

24 January 2022

Dear Members

Council Meeting

I hereby give notice that a meeting of the Council will be held at

Council Chamber, County Buildings, Martin Street, Stafford on Tuesday

1 February 2022 at 7.00pm to deal with the business as set out on the agenda.



Tim Clegg
Chief Executive

COUNCIL MEETING - 1 FEBRUARY 2022

Mayor, Councillor Tony Nixon

A G E N D A

- 1 Approval of the Minutes of the meeting of Council held on 23 November 2021 as published on the Council's website.
- 2 Apologies for Absence
- 3 Declarations of Interest
- 4 Announcements (Paragraph 3.2(iii) of the Council Procedure Rules)
- 5 Public Question Time - Nil
- 6 Councillor Session

Councillor A N Pearce has submitted the following questions in accordance with Paragraph 12.3(a) of the Council Procedure Rules:-

Question to the Cabinet Member of Environment:

- (a) "The establishment by the Council of a volunteer panel of citizens concerned about the climate and biodiversity emergencies is very welcome.

I would welcome clarification from the Cabinet member for the Environment on the following issues:

- A) What are the terms of reference of the panel?
- B) When will the first and subsequent meetings be held?
- C) Who will convene the meetings?
- D) Who will chair the meetings?
- E) Will there be any councillor involvement in the meetings?"

Question to the Cabinet Member of Environment:

- (b) "To mark her Platinum Jubilee, the Queen has called on individuals, organisations and public bodies to plant trees. What plans does the Council have to plant trees to mark the Queens Platinum Jubilee?"

Question to the Leader of the Council:

- (c) “At the September meeting of the Council, the following motion was proposed by myself and seconded by Cllr Godfrey:

Whilst carbon reduction is given equal priority within the Council’s Business Plan with other objectives, it is clear that the amount of resource allocated to it within the budget is very different. For example, Economic Growth and Strategic Projects has a budget of £406,980 this year whereas there does not appear to be a specific budget for carbon reduction. This is borne out in the proposed plan for carbon reduction where almost all actions are to be sourced from within existing resources. This Council resolves to redress this when drawing up the budget for the coming financial year?

Under the revised rules of procedure, the motion was referred, without discussion to the Cabinet for consideration of the financial implications. There have been 4 meetings of the Cabinet since September and the motion has not been considered at any of them. Can the Leader explain why this is?”

7 Notice of Motion

A Notice of Motion pursuant to Paragraph 13.1 of the Council Procedure Rules has been proposed by Councillor A N Pearce and seconded by Councillor R P Cooke as follows:-

“This Council notes that:

- The Glasgow Pact is a significant deal, signalling the end of coal, oil and gas - and it's wide agreement by leaders to "keep 1.5C alive".
- The moral authority shown by climate activists, based on climate science, has been clear in setting this higher ambition.
- However the Glasgow Pact did not secure National Determined Contributions (NDCs) to stay within 1.5C so will be only a game changer if we get our act together over the coming year, which depends on what the UK does with its continued presidency of COP, and the wider actions and leadership across the UK.

This Council further notes that:

- The most climate - vulnerable countries are calling for natural justice, for the rich countries to pay for current losses and damages based on historic greenhouse gas emissions; and
- That the world's governments must accept we are now in climate emergency mode and come back next year with plans and pledges that at least halve carbon emissions this decade and set carbon budgets that stay well within the 1.5C limit.

Therefore this Council calls on the UK government to:

1. Reverse Official Development Assistance (ODA, "aid") budget cuts
2. Conduct an independent review into UK fossil fuel subsidies and set out a plan and timetable to phase these out.
3. Put climate change at the heart of all future trade deals, and call for an end to the investor-state dispute settlement (so called "corporate courts") that allow companies to sue governments for taking climate action (see www.globaljustice.org.uk).
4. Commit to no more coal, oil (je or gas) extraction in the UK, or through UK investments overseas.
5. Commit to no airport expansion across the UK, and for international aviation and shipping decarbonisation to be included in NDCs, and in future trade deals.
6. Cancel the UK's current road building programme and divert spending to local council zero carbon transport plans.
7. Commit that UK international climate finance is provided in addition to existing official development assistance (ODA) as agreed at the Copenhagen and Paris climate summits and for this to include funds for climate mitigation, adaptation and loss and damage payments.

The Borough Council further notes that

- Staffordshire County Council Pension fund has around £200m invested in fossil fuels via the Local Government Pension Scheme.
- The United Nations Paris 2015 Agreement commits our governments to keep the global temperature increase to under 2 degrees and aim for 1.5 degrees. Carbon budgets produced by the Intergovernmental Panel on Climate Change, United Nations and the International Energy Agency show that preventing two degrees of warming relies on not burning 60-80% of all proven fossil fuels.
- There is increased emphasis by the UK government on showing global climate leadership, especially in relation to finance. Divesting our pension is a clear and meaningful action that can be taken at a local government level.
- Fossil fuel investments are financially risky as a result of both the Covid19 pandemic and the global transition to a more sustainable economic and environmental model. They are now being consistently out-performed by renewables.
- Former Bank of England Governor Mark Carney warned in December 2019 that fossil fuel investments risk becoming "stranded assets" (i.e., worthless) as investors exit the sector. "A question for every company, every financial institution, every asset manager, pension fund or insurer – what's your plan?"
- As continued investments in fossil fuels pose material financial risks to portfolios, funds have fiduciary duties to consider the benefits of decarbonising as part of their investment strategies. Fiduciary duty is

defined by the Law Commission as ‘ensuring that pensions can be paid, ensuring that this is undertaken at the best possible value’.

- As continued investments in fossil fuels pose material financial risks to portfolios, funds have fiduciary duties to consider the benefits of decarbonising as part of their investment strategies. Fiduciary duty is defined by the Law Commission as ‘ensuring that pensions can be paid, ensuring that this is undertaken at the best possible value’.
- Pension funds have a legal duty to treat members “fairly as between them”. That means taking seriously the longer-term interests of younger members who may well be affected more by the climate transition.

This Council therefore agrees:

1. To review its Investment Strategy and develop and implement a Responsible Investment Policy which rules out new investments in fossil fuel companies.
2. Call on Staffordshire County Council pension fund to divest from fossil fuels and the development and adoption of responsible investment policies which:
 - a. Immediately freeze any new investment in the top 200 publicly-traded fossil fuel companies.
 - b. Divest from direct ownership and any commingled funds that include fossil fuel public equities and corporate bonds within 5 years
 - c. Set out an approach to quantify and address climate change risks affecting all other investments.
 - d. Actively seek to invest in companies that will reduce greenhouse gas emissions and minimise climate risk.
3. Recognise that fossil fuel investments should be considered as part of the council’s ‘carbon footprint’ and divesting our pension fund is one of the most impactful steps we can take to reduce our impact on our community and the world.”

		Page Nos
8	Appointment of Interim Section 151 Officer	7 - 9
9	General Fund Revenue Budget and Capital Programme 2022-25	10 - 66
10	Annual Treasury Management Report 2020/21	67 - 78
11	Treasury Management Strategy, Minimum Revenue Provision Policy, Annual Investment Strategy 2022/23	79 - 112
12	Charitable Collections Policy 2021 (House to House Collections and Street Collections in Stafford Borough)	113 - 144
13	Any items referred from Scrutiny Committee(s)	-

Chief Executive

Civic Centre
Riverside
Stafford
ST16 3AQ

ITEM NO 8

ITEM NO 8

Report of:	Leader of the Council
Contact Officer:	Judith Aupers
Telephone No:	01543 464411
Ward Interest:	Nil
Report Track:	Council 01/02/22 (Only)

COUNCIL
1 FEBRUARY 2022
Appointment of Interim Section 151 Officer

1 Purpose of Report

- 1.1 To appoint a Section 151 Officer in accordance with section 151 of the Local Government Act 1972.

2 Recommendation

- 2.1 That Tim Willis, Interim Head of Finance, Cannock Chase District Council be appointed as the Section 151 Officer for Stafford Borough Council.

3 Key Issues and Reasons for Recommendation

Key Issues

- 3.1 The current interim Section 151 Officer has decided that they do not wish to continue in this role, so it is necessary to designate another officer.

Reasons for Recommendations

- 3.2 Section 151 of the Local Government Act 1972 requires the Council to designate one of its Officers with responsibility for the administration of the financial affairs of the Council, to be known as the Section 151 Officer.

4 Relationship to Corporate Business Objectives

- 4.1 The appointment of a Section 151 Officer is a statutory requirement.

5 Report Detail

- 5.1 Under s151 of the Local Government Act 1972, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs.
- 5.2 On 11 March 2021, Cannock Chase District Council appointed Mrs Fullagar as interim Head of Finance and s151 Officer following the appointment of the previous postholder as interim Managing Director of Cannock Chase District Council. Council confirmed Mrs Fullagar as Stafford Borough Council's interim s151 officer at its meeting on 17 May 2021.
- 5.3 Having been in the role for the last 10 months Mrs Fullagar has indicated that, for personal reasons, she does not wish to continue in the interim roles and is content to return to her substantive post of Chief Accountant.
- 5.4 In order to ensure that the Council has sufficient financial expertise and to meet its statutory requirements, it has been necessary to appoint an interim Head of Finance, Mr Tim Willis, on a part-time basis.
- 5.5 Council is asked to approve the appointment of Mr Willis, as the interim Section 151 Officer for Stafford Borough Council as part of the existing shared service arrangements.
- 5.6 As Mr Willis, is only working on a part-time basis, Mrs Fullagar has agreed to act as his deputy on an interim basis to ensure that there is sufficient senior finance advice and support available for the Council.
- 5.7 The arrangements set out above are interim. As the Head of Finance is a shared post, employed by Cannock Chase District Council, when the position is advertised on a permanent basis a joint recruitment process will be undertaken.

6 Implications

6.1	Financial	The costs of the proposed interim arrangements are to be contained within the existing approved budget.
	Legal	The legal implications have been referred to throughout the report.
	Human Resources	As outlined in the report
	Human Rights Act	None
	Data Protection	None
	Risk Management	None
6.2	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.
--	---

Previous Consideration – Council – 17 May 2021 – Minute No C16/21

Background Papers - File held at CCDC

ITEM NO 9**ITEM NO 9**

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

COUNCIL**1 FEBRUARY 2022****General Fund Revenue Budget and Capital Programme 2022-25**

The following report was considered by Cabinet at its meeting held on 13 January 2022 and Resources Scrutiny Committee on 18 January 2022 and is submitted to Council for approval.

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 Recommendation

- 2.1 Council considers and notes the following decision of the Cabinet and records any comments they wish to make

Decision of the Cabinet:-

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	<u>(3,372.30)</u>
	<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.
--	---

Previous Consideration

Cabinet - 13 January 2022 - Minute No CAB42/22
--

Resources Scrutiny Committee - 18 January 2022 - Minute No TBC
--

Background Papers - Files available in Financial Services
--

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)
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
		<u>30</u>

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
		<u>31</u>

2024/25 Change

	£'000	£'000
<u>Inflation</u>		
Pay Award 2%		10
Utilities Uplift		1
		<u>11</u>
<u>Real Term Variations</u>		
Increase in Superannuation		8
		<u>8</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
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)
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	-35	-
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	-58	-288
Garden Waste - enhanced take up	450	
Garden Waste permits - new	60	
Garden waste income - enhanced take up	-743	-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	-58	-311
Garden Waste - enhanced take up	306	
Garden Waste permits - new	60	
Garden waste income - enhanced take up	-757	-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)
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)
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

COUNCIL					
1 FEBRUARY 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

COUNCIL						
1 FEBRUARY 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

<p style="text-align: center;">COUNCIL</p> <p style="text-align: center;">1 FEBRUARY 2022</p> <p style="text-align: center;">General Fund Revenue Budget and Capital Programme 2022-25</p>

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

COUNCIL
1 FEBRUARY 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

<p style="text-align: center;">COUNCIL</p> <p style="text-align: center;">1 FEBRUARY 2022</p> <p style="text-align: center;">General Fund Revenue Budget and Capital Programme 2022-25</p>

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

<p style="text-align: center;">COUNCIL 1 FEBRUARY 2022 General Fund Revenue Budget and Capital Programme 2022-25</p>

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	<p>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.</p>
<ul style="list-style-type: none"> Volatility in Business Rates 	High	<p>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.</p>

ITEM NO 10**ITEM NO 10**

Report of:	Interim Head of Finance
Contact Officer:	Emma Fullagar
Telephone No:	01785 619241
Ward Interest:	Nil
Report Track:	Audit and Accounts 18/01/2022 Council 01/02/2022

COUNCIL
1 FEBRUARY 2022
Annual Treasury Management Report 2020/21

The following report was considered by the Audit and Accounts Committee at its meeting held on 18 January 2022 and is submitted to Council for approval.

1 Purpose of Report

- 1.1 To update members on treasury management activity and performance during the 2020/21 financial year.

2 Recommendation

- 2.1 To note the annual treasury management report for 2020/21;
- 2.2 To approve the actual 2020/21 prudential and treasury indicators set out in the **APPENDIX**.

3 Key Issues and Reasons for Recommendation

- 3.1 Treasury management activity and performance during the 2020/21 financial year.

4 Relationship to Corporate Business Objectives

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

5 Report Detail

Background

- 5.1 This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2020/21. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).
- 5.2 During 2020/21 the minimum reporting requirements were that the full Council should receive the following reports:
- an annual treasury strategy in advance of the year
 - a mid-year (minimum) treasury update report
 - an annual review following the end of the year describing the activity compared to the strategy (this report)
- 5.3 The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.
- 5.4 This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Audit and Accounts Committee before they were reported to the full Council. Training has been undertaken by members of the Audit and Accounts Committee and further training will be arranged as required.

The Council's Capital Expenditure and Financing

- 5.5 The Council undertakes capital expenditure on long-term assets. These activities may either be:
- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
 - If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.
- 5.6 The actual capital expenditure forms one of the required prudential indicators. This is detailed in the appendix.

The Council's Overall Borrowing Need

- 5.7 The Council's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR).

- 5.8 **Gross borrowing and the CFR** - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2020/21) plus the estimates of any additional capital financing requirement for the current (2021/22) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allowed the Council some flexibility to borrow in advance of its immediate capital needs in 2020/21. The table in the appendix highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.
- 5.9 **The authorised limit** - the authorised limit is the "affordable borrowing limit" required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table in the appendix demonstrates that during 2020/21 the Council has maintained gross borrowing within its authorised limit.
- 5.10 **The operational boundary** – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.
- 5.11 **Actual financing costs as a proportion of net revenue stream** - 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.

Treasury Position as at 31 March 2021

- 5.12 At the beginning and the end of 2020/21 the Council's treasury, (excluding borrowing by PFI and finance leases), position was as follows:

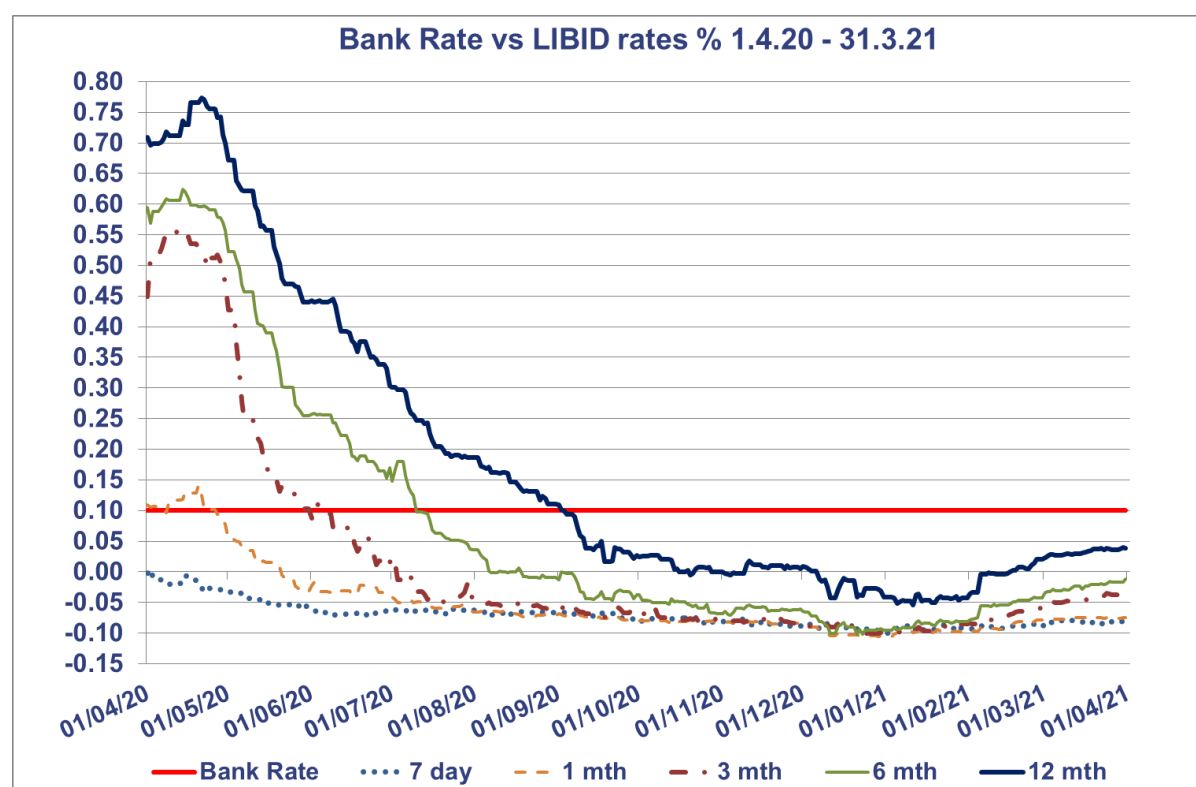
Debt Portfolio	31 March 2020 Principal	Rate/ Return	Average Life (yrs)	31 March 2021 Principal	Rate/ Return	Average Life (yrs)
Total debt (PWLb)	£0m			£0m		
CFR	£4.8m			£4.4m		
Over / (under) borrowing	(£4.8m)			(£4.4m)		
Total investments	£35.3m	0.81%	0.24	£41.0m	0.21%	0.12
Net investments	£35.3m			£41.0m		

5.12.1 The following table sets out the Council's investments held at 31 March 2021:

Counterparty	Start Date	End Date	Value (£)	Rate %
Santander UK	180 Day Notice		6,000,000	0.58
Aberdeen GBP Liquidity Fund	Money Market Fund		6,000,000	0.01
Federated Prime Fund Class	Money Market Fund		6,000,000	0.01
Deutsche Bank	Money Market Fund		1,000,000	0.00
Invesco	Money Market Fund		4,000,000	0.01
Morgan Stanley	Money Market Fund		1,000,000	0.01
Handelsbanken	Call Account		6,000,000	0.02
Helaba	22/02/2021	24/05/2021	5,000,000	0.05
Helaba	22/03/2021	22/09/2021	1,000,000	0.12
Natwest (RFB)	22/01/2021	22/07/2021	2,000,000	0.03
Bank of Scotland (RFB)	19/01/2020	19/04/2021	3,000,000	0.01
			41,000,000	

5.13 All investments in the portfolio have a maturity of under 1 year.

Investment strategy and control of interest rate risk



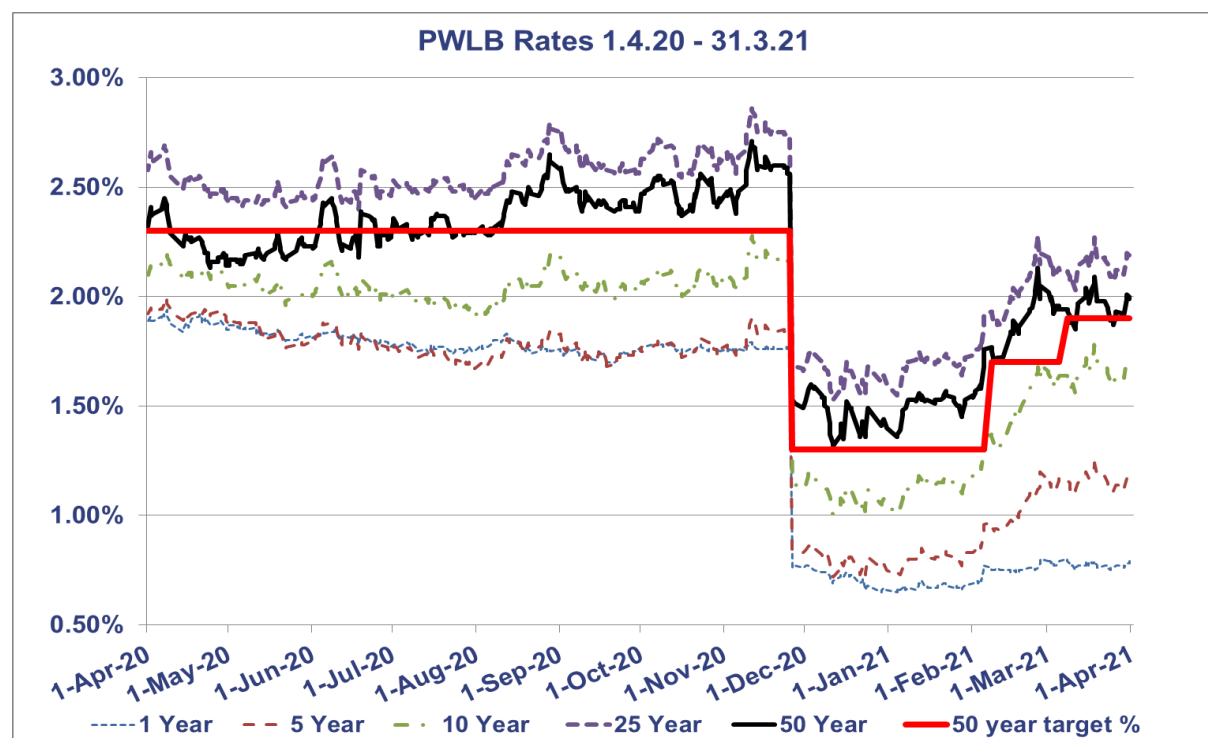
	Bank Rate	7 day	1 mth	3 mth	6 mth	12 mth
High	0.10	0.00	0.14	0.56	0.62	0.77
High Date	01/04/2020	02/04/2020	20/04/2020	08/04/2020	14/04/2020	21/04/2020
Low	0.10	-0.10	-0.11	-0.10	-0.10	-0.05
Low Date	01/04/2020	31/12/2020	29/12/2020	23/12/2020	21/12/2020	11/01/2021
Average	0.10	-0.07	-0.05	0.01	0.07	0.17
Spread	0.00	0.10	0.25	0.66	0.73	0.83

- 5.14 Investment returns which had been low during 2019/20, plunged during 2020/21 to near zero or even into negative territory. Most local authority lending managed to avoid negative rates and one feature of the year was the growth of inter local authority lending. The expectation for interest rates within the treasury management strategy for 2020/21 was that Bank Rate would continue at the start of the year at 0.75 % before rising to end 2022/23 at 1.25%. This forecast was invalidated by the Covid-19 pandemic bursting onto the scene in March 2020 which caused the Monetary Policy Committee to cut Bank Rate in March, first to 0.25% and then to 0.10%, in order to counter the hugely negative impact of the national lockdown on large swathes of the economy. The Bank of England and the Government also introduced new programmes of supplying the banking system and the economy with massive amounts of cheap credit so that banks could help cash-starved businesses to survive the lockdown. The Government also supplied huge amounts of finance to local authorities to pass on to businesses. This meant that for most of the year there was much more liquidity in financial markets than there was demand to borrow, with the consequent effect that investment earnings rates plummeted.
- 5.15 While the Council has taken a cautious approach to investing, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.
- 5.16 Investment balances have been kept to a minimum through the agreed strategy of using reserves and balances to support internal borrowing, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing and investment rates as illustrated in the charts shown above and below. Such an approach has also provided benefits in terms of reducing the counterparty risk exposure, by having fewer investments placed in the financial markets

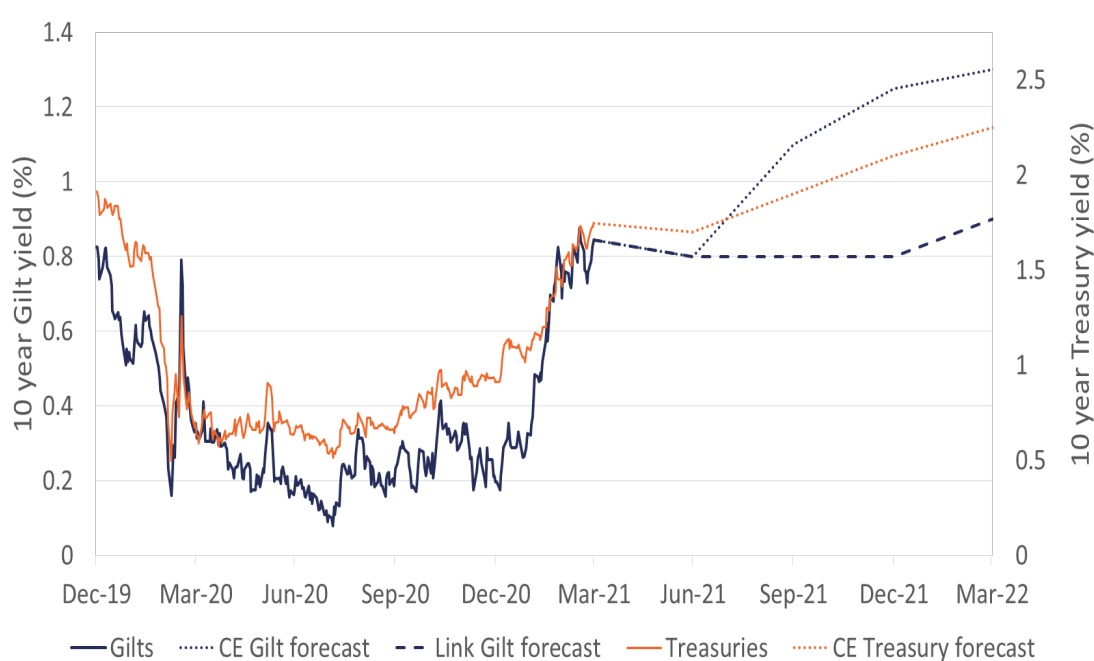
Borrowing strategy and control of interest rate risk

- 5.17 During 2020-21, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were low and minimising counterparty risk on placing investments also needed to be considered.
- 5.18 A cost of carry remained during the year on any new long-term borrowing that was not immediately used to finance capital expenditure, as it would have caused a temporary increase in cash balances; this would have incurred a revenue cost – the difference between (higher) borrowing costs and (lower) investment returns.
- 5.19 The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this was kept under review to avoid incurring higher borrowing costs in the future when this authority may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.
- 5.20 Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Head of Finance therefore monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks:
- if it had been felt that there was a significant risk of a sharp FALL in long and short term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings would have been postponed, and potential rescheduling from fixed rate funding into short term borrowing would have been considered.
 - if it had been felt that there was a significant risk of a much sharper RISE in long and short term rates than initially expected, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position would have been re-appraised. Most likely, fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.
- 5.21 Interest rate forecasts expected only gradual rises in medium and longer term fixed borrowing rates during 2020/21 and the two subsequent financial years. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period.

Link Group Interest Rate View		8.3.21												
		Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE		0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month ave earnings		0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 month ave earnings		0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 month ave earnings		0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5 yr PWLB		1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.40	1.40	1.40	1.40
10 yr PWLB		1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.80	1.80	1.90	1.90	1.90	1.90
25 yr PWLB		2.10	2.10	2.10	2.20	2.30	2.30	2.30	2.40	2.40	2.50	2.50	2.50	2.50
50 yr PWLB		1.90	1.90	1.90	2.00	2.10	2.10	2.10	2.20	2.20	2.30	2.30	2.30	2.30



- 5.22 PWLB rates are based on, and are determined by, gilt (UK Government bonds) yields through HM Treasury determining a specified margin to add to gilt yields. The main influences on gilt yields are Bank Rate, inflation expectations and movements in US treasury yields. Inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation and the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. This has pulled down the overall level of interest rates and bond yields in financial markets over the last 30 years. We have seen over the last two years, many bond yields up to 10 years in the Eurozone turn negative on expectations that the EU would struggle to get growth rates and inflation up from low levels. In addition, there has, at times, been an inversion of bond yields in the US whereby 10 year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession.



- 5.23 Gilt yields fell sharply from the start of 2020 and then spiked up during a financial markets melt down in March caused by the pandemic hitting western countries; this was rapidly countered by central banks flooding the markets with liquidity. While US treasury yields do exert influence on UK gilt yields so that the two often move in tandem, they have diverged during the first three quarters of 2020/21 but then converged in the final quarter. Expectations of economic recovery started earlier in the US than the UK but once the UK vaccination programme started making rapid progress in the new year of 2021, gilt yields and PWLB rates started rising sharply as confidence in economic recovery rebounded. Financial markets also expected Bank Rate to rise quicker than in the forecast tables in this report.
- 5.24 At the close of the day on 31 March 2021, all gilt yields from 1 to 5 years were between 0.19 – 0.58% while the 10-year and 25-year yields were at 1.11% and 1.59%.
- 5.25 HM Treasury imposed two changes of margins over gilt yields for PWLB rates in 2019/20 without any prior warning. The first took place on 9 October 2019, adding an additional 1% margin over gilts to all PWLB period rates. That increase was then, at least partially, reversed for some forms of borrowing on 11 March 2020, but not for mainstream non-HRA capital schemes. A consultation was then held with local authorities and on 25 November 2020, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates; the standard and certainty margins were reduced by 1% 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 new 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)

There is likely to be only a gentle rise in gilt yields and PWLB rates over the next three years as Bank Rate is not forecast to rise from 0.10% by March 2024 as the Bank of England has clearly stated that it will not raise rates until inflation is sustainably above its target of 2%; this sets a high bar for Bank Rate to start rising.

Borrowing Outturn

- 5.26 **Borrowing** - Due to investment concerns, both counterparty risk and low investment returns, no borrowing was undertaken during the year.

Investment Outturn

- 5.27 **Investment Policy** - the Council's investment policy is governed by MHCLG guidance, which has been implemented in the approved annual investment strategy. This policy sets out the approach for choosing investment counterparties and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc).
- 5.28 The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.
- 5.29 **Resources** – the Council's cash balances comprise revenue and capital resources and cash flow monies. The Council's core cash resources comprised as follows:

Balance Sheet Resources (£m)	31 March 2020	31 March 2021
	£'000	£'000
Earmarked Fund balances / reserves	19,888	25,239
Unallocated Reserves	226	395
Capital receipts	2,242	1,399
Capital grants		3,191
Provisions	2,693	3,170
Other S106 capital	2,808	2,842
Other S106 revenue		1,415
Total	27,857	37,651

5.30 Investments held by the Council

- The Council maintained an average balance of £47.8.m of internally managed funds.
- The internally managed funds earned an average rate of return of 0.21%.
- Total investment income was £100,676 compared to a budget of £100,000.

- 5.31 Due to the unforeseen Government grants to assist in dealing with the coronavirus outbreak, balances were held with Barclays were temporarily in excess of £6m to ensure the council had adequate liquidity to make the grant payments out swiftly.

6 Implications		
6.1	Financial	Included in the report
	Legal	Nil
	Human Resources	Nil
	Human Rights Act	Nil
	Data Protection	Nil
	Risk Management	Included in the report
6.2	Community Impact Assessment Recommendations	Impact on Public Sector Equality Duty: Nil Wider Community Impact: Nil
Previous Consideration - Audit and Accounts Committee - 18 January 2022 - Minute No TBC		
Background Papers - Available in Financial Services		

APPENDIX 1

<p style="text-align: center;">COUNCIL 1 FEBRUARY 2022 Annual Treasury Management Report 2020/21</p>

1. PRUDENTIAL INDICATORS	2019/20	2020/21	2020/21
	Actual	Estimate	Actual
	£'000	£'000	£'000
Capital Expenditure	2,894	5,642	5,005
Ratio of financing costs to net revenue stream	-0.2%	1.1%	-0.3%
Gross borrowing requirement – Finance leases	2,301	2,049	2,049
Gross debt	0	0	0
Capital Financing Requirement as at 31 March	4,786	4,412	4,434
Annual change in Cap. Financing Requirement	-356	-374	-352
2. TREASURY MANAGEMENT INDICATORS			
Authorised Limit for external debt -	8,445	7,534	7,534
Operational Boundary for external debt	5,445	4,534	4,534
Actual external debt	0	0	0

Maturity structure of fixed rate borrowing during 2020/21	upper limit	lower limit
under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

APPENDIX 2

COUNCIL
1 FEBRUARY 2022
Annual Treasury Management Report 2020/21

The following table sets out an analysis of investments held at 31 March 2021 (together with a comparator at 31 March 2020).

INVESTMENT PORTFOLIO	Actual 31.3.20	Actual 31.3.20 %	Actual 31.3.21	Actual 31.3.21 %
Money Market Funds	£18.3m	52%	£18.0m	44%
Banks	£12.0m	34%	£23.0m	56%
Local authorities	£5.0m	14%	£0.0m	0%
TOTAL TREASURY INVESTMENTS	£35.3m	100%	£41.0m	100%

ITEM NO 11**ITEM NO 11**

Report of:	Interim 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

COUNCIL**1 FEBRUARY 2022****Treasury Management Strategy, Minimum Revenue Provision Policy, Annual Investment Strategy 2022/23**

The following report was considered by Cabinet at its meeting held on 13 January 2022 and Audit and Accounts Committee on 18 January 2022 and is submitted to Council for approval.

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 for approval by Council:-

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

- 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

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

5 Report Detail

Background

- 5.1 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 1 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 3 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 November 2020, 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 March 2023.
- 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
----------	---------------------

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.
------------------------	---

6.2	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.
--	---

Previous Consideration

Cabinet - 13 January 2022 - Minute No CAB43/22

Audit and Accounts Committee - 18 January 2022 - Minute No TBC

Background Papers - File available in Financial Services

COUNCIL**1 FEBRUARY 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

COUNCIL

1 FEBRUARY 2022

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

	Minimum Credit Criteria / Colour Band	Max % of total investments/ £ limit per institution	Max. Maturity Period
Money Market Funds LNVAV	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.

COUNCIL**1 FEBRUARY 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.**

COUNCIL

1 FEBRUARY 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.

COUNCIL

1 FEBRUARY 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 12**ITEM NO 12**

Report of:	Head of Operations
Contact Officer:	Katie McKinney
Telephone No:	01785 619100
Ward Interest:	Nil
Report Track:	Council 01/02/2022 (Only)

COUNCIL
1 FEBRUARY 2022
Charitable Collections Policy 2021 (House to House Collections and Street Collections in Stafford Borough)

1 Purpose of Report

- 1.1 The Council is required to hold a Policy which regulates Street Collections and House to House Collections in Stafford Borough.
- 1.2 This report includes the results of the formal consultation, held from 1 November to 1 December 2021.

2 Recommendation

- 2.1 That Council approves that the Policy be implemented on 2 February 2022.
- 2.2 To allow delegation to the Head of Operations in consultation with the Head of Law and Administration and Cabinet Member for the Environment to make minor modifications to reflect changes in legislation or case law or to promote efficient administration in the licensing function without any other consultation if appropriate.

3 Key Issues and Reasons for Recommendation

- 3.1 The Council currently has a 'Street Collection Policy' which was produced in 2011.
- 3.2 This Policy only covered Street Collections and did not consider House to House Collections, which are also licensable.

Stafford Borough Council is responsible for licensing charitable collections, which fall into two categories: House to House collections for money or property and Street Collections, which include collections for cash or the sale of articles in the street. Please note, if articles are sold for any form of personal gain or as a commercial activity then a Street Trading Consent will be required.

- 3.3 The licensing of charitable collections is regulated by two separate Acts of Parliament: The '**Police, Factories, etc (Miscellaneous Provisions) Act 1916**' as amended by schedule 29 of the Local Government Act 1972 which regulates collections of money or sales of articles for charitable purposes in street and public places and the '**House to House Collections Act 1939**' which regulates collections of money or other articles made by means of going from house to house. Both Acts give Local Authorities powers to implement policies to control charitable collections.
- 3.4 The recommendation is that Council approves the Policy for implementation.

4 Relationship to Corporate Business Objectives
--

- 4.1 The revised Charitable Collections Policy takes account of and seeks to promote the following Council's Corporate Business Objective –

Corporate Business Objective 2

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

5 Report Detail

- 5.1 The Council's Street Collections Policy is ten years old and has not been updated to include House to House Collections, both of which take place frequently in Stafford Borough.
- 5.2 The reviewed Charitable Collections Policy is attached as a **BOOKLET**.
- 5.3 This report summarises the formal consultation which was held between 1 November and 1 December 2021. Consultees included Staffordshire Police, current and recent licence holders, the Chamber of Commerce, Town Centre Partnership, local town and parish councils, plus surrounding local authorities, Members of Parliament, national and local charities, elected members and other responsible bodies such as Environmental Health, Staffordshire Fire and Rescue Service, planning and the Community Safety Partnership at SBC. The consultation was publicised on Stafford Borough Council's website and a copy of the draft Policy was available to review.

- 5.4 There were only 2 responses received from the consultation; one was a positive reinforcement of the Policy from a member of the public.

In relation to the second response, the points raised, and responses are below:

Under Section 4. Street Collections -

"4.1. This paragraph needs to be amended to take account of the fact that we are rapidly becoming a cashless society and the majority of payments are made by credit or debit card." - No action to be taken on this; it is up to the collector and the public as to how they make a donation.

Under section 5. House to House Collections -

"5.2. This paragraph needs to be amended to take account of the fact that we are rapidly becoming a cashless society and the majority of payments are made by credit or debit card." - No action to be taken on this; it is up to the collector and the public as to how they make a donation.

"A lot of duplicated language designed to cover every base possible but not too user friendly on the eye as rules for street collections and house to house which I would assume are the same thing?" Street Collections and House to House Collections are not the same thing as they have different regulations and their own processes.

"A couple of stand outs for me are that street collections can only be completed on a Saturday and only be granted maximum of twice each year. Collectors can only stand a minimum of 25 meters apart unless following a procession. (most collectors double up so who would know that rule)?"

This point has potentially been misunderstood. Street Collections have always been licensed on a Saturday to limit potential 'bombardment' of people collecting in the street; footfall on Saturdays can be generally higher and therefore charities will benefit from this. The limit of 2 per year is to allow fairness to all charities. The collecting areas and tins, etc. need to be separated out; it doesn't matter about the collector themselves. (Appendix A, point 10 (b) of Policy document)

"There are plenty of rules that your regular householders would not be aware of and this could do with being a simplified. A good practice would be for the council to provide a schedule of authorised collections and make it accessible for householders to check and validate with some basic bullet points of clarity."

This point has been noted - this will be taken into consideration as referenced in the Community Impact Assessment. We shall look to implement a system within our current process to generate a schedule of collections and make this available to the public to promote confidence in these collections.

- 5.5 The final decision on the policy will be taken by Full Council on 1 February 2022 and will be implemented on 2 February 2022 if approved.

- 5.6 The revised policy will be clearly signposted on the Council's website.
- 5.7 The amended policy, upon adoption by the Council, will be reviewed every 5 years. However, it will be the subject of continuous evaluation and, if necessary, reviewed at any time. At the time of any substantive review all relevant individuals and organisations will again be consulted, however, approval will be sought by Full Council that the Head of Operations in consultation with the Head of Law and Administration and the Cabinet Member for the Environment may make minor modifications to reflect any change in legislation or case law or to promote efficient administration of the licensing function without consultation if appropriate.
- 5.8 The general principles of both Street Collections and House to House Collections, including the Regulations for each, are included in the Charitable Collections Policy.

6 Implications	
6.1 Financial	None
Legal	The Legal implications are set out in the body of the report.
Human Resources	None
Human Rights Act	None
Data Protection	None
Risk Management	None
6.2 Community Impact Assessment Recommendations	<p>Impact on Public Sector Equality Duty: The onus is on the charities themselves to vet their collectors and ensure they are fit and proper.</p> <p>Wider Community Impact: A number can be given to charities that puts concerned customers through to Licensing to verify permits for collections. The feasibility of adding an official SBC document to be generated along with the licence in case of concerns will be looked at and implemented if appropriate.</p>
Previous Consideration - Nil	
Background Papers - File available in Licensing	

Charitable Collections Policy 2021

**(House to House Collections and Street Collections in
Stafford Borough)**



Contents

1	Introduction	1
2	Purpose of the Policy	2
3	Equality and Diversity, Crime and Disorder and GDPR	3
	Equalities and Diversity	3
	Crime and Disorder Act 1998	3
	General Data Protection Regulation	3
4	Street Collections	4
	General Principles	4
	Application	5
	Direct Debit collections	6
5	House to House Collections	7
	General Principles	7
	Application Procedure	8
	Appendix A	12
	Street Collection Legislation: Police, Factories etc (Miscellaneous Provisions) Act 196	12
	Appendix B	16
	House to House Collections Act 1939 and House to House Collections Regulations 1947 (As Amended)	16
	Appendix C	23
	Plan of Stafford Borough, including maps of Stafford, Stone and Eccleshall	23

1 Introduction

- 1.1 Stafford Borough Council is situated in Stafford, the County Town of Staffordshire, which comprises 8 district Councils and Stoke-on-Trent, a Unitary Authority. The Council area has a population of approximately 135,880, covers 230 square miles and has 3 main town centre areas: Stafford, Stone and Eccleshall.
- 1.2 Stafford Borough Council (“the Council”) is responsible for licensing charitable collections within the Borough of Stafford. Charitable Collections fall into two categories: House to House collections for money or property and Street Collections, which include collections for cash or the sale of articles in the street. If articles are sold for any form of personal gain or as a commercial activity then a Street Trading Consent will be required.
- 1.3 The licensing of charitable collections is regulated by two separate Acts of Parliament: The ‘**Police, Factories, etc. (Miscellaneous Provisions) Act 1916**’ as amended by schedule 29 of the Local Government Act 1972 which regulates collections of money or sales of articles for charitable purposes in street and public places and the ‘**House to House Collections Act 1939**’ which regulates collections of money or other articles made by means of going from house to house. Both Acts give Local Authorities powers to implement policies to control charitable collections.
- 1.4 This policy document forms the Council’s Charitable Collections Policy (“local policy”) that will apply to Street Collections and House to House Collection activities in Stafford Borough.
- 1.5 The policy consultation took place between 1 November 2021 and 1 December 2021.
- 1.6 List of persons and agencies consulted by this authority:
 - Staffordshire Police
 - Stafford Borough Council’s responsible authorities
 - Current and recent licence holders
 - Representatives of local businesses, including the Chamber of Commerce
 - Local residents and their representatives
 - Local town and parish councils, plus surrounding local authorities
 - Local Member of Parliament
 - National representation bodies
 - National and local charities
 - Local Community Safety Partnership
 - Elected members and departments of the Council
 - Town Centre Partnership

- 1.7 This policy, if approved by Council on 1 February 2022, will be implemented on 2 February 2022.

2 Purpose of the Policy

- 2.1 The purpose of the policy is to:

- Safeguard the interests of both public donors and beneficiaries;
- Facilitate well-organised collections by bona fide charitable Institutions and to ensure that good standards are met and to prevent unlicensed collections from taking place.
- Give detailed guidance for officers, members and potential applicants on the application of the law relating to charitable collections.
- Provide a clear idea of the requirements that charitable organisations, promoters and collectors must meet before, during and after collections take place.
- Detail the matters that will be taken into consideration when determining an application

- 2.2 This policy is designed to ensure that:

- People who wish to donate to charity, through Street Collections, are able to do so in good faith knowing that the money or products they donate will directly benefit the charity.
- There is transparency, consistency and fairness in determining applications; eligible requests are accommodated, subject to capacity and availability on certain days and locations.
- Applications are made in a timely way, neither too early nor too late
- Collectors operate within the law and act fairly in their dealings with the public
- Collections do not cause nuisance to the public
- Fair maximum limits for applicants are set
- A fair balance between local and national causes is achieved

- 2.3 This policy will be reviewed where there are any changes in legislation or where not, every five years.

3 Equality and Diversity, Crime and Disorder and GDPR

Equalities and Diversity

- 3.1 Through policies and service delivery, the Council's main aims for ensuring equality and diversity are to:
- Eliminate unlawful discrimination
 - Promote equality of opportunity
 - Promote good relations between diverse communities
- 3.2 A link to the Council's Equality and Diversity Strategy can be found here:
www.staffordbc.gov.uk/equalities-and-diversity1
- 3.3 A Community Impact Assessment for this policy has been carried out.

Crime and Disorder Act 1998

- 3.4 Under section 17 of the Crime and Disorder Act 1998 the Council has a statutory duty to do all it can to prevent crime and disorder within its area and is mindful of concerns about criminal activity such as fraud and money laundering.
- 3.5 The Council will work in partnership with licence holders, local businesses, responsible authorities, councillors and local people with the aid of promoting awareness of such matters.
- 3.6 Charitable collections and other town centre activity may be monitored by the Council's town centre CCTV.

General Data Protection Regulation

- 3.7 At Stafford Borough Council we take privacy seriously and will only keep and use personal information for reasons that the law requires or allows. We are a data controller for the personal information we hold in relation to the processing and renewals of licenses. For more information please see
www.staffordbc.gov.uk/PrivacyNotices
- 3.8 The Council shares information with partner organisations including the Police, Environmental Health, Home Office, Department of the Environment, Food and Rural Affairs (DEFRA), The National Anti-Fraud Network (NAFN) the County Council, DVSA and the National Fraud Initiative (NFI) in the interests of crime prevention and enforcement.

4 Street Collections

- 4.1 Raising money or selling goods for charity in the street or any other public place requires permission from Stafford Borough Council. These collections (usually referred to as “street collections”) most commonly take the form of a collector asking members of the public to make a donation in a collecting box. For these purposes, a “street” includes any highway and any public bridge, road, lane, footway, square, court, alley or passage, whether a thoroughfare or not.
- 4.2 The Council permits street collections in any of our three town centres; Stafford, Stone or Eccleshall. No collection shall be made in any street or public place within Stafford Borough unless a promoter shall have obtained from the Council, a permit.
- 4.3 Collections shall only be made on a **Saturday**.
- 4.4 The following exceptions to this policy will apply:
- Poppy Appeal collections organised by The Royal British Legion
 - “Children in Need” collections will be permitted on both the Friday and Saturday to coincide with the “Children in Need” appeal.

Further exceptions will be at the discretion of the Head of Service in consultation with the Cabinet Member for Environment.

- 4.5 Street Collections are covered by regulations made under the Police, Factories etc. (Miscellaneous Provisions) Act 1916 as amended by section 251, schedule 29 of the Local Government Act 1972. The regulations are attached at **Appendix A**.

General Principles

- 4.6 Charities must be registered with the Charity Commission or be a charitable organisation based within the Borough of Stafford or supporting residents of Stafford Borough.
- 4.7 Applications will normally be granted on a first come first served basis. No guarantee can be given that an organisation preferred collection date will be available or be allocated to that organisation.
- 4.8 No more than 2 Collections per charity per calendar year will be allowed in Stafford Borough.
- 4.9 Only 1 collection will be permitted at any one time.
- 4.10 The use of tables, stalls, trailers, vehicles or other displays or advertising, amplified music/speakers/megaphones in connection with a Street Collection

will only be allowed at the discretion of the Local Authority, following receipt of an official written request. The use of animals will only be permitted with the express consent of the Licensing Authority and with the necessary Public Liability Insurance in place and an animal activities licence.

- 4.11 Collectors must ensure they are distinguishable from the general public by the wearing of official badges and/or hi-vis vests or t-shirts etc. whilst collecting.
- 4.12 The issue of a street collection permit does not entitle the holder to collect in private or business premises without the consent of the management. Applicants are reminded that most major shopping precincts in the Borough are privately owned.
- 4.13 The conditions in this Policy will apply to all permits issued by the Licensing Team.

Application

- 4.14 An application for a Street Collection Permit must be made to the Council in writing on the prescribed application form no later than one month before the proposed collection date. The application period of one month may be reduced if there are special reasons for doing so.
- 4.15 Street Collection Permit Application forms may be downloaded from the Council's website together with a copy of the street collection regulations or alternatively obtained from the Council's Licensing Section at the following address:- Stafford Borough Council, Civic Centre, Riverside, Stafford, Staffordshire, ST16 3AQ or by calling 01785 619745 / emailing ehlicensing@staffordbc.gov.uk
- 4.16 The application form must be fully and correctly completed and accompanied by any required information.
- 4.17 The application form will need to include the location from which the organisation wishes to collect and the date of the collection. Alternative dates must be provided in case of clashes with other bookings.
- 4.18 Where the application is on behalf of a registered charity a letter of authority is required and this must accompany the application form.
- 4.19 Failure to provide the necessary information may result in an application being delayed or refused.
- 4.20 Applications will be considered by the Licensing Authority on their respective merits and the Licensing Authority will either:
 - Issue a permit specifying the requested date and location; or
 - Refuse to issue a permit.

- 4.21 Within one month after the date of any collection or sale the person, society, committee or other body of persons responsible for the collection shall forward to Stafford Borough Council's Licensing Section a statement in the form set out in the schedule to the regulations.

(If for any reason, the collection does not take place, return the statement annotated to this effect).

- 4.22 The proceeds of statement form must be certified by the auditor of the society or by some independent responsible person.
- 4.23 This statement of returns must detail the amount received, the expenses incurred in connection with such collection or sale.
- 4.24 Failure to submit a full statement of accounts as required by the regulations may prejudice any future applications made by an organisation for collection permits.
- 4.25 Where a street collection application has been refused, the applicant will be advised in writing of the reasons for refusal.
- 4.26 It is the responsibility of the person in whose name the permit is issued to ensure that the returns are made as laid down in the regulations and within the period specified.
- 4.27 There is no formal right of appeal against any decision made by the Council to grant or refused an application for a street collection permit, other than by way of Judicial Review. However, in the interest of fairness if an organisation is unhappy about the decision to refuse their application, they can request that the decision is reviewed. They should do so by writing to the Head of Operations, Stafford Borough Council, Civic Centre, Riverside, Stafford Staffordshire, ST16 3AQ.

Direct Debit collections

- 4.28 Direct Debit collections are where pledges are collected for direct debit donations. With the introduction of Stafford Borough's PSPO, which came into force on 7 December 2020, these collections are now prohibited in Stafford and Stone Town Centres. The Market Square, Stafford could be hired providing collectors stay within a designated area.

5 House to House Collections

- 5.1 House to House collections are currently regulated by the House to House Collections Act 1939 and the House to House Collections Regulations 1947. These regulations are attached as **Appendix B**. Licences for these collections are issued by Stafford Borough Council.
- 5.2 House to House collections involve the collection of either money or items directly from a person's property. They are a vital source of funds for many charities as they offer a positive opportunity for the public to support charities. However, they need to be carried out for the benefit of the charity and in accordance with the law.
- 5.3 There has been an increase in the number of bogus House to House collectors in the last few years and as such it is vital that licences are issued to legitimate applicants. This can give the public confidence that if the collection is licensed an adequate proportion of their donations are being given to the appropriate charity.
- 5.4 House to House collections for charitable, benevolent or philanthropic purposes, whether or not the purpose is charitable within the meaning of the rule of law, are required to be licensed by Stafford Borough Council as the Licensing Authority.
- 5.5 There are, however, National Exemption Orders that are available to charities who have undertaken a high number of collections across local authority areas nationally in the preceding two years. Exemption certificates are issued by the Cabinet Office directly and allow an organisation to collect in the Borough without applying for a licence from the Licensing Authority. The organisation will not be exempted from the regulations or provisions of the Act and the organisation must inform the Licensing Authority of the dates and wards of any planned collections.
- 5.6 For more information on Exemption Orders, please see www.gov.uk/government/publications/national-exemption-order-scheme

General Principles

- 5.7 Charities must be registered with the Charity Commission or be a charitable organisation based within the Borough of Stafford or providing support to residents of Stafford Borough.
- 5.8 Applications must be on behalf of charitable organisations; applications from private companies for commercial reasons will not be considered.
- 5.9 The maximum duration of any one collection will not exceed 12 months.

- 5.10 No collection shall be made other than on the time period specified on the permit.
- 5.11 No collection shall be made in a manner likely to inconvenience or annoy any person and no collector shall pester any person to the annoyance of such a person. No collection shall take place outside the hours of 9am to 7pm and doors should not be knocked at properties which display a sticker or sign which prohibits cold calling.
- 5.12 Collectors must ensure they are wearing official badges and/or hi-vis vests or t-shirts, etc. whilst collecting.
- 5.13 When granting a licence for a house-to-house collection, the Council must be satisfied the applicant is a fit and proper person to hold a House to House Collection Licence through submission of a declaration of convictions form.

In deciding whether an applicant is fit and proper where there are convictions/cautions the Council will take into consideration the following:-

- Whether the conviction is relevant
 - The seriousness of the offence
 - In accordance with the Rehabilitation of offenders Act 1974, the length of time since the offence occurred
 - Whether there is a pattern of offending behaviour
 - Whether that person's circumstances have changed since the offence occurred, and the circumstances surrounding the offence and the explanation offered by that person.
- 5.14 It is the responsibility of the applicant charity/organisation that collectors all have proof of right to work in the UK.

Application Procedure

- 5.15 Applications are to be made in writing no later than one calendar month before the house-to-house collection is due to take place. This period may be reduced if the Council are satisfied there are exceptional reasons for doing so.
- 5.16 Applications will be dealt with on a first come first served basis.
- 5.17 Failure to provide the necessary information may result in an application being delayed or refused.
- 5.18 Anyone wishing to conduct a House to House collection must complete the relevant application form, which can be downloaded from the Council's

website together with a copy of the street collection regulations or alternatively obtained from the Council's Licensing Section at the following address:- Stafford Borough Council, Civic Centre, Riverside, Stafford, Staffordshire, ST16 3AQ or by calling 01785 619745 / emailing ehlicensing@staffordbc.gov.uk

- 5.19 Applicants must supply information relating to:-
- Whether it is a registered charity (please state number), and the objectives of the charitable cause as supplied to the Charity Commission
 - A statement of the organisations aims as detailed in any literature
 - Details of the history of the organisation, i.e. when formed, names of trustees, directors, organisers etc.
 - Relevant accounts and financial statements of the organisation.
 - A written agreement between the applicant and organisation
 - A declaration of any previous refusals for House-to-House Collections
- 5.20 Applicants must also provide details of the following:-
- How much the charity will receive as part of the collection
 - The proportion, as a percentage, of the monies retained by the collector in respect of the running costs of the collection.
- 5.21 If the organisation has operated collections before a clear set of returns must be supplied.
- 5.22 Stafford Borough Council may, in granting a permit, limit the collection to such streets or areas or such parts thereof as it thinks fit and specified on the permit. Any applications that are granted a House-to-House collection permit these streets will be excluded from that permit. A map of Stafford Borough is provided at **Appendix C**.
- 5.23 Applicants will need to complete a declaration of convictions and submit this along with any application for a house-to-house collection licence.
- 5.24 Within one month after the date of any collection the person to whom a permit has been granted shall forward to Stafford Borough Council:-
- A statement in the form set out in the schedule to these regulations, or in a form to the like effect, showing the amount received and the expenses and payments and payments incurred in connection with such collection and certified by that person and a member of the receiving charity in the form of a letter headed response
 - List of collectors
 - List of the amounts collected in each collecting box

5.25 The Council may refuse to grant a licence or, where a licence has been granted, revoke that licence where it appears to the Council that:

- The total amount likely to be given for charitable purposes as the result of the collection (including any amount already given) is inadequate in proportion to the value of the proceeds likely to be received (including any proceeds already received)
- The remuneration by any person is excessive in relation to the total amount received or likely to be received (see 5.28)
- The grant of a licence would be likely to facilitate the commission of an offence under section three of the Vagrancy Act 1824, or that an offence under that section has been committed in connection with the collection
- The applicant or the holder of the licence is not a fit and proper person to hold a licence by reason of the fact that he has been convicted in the United Kingdom of any of the offences specified in the Schedule to this Act, or has been convicted in any part of Her Majesty's dominions of any offence conviction for which necessarily involved a finding that he acted fraudulently or dishonestly, or of an offence of a kind the commission of which would be likely to be facilitated by the grant of a Licence
- The applicant or the holder of the Licence, in promoting a collection in respect of which a Licence has been granted to him, has failed to exercise due diligence to secure that persons authorised by him to act as collectors for the purposes of the collection were fit and proper persons, to secure compliance on the part of persons so authorised with the provisions of regulations made under this Act, or to prevent prescribed badges or prescribed certificates of authority being obtained by persons other than persons so authorised or
- The applicant or holder of the licence has refused or neglected to furnish to the authority such information as they may have reasonably required for the purpose of informing themselves as to any of the matters specified in the foregoing paragraphs.

5.26 In addition, any action taken as a result of not complying with the House to House Collections Regulations would also be grounds for refusal.

5.27 In order for the Council to be confident that the amount being given to charity is proportionate, the financial information provided on the application form and on any returns has to be detailed and accurate. Failure to provide detailed and accurate financial information may result in an application being refused or delayed.

5.28 In deciding whether the amount given to charity is proportionate the Council will use the following as a guideline:-

- The Council understands there are costs associated with organising and carrying out a house-to-house collection; however the costs associated with any one collection need to be balanced against the perception of the public that all of the items or money they donate will be given to charity. **Therefore, the Council will consider refusing an application where less than 70% of the value of the collection is being donated to the charity named in the application.**
- It is also common practice for collectors to be paid by organisations to collect money and products. When determining the remuneration and whether it is excessive, the nature of the business and the overheads should be taken into account and balanced against the amount being given to the charity. The salaries received by directors and key employees should also be considered as part of this assessment. **Therefore the Council will give consideration to refusing an application where the amount of remuneration is greater than 30% of the value of the collection.**

5.29 If no previous returns have been supplied to the Council after previous licensed collections then any further applications are likely to be refused.

5.30 Any person aggrieved by the refusal to grant a licence or by the revocation of a licence already granted, may appeal against the decision within fourteen days of the date of the notice of refusal or revocation, as shown on the notice. Any appeal must be made to the relevant Secretary of State.

Appendix A

Street Collection Legislation: Police, Factories etc (Miscellaneous Provisions) Act 196

In pursuance to Section 5 of the Police, Factories etc. (Miscellaneous Provisions) Act 1916, as amended by Section 251 and Schedule 29 to the Local Government Act 1972, Stafford Borough Council hereby makes the following regulations with respect the places where and the conditions under which persons may be permitted in any street or public place within the Borough of Stafford to collect money or sell articles for the benefit of charitable or other purposes:-

1. In these Regulations, unless the context otherwise requires –
 - “collection” means a collection of money for the benefit of charitable or other purposes and the word “collector” shall be constructed accordingly;
 - “promoter” means a person who causes others to act as collectors;
 - “the licensing authority” means Stafford Borough Council;
 - “permit” means a permit for collection;
 - “contributor” means a person who contributes to a collection and includes a purchaser of articles for sale for the benefit of charitable or other purposes;
 - “collection box” means a box or other receptacle for the reception of money from contributors.
2. No collection, other than a collection taken at a meeting in the open air, shall be made in any street or public place within the Borough of Stafford unless a promoter shall have obtained from the Licensing Authority a permit.
3. Application for a permit shall be made in writing not later than one calendar month before the date on which it is proposed to make the collection; provided that the Licensing Authority may reduce the period of one month if satisfied that there are exceptional reasons for so doing.
4. No collection shall be made except upon the day stated in the permit.
5. The Licensing Authority may, in granting a permit, limit the collection to such streets or public places or such parts thereof as it thinks fit.
6. (1) No person may assist or take part in any collection without the written authority of a promoter.

- (2) Any person authorised under paragraph (1) above shall produce such written authority forthwith for inspection on being requested to do so by a duly authorised officer of the Licensing Authority or any police constable.
7. No collection shall be made in any part of the carriageway of any street which has a footway. Provided that the Licensing Authority may, if it thinks fit, allow a collection to take place on the said carriageway where such collection has been authorised to be held in connection with a procession.
8. No collection shall be made in a manner likely to inconvenience or annoy any person.
9. No collector shall importune any person to the annoyance of such person.
10. While collecting
- (a) a collector shall remain stationary; and
- (b) a collector or two collectors together shall not be nearer to another collector than 25 metres. Provided that the Licensing Authority may, if it thinks fit, waive the requirement of this Regulation in respect of a collection which has been authorised to be held in connection with a procession.
11. No promotor, collector or person who is otherwise connected with a collection shall permit a person under the age of sixteen years to act as a collector.
12. Where cash collections are taking place:-
- (1) Every collector shall carry a collecting box
- (2) All collecting boxes shall be numbered consecutively and shall be securely closed and sealed in such a way as to prevent them being opened without the seal being broken.
- (3) All money received by a collector from contributors shall immediately be placed in a collecting box.
- (4) Every collector shall deliver, unopened, all collecting boxes in his possession to a promoter.
13. A collector shall not carry or use any collecting box, receptacle or tray which does not bear displayed prominently thereon the name of the charity or fund which is to benefit nor any collecting box which is duly numbered.
14. (1) Subject to paragraph (2) below a collecting box shall be opened in the presence of a promoter and another responsible person.
-

- (2) Where a collecting box is delivered, unopened, to a bank, it may be opened by an official of the bank.
 - (3) As soon as a collecting box has been opened, the person opening it shall count the contents and shall enter the amount with the number of the collecting box on a list which shall be certified by that person.
- 15.(1) No payment shall be made to a collector.
- (2) No payment shall be made out of the proceeds of a collection, either directly or indirectly, to any other person connected with the promotion or conduct of such collection for, or in respect of, services connected therewith, except such payments as may have been approved by the Licensing Authority.
- 16.(1) Within one month after the date of any collection the person to whom a permit has been granted shall forward to the Licensing Authority –
- (a) A statement in the form set out in the Schedule to the Street Collection Regulations in the Borough or in a form to the like effect, showing the amount/pledges received and the expenses and payments incurred in connection with such collection, and certified by that person and a qualified accountant.
 - (b) A list of the collectors
 - (c) A list of the amounts contained in each collecting box and shall if required by the Licensing Authority satisfy it as to the proper application of the proceeds of the collection.
- (2) The said person shall also, within the same period, at the expense of that person and after a qualified accountant has given his certificate under paragraph (1)(a) above, publish in such newspaper or newspapers as the Licensing Authority may direct, a statement showing the name of the person to whom the permit has been granted, the area to which the permit relates, the name of the charity or fund to benefit, the date of the collection, the amount collected, and the amount of the expenses and payments incurred in connection with such collection.
- (3) The Licensing Authority may, if satisfied there are special reasons for so doing extend the period of one month referred to in paragraph (1) above.
- (4) For the purposes of this Regulation ‘a qualified accountant’ means a member of one or more of the following bodies:
- The Institute of Chartered Accountants in England and Wales

The Institute of Chartered Accountants of Scotland

The Association of Certified Accountants

The Institute of Chartered Accountants in Ireland

17. If a collection results in a sum of £500 or less being collected the Licensing Authority may if it thinks fit waive the requirements in Paragraph 16 (2), and paragraph 16 (4) of this regulation, that the statement of accounts shall be certified by a qualified accountant and waive the need to publish a notice in a newspaper as the Licensing Authority may direct a statement showing the name of the person to whom the permit has been granted, the area to which the permit relates, the name of the charity or fund to benefit, the date of the collection, the amount collected, and the amount of expenses and payments and substitute therefore a certificate signed by an independent person acceptable to the Licensing Authority.

18. These regulations shall not apply:

- (a) In respect of a collection taken at a meeting in the open air; or
- (b) To the selling of articles in any street or public place when the articles are sold in the ordinary course of trade
- (c) Any person who acts in contravention of any of the foregoing regulations shall be liable on summary conviction to a fine not exceeding level 1 on the standard scale.

Appendix B***House to House Collections Act 1939 and House to House Collections Regulations 1947
(As Amended)***

1. (1) These regulations may be cited as the House to House Collections Regulations 1947 and shall come into operation on the twenty-ninth day of December 1947.
- (2) These regulations shall not extend to Scotland.
2. (1) In these regulations, unless the context otherwise requires-
 - (a) 'The Act' means the House to House Collections Act 1939;
 - (b) 'chief promoter' in relation to a collection, means a person to whom a licence has been granted authorising him to promote that collection or in respect of whom an order has been made directing that he shall be exempt from the provisions of Subsection (2) or Section 1 of the Act as respects that collection.
 - (c) 'collecting box' means a box or other receptacle for monetary contributions, securely closed and sealed in such a way that it cannot be opened without breaking a seal;
 - (d) 'licence' means a licence granted by the Local Authority under section 2 of the Act
 - (e) 'order' means an order made by the Secretary of State under Section 3 of the Act
 - (f) 'prescribed badge' means a badge in the form set out in the Fourth Schedule to these regulations
 - (g) 'prescribed certificate of authority' means a certificate in the form set out in the Third Schedule to these regulations
 - (h) 'receipt book' means a book of detachable forms of receipt consecutively numbered with counterfoils or duplicates correspondingly numbered
 - (i) 'street collection' means a collection or sale to which regulations made under section 5 of the Police, Factories, etc. (Miscellaneous Provisions) Act 1916, apply
- (2) A mark shall for the purposes of these regulations be deemed to have been made on a collecting box if it is made on a wrapper securely gummed to the collecting box.

- (3) The Interpretation Act 1889 applies to the interpretation of these regulations as it applies to the interpretation of an Act of Parliament.
- 3 (1) Every certificate granted under subsection (4) of section 1 of the Act shall be in the form set out in the First Schedule to these regulations, and sections 5 and 6 and subsections (4) and (5) of section 8 of the Act shall be set forth on the back of every such certificate.
- (2) Where such a certificate is granted as aforesaid, the provisions of these regulations shall not apply, in relation to a collection made for the purpose specified on the certificate, within the locality and within the period so specified, to the person to whom the certificate is granted or to any person authorised by him to act as a collector for the purposes of that collection.
- 4. (1) An application for a licence shall be in the form set out in the Second Schedule to these regulations, and shall give the particulars there specified
- (2) An application for a licence or for an order shall be made not later than the first day of the month preceding that in which it is proposed to commence the collection.

Providing that the Licensing Authority, or as the case may be, the Secretary of State may grant the application notwithstanding that it was not made within the time required by this paragraph if satisfied that there are special reasons for so doing.

- 5. Every promoter of a collection shall exercise all due diligence.
 - (a) To secure that persons authorised to act as collectors for the purposes of the collection are fit and proper persons; and
 - (b) To secure compliance on the part of persons so authorised with the provisions of these regulations
- 6. (1) No promoter of a collection shall permit any person to act as a collector, unless he has issued or caused to be issued to that person: -
 - (a) A prescribed certificate of authority duly completed (except as regards the signature of the collector) and signed by or on behalf of the chief promoter of the collection
 - (b) A prescribed badge, having inserted therein or annexed thereto a general indication of the purpose of the collection; and
 - (c) If money is to be collected, a collecting box or receipt book marked with a clear indication of the purpose of the collection and a

distinguishing number, which indication and number shall in the case of a receipt book, also be marked on every receipt contained therein addition to the consecutive number of the receipt.

(2) Every promoter of a collection shall exercise all due diligence to secure-

(a) That no prescribed certificate of authority, prescribed badge, collecting box or receipt book is issued, unless the name and address of the collector to whom it is issued have been entered on a list showing in respect of any collecting box or receipt book the distinguishing number thereof; and

(b) That every prescribed certificate of authority, prescribed badge, collecting box or receipt book issued by him or on his behalf is returned when the collection is completed or when for any other reason a collector ceases to act as such.

(3) In the case of a collection in respect of which a licence has been granted-

(a) Every prescribed certificate of authority shall be given on a form obtained from Her Majesty's Stationery Office, and every prescribed badge shall be so obtained; and

(b) Every prescribed certificate of authority shall be authenticated, and the general indication on every prescribed badge of the purpose of the collection shall be inserted therein or annexed thereto in a manner approved by the Licensing Authority for the area in respect of which the licence was granted

7. Every collector shall:

(a) Sign his name on the prescribed certificate of authority issued to him and produce it on the demand of any police constable or of any occupant of a house visited by him for the purpose of collection

(b) Sign his name on the prescribed badge issued to him and wear the badge prominently whenever he is engaged in collecting; and

(c) Keep such certificate and badge in his possession and return them to a promoter of the collection on replacement thereof or when the collection is completed or at any other time on the demand of a promoter of the collection.

8. No person under the age of 16 years shall act or be authorised to act as a collector of money

9. No collector shall importune any person to the annoyance of such person,

or remain in, or at the door of, any house if requested to leave by any occupant thereof

10. (1) Where a collector is collecting money by means of a collecting box, he shall not receive any contribution save by permitting the person from whom it is received to place it in a collecting box issued to him by a promoter of the collection.
- (2) Where as collector is collecting money by other means than a collecting box, he shall upon receiving a contribution from any person, forthwith and in the presence of such person enter on a form of receipt in a receipt book issued to him by a promoter of the collection and on the corresponding counterfoil or duplicate, the date, the name of the contributor and the amount contributed, and shall sign the form of receipt, the entries and signature being in ink or indelible pencil, and shall hand the form of receipt to the person from whom he received the contribution.
11. Every collector, to whom a collecting box or receipt book has been issued, shall –
 - (a) When the collecting box is full or the receipt book is exhausted or
 - (b) Upon the demand of a promoter of the collection or
 - (c) When he does not desire to act as a collector or
 - (d) Upon the completion of the collectionreturn to a promoter of the collection that collecting box with the seal unbroken or that receipt book with a sum equal to the total amount of the contributions (if any) entered therein.
12. (1) Subject as provided in paragraph (2) of this regulation, a collecting box when returned shall be examined by, and if it contains money, be opened in the presence of, a promoter of the collection and another responsible person.
- (2) Where a collection box is delivered unopened to a bank, it may be examined and opened by an official of the bank in the absence of a promoter of the collection.
- (3) As soon as a collecting box has been opened, the contents shall be counted and the amount shall be entered with the distinguishing number of the collecting box in a list which shall be certified by the persons making the examination.
- (4) Every receipt book when returned and all sums received therewith

shall be examined by a promoter of the collection and another responsible person, and the amount of the contributions entered in the receipt book shall be checked with the money and entered with the distinguishing number of the receipt book on a list, which shall be certified by the persons making the examination.

13. (1) Where the promoter of a collection to whom an order has been granted informs the Secretary of State that he desires to promote an envelope collection, and the Secretary of State is of opinion that the collection is for charitable purposes of major importance and is suitably administered, the Secretary of State may, if he thinks fit, give permission for the promotion of an envelope collection.
- (2) Where an envelope collection is made in accordance with this regulation.
 - (a) Every envelope used shall have a gummed flap by means of which it can be securely closed.
 - (b) No collector shall receive a contribution except in an envelope which has been so closed; and
 - (c) These regulations shall have effect subject to the following modifications: -
 - (i) sub-paragraph (c) of paragraph (1) of regulation 6 shall not apply;
 - (ii) regulation 10 shall not apply
 - (iii) regulation 11 and 12 shall have effect as if each envelope in which a contribution is received were a collecting box;
 - (iv) in regulation 11 for the words 'with the seal unbroken' there shall be substituted the word 'unopened';
 - (v) in paragraph (3) of regulation 12 for the words 'As soon as a collecting box has been opened' there shall be substituted the words 'As soon as the envelope has been opened' and the words 'with the distinguishing number of the collecting box shall be omitted.
- (3) In this regulation 'envelope collection' means a collection made by persons going from house to house leaving envelopes in which money may be placed and which are subsequently called for.

14. (1) The chief promoter of a collection in respect of which a licence has been granted shall furnish an account of the collection to the licence authority by which the licence was granted within one month of the expiry of the licence.

Provided that if licences are granted to the same person for collections to be made for the same purpose in more than one licensing area a combined account of the collections made in all or any of those licensing areas may, by agreement between the chief promoter and the respective licensing authorities be made only to such of the respective licensing authorities as may be so agreed.

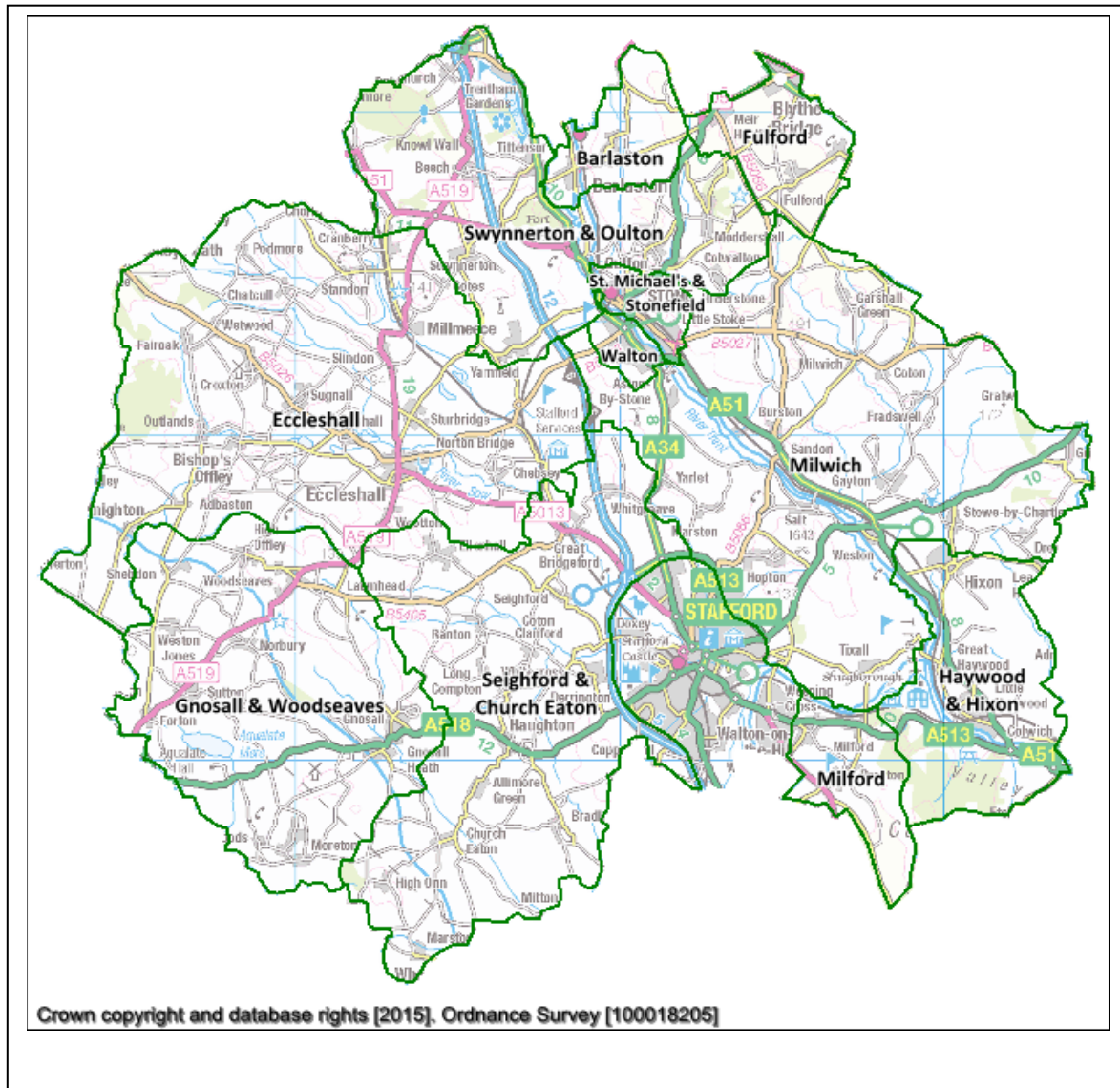
- (2) The chief promoter of a collection in respect of which an order has been made shall furnish an account annually to the Secretary of State so long as the order remains in force, and if the order is revoked a final account shall be furnished within three months of the date of the revocation of the order.
- (3) The police authority or the Secretary of State may extend the period within which an account is required to be furnished to the authority or to him, as the case may be, if satisfied that there are special reasons for so doing.
- (4) The chief promoter of a collection which is made in connection in whole or in part with a street collection of which an account is required to be furnished to a licensing authority by regulations made under section 5 of the Police, Factories, etc. (Miscellaneous Provisions) Act 1916, may, if the said licensing authority agrees, combine the accounts of the house to house collection, in so far as it is made in connection with the street collection, with the accounts of the street collection and the amount so included in the combined account not be required to form part of the account required to be furnished under paragraph (1) or, as the case may be, paragraph (2) of this regulation, so, however that in the case of an account furnished under the said paragraph (2) the account shall show in addition to an account in respect of moneys received from house to house collections not made in connection with a street collection, a statement showing the total proceeds of all combined collections, the total expenses and the balance applied to charitable purposes.

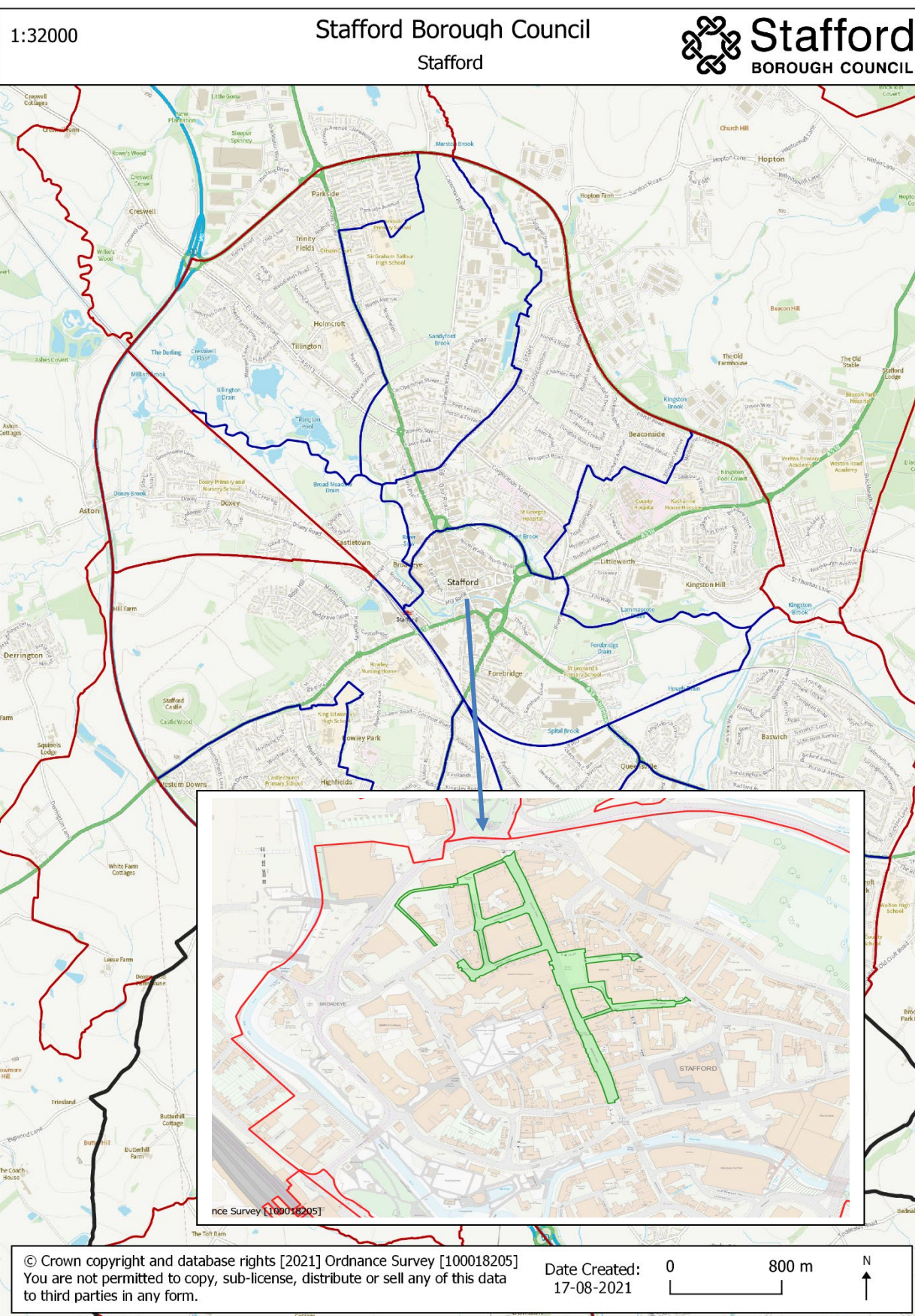
15. The account required by the preceding regulation-

- (a) Where money has been collected, shall be furnished in the form set out in the Fifth Schedule to these regulations and, where property has been collected and sold, shall be furnished in the form set out in the Sixth Schedule to these regulations, and in either case shall be certified by the chief promoter of the collection and by an independent responsible person as auditor; and

- (b) Where property (other than money) has been collected and given away or used, shall be furnished in the form set out in the Seventh Schedule to these regulations and shall be certified by the chief promoter and by every person responsible for the disposal of the property collected.
- 16.(1) Every account furnished under paragraph (a) of regulation 15 of these regulations shall be accompanied by vouchers for each item of the expenses and application of the proceeds and, in the case of a collection of money, by every receipt book used for the purpose of the collection and by the list referred to in paragraph (2) of regulation 6 of these regulations and the list referred to in regulation 12 of these regulations.
- (2) Paragraph (1) of this regulation shall not apply to an account certified by an auditor who is a member of an association or society of accountants incorporated at the date of these regulations or is on other grounds accepted as competent by the authority to which the account is submitted, but where in such a case the vouchers, receipt books and lists mentioned in the said paragraph (1) are not submitted with an account, the chief promoter shall ensure that they are available for three months after the account is submitted and shall, if the authority to which the account was submitted so required at any time within that period, submit them to that authority.
17. The chief promoter of a collection shall exercise all due diligence to secure that all forms of prescribed certificated of authority and prescribed badges obtained by him for that purposes of the collection are destroyed when no longer required in connection with that collection or in connection with a further collection which he has been authorised to promote for the same purpose.

Appendix C

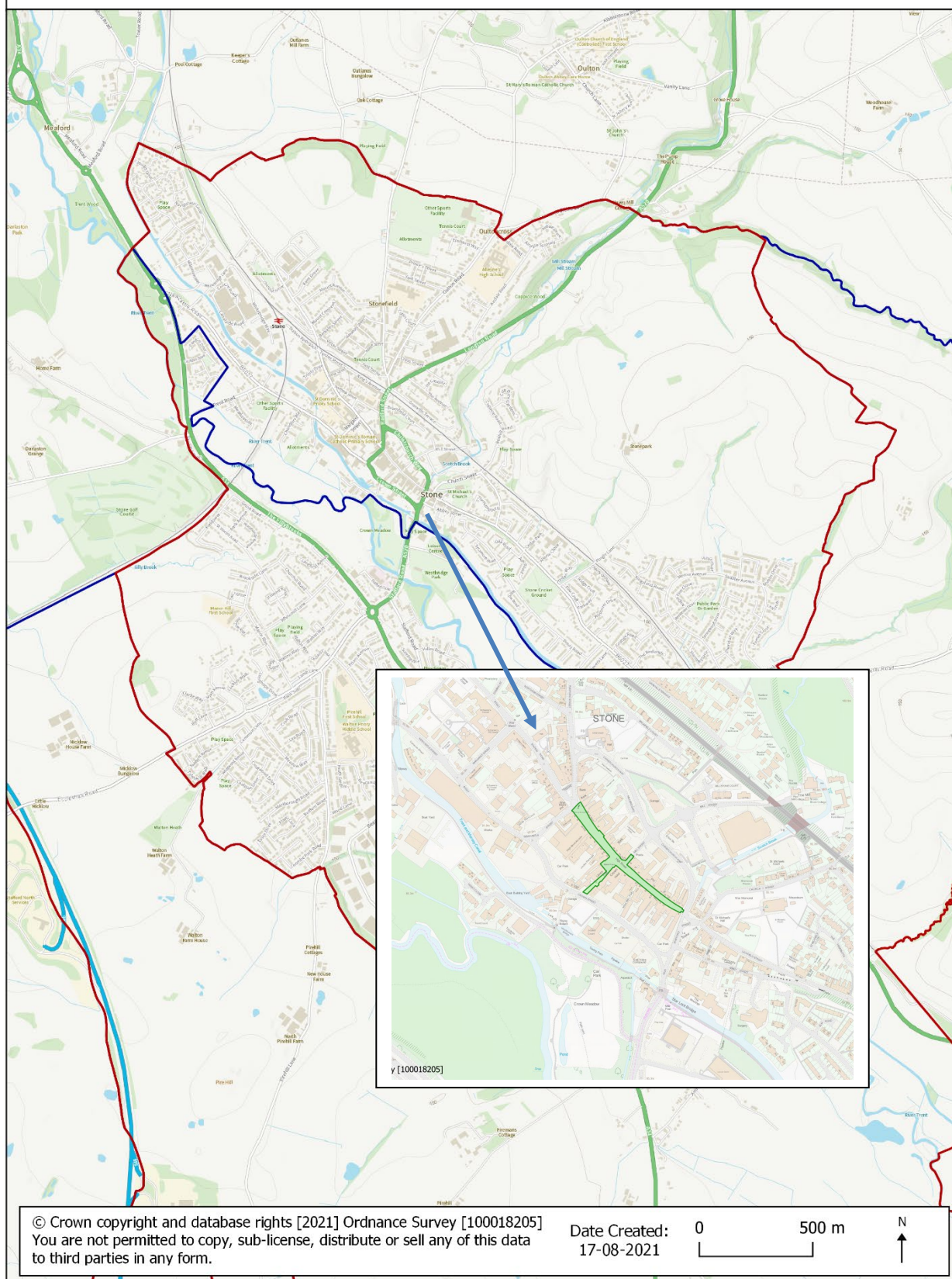
Plan of Stafford Borough, including maps of Stafford, Stone and Eccleshall



1:20317

Stafford Borough Council

Stone



1:18429

Stafford Borough Council Eccleshall

