Stafford
BOROUGH COUNCIL

Civic Centre
Riverside
Stafford
ST16 3AQ

13 February 2023

Dear Members

Council Meeting

I hereby give notice that a meeting of the Council will be held in the **Council Chamber, County Buildings, Martin Street, Stafford** on **Tuesday 21 February 2023 at 7.00pm** to deal with the business as set out on the agenda.

Tim Clegg

Tim Clegg
Chief Executive

COUNCIL MEETING - 21 FEBRUARY 2023

Mayor, Councillor Philip Leason MBE

AGENDA

1 Approval of the Minutes of the meetings of Council held on 24 January 2023 as published on the Council's website.

2 Apologies for Absence

3 Declarations of Interest

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

5 Public Question Time - Nil

6 Councillor Session - Nil

7 Notice of Motion - Nil

8 To receive Nominations for the Offices of Mayor and - Deputy Mayor for the Municipal Year 2023/24

Chief Executive

Civic Centre
Riverside
Stafford
ST16 3AQ

Agenda Item 9

Committee:	Council
Date of Meeting:	21 February 2023
Report of:	Section 151 Officer
Contact Officer:	Chris Forrester
Telephone Number:	-
Ward Interest:	Nil
Report Track:	Council 21/02/23 (Only)

Council Tax 2023/24

1 Purpose of Report

1.1 To set out the proposed Council Tax for the year 2023/24.

2 Recommendation

2.1 That the proposed Council Tax as set out in the Council Tax Resolution **APPENDIX** be approved.

2.2 That in accordance with the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 a named vote is taken in relation to the proposed Council Tax.

3 Key Issues and Reasons for Recommendation

3.1 Council at its meeting on 24 February 2023 determined its Budget for 2023/24 and set a Band D Council Tax at £168.52.

3.2 The overall level of Council Tax must be set before the 11 March each year; however, the overall level of Council Tax cannot be set before 1 March 2023 unless all precepting authorities have issued their precepts, and the required calculations in accordance with the Local Government Finance Act, 1992 have been determined.

3.3 The Council has recently received formal notification from the major precepting authorities of the relevant precepts.

4 Relationship to Corporate Business Objectives

4.1 Not Applicable.

5 Report Detail

5.1 In setting a budget for any year the Council must comply with the Budget and Council Tax setting requirements as reflected in the Local Government Finance Act 1992 as amended by the Localism Act 2011.

5.2 The Localism Act 2011 has made significant changes to the 1992 Act with the main impact for setting a Council Tax being that a billing authority (Stafford Borough Council) is required to calculate a Council Tax Requirement rather than a Budget Requirement.

5.3 This primarily affects the Council Tax Resolution to be made by Council and is a technical rather than procedural issue.

5.4 In accordance with regulations the Council is required to:

(a) Calculate its Council Tax Requirement (Section 31A) - Replacing budget requirement (Section 32) and determination of the Borough Council element of Council Tax (Section 33)

(b) Set the overall level of Council Tax inclusive of Staffordshire County Council; Police and Crime Commissioner Staffordshire; Staffordshire Commissioner Fire and Rescue Authority, and other precepts (Section 30)

5.5 The determination of the Council Tax Requirement (Requirement (a)) is a function of all authorities; however, Requirement (b) is purely a function of this Council as a billing authority

5.6 The overall level of Council Tax must be set before the 11 March each year; however, the overall level of Council Tax cannot be set before 1 March, 2022 unless all precepting authorities have issued their precepts, and the required calculations in accordance with the Local Government Finance Act 1992 have been determined.

5.7 Council at its meeting on 24 February 2023 approved the General Fund Revenue Budget for 2023/24 and determined the Council Tax for the Borough at £168.52.

5.8 Staffordshire County Council approved its precept at its meeting on 9 February 2023 and the precept proposal for the Staffordshire Commissioner Police, Fire and Crime portfolio was accepted by the Police, Fire and Crime Panel on 6 February 2023 in respect of Police and 13 February 2023 for Fire.

All Town and Parish Precepts have been received.

5.9 The overall Council Tax Resolution is attached as an **APPENDIX** to this report.

5.10 In determining the overall Council tax Requirement the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 require that a named vote is taken.

6 Implications

6.1 Financial

As detailed in the attached **APPENDIX**.

6.2 Legal

Nil

6.3 Human Resources

Nil

6.4 Human Rights Act

Nil

6.5 Data Protection

Nil

6.7 Risk Management

In setting the overall level of Council Tax the Council must be in receipt of the precept from all relevant authorities.

6.8 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.

7 Previous Consideration

Nil

8 Background Papers

File available in Finance

Appendix

Committee: Council

Date of Meeting: 21 February 2023

Council Tax 2023/24

Following Minute No C40 of the Council of 24 January 2023 determining the level of net spending for the General Fund Revenue Budget and Transfer to Working Balances for 2023/2024; the Council is recommended to make a Council Tax for 2023/2024 by formally approving the following resolution:-

1 It be noted that under the power delegated to the Council's Section 151 Officer, the Council calculated the Council Tax Base 2023/24:

(a) for the whole Council area as 48,863.55 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")] ; and

(b) for dwellings in those parts of its area to which a Parish precept relates as shown below

Parish	Taxbase
Adbaston	224.27
Barlaston	1,044.25
Berkswich	795.09
Bradley	226.09
Brocton	557.44
Chebsey	250.25
Church Eaton	293.38
Colwich	1,907.33
Creswell	748.58
Doxey	1,162.67
Eccleshall	2,177.27
Ellenhall	63.01
Forton	144.49
Fradswell	84.85
Fulford	2,310.41

Parish	Taxbase
Gayton	77.16
Gnosall	2,026.41
Haughton	458.85
High Offley	393.86
Hilderstone	274.60
Hixon	745.04
Hopton and Coton	851.31
Hyde Lea	185.86
Ingestre	83.38
Marston	91.74
Milwich	197.57
Norbury	201.68
Ranton	184.60
Salt and Enson	190.82
Sandon and Burston	166.76
Seighford	775.15
Standon	338.88
Stone Town	6,348.46
Stone Rural	729.29
Stowe by Chartley	200.39
Swynnerton	1,368.07
Tixall	130.25
Weston	480.46
Whitgreave	91.34
Yarnfield and Cold Meece	831.50
	29,412.81
Unparished	
Stafford Town	18,995.54
MOD Contribution in Lieu	455.20
Council Tax Base	**48,863.55**

2 That the Council Tax requirement for the Council's own purposes for 2023/24 (excluding Parish precepts) is calculated at £8,234,485.45.

3 That the following amounts are calculated for the year 2023/24 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:

(a) £47,869,516.85 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.

(b) £38,302,137.00 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.

(c) £9,567,379.85 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).

(d) £195.80 being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).

(e) £1,332,894.40 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.

(f) £168.52 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

(g) For the following parts of the Council's Area

Parish	Band D £ p
Adbaston	183.02
Barlaston	234.45
Berkswich	203.42
Bradley	229.26
Brocton	194.15
Chebsey	194.67
Church Eaton	190.47
Colwich	260.91
Creswell	195.29
Doxey	190.71
Eccleshall	205.03
Ellenhall	173.19

Parish	**Band D £ p**
Forton	176.73
Fradswell	185.75
Fulford	214.63
Gayton	217.89
Gnosall	219.17
Haughton	218.60
High Offley	180.70
Hilderstone	212.30
Hixon	216.47
Hopton and Coton	199.99
Hyde Lea	205.86
Ingestre	203.40
Marston	168.52
Milwich	193.19
Norbury	187.45
Ranton	193.76
Salt and Enson	209.21
Sandon and Burston	228.22
Seighford	192.90
Standon	199.65
Stone Town	226.67
Stone Rural	188.84
Stowe by Chartley	264.02
Swynnerton	193.00
Tixall	190.76
Weston	239.75
Whitgreave	184.60
Yarnfield and Cold Meece	200.62

being the amounts given by adding to the amount at 3(f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at (1)(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

(h) For the following parts of the Council's area

Parish	Band A Disabled £ p	Band A £ p	Band B £ p	Band C £ p	Band D £ p	Band E £ p	Band F £ p	Band G £ p	Band H £ p
Adbaston	101.68	122.01	142.35	162.68	183.02	223.69	264.36	305.03	366.04
Barlaston	130.25	156.30	182.35	208.40	234.45	286.55	338.65	390.75	468.90
Berkswich	113.01	135.61	158.22	180.82	203.42	248.62	293.83	339.03	406.84
Bradley	127.37	152.84	178.31	203.79	229.26	280.21	331.15	382.10	458.52
Brocton	107.86	129.43	151.01	172.58	194.15	237.29	280.44	323.58	388.30
Chebsey	108.15	129.78	151.41	173.04	194.67	237.93	281.19	324.45	389.34
Church Eaton	105.82	126.98	148.14	169.31	190.47	232.80	275.12	317.45	380.94
Colwich	144.95	173.94	202.93	231.92	260.91	318.89	376.87	434.85	521.82
Creswell	108.49	130.19	151.89	173.59	195.29	238.69	282.09	325.48	390.58
Doxey	105.95	127.14	148.33	169.52	190.71	233.09	275.47	317.85	381.42
Eccleshall	113.91	136.69	159.47	182.25	205.03	250.59	296.15	341.72	410.06
Ellenhall	96.22	115.46	134.70	153.95	173.19	211.68	250.16	288.65	346.38
Forton	98.18	117.82	137.46	157.09	176.73	216.00	255.28	294.55	353.46
Fradswell	103.19	123.83	144.47	165.11	185.75	227.03	268.31	309.58	371.50
Fulford	119.24	143.09	166.93	190.78	214.63	262.33	310.02	357.72	429.26
Gayton	121.05	145.26	169.47	193.68	217.89	266.31	314.73	363.15	435.78
Gnosall	121.76	146.11	170.47	194.82	219.17	267.87	316.58	365.28	438.34
Haughton	121.44	145.73	170.02	194.31	218.60	267.18	315.76	364.33	437.20
High Offley	100.39	120.47	140.54	160.62	180.70	220.86	261.01	301.17	361.40
Hilderstone	117.94	141.53	165.12	188.71	212.30	259.48	306.66	353.83	424.60
Hixon	120.26	144.31	168.37	192.42	216.47	264.57	312.68	360.78	432.94
Hopton and Coton	111.11	133.33	155.55	177.77	199.99	244.43	288.87	333.32	399.98
Hyde Lea	114.37	137.24	160.11	182.99	205.86	251.61	297.35	343.10	411.72
Ingestre	113.00	135.60	158.20	180.80	203.40	248.60	293.80	339.00	406.80
Marston	93.62	112.35	131.07	149.80	168.52	205.97	243.42	280.87	337.04
Milwich	107.33	128.79	150.26	171.72	193.19	236.12	279.05	321.98	386.38
Norbury	104.14	124.97	145.79	166.62	187.45	229.11	270.76	312.42	374.90
Ranton	107.64	129.17	150.70	172.23	193.76	236.82	279.88	322.93	387.52

Parish	Band A Disabled £ p	Band A £ p	Band B £ p	Band C £ p	Band D £ p	Band E £ p	Band F £ p	Band G £ p	Band H £ p
Salt and Enson	116.23	139.47	162.72	185.96	209.21	255.70	302.19	348.68	418.42
Sandon and Burston	126.79	152.15	177.50	202.86	228.22	278.94	329.65	380.37	456.44
Seighford	107.17	128.60	150.03	171.47	192.90	235.77	278.63	321.50	385.80
Standon	110.92	133.10	155.28	177.47	199.65	244.02	288.38	332.75	399.30
Stone	125.93	151.11	176.30	201.48	226.67	277.04	327.41	377.78	453.34
Stone Rural	104.91	125.89	146.88	167.86	188.84	230.80	272.77	314.73	377.68
Stowe-by-Chartley	146.68	176.01	205.35	234.68	264.02	322.69	381.36	440.03	528.04
Swynnerton	107.22	128.67	150.11	171.56	193.00	235.89	278.78	321.67	386.00
Tixall	105.98	127.17	148.37	169.56	190.76	233.15	275.54	317.93	381.52
Weston	133.19	159.83	186.47	213.11	239.75	293.03	346.31	399.58	479.50
Whitgreave	102.56	123.07	143.58	164.09	184.60	225.62	266.64	307.67	369.20
Yarnfield & Cold Meece	111.46	133.75	156.04	178.33	200.62	245.20	289.78	334.37	401.24
All other parts of the Council's area	93.62	112.35	131.07	149.80	168.52	205.97	243.42	280.87	337.04

Being the amounts given by multiplying the amounts at (3)(f) and (3)(g) above by the number by which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

4 To note that the County Council, the Office of the Police and Crime Commissioner and the Fire Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.

Valuation Bands

	A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p
Staffordshire County Council	980.82	1,144.29	1,307.76	1,471.23	1,798.17	2,125.11	2,452.05	2,942.46
Office of the Police and Crime Commissioner	173.71	202.67	231.62	260.57	318.47	376.38	434.28	521.14
Stoke-on-Trent and Staffs Fire Authority	56.17	65.53	74.89	84.25	102.97	121.69	140.42	168.50

5 That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the table below as the amounts of Council Tax for 2023/24 for each part of its area and for each of the categories of dwellings.

Parish	Band A Disabled £ p	Band A £ p	Band B £ p	Band C £ p	Band D £ p	Band E £ p	Band F £ p	Band G £ p	Band H £ p
Adbaston	1,110.60	1,332.71	1,554.84	1,776.95	1,999.07	2,443.30	2,887.54	3,331.78	3,998.14
Barlaston	1,139.17	1,367.00	1,594.84	1,822.67	2,050.50	2,506.16	2,961.83	3,417.50	4,101.00
Berkswich	1,121.93	1,346.31	1,570.71	1,795.09	2,019.47	2,468.23	2,917.01	3,365.78	4,038.94
Bradley	1,136.29	1,363.54	1,590.80	1,818.06	2,045.31	2,499.82	2,954.33	3,408.85	4,090.62
Brocton	1,116.78	1,340.13	1,563.50	1,786.85	2,010.20	2,456.90	2,903.62	3,350.33	4,020.40
Chebsey	1,117.07	1,340.48	1,563.90	1,787.31	2,010.72	2,457.54	2,904.37	3,351.20	4,021.44
Church Eaton	1,114.74	1,337.68	1,560.63	1,783.58	2,006.52	2,452.41	2,898.30	3,344.20	4,013.04
Colwich	1,153.87	1,384.64	1,615.42	1,846.19	2,076.96	2,538.50	3,000.05	3,461.60	4,153.92
Creswell	1,117.41	1,340.89	1,564.38	1,787.86	2,011.34	2,458.30	2,905.27	3,352.23	4,022.68
Doxey	1,114.87	1,337.84	1,560.82	1,783.79	2,006.76	2,452.70	2,898.65	3,344.60	4,013.52
Eccleshall	1,122.83	1,347.39	1,571.96	1,796.52	2,021.08	2,470.20	2,919.33	3,368.47	4,042.16
Ellenhall	1,105.14	1,326.16	1,547.19	1,768.22	1,989.24	2,431.29	2,873.34	3,315.40	3,978.48
Forton	1,107.10	1,328.52	1,549.95	1,771.36	1,992.78	2,435.61	2,878.46	3,321.30	3,985.56
Fradswell	1,112.11	1,334.53	1,556.96	1,779.38	2,001.80	2,446.64	2,891.49	3,336.33	4,003.60
Fulford	1,128.16	1,353.79	1,579.42	1,805.05	2,030.68	2,481.94	2,933.20	3,384.47	4,061.36
Gayton	1,129.97	1,355.96	1,581.96	1,807.95	2,033.94	2,485.92	2,937.91	3,389.90	4,067.88
Gnosall	1,130.68	1,356.81	1,582.96	1,809.09	2,035.22	2,487.48	2,939.76	3,392.03	4,070.44
Haughton	1,130.36	1,356.43	1,582.51	1,808.58	2,034.65	2,486.79	2,938.94	3,391.08	4,069.30
High Offley	1,109.31	1,331.17	1,553.03	1,774.89	1,996.75	2,440.47	2,884.19	3,327.92	3,993.50
Hilderstone	1,126.86	1,352.23	1,577.61	1,802.98	2,028.35	2,479.09	2,929.84	3,380.58	4,056.70
Hixon	1,129.18	1,355.01	1,580.86	1,806.69	2,032.52	2,484.18	2,935.86	3,387.53	4,065.04
Hopton and Coton	1,120.03	1,344.03	1,568.04	1,792.04	2,016.04	2,464.04	2,912.05	3,360.07	4,032.08
Hyde Lea	1,123.29	1,347.94	1,572.60	1,797.26	2,021.91	2,471.22	2,920.53	3,369.85	4,043.82
Ingestre	1,121.92	1,346.30	1,570.69	1,795.07	2,019.45	2,468.21	2,916.98	3,365.75	4,038.90
Marston	1,102.54	1,323.05	1,543.56	1,764.07	1,984.57	2,425.58	2,866.60	3,307.62	3,969.14
Milwich	1,116.25	1,339.49	1,562.75	1,785.99	2,009.24	2,455.73	2,902.23	3,348.73	4,018.48

Parish	Band A Disabled £ p	Band A £ p	Band B £ p	Band C £ p	Band D £ p	Band E £ p	Band F £ p	Band G £ p	Band H £ p
Norbury	1,113.06	1,335.67	1,558.28	1,780.89	2,003.50	2,448.72	2,893.94	3,339.17	4,007.00
Ranton	1,116.56	1,339.87	1,563.19	1,786.50	2,009.81	2,456.43	2,903.06	3,349.68	4,019.62
Salt and Enson	1,125.15	1,350.17	1,575.21	1,800.23	2,025.26	2,475.31	2,925.37	3,375.43	4,050.52
Sandon & Burston	1,135.71	1,362.85	1,589.99	1,817.13	2,044.27	2,498.55	2,952.83	3,407.12	4,088.54
Seighford	1,116.09	1,339.30	1,562.52	1,785.74	2,008.95	2,455.38	2,901.81	3,348.25	4,017.90
Standon	1,119.84	1,343.80	1,567.77	1,791.74	2,015.70	2,463.63	2,911.56	3,359.50	4,031.40
Stone	1,134.85	1,361.81	1,588.79	1,815.75	2,042.72	2,496.65	2,950.59	3,404.53	4,085.44
Stone Rural	1,113.83	1,336.59	1,559.37	1,782.13	2,004.89	2,450.41	2,895.95	3,341.48	4,009.78
Stowe-by-Chartley	1,155.60	1,386.71	1,617.84	1,848.95	2,080.07	2,542.30	3,004.54	3,466.78	4,160.14
Swynnerton	1,116.14	1,339.37	1,562.60	1,785.83	2,009.05	2,455.50	2,901.96	3,348.42	4,018.10
Tixall	1,114.90	1,337.87	1,560.86	1,783.83	2,006.81	2,452.76	2,898.72	3,344.68	4,013.62
Weston	1,142.11	1,370.53	1,598.96	1,827.38	2,055.80	2,512.64	2,969.49	3,426.33	4,111.60
Whitgreave	1,111.48	1,333.77	1,556.07	1,778.36	2,000.65	2,445.23	2,889.82	3,334.42	4,001.30
Yarnfield & Cold Meece	1,120.38	1,344.45	1,568.53	1,792.60	2,016.67	2,464.81	2,912.96	3,361.12	4,033.34
All other parts	1,102.54	1,323.05	1,543.56	1,764.07	1,984.57	2,425.58	2,866.60	3,307.62	3,969.14

6 That it is determined in accordance with Section 52ZB of the Local Government Finance Act 1992 that the Council’s basic amount of Council Tax for 2023/24 is not excessive in accordance with the principles determined by the Secretary of State under Section 52ZC of that Act.

Agenda Item 10

Committee:	Council
Date of Meeting:	21 February 2023
Report of:	Section 151 Officer
Telephone Number:	01543 464334
Ward Interest:	Nil
Report Track:	Cabinet 09/02/2023 Council 21/02/2023

The following matter was considered by Cabinet at its meeting held on 9 February 2023 and is submitted to Council for approval.

Local Council Tax Reduction Scheme 2023-24

1 Purpose of Report

1.1 To outline proposed changes to the Council's Local Council Tax Reduction (LCTR) scheme for the financial year beginning on 1 April 2023.

1.2 To report the outcome of the consultation process undertaken in respect of those changes.

1.3 To make provision for the updating of the Council's LCTR scheme on a timely basis in future, should this be necessary, as a result of changes to the wider benefit system or support made available to assist residents with cost of living or energy bill increases.

2 Recommendation

2.1 That Council approve the removal of the 80% cap for working aged claimants, in respect of the LCTR scheme for 2023-24 only;

2.2 That authority be delegated to the s151 Officer to make incidental changes to the scheme where such changes do not impact on the Council's budget or policies and are necessary to ensure that claimants' entitlement to LCTR is not reduced by receipt of payments made which are intended to assist with cost of living and energy bill increases.

3 Key Issues and Reasons for Recommendation

3.1 Working aged claimants of Local Council Tax Reduction, who are not the parents of children under 5 years and are not disabled are subject to a 80% cap in the amount of reduction available to them. This report recommends the removal of that cap so that these claimants may receive up to 100% reduction for the 2023-24 year.

3.2 The Council needs the ability to ensure that any changes to the benefit schemes made in the future, which are intended to deal with specific issues such as increases in the cost of living, do not impact negatively on claimants' entitlement to reduction. Delegated authority is therefore sought for the Chief Financial Officer to respond to changes as necessary.

3.3 A full review of the Local Council Tax Reduction scheme will be undertaken in 2023, with any improvements identified being reported to members.

4 Relationship to Corporate Business Objectives

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

5 Report Detail

5.1 Prior to April 2013 the Council Tax Benefit scheme was a national, statutory scheme, which afforded a reduction of 100% to the Council Tax bills of those residents on the lowest incomes. This scheme was abolished from 1 April 2013 when local authorities were required to implement local schemes.

5.2 Government funding for the new Local Council Tax Reduction system was reduced by 10% meaning that local authorities were required to either fund the difference or produce a scheme that achieved 10% savings. As the scheme for claimants who had reached the qualifying age for Pension Credits was prescribed by statute and maintained the previous level of awards, the savings required by the change fell to be made from within the Working aged caseload.

5.3 This Council, in common with most others, introduced a scheme which stated that most working aged claimants could be granted LCTR of a maximum of 80% of their bill, meaning that they had to pay at least 20%. Exceptions to this rule were included for parents of children aged under 5 years, and disabled people in receipt of certain disability based benefits, who could still qualify for up to 100%

5.4 From 1 April 2020, this Council made changes to its scheme for working aged claimants by introducing a banded income discount scheme. This simplified the calculation of entitlement for working aged claimants and increased the number of claimants that could receive up to 100% reduction. The 80% cap remains a feature of the scheme and still affects most working aged claimants.

5.5 The Council is very aware that current issues relating to increases in the cost of living and to energy bills are causing difficulties for many households, with those on the lowest incomes being affected the most. In view of this Cabinet is asked to recommend to Council that the 80% cap on working age LCTR be removed for the financial year 2022-23. This change would directly mean that an additional 1,700 of the poorest, working aged households will have no Council Tax to pay in that year.

5.6 The full impact of the changes to our scheme in 2020 have been difficult to properly assess at this point. The changes coincided exactly with the start of the covid-19 pandemic, lockdowns, and government support for residents. Council Tax arrears have increased during the past two years as more people have found it difficult to pay their bills. Providing the one year easement to some of the poorest residents will give those residents and the Council an opportunity to address those arrears.

5.7 The Council is required to consult its major preceptors and people affected by the changes. The consultation is ongoing and closes on 27 January 2023. The results of the consultation process will be available to Cabinet.

5.8 The change is requested for one year only with the cap being re-introduced from 1 April 2024. Any variation to that position will require a further report and consultation process.

5.9 Other options exist, such as limiting the additional support only to households with dependant children or increasing support to all LCTR claimants. The former, whilst reducing the financial cost by around of the proposal 50% is not believed to properly address current issues. The latter is cost prohibitive as it would increase the cost by around 50% of the current proposal. The current proposal specifically targets the lowest income groups who cannot currently claim a 100% council tax reduction.

5.10 The results of the consultation exercise are appended to this report with many valid and constructive comments being made. Concerns are raised about the cost of providing the support and suggestions to provide support to a wider group of people. These matters have been considered in the current proposal and will be considered again when the scheme is reviewed later in the year.

5.11 Over the past three financial years, a number of changes have been made to the national benefit system to accommodate the response to the covid-19 pandemic and a number of welfare related payments have been made by the government. This situation continues in response to energy and cost of living issues. As our LCTR scheme is not directly aligned to national benefit schemes there is a potential that such payments could adversely affect the amount of LCTR that a claimant receives. As this is clearly not the intention of either the Government or the Council, minor changes to the wording of our scheme will ensure that the Council can act quickly to neutralise the impact of any future payments, on Council Tax reductions.

6 Implications

6.1 Financial

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

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

6.2 Legal

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

6.3 Human Resources

None

6.4 Human Rights Act

None

6.5 Data Protection

There is no personal data within this report.

6.6 Risk Management

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

6.7 Community Impact Assessment Recommendations

Impact on Public Sector Equality Duty:

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

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

Wider Community Impact:

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

7 Previous Consideration

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

Cabinet – 9 February 2023 – Minute No CAB54/23

8 Background Papers

None

Appendix 1

Committee: Council

Date of Meeting: 21 February 2023

Local Council Tax Reduction Scheme 2023-24

CONSULTATION WITH MAJOR PRECEPTORS

The major preceptors responded to the consultation as follows.

Staffordshire County Council

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

Staffordshire Commissioner for Police, Fire and Rescue, Crime

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

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

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

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

In the future I would expect that any council tax proposals being considered by a billing authority which had financial implications for the major precepting authorities or other billing authorities to be discussed with the respective elected leaders and with the Staffordshire Chief Finance Officers Group (SCFOG), in order to gather opinion from a broader range of S151 Officers, prior to any consultation document being released.

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

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

1. Background to the Consultation

	Yes			
	No			

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

2. Do you agree with this change to the scheme?

Answer Choices			Response Percent	Response Total
1	Yes		40.00%	26
2	No		40.00%	26
3	Don't Know		20.00%	13
			answered	65
			skipped	28

3. If you disagree what alternative would you propose?

Answer Choices		Response Percent	Response Total
1	Open-Ended Question	100.00%	30

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

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

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

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

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

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

5. If you disagree what alternative would you propose?

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

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

4. Alternatives to changing the Council Tax Reduction Scheme

6. Please use this space to make any other comments on the proposed scheme.			
Answer Choices		**Response Percent**	**Response Total**
1	Open-Ended Question	100.00%	23
1	I am concerned about this proposal for several reasons. These are as follows: Regarding the proposal to exempt some people from CT for the financial year 2023/24, this group is already receiving a very generous reduction of 80%. Whilst I do not question their entitlement to this		

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

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

18	This proposed scheme will make a mockery of the increase to state pension for those of pensionable age. The increase to the state pension is to help pensioners with the increased cost of living. This proposed change to our council tax and the subsequent increase to those who pay the full amount would mean pensioners would have to contribute financially to the support of those of working age. Everyone is having financial issues but to take money from those on a fixed income is extremely unfair.
19	I have no issues with the scheme itself but just want clarification that those who are on higher tax bands won't be penalised for it.
20	Are we to assume that the people who pay with no discount will be paying more?
21	It does feel unfair to only give an extra 20% to those moving from 80% to 100% and not elevate everyone else in the scheme as well (e.g. 60% to 80% and so on)
22	Government is providing an array of financial support schemes for all households, including a number designed for low income families. I believe that, but for exceptionally circumstances, all households should make a contribution towards their local authority services, as it encourages individuals to appreciate the value of these services, and the importance and need to prioritise areas of expenditure. I feel that the deterioration in the quality of many of the services provided by the local authority (council, county, police & fire), and the local infrastructure (roads, footpaths & public areas) provide ample evidence that this proposal is unaffordable and inappropriate at this time.
23	No

answered	23
skipped	70

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

	Answer Choices	Response Percent	Response Total
1	Open-Ended Question	100.00%	13

1	As above.
2	Have a look at the people in rented accommodation who purport to be single parents who clearly have a partner living with them. If everyone pays their way there wouldn't be a need to take off genuine struggling families.
3	The benefits or money should be shared across the bourough as a whole
4	See earlier comments
5	None
6	Help single people who want to do the right thing and work instead of continuing to give to people who can work but don't
7	Reduce the discount given as the council and continuing council tax payers cannot afford the scheme
8	A genuine means test, not one taken at face value, many households will have the latest electronic technology, latest fashions. Have takeaways instead of home cooking. Reduce or educate on the savings to be made from the above.
9	Educate the benefit the claimants and make them responsible. I object to giving my money away for them to spend it on alcohol, cigarettes, tattoos and nail bars. I have had to make sacrifices for these people. If this happens there will be more people added to the list annually. It will not be sustainable.
10	Remain on the scheme we are currently on.

7. Please use the space below if you would like the Council to consider any other options (please state).	
11	Change the whole system to charges based solely on income. This could be achieved by making payments based on the PAYE payments made by every occupant of a property and then everyone would pay a fair share according to total income.
12	I believe that the Council is providing sufficient support already.
13	No
answered	13
skipped	80

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

Answer Choices		Response Percent	Response Total
1	Open-Ended Question	100.00%	10

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

5. About You

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

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

10. What is your sex?

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

11. Age

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

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

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

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

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

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

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

14. Other Ethnic Group

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

Agenda Item 11

Committee:	Council
Date of Meeting:	21 February 2023
Report of:	Section 151 Officer
Telephone Number:	01543 464334
Ward Interest:	Nil
Report Track:	Cabinet 09/02/23 Audit and Accounts 20/02/2023 Council 21/02/2023

The following matter was considered by Cabinet at its meeting held on 9 February 2023 and Audit and Accounts Committee on 20 February 2023 and is submitted to Council for approval.

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

1 Purpose of Report

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

1.1 Prudential and Treasury Indicators - setting of indicators to ensure that the capital investment plans of the Council are affordable, prudent and sustainable;

1.2 The Minimum Revenue Provision (MRP) Policy;

1.3 Treasury Management Strategy Statement for 2023/24 - to set treasury limits for 2023/24 to 2024/25 and to provide a background to the latest economic forecasts of interest rates

1.4 Annual Investment Strategy 2023/24 - to set out the strategy of investment of surplus funds.

2 Recommendation

2.1 That the following be approved:-

(a) The Prudential and Treasury Indicators;
(b) The MRP Policy Statement;
(c) The Treasury Management Policy;
(d) The Annual Investment Strategy for 2023/24;

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

3 Key Issues and Reasons for Recommendations

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

4 Relationship to Corporate Business Objectives

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

5 Report Detail

Background

5.1 The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Accordingly, a significant function of Treasury Management is ensuring that cash flows are adequately planned and controlled to meet this objective. Any surplus monies are invested with low risk counterparties and managed appropriately so that sufficient levels of liquid cash are available to meet any payment obligations as well as offer headroom for unexpected circumstances. Such considerations underpin the day-to-day operations of Treasury Management when determining investment-related outcomes rather than the sole factor of yield that aims to generate higher return on investments with little or no regards to financial risks.

5.2 The second main function of the Treasury Management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer-term cash may involve arranging long or short-term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

5.3 The contribution the treasury management function makes to the Authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

5.4 CIPFA defines treasury management as:

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

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

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

Reporting Requirements

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

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

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

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

Treasury Management Reporting

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

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

- the capital plans (including Prudential Indicators);
- a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an Investment Strategy (the parameters on how investments are to be managed).

5.11 **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending Prudential Indicators as necessary, and whether any policies require revision.

5.12 **An annual treasury report** - This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

5.13 **Scrutiny** - The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Audit and Accounts Committee.

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

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

Treasury Management Strategy for 2023/24

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

Capital issues

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

Treasury management issues

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

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

Training

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

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

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

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

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

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

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

Treasury Management Consultants

5.19 The Council uses Link Asset Services, Treasury Solutions as its external treasury management advisors.

5.20 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

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

The Capital Prudential Indicators 2023/24 - 2025/26

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

Capital expenditure

5.22 This Prudential Indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts, which include a review of current schemes together with the continuation of the applicable rolling programme schemes, but to note these may change as part of the scrutiny process and finalisation of the Budget.

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

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

5.24 In addition to the above Capital Programme, the expenditure and borrowing of the Council may increase as a result of match funding requirements for bids in relation to the Future High streets fund/ Garden Village or Station Gateway projects. The projects and business cases will be subject to reports to Cabinet and Council as approved. Should borrowing need to be undertaken the council will look to utilise the PWLB discount rate if appropriate.

5.25 Other long-term liabilities. The financing need excludes other long-term liabilities, such leasing arrangements which already include borrowing instruments.

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

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

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

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

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

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

5.30 The CFR includes any other long-term liabilities (e.g. finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the PPP lease provider and so the Council is not required to separately borrow for these schemes. The Council currently has £2.301m of such Finance Leases within the CFR, however going forward it is anticipated that this figure will rise during 2024/25 in respect of the Civic Centre leased land coming on balance sheet. Further work will be undertaken to ensure that this is reflected in the calculations when appropriate.

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

Capital Financing Requirement (CFR)

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

Movement in CFR represented by

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

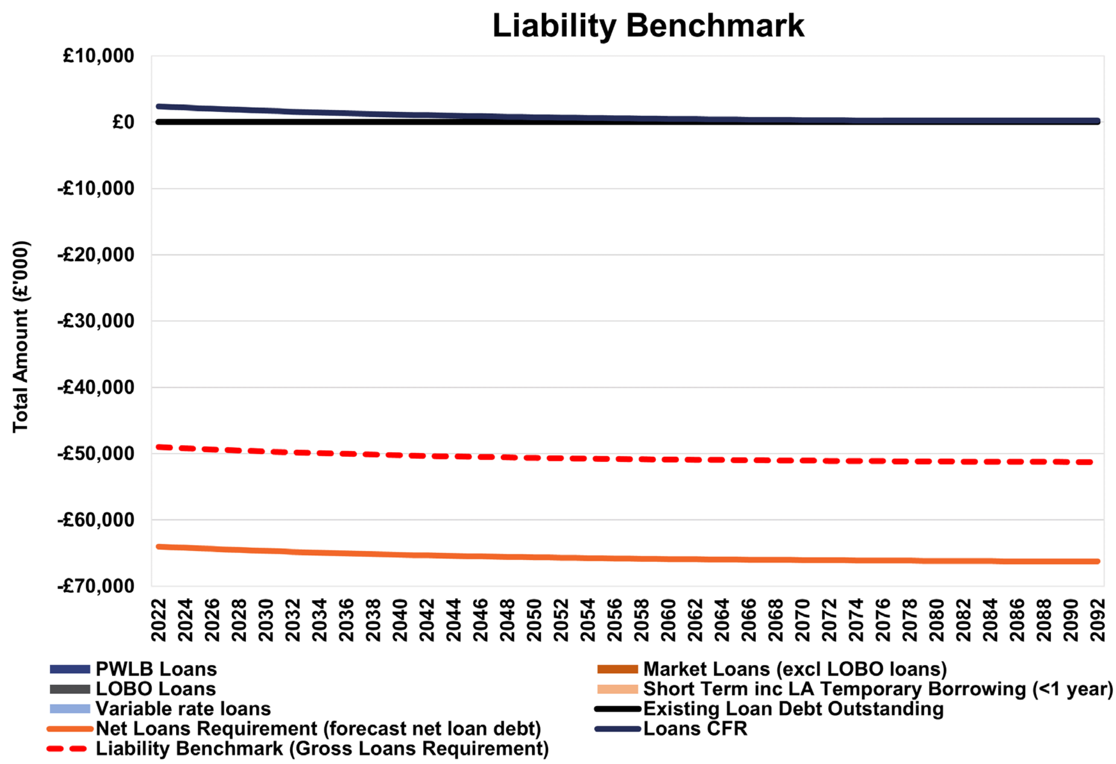
Liability Benchmark

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

There are four components to the LB: -

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

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



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

Core funds and expected investment balances

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

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

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

Minimum revenue provision (MRP) Policy Statement

5.34 Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Authority has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge (the Minimum Revenue Provision - MRP).

5.35 The Council is required to calculate a prudent provision of MRP which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. The MRP Guidance (2018) gives four ready-made options for calculating MRP, but the Authority can use any other reasonable basis that it can justify as prudent. The MRP Policy Statement requires Full Council approval in advance of each financial year.

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

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

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

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

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

5.39 Repayments included in finance leases are applied as MRP.

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

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

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

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

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

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

The Council has previously not made any VRP overpayments.

Affordability Prudential Indicators

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

Ratio of financing costs to net revenue stream

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

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

Borrowing

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

Current portfolio position

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

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

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

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

Treasury Indicators: limits to borrowing activity

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

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

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

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

2. The Council is asked to approve the following authorised limit:-

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

Prospects for interest rates

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

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

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

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

The CPI measure of inflation will peak at close to 11% in Q4 2022. Despite the cost-of-living squeeze that is still taking shape, the Bank will want to see evidence that wages are not spiralling upwards in what is evidently a very tight labour market. Wage increases, excluding bonuses, are currently running at 5.7%.

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

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

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

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

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

The balance of risks to the UK economy: -

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

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

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, rising gilt yields).

- **The Bank of England** acts too quickly, or too far, over the next two years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- **Geopolitical risks,** for example in Ukraine/Russia, China/Taiwan/US, Iran, North Korea and Middle Eastern countries, which could lead to increasing safe-haven flows.

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

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

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

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

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

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

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

Borrowing strategy

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

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

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

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

Treasury management limits on activity

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

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

Maturity structure of fixed interest rate borrowing 2023/24

	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 2023/24

	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

5.62 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

5.63 Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

Rescheduling

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

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

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

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

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

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

Annual Investment Strategy

Investment policy – management of risk

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

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

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

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

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

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short-term and long-term ratings.

2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Authority will engage with its advisors to maintain a monitor on market pricing such as **"credit default swaps"** and overlay that information on top of the credit ratings.

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

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

- Specified investments are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity, if originally they were classified as being non-specified investments solely due to the maturity period exceeding one year.

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

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

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

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

5.73 The Council will set a limit for the amount of its investments which are invested for longer than 365 days.

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

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

5.76 All investments will be denominated in sterling.

5.77 As a result of the change in accounting standards for 2022/23 under IFRS 9, this Authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23. Following consultation this has now extended until 31.3.25.

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

Creditworthiness policy

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

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

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

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

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

5.82 Typically, the minimum credit ratings criteria the Council uses will be a short-term rating (Fitch or equivalents) of F1 and a long-term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

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

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

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

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

Creditworthiness

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

CDS Prices

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

Investment Strategy

5.88 Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that is the case at present, but there is the prospect of Bank Rate peaking in the first half of 2023 and possibly reducing as early as the latter part of 2023 so an agile investment strategy would be appropriate to optimise returns.

5.89 Accordingly, while most cash balances are required in order to manage the peaks and troughs of cash flows, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer-term investments will be carefully assessed.

5.90 **Investment returns expectations.** It should be observed that there is a relationship with inflation and interest rates. Rise in inflation will invariably lead to a rise in interests . The same wisdom holds turn from the opposite situation. Holding true to this relationship, the persistent rise of inflation as seen at the time of writing this report, has correspondingly increased the Bank Rate. Based on current modelling, it is projected that Bank Rate could reach 4.50% in Q2 2023.

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

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

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

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

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

Maximum principal sums invested > 365 days

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

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

Investment risk benchmarking

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

End of year investment report

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

6 Implications

6.1 Financial

Included in the report

6.2 Legal

Nil

6.3 Human Resources

Nil

6.4 Human Rights Act

Nil

6.5 Data Protection

Nil

6.6 Risk Management

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

6.7 Community Impact Assessment Recommendations

Impact on Public Sector Equality Duty:

Nil

Wider Community Impact:

Nil

7 Previous Consideration

Cabinet - 9 February 2023 - Minute No CAB55/23

Audit and Accounts Committee - 20 February 2023 - Minute No TBC

8 Background Papers

Available in Financial Services

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

Appendix 1

Committee: Council

Date of Meeting: 21 February 2023

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

ECONOMIC BACKGROUND

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

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

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

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

The UK unemployment rate fell to a 48-year low of 3.6%, and this despite a net migration increase of c500k. The fact is that with many economic participants registered as long-term sick, the UK labour force actually shrunk by c£500k in the year to June. Without an increase in the labour force participation rate, it is hard to see how the UK economy will be able to grow its way to prosperity, and with average wage increases running at 5.5% - 6% the MPC will be concerned that wage inflation will prove just as sticky as major supply-side shocks to food and energy that have endured since Russia's invasion of Ukraine on 22nd February 2022.

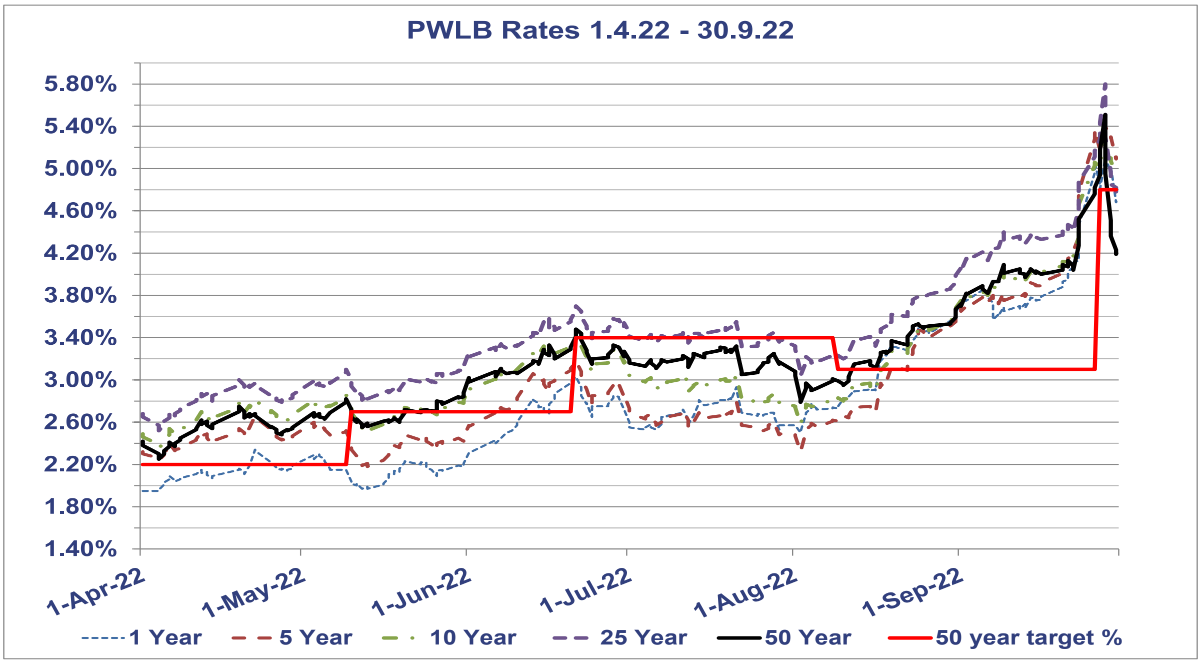
Throughout Q3 Bank Rate increased, finishing the quarter at 2.25% (an increase of 1%). Q4 has seen rates rise to 3% in November and the market expects Bank Rate to hit 4.5% by May 2023.

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

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

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

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



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

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

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

CENTRAL BANK CONCERNS - NOVEMBER 2022

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

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

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

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

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

Appendix 2

Committee: Council

Date of Meeting: 21 February 2023

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

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

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

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

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

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

	Minimum credit criteria / colour band	**Max % of total investments/ £ limit per institution**	**Max. maturity period**
DMADF - UK Government	Yellow	100%	6 months (max. is set by the DMO*)
UK Government gilts	UK sovereign rating	£6 million	5 years
UK Government Treasury bills	UK sovereign rating	£6 million	12 months
Bonds issued by multilateral development banks	AAA	£6 million	5 years

	Minimum credit criteria / colour band	Max % of total investments/ £ limit per institution	Max. maturity period
Money Market Funds CNAV	AAA	100%	Liquid
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	£9 million	Liquid
Term deposits with housing associations	Blue Orange Red Green No Colour	£6 million	12 months 12 months 6 months 100 days Not for use
Term deposits with banks and building societies	Blue 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

* DMO – is the Debt Management Office of HM Treasury

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

Appendix 3

Committee: Council

Date of Meeting: 21 February 2023

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

APPROVED COUNTRIES FOR INVESTMENT

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

Based on lowest available rating

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

AA+
- Canada
- Finland
- U.S.A.

AA
- Abu Dhabi (UAE)
- France

AA-
- Belgium
- **U.K.**

Appendix 4

Committee: Council

Date of Meeting: 21 February 2023

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

TREASURY MANAGEMENT SCHEME OF DELEGATION

Full Council

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

Committees/Council

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

Body/person(s) with responsibility for scrutiny

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

Appendix 5

Committee: Council

Date of Meeting: 21 February 2023

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

THE S151 (RESPONSIBLE) OFFICER:

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

Agenda Item 12

Committee:	Council
Date of Meeting:	21 February 2023
Report of:	Cabinet Member for Resources
Contact Officer:	Gail Hopkins
Telephone Number:	01785 619 225
Ward Interest:	Nil
Report Track:	Council 21/02/2023 (Only)

Localism Act 2011 - Pay Policy Statement 2023/2024

1 Purpose of Report

1.1 To agree a pay policy statement for 2023/24 as required by Sections 38 and 39 of the Localism Act 2011.

2 Recommendation

2.1 That Council:-

(a) Approve the Pay Policy Statement as set out in the **APPENDIX**.

(b) Approve the publication of the Pay Policy Statement on the Council's website as required by the Act.

3 Key Issues and Reasons for Recommendation

3.1 Under section 112 of the Local Government Act 1972, Council has the "power to appoint officers on such reasonable terms and conditions as the authority thinks fit". This Pay Policy Statement (the 'statement') sets out Stafford Borough Council's approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011 and associated guidance, and the Local Government (Transparency Requirements) Regulations 2014. The purpose of the statement is to provide transparency with regard to the Council's approach to setting the pay of its employees in line with Chapter 8 of the Localism Act 2011 and the provisions of the guidance issued under S40 (ie "Openness and accountability in local pay") by identifying:-

- a local authority's policy on the level and elements of remuneration for each chief officer

- a local authority's policy on the remuneration of its lowest-paid employees (including the definition of "lowest-paid employees")

- a local authority's policy on the relationship between the remuneration of chief officers and other officers

- a local authority's policy on other specific aspects of senior officer remuneration: remuneration on recruitment, increases and additions to remuneration, use of performance-related pay (if applicable) and bonuses, termination payments, and transparency.

4 Relationship to Corporate Business Objectives

The Pay Policy Statement report primarily relates to Corporate Business Objective 4:-

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

5 Report Detail

5.1 Section 38 (1) of the Localism Act 2011 required English (and Welsh local authorities to prepare a pay policy statement for 2012/13 and for each financial year thereafter. Drawing on Will Hutton's 2011 'Review of Fair Pay in the Public Sector', the Act introduced requirements to compare policies on remunerating chief officers and other employees, including the lowest paid.

5.2 The Act defines remuneration widely, to include not just pay but also charges, fees, allowances, benefits in kind, increases in enhancements of pension entitlements, and termination payments.

5.3 As for process, the pay policy statement:-

- must be approved formally by full Council

- must be approved by the end of March each year, starting with 2012

- can be amended in-year

- must be published on the authority's website (and in any other way the authority chooses)

- must be complied with when the authority sets the terms and conditions for a chief officer.

5.4 The Act requires an Authority to have regard to any statutory guidance on the subject issued or approved by the Secretary of State. Statutory recommendations have been issued on pay multiples (within a wider code of recommended practice) on data transparency and a broader set of statutory guidance on the publication of pay policy statements. The statutory guidance emphasises that each Local Authority has the autonomy to take its own decisions on pay and pay policies.

5.5 The Act sets out that in the context of managing public resources, remuneration at all levels needs to be adequate to secure and retain high-quality employees dedicated to the service of the public, but at the same time needs to avoid being unnecessarily generous or otherwise excessive (and seen as such). Each local authority will have its own way of balancing those factors, with legitimately differing emphases reflecting differing circumstances.

5.6 As well as being required to set out certain of its policies on pay, a local authority is required to use the pay policy statement to set out its policies on paying charges, fees (such as for local returning officer, as appropriate or joint authority duties), allowances, and benefits in kind.

5.7 Although not required by the Act or statutory guidance, in order to support the need for transparency the pay policy statement should include the percentage rate at which the employer's pension contributions have been set for the year in question together with the employee contribution rates.

5.8 It is important to consider the pay policy in the context of shared services where this Council delivers services on behalf of other Councils.

5.9 Salaries information contained within the report, **APPENDIX** and annex are based on the outcome of implementing the 1 April 2022 pay award for the National Joint Council (NJC) for Local Government Services (Green Book) which applies to all employees of the Council from 1 April 2022. The NJC for Local Government Services (Green Book) pay Award effective from 1 April 2023 remains under national negotiation between the employers and the trade unions and is unresolved at the time of writing. Implications

6.1 Financial

The approval of the Council's Pay Policy Statement does not commit any additional expenditure over and above that already approved for the financial year 2023/24 including new shared service arrangements.

6.2 Legal

The data is published in line with the requirements set by Government

6.3 Human Resources

The data is published in line with the requirements set by Government.

6.4 Human Rights Act

The data is published in line with the requirements set by Government.

6.5 Data Protection

Data on Chief Officers pay is regularly published and is already in the public domain. The data is published in line with the requirements set by Government.

6.6 Risk Management

N/A

6.7 Community Impact Assessment Recommendations

Impact on Public Sector Equality Duty:

Wider Community Impact:

7 Previous Consideration

2022/23 Pay Policy Statement approved by Council on 22 February 2022

8 Background Papers

Information available in Human Resource Services.

Appendix

Committee: Council

Date of Meeting: 21 February 2023

Localism Act 2011 - Pay Policy Statement 2023/2024

Pay Policy Statement 2023/24

Introduction and Purpose

Under section 112 of the Local Government Act 1972, Council has the "power to appoint officers on such reasonable terms and conditions as the authority thinks fit". This Pay Policy Statement (the 'statement') sets out the Council's approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011 as amended. The purpose of the statement is to provide transparency with regard to the Council's approach to setting the pay and conditions of its employees.

Once approved by full Council, this policy statement will come into immediate effect and will be subject to review on a minimum of an annual basis in accordance with the relevant legislation prevailing at that time.

Legislative Framework

In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes:-

- The Equality Act 2010
- The Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000
- The Agency Workers Regulations 2010, and where relevant
- The Transfer of Undertakings (Protection of Employment) Regulations.

With regard to the Equal Pay requirements contained within the Equality Act, the Council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified.

Pay Structure

The Council concluded its negotiations toward a Single Status Agreement during 2010. The details of the Agreement covering all employees within the scope of the National Joint Council (NJC) for Local Government Services ("Green Book") were agreed at Council on 28 September 2010. The Agreement to not introduce structural changes to existing pay levels at the time gained the overwhelming support of Council, employees and trade unions who accepted that following receipt of expert independent advice the Council's pay structure was in fact non-discriminatory.

The Agreement introduced a harmonised set of terms and conditions for all Council employees with effect from 1 October 2010.

As at 1 October 2010, the minimum and maximum rates of pay of employees within scope of the Single Status Agreement remained unchanged and are based on either the national pay spine and/or locally negotiated rates of pay or national minimum wage legislation, including Apprentice rates of pay as appropriate dependent on age.

On 26 November 2013 Council approved the harmonisation of pay awards across the Council. With effect from 1 April 2013, all employees (other than those covered by the national minimum wage and other Government set rates of pay) will receive annual pay awards in line with the NJC for Local Government Services (Green Book).

The national pay spine and local pay grades are set out at **ANNEX 1**. Salaries information contained within the report and **APPENDIX** are based on the outcome of implementing locally the pay award for National Joint Council (NJC) for Local Government Services (Green Book) which applies to all employees of the Council.

The National Joint Council (NJC) for Local Government Services (Green Book) pay Award effective from 1 April 2023 remains under national negotiation between the employers and the trade unions and are both unresolved at the time of writing. Consequently, the national pay spine and local pay grades contained within the report are based upon those at 1 April 2022.

The Council remains committed to adherence with national pay bargaining in respect of the national pay spine and any annual cost of living increases negotiated.

In order to future proof the Council's pay and grading structure from an equalities standpoint and following negotiation with local and regional trade unions and taking account of expert independent advice a revised non-discriminatory pay and grading structure was implemented for any new or revised job roles on or after 1 October 2010, as set out at **ANNEX 2**. Any future decision as to the grading of job roles is now determined by reference to the NJC Job Evaluation Scheme as adopted by the Council.

With the exception of progression through any incremental scale of any relevant grade being subject to overall satisfactory performance, the level of remuneration is not variable dependent upon the achievement of defined targets. There is in addition the provision for the acceleration of increments within any grade in order to take account of changes to duties and responsibilities or outstanding contribution.

All other pay related allowances are the subject of either national and/or local determination having been determined from time to time in accordance with national collective bargaining machinery and/or as determined by local negotiation with local trade union representatives.

In determining its pay and grading structure and setting remuneration levels for all posts, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to be able to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required.

New appointments will normally be made at the minimum of the relevant grade, although this can be varied where necessary to secure the best candidate and to respond to variations in regional or national pay rates. From time to time it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for paying "market supplements" is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources available from within and outside the local government sector.

Local Government Pension Scheme

Subject to qualifying conditions, all employees have a right to join the Local Government Pension Scheme. In addition the Council operates pensions 'Auto Enrolment' as required by the Pensions Act 2008. The table below sets out the pension contribution bands which are effective from 1 April 2022. At the time of writing employee pension contribution bands have not been confirmed for 2023/4.

Information is also published on the Staffordshire County Council Pensions home page www.staffspf.org.uk

Band	**Whole-time equivalent pay range**	**Employee contribution rate (%)**
1	Up to £15,000	5.5%
2	£15,001 to £23,600	5.8%
3	£23,601 - £38,300	6.5%
4	£38,301 - £48,500	6.8%
5	£48,501 - £67,900	8.5%
6	£67,901 - £96,200	9.9%
7	£96,201 - £113,400	10.5%
8	£113,401 - £170,100	11.4%
9	£170,101 or above	12.5%

The Employer contribution rates are set by Actuaries advising the Staffordshire Pension Fund and are reviewed on a regular basis in order to ensure the scheme is appropriately funded. The Employer contribution rate for 2023/24 will be 22%.

In relation to payments to the Local Government Pension Scheme these are made up of two separate elements, firstly the primary rate which is paid as a percentage based on actual salary costs and then secondary contribution which is a fixed element payable each year notified by the pension authority as part of the triennial valuation of the pension fund.

The change in rates from 1 April 2023 reflect a higher primary rate and a lower secondary contribution reflecting the latest triennial valuation of the pension fund.

(Note: the level of employer's contribution is required to be published under S7 of the Accounts and Audit Regulations).

Senior Management Remuneration

The Council has formal agreements in place to share services with other Councils, the major partner being Cannock Chase District Council. A number of senior managers employed by Stafford Borough Council including the Chief Executive Officer, are responsible for the delivery of services to both Stafford Borough and Cannock Chase District Councils so the table below reflects this position as notated.

For the purposes of this statement, senior management means 'chief officers' as defined within S.43 of the Localism Act. The posts falling within the statutory definition are those officers who comprise the senior management team of the Council, report directly to the Chief Executive and whose salary exceeds £50k. The main national conditions of service, which apply to chief officers of the Council and which are incorporated into contracts of employment are those set out in either the Joint National Council for Chief Officers/Chief Executives.

The pay award effective from 1 April 2023 has not been formally agreed. Details of their annual salary and other remuneration (excluding on-costs) as at 1 April 2022 are set out below:-

Post	Salary (£) (Note 7)	Car User Cash Allowance (Note 8)
Shared Chief Executive (Notes 1, 1a and 2)	139,082	n/a
Deputy Chief Executive / Head of Law and Administration (Interim - Notes 2, 3 and 3a)	81,065	3,485
Head of Development (Interim - Note 4)	69,856	n/a
Head of Operations (Interim - Note 5)	69,856	963
Head of HR (Interim - Notes 2 and 6)	65,966	3,485
Head of Corporate Business and Partnerships (Interim - Note 7)	62,218	3,485

Note 1	Single salary pay point inclusive of 'within Borough boundary' business mileage. Additional local annual payment of £6,436 in lieu of National and Local Election Returning Officer Fees.
Note 1a	On 6/12/22 Council agreed a permanent shared Chief Executive from 1 April 2023. 50% of the salary costs of the Shared Chief Executive including a 15% consolidated payment is met by our shared service partner - Cannock Chase District Council.
Note 2	Responsible for the provision of services to other local authorities.
Note 3	From 6/6/22, the Head of Law and Administration is acting as Deputy Chief Executive on an interim basis. Salary includes a 10% consolidated payment.
Note 3a	Also responsible as Solicitor and Monitoring Officer for both Councils under separate arrangements.
Note 4	Appointment on an interim basis from 4/4/2022 pending the finalisation of Shared Service arrangements. Salary reflects second point of grade.
Note 5	Appointment on an interim basis from 6/6/2022 pending the finalisation of Shared Service arrangements. Salary reflects second point of grade. The job holder (on a personal basis) also has part time working hours of 24 hours a week, so actual salary paid is £44,004 per annum.
Note 6	Appointment on an interim basis from 6/6/2022 pending the finalisation of Shared Service arrangements. Salary reflects second point of grade, taking into account the additional shared service responsibilities. The job holder (on a personal basis) also has part time working hours of 34 hours a week, so actual salary paid is £60,617 per annum.
Note 7	Appointment on an interim basis from 6/6/2022 pending the finalisation of Shared Service arrangements. Salary reflects top point of grade. The job holder (on a personal basis) also has part time working hours of 32 hours a week, so actual salary paid is £53,810 per annum.

The total cost of these senior management posts reflects the following structural decisions as set out below:-

(a) Posts covered by notes 1, 3, and 6 are shared with another Council under joint shared service and management arrangements.

(b) The total cost of the Chief Executive post is jointly shared on an equal basis of 50% paid by each Council.

The pay structure of the senior management team is determined by reference to Hay Job Evaluation, benchmarking of comparable roles and responsibilities and recruitment and retention issues.

The Council does not apply any personal bonuses or performance related pay to its chief officers.

Additions to Salary of Chief Officers

In addition to basic salary, other elements of potential 'additional pay' which are taxable and do not solely constitute reimbursement of expenses incurred in the normal course of work are set out below:-

(a) Lease Car/Cash Allowance - scheme closed. Discretionary locally agreed essential car user allowance of up to £3,485 p.a. payable as appropriate to assist with recruitment and retention.

(b) Where appropriate and subject to operational circumstances payment for untaken leave is permitted but not guaranteed. This discretionary provision applies to all employees. The purchase of additional leave is also permitted as appropriate.

(c) Recognition/Additional Payments (e.g. honoraria, acting-up payments, ex-gratia payments, salary plussages) - additional payments (as appropriate) are permissible in order to recognise additional duties and responsibilities which occur over and above normal contractual arrangements. The provision of such payment is available to all Council employees.

Proposed Structural Changes

Following the agreement of the respective Council's in early December 2022, Stafford Borough Council and Cannock Chase District Council have agreed to expand the scope of existing shared service arrangements. As the first stage of this process, a shared Leadership Team is due to be implemented with effect from April 2023, this will result in changes to the structure and salaries. As at the date of writing, the outcome of the formal consultation on proposed revisions to the terms and conditions of the Chief Officers named above has not been finalised. On this basis the information provided above in respect of senior management remuneration and additions to the salary of chief officers relates to the terms and conditions in place at this time.

Recruitment of Chief Officers

The Council's policy and procedures with regard to recruitment of chief officers is set out in Section 10, Part 3 of the Council's Constitution which can be found on the Council's website (http://www.staffordbc.gov.uk/constitution). When recruiting to any post the Council will take full and proper account of its own Recruitment, and where appropriate Redeployment Policies. This policy does not exclude the possibility of recruiting former Chief Officers either from this Council or any other provided that a valid business case exists to do so. However, such occurrences are unlikely to be approved without a break in continuity of service being affected. This policy does not prevent the Council from any future use of the flexibility within the Local Government Pension Scheme to agree "flexible retirement" where a suitable business case exists. The determination of the remuneration to be offered to any newly appointed chief officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment and as agreed by Council.

Where the Council is unable to recruit to a post at the designated grade and/or salary, it will consider the use of temporary market forces supplements in accordance with its relevant policies, or review grades in light of market related information. Any decision as to the remuneration of chief officer posts is to be determined by Council.

Where the Council remains unable to recruit chief officers under a contract of employment, or there is a need for interim support to provide cover for a vacant substantive chief officer post, the Council will, where necessary, consider and utilise engaging individuals under ‘contracts for service’. These will be sourced through a relevant procurement process ensuring the council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. Although the Council does have a number of interim chief officers, it doe not currently have any chief officers engaged under any such arrangements.

Payments on Termination (All employees)

The Councils approach to statutory and discretionary payments on termination of employment of all employees including chief officers prior to reaching normal retirement age is set out in accordance with the Local Government Pension Scheme regulations. For Chief Officers, any other payments falling outside these provisions apart from contractual payments or other delegated matters shall be subject to a formal decision made by full Council or relevant elected members, or committee or panel of elected members with delegated authority to approve such payments.

Publication

Upon approval by full Council, this statement will be published on the Council’s Website and Intranet. In addition, for posts where the full time equivalent salary is at least £50,000, the Councils Annual Statement of Accounts includes a note setting out the total amount of:-

- salary, fees or allowances paid to or receivable by the person in the current and previous year;
- any bonuses so paid or receivable by the person in the current and previous year; (none payable not applicable at SBC);
- any sums payable by way of expenses allowance that are chargeable to UK income tax;
- any compensation for loss of employment and any other payments connected with termination of employment;
- any benefits received that do not fall within the above

Pay Relationships

The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement. From time to time, the Council will employ Apprentices who are not included within the definition of 'lowest paid employees' as they are employed under the Government's national minimum wage legislation and pay is dependent on age.

The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010). The Hutton report suggested that no public sector manager can earn more than **20** times the lowest paid person in the organisation. However, the report concluded that the relationship to median earnings was a more relevant measure and the Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the authority's workforce.

Current salaries reflect the 2022 national pay award (w.e.f. 1 April 2022) and provides for a minimum spinal column point payable under the Council's formal grading structure of SCP 3 £20,812 (£10.79 per hour). In contrast, the Government's National Living Wage (NLW), the statutory minimum for workers aged 23 and over, will be £10.42 per hour from 1 April 2023.

The Council continues to use national minimum wage rates as appropriate for casual, temporary and apprentice roles dependent on age on appointment. Except for Apprentices/Casuals no current permanent FTE employee of the Council is paid less than £10.79 per hour, with a pay award pending.

The actual pay levels within the Council define the multiple between the lowest paid (full time equivalent) employee (SCP 3 £20,812 (£10.79 per hour)) and the Chief Executive (£139,082) (FTE base salary) **as 1: 6.68** (rounded down), and between the lowest paid employee (SCP 3) and average chief officer (excluding Chief Executive post £69,792) **as 1: 3.35** (rounded down).

The multiple between the median full time equivalent earnings (£26,362) and the Chief Executive **is 1: 5.27** (rounded down) and; between the median full time equivalent earnings (£26,362) and average chief officer (£69,792), **is 1: 2.64** (rounded down).

Accountability and Decision Making

In accordance with the Council's Constitution, Council, and /or Cabinet are responsible for decision making in relation to the recruitment, retention, pay, terms and conditions and severance arrangements in relation to employees of the Council. The Constitution sets out the various delegations to Heads of Service and other bodies within the Council.

Annex 1

2022 Pay Award

Grade	Scale Point	Annual	Hourly
C	3	£20,812	£10.79
	4	£21,189	£10.98
	5	£21,575	£11.18
D	5	£21,575	£11.18
	6	£21,968	£11.39
	7	£22,369	£11.59
E	7	£22,369	£11.59
	8	£22,777	£11.81
	9	£23,194	£12.02
	11	£24,054	£12.47
	12	£24,496	£12.70
F	12	£24,496	£12.70
	14	£25,409	£13.17
	15	£25,878	£13.41
	17	£26,845	£13.91
	19	£27,852	£14.44
G	19	£27,852	£14.44
	20	£28,371	£14.71
	22	£29,439	£15.26
	23	£30,151	£15.63
	24	£31,099	£16.12
H	24	£31,099	£16.12
	25	£32,020	£16.60
	26	£32,909	£17.06
	27	£33,910	£17.58
	28	£34,723	£18.00

Grade	Scale Point	Annual	Hourly
I	28	£34,723	£18.00
	29	£35,411	£18.35
	30	£36,298	£18.81
	31	£37,261	£19.31
	32	£38,296	£19.85
J	32	£38,296	£19.85
	33	£39,493	£20.47
	34	£40,478	£20.98
	35	£41,496	£21.51
	36	£42,503	£22.03
K	36	£42,503	£22.03
	37	£43,516	£22.56
	38	£44,539	£23.09
	39	£45,495	£23.58
	40	£46,549	£24.13
L	40	£46,549	£24.13
	41	£47,573	£24.66
	42	£48,587	£25.18
	43	£49,590	£25.70
M	43	£49,590	£25.70
	44	£50,808	£26.33
	45	£52,029	£26.97
	46	£53,250	£27.60

Annex 2

Grading Structure w.e.f 1 April 2019

Grade	Spinal Column Points in Grade							
A	1							
B	2	3						
C	3	4	5					
D	5	6	7					
E	7	8	9	10*	11	12		
F	12	13*	14	15	16*	17	18*	19
G	19	20	21*	22	23	24		
H	24	25	26	27	28			
I	28	29	30	31	32			
J	32	33	34	35	36			
K	36	37	38	39	40			
L	40	41	42	43				
M	43	44	45	46				

NB: SCP's shaded not to be used by local agreement w.e.f. 1 April 2019 Pay Award pending w.e.f. 1 April 2023