

Please ask for: Matt Berry **Your Ref:**
Extension No: 4589 **My Ref:**
E-Mail: mattberry@cannockchasedc.gov.uk

17 January, 2018

Dear Councillor,

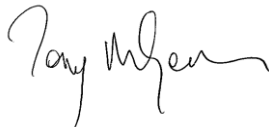
CABINET

4:00 PM ON THURSDAY, 25 JANUARY, 2018

ESPERANCE ROOM, CIVIC CENTRE, CANNOCK

You are invited to attend this meeting for consideration of the matters itemised in the following Agenda.

Yours sincerely,



T. McGovern,
Managing Director

To: Councillors:

| | |
|------------------|---|
| G. Adamson | Leader of the Council |
| G. Alcott | Deputy Leader of the Council and Economic Development and Planning Portfolio Leader |
| J.T. Kraujalis | Corporate Improvement Portfolio Leader |
| C. Bennett | Crime and Partnerships Portfolio Leader |
| Mrs. C. Mitchell | Culture and Sport Portfolio Leader |
| J.P.T.L. Preece | Environment Portfolio Leader |
| Mrs. M.A. Davis | Health and Wellbeing Portfolio Leader |
| F.W.C. Allen | Housing Portfolio Leader |
| Mrs. D.M. Todd | Town Centre Regeneration Portfolio Leader |

Civic Centre, PO Box 28, Beecroft Road, Cannock, Staffordshire WS11 1BG

tel 01543 462621 | fax 01543 462317 | www.cannockchasedc.gov.uk

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A G E N D A

PART 1

1. **Apologies**
2. **Declarations of Interests of Members in Contracts and Other Matters and Restriction on Voting by Members**

To declare any personal, pecuniary or disclosable pecuniary interests in accordance with the Code of Conduct and any possible contraventions under Section 106 of the Local Government Finance Act 1992.
3. **Updates from Portfolio Leaders**

To receive and consider oral updates (if any), from the Leader of the Council, the Deputy Leader, and Portfolio Leaders.
4. **Minutes**

To approve the Minutes of the meeting held on 14 December, 2017 (enclosed).
5. **Forward Plan**

Forward Plan of Decisions to be taken by the Cabinet: January to March, 2018 (Item 5.1 – 5.2).
6. **General Fund Revenue Budget and Capital Programme 2017/18 to 2020/21**

Report of the Head of Finance (Item 6.1 – 6.70).
7. **Housing Revenue Account Budgets 2017/18 to 2020/21**

Joint Report of the Head of Finance and the Head of Housing and Partnerships (Item 7.1 – 7.9).
8. **Housing Revenue Account Capital Programme 2017/18 to 2022/23**

Joint Report of the Head of Finance and the Head of Housing and Partnerships (Item 8.1 – 8.8).
9. **Treasury Management Strategy, Minimum Revenue Provision Policy and Annual Investment Strategy 2018/19**

Report of the Head of Finance (Item 9.1 – 9.28).
10. **Housing and Homelessness Strategy 2018-2023**

Report of the Head of Housing and Partnerships (Item 10.1 – 10.22).
11. **Shared Accommodation – Pilot Project**

Report of the Head of Housing and Partnerships (Item 11.1 – 11.7).
12. **Homelessness Reduction Act 2017 – Homelessness Funding**

Report of the Head of Housing and Partnerships (Item 12.1 – 12.7).

13. Revised Local Development Scheme and Local Plan Review

Report of the Interim Head of Economic Development (Item 13.1 -13.27).

14. Rugeley Power Station Supplementary Planning Document

Report of the Interim Head of Economic Development (Item 14.1 – 14.54).

15. Application for Permission to Spend – Mill Green

Report of the Interim Head of Economic Development (Item 15.1 – 15.5).

16. Sheep Fair / Bow Street, Rugeley Conservation Area: Appraisal and Management Plan Supplementary Planning Document

Report of the Interim Head of Economic Development (Item 16.1 – 16.12).

17. Additional Capital Investment in Culture and Leisure Services as Part of the Council's Financial Recovery Plan

Report of the Head of Environment and Healthy Lifestyles (item 17.1. – 17.6).

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CANNOCK CHASE COUNCIL
MINUTES OF THE MEETING OF THE
CABINET

HELD ON THURSDAY 14 DECEMBER 2017 AT 4:00 P.M.
IN THE CIVIC CENTRE, BEECROFT ROAD, CANNOCK

PART 1

PRESENT: Councillors:

| | |
|-------------------|---|
| Adamson, G. | Leader of the Council |
| Kraujalis, J.T. | Corporate Improvement Portfolio Leader |
| Bennett, C. | Crime and Partnerships Portfolio Leader |
| Mitchell, Mrs. C. | Culture and Sport Portfolio Leader |
| Preece, J.P.T.L. | Environment Portfolio Leader |
| Davis, Mrs. M.A. | Health and Wellbeing Portfolio Leader |
| Allen, F.W.C. | Housing Portfolio Leader |
| Todd, Mrs. D.M. | Town Centre Regeneration Portfolio Leader |

57. Apologies

Apologies for absence were submitted for Councillor G. Alcott, Deputy Leader of the Council and Economic Development and Planning Portfolio Leader, who was representing the Council at a European Social Investment Fund meeting in Birmingham.

58. Declarations of Interests of Members in Contracts and Other Matters and Restriction on Voting by Members

No other Declarations of Interest were made in addition to those already confirmed by Members in the Register of Members' Interests.

59. Updates from Portfolio Leaders

Crime and Partnerships

Safer Neighbourhood Panels

The Portfolio Leader advised that at a meeting he attended earlier in the day, Matthew Ellis, Staffordshire Police and Crime Commissioner, had announced that training would be given to existing members of Safer Neighbourhood Panels to help develop their roles. It was also expected that local Chief Inspectors should be more accountable to the Panels, and on a more regular basis. Where Panels were not considered to be performing as expected by Mr Ellis, he would seek to reclaim funds provided to councils for the purpose of supporting the work of the Panels.

60. Minutes of Cabinet Meeting of 16 November 2017

RESOLVED:

That the Minutes of the meeting held on 16 November, 2017, be approved as a correct record and signed.

61. Forward Plan

The Forward Plan of Decisions for the period December, 2017 to February, 2018 (Item 5.1 – 5.2 of the Official Minutes of the Council) was considered.

RESOLVED:

That the Forward Plan of Decisions for the period December, 2017 to February, 2018 be noted.

62. Financial Plan 2017/18 to 2020/21

Consideration was given to the Report of the Head of Finance (Item 6.1 – 6.17 of the Official Minutes of the Council).

The Head of Finance advised that since the Report had been published, an average pay award of 2.7% for local government staff in 2018/19 and 2019/20 had been proposed, which would have the effect of reducing the Council's projected budget surplus in 2020/21. Details of the 2018/19 Local Government Finance Settlement were expected to be published week commencing 11 December, 2017, but as at 14 December the Settlement was still unknown. An announcement regarding the Business Rates Retention Pilots was also still awaited.

RESOLVED:

That:

- (A) The Financial Plan 2017/18 to 2020/21 be noted.
- (B) The forecast outturn for 2017/18 be approved.
- (C) The General Fund working balances be determined as part of the Risk Analysis undertaken in finalising the preparation of the 2018/19 budget.
- (D) The draft Capital Programme 2017/18 to 2020/21 and available resources be noted.
- (E) The principles set out in the Council's Financial Plan be adopted in finalising preparation of the 2018/19 budget.

Reasons for Decisions

The report set out the Council's forecast financial position for the next three years, incorporating anticipated spending pressures and savings already identified. Financial resources available to the Council over the three year period were also set out. The Financial Plan reflected the Government's current funding regime.

Council, at its meeting on 8 February 2017, approved the General Fund Revenue Budget and Capital Programme for 2017/18 to 2019/20. The General Fund Revenue Budget reflected the implementation of the comprehensive Financial Recovery Plan to set a balanced budget by 2019/20. A small deficit of

£0.181 million was forecast for 2019/20, however a number of savings strands existed to address this deficit.

A great deal of uncertainty existed at the time of the Budget Report in relation to the Government's Funding Regime and this still remained the same as at today. In particular, the proposed 100% Business Rates Retention Scheme, which was originally planned for implementation in 2019/20, was not included in the current legislative programme of Government, whereas the New Homes Bonus Scheme was subject to annual review. Further clarification was being sought on the timeline for changes to the Local Government Funding however it was likely that the current regime would remain in place until 2020/21 at the earliest.

The Financial Plan therefore represented a refresh of the assumptions as contained in the Approved Financial Plan (Council, 8 February 2017), taking into account the outturn for the last financial year and the first seven months of the current financial year.

In accordance with the Financial Plan a balanced budget now existed in 2020/21, pending any changes to the Government's Funding Regime, with a contribution from working balances required in 2018/19 and 2019/20.

Subject to approval, the Financial Plan, together with the current Council's Budget Strategy, would provide the framework for preparation of detailed budgets for consideration by Cabinet in January 2018.

63. Hawks Green Depot Vehicle Workshop Replacement Roof – Application for Permission to Spend

Consideration was given to the Report of the Head of Housing and Partnerships (Item 7.1 – 7.3 of the Official Minutes of the Council).

RESOLVED:

That permission to spend £70,000 on a replacement roof and essential works on the Vehicle Workshop located at the Hawks Green Depot be granted.

Reason for Decision

The Council's Vehicle Workshop required extensive essential building works to the roof and structure in order to make it fully safe and operational. The works were estimated to cost in the region of £65,000 to £70,000.

64. Cannock Indoor Market Hall

Consideration was given to the Report of the Head of Housing and Partnerships (Item 8.1 – 8.8 of the Official Minutes of the Council).

RESOLVED:

That

- (A) The impact of the savings options on Cannock Indoor Market Hall be noted.
- (B) The existing rental discounts given to new and existing traders, together with the current income received from Cannock Market Hall be noted.
- (C) No further rental discounts be awarded.

Reasons for Decisions

At its meeting on 22 September 2016, Cabinet considered a range of savings options related to the Council's Financial Recovery Plan and made a decision to go out to public consultation on a number of them including options related to Cannock Market Hall.

Following a review of the public consultation results, Cabinet met on 15 December 2016 and agreed a draft budget that included the following proposals:

- (i) An increase of 3% in Cannock Market Hall Fees;
- (ii) An increase in Cannock Market Hall trading days from 3 days per week to 4 days per week;
- (iii) Creation of a new entrance and additional stalls at Cannock Market Hall utilising vacant shop unit 1 Market Hall Precinct.

The increases in stall fees and trading days were implemented on 1 April 2017, with Thursdays becoming a trading day in addition to Tuesdays, Fridays and Saturdays.

Whilst there were few objections from existing traders to the increase in stall rents which had not been increased for a number of years, the majority of existing traders were against the increase in the number of trading days. The immediate result of the changes was that 24% of existing traders left the Market Hall at the end of March 2017, which resulted in a 29% drop in the number of open stalls. However, some of the stallholders that left were senior in years and were already contemplating retirement prior to the implementation of the Council's decision.

The creation of the new entrance off Littleton Square, incorporating four new stalls, was completed in time for a Cannock Indoor Market relaunch event on 19 May 2017. New bright and welcoming signage had also been installed at all of the Market entrances raising the profile of the Market Hall within the town centre.

Marketing and promotion of the Market Hall was ongoing and the attraction of new traders was a priority. The Council currently offered the following discounts to new traders:

- Food traders – 50% rent discount for their first six months of trading;
- Non-food traders – 25% discount for their first six months of trading.

In addition, existing traders were encouraged to work with the Council using their own stalls to generate a positive and vibrant atmosphere within the Market Hall.

Notwithstanding Officers' commitment to marketing and promotion of the Market Hall, there had been very little interest from prospective new traders. Where potential new traders had expressed an interest the reasons given for not taking a stall included the number of vacant stalls within the Market Hall. The proportion of vacant stalls had consistently been greater on a Thursday (the additional trading day) as a number of existing traders declined to attend the Market Hall on the additional day. The traders in question were charged rent for the stall whether or not they opened for trade on a Thursday however this proved insufficient to persuade them to open for trade.

Following a meeting with the indoor market traders in July, it was agreed that for a period of six months, traders would receive a rent free day on a Thursday provided that they opened their stall for business. This equated to a 25% rent discount. Traders that still failed to trade on a Thursday paid full rent. The

justification for the grant of the discount to existing traders was to achieve the same level of occupancy on Thursdays as on the other market days. Unfortunately there were still two traders within the Market Hall that do not open for trade on a Thursday.

There had been no noticeable increase in rental arrears in respect of the indoor market since the implementation of the savings options. However the indoor market traders considered the additional trading day to be a significant threat to the viability of their business and to the future of the Indoor Market, and have asked that the Council give them further rent discounts above the 25% discount described above.

The Market Hall footfall figures had been analysed for the six months period since the implementation of the savings options and compared to the footfall figures for the same period in the year before when the Market enjoyed an average 85% occupancy level. The figures demonstrated that from 1 April to 30 September 2017 there had been a 10% reduction in footfall into the Market since the same period last year. However the footfall figures for the same time period in 2016 show a reduction of 16% over the same period in 2015. There was no evidence therefore that the decline in footfall was attributable solely to the implementation of the savings options.

Due to the loss of stallholders as a result of the additional trading day being implemented the rental income received by the Council from the Market Hall has reduced considerably. In the financial year 2016/17 the shortfall of actual income compared to target income was 9.2%. Based on income received during the first six months since implementation of the savings options the forecast shortfall in income compared to target would be 33.6%. The grant of further rent discounts to existing and/or new traders would result in a greater loss of income to the Council. Whilst the Market Hall was still forecast to be in profit by the end of this financial year it would be less than half the profit achieved by the Market Hall in the previous financial year.

65. Proposed Amendments to the Scheme of Delegations for Neighbourhood Planning and Supplementary Planning Documents

Consideration was given to the Report of the Interim Head of Economic Development (Item 9.1 – 9.7 of the Official Minutes of the Council).

RESOLVED:

That:

- (A) Authority be delegated to the Head of Economic Development to take all steps in the preparation of a Neighbourhood Plan except for the final making (adoption) of a Neighbourhood Plan by the Council, and that the Council's Scheme of Delegations be amended by the insertion of a new paragraph stating this.
- (B) The Scheme of Delegations paragraph 26.5.20 be amended to say: 'To make non-substantive amendments to adopted Supplementary Planning Documents (SPDs) in consultation with the Economic Development and Planning Portfolio Leader.'

Reasons for Decisions

Neighbourhood Planning was a way in which communities could shape the future of the places where they lived and worked. Neighbourhood Planning allowed communities, should they wish to do so, to set planning policies through a Neighbourhood Plan or grant planning permission through a Neighbourhood Development Order or Community Right to Build Order. Neighbourhood Plans could not be used to prevent or stifle development and had to meet a number of Basic Conditions which included being in broad conformity with the Local Plan. They had to be independently examined to ensure they conformed to the relevant conditions and were then subject to referendum. Should the vote be in favour of the plan, then this could be made (adopted) by the Local Authority and it would then become part of the Development Plan and this a material consideration in decision making for planning applications.

The Council had a statutory duty to support Neighbourhood Plans. Their production involved a number of formal stages, some of which required formal action by the Council to some strict deadline, many of which were not likely to be achievable taking into account committee cycles and lead-in times. Further detail was set out in section 5 of the report, but in order to ensure that the Council fulfilled its legal obligations it was considered necessary that responsibility for these key functions, with the exception of the final making (adoption) of the plan, be delegated to the Head of Economic Development in consultation with the Economic Development and Planning Portfolio Leader.

Cannock Chase District currently had two Neighbourhood Plans in preparation: Hednesford Neighbourhood Plan which had reached the formal, statutory consultation stages; and Brereton and Ravenhill which was in the early stages of formulation.

In relation to Supplementary Planning Documents, section 26.5.20 of the current Scheme of Delegations referred very specifically to the delegated powers of the Head of Economic Development to make any further minor amendments to the Design SPD in consultation with the Economic Development and Planning Portfolio Leader. There were other SPDs produced by the Planning Policy service, so, for the purposes of consistency, it would be pragmatic to update the wording to state 'to make non-substantive amendments to adopted SPDs in consultation with the Economic Development and Planning Portfolio Leader.'

66. Exclusion of the Public

RESOLVED:

That the public be excluded from the remainder of the meeting because of the likely disclosure of exempt information as defined in Paragraphs 2 and 3, Part 1, Schedule 12A of the Local Government Act 1972 (as amended).

CANNOCK CHASE COUNCIL
MINUTES OF THE MEETING OF THE
CABINET

HELD ON THURSDAY 14 DECEMBER 2017 AT 4:00 P.M.

IN THE CIVIC CENTRE, BEECROFT ROAD, CANNOCK

PART 2

67. Former Tenants' Arrears Debt Recommended for Write-Off

Consideration was given to the Not for Publication Report of the Head of Housing and Partnerships (Item 11.1 – 11.11 of the Official Minutes of the Council).

RESOLVED:

That:

- (A) The former tenants' arrears as detailed in Appendix 1 to the Report be approved for write-off.
- (B) The revised Former Tenant Debt Recovery Policy, attached as Appendix 2 to the Report, be approved.

Reasons for Decisions

Appendix 1 to the Report presented twelve former tenants' arrears cases of £1,000 or above which could not be collected for the reasons identified in Report paragraphs 5.1(a)-(d). The arrears totalled £17,603.29.

In relation to former tenants' arrears cases of £1,000 or above for the period up to 31 March 2017 which could not be collected for reasons identified in Report paragraph 5.1(d), the Council's external auditors reported to the Audit & Governance Committee on 19 September 2017 that "During the course of our audit we noted that former tenants' arrears total £1,025k for which a provision of £0.974 million exists. Our discussions with management confirmed that Council Policy is not to write off debt until all potential collection methods have been exhausted however there is a significant proportion of this debt £0.409 million which is highly unlikely to be collectable due to the debt being 6 years old or greater. A large proportion of this debt has been brought forward from the previous Housing System (Navision) and will create a bottleneck in the Management Information system. We concluded that there is a need for management to critically review this balance and undertake housekeeping by writing off old debt that is highly unlikely to be collectable and focusing attention on current and collectable arrears."

In order to improve performance of the recovery of the form tenants' debt a revised Former Tenant Debt Recovery Policy was attached at Appendix 2 of the Report. The revised policy aimed to ensure that approval for write-off was sought promptly as soon as debt became uncollectable.

68. Rugeley Boxing Club

Consideration was given to the Not for Publication Report of the Head of Housing and Partnerships (Item 12.1 – 12.4 of the Official Minutes of the Council).

RESOLVED:

That:

- (A) Minute no. 84 of Cabinet held on 15 December, 2016 be rescinded, that approved the recommendation set out in paragraph 5.6 of the related Cabinet report of the same date for the grant of a lease extension at a favourable (non-market) rent, with fixed five-yearly rent increases to be agreed, having regard to the community benefits provided by this club and its charity status.
- (B) The grant of a lease extension of an additional 19 years at a favourable (non-market) rent of £300 per annum for the full 19 year term of the extended lease be approved.
- (C) Authority be delegated to the Head of Housing and Partnerships to agree terms and conditions and all other actions required to implement the decisions.

Reasons for Decisions

The Rugeley Boxing Club was located on a Council-owned land site of some 650 square metres in Wellington Road, Rugeley, and moved to this site in 1986 following the constructions of the existing buildings by the club in accordance with the terms of a lease from the Council for 21 years from 25 December, 1983.

The current lease to the 'Trustees of Rugeley (Police) Community and A.B.C.' was for a term of 14 years from 25 December, 2004 to 24 December, 2018 at an annual rent of £150.

Rugeley Boxing Club was a registered charity, operated on a 'voluntary donation' approach by its users and was open to both males and females and to all ages.

The only registered members of the Club were those that competed but otherwise all those who used the Club for exercise/fitness purposes did this on a 'drop-in' basis so that the Club offered both health and social benefits to people of all ages using the facilities. The weekly attendance averaged 60 to 70 attendees which was considered to be full capacity. Historically the Club had a strong police connection with several serving police understood to attend and a serving police sergeant being on the Club committee.

Rugeley Boxing Club was seeking an extended lease term of sufficient duration to allow the Club to secure further funds to finance the construction of a building extension for which planning permission was obtained on 12 August, 2015. The proposed extension was indicative of the Club's need for additional capacity to meet the needs of the community.

Extension of the lease term would need to be on favourable 'non-commercial' terms in order to enable the Rugeley Boxing Club to secure finance, build the proposed extension and continue to operate the Club in its existing form.

The meeting closed at 4:18 p.m.



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FORWARD PLAN OF DECISIONS TO BE TAKEN BY THE CABINET: JANUARY 2018 – MARCH 2018

A key decision is defined as an Executive decision which is likely to:

- Result in the Council incurring expenditure or making savings which are significant having regard to the Council’s budget for the service or function to which the decision relates; or
- Be significant in terms of its effects on communities living or working in an area comprising two or more Wards in the Council’s area.

Further information about key decisions and the Forward Plan can be found in Sections 10 and 28 of the Council’s Constitution.

Representations in respect of any of matters detailed below should be sent in writing to the contact officer indicated alongside each item c/o Democratic Services, Cannock Chase Council, Civic Centre, PO Box 28, Beecroft Road, Cannock, Staffordshire, WS11 1BG.

Copies of non-confidential items will be published on the Council’s website 5 clear working days prior to the relevant meeting date.

| Item | Contact Officer / Cabinet Member | Date of Cabinet | Key Decision | Confidential Item | Reasons for Confidentiality | Representation Received |
|---|---|------------------------|---------------------|--------------------------|------------------------------------|--------------------------------|
| General Fund Revenue Budget and Capital Programme 2018-19 to 2020-21 | Head of Finance / Leader of the Council | 25/01/18 | No | No | | |
| Housing Revenue Account Budgets 2017-18 to 2020-21 | Head of Finance and Head of Housing & Partnerships / Housing Portfolio Leader | 25/01/18 | No | No | | |
| Housing Revenue Account Capital Programme 2017-18 to 2020-21 | Head of Finance and Head of Housing & Partnerships / Housing Portfolio Leader | 25/01/18 | No | No | | |
| Treasury Management Strategy, Minimum Revenue Provision Policy and Annual Investment Strategy 2018-19 | Head of Finance / Leader of the Council | 25/01/18 | No | No | | |
| Housing and Homelessness Strategy 2018-23 | Head of Housing & Partnerships / Housing Portfolio Leader | 25/01/18 | No | No | | |
| Shared Accommodation – Pilot Project | Head of Housing & Partnerships / Housing Portfolio Leader | 25/01/18 | Yes | No | | |
| Homelessness Reduction Act 2017 – Homelessness Funding | Head of Housing & Partnerships / Housing Portfolio Leader | 25/01/18 | No | No | | |
| Revised Local Development Scheme and Local Plan Review | Head of Economic Development / Economic Development & Planning Portfolio Leader | 25/01/18 | No | No | | |

| Item | Contact Officer / Cabinet Member | Date of Cabinet | Key Decision | Confidential Item | Reasons for Confidentiality | Representation Received |
|---|---|------------------------|---------------------|--------------------------|------------------------------------|--------------------------------|
| Rugeley Power Station Supplementary Planning Document | Head of Economic Development / Economic Development and Planning Portfolio Leader | 25/01/18 | No | No | | |
| Application for Permission to Spend – Mill Green | Head of Economic Development / Economic Development and Planning Portfolio Leader | 25/01/18 | Yes | No | | |
| Sheep Fair / Bow Street, Rugeley Conservation Area: Appraisal and Management Plan Supplementary Planning Document | Head of Economic Development / Economic Development and Planning Portfolio Leader | 25/01/18 | No | No | | |
| Additional Capital Investment in Culture and Leisure Services as Part of the Council's Financial Recovery Plan | Head of Environment and Healthy Lifestyles / Culture and Sport Portfolio Leader | 25/01/18 | No | No | | |
| Quarter 3 Performance Report 2017-18 | Head of Governance & Corporate Services / Corporate Improvement Portfolio Leader | 08/03/18 | No | No | | |
| Public Space Protection Order (Dog Control) 2018 Declaration | Head of Environment & Healthy Lifestyles / Crime & Partnerships Portfolio Leader and Environment Portfolio Leader | 08/03/18 | Yes | No | | |
| Private Sector Housing – Financial Penalties and Rent Repayment Orders | Head of Environment & Healthy Lifestyles / Environment Portfolio Leader | 08/03/18 | No | No | | |
| Addition of Schemes into the Capital/Section 106 Programme | Head of Environment & Healthy Lifestyles / Culture and Sport Portfolio Leader | 08/03/18 | No | No | | |
| Replacement of Specialist Streetscene/Grounds Maintenance Machinery/Vehicles | Head of Environment & Healthy Lifestyles / Environment Portfolio Leader | 08/03/18 | No | No | | |

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|--------------------------|--|
| Report of: | Head of Finance |
| Contact Officer: | Bob Kean |
| Telephone No: | 01543 464334 |
| Portfolio Leader: | Leader of the Council |
| Key Decision: | No |
| Report Track: | Cabinet: 25/01/18 Council: 07/02/18 |

CABINET
25 JANUARY 2018
GENERAL FUND BUDGET AND CAPITAL PROGRAMME 2017-18 TO 2020-21

1 Purpose of Report

- 1.1 To consider the current position of the General Fund Revenue Budget for 2017-18 to 2020-21 and the updated capital programme 2017-18 to 2020-21.

2 Recommendations

- 2.1 That the following be recommended to Council as part of the formal budget setting process:-
- (a) the level of net spending for the General Fund Revenue Budget for 2018-19 be set at £11.645 million; with indicative net spending for 2019-20 and 2020-21 of £12.265million and £12.764 million respectively;
 - (b) the detailed portfolio budgets as set out in **Appendix 2**
 - (c) the forecast outturn net budget of £10.994 million be approved
 - (d) the use of Government Grants in 2018-19 of £1.093 million with indicative figures of £1.198 million and £1.282 million for 2019-20 and 2020-21 respectively;
 - (e) the working balances be set at £0.638million; £0.672 million and £1.032 million for 2018-19 to 2020-21 respectively;
 - (f) that a Council Tax of £212.94 be recommended to the Council for 2018-19; with indicative increases of 1.95% to the level of Council Tax for 2019-20 and 2020-21;
 - (g) the Council's Tax base be set at 28,396.76.
 - (h) the revised capital programme, including new schemes, as set out in **Appendices 3 and 4.**

3 Key Issues and Reasons for Recommendation

- 3.1 The report sets out a draft standstill budget for 2018-19 as well as indicative budgets for 2019-20 and 2020-21 and associated issues and also includes current indications of the impact that this will have on Council Tax. It also sets out the updated capital programme, and it sets out the capital resources available to the authority to finance the capital programme.

4 Relationship to Corporate Priorities

- 4.1 The revenue budget and capital programme reflect the Council's priorities.

5 Report Detail

- 5.1 As a precursor to the consideration of the overall General Fund Revenue Budget, Cabinet approved the General Fund Financial Plan for the period 2017-18 to 2020-21 on 14 December 2017.

- 5.2 The General Fund Revenue Budget for the period 2018-19 to 2020-21 has now been compiled following the principles agreed in the Financial Plan.

- 5.3 The detailed Portfolio Budgets together with Variation Statements as compared with the Budget Approved by Council last year are attached as **Appendix 2** to the report. The following paragraphs highlight the background to the compilation of the Revenue Budget.

5.4 Budget issues

Inflation

- 5.4.1 The National Employers for Local Government Services made a final pay offer covering the period 1 April 2018 to 31 March 2020 on the 5 December 2017. The offer included a 2% pay award for Spinal column Point 20 with spinal column points below this receiving higher increases. The offer envisaged an overall increase across the country of 2.7% in 2018/19 and 5.58% by 2019-20.

- 5.4.2 The actual increase for this Council for 2018-19 amounts to 2.5% but is substantially in excess of the 1% provision made in each of the years. The combined impact showing an increase of 5.5% compared with the 2.0% reflected in the base budget.

- 5.4.3 The additional cost to the Council, inclusive of shared service recharges, amounts to £112,000 in 2018-19 rising to £254,000 for 2019-20 and thereafter.

- 5.4.4 Portfolio budgets also reflect provision for the Living Wage. No material changes have however been made to the assumptions for general inflation for Portfolio Budgets as contained in the indicative budgets of the 2017-18 Budget report as updated by the 2017-18 to 2020-21 Financial Plan.

Spending pressures

- 5.4.5 The detailed budgets have been refreshed to reflect the outturn for 2016-17 and latest spending patterns.
- 5.4.6 In determining the 2020-21 budget additional provision has been made for Employer Contributions to increase by a further 2% as a result of the next triennial Actuarial Valuation of the Pension Fund; the Management Fee profile for the Leisure Management Contract and additional costs of demographic growth.
- 5.4.7 The Base Budget also reflects the additional costs arising from the Revised Development Scheme and Local Plan Review. The cost of the review is estimated to be approximately £250,000 but is partly offset by savings of £85,000 from Local Plan Part 2. The additional cost is to be funded from the Budget Support Reserve whereas future budget provision post 2021-22 is to be determined following detailed consideration of revised national guidelines for the Local Plan.
- 5.4.8 The Culture & Sport Budget includes £40,000 provision for the staffing of the Cannock Stadium site following the anticipated completion of Phase I of its redevelopment in March of this year.

Main streams of income

- 5.4.9 The Council continues to face income pressures as outlined in the Financial Plan. Income from Car Parks is forecast to be down by £44,000; Cannock Market Fees by £95,000 Recycling Credits by £39,000 and Cemeteries by £7,000 for 2018-19.
- 5.4.10 Income from Building Control; Land Charges; Development Control; Regulatory Services and Town Centre Management does however show positive variances however the nature of such charges makes it difficult to project such variations forward. Provision has therefore been made for only the ongoing adverse effect of changes in income.

5.5 Monitoring of the 2017-18 Revenue Budget

- 5.5.1 The Budget for 2017-18 is monitored each month against the profiled budget. The position based on the November figures, reflecting the downturn in income and updated for known changes in the forecast outturn is set out in the following table:

| Table 1: Budget Monitoring re 2017-18 as at 30 November 2017 | | | | | |
|---|------------------------|------------------------|-----------------------|-----------------|-------------------------|
| | Approved Budget | Profiled Budget | Actual to date | Variance | Forecast Outturn |
| | £000 | £000 | £000 | £000 | £000 |
| Portfolio Budgets | 10,643 | 9,590 | 9,619 | 29 | 174 |
| Investment income | (158) | (119) | (119) | - | - |
| Technical Adjs. | 335 | - | | | - |
| Net Spending | 10,820 | 9,471 | 9,500 | 29 | 174 |

5.5.2 The monitoring statement includes a projection to the financial year end of the forecast outturn position. It is currently expected that there will be an overall net reduction in income of £174,000 on Portfolio Budgets, however the approved budget reflects a reduction of £236,000 in relation to Financial Recovery Plan costs borne in 2016-17 but budgeted in 2017-18, hence an overall saving of £62,000 compared with the original budget is envisaged by the end of the financial year.

5.6 Local Government Finance Settlement 2018-19

5.6.1 The Provisional Local Government Finance Settlement for 2018-19 was received by the Council on 19 December 2017. The settlement only included indicative figures for 2019-20 with the 2020-21 allocation likely to be subject to considerable change arising from the planned implementation of Fair Funding and a revised Business Rates Retention Scheme in that year. The 2018-19 settlement and 2019-20 indicative figures provides the Council with a combination of its provisional Revenue Support Grant allocation and its baseline figures within the Business Rates Retention (BRR) scheme.

5.6.2 The Provisional Settlement represents the third year of a four year settlement covering the period 2016-17 to 2019-20. The Council in pursuing transitional funding following the closure of Rugeley Power Station did not accept the 4 year settlement and hence although indicative figures are available for 2019-20 this Councils actual settlement will be determined as part of the 2019-20 settlement.

5.6.3 The provisional figures are in line with the Budgeted figures as included in the 2017-18 to 2019-20 budget and the recently approved Financial Plan. Table 2 show a reduction of funding as determined by the Government Spending Assessment of £2.012 million (or 40.29%) during the period 2015-16 to 2019-20 as follows :-

| Table 2: Local Government Settlement 2015-16 to 2019-20 | | | | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Financial Year | 2015-16 £'000 | 2016-17 £'000 | 2017-18 £'000 | 2018-19 £'000 | 2019-20 £'000 |
| Revenue Support Grant | 2,128 | 1,406 | 776 | 384 | (0.054) |
| Baseline Funding Level | 2,765 | 2,787 | 2,844 | 2,930 | 2,994 |
| Council Tax Freeze Grant | 61 | | | | |
| Multiplier Compensation | 40 | 40 | 37 | 61 | 92 |
| Settlement funding assessment | 4,994 | 4,233 | 3,657 | 3,375 | 2,982 |
| % Reduction | | 15.2% | 13.6% | 7.7% | 11.6% |
| Cumulative | | | 26.77% | 32.42% | 40.29% |

- 5.6.4 It can be seen from above that this effectively results in the total demise of Revenue Support Grant by 2019-20. However in order to fully reflect the standard reductions required for shire districts as part of the four year settlement the Government have retained the facility to reduce Government support by amending the Tariff or deduction made from Business Rates in determining the amount of Business Rates Retained by a local authority. Based upon the % reduction applied to the combined Spending Assessment and Council Tax requirement applied to each district a further £0.054 million increase in the Tariff / or reduction in funding has been made in 2019-20 with a total reduction of £2.182 million occurring between 2015-16 and 2019-20 (being Revenue Support grant £2.128 million and Tariff adjustment £0.054 million).
- 5.6.5 The Tariff Adjustment has been abated for authorities subject to such adjustments in 2017-18 and 2018-19, whereas it was envisaged that a new Business Rates Regime (100% retention) would be in place by 2019-20. As a result of changes to the Business Rates Regime not now applying until 2020-21 the 2018-19 provisional settlement stated that the Government will consult on options for dealing with negative RSG for 2019-20 in the spring of 2018 and ahead of next year's settlement.

5.7 Business Rates Retention Scheme

- 5.7.1 The Business Rates Retention Scheme forms part of the new funding regime for Local Government and incentivises Councils to promote economic growth in their area as they are entitled to retain a share of business rates growth.
- 5.7.2 In determining the amount of overall Government funding allocated to the Council a baseline figure for 2018-19 of £2.930 million has been set which is used in determining the amount of Business Rates to be retained by the Council. The Baseline is updated each year to reflect inflation.

Autumn Budget

- 5.7.3 The Chancellor of the Exchequer announced a number of changes in relation to Business Rates in his Autumn Budget that related to 2018-19. These included

- Switch from RPI to CPI from 1 April 2018
- Continuing the £1,000 discount for public houses for one year

In addition it was announced that the frequency with which the VOA revalues non-domestic properties would be increased by moving to revaluations every three years following the next revaluation, currently due in 2022.

- 5.7.4 The impact of the changes is financially neutral for 2018-19 with the compensating grants (section 31) being provided by the Government.

Small Business Rates Relief

- 5.7.5 A Section 31 grant is due to be implemented for 2017-18 in relation to changes to Small Business Rates Relief (SBRR) Thresholds and the doubling of SBRR relief arising from the Chancellors 2016 Budget. Provision has been made in

the budget for such compensation however the methodology for determining compensation has only been submitted for consultation on the 20 December 2017. The Budget has therefore been amended to reflect the proposed compensation which is based upon a proxy, based upon RV bandings for each authority rather than the actual cost.

Appeals Provision

- 5.7.6 As highlighted in the Governments own consultation on Business Rates the volatility of appeals has had a material detrimental impact on the resources available to local authorities and this will be exacerbated by the 2017 revaluation. The current 50% business rates retention was introduced 3 years post the 2010 valuation at a time when the majority of appeals should already have been dealt with. Authorities will now bear the impact of appeals from day one of the new valuation applying.
- 5.7.7 The provisional Local Government Finance Settlement for 2017-18 indicates that 2.1p of the proposed multiplier is to account for appeals. The Council, similar to a number of other authorities, took a more prudent review and provided a 2.7p assessment of appeals.
- 5.7.8 Appeals received to date against the 2017 Revaluation are limited in number however this is potentially as a result of the new Check, Challenge, Appeal system whereby due to a more robust system a time lag is likely to exist before appeals materialize. Nevertheless it is now felt that a 2.1p provision should be used in 2018-19.

Growth generated

- 5.7.9 The draft budget for 2018-19 onwards assumes that the Council will receive additional funding of £1.201 million from the Business Rates Retention Scheme in respect of “growth” compared with the Government’s baseline.
- 5.7.10 The resources forecast for the current and future years also include the retention of additional business rates in accordance with the Business Rates Pooling agreement. Agreement has been reached with the Greater Birmingham and Solihull (GB&S) Business Rates Pool on a distribution mechanism of the levy paid by each authority to the pool whereby the generating authority will retain 32.5% of the levy that it pays into the pool. The Draft Budget assumes that a retained pool levy will also apply throughout the period however a new scheme will apply from 2020-21. **Appendix 5** provides an analysis of the Retained Business Rates Income for the Council.

Proposed Changes to existing Regime

- 5.7.11 The Budget is based upon the existing 50% Business Rates Retention Scheme. As stated earlier it was originally envisaged that a new 100% Business Rates Retention scheme would be in place by 2019-20. However the necessary legislation as contained in the Local Government Finance Bill was not enacted due to the timing of the 2017 General Election and due to the pressing BREXIT requirements was not included in the legislative programme of the New Government. Work in relation to Fair Funding, which will determine

the needs allocation or core funding baselines for the new system, has however progressed.

- 5.7.12 The Provisional Local Government Settlement however indicated that the introduction of 100% Business Rates Retention would be done in phases with the aim that in 2020-21 local authorities would be able to retain 75% of Business Rates. This would be by incorporating existing grants (to a lesser degree than under 100% retention) with Revenue Support Grant and Public Health Grant in particular to be absorbed.
- 5.7.13 The new scheme would however be based upon a new formula funding basis following a review of relative needs and resources and would also reflect a reset of existing Business Baselines. In relation to the former it is evident this review will undoubtedly see a movement in resources towards Adult Social Care that will impact upon the Business Rates Retained Baseline and the share of business rates growth between the County Council and the Borough. The resetting of current baselines will in addition see existing growth either eliminated or only partially carried forward into 2020-21. The indication is that 75% of new growth thereafter will be retained by local authorities.
- 5.7.14 An initial Technical Consultation on potential approaches to measure the relative needs of Local Authorities was published on the 19 December 2017 (response date 12 March 2018). A number of further technical papers are envisaged including examining the relative resources of local authorities and the transitional arrangements of the new scheme. **Details of how the new scheme will operate and specific assessments of relative need and resources for this authority are some way off being determined.**

Business Rates Pilot 2018-19

- 5.7.15 The Council together with the other ten authorities in Staffordshire applied to be a Business Rates Pilot in 2018-19. The successful applications were announced as part of the Provisional Local Government Settlement and unfortunately the Council was unsuccessful. The potential benefit to the Council was in excess of £600,000 per annum. The approved pilot areas consist of Berkshire; Derbyshire, Devon; Gloucestershire; Kent & Medway; Leeds; Lincolnshire; Solent; Suffolk and Surrey.

5.8 New Homes Bonus.

- 5.8.1 Provisional allocations for the New Homes Bonus Grant scheme for 2018-19 were announced by the Department for Communities and Local Government on the 19 December 2017.
- 5.8.2 No changes have been made to the scheme itself for 2018-19 although the Government had previously consulted on withholding payments for homes that are built on appeal. Similarly no changes have been made to the determination of the number of properties not eligible for grant (deadweight) which is now subject to annual review.
- 5.8.3 The provisional allocations now received are in line with the number of properties as contained in the Financial Plan for 2018-19 however the actual

settlement is some £19,000 higher than anticipated reflecting the average national Band D Council Tax per property being higher than expected.

- 5.8.4 The New Homes Bonus grant is, in 2018-19, a four year rolling programme, having been reduced in 2017-18 from the initial six year payment regime. The cumulative level of grant for 2017-18 amounts to £0.974 million and will now increase to £1.031 million in 2018-19, as compared to £1.8 million under the previous regime.

6. General Fund Revenue Draft Budget 2018-19 to 2020-21

- 6.1 The table below sets out the Council's current draft General Fund Revenue Budget position for 2018-19 and indicative budgets for 2019-20 and 2020-21. As stated previously Government Funding for 2020-21 can not be determined at this stage with figures simply being extrapolated from the 2019-20 Government figures

| Table 3: General Fund Draft Budget 2017-18 to 2019-20 | | | |
|--|---------------------------|---------------------------|---------------------------|
| | Budget 2018-19 | Budget 2019-20 | Budget 2020-21 |
| | £000 | £000 | £000 |
| Net Expenditure | | | |
| Portfolio budgets | 11,411 | 11,689 | 12,050 |
| Investment interest | (158) | (158) | (158) |
| Technical items | 392 | 734 | 872 |
| Net Spending | 11,645 | 12,265 | 12,764 |
| Less: Government Grants | | | |
| NNDR Multiplier | (61) | (92) | (92) |
| New Homes Bonus | (1,032) | (1,106) | (1,190) |
| Budget Requirement | 10,552 | 11,067 | 11,482 |
| Financing | | | |
| Collection Fund surplus | (112) | | |
| Business Rates | (4,130) | (4,357) | (5,262) |
| Revenue Support Grant | (384) | 54 | 54 |
| Council Tax Income | (6,047) | (6,242) | (6,443) |
| Total Financing | (10,673) | (10,545) | (11,651) |
| Transfer to Working Balances | 121 | | 169 |
| Transfer from Working Balances | | 522 | |

6.2 The material changes occurring since the Financial Plan can be summarised as follows:-

| Table 4: Revenue Budget Surplus/Deficit Reconciliation | | | |
|---|---------------------------|---------------------------|---------------------------|
| | Budget 2018-19 | Budget 2019-20 | Budget 2020-21 |
| | £000 | £000 | £000 |
| Financial Plan Original Deficit/ (Surplus) | 135 | 529 | (266) |
| Pay Award Provision | 112 | 254 | 254 |
| Provisional Settlement – Tariff adj | 10 | (42) | (42) |
| New Homes Bonus allocation | (19) | (19) | (19) |
| Reduction in provision for Appeals | (90) | (240) | (240) |
| SBRR | (80) | (87) | (73) |
| Capital Financing Charges | (106) | 15 | 28 |
| Base Budget Changes | (83) | 112 | 189 |
| Revised Surplus | (121) | 522 | (169) |

6.3 The budget for 2018-19 shows Total Financing exceeds the Budget Requirement by £0.121million and represents a Contribution to Working Balances in that year. A deficit now exists in 2019-20 reflecting revised phasing of projected business rates growth. Although a surplus exists in 2020-21 this may be subject to material change following the determination and implementation of new baseline funding for the proposed 75% Business Rates Retention Scheme.

6.4 It should be noted that the position outlined above for 2018-19 is draft, reflecting a provisional settlement, and could marginally change between now and the Council Tax being set by Council in late February. Costs relating to capital charges and the allocation of departmental and support services recharges have been disregarded as they do not affect the level of expenditure to be met from Council Tax.

7. Council Tax Base and Collection Fund

7.1 The final part of the consideration of the Budget is the Council Tax base. This is the number of properties in the district expressed in terms of Band D equivalents. The amount of money that the Council can raise per £1 charge for a Band D equivalent property can be established from the tax base.

7.2 The Council's gross tax base for budget purposes will see an increase of 3% in 2018-19 reflecting new properties being built in the district, and a reduction in the cost of the Local Council Tax Reduction Scheme.

7.3 The Council's Tax Base is now calculated on the following basis:

| | |
|--|-------------------|
| Council Tax base for budget setting purposes | 31,993.97 |
| Less: impact of Local Council Tax Reduction Scheme | <u>(3,597.21)</u> |
| | 28,396.76 |

- 7.4 Details of the tax base, broken down over parishes are set out in **Appendix 8**.
- 7.5 The Council's Collection Fund has been reviewed as part of the budget process and is expected to break even in 2018-19 with the 2016-7 surplus being applied in 2018-19

8. Council Tax 2017-18

- 8.1 In determining the level of Council Tax for 2018-19 Cabinet will need to take into account the medium term financial position and the Council Tax Referendum Thresholds.
- 8.2 The Localism Act 2011 contains provisions to veto excessive Council Tax increases by means of a referendum. The Council Tax Referendum threshold principles for 2018-19 were amended as part of the 2018-19 Provisional Settlement to reflect the prevailing level of inflation. The threshold has therefore been increased by a further 1% with an increase of 3% or more requiring a referendum.
- 8.3 Authorities planning to set excessive council tax increases would be required to draw up shadow budgets with both budgets being approved as part of the budget process and a referendum held in May. If the rise in Council Tax is rejected the shadow budget would be adopted immediately and refunds made to residents in accordance with a predetermined timetable.
- 8.4 The Financial Plan as considered by Cabinet in December was based upon the 1.95% increase as assumed as part of the 2017-18 budget. A 1% increase amounts to £59,000 per annum.
- 8.5 In light of the above considerations Cabinet are proposing that the Band D Council Tax for 2018-19 will increase to £212.94 as proposed last year.
- 8.6 The final level of Council Tax levied will be determined by Council on 8 February 2018. The figures set out in this report may require minor amendment if any further information emerges before then.
- 8.7 The total Council Tax for the District will reflect the spending decision made by the County Council, the Office of the Police and Crime Commissioner and the Fire Authority. In addition, in certain areas, parish council precepts are also added to the overall bill.

9. Reserves and Balances

- 9.1 Reserves and Balances comprise General Reserves, the Working Balance and Earmarked Reserves. The general strategy for using unallocated reserves is that they are used to meet shortfalls in the net budget during the year. This is particularly important in the current economic circumstances when sources of income, at both national and local level, are particularly volatile.

- 9.2 In accordance with the recommendations contained in the report the level of Working Balances as at 31 March each year is as follows:

| | 31/03/18 | 31/03/19 | 31/03/20 | 31/03/21 |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|
| | £000 | £000 | £000 | £000 |
| Balance B/fwd. | 2,434 | 2,668 | 2,789 | 2,267 |
| Applied in Year | 234 | 121 | (522) | 169 |
| Balance C/fwd. | 2,668 | 2,789 | 2,267 | 2,436 |
| Minimum | (0.637) | | | (1,032) |
| Surplus to Support Budget | 2.031 | | | 1,404 |

- 9.3 The Council's General Fund working balance currently stands at £2.434 million and was expected to reduce by £0.508 million during 2017-18. The latest forecast indicates additional savings of £0.062million on Portfolio Budgets whereas a reprofiling of Business Rate Tariff Adjustments will see additional income of £0.680 million with a Working Balance of £2.668 million forecast as at 31 March 2018. The prudent level of Working Balance for 2018-19 is recommended to be £0.637million as set out in **Appendix 1**, but rising to just over £1.000 Million in 2020-21. In light of the great deal of uncertainty that exists thereafter in relation to the proposed changes to the Governments Funding Regime for local government and in particular Business Rates and New Homes Bonus it is envisaged that only £1.404 million is available to support the budget from 2018-19 onwards
- 9.4 The Council holds a number of earmarked reserves for specific purposes. In light of the challenges facing the Council last year a comprehensive review of all reserves was undertaken. Reserves continue to be reviewed on an annual basis and any, which are identified to be no longer required, are incorporated within the Budget Support working balance.
- 9.5 A summary of earmarked reserves incorporating their planned use over the next four years is detailed overleaf with a more detailed analysis of Other General reserves attached at **Appendix 6**.

| | 31/03/2018 | 31/03/2019 | 31/03/2020 | 31/03/2021 |
|--------------------|-------------------|-------------------|-------------------|-------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Ring Fenced Grants | 70 | 69 | 69 | 69 |
| Section 106 | 1,226 | 1,195 | 1,195 | 1,195 |
| Commuted Sums | 184 | 169 | 154 | 139 |
| Bond | 193 | 215 | 237 | 259 |
| Shared Services | 358 | 333 | 333 | 333 |
| Partner | 407 | 407 | 407 | 407 |
| RCCO | 3,042 | 395 | 395 | 395 |
| New Homes Bonus | | 101 | 318 | 669 |
| General – Other | 2,378 | 2,198 | 2,163 | 2,171 |
| Total | 7,858 | 5,082 | 5,271 | 5,637 |

9.6 **Appendix 7** sets out the required report on the robustness of the budget estimates and the adequacy of the Council's reserves

10. Medium Term Outlook

10.1 There is currently great uncertainty over how a Government will fund Councils into the future via Business Rates and New Homes Bonus. The Business Rates Scheme in particular carries the greatest uncertainty with a 75% Retention Scheme to be designed; Fair Funding taken into account and a reset of baselines all due. In light of the uncertainty as reflected in various sections of this report it is difficult to identify the true overall position going forward.

10.2 The forecast current surplus in 2020-21, based upon the current funding regime, together with the level of Working Balances to support the budget will enable the Council to adjust to its new funding resource level over the next three years.

11. Capital Programme 2017-18 to 2019-20

11.1 On 11 February 2017, Council approved a capital programme to 2017-18. This programme has been updated to include approved changes, re-profiled to reflect current spend estimates reflecting slippage in schemes and more up to date information on costs. The updated programme is attached at **Appendix 3** with anticipated expenditure and resources as reflected by the Capital Budget included at **Appendix 4**.

11.2 Potential available resources have increased as a result of the Mill Green Retail Outlet Centre and the anticipated receipt in relation to the Lease re Rugeley Leisure Centre.

11.3 The Draft Capital Programme includes three new schemes as follows

- District Investment Fund (£6,476,000) – in accordance with the Draft Corporate Plan the receipts from Mill Green have been earmarked for a District Investment Fund. Provision for the Engineering Training Facility together with other uncommitted resources have been consolidated within this budget.
- Car Park Improvements (£492,000) – provision for 5 year rolling programme of major resurfacing and patching etc. of district car parks.
- Affordable Housing (£644,000) – consolidation of General Fund RTB receipts net of pooling to assist in delivery of additional affordable housing

11.4 In addition to the above the programme now includes the rolling programme of expenditure requirements for the new programme year 2020-21 together with a breakdown of replacement vehicles and equipment over the various services.

- 11.5 The capital resources position, based on the approved capital programme, for the period 2017-18 to 2020-21 is summarised below:

| Table 7: Uncommitted Capital Resources | | |
|--|---------------------|--------------------|
| | General Fund | Section 106 |
| | £000 | £000 |
| Capital resources brought forward at 1 April 2017 | 5,467 | 1,388 |
| Capital Receipts | 6,732 | 79 |
| Capital Grants | 3,192 | |
| Joint Investment Fund | 1,570 | |
| Revenue contribution to Capital Outlay | | |
| Use of Reserves | 150 | 12 |
| Other Contributions | | |
| Draft Capital Programme 2017-18 to 2020-21 | (16,336) | (605) |
| Set A side | (204) | |
| Remaining resources at 31 March 2021 | 571 | 874 |

12 Implications

12.1 Financial

The continued loss of Formula Funding from the Government is a key risk which will undoubtedly impact on the Council's ability to deliver services in the future. The impact can be reduced (or increased) as a result of the New Financial Regime and the opportunities / risks associated with the Business Rates Retention scheme.

12.2 Legal

The legal implications are set out throughout the report including the statutory requirement for the Council to set a balanced budget.

12.3 Human Resources

None

12.4 Section 17 (Crime Prevention)

None

12.5 Human Rights Act

None

12.6 Data Protection

None

12.7 Risk Management

Risk management issues have been covered in the report detail.

12.8 Equality & Diversity

In preparing a balanced budget for consultation Cabinet will need to ensure that due regard is made to Equality and Diversity implications as well as financial considerations. The standstill budget will reflect the Council's current Equality and Diversity policy whereas changes to service provision will need to be addressed as part of the Delivering Change process.

12.9 Best Value

None

13 Appendices to the Report

- Appendix 1: Risks considered in determining the Working Balance
- Appendix 2: Detailed Portfolio Budgets and Variation Statements
- Appendix 3: Capital Programme 2017-18 to 2020-21
- Appendix 4: General Fund and Section 106 Capital Budgets 2017-18 to 2020-21
- Appendix 5: Business Rates Retention – Retained Income
- Appendix 6: Other General Fund Earmarked Reserves
- Appendix 7: Robustness of the Budget Estimates and the Adequacy of the Council's Reserves
- Appendix 8: Council Tax Base – Parishes

Previous Consideration

| | | |
|-----------------------------------|---------|-------------------|
| Financial Plan 2017-18 to 2020-21 | Cabinet | 14 December, 2017 |
|-----------------------------------|---------|-------------------|

Background Papers

None

RISKS CONSIDERED IN DETERMINING THE WORKING BALANCE

| ASSUMPTION | RISK | MAXIMUM COST | | | REQUIRED BALANCES | | | COMMENTS |
|-----------------------|------|--------------|-------------|-------------|-------------------|-------------|-------------|--|
| | | 18-19 £m | 19-20 £m | 20-21 £m | 18-19 £m | 19-20 £m | 20-21 £m | |
| Resources | | | | | | | | |
| Revenue Support Grant | Low | N/A | -0.050 | +0.330 | | -0.050 | 0.035 | The Government as part of the settlement for 16-17 provided provisional figures through to 19-20 with the opportunity to fix the funding settlement to 19-20. In light of further requests to provide transitional funding to compensate for the closure of Rugeley Power Station the Council were not able to accept this offer. The Government have indicated that the actual settlement in each of these years may change as a result of business rates/ multipliers and unforeseen economic events etc. Although RSG ceases in 19-20 the government still has the power to reduce the Business Rates Baseline via negative RSG. A 10% reduction in core funding amounts to £0.330 million. The Council is however subject to a negative RSG for 2019/20 and the Government have indicated this will be reviewed. |

RISKS CONSIDERED IN DETERMINING THE WORKING BALANCE

| ASSUMPTION | RISK | MAXIMUM COST | | | REQUIRED BALANCES | | | COMMENTS |
|----------------------------|------|--------------|-------------|-------------|-------------------|-------------|-------------|---|
| | | 18-19 £m | 19-20 £m | 20-21 £m | 18-19 £m | 19-20 £m | 20-21 £m | |
| Resources | | | | | | | | |
| Business Rates Baseline | High | N/A | | +0.330 | | | +0.250 | The Chancellor had as part of the previous Government announced that local government will be able to retain 100% of Business Rates by 2019/20. However no provision exists within the legislative programme of the current government although work on Fair Funding which will determine Baselines is ongoing. The provisional settlement for 2018-19 now refers to a 75% scheme to be introduced in 2020/21. The design of a 75% scheme will be subject to detailed consultation and hence at this stage its implications cannot be determined. The Government have announced that the retention of business rates will be fiscally neutral however the proposals do refer to the change also rebalancing support to local authorities with social care responsibilities and a new formula will apply from 20/21. |

RISKS CONSIDERED IN DETERMINING THE WORKING BALANCE

| ASSUMPTION | RISK | MAXIMUM COST | | | REQUIRED BALANCES | | | COMMENTS |
|--------------------------------|-------------|--------------|-------------|-------------|-------------------|-------------|-------------|---|
| | | 18-19 £m | 19-20 £m | 20-21 £m | 18-19 £m | 19-20 £m | 20-21 £m | |
| - Volatility in Business Rates | Med/ Low | | | +0.840 | | | +0.210 | The Council will be exposed to volatility or reduction in its business rates due to the failure or temporary closure of a key industry and the impact of Appeals against Rateable Values. The premature closure of RPS has , although leaving a material shortfall in resources, has reduced the risk since Rugeley Power Station represented 9% of rateable value however because the Council is still in a growth position the risk does exist.. A Safety Net exists via Pooling arrangements which guarantees 92.5% of Business Rates Baseline Funding. The provisional Baseline for 2018-19 amounts to £2.930m with a resultant safety net requirement of £2.710m in 2018-19.Current projections indicate actual Business Rates will be £1.814 m above the baseline and hence in addition to Safety Net requirements. |

RISKS CONSIDERED IN DETERMINING THE WORKING BALANCE

| ASSUMPTION | RISK | MAXIMUM COST | | | REQUIRED BALANCES | | | COMMENTS |
|-------------------------|------|--------------|--------------|--------------|-------------------|--------------|--------------|--|
| | | 18-19 £m | 19-20 £m | 20-21 £m | 18-19 £m | 19-20 £m | 20-21 £m | |
| | | | | | | | | Provision exists for additional Growth from Mill Green in 20-21 which is an additional risk in terms of potential delay in the project. |
| Council Tax Base | Med | | +/- 0.059 | +/- 0.059 | | +/- 0.015 | +/- 0.015 | The Council Tax base for 2018-19 is based upon a cut off point each year and although figures are up to date at November 2017 they will vary as properties become occupied /unoccupied etc. and the impact of new properties coming in line during the next financial year. The major risk relates to whether the forecast increase in Council Tax base can be achieved. . The budget assumes a 1.25 % increase in 2019-20 and 2020-21. A 1% variation amounts to approximately £59,000. |
| Council Tax | Low | 0.270 | | | | | | Council Tax increases will be subject to a referendum if considered excessive by the Government. Current assumptions are within the referendum criteria |

RISKS CONSIDERED IN DETERMINING THE WORKING BALANCE

| ASSUMPTION | RISK | MAXIMUM COST | | | REQUIRED BALANCES | | | COMMENTS |
|-----------------|------|--------------|--------------|--------------|-------------------|--------------|--------------|--|
| | | 18-19 £m | 19-20 £m | 20-21 £m | 18-19 £m | 19-20 £m | 20-21 £m | |
| New Homes Bonus | Med | | +/- 0.059 | +/- 0.059 | | +/- 0.015 | +/- 0.015 | The provisional NHB Grant for 18-19 is in line with the Councils own estimate. However NHB remains a funding regime that may be subject to change. The Government as part of the 16-17 settlement consulted on a scheme that in particular , in addition to reducing the number of payment years, proposed a deadweight allowance of 0.25% of Band D properties before NHB is payable. This new scheme has been applied from 17-18 however the deadweight baseline has been increased to 0.4% per annum. The Government have indicated that they will retain the option of making adj's to the baseline in future years in the event of a significant increase in housing growth. In addition to encourage more effective local planning they will also consider withholding payments for homes that are built following an appeal. 0.1% of deadweight equates to £0.041m. |
| | Med | | +0.041 | +0.082 | | +0.020 | +0.020 | |

RISKS CONSIDERED IN DETERMINING THE WORKING BALANCE

| ASSUMPTION | RISK | MAXIMUM COST | | | REQUIRED BALANCES | | | COMMENTS |
|--|------|--------------|-------------|-------------|-------------------|-------------|-------------|--|
| | | 18-19 £m | 19-20 £m | 20-21 £m | 18-19 £m | 19-20 £m | 20-21 £m | |
| <u>Realism of standstill budget</u> | | | | | | | | The budget is based upon realistic estimates with the strategy assuming all budgets will be controlled within agreed levels. However, a number of budgets are not within the control of the Council or involve a risk element. |
| Staff Turnover | Low | +0.350 | +0.360 | +0.370 | | +0.035 | +0.035 | The budget contains annual savings of approximately £0.350m due to staff turnover. The current economic climate restricts the opportunities for external migration however corporate budgetary control exists to ensure that the employee budget is contained within the overall budget. |
| Provision for Bad Debts | Med | +0.100 | +0.100 | +0.100 | +0.050 | +0.050 | +0.050 | The introduction of the Council Tax Reduction scheme resulted in an increase in the amount some people previously in receipt of council tax benefit are required to pay to the Council. It is unknown how much of this additional debt will be collectable and so the level of bad debts for the Council may increase. |

RISKS CONSIDERED IN DETERMINING THE WORKING BALANCE

| ASSUMPTION | RISK | MAXIMUM COST | | | REQUIRED BALANCES | | | COMMENTS |
|--|------|--------------|-------------|-------------|-------------------|-------------|-------------|--|
| | | 18-19 £m | 19-20 £m | 20-21 £m | 18-19 £m | 19-20 £m | 20-21 £m | |
| <u>Realism of standstill budget</u> | | | | | | | | |
| Actuarial Valuation | Med | | | | | | | The Actuarial Valuation of the Pension Fund covers the period 2017-18 to 2019-20. A new valuation will apply for 2020-21 and a continuation of the current stabilisation increases of 2% per annum is reflected in the draft budget. A 1% variation amounts to £97,000. |
| <u>Customer & Client Receipts</u> | | | | | | | | |
| Car Park Income | Med | +0.055 | +0.110 | +0.110 | +0.015 | +0.027 | +0.027 | Car park income for 2016-17 was some £7,000 higher than the budget. The mid year outturn anticipated a reduction of £45,000 and this has been reflected in outturn and forward projections, with the increase in charges being effectively negated. . Provision does however exist for additional net income of £110,000 from the Civic Centre pay and display car park and demand for use for all car parks could impact on income. |

RISKS CONSIDERED IN DETERMINING THE WORKING BALANCE

| ASSUMPTION | RISK | MAXIMUM COST | | | REQUIRED BALANCES | | | COMMENTS |
|-------------------|----------|--------------|--------------|--------------|-------------------|--------------|--------------|--|
| | | 18-19 £m | 19-20 £m | 20-21 £m | 18-19 £m | 19-20 £m | 20-21 £m | |
| Planning Fees | Med/High | +/- 0.055 | +/- 0.160 | +/- 0.160 | + 0.027 | +/- 0.080 | +/- 0.080 | Planning fees income continues to show a downturn with the base budget showing ongoing reductions of £126,000 as compared to five years ago. In particular any downturn in major applications will impact on planning fee income. The Council have elected to increase planning fees by 20% with the additional income to be invested in the planning department. Any downturn in applications will therefore be further enhanced by the additional investment incurred. |
| Recycling Credits | High | | +180 | +180 | | +135 | +135 | A review of Green Waste Recycling Credits is being undertaken by the County Council and the Joint Waste Board. The impact on the council cannot be determined at this stage however the Council entered into a 7 year contract in 2016 that severely limits the council's ability to change service provision for green waste without adverse penalty costs. |

RISKS CONSIDERED IN DETERMINING THE WORKING BALANCE

| ASSUMPTION | RISK | MAXIMUM COST | | | REQUIRED BALANCES | | | COMMENTS |
|------------------|-------------|--------------|-------------|-------------|-------------------|-------------|-------------|--|
| | | 18-19 £m | 19-20 £m | 20-21 £m | 18-19 £m | 19-20 £m | 20-21 £m | |
| <u>Inflation</u> | Low | | | | | | | Annual inflation of 2% for prices and 2% for pay and 2% income have been included within the standstill budget. |
| Pay Awards | Low /Med | +0.100 | +0.200 | +0.300 | +0.025 | +0.050 | +0.150 | The National Employers for Local Government Services made a final pay offer covering the period 1 April 2018 to 31 March 2020 on the 5 December 2017. The offer equates to a 2.5% and a 5.5 % cumulative impact that has been reflected in the budget. A risk therefore exists if a settlement is agreed above this level in relation to these years. A 1% variation amounts to £100,000 net of recharges. Provision of 1% has been budgeted for 2020/21 only at this stage. |
| Interest Rates | Med | - 0.018 | - 0.090 | - 0.090 | | -0.030 | -0.030 | The amount earned depends on the prevailing interest rates and the level of cash balances held. . |

RISKS CONSIDERED IN DETERMINING THE WORKING BALANCE

| ASSUMPTION | RISK | MAXIMUM COST | | | REQUIRED BALANCES | | | COMMENTS |
|-------------------------|-------------|--------------|-------------|-------------|-------------------|--------------|--------------|---|
| | | 18-19 £m | 19-20 £m | 20-21 £m | 18-19 £m | 19-20 £m | 20-21 £m | |
| Rates | Low | | +0.024 | +0.036 | | | | Variations to the budget will arise if the NNDR multiplier increases are in excess of the Council inflation assumption. Recent Government announcements suggest that increases will be lower than the September inflation levels. |
| Energy | Low/ Med | | | | | | | Energy prices are subject to volatility and although a time lag exists between changes in wholesale food and energy costs and actual charges the budget reflects the latest contracts for energy supply. |
| General Contingency | | | | | +0.200 | +0.150 | +0.150 | Future year's budgets reflect the ongoing aggregate implications of assumptions that have a high risk identified unless separately identified. Provision will however be required for unforeseen events |
| Maximum | | | | | 0.317 | 0.497 | 1.142 | |
| Minimum | | | | | 0.317 | 0.277 | 0.922 | |
| Average | | | | | 0.317 | 0.387 | 1.032 | |
| Audit Commission | | | | | 0.637 | 0.672 | 0.700 | |

Corporate Improvement

| | Outturn 2017-2018 £ | Budget 2018-2019 £ | Budget 2019-2020 £ | Budget 2020-2021 £ |
|---|---------------------------|--------------------------|--------------------------|--------------------------|
| 1 Legal Services | | | | |
| Third Party Payments | 220,660 | 237,550 | 245,770 | 251,500 |
| Total Expenditure | 220,660 | 237,550 | 245,770 | 251,500 |
| Income | (149,880) | (155,920) | (162,180) | (167,070) |
| Total Income | (149,880) | (155,920) | (162,180) | (167,070) |
| Legal Services Net Expenditure | 70,780 | 81,630 | 83,590 | 84,430 |
| 2 Technology | | | | |
| Supplies & Services | 41,750 | 46,420 | 47,110 | 47,800 |
| Third Party Payments | 705,350 | 707,770 | 725,420 | 737,300 |
| Total Expenditure | 747,100 | 754,190 | 772,530 | 785,100 |
| Income | (160,790) | (167,970) | (175,440) | (180,700) |
| Total Income | (160,790) | (167,970) | (175,440) | (180,700) |
| Technology Net Expenditure | 586,310 | 586,220 | 597,090 | 604,400 |
| 3 Governance | | | | |
| Employee Expenses | 93,450 | 96,780 | 99,930 | 102,260 |
| Transport Related Expenditure | 1,030 | 1,040 | 1,050 | 1,060 |
| Supplies & Services | 30,740 | 30,720 | 31,020 | 31,320 |
| Total Expenditure | 125,220 | 128,540 | 132,000 | 134,640 |
| Income | (29,910) | (30,000) | (30,300) | (30,600) |
| Total Income | (29,910) | (30,000) | (30,300) | (30,600) |
| Governance Net Expenditure | 95,310 | 98,540 | 101,700 | 104,040 |
| 4 Human Resources | | | | |
| Third Party Payments | 205,330 | 227,980 | 237,860 | 243,720 |
| Total Expenditure | 205,330 | 227,980 | 237,860 | 243,720 |
| Income | (127,210) | (132,330) | (137,640) | (141,790) |
| Total Income | (127,210) | (132,330) | (137,640) | (141,790) |
| Human Resources Net Expenditure | 78,120 | 95,650 | 100,220 | 101,930 |
| 5 Customer Services | | | | |
| Employee Expenses | 207,330 | 206,600 | 215,320 | 221,210 |
| Premises Related Expenditure | 1,630 | 1,650 | 1,670 | 1,690 |
| Supplies & Services | 73,040 | 73,610 | 74,290 | 75,050 |
| Total Expenditure | 282,000 | 281,860 | 291,280 | 297,950 |
| Income | (81,610) | (85,000) | (88,410) | (91,060) |
| Total Income | (81,610) | (85,000) | (88,410) | (91,060) |
| Customer Services Net Expenditure | 200,390 | 196,860 | 202,870 | 206,890 |
| 6 Corporate Services | | | | |
| Employee Expenses | 108,380 | 115,140 | 122,280 | 125,360 |
| Supplies & Services | 69,330 | 76,630 | 77,400 | 78,090 |
| Total Expenditure | 177,710 | 191,770 | 199,680 | 203,450 |
| Income | (33,380) | (36,700) | (38,060) | (38,890) |
| Total Income | (33,380) | (36,700) | (38,060) | (38,890) |
| Corporate Services Net Expenditure | 144,330 | 155,070 | 161,620 | 164,560 |

Corporate Improvement

| | Outturn 2017-2018 £ | Budget 2018-2019 £ | Budget 2019-2020 £ | Budget 2020-2021 £ |
|---|------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| 7 Communications | | | | |
| Employee Expenses | 163,120 | 160,380 | 166,860 | 171,730 |
| Transport Related Expenditure | 2,910 | 2,130 | 2,150 | 2,170 |
| Supplies & Services | 28,740 | 31,800 | 32,120 | 32,460 |
| Total Expenditure | 194,770 | 194,310 | 201,130 | 206,360 |
| Income | (3,440) | (3,580) | (3,720) | (3,840) |
| Total Income | (3,440) | (3,580) | (3,720) | (3,840) |
| Communications Net Expenditure | 191,330 | 190,730 | 197,410 | 202,520 |
| 8 Policy & Performance | | | | |
| Employee Expenses | 181,340 | 187,620 | 196,120 | 201,340 |
| Transport Related Expenditure | 1,250 | 1,260 | 1,270 | 1,280 |
| Supplies & Services | 11,450 | 11,030 | 11,130 | 11,230 |
| Total Expenditure | 194,040 | 199,910 | 208,520 | 213,850 |
| Policy & Performance Net Expenditure | 194,040 | 199,910 | 208,520 | 213,850 |
| 9 Land Charges | | | | |
| Employee Expenses | 32,910 | 28,780 | 29,930 | 30,660 |
| Supplies & Services | 40,620 | 40,800 | 41,220 | 41,080 |
| Total Expenditure | 73,530 | 69,580 | 71,150 | 71,740 |
| Income | (96,510) | (69,580) | (71,150) | (71,740) |
| Total Income | (96,510) | (69,580) | (71,150) | (71,740) |
| Land Charges Net Expenditure | (22,980) | - | - | - |
| 10 Audit | | | | |
| Employee Expenses | 239,260 | 248,620 | 257,840 | 264,620 |
| Transport Related Expenditure | 7,680 | 2,310 | 2,330 | 2,350 |
| Supplies & Services | 30,960 | 36,550 | 36,910 | 37,280 |
| Total Expenditure | 277,900 | 287,480 | 297,080 | 304,250 |
| Income | (104,210) | (107,780) | (111,730) | (114,260) |
| Total Income | (104,210) | (107,780) | (111,730) | (114,260) |
| Audit Net Expenditure | 173,690 | 179,700 | 185,350 | 189,990 |
| 11 Risk and Resilience | | | | |
| Employee Expenses | 135,530 | 139,380 | 148,000 | 153,050 |
| Premises Related Expenditure | 140 | 140 | 140 | 140 |
| Transport Related Expenditure | 3,090 | 3,120 | 3,150 | 3,180 |
| Supplies & Services | 722,290 | 678,560 | 684,680 | 687,910 |
| Total Expenditure | 861,050 | 821,200 | 835,970 | 844,280 |
| Income | (760,150) | (708,530) | (732,130) | (747,300) |
| Total Income | (760,150) | (708,530) | (732,130) | (747,300) |
| Risk and Resilience Net Expenditure | 100,900 | 112,670 | 103,840 | 96,980 |

Corporate Improvement

| | Outturn 2017-2018 | Budget 2018-2019 | Budget 2019-2020 | Budget 2020-2021 |
|--|------------------------------|-----------------------------|-----------------------------|-----------------------------|
| | £ | £ | £ | £ |
| 12 Social Alarms | | | | |
| Employee Expenses | 249,400 | 260,300 | 272,360 | 278,750 |
| Premises Related Expenditure | 38,700 | - | - | - |
| Transport Related Expenditure | 3,540 | 3,580 | 3,620 | 3,660 |
| Supplies & Services | 51,330 | 66,280 | 66,930 | 67,600 |
| Total Expenditure | 342,970 | 330,160 | 342,910 | 350,010 |
| Income | (331,860) | (340,340) | (346,600) | (352,480) |
| Total Income | (331,860) | (340,340) | (346,600) | (352,480) |
| Social Alarms Net Expenditure | 11,110 | (10,180) | (3,690) | (2,470) |
| Corporate Improvement Net Expenditure | 1,823,330 | 1,886,800 | 1,938,520 | 1,967,120 |

Corporate Improvement Portfolio

Variation Statement 2018/2019 to 2020/2021

| | 2018/19 Indicative | Real Terms / Efficiency Variations | 2018/19 Budget | 2019/20 Indicative | Real Terms / Efficiency Variations | 2019/2020 Budget | Inflation | Real Terms / Efficiency Variations | 2020/2021 Budget |
|--------------------------|-----------------------|---|-------------------|-----------------------|---|---------------------|-----------|---|---------------------|
| | £000's | £000's | £000's | £000's | £000's | £000's | £000's | £000's | £000's |
| Employee Costs | 1,414 | 50 | 1,464 | 1,454 | 55 | 1,509 | 15 | 25 | 1,549 |
| Premises Related Costs | 41 | - 39 | 2 | 42 | - 40 | 2 | - | - | 2 |
| Transport Related Costs | 20 | - 6 | 14 | 20 | - 7 | 13 | - | 1 | 14 |
| Supplies and Services | 1,216 | - 124 | 1,092 | 1,227 | - 124 | 1,103 | 11 | - 4 | 1,110 |
| Third Party Payments | 1,248 | - 75 | 1,173 | 1,271 | - 62 | 1,209 | 24 | - 1 | 1,232 |
| Total Expenditure | 3,939 | - 194 | 3,745 | 4,014 | - 178 | 3,836 | 50 | 21 | 3,907 |
| Income | - 1,874 | 36 | - 1,838 | - 1,920 | 23 | - 1,897 | - 45 | 2 | - 1,940 |
| Net Expenditure | 2,065 | - 158 | 1,907 | 2,094 | - 155 | 1,939 | 5 | 23 | 1,967 |
| Transfer from crime | -111 | | | -113 | | | | | |
| Original budget | 1,954 | | | 1,981 | | | | | |

Corporate Improvement Portfolio**Proposed Real Terms / Efficiency Variations****2018/19 Change**

| | £'000 | £'000 |
|--|-------|--------------------|
| <u>Real Term Variations</u> | | |
| Pay award | | 29 |
| Relocation of CCTV to Civic Centre | | -39 |
| Reduced Insurance Premiums | | -80 |
| Additional Social Alarms income | | -23 |
| Rephasing FRP option D3 Contact Centre/Social Alarms | | 20 |
| Insurance Premiums Stafford Borough Council | | |
| Expenditure | -73 | |
| Income | 73 | 0 |
| Shared Services | | |
| Technology | -66 | |
| Legal | -8 | -74 |
| CRM - additional licence costs | | 6 |
| minor variations | | 3 |
| | | <u>-158</u> |

2019/20 Change

| | £'000 | £'000 |
|---|-------|--------------------|
| <u>Real Term Variations</u> | | |
| Pay award | | 53 |
| Additional superannuation | | 5 |
| Relocation of CCTV to Civic Centre | | -40 |
| Reduced Insurance Premiums | | -80 |
| Additional Social Alarms income | | -23 |
| Insurance Premiums Stafford Borough Council | | |
| Expenditure | -73 | |
| Income | 73 | 0 |
| Shared Services | | |
| Technology | -59 | |
| Legal | -5 | -64 |
| CRM - additional licence costs | | 6 |
| minor variations | | 6 |
| | | <u>-155</u> |

2019/20 to 2020/21 Change

| | £'000 | £'000 |
|------------------------------------|-------|------------------|
| <u>Real Term Variations</u> | | |
| Increase in Superannuation | | 26 |
| minor variations | | -3 |
| | | <u>23</u> |

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Crime & Partnerships

| | Outturn 2017-2018 £ | Budget 2018-2019 £ | Budget 2019-2020 £ | Budget 2020-2021 £ |
|---|---------------------------|--------------------------|--------------------------|--------------------------|
| 1 Partnerships | | | | |
| Employee Expenses | 160,050 | 163,650 | 172,560 | 176,840 |
| Premises Related Expenditure | 19,140 | 18,920 | 19,040 | 19,210 |
| Transport Related Expenditure | 2,330 | 2,350 | 2,370 | 2,390 |
| Supplies & Services | 8,000 | 8,080 | 8,160 | 8,250 |
| Total Expenditure | 189,520 | 193,000 | 202,130 | 206,690 |
| Partnerships Net Expenditure | 189,520 | 193,000 | 202,130 | 206,690 |
| 2 CCTV | | | | |
| Employee Expenses | 115,840 | 122,280 | 131,480 | 134,890 |
| Supplies & Services | 107,230 | 85,550 | 86,400 | 87,260 |
| Total Expenditure | 223,070 | 207,830 | 217,880 | 222,150 |
| Income | (48,080) | (48,090) | (49,140) | (49,960) |
| Total Income | (48,080) | (48,090) | (49,140) | (49,960) |
| CCTV Net Expenditure | 174,990 | 159,740 | 168,740 | 172,190 |
| Crime & Partnerships Net Expenditure | 364,510 | 352,740 | 370,870 | 378,880 |

Crime & Partnerships Portfolio

Variation Statement 2018/2019 to 2020/2021

| | 2018/19 Indicative | Real Terms / Efficiency Variations | 2018/19 Budget | 2019/20 Indicative | Real Terms / Efficiency Variations | 2019/2020 Budget | Inflation | Real Terms / Efficiency Variations | 2020/2021 Budget |
|--------------------------|-----------------------|---|-------------------|-----------------------|---|---------------------|-----------|---|---------------------|
| | £000's | £000's | £000's | £000's | £000's | £000's | £000's | £000's | £000's |
| Employee Costs | 275 | 11 | 286 | 286 | 18 | 304 | 3 | 5 | 312 |
| Premises Related Costs | 20 | - 1 | 19 | 20 | - 1 | 19 | - | - | 19 |
| Transport Related Costs | 2 | - | 2 | 2 | - | 2 | - | - | 2 |
| Supplies and Services | 94 | - | 94 | 95 | - | 95 | 1 | - | 96 |
| Total Expenditure | 391 | 10 | 401 | 403 | 17 | 420 | 4 | 5 | 429 |
| Income | - 48 | - | - 48 | - 49 | - | - 49 | - 1 | - | - 50 |
| Net Expenditure | 343 | 10 | 353 | 354 | 17 | 371 | 3 | 5 | 379 |
| Transfer to Corporate | 111 | | | 113 | | | | | |
| Original Budget | 454 | | | 467 | | | | | |

Crime & Partnerships Portfolio

Proposed Real Terms / Efficiency Variations

2018/19 Change

| | £'000 | £'000 |
|------------------------------------|-------|-----------|
| <u>Real Term Variations</u> | | |
| Pay award | | 10 |
| | | <u>10</u> |

2019/20 Change

| | £'000 | £'000 |
|------------------------------------|-------|-----------|
| <u>Real Term Variations</u> | | |
| Pay award | | 18 |
| minor variations | | -1 |
| | | <u>17</u> |

2019/20 to 2020/21 Change

| | £'000 | £'000 |
|------------------------------------|-------|----------|
| <u>Real Term Variations</u> | | |
| Increase in Superannuation | | 5 |
| | | <u>5</u> |

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Culture and Sport

| | Outturn 2017-2018 £ | Budget 2018-2019 £ | Budget 2019-2020 £ | Budget 2020-2021 £ |
|--|---------------------------|--------------------------|--------------------------|--------------------------|
| 1 Parks & Open Spaces | | | | |
| Employee Expenses | 268,810 | 274,110 | 252,910 | 259,090 |
| Premises Related Expenditure | 608,680 | 651,540 | 682,510 | 698,710 |
| Transport Related Expenditure | 3,390 | 3,450 | 3,510 | 3,570 |
| Supplies & Services | 153,750 | 129,910 | 115,530 | 118,080 |
| Third Party Payments | 169,150 | 142,760 | 150,600 | 154,280 |
| Total Expenditure | 1,203,780 | 1,201,770 | 1,205,060 | 1,233,730 |
| Income | (175,200) | (174,960) | (152,030) | (153,750) |
| Total Income | (175,200) | (174,960) | (152,030) | (153,750) |
| Parks & Open Spaces Net Expenditure | 1,028,580 | 1,026,810 | 1,053,030 | 1,079,980 |
| 2 Stadium | | | | |
| Employee Expenses | - | 40,190 | 40,990 | 41,810 |
| Premises Related Expenditure | 30,000 | 30,470 | 30,480 | 30,490 |
| Supplies & Services | 38,340 | 38,720 | 38,720 | 38,720 |
| Total Expenditure | 68,340 | 109,380 | 110,190 | 111,020 |
| Stadium Net Expenditure | 68,340 | 109,380 | 110,190 | 111,020 |
| 3 Cemeteries | | | | |
| Employee Expenses | 93,820 | 100,200 | 105,070 | 107,910 |
| Premises Related Expenditure | 45,310 | 46,790 | 48,790 | 50,650 |
| Transport Related Expenditure | 5,110 | 5,220 | 5,340 | 5,460 |
| Supplies & Services | 18,700 | 18,800 | 18,990 | 19,190 |
| Total Expenditure | 162,940 | 171,010 | 178,190 | 183,210 |
| Income | (165,010) | (177,970) | (181,490) | (185,020) |
| Total Income | (165,010) | (177,970) | (181,490) | (185,020) |
| Cemeteries Net Expenditure | (2,070) | (6,960) | (3,300) | (1,810) |
| 4 Contract Monitoring | | | | |
| Employee Expenses | 173,640 | 184,170 | 191,390 | 196,030 |
| Premises Related Expenditure | 10,580 | 10,690 | 10,800 | 10,910 |
| Transport Related Expenditure | 11,690 | 9,520 | 9,720 | 9,920 |
| Supplies & Services | 3,160 | 3,190 | 3,220 | 3,240 |
| Total Expenditure | 199,070 | 207,570 | 215,130 | 220,100 |
| Income | (41,310) | (42,980) | (44,710) | (46,050) |
| Total Income | (41,310) | (42,980) | (44,710) | (46,050) |
| Contract Monitoring Net Expenditure | 157,760 | 164,590 | 170,420 | 174,050 |
| 5 Leisure Management Contract | | | | |
| Premises Related Expenditure | 168,680 | 172,050 | 175,490 | 179,010 |
| Supplies & Services | 1,625,330 | 1,711,250 | 1,714,030 | 1,752,210 |
| Total Expenditure | 1,794,010 | 1,883,300 | 1,889,520 | 1,931,220 |
| Income | (168,640) | (171,930) | (175,370) | (178,860) |
| Total Income | (168,640) | (171,930) | (175,370) | (178,860) |
| Leisure Management Contract Net Expenditure | 1,625,370 | 1,711,370 | 1,714,150 | 1,752,360 |

Culture and Sport

| | Outturn 2017-2018 £ | Budget 2018-2019 £ | Budget 2019-2020 £ | Budget 2020-2021 £ |
|--|---------------------------|--------------------------|--------------------------|--------------------------|
| 6 Leisure, Planning & Marketing | | | | |
| Employee Expenses | 91,920 | 95,250 | 98,390 | 100,710 |
| Transport Related Expenditure | 1,100 | 1,110 | 1,120 | 1,130 |
| Supplies & Services | 7,570 | 7,600 | 7,700 | 7,820 |
| Total Expenditure | 100,590 | 103,960 | 107,210 | 109,660 |
| Income | (18,340) | (18,520) | (18,710) | (18,710) |
| Total Income | (18,340) | (18,520) | (18,710) | (18,710) |
| Leisure, Planning & Marketing Net Expenditure | 82,250 | 85,440 | 88,500 | 90,950 |
| 7 Allotments | | | | |
| Premises Related Expenditure | 2,470 | 2,500 | 2,550 | 2,600 |
| Total Expenditure | 2,470 | 2,500 | 2,550 | 2,600 |
| Income | (4,500) | (4,640) | (4,640) | (4,640) |
| Total Income | (4,500) | (4,640) | (4,640) | (4,640) |
| Allotments Net Expenditure | (2,030) | (2,140) | (2,090) | (2,040) |
| Culture and Sport Net Expenditure | 2,958,200 | 3,088,490 | 3,130,900 | 3,204,510 |

Culture & Sport Portfolio

Variation Statement 2018/2019 to 2020/2021

| | 2018/19 Indicative | Real Terms / Efficiency Variations | 2018/19 Budget | 2019/20 Indicative | Real Terms / Efficiency Variations | 2019/2020 Budget | Inflation | Real Terms / Efficiency Variations | 2020/2021 Budget |
|--------------------------|-----------------------|---|-------------------|-----------------------|---|---------------------|-----------|---|---------------------|
| | £000's | £000's | £000's | £000's | £000's | £000's | £000's | £000's | £000's |
| Employee Costs | 639 | 55 | 694 | 623 | 66 | 689 | 6 | 11 | 706 |
| Premises Related Costs | 895 | 19 | 914 | 905 | 46 | 951 | 17 | 5 | 973 |
| Transport Related Costs | 22 | - 3 | 19 | 22 | - 2 | 20 | - | - | 20 |
| Supplies and Services | 1,909 | - | 1,909 | 1,898 | - | 1,898 | 35 | 6 | 1,939 |
| Third Party Payments | 137 | 6 | 143 | 140 | 10 | 150 | - | 4 | 154 |
| Total Expenditure | 3,602 | 77 | 3,679 | 3,588 | 120 | 3,708 | 58 | 26 | 3,792 |
| Income | - 598 | 7 | - 591 | - 583 | 6 | - 577 | - 9 | - 1 | - 587 |
| Net Expenditure | 3,004 | 84 | 3,088 | 3,005 | 126 | 3,131 | 49 | 25 | 3,205 |

Culture & Sport Portfolio**Proposed Real Terms / Efficiency Variations****2018/19 Change**

| | £'000 | £'000 |
|---|-------|------------------|
| <u>Real Term Variations</u> | | |
| Pay award | | 7 |
| Parks / Stadium management | | 40 |
| Increased recharges following pay award | | |
| Streetcleansing | 6 | |
| Grounds | 17 | 23 |
| Reduced cemeteries income | | 7 |
| minor variations | | 7 |
| | | <u>84</u> |

2019/20 Change

| | £'000 | £'000 |
|---|-------|-------------------|
| <u>Real Term Variations</u> | | |
| Pay award | | 18 |
| Parks / Stadium management | | 41 |
| Increased recharges following pay award | | |
| Streetcleansing | 10 | |
| Grounds | 44 | 54 |
| Reduced cemeteries income | | 7 |
| minor variations | | 6 |
| | | <u>126</u> |

2019/20 to 2020/21 Change

| | £'000 | £'000 |
|---|-------|------------------|
| <u>Real Term Variations</u> | | |
| Increase in Superannuation | | 9 |
| Increased recharges following pay award | | |
| Streetcleansing | 4 | |
| Grounds | 4 | 8 |
| Increased Leisure Management contract payment | | 4 |
| minor variations | | 4 |
| | | <u>25</u> |

Economic Development and Planning

| | Outturn 2017-2018 £ | Budget 2018-2019 £ | Budget 2019-2020 £ | Budget 2020-2021 £ |
|---|---------------------------|--------------------------|--------------------------|--------------------------|
| 1 Economic Development | | | | |
| Employee Expenses | 135,450 | 152,740 | 147,010 | 150,810 |
| Transport Related Expenditure | 2,970 | 2,610 | 2,660 | 2,710 |
| Supplies & Services | 65,890 | 50,540 | 19,710 | 19,870 |
| Total Expenditure | 204,310 | 205,890 | 169,380 | 173,390 |
| Income | (50,000) | (41,510) | - | - |
| Total Income | (50,000) | (41,510) | - | - |
| Economic Development Net Expenditure | 154,310 | 164,380 | 169,380 | 173,390 |
| 2 Management & Support | | | | |
| Employee Expenses | 340,530 | 371,950 | 386,450 | 395,870 |
| Transport Related Expenditure | 8,290 | 10,390 | 10,490 | 10,590 |
| Supplies & Services | 124,090 | 23,790 | 24,020 | 24,250 |
| Total Expenditure | 472,910 | 406,130 | 420,960 | 430,710 |
| Income | (100,000) | (21,470) | (22,130) | (22,800) |
| Total Income | (100,000) | (21,470) | (22,130) | (22,800) |
| Management & Support Net Expenditure | 372,910 | 384,660 | 398,830 | 407,910 |
| 3 Development Control | | | | |
| Employee Expenses | 274,790 | 222,970 | 234,130 | 241,290 |
| Transport Related Expenditure | 5,710 | 5,770 | 5,830 | 5,890 |
| Supplies & Services | 38,460 | 33,120 | 33,470 | 33,810 |
| Total Expenditure | 318,960 | 261,860 | 273,430 | 280,990 |
| Income | (287,550) | (288,390) | (293,090) | (293,110) |
| Total Income | (287,550) | (288,390) | (293,090) | (293,110) |
| Development Control Net Expenditure | 31,410 | (26,530) | (19,660) | (12,120) |
| 4 Building Control | | | | |
| Employee Expenses | 481,110 | 521,660 | 542,930 | 557,660 |
| Transport Related Expenditure | 30,260 | 26,720 | 27,040 | 27,360 |
| Supplies & Services | 61,630 | 65,610 | 66,210 | 66,810 |
| Total Expenditure | 573,000 | 613,990 | 636,180 | 651,830 |
| Income | (494,090) | (502,270) | (517,280) | (529,020) |
| Total Income | (494,090) | (502,270) | (517,280) | (529,020) |
| Building Control Net Expenditure | 78,910 | 111,720 | 118,900 | 122,810 |
| 5 Industrial Sites | | | | |
| Premises Related Expenditure | 6,680 | 6,790 | 6,950 | 7,050 |
| Capital Financing Costs | 1,610 | 1,610 | 1,610 | 1,610 |
| Total Expenditure | 8,290 | 8,400 | 8,560 | 8,660 |
| Income | (108,600) | (117,000) | (117,000) | (117,000) |
| Total Income | (108,600) | (117,000) | (117,000) | (117,000) |
| Industrial Sites Net Expenditure | (100,310) | (108,600) | (108,440) | (108,340) |

Economic Development and Planning

| | Outturn 2017-2018 £ | Budget 2018-2019 £ | Budget 2019-2020 £ | Budget 2020-2021 £ |
|--|---------------------------|--------------------------|--------------------------|--------------------------|
| 6 Public Buildings | | | | |
| Employee Expenses | 176,740 | 200,120 | 211,460 | 221,150 |
| Premises Related Expenditure | 504,260 | 528,700 | 538,090 | 546,790 |
| Transport Related Expenditure | 3,260 | 3,310 | 3,370 | 3,400 |
| Supplies & Services | 51,570 | 35,950 | 36,290 | 36,640 |
| Third Party Payments | 14,410 | 14,570 | 14,720 | 14,870 |
| Total Expenditure | 750,240 | 782,650 | 803,930 | 822,850 |
| Income | (321,960) | (326,250) | (363,600) | (368,280) |
| Total Income | (321,960) | (326,250) | (363,600) | (368,280) |
| Public Buildings Net Expenditure | 428,280 | 456,400 | 440,330 | 454,570 |
| 7 Civic Ballroom | | | | |
| Premises Related Expenditure | 590 | 600 | 610 | 620 |
| Total Expenditure | 590 | 600 | 610 | 620 |
| Income | (10,700) | (13,700) | (13,700) | (13,700) |
| Total Income | (10,700) | (13,700) | (13,700) | (13,700) |
| Civic Ballroom Net Expenditure | (10,110) | (13,100) | (13,090) | (13,080) |
| 8 Caretakers and Cleaners | | | | |
| Employee Expenses | 205,220 | 200,010 | 206,320 | 209,130 |
| Premises Related Expenditure | 11,940 | 12,060 | 12,180 | 12,180 |
| Transport Related Expenditure | 2,680 | 2,710 | 2,740 | 2,740 |
| Supplies & Services | 4,010 | 3,960 | 3,990 | 3,990 |
| Third Party Payments | 1,520 | 1,530 | 1,540 | 1,540 |
| Total Expenditure | 225,370 | 220,270 | 226,770 | 229,580 |
| Caretakers and Cleaners Net Expenditure | 225,370 | 220,270 | 226,770 | 229,580 |
| Economic Development and Planning Net Expenditure | 1,180,770 | 1,189,200 | 1,213,020 | 1,254,720 |

Economic Development Portfolio

Variation Statement 2018/2019 to 2020/2021

| | 2018/19 Indicative | Real Terms / Efficiency Variations | 2018/19 Budget | 2019/20 Indicative | Real Terms / Efficiency Variations | 2019/2020 Budget | Inflation | Real Terms / Efficiency Variations | 2020/2021 Budget |
|--------------------------------|-----------------------|---|-------------------|-----------------------|---|---------------------|-----------|---|---------------------|
| | £000's | £000's | £000's | £000's | £000's | £000's | £000's | £000's | £000's |
| Employee Costs | 1,608 | 61 | 1,669 | 1,650 | 78 | 1,728 | 17 | 31 | 1,776 |
| Premises Related Costs | 532 | 16 | 548 | 540 | 18 | 558 | 9 | - | 567 |
| Transport Related Costs | 59 | - 7 | 52 | 60 | - 8 | 52 | - | 1 | 53 |
| Supplies and Services | 206 | 137 | 343 | 177 | 52 | 229 | 2 | - 41 | 190 |
| Third Party Payments | 16 | - | 16 | 16 | - | 16 | - | - | 16 |
| Capital Financing | 2 | - | 2 | 2 | - | 2 | - | - | 2 |
| Total Expenditure | 2,423 | 207 | 2,630 | 2,445 | 140 | 2,585 | 28 | - 9 | 2,604 |
| Income | - 1,289 | - 152 | - 1,441 | - 1,283 | - 89 | - 1,372 | - 18 | 41 | - 1,349 |
| Net Expenditure | 1,134 | 55 | 1,189 | 1,162 | 51 | 1,213 | 10 | 32 | 1,255 |

Economic Development Portfolio**Proposed Real Terms / Efficiency Variations****2018/19 Change**

| | £'000 | £'000 |
|--|-------|------------------|
| <u>Real Term Variations</u> | | |
| Pay award | | 29 |
| Development Control additional post funded from grant | | |
| Employees | 21 | |
| Income | -21 | 0 |
| Economic Development additional hours funded from contribution | | |
| Expenditure | 11 | |
| Income | -11 | 0 |
| Increased income from Industrial sites | | -10 |
| Local Plan Review | | |
| Expenditure | 130 | |
| Contribution from Reserves | -130 | 0 |
| Reduced income from Anson street | | 32 |
| minor variations | | 4 |
| | | <u>55</u> |

2019/20 Change

| | £'000 | £'000 |
|---|-------|------------------|
| <u>Real Term Variations</u> | | |
| Pay award | | 53 |
| Development Control additional post funded from grant | | |
| Employees | 21 | |
| Income | -21 | 0 |
| Increased income from Industrial sites | | -10 |
| Local Plan Review | | |
| Expenditure | 45 | |
| Contribution from Reserves | -45 | 0 |
| minor variations | | 8 |
| | | <u>51</u> |

2019/20 to 2020/21 Change

| | £'000 | £'000 |
|--|-------|------------------|
| <u>Real Term Variations</u> | | |
| Staffing variations (including increments) | | 2 |
| Local Plan Review | | |
| Expenditure | -40 | |
| Contribution from Reserves | 40 | 0 |
| Increase in Superannuation | | 25 |
| minor variations | | 5 |
| | | <u>32</u> |

Environment

| | Outturn 2017-2018 £ | Budget 2018-2019 £ | Budget 2019-2020 £ | Budget 2020-2021 £ |
|--|---------------------------|--------------------------|--------------------------|--------------------------|
| 1 Waste & Recycling | | | | |
| Employee Expenses | 223,100 | 232,220 | 239,720 | 250,560 |
| Premises Related Expenditure | 2,800 | 2,810 | 2,840 | 2,870 |
| Transport Related Expenditure | 6,630 | 5,570 | 5,690 | 5,810 |
| Supplies & Services | 66,760 | 82,810 | 83,410 | 84,000 |
| Third Party Payments | 2,183,210 | 2,250,670 | 2,309,930 | 2,366,670 |
| Total Expenditure | 2,482,500 | 2,574,080 | 2,641,590 | 2,709,910 |
| Income | (1,098,210) | (1,109,880) | (1,128,370) | (1,148,390) |
| Total Income | (1,098,210) | (1,109,880) | (1,128,370) | (1,148,390) |
| Waste & Recycling Net Expenditure | 1,384,290 | 1,464,200 | 1,513,220 | 1,561,520 |
| 2 Regulatory Services | | | | |
| Employee Expenses | 394,210 | 404,310 | 421,270 | 433,760 |
| Premises Related Expenditure | 33,240 | 980 | 1,000 | 1,020 |
| Transport Related Expenditure | 16,260 | 16,430 | 16,600 | 16,770 |
| Supplies & Services | 62,440 | 43,350 | 43,920 | 44,380 |
| Third Party Payments | - | 43,100 | 43,100 | 43,100 |
| Total Expenditure | 506,150 | 508,170 | 525,890 | 539,030 |
| Income | (27,040) | (25,380) | (25,510) | (25,960) |
| Total Income | (27,040) | (25,380) | (25,510) | (25,960) |
| Regulatory Services Net Expenditure | 479,110 | 482,790 | 500,380 | 513,070 |
| 3 Cleansing Services | | | | |
| Premises Related Expenditure | 5,630 | 5,690 | 5,750 | 5,810 |
| Supplies & Services | 5,320 | 5,370 | 5,430 | 5,480 |
| Third Party Payments | 391,610 | 330,540 | 348,660 | 357,200 |
| Total Expenditure | 402,560 | 341,600 | 359,840 | 368,490 |
| Cleansing Services Net Expenditure | 402,560 | 341,600 | 359,840 | 368,490 |
| 4 Drainage Services | | | | |
| Premises Related Expenditure | 8,280 | 8,360 | 8,440 | 8,520 |
| Total Expenditure | 8,280 | 8,360 | 8,440 | 8,520 |
| Drainage Services Net Expenditure | 8,280 | 8,360 | 8,440 | 8,520 |
| 5 Street Cleansing | | | | |
| Employee Expenses | 429,860 | 430,230 | 457,210 | 468,940 |
| Premises Related Expenditure | 3,190 | 3,190 | 3,250 | 3,320 |
| Transport Related Expenditure | 159,040 | 62,890 | 64,060 | 65,340 |
| Supplies & Services | 25,310 | 25,560 | 25,820 | 26,080 |
| Total Expenditure | 617,400 | 521,870 | 550,340 | 563,680 |
| Income | (617,400) | (521,870) | (550,340) | (563,680) |
| Total Income | (617,400) | (521,870) | (550,340) | (563,680) |
| Street Cleansing Net Expenditure | - | - | - | - |

Environment

| | Outturn 2017-2018 £ | Budget 2018-2019 £ | Budget 2019-2020 £ | Budget 2020-2021 £ |
|---|---------------------------|--------------------------|--------------------------|--------------------------|
| 6 Countryside Management | | | | |
| Employee Expenses | 158,530 | 137,640 | 145,010 | 149,310 |
| Premises Related Expenditure | 9,080 | 9,220 | 9,380 | 9,550 |
| Transport Related Expenditure | 11,760 | 12,000 | 12,250 | 12,510 |
| Supplies & Services | 53,980 | 54,330 | 54,630 | 54,930 |
| Total Expenditure | 233,350 | 213,190 | 221,270 | 226,300 |
| Income | (54,990) | (47,910) | (48,230) | (48,460) |
| Total Income | (54,990) | (47,910) | (48,230) | (48,460) |
| Countryside Management Net Expenditure | 178,360 | 165,280 | 173,040 | 177,840 |
| 7 Grounds Maintenance | | | | |
| Employee Expenses | 591,360 | 607,110 | 650,690 | 668,460 |
| Premises Related Expenditure | 34,190 | 34,740 | 20,070 | 20,390 |
| Transport Related Expenditure | 58,800 | 60,010 | 61,230 | 62,420 |
| Supplies & Services | 143,480 | 149,490 | 151,620 | 153,140 |
| Total Expenditure | 827,830 | 851,350 | 883,610 | 904,410 |
| Income | (827,830) | (851,350) | (883,610) | (904,410) |
| Total Income | (827,830) | (851,350) | (883,610) | (904,410) |
| Grounds Maintenance Net Expenditure | - | - | - | - |
| 8 Conservation Areas | | | | |
| Employee Expenses | 139,670 | 145,000 | 150,060 | 153,780 |
| Transport Related Expenditure | 5,080 | 4,880 | 4,990 | 5,040 |
| Supplies & Services | 1,810 | 2,130 | 2,150 | 2,170 |
| Total Expenditure | 146,560 | 152,010 | 157,200 | 160,990 |
| Conservation Areas Net Expenditure | 146,560 | 152,010 | 157,200 | 160,990 |
| 9 Public Clocks | | | | |
| Premises Related Expenditure | 4,570 | 4,690 | 4,890 | 5,000 |
| Total Expenditure | 4,570 | 4,690 | 4,890 | 5,000 |
| Public Clocks Net Expenditure | 4,570 | 4,690 | 4,890 | 5,000 |
| 10 Off Street Parking | | | | |
| Premises Related Expenditure | 244,470 | 259,960 | 271,220 | 277,750 |
| Transport Related Expenditure | 10 | 10 | 10 | 10 |
| Supplies & Services | 119,680 | 114,440 | 116,580 | 118,710 |
| Third Party Payments | 18,020 | 15,210 | 16,050 | 16,440 |
| Total Expenditure | 382,180 | 389,620 | 403,860 | 412,910 |
| Income | (759,020) | (809,020) | (864,570) | (864,780) |
| Total Income | (759,020) | (809,020) | (864,570) | (864,780) |
| Off Street Parking Net Expenditure | (376,840) | (419,400) | (460,710) | (451,870) |

Environment

| | Outturn 2017-2018 £ | Budget 2018-2019 £ | Budget 2019-2020 £ | Budget 2020-2021 £ |
|---|---------------------------|--------------------------|--------------------------|--------------------------|
| 11 Hawks Green Depot | | | | |
| Employee Expenses | 5,930 | 6,050 | 6,170 | 6,290 |
| Premises Related Expenditure | 95,130 | 96,940 | 98,740 | 100,550 |
| Supplies & Services | 25,690 | 15,890 | 16,070 | 16,250 |
| Total Expenditure | 126,750 | 118,880 | 120,980 | 123,090 |
| Income | (126,550) | (131,820) | (137,190) | (141,310) |
| Total Income | (126,550) | (131,820) | (137,190) | (141,310) |
| Hawks Green Depot Net Expenditure | 200 | (12,940) | (16,210) | (18,220) |
| 12 Bus Shelters | | | | |
| Premises Related Expenditure | 29,960 | 31,760 | 32,340 | 32,940 |
| Total Expenditure | 29,960 | 31,760 | 32,340 | 32,940 |
| Income | (40,080) | (47,380) | (48,290) | (49,260) |
| Total Income | (40,080) | (47,380) | (48,290) | (49,260) |
| Bus Shelters Net Expenditure | (10,120) | (15,620) | (15,950) | (16,320) |
| 13 Private Sector Housing | | | | |
| Employee Expenses | 179,460 | 223,290 | 230,670 | 235,880 |
| Transport Related Expenditure | 9,280 | 11,070 | 11,210 | 11,360 |
| Supplies & Services | 4,670 | 9,970 | 10,450 | 10,660 |
| Total Expenditure | 193,410 | 244,330 | 252,330 | 257,900 |
| Income | - | (42,590) | (43,530) | (44,100) |
| Total Income | - | (42,590) | (43,530) | (44,100) |
| Private Sector Housing Net Expenditure | 193,410 | 201,740 | 208,800 | 213,800 |
| 14 Vehicles | | | | |
| Employee Expenses | 125,700 | 123,030 | 128,330 | 131,630 |
| Premises Related Expenditure | 5,200 | 1,000 | 1,060 | 1,070 |
| Transport Related Expenditure | 16,630 | 38,790 | 39,120 | 39,900 |
| Supplies & Services | 7,310 | 10,980 | 10,980 | 11,090 |
| Total Expenditure | 154,840 | 173,800 | 179,490 | 183,690 |
| Income | (201,890) | (206,870) | (210,750) | (211,550) |
| Total Income | (201,890) | (206,870) | (210,750) | (211,550) |
| Vehicles Net Expenditure | (47,050) | (33,070) | (31,260) | (27,860) |
| Environment Net Expenditure | 2,363,330 | 2,339,640 | 2,401,680 | 2,494,960 |

Environment Portfolio

Variation Statement 2018/2019 to 2020/2021

| | 2018/19 Indicative | Real Terms / Efficiency Variations | 2018/19 Budget | 2019/20 Indicative | Real Terms / Efficiency Variations | 2019/2020 Budget | Inflation | Real Terms / Efficiency Variations | 2020/2021 Budget |
|--------------------------|-----------------------|---|-------------------|-----------------------|---|---------------------|-------------|---|---------------------|
| | £000's | £000's | £000's | £000's | £000's | £000's | £000's | £000's | £000's |
| Employee Costs | 2,225 | 84 | 2,309 | 2,288 | 141 | 2,429 | 24 | 46 | 2,499 |
| Premises Related Costs | 493 | - 38 | 455 | 488 | - 34 | 454 | 8 | 2 | 464 |
| Transport Related Costs | 189 | 23 | 212 | 193 | 22 | 215 | 4 | - | 219 |
| Supplies and Services | 517 | 2 | 519 | 523 | 3 | 526 | 5 | 1 | 532 |
| Third Party Payments | 2,581 | 58 | 2,639 | 2,643 | 75 | 2,718 | 42 | 23 | 2,783 |
| Total Expenditure | 6,005 | 129 | 6,134 | 6,135 | 207 | 6,342 | 83 | 72 | 6,497 |
| Income | - 3,679 | - 115 | - 3,794 | - 3,722 | - 218 | - 3,940 | - 44 | - 18 | - 4,002 |
| Net Expenditure | 2,326 | 14 | 2,340 | 2,413 | - 11 | 2,402 | 39 | 54 | 2,495 |

Environment Portfolio**Proposed Real Terms / Efficiency Variations****2018/19**

| | £'000 | £'000 |
|--|-------|------------------|
| <u>Real Term Variations</u> | | |
| Pay award | | 45 |
| Increase in superannuation | | 7 |
| Review of Street Cleansing recharge following pay award | | |
| Supplies | 14 | |
| Income | -21 | -7 |
| Increased Grounds Maintenance recharge following pay award | | -21 |
| Waste | | |
| Recycling campaign | 20 | |
| Refuse disposal | -27 | |
| Recycling credits | 61 | |
| Transfer of Contingency to Technical | -161 | -107 |
| Disabled Facility Grants delivery in house | | |
| Employees | 36 | |
| Transport | 2 | |
| Supplies | 5 | |
| Income | -43 | 0 |
| Pest Control & Dog Warden service provided by Stafford Borough Council | | |
| Premises | -29 | |
| Supplies | -11 | |
| Third Party | 40 | 0 |
| Vehicle Workshop Budget Realignment | | |
| Employees | -6 | |
| Premises | -4 | |
| Transport | 22 | |
| Supplies | 8 | |
| Income | -15 | 5 |
| Car Parking contract | | -6 |
| Reduced car park income | | 99 |
| minor variations | | -1 |
| | | <u>14</u> |

2019/20

| | £'000 | £'000 |
|--|-------|------------|
| <u>Real Term Variations</u> | | |
| Pay award | | 86 |
| Increase in superannuation | | 6 |
| Review of Street Cleansing recharge following pay award | | |
| Supplies | 24 | |
| Income | -37 | -13 |
| Increased Grounds Maintenance recharge following pay award | | -48 |
| Waste | | |
| Recycling campaign | 20 | |
| Refuse disposal | -27 | |
| Contract payments | 7 | |
| Recycling Credits | 61 | |
| Transfer of Contingency to Technical | -161 | -100 |
| Disabled Facility Grants delivery in house | | |
| Employees | 41 | |
| Transport | 2 | |
| Supplies | 5 | |
| Income | -43 | 5 |
| Pest Control & Dog Warden service provided by Stafford Borough Council | | |
| Premises | -29 | |
| Supplies | -11 | |
| Third Party | 40 | 0 |
| Vehicle Workshop Budget Realignment | | |
| Employees | -4 | |
| Premises | -4 | |
| Transport | 22 | |
| Supplies | 8 | |
| Income | -15 | 7 |
| Car Parking contract | | -6 |
| Reduced car park income | | 49 |
| minor variations | | 3 |
| | | -11 |

2019/20 to 2020/21 Change

| | £'000 | £'000 |
|--|-------|-----------|
| <u>Real Term Variations</u> | | |
| Increase in Superannuation | | 45 |
| Waste additional properties | | 14 |
| Street cleansing recharge | | |
| Supplies | 9 | |
| Income | -9 | 0 |
| Increased Grounds maintenance recharge | | -9 |
| minor variations | | 4 |
| | | 54 |

Health and Wellbeing

| | Outturn 2017-2018 £ | Budget 2018-2019 £ | Budget 2019-2020 £ | Budget 2020-2021 £ |
|--|---------------------------|--------------------------|--------------------------|--------------------------|
| 1 Benefits Payments | | | | |
| Transfer Payments | 23,984,400 | 24,139,160 | 24,300,260 | 24,892,420 |
| Total Expenditure | 23,984,400 | 24,139,160 | 24,300,260 | 24,892,420 |
| Income | (24,065,720) | (24,220,480) | (24,381,580) | (24,973,740) |
| Total Income | (24,065,720) | (24,220,480) | (24,381,580) | (24,973,740) |
| Benefits Payments Net Expenditure | (81,320) | (81,320) | (81,320) | (81,320) |
| 2 Food Safety | | | | |
| Employee Expenses | 291,870 | 313,740 | 324,690 | 332,870 |
| Transport Related Expenditure | 9,740 | 9,840 | 9,940 | 10,040 |
| Supplies & Services | 27,710 | 32,470 | 32,760 | 33,100 |
| Total Expenditure | 329,320 | 356,050 | 367,390 | 376,010 |
| Income | (4,000) | - | - | - |
| Total Income | (4,000) | - | - | - |
| Food Safety Net Expenditure | 325,320 | 356,050 | 367,390 | 376,010 |
| 3 Management & Administration | | | | |
| Employee Expenses | 44,770 | 49,300 | 53,100 | 54,850 |
| Transport Related Expenditure | 1,170 | 130 | 130 | 130 |
| Supplies & Services | 830 | 840 | 850 | 860 |
| Total Expenditure | 46,770 | 50,270 | 54,080 | 55,840 |
| Management & Administration Net Expenditure | 46,770 | 50,270 | 54,080 | 55,840 |
| 4 Mortuary | | | | |
| Employee Expenses | 39,100 | 40,680 | 42,440 | 43,400 |
| Premises Related Expenditure | 18,550 | 18,870 | 19,230 | 19,580 |
| Supplies & Services | 18,930 | 20,070 | 20,230 | 20,400 |
| Total Expenditure | 76,580 | 79,620 | 81,900 | 83,380 |
| Income | (93,480) | (93,480) | (93,480) | (93,480) |
| Total Income | (93,480) | (93,480) | (93,480) | (93,480) |
| Mortuary Net Expenditure | (16,900) | (13,860) | (11,580) | (10,100) |
| 5 Taxation | | | | |
| Employee Expenses | 2,549,830 | 2,502,320 | 2,526,390 | 2,592,780 |
| Transport Related Expenditure | 24,730 | 25,220 | 25,720 | 25,980 |
| Supplies & Services | 537,390 | 525,330 | 505,640 | 510,720 |
| Total Expenditure | 3,111,950 | 3,052,870 | 3,057,750 | 3,129,480 |
| Income | (2,639,610) | (2,497,720) | (2,452,060) | (2,487,320) |
| Total Income | (2,639,610) | (2,497,720) | (2,452,060) | (2,487,320) |
| Taxation Net Expenditure | 472,340 | 555,150 | 605,690 | 642,160 |

Health and Wellbeing

| | Outturn 2017-2018 | Budget 2018-2019 | Budget 2019-2020 | Budget 2020-2021 |
|---|------------------------------|-----------------------------|-----------------------------|-----------------------------|
| | £ | £ | £ | £ |
| 6 Licensing | | | | |
| Employee Expenses | 167,080 | 154,510 | 160,350 | 164,350 |
| Transport Related Expenditure | 4,480 | 4,530 | 4,580 | 4,630 |
| Supplies & Services | 27,950 | 36,130 | 36,500 | 36,750 |
| Total Expenditure | 199,510 | 195,170 | 201,430 | 205,730 |
| Income | (260,420) | (266,990) | (271,100) | (274,650) |
| Total Income | (260,420) | (266,990) | (271,100) | (274,650) |
| Licensing Net Expenditure | (60,910) | (71,820) | (69,670) | (68,920) |
| Health and Wellbeing Net Expenditure | 685,300 | 794,470 | 864,590 | 913,670 |

Health & Wellbeing Portfolio

Variation Statement 2018/2019 to 2020/2021

| | 2018/19 Indicative | Real Terms / Efficiency Variations | 2018/19 Budget | 2019/20 Indicative | Real Terms / Efficiency Variations | 2019/2020 Budget | Inflation | Real Terms / Efficiency Variations | 2020/2021 Budget |
|--------------------------|-----------------------|---|-------------------|-----------------------|---|---------------------|------------|---|---------------------|
| | £000's | £000's | £000's | £000's | £000's | £000's | £000's | £000's | £000's |
| Employee Costs | 2,949 | 111 | 3,060 | 3,039 | 68 | 3,107 | 31 | 50 | 3,188 |
| Premises Related Costs | 19 | - | 19 | 19 | - | 19 | - | 1 | 20 |
| Transport Related Costs | 41 | - 1 | 40 | 41 | - | 41 | - | - | 41 |
| Supplies and Services | 591 | 24 | 615 | 596 | - | 596 | 6 | - | 602 |
| Transfer Payments | 26,230 | - 2,091 | 24,139 | 26,530 | - 2,230 | 24,300 | 592 | - | 24,892 |
| Total Expenditure | 29,830 | - 1,957 | 27,873 | 30,225 | - 2,162 | 28,063 | 629 | 51 | 28,743 |
| Income | - 29,093 | 2,014 | - 27,079 | - 29,442 | 2,244 | - 27,198 | - 622 | - 9 | - 27,829 |
| Net Expenditure | 737 | 57 | 794 | 783 | 82 | 865 | 7 | 42 | 914 |

Health & Wellbeing Portfolio**Proposed Real Terms / Efficiency Variations****2018/19 Change**

| | £'000 | £'000 |
|---|---------|------------------|
| <u>Real Term Variations</u> | | |
| Pay award | | 24 |
| Local Taxation grant funding | | |
| Employees | 88 | |
| Supplies | 12 | |
| Income | -100 | 0 |
| Taxation reduced grants | | |
| Cost of Collection allowance | 18 | |
| Housing Benefit Admin Grant | 13 | 31 |
| Change in benefit payments (reflect current payments) | | |
| Expenditure | - 2,091 | |
| Income | 2,091 | 0 |
| minor variations | | 2 |
| | | <u>57</u> |

2019/20 Change

| | £'000 | £'000 |
|---|---------|------------------|
| <u>Real Term Variations</u> | | |
| Pay award | | 64 |
| Taxation reduced grants | | |
| Cost of Collection allowance | 18 | |
| Housing Benefit Admin Grant | 13 | 31 |
| Change in benefit payments (reflect current payments) | | |
| Expenditure | - 2,230 | |
| Income | 2,230 | 0 |
| Increased shared services contributions for Taxation | | -17 |
| minor variations | | 4 |
| | | <u>82</u> |

2019/20 to 2020/21 Change

| | £'000 | £'000 |
|--|-------|------------------|
| <u>Real Term Variations</u> | | |
| Increase in Superannuation | | 41 |
| Increments | | 6 |
| Increased shared services contributions for Taxation | | -9 |
| minor variations | | 4 |
| | | <u>42</u> |

Housing General Fund

| | Outturn 2017-2018 £ | Budget 2018-2019 £ | Budget 2019-2020 £ | Budget 2020-2021 £ |
|---|---------------------------|--------------------------|--------------------------|--------------------------|
| 1 Circular 8/95 | | | | |
| Supplies & Services | 35,200 | 35,550 | 35,520 | 35,520 |
| Total Expenditure | 35,200 | 35,550 | 35,520 | 35,520 |
| Circular 8/95 Net Expenditure | 35,200 | 35,550 | 35,520 | 35,520 |
| 2 Housing Services | | | | |
| Employee Expenses | 333,490 | 359,290 | 372,670 | 383,280 |
| Premises Related Expenditure | 4,100 | 2,220 | 2,260 | 2,440 |
| Transport Related Expenditure | 3,690 | 2,520 | 2,540 | 2,560 |
| Supplies & Services | 101,160 | 91,140 | 92,190 | 92,960 |
| Third Party Payments | - | 14,500 | 14,500 | 14,500 |
| Total Expenditure | 442,440 | 469,670 | 484,160 | 495,740 |
| Income | (126,560) | (119,830) | (122,370) | (125,270) |
| Total Income | (126,560) | (119,830) | (122,370) | (125,270) |
| Housing Services Net Expenditure | 315,880 | 349,840 | 361,790 | 370,470 |
| Housing General Fund Net Expenditure | 351,080 | 385,390 | 397,310 | 405,990 |

Housing General Fund Portfolio

Variation Statement 2018/2019 to 2020/2021

| | 2018/19 Indicative | Real Terms / Efficiency Variations | 2018/19 Budget | 2019/20 Indicative | Real Terms / Efficiency Variations | 2019/2020 Budget | Inflation | Real Terms / Efficiency Variations | 2020/2021 Budget |
|--------------------------|-----------------------|---|-------------------|-----------------------|---|---------------------|-----------|---|---------------------|
| | £000's | £000's | £000's | £000's | £000's | £000's | £000's | £000's | £000's |
| Employee Costs | 351 | 8 | 359 | 361 | 12 | 373 | 4 | 6 | 383 |
| Premises Related Costs | 2 | - | 2 | 2 | - | 2 | | - | 2 |
| Transport Related Costs | 4 | - 1 | 3 | 4 | - 2 | 2 | | 1 | 3 |
| Supplies and Services | 140 | - 13 | 127 | 141 | - 13 | 128 | 1 | - | 129 |
| Third Party | - | 14 | 14 | - | 14 | 14 | - | - | 14 |
| Total Expenditure | 497 | 8 | 505 | 508 | 11 | 519 | 5 | 7 | 531 |
| Income | - 118 | - 2 | - 120 | - 120 | - 2 | - 122 | - 3 | - | - 125 |
| Net Expenditure | 379 | 6 | 385 | 388 | 9 | 397 | 2 | 7 | 406 |

Housing General Fund Portfolio**Proposed Real Terms / Efficiency Variations****2018/19 Change**

| | £'000 | £'000 |
|-------------------------------------|-------|----------|
| <u>Real Term Variations</u> | | |
| Pay award | | 7 |
| Housing services budget realignment | | |
| Supplies | -14 | |
| Third Party | 14 | 0 |
| minor variations | | -1 |
| | | <u>6</u> |

2019/20 Change

| | £'000 | £'000 |
|-------------------------------------|-------|----------|
| <u>Real Term Variations</u> | | |
| Pay award | | 10 |
| Housing services budget realignment | | |
| Supplies | -14 | |
| Third Party | 14 | 0 |
| minor variations | | -1 |
| | | <u>9</u> |

2019/20 to 2020/21 Change

| | £'000 | £'000 |
|------------------------------------|-------|----------|
| <u>Real Term Variations</u> | | |
| Increase in Superannuation | | 6 |
| minor variations | | 1 |
| | | <u>7</u> |

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Leader of the Council

| | Outturn 2017-2018 £ | Budget 2018-2019 £ | Budget 2019-2020 £ | Budget 2020-2021 £ |
|---|---------------------------|--------------------------|--------------------------|--------------------------|
| 1 Democratic Services | | | | |
| Employee Expenses | 165,440 | 172,100 | 177,910 | 182,860 |
| Transport Related Expenditure | 3,730 | 3,770 | 3,810 | 3,850 |
| Supplies & Services | 362,610 | 367,620 | 371,470 | 375,170 |
| Total Expenditure | 531,780 | 543,490 | 553,190 | 561,880 |
| Democratic Services Net Expenditure | 531,780 | 543,490 | 553,190 | 561,880 |
| 2 Elections | | | | |
| Employee Expenses | 95,870 | 160,180 | 166,050 | 169,670 |
| Premises Related Expenditure | - | 4,500 | 4,590 | 4,690 |
| Transport Related Expenditure | 150 | 250 | 250 | 250 |
| Supplies & Services | 53,040 | 100,000 | 100,920 | 101,800 |
| Total Expenditure | 149,060 | 264,930 | 271,810 | 276,410 |
| Income | (1,100) | (1,130) | (1,150) | (1,170) |
| Total Income | (1,100) | (1,130) | (1,150) | (1,170) |
| Elections Net Expenditure | 147,960 | 263,800 | 270,660 | 275,240 |
| 3 Executive Management & Support | | | | |
| Employee Expenses | 276,090 | 273,050 | 231,550 | 237,370 |
| Transport Related Expenditure | 1,430 | 2,490 | 2,540 | 2,590 |
| Supplies & Services | 38,130 | 60,410 | 60,810 | 61,430 |
| Total Expenditure | 315,650 | 335,950 | 294,900 | 301,390 |
| Income | (50,000) | (50,000) | - | - |
| Total Income | (50,000) | (50,000) | - | - |
| Executive Management & Support Net Expenditure | 265,650 | 285,950 | 294,900 | 301,390 |
| 4 e-Government | | | | |
| Supplies & Services | 19,910 | 20,110 | 20,310 | 20,510 |
| Total Expenditure | 19,910 | 20,110 | 20,310 | 20,510 |
| e-Government Net Expenditure | 19,910 | 20,110 | 20,310 | 20,510 |
| 5 Grants & Contributions | | | | |
| Supplies & Services | 175,970 | 177,730 | 179,510 | 179,510 |
| Total Expenditure | 175,970 | 177,730 | 179,510 | 179,510 |
| Grants & Contributions Net Expenditure | 175,970 | 177,730 | 179,510 | 179,510 |
| 6 Finance | | | | |
| Employee Expenses | 985,510 | 891,970 | 930,590 | 956,340 |
| Transport Related Expenditure | 3,520 | 3,460 | 3,520 | 3,560 |
| Supplies & Services | 126,870 | 123,590 | 124,790 | 126,050 |
| Total Expenditure | 1,115,900 | 1,019,020 | 1,058,900 | 1,085,950 |
| Income | (864,990) | (760,070) | (790,760) | (812,170) |
| Total Income | (864,990) | (760,070) | (790,760) | (812,170) |
| Finance Net Expenditure | 250,910 | 258,950 | 268,140 | 273,780 |

Leader of the Council

| | Outturn 2017-2018 £ | Budget 2018-2019 £ | Budget 2019-2020 £ | Budget 2020-2021 £ |
|--|---------------------------|--------------------------|--------------------------|--------------------------|
| 7 Corporate Management | | | | |
| Supplies & Services | 92,950 | 93,880 | 85,020 | 85,870 |
| Total Expenditure | 92,950 | 93,880 | 85,020 | 85,870 |
| Income | (34,860) | (36,270) | (37,730) | (38,860) |
| Total Income | (34,860) | (36,270) | (37,730) | (38,860) |
| Corporate Management Net Expenditure | 58,090 | 57,610 | 47,290 | 47,010 |
| 8 Non Distributed Costs | | | | |
| Employee Expenses | 319,600 | 327,500 | 334,290 | 340,980 |
| Total Expenditure | 319,600 | 327,500 | 334,290 | 340,980 |
| Income | (40,000) | (40,000) | (40,000) | (40,000) |
| Total Income | (40,000) | (40,000) | (40,000) | (40,000) |
| Non Distributed Costs Net Expenditure | 279,600 | 287,500 | 294,290 | 300,980 |
| 9 Excluded Items | | | | |
| Supplies & Services | 135,480 | 85,000 | 85,000 | 85,000 |
| Total Expenditure | 135,480 | 85,000 | 85,000 | 85,000 |
| Income | (806,990) | (682,770) | (711,590) | (732,940) |
| Total Income | (806,990) | (682,770) | (711,590) | (732,940) |
| Excluded Items Net Expenditure | (671,510) | (597,770) | (626,590) | (647,940) |
| Leader of the Council Net Expenditure | 1,058,360 | 1,297,370 | 1,301,700 | 1,312,360 |

Leader of the Council Portfolio

Variation Statement 2018/2019 to 2020/2021

| | 2018/19 Indicative | Real Terms / Efficiency Variations | 2018/19 Budget | 2019/20 Indicative | Real Terms / Efficiency Variations | 2019/2020 Budget | Inflation | Real Terms / Efficiency Variations | 2020/2021 Budget |
|--------------------------------|-----------------------|---|-------------------|-----------------------|---|---------------------|-----------|---|---------------------|
| | £000's | £000's | £000's | £000's | £000's | £000's | £000's | £000's | £000's |
| Employee Costs | 1,889 | - 64 | 1,825 | 1,885 | - 45 | 1,840 | 21 | 26 | 1,887 |
| Premises Related Costs | 5 | - 1 | 4 | 5 | - | 5 | - | - | 5 |
| Transport Related Costs | 9 | 1 | 10 | 9 | 1 | 10 | - | - | 10 |
| Supplies and Services | 1,077 | - 49 | 1,028 | 1,086 | - 58 | 1,028 | 8 | - 1 | 1,035 |
| Total Expenditure | 2,980 | - 113 | 2,867 | 2,985 | - 102 | 2,883 | 29 | 25 | 2,937 |
| Income | - 1,780 | 210 | - 1,570 | - 1,776 | 195 | - 1,581 | - 41 | - 3 | - 1,625 |
| Net Expenditure | 1,200 | 97 | 1,297 | 1,209 | 93 | 1,302 | - 12 | 22 | 1,312 |

Leader of the Council Portfolio**Proposed Real Terms / Efficiency Variations****2018/19 Change**

| | £'000 | £'000 |
|---------------------------------------|-------|------------------|
| <u>Real Term Variations</u> | | |
| Pay Award | | 17 |
| Reduced pension act increase payments | | -12 |
| Finance Shared service savings | | |
| Employees | -72 | |
| Income | 64 | -8 |
| Excluded Items - CPI etc | | 35 |
| Removal of Internal Leasing Budgets | | |
| Supplies | -95 | |
| Income | 155 | 60 |
| minor variations | | 5 |
| | | <u>97</u> |

2019/20 Change

| | £'000 | £'000 |
|---------------------------------------|-------|------------------|
| <u>Real Term Variations</u> | | |
| Pay Award | | 36 |
| Reduced pension act increase payments | | -12 |
| Finance Shared service savings | | |
| Employees | -72 | |
| Income | 59 | -13 |
| Excluded Items - CPI etc | | 35 |
| Reduced audit fees | | -10 |
| Removal of Internal Leasing Budgets | | |
| Supplies | -95 | |
| Income | 155 | 60 |
| minor variations | | -3 |
| | | <u>93</u> |

2019/20 to 2020/21 Change

| | £'000 | £'000 |
|---|-------|------------------|
| <u>Real Term Variations</u> | | |
| Increase in Superannuation | | 22 |
| Increments | | 3 |
| Increased shared services contributions | | -3 |
| | | <u>22</u> |

Town Centre Regeneration

| | Outturn 2017-2018 | Budget 2018-2019 | Budget 2019-2020 | Budget 2020-2021 |
|---|------------------------------|-----------------------------|-----------------------------|-----------------------------|
| | £ | £ | £ | £ |
| 1 Markets | | | | |
| Employee Expenses | 130,550 | 133,570 | 139,570 | 143,330 |
| Premises Related Expenditure | 144,260 | 133,680 | 136,130 | 138,990 |
| Transport Related Expenditure | 2,860 | 2,890 | 2,920 | 2,950 |
| Supplies & Services | 76,250 | 67,370 | 68,090 | 68,770 |
| Total Expenditure | 353,920 | 337,510 | 346,710 | 354,040 |
| Income | (365,730) | (342,630) | (343,080) | (307,810) |
| Total Income | (365,730) | (342,630) | (343,080) | (307,810) |
| Markets Net Expenditure | (11,810) | (5,120) | 3,630 | 46,230 |
| 2 Town Centre Management | | | | |
| Premises Related Expenditure | 242,900 | 254,650 | 259,570 | 264,590 |
| Supplies & Services | 210 | 210 | 210 | 210 |
| Total Expenditure | 243,110 | 254,860 | 259,780 | 264,800 |
| Income | (183,910) | (186,170) | (186,360) | (186,570) |
| Total Income | (183,910) | (186,170) | (186,360) | (186,570) |
| Town Centre Management Net Expenditure | 59,200 | 68,690 | 73,420 | 78,230 |
| 3 Miscellaneous Properties | | | | |
| Premises Related Expenditure | 6,690 | 6,530 | 6,650 | 6,760 |
| Supplies & Services | 500 | 510 | 520 | 530 |
| Total Expenditure | 7,190 | 7,040 | 7,170 | 7,290 |
| Income | (22,450) | (14,110) | (14,130) | (14,150) |
| Total Income | (22,450) | (14,110) | (14,130) | (14,150) |
| Miscellaneous Properties Net Expenditure | (15,260) | (7,070) | (6,960) | (6,860) |
| Town Centre Regeneration Net Expenditure | 32,130 | 56,500 | 70,090 | 117,600 |

Town Centre Regeneration Portfolio

Variation Statement 2018/2019 to 2020/2021

| | 2018/19 Indicative | Real Terms / Efficiency Variations | 2018/19 Budget | 2019/20 Indicative | Real Terms / Efficiency Variations | 2019/2020 Budget | Inflation | Real Terms / Efficiency Variations | 2020/2021 Budget |
|--------------------------|-----------------------|---|-------------------|-----------------------|---|---------------------|------------|---|---------------------|
| | £000's | £000's | £000's | £000's | £000's | £000's | £000's | £000's | £000's |
| Employee Costs | 130 | 4 | 134 | 134 | 6 | 140 | 1 | 2 | 143 |
| Premises Related Costs | 399 | - 4 | 395 | 405 | - 3 | 402 | 8 | - | 410 |
| Transport Related Costs | 3 | - | 3 | 3 | - | 3 | - | - | 3 |
| Supplies and Services | 72 | - 4 | 68 | 73 | - 4 | 69 | 1 | - | 70 |
| Total Expenditure | 604 | - 4 | 600 | 615 | - 1 | 614 | 10 | 2 | 626 |
| Income | - 648 | 105 | - 543 | - 660 | 116 | - 544 | - 7 | 43 | - 508 |
| Net Expenditure | - 44 | 101 | 57 | - 45 | 115 | 70 | 3 | 45 | 118 |

Town Centre Regeneration Portfolio**Proposed Real Terms / Efficiency Variations****2018/19 Change**

| | £'000 | £'000 |
|---|-------|-------------------|
| <u>Real Term Variations</u> | | |
| Pay award | | 3 |
| Reduced markets income | | |
| Cannock Market Hall | 95 | |
| Prince of Wales | 5 | |
| Rugeley Market Hall | 14 | 114 |
| Town Centre Management additional rental income | | -12 |
| minor variations | | -4 |
| | | <u>101</u> |

2019/20 Change

| | £'000 | £'000 |
|---|-------|-------------------|
| <u>Real Term Variations</u> | | |
| Pay award | | 6 |
| Reduced markets income | | |
| Cannock Market Hall | 99 | |
| Prince of Wales | 5 | |
| Rugeley Market Hall | 14 | 118 |
| Town Centre Management additional rental income | | -9 |
| | | <u>115</u> |

2019/20 to 2020/21 Change

| | £'000 | £'000 |
|------------------------------------|-------|------------------|
| <u>Real Term Variations</u> | | |
| Increase in Superannuation | | 2 |
| Rugeley Market shops lease expiry | | 39 |
| minor variations | | 4 |
| | | <u>45</u> |

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APPENDIX 3

| Capital Programme 2017-18 to 2020-21 | | |
|---|---------------------|--------------------|
| | General Fund | Section 106 |
| | £000 | £000 |
| Environment | | |
| Home Security | 75 | |
| Wheelie Bin Replacement | 620 | |
| Replacement -Vehicles- cleansing | 130 | |
| Replacement Vehicles- Grounds | 350 | |
| Replacement -Vehicles- countryside | 117 | |
| Car Park Improvements * | 492 | |
| Sub Total – Environment | 1,784 | |
| Housing | | |
| Disabled Facilities Grants | 3,270 | |
| Affordable Housing * | 644 | |
| Private Sector Decent Homes | 35 | |
| Sub Total – Housing | 3,949 | |
| Culture and Sport | | |
| Additional Cemetery Provision | 984 | |
| Stile Cop Cemetery | 6 | |
| Replacement -Vehicles- cemeteries | 51 | |
| Wolseley Road POS Improvements | | 20 |
| Hednesford Park Improvements | 79 | |
| Hednesford Signal Box | 27 | |
| Relocation Arthur Street Play Area | | 3 |
| Multi Use Games Area, Laburnum Avenue | | 121 |
| Refurbishment Heath Hayes Park/Pitch | | 115 |
| Stadium Development | 1,500 | 213 |
| Sub Total – Culture and Sport | 2,647 | 472 |
| Economic Development & Planning | | |
| Economic Development & Physical Assets | 320 | |
| District Investment | 6,476 | |
| Heritage Trail Bridge Rugeley | 80 | |
| Lets Grow Grants | 69 | |
| Sub Total – Econ Dev. | 6,945 | |
| Crime & Partnerships | | |
| CCTV | 150 | |
| Sub Total – Crime & Partner. | 150 | |
| Corporate Improvement | | |
| Vehicle Workshop | 70 | |
| Civic Centre Car Park | 450 | |
| Sub Total – Corp. Improvement | 520 | |
| Town Centre Regeneration | | |
| New Entrance Hall Cannock Market | 44 | |
| Sub Total – Town Centres | 44 | |
| Capitalisation | 319 | 111 |
| Total Capital Programme | 16,358 | 583 |

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APPENDIX 4

| GENERAL FUND AND SECTION 106 CAPITAL BUDGETS 2017-18 TO 2020-21 | | | | | |
|--|--|----------------|----------------|----------------|----------------|
| | | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| | | £'000 | £'000 | £'000 | £'000 |
| ENVIRONMENT | | | | | |
| | Home Security | 19 | 19 | 19 | 18 |
| | Wheelie Bin Replacement | 90 | 90 | 90 | 90 |
| | Total | 109 | 109 | 109 | 108 |
| HOUSING | | | | | |
| | Disabled Facilities Grants * | 894 | 792 | 792 | 792 |
| | Private Sector Decent Homes | | 35 | | |
| | Total | 894 | 827 | 792 | 792 |
| CULTURE AND SPORT | | | | | |
| | Additional Cemetery Provision | | 984 | | |
| | Stile Cop Cemetery Phase 1 | 6 | | | |
| | Wolseley Road POS Improvements | | 20 | | |
| | Hednesford Park Improvements | 79 | | | |
| | Hednesford Signal Box | 27 | | | |
| | Stadium Development | 1,663 | | | |
| | Total | 1,775 | 1,004 | | |
| ECONOMIC DEVELOPMENT & PLANNING | | | | | |
| | Economic Development & Physical Assets | 320 | | | |
| | Heritage Trail Bridge Rugeley | 80 | | | |
| | Lets Grow Grants | 29 | | | |
| | Total | 429 | 40 | | |
| * | Subject to Better Care Fund allocation | | | | |

| GENERAL FUND AND SECTION 106 CAPITAL BUDGETS 2017-18 TO 2020-21 | | | | | |
|--|----------------------------------|----------------|----------------|----------------|----------------|
| | | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
| | | £'000 | £'000 | £'000 | £'000 |
| CORPORATE IMPROVEMENT | | | | | |
| | Vehicle Workshop | 70 | | | |
| | Civic Centre Car Park | | 450 | | |
| | Total | 70 | 450 | | |
| TOWN CENTRE REGENERATION | | | | | |
| | New Entrance Hall Cannock Market | 44 | | | |
| | Total | 44 | | | |
| CRIME & PARTNERSHIPS | | | | | |
| | CCTV Social Alarms Relocation | 100 | | | |
| | Total | 100 | | | |
| TOTAL CAPITAL BUDGET | | | | | |
| | | 3,421 | 2,430 | 901 | 900 |

APPENDIX 5**Business Rates Retention – Retained Income**

| | | 2018-19 £ | 2019-20 £ | 2020-21 £ |
|--|--------------------------------------|--------------------|--------------------|--------------------|
| <u>A. Business Rates Collection Fund</u> | | | | |
| Gross Rates | | -40,203,780 | -41,524,290 | -45,441,230 |
| Less | <u>Reliefs etc.</u> | | | |
| | Mandatory Relief | 5,258,650 | 5,363,820 | 5,471,100 |
| | Discretionary Relief | 137,880 | 140,640 | 143,450 |
| | Exemptions | 867,800 | 885,160 | 902,860 |
| | Cost of Collection | 129,070 | 131,650 | 134,280 |
| | Losses on Collection | 2,105,600 | 2,175,170 | 2,218,670 |
| Business Rates Collectable | | -31,704,780 | -32,827,850 | -36,570,870 |
| Less | <u>Amount due to</u> | | | |
| | Government | 15,852,390 | 16,413,930 | 18,285,440 |
| | County | 2,853,430 | 2,954,510 | 3,291,380 |
| | Fire | 317,050 | 328,280 | 365,710 |
| Net Business Rates attributable to CCDC | | -12,681,910 | -13,131,130 | -14,628,340 |
| <u>B. General Fund Determination of Retained Business Rates</u> | | | | |
| Net Business Rates attributable to CCDC | | -12,681,910 | -13,131,130 | -14,628,340 |
| Less | Tariff | 9,144,870 | 9,309,150 | 9,495,330 |
| | Core Funding | 2,929,600 | 2,994,580 | 3,054,470 |
| | Growth | -607,440 | -827,400 | -2,078,540 |
| Plus | New Burdens funding subject to Levy | | | |
| | Small Business Rates Relief | -1,206,960 | -1,231,600 | -1,255,720 |
| Amount subject to Levy | | -1,814,400 | -2,059,000 | -3,334,260 |
| | Levy | 907,200 | 1,029,500 | 1,667,130 |
| Business Rates Growth | | -907,200 | -1,029,500 | -1,667,130 |
| GBS Business Rates Pool Distribution | | -293,200 | -332,950 | -540,180 |
| Retained Business Rates | | | | |
| | Core Funding | -2,929,600 | -2,994,580 | -3,054,470 |
| | Growth | -907,200 | -1,029,500 | -1,667,130 |
| | GBS Business Rates Pool Distribution | -293,200 | -332,950 | -540,180 |
| | | -4,130,000 | -4,357,030 | -5,261,780 |
| | Business Rates | -3,836,800 | -4,204,080 | -4,721,600 |
| | GBS Business Rates Pool Distribution | -293,200 | -332,950 | -540,180 |
| | | -4,130,000 | -4,357,030 | -5,261,780 |

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Appendix 6

| OTHER GENERAL FUND EARMARKED RESERVES | | | | |
|---|----------------|----------------|----------------|----------------|
| | 1/04/18 | 1/04/19 | 1/04/20 | 1/04/21 |
| | £'000 | £'000 | £'000 | £'000 |
| Building Maintenance | | | | |
| Landlord's contingency and refurbishment reserve utilisation to be reviewed as part of the comprehensive Asset Management Review | 241 | 241 | 241 | 241 |
| Internal Leasing Reserve/ IT | | | | |
| Fund to enable procurement of new Information Technology hardware, and internal leasing requirements of the Council, to be reimbursed by annual charge to revenue | 407 | 407 | 407 | 407 |
| Development Control | | | | |
| Reserve to mitigate impact of volatility in Planning Fees | 95 | 95 | 95 | 95 |
| Budget Support | | | | |
| General Reserve earmarked for additional Local Plan expenditure | 231 | 80 | 15 | 0 |
| Insurance Liabilities | | | | |
| Estimated amount of further claims to be received re earlier years to be funded by CCDC as part of excess policy | 190 | 190 | 190 | 190 |
| Corporate Initiatives | | | | |
| Fund to meet the costs and assessments / feasibility work for corporate/ legislative initiatives | 102 | 46 | 40 | 24 |
| Communications | | | | |
| Reserve to assist with the replacement and development of all communication systems | 23 | 23 | 23 | 23 |
| Discretionary Rate Relief | | | | |
| Reserve to meet the costs to CCDC arising from reliefs granted under the Localism Act | 120 | 120 | 120 | 120 |
| Central Training | | | | |
| Fund to meet non recurring corporate training initiatives | 77 | 77 | 77 | 77 |
| Hednesford Regeneration | | | | |
| Balance of contribution received in relation to additional works required as part of regeneration scheme. | 21 | 21 | 21 | 21 |
| Environmental Improvements | | | | |
| Reserve to assist improvements to the environmental infrastructure | 94 | 94 | 94 | 94 |

| | 1/04/18 | 1/04/19 | 1/04/20 | 1/04/21 |
|---|--------------|--------------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 |
| Economic Development LEP | | | | |
| Balance of monies relating to support provided to GB&S LEP | 52 | 52 | 52 | 52 |
| Project Development Reserve (LEP | | | | |
| Rolling fund to develop business cases re LEP investment bids | 100 | 100 | 100 | 100 |
| Apprenticeship Reserve | | | | |
| Reserve to contribute to the employment costs of Council Apprenticeship Programme | 61 | 61 | 61 | 61 |
| LAMS | | | | |
| Interest set a side re Local authority Mortgage Scheme | 146 | 146 | 146 | 146 |
| Homelessness | | | | |
| Balances carried forward to fund additional homelessness prevention measures | 63 | 63 | 63 | 63 |
| Civic Duties and Hospitality | | | | |
| Reserve to meet additional one off costs relating to civic Duties | 24 | 12 | 12 | 12 |
| Other | 331 | 370 | 406 | 445 |
| Total | 2,378 | 2,198 | 2,163 | 2,171 |

Appendix 7**CABINET****25 JANUARY 2018****General Fund Revenue Budget 2018-19 to 2020-21 and
Capital Programme 2018-19 to 2020-21****Report of the Chief Finance Officer on the Robustness of the Budget Estimates
and the Adequacy of the Council's Reserves****Introduction**

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

Robustness of Budget Estimates

The Council's budget estimates for 2018-19 to 2020-21 have been prepared by appropriately qualified and experienced staff in consultation with service managers. Budgets have been discussed and fully managed by the Leadership Team. The budgets are considered to accurately reflect likely expenditure in 2018-19, being based on historic information, experience of expenditure in previous years and latest projections where appropriate. The indicative budgets for 2019-20 and 2020-21 are similarly based upon the best information available at this moment in time.

A full risk assessment of the Council's Budget 2018-19 has been carried out - APPENDIX 1).

Provision for Pay Award Inflation has been made in accordance with the 2 year offer made offer made by the National Employers, who negotiate pay on behalf of 350 local authorities in England. The impact of the National Living Wage has been incorporated into the Allowance has also been made for staff incremental progression. Sufficient provision has been built in for current employer pension contributions, in line with the most recent actuarial valuation. Different vacancy rates have been assumed for Council services based on past experience.

Inflation on contractor costs has been allowed based on the projected retail / consumer prices index increases and on energy budgets based on anticipated tariff increases.

Inflation has been provided on fees and charges, but excluding Car Parks and Allotments. Given the demand led nature of some of the more significant income budgets, such as for parking, development control and land charges, prudent but

realistic assumptions have been made about estimated income. The current economic climate is expected to continue to have a significant impact on fees and charges generally during 2018-19. Major sources of income will continue to be closely monitored throughout the year with a view to protecting overall income to the Council as far as possible.

Investment income of £158,000 has been included within 2018-19 budgets. This has been based on current projections of bank rate remaining at ½ % during the first part of 2018/19 but increasing for the last two quarters. Investment income also includes the saving arising from the prepayment of the fixed cash lump sum element of the 2018-19 Employers Superannuation Contribution. Prudent assumptions about cash flow have been made and the advice of the Council's treasury management consultants has been taken into account in determining the average rate of return.

No specific contingency budget is provided in 2018-19 as it is considered that the Council's overall revenue balances are sufficient to act as an overall contingency (see below). However, robust budget monitoring arrangements are in place and will continue throughout the year. These arrangements also include Business Rates Monitoring and New Homes Bonus forecasts. In addition to budget monitoring by officers, all Cabinet members will receive a monthly update and there will be quarterly reports to the Cabinet and relevant Scrutiny Committees.

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

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

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

Adequacy of the Council's Reserves

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

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

The Council held General Fund revenue balances of £2.434 million at 31 March 2017. In addition to this, earmarked revenue reserves amounting to £million are forecast to be available as at 31 March 2018.

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

The Council has set a policy of a minimum level of 5.5% of net expenditure or the amount calculated by the risk analysis. The Budget for 2018/19 has been constructed on the basis that there will be a level of general reserves at 31 March 2018 in excess of the £0.6461 million risk analysis requirement.

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

Bob Kean
Head of Finance
January 2018

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Appendix 8Council Tax Base 2018/19

| Parish | Band D Equivalents |
|----------------------------|-------------------------------|
| Brereton and Ravenhill | 1,914.22 |
| Bridgtown | 551.85 |
| Brindley Heath | 237.74 |
| Cannock Wood | 393.70 |
| Heath Hayes and Wimblebury | 4,005.18 |
| Hednesford | 5,145.42 |
| Norton Canes | 2,169.64 |
| Rugeley | 5,221.30 |
| Unparished | 8,757.71 |
| | 28,396.76 |

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|--------------------------|---|
| Report of: | Head of Finance and Head of Housing and Partnerships |
| Contact Officer: | Bob Kean Nirmal Samrai |
| Telephone No: | 01543 464334 01543 464210 |
| Portfolio Leader: | Housing |
| Key Decision: | No |
| Report Track: | Cabinet: 25/01/18 Council: 07/02/18 |

**CABINET
25 JANUARY 2018
HOUSING REVENUE ACCOUNT BUDGETS 2017-18 TO 2020-21**

1 Purpose of Report

- 1.1 To review the 2017-18 Housing Revenue Account Budget
- 1.2 To refresh the Housing Revenue Account budgets for the period 2018-19 to 2019-20 and introduce the 2020-21 Draft Budget.
- 1.3 To determine the proposed three year Housing Revenue Account Budget for consideration by Council on 7 February 2018.

2 Recommendations

- 2.1 That the revised position with regard to estimated income and expenditure in respect of the 2017-18 Housing Revenue Account Budget and Housing Revenue Account budgets for the period 2018-19 to 2020-21 as summarised in Appendix 1 be noted.
- 2.2 That Council on 7 February 2018 be recommended to:-
 - (i) Determine a minimum level of working balances of £1.671 million for 2018-19 and indicative working balances of £1.706 million and £1.731 million for 2019-20 and 2020-21 respectively.
 - (ii) To note the further 1% reduction in rents in 2018-19 in accordance with the Governments Social Rent Policy
 - (iii) Approve the HRA Revenue Budgets for 2018-19, 2019-20 and 2020-21 (and note the estimated outturn for 2017-18) as summarised in Appendix 1 of the report.

3 Key Issues and Reasons for Recommendation

- 3.1 This report considers the proposed three-year HRA budgets for 2018-19, 2019-20 and 2020-21, which have been formulated within the framework provided by the Approved Housing Revenue Account Business Plan.
- 3.2 A review of the 2017-18 HRA budget, together with base HRA budgets for the period 2018-19 to 2020-21 are attached as Appendix 1. The budgets have been formulated in accordance with the assumptions set out in the HRA Business Plan, with projected levels of income and expenditure as summarised below.

| Table 1: HRA Summary Budget 2018-19 to 2020-21 | | | |
|---|--|--|--|
| | <u>2018-19</u> £000's | <u>2019-20</u> £000's | <u>2020-21</u> £000's |
| Income | (19,757) | (19,312) | (19,788) |
| Expenditure | 16,707 | 17,059 | 17,311 |
| Revenue Contribution to Capital Outlay | 3,020 | 2,218 | 2,452 |
| Working Balances Change | 30 | 35 | 25 |

- 3.3 Rent income continues to reflect an annual rent reduction of 1% per annum for 2018-19 and 2019-20 reflecting the revised national rent policy as determined by the Government's 2015 Summer Budget (the rent policy will revert to the Consumer Price Index plus 1% with effect from 2020-21).
- 3.4 No material changes have been made in relation to inflation and cost pressures, with the exception of pay awards. Provision of 1% existed within the indicative budgets for 2018-19 and 2019-20, however as a result of the National Employers for Local Government offer, made on the 5 December 2017 the provision now amounts to 2.47% in 2018-19 rising to a combined impact of 4.9% in 2019-20 as compared to the 2% originally provided.
- 3.5 No direct account has been taken at this stage for the impact of Vacant High Value Housing Payments associated with the Housing and Planning Act 2016. The Council is still awaiting details re the threshold for High Value Vacant Payments however it is considered that its implementation will not impact until after the 2018-19 financial year. The full impact of the actual High Value Baseline will be assessed following publication of the proposed regulations and will then be subject to a further report.
- 3.6 In considering the HRA Revenue Account, consideration needs to be given to the HRA Capital Programme and the level of Working Balances. A key consideration of the Capital Programme is the Revenue Contribution to Capital Outlay (RCCO) and Major Repairs Allowance (MRA). The latter has been replaced with a Depreciation Charge and although this is lower than the previous MRA a compensating increase in RCCO has been made. In accordance with the Approved Business Plan the RCCO also represents the net surplus on the Revenue Account after determining the level of Working Balances.

- 3.7 In view of the risks associated with the management of the HRA under self-financing, minimum working balances of 10% of net operating expenditure have been assumed throughout the three-year budget period.

4 Relationship to Corporate Priorities

- 4.1 The proposed HRA budgets would contribute to the following strategic objectives, which form part of the Housing Portfolio section within the 2018-19 “More and Better Housing” Priority Delivery Plan, i.e.
- (i) Increase the supply of affordable housing.
 - (ii) Improving the Council’s social housing stock

4 Report Detail

- 5.1 Cabinet on 10 December 2015 approved a revised Housing Revenue Account Business Plan for the continued implementation of the devolved HRA “self financing system”. The revised plan covered the period 2015-16 to 2019-20 and reflected the 1% reduction in rents for 4 years with effect from April 2016, covering the period 2016-17 to 2019-20.
- 5.2 In approving the 2017-18 budget it was agreed that, following details of the Government’s Vacant High Value Payment being published and its impact determined, a revised HRA Business Plan and revised 5 year projection would be produced during 2018-19. Details of the Vacant High Value threshold are however still awaited and hence at this stage only a refresh of the existing plan has been undertaken.
- 5.3 The Approved HRA Business Plan has been used to provide the financial framework within which detailed HRA budgets for the three-year period 2018-19 to 2020-21 have been formulated.
- 5.4 The proposed budgets reflect ongoing effects of the anticipated outturn in respect of the 2017-18 HRA budget (which is reviewed as part of this report) and other changes in income and expenditure which are projected as a result of the detailed budget formulation work.

The Housing Revenue Account Budget 2017-18

- 5.5 A review of the 2017-18 Budget is presented as part of Appendix 1.
- 5.6 The budget has been refreshed to reflect the latest stock numbers with changes made to Dwellings Rent, Garage Rents and Repairs Budgets.
- 5.7 A detailed review of employee budgets has also been undertaken with the latest budgets reflecting the staff turnover experienced in recent years. Suppliers and Services budgets have also been refreshed to reflect latest spending patterns.
- 5.8 Capital Financing charges now reflect a Depreciation Charge rather than a Major Repairs Allowance. Although a reduction in the Depreciation Charge has

occurred the impact on the overall HRA budget is neutral since there is a corresponding increase in Revenue Contribution to Capital Outlay (RCCO). Depreciation /MRA and RCCO charges represent key financing elements of the Capital Programme.

- 5.9 Estimated expenditure for 2017-18 is now forecast to be £20.035 million and Income £19.895 million with a forecast release from working balances of £0.140 million. This represents an improvement /additional net Revenue Contribution to Capital Outlay of £0.322 million as compared to the Original Budget

Housing Revenue Account Budgets 2018-19 to 2020-21

- 5.10 The Approved 30 year HRA Business Plan has been used as the basis for preparing the HRA budgets for the period 2018-19 to 2020-21 which are attached as Appendix 1.
- 5.11 The budgets reflect a continuation of current policies and the maintenance of existing service provision throughout the budget period.
- 5.12 No material changes have been made in relation to inflation and cost pressures, with the exception of pay awards. Provision of 1% existed within the indicative budgets for 2018-19 and 2019-20, however as a result of the National Employers for Local Government offer made on the 5 December 2017 the provision has been increased to 2%. The actual increase after taking into account the higher increase in lower Spinal Column Point's amounts to 2.47% in 2018-19 rising to a combined impact of 4.9% in 2019-20. The additional cost including recharges from the General Fund amount to £0.081 million in 2018-19 rising to £0.166 million thereafter
- 5.13 Other assumptions are in line with the indicative budgets set last year with the provision for the 2% per annum increase in employer contributions to the Staffordshire Pension Fund being extended to 2020-/21 pending actual determination as part of the 2019 Actuarial Revaluation.
- 5.14 Rent income continues to reflect an annual rent reduction of 1% per annum reflecting the revised national rent policy as determined by the Government's 2015 Summer Budget whereby a 1% per annum reduction applies for the period 2016-17 through to 2019/20. The Housing White Paper, 'Fixing our Broken Housing Market' (February 2017), included a commitment to develop a rent policy for social landlords beyond 2020. On 4 October 2017, DCLG announced that "increases to social housing rents will be limited to the Consumer Price Index (CPI) plus 1% for 5 years from 2020".
- 5.15 A comparison of the latest Revenue Contribution to Capital Outlay (which effectively represents the net income of the HRA account) from the Indicative Budgets set last year to the Draft Budget is reflected in Table overleaf.

| Table 2: Reconciliation of RCCO – Indicative to Draft Budget | | | |
|---|---------|---------|---------|
| | 2018-19 | 2019-20 | 2020-21 |
| | £000 | £000 | £000 |
| Indicative Budget | 2,138 | 1,650 | 1,650 |
| Draft Budget | 3,020 | 2,218 | 2,452 |
| Variance | 882 | 568 | 802 |
| Of Which | | | |
| Depreciation /MRA Adj | 472 | 466 | 482 |

- 5.16 The budget has been refreshed to reflect the latest stock numbers with changes made to Dwellings Rent, Garage Rents and Repairs Budgets. Rent income will increase by £0.564 million in 2020-21 following the removal of the 1% reduction and return to CPI +1%.
- 5.17 An additional net Revenue Contribution to Capital Outlay of £0.233 million will therefore arise in 2020-21 and is likely to increase pro rata thereafter. In order to fully assess the options for the HRA Business Plan, and to update the Capital Programme investment profile, a Stock Condition Survey is to be commissioned enabling a new 30 Year plan to be prepared.
- 5.18 Capital Financing Charges have been amended to reflect the profile of expenditure as contained in the Draft Capital Programme and the refresh of available resources with savings occurring in 2018-19 and 2019-20. In addition to interest on borrowing provision also exists for the voluntary Minimum Revenue Provision (Repayment of Debt) during the period.
- 5.19 Void allowances on Rent income are currently at 0.8% however in light of the potential impact on Stock numbers arising from the proposed Vacant High Value Housing Payments the 2% allowance has been maintained at this stage for 2019-20 onwards. The full impact of this change will be assessed following publication of the proposed regulations and will then be subject to a further report.

Proposed Housing Revenue Account Budgets 2018-19 to 2020-21

- 5.20 Proposed Housing Revenue Account Budgets for the period 2018-19 to 2020-21 are attached as Appendix 1.

Effect on Working Balances

- 5.21 The effect of the proposed budgets on the estimated level of working balances is shown as part of Appendix 1. As previously stated a minimum working balance of 10% of net operating expenditure has therefore also been assumed throughout the three-year budget period.

6 Implications**6.1 Financial**

The financial implications have been referred to throughout the report.

6.2 Legal

None

6.3 Human Resources

The estimated budgets include provision for employees.

6.4 Section 17 (Crime Prevention)

Actions to combat anti-social behaviour on the council's estates funded through the proposed budgets would have positive implications form crime prevention.

6.5 Human Rights Act

None

6.6 Data Protection

None

6.7 Risk Management

Self-financing increases the risks associated with the management of the HRA and a detailed risk analysis forms part of the 30 Year Business Plan.

The risks relate to income as well as expenditure and any change in Government policy will impact upon the balances available to support the Capital Programme. In particular the implementation of Vacant High Value Housing Payments as contained in the Housing and Planning Act 2016 in relation to Cannock Chase Council will impact upon income levels.

A number of actions are undertaken to further mitigate risks associated with the management of the HRA which include:-

- (i) The adoption of a prudent approach to budgeting, particularly rent income
- (ii) The maintenance of an adequate level of working balances, comprising a minimum of 10% of net operating expenditure. Due to the reduction in rent levels and increase in cost pressures working balances will increase in 2018-19 enabling a contingency to be provided in the short term to meet the potential implications of the Housing and Planning Act
- (iii) The adoption of a more realistic approach in assessing staff turnover in determining employee budgets.
- (iv) Housing Revenue Account Business Plan projections together with associated sensitivity analysis.

- (v) Firm budgetary control through regular monitoring of actual and forecast income and expenditure.
- (vi) The implementation of an annual Internal Audit Plan and scrutiny from the External Auditor.

6.8 Equality & Diversity

The draft budget reflects a continuation of current policies and the maintenance of existing service provision throughout the budget period.

6.9 Best Value

None.

7 Appendices to the Report

Appendix 1: HRA Budgets 2017-18 to 2020-21

Previous Consideration

Interim Review of Housing Revenue Business Plan Cabinet 10 December 2015

Background Papers

None

HRA Budgets 2017-18 to 2020-21

| | Original Budget | Approved Budget | Revised Budget | Budget | Budget | Budget |
|---------------------------------|---------------------|---------------------|------------------|---------------------|---------------------|---------------------|
| | 2017-18 | | | 2018-19 | 2019-20 | 2020-21 |
| Income | £ | £ | £ | £ | £ | £ |
| Dwelling Rent | (19,438,790) | (19,490,100) | (51,310) | (19,334,000) | (18,882,000) | (19,350,000) |
| Non Dwelling Rent | (381,860) | (356,860) | 25,000 | (374,110) | (381,570) | (389,250) |
| Interest | (1,500) | (1,500) | - | (1,500) | (1,500) | (1,520) |
| Other | (11,450) | (11,450) | - | (11,770) | (11,890) | (12,010) |
| General Fund Contribution | (35,200) | (35,200) | - | (35,550) | (35,520) | (35,520) |
| Total Income | (19,868,800) | (19,895,110) | (26,310) | (19,756,930) | (19,312,480) | (19,788,300) |
| Expenditure | | | | | | |
| Repairs and Maintenance | 4,583,320 | 4,576,740 | (6,580) | 4,642,590 | 4,752,300 | 4,832,140 |
| Supervision & Management | | | | | | |
| – General | 3,357,200 | 3,250,980 | (106,220) | 3,457,730 | 3,587,320 | 3,679,710 |
| – Special | 929,720 | 860,740 | (68,980) | 924,740 | 950,200 | 976,320 |
| Total Management | 4,286,920 | 4,111,720 | (175,200) | 4,382,470 | 4,537,520 | 4,656,030 |
| Capital Financing | 8,196,090 | 7,715,870 | (480,220) | 7,681,870 | 7,769,050 | 7,823,100 |
| RCCO | 2,620,460 | 3,630,820 | 1,010,360 | 3,019,740 | 2,218,410 | 2,451,790 |
| Total Expenditure | 19,686,790 | 20,035,150 | 348,360 | 19,726,670 | 19,277,280 | 19,763,060 |
| Working Balance transfer | 182,010 | (140,040) | (322,050) | 30,260 | 35,200 | 25,240 |

Appendix 1 Cont.

| | 2017-18 | | | 2018-19 | 2019-20 | 2020-21 |
|------------------------|------------------------|------------------------|-----------------------|----------------|----------------|----------------|
| Working Balance | Original Budget | Approved Budget | Revised Budget | Budget | Budget | Budget |
| | £ | £ | £ | £ | £ | £ |
| B/fwd. | (1,524,620) | (1,780,470) | (255,850) | (1,640,430) | (1,670,690) | (1,705,890) |
| In year | (182,010) | 140,040 | 322,050 | (30,260) | (35,200) | (25,240) |
| C/fwd. | (1,706,630) | (1,640,430) | 66,200 | (1,670,690) | (1,705,890) | (1,731,130) |
| | | | | | | |
| Minimum | 1,706,630 | 1,640,430 | | 1,670,690 | 1,705,890 | 1,731,130 |

| | |
|--------------------------|---|
| Report of: | Head of Finance and Head of Housing and Partnerships |
| Contact Officer: | Bob Kean Nirmal Samrai |
| Telephone No: | 01543 464334 01543 464210 |
| Portfolio Leader: | Housing |
| Key Decision: | No |
| Report Track: | Cabinet: 25/02/18 Council: 07/02/18 |

**CABINET
25 JANUARY 2018
HOUSING REVENUE ACCOUNT CAPITAL PROGRAMMES 2017-18 TO 2022-23**

1 Purpose of Report

- 1.1 To review the 2017-18 HRA Capital Programme.
- 1.2 To refresh the Housing Revenue Account Capital Programme budgets for the period 2018-19 to 2019-20 and introduce the 2020-21 to 2022-23 Capital Programme.
- 1.3 To determine a proposed five year Housing Revenue Account Capital Programme for consideration by Council on 7 February 2018.

2 Recommendations

- 2.1 That the estimated availability of Housing Revenue Account capital resources for the period 2018-19 to 2022-23 (as set out in Appendix 1) be noted.
- 2.2 To note that the programme now includes an allocation of £12million for new social housing.
- 2.3 That options to increase social housing based upon the housing needs of the district and land availability are developed and are the subject of a separate report to Cabinet as soon as practically possible.
- 2.4 That Council, on 7 February 2018, is recommended to approve the five year Housing Revenue Account Capital Programme for the period 2018-19 to 2022-23 (as set out in Appendix 2).

3 Key Issues and Reasons for Recommendation

- 3.1 This report considers the draft proposed five year HRA Capital Programme for the period 2018-19 to 2022-23, together with the forecast outturn for 2017-18, compiled within the financial framework provided by the Approved HRA Business Plan.
- 3.2 Details of the estimated availability of HRA capital resources during the five year period are set out in Appendix 1, whilst a five year HRA Capital Programme is set out in Appendix 2.
- 3.3 A comparison of estimated resource availability with the proposed HRA capital expenditure programmes is also set out below:

| Table1: Uncommitted Resources 2017-18 to 2022-23 | | | | | | |
|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | <u>17-18</u> £000's | <u>18-19</u> £000's | <u>19-20</u> £000's | <u>20-21</u> £000's | <u>21-22</u> £000's | <u>22-23</u> £000's |
| Net Resources B/F | 3,359 | 480 | 395 | 2,959 | 2,768 | 2,768 |
| New Resources | 7,755 | 7,830 | 8,541 | 5,769 | 5,649 | 5,677 |
| Total Resources: | 11,114 | 8,310 | 8,936 | 8,728 | 8,417 | 8,445 |
| Less: | 10,634 | 7,915 | 5,977 | 5,960 | 5,649 | 5,677 |
| Expenditure Resources C/F | 480 | 395 | 2,959 | 2,768 | 2,768 | 2,768 |

- 3.4 In addition to the above, the voluntary Minimum Revenue Provision (Debt Repayment) set aside from 2017-18 will by 2022-23 have effectively created a headroom in capital financing of £9.672 million that can be used in the medium term to supplement resources available without impacting upon long term sustainability.
- 3.5 The use of the Minimum Revenue Provision headroom together with the uncommitted capital resources provides in excess of £12.0 million for new council build /estate regeneration.

4 Relationship to Corporate Priorities

- 4.1 The proposed HRA budgets would contribute to the following strategic objectives, which form part of the Housing Portfolio section within the 2018-19 "More and Better Housing" Priority Delivery Plan, i.e.
- (i) Increase the supply of affordable housing.
 - (ii) Improving the Council's social housing stock.

5 Report Detail

- 5.1 Cabinet on 10 December 2015 approved a revised Housing Revenue Account Business Plan for the continued implementation of the devolved HRA “self financing system “ that covered the five year period 2015-16 to 2019-20.
- 5.2 Cabinet at its meeting on the 19 January 2017 noted that a revised HRA Business Plan and revised 5 year projection will be produced during 2017-18 following details of the High Value Payment being published and its impact determined. However details of the threshold for such a payment are still awaited and are not now likely to be implemented until 2019-20. The Revenue Budget retains the status quo for 2018-19 awaiting such details with the void provision thereafter being maintained at 2% to mitigate the potential impact of this change.
- 5.3 The recommendations as contained in the initial report above provided a Balanced Budget to 2019-20 and provided the financial framework within which now the capital programme budgets are determined for the period 2018-19 to 2022-23.
- 5.4 This report considers the formulation of a proposed five year HRA Capital Programme for consideration by Council on 7 February 2018.

Estimated Availability of HRA Capital Resources

- 5.5 Details of the estimated availability of HRA capital resources for the period 2018-19 to 2022-23 are set out in Appendix 1. These are in accordance with the assumptions in the Business Plan with subsequent adjustments to reflect:-
- (i) The anticipated outturn in respect of the 2017-18 HRA Capital Programme;
 - (ii) Amendments to the revenue contribution to capital outlay following the detailed budget formulation work in respect of the Housing Revenue Account.
- 5.6 No material changes arise in relation to the 2017-18 capital programme subject to certain expenditure slipping into 2018-19. The 2018-19 budget however includes additional resources for the
- Replacement of Central Heating £615,000- additional provision for boiler replacements including transfer from electric heating to gas as applicable.

Whereas the 2019-20 programme seeks £138,000 contribution as above combined with an additional £100,000 for the replacement of Housing services Vehicles.

- 5.7 The HRA Revenue Budget, included elsewhere on the Agenda, includes the following Revenue Contributions to Capital Outlay during the three year programme period, with figures extrapolated to 2022-23 :-

| Table2: Revenue Contribution to Capital Outlay 2017-18 to 2022-23 | | | | | |
|--|--|--|--|--|--|
| <u>2017-18</u> <u>£'000</u> | <u>2018-19</u> <u>£'000</u> | <u>2019-20</u> <u>£'000</u> | <u>2020-21</u> <u>£'000</u> | <u>2021-22</u> <u>£'000</u> | <u>2022-23</u> <u>£'000</u> |
| 3,631 | 3,020 | 2,218 | 2,452 | 2,316 | 2,328 |

- 5.8 The increase in Revenue Contribution to Capital Outlay and other minor variations results in Available Capital resources as at 31 March 2023 amounting to £2.768 million an increase of £2.473 million as compared to the Interim Business Plan.
- 5.9 Council, in accordance with the HRA Business Plan, has been setting aside a voluntary Minimum Revenue Provision (MRP) / provision for repayment of debt with effect from the 2017-18 budget. There is no mandatory requirement to provide such a set aside although the provision effectively shows that the HRA is sustainable in the long term.
- 5.10 The annual provision however effectively reduces the HRA Capital Financing Requirement and therefore increases the headroom or potential for borrowing. The total debt an authority can undertake at any one time is limited or capped to the self financing debt, as amended by supported borrowing permissions from the Government.
- 5.11 The repayment of debt will reduce the capital financing charges or revenue cost of the HRA however the profile of debt with the exception of £2.6million which matured this year is a minimum of 6 years away with the self financing loan itself not maturing until 2062. To this end the MRP can be used to supplement the capital programme with no additional cost in the short term or to the long term sustainability of the HRA Business Plan.

| Table 3: Annual Minimum Revenue Provision set aside 2017-18 to 2022-23 | | | | | | |
|---|--|--|--|--|--|--|
| <u>2017-18</u> <u>£'000</u> | <u>2018-19</u> <u>£'000</u> | <u>2019-20</u> <u>£'000</u> | <u>2020-21</u> <u>£'000</u> | <u>2021-22</u> <u>£'000</u> | <u>2022-23</u> <u>£'000</u> | <u>TOTAL</u> <u>£'000</u> |
| 1,556 | 1,556 | 1,640 | 1,640 | 1,640 | 1,640 | 9,672 |

- 5.12 The use of the MRP headroom together with the uncommitted capital resources provides £12.439 million for new council build / estate regeneration and enhancements to the existing programme.
- 5.13 It is therefore recommended that options to increase social housing based upon the housing needs of the district and land availability are developed and are the subject of a separate report to Cabinet as soon as practically possible.

HRA Capital Programme 2018-19 to 2020-21

- 5.14 A proposed HRA Capital Programme for 2018-19 to 2022-23 is set out in Appendix 2. This is in accordance with the capital expenditure programme within the revised Business Plan with subsequent adjustments to account for the anticipated outturn in respect of the 2017-18 HRA Capital Programme.

5.15 The proposed programme will deliver:-

- (i) The continuation of the following planned maintenance programmes:-
 - * External and Environmental Works
 - * Kitchen and bathroom replacement.
 - * Electrical upgrading.
 - * Central heating upgrading.
 - * Window refurbishment and double glazing programme
- (ii) The provision of Council houses.

5.16 Details of the dwelling outputs (in terms of completions) which will result from the implementation of the proposed HRA Capital Programme are set out below. Details for 2021-22 and 2022-23 will be provided following the outcome of the stock Condition Survey to be undertaken in 2018-19:-

| Table 4: Number of completions 2018-19 to 2020-21 | | | | |
|--|----------------------------|-----------------------|-----------------------|---------------------|
| | Number of Dwellings | | | |
| | <u>2018-19</u> | <u>2019-20</u> | <u>2020-21</u> | <u>Total</u> |
| External and Environmental Works | 725 | 700 | 890 | 2,315 |
| Kitchen Replacement | 65 | 125 | 120 | 310 |
| Bathroom Replacement | 120 | 120 | 110 | 350 |
| Central Heating Improvements | 450 | 425 | 400 | 1,275 |
| Electrical Upgrades | 550 | 550 | 500 | 1,600 |
| Window Refurbishment and Double Glazing | 20 | 20 | | 40 |
| Provision of additional Council Dwellings | 39 | | | 39 |
| Fire Assessments | 50 | 50 | 50 | 150 |

6 Implications

6.1 Financial

The financial implications have been referred to throughout the report.

6.2 Legal

None.

6.3 Human Resources

None.

6.4 Section 17 (Crime Prevention)

The proposed five year HRA Capital Programme 2018-19 to 2022-23 includes a number of schemes to reduce anti-social behaviour, including environmental and fencing improvements as part of the proposed External and Environmental Works Programme.

6.5 Human Rights Act

None

6.6 Data Protection

None

6.7 Risk Management

There are a number of risks associated with the inadequate management of the HRA Capital Programme. These risks are minimised by the Council's agreed Capital Expenditure Control Procedures which includes a requirement for regular monitoring including quarterly reports to Cabinet.

6.8 Equality & Diversity

The revised HRA Business Plan has been subject to an Equality Impact Assessment (EIA). As the proposed HRA Capital Programme for the period 2018-19 to 2022-23 has been formulated in accordance with the revised Business Plan, the Business Plan EIA also applies to the proposed five year Capital Programme.

The outcome of the Business Plan EIA is that it would have a positive impact for certain of the protected characteristics with no identified negative implications.

6.9 Best Value

None

| |
|-----------------------------------|
| 7 Appendices to the Report |
|-----------------------------------|

Appendix 1: Estimated Housing Revenue Capital Resources 2017-18 to 2022-23

Appendix 2: Housing Revenue Account Capital Programme 2017-18 to 2022-23

| |
|-------------------------------|
| Previous Consideration |
|-------------------------------|

| | | |
|--|---------|------------------|
| Interim Housing Revenue Account Business Plan Review | Cabinet | 10 December 2015 |
|--|---------|------------------|

ESTIMATED AVAILABILITY OF HOUSING REVENUE ACCOUNT CAPITAL RESOURCES 2017-18 TO 2022-23

| <u>Resource</u> | <u>2017-18</u> £000's | <u>2018-19</u> £000's | <u>2019-20</u> £000's | <u>2020-21</u> £000's | <u>2021-22</u> £000's | <u>2022-23</u> £000's | <u>Capital Programme</u> |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Resources Brought Forward | 3,359 | 480 | 395 | 2,959 | 2,768 | 2,768 | 2,768 |
| Borrowing | | 1,015 | 3,022 | | | | 9,672 |
| RTB Sales (Allowable Attributable Debt) | 450 | 390 | 390 | 390 | 390 | 390 | |
| Section 106 monies | 31 | | | | | | |
| Capital Receipts Other | 109 | 55 | 55 | 55 | 55 | 55 | |
| Revenue Contributions to Capital Outlay | 3,631 | 3,020 | 2,218 | 2,452 | 2,316 | 2,328 | |
| Major Repairs Allowance | 2,800 | 2,836 | 2,856 | 2,872 | 2,888 | 2,904 | |
| GBS LEP | 375 | 210 | | | | | |
| Transfer from Reserves: | 19 | 72 | | | | | |
| Affordable Housing Grant | 340 | 232 | | | | | |
| Total New Resources | 7,755 | 7,830 | 8,541 | 5,769 | 5,649 | 5,677 | 9,672 |
| Total Capital Resources | 11,114 | 8,310 | 8,936 | 8,728 | 8,417 | 8,445 | 12,440 |
| <u>Less Proposed Expenditure</u> | 10,634 | 7,915 | 5,977 | 5,960 | 5,649 | 5,677 | 12,000 |
| Agreed resources carried forward | 480 | 395 | 2,959 | 2,768 | 2,768 | 2,768 | 440 |

APPENDIX 2**HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME**
2018-19 TO 2020-21

| <u>Scheme</u> | <u>Forecast</u> | | <u>Estimated Expenditure</u> | | | | <u>Cap Prog</u> |
|---|-----------------|---------------|------------------------------|---------------|---------------|---------------|---------------------|
| | <u>Outturn</u> | | | | | | |
| | <u>17-18</u> | <u>18-19</u> | <u>19-20</u> | <u>20-21</u> | <u>21-22</u> | <u>22-23</u> | |
| | <u>£000's</u> | <u>£000's</u> | <u>£000's</u> | <u>£000's</u> | <u>£000's</u> | <u>£000's</u> | |
| Demolition of Garages | 28 | 89 | 20 | 20 | 20 | 20 | |
| Moss Road | 1,745 | 142 | | | | | |
| Development of Former Garage Sites | 2,800 | 1,622 | | | | | |
| Disabled Facilities Works | 532 | 389 | 396 | 404 | 412 | 421 | |
| Right to Compensation (Tenants Improvements) | | 5 | 5 | 5 | 5 | 5 | |
| ⁵ Replacement of Kitchens | 383 | 425 | 718 | 709 | 719 | 728 | |
| Replacement of Bathrooms | 896 | 474 | 486 | 450 | 456 | 462 | |
| Replacement of Central Heating | 1,068 | 1,495 | 1,451 | 1,451 | 1,407 | 1,359 | |
| Void Properties | 366 | 344 | 355 | 365 | 376 | 387 | |
| External and Environmental Works | 1,300 | 1,585 | 1,664 | 1,664 | 1,452 | 1,480 | |
| Provision of Double Glazing | 768 | | | | | | |
| Replacement of Social Alarms | 19 | 72 | | | | | |
| Upgrading of Electrical Systems | 574 | 575 | 575 | 581 | 586 | 593 | |
| Asbestos Testing and Removal | 84 | 86 | 89 | 91 | 94 | 97 | |
| Provision of Proposed Kerbs | 19 | 29 | | | | | |
| Resurfacing of Driveways | 20 | 211 | | | | | |
| Replacement of Housing Service Vehicles | 32 | 81 | 100 | 100 | | | |
| Contingency for unforeseen works | | 111 | 113 | 115 | 117 | 120 | |
| Fire assessments | | 5 | 5 | 5 | 5 | 5 | |
| Future Enhancements | | 175 | | | | | |
| New Build | | | | | | | 12,000 |
| TOTAL: | 10,634 | 7,915 | 5,977 | 5,960 | 5,649 | 5,677 | 12,000 |

| | |
|--------------------------|--|
| Report of: | Head of Finance |
| Contact Officer: | Bob Kean |
| Telephone No: | 01543 464334 |
| Portfolio Leader: | Leader of the Council |
| Key Decision: | No |
| Report Track: | Cabinet: 25/02/18 Council: 07/02/18 |

CABINET
25 JANUARY 2018
**TREASURY MANAGEMENT STRATEGY, MINIMUM REVENUE PROVISION
POLICY AND ANNUAL INVESTMENT STRATEGY 2018/19**

1 Purpose of Report

- 1.1 This report is presented to obtain the Council’s approval to:-
- Prudential and Treasury indicators - setting of indicators to ensure that the capital investment plans of the Council are affordable, prudent and sustainable;
 - The Minimum Revenue Provision (MRP) Policy;
 - Treasury Management Strategy Statement for 2018/19 - to set treasury limits for 2018/19 to 2020/21 and to provide a background to the latest economic forecasts of interest rates;
 - Annual Investment Strategy 2018/19 - to set out the strategy of investment of surplus funds.

2 Recommendations

- 2.1 To approve:-
- (a) The Prudential and Treasury indicators;
 - (b) The Minimum Revenue Provision (MRP) Policy Statement;
 - (c) The Treasury Management Policy;
 - (d) The Annual Investment Strategy for 2018/19.

3 Key Issues and Reasons for Recommendations

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

4 Relationship to Corporate Priorities

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

5 Report Detail

Background

- 5.1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
- 5.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion when it is prudent and economic any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 5.3 CIPFA defines treasury management as:

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

Reporting Requirements

- 5.4 The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals:

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).

A mid year treasury management report – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is meeting the strategy or whether any policies require revision.

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.

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

5.5 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 Governance Committee and Council | Annually by 30 September after the end of the year |
| Scrutiny of treasury management strategy | Cabinet | Annually in December before the start of the year |

Treasury Management Strategy for 2018/19

5.6 The strategy for 2018/19 covers two main areas:

Capital issues

- the capital plans and the 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.

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

5.8 Training - The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Training has been undertaken by members of the Audit and Accounts Committee and further training will be arranged as required. The training needs of treasury management officers are periodically reviewed

Treasury Management Consultants

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

5.10 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.

5.11 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 2018/19 – 2020/21

5.12 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

5.13 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 as detailed in Capital Budgets and also Capital Programme uncommitted schemes awaiting detail approval by Cabinet.

| Capital expenditure | 2016/17 Actual £'000 | 2017/18 Estimate £'000 | 2018/19 Estimate £'000 | 2019/20 Estimate £'000 | 2020/21 Estimate £'000 | 2017/21 Prog £'000 |
|--------------------------|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-----------------------|
| Environment | 125 | 115 | 1,113 | 109 | 108 | 1,050 |
| Housing (GF) | 616 | 894 | 827 | 792 | 792 | 644 |
| Culture and Sport | 1,903 | 1,769 | | | | 639 |
| Crime & Partnerships | | 100 | | | | 50 |
| Economic Dev. | 137 | 400 | | | | 6,476 |
| Health& Well Being | | | | | | |
| Corporate Improvement | 121 | 70 | 450 | | | |
| Town Centre Regeneration | 305 | 73 | 40 | | | |
| 2021/22 Cap | | | | | | 430 |
| Non -HRA | 3,207 | 3,421 | 2,430 | 901 | 900 | 9,289 |
| HRA | 8,999 | 10,634 | 7,915 | 5,977 | 5,960 | 12,000 |
| Total | 12,206 | 14,055 | 10,345 | 6,878 | 6,860 | 21,289 |

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

5.15 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 | 16/17 Actual £'000 | 17/18 Est. £'000 | 18/19 Est. £'000 | 19/20 Est. £'000 | 20/21 Est £'000 | 17/21 Prog £'000 |
|--|-----------------------------------|---------------------------------|---------------------------------|---------------------------------|--------------------------------|---------------------------------|
| Total Spend | | | | | | |
| Financed by: | | | | | | |
| Capital Receipts | 896 | 1,767 | 802 | 464 | 554 | 9,139 |
| Capital grants/ contributions | 3,249 | 3,517 | 1,368 | 882 | 792 | 150 |
| Major Repairs | 3,134 | 3,637 | 3,418 | 2,856 | 2,872 | 0 |
| Revenue | 4,927 | 5,030 | 4,239 | 2,218 | 2,452 | 2,768 |
| Total Financing | 12,206 | 13,951 | 9,827 | 6,420 | 6,670 | 12,057 |
| Net financing need for the year | | 103 | 518 | 458 | 191 | 9,232 |

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

- 5.16 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 underlying borrowing need. Any capital expenditure which has not immediately been paid for from existing resources will increase the CFR.
- 5.17 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.
- 5.18 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 and so the Council is not required to separately borrow for these schemes.

5.19 The Council is asked to approve the following CFR projections:

| | 2016/17 Actual £'000 | 2017/18 Estimate £'000 | 2018/19 Estimate £'000 | 2019/20 Estimate £'000 | 2020/21 Estimate £'000 |
|--------------------------------------|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Capital Financing Requirement | | | | | |
| CFR – non housing | 14,251 | 13,866 | 10,057 | 9,760 | 9,474 |
| CFR - housing | 81,518 | 80,054 | 78,923 | 77,733 | 76,275 |
| Total CFR | 95,769 | 93,921 | 88,980 | 87,492 | 85,749 |
| Movement in CFR | | (1,848) | (4,941) | (1,488) | (1,743) |

| Movement in CFR represented by | | | | | |
|--|--|---------|---------|---------|---------|
| Net financing need for the year | | 101 | 518 | 458 | 191 |
| LAMS receipt | | | (2,000) | | |
| Repayment of Borrowing | | | (1,500) | | |
| Less MRP and other financing movements | | (1,949) | (1,959) | (1,946) | (1,934) |
| Movement in CFR | | (1,848) | (4,941) | (1,488) | (1,743) |

Minimum revenue provision (MRP) policy statement

- 5.20 The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP).
- 5.21 CLG Regulations have been issued which require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement:

The Council implemented the new Minimum Revenue Provision (MRP) guidance in 2008/09, and will assess MRP for 2009/10 onwards in accordance with the recommendations contained within the guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003.

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.

MRP will be applicable from the year following that in which the asset is brought into operation.

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.

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.

5.22 The Council is participating in the Local Authority Mortgage Scheme. Lloyds Bank PLC required a 5 year cash advance from the Council to match the 5 year life of the indemnity. The cash advance placed with the bank provides an integral part of the mortgage lending, and is treated as capital expenditure and a loan to a third party. The Capital Financing Requirement (CFR) will increase by the amount of the total indemnity. The cash advance is due to be returned in full at maturity, with interest paid annually. Once the cash advance matures and funds are returned to the Council, the returned funds are classed as a capital receipt, and the CFR will reduce accordingly. As this is a temporary (5 year) arrangement and the funds will be returned in full, there is no need to set aside prudent provision to repay the debt liability in the interim period, so there is no MRP application.

5.23 Repayments included in finance leases are applied as MRP.

Affordability prudential indicators

5.24 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

5.25 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.

| % | 2016/17 Actual | 2017/18 Estimate | 2018/19 Estimate | 2019/20 Estimate | 2020/21 Estimate |
|----------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| Non HRA | 3.9% | 3.7% | 3.1% | 3.0% | 3.0% |
| HRA | 18.6% | 25.2% | 25.1% | 26.0% | 25.6% |

Incremental impact of capital investment decisions on council tax

- 5.26 This indicator identifies the revenue costs associated with proposed changes to the capital programme compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

| £ | 2016/17 Actual | 2017/18 Estimate | 2018/19 Estimate | 2019/20 Estimate | 2020/21 Estimate |
|---------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| Council tax band D | Nil | Nil | Nil | Nil | Nil |

Estimates of the incremental impact of capital investment decisions on housing rent levels

- 5.27 Similar to the council tax calculation, this indicator identifies the trend in the cost of proposed changes in the housing capital programme recommended in the budget report compared to the Council's existing commitments and current plans, expressed as a discrete impact on weekly rent levels.

| £ | 2016/17 Actual | 2017/18 Estimate | 2018/19 Estimate | 2019/20 Estimate | 2020/21 Estimate |
|----------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| Weekly housing rent | Nil | Nil | Nil | Nil | Nil |

HRA ratios

| | 2016/17 Actual | 2017/18 Estimate | 2018/19 Estimate | 2019/20 Estimate | 2020/21 Estimate |
|------------------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| HRA debt £'000 | 81,830 | 81,930 | 81,349 | 81,807 | 81,998 |
| HRA revenues £'000 | 19,658 | 19,490 | 19,334 | 18,882 | 19,350 |
| Ratio of debt to revenues % | 416% | 420% | 421% | 433% | 424% |
| Number of HRA dwellings | 5,141 | 5,140 | 5,145 | 5,125 | 5,099 |
| Debt per dwelling £ | £15.92 | £15.94 | £15.81 | £15.96 | £16.08 |

Borrowing

- 5.28 The capital expenditure plans set out in paragraph 5.12 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 Council'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

- 5.29 The Council's treasury portfolio position at 31 March 2017 with forward projections are summarised overleaf. The table shows the actual external debt against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

| | 2016/17 Actual £'000 | 2017/18 Estimate £'000 | 2018/19 Estimate £'000 | 2019/20 Estimate £'000 | 2020/21 Estimate £'000 |
|--|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| External Debt | | | | | |
| PWLB debt at 1 April | 85,005 | 84,205 | 81,708 | 82,226 | 82,684 |
| Repayments in year | (800) | (2,600) | | | |
| Borrowing in year | | 103 | 518 | 458 | 191 |
| Other long- term liabilities | | | | | |
| Actual gross debt at 31 March | 84,205 | 81,708 | 82,226 | 82,684 | 82,875 |
| The Capital Financing Requirement | 95,769 | 93,921 | 88,980 | 87,492 | 85,749 |
| Under / (over) borrowing | | 12,213 | 6,754 | 4,808 | 2,874 |

- 5.30 Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2018/19 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 purposes.
- 5.31 The Head of Finance reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals contained in the draft budget for 2018-19 to 2020-21.

Treasury Indicators: limits to borrowing activity

5.32 **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.

| Operational boundary | 2017/18 Estimate £'000 | 2018/19 Estimate £'000 | 2019/20 Estimate £'000 | 2020/21 Estimate £'000 |
|----------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Total | 99,910 | 99,519 | 95,804 | 95,518 |

5.33 **The authorised limit for external debt.** A further key prudential indicator represents a control on the maximum level of borrowing. This represents a 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 | 2017/18 Estimate £'000 | 2018/19 Estimate £'000 | 2019/20 Estimate £'000 | 2020/21 Estimate £'000 |
|------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Total | 111,410 | 111,019 | 107,304 | 107,018 |

5.34 Separately, the Council is also limited to a maximum HRA CFR through the HRA self-financing regime. This limit is currently:

| HRA debt limit £m | 2017/18 Estimate £'000 | 2018/19 Estimate £'000 | 2019/20 Estimate £'000 | 2020/21 Estimate £'000 |
|----------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| HRA Debt cap | 86,044 | 86,044 | 86,044 | 86,044 |
| HRA CFR | 80,054 | 78,923 | 77,733 | 76,275 |
| HRA headroom | 5,990 | 7,121 | 8,311 | 9,769 |

Prospects for interest rates

5.35 The Council has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives our central view.

| Annual Average % | Bank Rate % | PWLB Borrowing Rates % (including certainty rate adjustment) | | | |
|------------------|-------------|---|---------|---------|---------|
| | | 5 year | 10 year | 25 year | 50 year |
| Dec 2017 | 0.50 | 1.50 | 2.10 | 2.80 | 2.50 |
| Mar 2018 | 0.50 | 1.60 | 2.20 | 2.90 | 2.60 |
| Jun 2018 | 0.50 | 1.60 | 2.30 | 3.00 | 2.70 |
| Sep 2018 | 0.50 | 1.70 | 2.40 | 3.00 | 2.80 |
| Dec 2018 | 0.75 | 1.80 | 2.40 | 3.10 | 2.90 |
| Mar 2019 | 0.75 | 1.80 | 2.50 | 3.10 | 2.90 |
| Jun 2019 | 0.75 | 1.90 | 2.60 | 3.20 | 3.00 |
| Sep 2019 | 0.75 | 1.90 | 2.60 | 3.20 | 3.00 |
| Dec 2019 | 1.00 | 2.00 | 2.70 | 3.30 | 3.10 |
| Mar 2020 | 1.00 | 2.10 | 2.70 | 3.40 | 3.20 |
| Jun 2020 | 1.00 | 2.10 | 2.80 | 3.50 | 3.30 |
| Sep 2020 | 1.25 | 2.20 | 2.90 | 3.50 | 3.30 |
| Dec 2020 | 1.25 | 2.30 | 2.90 | 3.60 | 3.40 |
| Mar 2021 | 1.25 | 2.30 | 3.00 | 3.60 | 3.40 |

- 5.36 As expected, the Monetary Policy Committee (MPC) delivered a 0.25% increase in Bank Rate at its meeting on 2 November. This removed the emergency cut in August 2016 after the EU referendum. The MPC also gave forward guidance that they expected to increase Bank rate only twice more by 0.25% by 2020 to end at 1.00%. The Link Asset Services forecast as above includes increases in Bank Rate of 0.25% in November 2018, November 2019 and August 2020.
- 5.37 The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently. It has long been expected, that at some point, there would be a more protracted move from bonds to equities after a historic long-term trend, over about the last 25 years, of falling bond yields. The action of central banks since the financial crash of 2008, in implementing substantial Quantitative Easing, added further impetus to this downward trend in bond yields and rising bond prices. Quantitative Easing has also directly led to a rise in equity values as investors searched for higher returns and took on riskier assets. The sharp rise in bond yields since the US Presidential election in November 2016 has called into question whether the previous trend may go into reverse, especially now the Fed. has taken the lead in reversing monetary policy by starting, in October 2017, a policy of not fully reinvesting proceeds from bonds that it holds when they mature.
- 5.38 Until 2015, monetary policy was focused on providing stimulus to economic growth but has since started to refocus on countering the threat of rising inflationary pressures as stronger economic growth becomes more firmly established. The Fed. has started raising interest rates and this trend is expected to continue during 2018 and 2019. These increases will make holding US bonds much less attractive and cause their prices to fall, and therefore bond yields to rise. Rising bond yields in the US are likely to exert some upward pressure on bond yields in the UK and other developed economies. However, the degree of that upward pressure is likely to be dampened by how strong or weak the prospects for economic growth and rising inflation are in each country, and on the degree of progress towards the

reversal of monetary policy away from quantitative easing and other credit stimulus measures.

From time to time, gilt yields – and therefore PWLB rates - can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis and emerging market developments. Such volatility could occur at any time during the forecast period.

From time to time, gilt yields – and therefore PWLB rates - can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis and emerging market developments. Such volatility could occur at any time during the forecast period.

- 5.39 Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. The above forecasts (and MPC decisions) will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

The overall balance of risks to economic recovery in the UK is probably to the downside, particularly with the current level of uncertainty over the final terms of Brexit.

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

- Bank of England monetary policy takes action too quickly over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- Geopolitical risks, especially North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.
- A resurgence of the Eurozone sovereign debt crisis, possibly Italy, due to its high level of government debt, low rate of economic growth and vulnerable banking system.
- Weak capitalisation of some European banks.
- The result of the October 2017 Austrian general election is likely to result in a strongly anti-immigrant coalition government. In addition, the new Czech prime minister is expected to be Andrej Babis who is strongly against EU migrant quotas and refugee policies. Both developments could provide major impetus to other, particularly former Communist bloc countries, to coalesce to create a major block to progress on EU integration and centralisation of EU policy. This, in turn, could spill over into impacting the Euro, EU financial policy and financial markets.
- Rising protectionism under President Trump
- A sharp Chinese downturn and its impact on emerging market countries

5.40 The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- The Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflation pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- UK inflation returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.
- The Fed causing a sudden shock in financial markets through misjudging the pace and strength of increases in its Fed. Funds Rate and in the pace and strength of reversal of Quantitative Easing, which then leads to a fundamental reassessment by investors of the relative risks of holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world.

5.41 A more detailed view of the economic background is set out in **APPENDIX 1**.

Investment and borrowing rates

- Investment returns are likely to remain low during 2018/19 but to be on a gently rising trend over the next few years.
- Borrowing interest rates increased sharply after the result of the general election in June and then also after the September MPC meeting when financial markets reacted by accelerating their expectations for the timing of Bank Rate increases. Since then, borrowing rates have eased back again somewhat. Apart from that, there has been little general trend in rates during the current financial year. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in the future when authorities may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt;
- There will remain a cost of carry to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost – the difference between borrowing costs and investment returns.

Borrowing strategy

5.42 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

5.43 Against this background and the risks within the economic forecast, caution will be adopted with the 2018/19 treasury operations. The Head of Finance

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

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

Treasury management limits on activity

5.45 There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance.

The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- 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.

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

| £m | 2017/18 | 2018/19 | 2019/20 |
|---|--------------|--------------|--------------|
| Interest rate exposures | | | |
| | Upper | Upper | Upper |
| Limits on fixed interest rates based on net debt | 100% | 100% | 100% |
| Limits on variable interest rates based on net debt | 75% | 75% | 75% |
| Maturity structure of fixed interest rate borrowing 2016/17 | | | |
| | 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 2016/17 | | | |
| | 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

- 5.47 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.

Municipal Bond Agency

- 5.48 It is likely that the Municipal Bond Agency, currently in the process of being set up, will be offering loans to local authorities in the near future. It is also hoped that the borrowing rates will be lower than those offered by the Public Works Loan Board (PWLB). The Council intends to make use of this new source of borrowing as and when appropriate.

Annual Investment Strategy

Investment Policy

- 5.49 The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second and then return.
- 5.50 In accordance with the above guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.
- 5.51 Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.
- 5.52 Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- 5.53 Investment instruments identified for use in the financial year are listed in **APPENDIX 2** under the 'specified' and 'non-specified' investments categories. Counterparty limits will be as set through the Council's treasury management practices – schedules.

Creditworthiness policy

- 5.54 The Council applies the creditworthiness service provided by Capita Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:
- credit watches and credit outlooks from credit rating agencies;
 - CDS spreads to give early warning of likely changes in credit ratings;
 - sovereign ratings to select counterparties from only the most creditworthy countries.
- 5.55 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 Enhanced Money Market Funds (EMMFs) with a credit score of 1.25
 - Light pink: 5 years for Enhanced Money Market Funds (EMMFs) 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
- 5.56 The Link asset Services' 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.
- 5.57 Typically the minimum credit ratings criteria the Council use will be a short term rating (Fitch or equivalents) of short term rating 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.

- 5.58 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.
- 5.59 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 government support for banks and the credit ratings of that supporting government. Country limits.
- 5.60 The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch. 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.

Investment Strategy

- 5.61 **Inhouse funds.** 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).
- 5.62 **Investment returns expectations.** Bank Rate is forecast to stay flat at 0.50% until quarter 4 2018 and not to rise above 1.25% by quarter 1 2021. Bank rate forecasts for financial year ends (March) are

| | |
|---------|-------|
| 2017/18 | 0.50% |
| 2018/19 | 0.75% |
| 2019/20 | 1.00% |
| 2020/21 | 1.25% |

- 5.63 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:

| | |
|---------|-------|
| 2017/18 | 0.40% |
| 2018/19 | 0.60% |
| 2019/20 | 0.90% |
| 2020/21 | 1.25% |
| 2021/22 | 1.50% |
| 2022/23 | 1.75% |

| | |
|-------------|-------|
| 2023/2024 | 2.00% |
| Later years | 2.75% |

- 5.64 The overall balance of risks to these forecasts is currently skewed to the upside and are dependent on how strong GDP growth turns out, how quickly inflation pressures rise and how quickly the Brexit negotiations move forward positively.
- 5.65 **Investment treasury indicator and limit** - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

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

| Maximum principal sums invested > 364 days | | | |
|--|----------------|----------------|----------------|
| | 2017/18 | 2018/19 | 2019/20 |
| Principal sums invested > 365 days | £10m | £10m | £10m |

- 5.66 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.

End of year investment report

- 5.67 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

None.

6.3 Human Resources

None.

6.4 Section 17 (Crime Prevention)

None.

6.5 Human Rights Act

None.

6.6 Data Protection

None.

6.7 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.

6.8 Equality and Diversity

The 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.

6.9 Best Value

None.

7 Appendices to the Report

Appendix 1: Economic Background.

Appendix 2: Treasury Management Practice (TMP1) – Credit and Counterparty Risk Management.

Appendix 3: Approved Countries for Investment.

Previous Consideration –

None

Background Papers –

Available in Financial Services

APPENDIX 1

ECONOMIC BACKGROUND

GLOBAL OUTLOOK. World growth looks to be on an encouraging trend of stronger performance, rising earnings and falling levels of unemployment. In October, the IMF upgraded its forecast for world growth from 3.2% to 3.6% for 2017 and 3.7% for 2018.

In addition, **inflation prospects are generally muted** and it is particularly notable that **wage inflation** has been subdued despite unemployment falling to historically very low levels in the UK and US. This has led to many comments by economists that there appears to have been a fundamental shift downwards in the Phillips curve (this plots the correlation between levels of unemployment and inflation e.g. if the former is low the latter tends to be high). In turn, this raises the question of what has caused this? The likely answers probably lay in a combination of a shift towards flexible working, self-employment, falling union membership and a consequent reduction in union power and influence in the economy, and increasing globalisation and specialisation of individual countries, which has meant that labour in one country is in competition with labour in other countries which may be offering lower wage rates, increased productivity or a combination of the two. In addition, technology is probably also exerting downward pressure on wage rates and this is likely to grow with an accelerating movement towards automation, robots and artificial intelligence, leading to many repetitive tasks being taken over by machines or computers. Indeed, this is now being labelled as being the start of the **fourth industrial revolution**.

KEY RISKS - central bank monetary policy measures

Looking back on nearly ten years since the financial crash of 2008 when liquidity suddenly dried up in financial markets, it can be assessed that central banks' monetary policy measures to counter the sharp world recession were successful. The key monetary policy measures they used were a combination of lowering central interest rates and flooding financial markets with liquidity, particularly through unconventional means such as Quantitative Easing (QE), where central banks bought large amounts of central government debt and smaller sums of other debt.

The key issue now is that that period of stimulating economic recovery and warding off the threat of deflation is coming towards its close and a new period has already started in the US, and more recently in the UK, on reversing those measures i.e. by raising central rates and (for the US) reducing central banks' holdings of government and other debt. These measures are now required in order to stop the trend of an on-going reduction in spare capacity in the economy, and of unemployment falling to such low levels that the re-emergence of inflation is viewed as a major risk. It is, therefore, crucial that central banks get their timing right and do not cause shocks to market expectations that could destabilise financial markets. In particular, a key risk is that because QE-driven purchases of bonds drove up the price of government debt, and therefore caused a sharp drop in income yields, this then also encouraged investors into a search for yield and into investing in riskier assets such as equities. This resulted in bond markets and equity market prices both rising to historically high valuation levels simultaneously. This, therefore, makes both asset categories vulnerable to a sharp correction. It is important, therefore, that central banks only

gradually unwind their holdings of bonds in order to prevent destabilising the financial markets. It is also likely that the timeframe for central banks unwinding their holdings of QE debt purchases will be over several years. They need to balance their timing to neither squash economic recovery by taking too rapid and too strong action, or, alternatively, let inflation run away by taking action that was too slow and/or too weak. **The potential for central banks to get this timing and strength of action wrong are now key risks.**

There is also a potential key question over whether economic growth has become too dependent on strong central bank stimulus and whether it will maintain its momentum against a backdrop of rising interest rates and the reversal of QE. In the UK, a key vulnerability is the **low level of productivity growth**, which may be the main driver for increases in wages; and **decreasing consumer disposable income**, which is important in the context of consumer expenditure primarily underpinning UK GDP growth.

A further question that has come to the fore is whether **an inflation target for central banks of 2%**, is now realistic given the shift down in inflation pressures from internally generated inflation, (i.e. wage inflation feeding through into the national economy), given the above mentioned shift down in the Phillips curve.

- Some economists favour a shift to a **lower inflation target of 1%** to emphasise the need to keep the lid on inflation. Alternatively, it is possible that a central bank could simply 'look through' tepid wage inflation, (i.e. ignore the overall 2% inflation target), in order to take action in raising rates sooner than might otherwise be expected.
- However, other economists would argue for a **shift UP in the inflation target to 3%** in order to ensure that central banks place the emphasis on maintaining economic growth through adopting a slower pace of withdrawal of stimulus.
- In addition, there is a strong argument that central banks should **target financial market stability**. As mentioned previously, bond markets and equity markets could be vulnerable to a sharp correction. There has been much commentary, that since 2008, QE has caused massive distortions, imbalances and bubbles in asset prices, both financial and non-financial. Consequently, there are widespread concerns at the potential for such bubbles to be burst by exuberant central bank action. On the other hand, too slow or weak action would allow these imbalances and distortions to continue or to even inflate them further.
- Consumer debt levels are also at historically high levels due to the prolonged period of low cost of borrowing since the financial crash. In turn, this cheap borrowing has meant that **other non-financial asset prices**, particularly house prices, have been driven up to very high levels, especially compared to income levels. Any sharp downturn in the availability of credit, or increase in the cost of credit, could potentially destabilise the housing market and generate a sharp downturn in house prices. This could then have a destabilising effect on consumer confidence, consumer expenditure and GDP growth. However, no central bank would accept that it ought to have responsibility for specifically targeting house prices.

UK. After the UK economy surprised on the upside with strong economic growth in 2016, **growth in 2017 has been disappointingly weak**; quarter 1 came in at only +0.3% (+1.8% y/y), quarter 2 was +0.3% (+1.5% y/y) and quarter 3 was +0.4% (+1.5% y/y). The main reason for this has been the sharp increase in inflation, caused by the devaluation of sterling after the EU referendum, feeding increases in the cost of imports into the economy. This has caused, in turn, a reduction in consumer disposable income and spending power and so the services sector of the economy, accounting for around 80% of GDP, has seen weak growth as consumers cut back on their expenditure. However, more recently there have been encouraging statistics from the **manufacturing sector** which is seeing strong growth, particularly as a result of increased demand for exports. It has helped that growth in the EU, our main trading partner, has improved significantly over the last year while robust world growth has also been supportive. However, this sector only accounts for around 10% of GDP so expansion in this sector will have a much more muted effect on the overall GDP growth figure for the UK economy as a whole.

While the Bank of England is expected to give forward guidance to prepare financial markets for gradual changes in policy, the **Monetary Policy Committee, (MPC), meeting of 14 September 2017** managed to shock financial markets and forecasters by suddenly switching to a much more aggressive tone in terms of its words around warning that Bank Rate will need to rise soon. The Bank of England Inflation Reports during 2017 have clearly flagged up that it expected CPI inflation to peak at just under 3% in 2017, before falling back to near to its target rate of 2% in two years' time. The Bank revised its forecast for the peak to just over 3% at the 14 September meeting. (Inflation actually came in at 3.0% in both September and October so that might prove now to be the peak.) This marginal revision in the Bank's forecast can hardly justify why the MPC became so aggressive with its wording; rather, the focus was on an emerging view that with unemployment having already fallen to only 4.3%, the lowest level since 1975, and improvements in productivity being so weak, that **the amount of spare capacity in the economy was significantly diminishing** towards a point at which they now needed to take action. In addition, the MPC took a more tolerant view of low wage inflation as this now looks like a common factor in nearly all western economies as a result of automation and globalisation. However, the Bank was also concerned that the withdrawal of the UK from the EU would effectively lead to a *decrease* in such globalisation pressures in the UK, and so this would cause additional inflationary pressure over the next few years.

At Its 2 November meeting, the MPC duly delivered a 0.25% increase in Bank Rate. It also gave forward guidance that they expected to increase Bank Rate only twice more in the next three years to reach 1.0% by 2020. This is, therefore, not quite the 'one and done' scenario but is, nevertheless, a very relaxed rate of increase prediction in Bank Rate in line with previous statements that Bank Rate would only go up very gradually and to a limited extent.

However, some forecasters are flagging up that they expect growth to accelerate significantly towards the end of 2017 and then into 2018. This view is based primarily on the coming fall in inflation, (as the effect of the effective devaluation of sterling after the EU referendum drops out of the CPI statistics), which will bring to an end the negative impact on consumer spending power. In addition, a strong export performance will compensate for weak services sector growth. If this scenario was

indeed to materialise, then the MPC would be likely to accelerate its pace of increases in Bank Rate during 2018 and onwards.

It is also worth noting the **contradiction within the Bank of England** between action in 2016 and in 2017 **by two of its committees**. After the shock result of the EU referendum, the **Monetary Policy Committee (MPC)** voted in August 2016 for emergency action to cut Bank Rate from 0.50% to 0.25%, restarting £70bn of QE purchases, and also providing UK banks with £100bn of cheap financing. The aim of this was to lower borrowing costs, stimulate demand for borrowing and thereby increase expenditure and demand in the economy. The MPC felt this was necessary in order to ward off their expectation that there would be a sharp slowdown in economic growth. Instead, the economy grew robustly, although the Governor of the Bank of England strongly maintained that this was *because* the MPC took that action. However, other commentators regard this emergency action by the MPC as being proven by events to be a mistake. Then in 2017, we had the **Financial Policy Committee (FPC)** of the Bank of England taking action in June and September over its concerns that cheap borrowing rates, and easy availability of consumer credit, had resulted in too rapid a rate of growth in consumer borrowing and in the size of total borrowing, especially of unsecured borrowing. It, therefore, took punitive action to clamp down on the ability of the main banks to extend such credit! Indeed, a PWC report in October 2017 warned that credit card, car and personal loans and student debt will hit the equivalent of an average of £12,500 per household by 2020. However, averages belie wide variations in levels of debt with much higher exposure being biased towards younger people, especially the 25 -34 year old band, reflecting their lower levels of real income and asset ownership.

One key area of risk is that consumers may have become used to cheap rates since 2008 for borrowing, especially for mortgages. It is a major concern that **some consumers may have over extended their borrowing** and have become complacent about interest rates going up after Bank Rate had been unchanged at 0.50% since March 2009 until falling further to 0.25% in August 2016. This is why forward guidance from the Bank of England continues to emphasise slow and gradual increases in Bank Rate in the coming years. However, consumer borrowing is a particularly vulnerable area in terms of the Monetary Policy Committee getting the pace and strength of Bank Rate increases right - without causing a sudden shock to consumer demand, confidence and thereby to the pace of economic growth.

Moreover, while there is so much uncertainty around the Brexit negotiations, consumer confidence, and business confidence to spend on investing, it is far too early to be confident about how the next two to three years will actually pan out.

EZ. Economic growth in the eurozone (EZ), (the UK's biggest trading partner), had been lack lustre for several years after the financial crisis despite the ECB eventually cutting its main rate to -0.4% and embarking on a massive programme of QE. However, growth picked up in 2016 and has now gathered substantial strength and momentum thanks to this stimulus. GDP growth was 0.6% in quarter 1 (2.0% y/y), 0.7% in quarter 2 (2.3% y/y) and +0.6% in quarter 3 (2.5% y/y). However, despite providing massive monetary stimulus, the European Central Bank is still struggling to get inflation up to its 2% target and in October inflation was 1.4%. It is therefore unlikely to start on an upswing in rates until possibly 2019. It has, however,

announced that it will slow down its monthly QE purchases of debt from €60bn to €30bn from January 2018 and continue to at least September 2018.

USA. Growth in the American economy was notably erratic and volatile in 2015 and 2016. 2017 is following that path again with quarter 1 coming in at only 1.2% but quarter 2 rebounding to 3.1% and quarter 3 coming in at 3.0%. Unemployment in the US has also fallen to the lowest level for many years, reaching 4.1%, while wage inflation pressures, and inflationary pressures in general, have been building. The Fed has started on a gradual upswing in rates with four increases in all and three increases since December 2016; and there could be one more rate rise in 2017, which would then lift the central rate to 1.25 – 1.50%. There could then be another four increases in 2018. At its September meeting, the Fed said it would start in October to gradually unwind its \$4.5 trillion balance sheet holdings of bonds and mortgage backed securities by reducing its reinvestment of maturing holdings.

CHINA. Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.

JAPAN. has been struggling to stimulate consistent significant growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

Brexit timetable and process

- March 2017: UK government notifies the European Council of its intention to leave under the Treaty on European Union Article 50
- March 2019: initial two-year negotiation period on the terms of exit. In her Florence speech in September 2017, the Prime Minister proposed a two year transitional period after March 2019.
- UK continues as a full EU member until March 2019 with access to the single market and tariff free trade between the EU and UK. Different sectors of the UK economy will leave the single market and tariff free trade at different times during the two year transitional period.
- The UK and EU would attempt to negotiate, among other agreements, a bi-lateral trade agreement over that period.
- The UK would aim for a negotiated agreed withdrawal from the EU, although the UK could also exit without any such agreements in the event of a breakdown of negotiations.
- If the UK exits without an agreed deal with the EU, World Trade Organisation rules and tariffs could apply to trade between the UK and EU - but this is not certain.
- On full exit from the EU: the UK parliament would repeal the 1972 European Communities Act.
- The UK will then no longer participate in matters reserved for EU members, such as changes to the EU's budget, voting allocations and policies.

APPENDIX 2

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: 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 | N/A | 100% | 6 months |
| UK Government gilts | UK sovereign rating | £6 million | 12 months |
| UK Government Treasury blls | UK sovereign rating | £6 million | 12 months |
| Money market funds | AAA | £6 million | Liquid |
| 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 |
| Term deposits with local authorities | N/A | £6 million | Up to 2 years |

APPENDIX 3

APPROVED COUNTRIES FOR INVESTMENT

AAA

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

AA+

- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France
- Hong Kong
- U.K.

AA-

- Belgium
- Qatar

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| Report of: | Head of Housing and Partnerships |
| Contact Officer: | Louise Tandy |
| Telephone No: | 01543 464348 |
| Portfolio Leader: | Housing |
| Key Decision: | Yes |
| Report Track: | Cabinet: 25/01/18 |

CABINET
25 JANUARY 2018
HOUSING AND HOMELESSNESS STRATEGY 2018-2023

1 Purpose of Report

- 1.1 To consider a proposed Housing and Homelessness Strategy 2018-2023.

2 Recommendations

- 2.1 That Cabinet is recommended to approve the proposed Housing and Homelessness Strategy 2018-2023 attached at Appendix 1 and agree to the actions contained within it.

3 Key Issues and Reasons for Recommendation

- 3.1 The Council's previous Housing and Homelessness Strategies are now out of date.
- 3.2 Whilst there is no longer a statutory requirement to produce a housing strategy, there remains a statutory duty to produce a homelessness strategy. A new combined housing and homelessness strategy will ensure that residents, Registered Providers and other stakeholders can continue to refer to a document which outlines the housing and homelessness issues facing the District and presents the actions which are being put in place to address them.

4 Relationship to Corporate Priorities

- 4.1 The Housing and Homelessness Strategy will contribute to the More and Better Housing PDP for 2017/18.

5 Report Detail

- 5.1 The Housing and Homelessness Strategy 2018-2023 has been prepared during a time where there have been significant government policy changes. Much of

the detail behind government announcements concerning housing issues such as the introduction of starter homes and the forced sale of higher value Council homes has yet to be produced and is expected in regulations.

5.2 The proposed Strategy addresses the present and future housing needs of the Cannock Chase community. In particular, the document:

- Fully reflects the wider vision of the authority and its partners;
- Reflects a clear and evidenced approach;
- Provides a strong focus on how partners will deliver their commitments, including the infrastructure needed to support housing growth.

5.3 The proposed Strategy has been subject to a 6 week consultation process with approximately 50 organisations and partners invited to comment on the document. Consultees included Registered Providers, voluntary organisations, Staffordshire and Stoke Partnership NHS Trust and Staffordshire Probation.

5.4 The proposed Strategy seeks to deliver three priority service aims as set out below:

- To increase the supply of affordable housing
- To improve the maintenance and management of existing housing
- To promote the provision of suitable accommodation, information and advice to prevent and reduce homelessness

5.5 To support the delivery of these priority service aims the Strategy identifies a number of specific objectives and actions including:

- Completing the redevelopment of the Moss Road estate
- Continuing to improve and maintain the quality of homes owned by the Council by implementing the HRA capital programmes
- Improving the quality and reliability of homes in the private rented sector through the work of the Council's Private Sector Housing Team
- Continuing to work with our Registered Provider partners and the Homes and Communities Agency to maximise affordable housing delivery in the District
- Providing effective housing advice to those threatened with homelessness
- Implementing the requirements of the Homelessness Reduction Act including maximising the use of the New Burdens and Flexible Homelessness Support Grant funding for homelessness services and prevention support work.

6 Implications

6.1 Financial

There are no direct financial implications arising from this report.

6.2 Legal

The Legal Implications for the Housing and Homelessness Strategy are referred to in the Strategy document itself. There are substantial changes brought about by the Homelessness Reduction Act 2017 and the Housing and Planning Act 2016.

6.3 Human Resources

None

6.4 Section 17 (Crime Prevention)

None

6.5 Human Rights Act

None

6.6 Data Protection

None

6.7 Risk Management

If the revised Housing and Homelessness Strategy is not approved, the Council will be at risk of not meeting its statutory requirements.

6.8 Equality & Diversity

The aims and actions contained within the Housing and Homelessness Strategy 2018-2023 contribute to meeting the needs of specific groups who are vulnerable and therefore contributes positively to equality and diversity. An Equality and Impact Assessment has been carried out and no negative impacts were identified for the protected characteristics.

6.9 Best Value

None.

7 Appendices to the Report

Appendix 1: Housing and Homelessness Strategy 2018-2023

Previous Consideration

None

Background Papers

None

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HOUSING AND HOMELESSNESS STRATEGY 2018-2023

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1. Foreword

I am pleased to introduce the Cannock Chase Housing and Homelessness Strategy 2018-2023, which covers our housing objectives and plans for the next five years.

Housing is fundamentally about people and communities, not just bricks and mortar. We want to make sure that our residents have access to high quality homes that will support them in leading happy and fulfilling lives.

The Housing and Homelessness Strategy focuses on what we want to achieve for our residents and our housing priorities for the District. We are confident that positive changes can be made, even in these challenging times and look forward to working in partnership to achieve our shared aims.

I would like to thank all partners who have contributed to the production of this strategy.



Councillor Frank Allen
Housing Portfolio Leader

2. Introduction

The Housing and Homelessness Strategy sets out our plans for the improvement of housing and support needs across Cannock Chase for the next 5 years. The document has been developed in consultation with partners and follows on from the progress of the previous Housing Strategy.

The Housing and Homelessness Strategy will:

- fully reflect the wider vision of the authority and its partners;
- reflect a clear and evidenced approach;
- provide a strong focus on how partners will deliver their commitments, including the infrastructure needed to support housing growth.

The Housing and Homelessness Strategy contains information about the housing market, demographic issues, the needs of particular groups, priorities, achievements and actions. This document will help to deliver the strategic housing priorities for the District and sits alongside a number of Council policies including the Sustainable Community Strategy 2011-2021.

The key aims of the Strategy are:

- To increase the supply of Affordable Housing
- To improve the maintenance and management of existing housing
- To promote the provision of suitable accommodation, information and advice to prevent and reduce homelessness

3. Profile of Cannock Chase

Cannock Chase District is situated on the northern edge of the West Midlands conurbation and is the second smallest District in Staffordshire after Tamworth, covering a total area of 7,888 ha. Over 38% of the District is situated within the Cannock Chase Area of Outstanding Natural Beauty between Hednesford and Rugeley/Brereton. The population of the District, according to the ONS 2016 estimate, is 98,500 of which 96.5% are White British. Population estimates predict that the District population will reach 105,000 by 2037. A substantial aspect in this growth is the expansion of residents aged over 65 which is projected to increase from 17.9% of the current population to 27.4% in 2037. There are approximately 41,500 dwellings in the District, of which 69% are owner occupied, 17% are social rented and 12% are privately rented.

Many of the towns and communities in Cannock Chase developed around the industry of coal mining. Following the closure of the last remaining pit in 1993 there has been investment in the local infrastructure and the development of a broad base of new employers across sectors such as high-technology, heavy industry, distribution, services and retail. However, a legacy of the industrial heritage in the District can be seen in many social indicators such as health and unemployment, representing some of the worst levels in Staffordshire.

Life expectancy at birth in the District is significantly lower than the England average for both men and women. Healthy life expectancy is also a problem in Cannock Chase, with males and females both expected to spend significantly more time in ill or poor health compared to regional and national averages.

Health profiling also indicates that the issue of obesity remains significant amongst children and adults in the District. The Cannock Chase Locality Profile for 2016 produced by the Staffordshire Observatory found that around 29% of children aged four to five in Cannock Chase have excess weight (overweight or obese) with rates being higher than the national average. Around seven in ten adults have excess weight (either obese or overweight) which is higher than the national average. The proportion of people who are obese in Cannock Chase is also higher than the England average.

Disability Living Allowance levels in Cannock Chase exceed the rates at regional and national level. Half the wards in the District have claimant levels for DLA of around 6-8% of the working age population, above the 5% national average.

Qualification levels for the working age population in the District are substantially behind comparators, with the gap widening further up the qualifications scale. Only 12.8% of the District's population is qualified to degree level, approximately half the ratio for county and regional analysis and over 17% below the national average.

4. The Strategic context

4.1 The National Housing Policy Agenda

The **Housing and Planning Act 2016** is a major piece of legislation for the housing sector as it sets the future direction for government housing policy. New measures are set out below but the details behind these measures are not yet known and will be set out in Regulations that aren't available at the time of writing this Strategy.

- **Starter Homes**

The Government have introduced a new form of housing called "Starter Homes". The Act includes Starter Homes within an proposed amendment to the affordable housing definition. However, this is subject to further secondary legislation and an updated National Planning Policy Framework definition coming into force. They will be categorised as affordable housing and will be sold to first time buyers between the ages of 23 and 40, at 80% of their market value. After discount each starter home will cost no more than £250,000 outside London and £450,000 in London. The Government will restrict the sale and sub-letting of these properties and will set its plans out in regulations.

Local authorities have a duty to promote the supply of starter homes to support housing delivery under section 4 of the Housing and Planning Act 2016.

- **Voluntary Right to Buy for Housing Associations**

The Housing and Planning Act gives the Secretary of State the power to pay Housing Associations to compensate them for discounts provided to tenants who exercise the Right to Buy Housing Association property (funds to come from the sale of higher value Council homes – see below).

- **Forced Sale of Higher Value Council homes**

The legislation imposes a duty on local authorities to consider selling all empty homes that become vacant, which are above a certain value threshold (which will be set in Regulations). Local authorities will be required to pay a levy to Central Government which reflects the value of the empty homes above the threshold on an annual basis. The Government will deduct a sum from the value due to be paid, which reflects the administration costs, and the sum which reflects the debt portion of the property, which the local authority can keep, but the remainder has to be paid directly to Government.

- **Fixed Term Tenancies**

The Government have legislated to require that almost all new tenancies granted after the passage of a date to be set out in Regulations, will be Fixed Term Tenancies. Local authorities will have to set out their proposals for the length of tenancies they will grant, and the grounds on which they will either be renewed or not.

Tenancies can be as short as two years in exceptional circumstances; and they can be as long as ten year tenancies in some circumstances (e.g. for older or disabled

tenants, or for households where there is a child in full time education). More detail will be set out in the Regulations, when available.

- **Private Rented Sector**

The Government have introduced a range of measures to enable local authorities to better intervene in the Private Rented Sector. This includes the ability for local authorities to establish a database of “rogue landlords” whose contraventions of regulations has been such that they are deemed not fit to own and manage housing. Local authorities can obtain “banning orders” preventing these landlords from owning and managing housing to let.

Welfare Reform and Work Act 2016

- **Social Housing Rents**

The Welfare Reform and Work Act 2016 requires all social housing landlords to reduce their rent by 1% each year until 2020. This has meant a reduction in HRA resources of £6.1 million over the next four years and has in effect removed £75.8 million of resources from the Councils 30 year HRA Business Plan.

The Government have recently announced that social rents will rise by CPI+1% for five years after 2020.

- **Welfare Benefits**

From November 2016 the Act reduced the total amount of benefit that a household can receive – this is known as the benefit cap. The maximum amount that a single person outside Greater London can receive is £13,400 and the maximum a family can receive is £20,000.

Welfare changes from April 2017 included housing benefit for 18-21 year olds being abolished and child tax credit claims limited to two children.

4.2 Corporate Strategic Context

Corporate Plan 2018-21

At the time of writing this Strategy the Corporate Plan 2018-21 was subject to the outcome of public consultation and Cabinet/Council approval. The document is due to be published in Spring 2018 and sets out the Council’s priorities and focus for the future. This means being clear about the objectives for the District through what we deliver, how we work in partnership, and what we expect from our partners in other organisations.

The priorities that were being consulted on were:

- Promoting Prosperity
- Community Wellbeing

The proposed objectives for the Promoting Prosperity priority are:

- Increasing the amount of higher skilled jobs available in the District
- More diverse town centres with improved visitor economy

- Maximising the benefits of Mill Green Designer Outlet Village
- Access to employment opportunities
- Promoting an attractive business environment

The proposed objectives for the Community Wellbeing priority are:

- Opportunities for healthy and active lifestyles
- More housing choice and quality
- Sustaining safe and secure communities
- Supporting vulnerable people and places
- Promoting attractive and healthy environments

Sustainable Community Strategy 2011-21

Since the adoption of the Sustainable Community Strategy in 2008 there have been numerous significant changes, both nationally and locally, which have led the District's Local Strategic Partnership (LSP) to review its functions and structures. This has resulted in a refresh of the Sustainable Community Strategy. The new agreed vision of the partnership is that "By 2021 Cannock Chase will be a place where people have the opportunity to enhance their quality of life and achieve economic prosperity". The LSP also agreed upon two new overarching priorities:

- Improved Health
- Increased Economic Opportunity

Local Plan

The Local Plan will help shape the way in which the physical, economic, social and environmental characteristics of the District will change between 2006-2028. It sets local planning policy and is used to determine planning applications within the District, alongside the National Planning Policy Framework. It is also supported by Supplementary Planning Documents (SPD) where necessary to help implement policies and provide further detail and elaboration..

Local Plan (Part 1) was adopted in June 2014. This incorporates the Core Strategy which sets the strategic policies for sustainable development in the District. It has the following structure:

- District Profile – describing what Cannock Chase District was like in 2006 and identifying key issues and challenges
- Vision – anticipating what Cannock Chase District could be like in 2028 if challenges are met
- District Wide Objectives – fully justified and cross referenced to the Core Policies which will help to achieve them. The Core Strategy is 'objectives led' meaning that the successful implementation of Objectives will be essential in meeting the Vision
- Strategic Approach – guiding the distribution of development across Cannock Chase to help implement the Objectives
- Area Implications – giving greater detail for the main urban and rural communities

- Core Policies – to support the meeting of Objectives including levels of housing and employment growth as well as supporting infrastructure requirements and environmental protection measures
- Monitoring – setting out targets and indicators against which Objectives will be monitored

Local Plan (Part 1) also incorporates the Rugeley Town Centre Area Action Plan which is a strategy for the regeneration of Rugeley town centre and its environs. It identifies a number of 'opportunity sites' for development and detailed site policies to guide their delivery. There are also area wide policies on key topics e.g. a policy to help guide improvements to the public realm overall and a flood alleviation measures policy.

Site allocations and updates to strategy are to be provided either through Local Plan Part 2 or via a Local Plan review. The most up to date position can be found in the latest Local Development Scheme, which contains the work programme for the Local Plan. This can be viewed at www.cannockchasedc.gov.uk/planningpolicy.

5. Cannock Chase housing and homelessness context

The 2012 Strategic Housing Market Assessment (SHMA) conducted for Cannock Chase identified an affordable housing requirement of 197 homes per annum, which equates to over 70% of the total identified housing requirement of 250-280 dwellings of all tenures in the same report. This clearly demonstrates the current shortfall of affordable housing in the District. The Government's proposed standardised approach to calculating local housing need was part of the consultation proposals for 'Planning for the right homes in the right places' and increased the Districts overall housing need to 295 dwellings per annum. At the time of writing this Strategy the outcome of the consultation process was not known.

The SHMA also identifies the shortfall in property sizes and the most acute need is for two bedroom dwellings. The Council's housing register shows a high demand for both 1 and 2 bedroom accommodation and in light of the social sector size criteria (bedroom tax), the demand on the Council's existing stock of smaller properties is even more pressured.

Home ownership in the District has decreased from 74% in 2001 down to 69% in 2011, according to Census data. There is an appetite for homeownership however affordability is an obstacle for many people in Cannock Chase due to the relatively low levels of income.

According to the 2016 Annual Survey of Hours and Earning (provisional results) the average annual income is £25,225, which is below regional and national averages. The average house price of £165,421 for Q2 2017 measured against the annual income is 6.6 times the amount typically earned. Banks have traditionally offered mortgages at around 4 times annual salary, more detailed affordability assessments are currently made by banks but they are typically lending at no more than 5 times annual salary for individuals and 3-4 times for couple/household salaries. Therefore a house price of £165,421 would require an individual annual income of £33k and around £47k for a couple/household, well above current average income figures for

the District, which illustrates the affordability issues experienced by a large proportion of residents in Cannock Chase.

Levels of Private Renting in the District have risen significantly in the last 10-15 years, from 5% in 2001 and more than doubling to 11% in 2011, with this trend continuing to date. As a result of increasing unaffordability of homeownership, lack of supply of new homes to the market and a dwindling social rented sector, more and more households are turning to the private rented sector.

One of the Council's priorities is the maintenance of our housing stock. The Government set the target of achieving decent homes standard for social housing stock by 2010, the Council achieved this and has maintained the total stock to the standard ever since. The Council's HRA Capital Budget delivers six major improvement programmes to maintain the standard. The six improvement programmes are listed in the table below alongside the 2016/17 performance and targets for 2017/18:

| Key Task Area | Performance 2016/17 | Target 2017/18 |
|------------------------------|----------------------------|-----------------------|
| Replacement kitchens | 54 | 60 |
| Replacement bathrooms | 310 | 260 |
| Electrical upgrading | 677 | 600 |
| Gas Central Heating upgrades | 321 | 275 |
| External Envelope | 710 | 635 |
| Double Glazing | 1146 | 525 |

Fuel poverty in the District has decreased in recent years, from 11.1% in 2012 down to 9.1% in 2014 (latest figures available). Cannock Chase does have one of the lowest levels in the West Midlands, but no one wants to see households struggling to keep warm and being unable to pay their utility bills.

Since the formulation of the last strategy, there have been two extra care schemes that have completed in the District – Vine Court in Bridgtown, Cannock, managed by South Staffordshire Housing Association; and Chasewood, off Longford Road, Cannock, managed by Wrekin Housing Trust. The Council work with the County Council to try to enable further extra care schemes in the District on appropriate sites where there is demand. Bromford have also delivered a 14 unit supported housing scheme (MyPlace) in Rugeley for people with learning disabilities.

Homelessness is a complex issue with no easy solution. Homeless people have extremely diverse needs and the available services need to be able to meet these needs. Prevention work plays a crucial part in tackling homelessness and should be the primary focus of present and future initiatives.

The major issues highlighted by the Homelessness Review 2016 were:

- **Shortage of affordable housing** – well documented issue, annual need calculated as 197 additional units.
- **Level of domestic violence and violence generally causing homelessness** – level of homelessness applications and acceptances during the past few years has remained high due to domestic violence. Again, the

economic climate could create a more pressured home environment for some households with the level of domestic violence and violence increasing as a result;

- **Accommodation and support provision** – the continued and now complete removal of Supporting People funding has meant the closure of a number of services and put pressure on the few services that are able to continue providing housing and homelessness related accommodation and support.
- **Young persons with housing need, particularly single homeless** – At any given time there are usually around 60-80 young people (under 25) that have live applications with Cannock Chase Housing who need accommodation in the District. There are also a number of vulnerable young people in the District, who have approached other agencies. Accommodation provision for young single homeless is very limited, with shortages in the provision of move on accommodation and support and a shortage of private rented stock of one bed/studio units and shared houses.

The review also identified the following gaps in provision:

- **Move-on accommodation** – There are a number of young people who have entered supported housing and become ready to live independently only to find their route is blocked by the lack of move-on accommodation and support. There are a lack of accommodation options as well as limited tenancy support schemes (such as a specialist vulnerable young persons support scheme);
- **Accommodation provision for single homeless** – There are very few temporary accommodation options in the District, with no direct access accommodation in the District and only Rugeley Foyer offering temporary accommodation for young single homeless people;

The following were identified by the Review as potential issues as a result of recent policy announcements:

- New homelessness statutory duties arising from the Homelessness Reduction Act that will remove priority need categories. LA's may be required to provide everyone with 'meaningful support' rather than those just in priority need. This could have significant resource implications.
- Landlords further reducing the private rented supply for households claiming benefits as Universal Credit comes into force as they may not want to risk tenants not paying their rent, also further regulations and less attractive tax relief allowances laid down by Government which could put off would be landlords and force current landlords to reduce their portfolios.
- Households who depend on benefit payments could face affordability difficulties in light of the benefit cap (total amount of benefits they are able to claim) being reduced to £20k per annum.

Rough sleeping is the most visible form of homelessness and in Cannock Chase it is a relatively small occurrence. The estimate of rough sleeping in the District, required annually by Government, found 4 rough sleepers on a given night in November 2016. It has traditionally remained at this level for a decade. The proactive work of the Housing Options team endeavours to keep the level of homelessness and rough sleeping at a comparably low level.

The Homelessness Reduction Act places a new duty (from April 2018) on local authorities to help prevent the homelessness of all families and single people, regardless of priority need, who are eligible for assistance and threatened with homelessness.

Key measures in the Act include:

- An extension of the period during which an authority should treat someone as threatened with homelessness from 28 to 56 days, and clarification of the action an authority should take when someone applies for assistance having been served with a section 8 (1) or section 21 (2) notice. These provisions represent a shift in focus to early intervention, and aim to encourage local housing authorities to act quickly and proactively, addressing some concerns that some previously only intervened at crisis point.
- A new duty to prevent homelessness for *all* eligible applicants threatened with homelessness, regardless of priority need. This extends the help available to people not in priority need, with local housing authorities supporting them to either stay in their accommodation or help them find somewhere to live and should mean fewer households reach a crisis situation.
- A new duty to relieve homelessness for all eligible homeless applicants, regardless of priority need. This help could be, for example, the provision of a rent deposit or debt advice. Those who have a priority need will be provided with interim accommodation whilst the Local Housing Authority carries out the reasonable steps.
- A new duty on public services to notify a local authority if they come into contact with someone they think may be homeless or at risk of becoming homeless. It is hoped that this measure will ensure that a person's housing situation is considered when they come into contact with wider public services, and encourage public services to build strong relationships based on local need and circumstances.

6. Objective 1: Increase the supply of affordable housing

New homes are an essential element of economic growth, bringing in additional funding through community infrastructure levy, increased council tax receipts and job opportunities. The Government have stated that there is a need for 225,000 to 275,000 or more homes per year to keep up with population growth and to begin to tackle years of under supply.

Access to affordable housing is key to creating sustainable, prosperous communities. A lack of affordable housing affects household budgets, health and education and the ability to gain and sustain employment. Cannock Chase want to provide housing options to meet our residents needs. Genuinely affordable housing is needed for those on different incomes. Rented accommodation is in high demand in the District and intermediate housing has a role to play for those who do not have access to social housing but cannot afford the private market.

The Council works proactively with Registered Providers to secure the delivery of affordable homes through planning gain and also has a programme to deliver 104 new Council homes. 65 homes will be delivered on the Moss Road re-development scheme and 39 homes on 11 former Council owned garage sites in the District.

Our Registered Provider partners have delivered 154 affordable homes for either rent or shared ownership since 2014/15.

Objective 1: Action Plan

- Ensure that housing schemes of more than 15 dwellings include 20% affordable housing and sites of 11 to 14 units make a financial contribution towards affordable housing provision in the District.
Resources: Officer time
Officer: Housing Strategy and Service Improvement Team Leader
- Monitor to completion the 39 units of affordable housing for rent on 11 Council owned sites.
Resources: GBSLEP / HCA / HRA / Officer time
Officer: Housing Strategy and Service Improvement Team Leader / Housing Strategy Officer
- Update evidence base on local housing need/affordability when the Government finalise their standardised approach to assessing housing requirements.
Resources: Officer time / General Fund
Officer: Housing Strategy and Service Improvement Team Leader / Planning Policy Manager / Principal Planning Policy Officer
- Assess Council owned land, including garage sites, for housing development potential or sale.
Resources: Officer time
Officer: Housing Property Services Officer
- Assess the implications of the proposed new definition of affordable housing to include a range of low cost housing opportunities when finalised via NPPF.

Resources: Officer time / General Fund

Officer: Housing Strategy and Service Improvement Team Leader / Planning Policy Manager / Principal Planning Policy Officer

- Assess the implications for the District of the Government proposals to amend the NPPF to introduce a policy expectation that housing sites will deliver a minimum of 10% affordable home ownership units.
Resources: Officer time / General Fund
Officer: Housing Strategy and Service Improvement Team Leader / Planning Policy Manager / Principal Planning Policy Officer
- Continue to source potential solutions / funding to provide housing on the Hawks Green Depot site.
Resources: Potential HCA funding / officer time
Officer: Housing Strategy and Service Improvement Team Leader
- Continue to work with our Registered Provider partners and the Homes and Communities Agency to maximise affordable housing delivery in the District.
Resources: HCA / Officer time
Officer: Housing Strategy and Service Improvement Team Leader
- Continue to work with Staffordshire County Council to enable further provision of extra care accommodation across the District.
Resources: Officer time
Officer: Housing Strategy and Service Improvement Team Leader
- That an options appraisal be undertaken to increase social housing based upon the housing needs of the district and land availability as part of a £12million capital investment programme.
Resources: HRA / Officer time
Officer: Head of Housing and Partnerships

7. Objective 2: To improve the maintenance and management of existing housing

While the Council has most direct control over the quality and management of its own homes, it is also committed to doing all it can to promote and enforce higher standards for homes of all tenures. In particular there are issues with the quality of some private rented homes in the District, where some landlords are failing to adhere to statutory standards and tenants are living in unfit and potentially dangerous conditions. We need more private rented homes, but we also need existing and new private rented homes to be the right quality. For both social and private sector homes, we also need to ensure appropriately adapted homes are available that meet the needs of physically disabled people.

Objective 2: Action Plan

- Complete the redevelopment of the Moss Road estate, including open space and play areas, and environmental improvement works.
Resource: HCA / HRA / Officer time
Officer: Housing Strategy Officer
- Improve and maintain the quality of homes owned by the Council by implementing the HRA capital programmes, including replacement kitchens, replacement bathrooms, electrical upgrading, gas central Heating upgrades and external envelope works.
Resource: HRA / officer time
Officer: Housing Property Services Manager
- Fundamental review of the Council's 30-year Housing Revenue Account Business Plan to reassess the impact of the 4-year 1% rent reduction and revised Government rent setting policy of CPI+1%
Resource: Officer time
Officer: Head of Housing and Partnerships
- Improve the quality and reliability of homes in the private rented sector through the work of the Council's Private Sector Housing Team, including: enforcement action to maintain satisfactory standards in private residential properties; inspections and action under the Housing Health and Safety Rating System (HHSRS); enforcement action on residential drainage; managing the Disabled Facilities Grant - to adapt homes to allow people to stay in them; managing the Council's assistance to private owners to undertake urgent repairs; home security measures to vulnerable people; and dealing with empty properties in the district and bringing them back into use.
Resource: General Fund / CLG via Staffordshire County Council Better Care Fund / Officer time
Officer: Environmental Protection Manager
- Make the best use of existing homes through adaptations to Council properties. Where possible we follow up referrals from Social Care and Health to provide effective long-term solutions to tenants housing requirements taking into account their individual circumstances.
Resource: HRA / Officer time

Officer: Housing Property Services Manager

- Introduce and implement Neighbourhood Plans for the three neighbourhood areas.

Resource: Officer time

Officer: Estate Management Team Leader

8. Objective 3: To promote the provision of suitable accommodation, services, information and advice to prevent and reduce homelessness

The Council engages in many activities with partners to reduce and prevent homelessness including debt and financial advice. The general year on year trend for the number of people accepted as homeless and in priority need does fluctuate but has decreased. In 2016/17 there were 38 households accepted as homeless in priority need, which had increased from the previous year (2015/16) of 19 but has come down from 51 at the time of the last strategy in 2010/11. 'Loss of rented accommodation' followed by 'Violent Breakdown in Relationship involving partner' are the two most common reasons for homelessness in the past four years.

Objective 3: Action Plan

- Provide effective housing advice to those threatened with homelessness to sustain their existing accommodation if at all possible.
Resource: CLG / Officer time
Officer: Housing Options team
- Continue to build relationships with local landlords via the Landlords Forum and offer a range of packages and incentives to enable households to move into or remain in the private rented sector.
Resource: CLG & Homelessness Prevention Funds / Officer time
Officer: Housing Options Team Leader
- Develop a 'Difficult' to Let Policy and introduce a scheme for hard to let flats to accommodate single people in the District aged under 35.
Resource: Council accommodation / Officer time / Registered Provider
Officer: Housing Strategy and Service Improvement Team Leader
- Implement the requirements of the Homelessness Reduction Act.
Resource: CLG / Officer time
Officer: Housing Options team
- Proactively work with other local authorities to pursue government bids for funding.
Resource: Officer time
Officer: Housing Options Team Leader
- Establish joint working protocols with hospitals/prisons etc. to ensure an effective and efficient referral process.
Resource: Officer time
Officer: Housing Options Team Leader
- Ensure that Discretionary Housing Payment use is maximised to prevent homelessness.
Resource: DHP / Officer time
Officer: Housing Options / Housing Benefits

- Ensure the Council's Allocations Policy is regularly reviewed to make the best use of the Council's housing stock and housing those in greatest housing need:
Resource: Officer time
Officer: Strategic Housing and Tenancy Services Manager
- Continue to develop Tenancy Sustainment Services for prospective new Council tenants and homelessness applicants to ensure tenancies are maintained in the long-term.
Resource: CLG / Officer time
Officer: Strategic Housing and Tenancy Services Manager
- That an Action Plan is implemented to maximise the use of the New Burdens and Flexible Homelessness Support Grant funding for Homelessness Services and Prevention Support Work.
Resource: CLG / Officer time
Officer: Housing Options Team Leader

9. Contact

Strategic Housing
Civic Centre,
Beecroft Road,
PO Box 28,
Cannock,
Staffordshire,
WS11 1BG.

Telephone: 01543 462621

Fax: 01543 464211

Email: strategichousing@cannockchasedc.gov.uk

আপনি অনুরোধ জানালে এই কাগজপত্রগুলোর বাংলা অনুবাদের ব্যবস্থা করা যেতে পারে।

如有要求的話我們可將此文件翻譯成中文

વિનંતી કરવાથી તમને આ દસ્તાવેજ તમારી માતૃભાષામાં મળી શકે છે.

ਜੇ ਤੁਸੀਂ ਚਾਹੋਂ ਤਾਂ ਇਹ ਪਰਚਾ ਤੁਹਾਡੀ ਬੋਲੀ ਵਿੱਚ ਮਿਲ ਸਕਦਾ ਹੈ

یہ دستاویز آپ کی زبان میں، گزارش پر دستیاب کی جا سکتی ہے۔

Ten document jest dostępny na żądanie w twoim języku

This document can be provided in braille, on audio cassette tape/disk, **Large print** and in other languages on request to Cannock Chase Council on 01543 462621.

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|--------------------------|---|
| Report of: | Head of Housing and Partnerships |
| Contact Officer: | Louise Tandy |
| Telephone No: | 01543 464348 |
| Portfolio Leader: | Housing |
| Key Decision: | Yes |
| Report Track: | Cabinet: 25/01/18 |

CABINET
25 JANUARY 2018
SHARED ACCOMMODATION – PILOT PROJECT

1 Purpose of Report

- 1.1 To consider using a difficult to let Council flat for flat share accommodation for single people aged under 35. A Registered Provider would be responsible for the management of the property and meeting the support needs of the tenant.

2 Recommendations

That:

- 2.1 The Head of Housing and Partnerships, following consultation with the Housing Portfolio Leader be authorised to circulate the Project Brief (attached at Annex 1) to a minimum of two Registered Providers and be authorised to make amendments to the Project Brief if necessary.
- 2.2 The Head of Housing and Partnerships following consultation with the Housing Portfolio Leader be authorised to appoint the most suitable Registered Provider following the receipt and assessment of bid submissions.
- 2.3 The Head of Housing and Partnerships be authorised to agree Terms and Conditions to let a Council flat to a Registered Provider for the provision of flat share accommodation for single people under the age of 35.
- 2.4 A review of the pilot project takes place following a 12 month operational period and if successful, the project may be extended and other difficult to let flats would be considered for flat share accommodation (up to a maximum of 5 flats over a 5 year period).

3 Key Issues and Reasons for Recommendation

- 3.1 The Council has a number of flats that can be difficult to let and it is proposed to use one of these properties for the pilot project. If successful, other difficult to let Council flats could be utilised to help meet the needs of single people aged under 35 and prevent Council stock remaining empty for lengthy periods of time.
- 3.2 The Council would agree terms via either a lease or management agreement to enable a Registered Provider to take over the management of the flat for an initial period of 18 months. The Council would receive full rental income from the Registered Provider during this time, including during any void periods. The Registered Provider would charge rent to the tenants occupying the flat and an additional intensive housing management cost to cover any support needs. The Council will also receive £20-£30 per month, in addition to the rent attributable to the property for the increase in maintenance costs that may occur.
- 3.3 The Council would maintain and insure the property and have 100% nomination rights to the property. Referrals would be made from the Allocations or Housing Options teams.

4 Relationship to Corporate Priorities

- 4.1 The Shared Accommodation Pilot Project would contribute to the More and Better Housing PDP for 2017/18.

5 Report Detail

- 5.1 The Council is having increasing difficulty letting 2 or 3 bedroom flatted accommodation. From April 2017 to December 2017 23 x 2 bedroom flats were advertised on the Choice Based Lettings System. Of these, 12 were advertised more than once. Part of the reason is that a significant amount of new build 2 bedroom accommodation is being developed in the District by Registered Providers and these are often more attractive to potential applicants than the older Council stock. Welfare reform changes including the 'bedroom tax' are also limiting the amount of people who can apply for 2 bedroom accommodation.
- 5.2 The Government's changes to welfare reform have had a particularly significant impact for single people aged under 35 who wish to rent a property. Under Local Housing Allowance rules, single people aged under 35 with no children are normally assumed to be living in shared accommodation. This means that the maximum amount single people aged under 35 (with no dependants) can receive is set in relation to the cost of renting a room in a shared house or flat, rather than the cost of renting a self-contained property.
- 5.3 Although the shared accommodation rate doesn't apply to Council or Registered Provider tenants the Council only have a limited number of one bed flats which single people can apply for and a waiting list for one bedroom accommodation of 191 applicants at December 2017.

- 5.4 Single people under 35 therefore have limited housing options as they wouldn't be considered for a 2 bedroom flat under the Council's Allocations Policy unless they are in permanent employment and meet the affordability requirement under the Tenancy Sustainability Procedures.
- 5.5 There is limited shared accommodation being provided in the District by Private Landlords so the opportunities to access accommodation via that route are difficult to obtain.
- 5.6 Agreeing terms to enable a Registered Provider to manage one of the Council's flats as part of the pilot project will make best use of a flat that is difficult to let and will help to meet the needs of single people under the age of 35 who are having difficulty finding appropriate accommodation that they can afford. The Council would agree terms via either a lease or management agreement to enable a Registered Provider to take over the management of the flat for an initial period of 18 months. The Council would receive full rental income from the Registered Provider during this time, including during any void periods. The Registered Provider would charge rent to the tenants occupying the flat and an additional intensive housing management cost to cover any support needs. The Council will also receive £20-£30 per month, in addition to the rent attributable to the property for the increase in maintenance costs that may occur.
- 5.7 If the pilot project is a success following a 12 month operational period it is proposed to extend the project up to a maximum of five flats over a five year period.

6 Implications

6.1 Financial

The report is based on the Local Authority receiving the current rent attributable to the property, reflecting any rent decreases or increases in line with policy. The Council would still be held responsible for the maintenance of the property and therefore an agreement should be considered for the Council to be reimbursed for any additional maintenance costs occurred; current report proposes an additional £20-£30 charge per month for potential increases in maintenance costs. Any potential VAT implications are currently being reviewed.

6.2 Legal

Consideration would need to be given as to the type of tenancy or licence granted to occupiers to ensure security of tenure issues do not arise following the trial.

6.3 Human Resources

None

6.4 Section 17 (Crime Prevention)

The provision of this type of accommodation for young people under the age of 35 will provide a “stable” living environment and help combat crime and anti-social behaviour.

6.5 Human Rights Act

None

6.6 Data Protection

None

6.7 Risk Management

There are a number of risks associated with the provision of flat share accommodation. These risks can, however, be mitigated by robust management and the flat will be managed by a Registered Provider that has experience in providing this type of accommodation.

6.8 Equality & Diversity

The provision of the accommodation for the purposes of a flat share arrangement with single people under the age of 35 would be subject to Equality Impact Assessments by the Registered Provider landlord.

6.9 Best Value

The submissions received for the pilot project will be assessed for best value to the Council.

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| 7 Appendices to the Report |
|-----------------------------------|

Appendix 1: Project Brief

| |
|-------------------------------|
| Previous Consideration |
| None |
| Background Papers |
| None |

None

Background Papers

None

CANNOCK CHASE COUNCIL
SHARED ACCOMMODATION PILOT
PROJECT BRIEF

1. Introduction and Background

The Council has a number of flats that can be difficult to let. It is proposed that one Council flat is to be used on a flat share basis to help meet the needs of single people aged under 35 as a pilot project.

The Government's changes to welfare reform have had a particularly significant impact for single people aged under 35 who wish to rent a property. Under Local Housing Allowance rules, single people aged under 35 with no children are normally assumed to be living in shared accommodation. This means that the maximum amount single people aged under 35 (with no dependants) can receive is set in relation to the cost of renting a room in a shared house or flat, rather than the cost of renting a self-contained property.

There is limited shared accommodation being provided in the District by Private Landlords so opportunities to access accommodation via that route is difficult to obtain.

If the pilot project is successful, other difficult to let Council flats may be utilised to help meet the needs of single people aged under 35 and prevent Council stock remaining empty for lengthy periods of time.

2. Objectives of the proposal

The Council proposes to agree terms and conditions to lease/or via Management Agreement a difficult to let Council flat to a Registered Provider for 18 months. The property would be used to house single people aged under 35 with an element of support needs on a flat share basis. This will help to assist those with limited housing choices and make best use of difficult to let Council stock. The Registered Provider (RP) would pay the rent normally attributable to the property to the Council during this period (including void periods) plus an additional £20-£30 per month due to the increase in maintenance costs that may occur. The RP would be responsible for charging the tenants a rent with support charge, ensuring payment is received and managing the property during the lease/Management Agreement period. The Registered Provider would provide tenancy sustainment support to the tenants and visit on a weekly basis. The table below highlights the anticipated responsibilities of both the Council and the Registered Provider:

| | Cannock Chase Council | Registered Provider |
|--|------------------------------|----------------------------|
| Supply of basic white goods | | ✓ |
| Furnishing of the property | | ✓ |
| General upkeep of the building including service area | ✓ | |
| Health and Safety Checks | | ✓ |
| Management of the rents/service charges | | ✓ |
| Tenancy Sustainment Support | | ✓ |
| Intensive Housing Management | | ✓ |
| Tenants liaison and communication in relation to the building | | ✓ |
| Tenants liaison and communication in relation to tenancy support | | ✓ |
| Structural repairs and boiler replacements | ✓ | |
| Ensuring HMO compliance | ✓ | ✓ |
| All Nominations | ✓ | |

That a review of the pilot project takes place following a 12 month operational period and if successful, the project may be extended and up to 5 other difficult to let flats would be considered for flat share accommodation over a 5 year period..

3. Timetable

Distribution of Project Brief – w/b 12th February 2018

Submission deadline – 30th March 2018

Assessment of submissions – by 27th April 2018

Notify successful Provider – w/b 30th April 2018

Legal Agreements and Terms and Conditions agreed – by 25th May 2018

Pilot Project commences – beginning of June 2018

4. Submission Proposal

Please provide the following information:

- Details of the experience you have in managing shared accommodation and examples.
- Details and experience of staff who would be managing the project.
- Details of the intensive management support that would be provided.
- Demonstrate that the timetable above is achievable for your organisation.
- Monitoring and assessment of outcomes to inform decisions regarding extension of the pilot project.
- Details of financial responsibilities and assumptions made.

Please submit your proposal by 30th March 2018 via post or email to:

Louise Tandy
Cannock Chase Council
Civic Centre
Beecroft Road
Cannock
Staffs
WS11 1BG

Email: louisetandy@cannockchasedc.gov.uk

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|--------------------------|---|
| Report of: | Head of Housing & Partnerships |
| Contact Officer: | Janet Baldasera |
| Telephone No: | 4317 |
| Portfolio Leader: | Housing |
| Key Decision: | No |
| Report Track: | Cabinet: 25/01/18 |

CABINET
25 JANUARY 2018
HOMELESSNESS REDUCTION ACT 2017 - HOMELESSNESS FUNDING

1 Purpose of Report

- 1.1 To consider the use of the New Burdens Funding and Flexible Homelessness Support Grant to discharge the Council's new duties under the Homelessness Reduction Act 2017.

2 Recommendations

That:

- 2.1 The contents of the report are noted.
- 2.2 Delegated authority be given to the Head of Housing and Partnerships following consultation with the Portfolio Leader for Housing to approve expenditure of the New Burdens and Flexible Homelessness Support Grant Funding as set out in paragraphs 5.5 and 5.11, and in accordance with the delivery of the Council's homelessness priorities as set out within the Council's Housing and Homelessness Strategies.

3 Key Issues and Reasons for Recommendation

Homelessness Reduction Act 2017

- 3.1 The Homelessness Reduction Act (HRA) was passed by Parliament in 2017 and will be commenced in April 2018. The Act is designed to significantly reform England's homelessness legislation by placing duties on local authorities to intervene at earlier stages to prevent homelessness, irrespective of whether or not an applicant has 'priority need' or may be 'intentionally homeless'.
- 3.2 Preparations are being made to ensure the Council will be in a position to discharge the new duty including attending DCLG briefing sessions, undertaking training of staff, further developments of the Housing IT System (Northgate), and assessment of the new duties and their implication for future service delivery.

New Burdens Funding

3.3 Department for Communities and Local Government (DCLG) modelling estimated that there will be initial costs associated with the Act, namely from additional people presenting to authorities for assistance with homelessness.

3.4 The DCLG have therefore estimated that the Council will face new burdens as a result of the following duties:

- Duties to help secure accommodation
- Duty to provide advisory services
- Right to request a review
- Suitability of accommodation
- Providing accommodation for cases being reviewed
- Providing assessments and personalised housing plans

As a result of the DCLG estimation the total of New Burdens Funding for the Council is:

| 2017-18 | 2018-19 | 2019-20 | Total |
|---------|---------|---------|---------|
| £26,641 | £24,403 | £34,719 | £85,763 |

Flexible Homelessness Support Grant

3.5 The DCLG has advised that the new 'flexible homelessness support grant' is a radical replacement of the tightly controlled funding currently given to source and manage temporary accommodation for homeless individuals and their families under which the Council would have received £978.43 for 2017-18

3.6 The Flexible Homelessness Support Grant allocation has been issued as follows:

| 2017-18 | 2018-19 | Total |
|------------|------------|------------|
| £70,160.84 | £76,904.80 | £147,064.8 |

3.7 It is considered that there will be a significant increase in demand for homelessness services and prevention support work. It is therefore proposed that the New Burdens funding for the years 2017-18 to 2019-20 be allocated to ensuring the Council discharges its new duty through the provision of Homelessness Services and Prevention Support work as discussed above.

3.8 Cabinet on 7 April 2005 agreed that delegated authority be given to the Head of Regeneration (now Head of Housing and Partnerships) following consultation with the Portfolio Leader for Social Inclusion and Housing (now the Portfolio Leader for Housing) to approve expenditure in relation to Central Government Homelessness Prevention Grant allocations, in accordance with the delivery of

the Councils homelessness priorities as set out within the Councils Housing and Homelessness Strategies. It is proposed to further extend the scope of this delegation to include New Burdens and Flexible Homelessness Support Grant Funding.

- 3.9 Therefore it is recommended that delegated authority be given to the Head of Housing and Partnerships following consultation with the Portfolio Leader for Housing to approve expenditure of the New Burdens and Flexible Homelessness Support Grant Funding as set out in para 5.5 and 5.11, and in accordance with the delivery of the Council's homelessness priorities as set out within the Council's revised Housing and Homelessness Strategy 2018-23. (attached as an item elsewhere on the agenda).

4 Relationship to Corporate Priorities

- 4.1 The use of Homelessness Funding outlined in this report would contribute to the More and Better Housing PDP for 2017/18.

5 Report Detail

Homelessness Reduction Act 2017

- 5.1 The Homelessness Reduction Act (HRA) was passed by Parliament in 2017 and will be commenced in April 2018. The Act is designed to significantly reform England's homelessness legislation by placing duties on local authorities to intervene at earlier stages to prevent homelessness, irrespective of whether or not an applicant has 'priority need' or may be 'intentionally homeless'. The new duties include:
- i) Providing free information and advice on preventing and relieving homelessness and the rights of homeless people, to all residents, to include information tailored to the needs of particularly vulnerable groups.
 - ii) An enhanced prevention duty extends the period a household is threatened with homelessness from 28 days to 56 days, meaning that local authorities will intervene to prevent homelessness at an earlier stage.
 - iii) A new duty for those who are already homeless will mean that local authorities will work with them for 56 days to help secure accommodation to relieve their homeless.
- 5.2 A revised Code of Guidance is to be issued to Local Authorities prior to the implementation date of 1 April 2018. The consultation on a draft version closed on 15 December 2017.
- 5.3 Preparations are being made to ensure the Council will be in a position discharge the new duty including attending DCLG briefing sessions, undertaking training of staff, further developments of the Housing IT System (Northgate), assessment of the new duties and their implication for future service delivery.

5.4 The Government has announced additional funding to assist with implementing the new duties as set out in the letter dated 19 December 2017 from Marcus Jones MP Minister for Local Government (Appendix 1).

New Burdens Funding

5.5 Department for Communities and Local Government (DCLG) modelling estimated that there will be initial costs associated with the Act, namely from additional people presenting to authorities for assistance with homelessness. In time they estimate that the measures will lead to an increase in homelessness prevention and thus a reduction in more costly acceptances to the main housing duty.

5.6 The DCLG have therefore estimated that the Council will face new burdens as a result of the following duties:

- Duties to help secure accommodation
- Duty to provide advisory services
- Right to request a review
- Suitability of accommodation
- Providing accommodation for cases being reviewed
- Providing assessments and personalised housing plans

As a result of the DCLG estimation the total of New Burdens Funding for the Council is:

| 2017-18 | 2018-19 | 2019-20 | Total |
|---------|---------|---------|---------|
| £26,641 | £24,403 | £34,719 | £85,763 |

Flexible Homelessness Support Grant

5.7 The DCLG has advised that the new ‘flexible homelessness support grant’ is a radical replacement of the tightly controlled funding currently given to source and manage temporary accommodation for homeless individuals and their families under which the Council would have received £978.43 for 2017-18.

5.8 Under the existing ‘temporary accommodation management fee’, funding can only be used for expensive intervention when a household is already homeless, rather than on preventing this happening in the first place.

5.9 The DCLG further advises that the new grant is:

“to empower councils with the freedom to support the full range of homelessness services. This could include employing a homelessness prevention or tenancy support officer to work closely with people who are at risk of losing their homes.”

- 5.10 The Flexible Homelessness Support Grant allocation has been issued as follows:

| 2017-18 | 2018-19 | Total |
|------------|------------|------------|
| £70,160.84 | £76,904.80 | £147,064.8 |

There is no indication of the level of funding for further years.

- 5.11 Currently, investigations are in progress to assess the requirements of the new Act and the implication on the existing resources available to provide the necessary level of Homelessness Services and Prevention Support Work. Investigations to date have resulted in the development of the Shared Accommodation Project (included as an item elsewhere on the agenda) and currently, investigations are being made with a view to extending the Council's existing Tenancy Sustainment Service to provide additional support to homelessness cases in the discharge of the Council's new duties.
- 5.12 It is considered that there will be a significant increase in demand for homelessness services and prevention support work. It is therefore proposed that the New Burdens funding for the years 2017-18 to 2019-20 be allocated to ensuring the Council discharges its new duty through the provision of Homelessness Services and Prevention Support work as discussed above.
- 5.13 Cabinet on 7 April 2005 agreed that delegated authority be given to the Head of Regeneration (now Head of Housing and Partnerships) following consultation with the Portfolio Leader for Social Inclusion and Housing (now the Portfolio Leader for Housing) to approve expenditure in relation to Central Government Homelessness Prevention Grant allocations, in accordance with the delivery of the Council's homelessness priorities as set out within the Council's Housing and Homelessness Strategies. It is proposed to further extend the scope of this delegation to include New Burdens and Flexible Homelessness Support Grant Funding.
- 5.14 Therefore it is recommended that delegated authority be given to the Head of Housing and Partnerships following consultation with the Portfolio Leader for Housing to approve expenditure of the New Burdens and Flexible Homelessness Support Grant Funding as set out in paragraphs 5.5 and 5.11, and in accordance with the delivery of the Council's homelessness priorities as set out within the Council's revised Housing and Homelessness Strategy 2018-23. (attached as an item elsewhere on the agenda).

6 Implications

6.1 Financial

There are no direct financial implications arising from this report. It is envisaged that any additional spend will be contained within the additional grants allocated by government as detailed within the report

6.2 Legal

The legal implications are set out in the report

6.3 Human Resources

None

6.4 Section 17 (Crime Prevention)

None.

6.5 Human Rights Act

Article 8 provides that:-

1. Everyone has the right to respect for this private and family life, his home and his correspondence.
2. There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedoms of others.

In considering the use of New Burdens and Flexible Homelessness Support Grant funding, the Council is complying with legislation which empowers it to do so, and at the same time is considering the needs of the residents of the district as the proposals will assist in preventing homelessness.

For the above reasons the Councils actions are considered to be compatible with the Human Rights Act.

6.6 Data Protection

None

6.7 Risk Management

The use of homelessness funding to assist the Council in discharge of its new duties under the Act reduces the risk of challenge for maladministration.

6.8 Equality & Diversity

Distribution of the Communities and Local Government grants to homelessness prevention initiatives contributes to meeting the needs of specific groups who are vulnerable and therefore contributes positively to equality and diversity.

6.9 Best Value

The use of homelessness funding to assist the Council in discharge of its new duties under the Act will contribute towards achieving best value for the funding.

Adherence to the Council's Procurement Policy will also contribute towards achieving best value.

7 Appendices to the Report

None

Previous Consideration

None.

Background Papers

None

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|--------------------------|--|
| Report of: | Head of Economic Development |
| Contact Officer: | Clare Eggington |
| Telephone No: | 01543 464326 |
| Portfolio Leader: | Economic Development and Planning |
| Key Decision: | Yes |
| Report Track: | Cabinet: 25/01/18 |

CABINET
25 JANUARY 2018
REVISED LOCAL DEVELOPMENT SCHEME AND LOCAL PLAN REVIEW

1 Purpose of Report

- 1.1 To update the Local Development Scheme to cover the period February 2018 to 2021 to include ceasing work being undertaken on Local Plan Part 2 to enable a full Local Plan review to begin.

2 Recommendations

- 2.1 That Cabinet recommends to Council that work on the preparation of the Local Plan Part 2 cease.
- 2.2 Subject to 2.1, that Cabinet recommends to Council that ceasing work being undertaken on Local Plan Part 2 triggers the process of undertaking a Local Plan review, which upon adoption will replace the adopted Local Plan Part 1 and will address (amongst other issues) those matters which Part 1 identified as needing to be covered in Local Plan Part 2.
- 2.3 That Cabinet recommends to Council that the revised Local Development Scheme detailed in **Appendix 1** covering the three year period February 2018 to February 2021 is approved so that it can be brought into effect on 21st February 2018 under Section 15 of the Planning and Compulsory Purchase Act 2004 (as amended by the Localism Act 2011).

3 Key Issues and Reasons for Recommendation

- 3.1 Local Plan Part 1, adopted in 2014, contains the strategy for growth and environmental protection in the District to 2028 including the scale, quantum and distribution of development and policies for its delivery. Local Plan Part 2 was intended to contain the detailed site allocations to deliver the requirements set out in Part 1.

- 3.2 Work on Local Plan Part 2 has been overtaken by events due to a variety of reasons as set out in the main body of this report. In summary, Local Plan Part 1 (which Part 2 delivers) is becoming out of date due to changes in government policy and ongoing work across the West Midlands to address the housing shortfall in the Housing Market Area. These are strategic changes which cannot be addressed via a Part 2 plan. The changes cumulatively diminish the value of the Part 2 plan, which would now be limited to delivering site allocations (many sites already have planning permission in any case), in line with a housing requirement figure which may shortly be out of date based on the Government's proposed changes to the way in which this is calculated.
- 3.3 There is an opportunity to make more efficient use of limited resources by ceasing work being undertaken on Local Plan Part 2 and instead triggering a review of the Local Plan as a whole. Taking Part 2 forward would involve considerable staff time and financial resource to take through an examination, in the full knowledge that a review will still be required once Part 2 is adopted.
- 3.4 Work undertaken on Part 2 to date could be carried forward to help inform the process of a review, and those participants in the consultation process would continue to be engaged and kept up to date with any changes in process as set out in the report detail.
- 3.5 Any changes to the Local Plan timetable and nature of the documents being produced must be set out in an updated Local Development Scheme (LDS).

It is a requirement of the Planning and Compulsory Purchase Act 2004 that a planning authority must prepare an LDS. This must be kept up to date, setting out which Local Development Documents (LDDs) the Council will be producing, the subject matter and geographical area which these will cover, and the timetable for their production.

- 3.6 The previous LDS was adopted in April 2016. The updated LDS covers the production of key documents including the proposed Local Plan review. It also sets out revised timescales for the Cannock Town Centre Area Action Plan. The format of this latest LDS has been changed from previous iterations to reflect the streamlined planning system and the legal requirements which apply to this.

4 Relationship to Corporate Priorities

This report supports the Council's Corporate Priorities as follows:-

- 4.1 **Better Jobs and Skills:** Economic Growth is a key strand of the national planning agenda and the local plan and its associated documents ensure that this is reflected locally through planning policy.
- 4.2 **More and better housing:** Housing delivery is at the heart of the Government's growth agenda and the Government is currently revising its planning policies to drive this agenda forward. A reviewed Local Plan will reflect this new policy framework ensuring that the District complies in

delivering its own needs and fulfils its responsibilities along with other local Authorities in helping address a wider shortfall across the West Midlands.

- 4.3 **Cleaner and Safer Environments:** environmental protection and enhancement, including crime reduction through safer design is a key aim of the planning system and this is reflected locally through the Local Plan.
- 4.4 **Better Health Outcomes:** planning policy enables decisions to be made which improve the health of local communities for example policies regarding open space, sport and recreation, provision and protection of community services and facilities and supporting the retention and development of infrastructure (eg cycleways, public transport, health centres etc) which contribute to improved health and wellbeing.
- 4.5 This report is important in achieving the above as it sets out the project plan and corporate mechanisms for overseeing the development and adoption of up to date planning policy.

5 Report Detail

Local Plan

- 5.1 Local Plan Part 1 was adopted in 2014. It contains the strategy for growth and environmental protection in the District to 2028 including the scale, quantum and distribution of development and policies for its delivery as well as incorporating Rugeley Area Action Plan. The Part 1 document was intended to be followed by a Part 2 which would contain site allocations, particular standards for development and safeguarding of land for future development beyond the plan period including the need for a Green Belt review. It also references the need to consider how the issue arising from the housing shortfall across the wider Housing Market Area (relating at the time to Birmingham) might be dealt with. **Appendix 2** contains a schedule of the Part 1 policies which reference the commitments needing to be taken forward in Part 2.
- 5.2 The first stage of consultation for Local Plan Part 2, i.e. the Issues and Options document, was approved by Cabinet on 15 December 2016. Consultation took place between January and March 2017, alongside consultation on the first stage of the Cannock Town Centre Area Action Plan. Following analysis of the extensive representations received, a report on the outcomes of the consultation was reported to Cabinet on August 24 2017: this included preliminary responses to the consultation for further consideration as Part 2 was progressed.
- 5.3 Since then, work on the two Development Plan Documents has slipped from the timetable originally envisaged in the current (2016) Local Development Scheme as highlighted in paragraph 5.15 of the Cabinet report of August 24 2017. The timescale for the production of Local Plan Part 2 has been delayed by around ten months and the Cannock Town Centre Area Action Plan by around eight months overall from those timescales set out in the 2016 LDS. Members should note that the 2016 LDS itself set timescales which were

acknowledged to be ambitious and which depended upon the team operating at full capacity, taking into account the estimates of officer time being spent specifically upon developing the Local Plan.

- 5.4 The workload of the planning policy team has changed considerably in recent months. This has included new work areas introduced by Government including the statutory requirement to produce and maintain a Brownfield Land register, increasing levels of work (including significant levels of requests for data) relating to the Greater Birmingham Housing Market Area, the West Midlands Combined Authority and a range of other organisations and partnerships delivering growth and investment. This work has had to be prioritised due to a series of legal obligations and set deadlines beyond the team's control.
- 5.5 Furthermore, in addition to the new areas of work mentioned above, other existing commitments have had to be prioritised. Work on the Rugeley Power Station Supplementary Planning Document (SPD) has been a corporate priority, aligned to joint working with Lichfield District Council. The management and monitoring of the Community Infrastructure Levy is complex and resource-intensive and takes up significant officer time. Neighbourhood Plans are an increasing work area: the Council has several legal duties to fulfil in supporting communities who wish to prepare these plans, and because of these duties the process is reactive and resource-intensive.
- 5.6 The team is also involved in several other work areas. Some of these relate to engagement with other stakeholders on work which is directly relevant to Local Plan preparation (for example transport, conservation, sport, recreation and environmental evidence base information). Some, such as the involvement with the Cannock Chase Area of Outstanding Natural Beauty (AONB) falls to the team rather more as a result of historic legacy but is still a corporate priority due to the governance arrangements for the AONB partnership and this can take up substantial amounts of officer time.
- 5.7 As part of its recognition of the increasing workload of planning policy teams, the Government has provided 'new burdens' funding for a fixed three year period. This funding has enabled a new full time fixed-term post to be created in the team, instead of the previous (vacant) part time technical assistant role. This role will provide essential support to the team moving forward.
- 5.8 In recognition of the changing context of planning policy, with associated work streams and requirements, there is now an opportunity to reconsider priorities in plan making to ensure that the limited resources available to the team are used to best effect. Having considered the representations to the Issues and Options consultation, Local Plan Part 2 will need to be very constrained in what it can actually deal with. Primarily, the main focus will be upon site allocations within the urban areas to deliver the requirements set out in Local Plan Part 1. Many of the largest housing sites already have planning permission in any case (or are in the process of applying for planning permission), although they have not all yet started on site.

- 5.9 The Council had previously agreed, through Local Plan Part 2, to test whether it might be able to accommodate further growth at this stage to help address some of the housing shortfall arising from the wider GBHMA. However, it is clear from the representations that further evidence will have to be commissioned to inform this, which will take time to prepare and which will potentially have more strategic implications than would be appropriate for the scope of a Part 2 plan. Examples of such evidence include the impacts of further growth on the highway network and impacts on the Cannock Chase Special Area of Conservation (SAC) and how these might be mitigated for. It is becoming clear that such issues can only be dealt with by a more strategic review of the Local Plan. Additionally, it would be beneficial if further detailed technical information was available regarding the redevelopment of Rugeley Power Station and what it can deliver in practice for this district, and this is not the case at present.
- 5.10 Furthermore, the national planning context is changing. The Government has just finished consulting on Planning for the Right Homes in the Right Places (following its White Paper 'Fixing our Broken Housing Market') which, amongst other matters, anticipates changes to the National Planning Policy Framework and the introduction of a standardised methodology for calculating housing need in an area. Local Plan Part 1 sets the current requirement (5,300 homes to 2028 with a further 500 being delivered in Lichfield District) but it is highly likely this figure will change and the Government has outlined that a Local Planning Authority will have to revert to the standardised figure where there is no Local Plan, or the Local Plan is considered out of date (more than five years old). In any case, the Government has announced that it will be bringing new regulations into force on 6 April 2018 which will set a new requirement on councils to review their Local Plans and statements of Community Involvement every five years. Local Plan Part 1 was adopted in June 2014 and therefore will be out of date in 2019, so work on Part 2 would be delivering the detail of an out of date plan.
- 5.11 The more localised context is changing too. As members will already be aware from previous reports, work has been ongoing across the GBHMA to address the issue of the housing shortfall which arises mainly, but not exclusively, from Birmingham (some arises directly from this district). A report was jointly commissioned by the fourteen local authorities across the wider GBHMA to define Areas of Search for strategic development to indicate where further growth might be appropriate having taken into account considerations relating to Green Belt, landscape, non Green Belt areas, infrastructure and delivery issues. This report is in the final stages of completion and should be publicly available early 2018. Its findings will need to be taken forward, under the Duty to Co-operate, through the Local Plan Reviews of all of the Local Authorities involved, including this Council.
- 5.12 It is therefore debatable as to whether the Council should continue to prioritise progression of the Part 2 plan any further knowing full well that a review will certainly be necessary to address a range of strategic issues which will not be appropriate to deal with via an allocations plan, which in any case is limited by the original scope of Part 1, a plan which as explained previously will soon be out of date. Part 2, despite its necessarily limited scope, will require

significant resources in terms of both staff time and budget (it is estimated that to take a Part 2 Plan through examination with the Planning Inspectorate would cost at least £45,000 based on examples from elsewhere). These resources could be diverted into progressing a review and bringing the evidence base up to date to inform this (much of the evidence is now either out of date or soon will be, and will need refreshing).

- 5.13 There will be a number of consequences from a change of direction however. Much work has been undertaken to date in progressing Local Plan Part 2. This has included some updates to evidence and also the Sustainability Appraisal commission. Furthermore there has been a high level of public engagement in the process and as a result there are high levels of expectation in terms of awaiting feedback on the next stages of the plan (although it was always made clear that a review would be required on completion of Part 2). Appendix 2 sets out the issues which Part 1 committed to address in Part 2 and provides an update on these. Whilst some matters have already been addressed, there are some outstanding issues such as an emerging shortfall in employment land and difficulties in addressing Gypsy, Traveller and Travelling Showpeople provision and these will need to be picked up within the scope for a Local Plan review.
- 5.14 Work undertaken on Part 2 so far will not be wasted, as it can be utilised to inform the process of a Local Plan review including consideration of the comments received during the last consultation. In order to keep all those who made comments informed, the Planning Policy team will ensure that this change in direction is publicised and explained through a range of channels to be discussed with the Council's Communications team. This will include writing to all bodies on the Local Plan consultation base who will be notified to explain what the next steps will be and how they can participate (or opt out should they so wish).
- 5.15 Following this, there will be a new round of consultation under Regulation 18 of the Town and Country Planning (Local Planning) (England) Regulations 2012. This will be to notify the specified consultation bodies, residents and businesses of the new proposed plan. The team will explain how comments made previously will still be taken into account, but the consultation will also focus on what the new scope of the plan should be as this will need to be much wider than the limited scope of Local Plan Part 2. This new 'Issues and Options' stage will require a lot of preparatory work but will contain opportunities for options and ideas to be put forward which were beyond the scope of the last consultation. The new Local Development Scheme (**Appendix 1**) sets out the timescale for this.
- 5.16 As mentioned earlier, Local Plan Part 1 contains a number of commitments which were to be delivered by Part 2 (**see schedule at Appendix 2**). The new Local Plan process will need to ensure that these issues are considered in taking the scope of the plan forward.
- 5.17 The emerging Area Action Plan for Cannock Town Centre will function as an independent document. The Issues and Options stage for this was consulted on early 2017 and the programme has slipped due to the ongoing preparation

of further evidence and pressures on the team as outlined earlier in this report. A revised timetable for production of the AAP is included in the updated Local Development Scheme at **Appendix 1**.

- 5.18 It should be noted that the adopted Local Plan Part 1 incorporates the Rugeley Area Action Plan although this is a separately contained part of the published document. A review of the Local Plan as a whole would therefore require consideration of the Rugeley AAP: potentially it could be saved in its current form forming part of a new Local Plan, or the opportunity could be taken to review and update it as part of the process. This would be consulted on as part of the scope of the Local Plan review.

Local Development Scheme

- 5.19 Section 15 of the Planning and Compulsory Purchase Act 2004 (as amended by the Localism Act 2011) requires that the local planning authority must prepare and maintain an up to date Local Development Scheme (LDS) which sets out the Local Development Documents it intends to prepare, which of these will be Development Plan Documents, and the timetable for their preparation and revision.
- 5.20 The LDS needs to set out clearly the time period it will cover. The new LDS will come into effect at the date of its adoption i.e. resolution by Council on 21 February 2018 and from that date covers a period of three years.
- 5.21 In compliance with Section 111 of the Localism Act 2011, the revised LDS also needs to set out amendments to the scheme. The previous LDS, which covered the time period from April 2016 to the present time, can be viewed on the Council's website at www.cannockchasedc.gov.uk/planningpolicy. The following paragraphs set out where the changes to the previous scheme are, and therefore what has since changed and the reasons for this.
- 5.22 The document has been updated to reflect what is legally required of a Local Development Scheme. It has therefore been streamlined to set out the project plan specifically for the Development Plan Documents which are being produced by the District Council i.e. the Local Plan and the Cannock Town Centre Area Action Plan. It no longer contains detailed information about other workstreams such as supplementary planning documents as these are not a legal requirement of the LDS and this information is already provided on the planning policy web pages of the Council's website.
- 5.23 The LDS now sets out the ceasing of work being undertaken on Local Plan Part 2 and adds in the new Local Plan review timetable. It revises the timetable for the Cannock Town Centre Area Action Plan.
- 5.24 The LDS also amends the previous version by providing an updated position of the current staffing situation and revised details as to what proportion of staff time is now being spent on the Local Plan as opposed to other areas of work being undertaken by the team in the light of diminished resources across the Council. It assumes full capacity of the team. It should also be noted that, in planning for revised timescales, care has been taken to factor in the long lead in times in relation to the Committee cycle as, where a Council decision

is required, documents have to be completed around three months in advance of the date of the Council meeting. It has an updated section on risk management and on monitoring.

- 5.25 As set out in the financial section in this report, budgetary provision has been made up to 2017/18 and savings made as a result of not progressing Local Plan Part 2 will be rolled forward to undertake the initial stages of progressing a review. A budget of £250,000 is requested over four financial years to enable the review to be undertaken including updates to the evidence base and production and examination costs. This figure would incorporate underspend resulting from the 2017/2018 financial year.

6 Implications

6.1 Financial

In previous years budgetary provision of £100,000 was made for the 3 years 2015-16 to 2017-18; and there is at present an estimated underspend of £86,810 forecast up to the end of 2017-18 based on current spend and commitments. However this may increase by not progressing Local Plan Part 2 as referred to in para 5.25.

A total budget of £250,000 is requested over the next four financial years, of which the estimated underspend of £86,810 will form part.

Additional budgetary provision of £180,000 over the next three financial years is therefore requested to enable a Local Plan review to be triggered and provision has been included in the Draft Revenue Budget included elsewhere on the Agenda, the intention being to fund the aforementioned balance from reserves.

A review of the ongoing cost of meeting Local Plan requirements thereafter is to be undertaken.

6.2 Legal

Legal implications are set out throughout the report

6.3 Human Resources

Delivering the Development Plan to the ambitious timescales set out in the report is based upon an assumption of full staffing levels, the policy context (regionally and nationally) as it currently stands, and distribution of the workload (expressed as a percentage of each officer's time) being a minimum focus upon working specifically upon the development plan itself, primarily the Local Plan and the Cannock Area Action Plan.

6.4 Section 17 (Crime Prevention)

There are no Crime Prevention implications specifically in the report although the Development Plan itself contributes to crime prevention and the reduction of crime.

6.5 Human Rights Act

The extensive consultation procedures provided for by the Planning & Compulsory Purchase Act 2004 cover human rights matters in terms of the Development Plan.

6.6 Data Protection

No issues arising directly as a result of this report. However when work on Local Plan Part 2 ceases, everyone on the Planning Policy database will be written to, to ensure that they wish to remain as consultees and to ensure that the requirements of the General Data Protection Regulation (GDPR) are met when it comes into force in May 2018.

6.7 Risk Management

Even though there is a chance this revised LDS may again need to be revised given expected changes to national planning policy (the details of which have not yet been confirmed) not updating the LDS would mean the Council is not complying with the requirements of the Planning and Compulsory Purchase Act 2004 as amended by the Localism Act 2011, therefore it is important that this version is brought into effect as soon as possible. Members' attention is also drawn to paragraph 6.3 which sets out the assumptions made in terms of staffing levels and resourcing. Members are also asked to note the implications for changing to a Local Plan review as set out in the main body of the report.

6.8 Equality & Diversity

No issues specifically arising from this report, however the Development Plan itself is subject to Equality Impact Assessment.

6.9 Best Value

The report sets out an alternative course of action to progressing Local Plan Part 2 to maximise efficient use of limited resources.

7 Appendices to the Report

| | |
|------------|--|
| Appendix 1 | Local Development Scheme 2017 – 2020 |
| Appendix 2 | Schedule of Local plan Part Policies which reference Local Plan Part 2 |

Previous Consideration

| | | |
|--------------------------|---------|---------------|
| Local Development Scheme | Cabinet | 24 March 2016 |
| Local Plan Part 2 | Cabinet | Various |

Background Papers

Local Development Scheme 2016 and previous iterations can all be viewed at www.cannockchasedc.gov.uk/planningpolicy

Planning and Compulsory Purchase Act 2004

Localism Act 2011

Local Plan Part 1 (adopted June 2014)

Local Plan Part 2 Issues and Options consultation document 2017

APPENDIX 1

Cannock Chase Council
Local Development Scheme
February 2018

Local Development Scheme February 21st 2018

1. INTRODUCTION

- 1.1 The Planning and Compulsory Purchase Act 2004 (as amended by the Localism Act 2011) requires Cannock Chase Council to prepare, maintain and publish a Local Development Scheme (LDS) for the District. The LDS provides relevant stakeholders including organisations with the Council's project plan for the preparation of the new Local Plan. This LDS updates the previous LDS published in April 2016.
- 1.2 This LDS reflects the progress made in preparing Local Plan documents. It provides information on the future Development Plan Documents that the Council intends to produce and the timetable for their production.
- 1.3 The LDS will be published and kept up to date on the Council's website: www.cannockchasedc.gov.uk/planningpolicy

2. KEY CHANGES TO THE PLANNING SYSTEM

- 2.1 The Localism Act (2011) changed and reformed the planning system to reflect the localism agenda. One of the key provisions in the Act is the preparation of Neighbourhood Plans. Neighbourhood Plans give local people the opportunity to decide the future of the places where they live and work with a focus on guiding and positively informing development rather than stopping it. Neighbourhood Plans need to conform to planning policies and guidance at a local, national and European level and meet the Neighbourhood Planning regulations. There is no statutory duty for communities to prepare Neighbourhood Plans, only a right to do so if they wish. Cannock Chase Council has 2 designated Neighbourhood Plan Areas as at November 2017 and other parishes are considering designation. The designated areas are the parishes of Brereton and Ravenhill, and Hednesford. The most up to date information can be seen on the Council's web pages at www.cannockchasedc.gov.uk/planningpolicy
- 2.2 Upon being made (adopted), a Neighbourhood Plan will become a statutory plan carrying equal weight to the Local Plan¹ and be part of the suite of documents that guide development. This will mean that it will be used in making decisions on planning applications by Cannock Chase Council.

¹ Neighbourhood Plans have statutory weight and considered to be part of the Development Plan but are not classified as DPDs.

- 2.3 The Localism Act does not change the basic plan making structure which remains intact with local plans continuing to be at the heart of the planning system. The form and content of each plan will be shaped to a large degree by the National Planning Policy Framework (NPPF).
- 2.4 The NPPF was published on 27 March 2012 and came into immediate effect. It replaces previous national guidance in the form of Planning Policy Statements (PPSs), Planning Policy Guidance Notes (PPGs) and various planning circulars. The NPPF confirms that the planning system continues to be 'plan-led' which means that planning applications have to be determined in accordance with the Development Plan unless material considerations indicate otherwise. The NPPF also confirms that the policies in emerging plans will gather more weight as development plans progress towards adoption. Further changes are anticipated to the NPPF as a result of ongoing Government reform.
- 2.5 The revocation of the regional strategy for the West Midlands and the Staffordshire and Stoke-on-Trent Structure Plan came into effect on the 20 May 2013. These documents are no longer taken into account for decision taking purposes.
- 2.6 On publication of this LDS on 21st February 2018, the Development Plan comprises:
- The Waste Local Plan for Staffordshire and Stoke-on-Trent (2010 - 2026), adopted by Staffordshire County Council and Stoke-on-Trent City Council on 22nd March 2013
 - The Minerals Local Plan for Staffordshire (2015 - 2030), adopted by Staffordshire County Council on the 16th February 2017.
 - Local Plan Part 1 (Core Strategy and Rugeley Town Centre Area Action Plan) adopted by Cannock Chase Council 11th June 2014.

3. THE NEW LOCAL PLAN

- 3.1 New planning legislation introduced through the Planning and Compulsory Purchase Act 2004 required all local planning authorities to produce a new style of Local Plan, called a Local Development Framework (LDF). In 2011, following the introduction of the Localism Act, planning reforms deemed that the term Local Plan would replace the Local Development Framework. Consequently any former references to Local Development Framework (LDF) will be referred to as the Local Plan.

3.2 There is still a requirement to produce a portfolio of documents that either supports Local Plan preparation or are used in the determination of planning applications. In addition to the Local Development Scheme, the portfolio of documents includes the following²:

| Type of document | Decision Taking | Support plan preparation | Mandatory |
|--|-----------------|--------------------------|-----------|
| Development Plan Documents (DPDs) incl. Area Action Plans (AAPs) | ✓ | | ✓ |
| Supplementary Planning Documents (SPD) | ✓ | | |
| Statement of Community Involvement (SCI) | | ✓ | ✓ |
| Local Authority Monitoring Report (AMR) | | ✓ | ✓ |

3.3 The NPPF states that Local Plans are key to delivering sustainable development and that local authorities should produce a Local Plan for their area. The Local Plan can then be reviewed in whole or in part to respond flexibly to changing circumstances. This LDS is the Council’s commitment to the preparation of a new Local Plan (a local Plan Review) which will replace Local Plan Part 1 when adopted and will also cover the more detailed elements which would have been contained in Local Plan Part 2 the work on this now having ceased³. The LDS also sets out the details relating to the production of the Cannock Town Centre Area Action Plan.

3.4 Legislation⁴ clarifies that the term Local Plan applies to DPDs only. The Local Plan is therefore the collection of DPDs which may be one document or it may be several.

3.5 Supplementary Planning Documents (SPDs) are not part of the Local Plan, nor are they considered to be development plan documents as they supplement adopted policy. Therefore, information on their production is not set out within the LDS. Instead, such information can be found on the Council’s website. A programme for the development of new SPD’s will emerge as the new Local Plan evolves.

² A glossary of terms is provided in Appendix E of this document.

³ Council, 21st February 2018

⁴ The Town and County Planning (Local Development) (England) Regulations 2012.

4. LOCAL PLAN TIMETABLE

New Local Plan (Local Plan review)

Adoption Target 2021: A full timetable for the production of the Local Plan can be seen in Figure 1.

Coverage: Cannock Chase District (Map at Appendix A)

Conformity: The document will be produced in conformity with the NPPF.

Scope: The new Local Plan will replace the adopted Local Plan Part 1 and previously intended Local Plan Part 2, will set the context for delivering growth, set out and describe a spatial strategy, present strategic and detailed planning policies to manage change, will allocate and safeguard land for different types of development and establish a monitoring framework.

Figure 1: Local Plan Preparation Timetable

| Document | Preparation Stage | LDS Target Date |
|----------------|---|------------------|
| New Local Plan | Commencement of work including evidence base updating | February 2018 |
| | Regulation 18 Scoping and Issues Consultation | June / July 2018 |
| | Issues & Options consultation | February 2019 |
| | Preferred Option Consultation (non statutory stage) | October 2019 |
| | Pre-Submission (Regulation 19) consultation | July 2020 |
| | Submission | December 2020 |
| | Examination in Public | March 2021 |
| | Adoption | September 2021 |

Cannock Town Centre Area Action Plan (AAP)

Adoption Target 2019: A full timetable for the production of the AAP can be seen in Figure 2.

Coverage: Cannock Town Centre (Map at Appendix B)

Conformity: The document will be produced in conformity with the NPPF and with the adopted Local Plan Part 1.

Scope: The Cannock Town Centre Area Action Plan (AAP) will provide a framework for the regeneration of Cannock Town Centre.

Figure 2: Cannock Town Centre Area Action Plan Preparation Timetable

| Document | Preparation Stage | LDS Target Date |
|---|---|------------------------|
| Cannock Town Centre Area Action Plan (AAP) | Issues & Options (Regulation 18) consultation | March 2017 (Completed) |
| | Preferred Option Consultation (non statutory stage) | June 2018 |
| | Pre-Submission (Regulation 19) consultation | November 2018 |
| | Submission | February 2019 |
| | Examination in Public | May 2019 |
| | Adoption | October 2019 |

4.1 Setting out a future timetable is not straight forward. For example the time it takes to move from Pre-Submission to Submission depends upon the level and complexity of objections, and therefore the length of time it will take to process them, which cannot be quantified until after the plan has been consulted upon. At the point of Submission of the plan to the Secretary of State the plan timetable is in the hands of the Planning Inspectorate and will depend upon on a range of factors which are outside of the control of the local authority. These factors include the need for a pre-hearing meeting, the availability of an inspector to examine the plan and the length and complexity of the hearing process. Furthermore, the Government is proposing changes to the planning system so there is even uncertainty from the outset as the scope of the initial Regulation 18 consultation will need to be considered in the light of the emerging changes and any evidence base requirements which might stem from these. Time has been factored in with the best possible information available at the present time to enable these changes to be considered but it needs to be acknowledged that changes may need to be made to the timetable again depending on what transpires.

4.2 Appendix C sets out a risk register which identifies risks to the delivery of the Local Plan. These risks will be kept under review to ensure that risks are addressed quickly if they arise.

4.3 Appendix D sets out the resources in relation to Local Plan production.

4.4 Missed milestones from the previously published LDS in 2016 have been due to various factors including:

- New requirements for the team to address including the new Brownfield Land Register and additional workload stemming – for example – from the Greater Birmingham Housing Market Area and West Midlands Combined Authority.
- New work at the more local level including that relating to the recently closed Rugeley Power Station.

- The team previously not operating at full capacity due to long term sickness absence and more latterly a vacant technical officer post which has recently been filled (and increased from part time to full time).
- Increasing workload in relation to Neighbourhood Plans

5. PROGRESS REPORTING

5.1 The Council produces the Authorities Monitoring Report (AMR) each year, covering the 'monitoring year' (of the preceding April-March period). The AMR sets out the list of documents that are included within the LDS, their timetable for preparation, the stage they are currently at, and if they are behind schedule the reasons for this. This is published on the website.

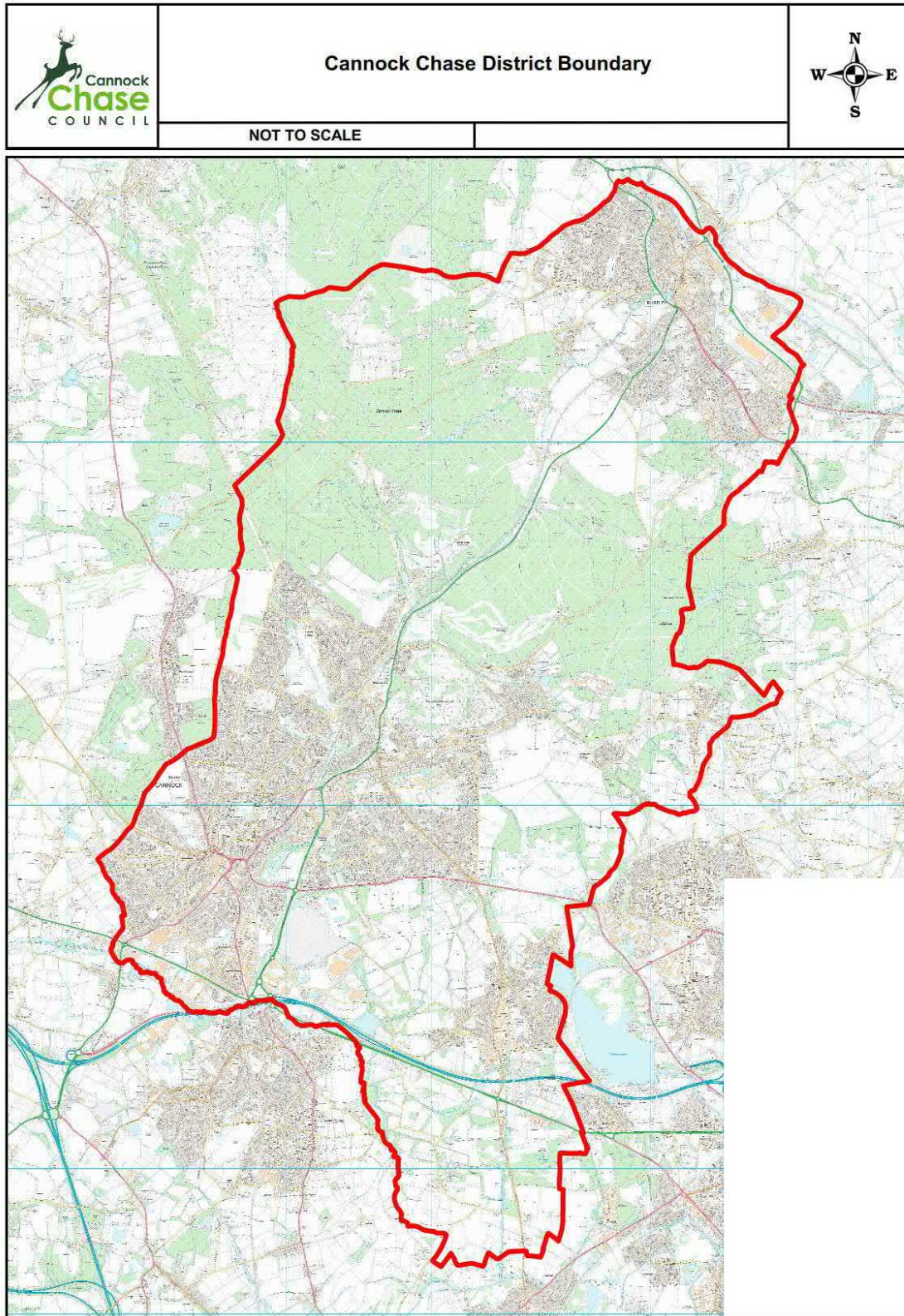
6. REVIEW OF THE LOCAL DEVELOPMENT SCHEME

6.1 The Planning and Compulsory Purchase Act 2004 (as amended) states that local authorities can revise their LDS at such times as they consider appropriate. The Council's website will be updated to set out if the LDS has been subject to further revision. A new LDS must be approved by Council.

6.2 In terms of changes to the previous LDS, the details can be seen at www.cannockchasedc.gov.uk/planningpolicy The LDS page also provides a link to the relevant Cabinet Report (Cabinet 25th January 2018 and Council 21st February 2018). The scheme has been amended to reflect what is legally required of a LDS, and streamlined accordingly to set out the project plan for the Development Plan Documents which are being produced by the District Council ie the Local Plan and the Cannock Town Centre Area Action Plan. The previous LDS incorporated Local Plan Part 2 which has now been withdrawn. It also included SPDs but these have been omitted from this updated version as there is no legal requirement to include them, and all relevant information can be found on the Planning Policy web page.

APPENDIX A

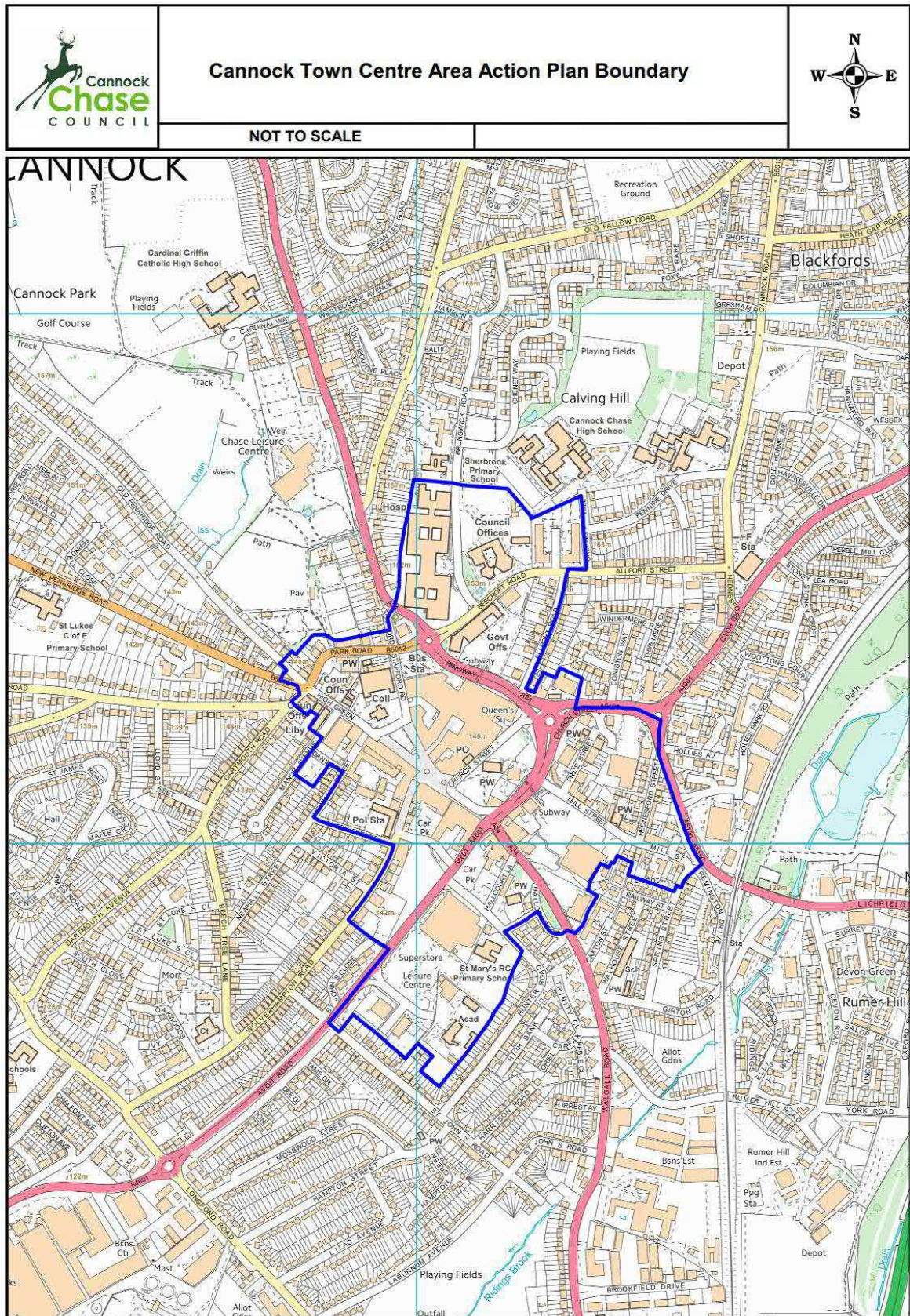
AREA COVERED BY THE NEW LOCAL PLAN



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APPENDIX B

AREA COVERED BY THE CANNOCK TOWN CENTRE AREA ACTION PLAN



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APPENDIX C: RISK

The Council has produced a business plan approach to service delivery and identifies some of the key risks directly related to the development plan preparation process. These include officer time and financial implications. Subsequent paragraphs identify key risks to the Development Plan process, those in **RED** being high risk and those in **BLUE** considered moderate.

- **STAFFING AND RESOURCES** - One of the most important factors in the production of the Development Plan is that of staffing. The timescales for preparation identified are based on an assumption of full staffing. Furthermore, consultants are relied upon for production of the evidence base where specialist expertise is needed and the plan is dependent upon consultants meeting required deadlines. It is important to use resources effectively and efficiently, having clear priorities which are supported corporately.
- **THE POLITICAL PROCESS** - The active involvement of Members is important to the successful progression of the Development Plan. A cross party Local Plan Working Group works jointly with officers to help progress the Local Plan through its various stages and helps to ensure early understanding of and buy-in to the plan along with helping to anticipate some of the challenges which might occur and where possible to mitigate accordingly.
- **DUTY TO CO OPERATE** – with the increasing emphasis on partnership working across wider housing market areas to deliver a cumulative shortfall, many different local authorities with different political balances are having to work together to address strategic issues in the absence of a higher tier of planning (ie the former ‘region’). This has proven complex and whilst the Government is seeking solutions this matter has not yet been resolved. To mitigate for this the Council needs to be proactive and engage positively in cross boundary discussions and actions.
- **NATIONAL POLICY CHANGE** – The Government has indicated further changes to the national planning system and depending on the extent of these changes this may require further revision to the timetable should further evidence etc be required.
- **PLANNING INSPECTORATE** – The timetabling and requirements of the planning inspectorate are beyond the Council’s control and the Council will have to be reactive once the plan is submitted for examination.
- **ASSESSMENT OF ‘SOUNDNESS’ OF DPDs** - As the ‘soundness of the plan’, will be tested at Examination, the Council will seek to have a ‘health check’ of its plan at appropriate stages.
- **LEGAL CHALLENGE** - Every effort will be made to minimise the risk of Legal Challenge by ensuring robust community involvement throughout the process, through compliance with the regulations, the Statement of Community

Involvement and ensuring the “soundness” of the DPDs. However, any challenge through the High Courts or Judicial Review could affect the defined timescales.

APPENDIX D: RESOURCES

The Departmental Structure involving officers' time in the production of the Development Plan (including SPDs, monitoring, evidence base) is approximately as follows:-

| Officers | Full / Part time | % time spent on the Local Plan |
|--|--|---|
| Planning and Economic Development Services Manager | Part time 3 days per week | 15% pro rata |
| Planning Policy Manager | Full time | 70% |
| Principal Planning Officer | Part time 4 days per week | 70% pro rata |
| Principal Planning Officer | Part time 4 days a week but 2 days of this are as conservation officer | 40% pro rata (due to conservation role) |
| Planning Officer (Transport) | Part time 2 days per week | 10% pro rata |
| Planning Assistant | Full time | 80% |
| Technical Assistant | Full time – newly filled post | 60% |

APPENDIX E: Glossary

| Term | Acronym | Definition |
|---|---------|--|
| Adoption | | The final stage in the preparation of a planning document. |
| Area Action Plan | AAP | A Development Plan Document (DPD) that may be used by the local planning authority to provide a planning framework for areas of significant change or conservation. Intended to deal with specific areas and specific requirements. |
| AuthoritiesMonitoring Report | AMR | A required report undertaken by a local planning authority that reports on the implementation of the Local Plan and to what extent and effectiveness policies are being achieved. |
| Development Plan Document | DPD | A term used to describe the statutory components of the Local Plan. |
| Local Development Scheme | LDS | A public project plan identifying which documents will be produced within the Local Plan, in what order and when. |
| Local Plan | | A term used to describe either a single DPD or a collection of DPD's which together comprise the Local Plan. |
| National Planning Policy Framework | NPPF | Published in 2012 this document streamlines national guidance into one document. |
| Statement of Community Involvement | SCI | A document setting out how and when stakeholders and other interested parties will be consulted and involved in the preparation of the Local Plan and development management. |
| Supplementary Planning Document | SPD | A Supplementary Planning Document can give further guidance on specific policy topic areas such as affordable housing provision, that have been identified in policies embedded within DPD's or give detailed guidance on the development of specific sites in the form of a master plan framework plan or development brief. SPD's are not part of the statutory plan but are a material consideration. |

APPENDIX 2

Local Plan Part 1 Commitments

The extracts and summary table below detail commitments made in the Local Plan Part 1 to be addressed via a Local Plan Part 2. Note- the Local Plan Part 1 does also refer to the potential need for Supplementary Planning Documents or a Local Plan review to consider some of these issues too.

Extract from Local Plan Part 1 Preface:

Local Plan Part 2 will identify site specific allocations as well as the various standards to be applied in order to help deliver the strategic policy. Part 2 will also help address Birmingham’s housing needs should this be necessary following further evidence gathering, either by identifying further capacity within the plan period or safeguarding land for development beyond the plan period. In addition, Part 2 will safeguard sites for potential development beyond the plan period to help meet future District needs. Part 2 will be informed by a review of the Green Belt to be undertaken in full consultation with stakeholders. Should any further Area Action Plan be considered appropriate for the District this will also be undertaken within Part 2. Local Plan policy will also be elaborated, where justified, by Supplementary Planning Documents (SPD).

Extract from Local Plan Part 1 Background:



| Local Plan Part 1 Objective/Policy | Commitment | Notes (where applicable) |
|---|--|--|
| CP2 Developer Contributions for Infrastructure | Site specific standards for infrastructure provision | Can be updated through a Local Plan Review or updated Developer Contributions SPD |
| Objective 2/CP5 Social Inclusion and Healthy Living | Update of the Green Space Network and consideration of specific allocations including Cannock Stadium and other leisure, recreation and community uses. Site level policy on standards/ requirements for open space, sport and recreation. | <p>Partly addressed via Developer Contributions and Housing Choices SPD (2015) which includes open space standards and via Infrastructure Delivery Plan/Regulation 123 list which sets out key infrastructure requirements including sport and recreation projects</p> <p>Allocations would be covered in a Local Plan review.</p> |
| CP6 Housing land | To provide residential development site allocations and to address longer term needs/safeguarding (of Green Belt land). Specific consideration of boundary of existing safeguarded land (East of Wimblebury Road). | <p>Majority of largest residential sites already benefit from planning consent/are under construction or are in the process of applying for planning permission</p> <p>Allocations and safeguarding would be included in a Local Plan Review</p> |
| CP7 Housing Choice | Allocation of gypsy, traveller and travelling showpeople sites including consideration of Green Belt land. | <p>Potential shortfall in site options available for allocation identified in Local Plan Part 2 consultation -this issue may not necessarily be resolved fully via any further work on Local Plan Part 2.</p> <p>Would need to be included as part of a Local Plan review.</p> |

| Local Plan Part 1 Objective/Policy | Commitment | Notes (where applicable) |
|---|---|---|
| CP8 Employment Land | To provide employment development site allocations and to address longer term needs/safeguarding (of Green Belt land- specifically at Kingswood Lakeside where rate of take up of land here identifies need). Guidance for redevelopment of existing employment sites in the Green Belt | Guidance for redevelopment of existing employment sites in the Green Belt addressed via Design SPD (2016). Majority of largest employment sites already benefit from planning consent/are under construction. Local Plan Part 2 identified shortfall in employment land supply (recently arising due to use of Mill Green for retail, not B class employment) and Kingswood Lakeside likely to be built out in short term. However, shortfall relatively modest at this stage (3ha) and further urban sites may come forward via planning applications. Potential contribution of Rugeley Power Station also uncertain. Issues would be better considered via a Local Plan Review as have strategic implications. |
| CP9 A Balanced Economy | To consider potential site allocations for leisure/recreation development schemes, including the Hatherton Canal route for safeguarding. | To include in the scope for a Local Plan review |
| CP10 Sustainable Transport | Consider updated parking standards | Now considered appropriate to be included in updated Design SPD |
| CP11 Centres Hierarchy | To consider strategy for Cannock Town Centre further via Area Action Plan or Supplementary Planning Document. | Cannock Town Centre Area Action Plan being progressed separately |

| Local Plan Part 1 Objective/Policy | Commitment | Notes (where applicable) |
|--|---|---|
| CP12 Biodiversity and Geodiversity | Site specific implementation measures for biodiversity and geodiversity | Partly addressed via Design SPD (2016)- contains guidance on biodiversity. Other matters could be covered by a Local Plan review |
| Objective 7/CP14 Landscape Character and Cannock Chase AONB | Consideration of Local Green Space designation at Rawnsley Road and other green infrastructure standards/site specific requirements | Partly addressed via Design SPD (2016)- contains guidance on landscape and green infrastructure. Other matters could be covered by a Local Plan review |
| Objective 8 (links primarily to Policy CP16 Climate Change and Sustainable Resource Use) | Need to keep under review site specific policy for Rugeley Power Station (in previous context as power generating source, prior to announcement of closure) | Context changed- now being considered for alternative redevelopment. Appropriate to consider through a Local Plan review |

| | |
|--------------------------|--|
| Report of: | Head of Economic Development |
| Contact Officer: | Clare Eggington |
| Telephone No: | 01543 464326 |
| Portfolio Leader: | Economic Development and Planning |
| Key Decision: | No |
| Report Track: | Cabinet: 25/01/18 |

CABINET
25 JANUARY 2018
RUGELEY POWER STATION SUPPLEMENTARY PLANNING DOCUMENT

1 Purpose of Report

- 1.1 To give consideration to the consultation responses received on the Draft Rugeley Power Station Supplementary Planning Document (SPD) for the District and to approve the amended SPD for adoption.

2 Recommendations

That:

- 2.1 The amended Supplementary Planning Document attached at **Appendix 1** is approved.
- 2.2 Authority for any further minor (non-substantive) amendments to the SPD is delegated to the Head of Economic Development in consultation with the Economic Development and Planning Portfolio Leader.
- 2.3 The amended Rugeley Power Station SPD (Appendix 1) is adopted in accordance with the provisions of the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended).

3 Key Issues and Reasons for Recommendation

- 3.1 As set out in the Cabinet report of 15 June 2017, joint work with Lichfield District Council has been ongoing to produce an SPD to provide the framework for the future redevelopment of Rugeley Power Station, which stopped generating electricity in June 2016, has now been decommissioned and is now awaiting demolition.
- 3.2 SPDs provide further policy elaboration to adopted Local Plans. They should build upon and provide more detailed advice or guidance on the policies in the Local Plan, have to be prepared in line with the Town and Country Planning (Local Planning) (England) Regulations 2012 and should comply with the

requirements as set out in the National Planning Policy Framework (NPPF), paragraph 153.

- 3.3 The draft SPD was consulted on in line with the Council's Statement of Community Involvement, with the formal consultation stage taking place for a period of six weeks between 24 July and 4 September, 2017.
- 3.4 The SPD was been amended to take account of the representations received by each Council. A Consultation Statement has been published on the Council's website at www.cannockchasedc.gov.uk/planningpolicy and this includes a schedule of summarised responses and the officer response to these setting out how each representation has been addressed.
- 3.5 The amended SPD, for adoption, is attached at Appendix 1.

4 Relationship to Corporate Priorities

4.1 This report supports the Council's Corporate Priorities as follows:

- **Better Jobs and Skills:** Economic Growth is a key strand of the national planning agenda. The Rugeley Power Station SPD encourages high quality employment provision and supporting infrastructure as part of a mixed use (housing and employment) development, providing employment and skills opportunities for local people (including those linked to construction) and providing with strong links to Rugeley town centre.
- **More and Better housing:** Housing delivery is at the heart of the Government's growth agenda. The SPD provides the framework for delivering significant levels of housing on a major brownfield site.
- **Cleaner and Safer Environments:** Environmental protection and enhancement, including crime reduction through safer design is a key aim of the planning system and this is reflected in the SPD.
- **Better Health Outcomes:** planning policy enables decisions to be made which improve the health of local communities and the SPD sets out requirements for open space, sport and recreation, provision of community services and facilities and supporting the retention, improvement and development of infrastructure (e.g. the towpath, cycleways, public transport) which will contribute to improved health and wellbeing.

5 Report Detail

- 5.1 As set out in the Cabinet report of 15 June 2017, joint work with Lichfield District Council has been ongoing to produce an SPD to provide the framework for the future redevelopment of Rugeley Power Station, which stopped generating electricity in June 2016, has been decommissioned and is now awaiting demolition. Given the significance of this large brownfield site in terms of the local economy and its future redevelopment potential, the Rugeley Power Station Task Force originally agreed in March 2016 that the production of a development brief (as an SPD) should be undertaken.

- 5.2 The 139 ha site primarily relates to Rugeley Power station B but also encompasses part of the former Part A site in Lichfield District (the part of the site incorporating the pool known as the Borrow Pit). 55ha of the site lies within Cannock Chase District and 84ha is in Lichfield District.
- 5.3 The draft SPD was approved for consultation by Cabinet on 15 June, 2017. Consultation was undertaken in line with the Council's Statement of Community Involvement, with informal consultation being undertaken in June and July, 2017, and the formal consultation stage taking place for a period of six weeks between 24 July and 4 September, 2017. Further information is set out in the Consultation Statement, published online at:
www.cannockchased.gov.uk/planningpolicy
- 5.4 Each Council ran its own consultation process (to the same dates) given that each organisation holds its own database of consultees which it is not able to share due to data protection legislation, and each has its own adopted Statement of Community Involvement. However, all consultees were made aware that names and comments would be made public, and thus the two councils were able to share details at this level and have worked together to address changes to the SPD as a result of the comments received.
- 5.5 Around 260 representations were received from 74 individuals / organisations and the Consultation Statement (link to the website in paragraph 5.3) includes a schedule summarising these, along with the officer responses showing how the matters raised have been addressed.
- 5.6 There was a lot of support overall for the proposals and the joint approach to addressing these. The main areas raised through the representations and resulting in change to the consultation draft (in addition to various corrections) are:
- The need for further evidence to be produced to inform the development in several areas including ecology, archaeology, heritage impact, transport assessment, flooding and drainage, various infrastructure requirements;
 - The need for infrastructure provision to be considered in more detail as the development progresses: a range of issues have been bolstered / added to the SPD for example education, health, community facilities, public transport links, broadband provision, parking, access, open space, sport and recreation, electric charging points, cycling and walking routes.
 - Opportunities from the site to be maximised: the SPD has been strengthened to take account of opportunities from the conservation and heritage assets and their setting, from the landscape and ecological assets on the site including trees and water features, high quality local employment and the opportunity for local people to access jobs and skills / training.
 - The need for further matters to be taken into account as development progresses and for which the SPD has been strengthened include ongoing maintenance (eg open spaces, materials from which roads and other access routes are constructed, access for service vehicles including refuse vehicles), air quality, noise, contamination and pollution matters, minerals, parking and access, employment and skills plans, ecological matters (including impacts on the Cannock Chase Special Area of Conservation), visual impacts from the site including those on the Cannock Chase AONB, strengthening

linkages between the site and local communities including Rugeley town centre; sport and recreation and 'Active Design'.

- The need for part of the site to be safeguarded for works related to the second phase of High Speed Two (HS2). As development progresses this will have implications of the form of development and timescales for delivery will need to be considered further as more information becomes available.

5.7 Other changes have also been made to correct errors or to address presentational matters (e.g. the maps).

6 Implications

6.1 Financial

As referred to in the previous Cabinet report the costs of producing this SPD have been met within existing approved budgets.

6.2 Legal

If adopted as a supplementary planning document regulation 14 of the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) requires the Council to make the document and an adoption statement available.

6.3 Human Resources

There are no Human Resources implications arising directly from this report.

6.4 Section 17 (Crime Prevention)

There are no Crime Prevention implications specifically in the report although the SPD itself will help to crime prevention and the reduction of crime as it links with the Design SPD and police guidance which covers such matters.

6.5 Human Rights Act

The extensive consultation procedures provided for by the Planning & Compulsory Purchase Act 2004 cover human rights matters in terms of the Development Plan.

6.6 Data Protection

No issues arising directly as a result of this report. Consultation databases are kept in line with data protection legislation.

6.7 Risk Management

An SPD will carry material weight in the decision making process. However, whilst subsequent planning applications should accord with the SPD there is no absolute guarantee that the site will be redeveloped along these lines, neither does it guarantee that redevelopment will occur.

6.8 Equality & Diversity

No issues specifically arising from this report, however the Development Plan itself is subject to Equality Impact Assessment.

6.9 Best Value

None

7 Appendices to the Report

Appendix 1: Rugeley Power Station SPD for adoption.

Previous Consideration

| | | |
|--|---------|---------------|
| Former Rugeley 'B' Power Station Site: Proposed Supplementary Planning Document | Cabinet | 15 June, 2017 |
|--|---------|---------------|

Background Papers

Link to Consultation Statement: www.cannockchasedc.gov.uk/planningpolicy
National Planning Policy Framework
Local Plan Part 1

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Rugeley Power Station Development Brief - Supplementary Planning Document

July 2017

Rugeley Power Station Development Brief - Supplementary Planning Document

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1 Introduction

Background

1.1 The Rugeley Power Stations were a series of two coal fired power stations located to the east of Rugeley adjacent to the River Trent traversing the boundary between Cannock Chase District and Lichfield District. Rugeley Power Station A was decommissioned during 1994 and demolished in 1996 with residential development still ongoing to replace the facility.

1.2 This Development Brief relates primarily to Rugeley Power Station B although it does encompass part of the former Power Station A in Lichfield District (the site of the former Borrow Pit). Rugeley Power Station B was commissioned to work alongside Rugeley Power Station A in 1970. It was announced in February 2016 that due to a deterioration in market conditions the Station would cease operating and it closed in June 2016. The Station and its supporting infrastructure is currently being decommissioned with demolition to follow. It is anticipated demolition will commence in 2018 and take up to two years.

1.3 This Development Brief sets out the joint aspirations of Lichfield District Council (LDC) and Cannock Chase District Council (CCDC) for the redevelopment of the Rugeley Power Station site.

1.4 The development of the former Rugeley Power Station site supports the redevelopment of a significant brownfield site and creates a logical extension to the East of Rugeley Strategic Development Area (SDA) as allocated for development within Lichfield District Council's Local Plan Strategy. The site will provide physical and social integration of new development with the adjacent residential development (Former Rugeley Power Station A) and the existing settlement of Rugeley.

1.5 The overall aim for the site is to create a well-designed mixed use development which incorporates market housing, affordable housing, self-build housing, employment provision, education provision and open space and recreational facilities. It is envisaged that the new development will become a popular residential neighbourhood and place of work, creating a network of pedestrian and cycle routes and open spaces which connect the site with the surrounding area and respond to the local context.

Purpose and Scope

1.6 A Supplementary Planning Document (SPD) is a planning policy document that supports a policy in an adopted Local Plan. SPDs fall into two categories: the first is policy supporting a District-wide objective, the second is policy for a specific site or area, such as this SPD.

1.7 This SPD aims to assist with the delivery of Lichfield District Council's Local Plan Strategy Core Policy 1, particularly delivery of 10,030 dwellings over the plan period to 2029 and with Cannock Chase Council's Local Plan Part 1, particularly Core policies 1 (Strategy) and 3 (Design).

1.8 This SPD is written in the form of a Development Brief to provide guidance to landowners, developers and the local community about expectations with regards to layout, form and quality of development on the site. As such, this document will form a material consideration, which will be taken into consideration by LDC and CCDC when determining any future planning application for the site to facilitate a high quality, sustainable development appropriate to its locality.

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Rugeley Power Station Development Brief - Supplementary Planning Document

1 Introduction

Development Brief Boundary

1.9 This Development Brief relates directly to Rugeley Power B Station. Figure 1.1

below shows the development brief boundary as well as the boundary for Cannock Chase District Council and Lichfield District Council.

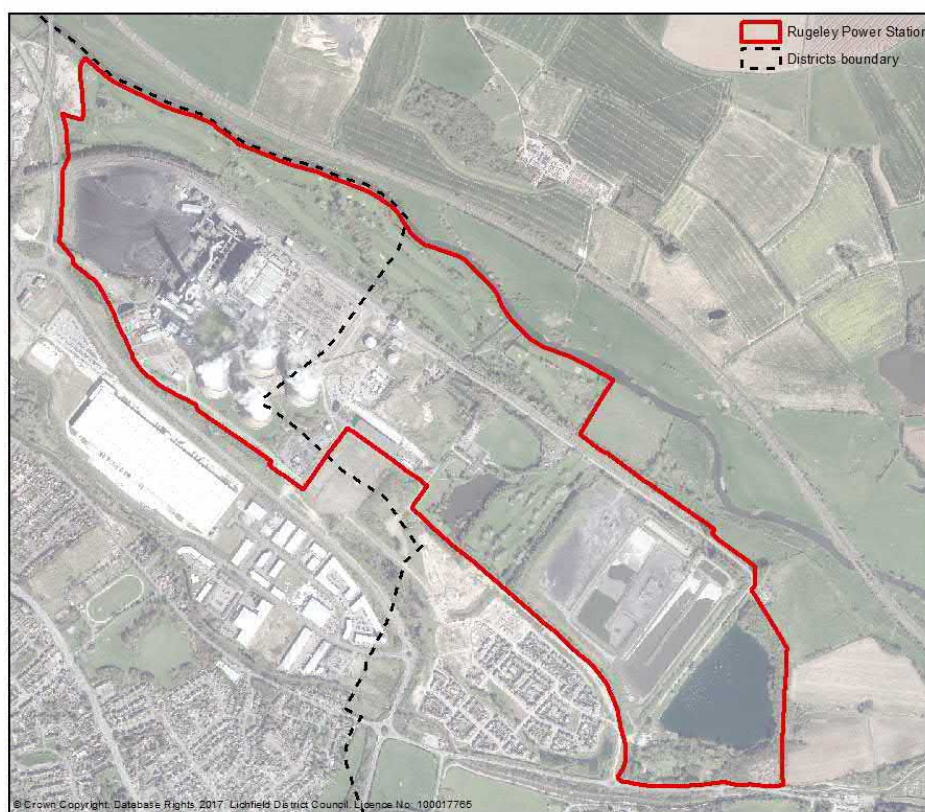


Figure 1.1 Red Line Boundary

Structure of the Document

1.10 The SPD is structured as follows:

- **Chapter 2: Site Analysis** - provides background context to the site and summaries the key constraints and opportunities;
- **Chapter 3: Policy Context** - sets out the relevant planning policies and obligations that developers will need to accord with;
- **Chapter 4: Development Principles** - outlines the key design principles for the site; and
- **Chapter 5: Delivery and Implementation** - provides guidance on how the development will be delivered and implemented.

Process of Preparation

1.11 Lichfield District Council and Cannock Chase District Council have worked in partnership with a number of key stakeholders in the preparation of this SPD to ensure that any future redevelopment responds to the surrounding area and produces a high quality, mixed use, sustainable development.

1.12 LDC and CCDC acknowledge that effective consultation at the early stages of a development proposal improves the scheme and creates value, by allowing communities and stakeholders have a say in the proposals.

1.13 The SPD has been informed by consultation with key stakeholders through the medium of a planning working group established as a sub group to the task force. The task force initially comprised of Officers from Lichfield District Council, Cannock Chase District Council, Staffordshire County Council, Staffordshire & Stoke on Trent LEP, Greater Birmingham & Solihull LEP as well as representatives from the HCA, Department for Works & Pensions, National Careers Services and Rugeley Power Limited.

1.14 Both LDC and CCDC consulted on a draft SPD for a period of six weeks where residents and interested parties had the opportunity to provide any feedback on the proposals. This version of the SPD has been amended to respond to comments received on the draft document during the consultation.

Status of the document

1.15 In its final form, the adopted SPD will be a material consideration in the determination of relevant planning applications.

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Rugeley Power Station Development Brief - Supplementary Planning Document

2 Site Analysis

2 Site Analysis**Site Location**

2.1 The site comprises of 139 hectares of land, (55 hectares in Cannock Chase District and 84 hectares in Lichfield District) and is roughly rectangular in shape. It forms part of the former Rugeley Power Station sites and the boundary is outlined in red in Figure 2.1.

2.2 Rugeley Power Station lies approximately 1km to the east of Rugeley Town Centre and approximately 1.6km to the west of the centre of Armitage. The wider site context is shown in Figure 2.2.

2.3 The north westerly section of site lies within Cannock Chase District and contains the majority of physical infrastructure and the south easterly section of the site is situated within Lichfield District.

2.4 The Site is bounded to the north by the River Trent, open countryside and the West Coast Mainline Railway which connects Rugeley with key destinations including London to the south east and Stafford and beyond to the north west.

2.5 The site of the former A Station adjoins the southern/ eastern boundary of the site and has been largely redeveloped for residential development known locally as 'The Pippins.'

2.6 The A51 forms the remainder of the southern/ western boundary of the site, beyond which lies the Towers Business Park comprising of mixed office and employments uses.

2.7 To the south of the site beyond the A513 lies the Hawkesyard Estate which includes conference facilities and St Thomas Priory Golf Course. These facilities are located within the Green Belt.

2.8 The Trent and Mersey Canal and its associated Conservation Area designation, closely follows the A513 and is located to the south of 'The Pippins' development.

2.9 The Cannock Chase Area of Outstanding Natural Beauty (AONB) and Cannock Chase Special Area of Conservation (SAC) lies approximately 8km to the west of the site.

2.10 The site is well located in terms of its proximity to local services and facilities. Given the recent redevelopment and regeneration in the area, the location is more accessible in terms of linkages to rail stations and improved road links and Rugeley Town Centre. Rugeley Town Centre is the primary shopping area and it is envisaged that this will be the main shopping area for the residents of the site.

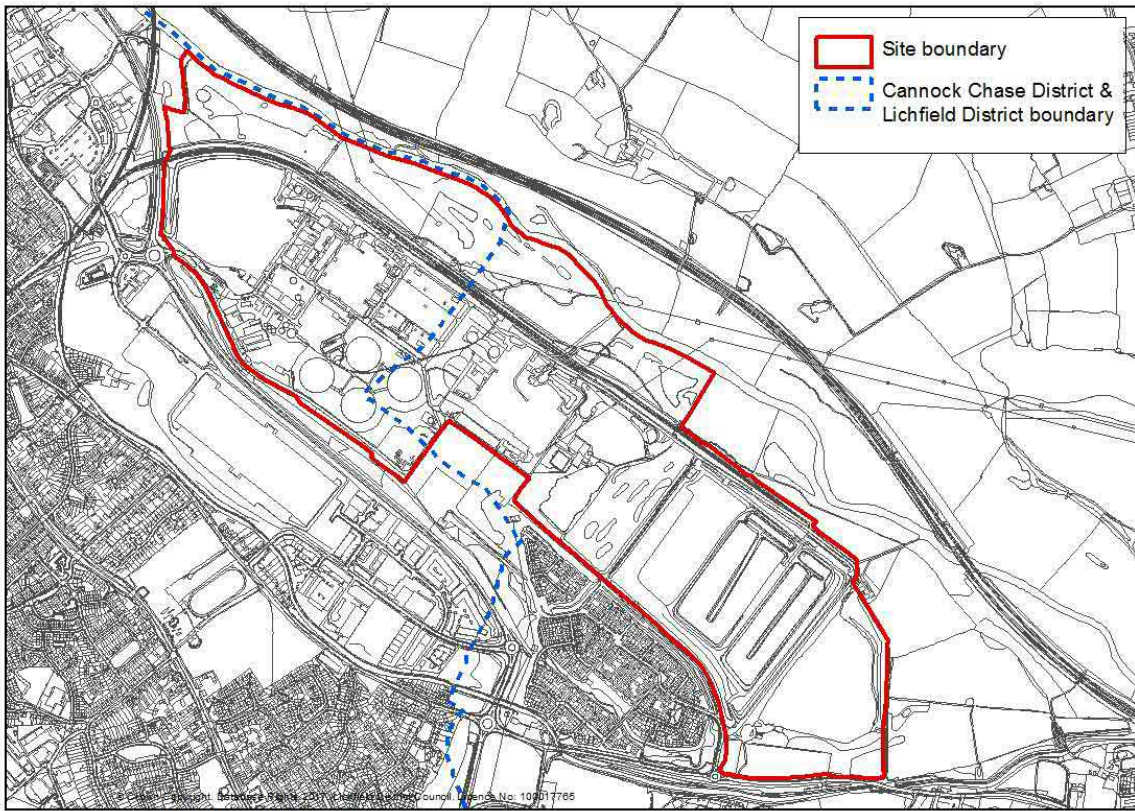


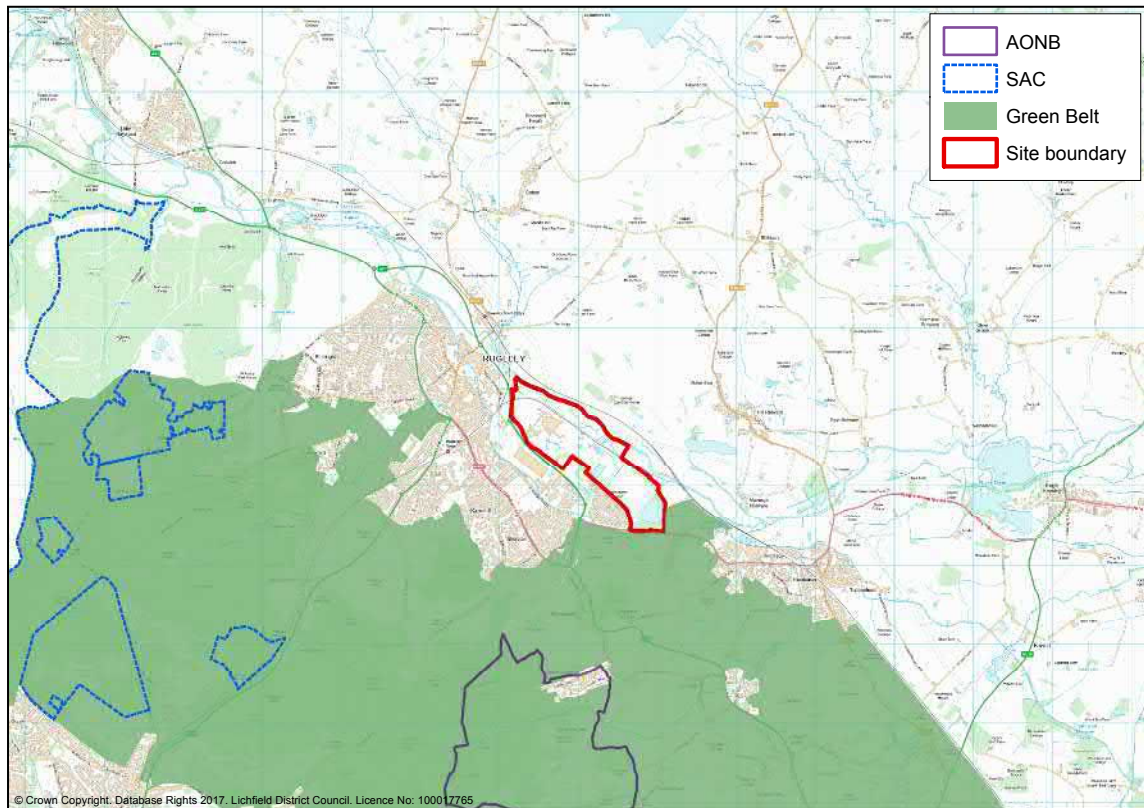
Figure 2.1 Site in Local Context

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Rugeley Power Station Development Brief - Supplementary Planning Document

2 Site Analysis



Picture 2.1 Site in Wider Context

Site Description

2.11 Rugeley Power Station is a significant physical landmark within Southern Staffordshire comprising of both physical infrastructure and soft landscaping areas.

2.12 The total gross external floorspace of the existing buildings and structures on site is 239, 800 sqm. These provided for the operation of the power station and include a 75 metre high boiler house, 183 metre high chimney, four 114 metre high cooling towers, a private rail siding, coal storage area, milling plant, electrical switchyard, Flue Gas Desulphurisation equipment and associated plant and machinery. It is considered that the majority of the physical infrastructure will be demolished, however

some of the buildings will be retained, namely the 400 kV sub station and 132 kV sub station.

2.13 The soft landscaping areas centre around facilities associated with the former Sports and Social Club building as well as the ash lagoons and existing borrow pit located towards to east of the site.



Figure 2.2 Existing Site (View of Cooling Towers from Golf Course)

2.14 As shown in Figure 2.4, the site contains a number of identified character areas, namely:

- Open coal storage area in the north western section;
- Operational buildings and structures concentrated in the central north western section;
- Sport and recreational facilities associated with the Sports and Social Club located centrally and to the north of the railway;
- Ash Lagoons situated in the central south eastern part of the site;
- Borrow Pit in the south eastern section; and
- The railway siding and embankment provide a boundary to the operational part of the site.

2.15 The main access to the site is achieved from a roundabout on the A51 at the north western corner.

2.16 In terms of topography the site is generally flat.

2.17 An application for a Certificate of Lawfulness Proposed Use or Development was approved in July 2016 to enable a battery farm to be established on the south-western edge of the site. The battery farm would comprise shipping container sized batteries, together with a small substation to provide demand balancing energy supply. The system would provide electricity to the network at times of high demand.

2.18 An area Tree Preservation Order (TPO) is in force on the site of the former 'A' Station. The boundary of the TPO encroaches into the site along the shared boundary and a narrow strip extends along the southern boundary of the site along the edge of the A513.

2.19 The site does not lie within a Conservation Area but is situated to the north of the Trent and Mersey Canal Conservation Area, with the south eastern boundary located adjacent to the canal.

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Rugeley Power Station Development Brief - Supplementary Planning Document

2 Site Analysis

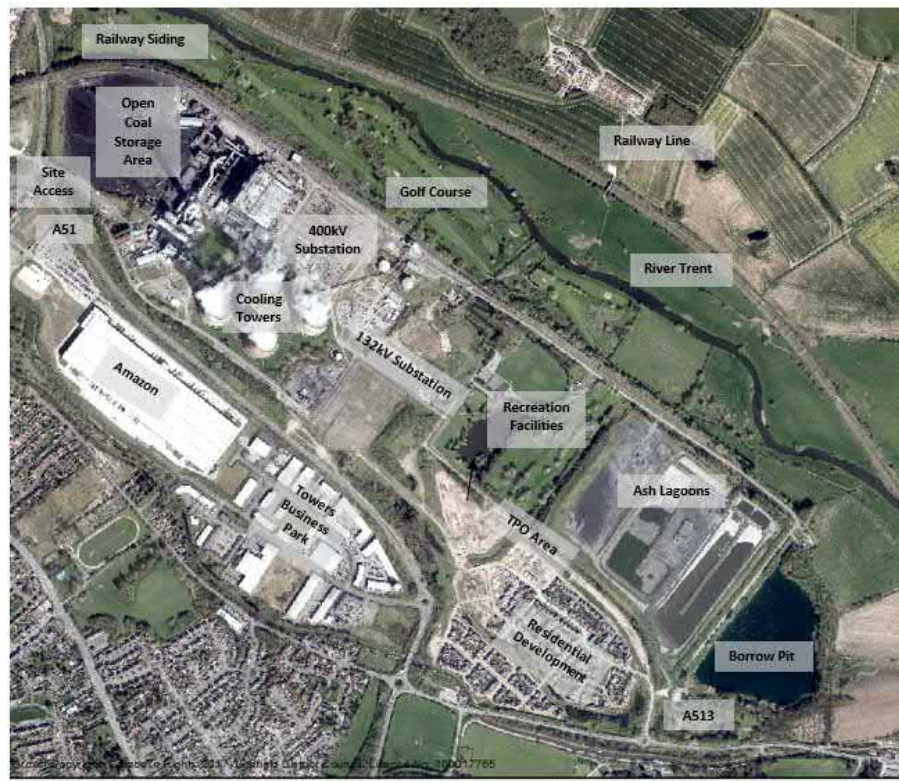


Figure 2.3 Aerial plan of Site & wider context

Land Ownership

2.20 The site is presently owned by Rugeley Power Limited.

2.21 Rugeley Power Limited is working closely with Lichfield District Council and Cannock Chase District Council as well as other stakeholders to bring forward this substantial brownfield site for redevelopment.

2.22 The following ownership matters need to be taken into consideration as part of future development proposals:

- 400kV sub station to remain in situ on long lease to National Grid;
- 132kV sub station to remain in situ on long lease to National Grid with a sub lease to Western Power Distribution;

- Pre-emptive rights in relation to certain infrastructure; and
- Rights of way along roads for the benefit of the substations and some adjoining land.

Historic Environment

2.23 In accordance with Staffordshire's Historic Environment Record there are no statutory or locally listed buildings on site. A Certificate of Immunity for Rugeley B Power Station was issued by Historic England on 9 October 2017. The certificate precludes the Secretary of State from listing the site for a period of five years from the date of issue and precludes the local planning authority from serving a Building Preservation Notice during that period. However, the applicant will be required to record the site in line with best practice and in accordance with NPPF, this should be

done in consultation with local Conservation Officers and Staffordshire County Council's Historic Environment Team.

2.24 There are a number of Scheduled Ancient Monuments (SAM) and Listed Buildings within close proximity of the site. These include:

- Viaduct over Trent & Mersey Canal is Grade II listed approximately 500m west of the site;
- Manor House SAM approximately 5km north east of the site;
- Moated site of Handsacre Hall SAM approximately 3.7km south east of the site;
- Castle Ring SAM approximately 4km south of the site;
- Circular Earthwork SAM approximately 3 km north west of the site;
- Bridge number 64 off Armitage Road is Grade II listed approximately 1.3km south west of the site, adjacent the Amazon warehouse;
- Spode House and attached Coach house Hawkesyard Priory is Grade II listed approximately 1.6km south east of the site;
- St Thomas Church is Grade II listed approximately 1.2km south east of the site;
- Former Summerhouse west of Spode House is Grade II listed approximately 1.2km south east of the site; and
- The Old Farmhouse Restaurant is Grade II listed approximately 1.2km east of the site.

2.25 There is potential for below ground archaeological remains to be present across the site including potential for palaeoenvironmental remains associated with the nearby River Trent. It is envisaged that staged archaeological evaluations to better understand the significance of any below ground archaeological remains present will be required.

2.26 The Trent and Mersey Canal Conservation Area is also located approximately 300m to the south of the site, beyond Towers Business Park. Given the proximity to the canal conservation area, proposals will need to demonstrate that any impacts on both the Conservation Area and the canal network have been adequately mitigated. Early dialogue with stakeholders including the Canal & River Trust will be necessary.

2.27 Within Cannock Chase District, the Historic Environment Character Assessment Addendum (2017) surveyed a zone of land incorporating the Power Station site. This identifies the zone overall as 'low/moderate' in terms of its heritage assets significance and sensitivity to change (i.e. new housing development). The Zone is in two parts, one relating to the golf course on the river banks (reference RHECZ9), which has some archaeological potential and so the potential impacts of development in this area upon known and unknown archaeological features including any above - ground water meadow features should be assessed to inform a mitigation strategy. The other relates to the power plant area (reference RHECZ10), which has potential for surviving archaeological features to be decided on a site by site basis and where deemed appropriate an archaeological condition will be advised.

2.28 Whilst there are no listed buildings on site, given the proximity to the Trent and Mersey Canal Conservation Area further dialogue between the applicant, Historic England, Staffordshire County Council, Environment Agency and local Conservation Officers will be necessary.

Transport & Access

2.29 The site benefits from being well located in terms of its connectivity and proximity to A roads which connect to the Motorway network, as well as its distance

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Rugeley Power Station Development Brief - Supplementary Planning Document

2 Site Analysis

to key public transport hubs including Rugeley Trent Valley Station, Rugeley Town Station and the Bus Station.

Vehicular Access & Movement

2.30 The primary access to the site is achieved from a roundabout junction on the A51. This access has served the power station during its lifespan.

2.31 Planning permission was granted in September 2017 for the creation of a second access into the power station site from A513 including a new roundabout junction (Application Reference: 17/00453/FUL). Further dialogue will be required with Staffordshire County Council to establish whether additional access points will be required to serve the future redevelopment of the site and this should be incorporated into a transport appraisal.

2.32 Utility way-leaves are provided over a linked network of roads within the site. The wayleaves create a fixed route through the site and enable a right to access the substations for operational purposes.



Figure 2.4 Existing site access from A51

Pedestrian & Cycle Routes

2.33 Given the sites history as an operating Power Station there is a poor existing pedestrian and cycle network within its boundaries, however, more generally in a wider context the site benefits from being located in close proximity to a number of pedestrian and cycle links.

2.34 The A51 comprises a shared footway which runs adjacent to the western side of the carriage and provides direct access to Rugeley Trent Valley Rail station.

2.35 A public tow-path lies to the south of the site and follows the Trent and Mersey Canal, providing a valued recreation route to Rugeley Town Centre. There are a number of national cycle routes present in Rugeley.

Public Transport

2.36 Rugeley benefits from two train stations, namely Rugeley Town located approximately 1.5km from the site and Rugeley Trent Valley located approximately 2km from the site. These stations connect Rugeley with key destinations including Birmingham, Lichfield, Stafford and London. The Chase Line is currently being electrified and will benefit from a more frequent electrical service from 2019.

2.37 A number of bus services operate within Rugeley, however the current bus provisions are mainly focused within existing residential areas and not the more industrial Trent Valley area of Rugeley. There is an expectation that developers will improve transport networks in relation to the site and issues around its connectivity.

High Speed Two (HS2)

2.38 HS2 have identified a number of safeguarded land areas related to the second phase of HS2. This includes an area of proposed safeguarded land within the site including the main access. The implications that safeguarding land within the site for HS2 will have on the form of development and timescales for delivery will need to be considered further as information becomes available.

Ecology & Biodiversity

2.39 With regards to Ecology it is considered given the industrial use of the site that land towards the west of the site is likely to be of low ecological value however there is potential for the landscape features and waterways including the golf course area and Borrow Pit to be key ecological assets.

2.40 A Breeding Bird survey was carried out in 2015 and identified 53 species, 9 of which are "Red List" Species of conservation importance. The majority of species were found within the existing golf course.

2.41 Investigations were also carried out in 2015 to establish whether other protected species were on-site. The survey found that there was no evidence of dormouse on site, however there was evidence of badgers and suitable habitats for otters, water vole, bats, reptiles and newts.

2.42 Habitat surveys and a preliminary ecological assessment will be required for the full site to establish the presence of these species on site and in line with NPPF any impacts on these species should be avoided, any impacts that cannot reasonably be avoided should then be mitigated against, or if this is not possible, compensated for.

2.43 With regards to biodiversity, there is a substantial opportunity to deliver biodiversity enhancement through redevelopment of this site that contributes to the UK Biodiversity Strategy, the Staffordshire Biodiversity Action Plan and Cannock Chase and Lichfield District Biodiversity Opportunity Maps. It is recommended a quantitative assessment is undertaken at the earliest opportunity so that the proposed scheme can be displayed as achieving both 'no net loss' to biodiversity and 'net gains to biodiversity' or else amended so it is capable of doing so.

2.44 With regards to designations, the site lies within the Cannock Chase Special Area of Conservation (SAC) Zone of Influence and will require Appropriate Assessment under the Habitats Directive to ensure it will not generate harm to this European protected area. New developments are required to ensure no harm arises to the SAC. Both [LDC](#) and [CCDC](#) have published guidance on this matter and it is essential that this is referred to.

Landscape & Community Features

2.45 The site contains a number of hard and soft landscape and community features, however given the heavy industrial use of the site these tend to be located centrally and to the east of the site as well as to the north of the railway.

2.46 When considering the landscape strategy for the site the priority will be addressing and where possible retaining the key landscape features as outlined below and highlighted in Figure 7. Further dialogue with local Ecology and Landscape Officers will be required as the landscape strategy progresses.

Leisure & Community Facilities

2.47 The Rugeley Power Station Sports and Social Club was established during the 1960's as a staff facility later being opened to the wider community.

2.48 The following sports facilities are associated with the club and centrally located within the site:

- A football pitch;
- Cricket pitch;
- Miniature steam railway;
- Two Tennis Courts; and
- Crown Bowling Green;

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2 Site Analysis

2.49 An 18 hole golf course is currently split across two sites, with the largest part located to the north of the railway line and adjacent to the River Trent. To the south of the railway line lies the first 5 holes of the golf course and this is constructed on the historic Ash Lagoon 1.

2.50 Following the closure of Rugeley Power Station, the Sports and Social Clubs lease has ceased and all facilities will be vacant from summer 2017 onwards.

Borrow Pit & Lakeside Amenity

2.51 The borrow pit area is a key landscape/ water feature of the existing site currently used for angling. During the construction of Rugeley Power B station, quarried material was taken from the eastern end of the site and due to the groundwater table and springs, the pit naturally filled and quarrying ceased. The pit and its immediate surroundings have become an amenity and ecological asset and provided fishing for the sports and social club.

2.52 A planning application for the filling of the borrow pit was approved in 2007 however the consent has since lapsed.

2.53 There is a vacant building and associated parking adjacent to the lake which was previously an education centre.

2.54 The Councils will be supportive of proposals that seek to retain the borrow pit.

Allotments

2.55 Allotments are located to the south eastern corner of the site adjacent the A513. It is considered the allotments will continue to operate despite the closure of the sports and social club and will form part of any proposals.

Waterways

2.56 The site contains a number of waterways comprising of lakes, pools ditches and streams. It will be necessary to consider the retention or amendment of these features as part of an appropriate drainage strategy, working with the Environment Agency, Severn Trent Water and other stakeholders.

Trees & Landscape

2.57 The trees and landscape features on site are predominately associated within margins and earthwork bunds. They divide and screen the site between operational and amenity areas and the wider landscape. The mature vegetation along the site boundary form part of the Area TPO and contribute to the local character of the site. Some of these trees may however need to be lost if the pulverised fuel ash in which they are rooted is required to be removed however this will be subject to further dialogue with the relevant Arboricultural Officer.

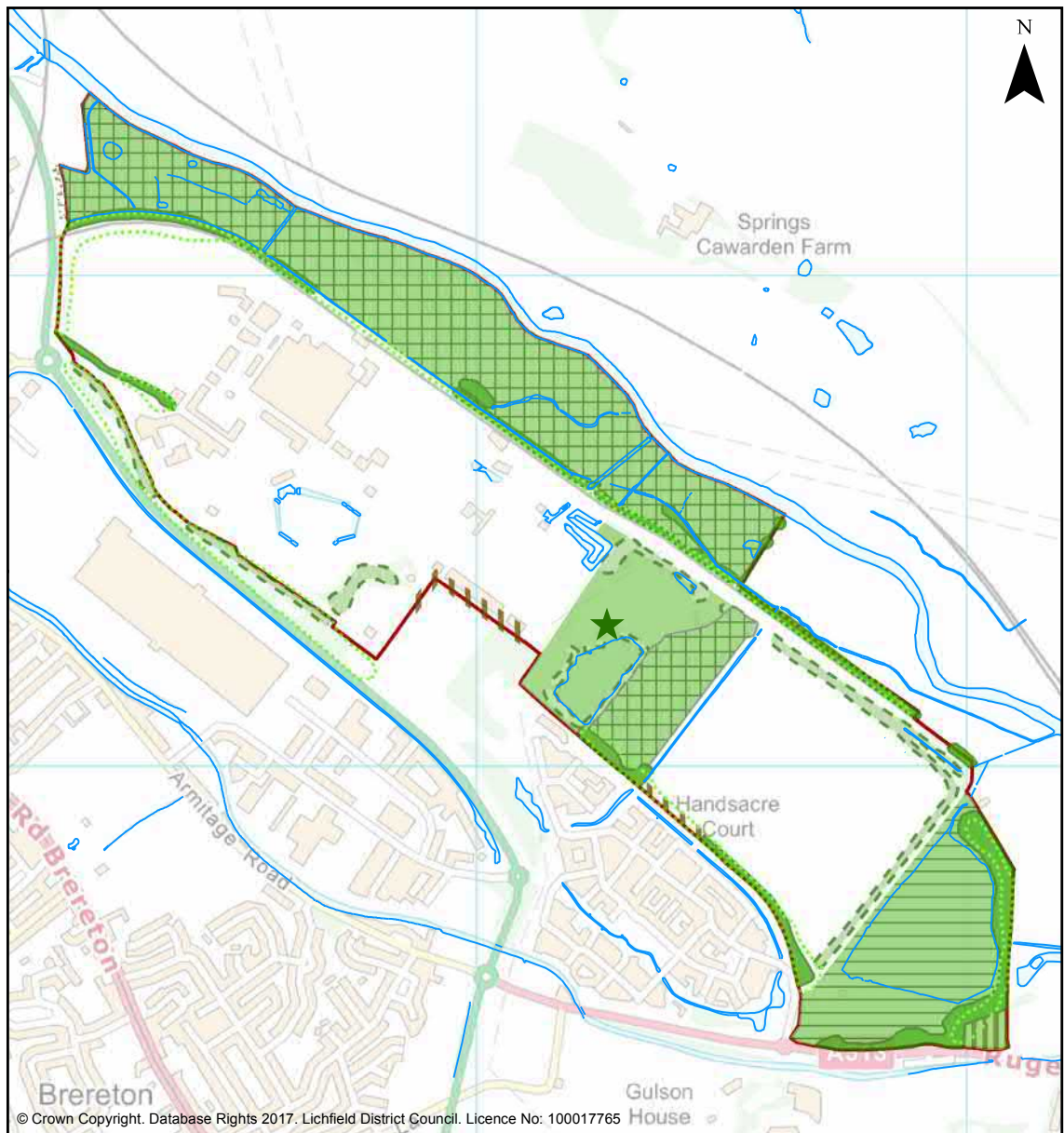
2.58 The Cannock Chase Area of Outstanding Natural Beauty is located approximately 2.5km to the west of the site. The site itself is not covered by any statutory or non-statutory landscape designations. The Cannock Chase Landscape Character Assessment (addendum 2017) surveyed a Landscape Character Parcel covering the northern extent of the Power Station site (the golf course area primarily – see parcel reference TV02). This identifies the current condition of the landscape as ‘very poor’ and recommends a vision for the parcel including a restoration strategy for the River Meadowlands landscape via green infrastructure initiatives along the river corridor and consideration of links to the landscape scale habitat enhancements on projects such as ‘On Trent.’

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2.59 It is envisaged that a Tree Survey and landscape visual analysis and landscaping strategy will support any planning application on the site and further

discussions with the Landscape Officers and Tree Officers will be necessary as the application progresses.

2 Site Analysis



- Site boundary
- Existing leisure & community amenity
- Existing golf course amenity
- Existing Borrow Pit & lakeside amenity
- Existing trees providing amenity and screening
- Existing trees that contribute to local character
- Existing Wet Grassland
- Steep embankments providing Character or screening
- Trees with TPOs
- Staff allotments
- Sports & social club house
- Existing water features

Figure 2.5 Strategic landscape

Flooding & Drainage

Flood Risk

2.60 The majority of the site is located in a low flood risk area (Flood Zone 1), however the parcel of land to the north of the railway, namely the existing golf course is identified as being located within a medium flood risk area (Flood Zone 2) and a high flood risk area (Flood Zone 3). Small zones of Flood Zone 2 encroach on the south of the railway embankment as shown on the EA mapping in Figure 8 below.

2.61 It is considered that any new development should be located away from either flood zone, unless mitigation works to reduce the flood zone area are capable of being achieved.

2.62 Any development proposals will need to be accompanied by a Flood Risk Assessment to ensure that future residents of the development and nearby residents are not placed in danger from flood hazards and early engagement with the Environment Agency to inform any proposals will be required.

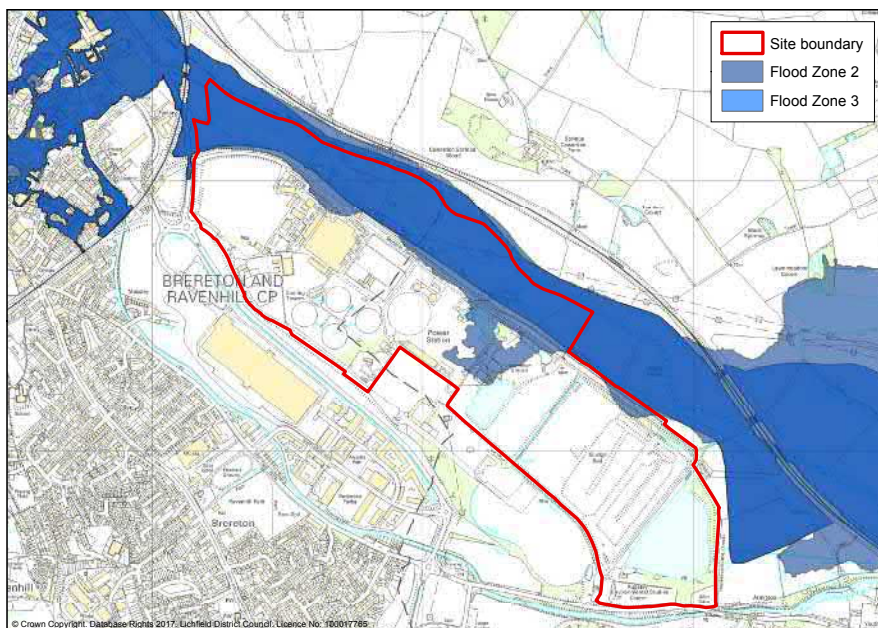


Figure 2.6 Flood Risk Mapping

Drainage

2.63 The site is currently crossed by four surface water drains connecting with the River Trent to the north of the site.

- Rugeley Town Main Water Drain – located to the west of the site. It is within a underground pipe where it passes through the operational parts

- of the site before becoming an open channel within the golf course;
- Brereton Brook – the brook is situated between the Sports & Social Club area and the Ash Lagoons. It flows from the south west to north east and joins the northern drain which feeds into the River Trent;
- Borrow Pit – the adjacent residential development site has drainage

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2 Site Analysis

connections through the Borrow pit out to the River Trent; and

- Northern Drain – located to the north of the railway embankment and within the Golf Course. It lies on a relatively natural alignment from north west to south east. Water is collected at various points along its length and this then flows into the River Trent.

2.64 These drains are to be retained and maintained as part of any development proposals.

2.65 When the site is redeveloped, opportunities exist to utilise the existing waterways and introduce Sustainable Urban Drainage (SuDS) as part of future proposals. Staffordshire County Council as the Lead Local Flood Authority (LLFA) have prepared a SuDS [handbook](#) and regard should be given to the guidance and standards contained within the handbook.

2.66 As part of the pre-application process, discussions will be necessary to assess the capacity of the existing foul sewerage network and establish a comprehensive drainage strategy.

Utilities

Underground Utilities

2.67 The location of the site to the north of Rugeley Town Centre and the existing public utilities that serve the Power Station will assist with facilitating development, however the capacity of existing services to serve residential development will need to be established as part of any planning application.

2.68 With regards to the existing utilities, the site is currently crossed by a multitude of underground services and utilities the vast majority of which are associated within buildings due for demolition.

2.69 There are a series of utilities corridors that serve the 400kV, 132kV substation as well as the off-site Network Rail substation located to the north east of the site. The corridors contain 48" water main, 135kV cables, super grid lines and fibre optic cables. These corridors will need to be retained in situ as part of any redevelopment proposals.

Overhead Utilities

2.70 The site is intersected by three 132kV overhead cables and associated pylon towers and 400kV cables exiting directly from the northern side of the 400kV substation, crossing the existing railway into a pylon before turning directly east across the River Trent to the next pylon.

2.71 The overhead utilities cables will need to be retained and incorporated into the design proposals in accordance with guidance received from National Grid.



Figure 2.7 400kV substation

Ground Conditions

2.72 It is acknowledged given the industrial use of the site that the majority of the land is likely to require some remediation. Work is on-going to understand the extent of works required.

2.73 A by-product of the power station operation has been the generation of Pulverised Fuel Ash (PFA). The PFA has been stored and treated in accordance with permits at the eastern end of the site within the Ash Lagoon Area.

2.74 Historically there were five Ash Lagoons. Lagoon 1 is now an ornamental lake. Lagoon 2 was filled and closed and remodelled to form the first five holes of the Golf Course. Subsequent bunds of around 3m to 4m were formed to enclose the remaining three lagoons.

2.75 Lagoon 3 has been filled creating a level platform within the lagoon area. Lagoons 4 and 5 remain in operation and are in the process of being emptied.



Figure 2.8 Existing Ash Lagoons

2.76 A mounded area central to the site and north of the 132kV substation has been identified as containing PFA and aggregate waste from historic demolition activity on the site. Further investigative work of this area is needed.

2.77 Overall, further work is required to understand the full extent of the remediation works required to ensure the site can be brought forward for development. Site investigation evidence is needed to confirm that harmful pollutant linkages are unlikely to occur during the development and operational stages. Consultation with the Environmental Protection Sections of each Council will be required throughout the redevelopment of the site and a co-ordinated approach will be essential.

2.78 The Staffordshire County Council Minerals Local Plan (2017) identifies a series of Mineral Safeguarding Areas, one of which almost entirely covers Cannock Chase District including the Power Station site. However the site may be exempt from consideration of mineral safeguarding issues as per Mineral Local Plan Policy 3 and Appendix 6. Consultation with the County Council will therefore be required in relation to mineral safeguarding issues and it is recommended that an assessment is carried out to determine the existence, quantity, quality and value of the underlying or adjacent mineral resource.

Services & Facilities

2.79 The site benefits from being located within close proximity to a number of services and facilities as shown in Figure 11 overleaf.

2.80 The proximity of the site to existing facilities assists in establishing the general level of provision in the area and identifying the nature, scale and location of on-site provision which may come forward as part of the development proposals, however, further technical work will be required to assess the capacity of the local services and facilities.

Education

2.81 The site is located in proximity to existing educational facilities including Hob Hill CoE School, St Joseph's Catholic School, Churchfield CoE School and Redbrook Hayes Community Primary School. With regards to secondary schools the Hart School is closest to the site.

2.82 Further education is also provided at Rugeley Sixth Form Academy which offers higher education for 16-18 years.

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2 Site Analysis

Retail Services

2.83 The north eastern section of the site is located within 800m walking distance of Rugeley Town Centre. The remainder of the site is within approximately 2.5km of the centre of Rugeley. This will be the primary shopping area for the development.

Employment

2.84 There are employment opportunities within close proximity of the site including at Rugeley Town Centre and numerous business parks and industrial estates

located along the eastern and southern fringes of the Town such as Towers Business Park.

Community and Health Facilities

2.85 The site benefits from being located in close proximity to a range of local community and health facilities including places of worship, health clinics and GP surgeries on Brereton Road and near Rugeley Town Station and Trent Valley Station. Rugeley Leisure Centre is located approximately 2km to the south west of the site.

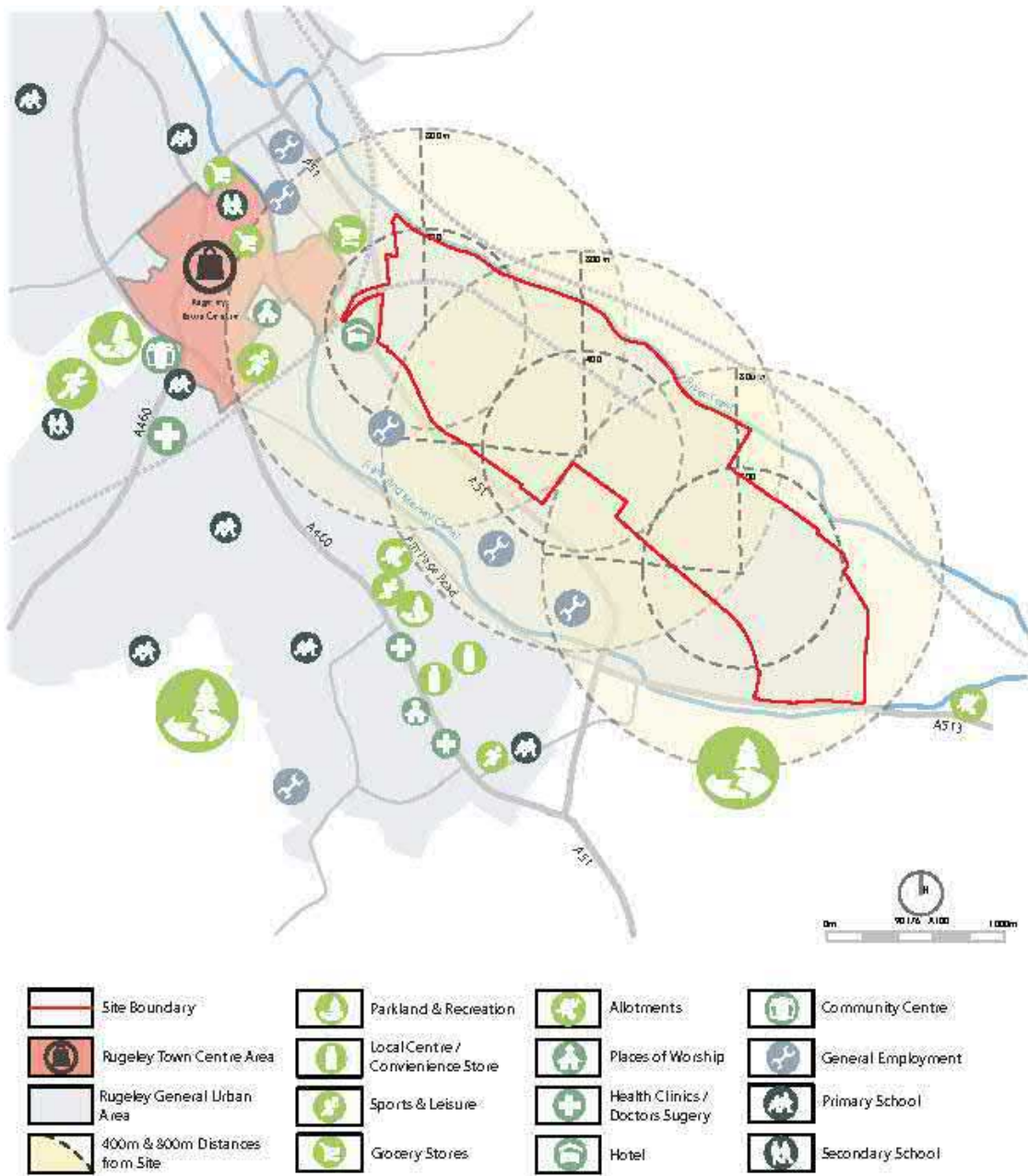


Figure 2.9 Services and Facilities (Source Savills)

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2 Site Analysis

Surrounding Development

2.86 Rugeley Power Station is predominantly surrounded by residential and industrial development to the south. The site provides a logical extension to the East of Rugeley Strategic Development Area (SDA) as allocated in LDC's Local Plan Strategy and development proposals will need to respond to the local context and surrounding development.

Residential Development

2.87 The East of Rugeley SDA was allocated in Lichfield District Council's Local Plan Strategy (adopted 2015) for mixed use development comprising of approximately 1,130 dwellings.

2.88 The SDA includes the residential development known as 'The Pippins', the smaller canal side site and the borrow pit.

2.89 Outline permission was granted in 2005 for The Pippins (CCDC reference: CH/03/0378 and LDC reference: 03/00627/OUT) comprising of a maximum of 600 dwellings. To date detailed permission has been granted for 568 units of which the majority are completed.

2.90 Figure 2.11 below highlights the current status of the SDA which benefit from permission.

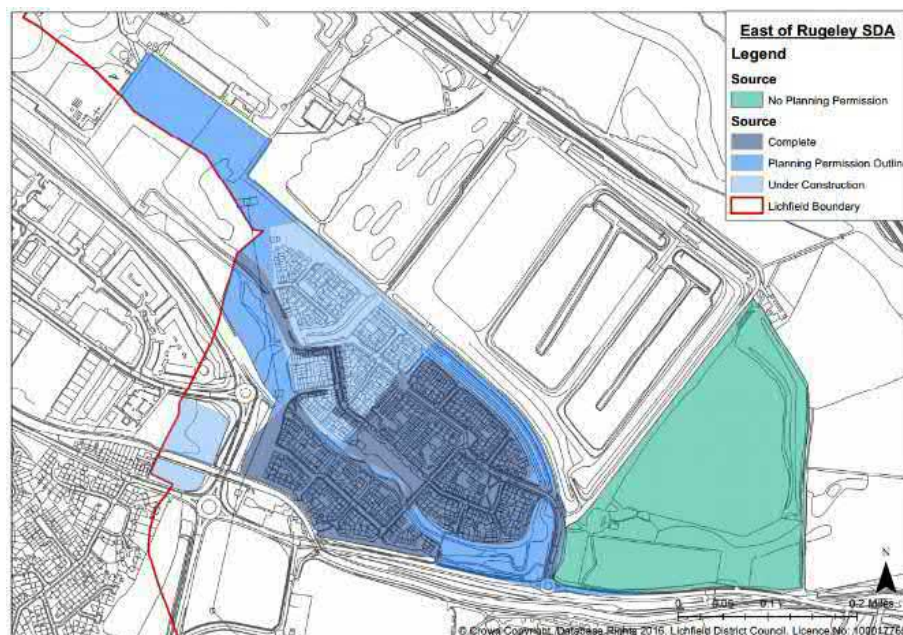


Figure 2.10 Status of Rugeley SDA

2.91 The new residential development comprises of a mix of house types and tenure including 25% affordable housing provision. Examples of the development are shown in Figure 12.2 overleaf. A balanced mix of housing will be encouraged as part of any development proposals.



Figure 2.11 Example of surrounding residential development

Employment Development

2.92 The Tower Business Park is located to the south of the site and comprises of a number of business and warehouse facilities, including occupiers Amazon, Premier Inn and Ultra Electronics.



Figure 2.12 Example of surrounding employment use

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2 Site Analysis

Opportunities and Constraints

2.93 The site appraisal has highlighted the following development opportunities and constraints.

Opportunities

- Redevelop a substantial brownfield site;
- Provide a significant amount of new homes and creation of a new community with strong links to the local area;
- To provide significant opportunities for high quality employment including high quality manufacturing, research and development sectors, diversifying the local economy and providing opportunities for local people;
- Utilise the existing access road into the site;
- Maximise the benefits from the existing on site infrastructure;
- Accommodate a local centre to include a community/ sports building, potentially health services (depending on capacity elsewhere) and convenience store;
- Provision of a primary school of an appropriate scale to support the residential development on site;
- Create pedestrian and cycle links through the site to connect to local services and facilities and provide wider recreational routes to help maximise opportunities for active lifestyles;
- Create strong links with Rugeley to maximise economic and social benefits from a well planned and well designed development;
- Development to enhance the setting of the Trent & Mersey Canal Conservation Area as a heritage asset including enhancements to the canal towpath and maximising linkages as a pedestrian / cycle route;
- Maximise renewable energy opportunities;
- Integrate the existing landscape assets and mature trees;
- Retain natural assets and existing sports facilities where possible and retain the borrow pit as a landscape/ water feature/ recreational feature;
- Investigate potential to link school and community facilities on site;
- Consider the retention and utilisation of the existing rail freight facility as part of any development proposals, including a potential role in transporting demolition material; and
- Opportunity to introduce new bus routes to serve the area.

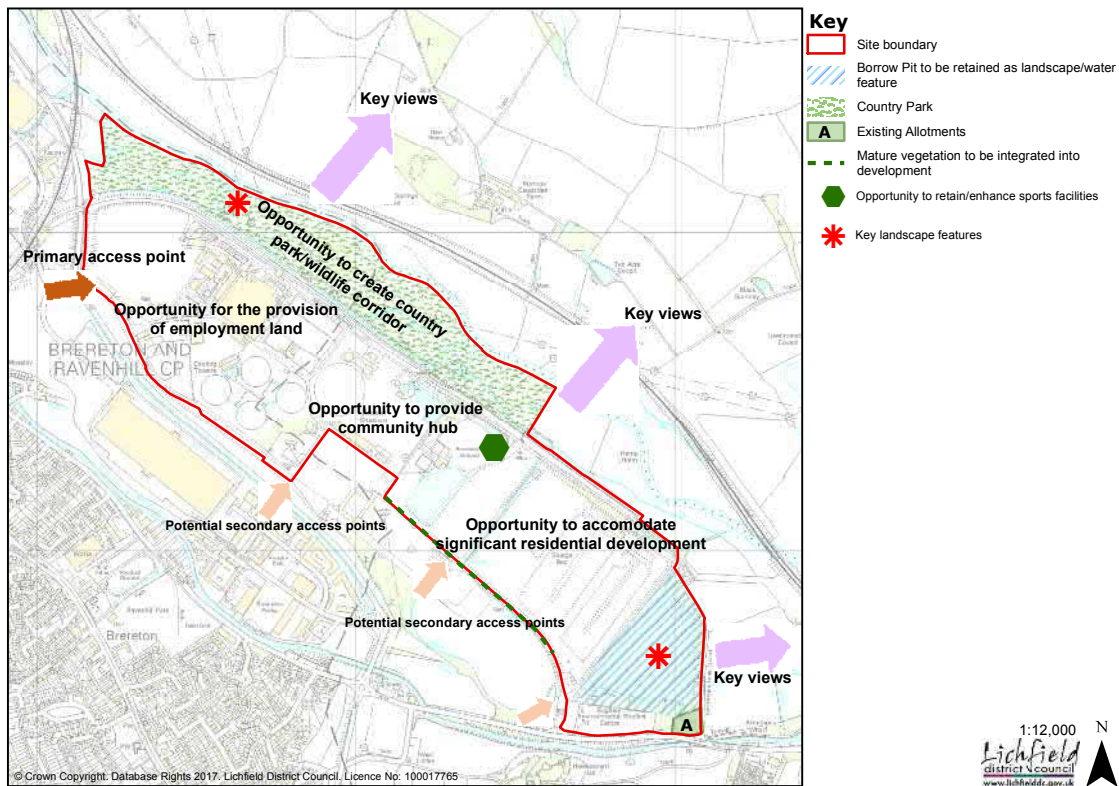


Figure 2.13 Opportunities Plan

Constraints

- Retain parcel of land to accommodate 400kV and 132kV electricity sub stations;
- Certificate of Lawfulness Proposed Use or Development granted to enable a battery farm within the site;
- Underground utilities and over ground cables intersect the site;
- Maintain existing drainage links to the River Trent;
- Mitigation measures required to address any impact of development on Cannock Chase SAC;
- Ground contamination is likely to require remediation and mitigation;
- Land to the north of the railway is located within Flood Zone 3; and
- An area of TPO is located along the southern boundary.

2 Site Analysis

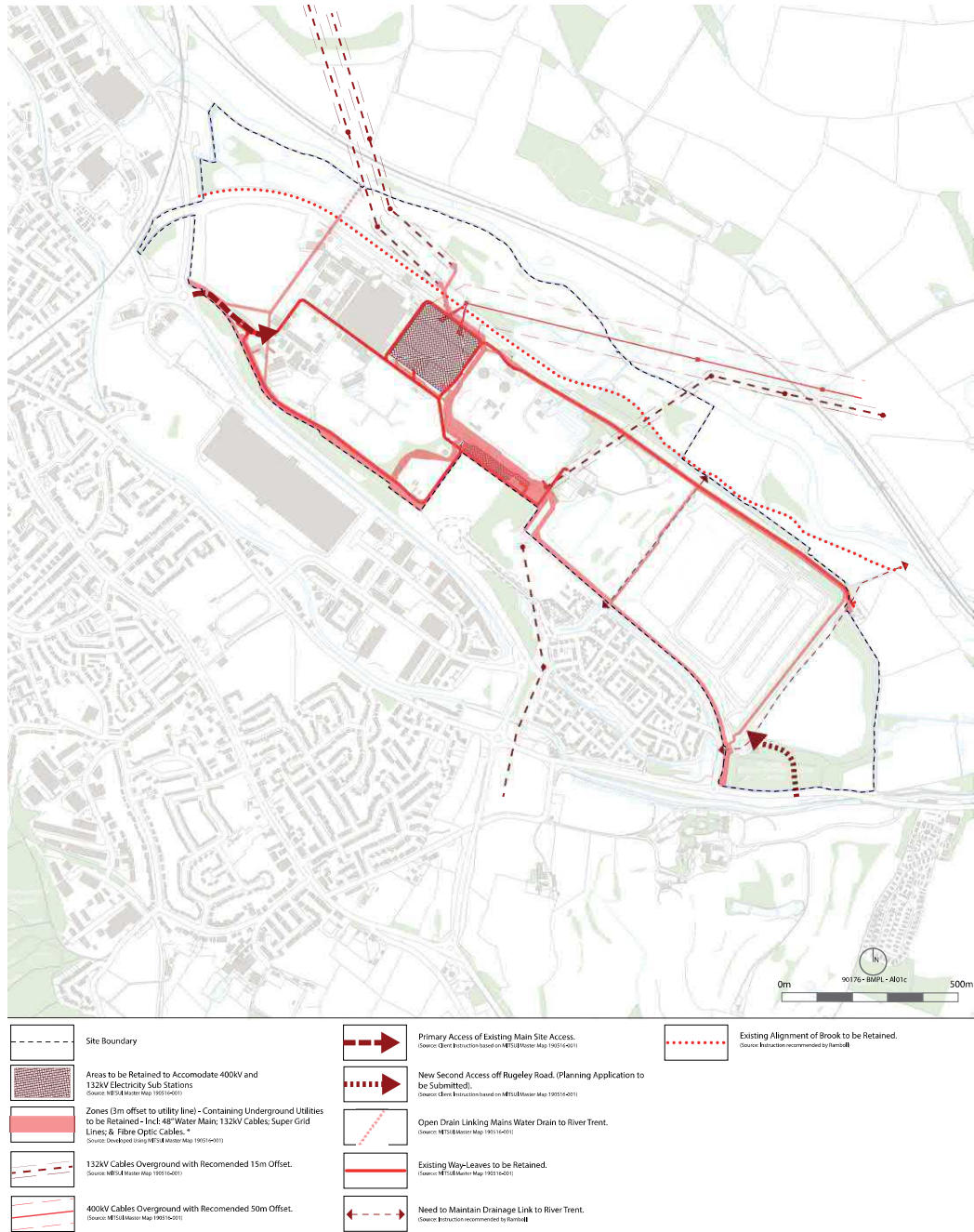


Figure 2.14 Key Constraints (Source Savills)

3 Policy Context

3.1 In establishing the SPD and guiding the future development of the site, a range of planning policies need to be taken into consideration.

National Planning Policy

3.2 The National Planning Policy Framework (NPPF) sets out the Government's key objectives for achieving sustainable development.

3.3 The NPPF sets out 12 core planning principles, including that planning should be "proactively driven and support sustainable economic development" and "encourage the effective use of land by reusing previously developed land."

3.4 The following objectives are of relevance to the redevelopment of the Rugeley Power Station site.

- **Building a strong economy** – ensuring the planning system does everything it can to support sustainable economic growth;
- **Ensuring the vitality of town centres** – ensures that edge of town developments will not undermine the existing town centres;
- **Promoting sustainable development** – ensures proposals have regard to the need to promote and develop choices and options for sustainable travel;
- **Delivering a wide choice of high quality homes** – where residential development is involved, a range of homes should be delivered which incorporate a mix of housing to meet local needs including the provision of affordable homes;
- **Requiring good design** – achieving high quality and innovative design, stressing the importance of local distinctiveness and sustainability;

- **Promoting healthy communities** – focuses on creating healthy, inclusive communities;
- **Meeting the challenge of climate change, flooding and coastal change** – consideration to reduce greenhouse gas emissions, design layouts to minimise energy consumption and manage mitigating flood risk;
- **Conserving and enhancing the natural environment** – protecting and enhancing valued landscapes, recognising the wider benefits of ecosystem services and minimising impacts on biodiversity;
- **Conserving and enhancing the historic environment** – sets out the need to preserve and enhance the historic environment, linking this to locally distinctive character; and
- **Facilitating the sustainable use of minerals** – concerned with the need to define minerals safeguarded areas with associated infrastructure and the need to consider minerals extraction when determining planning applications.

Local Planning Policy

3.5 The site straddles the administrative boundaries of Lichfield District Council and Cannock Chase District Council and therefore consideration needs to be given to the policy position of each authority.

Lichfield District Council

3.6 The Lichfield District Local Plan 1998 is being replaced by a two part Local Plan comprising:

- Local Plan Strategy 2008-2029 (adopted in 2015); and
- Local Plan Allocations (consulted on Publication Draft spring 2017).

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3 Policy Context



Figure 3.1 LDC Policy Map

3.7 The Local Plan Strategy policies map as shown in Figure 3.1 designates land adjacent to the Power Station site as a Strategic Development Allocation (SDA) for a mixed use development of approximately 1,130 dwellings. The SDA comprises of three sites: Hawkesyard residential development (known locally as 'The Pippins') which is almost complete; the smaller canal side site which is currently under construction and the Borrow Pit which forms part of this Development Brief.

3.8 Any development proposals will need to demonstrate compliance with the general policies contained within the Local Plan Strategy. A summary of the relevant policies can be found in Appendix A.

3.9 The Council has consulted on its Local Plan Allocations Document which identifies Rugeley Power Station within Policy R1: East of Rugeley Housing Land as '*an opportunity for a sustainable and well-designed mixed use development which is integrated into the existing strategic development allocation.*'

3.10 The Local Plan allocation is supported by a Concept Statement which has guided this Development Brief. The Concept Statement sets out the following key objectives for the site:

1. To integrate the development of a minimum of 800 homes and associated facilities within a landscape setting;
2. To ensure the protection and enhancement of ecological interests including the management and future maintenance of landscape and important recreation features;
3. To provide strong walking and cycling links through the development and between the new and existing residential developments, building on existing linkages and enhancing the sustainable transport options available within the East of Rugeley area; and
4. To ensure a good degree of physical and social integration with the existing settlement. For clarity, the Local Plan Strategy identifies the land adjacent to the Power Station including the Borrow Pit for development as a strategic housing development and the Local Plan Allocations documents identifies the Power Station site for residential development.

Supplementary Planning Document

3.11 The following existing policy guidance documents will assist developers in preparing proposals for the scheme:

- Biodiversity and Development SPD;
- Development Contributions SPD;
- Trees, Landscape and Development SPD; and
- Sustainable Design SPD.

Cannock Chase District Council

3.12 The Cannock Chase Local Plan is formed of two parts:

- Local Plan Part 1 (adopted 2014)
- Local Plan Part 2 (consulted on Issues and Options in spring 2017).



Figure 3.2 Extract from CCDC Policies Map

3.13 The Local Plan Part 1 policies map shows the western part of the site is not designated for a particular use. The land to the north of the site between the railway sidings and the river Trent forms part of the Green Space Network.

3.14 Any development proposals on the site will need to have due regard to all policies contained within the Development Plan. These policies are summarised in Appendix B.

3.15 The Rugeley Town Centre Area Action Plan (AAP) also forms part of the Local Plan (Part 1). This AAP sets out a vision for the regeneration of the town centre and includes a number of plan-wide and site specific policies to achieve the objectives. Given the proximity of the Power Station site

to the town centre, and the potential for mixed non-residential uses on the site, regard should be paid to the AAP policies accordingly and sustainable linkages between the site and town centre and its environs should be maximised. This is particularly supported by AAP policy RTC10 which seeks to improve access to the canal and the Chase Heritage Trail.

3.16 Cannock Chase Council consulted on its Local Plan (Part 2) Issues and Options document (January- March 2017). This identifies a number of issues to be addressed including identifying suitable housing and employment sites for allocation as well as considering the safeguarding of Green Belt land for future development. The Local Plan (Part 2) Issues and Options Consultation identifies Rugeley Power Station as a *'significant brownfield site in a suitable location on the edge of a settlement which could provide a substantial contribution to the development needs of the District.'* Regard should be had to the Local Plan (Part 2) as it progresses.

Supplementary Planning Document

3.17 The following policy guidance documents will assist developers in preparing proposals for the scheme:

- Design Guide SPD; and
- Parking Standards, Travel Plan & Developer Contributions for Sustainable Transport SPD;
- Developer Contributions & Housing Choices SPD; and
- Canal Conservation Area Appraisal (with Management Plan in progress).

3.18 The Design Guide SPD provides guidance on the design process as well as detailed information on the existing character of local areas across the District, providing recommendations for how to reflect this in individual site design schemes. There are also a series of recommendations for the

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3 Policy Context

design of individual buildings by different use type and guidance by topic on how to address key elements within an overall scheme design such as trees and landscaping. Proposals should clearly demonstrate how they have taken this information into account.

Neighbourhood Planning

3.19 Rugeley Power Station is sited within Brereton and Ravenhill Parish (CCDC) and Armitage and Handsacre (LDC).

- Brereton and Ravenhill Parish was designated as a Neighbourhood Area in January 2013; and
- Armitage and Handsacre Parish was designated as a Neighbourhood Area in July 2013.

3.20 Each of these areas has determined to develop a Neighbourhood Plan.

3.21 Both Neighbourhood Plans are in the early stages of preparation and therefore no weight can be attached to them at the time of writing.

Other Relevant Documents

AONB Management Plan 2014 - 2019

3.22 The AONB Management Plan focuses on the aims, policies and actions for the Cannock Chase AONB for the period up to 2019. It sets out the vision, the landscape character and special qualities of the AONB, addressing AONB management and delivering AONB management. Where appropriate, proposals should have regard to the content of the current management plan.

Active Design Guide

3.23 Active Design - Planning for health and wellbeing through sport and physical activity has been prepared by Sport England and seeks to encourage and promote sport

and physical activity through the design and layout of the built environment to support a step change towards healthier and more active lifestyles. It sets out the ten principles of active design which can be applied to different forms of development. Where possible, developers will be encouraged to utilise the Active Design guidance as part of the design process.

Developer Contributions

3.24 Developer contributions will be sought for the provision and funding of existing and new community infrastructure. In this context, whilst not an exhaustive list, community infrastructure may include open space, sport, affordable housing, education facilities, employment and skills provision, sustainable transport including bus provision, highways and healthcare services.

3.25 Both Cannock Chase District Council and Lichfield District Council have an adopted Community Infrastructure Charging Levy Schedule (CIL) in place.

3.26 Cannock Chase District Council adopted its CIL with effect from June 2015. The following charges are levied:

| Use | CIL Charge (per sqm) |
|--|----------------------|
| Residential (excluding specialist retirement housing) | £40 |
| Retail <ul style="list-style-type: none"> • Food stores with floorspace greater than 280sqm and out of centre retail park development | £60 |
| All other uses | £0 |

Table 3.1 CCDC CIL Rates

3.27 Lichfield District Council adopted its CIL with effect from June 2016. The following charges are levied:

| Use | CIL Charge (per sqm) |
|--|----------------------|
| Market houses within Strategic Development Areas and the Broad Development Locations | £14 |
| Market houses in lower value zone | £25 |
| Market houses in higher value zone | £55 |
| Supermarket | £160 |
| Retail Warehouse | £70 |
| Neighbourhood Convenience Retail | £20 |
| All other development including residential apartments | £0 |

Table 3.2 LDC CIL Rates

3.28 The site falls within two charging zones in Lichfield. The Borrow Pit area falls within the SDA and would attract a cost of £14/sqm if developed for residential use. The remaining site area falls within the lower value zone of £25/sqm.

3.29 Given that there are different CIL rates across the site, it is considered appropriate that the development will be charged CIL at the relevant rate of the district within which it lies.

3.30 The CIL regulations allow for relevant buildings which are in lawful use and to be demolished or retained as part of the new development scheme to be potentially off set against the schemes overall CIL liability.

However, this is subject to a number of tests and it will therefore be a matter for detailed discussions as part of the planning application process.

Cannock Chase SAC

3.31 The site lies within the Cannock Chase SAC Zone of Influence and any potential increase in pressure on the designated area as a result of development should be avoided and therefore mitigation measures may be required. Both LDC and CCDC have published guidance relating to this.

Affordable Housing

3.32 With regards to affordable housing provision, Policy H2 of Lichfield District Council's Local Plan Strategy seeks up to 40% of new dwellings to be provided as affordable housing on schemes of 15 or more units with at least 65% of these units to be social rented managed by a registered provider. Policy CP7 of Cannock Chase's Local Plan Part 1 seeks on site provision of 20% affordable housing units for schemes of 15 or more units.

3.33 The level of affordable housing provided across the site will be subject to negotiation, taking into account the differing levels of provision required by the individual Local Planning Authorities.

3.34 The National Planning Practice Guidance now incorporates a section on the application of 'Vacant Building Credit'. This enables existing buildings on site which are to be demolished or retained as part of the new development scheme to be potentially off set against the overall affordable housing requirement. However, this is subject to a number of tests and it will therefore be a matter for detailed discussions as part of the planning application process.

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3 Policy Context

Education Provision

3.35 Both of the District's adopted Local Plan policies and supporting guidance refer to the need for appropriate education infrastructure to support sustainable development. Given the scale of the development, it is anticipated that the site will need to accommodate a primary school. Further discussions with Staffordshire County Council will be necessary as part of the application process.

Community Facilities

3.36 Both of the District's adopted Local Plan policies and supporting guidance refer to the need for appropriate community facilities infrastructure to support sustainable development. The proposals are likely to generate a requirement for a community hub, comprising a community / sports building, provision of outdoor sports space and small scale retail provision.

Open Space, Sports & Recreational Facilities

3.37 Both of the District's adopted Local Plan policies and supporting guidance refer to the need for appropriate open space, sport and recreation infrastructure to support sustainable development and promote healthy active lifestyles. The proposals will be required to incorporate provision for open space, sports and recreation facilities in line with local policy and evidence base incorporating playing pitches, outdoor sports, equipped play, allotments to meet new demand generated by new population within the development and where possible retaining any sports and recreation facilities that are required to meet existing needs, unless it is robustly demonstrated as being surplus to requirements.

Public Art

3.38 The proposals should seek to incorporate public art, having regard to the historic use of the site as a power station.

4 Development Principles

4.1 The development principles set out in this chapter seek to respond to the relevant planning policies, site analysis and principle development opportunities and constraints and will be used to guide future planning applications associated with the redevelopment of Rugeley Power Station.

4.2 The development principles are structured under the following key themes:

- Land Uses
- Connectivity
- Heritage & Conservation
- Access and Movement
- Open Space & Green Infrastructure
- Ecology & Biodiversity
- Flood Risk & Drainage
- Development Layout

Land Uses

4.3 A key principle of the development will be to create a sustainable mixed use site which comprises of the following uses.

Residential

4.4 Residential development will be the principal land use for the Rugeley Power Station site and the development proposals should comprise of a range of housing, including provision of affordable housing and where appropriate self-build housing will be encouraged.

4.5 The site has capacity for a minimum of 800 dwellings to be delivered within LDC's plan period to 2029. The final quantum of dwellings will be fixed in the context of other suitable uses for this mixed use site including employment provision and the final development will be derived from a well-designed scheme that responds to the existing topography, fixed constraints and landscape assets.

4.6 The site is suitable for a range of house typologies and it is anticipated that LDC and CCDC will seek to achieve a balanced mix of housing and apartment typologies. The housing mix is flexible and will be agreed at the time of submission, informed by consideration of local policies, housing market dynamics and the needs arising within Rugeley.

Affordable Housing

4.7 The policy requirement for affordable housing differs between Lichfield District Council and Cannock Chase District Council. The Local Plan Strategy for LDC requires 40% subject to viability and the Local Plan Part 1 for CCDC requires 20% affordable housing subject to viability.

4.8 The level of affordable housing provided across the site will be subject to negotiation, taking into account the differing levels of provision required by the individual Local Planning Authorities.

Self / Custom-build Housing

4.9 The delivery of self-build housing is strongly supported by national policy and offers the opportunity for residents to be involved in the design and construction of their own homes.

4.10 In order to help achieve a mixed community, the development proposals should consider the inclusion of self/ custom build housing plots.

Employment

4.11 The site is considered suitable to accommodate significant new economic development. The site would be well suited to the provision of industrial and commercial units given the surrounding context and there is opportunity for businesses to expand and/ or relocate to the area. The

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4 Development Principles

existing rail sidings could also be a significant asset depending on the potential end users of the site.

4.12 Employment uses on site should reflect the requirements of Local Plan Policy and should contribute to a balanced portfolio of employment land delivering high quality employment opportunities with strong links to the local community. High quality employment uses include niche high quality manufacturing and research and development sectors.

4.13 Both the construction and operational phases of such a significant site will create the opportunity for significant local economic regeneration and to maximise this it will be a requirement to provide and implement an Employment and Skills Plan and contribute towards delivery of skills provision via a S106 agreement. This will also ensure that the construction phase of any house building on site provides opportunities for local people, including the promotion of apprenticeships. There will be an expectation that local goods and suppliers will be utilised where possible.

4.14 Depending on the end user / end users in terms of employment, any employments uses which require drivers to stay either on site or in the area for significant amounts of times (because of regulations which require drivers to take a break) will provide and manage adequate on site facilities for those drivers including on site parking and rest rooms. Due to ground conditions and infrastructure constraints it may be possible to utilise some areas of the site where it would be difficult to accommodate built development.

4.15 The scale and quantum of employment floorspace will need to be the subject of a more detailed market assessment at the planning application stage.

Community Uses

4.16 To ensure the development provides for the sustainable needs of its community it is important to ensure the proposals incorporate neighbourhood facilities in the form of a 'community hub.'

4.17 The Council will encourage proposals to locate the community hub towards the centre of the development to ensure it is accessible to residents, as well as maximise opportunities to connect the hub with open space, sport and recreational facilities.

4.18 The exact form and scale of the hub will be established at the planning application stage, however it will be required to incorporate a community/ sports building and small scale convenience retail provision be located within close proximity to the outdoor sport provision. It should be noted that larger scale retail on the site will not be acceptable as this would be classes as a Town Centre Use and would therefore undermine the vitality and viability of Rugeley Town centre.

Education Provision

4.19 During discussions with Staffordshire County Council, they have advised the scale of proposed development generates the need for a primary school. The school should ideally be centrally located, to encourage internal walking and cycling and reduce reliance on car use.

4.20 Further discussions with Staffordshire County Council as well LDC and CCDC will be required at the planning application stage to establish the scale and location of community and education facilities as well as necessary contributions towards secondary education as a result of development.

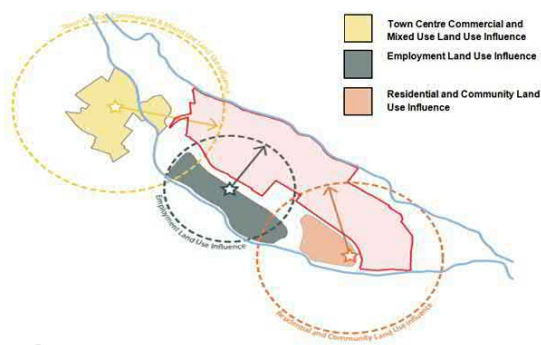


Figure 4.1 Strategic Land Uses (Source Savills)

Connectivity

4.21 Superfast Broadband provision is now considered to be an essential aspect of any new development given technological advancements, increases in mobile working and increased levels of working from home. It is an expectation that developers will engage with broadband providers to ensure that superfast broadband connections with the appropriate infrastructure are provided from the outset for the occupants of any development and should co-ordinate with any strategic provision for the area, eg currently Superfast Staffordshire.

Heritage & Conservation

4.22 Given the proximity of the site to the Trent & Mersey Canal Conservation Area any development within this area should include a Heritage Impact Assessment in order to preserve and enhance the character and appearance of the area. Further, any development in close proximity to the listed viaduct located west of the site should include an assessment of its impact on this heritage asset and its setting which also includes the Conservation Area.

4.23 The proximity to canal network offers a number of benefits to the proposed development scheme, including the reservation and interpretation of the historic

network, sustainable travel routes including the potential enhancement of the canal towpath, recreation and leisure opportunities, biodiversity, improving health and wellbeing and for educational activities.

Access & Movement

4.24 Given the scale of development any application will need to be supported by a Transport Assessment and early dialogue with Staffordshire County Council as the Highway Authority will be essential.

Vehicle Access

4.25 Given the size of the development, a minimum of two vehicular access points are considered necessary.

4.26 The primary access to the site should be achieved via the existing roundabout on the A51 at the north western corner of the site. However it is recognised that the future development of the site may come forward on a phased basis which does not lend itself to utilising this access initially and the requirements for HS2 are still to be established. However it is proposed that upon complete redevelopment of the site this should be the primary access point.

4.27 Planning permission was granted in September 2017 for the creation of a second access into the power station site from A513 including an new roundabout junction (Application Reference: 17/00453/FUL). Further dialogue will be required with Staffordshire County Council to establish whether additional access points will be required to serve the future redevelopment of the site.

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4 Development Principles

Road Hierarchy

4.28 Where possible development proposals should utilise the existing road network to maintain easements and way-leaves. This will help establish a primary route through the site.

Pedestrian and Cycle Links

4.29 A key principle of the development is to create a sustainable development which reduces car dependency and utilises its connections to public transport.

4.30 The proposed development offers an excellent opportunity to provide pedestrian and cycle routes throughout the site and to connect the Rugeley Power Station site to the green infrastructure network and existing settlements, services and facilities beyond the site boundaries such as in Rugeley Town Centre and Armitage, as well as Cannock Chase AONB and surrounding countryside. Clear signage for key pedestrian and cycle routes will be supported to encourage active use and increase environmental legibility.

4.31 The proposals should seek to integrate with the access points provided as part of the recent residential development to the south of the site and also provide designated safe crossing points to ensure safety and encourage usage of pedestrian and cycle links.

4.32 Safe and secure cycle parking / storage should be provided on site where appropriate.

Vehicle Parking

4.33 The development proposals should provide appropriate car parking facilities onsite in accordance with local standards. The parking should be integrated into the development in order to limit the impact on visual amenity and residential privacy. To enhance visual interest and break up the

street scene, generous planting will be required in areas where there is surface level parking, this will also help to ameliorate the effects of climate change. See also specific parking requirements in relation to employment uses.

Rail Sidings

4.34 The proposed development presents an opportunity to protect and retain the existing rail sidings within the site. It is considered that the rail freight facility could be a notable asset worthy of retention depending on the future occupiers of the site.

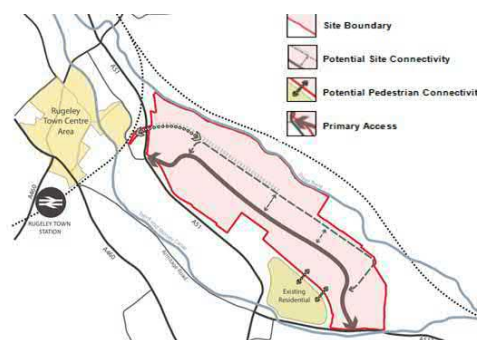


Figure 4.2 Strategic Access & Movement (Source Savills)

Open Space & Green Infrastructure

4.35 A key principle of the development proposals should be to create useable, well connected green infrastructure network, comprising of open spaces, sport facilities, landscape features, recreation facilities, equipped play and allotments. It is envisaged that a Management Company will be responsible for the management and maintenance of open spaces in perpetuity.

Recreation Facilities

4.36 The site currently benefits from on-site sports and recreation facilities which are centrally located. As part of the development proposals, the Council will

encourage the retention and protection of any existing sports and recreation facilities that are not justified to be surplus to requirements. This will need to be delivered in line with National and Local policy requirements.

Play Facilities

4.37 Children's play space for a range of ages should be provided in the development. In accordance with local policy requirements, it is likely that several areas for play space will be required on the site.

Allotments

4.38 It is envisaged that the existing allotment provision located to the south west of the site will be retained and opportunities to accommodate further provision to meet local need where identified would be welcomed in areas where there is evidence of low levels of contaminants. Sourcing for soil for allotments should also be free of contaminants.

Landscape

4.39 The planning application will need to consider the impact of development on the wider landscape and on existing trees and hedgerows.

4.40 Discussions with Arboricultural Officers will be required to agree the strategy for the retention and selective removal/replacement of trees within the site, however it is envisaged that the mature tree belt which helps to create a strong site boundary adjacent to the Rugeley Bypass will be retained in any design. There is a local aspiration for tree planting to include an element of fruit trees throughout the site to create a Urban Orchard.

4.41 A key landscape / water feature of the existing site is the Borrow Pit area. The Council will be supportive of proposals which seek to retain the Borrow Pit area as part of any redevelopment proposals.

4.42 As part of any development proposals a landscaping strategy will need to be prepared that demonstrates how the surrounding countryside can be drawn into development through the integration of multi-functional green space. This landscaping combined with street trees, courtyard and garden planting should provide a verdant extension and create a green infrastructure network across the site.

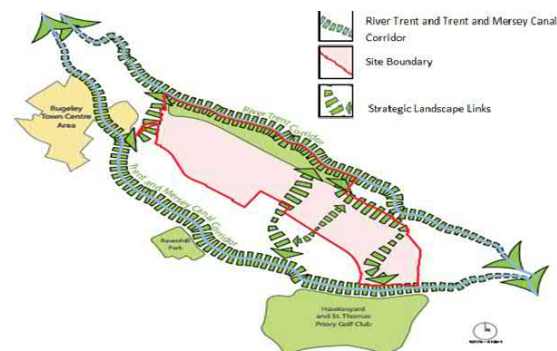


Figure 4.3 Strategic Landscape Principles (Source Savills)

Ecology & Biodiversity

4.43 Given the landscaping and green infrastructure provision there are likely to be opportunities to enhance ecology and achieve a measureable net gain to biodiversity on site.

4.44 The following measures should be considered:

- Tree planting;
- Habitat creation such as lowland meadow, marshy grassland and other associated habitats;
- Water resources, associated with SuDS and landscape features;

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4 Development Principles

- Nesting opportunities for a variety of bird and bat species;
- Lighting within the site should be sensitively designed to minimise adverse effects on wildlife;
- The addition of bat and bird boxes;
- The retention of the Borrow Pit and the adjacent landscape features;
- Mitigation measures to address any impact of development on the Cannock Chase SAC;
- Open up any existing culverted watercourses; and
- Link the wildlife corridor through the site to the existing green infrastructure of the Trent & Mersey Canal.

4.45 The application will need to be supported by an Ecological Assessment to identify opportunities for the development to improve the habitat along the River Trent and the drains that flow through the site.

4.46 The river banks should be re-profiled in sections to create a sloping bank and to increase access to the river corridors. Support will be given to enhance connections between the elements of built development and the river in order to provide waterside recreation and a sense of ownership to the river. Consideration should be given to how the physical barrier of the embankment should be addressed.

Flood Risk & Drainage

Flood Risk

4.47 Development proposals should give detailed consideration to fluvial flood risk to the north of the site. Development should be located away from Flood Zone 3 and it is advised any applicant enters into early pre-application discussions with the Environment Agency to inform the detailed site proposals.

4.48 Any application will need to be accompanied by a Flood Risk Assessment (FRA). The FRA should include the following:

- Hydraulic modelling to include flood outlines with and without the railway embankment. This shall take into account any existing channels, outfalls or other potential flow routes through the railway embankment;
- The latest climate change allowances;
- Should the modelling show that the embankment is integral to safe development of the site, and assessment of its structural integrity should be undertaken, and remedial measures identified where necessary, to ensure the development remains safe for its lifetime;
- The required height of the embankment to provide the necessary level of flood protection for residential development, taking account of climate change;
- An assessment of the impact on the site if the embankment is overtopped or breached (residual risk) and how this will be managed;
- Potential mitigation measures including sequential site layout, floodplain compensation, raised floor levels etc for the existing situation and any other scenario; and
- Surface water management.

4.49 The Environment Agency has advised that the development may require Environmental Permits for any proposed works or structures, in, under, over or within 8 metres of the top of the bank of designated main rivers. This will be in addition to obtaining planning permission. Further guidance is available [online](#).

Surface Water Drainage

4.50 Future proposals should consider the surface water drainage strategy at an early point in the design process and should follow the principles of SuDS.

4.51 The likelihood of having to incorporate SuDS will require discussions with the regulatory authorities in particular Staffordshire County Council as the Lead Local Flood Authority, South Staffordshire Water and the Environment Agency. Discharge amounts, rates and volumes will have to be agreed with these authorities so as to manage the flood risk issues on and off site.

4.52 It is important that the development utilises examples of best practice for surface water drainage. Staffordshire County Council have prepared a SuDS Handbook which sets out key SuDS features to be considered as part of development proposals.

4.53 There may be opportunities for storage/ attenuation space to be provided as part of open spaces and to utilise the existing water courses throughout the site.

Foul Drainage

4.54 It is anticipated that foul water flows from the development will be able to connect to the existing sewerage system. The detailed drainage strategy will need to assess the capacity of the existing sewerage infrastructure along with the need for any pumping facilities on site.

Air Quality

4.55 Emissions associated with traffic growth relating to the site will need to be assessed for both construction and operation and mitigation provided via a S106 Agreement. Pollution costs are to be calculated based on DEFRA's damage cost approach. The site will also need to respond

to the Government's UK Plan for Tackling Roadside Nitrogen Dioxide concentrations which sets out that conventional petrol and diesel sales will be prohibited by 2040. It can therefore be expected that electric vehicle usage will build up well in advance of that date. Accordingly development of the site will need to factor in appropriate refuelling infrastructure provision: the provision of electric charging points to all domestic properties, at employment facilities and at community facilities is strongly encouraged.

Noise

4.56 Depending on the end layout and employment use types, part of the residential elements of the scheme may be in a noise environment; in these instances an Acoustic Design Statement will be required as set out in the new ProPG document which is available [online](#). The Councils Environmental Protection services will need to approve Annual Status Reports (ASRs) prior to development to ensure that residents and occupiers of employment units do not suffer intolerable noise levels.

Development Layout

4.57 This development layout section aims to set out more detailed considerations to guide the appropriate scale, form, density and character of development in different parts of the site taking into consideration the key land uses, access and movement and open space & green infrastructure identified above.

4.58 Residential development should be defined by the landscape framework and location of open space and recreational facilities. It is likely that this will be towards the east of the site. In general, there should be a variation of densities across the site, with lower densities towards the southern

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4 Development Principles

and eastern edges so that the built edge can be assimilated into the countryside and associated views thereto.

4.59 Employment uses should be provided in those parts of the site with the greatest potential for accessibility by public transport. It is considered that employment provision is most appropriate towards the west of the site. Employment uses may be able to utilise the existing rail freight facilities within the site and proximity to surrounding business and industrial parks.

4.60 With regards to open space and landscaping there is an opportunity to retain the natural assets contained within the site, including the Borrow Pit as a key landscape/water feature and retaining and enhancing the recreation facilities located within to the site. A comprehensive green infrastructure strategy for the site to ensure delivery of good quality multi-functional greenspace that incorporates ecological connectivity and biodiversity enhancement will be encouraged.

4.61 Given the flood plain constraints it is envisaged the Golf Course/ Country Park will be retained as a landscape feature. This will provide an opportunity for substantial biodiversity enhancement.

4.62 Community facilities should ideally be centrally located in the most accessible part of the site.

4.63 With regards to detailed design, the buildings should be appropriate to the location of the site, with the overall architectural theme respecting the sites setting in relation Rugeley, surrounding development and the wider countryside.

4.64 A clear design strategy must form part of the proposals at the planning application stage which has due regard to each Council's design guidance SPD's as

well as Sport England's Active Design Guide. The strategy should ensure that the proposed development:

- Enhances and preserves key viewing corridors
- Reflects and enhances the landscape setting of the site including strong green infrastructure linkages
- Derives a clear strategy to provide strong links through walking, cycling and public transport, within and beyond the site to Rugeley Town Centre and Armitage with Handsacre
- Seeks to retain natural assets contained within the site including the borrow pit, mature tree belt and existing sports facilities
- Minimises the visual impact of development on the AONB, in particular relating to larger employment buildings.
- Minimises ongoing maintenance requirements on site for example avoidance of block paving which cannot be easily replaced when it has to be removed for other infrastructure repairs.
- Provides adequate vehicular access as set out earlier, and ensuring that emergency and maintenance vehicles, including refuse vehicles, can always get through. Siting of bin storage (including larger euro-bins) needs to be considered at the earliest opportunity.

4.65 Whilst the development areas may vary with the detailed design at the application stage the illustrative design parameters set out in Figure 4.4 should be the starting point for any proposals.

4.66 The Council's respective SPDs related to design considerations should be consulted and feed into the overall site design; the overall character of the new

development; and inform the style of individual buildings and associated features e.g. detailed landscaping.

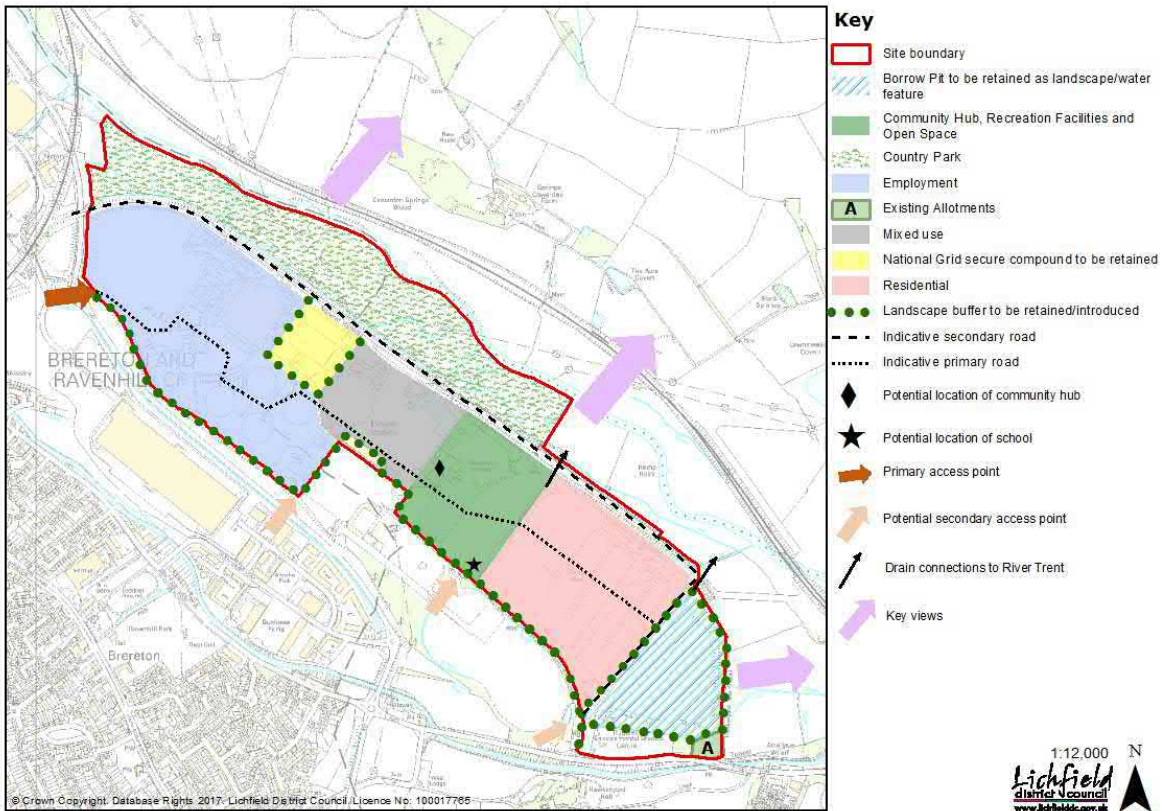


Figure 4.4 Design Parameters

5 Delivery & Implementation

Process

5.1 Given the scale of the Rugeley Power Station site, development proposals will have to consider how the new development will function as a place. For this reason, it is anticipated that the proposals will come forward as an outline planning application covering the whole of the Power Station site. However it should be noted that an alternative process to submitting the planning application may be more appropriate and this should be agreed through pre-application discussions.

5.2 The outline application will need to demonstrate how the site can be comprehensively redeveloped in accordance with both Lichfield District Council's Local Plan Strategy and other planning policies and Cannock Chase Council's Local Plan Part 1 and other planning policies. Further, given the scale of development, it will be necessary to submit an Environmental Impact Assessment screening request to determine whether the proposed project is likely to have significant effects on the environment.

5.3 Reserved matters applications will then provide further detail for each phase or parcel of development.

5.4 It is likely that any outline permission will be subject to a large number of conditions as well as developer obligations.

5.5 As part of the planning application process, early engagement with the statutory agencies and other key stakeholders will be imperative. Given the nature of the site, and likely future land uses, early consultation and ongoing engagement with the Environment Agency, Natural England and Sport England will be of particular importance.

Planning Obligations

5.6 The development will result in the increased need for community infrastructure such as education and skills provision, public open space, sports facilities, health facilities, public art and community facilities as well as site - specific infrastructure requirements. Where appropriate, facilities should reflect local interpretation to ensure the history of the site is not forgotten.

5.7 Both LDC and CCDC has adopted its CIL and it is envisaged that discussions regarding additional contributions will take place as part of the application process.

Phasing

5.8 Given the size of the Rugeley Power Station site it is envisaged a phased approach to development will be appropriate. A phasing plan should be submitted with the outline application for approval by the Local Planning Authorities. The phasing plan should include the phased provision of housing over the site closely linked with the phased provision of infrastructure.

5.9 The phasing plan should identify what infrastructure will be delivered at what phase of development and who is responsible for the delivery of that infrastructure and the timescales for delivery.

Appendix A LDC Planning Policy

| Policy Title | Summary |
|--------------|--|
| CP1 | Focuses investment and regeneration within existing settlements and strategic development allocations including the delivery of a minimum of 10,300 dwellings during the plan period. Development expected to make use of and prioritise the use of previously developed land. Development should promote sustainability by minimising pressure on resources whilst mitigating and adapting to climate change and reducing the need to travel. |
| CP2 | The LPA will take a positive approach reflecting the presumption in favour of sustainable development. Applications that accord with the plan will be approved without delay unless material considerations indicate otherwise. Where policies are absent, silent or out-of-date, planning permission will be granted unless material considerations indicate otherwise taking into account whether the adverse impacts of doing so outweigh the benefits or specific policies within the NPPF indicate that development should be restricted. |
| CP3 | Identifies criteria to be considered as part of the formulation and assessment of development to ensure it contributes towards sustainable development whilst minimising and mitigating impacts. |
| SC1 | Outlines minimum sustainability standards (unless demonstrated to be unviable) including equivalent of former Code 6 (net zero carbon) for new dwellings and BREEAM "Excellent" for non-residential buildings |
| SC2 | Seeks to provide for renewable energy generation that results in 10% of the District's energy needs (minimum) being achieved through renewable sources. Biomass energy development encouraged. |
| CP4 | New development required to provide necessary infrastructure at a timely stage to meet community needs. |
| IP1 | New development required to provide necessary infrastructure at a timely stage to meet community needs as set out in the relevant allocations and concept statements. Viability will be considered when determining extent and priority of contributions. |
| CP5 | New developments should be served by a choice of transport modes including public transport, cycle and walking routes. Development should make appropriate provision for reducing the need for travel whilst widening travel choices. |
| ST1 | Requires major development proposals to be supported by Transport Assessments and Travel Plan. |

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Appendix A LDC Planning Policy

| Policy | Title | Summary |
|--------|--|--|
| ST2 | Parking Provision | Appropriate provision for off-street parking to be made in accordance with the maximum parking standards set out in the Sustainable Design SPD. |
| CP6 | Housing Delivery | Established a minimum housing target for the district and includes the strategic allocation to the East of Rugeley for 1,125 dwellings including 500 to meet the needs arising in Rugeley. Residential developments expected to contribute towards sustainable communities, have high quality design in accordance with relevant SPD, contribute to meeting housing needs and deliver required infrastructure. |
| H1 | A Balanced Housing Market | Development to include a mix of house size, type and tenure. Smaller properties including 2-bed apartments and 2 and 3 bed houses particularly encouraged |
| H2 | Provision of Affordable Housing | Targets up to 40% provision with a split of 65% social rent, the remainder a choice or mix of affordable rent or intermediate housing. Precise amount and mix will be subject to consideration of viability. |
| CP7 | Employment and Economic Development | Provides for sufficient employment land to meet identified needs. High value jobs in business, education and research and those supporting the low carbon economy and key growth sectors are encouraged. |
| CP8 | Our Centres | Supports the hierarchy of centres. New Neighbourhood Centres will be required to meet the day to day needs arising from the new communities proposed as Strategic Development Allocations |
| CP10 | Healthy and Safe Lifestyles | Facilitated through appropriate provision and access to open spaces and facilities. Infrastructure needs generated by new developments will be provided in the best way to meet the needs of the new communities. Loss of existing recreational spaces will be resisted unless alternatives of equivalent or higher standard are provided. |
| CP11 | Participation in Sport and Physical Activity | The LPA will seek to encourage, protect and enhance existing sports facilities and assets. Support will be given to proposals that address existing deficiencies in provision and the creation of new facilities in areas of unmet demand or the provision of new facilities which accord with the playing pitch strategy. Loss of existing facilities/assets including playing fields, tennis courts, bowling greens, indoor sports will be resisted unless clearly demonstrated that alternative facilities of equivalent or better standard are being provided. |
| HSC1 | Open Space Standards | New SDA to ensure all parts of the development are within 480m/10min of an equipped play area. Amenity green space to be provided at a minimum rate of 1.43ha/1,000 population. SDA will provide or contribute to provision of allotments at a rate of 1 plot (150sqm)/32 households where there is evidence of unmet demand. |

| Policy Title | Summary |
|--|---|
| HSC2 Playing Fields and Sport Facility Standards | Seeks to prevent the loss or displacement of facilities unless demonstrated alternatives provided of at least an equivalent standard. Development of new facilities supported in areas of identified unmet need. All new SDA to provide playing field facilities at a minimum level of 1.23ha/1,000 population including 200m ² for changing and pavilion space and 0.025ha for parking |
| CP13 Our Natural Resources | Seeks to safeguard features of ecological and biodiversity interest. |
| NR3 Biodiversity, Protected Species and their Habitats | Development only permitted where it protects and enhances or suitably mitigates impacts to provide a net biodiversity gain. |
| NR4 Trees, Woodland and Hedges | To be protected from damage and retained unless it is demonstrated that removal is necessary and appropriate mitigation is agreed. Space to be made within development to retain veteran trees and woodlands. Loss of large mature species will be resisted. Development to be designed to ensure no conflict between retained features and the built form in the longer term. Cross reference to the Trees, Landscaping and Development SPD. |
| NR5 Natural and Historic Landscapes | Development will be permitted where it does not negatively impact on geological, archaeological and historically important landscapes. |
| NR6 Linked Habitat Corridors and Multi-functional greenspaces | Development will be expected to create and link green infrastructure and corridors as part of the multi-functional greenspace which is integrated into the public realm. |
| NR7 Cannock Chase Special Area of Conservation | Before being permitted, development must show that it does not have an adverse impact on the SAC having regard to avoidance or mitigation measures. Development resulting in a net increase in dwellings within a 15km radius of the SAC is deemed to have an adverse impact unless avoidance or mitigation is provided. This must, however, be read in conjunction with the most up to date Guidance on SAC mitigation to be found at: https://www.lichfielddc.gov.uk/Council/Planning/The-local-plan-and-planning-policy/Planning-obligations/Other-mitigation.aspx . |
| CP14 Our Built and Historic Environment | The LPA will protect and improve the built environment. Special regard will be given to the enhancement of the historic environment. |

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Appendix A LDC Planning Policy

| Policy | Title | Summary |
|--------|--------------------------|---|
| BE1 | High Quality Development | Developments to achieve high quality sustainable development and have positive impacts on: historic environment, reducing carbon emissions, built vernacular, safety/crime, amenity, the natural environment and sustainable transport. |

Table A.1 LDC Planning Policy

Appendix B CCDC Planning Policy

| Policy | Title | Summary |
|--------|--|--|
| CP1 | Strategy | Focuses investment and regeneration within existing settlements whilst conserving and enhancing the environment. Presumption in favour of sustainable development. Where there are no policies relevant to an application or policies are out of date, the Council will grant planning permission unless material considerations indicate otherwise. |
| CP2 | Presumption in Favour of Sustainable Development | The LPA will take a positive approach reflecting the presumption in favour of sustainable development. Applications that accord with the plan will be approved without delay unless material considerations indicate otherwise. Where policies are absent, silent or out-of-date, planning permission will be granted unless material considerations indicate otherwise taking into account whether the adverse impacts of doing so outweigh the benefits or specific policies within the NPPF indicate that development should be restricted. |
| CP3 | Delivering Sustainable Development | Identifies criteria to be considered as part of the formulation and assessment of development to ensure it contributes towards sustainable development whilst minimising and mitigating impacts. |
| CP4 | Neighbourhood - Led Planning | Sets out the Council support for the neighbourhood plan process |
| CP5 | Social Inclusion and Healthy Living | Seeks to agree provision, or contributions, towards providing relevant social infrastructure including health, education, open space plus indoor and outdoor sports/recreation, cultural/community facilities and local shopping facilities. Standards for the provisions of open space to be set out within supplementary documents. A presumption against the loss of facilities or green space in line with National Guidance. |
| CP6 | Housing Land | Includes recognition of the East of Rugeley allocation in the Lichfield Plan. Advises that release of land for housing within the district will be managed and the availability of appropriate sites reviewed through the SHLAA to maintain a 5 year supply. |
| CP7 | Housing Choice | Seeks 20% provision affordable housing (subject to viability). Private housing mix should include mix of tenure and choice of size (Informed by SHMA). The following is encouraged as part of the mix: Smaller dwellings for younger people, Housing suitable for those with specific need, Larger 3 and 4 bed aspirational housing, Housing to cater for an aging population. |
| CP8 | Employment Land | Seeks to maintain and deliver a supply of 88ha of new/redeveloped employment land for primarily B use classes including for 18ha in Rugeley and Brereton. |

Appendix B CCDC Planning Policy

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Appendix B CCDC Planning Policy

| Policy | Title | Summary |
|--------|--|--|
| | | Redevelopment of existing employment /brownfield sites for employment uses will be encouraged and supported. |
| CP9 | A Balanced Economy | Priority given to employment uses which add value and raise job density. Proposals for low density job generation jobs (eg B8 uses) will need to demonstrate their added value to the economy. |
| CP10 | Sustainable Transport | Development to promote sustainable travel. Need for Transport Assessments and Travel Plans. Measures to promote walking and cycling should be incorporated into new development including segregated cycleways (developments over 200 dwellings). Local parking standards to be developed through Local Plan Part 2. |
| CP11 | Centres Hierarchy | Establishes a hierarchy of centres. New housing development should enhance existing centres or provide new local centre as appropriate. |
| CP12 | Biodiversity and Geodiversity | Seeks to conserve and enhance ecological and geological sites/ species. Development will not be permitted if harm cannot be mitigated. |
| CP13 | Cannock Chase SAC | Developments leading to net increase in dwellings will be required to mitigate adverse effects on the SAC through contributions, provision of Suitable Alternative Natural Green spaces (SANG) within developments (on or off site) and measures to encourage sustainable travel. However, the position on this has now been updated and the policy must therefore be read in conjunction with the most up to date Guidance on SAC mitigation to be found at http://www.cannockchasedc.gov.uk/sites/default/files/cannock_chase_sac_updated_guidance_january_2017.pdf |
| CP14 | Landscape Character and Cannock Chase AONB | Developments should take account of landscape character and maximise opportunities for restoring, strengthening and enhancing distinctive landscape features. |

| Policy | Title | Summary |
|--------|---|---|
| CP16 | Climate Change and Sustainable Resource Use | <p>Encourage and support proposals for energy efficiency, use of renewable, low carbon energy generation and sustainable construction; reduce pollution; minimise waste and sustainable use of land (preference for brownfield development). Development should take account of flood risk.</p> <p>New developments should:</p> <ul style="list-style-type: none"> Explore measures to exceed national targets for zero-carbon development and sustainable construction Assess how they can include renewable and low carbon technologies Achieve water efficiency of 105 litres/person/day (former Code 3/4) Non-residential development should seek to achieve BREEAM "Very good" as a minimum Improve energy efficiency over and above building regulations <p>Use SuDS</p> |

Table B.1 CCDC Planning Policy

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| | |
|--------------------------|--|
| Report of: | Head of Economic Development |
| Contact Officer: | Debbie Harris |
| Telephone No: | 4490 |
| Portfolio Leader: | Economic Development and Planning |
| Key Decision: | Yes |
| Report Track: | Cabinet: 25/01/18 |

CABINET
25 JANUARY 2018
APPLICATION FOR PERMISSION TO SPEND – MILL GREEN

1 Purpose of Report

- 1.1 To seek Cabinet permission to spend in relation to Mill Green, funded from the proposed Section 106 contributions due to be paid to the Council.

2 Recommendations

- 2.1 Subject to the receipt of the appropriate Section 106 sums from the Developer, Cabinet is asked to approve permission to spend:
- (i) £150,000 towards Cannock Town Centre Improvements (breakdown as detailed in paragraphs 3.6 & 3.7 below).
 - (ii) £32,300 annually towards maintenance of Mill Green Nature Park.
 - (iii) £28,000 on Mill Green Nature Park.
 - (iv) £90,000 towards Cannock Railway Station improvements.
 - (v) £5,000 towards and Employment and Skills Plan.
 - (vi) £65,000 towards the Retail and Skills Academy.

3 Key Issues and Reasons for Recommendation

- 3.1 The Council has entered into an agreement with Development Securities (Cannock) Limited and U and I Group Plc for the sale of Council owned land at Mill Green, Lichfield Road, Cannock. This agreement was originally dated 13

November 2013 and has been varied subsequently by supplemental agreements in 2014, 2016 and 2017.

- 3.2 Outline planning consent was granted for a Retail Outlet Village on the Mill Green site in July 2016. The Council subsequently received an application under Section 73 of the Town and Country Planning Act 1990 (as amended) to vary conditions attached to the permission. That was approved and a further planning permission was issued in October 2017. The purchasers have covenanted that upon acquiring any legal interest in the Council land they shall enter into an associated planning agreement i.e. the Section 106 Agreement, the terms of which were agreed as part of the application.
- 3.3 Once the Section 106 Agreement has been completed numerous payments will be due to the Council at various trigger points ranging from prior to Commencement of Development through to Occupation. The Council will covenant in the Section 106 Agreement to only use the money received for the purposes set out in the Section 106 Agreement.
- 3.4 The Council needs to be in a position to spend quickly once payments are received, in order to fulfil its Section 106 obligations. Payback provisions for any unspent monies are included and range from 5-10years.
- 3.5 The current programme indicates a timeframe of entering into construction contract circa December 2017 and a Commencement of Development (start on site) in February 2018 with a planned Spring 2020 opening.
- 3.6 Spend is anticipated against the Section 106 and includes proposed activities for Cannock Town Centre Improvements, such as:
 - The production of a Cannock Town Centre Investment Prospectus to help raise the profile and identify opportunities available in Cannock Town Centre;
 - The provision of free Wi-Fi in Cannock town centre;
 - The implementation of a Cannock Town Centre Rewards Scheme to encourage retail customer loyalty;
 - Improvements to Cannock Town Centre markets including improvements to the entrance to Cannock Town Centre indoor market to provide an improved environment for shoppers;
 - Promotional events and festivals including those planned by the Cannock Traders Association;
 - Funding the position of a Cannock Town Centre Partnership Officer for 2 years to assist in delivering the improvements to Cannock Town Centre.
- 3.7 The funding of the position of a Cannock Town Centre Partnership Officer for 2 years has been job evaluated as a salary grade E i.e £20,138 - £22,658 p.a.
- 3.8 In addition to the above spend is also itemised for the Maintenance of Mill Green Nature Park, including;

- Additional management and maintenance costs incurred by the Council payable on each anniversary of Occupation for the life of the development.

3.9 In addition to the above spend is also itemised for Mill Green Nature Park, including;

- Improvements to the Mill Green Nature Park including refurbishment of ladder board sign and installation of additional ladder board;
- Felling and replanting of trees within the beech wood.

3.10 In addition to the above spend is also itemised for Cannock Railway Station improvements, including;

- Improvements to passenger waiting and general station facilities and/or the lengthening and widening of existing platforms;
- Improved access to the railway station including being made compliant with the Equality Act 2010 which replaced the Disability Discrimination Act 1995 and is now a combined piece of legislation incorporating the Equal Pay Act 1970, Sex Discrimination Act 1975, Race Relations Act 1976, Disability Discrimination Act 1995, Employment Equality (Religion or Belief) Regulations 2003, Employment Equality (Sexual Orientation) Regulations 2003 and the Employment Equality (Age) Regulations 2006.

The funds may form part of a wider funding strategy to deliver an enhanced improvement scheme at Cannock Railway station.

3.11 In addition to the above spend is also itemised for an Employment and Skills Plan, including;

- A plan which includes; details of how the owner shall co-operate with the Councils Head of Economic Development from the start of the tendering process for the construction of the Development and throughout the construction of the development.
- Details of how the owner shall work with the Council to identify target groups within local communities to deliver training ranging from pre-employment to skills development in partnership with the public sector and voluntary organisations;
- A commitment from the owner to use their reasonable endeavours to employ local people in the construction and operation of the Development;
- The procedure by which the owner shall notify employment vacancies to local employment agencies.

3.12 In addition to the above spend is also itemised for The Retail and Skills Academy, including;

- How the Development operator and the Development tenants working in partnership with the Council and South Staffordshire College (or alternative

provider of higher education in the Cannock Chase District) will deliver training on the development site and at a College Campus as well as details as to how the Retail and Skills Academy monies will be spent.

4 Relationship to Corporate Priorities

4.1 This report supports the Council's Corporate Priorities as follows:

- (i) **Better Jobs and Skills** – This disposal will look to secure regeneration benefits for the District which will include a significant number of new jobs to be created and increased visitor numbers to the District. The profile of the District will be enhanced which could attract further investment. This development will help strengthen the local economy.

5 Report Detail

5.1 All relevant details are outlined in Section 3 of this report.

6 Implications

6.1 Financial

The Section 106 agreement referred to in the body of the report has not yet been signed and therefore the anticipated Section 106 receipts have not yet been confirmed. Once the Section 106 receipts have been received, the budget approved by Cabinet will be available to spend.

6.2 Legal

Any monies received by the Council under the terms of the Section 106 Agreement, once it has been completed, must be spent in accordance with the terms of the Agreement and within the specified periods failing which the Council will be liable to repay the money received.

6.3 Human Resources

Recruitment to the Cannock Town Centre Partnership Officer will be in line with agreed HR recruitment procedures.

6.4 Section 17 (Crime Prevention)

There are no identified implications arising from this report.

6.5 Human Rights Act

There are no Human Rights implications arising from this report.

6.6 Data Protection

There are no Data Protection implications arising from this report.

6.7 Risk Management

There are significant risks to the delivery of the scheme and the payments to the Council, especially the pre-lettings risks. The process by which the proposals will be progressed and the commitments of the parties are managed by the Heads of Terms and the revised conditional contract. However the risks cannot be eliminated.

6.8 Equality & Diversity

There are no Equality and Diversity implications arising from this report.

6.9 Best Value

The Council has employed specialists to advise in respect of its obligations under Section 123 of the Local Government Act 1972 and the Council is satisfied that it is obtaining best value for its land.

7 Appendices to the Report

None.

Previous Consideration

| | | |
|--|---------|-----------------|
| Not For Publication Development of the Mill Green Site | Cabinet | 17 April 2014 |
| Development of the Mill Green Site | Cabinet | 17 October 2013 |
| Not For Publication Growing Places Fund | Cabinet | 15 March 2012 |
| Not For Publication Growing Places Fund – Mill Green | Council | 4 July 2012 |

Background Papers

None

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|--------------------------|--|
| Report of: | Head of Economic Development |
| Contact Officer: | Angela Grove |
| Telephone No: | 01543 464517 |
| Portfolio Leader: | Economic Development & Planning |
| Key Decision: | No |
| Report Track: | Cabinet: 25/01/18 |

CABINET
25 JANUARY 2018
SHEEP FAIR/BOW STREET, RUGELEY CONSERVATION AREA:
APPRAISAL AND MANAGEMENT PLAN SUPPLEMENTARY PLANNING
DOCUMENT (SPD)

1 Purpose of Report

- 1.1 The purpose of this report is to give consideration to the consultation responses received on the Draft Conservation Area Appraisal and Draft Management Plan Supplementary Planning Document (SPD) for Sheep Fair/Bow Street, Rugeley Conservation Area, recommend amendments in response to the consultation and approve the amended Appraisal and Management Plan SPD for adoption.

2 Recommendations

That:

- 2.1 The proposed amendments to the Draft Appraisal and Draft Management Plan SPD for Sheep Fair/Bow Street, Rugeley Conservation Area contained in Appendix 2 be approved.
- 2.2 Authority for any further minor amendments to the above documents be delegated to the Head of Economic Development in consultation with the Economic Development and Planning Portfolio Leader.
- 2.3 The Appraisal and Management Plan SPD for Sheep Fair/Bow Street, Rugeley Conservation Area, as amended, be adopted, the latter as a Supplementary Planning Document.

3 Key Issues and Reasons for Recommendation

- 3.1 Each Conservation Area in the District is supported by two policy documents – an Appraisal seeking to provide a clear definition of the special architectural or

historic interest that warranted its designation as a Conservation Area and a Management Plan SPD following on from the Appraisal setting out in more detail the means by which the preservation and enhancement of the character and appearance of that Conservation Area might be pursued.

- 3.2 Members may recall that a series of such documents covering each of the District's eight Conservation Areas have been adopted in recent years and the documents for Sheep Fair/Bow Street complete the Appraisal coverage, leaving several Management Plans still in progress together with some updates of earlier Appraisals which will form the subject of future Cabinet reports.
- 3.3 Members may also recall that the Draft Sheep Fair/Bow Street, Rugeley Appraisal and Management Plan were considered by Cabinet on 17 April 2014 when it was resolved that the documents be approved for consultation and that the consultation responses be reported to a future meeting to allow for the finalisation and adopted of the documents as part of the evidence base for the Local Plan.
- 3.4 Consultees expressed their support for the documents and their objectives, suggesting a number of minor alterations and courses of action. Appendix 1 sets out the main issues raised during consultation and Appendix 2 the proposed amendments to the text.

4 Relationship to Corporate Priorities

- 4.1 This report supports the Council's Corporate Priorities as follows:
 - (i) **More and better housing:** in seeking to conserve and enhance the Conservation Area the documents encourage awareness of heritage value as an element of better housing.
 - (ii) **Better health outcomes:** in seeking to conserve and enhance the Conservation Area the documents support an improved living environment for the local community and awareness of local history with consequent benefits for community wellbeing particularly mental health.
 - (iii) **Cleaner and safer environments:** in seeking to conserve and enhance the Conservation Area the documents support striving for attractive public environments within the District which in turn promote prosperity.

5 Report Detail

- 5.1 Section 69 and the Planning (Listed Buildings and Conservation Areas) Act 1990 places a duty on the Local Authority to designate Conservation Areas where appropriate. Section 71 requires the Local Authority to formulate and publish proposals for the preservation and enhancement of those Areas. Preparation of Appraisals and Management Plans are a recognised means of Local Authorities meeting their duties under the Act. They also provide a strengthened Local Plan evidence base and help to demonstrate effective delivery.

- 5.2 Appraisals are the first stage in the process and Management Plans are the next stage, putting forward specific proposals relevant to the Conservation Area. The Management Plan will be formally adopted as a Supplementary Planning Document and used to guide future development and change in the Area.
- 5.3 Sheep Fair/Bow Street Conservation Area was designated in 2004 and covers Crossley Stone, Sheep Fair, the eastern part of Lion Street, the southern part of Taylors Lane and the western part of Bow Street, together with Elmore Park. The boundary is shown in Appendix 3. This historic suburb of Rugeley includes associations with the former Hagley Hall and is characterised by attractive ranges of diverse buildings along winding historic streets, enhanced by views towards the mature planting of Elmore Park. Some public houses and other commercial uses are present, typical of an edge of centre area. There is one Listed Building, the elegant Crossley Stone House at the junction of Crossley Stone and Bow Street, dating from the later 18th C. The green spaces, trees, pool and brook in Elmore Park and surroundings bring a rural element into the area and the historic context of the former Hagley Hall and grounds provide potential for archaeology to survive.
- 5.4 Recommendations for management include:
- the retention and enhancement of buildings, boundaries and characteristic features making a positive contribution to the Area, through encouraging building owners to use traditional materials and designs for repairs
 - requiring new development proposals to reflect existing building heights, materials, colour and texture and encourage sensitive gap filling to reinforce strong frontages
 - potential for enhancement through encouragement to accommodate modern infrastructure in an unobtrusive way, mitigating visual impacts where necessary.
 - encouraging the County Highways Authority to adopt the least visually intrusive traffic management measures.
- 5.5 There is no intention or power to compel, merely to encourage ways of maintaining the visual quality of the Area over time. The main opportunities for enhancement are through the development management process and encouragement to owners of buildings to consider proposed alterations carefully.
- 5.6 These Draft documents were subject to public consultation over a six week period from 6th November to 18 December 2017. Letters and a leaflet were sent to occupiers of all properties within the Conservation Area and a short presentation was made to Rugeley Town Council at their meeting on 1 November 2017. Copies were sent to consultees (including Staffordshire County Council, Historic England and the Landor Society) and local Members and were available for inspection at the Council's offices and Civic Centre, Rugeley Public Library and on the Council's website. Further copies were available on request (one was sent out) and the availability of the documents were advertised in the local press. All the consultation was carried out in accordance with the relevant regulations.

- 5.7 Comments received on the documents broadly expressed strong support as set out in Appendix 1. Proposed amendments set out in Appendix 2 are considered to satisfy the points raised, as far as possible, and to clarify the documents themselves.

6 Implications

6.1 Financial

There are no direct financial implications for the Council as a result of this report; any expenditure connected with the Conservation Area Appraisals and Management Plans, including staff time, will need to be contained within existing budgets.

6.2 Legal

Supplementary Planning Documents are prepared under the Planning and Compulsory Purchase Act 2004 and in accordance with the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended). Upon adoption Regulation 14 of those Regulations requires the document and Adoption Statement to be made available by the Council.

6.3 Human Resources

None.

6.4 Section 17 (Crime Prevention)

None.

6.5 Human Rights Act

None.

6.6 Data Protection

No issues arising directly as a result of this report. Consultation databases are kept in line with data protection legislation.

6.7 Risk Management

A failure to produce Conservation Area Appraisals and Management Plans would run the risk of the Council not meeting its duty to formulate and publish proposals for the preservation or enhancement of those Areas under the Planning (Listed Buildings and Conservation Areas) Act 1990. The subsequent degrading of the District's historic assets would damage economic and environmental wellbeing.

6.8 Equality & Diversity

None.

6.9 Best Value

None.

7 Appendices to the Report

- Appendix 1: Summary of main issues raised during consultation
- Appendix 2: Proposed amendments to the Draft Appraisal and Management Plan
- Appendix 3: Plan showing Conservation Area boundary.

Previous Consideration

| | | |
|---|---------|---------------|
| Draft Sheep Fair/Bow Street Conservation Area Appraisal and Management Plan | Cabinet | 17 April 2014 |
|---|---------|---------------|

Background Papers

Draft Sheep Fair/Bow Street Conservation Area Appraisal and Management Plan

ITEM NO. XX.

APPENDIX 1**Draft Sheep Fair/Bow Street Conservation Area Appraisal and Management Plan****Summary of Main Issues Raised During Consultation**

| Name | Comments | Officer Recommendations |
|----------------------|---|--|
| Rugeley Town Council | One of the key issues in protection of the Area is the concern over incremental work being undertaken through 'permitted development'. Over time the accumulation of individual actions detracts from the overall appearance of the Area. The Town Council would propose that measures are brought in to restrict 'permitted development' through the use of an Article 4 directive. | This is recognised as an issue in the Appraisal which confirms that the Council will consider this course of action. To date the Council has followed an approach of encouragement and awareness raising however the opportunity could be pursued should it be warranted following a survey and justification when resources permit. |
| | Applications are being received for illuminated signage to commercial properties in this Conservation Area. The Town Council is keen to restrict illuminated signage and see approval of only non-illuminated signs because illumination detracts from the low scale, mainly housing nature of the Area. | Noted. The Council generally prefers to treat signage on its merits but would in any case be cautious in dealing with illuminated signage in a predominantly residential area. |
| | There is nothing in place which enables passers-by to associate the roads as being within a Conservation Area. The Town Council would encourage CCDC to install updated road signs which identify the roads as being within a Conservation Area. | Noted. Signage would need to be discussed with Staffordshire County Council as Highways Authority but this could be considered as resources permit. |
| | The Town Council feel that the package of measures to deal with Conservation Areas are biased towards reactionary work – waiting for landowners to come forward with ideas and then guiding planning applications. The Town Council would like to see more proactive direction given to developers. This could come in the form of a design guide for the Conservation Areas which identifies ideal treatments of boundaries, facades, roofs etc. | Noted. The measures are acknowledged to be so, however more proactively the Council adopted a Design SPD in 2016 which includes design guidance on the historic environment including principles applying to alterations to Listed Buildings, new development in Conservation Areas and to managing change in the historic environment generally. More specific design guidance could be considered as resources permit. |

| Name | Comments | Officer Recommendations |
|----------------------------|--|---|
| | <p>The Town Council supports the Heritage Urban Character Area documents which further address and direct the development / refurbishment opportunities in the Conservation Area. Again, however, it feels that more direction should be given to reduce incremental chipping away of the quality of the remaining architecture and feel in the Area.</p> | <p>Noted. See comments above.</p> |
| <p>Mr & Mrs G Lund</p> | <p>We found the Conservation Area documents most informative and comprehensive and compliment all involved in the preparation. We have little to add but ask if the following points could be considered:</p> | <p>Noted.</p> |
| | <p>Ref Draft Appraisal p19 Elmore Park: may we suggest altering the penultimate sentence thus (additions in italics): Adjacent to the Park runs the 'green lane' (<i>known by some older residents as Brookside</i>) which provides an informal access to the Old Mill and the Mill House 35 Sheep Fair, looping around the back of 3-19 Sheep Fair to re-emerge on the road <i>adjacent to an open green space surrounded by trees.</i></p> | <p>Noted, text updated accordingly.</p> |
| | <p>Ref Draft Management Plan p2 Summary of Special Interest: could another sentence be inserted on the following lines 'Its green spaces adjacent to Elmore Park offer views to attractive old buildings and trees, thereby enhancing the street scene.'</p> | <p>Noted, text of 'Summary of Special Interest' updated in both documents accordingly.</p> |
| | <p>Ref Draft Management Plan p3: with regards to repairs and maintenance, we agree that traditional materials make a positive contribution but can be expensive compared to upvc. To encourage then use of traditional materials we suggest that the possibility of grants in certain cases be considered, to cover the cost difference between eg upvc and timber. We appreciate that with limited funds such a suggestion might be difficult to adopt but an approach to English Heritage could be worthwhile.</p> | <p>Noted. The Council will investigate possible funding options however is aware that even at Historic England (HE) (formerly English Heritage) resources are very limited. On occasions however HE run funding schemes in partnership with Local Authorities directed at particular issues (such as the recent successful Rugeley Town Centre Partnership Scheme which helped fund repairs to commercial buildings in 2011-14) and should a future scheme be</p> |

| Name | Comments | Officer Recommendations |
|------------------|--|--|
| | | suitable for assistance in residential areas Sheep Fair/Bow Street Conservation Area could be a considered. |
| Historic England | We support the approach of preparing a Supplementary Planning Document (SPD) that will provide clarity on a range of local design and conservation issues. | Noted. |
| | It may be useful to include the relevant Local Plan policies within the SPD to show how the SPD expands upon the local policy clauses. | Noted. The Appraisal describes relevant local planning policy context without setting the text out in full. The Management Plan SPD aims to focus on a succinct delivery plan to preserve or enhance the Conservation Area so longer policy text has not at this time been added. |
| | We support the content and descriptions of how developers and applicants can consider the main issues relevant in the Conservation Area and protect and enhance heritage assets and key heritage features. We would recommend the inclusion of a section on height and how this is a key issue both within the Conservation Area and its setting, and that it may be appropriate to limit the height of new development to protect the character of the Conservation Area. | Noted. Whilst height is a potential issue in conservation areas it has not been noted as a concern here. Bearing in mind this Conservation Area adjoins an opportunity site in the Rugeley Town Centre Area Action Plan the Council considers it would wish to retain flexibility to consider development proposals on a case by case basis rather than placing any specific limit on height but text updated to take better account of issue. |
| | We would also recommend a section on setting and how to assess the impact to the setting of the Conservation Area. | Noted. Appraisal already has a section on Setting as well as coverage in Recommendation 7, however text updated to elaborate on the matter including assessment of impacts. |
| | We support the opportunity for enhancement measures within the Conservation Area. | Noted. |
| | It may be useful to state that the use of pvc within Conservation Areas will not be supported. | Concern acknowledged, however in reality this predominantly residential Conservation Area already has significant upvc window replacement and did prior to designation in 2004. The character and appearance of the Area is therefore partly formed by |

| Name | Comments | Officer Recommendations |
|------|---|---|
| | | this so the need to preserve or enhance focuses on encouragement of appropriate window design, albeit in upvc, if traditional timber is unaffordable. |
| | We have found, when commenting on other similar documents, that the use of positive and negative images of what is and is not suitable works very well. We note the use of some imagery within the document and wonder whether you might consider including additional images to provide additional clarity on some of the more complicated issues. | Noted. Illustration has been used to a degree however tends to make the size of the electronic document rather unwieldy especially for householders trying to download on home computers, so the Council tries to strike a balance. |
| | Under section 2, as referenced above, we would recommend a discussion on appropriate building heights. | See above response on building heights – text updated. |
| | We support the use of developer contributions for positive public realm enhancements. | Noted. |
| | It may also be worthwhile to include some further detail about signage and advertising, which can sometimes be a key concern within Conservation Areas and what would and would not be acceptable. | Noted, however this is not a significant issue as there are few commercial buildings so the Council generally prefers to treat signage on merit though would be cautious in any case in dealing with illuminated signage in a predominantly residential area. |
| | We would recommend a section on enforcement and how the Council may tackle issues where development is not in keeping with the Local Plan policy and this accompanying SPD. | The Council's adopted generic Conservation Areas Management Plan SPD adopted in 2014 should be read in conjunction with the individual Conservation Area Management Plans and contains measures available for the Council to apply across all its Conservation Areas, including enforcement. Appraisal Recommendation 8 confirms that the Council will undertake to work with property owners to seek satisfactory solutions to issues adversely affecting the character or appearance of the Conservation Area. The Council prefers to take a conciliatory approach wherever possible. |

| Name | Comments | Officer Recommendations |
|--------------------|--|--------------------------------|
| H. Thornton | Both documents are well written and presented with a well illustrated historical context and even the most difficult parts are well explained. They will make readers understand the reason and importance of preserving all that is good in the Conservation Area and how enhancement can be achieved by owners understanding the need to consult the Council's planning policy for externally visible alterations and new development. The need for regular monitoring by the Council is made clear. | Noted. |
| M. Kettle | Enjoyed reading the documents and thank you for your effort. | Noted. |
| The Landor Society | Documents are thorough, agree with recommendations regarding electricity substation enhancement, signage and road markings. Sympathetic redevelopment using materials and styles to blend with existing are highly desirable. | Noted. |

APPENDIX 2Draft Sheep Fair/Bow Street Conservation Area Appraisal and Management PlanProposed Amendments Following Consultation

| Document, Section and page number | Proposed Amendment |
|--|---|
| Appraisal - Summary of Special Interest -p3 | Add extra bullet point: 'Its green spaces adjacent to Elmore Park offer views to attractive old buildings and trees, thereby enhancing the street scene.' |
| Appraisal -Character Analysis - p13 | Add extra sentence after existing 4th sentence of penultimate paragraph on page: 'The historic buildings in the Conservation Area are of two and three storey height.' |
| Appraisal - Elmore Park - Spatial Analysis - p19 | Alter penultimate sentence to: 'Adjacent to the Park runs the 'green lane' (known by some older residents as Brookside) which provides an informal access to the Old Mill and the Mill House, 35 Sheep Fair, looping around the back of 3-19 Sheep Fair, to re-emerge on the road adjacent to an open green space surrounded by trees.' |
| Appraisal - Enhancement Opportunities/Recommendations - p26 | Add extra sentence to Recommendation 3 after existing 2nd sentence: ' Height of new buildings should also reflect site surroundings in a way which preserves or enhances character and appearance.' |
| Management Plan SPD -Summary of Special Interest - p2 | Add extra bullet point: 'Its green spaces adjacent to Elmore Park offer views to attractive old buildings and trees, thereby enhancing the street scene.' |
| Management Plan SPD - 2. The Treatment of New Development - p4 | Add extra words to first bullet point: '...reflect existing building heights , variety and detailing...' |
| Management Plan - 3. Potential for Enhancement - p5 | Add extra sentence: 'Implications of development affecting the setting of the Conservation Area will be considered on a case by case basis in accordance with Historic England guidance.' |

APPENDIX 3



PLAN 1: SHEEPFAIR/BOW STREET CONSERVATION AREA BOUNDARY



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DATE: April 2014



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| Report of: | Head of Environment and Healthy Lifestyles |
| Contact Officer: | Mike Edmonds |
| Telephone No: | 01543 464416 |
| Portfolio Leader: | Culture and Sport |
| Key Decision: | No |
| Report Track: | Cabinet: 25/01/18 |

CABINET**25 JANUARY 2018****ADDITIONAL CAPITAL INVESTMENT IN CULTURE AND LEISURE SERVICES
AS PART OF THE COUNCIL'S FINANCIAL RECOVERY PLAN****1 Purpose of Report**

- 1.1 To outline the preferred capital investment option proposed by the Council's Culture and Leisure provider, Inspiring Healthy Lifestyles (IHL), in order to deliver the required level of savings identified by the Council in its 2017-18 Financial Recovery Plan (FRP).

2 Recommendations

- 2.1 That Cabinet consider and agree to the preferred capital investment option proposed by IHL in this report in order to deliver the minimum required level of savings of £50,000 per annum from 2019-20.
- 2.2 To delegate authority to the Head of Environment and Healthy Lifestyles in consultation with the Portfolio Leader for Culture and Sport to agree and facilitate all actions required to implement the preferred option.

3 Key Issues and Reasons for Recommendation

- 3.1 Cabinet at its meeting on 15 December 2016 proposed a series of saving options to deliver a balanced budget in 2019-20 in accordance with the £1.6 million saving requirement identified as part of the Financial Recovery Plan process.
- 3.2 Part of the FRP process included reviewing the existing contract for culture and leisure with the Council's provider, Inspiring Healthy Lifestyles, in order to deliver significant savings, circa £210,000 through a reduction in its management fee up to 2019-20.

- 3.3 Part of the management fee reduction, circa £70,000 per annum was identified by improvements to and streamlining of IHL's operational budgets. These savings were delivered in 2017-18 as proposed.
- 3.4 The balance of the savings to be achieved required IHL to develop their preferred capital investment proposal to deliver a minimum of £50,000 revenue savings by 2019-20 for the extended contract term.
- 3.5 Over the proposed extended contract period this equates to a savings target of £650,000.
- 3.6 IHL has focussed investment at Cannock Chase Leisure Centre and considered 4 possible options set out Section 5 of this report.
- 3.7 IHL's options appraisal informed by the initial capital cost assessments and business plan projections through to the end of the extended contract term taking into account operational expenditure and income alongside capital funding solutions has identified a clear preference for Option 2

Option 2 – Gym refurbishment, introduction of virtual fitness to the existing studio, conversion of the bowling green to an indoor cycling studio (Les Mills Trip), functional studio and multi-purpose studio. This also includes the provision of bowling mats to provide a programme within the sports hall. Capital cost estimated to be £521,891 and projected savings £902,987.

- 3.8 This option which creates a high quality and unique fitness experience delivers the savings required by the Council and the risk sits with IHL. IHL will be responsible for identifying any additional operational efficiencies to bridge any gap between the revenue impact of the project and the management fee reduction required by the Council.
- 3.9 There is a requirement for the Council is to act as a Guarantor for IHL in order to provide the capital funding solution to deliver this project, and for providing a Waiver; the implications of which are set out in the Legal Implications section of this report.

4 Relationship to Corporate Priorities

- 4.1 One of the key Council's aims and priorities seeks to increase access to physically active and healthy lifestyles as a way of contributing to improving health and wellbeing of all those who participate (better health outcomes). Any investment that encourages access and use of leisure and culture facilities will assist in contributing to increasing participation in physical activity.
- 4.2 Implementation of the Council's Financial Recovery Plan and delivery of the savings required is intended to minimise the impact on the delivery of the Council's corporate priorities.

5 Report Detail

- 5.1 Cabinet at its meeting on 15 December 2016 proposed a series of saving options to deliver a balanced budget in 2019-20 in accordance with the £1.6 million saving requirement identified as part of the Financial Recovery Plan process.
- 5.2 Part of the FRP process included reviewing the existing contract for culture and leisure with the Council's provider, Inspiring Healthy Lifestyles, in order to deliver significant savings, circa £210,000 up to 2019-20 through a reduction in its management fee.
- 5.3 Part of the management fee reduction, circa £70,000 p.a. was identified by improvements to and streamlining of IHL's operational budgets. These savings were delivered in 2017-18 as proposed.
- 5.4 The balance of the savings to be achieved required IHL to develop their preferred capital investment proposal to deliver a minimum of £50,000 revenue savings by 2019-20 for the extended contract term. Over the proposed extended contract period this equates to a savings target of £650,000.
- 5.5 IHL has focussed investment at Cannock Chase Leisure Centre and considered 4 possible options:-

Option 1 – Gym refurbishment, conversion of the sports hall store to an indoor cycling studio and the introduction of virtual fitness to the existing studio. Capital cost estimated to be £250,549 and projected savings £515,180.

Option 2 – Gym refurbishment, introduction of virtual fitness to the existing studio, conversion of the bowling green to an indoor cycling studio (Les Mills Trip), functional studio and multi-purpose studio. This also includes the provision of bowling mats to provide a programme within the sports hall. Capital cost estimated to be £521,891 and projected savings £902,987.

Option 3 - Gym refurbishment, conversion of the sports hall store to an indoor cycling studio and the introduction of virtual fitness to the existing studio and conversion of the bowling green to an adventure golf offer. Capital cost estimated to be £758,549 and projected savings £103,243.

Option 4 - Gym refurbishment, introduction of virtual fitness to the existing studio, conversion of the bowling green to an indoor cycling studio, functional studio and multi-purpose studio and conversion of half the sports hall to indoor climbing, play and catering offer. Capital cost estimated to be £2,367,317 and projected cost £1,809,375.

- 5.6 IHL's options appraisal informed by the initial capital cost assessments and business plan projections through to the end of the extended contract term taking into account operational expenditure and income alongside capital funding solutions has identified a clear preference for Option 2.

- 5.7 This option which creates a high quality and unique fitness experience is supported by business plan projections that demonstrate substantial savings over the contract term to contribute to the management fee reduction profile required by the Council.
- 5.8 The risk for delivering the savings sits with IHL and not the Council. IHL will be responsible for identifying any additional operational efficiencies to bridge any gap between the revenue impact of the project and the management fee reduction required by the Council.
- 5.9 The only requirement for the Council is to act as a Guarantor for IHL in order to provide the capital funding solution to deliver this project and the implications are set out in the Legal Implications section of this report.
- 5.10 Subject to agreement by Cabinet of IHL's preferred option they propose to fully implement the project by April 2019 with works during Quarter 2 of 2018-19.

6 Implications

6.1 Financial

- 6.1.1 The current budgets reflect the proposed savings identified within the report including the investment proposal reduction. IHL have currently guaranteed the £50,000 per annum with the risk of generating the income sitting with themselves. In order for IHL to obtain funding from their preferred funder they require the Council to be guarantor in the event of any default.

6.2 Legal

- 6.2.1 The Council has been asked to act as Guarantor for IHL in order for Alliance Leisure Services (ALS), IHL's preferred source of funding, to provide the capital funding solution.
- 6.2.2 The risk to the Council is likely to be minimal and liability will only fall to the Council in the event that IHL fail to comply with their obligations under the funding agreement and the agreement is terminated. Should IHL fail to comply, the Council would be given 6 months in which to make a decision on which of the following courses of action to take:
- a) To take over IHL's obligations and liabilities under the agreement, provided that the Council are able to retain any revenues received from the Leisure Centre, subject to the agreement of IHL; or
 - b) For the Council to arrange for an alternative service provider to replace IHL to take over the obligations with ALS's agreement; or
 - c) To terminate the agreement with ALS and pay any outstanding sums as a result of the termination.

6.2.3 In addition, the Council is also required to execute a Waiver Form in its capacity as landlord of the Leisure Centre as part of the agreement with ALS to act as Guarantor for IHL. The Waiver Form is a separate document whereby the Council agrees not to seize, sell or claim a right over any of the equipment that IHL will be hiring under their agreement with ALS and that the equipment shall not in any way constitute part of the Leisure Centre and shall remain separate. The equipment may be removed by ALS at any time from the Leisure Centre, provided that in doing so any damage to the Leisure Centre is made good. The Waiver Form also contains an undertaking to be given by the Council to ALS not to create a charge or encumbrance over the Leisure Centre without giving ALS prior written notice and not to sell, lease or dispose of the Leisure Centre without requiring the purchaser, lessee or dispose to grant a similar waiver to ALS.

6.2.4 Given the scale of the contractual relationship with IHL and the relatively small value of the capital funding that is being sought, the risk to the Council of being financially liable in the event of a breach by IHL would seem small under the circumstances. Added to this and by way of assurance to the Council, IHL have provided an extensive list of local authorities that have entered into similar agreements with other Trusts and ALS.

6.3 Human Resources

None

6.4 Section 17 (Crime Prevention)

None

6.5 Human Rights Act

None

6.6 Data Protection

None

6.7 Risk Management

Many of the risks associated with this option relate to the provider, IHL being able to deliver the capital investment and level of savings required by the Council. However, IHL will be responsible for identifying any additional operational efficiencies to bridge any gap between the revenue impact of the project and the management fee reduction required by the Council. There is a risk for the Council in acting as Guarantor for IHL and their capital funding proposal but this is mitigated to some degree given IHLs track record of delivering such projects.

6.8 Equality & Diversity

None

6.9 Best Value

The partnership with IHL has already delivered significant savings and secured additional capital investment in its facilities. This option will deliver additional savings identified in the Council's FRP and continues to demonstrate the Council's commitment to providing value for money services.

7 Appendices to the Report

None.

Previous Consideration

None

Background Papers

15 December 2016 – Cabinet Report – Feedback from the Public Consultation on the Financial Recovery Plan and Approval of Saving Options