

Dear Members

Cabinet

A meeting of the Cabinet will be held on **Thursday 13 January 2022 at 6.30pm** in the **Craddock Room, Civic Centre, Riverside, Stafford** to deal with the business as set out on the agenda.

Please note that this meeting will be recorded

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



Head of Law and Administration

CABINET - 13 JANUARY 2022

Chair - Councillor P M M Farrington

A G E N D A

- 1 Minutes of 2 December 2021 as circulated and published on 3 December 2021
- 2 Apologies
- 3 Councillors' Question Time (if any)
- 4 Proposals of the Cabinet Members (as follows):-

Page Nos

(a) RESOURCES PORTFOLIO

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| (i) | General Fund Revenue Budget and Capital Programme 2022-25 | 3 - 59 |
| (ii) | Treasury Management Strategy, Minimum Revenue Provision Policy, Annual Investment Strategy 2022/23 | 60 - 92 |

(b) ECONOMIC DEVELOPMENT AND PLANNING PORTFOLIO

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| (i) | Cannock Chase Special Area of Conservation: Developer Contributions | 93 - 155 |
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Membership

Chair - Councillor P M M Farrington

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

ITEM NO 4(a)(i)

ITEM NO 4(a)(i)

Contact Officer:	Tim Willis
Telephone No:	
Ward Interest:	Nil
Report Track:	Cabinet 13/01/2022 Resources 18/01/2022 Cabinet 20/01/2022 Council 01/02/2022
Key Decision:	Yes

**SUBMISSION BY COUNCILLOR R M SMITH
RESOURCES PORTFOLIO**

<p>CABINET</p> <p>13 JANUARY 2022</p> <p>General Fund Revenue Budget and Capital Programme 2022-25</p>

1 Purpose of Report

- 1.1 To propose to the Council the General Fund Revenue Budget for 2022-23, the updated Capital Programme 2022-23 and indicative budgets for 2023-24 to 2024-25.

2 Proposal of Cabinet Member

- 2.1 That the following be recommended to the Council: -
- (a) the Budget Requirement for the General Fund Revenue Budget for 2022-23 be set at £14.304 million;
 - (b) the indicative General Fund Revenue Budgets be set at £15.290 million for 2023-24 and £15.878 million for 2024-25;
 - (c) that the detailed portfolio budgets as set out in **APPENDIX 1** be approved;
 - (d) set the General Fund working balance at a minimum of £1.0 million;
 - (e) the detailed capital programme as set out in **APPENDIX 2** be approved;
 - (f) that the Council Tax for 2022-23 be increased by 1.9% to £165.38;
 - (g) the Council's Tax Base be set at 48,490.39 (as determined by the Head of Finance).

- (h) note that the inflation parameter for fees and charges for 2022-23 was generally set at 3% as approved by Cabinet on 4 November 2021.

3 Key Issues and Reasons for Recommendation

- 3.1 This report sets out the current position on the General Fund Revenue Budget for 2022-23 and indicative budgets for 2023-24 to 2024-25. It also sets out the position on the Provisional Local Government Finance Settlement 2022-23, New Homes Bonus Grant allocation, the position on the Council's Collection Fund, the Council's Tax Base for 2022-23 and the consequential Council Tax for 2022-23.
- 3.2 The budget for 2022-23 is based on the indicative budget set last year, which has been updated to reflect known changes and estimates.
- 3.3 Indicative budgets have been set out for 2023-24 and 2024-25 which include the key issues which it is anticipated will have a potential impact on the Council's finances. However it should be noted that a new funding regime for local government is to be introduced, potentially for 2023-24, but there is no further information at the current time.

4 Relationship to Corporate Business Objectives

- 4.1 The revenue budget and the capital programme have been based on the Council's priorities.

5 Report Detail

- 5.1 Individual Portfolio Budgets for each of the Council's five Portfolios are set out in **APPENDIX 1**. These will be considered by the Resources Scrutiny Committee at its meeting on 18 January 2022 as part of the Budget consultation process.

6 Budget Issues and Adjustments 2022-23

Inflation

- 6.1 The budgets for 2022-23 reflect anticipated pay awards for 2021-22 and 2022-23. When setting the budget for 2021-22 it was understood that no pay award would be made as part of a two year pay freeze for those employees above the £24,000 threshold. However, a pay award of 1.75% has been offered and declined; negotiations are ongoing. A provision of 2% has been included for 2021-22 and throughout the planning period.
- 6.2 No material changes have been made to future non pay budgets with the general provision for CPI remaining at 2% for the duration of the budget period. However, a provision of 10% has been included for increases in utility costs, which have been partially offset by a reduction in utility usage as a result of the move to hybrid working for the majority of employees based at

the civic offices. Other specific inflationary uplifts apply where the Council has contractual obligations. In respect to the waste and leisure contracts, a 4% uplift has been assumed for 2022-23 to reflect the contractual requirements.

- 6.3 Business Rates (sometimes called National Non-Domestic Rates or NNDR) income for 2022-23 has been adjusted to reflect details contained in the Provisional Local Government Settlement. Business Rates increase each year in accordance with inflation. There is no actual increase in business rates chargeable, with the Government freezing the Business Rates multiplier and local government being compensated for the difference via a Section 31 grant.

Spending pressures/ Loss of income

- 6.4 The detailed budgets have been refreshed to reflect the forecast outturn for 2021-22 and the changes that COVID has had on spending/income patterns.
- 6.5 Additional provision has been made within Portfolio budgets for inflation, the National Insurance increase and other general items, including for a pay award and increments.
- 6.6 The most significant changes to the 2022-23 Portfolio budgets are itemised below:
- Community – funding the Warmer Homes initiative £16k.
 - Environment – an increase in net income of £521k reflecting the latest projections for green waste, as well as property growth and inflation.
 - Planning – an assumed fall in Parking income of £559k, and a £247k transfer from Resources for parking income provision.
 - Resources – an assumed reduction in Civic Centre rental income of £141k, plus the £247k transfer to Planning for parking provision.

Business Rates Income

- 6.7 The Council's exposure to volatility in Business Rates is a key risk with a reduction in income from business rates due to the failure or temporary closure of a key industry and successful appeals against Rateable Values and backdated refunds.
- 6.8 In order to mitigate this risk as much as possible, provision is made in both the budget and final accounts for a reduction in income due to appeals.

2021-22 Forecast Outturn

- 6.9 The Budget for 2021-22 is monitored against the profiled budget. The latest position reflects the downturn in income and is updated for known changes in the forecast outturn. It is currently expected that there will be an overall net increase of £33k on Portfolio Budgets excluding income grants. This is an improvement over the forecast in Quarter 2, as a result of more up to date information.

7 Local Government Finance Settlement 2022-23

- 7.1 The Provisional Local Government Finance Settlement for 2022-23 was received by the Council on 16 December 2021. The settlement only relates to 2022-23, pending the introduction of Business Rates Retention and a Fair Funding review to determine both core funding and Business Rate Baselines for future years.
- 7.2 In particular the Settlement determines both the core funding to the Council and basis of incentive funding for Business Rates. A Baseline Funding Level was determined at the commencement of the current scheme in 2013-14 with a Tariff paid to central government representing the difference between income collected and the Baseline. The Baseline Funding now represents the sole form of core funding following the demise of Revenue Support Grant.

Business Rates Pooling and Retention

- 7.3 In accordance with the 2021 Spending Review, the reset of Business Rates growth achieved to date has been deferred. No changes have been made to the Tariff paid to Central Government, which would have effectively increased, to neutralise in whole or part the growth achieved to date.
- 7.4 The Budget assumes that the Staffordshire and Stoke-on-Trent Business Rates Pool will remain in place. It also assumes a 50% reset in business rates growth with effect from 1 April 2023. The Provisional Settlement has confirmed that the pool remains designated for 2022-23 and hence a windfall of £1.2 million will occur in 2022-23 as a result of the Reset not taking place. The government however remain committed to future changes to business rates as part of a revised Local Government Funding regime.
- 7.5 Business Rates increase each year in line with the prevailing CPI of the preceding September. The proposed freezing of the NNDR multiplier will result in a loss of income to the Council and hence the Provisional Settlement provides compensation for this loss via the NNDR Multiplier Section 31 grant.
- 7.6 An analysis of the revised Retained Business Rates Income for the Council is set out in **APPENDIX 3**.

New Homes Bonus

- 7.7 Provisional allocations for the New Homes Bonus (NHB) scheme for 2022-23 were also announced on 16 December 2021. These allocations include the previous legacy payments for prior years.
- 7.8 The settlement therefore provides a total allocation for Stafford of £1.702 million for 2022-23, comprising £741k of new NHB and £961k of legacy NHB. Residual legacy payments of £356k are projected for 2023-24 and 2024-25.

Lower Tier Services Grant

- 7.9 The Government is proposing a further one-off Lower Tier Services Grant payment in 2022-23, which will allocate £111 million to local authorities with responsibility for lower tier services (for example, homelessness, planning, recycling and refuse collection, and leisure services).
- 7.10 The grant is to be distributed based upon the 2013-14 settlement funding assessment with provision also being made to ensure that no authority sees an annual reduction in Core Spending Power when comparing 2021-22 funding to 2022-23 proposed funding.
- 7.11 An allocation of £455k has been proposed for Stafford.

Rural Services Delivery Grant

- 7.12 The Provisional Settlement includes the retention of the above grant for 2022-23, with allocations to follow.

Services Grant

- 7.13 The Government has proposed a new Services Grant, worth £822 million nationally, on a one-off basis for 2022-23, based on relative need. It is intended to compensate, inter alia, for the additional costs arising from the increased employer National Insurance contributions. An allocation of £195k has been proposed for Stafford.

8 Revenue Budget Summary 2022-23

- 8.1 The Portfolio Budget position set out below reflects the forecast outturn position for 2021-22, the proposed budget for 2022-23, and indicative budgets for 2023-24 and 2024-25.

Table 1: Revenue Budget Recommended to Council

	Forecast Outturn	Budget	Indicative Budget	Indicative Budget
	2021-22	2022-23	2023-24	2024-25
	£000	£000	£000	£000
Net Expenditure				
Portfolio budgets	15,562	15,475	15,717	16,309
Investment income and technical financing adjustments	1,479	873	76	72
Net Spending	17,040	16,348	15,793	16,381
Less: Government Grants				
Income Guarantee Grant	-117	0	0	0
2021-22 Covid Expenditure Grant	-608	0	0	0
Rural Services Grant	-26	0	0	0
NNDR Multiplier – S.31	-147	-147	-147	-147
One off Service Grant		-195		
New Homes Bonus	-2,380	-1,702	-356	-356
Budget Requirement	13,761	14,304	15,290	15,878
Financing				
Business Rates	-5,414	-5,830	-5,263	-5,364
Lower Tier Grant	-408	-455	0	0
Council Tax Support Grant	-100	0	0	0
Council Tax Income	-7789	-8020	-8335	-8664
Total Financing	-13,712	-14,304	-13,598	-14,027
Transfer from/(to) Balances	49	0	1,692	1,851

- 8.2 The above budget is based upon the maintenance of existing service provision and delivery of the priorities set out in the Corporate Business Plan.
- 8.3 As indicated above details are only currently available for the 2022-23 financial year. Limited amendments have been made to assumptions in relation to the new funding regime for 2023-24 and onwards. The Business Rates Scheme in particular carries the greatest uncertainty, along with any outcome from the Fair Funding Review. In light of the uncertainty as reflected in various sections of this report, it is difficult to project the true overall position over the medium term.

- 8.4 This time last year, the Indicative Budget for 2022-23 suggested a £1.033 million gap. When comparing the currently proposed 2022-23 Budget (which is balanced) to the anticipated 2022-23 Indicative Budget this time last year, the major differences are as set out in Table 2. This list represents the reasons why there is no gap now for 2022-23, despite a gap of £1.033 million being predicted this time last year:

Table 2: Changes in 2022-23 budget assumptions

Description	Change £000
Portfolio budgets higher than anticipated	-434
Business support reserve	-722
Investment income lower than anticipated	-148
Unexpected Services Grant	195
Unexpected Lower Tier Grant	455
New Homes Bonus higher than anticipated	333
No Business Rates Review/reset	1,355
Other	-1
Total	1,033

- 8.5 Table 1 identifies £1.692 million in 2023-24 that represents an unfunded budget gap that will need to be identified. The major reasons for the 2023-24 gap arising as compared to 2022-23 are in Table 3:

Table 3: Reasons for movement between 2022-23 and 2023-24

Description	Change £000
Portfolio budgets increase in 23-24	242
Business support reserve in 22-23, none in 23-24	-722
Assumed increase in investment income in 23-24	-100
One-off Services Grant in 22-23	195
One-off Lower Tier Grant in 22-23	455
New Homes Bonus falling in 23-24	1,346
Reduced Business Rates in 23-24	567
Increased Council Tax in 23-24	-315
Other	24
Total	1,692

9 Reserves and Balances

- 9.1 Reserves and balances comprise general reserves, the Working Balance and Earmarked Reserves. They help the Council to cope with unpredictable financial pressures and plan for future spending commitments. They are an essential part of good financial management and assist the Section 151 Officer in providing reassurance to Council on the robustness of the estimates and the adequacy of reserves (see **APPENDIX 5**).

9.2 **The Working Balance** - the current policy has for a number of years been to maintain the level of the General Fund balance at a minimum of £1 million. The General Fund balance at 1 April 2021 was £1.396 million resulting in £0.396 million remaining to support the revenue Budget.

9.3 There is a transfer of £0.049 million from Working Balances in the current year.

9.4 Revised projected movements in Working Balances are set out below:

Table 4: Projected Movement of Working Balances

	2021-22	2022-23	2023-24	2024-25
	£000	£000	£000	£000
Balance b/f	0.396	0.347	0.347	(1.345)
Change in year	(0.049)	-	(1.692)	(1.851)
Balance c/f	0.347	0.347	(1.345)	(3.196)

9.5 The Council holds a number of earmarked reserves for specific purposes. A summary of earmarked reserves and capital funds incorporating their planned use over the next four years is set out in **APPENDIX 4**.

9.6 **APPENDIX 5** sets out the required report on the robustness of the budget estimates and the adequacy of the Council's reserves.

10 Capital Programme 2022-23 to 2024-25

10.1 The Capital Programme is attached as **APPENDIX 2**.

10.2 The key change to the Capital Programme is the inclusion of the £20 million Future High Streets project. The Council approved this on 23 February 2021 including its financing.

11 Council Tax Base and Collection Fund

11.1 The final part of the consideration of the Budget is the Council Tax Base. This is the number of properties in the borough expressed in terms of Band D equivalents.

11.2 The Council's Tax Base is now estimated to be 48,490.39 representing an increase of 1.03% on 2021-22. The increase reflects the net increase in new properties built, offset by the cost of the Local Council Tax Reduction scheme.

11.3 The Tax Base has been calculated as follows:

Council Tax base for budget setting purposes	51,862.69
Less: impact of Local Council Tax Reduction Scheme	(3,372.30)
	<u>48,490.39</u>

- 11.4 The Local Council Tax Reduction element of the Council Tax Base shows an increase of 131.61 as compared to 2021-22 and is likely to be as a result of COVID 19.
- 11.5 Details of the tax base broken down over parishes is set out in **APPENDIX 6** and as in previous years, tax bases have been amended to ensure parish councils are not disadvantaged by the LCTR scheme. A grant allocation is credited to Parish Councils to ensure that in setting their precepts, no additional charge is required due to any change in the operation of the LCTR scheme.
- 11.6 The Council's Collection Fund has been reviewed as part of the budget process and is expected to break even in 2022-23.

12 Council Tax 2022-23

- 12.1 In determining the level of Council Tax for 2022-23 Cabinet will need to take into account the medium term financial position and the Council Tax Referendum Thresholds.
- 12.2 The current approved budget of the Council assumes that Council Tax will increase by 1.9% for 2022-23.
- 12.3 This proposed increase is within the guidelines for district councils as contained in the 2022-23 Provisional Settlement, which require a referendum if a council proposes an increase of 2% or more (or up to £5) whichever is the higher. Therefore no referendum is required for the proposed 1.9% increase.
- 12.4 The proposed level of Stafford's Council Tax for 2022-23 is £165.38 for a Band D property with the overall level of Council Tax subject to final determination by Council on 22 February 2022. The figures set out in this report may require minor amendment if any further information emerges before then. Such an increase amounts to £3.08 on a Band D property, or less than 6p per week.
- 12.5 The total Council Tax for the Borough will reflect the spending decision made by the County Council, the Office of the Police and Crime Commissioner and the Fire Authority. In addition, in certain areas, parish council precepts are also added to the overall bill.

13 Financial Planning

- 13.1 The Financial Plan was updated last year to reflect the impact of COVID 19. Information relevant to the indicative budgets for 2023-24 and 2024-25 has been included in this report.
- 13.2 The Council has previously received Government financial support to address the additional cost pressures borne by the Council in responding to the pandemic. However, the Council has been required to meet a significant proportion of the loss of income from sales, fees and charges. The impact of

COVID 19 has had, and continues to have a material impact on the financial position of the Council for the foreseeable future.

- 13.3 A new financial regime for local government was intended to be introduced with effect from 1 April 2021, then from 1 April 2022, but as a result of the pandemic this has been delayed until 2023-24. The ongoing funding for the Council remains unclear with detailed work on the new regime being delayed and hence no indicative funding levels being available. The changes to the local government financial regime include:
- Business Rates Retention
 - Reset of Business Rates
 - Fair Funding Review
- 13.4 Each of these issues were discussed in some detail as part of last year's budget process with the conclusion that it was impossible to determine how both Core and Incentive based funding will change under the new regime.
- 13.5 Material variances exist between the best /worst case future scenarios and it is essential that a prudent approach is adopted until further details become available. This is particularly relevant in relation to the assumptions made in relation to the ongoing impact of COVID19, the potential for further Government support and the radical overhaul of the local government financial regime.
- 13.6 The Council has at the present date effectively no uncommitted capital resources. Its future programme will be financed by the generation of Capital Receipts and Prudential borrowing subject to its financing being prudent, sustainable and affordable,
- 13.7 Given the forecast for the financial position at the end of 2022-23 and the future budget pressures highlighted above, the Council is going to need to find savings for delivery in 2023-24. The review of further shared services could deliver savings, but at this point the business case is awaited and no decision has been made on whether to proceed. Alongside the work on the shared services business case, further work will be undertaken to identify options to deliver savings or generate income, of a magnitude that goes towards meeting the projected shortfall in 2023-24 and 2024-25.

14 Implications

Financial	Contained within the report
Legal	Nil
Human Resources	Nil
Human Rights Act	Nil
Data Protection	Nil
Risk Management	Set out in full in APPENDIX 7

Community Impact Assessment Recommendations	The Borough Council considers the effect of its actions on all sections of our community and has addressed all of the following Equality Strands in the production of this report, as appropriate: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The proposed Budget in particular maintains all services at their existing levels with no service reductions included.
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Previous Consideration - Nil

Background Papers - Files available in Financial Services
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Community

	Outturn 2021-2022 £	Budget 2022-2023 £	Budget 2023-2024 £	Budget 2024-2025 £
1 Private Sector Housing (Standards)				
Employee Expenses	136,550	143,370	122,900	127,410
Transport Related Expenditure	4,320	4,320	4,320	4,320
Supplies & Services	25,170	26,670	26,670	26,670
Total Expenditure	166,040	174,360	153,890	158,400
Income	(32,490)	(22,540)	(2,590)	(2,590)
Total Income	(32,490)	(22,540)	(2,590)	(2,590)
Private Sector Housing (Standards) Net Expenditure	133,550	151,820	151,300	155,810
2 Housing Act Sewerage Works				
Premises Related Expenditure	2,190	2,230	2,280	2,280
Total Expenditure	2,190	2,230	2,280	2,280
Housing Act Sewerage Works Net Expenditure	2,190	2,230	2,280	2,280
3 Private Sector Hsg (Loans & Mortgages)				
Premises Related Expenditure	5,780	5,900	6,020	6,020
Total Expenditure	5,780	5,900	6,020	6,020
Income	(11,140)	(11,310)	(11,490)	(11,490)
Total Income	(11,140)	(11,310)	(11,490)	(11,490)
Private Sector Hsg (Loans & Mortgages) Net Expenditure	(5,360)	(5,410)	(5,470)	(5,470)
4 Partnerships				
Supplies & Services	25,290	25,290	25,290	25,290
Total Expenditure	25,290	25,290	25,290	25,290
Partnerships Net Expenditure	25,290	25,290	25,290	25,290
5 Homelessness & Housing Advice				
Employee Expenses	425,570	454,040	467,780	481,580
Premises Related Expenditure	43,990	43,190	44,390	44,980
Transport Related Expenditure	12,170	12,170	12,170	12,170
Supplies & Services	228,820	131,770	133,940	133,940
Total Expenditure	710,550	641,170	658,280	672,670
Income	(151,040)	(57,000)	(57,000)	(57,000)
Total Income	(151,040)	(57,000)	(57,000)	(57,000)
Homelessness & Housing Advice Net Expenditure	559,510	584,170	601,280	615,670
6 Glover Street				
Premises Related Expenditure	10,460	12,100	12,650	13,080
Supplies & Services	650	650	650	650
Total Expenditure	11,110	12,750	13,300	13,730
Income	(15,970)	(16,490)	(16,820)	(16,820)
Total Income	(15,970)	(16,490)	(16,820)	(16,820)
Glover Street Net Expenditure	(4,860)	(3,740)	(3,520)	(3,090)

Community

	Outturn 2021-2022 £	Budget 2022-2023 £	Budget 2023-2024 £	Budget 2024-2025 £
7 Grants & Contributions				
Supplies & Services	128,960	128,960	128,960	128,960
Total Expenditure	128,960	128,960	128,960	128,960
Grants & Contributions Net Expenditure	128,960	128,960	128,960	128,960
8 COVID 19				
Supplies & Services	43,340	-	.	-
Total Expenditure	43,340		.	-
Income	(14,720)	-	.	-
Total Income	(14,720)		.	-
COVID 19 Net Expenditure	28,620	-	-	-
Community Net Expenditure	867,900	883,320	900,120	919,450

Community Portfolio

Variation Statement 2022/2023 to 2024/2025

	2022/2022 Indicative	Real Terms / Efficiency Variations	2022/2023 Budget	2023/2024 Indicative	Real Terms / Efficiency Variations	2023/2024 Budget	Inflation	Real Terms / Efficiency Variations	2024/2025 Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Employee Costs	584	14	598	576	15	591	10	8	609
Premises Related Costs	63	-	63	65	-	65	1	-	66
Transport Related Costs	16	-	16	17	- 1	16	-	-	16
Supplies and Services	297	16	313	299	17	316	-	-	316
Third Party Payments	-	-	-	-	-	-	-	-	-
Total Expenditure	960	30	990	957	31	988	11	8	1,007
Income	- 107	-	- 107	- 88	-	- 88	-	-	- 88
Net Expenditure	853	30	883	869	31	900	11	8	919

Community Portfolio**Proposed Real Terms / Efficiency Variations****2022/23 Change**

	£'000	£'000
<u>Real Term Variations</u>		
Planning Restructure impacting Community		11
NI Increase		3
Warmer Homes		16
		30

2023/24 Change

	£'000	£'000
<u>Real Term Variations</u>		
Planning Restructure impacting Community		11
NI Increase		3
Warmer Homes Stafford		16
Minor variations		1
		31

2024/25 Change

	£'000	£'000
<u>Inflation</u>		
Pay Award 2%		10
Utilities Uplift		1
		11
<u>Real Term Variations</u>		
Increase in Superannuation		8
		8

GENERAL FUND CAPITAL PROGRAMME 2021/22 TO 2024/25

	2021/22	2022/23	2023/24	2024/25	Programme but not allocated
	£000	£000	£000	£000	£000
COMMUNITY					
Disabled Facilities Grants	1,446	2,178	1,341	1,341	2,034
Private Sector Housing Assistance	21	110			-
Improvements at Glover St caravan site	124	-			-
Empty Homes	36	120			-
Total	1,627	2,408	1,341	1,341	2,034

Environment

	Outturn 2021-2022 £	Budget 2022-2023 £	Budget 2023-2024 £	Budget 2024-2025 £
1 Management & Support				
Employee Expenses	357,040	399,870	414,850	426,270
Transport Related Expenditure	11,310	11,310	11,310	11,310
Supplies & Services	39,840	33,080	33,080	33,080
Total Expenditure	408,190	444,260	459,240	470,660
Income	(2,750)	(2,810)	(2,870)	(2,870)
Total Income	(2,750)	(2,810)	(2,870)	(2,870)
Management & Support Net Expenditure	405,440	441,450	456,370	467,790
2 Regulatory Services				
Employee Expenses	527,800	594,130	615,520	634,340
Premises Related Expenditure	3,960	4,040	4,120	4,120
Transport Related Expenditure	30,350	30,350	30,350	30,350
Supplies & Services	67,840	67,840	67,840	67,840
Total Expenditure	629,950	696,360	717,830	736,650
Income	(233,060)	(263,050)	(263,360)	(263,360)
Total Income	(233,060)	(263,050)	(263,360)	(263,360)
Regulatory Services Net Expenditure	396,890	433,310	454,470	473,290
3 Strategic Health Delivery				
Employee Expenses	85,990	89,620	56,020	57,800
Transport Related Expenditure	4,100	4,100	4,100	4,100
Supplies & Services	1,230	-	-	-
Total Expenditure	91,320	93,720	60,120	61,900
Income	(34,960)	(35,350)	-	-
Total Income	(34,960)	(35,350)	-	-
Strategic Health Delivery Net Expenditure	56,360	58,370	60,120	61,900
4 Partnerships Environmental Management				
Employee Expenses	41,470	42,580	43,460	44,320
Premises Related Expenditure	90	90	90	90
Transport Related Expenditure	190	190	190	190
Supplies & Services	24,210	24,210	24,210	24,210
Total Expenditure	65,960	67,070	67,950	68,810
Income	(9,690)	(9,880)	(10,080)	(10,080)
Total Income	(9,690)	(9,880)	(10,080)	(10,080)
Partnerships Environmental Management Net Expenditure	56,270	57,190	57,870	58,730

Environment

	Outturn 2021-2022 £	Budget 2022-2023 £	Budget 2023-2024 £	Budget 2024-2025 £
5 Waste & Recycling				
Employee Expenses	136,110	69,800	73,700	77,630
Transport Related Expenditure	5,080	5,080	5,080	5,080
Supplies & Services	211,540	167,850	167,850	167,850
Third Party Payments	4,246,990	4,440,030	4,404,280	4,566,020
Total Expenditure	4,599,720	4,682,760	4,650,910	4,816,580
Income	(2,861,410)	(2,866,590)	(2,920,440)	(2,967,020)
Total Income	(2,861,410)	(2,866,590)	(2,920,440)	(2,967,020)
Waste & Recycling Net Expenditure	1,738,310	1,816,170	1,730,470	1,849,560
6 Bereavement Services				
Employee Expenses	284,700	292,870	300,040	308,580
Premises Related Expenditure	165,570	169,360	174,680	180,750
Transport Related Expenditure	6,960	6,960	6,960	6,960
Supplies & Services	252,600	247,760	248,640	248,640
Total Expenditure	709,830	716,950	730,320	744,930
Income	(1,971,770)	(2,008,830)	(2,046,670)	(2,046,670)
Total Income	(1,971,770)	(2,008,830)	(2,046,670)	(2,046,670)
Bereavement Services Net Expenditure	(1,261,940)	(1,291,880)	(1,316,350)	(1,301,740)
7 Misc Highways Functions (ex Planning)				
Premises Related Expenditure	41,700	42,540	44,280	45,600
Supplies & Services	630	630	630	630
Total Expenditure	42,330	43,170	44,910	46,230
Income	(5,000)	(5,000)	(5,000)	(5,000)
Total Income	(5,000)	(5,000)	(5,000)	(5,000)
Misc Highways Functions (ex Planning) Net Expenditure	37,330	38,170	39,910	41,230
8 Drainage Services				
Premises Related Expenditure	4,370	4,460	4,550	4,550
Supplies & Services	108,500	111,690	115,680	115,680
Total Expenditure	112,870	116,150	120,230	120,230
Drainage Services Net Expenditure	112,870	116,150	120,230	120,230
9 Street Scene				
Employee Expenses	1,839,490	1,879,070	1,936,010	1,991,580
Premises Related Expenditure	43,350	44,690	46,180	47,740
Transport Related Expenditure	310,030	308,600	314,550	314,550
Supplies & Services	470,800	472,370	473,960	473,960
Total Expenditure	2,663,670	2,704,730	2,770,700	2,827,830
Income	(749,660)	(763,790)	(778,210)	(778,210)
Total Income	(749,660)	(763,790)	(778,210)	(778,210)
Street Scene Net Expenditure	1,914,010	1,940,940	1,992,490	2,049,620

Environment

	Outturn 2021-2022 £	Budget 2022-2023 £	Budget 2023-2024 £	Budget 2024-2025 £
10 Cleansing Services				
Premises Related Expenditure	39,030	40,720	41,940	42,500
Supplies & Services	18,810	18,830	18,850	18,850
Total Expenditure	57,840	59,550	60,790	61,350
Income	(340)	(350)	(360)	(360)
Total Income	(340)	(350)	(360)	(360)
Cleansing Services Net Expenditure	57,500	59,200	60,430	60,990
11 Pest Control				
Employee Expenses	169,160	180,630	186,090	191,660
Transport Related Expenditure	9,820	10,020	10,220	10,220
Supplies & Services	44,070	44,070	44,070	44,070
Total Expenditure	223,050	234,720	240,380	245,950
Income	(166,730)	(174,000)	(177,480)	(177,480)
Total Income	(166,730)	(174,000)	(177,480)	(177,480)
Pest Control Net Expenditure	56,320	60,720	62,900	68,470
12 Dog Warden Service				
Supplies & Services	6,550	6,550	6,550	6,550
Third Party Payments		10,510	10,720	10,720
Total Expenditure	6,550	17,060	17,270	17,270
Income	(11,200)	(11,420)	(11,640)	(11,640)
Total Income	(11,200)	(11,420)	(11,640)	(11,640)
Dog Warden Service Net Expenditure	(4,650)	5,640	5,630	5,630
13 CCTV				
Premises Related Expenditure	4,760	6,020	6,620	7,280
Supplies & Services	16,480	16,480	16,480	16,480
Third Party Payments	98,900	100,880	102,900	102,900
Total Expenditure	120,140	123,380	126,000	126,660
CCTV Net Expenditure	120,140	123,380	126,000	126,660
Environment Net Expenditure	3,684,850	3,858,810	3,850,540	4,082,360

Environment Portfolio**Variation Statement 2022/2023 to 2024/2025**

	2022/2023 Indicative	Real Terms / Efficiency Variations	2022/2023 Budget	2023/2024 Indicative	Real Terms / Efficiency Variations	2023/2024 Budget	Inflation	Real Terms / Efficiency Variations	2024/2025 Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Employee Costs	3,492	57	3,549	3,605	21	3,626	60	46	3,732
Premises Related Costs	309	3	312	315	7	322	11	-	333
Transport Related Costs	384	- 7	377	390	- 7	383	-	-	383
Supplies and Services	1,151	60	1,211	1,158	60	1,218	-	-	1,218
Third Party Payments	4,183	368	4,551	4,315	203	4,518	-	162	4,680
Total Expenditure	9,519	481	10,000	9,783	284	10,067	71	208	10,346
Income	- 5,156	- 985	- 6,141	- 5,252	- 964	- 6,216		- 48	- 6,264
Net Expenditure	4,363	- 504	3,859	4,531	- 680	3,851	71	160	4,082

Environment Portfolio**Proposed Real Terms / Efficiency Variations****2022/23 Change**

	£'000	£'000
<u>Real Term Variations</u>		
NI Additional Increase		15
Utilities Uplift		6
Rates Freeze		-3
Environment Restructure		6
Strategic Health Delivery	35	
Strategic Health Delivery - Reserve Funding	<u>-35</u>	-
Leased Car reduction		-7
Waste		
Inflation - additional 2%	84	
Revised property growth	-72	
Dry recycling gate fees - changes in prices for cardboard tonnages and glass provision	-191	
Green gate fees - revised tonnage due to take up	98	
Increased recycling credits - revised tonnage	-149	
Sale of dry recycling materials - increased cardboard prices	<u>-58</u>	-288
Garden Waste - enhanced take up	450	
Garden Waste permits - new	60	
Garden waste income - enhanced take up	<u>-743</u>	-233
		<u>-504</u>

2023/24 Change

	£'000	£'000
<u>Real Term Variations</u>		
NI Additional Increase		15
Utilities Uplift		10
Rates Freeze		-3
Environment Restructure		41
Strategic Health Delivery Post Falls Out		-35
Lease Cars - staff leaver		-7
Waste		
Inflation	84	
Revised property growth	-94	
Dry recycling gate fees - changes in prices for cardboard tonnages and glass provision	-192	
Green gate fees - revised tonnage due to take up	98	
Increased recycling credits - revised tonnage	-149	
Sale of dry recycling materials	<u>-58</u>	-311
Garden Waste - enhanced take up	306	
Garden Waste permits - new	60	
Garden waste income - enhanced take up	<u>-757</u>	-391
Minor variation		1
		<u>-680</u>

2024/25 Change

	£'000	£'000
<u>Inflation</u>		
Pay award 2%		60
Utilities Uplift		9
Rates Freeze Adjustment		2
		<u>71</u>
<u>Real Term Variations</u>		
Increase in pensions costs		47
Waste		
Property growth	29	
Recyclables - revised tonnages	23	
Refuse collection - revised tonnages	25	
Dry recycling gate fees - revised tonnage	21	
Green gate fees - revised tonnage due to take up	42	
Increased recycling credits - revised tonnage	-16	
Special Collections	1	
Schedule 2 Waste	3	128
Garden Waste - enhanced take up	16	
Garden waste income - enhanced take up	-28	-12
Minor variation		-3
		<u>160</u>

DRAFT GENERAL FUND CAPITAL PROGRAMME 2021/22 TO 2024/25

	2021/22	2022/23	2023/24	2024/25	Programme but not allocated
	£000	£000	£000	£000	£000
ENVIRONMENT					
Streetscene equipment	66	-			101
Streetscene Fleet replacement *	105	-			-
Waste Contract - replacement wheeled bins	253	150	50	50	-
CCTV Operating system					-
Riverway Site Improved Depot Facilities	-	-			101
Total	424	150	50	50	202

Leisure and Culture

	Outturn 2021-2022 £	Budget 2022-2023 £	Budget 2023-2024 £	Budget 2024-2025 £
1 Leisure Section				
Employee Expenses	106,030	100,730	105,920	109,730
Transport Related Expenditure	3,180	3,180	3,180	3,180
Supplies & Services	10,150	10,150	10,150	10,150
Total Expenditure	119,360	114,060	119,250	123,060
Income	(31,560)	(31,560)	(31,560)	(31,560)
Total Income	(31,560)	(31,560)	(31,560)	(31,560)
Leisure Section Net Expenditure	87,800	82,500	87,690	91,500
2 Allotments				
Premises Related Expenditure	4,450	4,540	4,630	4,630
Supplies & Services	13,690	14,040	14,400	14,400
Total Expenditure	18,140	18,580	19,030	19,030
Income	(1,200)	(1,200)	(1,200)	(1,200)
Total Income	(1,200)	(1,200)	(1,200)	(1,200)
Allotments Net Expenditure	16,940	17,380	17,830	17,830
3 Stafford Gatehouse Theatre				
Supplies & Services	5,700	-	-	-
Total Expenditure	5,700			
Income	(5,700)	-	-	-
Total Income	(5,700)			
Stafford Gatehouse Theatre Net Expenditure	-	-	-	-
4 Ancient High House				
Premises Related Expenditure	10,440	10,650	10,860	10,860
Total Expenditure	10,440	10,650	10,860	10,860
Ancient High House Net Expenditure	10,440	10,650	10,860	10,860
5 Broadeye Windmill				
Premises Related Expenditure	1,980	3,120	3,360	3,620
Supplies & Services	70	70	70	70
Total Expenditure	2,050	3,190	3,430	3,690
Broadeye Windmill Net Expenditure	2,050	3,190	3,430	3,690
6 Izaak Walton Cottage				
Premises Related Expenditure	8,400	8,570	8,740	8,740
Total Expenditure	8,400	8,570	8,740	8,740
Izaak Walton Cottage Net Expenditure	8,400	8,570	8,740	8,740
7 Stafford Castle				
Premises Related Expenditure	12,840	13,090	13,350	13,350
Total Expenditure	12,840	13,090	13,350	13,350
Stafford Castle Net Expenditure	12,840	13,090	13,350	13,350

Leisure and Culture

	Outturn 2021-2022 £	Budget 2022-2023 £	Budget 2023-2024 £	Budget 2024-2025 £
8 Borough Tourism				
Supplies & Services	16,640	21,640	21,640	21,640
Total Expenditure	16,640	21,640	21,640	21,640
Borough Tourism Net Expenditure	16,640	21,640	21,640	21,640
9 Leisure Management Contract				
Supplies & Services	92,950	160,590	277,630	377,210
Third Party Payments	691,460	680,730	628,220	543,630
Total Expenditure	784,410	841,320	905,850	920,840
Income	(54,690)	(87,530)	(145,170)	(159,370)
Total Income	(54,690)	(87,530)	(145,170)	(159,370)
Leisure Management Contract Net Expenditure	729,720	753,790	760,680	761,470
10 Leisure Strategy				
Employee Expenses	365,910	411,640	457,370	504,060
Premises Related Expenditure	5,000	5,100	5,200	5,200
Transport Related Expenditure	1,500	1,500	1,500	1,500
Supplies & Services	90,230	90,230	90,230	90,230
Total Expenditure	462,640	508,470	554,300	600,990
Leisure Strategy Net Expenditure	462,640	508,470	554,300	600,990
11 Parks & Open Spaces				
Employee Expenses	256,600	277,710	241,030	249,260
Premises Related Expenditure	443,940	414,870	424,250	405,720
Transport Related Expenditure	5,160	5,250	5,350	5,350
Supplies & Services	174,640	167,440	144,730	104,470
Total Expenditure	880,340	865,270	815,360	764,800
Income	(191,870)	(199,430)	(146,110)	(103,740)
Total Income	(191,870)	(199,430)	(146,110)	(103,740)
Parks & Open Spaces Net Expenditure	688,470	665,840	669,250	661,060
Leisure and Culture Net Expenditure	2,035,940	2,085,120	2,147,770	2,191,130

Leisure Portfolio**Variation Statement 2022/2023 to 2024/2025**

	2022/2023 Indicative	Real Terms / Efficiency Variations	2022/2023 Budget	2023/2024 Indicative	Real Terms / Efficiency Variations	2023/2024 Budget	Inflation	Real Terms / Efficiency Variations	2024/2025 Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Employee Costs	789	1	790	810	- 6	804	6	53	863
Premises Related Costs	445	15	460	454	16	470	3	- 21	452
Transport Related Costs	10	-	10	10	-	10	-	-	10
Supplies and Services	458	6	464	544	15	559	-	59	618
Third Party Payments	668	13	681	617	11	628	-	- 84	544
Total Expenditure	2,370	35	2,405	2,435	36	2,471	9	7	2,487
Income	- 312	- 8	- 320	- 315	- 8	- 323		27	- 296
Net Expenditure	2,058	27	2,085	2,120	28	2,148	9	34	2,191

Leisure Portfolio**Proposed Real Terms / Efficiency Variations****2022/23 Change**

	£'000	£'000
<u>Real Term Variations</u>		
NI Additional Contribution		1
Utilities - Vic Park new building		13
Uplift Staffordshire Destination Management Partnership		5
Utilities Uplift		2
Leisure Management Contract		
Third Party Payments - Inflation		13
HLF Victoria Park (rephased)		
Supplies	1	
Income	-7	-6
minor variations		-1
		<u>27</u>

2023/24 Change

	£'000	£'000
<u>Real Term Variations</u>		
NI Additional Contribution		1
Utilities - Vic Park new building		13
Uplift Staffordshire Destination Management Partnership		5
Utilities Uplift		4
Leisure Management Contract		
Third Party Payments - Inflation		11
HLF Victoria Park (rephased)		
Employees	-7	
Supplies	10	
Income	-10	-7
Minor variations		1
		<u>28</u>

2024/25 Change

	£'000	£'000
<u>Inflation</u>		
Pay Award		6
Utilities Uplift		3
		<u>9</u>
<u>Real Term Variations</u>		
Increase in pension costs		53
HLF Victoria Park (rephased and costs falling out)		
Supplies	-40	
Premises	-21	
Income	42	-19
Leisure management contract		

Base contract change	-84	
Equalisation reserve	59	
Equalisation reserve Income	28	3
minor variations		-3
		34

GENERAL FUND CAPITAL PROGRAMME 2021/22 TO 2024/25

	2021/22	2022/23	2023/24	2024/25	Programme but not allocated
	£000	£000	£000	£000	£000
LEISURE					
Stone Leisure Strategy (part s106)	45	418			-
Stone Leisure Strategy Phase 2 (part s106)	-	1,898			-
Stafford Castle - H&S Works	-	-			16
Victoria Park Refurbishment	69	-			-
Victoria Park Pedestrian Bridge	1	90			-
Charnley Road Destination Park (s106)	14	-			-
Gatehouse - MET rigging	76	-			-
Holmcroft Leisure Facilities (part s106)	53	-			-
Jubilee Playing Field Leisure Facilities	104	-			-
Gnosall Leisure Facilities	37	-			-
Yarnfield Recreational Facilities	17				-
Total	416	2,406	-	-	16

Planning and Regeneration

	Outturn 2021-2022 £	Budget 2022-2023 £	Budget 2023-2024 £	Budget 2024-2025 £
1 Management and Support				
Employee Expenses	480,610	457,320	470,680	485,460
Transport Related Expenditure	8,320	8,320	8,320	8,320
Supplies & Services	51,460	72,290	72,290	72,290
Total Expenditure	540,390	537,930	551,290	566,070
Income	(28,160)	(28,620)	(29,080)	(29,080)
Total Income	(28,160)	(28,620)	(29,080)	(29,080)
Management and Support Net Expenditure	512,230	509,310	522,210	536,990
2 Building Control				
Supplies & Services	2,180	2,180	2,180	2,180
Third Party Payments	150,670	158,620	165,070	172,040
Total Expenditure	152,850	160,800	167,250	174,220
Building Control Net Expenditure	152,850	160,800	167,250	174,220
3 Development Management				
Employee Expenses	956,070	898,500	928,500	955,740
Transport Related Expenditure	33,940	34,720	34,720	34,720
Supplies & Services	167,330	193,390	193,390	193,390
Total Expenditure	1,157,340	1,126,610	1,156,610	1,183,850
Income	(840,830)	(840,830)	(840,830)	(840,830)
Total Income	(840,830)	(840,830)	(840,830)	(840,830)
Development Management Net Expenditure	316,510	285,780	315,780	343,020
4 Forward Planning				
Employee Expenses	217,270	267,420	276,150	285,040
Transport Related Expenditure	11,560	11,560	11,560	11,560
Supplies & Services	102,700	236,880	77,700	137,820
Total Expenditure	331,530	515,860	365,410	434,420
Income	(54,880)	(189,060)	(29,880)	(90,000)
Total Income	(54,880)	(189,060)	(29,880)	(90,000)
Forward Planning Net Expenditure	276,650	326,800	335,530	344,420
5 Land Charges - Local Searches				
Employee Expenses	45,690	47,340	48,890	50,420
Supplies & Services	74,580	73,060	73,060	73,060
Total Expenditure	120,270	120,400	121,950	123,480
Income	(120,270)	(120,300)	(121,840)	(121,840)
Total Income	(120,270)	(120,300)	(121,840)	(121,840)
Land Charges - Local Searches Net Expenditure	-	100	110	1,640

Planning and Regeneration

	Outturn 2021-2022 £	Budget 2022-2023 £	Budget 2023-2024 £	Budget 2024-2025 £
6 Off Street Parking Services				
Employee Expenses	37,570	39,000	40,280	41,550
Premises Related Expenditure	802,180	830,740	851,710	873,260
Transport Related Expenditure	1,140	1,140	1,140	1,140
Supplies & Services	94,150	102,760	102,960	102,960
Third Party Payments	414,060	411,050	419,270	419,270
Total Expenditure	1,349,100	1,384,690	1,415,360	1,438,180
Income	(1,765,720)	(1,890,460)	(1,890,460)	(1,890,460)
Total Income	(1,765,720)	(1,890,460)	(1,890,460)	(1,890,460)
Off Street Parking Services Net Expenditure	(416,620)	(505,770)	(475,100)	(452,280)
7 Land & Properties				
Premises Related Expenditure	66,630	62,350	63,600	63,640
Supplies & Services	2,010	2,010	2,010	2,010
Total Expenditure	68,640	64,360	65,610	65,650
Income	(53,290)	(53,290)	(53,290)	(53,290)
Total Income	(53,290)	(53,290)	(53,290)	(53,290)
Land & Properties Net Expenditure	15,350	11,070	12,320	12,360
8 Economic Growth and Strategic Projects				
Employee Expenses	309,360	295,300	303,300	311,630
Premises Related Expenditure	34,800	36,140	37,040	37,280
Transport Related Expenditure	2,500	2,500	2,500	2,500
Supplies & Services	249,190	30,690	30,690	30,690
Total Expenditure	595,850	364,630	373,530	382,100
Income	(332,540)	(99,450)	-	-
Total Income	(332,540)	(99,450)	-	-
Economic Growth and Strategic Projects Net Expenditure	263,310	265,180	373,530	382,100
9 Borough Markets				
Employee Expenses	112,500	128,690	132,820	136,940
Premises Related Expenditure	147,980	148,560	151,640	156,860
Transport Related Expenditure	850	850	850	850
Supplies & Services	64,690	70,630	70,910	70,910
Total Expenditure	326,020	348,730	356,220	365,560
Income	(244,340)	(262,570)	(263,290)	(263,290)
Total Income	(244,340)	(262,570)	(263,290)	(263,290)
Borough Markets Net Expenditure	81,680	86,160	92,930	102,270
Planning and Regeneration Net Expenditure	1,201,960	1,139,430	1,344,560	1,444,740

Planning and Regeneration Portfolio

Variation Statement 2022/2023 to 2024/2025

	2022/2023 Indicative	Real Terms / Efficiency Variations	2022/2023 Budget	2023/2024 Indicative	Real Terms / Efficiency Variations	2023/2024 Budget	Inflation	Real Terms / Efficiency Variations	2024/2025 Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Employee Costs	2,190	11	2,201	2,204	12	2,216	39	27	2,282
Premises Related Costs	1,095	- 17	1,078	1,117	- 13	1,104	27	-	1,131
Transport Related Costs	65	- 6	59	65	- 6	59	-	-	59
Supplies and Services	610	173	783	675	- 50	625	-	60	685
Third Party Payments	568	2	570	583	1	584	-	7	591
Total Expenditure	4,528	163	4,691	4,644	- 56	4,588	66	94	4,748
Income	- 4,184	632	- 3,552	- 4,099	856	- 3,243	-	- 60	- 3,303
Net Expenditure	344	795	1,139	545	800	1,345	66	34	1,445

Planning and Regeneration Portfolio

Proposed Real Terms / Efficiency Variations

2022/23 Change

	£'000	£'000
<u>Real Term Variations</u>		
NI Increase		11
Utilities Uplift		5
Rates Freeze		-22
Leased Car		-6
Local Plan Expenditure & Rephasing		
Supplies	174	
Income	-174	-
Reduction in car parking income		559
Parking Income provision moved from Resources		247
minor variations		1
		<u>795</u>

2023/24 Change

	£'000	£'000
<u>Real Term Variations</u>		
NI Increase		11
Utilities Uplift		10
Rates Freeze		-22
Leased Car		-6
Local Plan Expenditure & Rephasing		
Supplies	-50	
Income	50	-
Reduction in car parking income		682
Parking Income provision moved from Resources		124
Minor variations		1
		<u>800</u>

2024/25 Change

	£'000	£'000
<u>Inflation</u>		
Pay Award 2%		39
Utilities Uplift		18
Rates Freeze Adjustment		9
		<u>66</u>
<u>Real Term Variations</u>		
Increase in pension costs		29
Building Control Shared Service Adjustment		7
Local Plan Expenditure & Rephasing		
Supplies	60	
Income	<u>-60</u>	-
Minor variations		-2
		<u>34</u>

GENERAL FUND CAPITAL PROGRAMME 2021/22 TO 2024/25

	2021/22	2022/23	2023/24	2024/25	Programme but not allocated
	£000	£000	£000	£000	£000
PLANNING AND REGENERATION					
Growth Point capital	7	43			-
Stafford Town Centre Enhancement	19	-			-
Pearl Brook Path Improvements	-	75			-
Stafford Western Access Route	-	-			-
Victoria Street Car Park Improvements	-	-			48
New Gypsy & Traveller Site	150	-			-
Station Gateway					3,500
Future High Streets Fund	1,000	14,401	3,078	1,269	-
Total	1,176	14,519	3,078	1,269	3,548

Resources

	Outturn 2021-2022 £	Budget 2022-2023 £	Budget 2023-2024 £	Budget 2024-2025 £
1 Public Buildings				
Employee Expenses	65,930	67,810	69,570	71,580
Premises Related Expenditure	1,235,650	1,243,890	1,269,230	1,285,240
Transport Related Expenditure	30	30	30	30
Supplies & Services	133,270	137,660	140,080	140,080
Total Expenditure	1,434,880	1,449,390	1,478,910	1,496,930
Income	(499,260)	(603,770)	(641,100)	(641,100)
Total Income	(499,260)	(603,770)	(641,100)	(641,100)
Public Buildings Net Expenditure	935,620	845,620	837,810	855,830
2 Facilities Management				
Employee Expenses	197,530	212,600	219,810	226,600
Transport Related Expenditure	7,380	7,380	7,380	7,380
Supplies & Services	3,840	3,840	3,840	3,840
Total Expenditure	208,750	223,820	231,030	237,820
Facilities Management Net Expenditure	208,750	223,820	231,030	237,820
3 Executive Management				
Employee Expenses	180,600	187,750	193,670	199,810
Transport Related Expenditure	2,600	2,600	2,600	2,600
Supplies & Services	30,870	30,870	30,870	30,870
Total Expenditure	214,070	221,220	227,140	233,280
Executive Management Net Expenditure	214,070	221,220	227,140	233,280
4 Corporate Business and Partnerships				
Employee Expenses	299,200	312,770	324,300	335,290
Transport Related Expenditure	2,280	2,280	2,280	2,280
Supplies & Services	34,470	34,860	34,860	34,860
Total Expenditure	335,950	349,910	361,440	372,430
Corporate Business and Partnerships Net Expenditure	335,950	349,910	361,440	372,430
5 Communications				
Employee Expenses	133,700	138,830	143,360	147,870
Transport Related Expenditure	80	80	80	80
Supplies & Services	25,140	25,140	25,140	25,140
Total Expenditure	158,920	164,050	168,580	173,090
Communications Net Expenditure	158,920	164,050	168,580	173,090
6 Customer Services				
Employee Expenses	319,090	362,350	372,770	383,680
Supplies & Services	19,610	19,610	19,610	19,610
Total Expenditure	338,700	381,960	392,380	403,290
Customer Services Net Expenditure	338,700	381,960	392,380	403,290
7 Out of Hours Service				
Supplies & Services	6,980	6,980	6,980	6,980
Total Expenditure	6,980	6,980	6,980	6,980
Out of Hours Service Net Expenditure	6,980	6,980	6,980	6,980

Resources

	Outturn 2021-2022 £	Budget 2022-2023 £	Budget 2023-2024 £	Budget 2024-2025 £
8 Law and Administration				
Employee Expenses	1,189,390	1,297,360	1,338,060	1,379,140
Premises Related Expenditure	2,380	2,430	2,480	2,480
Transport Related Expenditure	7,260	7,260	7,260	7,260
Supplies & Services	140,270	140,580	140,900	140,900
Third Party Payments	37,680	38,650	39,560	40,480
Total Expenditure	1,376,980	1,486,280	1,528,260	1,570,260
Income	(397,320)	(411,270)	(422,590)	(431,220)
Total Income	(397,320)	(411,270)	(422,590)	(431,220)
Law and Administration Net Expenditure	979,660	1,075,010	1,105,670	1,139,040
9 Finance				
Supplies & Services	9,880	1,560	1,560	1,560
Third Party Payments	621,780	633,780	696,390	718,300
Total Expenditure	631,660	635,340	697,950	719,860
Finance Net Expenditure	631,660	635,340	697,950	719,860
10 Human Resources Services				
Employee Expenses	588,620	603,590	624,210	644,570
Transport Related Expenditure	11,950	11,950	11,950	11,950
Supplies & Services	149,030	122,110	122,110	122,110
Total Expenditure	749,600	737,650	758,270	778,630
Income	(287,830)	(278,930)	(282,860)	(291,690)
Total Income	(287,830)	(278,930)	(282,860)	(291,690)
Human Resources Services Net Expenditure	461,770	458,720	475,410	486,940
11 Technology				
Employee Expenses	1,047,850	1,092,100	1,129,860	1,166,180
Transport Related Expenditure	17,660	17,660	17,660	17,660
Supplies & Services	641,140	641,140	641,140	641,140
Total Expenditure	1,706,650	1,750,900	1,788,660	1,824,980
Income	(802,060)	(826,930)	(848,530)	(868,540)
Total Income	(802,060)	(826,930)	(848,530)	(868,540)
Technology Net Expenditure	904,590	923,970	940,130	956,440
12 Members Services				
Employee Expenses	4,000	4,000	4,000	4,000
Transport Related Expenditure	10,000	10,000	10,000	10,000
Supplies & Services	273,690	295,620	301,100	301,100
Total Expenditure	287,690	309,620	315,100	315,100
Members Services Net Expenditure	287,690	309,620	315,100	315,100

Resources

	Outturn 2021-2022 £	Budget 2022-2023 £	Budget 2023-2024 £	Budget 2024-2025 £
13 Revenues & Benefits				
Supplies & Services	94,820	94,820	94,820	94,820
Third Party Payments	1,384,780	1,433,710	1,475,840	1,521,170
Total Expenditure	1,479,600	1,528,530	1,570,660	1,615,990
Income	(733,370)	(802,140)	(802,150)	(802,150)
Total Income	(733,370)	(802,140)	(802,150)	(802,150)
Revenues & Benefits Net Expenditure	746,230	726,390	768,510	813,840
14 Housing Benefit Payments				
Supplies & Services	10,000	10,000	10,000	10,000
Transfer Payments	16,294,420	15,846,770	14,535,030	13,330,860
Total Expenditure	16,304,420	15,856,770	14,545,030	13,340,860
Income	(16,504,420)	(16,056,770)	(14,745,030)	(13,540,860)
Total Income	(16,504,420)	(16,056,770)	(14,745,030)	(13,540,860)
Housing Benefit Payments Net Expenditure	(200,000)	(200,000)	(200,000)	(200,000)
15 Parish Councils				
Supplies & Services	51,000	51,000	51,000	51,000
Total Expenditure	51,000	51,000	51,000	51,000
Parish Councils Net Expenditure	51,000	51,000	51,000	51,000
16 Corporate and Democratic Core				
Supplies & Services	126,770	126,770	126,770	126,770
Total Expenditure	126,770	126,770	126,770	126,770
Corporate and Democratic Core Net Expenditure	126,770	126,770	126,770	126,770
17 Non-Distributed Costs				
Employee Expenses	233,300	262,860	268,120	268,120
Third Party Payments	40,800	41,620	42,450	43,300
Total Expenditure	274,100	304,480	310,570	311,420
Non-Distributed Costs Net Expenditure	274,100	304,480	310,570	311,420
18 Asset Management/Energy Conservation				
Supplies & Services	43,120	32,560	32,560	32,560
Total Expenditure	43,120	32,560	32,560	32,560
Asset Management/Energy Conservation Net Expenditure	43,120	32,560	32,560	32,560
19 Electoral Registration				
Employee Expenses	2,150	2,150	2,150	2,150
Supplies & Services	41,050	41,050	41,050	41,050
Total Expenditure	43,200	43,200	43,200	43,200
Electoral Registration Net Expenditure	43,200	43,200	43,200	43,200

Resources

	Outturn 2021-2022 £	Budget 2022-2023 £	Budget 2023-2024 £	Budget 2024-2025 £
20 Elections				
Employee Expenses	.	-	118,350	-
Premises Related Expenditure	.	-	49,470	-
Supplies & Services	39,500	39,500	78,100	39,500
Total Expenditure	39,500	39,500	245,920	39,500
Income	.	-	(206,420)	-
Total Income	.		(206,420)	-
Elections Net Expenditure	39,500	39,500	39,500	39,500
21 Items to be Allocated				
Employee Expenses	(110,000)	(110,000)	(110,000)	(110,000)
Supplies & Services	800,000	400,000	200,000	200,000
Total Expenditure	690,000	290,000	90,000	90,000
Income	72,000	66,000	10,000	10,000
Total Income	72,000	66,000	10,000	10,000
Items to be Allocated Net Expenditure	762,000	356,000	100,000	100,000
22 Audit, Risk, Resilience and Procurement				
Supplies & Services	150	150	150	150
Third Party Payments	241,020	248,900	255,560	262,350
Total Expenditure	241,170	249,050	255,710	262,500
Audit, Risk, Resilience and Procurement Net Expenditure	241,170	249,050	255,710	262,500
23 Insurance Premiums				
Third Party Payments	179,420	183,010	186,670	190,400
Total Expenditure	179,420	183,010	186,670	190,400
Insurance Premiums Net Expenditure	179,420	183,010	186,670	190,400
Resources Net Expenditure	7,770,870	7,508,180	7,474,110	7,671,290

Resources

	Outturn 2021-2022	Budget 2022-2023	Budget 2023-2024	Budget 2024-2025
	£	£	£	£
Grand Total	15,561,520	15,474,860	15,717,100	16,308,970

Resources Portfolio

Variation Statement 2022/2023 to 2024/2025

	2022/2023 Indicative	Real Terms / Efficiency Variations	2022/2023 Budget	2023/2024 Indicative	Real Terms / Efficiency Variations	2023/2024 Budget	Inflation	Real Terms / Efficiency Variations	2024/2025 Budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Employee Costs	4,277	157	4,434	4,541	157	4,698	75	- 54	4,719
Premises Related Costs	1,221	25	1,246	1,295	26	1,321	11	- 44	1,288
Transport Related Costs	59	-	59	59	-	59	-	-	59
Supplies and Services	2,256	-	2,256	2,103	-	2,103	-	- 39	2,064
Third Party Payments	2,565	15	2,580	2,639	57	2,696	-	80	2,776
Transfer Payments	14,946	901	15,847	13,708	827	14,535	-	- 1,204	13,331
Total Expenditure	25,324	1,098	26,422	24,345	1,067	25,412	86	- 1,261	24,237
Income	- 17,901	- 1,013	- 18,914	- 17,085	- 853	- 17,938		1,372	- 16,566
Net Expenditure	7,423	85	7,508	7,260	214	7,474	86	111	7,671

Resources Portfolio**Proposed Inflation/ Real Terms Efficiency Variations****2022/23 Change**

	£'000	£'000
<u>Real Term Variations</u>		
NI Additional Rate Increase		21
Pay Freeze removal - 2% Adjustment		147
Utilities Uplift		1
Rates Freeze		-15
Environment and Resources Restructure		-11
Greengate Street Rates - prev exempt		39
Shared Service Cost Rate Increase	15	
Shared Service Rate Increase on Income	-6	9
Housing benefits review of spend following implementation of		
Expenditure	901	
Income	- 901	-
Civic Centre Rental Income		141
Parking Income provision moved to Planning		-247
		85

2023/24 Change

	£'000	£'000
<u>Real Term Variations</u>		
NI Additional Rate Increase		21
Pay Freeze removal - 2% Adjustment		147
Utilities Uplift		2
Rates Freeze		-15
Environment and Resources Restructure		-11
Greengate Street Rates - prev exempt		39
Shared Service Cost Rate Increase	57	
Shared Service Rate Increase on Income	<u>-7</u>	50
Housing benefits review of spend following implementation of Universal Credit		
Expenditure	827	
Income	<u>- 827</u>	-
Civic Centre Rental Income		104
Parking Income provision moved to Planning		-124
Minor variations		1
		<u>214</u>

2024/25 Change

	£'000	£'000
<u>Inflation</u>		
Pay Award 2%		75
Utilities Uplift		11
		<u>86</u>
<u>Real Term Variations</u>		
Increase in Pension Past Deficit		64
Rates		5
Housing benefits review of spend following implementation of Universal Credit		
Expenditure	- 1,204	
Income	<u>1,204</u>	-
Shared services additional cost	80	
Shared Service additional income	<u>- 37</u>	43
District Elections		
Employees	-118	
Premises	-49	
Supplies	-39	
Income	<u>206</u>	-
Minor variations		-1
		<u>111</u>

GENERAL FUND CAPITAL PROGRAMME 2021/22 TO 2024/25

	2021/22	2022/23	2023/24	2024/25	Programme but not allocated
	£000	£000	£000	£000	£000
RESOURCES					
Corporate IT equipment	92	50		50	-
Contact Centre Phone system	-	-			30
Civic Centre Generator	-	-			50
Financial Management System					-
Accommodation transformation & rationalisation	40	-			670
Total	132	50	-	50	750

APPENDIX 2

CABINET					
13 JANUARY 2022					
General Fund Revenue Budget and Capital Programme 2022-25					
DRAFT GENERAL FUND CAPITAL PROGRAMME 2021/22 TO 2024/25					
	2021/22	2022/23	2023/24	2024/25	Programmed not allocated
	£000	£000	£000	£000	£000
ENVIRONMENT					
Streetscene equipment	66	-			101
Streetscene Fleet replacement	105	-			-
Waste Contract - replacement wheeled bins	253	150	50	50	-
CCTV Operating system					-
Riverway Site Improved Depot Facilities	-	-			101
Total	424	150	50	50	202
COMMUNITY					
Disabled Facilities Grants	1,446	2,178	1,341	1,341	2,034
Private Sector Housing Assistance	21	110			-
Improvements at Glover St caravan site	124	-			-
Empty Homes	36	120			-
Total	1,627	2,408	1,341	1,341	2,034
LEISURE					
Stone Leisure Strategy (part s106)	45	418			-
Stone Leisure Strategy Phase 2 (part s106)	-	1,898			-
Stafford Castle - H&S Works	-	-			16
Victoria Park Refurbishment	69	-			-
Victoria Park Pedestrian Bridge	1	90			-
Charnley Road Destination Park (s106)	14	-			-
Gatehouse - MET rigging	76	-			-
Holmcroft Leisure Facilities (part s106)	53	-			-
Jubilee Playing Field Leisure Facilities (s106)	104	-			-
Gnosall Leisure Facilities	37	-			-
Yarnfield Recreational Facilities	17				-
Total	416	2,406	-	-	16
PLANNING AND REGENERATION					
Growth Point capital	7	43			-
Stafford Town Centre Enhancement	19	-			-
Pearl Brook Path Improvements	-	75			-
Victoria Street Car Park Improvements	-	-			48
New Gypsy & Traveller Site	150	-			-
Station Gateway					3,500
Future High Streets Fund	1,000	14,401	3,078	1,269	-
Total	1,176	14,519	3,078	1,269	3,548
RESOURCES					
Corporate IT equipment	92	50		50	-
Contact Centre Phone system	-	-			30
Civic Centre Generator	-	-			50
Accommodation transformation/rationalisation	40	-			670
Total	132	50	-	50	750
TOTAL CAPITAL PROGRAMME	3,775	19,533	4,469	2,710	6,550

APPENDIX 3

CABINET						
13 JANUARY 2022						
General Fund Revenue Budget and Capital Programme 2022-25						
Business Rates Retention						
				2022-23	2023-24	2024-25
				50% Scheme		
<u>A.Business Rates Collection Fund</u>				£	£	£
Gross Rates				-61,629,690	-63,258,420	-64,523,590
<u>Less Reliefs etc.</u>						
Mandatory Relief				7,138,750	7,281,520	7,427,150
Discretionary relief				375,000	382,500	390,150
Exemptions				1,232,920	1,257,570	1,282,720
Cost Of Collection				170,680	174,090	177,570
Losses on collection				2,683,420	2,737,090	2,791,830
Business Rates Collectable				-50,028,920	-51,425,650	-52,454,170
<u>Less amount due to</u>						
Government				25,014,460	25,712,830	26,227,090
County				4,502,600	4,628,310	4,720,880
Fire				500,290	514,260	524,540
Net Business attributable to SBC				-20,011,570	-20,570,250	-20,981,660
<u>B. General Fund determination of retained Business Rates</u>						
Net Business Rates attributable to SBC				-20,011,570	-20,570,260	-20,981,660
less	Tariff			14,735,030	15,029,730	15,330,320
	Reset			0	1,128,750	1,151,330
Core Funding				2,824,420	2,880,910	2,938,530
	Growth			-2,452,120	-1,530,870	-1,561,480
Plus	New Burdens funding subject to Levy					
Small Business Rates Relief				-1,533,770	-1,564,440	-1,595,730
Amount subject to Pool levy				-3,985,890	-3,095,300	-3,157,210
	Pool Levy			1,992,940	1,547,650	1,578,610
Business Rates Growth				-1,992,950	-1,547,650	-1,578,600
Retained Business Rates						
	Core Funding			-2,824,420	-2,880,910	-2,938,530
	Growth			-1,992,940	-1,547,650	-1,578,610
	S&SOT Redistribution			-797,180	-619,060	-631,440
	Pooling agreement			-215,000	-215,000	-215,000
TOTAL Retained Income				-5,829,540	-5,262,620	-5,363,580

APPENDIX 4

CABINET
13 JANUARY 2022
General Fund Revenue Budget and Capital Programme 2022-25

STAFFORD BOROUGH COUNCIL - GENERAL FUND RESERVES AND BALANCES
AND CAPITAL RESOURCES 2021/22 TO 2024/25

	01/04/2022	01/04/2023	01/04/2024	01/04/2025
	£	£	£	£
<u>Contingency</u>				
Working Balances	1,000,000	1,000,000	1,000,000	1,000,000
Revenue Surplus	346,609	346,609	346,609	346,609
Insurance Reserve	564,509	564,509	564,509	564,509
VAT - Partial Exemption	195,300	195,300	195,300	195,300
Leisure Equalization Reserve	-1,002,220	-954,160	-846,700	-653,860
Business Rates Pool Equalisation	4,566,085	4,566,085	4,566,085	4,566,085
B rates Contingency	685,000	685,000	685,000	685,000
	6,355,284	6,403,344	6,510,804	6,703,644
<u>Grants</u>				
Strategic Health Delivery	2,642	2,642	2,642	2,642
Stepping Stones Unspent S&S	4,160	4,160	4,160	4,160
Homelessness Prevention	57,219	57,219	57,219	57,219
Staffordshire Warm Homes Grant	5,531	5,531	5,531	5,531
Neighbourhood Planning Grant	57,958	57,958	57,958	57,958
Stafford & Surrounds	5,723	5,723	5,723	5,723
Elector Grant	113,568	113,568	113,568	113,568
Inspire Grant	7,000	7,000	7,000	7,000
Rough Sleeping Grant	58,636	58,636	58,636	58,636
Planning Registers New Burdens	36,241	36,241	36,241	36,241
Northern Gateway Project	40,705	40,705	40,705	40,705
Housing Benefit Admin Grant	28,062	28,062	28,062	28,062
Flexible Homelessness Support Grant	145,309	145,309	145,309	145,309
Homelessness Reduction Act Grant	75,744	75,744	75,744	75,744
PCC Locality Deal Funding	4,691	4,691	4,691	4,691
EU Exit Preparation	24,968	24,968	24,968	24,968
Garden Community Grant	639,244	639,244	639,244	639,244
Eastgate Masterplan	5,309	5,309	5,309	5,309
Parks Improvement	21,153	21,153	21,153	21,153
Football Foundation Riverway ATP	8,849	8,849	8,849	8,849
DCLG Cyber Security Grant	250,000	250,000	250,000	250,000
Test and Trace	113,000	113,000	113,000	113,000
Revs and Bens Grants	5,820	5,820	5,820	5,820
Council Tax Hardship Fund	106,784	106,784	106,784	106,784
Covid Grants	234,789	234,789	234,789	234,789
	2,053,106	2,053,106	2,053,106	2,053,106

	01/04/2022	01/04/2023	01/04/2024	01/04/2025
	£	£	£	£
<u>Donations</u>				
Loans to Sports Clubs	22,088	22,088	22,088	22,088
Grants Sports Clubs	4,489	4,489	4,489	4,489
Castle Donations	9,628	9,628	9,628	9,628
High House Donations	23,072	23,072	23,072	23,072
	59,277	59,277	59,277	59,277
<u>Shared Services</u>				
HR Shared Service	17,803	17,803	17,803	17,803
IT Shared Service	104,817	104,817	104,817	104,817
Legal Shared Service	35,082	36,582	38,082	39,582
Shared Services Transformation	365,398	365,398	365,398	365,398
	523,101	524,601	526,101	527,601
<u>Rolling Programme</u>				
Housing Needs Survey	52,770	52,770	52,770	52,770
Elections	158,945	198,445	43,035	82,535
	211,715	251,215	95,805	135,305
<u>Community</u>				
Home Energy Conservation	16,700	16,700	16,700	16,700
Private Sector Housing	12,596	12,596	12,596	12,596
Earned Autonomy Community safety	25,000	25,000	25,000	25,000
Empty Homes Officer	25,000	5,000	5,000	5,000
	79,296	59,296	59,296	59,296
<u>Corporate</u>				
Training	75,920	75,920	75,920	75,920
Climate Change	7,228	7,228	7,228	7,228
Provision for Future Maintenance	23,130	23,130	23,130	23,130
Pensions Reserve	381,040	342,040	303,040	264,040
Rollovers 18-19	89,094	89,094	89,094	89,094
Budget support	56,000	778,100	778,100	778,100
Covid 19 Reallocation	1,258,486	1,258,486	1,258,486	1,258,486
Corporate Pot	583,449	583,449	583,449	583,449
Anchor Org for Clinically Vulnerable	43,800	33,570	33,570	33,570
Building Maintenance	114,000	114,000	114,000	114,000
Rollovers 20-21	31,427	31,427	31,427	31,427
	2,663,574	3,336,444	3,297,444	3,258,444
<u>Environment</u>				
Streetscene Transformation	54,700	82,050	109,400	136,750
CAMEO - emissions trading scheme	57,768	57,768	57,768	57,768
Stewardship Rural Payments Agency	25,774	25,774	25,774	25,774
Cremator Maintenance Plan	80,453	80,453	80,453	80,453
Environmental Fines	8,247	8,247	8,247	8,247
Streetscene Trading	136,109	136,109	136,109	136,109
Taxi Licences	63,912	63,912	63,912	63,912
Operations Project Management	1,531	1,531	1,531	1,531
Maintenance of SBC Trees	199,021	199,021	199,021	199,021
Strategic Health Delivery Ctrb to Reserv	29,412	4,292	4,292	4,292
	656,926	659,156	686,506	713,856

	01/04/2022	01/04/2023	01/04/2024	01/04/2025
	£	£	£	£
<u>Leisure</u>				
Football development fund	8,000	16,000	24,000	32,000
HLF Vict Park - equalisation reserve	14,780	8,320	13,350	13,350
Freedom Performance Bond	25,000	50,000	75,000	100,000
Leisure Management Contract Reserve	198,296	198,296	198,296	198,296
Riverway - SBC 50% retained	80,000	80,000	80,000	80,000
	326,076	352,616	390,646	423,646
<u>Planning</u>				
LDF	225,738	75,848	78,468	75,848
CIL Reserve	-20,250	-20,250	-20,250	-20,250
Dev Mgmt. Equalisation	224,576	102,076	79,026	55,976
20% Planning Increase	487,681	607,241	733,471	804,821
Stafford TC Strategic Review	73,563	73,563	73,563	73,563
Station Gateway	70,075	70,075	70,075	70,075
Economic Growth Strategy	80,000	80,000	80,000	80,000
	1,141,382	988,552	1,094,352	1,140,032
<u>Resources</u>				
Health & Safety	10,000	5,000	5,000	5,000
HR future shared service development	48,278	42,668	37,058	31,448
Localisation of Council Tax Support	275,793	248,613	221,433	194,253
R12 Employee Survey Outcomes	20,000	20,000	20,000	20,000
R13 Organisation Development Plan	40,000	40,000	40,000	40,000
Entrust Supporting Schools	10,000	10,000	10,000	10,000
	404,070	366,280	333,490	300,700
<u>Section 106</u>				
Section 106 commuted sums	447,136	415,576	384,016	352,456
Cannock SAC contributions	120,578	120,578	120,578	120,578
S106 Sports cts/hall	28,066	28,066	28,066	28,066
S106 Artificial Turf	4,182	4,182	4,182	4,182
Cannock SAC Partnership	466,289	398,589	384,639	370,759
HLF Victoria Park	34	34	34	34
	1,066,284	967,024	921,514	876,074
Revenue	15,540,090	16,020,910	16,028,340	16,250,980
<u>Capital Programme Funding</u>				
Revenue Surplus	14,380	14,380	14,380	14,380
RCCO GF	813,300	300	90,300	80,300
Invest to Save	8,414	8,414	8,414	8,414
Budget support	115,961	15,961	15,961	15,961
De Minimis Capital Spending	72,166	72,166	72,166	72,166
New Homes Bonus	843,556	723,556	723,556	723,556
VAT Shelter	100,562	100,562	100,562	100,562
	1,968,338	935,338	1,025,338	1,015,338
<u>Rollovers</u>				
Rollovers 19-20	95,031	95,031	95,031	95,031
	95,031	95,031	95,031	95,031

	01/04/2022	01/04/2023	01/04/2024	01/04/2025
	£	£	£	£
<u>Capital Contingency</u>				
RCCO HSF/SG	3,788,781	3,788,781	3,788,781	3,499,781
Working Balance Transfer	980,000	980,000	980,000	0
Economic Development	912,000	912,000	912,000	912,000
New Homes Bonus	782,431	431	431	431
	6,463,212	5,681,212	5,681,212	4,412,212
<u>Capital Sinking Fund</u>				
Cremator Sinking Fund	700,000	750,000	800,000	850,000
Pest Control Vehicles	130,800	147,200	163,600	180,000
Sweepers Sinking Fund	719,999	789,999	859,999	929,999
Rowley Park 3G Pitch Sinking Fund	135,000	150,000	165,000	180,000
Riverway	125,000	150,000	175,000	200,000
Victoria Park Safety Surface	30,000	30,000	30,000	30,000
Tenterbanks Car Park	60,300	60,300	60,300	60,300
CRM replacement reserve	74,000	74,000	74,000	74,000
	1,975,099	2,151,499	2,327,899	2,504,299
Capital	10,501,680	8,863,080	9,129,480	8,026,880
Earmarked	26,041,769	24,883,989	25,157,819	24,277,859

CABINET
13 JANUARY 2022
General Fund Revenue Budget and Capital Programme 2022-25

Report of the Chief Finance Officer on the Robustness of the Budget Estimates and the Adequacy of the Council's Reserves

Introduction

Section 25 of the Local Government Act 2003 places a duty on the Chief Financial Officer (or Section 151 Officer, the Head of Finance) to make a report to the Council on the robustness of budget estimates and the adequacy of the Council's reserves. The Council must have regard to this report when making its decisions about budgets and council tax for the forthcoming year. This is because the Council is setting the council tax before the commencement of the year and cannot increase it during the year. An understanding of the risks of increased expenditure during the year in terms of likelihood and impact is therefore important.

Robustness of Budget Estimates

The Council's budget estimates for 2022-23, including the forecast outturn for 2021-22, have been prepared by appropriately qualified and experienced staff in consultation with service managers. Budgets have been discussed and fully managed by the Leadership Team.

The budget for 2022-23 has been constructed based upon the maintenance of existing level of service, adjusted for known changes in 2022-23. It is considered to accurately reflect likely expenditure in 2022-23, being based on historic information, experience of expenditure in previous years and latest projections where appropriate.

The indicative budgets for 2023-24 and 2024-25 are similarly based upon the best information available at this moment in time.

The full risk assessment of the Council's Budget 2022-23 has been carried out and is included in **APPENDIX 7**.

The Pay Award for 2021-22 has not yet been agreed. Provision has been included for this and a further pay award for 2022-23. The impact of the National Living Wage has been incorporated into the budget, as has the increase in National Insurance rates. Allowance has also been made for staff incremental progression. Sufficient provision has been built in for current employer pension contributions, in line with the 2019 actuarial valuation. Different vacancy rates have been assumed for Council services based on past experience.

Inflation on contractor costs has been allowed based on the projected retail/consumer prices index increases and on energy budgets based on anticipated tariff increases. Any differential inflationary uplift as required by contracts has been reflected. No other inflation has been provided for other expenditure budgets.

Some fees and charges have been increased from January 2022. Given the demand-led nature of some of the more significant income budgets, such as for parking, development control and land charges, prudent but realistic assumptions have been made about estimated income. A separate budget provision has been created in relation to the potential ongoing impact on Fees and Charges. Major sources of income will continue to be closely monitored throughout the year with a view to protecting overall income to the Council as far as possible.

Investment income of £50,000 has been included within 2022-23 budgets. This has been based on current projections of bank rate which are anticipated to remain close to or slightly above 0% as an impact of Covid. Prudent assumptions about cash flow have been made and the advice of the Council's treasury management consultants has been taken into account in determining the average rate of return.

No specific contingency budget is provided in 2022-23 as it is considered that the Council's overall revenue balances are sufficient to act as an overall contingency (see below). However, robust budget monitoring arrangements, including Business Rates monitoring, are in place and will continue throughout the year. In addition to budget monitoring by officers, all Cabinet members will receive a monthly update and there will be quarterly reports to the Cabinet and Scrutiny Committees via "Performance Reports".

Significant expenditure and income budgets will be monitored closely during the year. Any projected variances will be addressed in a timely manner.

The Council has a Risk Management Strategy and has identified its key corporate risks. Significant financial risks will be managed appropriately. In addition, some financial risks will be mitigated by the Council's insurance arrangements.

I can therefore confirm that the budget estimates as presented are robust.

Adequacy of the Council's Reserves

The Chartered Institute of Public Finance and Accountancy (CIPFA) has issued guidance on local authority reserves and balances. It sets out three main purposes for which reserves are held: -

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing.
- A contingency to cushion the impact of unexpected events or emergencies.
- A means of building up funds to meet known or predicted liabilities, known as earmarked reserves.

The Council is projected to hold total General Fund reserves of a £26.042 million at 31 March 2022 and £24.884 million at 31 March 2023.

The Council also has a planned four-year capital programme which is financially sustainable based on current capital resources and a prudent assessment of future capital resources. The financial strategy includes the use of unallocated reserves and a Revenue Contribution to Capital Outlay to supplement capital resources and mitigate any borrowing requirement; nevertheless, Prudential Borrowing to finance the Council's capital programme will be used where there is a robust business case.

The Council has set a policy of a minimum level of general reserves of £1 million. The Budget for 2022-23 has been constructed on the basis that there will be a level of general reserves in excess of £1 million.

I can therefore confirm that the Council's reserves are adequate.

Tim Willis
Interim Head of Finance and s151 Officer
22 December 2021

APPENDIX 6

CABINET
13 JANUARY 2022
General Fund Revenue Budget and Capital Programme 2022-25

Parish	2022-23 Tax Base
ADBASTON	222.07
BARLASTON	1,031.43
BERKSWICH	798.51
BRADLEY	223.68
BROCTON	557.62
CHEBSEY	254.97
CHURCH EATON	286.75
COLWICH	1,844.65
CRESWELL	660.47
DOXEY	1006.63
ECCLESHALL	2,168.75
ELLENHALL	61.48
FORTON	141.62
FRADSWELL	86.53
FULFORD	2,319.10
GAYTON	74.35
GNOSALL	2030.86
HAUGHTON	459.86
HIGH OFFLEY	391.04
HILDERSTONE	272.08
HIXON	745.16
HOPTON AND COTON	858.42
HYDE LEA	188.22
INGESTRE	85.73
MARSTON	89.49
MILWICH	201.00
NORBURY	202.12
RANTON	183.17
SALT AND ENSON	193.49
SANDON AND BURSTON	163.64
SEIGHFORD	778.42
STAFFORD	18,977.63
STANDON	337.61
STONE	6,296.62
STONE RURAL	732.59
STOWE-BY-CHARTLEY	196.79
SWYNNERTON	1,364.49
TIXALL	130.03

Parish	2022-23 Tax Base
WESTON	480.17
WHITGREAVE	90.15
YARNFIELD & COLD MEECE	824.50
MOD	478.5
	48,490.39

APPENDIX 7

CABINET 13 JANUARY 2022 General Fund Revenue Budget and Capital Programme 2022-25
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Working Balance - Financial Risks facing the Authority

RISK	Level of risk	Explanation of risk/justification for cover
Inflation	Medium	Inflation has been included in the Financial Plan in accordance with Government policy.
Investment interest	Medium	The amount earned depends on the prevailing interest rates and the level of cash balances held. Prudent assumptions have been made.
Major income sources:		
• Planning fees	Medium	Dependent on economic conditions.
• Land charges fees	Low	Dependent on the housing market / basis of determining recoverable expenses/ proposed transfer to Land Registry.
• Car parking	High	Certain amount of volatility based on demand.
• Borough Markets	High	Dependent on occupancy levels.
• Environmental services	Low	Licensing income dependent on renewals.
• Bereavement services	Medium	Some risk as it is a major source of income.
• Garden waste	Medium	Some risk as it is still a fairly new source of income.
Spending pressures:		
• Waste and recycling targets	Low	The Council will need to reach recycling targets in order to maximise income from recycling credits and avoid penalties. Recycling Credit regime operated by County Council
Funding Sources		
• New Homes Bonus	High	Although allocations for 2022-23 can be predicted accurately, the future level of funding is now not only dependent upon completions of new properties but what incentive scheme will exist instead of New Homes Bonus. A prudent approach has been set for the outcome of the scheme with only legacy payments going forward.

RISK	Level of risk	Explanation of risk/justification for cover
<ul style="list-style-type: none"> Business Rates Scheme and Resets 	High	A new scheme is proposed to be introduced in April 2023. In addition, a reset of growth achieved under the current system is likely to take place around the same time. The council is a high growth achiever hence how the reset is implemented could have material implications.
<ul style="list-style-type: none"> Volatility in Business Rates 	High	The Council will be exposed to volatility or reduction in its business rates due to the failure or temporary closure of a key businesses and successful backdated appeals against Rateable Values. Greater control of Business Rates gives councils greater freedoms and removes dependency on central funding, but it passes on a greater risk to core funding if Business Rates income falls.

ITEM NO 4(a)(ii)**ITEM NO 4(a)(ii)**

Report of:	Head of Finance
Contact Officer:	Tim Willis
Telephone No:	
Ward Interest:	Nil
Report Track:	Cabinet 13/01/2022 Audit and Accounts 18/01/2022 Council 01/02/2022

<p style="text-align: center;">CABINET</p> <p style="text-align: center;">13 JANUARY 2022</p> <p style="text-align: center;">Treasury Management Strategy, Minimum Revenue Provision Policy, Annual Investment Strategy 2022/23</p>
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1 Purpose of Report

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

- Prudential and Treasury indicators - setting of indicators to ensure that the capital investment plans of the Council are affordable, prudent and sustainable;
- The Minimum Revenue Provision (MRP) Policy;
- Treasury Management Strategy Statement for 2022/23 - to set treasury limits for 2022/23 to 2023/24 and to provide a background to the latest economic forecasts of interest rates;
- Annual Investment Strategy 2022/23 - to set out the strategy of investment of surplus funds.

2 Recommendation

2.1 To note the following as approved by Council:-

- (a) The Prudential and Treasury indicators;
- (b) The MRP Policy Statement;
- (c) The Treasury Management Policy;
- (d) The Annual Investment Strategy for 2022/23;

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

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

4	Relationship to Corporate Priorities
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- 4.1 Treasury management and investment activity link in with all of the Council's priorities and their spending plans.

5	Report Detail
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Background

- 5.1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
- 5.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 5.3 The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.
- 5.4 CIPFA defines treasury management as:

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

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

Reporting Requirements

- 5.6 **Capital Strategy** - The CIPFA 2017 Prudential and Treasury Management Codes required all local authorities to prepare a capital strategy report which would provide the following:
- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
 - an overview of how the associated risk is managed
 - the implications for future financial sustainability
- 5.7 The aim of this capital strategy is to ensure that all elected members on the Council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.
- 5.8 The capital strategy approved on the 6 December 2018 covers the period 2018/22 but has been extended a further year.
- 5.9 **Treasury Management reporting** - The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals:-
- 5.10 **Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report covers:-
- the capital plans (including prudential indicators);
 - a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
 - the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
 - an Investment Strategy (the parameters on how investments are to be managed).
- 5.11 **A mid year treasury management report** - This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.
- 5.12 **An annual treasury report** - This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.
- 5.13 **Scrutiny** - The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Audit and Accounts Committee.

- 5.14 The Council has adopted the following reporting arrangements in accordance with the requirements of the CIPFA Code of Practice:-

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

Treasury Management Strategy for 2022/23

- 5.15 The strategy for 2022/23 covers two main areas:-

Capital issues

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

Treasury management issues

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

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

Training

- 5.17 The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Training has been undertaken by members of the Audit and Accounts Committee in January 2020.
- 5.18 The training needs of treasury management officers are periodically reviewed.

Treasury Management Consultants

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

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

The Capital Prudential Indicators 2022/23 - 2024/25

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

Capital expenditure

- 5.22 This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts, which include a review of current schemes together with the continuation of the applicable rolling programme schemes, but to note these may change as part of the scrutiny process and finalisation of the Budget.
- 5.23 Any change to the forecast and any new growth bids will be separately identified in future Budget Reports and reflected in this indicator as reported to full Council.

Capital Expenditure	2020/21 Actual £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	Earmarked £'000
Community Portfolio	752	1,627	2,408	1,341	1,341	2,034
Environment Portfolio	171	424	150	50	50	202
Leisure and Culture Portfolio	1,354	416	2,406	-	-	16
Planning and Regeneration	2,500	1,176	14,519	3,078	1,269	3,548
Resources Portfolio	228	132	50	-	50	750
Total	5,005	3,775	19,533	4,469	2,710	6,550

5.24 **Other long term liabilities.** The financing need excludes other long term liabilities, such as leasing arrangements which already include borrowing instruments.

5.25 The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Capital Expenditure	2020/21 Actual £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	Unallocated £'000
Total Spend	5,005	3,775	19,533	4,469	2,710	6,550
Financed by						
Capital Receipts	1,900	464	1,164	50	-	-
Capital Grants/ Contributions	1,667	2,714	14,552	4,419	1,341	2,084
Revenue	1,438	597	2,389	-	1,369	4,466
Net financing need for the year	-	-	1,428	-	-	-

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

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

5.27 The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital

expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

- 5.28 The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each assets life and so charges the economic consumption of capital assets as they are used.
- 5.29 The CFR includes any other long-term liabilities (e.g. finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the PPP lease provider and so the Council is not required to separately borrow for these schemes. The Council currently has £2.049m of such Finance Leases within the CFR, however going forward it is anticipated that this will rise to £3.549m in respect of the Civic Centre leased land coming on balance sheet.
- 5.30 The Council is asked to approve the following CFR projections, subject to any changes arising from the budget process:-

Capital Financing Requirement

	2020/21 Actual £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000
Total CFR	4,786	4,434	4,077	6,705	6,485
Movement in CFR		(357)	2,628	(220)	(190)

Movement in CFR represented by

	2020/21 Actual £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000
Net financing need for the year	-	-	1,428	-	-
Less MRP and other financing movements		(357)	1,200	(220)	(190)
Movement in CFR		(357)	2,628	(220)	(190)

Core funds and expected investment balances

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

Year End Resources	2020/21 Actual £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000
Earmarked Fund Balances/ Reserves	25,239	25,695	24,537	22,547	21,729
Unallocated Reserves	395	347	347	347	347
Capital Receipts	1,399	1,223	59	9	9
Capital Grants	3,191	5,532	2,127	1,216	1,272
Provisions	3,170	3,170	3,170	0	0
Other S106 Capital	2,842	2,827	1,127	1,127	1,127
Other S106 Revenue	1,415	1,880	1,412	1,412	1,412
Total Core Funds	37,651	40,674	32,779	26,658	25,896
Working Cashflow Requirement	-5,737	5,000	5,000	5,000	5,000
Under/Over Borrowing	2,385	2,289	2,197	2,080	1,967
Expected Investments	41,003	33,385	25,582	19,578	18,929

*Working cashflow requirements shown are estimated year-end.

Minimum revenue provision (MRP) policy statement

- 5.32 The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP).
- 5.33 DLUHC Regulations have been issued which require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement:-
- 5.34 The Council implemented the new Minimum Revenue Provision (MRP) guidance in 2008/09 and will assess MRP for 2009/10 onwards in accordance with the recommendations contained within the guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003.

- 5.35 Under powers delegated to the Section 151 Officer, the Council's annual MRP provision for expenditure incurred after 1 April 2008 and before 31 March 2017 will be based on the uniform rate of 4% of the Capital Financing Requirement. The Council's annual MRP provision for expenditure incurred on or after 1 April 2017 will be based on the asset life method i.e. the provision will be calculated with reference to the estimated life of the assets acquired, in accordance with the regulations.
- 5.36 MRP will be applicable from the year following that in which the asset is brought into operation.
- 5.37 Repayments included in finance leases are applied as MRP.
- 5.38 The Council are satisfied that the policy for calculating MRP set out in this policy statement will result in the Council continuing to make prudent provision for the repayment of debt, over a period that is on average reasonably commensurate with that over which the expenditure provides benefit.
- 5.39 The Section 151 Officer will, where it is prudent to do so, use discretion to review the overall financing of the Capital Programme and the opportunities afforded by the regulations, to maximise the benefit to the Council whilst ensuring the Council meets its duty to charge a prudent provision.
- 5.40 **MRP Overpayments** - A change introduced by the revised MHCLG MRP Guidance was the allowance that any charges made over the statutory minimum revenue provision (MRP), voluntary revenue provision or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. The Council has previously not made any MRP overpayments.

Affordability prudential indicators

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

Ratio of financing costs to net revenue stream

- 5.42 This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

%	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Ratio of financing costs	-0.3	1.6	1.3	0.2	0.0

Borrowing

- 5.43 The capital expenditure plans provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury/prudential indicators, the current and projected debt positions and the annual investment strategy.

Current portfolio position

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

	2020/21 Actual £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000
External Debt					
PWLB debt at 1 April	-	-	-	1,428	-
Expected change in Debt	-	-	-	1,428	-
Other long-term liabilities (OLTL)	2,049	1,788	3,080	4,405	4,328
Expected change in OLTL		(261)	1,292	(103)	(77)
Actual gross debt at 31 March	2,049	1,788	4,508	4,405	4,328
The Capital Financing Requirement	4,434	4,077	6,705	6,485	6,295
Under / (over) Borrowing	2,385	2,289	2,197	2,080	1,967

- 5.45 Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2022/23 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

- 5.46 The Head of Finance reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals contained in the General Fund Budget.

Treasury Indicators: limits to borrowing activity

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

Operational Boundary	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000
Debt	2,385	3,813	12,813	15,713
Other long term liabilities	1,788	3,080	2,977	2,900
Total	4,173	6,893	15,790	15,713

- 5.48 **The authorised limit for external debt.** This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

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

Authorised Limit	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000
Debt	5,385	6,813	15,813	15,813
Other long term liabilities	1,788	3,080	2,977	2,900
Total	7,173	9,893	18,790	18,713

Prospects for interest rates

- 5.49 The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 8th November 2021. These are forecasts for certainty rates, gilt yields plus 80 bps.

Link Group Interest Rate View 8.11.21														
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25
3 month ave earnings	0.30	0.40	0.50	0.50	0.50	0.60	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00
6 month ave earnings	0.40	0.50	0.60	0.60	0.70	0.80	0.90	1.00	1.10	1.10	1.10	1.10	1.10	1.10
12 month ave earnings	0.50	0.60	0.70	0.70	0.80	0.90	1.00	1.10	1.20	1.20	1.20	1.20	1.20	1.20
5 yr PWLB	1.50	1.50	1.60	1.60	1.70	1.70	1.70	1.80	1.80	1.80	1.90	1.90	2.00	2.00
10 yr PWLB	1.80	1.90	1.90	2.00	2.00	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.30	2.40
25 yr PWLB	2.10	2.20	2.30	2.40	2.40	2.40	2.50	2.50	2.60	2.60	2.60	2.60	2.70	2.70
50 yr PWLB	1.90	2.00	2.10	2.20	2.20	2.20	2.30	2.30	2.40	2.40	2.40	2.40	2.50	2.50

- 5.50 The coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings. As shown in the forecast table above, the forecast for Bank Rate now includes five increases, one in December 2021 to 0.25%, then quarter 2 of 2022 to 0.50%, quarter 1 of 2023 to 0.75%, quarter 1 of 2024 to 1.00% and, finally, one in quarter 1 of 2025 to 1.25%. Following on from this forecast, the Bank of England raised interest rates to 0.25% from 16 December 2021.

Significant risks to the forecasts

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity.
- **Mutations** of the virus render current vaccines ineffective, and tweaked vaccines to combat these mutations are delayed, resulting in further national lockdowns or severe regional restrictions.
- **The Monetary Policy Committee** acts too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- **The Monetary Policy Committee** tightens monetary policy too late to ward off building inflationary pressures.
- **The Government** acts too quickly to cut expenditure to balance the national budget.
- **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.

- **Longer term US treasury yields** rise strongly and pull gilt yields up higher than forecast.
- **Major stock markets** e.g., in the US, become increasingly judged as being over-valued and susceptible to major price corrections. Central banks become increasingly exposed to the “moral hazard” risks of having to buy shares and corporate bonds to reduce the impact of major financial market selloffs on the general economy.
- **Geopolitical risks**, for example in Iran, North Korea, but also in Europe and Middle Eastern countries; on-going global power influence struggles between Russia/China/US. These could lead to increasing safe-haven flows.

The balance of risks to the UK economy: -

- The overall balance of risks to economic growth in the UK is now to the downside, including residual risks from Covid and its variants - both domestically and their potential effects worldwide.

5.51 Forecasts for Bank Rate

It is not expected that Bank Rate will go up fast after the initial rate rise as the supply potential of the economy is not likely to have taken a major hit during the pandemic: it should, therefore, be able to cope well with meeting demand after supply shortages subside over the next year, without causing inflation to remain elevated in the medium-term, or to inhibit inflation from falling back towards the MPC’s 2% target after the spike up to around 5%. The forecast includes five increases in Bank Rate over the three-year forecast period to March 2025, ending at 1.25%. However, it is likely that these forecasts will need changing within a relatively short timeframe for the following reasons: -

- There are increasing grounds for viewing the economic recovery as running out of steam in the near term. This could lead into stagflation which would create a dilemma for the MPC as to whether to focus on combating inflation or supporting economic growth through keeping interest rates low.
- Will some current key supply shortages spill over into causing economic activity in some sectors to take a significant hit?
- Rising gas and electricity prices in October and next April and increases in other prices caused by supply shortages and increases in taxation next April, are already going to deflate consumer spending power without the MPC having to take any action on Bank Rate to cool inflation.
- On the other hand, consumers are sitting on over £160bn of excess savings left over from the pandemic so when will they spend this sum, in part or in total?
- It is estimated that there were around 1 million people who came off furlough at the end of September; how many of those would not have had jobs on 1st October and would therefore be available to fill labour shortages which are creating a major headache in many sectors of the economy? So, supply shortages which have been driving up both wages and costs, could reduce significantly within the next six months or so and alleviate one of the MPC’s key current concerns.

- We also recognise there could be further nasty surprises on the Covid front, on top of the flu season this winter, and even the possibility of another lockdown, which could all depress economic activity.
- If the UK invokes article 16 of the Brexit deal over the dislocation in trading arrangements with Northern Ireland, this has the potential to end up in a no deal Brexit.

5.52 In summary, with the high level of uncertainty prevailing on several different fronts, it is likely that these forecasts will be revised again over the next few months - in line with what the new news is. It should also be borne in mind that Bank Rate being cut to 0.10% was an emergency measure to deal with the Covid crisis hitting the UK in March 2020. Since this forecast, the Bank of England has reversed the emergency measure by raising interest rates to 0.25% on 16 December 2021. It should be noted however, that any Bank Rate under 1% is both highly unusual and highly supportive of economic growth.

5.53 **Forecasts for PWLB rates and gilt and treasury yields**

As the interest forecast table for PWLB certainty rates above shows, there is likely to be a steady rise over the forecast period, with some degree of uplift due to rising treasury yields in the US.

There is likely to be **exceptional volatility and unpredictability in respect of gilt yields and PWLB rates** due to the following factors: -

- How strongly will changes in gilt yields be correlated to changes in US treasury yields (see below). Over 10 years since 2011 there has been an average 75% correlation between movements in US treasury yields and gilt yields. However, from time to time these two yields can diverge. Lack of spare economic capacity and rising inflationary pressures are viewed as being much greater dangers in the US than in the UK. This could mean that central bank rates will end up rising earlier and higher in the US than in the UK if inflationary pressures were to escalate; the consequent increases in treasury yields could well spill over to cause (lesser) increases in gilt yields. There is, therefore, an upside risk to forecasts for gilt yields due to this correlation. The Link Group forecasts have included a risk of a 75% correlation between the two yields.
- Will the Fed take action to counter increasing treasury yields if they rise beyond a yet unspecified level?
- Would the MPC act to counter increasing gilt yields if they rise beyond a yet unspecified level?
- How strong will inflationary pressures actually turn out to be in both the US and the UK and so put upward pressure on treasury and gilt yields?
- How will central banks implement their new average or sustainable level inflation monetary policies?
- How well will central banks manage the withdrawal of QE purchases of their national bonds i.e., without causing a panic reaction in financial markets as happened in the “taper tantrums” in the US in 2013?
- Will exceptional volatility be focused on the short or long-end of the yield curve, or both?

5.54 The forecasts are also predicated on an assumption that there is no break-up of the Eurozone or EU within the forecasting period, despite the major challenges that are looming up, and that there are no major ructions in international relations, especially between the US and China / North Korea and Iran, which have a major impact on international trade and world GDP growth.

5.55 **Gilt and treasury yields**

Since the start of 2021, there has been a lot of volatility in gilt yields, and hence PWLB rates. During the first part of the year, US President Biden's, and the Democratic party's, determination to push through a \$1.9trn (equivalent to 8.8% of GDP) fiscal boost for the US economy as a recovery package from the Covid pandemic was what unsettled financial markets. However, this was in addition to the \$900bn support package already passed in December 2020. This was then followed by additional Democratic ambition to spend \$1trn on infrastructure, which has just been passed by both houses, and an even larger sum on an American families plan over the next decade; this is still caught up in Democrat / Republican haggling. Financial markets were alarmed that all this stimulus was happening at a time when: -

1. A fast vaccination programme has enabled a rapid opening up of the economy.
2. The economy has been growing strongly during 2021.
3. It started from a position of little spare capacity due to less severe lockdown measures than in many other countries.
4. And the Fed was still providing stimulus through monthly QE purchases.

5.56 These factors could cause an excess of demand in the economy which could then unleash strong inflationary pressures. This could then force the Fed to take much earlier action to start increasing the Fed rate from near zero, despite their stated policy being to target average inflation.

5.57 **At its 3rd November Fed meeting**, the Fed decided to make a start on tapering QE purchases with the current \$80bn per month of Treasury securities to be trimmed by \$10bn in November and a further \$10bn in December. The \$40bn of MBS purchases per month will be trimmed by \$5bn in each month. If the run-down continued at that pace, the purchases would cease entirely next June but the Fed has reserved the ability to adjust purchases up or down. This met market expectations. These purchases are currently acting as downward pressure on treasury yields and so it would be expected that Treasury yields would rise as a consequence over the taper period, all other things being equal. However, on the inflation front it was still insisting that the surge in inflation was "largely" transitory. In his post-meeting press conference, Chair Jerome Powell claimed that "the drivers of higher inflation have been predominantly connected to the dislocations caused by the pandemic" and argued that the Fed's tools cannot address supply constraints. However, with the Fed now placing major emphasis on its mandate for ensuring full employment, (besides containing inflation), at a time when employment has fallen by 5 million and 3 million have left the work force, resignations have surged due to the ease of getting better paid jobs and so wage pressures have built rapidly.

With wage growth at its strongest since the early 1980s, inflation expectations rising and signs of a breakout in cyclical price inflation, particularly rents, the FOMC's insistence that this is still just a temporary shock "related to the pandemic and the reopening of the economy", does raise doubts which could undermine market confidence in the Fed and lead to higher treasury yields.

- 5.58 As the US financial markets are, by far, the biggest financial markets in the world, any upward trend in treasury yields will invariably impact and influence financial markets in other countries. Inflationary pressures and erosion of surplus economic capacity look much stronger in the US compared to those in the UK, which would suggest that Fed rate increases eventually needed to suppress inflation, are likely to be faster and stronger than Bank Rate increases in the UK. This is likely to put upward pressure on treasury yields which could then spill over into putting upward pressure on UK gilt yields.

The balance of risks to medium to long term PWLB rates: -

- There is a balance of upside risks to forecasts for medium to long term PWLB rates.

5.59 A new era – a fundamental shift in central bank monetary policy

One of the key results of the pandemic has been a fundamental rethinking and shift in monetary policy by major central banks like the Fed, the Bank of England and the ECB, to tolerate a higher level of inflation than in the previous two decades when inflation was the prime target to bear down on so as to stop it going above a target rate. There is now also a greater emphasis on other targets for monetary policy than just inflation, especially on 'achieving broad and inclusive "maximum" employment in its entirety' in the US, before consideration would be given to increasing rates.

- The Fed in America has gone furthest in adopting a monetary policy based on a clear goal of allowing the inflation target to be symmetrical, (rather than a ceiling to keep under), so that inflation averages out the dips down and surges above the target rate, over an unspecified period of time.
- The Bank of England has also amended its target for monetary policy so that inflation should be 'sustainably over 2%' before starting on raising Bank Rate and the ECB now has a similar policy.
- **For local authorities, this means that investment interest rates and very short term PWLB rates will not be rising as quickly or as high as in previous decades when the economy recovers from a downturn and the recovery eventually runs out of spare capacity to fuel continuing expansion.**
- Labour market liberalisation since the 1970s has helped to break the wage-price spirals that fuelled high levels of inflation and has now set inflation on a lower path which makes this shift in monetary policy practicable. In addition, recent changes in flexible employment practices, the rise of the gig economy and technological changes, will all help to lower inflationary pressures.
- Governments will also be concerned to see interest rates stay lower as every rise in central rates will add to the cost of vastly expanded levels of national debt; (in the UK this is £21bn for each 1% rise in rates). On the

other hand, higher levels of inflation will help to erode the real value of total public debt.

Investment and borrowing rates

- **Investment returns** are expected to improve in 2022/23. However, while markets are pricing in a series of Bank Rate hikes, actual economic circumstances may see the MPC fall short of these elevated expectations.
- **Borrowing interest rates** fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England and still remain at historically low levels. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years.
- On 25.11.20, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates which had been increased by 100 bps in October 2019. The standard and certainty margins were reduced by 100 bps but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three-year capital programme. The current margins over gilt yields are as follows: -
 - **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
 - **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
 - **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
 - **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
 - **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)
- **Borrowing for capital expenditure.** Our long-term (beyond 10 years), forecast for Bank Rate is 2.00%. As some PWLB certainty rates are currently below 2.00%, there remains value in considering long-term borrowing from the PWLB where appropriate. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive as part of a balanced debt portfolio. In addition, there are also some cheap alternative sources of long-term borrowing if an authority is seeking to avoid a “cost of carry” but also wishes to mitigate future re-financing risk.

Borrowing strategy

- 5.60 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.
- 5.61 Against this background and the risks within the economic forecast, caution will be adopted with the 2022/23 treasury operations. The Head of Finance

will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.

- 5.62 Any decisions will be reported to members appropriately at the next available opportunity.

Treasury management limits on activity

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

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

Maturity structure of fixed interest rate borrowing 2022/23

	Lower	Upper
Under 12 months	0%	100%
12 months to 2 years	0%	100%
2 years to 5 years	0%	100%
5 years to 10 years	0%	100%
10 years and above	0%	100%

Maturity structure of variable interest rate borrowing 2022/23

	Lower	Upper
Under 12 months	0%	75%
12 months to 2 years	0%	75%
2 years to 5 years	0%	75%
5 years to 10 years	0%	75%
10 years and above	0%	75%

Policy on borrowing in advance of need

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

New financial institutions as a source of borrowing and / or types of borrowing

- 5.67 Currently the PWLB Certainty Rate is set at gilts + 80 basis points for both HRA and non-HRA borrowing. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:
- Local authorities (primarily shorter dated maturities)
 - Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years).
- 5.68 Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

Annual Investment Strategy

Investment policy – management of risk

- 5.69 The Department of Levelling Up, Housing and Communities (DLUHC - this was formerly the Ministry of Housing, Communities and Local Government (MHCLG)) and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, (a separate report).
- 5.70 The Council’s investment policy has regard to the following: -
- DLUHC’s Guidance on Local Government Investments (“the Guidance”)
 - CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 (“the Code”)
 - CIPFA Treasury Management Guidance Notes 2018
- 5.71 The Council’s investment priorities will be security first, portfolio liquidity second and then yield, (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council’s risk appetite. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs. However, where appropriate (from an internal as well as external perspective), the Council will also consider the value available in periods up to 12 months with high credit rated financial institutions.
- 5.72 The above guidance from the DLUHC and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -
- (a) Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
 - (b) Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on

both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.

- (c) Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

5.73 This authority has defined the list of types of investment instruments that the treasury management team are authorised to use, as per **APPENDIX 2**.

- Specified investments are those with a high level of credit quality and subject to a maturity limit of one year.
- Non-specified investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

5.74 **Non-specified investments limit.** The Council has determined that it will limit the maximum total exposure to non-specified investments as being 50% of the total investment portfolio.

5.75 **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in the **APPENDIX 2**.

5.76 **Transaction limits** are set for each type of investment in **APPENDIX 2**.

5.77 This authority will set a limit for the amount of its investments which are invested for longer than 365 days.

5.78 Investments will only be placed with counterparties from countries with a specified minimum sovereign rating.

5.79 This authority has engaged external consultants, to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.

5.80 All investments will be denominated in sterling.

5.81 As a result of the change in accounting standards for 2022/23 under IFRS 9, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments

by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23.

- 5.82 However, this authority will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

Creditworthiness policy

- 5.83 The Council applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:-

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

- 5.84 This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:-

- | | |
|--------------|---|
| • Yellow | 5 years |
| • Dark pink | 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.25 |
| • Light pink | 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.5 |
| • Purple | 2 years |
| • Blue | 1 year (only applies to nationalised or semi nationalised UK Banks) |
| • Orange | 1 year |
| • Red | 6 months |
| • Green | 100 days |
| • No colour | not to be used |

- 5.85 The Link creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

- 5.86 Typically the minimum credit ratings criteria the Council use will be a short term rating (Fitch or equivalents) of F1 and a long term rating of A- or equivalent. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In

these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

5.87 All credit ratings will be monitored weekly. The Council is alerted to changes to ratings of all three agencies through its use of our creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

5.88 Sole reliance will not be placed on the use of this external service. In addition the Council will also use market data and market information, information on any external support for banks to help support its decision making process.

5.89 The Council has determined that it will only use approved counterparties from the UK and countries with a minimum sovereign credit rating of AA- from Fitch or equivalent. The list of countries that qualify using this credit criteria as at the date of this report are shown in **APPENDIX 3**. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

Creditworthiness

5.90 Significant levels of downgrades to Short- and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, as economies are beginning to reopen, there have been some instances of previous lowering of Outlooks being reversed.

CDS Prices

5.91 Although bank CDS prices, (these are market indicators of credit risk), spiked upwards at the end of March / early April 2020 due to the heightened market uncertainty and ensuing liquidity crisis that affected financial markets, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Council has access to this information via its Link-provided Passport portal.

Investment Strategy

5.92 Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by

investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.
- Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

5.93 **Investment returns expectations.** The Bank Rate increased in December 2021.

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

Average earnings in each year	
2022/23	0.50%
2023/24	0.75%
2024/25	1.00%
2025/26	1.25%
Long term later years	2.00%

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

The Council is asked to approve the treasury indicator and limit:-

Maximum principal sums invested > 365 days

	2022/23	2024/25	2025/26
Principal sums invested > 365 days	£10m	£10m	£10m

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

Investment risk benchmarking

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

End of year investment report

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

6	Implications
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6.1	Financial	Included in the report
	Legal	Nil
	Human Resources	Nil
	Human Rights Act	Nil
	Data Protection	Nil

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.
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6.2	Community Impact Assessment Recommendations	<p>The Borough Council considers the effect of its actions on all sections of our community and has addressed all of the following Equality Strands in the production of this report, as appropriate:-</p> <p>Age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.</p>
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Previous Consideration - Nil

Background Papers - File available in Financial Services

CABINET**13 JANUARY 2022****Treasury Management Strategy, Minimum Revenue Provision Policy and
Annual Investment Strategy 2022/23****Economic Background****MPC meeting 4 November 2021**

- The Monetary Policy Committee (MPC) voted 7-2 to leave Bank Rate unchanged at 0.10% with two members voting for an increase to 0.25% and made no changes to its programme of quantitative easing purchases due to finish by the end of this year at a total of £895bn by a vote of 6-3.
- After the Governor and other MPC members had made speeches prior to the MPC meeting in which they stressed concerns over inflation, (the Bank is now forecasting inflation to reach 5% in April when the next round of capped gas prices will go up), thus reinforcing the strong message from the September MPC meeting, financial markets had confidently built in an expectation that Bank Rate would go up from 0.10% to 0.25% at this meeting. However, these were not messages that the MPC would definitely increase Bank Rate at the first upcoming MPC meeting as no MPC member can commit the MPC to make that decision ahead of their discussions at the time. The MPC did comment, however, that Bank Rate would have to go up in the short term. This occurred on 16 December 2021 when the rate was raised to 0.25%
- It will not be until its May meeting, that the MPC will have a clearer understanding of the likely peak of inflation expected around that time. If the statistics show the labour market coping well during the next six months, then it is likely there will be two increases in the three meetings (December, February and May).
- Over the next year the MPC will be doing a delicate balancing act of weighing combating inflation being higher for longer against growth being held back by significant headwinds. Those headwinds are due to supply shortages (pushing prices up and holding back production directly), labour shortages, surging fuel prices and tax increases. However, those headwinds could potentially be offset – at least partially - by consumers spending at least part of the £160bn+ of “excess savings” accumulated during the pandemic. However, it is also possible that more affluent people may be content to hold onto elevated savings and investments and, therefore, not support the economic recovery to the extent that the MPC may forecast.
- The latest forecasts by the Bank showed inflation under-shooting the 3 years ahead 2% target (1.95%), based on market expectations of Bank Rate hitting 1% in 2022. This implies that rates don’t need to rise to market expectations of 1.0% by the end of next year.
- It is worth recalling that the MPC pointedly chose to reaffirm its commitment to the 2% inflation target in its statement after the MPC meeting in September yet at its August meeting it had emphasised a willingness to look through inflation

overshooting the target for limited periods to ensure that inflation was 'sustainably over 2%'. On balance, once this winter is over and world demand for gas reduces - so that gas prices and electricity prices fall back - and once supply shortages of other goods are addressed, the MPC is forecasting that inflation would return to just under the 2% target.

- **The MPC's forward guidance on its intended monetary policy** on raising Bank Rate versus selling (quantitative easing) holdings of bonds is as follows:
 1. Raising Bank Rate as "the active instrument in most circumstances".
 2. Raising Bank Rate to 0.50% before starting on reducing its holdings.
 3. Once Bank Rate is at 0.50% it would stop reinvesting maturing gilts.
 4. Once Bank Rate had risen to at least 1%, it would start selling its holdings.

- **COVID-19 vaccines.** These have been the game changer which have enormously boosted confidence that **life in the UK could largely return to normal during the summer** after a third wave of the virus threatened to overwhelm hospitals in the spring. With the household saving rate having been exceptionally high since the first lockdown in March 2020, there is plenty of pent-up demand and purchasing power stored up for services in hard hit sectors like restaurants, travel and hotels. The big question is whether mutations of the virus could develop which render current vaccines ineffective, as opposed to how quickly vaccines can be modified to deal with them and enhanced testing programmes be implemented to contain their spread. There is also a potential for the winter flu season combined with Covid to overwhelm NHS hospitals so the UK is not entirely in the clear yet.

- **Since the September MPC meeting,** the economy has been impacted by rising gas and electricity prices which are now threatening to close down some energy intensive sectors of industry – which would then further impact the supply chain to the rest of the economy. Ports are also becoming increasingly clogged up with containers due to a shortage of lorry drivers to take them away. The labour market statistics for August released in mid-October showed a sharp rise in employment but also a continuing steep rise in vacancies. The combination of all these factors is a considerable headwind to a recovery of economic growth in the months ahead.

US. Shortages of goods and intermediate goods like semi-conductors, are fuelling increases in prices and reducing economic growth potential. It now also appears that there has been a sustained drop in the labour force which suggests the pandemic has had a longer-term scarring effect in reducing potential GDP. Economic growth may therefore be reduced to between 2 and 3% in 2022 and 2023 while core inflation is likely to remain elevated at around 3% in both years instead of declining back to the Fed's 2% central target. This could well cause the Fed to focus on supporting economic growth by delaying interest rate rises, rather than combating elevated inflation i.e., there may be no rate rises until 2023.

See also comments in paragraph 3.3 under PWLB rates and gilt yields.

EU. The slow roll out of vaccines initially delayed economic recovery in early 2021 but the vaccination rate then picked up sharply. After a contraction of -0.3% in Q1,

Q2 came in with strong growth of 2%. With Q3 at 2.2%, the EU recovery is nearly complete although countries dependent on tourism are lagging. Recent sharp increases in gas and electricity prices have increased overall inflationary pressures but the ECB is likely to see these as being only transitory after an initial burst through to around 4%, so is unlikely to be raising rates for a considerable time.

German general election. With the CDU/CSU and SPD both having won around 24-26% of the vote in the September general election, the composition of Germany's next coalition government may not be agreed by the end of 2021. An SPD-led coalition would probably pursue a slightly less restrictive fiscal policy, but any change of direction from a CDU/CSU led coalition government is likely to be small. However, with Angela Merkel standing down as Chancellor as soon as a coalition is formed, there will be a hole in overall EU leadership which will be difficult to fill.

China. After a concerted effort to get on top of the virus outbreak in Q1 2020, economic recovery was strong in the rest of the year; this enabled China to recover all the initial contraction. During 2020, policy makers both quashed the virus and implemented a programme of monetary and fiscal support that was particularly effective at stimulating short-term growth. At the same time, China's economy benefited from the shift towards online spending by consumers in developed markets. These factors helped to explain its comparative outperformance compared to western economies during 2020 and earlier in 2021. However, the pace of economic growth has now fallen back after this initial surge of recovery from the pandemic and China is now struggling to contain the spread of the Delta variant through sharp local lockdowns - which will also depress economic growth. There are also questions as to how effective Chinese vaccines are proving. Supply shortages, especially of coal for power generation, which is causing widespread power cuts to industry, are also having a sharp disruptive impact on the economy. In addition, recent regulatory actions motivated by a political agenda to channel activities into officially approved directions, are also likely to reduce the dynamism and long-term growth of the Chinese economy.

Japan. 2021 has been a patchy year in combating Covid. However, recent business surveys indicate that the economy is rebounding rapidly now that the bulk of the population is fully vaccinated and new virus cases have plunged. The Bank of Japan is continuing its very loose monetary policy but with little prospect of getting inflation back above 1% towards its target of 2%, any time soon: indeed, inflation was actually negative in July. New Prime Minister Kishida had promised a large fiscal stimulus package after the November general election which his party has now won.

World growth. World growth was in recession in 2020 but recovered during 2021 until starting to lose momentum more recently. Inflation has been rising due to increases in gas and electricity prices, shipping costs and supply shortages, although these should subside during 2022. It is likely that we are heading into a period where there will be a reversal of **world globalisation** and a decoupling of western countries from dependence on China to supply products, and vice versa. This is likely to reduce world growth rates from those in prior decades.

Supply shortages. The pandemic and extreme weather events, followed by a major surge in demand after lockdowns ended, have been highly disruptive of extended worldwide supply chains. At the current time there are major queues of ships unable to unload their goods at ports in New York, California and China. Such issues have led to a misdistribution of shipping containers around the world and have contributed to a huge increase in the cost of shipping. Combined with a shortage of semi-conductors, these issues have had a disruptive impact on production in many countries. The latest additional disruption has been a shortage of coal in China leading to power cuts focused primarily on producers (rather than consumers), i.e., this will further aggravate shortages in meeting demand for goods. Many western countries are also hitting up against a difficulty in filling job vacancies. It is expected that these issues will be gradually sorted out, but they are currently contributing to a spike upwards in inflation and shortages of materials and goods on shelves.

APPENDIX 2

CABINET
13 JANUARY 2022
Treasury Management Strategy, Minimum Revenue Provision Policy and
Annual Investment Strategy 2022/23

Treasury Management Practice (TMP1) - Credit and Counterparty Risk
Management

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

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

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

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

	Minimum Credit Criteria / Colour Band	Max % of total investments/ £ limit per institution	Max. Maturity Period
DMADF – UK Government	Yellow	100%	6 months
UK Government Gilts	UK sovereign rating	£6 million	5 years
UK Government Treasury bills	UK sovereign rating	£6 million	12 months
Bonds issued by multilateral development banks	AAA	£6 million	5 years
Money Market Funds CNAV	AAA	100%	Liquid

Money Market Funds LNAVAV	AAA	100%	Liquid
Money Market Funds VNAV	AAA	100%	Liquid
Ultra-Short Dated Bond Funds with a credit score of 1.25	AAA	100%	Liquid
Ultra-Short Dated Bond Funds with a credit score of 1.5	AAA	100%	Liquid
Local Authorities	N/A	100%	12 months
Call Accounts	N/A	£6 million	Liquid
Term deposits with housing associations	Blue Orange Red Green No Colour	£6 million	12 months 12 months 6 months 100 days Not for use
Term deposits with banks and building societies	Blue Orange Red Green No Colour	£6 million	12 months 12 months 6 months 100 days Not for use
CDs or corporate bonds with banks and building societies	Blue Orange Red Green No Colour	£6 million	12 months 12 months 6 months 100 days Not for use
Gilt Funds	UK sovereign rating	£6 million	12 months

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

APPENDIX 3

CABINET

13 JANUARY 2022

**Treasury Management Strategy, Minimum Revenue Provision Policy and
Annual Investment Strategy 2022/23**

Approved Countries for Investment

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

Based on lowest available rating

AAA

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

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Hong Kong
- Qatar
- **U.K.**

APPENDIX 4

CABINET
13 JANUARY 2022
Treasury Management Strategy, Minimum Revenue Provision Policy and
Annual Investment Strategy 2022/23

TREASURY MANAGEMENT SCHEME OF DELEGATION

Full Council

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

Committees/Council

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

Body/person(s) with responsibility for scrutiny

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

APPENDIX 5

CABINET
13 JANUARY 2022
Treasury Management Strategy, Minimum Revenue Provision Policy and
Annual Investment Strategy 2022/23

THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

The S151 (responsible) officer

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

ITEM NO 4(b)(i)**ITEM NO 4(b)(i)**

Contact Officer:	Alex Yendole
Telephone No:	07800 619530
Ward Interest:	Nil
Report Track:	Cabinet 13/01/2022 (Only)
Key Decision:	Yes

**SUBMISSION BY COUNCILLOR F BEATTY
ECONOMIC DEVELOPMENT AND PLANNING PORTFOLIO**

CABINET 13 JANUARY 2022 Cannock Chase Special Area of Conservation: Developer Contributions
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1 Purpose of Report

- 1.1 To seek Cabinet approval to require applications for residential development involving a net increase of one or more dwellings to make a financial contribution to mitigate the impact of recreational pressure arising from the developments on the Cannock Chase Special Area of Conservation.
- 1.2 To provide approval for entering into and adopting a new Memorandum of Understanding (please refer to attached **BOOKLET**) as one of the Partner authorities of the Cannock Chase Special Area of Conservation (SAC) Partnership.
- 1.3 To provide approval for signing a Financial Agreement to enable Stafford Borough Council to administer funds on behalf of the Cannock Chase SAC Partnership and the other competent authorities.

2 Proposal of Cabinet Member

- 2.1 That the new developer contribution charge of £290.58 per dwelling unit is brought into effect from 1 April 2022 to mitigation for new residential proposals in Stafford Borough, within a 0-15 km Zone of Influence from the Cannock Chase Special Area of Conservation boundary.
- 2.2 That the Cabinet agrees and adopts the latest Cannock Chase SAC Memorandum of Understanding (please refer to attached **BOOKLET**).
- 2.3 That delegated authority is given to the Head of Development in consultation with the Cabinet Member for Resources to sign the final version of the draft Financial Agreement on behalf of Stafford Borough Council, following on from the Cannock Chase SAC Memorandum of Understanding being entered into. (please refer to the attached **BOOKLET**).

3 Key Issues and Reasons for Recommendation
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- 3.1 The Cannock Chase Special Area of Conservation (“the SAC”) is an area of internationally important heathland designated under the European Union’s Habitats Directive and transposed into UK law by the Conservation of Habitats and Species Regulations 2017 (as amended), (“the Habitats Regulations”). This designation conveys the highest level of protection, reflecting its international significance. It seeks to protect, conserve and restore habitats that are of the utmost conservation importance and concern across Europe. The area is also protected nationally as a Site of Special Scientific Interest (SSSI) and lies within the Area of Outstanding Natural Beauty (AONB). It supports species which are protected at a national and international level.
- 3.2 The Council is a one of number of local planning authorities who are partners in the Cannock Chase Special Area of Conservation Partnership (“the Partnership”). The Partnership’s key objective is to use statutory planning processes and specific site and visitor management measures to secure appropriate mitigation for the impacts on the SAC of Development Plan policies and proposals contained in individual planning applications and projects, thereby ensuring that the integrity of the SAC is maintained and the requirements of the Habitats Regulations are met.
- 3.3 Stafford Borough Council has a duty as a Competent Authority through the Habitats Regulations to ensure that planning application decisions comply with the Habitats Regulations and do not either alone or in combination with other developments result in significant adverse effects on the integrity of the SAC which has internationally protected status under the Habitats Regulations for its unique heathland habitat. The duty is delivered through the Council’s involvement in the Partnership and through the statutory planning process, with the Cabinet Member for Resources sitting on the Cannock Chase SAC Joint Strategic Board which makes key decisions on behalf of the Partnership. The Partnership has established a mitigation approach to address the impacts of new residential development growth surrounding the SAC.
- 3.4 With the competent Local Planning Authorities in the Partnership progressing with new Local Plans in recent years it has been necessary to update the Strategic Access Management and Monitoring Measures (“SAMMMs”) programme and extend the payment Zone of Influence from 0-8 km to 0-15 km in order to demonstrate that the significant increase in future development proposals will meet the Habitat Regulations and therefore mitigate for recreational pressures. As a result two Detailed Implementation Plans have now been developed on behalf of the Partnership costing £7.8 million in total, with a Planning Evidence Based Review Stage 2 report setting out the implications for each local planning authority.
- 3.5 For Stafford Borough new developments permitted before April 2022 within the 0-8 km Zone of Influence from the SAC boundary will be 6,832 new homes contributing to the existing developer contribution payment scheme costing £159 per dwelling on sites of 10 or more houses. From April 2022 it is

anticipated that 5,412 new residential units will be given planning consent within the 0-15 km Zone of Influence with a charge of £290.58 each, in order to provide Stafford Borough's proportion of the mitigation measures required of £1,572,605.

- 3.6 It should be noted that under the current payment scheme new residential developments of 10 or more dwellings provide mitigation funds of £159 per dwelling through planning obligations under Section 106 of the Town and Country Planning Act 1990 (as amended) ("S106 Obligations"). Dwellings granted consent via permitted development are also required to enter into Section 106 Obligations. However in order to satisfy the requirements of the Habitats Regulations 2017 (as amended), it is considered that from 1 April 2022 planning consents for all new residential developments, including affordable houses, will be required to pay towards measures to mitigate the impact of the development on the SAC, and that payment will be secured through a Section 106 Obligation. That can take the form of a Section 106 Unilateral Undertaking or a Section 106 Agreement. The Section 106 Obligation will provide for the SAC contribution to be paid by the owner of the application site before development commences on site. However this does not cover the Council's administration costs and the Council also makes a charge for the preparation and completion of Section 106 Obligations as part of the decision-making process, which is paid for by the owner / developer.

4 Relationship to Corporate Business Objectives
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- 4.1 The Council has a statutory duty to comply with the Habitats Regulations through the delivery of new housing development which impacts on the SAC. Therefore this duty applies as part of the New Local Plan 2020-2040 which is a key strategic document for the Council to the Corporate Business Plan's vision, and all of the key objectives:

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

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

"To continue work towards our Climate Change and Green Recovery objectives, integrating them into our activities and strategic plans"

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

5	Report Detail
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- 5.1 The SAC is designated under the European Union's Habitats Directive and transposed into UK law by the Habitat Regulations, with the Partnership created through a Memorandum of Understanding, the current version being 2016, which provides a framework for coordination between statutory bodies having land use planning responsibilities in relation to the SAC.
- 5.2 This Partnership approach is to provide simplicity for planners and developers providing a consistent approach to the protection of the SAC from the significant effects of residential development through the delivery of a programme of mitigation. It must however be recognised that other forms of development within the 0-15km Zone of Influence which may give rise to additional visits to the SAC may need to carry out a Habitats Regulations Assessment (HRA). If applicants do not wish to participate in the scheme they will need to provide appropriate information to the Local Planning Authority to allow a bespoke Habitats Regulations Assessment and mitigation to occur.
- 5.3 In May 2016 a Memorandum of Understanding (MOU) was signed by each of the competent local authorities, including Stafford Borough, setting out how the Partnership will take responsibility for a programme of measures to mitigate for the impact residential development has upon the SAC and how the Partnership will work together to review, prepare and implement common plans and policies to protect the SAC, and promote its understanding and appreciation to help to deliver sustainable development. This programme is known as the Strategic Access Management and Monitoring Measures (SAMMM). Furthermore the competent local authorities have also signed a Financial Agreement which results in the developer contributions being transferred to Stafford Borough Council twice a year (in April and October) in order to administer and co-ordinate spending of the funds on behalf of the Cannock Chase SAC Partnership. The MOU has now expired and it is proposed that a new MOU be entered into in substantially the same terms for a further 5 years but with the ability for each of the parties to withdraw at any time by giving 12 months' notice in writing. As a result of the new MOU it is also necessary to execute a new Financial Agreement to reflect the current and future funding position of the Cannock Chase SAC Partnership.
- 5.4 The SAC Partnership subsequently developed the Strategic Access Management and Monitoring Measures plan which set out how this mitigation would be achieved. The total cost of the SAMMM is currently £1.9 million, aligned to the adopted Local Plans of the respective competent authorities, funded through developer contributions made for each residential unit built within the agreed 0-8 km payment 'zone of influence' around the SAC.
- 5.5 The Council's duty, as a competent authority is delivered through involvement in the Partnership and the collection of developer contributions pursuant to Policy N6 of the Plan for Stafford Borough 2011-2031 (adopted in June 2014) below:

Policy N6 Cannock Chase Special Area of Conservation (SAC)

Development will not be permitted where it would lead directly or indirectly to an adverse impact on the Cannock Chase SAC and the effects cannot be mitigated.

To ensure the Cannock Chase SAC is not harmed, all development that leads to a net increase in dwellings within 15km of the site, as shown on the Policies Map, must take all necessary steps to avoid or mitigate any adverse effects upon the SAC's integrity. This may include contributions to habitat management; access management and visitor infrastructure; publicity, education and awareness raising; provision of additional recreation space within development sites where they can be accommodated and, where they cannot, by contributions to offsite alternative recreation space; and measures to encourage sustainable travel.

The effective avoidance and / or mitigation of any identified adverse effects must be demonstrated to the Council as the Competent Authority, and secured by means of a suitable mechanism (e.g. Legal agreement) prior to approval of the development.

- 5.6 With the competent Local Planning Authorities in the Partnership progressing with new Local Plans in recent years it has been necessary to update the SAMMM programme in order to demonstrate that future development proposals will meet the Habitat Regulations and therefore mitigate for recreational pressures. As a result two Detailed Implementation Plans have now been developed on behalf of the Partnership with recommendations for additional project works and costs beyond the £1.9 million within the original SAMMMs, focusing on:
- Site User Infrastructure, Education and Engagement
 - Car parking
- 5.7 The Detailed Implementation Plans recommended mitigation measures with a cost rising from £1.9 million to £7.8 million being required for investment in Cannock Chase AONB and the SAC, due to the significant increase in future residential development proposed, in order to protect the site by mitigating the impacts of recreational pressure; improvements to public access through enhanced infrastructure such as car parks, paths, signage, interpretation as well as measures to support visitor engagement and education. Therefore this goes beyond the current funding of £1.9 million that is available from the current local plans, so it was important to identify the level of contributions to be required in the future as the new Local Plans progress.
- 5.8 To provide this information the Planning Evidence Base Review (PEBR) Stage 2 report was commissioned by the Partnership to review and provide costs and information to update the strategic approach to mitigation for recreation impacts on the SAC (please see attached **BOOKLET**). As part of the PEBR report, there has been a review of the levels of likely housing growth over the period 2020-2040, a review of the geographic scope of the strategy ('zone of influence'), a review of mitigation measures necessary and their costs. The review has also provided options on how costs could be apportioned to the anticipated growth.

- 5.9 The PEBR Stage 2 report identified that a total of £6,297,104 would need to be collected from April 2022 across the 0-15 km Cannock Chase SAC Zone of Influence (ZOI) in order to deliver the mitigation requirements, to be provided by 21,671 new residential units that will be constructed, both allocated and unallocated. This is based on data provided by the Partnership of indicative estimates of likely growth. Based on this information the Partnership's Joint Strategic Board agreed, in August 2021 to adopt a single-tariff approach, where all residential units within the 0-15km ZOI are charged the same tariff of £290.58.
- 5.10 Based on the latest evidence and the Planning Evidence Based Report all partner authorities, including Stafford Borough, have recently signed a new Memorandum of Understanding (please refer to the attached **BOOKLET**) in order to comply with the Habitat Regulations and deliver new housing development through the planning process. In line with the Borough Council's constitution the Memorandum of Understanding has been signed off by the Head of Development. Once the Memorandum of Understanding has been signed off by all of the relevant competent authorities the next step is for the Financial Agreement to be signed. A draft version of the Financial Agreement is attached as a **BOOKLET** to this report, with delegated authorities being sought for the Cabinet Member for Resources to sign the final version prior to April 2022 when the Memorandum of Understanding comes into effect.

6 Implications	
6.1 Financial	There are no direct financial costs to the Council from implementing the new Cannock Chase SAC charging regime on developers. Nevertheless it should be noted that additional fee income will be generated through the processing of Section 106 agreements and Unilateral Undertakings from April 2022.
Legal	The Council has a legal requirement to comply with the Conservation of Habitats and Species Regulations 2017 (as amended), through the process of preparing policies for the new Local Plan as well as delivery of new development through the Development Management team in addition to being subject to relevant Planning Acts and Regulations.

Human Resources	Staff resources are provided to enable to Cannock Chase SAC Partnership to mitigate for new residential development within the Stafford Borough area, through the Strategic Planning & Placemaking Manager. This resource is also used to deliver the New Local Plan by existing staff from within Development and the wider organisation. There are occasions when the SAC Partnership utilises external support to deliver evidence based studies across a number of local planning authorities.
Human Rights Act	None identified
Data Protection	None identified
Risk Management	Currently there is a mitigation programme in place to facilitate new residential development through the adopted Plan for Stafford Borough. However without progressing with the Detailed Implementation Plans and therefore not complying with the Conservation of Habitats and Species Regulations 2017 (as amended), it will not be possible to have an up-to-date Local Plan and therefore no new developments.

6.2 Community Impact Assessment Recommendations	<p>Impact on Public Sector Equality Duty: The Cannock Chase SAC Partnership provides clear guidance to developers and also members of the public for mitigating new development through planning policies and proposals in across the Borough. This will enable any resident or business to see the requirements related to future development.</p> <p>Wider Community Impact: Working from a consistent evidence base through the Borough Council and with partners, ensures that Community Impact Assessment recommendations made in relation to the Cannock Chase SAC Partnership and the related New Local Plan 2020-2040 with policy-specific areas consistent and complementary to an approach that supports equality in both service provision and health outcomes.</p> <p>The Cannock Chase SAC programmes and the New Local Plan will deliver new developments which are designed to be inclusive to all residents and those interested in planning the future for the Borough.</p>
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	<p>Throughout the process of preparing the Cannock Chase SAC programmes and the New Local Plan a thorough consultation and engagement process has and will enable residents and interested parties to be involved in its preparation, including through specific consultation events on major projects and 24/7 access to key documents through the Borough Council's web-site.</p> <p>The Borough Council considers the effect of its actions on all sections of our community and has addressed all of the following Equality Strands in the production of this report, as appropriate:-</p> <p>Age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.</p>
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Previous Consideration - Cabinet - 4 August 2015 - CAB13/15

Background Papers - File in Development Department.



Cannock Chase Special Area of Conservation Planning Evidence Base Review Stage 2

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Footprint Contract Reference: 579

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Version: Final.

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Summary

This report has been commissioned by Cannock Chase SAC Partnership to review and provide information to update the strategic approach to mitigation for recreation impacts on the SAC. The work has been commissioned to review the geographic scope of the strategy ('zone of influence'), review the levels of likely housing growth over the period 2020-2040, review the Strategic Access Management and Monitoring Measures ('SAMMM') necessary to provide mitigation and their costs; and consider how costs could be apportioned to the anticipated growth. The report follows from an earlier Stage 1 Evidence Base Review produced in 2017.

Zone of influence

The 15km zone derived from the original visitor survey in 2012 still has merit and is supported by more recent visitor survey data from 2018. Use of the 75th percentile (i.e. the distance 75% of visitors originated from, measured as the straight-line distance between the interview location and home postcode) has become the standard way to define a zone of influence for recreation. Using the 2018 data, the 75th percentile for those travelling from home only on a short visit was 14.8km and for all visitors combined it was 15.3km.

The 15km distance is relatively large compared to some other European sites, but certainly not exceptional. This relatively wide draw of Cannock Chase is likely to be down to the particular characteristics of the site (a relatively unique, large, scenic area), the activities undertaken by visitors (it draws mountain bikers from a very wide area for example) and the geographic spread of housing (such that there are some large conurbations at some distance). The 75th percentile for frequent visitors (those visiting at least monthly) from the 2018 data was 7.8km and when mapped this encompasses the main settlements and urban areas from which regular users clearly originate. This provides the option of defining a core area – at 8km – that reflects the area from which the more frequent visitors originate.

Potential levels of future growth within the zone of influence

Using data from surrounding local authorities, pooled by the SAC Partnership the likely scale of growth within 15km is around a 17% increase in the number of residential properties by 2040. Approximately 43,000 new dwellings are anticipated (21,671 of which are anticipated after April 2022, when the tariff is scheduled to be updated). While these figures are indicative and simply a snapshot at this moment in time, they provide the basis by which to ensure a suitable level of mitigation is available and can be secured.

Relevant types of development

This report is focussed on impacts resulting from a net increase in residential units (i.e. C3 Use Class), located within the zone of influence for Cannock Chase SAC. This makes sense as people visiting Cannock Chase directly from home for a short visit account for the majority of access. There are also other uses and forms of development that may have different impacts on the SAC. For example, results from the 2018 visitor survey indicate that, at certain locations and times of year, other types of visitor (such as tourists) account for around a quarter of visits. We provide an overview of the different types of development and how they might be considered within the mitigation scheme. The scheme can be extended to a range of use types including hotels, assisted living and self-catering, caravan and touring holiday accommodation.

Mitigation measures and cost of mitigation

We review mitigation measures and draw on the detailed implementation plans (relating to car-parking and to site-users) which have already been produced and include costings for different mitigation elements. We estimate the total cost of mitigation would be £6,297,104. This total includes the costs to deliver the implementation plans and in addition covers some additional staffing, monitoring and contingency.

We review approaches to collecting developer contributions and a single set tariff for all growth within 15km would give a cost per dwelling of around £290.58¹. Such an approach would broadly mirror the approach used by other strategic mitigation schemes around the country. We also consider the relative merits of other approaches to apportion costs. These include a two-zone approach which could provide an alternative whereby contributions are higher closer to the SAC.

We also highlight the importance of restricting growth directly adjacent to the SAC boundary (where the risks per dwelling are much higher), and the importance of continuing to limit new residential growth within 400m of the SAC boundary.

¹ i.e. £6,297,104/21,671. This value excludes any administration costs or in-perpetuity funding

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1. Introduction

Overview

- 1.1 Cannock Chase Special Area of Conservation (SAC) is an area of internationally important heathland in the West Midlands. It is vulnerable to impacts from recreation linked to the growing population that surrounds the site. In order to comply with the relevant legislation and ensure adequate protection for the SAC, local authorities have established a mitigation approach to address the impacts of new development growth surrounding the SAC.
- 1.2 This report has been commissioned by Cannock Chase SAC Partnership to review and provide information to update the strategic approach. In particular, the work has been commissioned to:
- Review the geographic scope of the strategy, in terms of the Zone of Influence for recreational pressure from housing and related development on Cannock Chase SAC in light of the results of the most recent visitor survey data;
 - To conduct a comprehensive review of the existing Cannock Chase SAC Strategic Access Management and Monitoring Measures (the SAMMM) in light of the Zone of Influence, and projected housing and related development within this Zone.
 - To review and update the SAMMM to create a robust program for the mitigation of increasing visitor pressures on the SAC from new development, to form the basis for planning policies to be adopted by the relevant Local Planning Authorities in their Local Plans.
- 1.3 It follows from a Stage 1 Evidence Base Review produced in 2017 (Hoskin and Liley, 2017).

Context

Cannock Chase SAC

- 1.4 Cannock Chase SAC is an area of lowland heathland of around 1,244ha (see map 1), which lies entirely within the Cannock Chase Area of Outstanding Natural Beauty (AONB). Situated on a high sandstone plateau with deeply incised valleys, the site is comprised of acidic soils that support a range of

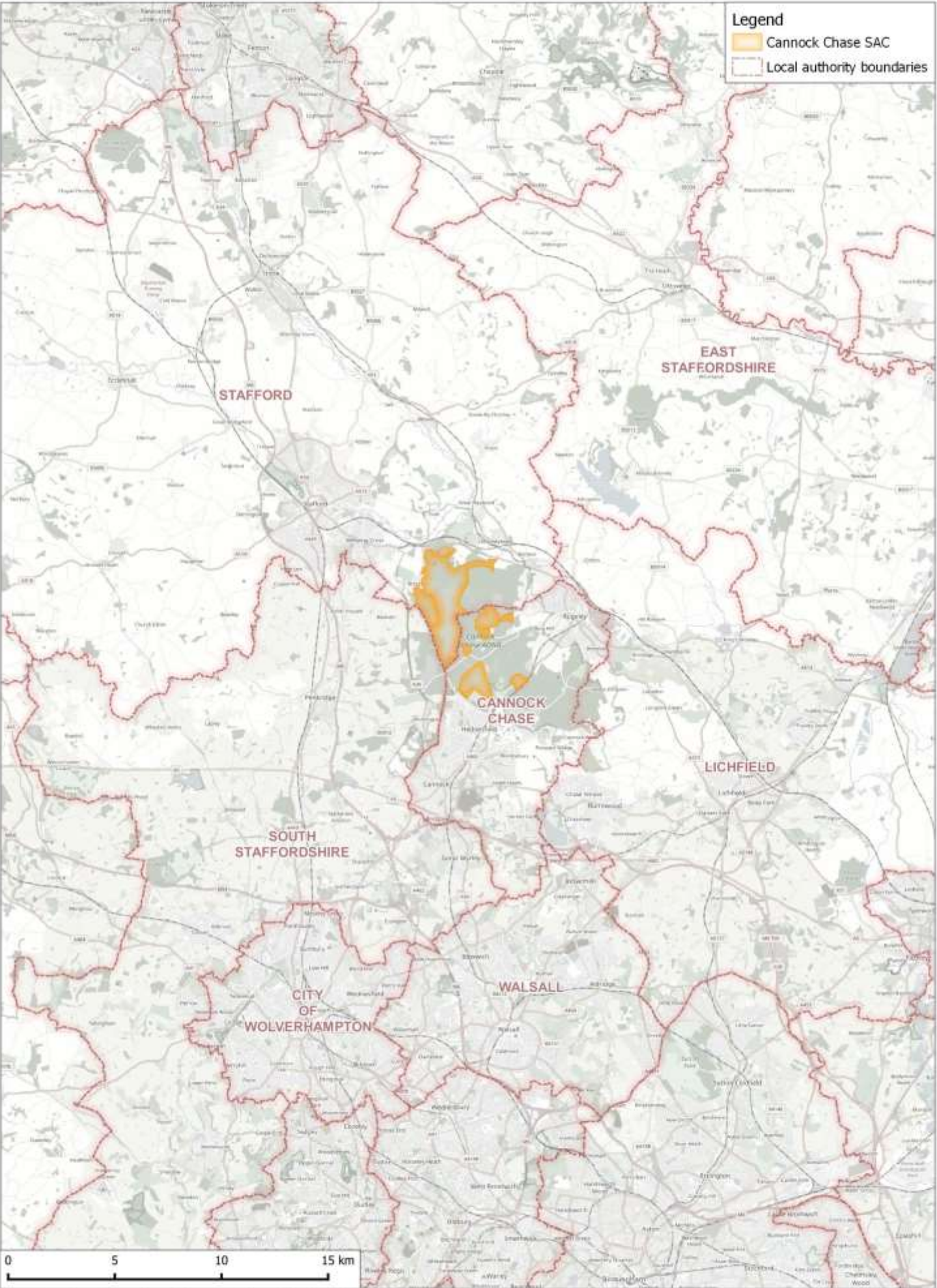
heathland, valley mire, ancient woodland and scrub types. It is designated as an SAC² for the following qualifying features:

- Northern Atlantic wet heaths with *Erica tetralix* (Wet heathland with cross-leaved heath);
- European dry heaths

- 1.5 The valley mire/wet heath communities are rare, threatened vegetation types, being some of the most floristically-rich and representative examples of their type in central England. Within Cannock Chase they are found in the stream valley systems and around pools and depressions.
- 1.6 The area of lowland dry heathland at Cannock Chase is the most extensive in the Midlands. Its special interest also reflects an unusual floristic character, intermediate between heathlands of northern and upland England, and Wales and those of southern counties. The hybrid bilberry *Vaccinium intermedium* has its main UK stronghold at Cannock Chase. The hot, dry soil conditions found in bare ground in early successional habitats across the dry heathland is important for invertebrates such as mining bees, ants and wasps.
- 1.7 The designation, protection and restoration of European wildlife sites is embedded in the Conservation of Habitats and Species Regulations 2017, as amended, which are commonly referred to as the 'Habitats Regulations.' The Habitats Regulations are in place to transpose European legislation set out within the Habitats Directive (Council Directive 92/43/EEC), which affords protection to plants, animals and habitats that are rare or vulnerable in a European context, and the Birds Directive (Council Directive 2009/147/EC), which protects rare and vulnerable birds and their habitats. These key pieces of European legislation have been retained by the UK post-Brexit and seek to protect, conserve and restore habitats and species that are of utmost conservation importance and concern across Europe.

² See [the Natural England website](#) for detail about the qualifying features and the conservation objectives for the SAC

Map 1: Location of the Cannock Chase SAC.



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Impacts of recreation

1.8 There are a range of current pressures and threats on the SAC³ and one area of particular concern relates to increased visitor pressure and the cumulative impacts of recreation. Impacts from recreation on the nature conservation interest are summarised in a range of sources (Liley et al., 2009; White et al., 2012) and include:

- Disturbance to wildlife;
- Trampling, leading to path widening, vegetation wear, erosion & soil compaction;
- Trampling of invertebrate nest sites;
- Fragmentation of habitats from new desire lines & paths;
- Damage to tree roots where paths pass close to veteran trees;
- Increased risk of wildfire;
- Eutrophication (dog fouling);
- Spread of disease (Phytophthora);
- Contamination (e.g. dogs in water courses, litter)
- Vandalism;
- Challenges to achieving necessary management (e.g. grazing, spraying, scrub clearance)
- Resources drawn away from conservation management to deal with recreation.

1.9 Visitor surveys (Liley, 2012; Liley and Lake, 2012; Panter and Liley, 2019) show the main activities as dog walking, walking (without a dog), cycling/mountain biking and jogging. Data derived from the 2010/11 Visitor survey showed that visitors to Cannock Chase appeared to originate from a wider area than those for many similar sites across the UK, with half of all visitors living within 8km of the SAC and 75% within 15km. The range of the 75th percentile was used to establish the zone of influence for assessment of impacts of new development, encompassing land within the boundary of seven different Local Planning Authorities. A smaller 8km Zone was established as the area from which most frequent visitors originated. Using the housing growth figures derived from planned development within the Local Plans of relevant authorities it was originally estimated that, during the period March 2011-March 2026, around 30,134 new dwellings would be created within the 15km zone.

³ See the [site improvement plan](#) for overview

The Cannock SAC Partnership

- 1.10 In response to the evidence of significant impact to Cannock Chase SAC linked to increasing recreational pressures, the Cannock Chase SAC Partnership (comprising of 6 Local Planning Authorities (LPAs), Staffordshire County Council, Natural England, and a number of key stakeholders) was formalized under a Memorandum of Understanding in 2016. As Competent Authorities (defined in the Habitats Regulations) local planning authorities have to ensure that policies in their Local Plans for new development do not lead to harm to the SAC in order to demonstrate compliance to the responsibilities placed upon them by regulation 63 of the Habitats Regulations. As such the SAC Partnership has brought the planning authorities within the original zone of influence for the SAC together, with other key stakeholders, to fulfil their duties to the SAC through a collaborative and coordinated approach.
- 1.11 A suite of Strategic Access Management and Monitoring Measures ('SAMMM') were identified which would be funded through financial contributions from new residential developments within 8km of the SAC (the zone within which most frequent visitors originated).
- 1.12 In 2017 the Cannock Chase SAC stage 1 of the planning evidence base review was undertaken (Hoskin and Liley, 2017) to act as a 'health check' upon the SAMMM, to review the current situation, check if the SAMMM was still fit for purpose, and act as a platform for further work going forward. The 2017 review concluded that, in the short term, the SAMMM remained fit for purpose, with the scale of works within it sufficient to mitigate the current level and rate of growth within the Zone of influence. However, it was recognised that in the medium to long term the SAMMM (if not reviewed and expanded) was unlikely to remain a robust approach to the mitigation of growing visitor impact due to a number of factors greatly increasing the scale and rate at which residential development was likely to grow within the zone of influence.

Need for this review

- 1.13 Since signing the 2016 MoU a number of factors have affected the LPAs anticipated residential growth within the Cannock Chase SAC Zone of influence, including Plan reviews and amendment to the national metric used to calculate predicted housing need. A significant factor is the Greater Birmingham and Black Country Housing Market Area's growing housing

needs which, at the time of the 2017 stage 1 planning evidence base review, were still being assessed. In 2018 a report by GL Hearn and Wood plc was published, concluding that there was a shortfall against housing requirements (up to 2036) of a minimum of 60,855 new dwellings across the Housing Market Area (HMA). This shortfall would need to be met by LPAs in the surrounding areas, and the report identified 24 broad locations, with 11 identified for further analysis. A number of these locations fell within the Zone of influence of Cannock Chase SAC.

1.14 A Housing Position Statement was published by the HMA authorities in 2020. This concludes that there is a reduced shortfall of 2,597 homes up to 2031 with regard to the Birmingham Plan. However there is an emerging shortfall post-2031 of 29,260 homes with regard to the emerging Black Country Plan (with an end date of 2039). Following publication of the new local housing need method in December 2020 and the need to review the Birmingham Plan in 2022 it is likely that this shortfall will increase further.

1.15 In addition, most of the Local Plans covering the zone of influence are currently under review, and new Plans will cover a longer time period than that covered by the original SAMMM (2026), extending up to 2040, and therefore needing to plan for significantly more residential development. A number of Plan reviews have made a commitment to make a contribution towards the HMA shortfall and future Plan reviews will need to take the growing shortfall into account. It is unknown at this stage how much of the HMA shortfall will ultimately be accommodated within the zone of Influence. Therefore, the new SAMMM will need to provide a degree of flexibility to accommodate additional housing growth within the zone of Influence, beyond that tested in this report.

1.16 There has also been a growth in other types of development within the Zone of influence which also result in increased recreational pressure to the SAC such as hotels, holiday lodges, campsites etc. (class C1 or Sui generis).

Aims for this review and report structure

1.17 This report has therefore been commissioned by the SAC Partnership to complete the review in light of the more recent growth figures and other more recent information.

1.18 As such this report:

- Determines the Zone of Influence for the SAC, utilising the most recent visitor survey data;
- Reviews what types of development could cause harm to Cannock Chase SAC;
- Assesses the likely scale of impact from new development;
- Reviews and updates the SAMMM to ensure it is proportional to determined impacts;
- Determines the likely costs of the updated SAMMM;
- Recommends flexible options for local planning authorities to secure adequate developer contributions.

1.19 The bullet points above form the structure for the report, and they follow the particular requirements as requested by the Cannock Chase SAC Partnership.

2. Zone of Influence

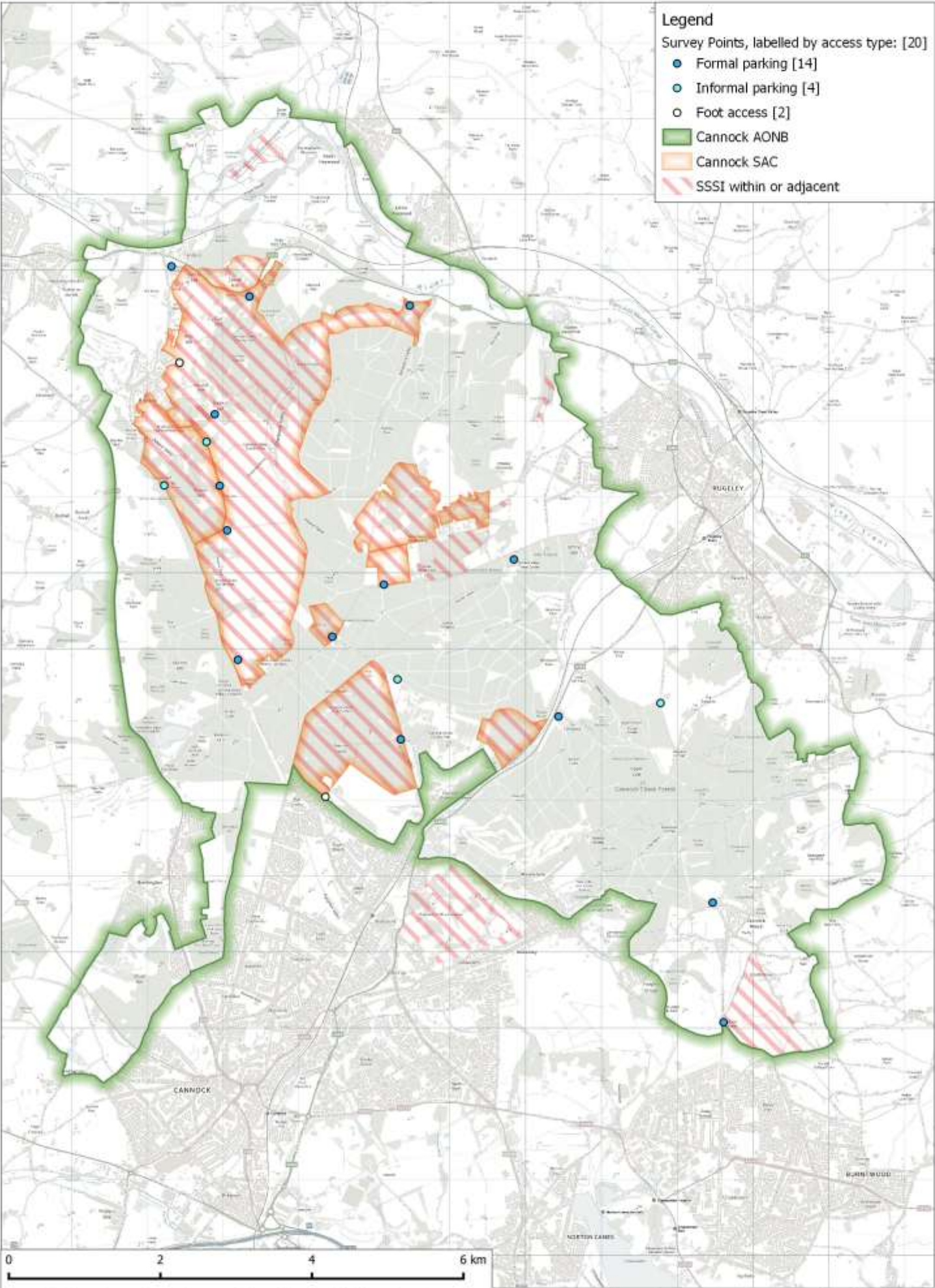
Overview

- 2.1 In this section, we review the most recent visitor survey data and consider implications for the zone of influence. A previous survey in 2012 was used to define the current zone approach (15km) and that survey is now dated. We consider the evidence from the more recent visitor data that might indicate a different approach.

Visitor data used and approach

- 2.2 The 2018 visitor survey (Panter and Liley, 2019) involved interviews at 20 survey points (Map 1) and included large visitor hubs (e.g. Birches Valley and Marquis Drive), as well as informal car parks, laybys and foot-only access points. Surveys covered a number of months, starting in the summer through to winter 2018. Autumn surveys involved both weekday and weekend surveys (8hrs on each), winter surveys just weekdays (for 8 hrs) and summer school holidays just weekdays (for 8 hrs), at a subset of just five locations. Surveyors approached members of the public using the sites and asked a number of questions.
- 2.3 The survey generated a total of 937 home postcodes of interviewees that could be accurately mapped (988 people were interviewed in total).

Map 2: Survey points from 2018 survey.



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- 2.4 For each interviewee's home postcode, the linear (Euclidean) distance between the postcode point location and the survey point was calculated.
- 2.5 The 2018 surveys involved a major pulse of survey work in the autumn (September) when all survey points were surveyed for the 16 hours, equally split over a weekend day and a weekday. In addition some further survey work was undertaken at selected locations in August (around the bank holiday) and all locations were surveyed for 8 hours (weekday only) in November (see Panter and Liley, 2019 for details).
- 2.6 In order to determine the zone of influence, only the autumn (September) data were used (634 postcodes). This is because there was a statistically significant difference between weekdays and weekends (indicating that people tend to come from further afield at the weekend). By using the September data only we are therefore reducing any bias from the peak summer period, and ensuring we have a balance of data from all survey points and covering similar survey effort at each location on both weekends and weekdays.

Approaches to calculating a zone

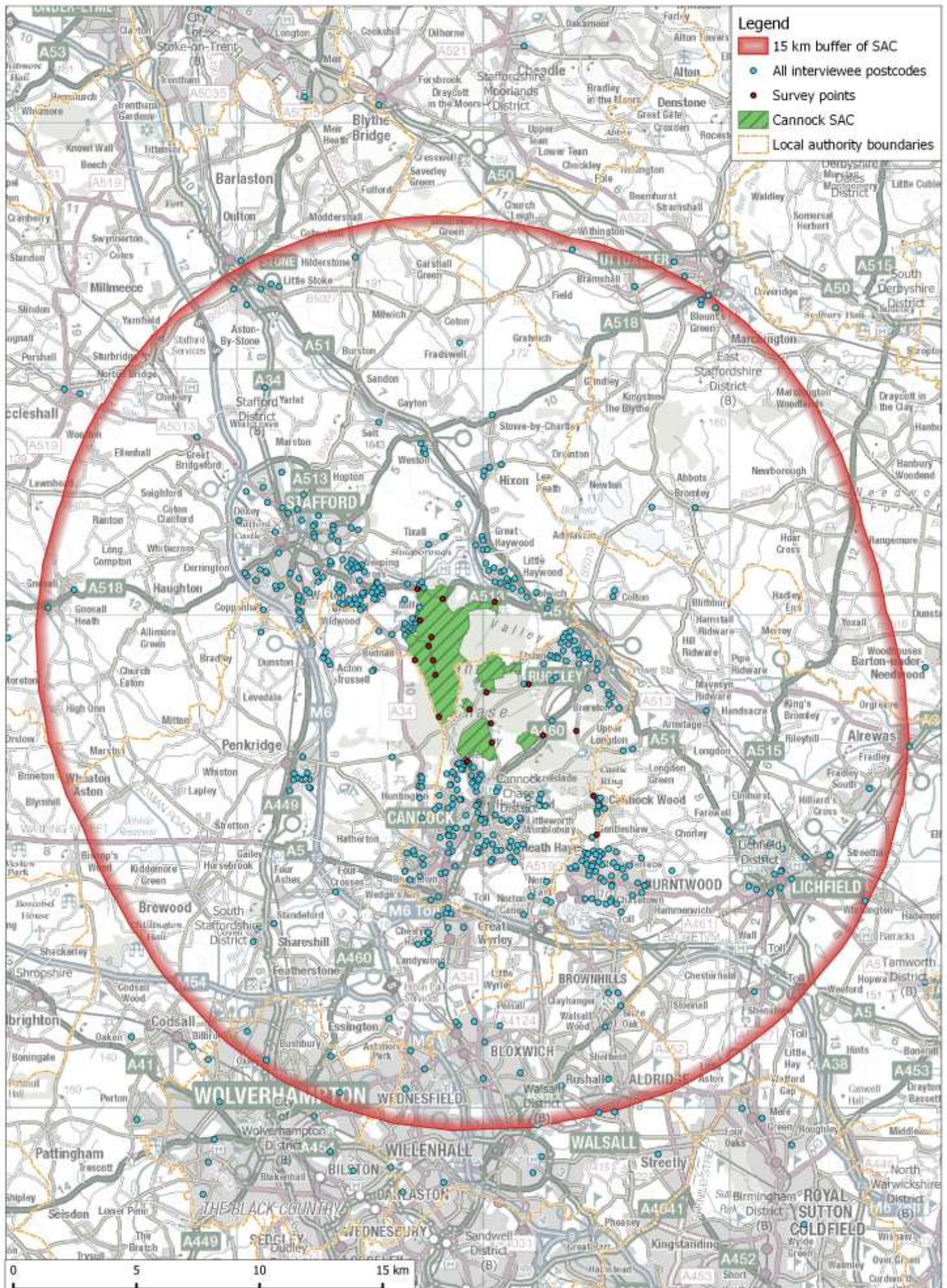
- 2.7 The 2012 visitor survey (Liley, 2012) was used to determine the original zone of influence at 15km. The 2018 survey differed in the approach and had a more robust, balanced survey design that allows data to be pooled more easily for analysis (see Liley, 2012 for discussion). Nonetheless the two surveys generated very similar results (Table 1), to the extent that the median distance (all interviewees) was 6.2km in both surveys.

Table 1: Summary of selected metrics from 2012 survey and 2018. .

Measure	2012	2018
Total interviewees	4809	988
Number of interviewee postcodes	3206	937
% interviewees from Stafford Borough	24	30
% interviewees from Cannock Chase District	29	26
% interviewees from Lichfield District	14	12
% interviewees from South Staffordshire District	9	8
% interviewees from Walsall Borough	5	4
% interviewees from East Staffordshire Borough	2	3
% interviewees from City of Wolverhampton	3	2
median distance all interviewees	6.2km	6.2km
75th percentile, all interviewees	15.1km	15.3km

- 2.8 The 75th percentile (i.e. the distance within which 75% of interviewees lived) from the interview data, applied as a buffer of fixed distance around the European site boundary, provides a standard approach to defining a zone of influence. It is how the original 15km zone of influence was defined for Cannock Chase (based on the 2012 visitor data) and mirrors the approach used widely at other sites to define a zone of influence. The 75th percentile has been used at heathland sites (such as the Dorset Heaths, Ashdown Forest SPA/SAC, the Suffolk Sandlings SPA, the Thames Basin Heaths SPA), coastal sites (such as the Solent) and at woodland SAC sites such as Epping Forest SAC. While these sites differ in recreation use and habitat, the overall principle is sound - the use of the 75th percentile means the area within which the majority of visitors live can be identified. The 15km zone is shown in Map 3, with the interviewee postcode data from the 2018 survey alongside.

Map 3: 15km zone and 2018 postcode data.



- 2.9 From Map 3 it can be seen the original 15km buffer fits the 2018 data well. In 2018, the 75th percentile for those travelling from home only was 14.8km and for all visitors combined it was 15.3km. The continued use of the 75th percentile is an obvious starting point for a zone of influence and therefore is considered robust.
- 2.10 In order to further check the approach of the 75th percentile we mapped a series of other options for a zone. In all cases these other options are based on the data from the 2018 autumn survey period and those interviewees who were travelling directly from home:
- 1) Original approach - a single set distance buffer of 15km from the SAC boundary (i.e. 75th percentile), as shown in Map 3.
 - a) Variation using 7.8km (75th percentile for frequent visitors).
 - b) Variation using 9.0km (75th percentile for all interviewees excluding cyclists/mountain bikers).
 - 2) Convex hull – a boundary enclosing the postcodes in which 75% of interviewees lived.
 - 3) Travel distance – using 16km travel distance (the travel distance from the SAC car parks in which 75% of interviewees lived).
 - 4) Travel time – using 18 minute isochrone (the travel time from the SAC car parks in which 75% of interviewees lived).
 - 5) Accounting for geographic barriers - Option 1 (15km single distance buffer of the SAC) clipped by eye to follow existing geographic boundaries (i.e. where there might be physical barrier to access):
 - a) As Option 1 but clipped to M54-M6.
 - b) As Option 1 but clipped to follow the A449-M6.
- 2.11 These provide a range of different ways in which a zone could be defined and these are shown in Figure 1. The Figure allows visual comparison of each option against the postcode data and compared to the original 15km approach. The options are discussed in turn below.

Cannock Chase SAC Planning Evidence Base Review Stage 2

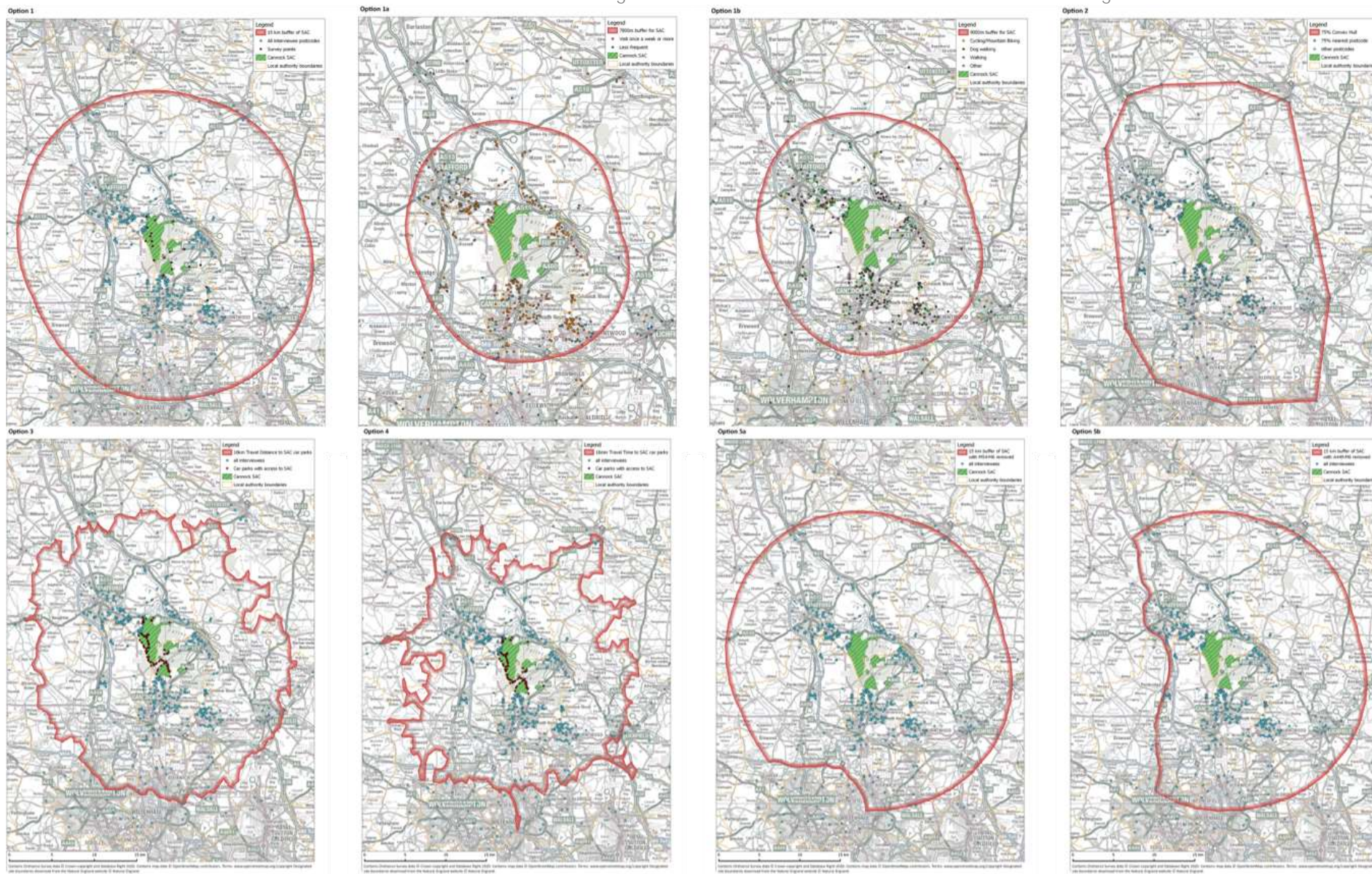


Figure 1: Example option maps.

Discussion of different options

- 2.12 Option 1 represents the original approach and a set buffer of a fixed distance applied to the SAC boundary⁴. For comparison we have also plotted 1a which considered the 75% radius of frequent visitors that stated they visited at least once a month (7.8km) and 1b) all interviewees except cyclists/mountain bikers (9.0km). The fixed buffer approach is straight forward to apply and easy to interpret. It is interesting to note that the 7.8km works well to capture a high proportion of interviewee postcodes and neatly encapsulates the main settlements of Stafford, Cannock and Rugeley.
- 2.13 Option 2 produces an irregularly shaped zone, based on the location of individual home postcodes as bounds of the shape. The convex hull is drawn by selecting the closest 75% of postcodes (based on distance from postcode to survey point) and then enclosing them in as simple a shape as possible, with a polygon that is defined by the outer points. The Zone of influence covers 8 local authorities (note a different 8 to Option 1); City of Wolverhampton, Birmingham City, Stafford Borough, Cannock Chase District, East Staffordshire Borough, Lichfield District, South Staffordshire and Walsall Councils. It is interesting to note that the shape is not circular, but instead is flattened along a north/south axis, suggesting that people living to the north and south tend to come from further afield.
- 2.14 To resolve issues with linear distances and provide checks of the reality of access via the road network we used travel distances/time from the SAC for options 3 and 4. Travel distance bands were calculated in GIS with a plugin which uses the Open Street Map road network to determine distances out from car parks providing access to the SAC⁵. Travel distance bands were at 2 km intervals and the number of interviewees' home postcodes within each band calculated. Around 75% lived within a 16km travel distance which was therefore used as the outer limit of the zone.
- 2.15 This 16km travel distance zone (Option 3) covers 7 local authorities: Cannock Chase District, City of Wolverhampton, East Staffordshire Borough, Lichfield District, South Staffordshire, Stafford Borough and Walsall Councils.
- 2.16 Travel distances consider how far away areas are from the SAC, but do not consider how accessible they are in terms of time. Travel time (Option 4) factors in ease of access along major routes such as motorways. The travel time bands were created in GIS with the same method as used for travel distance, based on the car

⁴ For reference, in all cases buffers have been drawn with the option set to 50 line segments

⁵ Using QGIS 3.8 with the OSM OpenRouteService Tool plugin <https://openrouteservice.org/>

parks which provide access to the SAC. Travel times were created using the OSM road network, but informed by the speed restrictions on each type of road. It is important to note that this assumes travel speed is the maximum speed limit for the road and as such is the fastest hypothetical possible distance.

- 2.17 We used 18 minutes to define the outer zone in Option 4 as this represented the time band within which 75% of visitors originated. This zone covered 7 local authorities (the same 7 as Option 3); Cannock Chase District, City of Wolverhampton, East Staffordshire Borough, Lichfield District, South Staffordshire, Stafford Borough and Walsall Councils.
- 2.18 Both the options using travel time (Option 3) and travel distance (Option 4) result in a highly complex and irregular shape, which is determined by the variation in the road network or travel times. Such boundaries are complex to define, may change over time and are very much dependent on the software and algorithms used. The travel time option (Option 4) has a particularly complex shape.
- 2.19 Option 5 incorporates geographic barriers, drawing on the zone shown in Option 1 but clipping to existing geographic barriers to give a more pragmatic boundary that reflects the local geography.
- 2.20 Two examples are mapped, both involve Option 1 modified using main roads. Option 5a uses the M54-M6 as a clip to the 15 km simple radius (this modification removes City of Wolverhampton) and then Option 5b using the A449-M6. It can be seen that neither of these seem to fit the postcode data well and produce very irregular shapes that are potentially hard to justify.

Wider context and additional considerations

- 2.21 The 15km zone derived from the original survey in 2012 still has merit and is supported by the more recent data from 2018. We have mapped some alternative options as illustrative examples of different zone approaches. These highlight that alternative approaches result in irregular, more variable shapes that are likely to be complex to apply in policy. In some cases the resulting zone is over influenced by particular postcodes (convex hull approach) or the vagaries of the road network (travel distance or travel time).
- 2.22 Other strategic mitigation approaches utilise the 75th percentile to define a fixed buffer, although in some cases this has been adjusted to account for estuaries and coastlines (e.g. Suffolk, South-east Devon) or the complexities created by multiple over-lapping zones applied to different European sites. Adopting a different zone approach at Cannock Chase to the 75th percentile and 15km would therefore represent a marked departure from what has become a national approach.

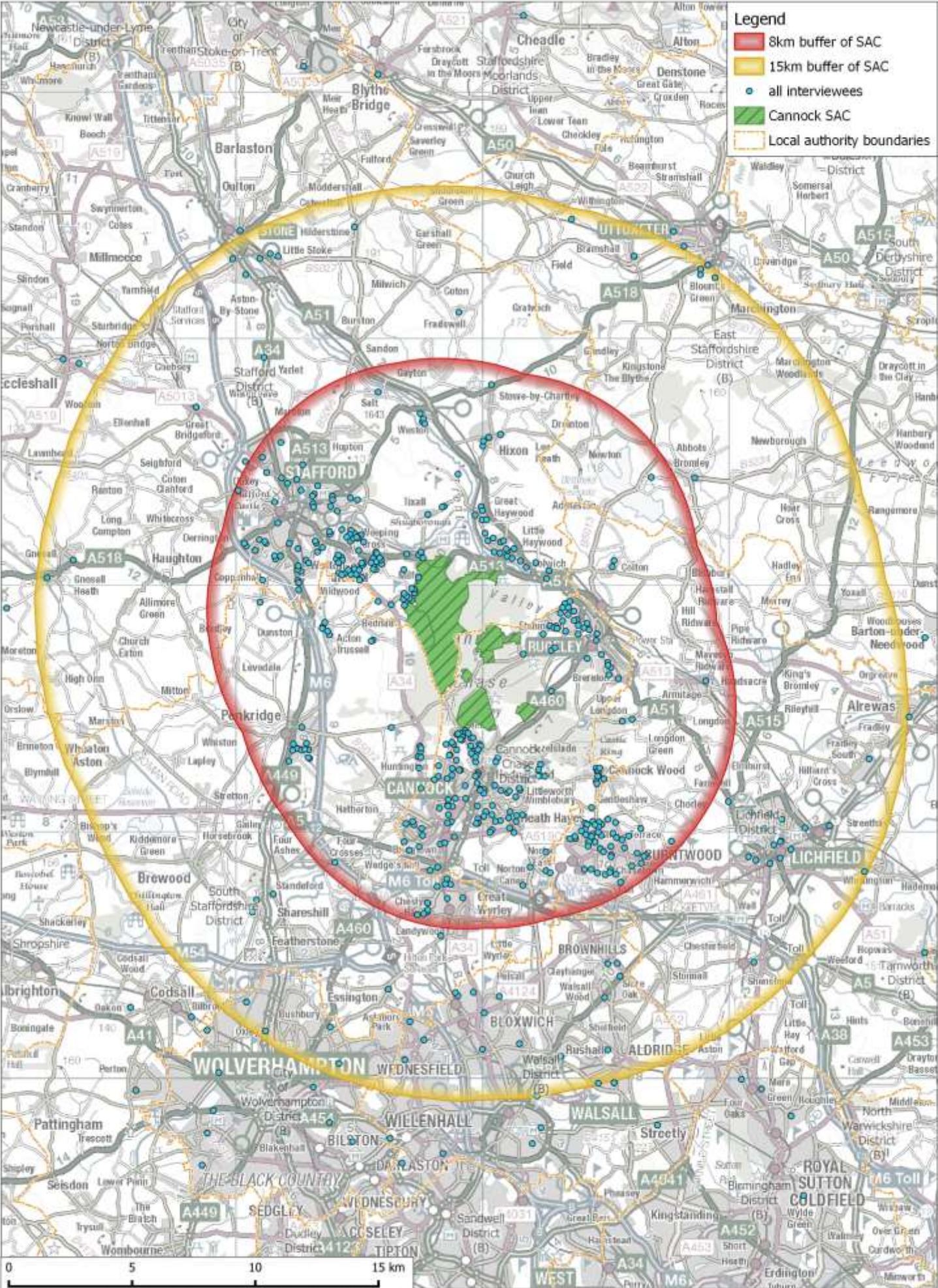
2.23 To provide context, selected examples of the 75th percentile (drawn from similar surveys undertaken by Footprint Ecology at other countryside sites and derived from all interviews), ranked by distance, include:

- Rodborough Common: 3.9km (Panter and Caals, 2019a)
- Epping Forest: 6.2km (Liley et al., 2018)
- South Downs (heathland sites only): 6.7km (Lake and Liley, 2014)
- East Devon Pebblebed Heaths: 8.2km (Liley et al., 2016b)
- Ashdown Forest: 9.6km (Liley et al., 2016a)
- Deben Estuary: 14.2km (Lake et al., 2014)
- Hatfield Forest: 17.8km (Saunders et al., 2019)
- Purbeck: 18.8km (Cruickshanks and Floyd, 2014)
- Braunton Burrows: 19.2km (Liley and Saunders, 2019)
- Cotswold Beechwoods: 20.5km (Panter and Caals, 2019b)
- New Forest (heathland and woodland areas only): 21.4km (Liley et al., 2020)
- North Norfolk Coast: 147.5km (Panter et al., 2017)
- Norfolk Broads: 194.7km (Panter et al., 2017).

2.24 The examples above include a range of different types of sites with a different draw, many are AONB and a couple are National Parks. The two extreme examples – the Norfolk Coast and the Norfolk Broads - are well known tourist destinations where high proportions of visitors were holiday makers.

2.25 It can be seen that the 15km distance is relatively large compared to some other sites, but certainly not exceptional. This relatively wide draw of Cannock Chase is likely to be due to the particular characteristics of the site (a relatively unique, large, scenic area), the activities undertaken by visitors (it draws mountain bikers from a very wide area, for example) and the geographic spread of dwellings (such that there are some large conurbations at some distance). It is notable that the 7.8km zone (Option 1a), based on frequent visitors, visually captures the main settlements and urban areas from which visitors clearly originate. This can be seen in Map 4 which shows the current zone approach (i.e. 8km and 15km) in relation to the 2018 visitor survey data. The 8km (i.e. equivalent to the 7.8km rounded) reflects the area from which the more frequent visitors originate.

Map 4: An 8km and 15km buffer of the SAC shown in relation to the 2018 interviewee postcode data.



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3. Scale of future residential growth

- 3.1 The scale of potential future growth (i.e. number of dwellings) to 2040 were provided by the SAC Partnership and indicate around 43,000 new dwellings are anticipated. It is important to note that these figures are indicative and simply provide a snapshot of the likely cumulative growth at a given point in time. While the number of dwellings that actually come forward may differ, the figure does provide a means to review the mitigation, and ensure sufficient mitigation is broadly available to address the risks. Growth figures are intended as a general guide subject to Local Plan processes being completed.
- 3.2 The number of dwellings that are anticipated within the 15km zone of influence, by authority, are summarised in Table 2. The table shows totals anticipated before 2022 and after 2022 as this is the point at which the developer contributions are intended to be revised. The data in Table 2 are further broken down further in Table 3 to show the totals within 0-8km and 8-15km.
- 3.3 As of the end of 2018, postcode data indicates there were around 112,697 residential properties within 0-8km of Cannock Chase SAC and around 255,831 within 15km. From these figures, the level of growth 2019-2040 would represent an increase of around 17% (for both 0-8km and 0-15km).

Table 2: Estimate of dwellings that will be constructed, both allocated and unallocated within the Zone of Influence (0-15km from the SAC) over the period 2019-2040. Data provided by the SAC Partnership and intended to provide indicative estimates of likely growth, by authority.

District	Developments permitted before 2022	Developments without planning permission	Total
Cannock Chase	3,694	2,378	6,072
Wolverhampton	1,225	1,364	2,589
East Staffordshire	588	155	743
Lichfield	5,672	851	6,523
South Staffordshire	874	4,205	5,079
Stafford	6,832	5,412	12,244
Walsall	1,973	7,306	9,279
Total	20,858	21,671	42,529

Table 3: Estimates of numbers of dwellings that will be constructed, both allocated and unallocated, within 0-8km and 8-15km, 2019-2040, by authority. Data provided by the SAC Partnership.

District	0-8km			8-15km			0-15km
	Developments permitted before 2022	Developments without planning permission	Total	Developments permitted before 2022	Developments without planning permission	Total	Total
Cannock Chase	3,694	2,378	6,072	0	0	0	6,072
Wolverhampton	0	0	0	1,225	1,364	2589	2,589
East Staffs.	7	33	40	581	122	703	743
Lichfield	1388	237	1625	4284	614	4898	6,523
South Staffs.	390	1,406	1796	484	2,799	3283	5,079
Stafford	5,637	3,632	9269	1,195	1,780	2975	12,244
Walsall	0	0	0	1,973	7,306	9279	9,279
Total	11,116	7,686	18,802	9,742	13,985	23,727	42,529

4. Types of development

Overview

- 4.1 This report is focussed on impacts resulting from a net increase in residential units (i.e. C3 Use Class), located within the Zone of Influence for Cannock Chase SAC. This makes sense as people visiting Cannock Chase directly from home for a short visit account for the majority of access (Panter and Liley, 2019). There are also other uses and forms of development that may have different impacts on the SAC. For example, results from the 2018 visitor survey (Panter and Liley, 2019) indicate that, at certain locations and times of year, other types of visitor (such as tourists) account for around a quarter of visits.
- 4.2 Relevant types of development are summarised in Table 4 alongside how they might be considered within the mitigation scheme.

Table 4: Summary of types of use, whether they could have a likely significant effect alone or in combination upon the SAC when coming forward within the 15km zone of influence, mitigation requirements and how applications could contribute to the mitigation. Adapted from a similar table in the Dorset Heaths Planning Framework 2020-2025.

Use Class	Use description	Likely significant effect	Mitigation	Contribution
C1	Hotels, guest house	Possibly	Case by case basis	1 room = 1 residential unit
C2	Specialist housing, i.e. assisted living	Possibly	Contribution as per C3 net additional dwelling. No publicly available parking capacity if in proximity to SAC.	1 room = 1 residential unit
C2	Specialist housing, i.e. sheltered housing/nursing home	No	No publicly available parking capacity if in proximity to SAC	
C2	Residential institutions, i.e. boarding schools, residential colleges and training centres	Possibly	Case by case basis contributions as per C3 housing. No publicly available parking capacity if in proximity to SAC.	1 room = 1 residential unit
C2	Residential institutions, i.e. hospitals	No	No publicly available parking capacity if in proximity to SAC	
C3	Net additional dwelling	Yes	Standard as per this report	Per house or flat
C3	Replacement dwelling	No	No	
C3	Extension or granny annex	Possibly	No	

Use Class	Use description	Likely significant effect	Mitigation	Contribution
C3	Retirement dwellings	Yes	Contribution as per C3 housing.	Per house or flat
C4	Houses in Multiple Occupation <6 residents	Yes	Contribution as per C3 housing.	1 residential unit
	Houses in Multiple Occupation (Sui generis over 6 residents)	Yes	Contribution as per C3 housing.	Every extra room>6 residents is: 1 room=1 residential unit
	Self-catering, caravan and touring holiday accommodation	Yes	Contribution as per C3 housing.	Each self-catering or tourist unit=1 residential unit with option to adjust for occupancy
	Gypsies and travellers	Yes	Contribution as per C3 housing.	1 pitch = 1 residential unit
	University managed student accommodation	Yes	Contribution as per C3 housing. Potential for exemptions for large scale managed student accommodation assessed on case by case basis.	Each self contained cluster flat or studio=1 residential unit

4.3 We acknowledge there is likely to be some variation within the different uses listed in the table and as such many will require case by case assessment. We provide further discussion and context for each below:

Use Class C1 – Hotels

4.4 Hotel use can be very varied and include business use, conferences, weddings and tourism. Many hotels will provide for a range of uses and as such it may be difficult to rule out recreation use of Cannock Chase. It should be noted however that the Cannock Chase SAC visitor survey in 2018 interviewed just 11 people (1% of interviewees) who were staying away from home. A key factor will be the location. As such hotels should be assessed on a case by case basis with advice from Natural England. Where the use is clearly targeted towards recreation use and Cannock Chase, each room could be treated as a flat.

Use Class C2

4.5 Assisted living, sheltered housing or extra care housing where occupants are still active will be equivalent to residential development and a residential flat. Any contributions to the mitigation scheme will need to include the staff accommodation.

- 4.6 Specialist nursing homes where residents are no longer active will not need to provide mitigation as they will not contribute to the overall increase in recreation use. These types of homes are more specialist than standard sheltered accommodation with a 24-hour warden and instead would be, for example, those targeted to the advanced stages of dementia or those for the frail elderly.
- 4.7 Hospitals will also not generate increased recreational use.

Houses in Multiple Occupation

- 4.8 Due to the permitted interchangeability of C3 dwellings and C4 Houses in Multiple Occupation, C4 Houses in Multiple Occupation need to be treated as a single dwelling if there is provision for up to 6 residents. However, where a proposal is for more than 6 residents (*sui generis*), further mitigation will be necessary. Each additional occupied room should be expected to provide additional mitigation equating to one flat, i.e. a proposal for a 7 room House in Multiple Occupation will be assumed to result in one additional room and will have to provide a financial contribution equating to a flat. This is because more than 6 unrelated people in a single dwelling would exceed the average expected occupancy of any single dwelling.

Self-catering, caravan and touring holiday accommodation

- 4.9 Self-catering and touring proposals are different to hotels as they are likely to be very much more focussed towards recreational use (i.e. business use is unlikely) and such proposals are likely to have broadly similar impacts to residential units. It should be noted however that the Cannock Chase SAC visitor survey in 2018 interviewed just 11 people (1% of interviewees) who were staying away from home
- 4.10 A study of tourism use of the Pebblebed Heaths in Devon, aimed at identifying how local tourism use per dwelling compared to residential use, broadly found comparable rates of use, i.e. 1 self-catering unit generated a similar level of recreation use as a residential unit (Panter and Liley, 2017). The Dorset Heaths Planning Framework allows an adjustment for these kind of proposals to allow for occupancy, such that each unit contributes 60% of the amount for a residential unit, due to typical occupancy being for 60% of the year. For Cannock Chase, the default could be to assume each self-catering, caravan or touring holiday accommodation unit contributed the same amount as a residential unit unless there is sufficient evidence to show very limited use of a substantial part of the year (for example sites closed during the winter), and in such cases an adjustment for occupancy could be made.

Gypsies and Travellers

- 4.11 There is no evidence to indicate that the occupants of permanent or transit sites for gypsies and travellers would have any level of recreational access need which is substantially different to residents in Use Class C3 dwellings. As such this kind of use could contribute to strategic mitigation with each pitch treated as the same as one flat.

Student Accommodation

- 4.12 There is limited evidence of student use of countryside sites. Nonetheless it is to be expected that large blocks of managed student accommodation are likely to be in campus-type locations that provide informal greenspace nearby, involve restrictions on dog ownership, are not necessarily occupied year-round and students are potentially less likely to own cars and drive to countryside sites for recreation. Such applications will need to be assessed on a case by case basis and where there are potential risks, contributions could be possible.

5. Mitigation

The initial SAMMM and original costing

- 5.1 Mitigation measures are set out in the MoU from 2017 that manage the increasing recreation coming forward over time. The mitigation measures are focussed on access management and monitoring on and around the SAC. This is slightly different to the approaches at most (but not all) other European site mitigation schemes where Suitable Alternative Natural Greenspaces (SANGs) are an additional component of mitigation. At the outset, discussions between the Cannock SAC Partnership and Natural England resulted in the suggestion that the provision of off-site SANGs should not be included within the initial MoU due to their relatively high cost when compared to on-site mitigation measures that should be prioritised in the first instance. The difficulty of replicating a large-scale open landscape, which is one of the main attractants for Cannock Chase, is also a driver for focussing on the on-site measures.
- 5.2 In addition to the on-site measures, Natural England has also encouraged Staffordshire County Council and Forestry England as key landowners at Cannock Chase to work together to facilitate additional, sustainable visitor access within the wider Cannock Chase AONB outside the SAC.
- 5.3 The on-site measures that made up the original SAMMM, committed to within the MoU, are provided in Table 5. These were intended to cover the period 2011-2026, i.e. 15 years, and related to a total cost of £1,970,000. Following a review in 2018 the costs were reallocated to account for underspend in some areas and to allow greater spend in some other areas. The 2018 costs are also included in Table 5 with a description of the reasons for the change.

Table 5: Original SAMMM measures and costs, as agreed in the MoU, compared with revised expenditure as of 2018.

Measure	Cost £K	Duration	Explanation	2018 review revised cost	Reasons for change
Project initiation: business plan; agreement of partner responsibilities (Memorandum); recruitment of project staff.	£50,000	Year 0	A simple assumption that there is a cost in employing the Lichfield DC project team for project initiation.	£9,870	Actual costs incurred
Staff: one full-time project manager and one full-time visitor engagement officer	£1,400,000	Years 1 to 10	Project Manager £40K salary plus overheads = £80K. Engagement officer salary £30K, plus overheads = £60K. Costs dependent on managing body. These staff set up and manage all consultancy and other contracts, and undertake all engagement work above	£751,320	Actual costs incurred
Engagement of three of four key sectors: walkers and dog walkers; cyclists; horse riders. Development of volunteering and education programmes. Promotional and interpretation material	£30,000	Years 1 to 10	Cost here only includes promotional and interpretation material, which would consist largely of web-based material. The other cost of sector engagement is staff time and is adequately built into the figures below	£140,110	Additional £32,500 for website; Additional £30,000 for educational resources/ events; Additional £40,000 for educational infrastructure.
Strategies: an overarching strategy for visitors and nested strategies for car parking, track and footpath management and each visitor sector, plus a monitoring strategy	£135,000	Years 2 and 3	Consultancy costs. Overarching strategy including monitoring £50K, car parking £40K, each of three visitor sectors £15K	£34,600	Actual cost for producing strategies
Physical management: improvement of paths and tracks; implementation of parking plan; waymarking and on-site interpretation panels	£255,000	Years 1 to 15	Contract costs. Paths and tracks: quoted cost £10 per m; 1km a year for 10 years; followed by 100m a year for 5 years. Assume implementation of a parking plan will be cost neutral (funded by car park charges). Panels and waymarking £50K.	£958,504	Additional £703,504 added for further improvement of paths and tracks; implementation of parking plan; waymarking and on-site interpretation panels & the installation and upkeep of dog bins

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Measure	Cost £K	Duration	Explanation	2018 review revised cost	Reasons for change
Monitoring	£100,000	Years 4 to 15	Consultancy costs. Two repeats of the aerial survey of paths and tracks, £10K each to include ground truthing and targeted biological monitoring as necessary. Two visitor surveys £40K each	£75,596	Actual costs incurred; second aerial survey dropped.
TOTAL	£1,970,000	Years 1 to 15		£1,970,000	

Tariffs collected and commitments as of July 2020

- 5.4 As of July 2021, a total of **£1,066,857.08** had been collected.
- 5.5 Existing financial commitments totaled **£791,599** and therefore **£275,258.08** remains to be allocated.
- 5.6 The £791,599 has been spent as follows:
- £140,770 for the SAC Team staffing, including all overheads, June 2021-June 2021;
 - £305,003 for the SAC Team staffing, including all overheads, June 2017- June 2021;
 - £7,794 for the planning evidence base review by Footprint Ecology;
 - £210,397 for the delivery of the detailed implementation plan objectives on National Trust land over a ten year period;
 - £2,185 previous administration support from Lichfield District Council;
 - £34,600 for the detailed implementation plans: a Car Parking Strategy and a Site User Strategy;
 - £28,309 for creation of the Cannock Chase hub website with 5 year agreement for hosting, provision and maintenance;
 - £2,540 for the Animation of the Cannock Chase Code
 - £32,875 as a contribution to the Staffordshire Wildlife Trust Learning Hub project;
 - £3,765 to reprint the 6 Visitor Centre Leaflets;
 - £2,331 for the creation and hosting of the SAC Partnership Consultation Website by Lichfield District Council;
 - £2,800 for the Creation of a Report on the 2019 Public consultation on the detailed implementation plans;
 - £4,000 accommodation costs;
 - £3,000 as a contribution to the Brindley Heath village interpretation board & signs.

Future mitigation requirements

Measures in detailed implementation plans

- 5.7 Looking forwards, mitigation is required for the impacts associated with a level of growth of around 43,000 dwellings over the period 2019-2040.
- 5.8 The mitigation achieved to date, as summarised above, has included the production of detailed implementation plans. These have involved drawing on monitoring data and extensive discussion with the SAC partnership, site owners and land managers to devise a package of measures. These are

clearly set out and essentially ready to be implemented. These works have been estimated in the detailed implementation plans to cost a total of £7,820,250, of which £1,098,614 of the existing SAMMM budget has already been spent or committed, leaving an estimated £6,721,636 as measures that have been identified, phased through to 2040 and ready to be implemented.

- 5.9 These measures form the basis of future mitigation and are summarised in Table 6 (at the end of this section), which draws on the figures in the Site User Detailed Implementation Plan. They include some special projects where the funding will help contribute towards the early planning and design work of large projects, for example relating to a master plan for Marquis Drive and a new Forestry England visitor/mountain bike facility. The money allocated is a proportion of the overall costs and would ensure that mitigation delivery is incorporated into the design from the outset.

Other measures or revisions to detailed implementation plan costings

- 5.10 There are however further measures and cost considerations which need to form part of the mitigation package. All of these measures are included in Table 6. From a review of the measures in the detailed implementation plans, we identify the following as additional requirements:

- Revision of staff costs;
- Monitoring;
- Contingency;
- In-perpetuity funding.

- 5.11 These are considered in more detail below.

Revision of staff costs

- 5.12 The staff costs in Table 6 cover (for period 2020-2040, unless otherwise indicated):

- Increased provision for face-face engagement (i.e. funds that could be used to fund increased face-face engagement by partners, boosting their own staffing): £1,400,000;
- Additional staffing to increase face-to face engagement, (equivalent to 2 full time posts within the SAC team): £1,576,000;
- CC SAC SAMMM Implementation and Monitoring Assistants (two posts that would undertake monitoring and help with implementation works/projects): £1,400,000;
- Part-time administrator (with a role to provide financial administration as well as potentially helping to coordinate volunteers, deal with enquiries and cover social media): £420,000;

- Delivery officer (role for period 2020-2030 only and overseeing works such as car park changes, signage and other infrastructure): £400,000.

5.13 The above totals reflect a level of staffing of the equivalent of 7 full-time and 1 part-time posts with an overall budget of £5,196,000. These are additional to the staffing already currently in place. Increased staffing is a key aspect of mitigation and common to all other strategic mitigation schemes. It is critical that the staff-time is focussed on visitor engagement and mitigation delivery on the ground, and the above posts all reflect that. However, there is a need for some consideration of the relative balance of staffing and roles and we suggest the following changes:

- A simplification and a slight reduction in the staffing such that the implementation and monitoring posts are condensed to 1 post and are simply included within the face-face engagement staff, such that there are 3 face-face engagement posts, 1 of which would have a monitoring role.
- 3 face-to-face engagement posts are currently considered sufficient rather than supplication with funding staff through partner organisations.
- Provision for a Project Manager or Project Officer with oversight of the mitigation delivery as a whole. This post would involve the line-management of other staff and provide the interface with planning officers and partners, preparing reports, financial reporting and setting budgets and priorities for reviews. This is equivalent to the current Project Officer post (which is currently budgeted to run until 2023) and not costed within the detailed implementation plans. Assigning an annual cost of £45,000 for this post, would mean a further £765,000⁶ would be required.

5.14 The potential structure and relative costs of the proposed staffing are summarised in Figure 2. These are intended to be a guide; a review of staffing and roles should be undertaken to ensure the best distribution of skills and the relative balance of dedicated posts within an 'SAC team' compared to boosting the current engagement provision for different partners. The diagram does not include the current engagement officer post (see bullets at paragraph 5.6).

5.15 As set out in Figure 2 the overall cost of staffing would be around £3,949,000.

⁶ i.e. £45,000*17 to cover the period 2023-2040



Figure 2: Indicative diagram showing potential staffing and costs

Monitoring

- 5.16 Monitoring is an important component of mitigation delivery. Monitoring needs to provide the delivery staff with information on how measures are working and any emerging issues so that problems can be resolved. This is particularly important during a period of change, for example relating to car parking.
- 5.17 Drawing from the detailed implementation plans, monitoring will need to include:
- Regular vehicle counts across the whole SAC and other parts of the AONB in-line with current transects (no additional cost as part of duties of SAC partnership staff);
 - Visitor survey repeated at 5 year intervals, involving interviews with visitors (£160,000 total cost for 4 repeats);
 - Path condition monitoring and assessment (undertaken by SAC partnership staff);
 - Automated counters to record footfall at selected key paths to give overall trend of use and changes over time (£6,000 per counter per 20 years, suggested at 15 locations, giving total cost of £90,000);
 - Incident recording (e.g. fires, off-road vehicles, dangerous parking, fly-tipping) in a standard way to allow them to be mapped and data compared between years, undertaken by partnership staff.

Contingency

- 5.18 It is important that there is flexibility in the budget to allow for variation in the actual costs of implementation and to allow funding to be reallocated and resources targeted differently if necessary. This is particularly the case given the relatively long time period (2020-2040) under review. The pandemic has highlighted how recreation use can change markedly and there is some uncertainty as to how recreation use of countryside sites might change after the pandemic. Emerging trends, such as the use of electric bikes, might mean priorities and visitor needs shift. Given the varying land ownership and organisations involved in delivering some measures, operational factors may change. Some of the elements that are costed, such as the special projects, may generate further work elements where additional mitigation could be secured, for example through changes at Marquis Drive. Providing contingency provides scope to cover these eventualities and the flexibility in-case of change.

In-perpetuity

- 5.19 Mitigation measures must be able to be relied upon to address adverse effects on site integrity over the full lifetime of the plan or project. In this report the focus has been on growth in the number of dwellings over the period 2020-2040, and as such it will be necessary to ensure mitigation is of sufficient duration to resolve impacts from these dwellings well beyond 2040.

- 5.20 While there is some variation between strategic mitigation schemes as to how in-perpetuity costs are apportioned, most assume a requirement to ensure the mitigation is in place for 80 years and resources are secured accordingly. This will mean allocating sufficient funds to maintain staffing, parking improvements, path improvements etc. well beyond 2040. Monitoring can however allow for the adjustment of measures in the future.
- 5.21 The Solent Mitigation Strategy sets aside around 60% of annual contributions into an investment pot which will fund measures in perpetuity⁷. Such an approach could be adopted by the Cannock Chase authorities, but will require careful calculation and regular review given the impact of the pandemic and likely low interest rates. Further specialist financial advice should be sought to calculate how in-perpetuity costs should be incorporated. In-perpetuity funding could be adjusted to reflect the car parking revenue which will allow money to be reinvested in the site.

⁷ E.g. see the [Bird Aware Solent annual report](#) from 2019/20

Table 6: Mitigation costs, drawn from the future SAMMM measures set out in detailed implementation plans 'DIPs'. SU refers to the Site User Detailed Implementation Plan and CP refers to the Car Park Detailed Implementation Plan. The shading reflects the DIPs too, with blue shading indicating those measures in the site user plan and grey reflecting those in the car park plan. Orange shading reflects those measures that are either new or where the costs or detail in the DIP have been amended. For the original costs and details in the DIPs, see Appendix 3 of the Site User Plan (with the costs being the same here apart from those rows shaded orange).

Item of Works	Included in which SAMMM DIP	Cost to implement SAMMM DIP item	Currently amount from 2016 SAMMM budget allocated	Amount remaining to be funded
Resources/events for Engagement Key Stages 1-2 (2020-2040)	SU	(£6,000 per annum) £120,000	£20,805	£99,195
Resources/events for Engagement Key Stages 3-4 (2020-2040)	SU	(£6,000 per annum) £120,000	£20,805	£99,195
Resources/events for Engagement with key visitor groups (2020-2040)	SU	(£3,000 per annum) £60,000	£30,000	£30,000
One-off cost Creation of Learning Hub at Wolseley Centre	SU	£34,000	£34,000	£0
Creation of Central Website and hosting until 2040	SU	£45,000	£34,500	£10,500
Re-instatement of vehicular ditching, bollards etc. around SAC	CP	(3.62km @ £15 per m) £54,300	£54,300	£0
Re-instatement of vehicular ditching, bollards etc. around SAC	CP	(2.38km @ £15 per m)£35,700	£35,700	£0
One-off Cost for improvements to Car Parks	CP	£567,350	£567,350	£0
Special Project, Forestry England Visitor/mountain bike centre south of A460	SU	£25,000	£0	£25,000
Special Project, Marquis Drive Masterplan	SU	£25,000	£0	£25,000
Special Project, Museum of Cannock Chase, Community Hub	SU	£25,000	£0	£25,000
Circular routes created at each main Car Park: path works	SU	£335,900	£245,900	£90,000

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Item of Works	Included in which SAMMM DIP	Cost to implement SAMMM DIP item	Currently amount from 2016 SAMMM budget allocated	Amount remaining to be funded
Circular routes created at each main Car Park: waymarkers	SU	£18,750	£18,750	£0
Circular routes created at each main Car Park: finger posts	SU	£30,300	£30,300	£0
Orientation panel in each main car-park showing main promoted routes	SU	£22,000	£6,200	£15,800
Additional staffing to increase face-to-face engagement, (equivalent to 3 full time posts 2020-2040)	Amended from SU	(£78,800 per annum) £2,364,000	£0	£2,364,000
Special Project. Chase Rd	CP	£25,000	£0	£25,000
Close Car Parks	CP	£150,000	£0	£150,000
Material (temporary signs etc.) to close damaging habitat fragmentation desire lines	SU	£10,000	£0	£10,000
New road signs to replace existing ones	SU	£75,000	£0	£75,000
Installation of Car Park Charging Machines	CP	£70,000	£0	£70,000
Cost to maintain improved car-parks 2020-2040	CP	£704,900	£0	£704,900
Circular routes created at each main Car Park: way-markers, replacement after 10 years	SU	£18,750	£0	£18,750
Circular routes created at each main Car Park: finger posts, replacement after 10 years	SU	£30,300	£0	£30,300
Orientation panel in each main car-park showing main promoted routes, replacement after 10 years	SU	£22,000	£0	£22,000
CC SAC Team Admin Assistant (part-time, 2020-2040)	SU	(£21,000 per annum) £420,000	£0	£420,000

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Item of Works	Included in which SAMMM DIP	Cost to implement SAMMM DIP item	Currently amount from 2016 SAMMM budget allocated	Amount remaining to be funded
CC SAC SAMMM Delivery Officer (2020-2030)	SU	(£40,000 per annum) £400,000	£0	£400,000
CC SAC SAMMM Implementation and Monitoring Assistant (x2) (2020-2040)	Was in SU, now removed			
Project manager/Project officer post	New	£45,000 per annum for 17 years		£765,000
Monitoring: visitor survey at 5 year intervals	New	£40,000 x4		£160,000
Monitoring: Automated counters (15 counters)	New	£6,000 per counter to cover 20 years, 15 counters		£90,000
Total				£5,724,640
10% contingency				£572,464
Total (inc contingency)				£6,297,104

6. Options for LPAs to secure adequate developer contributions

- 6.1 Previous sections of this review have identified the likely scale of growth over the period 2020-2040 and identified the scale of mitigation measures necessary to address the growth.
- 6.2 In this section we review options for developer contributions, considering how the costs of mitigation might be apportioned. We consider four different broad approaches as to how developer contributions could be applied:
- Standard payment across whole zone of influence;
 - Each local planning authority sets local rate and triggers for payment;
 - Payment zones across zone of influence with 'no payment' zones;
 - Scaled payment zones within selected distance bands.
- 6.3 These different approaches are considered in more detail below. The cost of mitigation measures as set out in the previous section is £6,297,104 and the level of growth anticipated is around 43,000 (with 21,671 new dwellings anticipated post April 2022). We use these figures to show how different options could work. However, it should be noted that it is proposed to introduce revised developer contributions in 2022. Any calculation of per dwelling contributions at that time will need to check the amount of revenue collected through the current contributions and the amount of mitigation these have funded, and as such the figures will not necessarily reflect those used in this section.

Standard payment across whole zone of influence

- 6.4 A standard payment across the whole zone of influence is the simplest approach and the most straight forward to apply. It mirrors the approach most commonly used in other strategic mitigation schemes and would be calculated by dividing the overall cost of mitigation by the number of dwellings anticipated across the whole zone.
- 6.5 With a total cost of mitigation estimated at £6,297,104 and 21,671 dwellings this would give a cost per dwelling of £290.58. This does not take into account in-perpetuity costs or any administration fee (for collecting the

contributions⁸). It is broadly in line with costs for European site mitigation in other parts of the country. For example, the 'flat rate' for the Solent in 2020 was £595⁹, in Dorset the rate applied to flats to cover SAMM is £277¹⁰, in Suffolk the rate varies from £122-£321¹¹.

- 6.6 There is potential to vary this according to dwelling types, for example to account for people who live in flats (potentially less likely to own a pet) compared to those in larger houses with gardens that are perhaps more likely to own pets. The Dorset Heaths Planning Framework¹² applies a differential cost to flats compared to houses, while the Solent applies a rate proportionate to the number of bedrooms¹³. While these approaches are potentially fairer and proportionate, it is complex to predict the number of different sized dwellings that are likely to come forward and to apportion costs appropriately.

Each local planning authority sets local rate and triggers for payment

- 6.7 The overall level of growth of around 43,000 dwellings within 15km is spread across relevant local authorities as shown in Figure 3.

⁸ Any such administration fee would need to be set up as necessary by each authority

⁹ see [Bird Aware Solent](#) website for details.

¹⁰ See [Dorset Heaths Planning Framework](#) for details.

¹¹ See [East Suffolk Council website](#) for details; the variation in rate relates to different zones which are mapped based on the relevant European sites as the mitigation scheme relates to multiple designated sites.

¹² See [Dorset Heaths Planning Framework](#) for details.

¹³ With the levy in 2020 varying from £356 for a 1 bedroom property to £927 for a 5 bedroom property see [Bird Aware Solent](#) website for details.

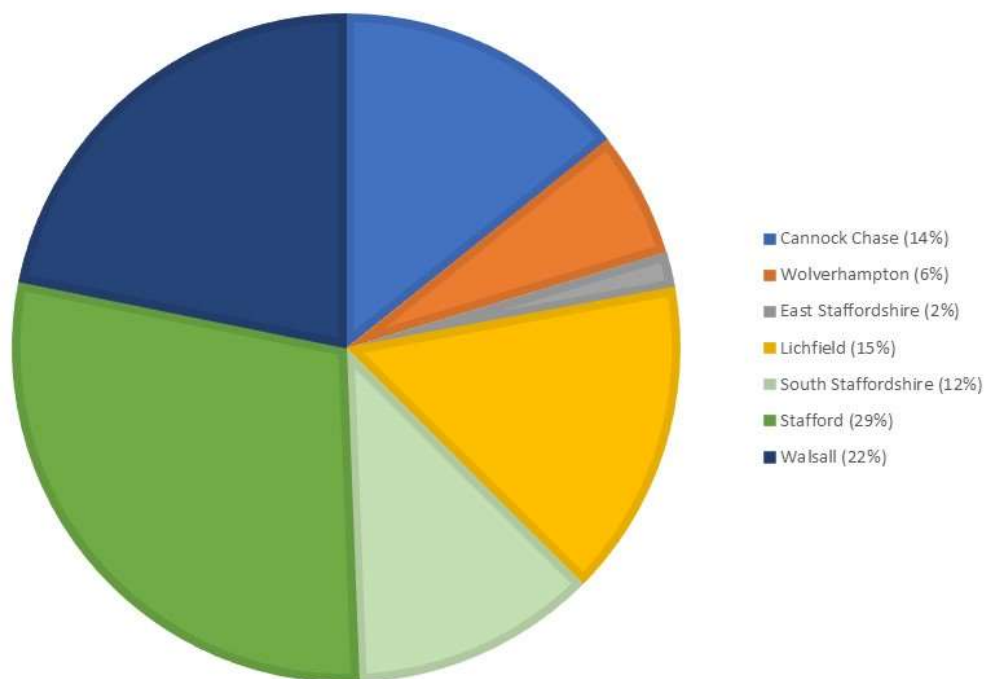


Figure 3: Summary of the percentage of new growth within 15km for each local authority.

- 6.8 The overall cost of the mitigation package is estimated at £6,297,104. Using the proportions shown in Figure 3, the relative contribution per authority can be calculated and this could then allow each local authority to determine the best way to collect developer contributions. Essentially, as long as the necessary revenue to fund mitigation is collected, it does not matter how each authority chooses to apply a tariff.
- 6.9 This would allow each authority to vary how contributions are collected and rates could be different in each authority to account for bedrooms, types of development, location etc. This gives each local authority autonomy in how the rates are applied and allows approaches to be tailored as appropriate, but does mean that rates might vary across authority boundaries. This could risk confusion from developers and risk of challenge if approaches are deemed unfair.
- 6.10 There are some parallels in the Thames Basin Heaths as there are clear differences between authorities. While each dwelling contributes towards SAMM in a standard way, contributions also cover SANG and these vary per authority. Each planning authority produces a mitigation strategy that is in line with an overarching delivery framework (Thames Basin Heaths Joint

Strategic Partnership Board, 2009), and tariffs are set by each authority to account for variations in SANG costs and how SANG are delivered.

- 6.11 The advantages of each local authority collecting contributions in different ways relate to the potential to adapt the contribution requirements. There are a range of different legal options for securing developer contributions and an authority by authority approach allows different authorities to tailor the way contributions are collected accordingly. The risk is that if the costs are apportioned per authority based on the overall level of anticipated growth, and the actual level of growth in a local authority is markedly different, the relative contributions for each authority also has to change and this could lead to complexity and a lack of fairness.

Payment zones across zone of influence with 'no payment' zones

- 6.12 The current approach at Cannock Chase uses a zone of influence of 15km whereby likely significant effects are triggered, and contributions are sought only from development within 8km, in recognition that development closer to the SAC is likely to generate more recreational use.
- 6.13 We have identified that 75% of frequent visitors originate from a zone of 7.8km, i.e. the 8km zone currently in use. Within 8km, the level of anticipated growth is 7,686 dwellings (post 2022). If these dwellings were to fund all mitigation (£6,297,104), then the cost per dwelling would be £819.30.
- 6.14 This approach means that the costs for mitigation are not shared equally within the zone of influence.

Scaled payment zones within selected distance bands

- 6.15 Visit rates do vary with distance from the SAC. Essentially the closer people live, the more likely they are to visit the SAC. This relationship is shown in Figure 4, which shows visit rates in relation to distance from the SAC, based on the 2018 visitor survey. This shows a pattern whereby visit rates decline steeply within the first 4km or so and level out at around 10km to a relatively low rate.

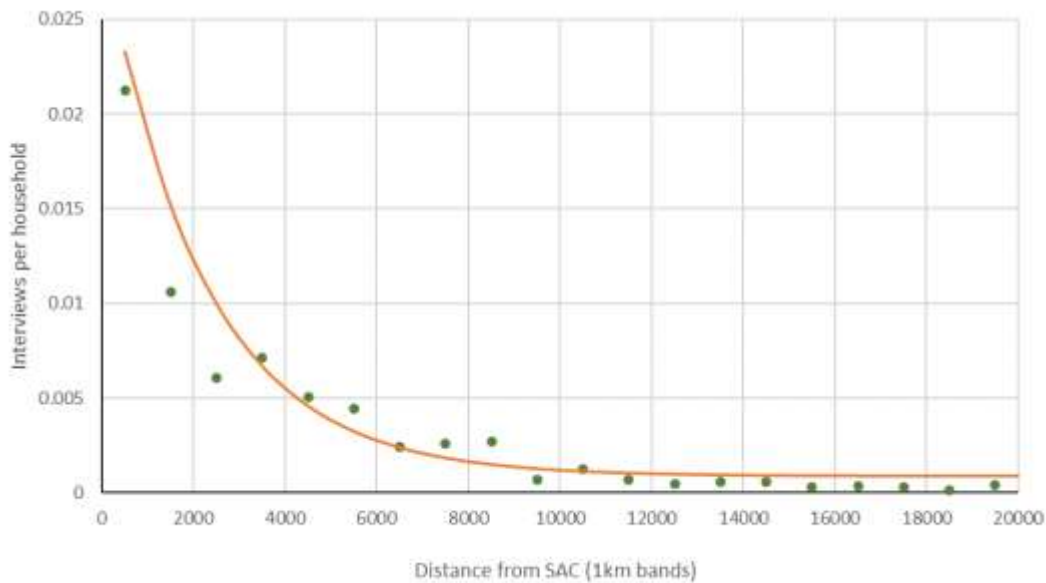


Figure 4: Visit rates in relation to distance from the SAC (in 1km bands). Data from the 2018 visitor survey and from pooled data (937 postcodes). Interviewees per household is the number of interviewees from each band divided by the total number of residential properties in the band. Orange trend line manually fitted by eye and with reference to r^2 . $Y = -0.00045x + 0.028e^{-0.009x}$. $r^2 = 0.926$.

- 6.16 Based on Figure 4 it is possible to calculate the relative impact of development close to the SAC compared to that further away. The fitted line would suggest that the level of access expected from 24.7 dwellings in the 14-15km distance band would be equivalent to 1 dwelling in the 0-1km band.
- 6.17 This could be extended to give differential payment rates for different zones, based on the difference in visit rates. Two zone options are suggested in Table 7, one involving 2km bands and one split at 8km. These visit rates could be used to derive zone-based tariffs. For example, in the two zone option the difference between the zones is 4.5. A single dwelling in the 0-8km zone would therefore be expected to contribute 4.5 times as much as a dwelling in the 8-15km band. With a total cost of £6,297,104 and an approximate split between 7,686 dwellings anticipated within 0-8km and 13,985 between 8 and 15km, this would mean a tariff of £583.40 for dwellings in the 0-8km zone and £129.64 in the 8-15km zone.

Table 7: Summary of adjustments per zone for different zone options

Distance band	Mid-point	Predicted visit rate at mid point	Equivalent number of dwellings
2km bands			
0-2km	1000	0.018754	1
2-4km	3000	0.008159	2.3
4-6km	5000	0.003851	4.9
6-8km	7000	0.0021	8.9
8-10km	9000	0.001388	13.5
10-12km	11000	0.001098	17.1
12-14km	13000	0.000981	19.1
14-15km	14500	0.000941	19.9
Two Zones			
0-8km	4500	0.004596	1
8-15km	12000	0.00103	4.5

6.18 The approach of calculating differential rates for different zones addresses the problem of differential visit rates and the risk of unfairly charging those at greater distances from the SAC. The disadvantages relate to the complexity of the calculations and greater risks of development sites spanning multiple zones. In the Thames Basin Heaths (see Burley, 2007 for discussion) it was originally proposed to have a two broad zones with different levels of developer contributions (in addition to a 0-400m zone where there was a presumption against new development). Ultimately a single charging zone was adopted due to the complexities and challenges posed by a multiple zone system.

Further considerations

6.19 Ultimately a single standard per dwelling tariff may prove to be simpler and more transparent when establishing local authority apportionments across the partnership. A single tariff agreed across authorities and reviewed regularly, allows money to be collected in a central pot and used to fund mitigation in direct proportion to the development that is anticipated to come forward. It would also help to ensure consistent payments are received should there be changes in the distribution of future growth across the 15km Zol over the period to 2040. The tariff could be collected in different ways in each authority and there may be different administrative charges etc., but this would still ensure a relative degree of fairness across authority boundaries and transparency in how the tariff is calculated. A single tariff to

calculate local authority apportionments across the zone would be in accordance with other SAC mitigation schemes seen across the country.

- 6.20 Differential zones would allow for different levels of contribution according to proximity to the SAC. Such a system could be established such that development within 8km pays 4.5 times more than development further to broadly reflect more frequent visit rates in the core 0-8km zone. This would more closely reflect the existing mitigation system where by development in the 0-8km zone currently contributes towards SAC mitigation. However, given the higher levels of development planned across the 15km ZoI, the partnership may wish to consider the appropriateness and practicalities of a two zoned approach when balanced against the benefits of taking forward a unified partnership approach towards SAC mitigation and compliance with the Habitats Regulations.

7. Discussion

- 7.1 The funding of strategic mitigation for European sites typically follows the 'polluter pays' principle whereby local planning authorities as competent authorities will ask developers to fund the mitigation measures necessary for the competent authority to conclude that a development project will not have an adverse effect on site integrity. It is common practice for local planning authorities to either use funding secured from each individual development with a S106 legal agreement, or to prioritise the necessary amount of funding from the Community Infrastructure Levy (CIL).
- 7.2 In this report we have considered the scale of likely plan-led growth through to around 2040 within a zone of influence around Cannock Chase SAC, and identified the mitigation required to ensure adverse effects on integrity can be ruled out from in-combination effects of growth at plan-level. We have reviewed options for collecting contributions from developers to fund the mitigation.
- 7.3 Guidance is clear that European site mitigation should be effective, reliable, timely, guaranteed to be delivered and as long-term as needed to achieve the necessary objectives (Tyldesley et al., 2020). Mitigation measures proposed by a plan maker should be incorporated into the plan such that they are integral to it and guaranteed to be delivered. Any doubts about the effectiveness, reliability, timing, delivery or duration of mitigation measures should be addressed by the competent authority before they are relied on when applying the integrity test.
- 7.4 As such this report is important in ensuring that the approach used by local authorities around Cannock Chase is sufficient and addresses the level of growth coming forwards. We build on the previous review (Hoskin and Liley, 2017) and draw on the considerable breadth of the evidence base relating to Cannock Chase SAC. In particular, the detailed implementation plans provide a clear basis in setting out an agreed programme of mitigation work and measures around Cannock Chase.

Timings of future reviews

- 7.5 This evidence base review has focussed on local plan led growth over the period through to 2040 and as such is looking well into the future. Estimates of growth and costs of mitigation are based on the 2020-2040 time period and clearly there are many uncertainties ahead. Regular review and checks

are essential. Furthermore this document is a review of evidence rather than setting a clear strategy.

- 7.6 In Dorset, a joint SPD is agreed between local authorities every 5 years and each SPD updates and builds on the last, providing updated figures on growth and mitigation focus. For Cannock Chase, regular review at 5 year intervals seems an appropriate timescale and within this there should be flexibility to annually review the levels of contribution and funding priorities. Five-year reviews provide the opportunity to set the tariff approach, zones of influence, joint working and governance arrangements. They would also provide the opportunity to consider wider issues such as viability.

Role of 400m zone and SANG

- 7.7 This review has been structured to follow the specification provided by the Cannock Chase Partnership and address the particular issues raised. Two additional areas are worth further discussion and, while outside the specification, are relevant to mitigation delivery. These areas are the impacts of growth particularly close to the SAC and the role of SANGs.

Growth particularly close to the SAC

- 7.8 Development in the areas directly adjacent to the European site boundary pose a higher risk due to the proximity. Recreation use is much higher and local residents are able to walk from their home directly onto the European site. This is clear from the Figure 4, which highlights the particularly high visit rates close to the SAC boundary. Furthermore, people accessing on foot from nearby areas can do so through numerous small paths and as such can by-pass the main entry points. As such they are not likely to pass rangers, interpretation boards, dog bins etc, instead they can simply use the easiest route available. Desire lines and informal routes can form, away from the main paths. Opportunities to intercept/engage with very local visitors or deflect them to other locations are much reduced compared to those travelling by car to main car-parks. People living very close to the site will use the space as their de facto greenspace and are likely to use it in a very different way to those who make a choice to visit and travel some distance.
- 7.9 Urban impacts such as dumping of garden waste and increased fire incidence (e.g. Kirby and Tantram, 1999) are likely to relate to residential properties and development in close proximity, and are harder to address because the impacts can occur spread over a wide front, rather than around

main car-parks (which is where those travelling to the site by car are most likely to have barbeques etc).

- 7.10 A 400m zone around Cannock Chase SAC in which there was a presumption against development was recommended by Underhill-Day and Liley (2012) and the need to avoid growth within 400m was subsequently established in the Cannock Chase Local Plan (2014)¹⁴. The 400m zone has not been discussed in the main body of this report but it has a very important role to play in mitigation delivery. Development directly adjacent to the SAC poses a much higher risk, while mitigation measures are likely to be less successful.
- 7.11 Risks are higher as recreation use is much greater from homes directly adjacent to the SAC (see Figure 4 in this report). Fire risk, fly-tipping and other urban effects are also likely to be more acute for development in close proximity to the edge of the heath.
- 7.12 Mitigation through SAMMM (i.e. access management and wardening) are likely to be less relevant to development in close proximity to European sites as it is harder to intercept visitors who enter from multiple informal access points (e.g. back gardens) and are likely to use the heath at a wide range of times of day (and even during the night). Indeed, the SAMMM approach is very much focussed around parking. For those who live within 400m of the SAC (a short walking distance) the SAC will provide the de facto greenspace to use and potentially seen as an extension to their garden. That will differ from the use by people who travel to the site and make an effort to visit, potentially driving and arriving at a main car-park. Very local visitors will be less likely to use the main entry points (car parks etc.) where it is easy to engage with them. Mitigation is therefore much harder if not impossible for development adjacent to SAC and as such it is important that the 400m zone is firmly established and continues. The approach is used at multiple other SAC sites where mitigation through SAMMs is only for development that is set back from the European site, beyond 400m (or in some cases even 500m).

Role of SANGs

- 7.13 SANGs were suggested as a potential approach for mitigation for residential growth and recreation impacts in the original Cannock Chase visitor impact

¹⁴ See para 4.89 of Cannock Chase Local Plan
https://www.cannockchasedc.gov.uk/sites/default/files/local_plan_part_1_09.04.14_low_res.pdf

mitigation strategy work (Underhill-Day and Liley, 2012). SANGs have not been taken forward to date, due to the concerns that Cannock Chase has a particular draw that is hard to replicate, and because SANGs are often costly. The strategic mitigation approach at Cannock Chase is, however, relatively unique among heathland mitigation schemes in the relative focus on SAMMMs type approaches.

7.14 It is noteworthy that in Dorset, and indeed some other areas, off-site mitigation approaches have evolved and encompass a range of off-site mitigation works aimed at deflecting use away from the sensitive European site. For example, options include:

- New dedicated greenspace sites managed by local authorities or others and funded through contributions from multiple developments scattered over a wide area ('strategic SANGs'). These might be new country parks or similar with a range of facilities and wide draw;
- New greenspace directly linked to a single new development, particularly large sites, whereby it is integrated into the development or directly adjacent;
- Improvements to existing greenspace sites to increase their capacity, for example through additional parking or improving safety;
- Changes to local green infrastructure to make it work better for local residents, for example improving local footpath networks or creating new path linkages;
- Setting recreation back from the European site, for example shifting car-parks or access points or opening up land for access around the site boundary;
- Creating dedicated facilities for particular user groups, such as BMX jumps.

7.15 The car parking detailed implementation plan rationalises parking and shifts the focus away from the SAC, and as such deflects access away from the SAC. Looking to the future there is potentially a greater role for these kind of approaches, and should high levels of growth continue around Cannock Chase, securing options for greenspace and effectively utilising the range of countryside access opportunities should be explored in more detail. A scoping study to review green infrastructure options and reassess SANG type approaches around Cannock Chase is therefore recommended prior to the next future review (potentially in 5 years) of the mitigation approaches or tariff.

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DATED: 2022

STAFFORD BOROUGH COUNCIL (1)

And

CANNOCK CHASE DISTRICT COUNCIL (2)

And

EAST STAFFORDSHIRE BOROUGH COUNCIL (3)

And

LICHFIELD DISTRICT COUNCIL (4)

And

SOUTH STAFFORDSHIRE DISTRICT COUNCIL (5)

And

WOLVERHAMPTON CITY COUNCIL (6)

And

WALSALL BOROUGH COUNCIL (7)

.....

AGREEMENT IN RELATION TO

DEVELOPER FINANCIAL CONTRIBUTIONS AND

THE CANNOCK CHASE SPECIAL AREA OF CONSERVATION (SAC)

DETAILED IMPLEMENTATION PLANS (DIPs)

.....

THIS AGREEMENT is made as a Deed on the day of 2022

BETWEEN:

- (1) **STAFFORD BOROUGH COUNCIL** of Civic Centre, Riverside, Stafford, Staffordshire ST16 3AQ ("**SBC**")
- (2) **CANNOCK CHASE DISTRICT COUNCIL** of Civic Centre, Beecroft Road, Cannock, Staffordshire WS11 1BG ("**CCDC**")
- (3) **EAST STAFFORDSHIRE BOROUGH COUNCIL** of The Town Hall, King Edward Place, Burton upon Trent, Staffordshire DE14 2EB ("**ESBC**")
- (4) **LICHFIELD DISTRICT COUNCIL** of District Council House, Frog Lane, Lichfield, Staffordshire WS13 6YY ("**LDC**"), and
- (5) **SOUTH STAFFORDSHIRE DISTRICT COUNCIL** of Council Offices, Wolverhampton Road Codsall, Staffordshire WV8 1PX ("**SSDC**")
- (6) **WOLVERHAMPTON CITY COUNCIL** of Civic Centre, St. Peters Square, Wolverhampton, WV1 1SH ("**WCC**")
- (7) **WALSALL BOROUGH COUNCIL** of Civic Centre, Walsall, WS1 1TP (**WBC**)

Each a "party" and together the "parties".

BACKGROUND:

- (A) On or around 18 January 2017 the parties entered into the Partnership Memorandum of Understanding, or agreed to take effect by the Joint Strategic Board to deliver the Detailed Implementation Plans (DIPs) and implement the Guidance to Mitigate the Impact of new Residential Development document within a 15 kilometre radius of the Cannock Chase Special Area of Conservation.
- (B) The parties are members of the Cannock Chase Special Area of Conservation Joint Strategic Board, established for the protection of the Cannock Chase Special Area of Conservation. The parties are also the local planning authorities for their areas.
- (C) The Joint Strategic Board has agreed the DIPs for the Cannock Chase Special Area of Conservation. The DIPs are evolving documents and will be agreed on an ongoing basis by the Board.

- (D) The parties have agreed to secure the collection of financial contributions from developers in their area by way of agreements or unilateral undertakings under section 106 of the Town and Country Planning Act 1990 or via the Community Infrastructure Levy Regulations 2010 (as amended) to assist in the delivery of the DIPs . This approach is set out in the 'Guidance to Mitigate the Impact of new Residential Development' document, as prepared by each party.
- (E) SBC has agreed to be the Financially Accountable Body for the Contributions and for the delivery of the Guidance to Mitigate the Impact of new Residential Development in accordance with the terms of this Agreement.

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following definitions shall apply throughout this Agreement:

Agreed Dates	means the dates upon which the Contribution is payable, being the 1 st October and 1 st April in each year during the Term.
Authorised Representatives	means the people appointed from time to time as representatives for the parties;
Board	means the Cannock Chase Special Area of Conservation Joint Strategic Board;
Business Day	means any day that is not a Saturday, Sunday or bank holiday or public holiday in England;
Cannock Chase SAC	means the Cannock Chase Special Area of Conservation designated in 2005 under the provisions of European Habitats Directive and located within the Cannock Chase Area of Outstanding Natural Beauty and shown on the plan attached in Schedule 1;
Cannock Chase Special Area of Conservation Partnership	means the Partner Authorities who collect the Contributions to ensure compliance with the Habitat Regulations in relation to the DIPs Assessment in order to mitigate for residential development through the Partner Authorities' local plans;
Confidential Information	means any information received from a disclosing party for the purposes of this Agreement or otherwise relating in any way to the business, operations and activities of the disclosing party that if disclosed in tangible form is marked confidential or if disclosed otherwise is confirmed in writing as being confidential or, whether disclosed in tangible form

or otherwise, is manifestly confidential (including this Agreement and the relationship between the parties);

Contributing Partners

means the parties responsible for paying the Contributions to SBC in accordance with the terms of this Agreement, namely CCDC, ESBC, LDC, SSDC, WCC and WBC;

Contributions

means the financial contributions paid by developers to the respective parties in respect of residential development within the Zone of Payment and secured by the parties under section 106 of the Town and Country Planning Act 1990 or via the Community Infrastructure Levy Regulations 2010 in accordance with the Partnership Memorandum of Understanding and to facilitate the delivery of the DIPs.

Data Protection Legislation

all applicable data protection and privacy legislation in force from time to time in the UK including the UK GDPR; the Data Protection Act 2018 (DPA 2018) (and regulations made thereunder) and the Privacy and Electronic Communications Regulations 2003 (*SI 2003/2426*) as amended;

Detailed Implementation Plans (DIPs)

a plan of actions to mitigate for the likely increase in the number of visits to the Cannock Chase SAC resulting from new residential development within 15km of the Cannock Chase SAC.

EIRs

means the Environmental Information Regulations 2004;

Financial Year

a year as reckoned for taxing or accounting purposes, from 6 April of each year;

Financially Accountable Body

means SBC, the body who has been appointed for the purpose of ensuring the collection and expending of the Contributions and for the delivery of the GMIRD on behalf of the Partners in accordance with the terms of this Agreement;

FOIA

means the Freedom of Information Act 2000;

Force Majeure

means any circumstance not within a party's reasonable control including, without limitation: a prohibitive act of parliament or, prohibitive governmental regulations; acts of God; epidemic or pandemic; war and other hostilities / national emergency (whether war is declared or not), invasion, act of foreign enemies or terrorism; national strikes; exceptional weather conditions; pressure waves caused by aircraft or aerial devices travelling at sonic or supersonic speeds, rebellion, revolution, civil commotion, riots or disorder; ionising radiation, or contamination by radioactivity from any nuclear fuel or nuclear waste, or combustion of

	nuclear fuel, radioactive, toxic, explosive, or other hazardous properties of any explosive nuclear assembly or nuclear component thereof; explosives on site and their removal; or other similar circumstances which are beyond the reasonable control of each of the parties, provided that Force Majeure shall not include any strike or labour dispute involving any parties' personnel or any failure to provide the Services by any of SBC's sub-contractors;
GMIRD	means the Guidance to Mitigate The Impact of Residential Development on the Cannock Chase SAC which forms part of the DIPs and prepared by each individual party to mitigate the impact of residential development within the Zone of Payment on the Cannock Chase SAC;
Habitats Regulations	means the Conservation of Habitats and Species Regulations 2017 (as amended);
Intellectual Property Rights	means patents, rights to inventions, copyright and related rights, trade marks, business names and domain names, rights in get-up, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, Confidential Information (including know-how) and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world;
Partner Authorities	means the partner authorities who make up the Cannock Chase Special Area of Conservation Partnership and the parties to this Agreement; "Partners" shall be construed accordingly;
Partnership Memorandum of Understanding	Memorandum of Understanding of the Cannock Chase Special Area of Conservation Partnership signed by the Partner Authorities on or around 18 January 2017 in the form set out in Schedule 3;
Personal Data	as defined in the Data Protection Legislation;
Services	as defined in clause 4.1;
Term	means the term of this Agreement as set out in clause 2.1;

UK GDPR	has the meaning given to it in section 3(10) (as supplemented by section 205(4)) of the Data Protection Act 2018.
Zone of Payment	means residential developments within a 0 - 15 km radius of the boundary of the Cannock Chase SAC as set out in Schedule 2.

1.2 Interpretation

1.2.1 In this Agreement:

- a) a reference to this Agreement includes its schedules, appendices and annexes;
- b) the table of contents, background section and any clause, schedule or other headings in this Agreement are included for convenience only and shall have no effect on the interpretation of this Agreement;
- c) a reference to a 'party' includes that party's successors and permitted assigns;
- d) a reference to a 'person' includes a natural person, corporate or unincorporated body (in each case whether or not having separate legal personality) and that person's personal representatives, successors and permitted assigns;
- e) a reference to a 'company' includes any company, corporation or other body corporate, wherever and however incorporated or established;
- f) a reference to a gender includes the other gender;
- g) reference to party means the parties named in this Agreement;
- h) words in the singular include the plural and vice versa;
- i) any words that follow 'include', 'includes', 'including', 'in particular' or any similar words and expressions shall be construed as illustrative only and shall not limit the sense of any word, phrase, term, definition or description preceding those words;
- j) a reference to 'writing' or 'written' includes any method of reproducing words in a legible and non-transitory form.

1.2.2 Any reference to a statute, statutory provision or subordinate legislation shall be construed as referring to:

- (i) such legislation as amended and in force from time to time and to any legislation that (either with or without modification) re-enacts, consolidates or enacts in rewritten form any such legislation; and
- (ii) any subordinate legislation made under the same before (but not after) the date of this Agreement.

2. TERM

- 2.1. This Agreement shall commence on the date of this Agreement and shall automatically expire after five (5) years unless extended in accordance with clause 2.2 or terminated earlier in accordance with clause 10 of this Agreement (the "**Term**")

- 2.2. This Agreement may be extended at any time by mutual written agreement between all the parties.

3. THE CONTRIBUTIONS

- 3.1. During the Term, the Contributing Partners shall use reasonable endeavours to collect the Contributions and pay those Contributions to SBC on the Agreed Dates or, if not paid on the Agreed Dates, within fourteen (14) days of the Agreed Dates.
- 3.2. The Contributing Partners shall remit the Contributions to SBC by way of BACS payment or a telegraphic transfer for the attention of the Finance Department by quoting reference 'SAC LA payments'. SBC shall acknowledge receipt in writing of each Contribution received within fourteen (14) days.
- 3.3. In the event that any or all of the Contributing Partners fail to pay the Contributions to SBC in accordance with clause 3.1, SBC shall refer the relevant details to the Board.
- 3.4. SBC will keep accurate books of account and financial records in relation to the deposit and expenditure of the Contributions in accordance with sound and prudent financial management.
- 3.5. SBC shall ensure that all Contributions received from the Contributing Partners are deposited in a high interest-bearing bank account until such time that the Contributions have been expended in accordance with the provisions of the DIPs and the terms of the Partnership Memorandum of Understanding.
- 3.6. At the beginning of each Financial Year, SBC shall provide and submit to the Contributing Partners:
- (a) a written record of all Contributions received during the preceding Financial Year; and
 - (b) a written record of the expenditure of the Contributions during the preceding Financial Year.

4. ADDITIONAL OBLIGATIONS OF SBC

- 4.1. SBC shall be responsible for and carry out the project management of the GMIRD (the "**Services**") on behalf of the Board, acting as its agent.
- 4.2. SBC shall not be obliged to deliver the Services personally and may contract in whole or in part to deliver the Services. SBC shall not be obliged to seek the approval or endorsement of the parties in procuring the Services. SBC shall follow its own corporate governance procedures in relation to the Services.
- 4.3. SBC and its contractors shall have reference in the provision of the Services to the most up to date version of the DIPs as approved by the Board from time to time.

- 4.4. SBC shall, for the duration of this Agreement, be responsible for the recruitment and employment of the SAC Project Officer and the SAC Engagement Officer (the “**SAC Officer Roles**”).

5. REVIEW & MANAGEMENT

- 5.1. The DIPs will be reviewed and agreed by the Board from time to time.
- 5.2. The parties may meet to review the operation of this Agreement annually at the anniversary of this Agreement or at such other times as the parties may agree.

6. FREEDOM OF INFORMATION

- 6.1 Each party will use reasonable endeavours to assist the other parties to comply with their obligations under the FOIA, the EIRs and any other applicable legislation governing access to information.
- 6.2 If a party receives a request for information under such legislation (“the Receiving Party”) and requires the other parties’ assistance in obtaining that information, the other parties will provide such assistance within such reasonable timeframe requested by the Receiving Party (and in any case no later than ten (10) Business Days after receiving the Receiving Party’s request) in order for the Receiving Party to comply with its statutory obligations.
- 6.3 If a request is made under such legislation for information which relates to either the Agreement or one of the other parties, the Receiving Party will immediately consult with the other party(ies) and take their views into consideration when making a decision as to whether or not the requested information should be disclosed, giving serious consideration to whether any statutory exemptions apply.
- 6.4 If the Receiving Party determines that information (including Confidential Information) must be disclosed, it will notify the other party(ies) of such decision as soon as reasonably practicable.

7. DATA PROTECTION

- 7.1 No Personal Data is being transferred from one party to another. Should this change in the future, all parties shall agree data processing agreements from time to time that honour each party’s obligations under the Data Protection Legislation, such agreement not to be unreasonably withheld.

8. CONFIDENTIALITY

- 8.1. Subject to clause 8.2, each party shall keep the other parties’ Confidential Information confidential and shall not:
- 8.1.1. use such Confidential Information except for the purpose of performing its rights and obligations under or in connection with this Agreement; or

- 8.1.2. disclose such Confidential Information in whole or in part to any third party, except as expressly permitted by this clause 8.
- 8.2. The obligation to maintain confidentiality of Confidential Information does not apply to any Confidential information:
 - 8.2.1. which the other party confirms in writing is not required to be treated as Confidential Information;
 - 8.2.2. which is obtained from a third party who is lawfully authorised to disclose such information without any obligation of confidentiality;
 - 8.2.3. which a party is required to disclose by judicial, administrative, governmental or regulatory process in connection with any action, suit, proceedings or claim or otherwise by applicable law, including the FOIA or the EIRs;
 - 8.2.4. which is in or enters the public domain other than through any disclosure prohibited by this Agreement;
 - 8.2.5. which a party can demonstrate was lawfully in its possession prior to receipt from another party; or
 - 8.2.6. which is disclosed by a party on a confidential basis to any central government or regulatory body.
- 8.3. A party may disclose another party's Confidential information to those of its Authorised Representatives who need to know such Confidential Information for the purposes of performing or advising on the party's obligations under this Agreement, provided that:
 - 8.3.1. it informs such Authorised Representatives of the confidential nature of the Confidential Information before disclosure; and
 - 8.3.2. it procures that its Authorised Representatives shall, in relation to any Confidential Information disclosed to them, comply with the obligations set out in this clause as if they were a party to this Agreement,
 - 8.3.3. and at all times, it is liable for the failure of any Authorised Representatives to comply with the obligations set out in this clause 8.3.
- 8.4 The provisions of this clause shall apply during the continuance of the Agreement and indefinitely after its expiry or termination.

9. **INTELLECTUAL PROPERTY**

- 9.1 The parties agree that all rights, title and interest in or to any information, data, reports, documents, procedures, forecasts, technology and any other Intellectual Property Rights whatsoever owned by a party before the date of this Agreement or developed by any party during the Term, shall remain the property of that party.
- 9.2 Where a party has provided the another party (the “**Receiving Party**”) with any of its Intellectual Property Rights for use in connection with the Agreement (including without limitation its name and logo), the Receiving Party shall, on termination of this Agreement, cease to use such Intellectual Property Rights immediately and shall either return or

destroy such Intellectual Property Rights as requested by the party who provided the Intellectual Property Rights.

10. TERMINATION

- 10.1 Any party may terminate this Agreement with immediate effect by serving notice in writing on the other parties where a party has breached a material obligation under this Agreement and the breach cannot, in the reasonable opinion of the terminating party, be remedied.
- 10.2 SBC may terminate this Agreement with immediate effect by serving notice in writing on the other parties where:-
- (a) any statute law, primary or secondary legislation should alter the status of the Cannock Chase SAC or alter or affect the validity of the DIPs; or
 - (b) If the Board determines that the GMIRD and / or the DIPs are no longer needed or are changed in such a way as to render the provisions of this Agreement superseded or unlawful.
- 10.3 Any Contributing Partner may terminate this Agreement with immediate effect by serving notice in writing to the other parties where:
- (a) a Force Majeure Event has disrupted the ability of SBC to perform its obligations under this Agreement for a period of at least 30 consecutive days; or
 - (b) it becomes unlawful for SBC to continue to act as the Financially Accountable Body (either in whole or in part).
- 10.4 Any party may terminate this Agreement at any time by giving the other parties no less than three (3) months' notice in writing.
- 10.5 Any delay by a party in exercising the right to terminate shall not constitute a waiver of such rights.
- 10.6 On termination or expiry of this Agreement, any Contributions held by SBC, but not spent on the Services, shall be retained by SBC exclusively for the purposes set out in the DIPs or for such other purposes reasonably related the protection or improvement of the Cannock Chase Special Area of Conservation as the Board may determine.

11 LIABILITY AND INDEMNITY

- 11.1 Subject to clause 11.3 and for the duration of this Agreement, SBC shall indemnify the Contributing Partners for and against all direct damages, losses, costs, claims, charges, liabilities and expenses (including reasonably incurred legal expenses) arising from the arrangement agreed under this Agreement or its termination thereof, which arises as a result of any act or omission of SBC, its officers, employees or contractors.

- 11.2 Subject to clause 11.3 and for the duration of this Agreement, the Contributing Partners shall each separately indemnify SBC for and against all direct damages, losses, costs, claims, charges, liabilities and expenses (including reasonably incurred legal expenses) arising from the arrangement agreed under this Agreement which arise as a result of any act or omission of any of the Contributing Partners, their officers, employees or contractors.
- 11.3 Each party's liability under this Agreement shall be limited to the sum of the Contributions handled by SBC under this Agreement in the twelve (12) months preceding the date of the event giving rise to liability.
- 11.4 If pursuant to this Agreement SBC receives Contributions which have been incorrectly and / or unlawfully collected by a party, that party shall be entitled to request in writing that the unspent Contributions and any accrued interest be returned to them and SBC shall return such Contributions together with any accrued interest which have not been spent at the time of the request, within 30 days of receipt of such a request.
- 11.5 Each party warrants that the Contributions they pay to SBC can lawfully be spent on delivery of the GMIRD and agrees to indemnify SBC against any claims related to reimbursement of Contributions spent for this purpose.
- 11.6 For the duration of this Agreement, the Contributing Partners shall each separately indemnify SBC for and against all costs, losses, charges, liabilities, expenses and claims relating to the employment of the SAC Officer Roles, including recruitment and redundancy payments. The Contributing Partners shall not be responsible for any costs, losses, charges, liabilities, expenses or claims if and to the extent that it is caused by the negligence or wilful misconduct of SBC or by breach by SBC of its obligations under clause 4.4.

12 PUBLICITY

- 12.1 Subject to clause 12.2 no announcement or other public disclosure concerning this Agreement or any of the matters contained in it shall be made by, or on behalf of, a party without the prior written consent of the other parties, such consent not to be unreasonably withheld or delayed (the parties shall consult on the form and content of any such announcement or other public disclosure, as well as the manner of its release).
- 12.2 If a party is required to make an announcement or other public disclosure concerning this Agreement or any of the matters contained in it by law, any court, any governmental, regulatory or supervisory authority (including any recognised investment exchange) or any other authority of competent jurisdiction, it may do so. Such a party shall:
- a) notify the other parties as soon as is reasonably practicable upon becoming aware of such requirement to the extent it is permitted to do so by law, by the court or by the authority requiring the relevant announcement or public disclosure;
 - b) make the relevant announcement or public disclosure after consultation with the other parties so far as is reasonably practicable; and

- c) make the relevant announcement or public disclosure after taking into account all reasonable requirements of the other parties as to its form and content and the manner of its release, so far as is reasonably practicable.

13 FORCE MAJEURE

- 13.1 A party shall not be liable to the other parties for failure to perform its obligations under this Agreement if that failure is caused by events beyond its reasonable control that constitute Force Majeure.
- 13.2 If a party is prevented or delayed in performing any of its obligations under this Agreement by Force Majeure, then:
 - a) it shall diligently take all reasonable steps and act in good faith at all times in order to avoid or minimise its failure caused by the Force Majeure;
 - b) promptly serve written notice on the other parties without delay, setting out the nature of the circumstances that constitute Force Majeure and stating on what date the Force Majeure took effect, how this will affect its performance of the Agreement and its actions (or proposed actions) to mitigate the effect of the Force Majeure on its performance of this Agreement.
- 13.3 If at any time during the Term SBC is prevented from performing its obligations under this Agreement due to Force Majeure for a period of at least 30 consecutive days then any Contributing Partner may terminate this Agreement with immediate effect in accordance with clause 10.3.
- 13.4 In the event of a Contributing Partner terminating this Agreement pursuant to clause 10.3, SBC shall not be liable to any of the Contributing Partners for any delay or non-performance of its obligations under this Agreement to the extent that such non-performance is due to a Force Majeure event.

14 DISPUTE RESOLUTION

- 14.1 The parties shall make every reasonable effort (acting in good faith at all times) to resolve by agreement any dispute which arises between them concerning any issue relating to this Agreement.
- 14.2 If a mutually satisfactory resolution cannot be reached within ten (10) Business Days of a dispute being notified in writing by one party to the others, the parties shall comply with the following procedure:
 - a) The dispute shall be discussed at a meeting of the parties' Authorised Representatives, to be held within ten (10) Business Days of referral to them.

- b) If the dispute is not resolved within ten (10) Business Days after the above meeting, the dispute shall be referred to the chief executives of the parties (or their authorised representatives).
 - (c) If the parties' chief executives fail to resolve the dispute within ten (10) Business Days of its referral to them, any party may refer the dispute for mediation in accordance with the CEDR Model Mediation Procedure.
- 14.3 The parties shall bear their own legal costs of this dispute resolution procedure, but the costs and expenses of mediation shall be borne by the parties equally.

15. GENERAL

15.1 Costs

- 15.1.1 Each of the parties will pay their own costs and expenses incurred in connection with the negotiation, preparation, execution, completion and implementation of this Agreement.

15.2 Assignment and Other Dealings

- 15.2.1 SBC may assign, subcontract or encumber any right or obligation under this Agreement, in whole or in part, without the Contributing Partners' prior written consent.

15.3 Entire Agreement

- 15.3.1 This Agreement together with any documents referred to in it constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.
- 15.3.2 Each party acknowledges that in entering into the Agreement it does not rely on and shall have no remedies in respect of any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in the Agreement. Each party agrees that it shall have no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in the Agreement.

15.4 Variation

- 15.4.1 No variation of the Agreement shall be effective unless it is in writing and signed by the parties (or their Authorised Representatives).

15.5 Waiver

- 15.5.1 A waiver of any right or remedy under the Agreement or by law is only effective if given in writing and shall not be deemed a waiver of any subsequent right or remedy.
- 15.5.2 A failure or delay by a party to exercise any right or remedy provided under the Agreement or by law shall not constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict any further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy provided under the Agreement or by law shall prevent or restrict the further exercise of that or any other right or remedy.

15.6 Severance

- 15.6.1 If any provision or part-provision of the Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of the Agreement.

15.7 Notices

- 15.7.1 Any notice or other communication given to a party under or in connection with the Agreement shall be in writing and shall be delivered by hand or by first-class post or recorded delivery to the address set out at the beginning of this Agreement and addressed to the Authorised Representative.
- 15.7.2 Any notice or communication shall be deemed to have been served:
- (i) if delivered by hand, at the time the notice is left at the proper address;
 - (ii) if sent by first-class post, at 9.00 am on the second Business Day after posting;
and
 - (iii) if sent by recorded delivery, at the time the delivery was signed for.
- 15.7.3 If a notice is served after 4.00pm on a Business Day, or on a day that is not a Business Day, it is to be treated as having been served on the next Business Day.
- 15.7.4 This clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

15.8 Third Party Rights

15.8.1 The Agreement does not give rise to any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Agreement.

15.9 Counterparts

15.9.1 This Agreement may be executed in any number of counterparts, each of which shall constitute a duplicate original of this Agreement, but all the counterparts shall together constitute the one Agreement.

15.10 Governing Law

15.10.1 The Agreement, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by, and construed in accordance with, the law of England and Wales.

15.11 Jurisdiction

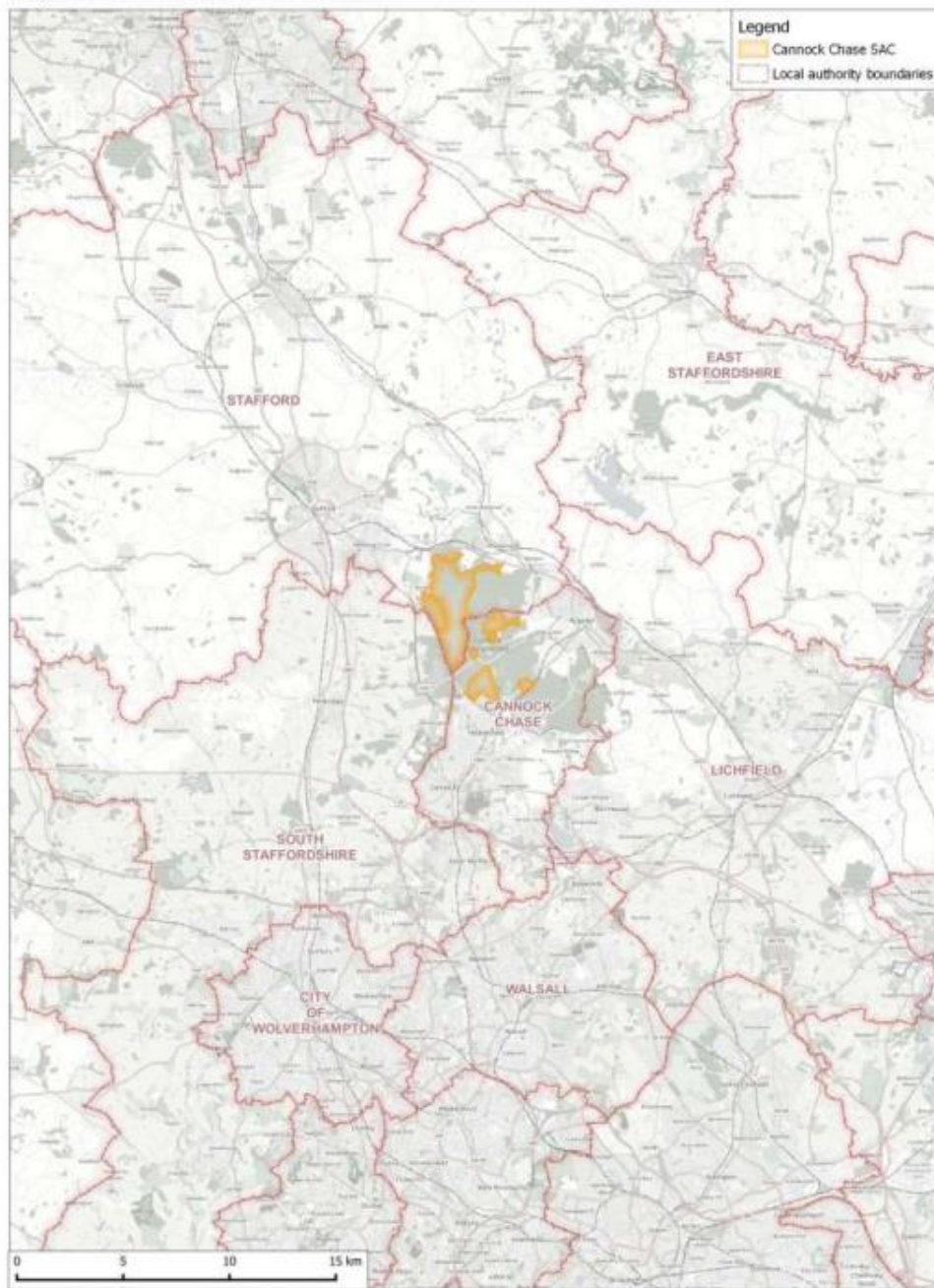
15.11.1 Each party irrevocably agrees that the courts of England shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with the Agreement or its subject matter or formation.

EXECUTED as a **DEED** and is delivered and takes effect on the date stated at the beginning of it.

SCHEDULE 1

Map 1: Plan of Cannock Chase SAC

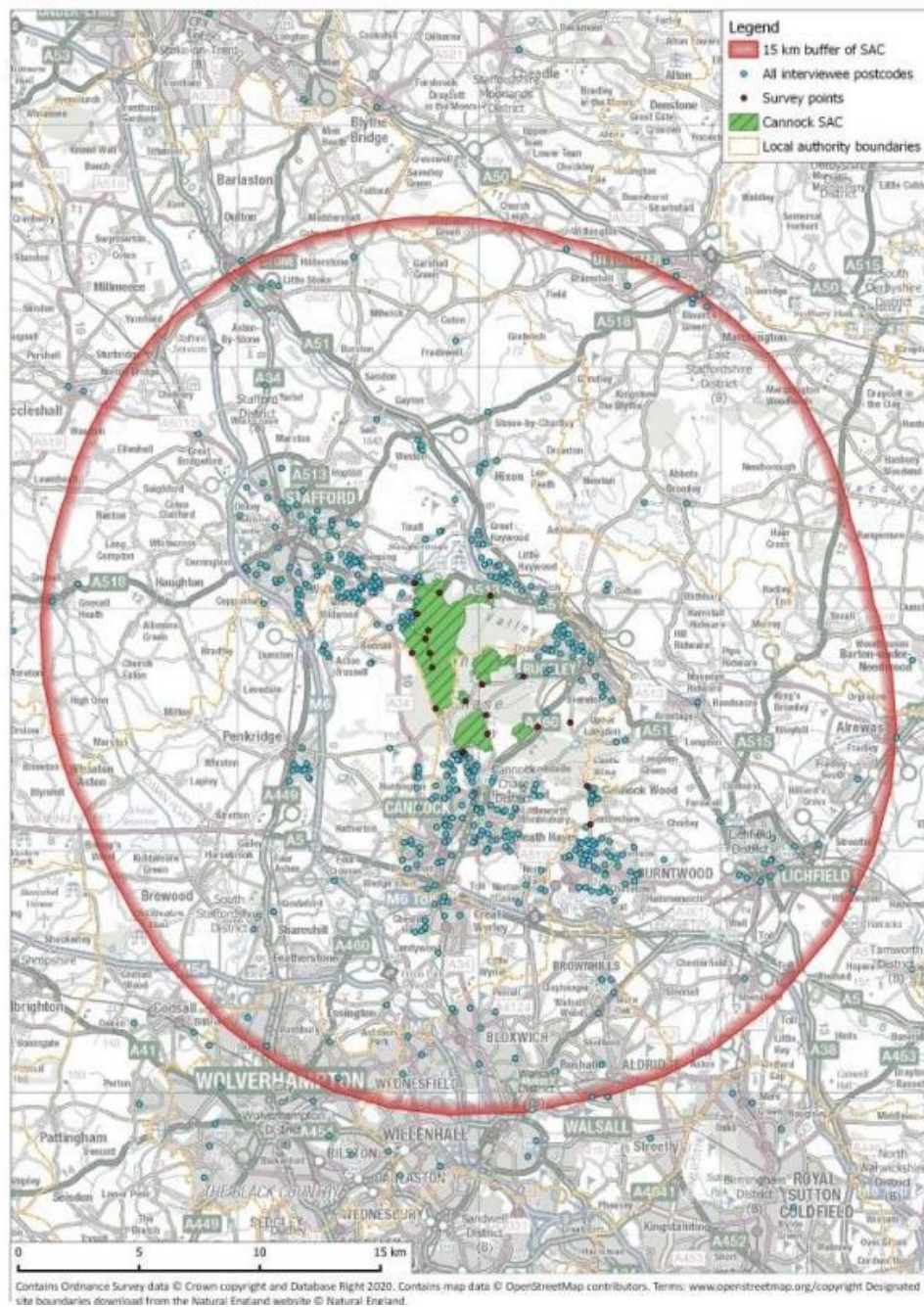
Map 1: Location of the Cannock Chase SAC.



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SCHEDULE 2

Map 2: Plan of the Cannock Chase SAC 15km Zone of Payment



SCHEDULE 3

Partnership Memorandum of Understanding



Memorandum of
Understanding.docx

By affixing the **COMMON SEAL**
of **STAFFORD BOROUGH**
COUNCIL

In the presence of:

.....
Authorised Signatory

By affixing the **COMMON SEAL**
of **CANNOCK CHASE DISTRICT**
COUNCIL

In the presence of:

.....
Authorised Signatory

By affixing the **COMMON SEAL**
of **LICHFIELD DISTRICT**
COUNCIL

In the presence of:

.....
Authorised Signatory

By affixing the **COMMON SEAL**
of **EAST STAFFORDSHIRE**
BOROUGH COUNCIL

In the presence of:

.....
Authorised Signatory

By affixing the **COMMON SEAL**
of **SOUTH STAFFORDSHIRE**
DISTRICT COUNCIL

In the presence of:

.....
Authorised Signatory

By affixing the **COMMON SEAL**
of **WOLVERHAMPTON CITY**
COUNCIL

In the presence of:

.....

Authorised Signatory

By affixing the **COMMON SEAL**
of **WALSALL BOROUGH**
COUNCIL

In the presence of:

.....

Authorised Signatory

MEMORANDUM OF UNDERSTANDING
of the
CANNOCK CHASE SPECIAL AREA OF CONSERVATION (SAC)
PARTNERSHIP

between

The Partner Authorities

Cannock Chase District Council
East Staffordshire Borough Council
Lichfield District Council
South Staffordshire District Council
Stafford Borough Council
Wolverhampton City Council
Walsall Borough Council

Key Facilitators

Natural England
Cannock Chase Area of Outstanding Natural Beauty (AONB) Partnership
Staffordshire County Council
Forest England
National Trust
Staffordshire Wildlife Trust

Relating to:

**The impact of residential development on
the Cannock Chase Special Area of Conservation**

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Definition of Terms

In this Agreement the following words and expressions shall have the following meanings unless the context requires otherwise:

AONB Visitor Management Strategy (VMS)	aims to deliver a sustainable quality visitor experience to the Cannock Chase AONB. The Cannock Chase SAC mitigation proposals (SAMMM) sit within the VMS.
Appropriate Assessment (AA)	is the second stage in a Habitats Regulations Assessment process where consideration is given to the potential impacts on the integrity of a European site (e.g. SAC), either alone or in combination with other plans and projects, with regard to the site's conservation objectives and to its structure and function.
Area of Outstanding Natural Beauty (AONB)	<p>means Cannock Chase Area of Outstanding Natural Beauty which the Cannock Chase SAC sits within. The Cannock Chase Area of Outstanding Natural Beauty (AONB) is a legal designation confirmed under the Countryside and Rights of Way Act 2000 (CROW). Please note that this may be updated with an addendum when the Environment Bill is enacted.</p> <p>An AONB is an outstanding landscape whose distinctive character and natural beauty are so precious that it is in the nation's interest to safeguard them. The designation seeks to protect and enhance natural beauty whilst recognising the needs of the local community and economy. For further information please see http://www.cannock-chase.co.uk/.</p>
Competent Authority	An organisation becomes a competent authority under the Habitats Regulations when the exercise of its functions will, or may affect European Sites (for example classified Special Protection Areas and designated SACs).
Conservation Objectives	objectives defined by Natural England to secure the favourable conservation status of the qualifying features. Each SAC has a formal description of the reasons why the site has been designated, which is contained in the SAC citation and which when combined with the Conservation Objectives provide a framework which should inform any 'Habitats Regulations Assessments' that a competent authority may be required to undertake. The Conservation Objectives also inform any measures necessary to conserve or restore the SAC and/or to prevent the deterioration or significant disturbance of its qualifying features.
Detailed Implementation Plans (DIPs)	a plan of actions to mitigate for the likely increase in the number of visits resulting from new housing development within 15km of the Cannock Chase SAC. A summary of the two DIPs (Car Park and Site User Infrastructure, Education and Engagement) can be found attached to Appendix 2.

Habitats Regulations	the Conservation of Habitats and Species Regulations 2017 (as amended).
Habitats Regulations Assessment (HRA)	a formal assessment of the implications of new plans or projects which are capable of affecting the designated interest features of a European Site (e.g. SAC) before deciding whether to undertake, permit or authorise such a plan or project. This assessment comprises several distinct stages which are conveniently and collectively described as a 'Habitats Regulations Assessment' (or HRA).
Key Facilitators	means key facilitators to the Partnership with no voting rights
Partnership	means the organisations listed as the Partner Authorities.
Relevant period	the residential development forecast within the Zone of Influence that relates to each of the Partnership Authorities' Local Plan periods.
Special Area of Conservation (SAC)	<p>is a strictly protected site designated under the EC Habitats Directive, described by the UK Government as 'Our best examples of habitats that are either threatened or valuable within the EU'. The overall objective of the Habitats Directive is defined in Article 2 which specifies in particular that:</p> <p><i>Measures taken pursuant to this Directive shall be designed to maintain and restore, at a favourable conservation status, natural habitats and species of wild fauna and flora of Community interest.</i></p> <p>SAC designation requires Member States to establish conservation measures which correspond to the ecological requirements of Annex I habitats and Annex II species present on the site (Article 6.1), and to take appropriate steps to avoid deterioration of the natural habitats and habitats of species, as well as significant disturbance of species, for which the site is designated (Article 6.2) The Habitats Directive is primarily transposed in England under the Conservation of Habitats and Species Regulations 2017 (as amended).</p>
Strategic Access Management and Monitoring Measures (SAMMM)	the plan of actions to mitigate for the likely increase in the number of visits as a result of new housing development within 15km of the Cannock Chase SAC that ran from April 2015 until March 2022. The mitigations after this date will also be referred to as the DIPs.
Windfall Housing	windfall housing sites are those that have come forward unexpectedly and not identified for housing through the Local Plan preparation process.

Zone of Influence

Research has shown that 75% of all visitors to the Cannock Chase SAC are from within a 15km radius of the SAC¹². The planned level of residential growth within a 15 kilometre radius from the edge of Cannock Chase SAC is likely to have a significant effect on the SAC in the absence of mitigation. For the purpose of this MOU the 0-15km radius is defined as the Zone of Influence.

¹ 'Cannock Chase SAC Visitor Survey' Footprint Ecology/Durwyn Liley, February 2013

² 'Cannock Chase SAC Visitor Survey 2018' Footprint Ecology/Durwyn Liley, May 2019

1.0 Purpose

- 1.1 The Cannock Chase Special Area of Conservation (SAC) Partnership provides a framework for coordination between statutory bodies having land use planning responsibilities in relation to Cannock Chase SAC.
- 1.2 The key objective of the Partnership is to use statutory planning processes and specific site and visitor management measures to secure appropriate mitigation for the impacts on the Cannock Chase SAC of Development Plan policies and proposals contained in individual planning applications and projects, thereby ensuring that the integrity of the Cannock Chase SAC is maintained and the requirements of the Habitats Regulations are met.
- 1.3 This Memorandum of Understanding (MOU) sets out how the Cannock Chase SAC Partnership will take responsibility for a programme of measures to mitigate for the impact residential development has upon the Cannock Chase SAC, and how the Partnership will work together to review, prepare and implement common plans and policies to protect the Cannock Chase SAC, and promote its understanding and appreciation to help to deliver sustainable development.
- 1.4 This Partnership approach is to provide simplicity for planners and developers providing a consistent approach to the protection of the SAC from the significant effects of residential development through the delivery of a programme of mitigation. It must however be recognised that other forms of development³ within the 0-15km zone which may give rise to additional visits to Cannock Chase SAC may need to carry out a Habitats Regulations Assessment (HRA). Participation in the developer contributions scheme is optional and if applicants do not wish to participate they will need to provide appropriate information to the Local Planning Authority to allow a bespoke Habitats Regulations Assessment.

2.0 Background

- 2.1 Sitting within the wider Cannock Chase Area of Outstanding Natural Beauty (AONB), the Cannock Chase SAC was designated in 2005 under the provisions of the European Habitats Directive, the majority of the site having previously been designated as a Site of Special Scientific Interest (SSSI) in 1987. Cannock Chase represents the largest area of heathland habitat surviving in the English Midlands and though much diminished in area from its original extent, as with all lowland heathland zones, the habitat and dependent species are of very high nature conservation importance.
- 2.2 The Annex I habitat, European Dry Heath is the primary reason for designation of the SAC. The character of this vegetation is intermediate between the upland or northern heaths of England and Wales and those of southern counties. Dry heathland communities belong to NVC types H8 *Calluna vulgaris* – *Ulex gallii* and H9 *Calluna vulgaris* – *Deschampsia flexuosa* heaths. Within the heathland,

³ Other development include but are not limited to Bed and Breakfast establishments, self catering holiday lets, hotels and gypsy sites.

species of northern latitudes occur, such as cowberry *Vaccinium vitis-idaea* and crowberry *Empetrum nigrum*. Cannock Chase has the main British population of the hybrid bilberry *Vaccinium intermedium*, a plant of restricted occurrence. There are important populations of butterflies and beetles, as well as European nightjar and five species of bats. The Annex I habitat that is present as a qualifying feature, but note a primary reason for selection of this site is **Northern Atlantic wet heaths with *Erica tetralix***. Wet heath usually occurs on acidic, nutrient-poor substrates, such as shallow peats or sandy soils with impeded drainage. The vegetation is typically dominated by mixtures of cross-leaved heath *Erica tetralix*, heather *Calluna vulgaris*, grasses, sedges and *Sphagnum* bog-mosses.

- 2.3 The evidence base shows a range of impacts consistent with high visitor numbers⁴⁵. An increase in visitor numbers on the scale expected is likely to have a significant effect on the Cannock Chase SAC unless measures are taken to prevent harm. The main impacts are the fragmentation of habitat from a multiplicity of paths and tracks, track and path widening with erosion, trampling and compaction, and eutrophication from dog fouling.
- 2.4 In October 2005, the judgment the European Court of Justice in the case of Flood Management Plans and the implications of Case C-6/04 Commission Vs United Kingdom, required the UK to extend the requirements of Article 6(3) and (4) of the Habitats Directive to include the assessment of the potential effects of spatial and land use plans on European sites. Evidence commissioned by the SAC Partnership suggests that the planned level of growth within a 15 kilometre radius of the SAC (as set out in Map 1) is likely to have a significant effect on the designated site. The effect of increased visitor numbers consists of additional damage from site use and vehicle emissions⁶. In granting planning permissions the Local Planning Authorities must comply with their duty under the Habitats Regulations as Competent Authorities to ensure appropriate mitigation is delivered prior to developments being built and new visits generated.

3.0 Conservation Objectives

3.1 European Site Conservation Objectives for Cannock Chase Special Area of Conservation

Site Code: 0030107

With regard to the SAC and the natural habitats and / or species for which the site has been designated (the 'Qualifying Features' listed below), and subject to natural change;

Ensure that the integrity of the site is maintained or restored as appropriate, and ensure that the site contributes to achieving Favourable Conservation Status of its Qualifying Features, by maintain or restoring:

⁴ 'Cannock Chase SAC Planning Evidence Base Review' Footprint Ecology/Durwyn Lily, July 2017

⁵ 'Cannock Chase SAC Planning Evidence Base Review Stage 2' Footprint Ecology/Durwyn Lily, July 2021

⁶ NE advice letter to the partnership dated 10/04/2013 – Vehicle emission issues are dealt with outside the SAMMM and through the Local Plan or development process.

- The extent and distribution of qualifying natural habitats;
- The structure and function (including typical species) of qualifying natural habitats; and,
- The supporting processes on which the qualifying natural habitats rely.

3.2 This document should be read in conjunction with the accompanying Supplementary Advice document, which provides more detailed advice and information to enable the application and achievement of Objectives set out above.

3.3 Qualifying Features:

H4010. Northern Atlantic wet heaths with *Erica tetralix*; Wet heathland with cross-leaved heath

H4030. European dry heaths

4.0 Objectives of the Partnership

4.1 The Partnership's overall objective is to facilitate sustainable residential development whilst ensuring compliance with the Habitats Regulations through securing appropriate developer contributions towards a programme of mitigation. Participation in the developer contribution scheme (as detailed at Appendix 1) is optional. Applicants will need to supply information to the Local Planning Authority to allow a bespoke Habitats Regulations Assessment to be undertaken if they do not wish to participate.

4.2 The objectives of the Cannock Chase SAC Partnership are to secure measures to mitigate for the effects of development⁷ by:

- Ensuring that the integrity of the site is maintained, that the site contributes to achieving the Favourable Conservation Status of its Qualifying Features and enabling the sustainable development of the area
- Conserving the Cannock Chase SAC by ensuring that new development does not undermine the delivery of its Conservation Objectives
- Raising awareness and understanding of the biodiversity of the Cannock Chase SAC
- Achieving 'joined up' management with neighbouring protected landscapes and habitats.⁸

⁷ Housing and other development such as tourist accommodation which requires HRA and would have an impact on the SAC.

⁸ The SAC mitigation proposals (SAMMM) sit within the wider AONB Visitor Management Strategy.

5.0 Key Commitments

5.1 The Partner Authorities:

- a) Will work together to develop and implement consistent planning policies in respect of Development Plan documentation and development processes which provide a framework to mitigate for the impact of residential development on Cannock Chase SAC.
- b) Will collectively and individually ensure that all plans, projects, and management activities meet the requirements of the Habitats Regulations
- c) Agree an evidenced planning obligations and Community Infrastructure Levy charging process will be used to seek contributions from housing proposals
- d) Agree that from the date of this MOU, appropriate assessment of housing proposals within the 0-15km Zone of Influence (ZOI) set out in Map 1 will not be required unless these fall beyond the scope of established local housing targets as set out in Appendix 1 or where the applicant does not agree to make contributions.
- e) Will develop, agree and monitor, through collaboration and engagement with key facilitators, landowners, including landowners and managers, a 15 year programme of mitigation for Cannock Chase SAC as set out in the Delivery Implementation Plans (DIPs) and based on the delivery of 21,671 dwellings⁹. The effectiveness of the DIPs mitigation proposals will be reviewed on a 5 year basis as part of the MOU review. The Partner Authorities acknowledge that specific projects may require decisions by landowners through their internal governance arrangements.
- f) Will on an annual basis monitor housing delivery numbers on which the current mitigation actions in the DIPs are based. A review of the MOU and DIPs will be triggered if the annual review indicates the 21,671 homes figure is being approached within the 15 km ZOI.
- g) Will work closely with key facilitators, including landowners, and other complementary designations and initiatives such as the AONB and the Connecting Cannock Chase Partnership and take account of other statutory designations
- h) Agree that the area within which the mitigation will be undertaken is the statutorily designated areas of the Cannock Chase SAC, but on occasions will also extend to the wider adjoining areas in relation to specific issues, for example visitor and access network management, where a wider working area may be required to maintain favourable condition of a qualifying feature within the SAC.
- i) Agree on the identity of the host Partner Authority which will hold the developer contributions and will act as the financially accountable body. The developer contributions will be spent collectively based on the DIPs. The details of these arrangements will be set out in a legally binding financial agreement between the contributing Partner Authorities and the host Partner

⁹ Table 2 Cannock Chase Special Area of Conservation Planning Evidence base Review Stage 2 (2021)

Authority. The level of contributions from each Partner Authority towards the DIPs, whilst this MOU is in force, is provided in Appendix 1 and will be monitored annually by agreement of the Partnership.

- j) The finance agreement shall contain provisions to deal with the following matters:
 - The scope of the duties, rights and obligations of the host Partner Authority to the other Partner Authorities and third parties;
 - Responsibility for the recruitment and employment of the SAC Project Team;
 - An indemnity from the other Partner Authorities in favour of the employing Partner Authority in relation to the costs of employing the SAC Team, including on-costs and redundancy payments; and
 - Obligations on the host Partner Authority to report regularly and comply with audit and other public sector requirements
- k) Will agree a protocol for decision making on spending the developer contributions based on the mitigation plan (DIPs).

6.0 Roles and Responsibilities

- 6.1 Although only Competent Authorities have statutory responsibilities, it is acknowledged that other key facilitators participate in the management of the SAC in order to deliver programmes and specific projects.
- 6.2 The governance of the project will be determined through the Terms of Reference (Appendix 3).

7.0 Governance

- 7.1 The following governance arrangements and protocols will be maintained to ensure that the requirements of the programme of mitigation and therefore the Habitats Regulations are satisfied. It is proposed that the following governance arrangements are established, with the partnership management structure to be reviewed on a 12 month basis:
 - Cannock Chase SAC Joint Strategic Board to meet, or receive reports a minimum of quarterly or as required, with an annual rotating chair from each local authority (as listed in the table at Appendix 1), and supported by the Cannock Chase SAC Project Officer. It will consist of senior representatives from each of the organisations listed in this MoU. Advisory members may be co-opted to represent a specific area of interest or issue of consideration. Terms of Reference have been agreed and are at Appendix 3¹⁰.

¹⁰ Terms of Reference including membership and voting powers agreed through supporting documents at Appendix 3.

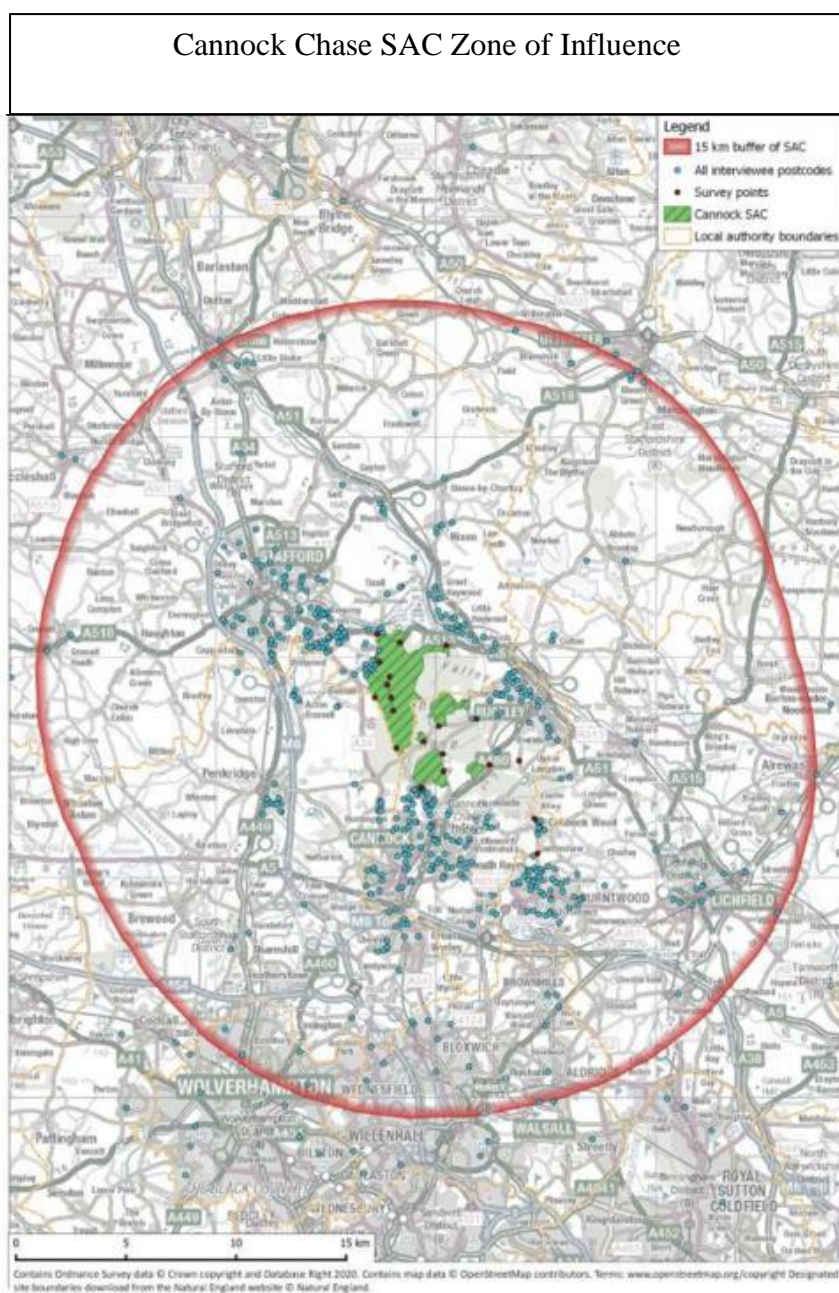
- Cannock Chase SAC Project Group will meet monthly or as required, to coordinate and quality assure project delivery, i.e. what is being delivered, where, when and by whom to avoid duplication of effort. This Group will be supported by the Cannock Chase SAC Project Officer and consist of officers from each of the organisations listed in this MOU along with representatives from appropriate organisations in advisory roles. Terms of Reference have been agreed and are at Appendix 3¹¹.

8.0 Commencement and Termination

- 8.1 This MOU will take effect when it has been signed by all Partners or agreed by the Joint Strategic Board. It is anticipated that this MOU will operate for a period of five years when it will be reviewed. It may be amended by agreement in writing between all Partners. A Partnership member may withdraw from the Partnership at any time by giving 12 months' notice in writing to all Parties.

¹¹ Terms of Reference including membership and voting powers agreed through supporting documents at Appendix 3.

Map 1



The Level of Contributions

- A1.1 The total cost of the programme of measures required to mitigate for the impact on Cannock Chase SAC of residential development within 15km of the Cannock Chase SAC proposed in current and emerging Local Plans over their Relevant Period is £6,297,104. The details of this programme are provided in the DIPs at Appendix 2.
- A1.2 To provide certainty for the Development Plan process and for developers within the Zone of Influence, and to ensure transparency and accountability, a formulae approach has been adopted that sets out a mechanism for the calculation of developer contributions.
- A1.3 The total cost of the DIPs has been divided between the Partner Authorities in proportion to the number of homes proposed within the 15km ZOI of Cannock Chase SAC (as illustrated on Map 1) from 1st April 2022 onwards (excluding those which are likely to have planning permission as of end March 2022). The table below sets out the housing numbers, percentage split and proportion of funding which each Partner Authority falling within the 15km ZOI is required to contribute.

Table 1

Local Authority in the 15km ZOI of the Cannock Chase SAC	Housing Numbers proposed in the 15km ZOI from April 2022 (excluding sites with planning permission)	Percentage (%) of total housing delivery	Monies to collect for the DIPs*
Cannock Chase	2,378	11	£690,993
City of Wolverhampton	1,364	6.3	£396,348
East Staffordshire	155	0.7	£45,040
Lichfield	851	3.9	£247,281
South Staffordshire	4,205	19.4	£1,221,878
Stafford	5,412	25	£1,572,605
Walsall	7,306	33.7	£2,122,959
TOTAL	21,671		
DIPs Cost	£6,297,104		

- A1.4 These contributions will be index linked and subject to an annual review each April in line with the 'All Items Group' (Item reference CHAW) of the Retail Prices Index.

- A1.5 It is at the discretion of individual Partner Authorities how to collect their total contribution from developments with the 15km ZOI. These contributions systems will be set out in each Partner Authority's 'Guidance to Mitigate the Impact of New Residential Development'. These documents and the calculations they contain may be subject to review. Other types of development and windfall housing sites not included in the calculations within the aforementioned guidance have the potential to impact upon Cannock Chase SAC, and these will need to be assessed and mitigation provided on an individual basis through discussions with Natural England and/or the relevant local authority. The estimated costings in the DIPs will be monitored and may be reviewed and rates recalculated when the MOU is reviewed.
- A1.6 The option remains for developers to undertake a Habitats Regulations screening assessment and, where necessary, a full appropriate assessment to demonstrate that a proposal will not, either alone or in combination, adversely affect the integrity of the Cannock Chase SAC.
- A1.7 In order for the Developer Contributions Scheme to mitigate the negative effects of development, it is important that the mitigation measures are implemented in a timely manner which reflects the rate at which development comes forward. Each local planning authority will agree the timescale prior to granting planning consent for the collection of developer contributions, which are required to ensure that mitigation is in place prior to occupation to prevent additional harm arising to the Cannock Chase SAC.
- A1.8 The new mitigation programme relates to the delivery of 21,671 homes¹² (which did not have planning permission as of 1st April 2022) within the 15km ZOI from 1st April 2022 onwards. Monitoring of housing delivery and housing numbers proposed will be undertaken on an annual basis by the SAC Partnership. Where monitoring shows that delivery of any of the housing numbers proposed for a Partner authority, as set out in Table 1, are being approached, a review of this MOU will be triggered and new housing numbers and new mitigation measures will be considered.
- A1.9 The monies that have and will contribute to the DIPs, previously referred as the SAMMM are outlined in Table 2.

¹² Table 2 Cannock Chase SAC Planning Evidence Base Review Stage 2 (2021)

Table 2

Local Authority in the ZOI of the Cannock Chase SAC	Housing Numbers proposed in the ZOI	Percentage (%) of total housing delivery	Monies to collect for the DIPs, previously SAMMMs*
Cannock Chase	1700	20.0	£394,232
City of Wolverhampton	0	0.0	£0
East Staffordshire	30	0.4	£6,957
Lichfield	1715	20.2	£397,710
South Staffordshire	150	1.8	£34,785
Stafford	4900	57.7	£1,136,315
Walsall		0	£0
TOTAL	8495		
DIPs Cost	£1,970,000		

A1.10 Developer contributions provided prior to the start date of the new mitigation programme (Table 3) will contribute to the 2011 – 2021 Strategic Access Management and Monitoring Measures plan (SAMMMs) relating to the 0-8km Zone of Payment, outlined in the 2011 MoU and subsequent update in 2017¹³. It should be noted that the monies collected for the DIPs, previously the SAMMMs, or committed before April 2022 both exceed the original budget of £1,970,000.

Table 3

Local Authority in the ZOI of the Cannock Chase SAC	Monies already collected or committed before April 2022
Cannock Chase	£816,374.00
City of Wolverhampton	£0
East Staffordshire	£1,610.00
Lichfield	£247,896.80
South Staffordshire	£90,480.00
Stafford	£896,283.00
Walsall	£0
TOTAL	£2,052,643.80

A1.11 As shown in Table 3, a supplementary £82,643.80 is expected to be collected prior to the commencement of the new DIPs from April 2022, because of higher number of homes being built than originally planned within the ZOI. Any supplementary monies that are to be collected through the previous SAMMM will be reallocated in order to finance mitigation measures in the new DIPs, as the SAMMM has been subsumed into the DIPs.

¹³ Memorandum of Understanding for the Cannock Chase Special Area of Conservation Partnership 2011-2021. 2011

Detailed Implementation Plan

A2.1 The following table of mitigation measures and estimated costings has been prepared by independent consultants in collaboration with the Cannock Chase SAC Partnership to set out Detailed Implementation Plans relating to the Cannock Chase SAC.

Item of Works	Amount remaining to be funded
Resources/events for Engagement Key Stages 1-2 (2020-2040)	£99,195
Resources/events for Engagement Key Stages 3-4 (2020-2040)	£99,195
Resources/events for Engagement with key visitor groups (2020-2040)	£30,000
Creation of Central Website and hosting until 2040	£10,500
Special Project, Forestry England Visitor/mountain bike centre south of A460	£25,000
Special Project, Marquis Drive Masterplan	£25,000
Special Project, Museum of Cannock Chase, Community Hub	£25,000
Circular routes created at each main Car Park: pathworks	£90,000
Orientation panel in each main car-park showing main promoted routes, replacement after 10 years	£15,800
Additional staffing to increase face-to-face engagement, (equivalent to 3 full time posts 2020-2040)	£2,364,000
Special Project. Chase Rd	£25,000
Close Car Parks	£150,000
Material (temporary signs etc.) to close damaging habitat fragmentation desire lines	£10,000
New road signs to replace existing ones	£75,000
Installation of Car Park Charging Machines	£70,000
Cost to maintain improved car-parks 2020-2040	£704,900
Circular routes created at each main Car Park: way-markers, replacement after 10 years	£18,750

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Circular routes created at each main Car Park: finger posts, replacement after 10 years	£30,300
Orientation panel in each main car-park showing main promoted routes, replacement after 10 years	£22,000
CC SAC Team Admin Assistant (part time, 2020-2040)	£420,000
CC SAC SAMMM Delivery Officer (2020-2030)	£400,000
Project manager/Project officer post	£765,000
Monitoring: visitor survey at 5 year intervals	£160,000
Monitoring: Automated counters (15 counters)	£90,000
Contingency (10%)	£572,464
	£6,297,104

Terms of Reference

Terms of Reference

Cannock Chase SAC Joint Strategic Board

1.0 Introduction

- 1.1 The Cannock Chase Special Area of Conservation (SAC) Partnership provides a framework for coordination between statutory bodies having land use planning responsibilities in Cannock Chase SAC. These Terms of Reference set out how the Cannock Chase SAC Joint Strategic Board (JSB) will work together to coordinate the delivery of a programme of mitigation, prepare and implement common plans and policies to protect the SAC, promote its understanding and appreciation to help to deliver sustainable development.
- 1.2 The objective of the Partnership is to use statutory planning processes and specific site and visitor management measures to secure appropriate mitigation for the impacts on the Cannock Chase SAC through Development Plan policies and proposals contained in individual planning applications and projects, thereby ensuring that the integrity of the Cannock Chase SAC is maintained.
- 1.3 The Cannock Chase SAC Partnership as a whole will provide a vehicle for the agreement of mitigation measures, collection and use of planning obligation monies and monitoring of work carried out.

2.0 Status

Competent Authorities include any statutory body or public office exercising legislative powers, whether on land or sea.

- 2.1 Each Competent Authority is individually responsible for meeting its duties under the Habitats Regulations. However by jointly preparing, implementing and reviewing the Detailed Implementation Plans (DIPs), it is anticipated that the Competent Authorities will be able to more effectively achieve the aims of the Habitats Regulations in relation to the Cannock Chase SAC, than if they acted alone. This will also relieve individual applicants from the burden of preparation of evidence for Habitats Regulations Assessment and will streamline this aspect of the development management process. To this end the Competent Authorities for the Cannock Chase SAC have formed this legal partnership overseen by this JSB with the Project Group coordinating the delivery, the accumulation of funds and undertaking additional works as directed. The JSB has no additional powers but serves to ensure that all Competent Authorities contribute to the implementation of the mitigation measures.

3.0 Composition

- 3.1 The membership of the JSB will comprise representatives of all the Competent Authorities, as defined in the Habitats Regulations, for the Cannock Chase SAC and who have signed the Memorandum of Understanding.
 - The JSB will comprise one senior representative or their delegated officer representative from each of the Competent Authorities. Additional representatives may attend at the discretion of the Chairman.

4.0 Board Structure and Procedures

- No Competent Authority will have authority over any of the other JSB members.
- The JSB will meet, or receive reports produced by an officer in a project management role, a minimum of quarterly or when required;
- Meetings of the Board will be chaired by each Competent Authority in turn annually.
- Officer support and secretariat services will be provided by the Cannock Chase SAC Project Officer (as defined in the DIPs)
- Agendas, reports and minutes of meetings will be circulated to relevant facilitators.
- The Project Group will be represented at meetings of JSB.
- Wherever possible, decisions made at the JSB will be by means of consensus. A quorum of 50% attendance plus one member will be required for decisions to be ratified. Where a decision is needed urgently, the incoming Chair has delegated authority to make the decision. This must then be reported to the next meeting for retrospective agreement.
- Where a member of the Partnership has proposed a project outside the agreed measures (SAMMM) that body is not entitled to vote on that item.
- Voting rights are limited to the full members of Cannock Chase SAC Partnership, one vote per full member authority.
- The Cannock Chase SAC Project Officer is not entitled to vote.
- With the agreement of members of the JSB members, advisory members may be co-opted to represent a specific area of interest or issue of consideration

5.0 Remit

5.1 The JSB:

- Will exercise its function to secure compliance with the requirements of the Habitats Regulations.
- Will provide a forum for discussion of issues and coordination of activity in a private and confidential setting due to commercial sensitivity of the projects but make relevant reports available to the public where appropriate.
- Will oversee the development, implementation and monitoring of the DIPs, and agree an annual work programme and milestones based upon future projections in order to work towards achieving the Conservation Objectives for the SAC.
- Will collaborate with key facilitators when required on individual projects within the programme.
- Receive and review an annual report on the collection, management and spending of the planning obligations funding.
- Expects that representatives will commit to the actions for delivery within their respective organisations;
- Will review performance and delivery of actions within the plan and make decisions to ensure timely corrective action can be taken where necessary.
- Will advise/steer the Project Group on changing priorities based on evidence and commit to new actions where there is a shortfall in a timely manner.
- Will approve a working budget for the Cannock Chase SAC Project Officer or the officer undertaking this role whilst the post is vacant.

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- Will assess projects outside the DIPs over £10,000 for evidence that they are cost effective and provide greater additional mitigation than those within the SAMMM.
- Will rely on input from the Project Group to help inform their decisions and will direct the Project Group where additional/different actions are required.
- Will agree the frequency of the Project Group meetings.
- Will act on behalf of the Partnership organisations in commissioning studies, surveys and reports or other work on relevant matters (with landowner collaboration, where required), including making bids for joint funding and grants relating to the objectives of the body.
- Represent the Cannock Chase SAC and its objectives at public meetings, events, workshops and conferences as and when necessary and, promote and champion the work of the Partnership.
- Will review its Terms of Reference as may be appropriate.

Cannock Chase SAC Project Group

Terms of Reference

1.0 Introduction

- 1.1 The Cannock Chase Special Area of Conservation (SAC) Partnership provides a framework for coordination between statutory bodies having land use planning responsibilities in Cannock Chase SAC. These Terms of Reference set out how the Cannock Chase SAC Project Group will work together to coordinate the delivery of a programme of mitigation, prepare and implement common plans and policies to protect the SAC, promote its understanding and appreciation to help to deliver sustainable development.
- 1.2 The objective of the Partnership is to use statutory planning processes and specific site and visitor management measures to secure appropriate mitigation for the impacts on the Cannock Chase SAC of Development Plan policies and proposals contained in individual planning applications and projects, thereby ensuring that the integrity of the Cannock Chase SAC is maintained.
- 1.3 The Cannock Chase SAC Partnership as a whole will provide a vehicle for the agreement of mitigation measures, collection and use of planning obligation monies and monitoring of work carried out.

2.0 Status

<p>Competent Authorities include any statutory body or public office exercising legislative powers, whether on land or sea.</p>
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- 2.1 Each Competent Authority is individually responsible for meeting its duties under the Habitats Regulations. However by jointly preparing, implementing and reviewing the Detailed Implementation Plans (DIPs), it is anticipated that the Competent Authorities will be able to more effectively achieve the aims of the Habitats Regulations in relation to the Cannock Chase SAC, than if they acted alone. This will also relieve individual applicants from the burden of preparation of evidence for Habitats Regulations Assessment and will streamline this aspect of the development management process. To this end the Competent Authorities for the Cannock Chase SAC have formed this legal partnership overseen by the Joint Strategic Board (JSB) with the Project Group coordinating the delivery, the accumulation of funds and undertaking additional works as directed. The JSB has no additional powers but serves to ensure that all Competent Authorities contribute to the implementation of the mitigation measures.

3.0 Composition

- 3.1 The membership of the Project Group will comprise all of the Competent Authorities, as defined in the Habitats Regulations, for the Cannock Chase SAC and who have signed the Memorandum of Understanding.
 - The Project Group will comprise appropriate officers of the Competent Authorities
 - Officers or technical / professional representatives of stakeholder organisations, by invitation.

4.0 Structure and Procedures

- The Project Group will meet a minimum of quarterly.
- Meetings of the Project Group will be chaired by each Competent Authority in turn.
- Officer support and secretariat services will be provided by Cannock Chase SAC Project Officer (as defined in the DIPs) when in post.
- A minimum of 1 member of the Project Group will represent the group at the JSB meetings.
- A quorum of 50% attendance plus one member will be required for decisions to be ratified. Where a decision is needed urgently, the incoming Chair has delegated authority to make the decision. This must then be reported to the next meeting for retrospective agreement.
- Where a member of the Partnership has proposed a project outside the agreed DIPs that body is not entitled to vote on that item.
- Voting rights are limited to the representatives of the Competent Authorities, one vote per full member authority.
- The Cannock Chase SAC Project Officer will not be entitled to vote.
- With the agreement of members of the Project Group, advisory members may be co-opted to represent a specific area of interest or issue of consideration.

5.0 Remit

5.1 The Project Group will be responsible, with external support where agreed, for undertaking the following:

- Advise the JSB as necessary on issues relating to and impacting upon the SAC
- Will coordinate the implementation of the DIPs.
- Provide technical support to the JSB, prepare reports for the JSB's consideration and carry out such actions as may be instructed by the JSB.
- Undertake work identified in the annual work programme or as otherwise prioritised.
- Agree an annual monitoring report for the year ending 31st March prepared by the Cannock Chase SAC Project Officer, together with regular updates on progress for the Board.
- Prepare, agree and maintain a five-year rolling project plan, based upon the objectives of the Partnership.
- The Project Group may establish small project or working groups, resourced as necessary, to progress issues related to delivering the agreed annual work programme.
- Use of delegated authority to consider project substitution up to a value of £10K where projects outside of the DIPs can be proved to provide greater or additional mitigation to those within the DIPs.
- Identification of alternative mitigation projects
- Represent the Cannock Chase SAC and its objectives at public meetings, events, workshops and conferences as and when necessary and, promote and champion the work of the Partnership.
- Annually review the collection, management and spending of the planning obligations funding and prepare an annual report for the JSB.
- Provide information to allow the levels of residential development, spend and outcomes of project work to be monitored.
- Will review its Terms of Reference as may be appropriate.

Memorandum of Understanding

Signatories:

Signed for and on behalf of
CANNOCK CHASE DISTRICT COUNCIL

Authorised signature: _____

Name: _____

Position: _____

Date: _____

Signed for and on behalf of
EAST STAFFORDSHIRE BOROUGH COUNCIL

Authorised signature: _____

Name: _____

Position: _____

Date: _____

Signed for and on behalf of
LICHFIELD DISTRICT COUNCIL

Authorised signature: _____

Name: _____

Position: _____

Date: _____

Signed for and on behalf of
SOUTH STAFFORDSHIRE DISTRICT COUNCIL

Authorised signature: _____

Name: _____

Position: _____

Date: _____

Memorandum of Understanding

Signed for and on behalf of
STAFFORD BOROUGH COUNCIL

Authorised signature: _____

Name: _____

Position: _____

Date: _____

Signed for and on behalf of
WOLVERHAMPTON CITY COUNCIL

Authorised signature: _____

Name: _____

Position: _____

Date: _____

Signed for and on behalf of
WALSALL BOROUGH COUNCIL

Authorised signature: _____

Name: _____

Position: _____

Date: _____