financial Planning, which can be summed up in two words - very difficult. The paragraphs explain why. The major potential adverse impact over the medium term is Government policy, a Business Rates reset being the Sword of Damocles hanging over our heads. All this again argues for the need for prudence when setting our level of Council Tax.

There is a new section to the Report - Horizon Scanning.

This includes the potential introduction of food waste collection and the impact of falling inflation and interest rates on investment income. More reasons for prudence.

Finally, A risk register is included at Appendix 7, which sets out the various risks, their levels and mitigating actions, where appropriate.

Before I conclude, I am sure that the Council will wish to join me in thanking the Deputy Chief Executive (Resources) Chris Forrester and the Chief Accountant Financial Management Emma Fullagar and all the team responsible for the creation of this budget for their hard work and effort and for working to such tight deadlines to produce it, as a result of the Governments usual tardiness in supplying the necessary data. We are grateful for the blood, toil, tears and sweat which they must have expended to complete this Herculean task.

In conclusion, we are in a robust financial position for the life of the Medium Term Financial Strategy, which is good news, and I commend this Budget to members”.

The proposal was seconded by Councillor R Kenney.

During the ensuing discussion, the following amendment was proposed by Councillor M J Winnington and seconded by Councillor J M Pert:-

“With the windfall coming from increased interest from investments, held by the Borough Council - estimated to be £1.6m - as well as the £782k additional surplus from the last Financial Year (-when the previous administration was managing the finances), which has already gone into reserves, coupled to the strong likelihood that interest rates will remain higher for longer, that gives the Borough Council the headroom to support all residents during a cost of living crisis by:-

- 1 Holding Council Tax - rather than increasing it by 2.99% . The additional Council Tax being raised is planned to sit in the Council’s bank account. It’s better that it sits in all our residents’ bank accounts and they can choose how to spend their money.

- 2 Maintain the brown bin charges - rather than the arbitrary 17% increase that has been forced on residents.
- 3 Reduce the car parking charges to a round 'one pound'. To encourage residents and visitors from further afield to come into the centre of the County Town, as part of the planned measures to support the town centre, following:-
 - The investment of £1m refurbishing the town centre, undertaken under the previous administration
 - The signing off of our plans to buy the Guildhall with a total investment of well over £20m

In addition, we would allocate just over £400,000 towards home energy savings measures to retrofit insulation to the homes of the most vulnerable in Stafford Borough.

This would be funded by allocating just £500,000 to reserves rather than the planned £1.5m.

The revised budget is as per the Table - 2b- attached as a Schedule.”

Councillor Pearce raised a point of order enquiring about the effect of Rule 16 of the Council Procedure Rules on the proposed amendment where it related to Fees and Charges that had already been agreed by the Council.

In order to clarify this procedural matter the Mayor suggested a short recess, during which he left the Council Chamber.

On resuming the meeting, the Head of Law and Governance clarified that elements of the proposed amendment could not be considered at this meeting, as they had already been the subject of a Council decision taken in November 2023, to which the mover and seconder of the amendment agreed to remove points 2 and 3.

Members of the Council then discussed the amendment as provided for under paragraph 15 of the Council Procedure Rules.

In accordance with paragraph 17.4(a) of the Council Procedure Rules a recorded vote was taken; voting on the revised amendment was as follows:-

For	Against	Abstain
K M Aspin	J A Barron	A G Cooper
F E Beatty	E L Carter	
B M Cross	R P Cooke	
A P Edgeller	I D Fordham	
P C Edgeller	A T A Godfrey	
R A James	A D Hobbs	
E G R Jones	J Hood	
P W Jones	F D J James	
J M Pert	R Kenney	
M J Winnington	P A Leason	
	A M Loughran	
	B McKeown	
	A R McNaughton	
	D M McNaughton	
	A Nixon	
	L Nixon	
	G P K Pardesi	
	A N Pearce	
	J P Read	
	A F Reid	
	J T Rose	
	D P Rouxel	
	A J Sandiford	
	S N Spencer	
	J Thorley	

The Mayor declared that the revised amendment was lost.

Members subsequently voted on the proposals as set out in the report, which on being put to the vote were declared to be carried.

RESOLVED:- that:-

- (a) the Budget Requirement for the General Fund Revenue Budget for 2024-25 be set at £17.504 million;
- (b) the indicative General Fund Revenue Budgets be set at £17.708 million for 2025-26 and £17.453 million for 2026-27;
- (c) the General Fund working balance be set at a minimum of £1.0 million;
- (d) the detailed capital programme as set out in appendix 2 of the report be approved;
- (e) the Council Tax for 2024-25 be increased by 2.99% to £173.56;

- (f) the Council's Tax Base be set at 49,302.73 (as determined by the Head of Finance);
- (g) it be noted that the inflation parameter for fees and charges for 2024-25 was generally set at 6%;
- (h) the new car parking charges contained in appendix 8 of the report be approved

C46 Waiver of 6 Month Councillor Attendance Rule

Considered the report of the Head of Law and Governance (V1 02/01/24).

Councillor R Kenney introduced the report, noting the detail as contained within paragraph 5, and concluded his comments by moving the recommendation as set out in paragraph 2.

The Leader of the Council responded to comments by confirming that Councillor Powell was contactable by residents and continued to carry out his duties as local Ward Member for Walton.

The proposal was duly seconded by Councillor A T A Godfrey and on being put to the vote was declared to be carried.

RESOLVED:- that the requirements of Section 85 of the Local Government Act 1972 be waived, in respect of Councillor Jon Powell, until September 2024.

MAYOR

Table 2: Revenue Budget Recommended to Council

	Forecast Outturn 2023-24	Budget 2024-25	Indicative Budget 2025-26	Indicative Budget 2026-27
	£0	£0	£0	£0
Net Expenditure				
Portfolio budgets	16,489	17,707	18,036	18,624
Net investment income	-2,600	-1,950	-1,000	-840
Technical financing	3,172	2,325	1,169	166
Net Spending	17,061	18,082	18,205	17,950
Less: government Grants				
NNDR multiplier - S.31	-147	-147	-147	-147
New Homes Bonus	-598	-431	-350	-350
Budget Requirement	16,316	17,504	17,708	17,453
Financing				
Business Rates	-6,256	-6,873	-7,173	-6,747
Revenue Support Grant	-113	-120	-120	-120
Council Tax Income	-8,235	-8,557	-8,901	-9,259
Fund guarantee grant *	-1,587	-1,986		
Core spending power grant	-114	-18		
Rural services delivery grant	-29	-29		
Total Financing	-16,334	-17,583	-16,194	-16,126
Transfer from/(to) Balances	-18	-79	1,514	1,327
Funding guarantee estimate *			-1,500	-1,000
Revised transfer from/(to) balances	-18	-79	14	327

Impact

Table 2B: Alternative Revenue Budget for Council Approval

Holding Council Tax - Cost £80k per 1% - 3% equals £240k	Maintaining Current Brown Bin Charge at £36 rather than £42	Reducing Parking to £1 for the Hour from the proposed £1.20, across 30% income	Reduce Allocated Reserves of £1.5m to £500k and allocate £519k to meet reduced income and an Additional £402k to Home Energy Saving and Retro Fit to Homes	Amended Budget	Difference
	210	148		18,065	-358
				-1,950	0
			1,000	1,325	1,000
				17,440	642
				-147	0
				-431	0
				16,862	642
				-6,873	0
				-120	0
-240				-8,317	-240
				-1,986	0
				-18	0
				-29	0
				-17,343	-240
				-481	402
-240	210	148	1,000	1118	