



**Please ask for:** Matt Berry  
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24 January 2024

Dear Councillor,

**Cabinet**

**6:00pm on Thursday 1 February 2024**

**Meeting to be held in the 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. Clegg**  
**Chief Executive**

**To: Councillors:**

Johnson, T.B.	Leader of the Council
Newbury, J.A.A.	Deputy Leader of the Council and Regeneration & High Streets Portfolio Leader
Elson, J.S.	Community Wellbeing Portfolio Leader
Muckley, A.M.	Environment and Climate Change Portfolio Leader
Thornley, S.J.	Housing Portfolio Leader
Preece, J.P.T.L.	Parks, Culture, and Heritage Portfolio Leader
Prestwood, J.	Resources and Transformation Portfolio Leader
Fisher, P.A.	<i>Observer (non-voting)</i>

# Agenda

## Part 1

### 1. Apologies

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

To declare any interests in accordance with the Code of Conduct and any possible contraventions under Section 106 of the Local Government Finance Act 1992.

### 3. Minutes

To approve the Minutes of the meeting held on 14 December 2023 (enclosed).

### 4. Updates from Portfolio Leaders

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

### 5. Forward Plan

Forward Plan of Decisions for February to March 2024 (Item 5.1 - 5.3).

### 6. Outturn 2022-23

Report of the Deputy Chief Executive-Resources (Item 6.1 - 6.32).

### 7. Housing Revenue Account - Final Accounts 2022-23

Joint Report of the Deputy Chief Executive-Resources and the Head of Housing & Corporate Assets (Item 7.1 - 7.6).

### 8. General Fund Revenue Budget and Capital Programme 2024-2027

Report of the Deputy Chief Executive-Resources (Item 8.1 - 8.66).

### 9. Rent and Income Collection Policy

Report of the Head of Housing and Corporate Assets (Item 9.1 - 9.8).

### 10. Housing Revenue Account Budgets 2023-24 to 2026-27

Joint Report of the Deputy Chief Executive-Resources and the Head of Housing & Corporate Assets (Item 10.1 - 10.8).

### 11. Housing Revenue Account Capital Programmes 2023-24 to 2026-27

Joint Report of the Deputy Chief Executive-Resources and the Head of Housing & Corporate Assets (Item 11.1 - 11.5).

### 12. Treasury Management Strategy, Minimum Revenue Provision Policy, and Annual Investment Strategy 2024-25

Report of the Deputy Chief Executive-Resources (Item 12.1 - 12.34).

**13. Council Tax Charges in Respect of Unoccupied Empty Dwellings**

Report of the Deputy Chief Executive-Resources (Item 13.1 - 13.8).

**14. Permission to Spend - Hotel Costs**

Report of the Head of Wellbeing (Item 14.1 - 14.3).

**15. Permission to Spend - Health Inequalities Project Funding**

Report of the Head of Wellbeing (Item 15.1 - 15.4).

**16. GBSLEP Future Impact Fund**

Report of the Leader of the Council (Item 16.1 - 16.5).

**17. Exclusion of the Public**

The Leader to move:

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

## **Agenda**

### **Part 2**

**18. Provision of Leisure, Culture, and Heritage Services**

Not for Publication Report of the Head of Wellbeing (Item 18.1 - 18.6).

The report is confidential due to the inclusion of:

- Information relating to the financial or business affairs of any particular person (including the Council).

**Cannock Chase Council**  
**Minutes of the Meeting of the**  
**Cabinet**

**Held on Thursday 14 December 2023 at 6:00 p.m.**

**In the Esperance Room, Civic Centre, Cannock**

**Part 1**

**Present:**

Councillors:

Johnson, T.B.	Leader of the Council
Newbury, J.A.A.	Deputy Leader of the Council and Regeneration and High Streets Portfolio Leader
Elson, J.S.	Community Wellbeing Portfolio Leader
Muckley, A.M.	Environment & Climate Change Portfolio Leader
Preece, J.P.T.L.	Parks, Culture, and Heritage Portfolio Leader
Fisher, P.A.	<i>Observer (non-voting)</i>

**59. Apologies**

Apologies for absence were submitted for Councillors S.J. Thornley, Housing Portfolio Leader; and J. Prestwood, Resources and Transformation Portfolio Leader.

**60. 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.

**61. Minutes**

**Resolved:**

That the Minutes of the meeting held on 9 November 2023 be approved.

**62. Updates from Portfolio Leaders**

**(i) Environment & Climate Change**

The Portfolio Leader updated in respect of the following:

- **Ecology Officer**

The Council's new Ecology Officer was welcomed to the Council.

They had only met online so far at a nature recovery meeting, but the Portfolio Leader looked forward to working with her.

It was hoped she would be made to feel welcome in helping the Council to look more closely at nature recovery and biodiversity in the district.

- **'W2R' Energy Recovery Facility**

The Portfolio Leader attended W2R in Four Ashes last month with officers from the Waste & Engineering Services team.

The plant was an Energy Recovery Facility (ERF) and all residual waste from Cannock Chase district was sent there to be incinerated. This process created steam that was then converted into electricity, powering 66,000 homes, in addition to the plant itself. W2R started generating electricity in 2014 and had diverted three million tonnes of waste from being sent to landfill since its inception.

The sheer volume of waste was astounding and so there was a need to think as a district, county, and planet about the 3 Rs: 'Reduce, Reuse, Recycle', with Reduce being at the top of the hierarchy. It was good however that the waste sent there was being made useful. Officers were thanked for organising the tour and for W2R accommodating it taking place.

- **Portfolio Role**

Since becoming the Cabinet member for Environment and Climate Change seven months ago, the Portfolio Leader had gotten to know the team of officers who worked within the portfolio and thanks were given to them for their patience in answering the Member's questions, their diligence in helping the Member to be the best Cabinet member they could be and their passion for tackling the climate emergency on a shoe-string budget.

- **Climate Change**

In last year's budget, climate change was allocated £60,000. The AECOM report suggested the Council needed to spend £4.7 billion to achieve net zero, so this budget was a drop in the ocean and yet officers had achieved so much with it.

In collaboration with the head of service, the Portfolio Leader had offered Stafford Borough Council's Climate Change Officer one day a week to work at Cannock Chase District Council and it was pleasing to report he had agreed. His first day with CCDC would be Friday 15 December when we would start to look at the Council's carbon footprint and he would surely be made to feel very welcome.

- **The Great Imagining - Cannock Chase**

On 8<sup>th</sup> and 9<sup>th</sup> March 2024 the district would be hosting an event called 'The Great Imagining Cannock Chase' which would focus on finding hope and inspiration for the district in what was usually a very negative subject: climate change.

Rather than disengage the public with tales of doom and gloom, the aim was to find a greener, fairer, wiser future for us all. The creative arts would be used to inspire and educate schools, businesses, and community groups.

The event promised to not only be a pivotal event for the district's future, but for a way for us to show other districts that we were leading the way here in Cannock Chase; we were trail-blazing here and it was hoped that as well as everyone joining the Portfolio Leader there, help would be given promoted far and wide to ensure that everyone knew about it and attended the event.

- **Staffordshire and Stoke-on-Trent COP**

The Council had agreed to be a regional partner for the Staffordshire and Stoke-on-Trent COP. The work at The Great Imagining Cannock Chase, as well as the research undertaken with Keele University as part of Zero Carbon Rugeley will be the foundation.

The COP would be a 'Celebration of the Possible' and would involve collaboration between the Council and the Globe Foundation, among other partners, to collate a ten-year shared vision for the county that would be collaborative and transparent, and co-designed by the Staffordshire Climate Commission, as well as residents, businesses, and local authorities.

Moreover, the Council was supporting a bid by Keele University for funding that would enable us to realise some of the hopes and aspirations that came out of the research undertaken through the Zero Carbon Rugeley project. An update would be provided once further information was available.

Every member of the team that worked with the remit of climate change could not be named, but the Portfolio Leader thanked them all for their continued dedication and was excited to work with them on the sensational plans for 2024.

### **63. Forward Plan**

#### **Resolved:**

That the Forward Plan of Decisions for the period December 2023 to February 2024 (Item 5.1 – 5.3) be noted.

### **64. Motion Referred from Council**

Consideration was given to the Motion referred from the full Council meeting held on 8 November 2023 in respect of the Rugeley Boardwalk (Item 6.1 - 6.2).

#### **Resolved:**

That the matter be deferred to the next scheduled meeting of Cabinet for consideration, subject to the required information having been received from Rugeley Town Council in time.

#### **Reasons for Decision**

It was noted that at the 8 November 2023 Council meeting all Members present had supported the Motion being referred to Cabinet for further consideration.

However, the required information had not yet been provided by Rugeley Town Council and therefore it was considered appropriate to defer the matter to the next scheduled Cabinet meeting to allow time for a proper report to be prepared by Officers.

### **65. Permission to Spend - Safer Streets 5 Grant Funding**

Consideration was given to the report of the Head of Wellbeing (Item 7.1 - 7.5).

#### **Resolved:**

That:

- (A) Permission to spend up to £475,000 from the Government's Safer Streets 5 Fund be approved.
- (B) Authority to enter into any necessary legal agreements to enable the Council to spend the Safer Streets 5 funding and to facilitate the delivery of the projects be delegated to the Head of Wellbeing in consultation with the Community Wellbeing Portfolio Leader.

### **Reason for Decisions**

The £500,000 allocated to Cannock South and Cannock West wards through the Safer Streets Funding 5 grant, minus a £25,000 project management fee, would be spent on implementing several initiatives across the two localities and would play a key role in ensuring local streets and communities are safer for residents and visitors.

### **66. Air Quality Annual Status Report**

Consideration was given to the report of the Deputy Chief Executive-Place (Item 8.1 - 8.60).

#### **Resolved:**

That:

- (A) The statutory air quality Annual Status Report, as set out in Appendix 1 of the Cabinet report, be noted.
- (B) The Deputy Chief Executive-Place be instructed to take the actions necessary to progress toward air quality action planning and the review of local air quality management areas.

### **Reasons for Decisions**

Local authorities were required to submit an air quality Annual Status Report to the Department for Environment, Food and Rural Affairs (DEFRA), for the purposes of:

1. Reporting the results of air quality monitoring in 2022.
2. Reviewing the available air quality data and the implications for local air quality management, particularly in any air quality management areas.
3. Providing an update on work carried in 2022 by Cannock Chase District Council and Staffordshire County Council that was relevant to local air quality management (generally initiatives to improve air quality or promote environmental awareness).
4. Providing an outline of proposed work (relevant to air quality) for 2023.

The 2023 Annual Status Report was submitted to DEFRA on 30 June 2023 and DEFRA had confirmed that the report was well structured, detailed, and provided the information specified in the guidance.

### **67. 2022/23 Infrastructure Funding Statement**

Consideration was given to the report of the Head of Economic Development & Planning (Item 9.1 - 9.27).

#### **Resolved:**

That the annual infrastructure funding statement related to the 2022/23 financial year be approved and published on the Council's website.

### **Reason for Decision**

Since the Council adopted its Community Infrastructure Levy (CIL) Charging Schedule in June 2015, details of receipts and spending of CIL had been published each year. However, the requirement to have Section 106 information publicly available was a fairly new requirement (except when it had been requested via the Freedom of Information Act 2000).

## **68. Development of Cannock Park - Masterplan and Play Area Refurbishment**

Consideration was given to the report of the Head of Operations (Item 10.1 - 10.13).

### **Resolved:**

That:

- (A) Approval to proceed with the proposed development of the phase 1 improvements to Cannock Park, as set out in option 2 at report paragraph 5.1 and report appendix 1, be granted.
- (B) Council, at its meeting to be held on 24 January 2024, be recommended to consider whether the proposed scheme meets the Cannock Park Trust objectives (as set out in report paragraph 5.2), and if so, includes into the capital programme for 2024-25 a capital budget of £465,000 (to be financed by £250,000 of S106 funds, £200,000 of Community Infrastructure Levy monies, and a £15,000 grant from the Forest of Mercia). This was in addition to a £220,000 allocation to Cannock Park for CCTV and lighting works as set out in the Safer Streets 5 funding report considered earlier in this meeting.
- (C) Permission to spend £465,000 as detailed in report paragraph 6.1 be granted to deliver phase 1 of the Cannock Park development project as set out in the report, and any other grant funds that became available from the Forest of Mercia.
- (D) The investigation of appropriate capital funding opportunities toward funding phase 2 be approved, which would enable a further report to be considered when a clear funding strategy was in place.
- (E) The procurement of, and entering into, the necessary contracts with suppliers be authorised to enable the delivery of the proposed phase 1 works.

### **Reasons for Decisions**

Councils had a major role in contributing to the promotion and delivery of increased participation in sport, recreation, and physical activity. The provision of first-class sports and recreation facilities that were sustainable and met the needs of the community could assist in this role.

Cannock Park sat within the Cannock West ward, which had increased anti-social behaviour concerns and a higher than national average number of 11–16-year-olds with healthy weight issues. Cannock West ward only had 1 park located within it.

Outdoor spaces were essential in enabling residents of the District to have access to healthy and active lifestyle choices. This could be accomplished through play, sports, socialising, or even by walking through a site on the way to school, college, or work, or riding through and around a site for fun or social purposes. All of these activities were proven to have a positive impact on physical health and supporting mental wellbeing. Cannock Park was part of the 'Green Space Network', which was included in paragraph 4.16 of the Council's Local Plan (Part 1), highlighting the need for good quality formal and informal outdoor spaces for recreation and nature conservation.

The proposed play area improvement scheme at Cannock Park was included within the Community Infrastructure Levy list with a balance of £160,000 earmarked for play area and building improvements. Having scoped the works in more detail, it was now considered that the additional works were required to fully develop the whole site. The redevelopment of Cannock town centre under the Levelling Up Fund project would not only put the town centre on the map, it would also focus visitors to the adjacent satellite



provisions of the town centre, such as Cannock Park and Chase leisure centre. This scheme was intended to redevelop Cannock Park to make it again into a focal point for residents and visitors. The proposal aimed to improve one of the Council's primary parks and encourage its links to its history, the leisure centre, and town centre, and nearby Shoal Hill Common (as part of Cannock Chase).

It was proposed to split the scheme into two separate phases. Both phases of the works were considered too large and costly to be carried out in one go, and as such, the scheme had been split into two phases, as per the above. The cost to fully deliver both phases was currently estimated at circa £2,524,536.

The Council was keen to progress the proposed phase 1 development and for it to be completed within the 2026-27 financial year. To achieve this deadline, it would be necessary to include the estimated cost of the proposed phase 1 scheme into the Council's capital programme for 2024-25, and to secure approval to spend the S106, Community Infrastructure Levy, Home Office, and Forest of Mercia funds.

It should be noted that given the level of information at this stage of the project, the estimated costs provided must be viewed as budget estimates only. They would need to be subject to further scrutiny at each element of the design and tender submission stage and may be subject to value engineering to ensure the final expenditure was within the approved budget.

#### **69. Local Development Scheme 2023**

Consideration was given to the report of the Head of Economic Development & Planning (Item 11.1 - 11.15).

It was noted that in the Local Plan preparation timetable at report paragraph 5.6, the target date for the pre-submission (Regulation 19) consultation should read 'Winter 2023/2024' (as per table 1 in report appendix 1).

#### **Resolved:**

That Council, at its meeting to be held on 24 January 2024, be recommended to approve the revised Local Development Scheme covering the period December 2022 to December 2025 so that it can be brought into effect on 1 February 2024.

#### **Reason for Decision**

Local Planning Authorities had a statutory duty to prepare an up-to-date Local Development Scheme (LDS) under s15 of the Planning and Compulsory Purchase Act 2004 (as amended by the Localism Act 2011). The LDS set out the Local Development documents that would be prepared over the LDS timeframe, including details of subject matter, geographical area referred to, and timetable for production.

#### **70. Cannock Chase Local Plan 2018-2040: Regulation 19 Consultation**

Consideration was given to the report of the Head of Economic Development & Planning (Item 12.1 - 12.261).

#### **Resolved:**

That:

- (A) The evidence produced since August 2022 to support the Cannock Chase Local Plan and any updated information, as set out in the report, be noted.

- (B) The publishing of the Cannock Chase District Local Plan Regulation 19 document (as set out in report appendix A) be approved, together with the policies map and other supporting documents and evidence base documents, for a minimum six-weeks consultation period, the strategy for which would be carried out in line with the Council's adopted Statement of Community Involvement 2022.
- (C) The Head of Economic Development & Planning be authorised, in consultation with the Regeneration & High Streets Portfolio Leader, to make any non-substantive changes considered necessary to the draft Regulation 19 Local Plan document prior to publication and agree the arrangements for consultation.

### **Reasons for Decisions**

Current legislation required local authorities to produce Local Plans. Section 19(1)(B)-(E) of the Planning and Compulsory Purchase Act 2004 required local authorities to identify the strategic priorities for the development and use of land in the authority's area and set these out in development plan documents.

The current Local Plan (Part 1) was adopted in 2014. The Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) introduced a statutory requirement, under regulation 10A, that from 6 April 2018, Local Planning Authorities (LPAs) must review their Local Plans five years following the date of adoption. Work initially commenced on updating the Local Plan in 2018. However, this ceased on Local Plan (Part 2) following a Council resolution of 21 February 2018 to enable a full review of the Local Plan to proceed that would incorporate both Part 1 (strategic policies) and Part 2) site allocations, in a new whole Local Plan.

The housing target set out in the existing Local Plan had now been met, and the method to calculate housing needs had changed. The existing Plan also did not take account of the needs of the wider Greater Birmingham and Black Country Housing Market Area (GBBCHMA), which Cannock Chase was a part of. Elements of the existing Local Plan were now considered out of date or were produced prior to amendments of the National Planning Policy Framework (NPPF) published on 24 July 2018, 19 February 2019, and 20 July 2021. The new Local Plan would better align with new corporate priorities, such as climate change mitigation and the move toward a zero-carbon future.

In addition, LPAs should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five-years' worth of housing against their local housing need in circumstances where strategic policies were more than five years old and needed updating. The NPPF made clear that presumption in favour of sustainable development should apply where an authority could not demonstrate a five-year supply of deliverable housing sites.

The new Local Plan allocated sites for development; both for housing and employment. This would help the Council to maintain a five-year housing land supply that would ensure housing was located in the most sustainable locations and enable strategic infrastructure to be identified and delivered to support planned housing sites. It also identified strategic employment sites that would enable employment needs to be met, providing the opportunity for local businesses to expand and grow, and providing new jobs for the District's residents.

The Local Plan had been subject to three separate rounds of public consultation so far, which had helped shape the policies and sites in the final version of the Plan. As such, consideration must be provided to the public involvement and interest in progressing the Local Plan.

The evidence base had been developed to support the Plan over a number of years, much of which was outsourced as it required specialist technical knowledge. This presented a financial consideration, as evidence only remained valid for a period of time before it required updating. To date, over £265,000 had been spent on developing the evidence base to support the production of the Local Plan.

Whilst the intention to introduce a number of reforms to the plan making system at a national level had been announced, there was still sufficient time to adopt the Local Plan prior to the new system being in place. The Plan had been produced in accordance with the current planning framework, which was well established and certain. At present, the Government was still analysing responses and further consulting on amendments to the planning system, so the production on a new-style Plan was not possible until the proposals were confirmed.

Progressing the Local Plan was not without risk, and the report set out factors for consideration, including proposed changes to the NPPF, as well as alternative options. However, on balance, progressing the Local Plan to completion was recommended to ensure that the housing and employment needs of the District were met, and that there was 15 years supply of development sites in place and the Council had up-to-date local planning policies for which to assess planning applications in the District that aligned with the Council's corporate agenda and national planning policy.

#### **71. Revenues and Benefits Collection Report - Quarter 2 2023/24**

Consideration was given to the report of the Deputy Chief Executive-Resources (Item 13.1 - 13.16).

The Parks, Culture, and Heritage Portfolio Leader requested whether information could be included in the report setting out the different categories of why monies could not be collected, perhaps in pie chart form as a clear visual graphic.

#### **Resolved:**

That:

- (A) The information regarding collections be noted.
- (B) The arrears listed in the confidential appendices to the report be written off.

#### **Reasons for Decisions**

Efficient collection of the Council's revenues was of major importance to the funding of Council services and those provided by our preceptors.

Whilst the collection rates were traditionally good, regrettably not all of the monies owed to the Council could be collected, and so it was recommended to write-off bad debts that could not be recovered.

The meeting closed at 7:01 p.m.

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**Leader**

## Forward Plan of Decisions to be taken by the Cabinet: February to March 2024

For Cannock Chase Council, a key decision is as an Executive decision that is likely to:

- Result in the Council incurring expenditure or making savings at or above a threshold of 0.5% of the gross turnover of the Council.
- Affect communities living or working in two or more Council Wards.

Representations in respect of any of matters detailed below should be sent in writing to the contact officer indicated alongside each item via email to [membersservices@cannockchasedc.gov.uk](mailto:membersservices@cannockchasedc.gov.uk)

**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	Representations Received
<b>February 2024 (01/02/24)</b>						
Outturn 2022-23	Deputy Chief Executive - Resources / Leader of the Council	01/02/24	No	No		N/A
Housing Revenue Account - Final Accounts 2022-23	Head of Housing and Corporate Assets / Deputy Chief Executive-Resources / Housing Portfolio Leader	01/02/24	No	No		N/A
General Fund Revenue Budget and Capital Programme 2024-2027	Deputy Chief Executive - Resources / Leader of the Council	01/02/24	No	No		N/A
Rent and Income Collection Policy	Head of Housing and Corporate Assets / Housing Portfolio Leader	01/02/24	No	No		N/A
Housing Revenue Account Budgets 2023/24 to 2026/27	Head of Housing and Corporate Assets / Deputy Chief Executive-Resources / Housing Portfolio Leader	01/02/24	No	No		N/A
Housing Revenue Account Capital Programmes 2023/24 to 2026/27	Head of Housing and Corporate Assets / Deputy Chief Executive-Resources / Housing Portfolio Leader	01/02/24	No	No		N/A

Item	Contact Officer / Cabinet Member	Date of Cabinet	Key Decision	Confidential Item	Reasons for Confidentiality	Representations Received
Council Tax Charges in Respect of Unoccupied Dwellings	Deputy Chief Executive - Resources / Resources & Transformation Portfolio Leader	01/02/24	No	No		N/A
Treasury Management Strategy, Minimum Revenue Provision Policy, and Annual Investment Strategy 2024/25	Deputy Chief Executive - Resources / Leader of the Council	01/02/24	No	No		N/A
Permission to Spend - Hotel Costs	Head of Wellbeing / Community Wellbeing Portfolio Leader	01/02/24	No	No		N/A
Permission to Spend - Health Inequalities Projects Funding	Head of Wellbeing / Community Wellbeing Portfolio Leader	01/02/24	No	No		N/A
GBSLEP - Future Impact Fund	Head of Economic Development & Planning / Regeneration and High Streets Portfolio Leader	01/02/24	No	No		N/A
<b>February 2024 (29/02/24)</b>						
Quarter 3 Performance Report 2023/24	Head of Transformation & Assurance / Resources and Transformation Portfolio Leader	29/02/24	No	No		N/A
Business Growth Programme	Head of Economic Development & Planning / Regeneration and High Streets Portfolio Leader	29/02/24	No	No		N/A
Stadium Site Phase 2 Works Revision 2B - Toilet and Community Room	Head of Operations / Parks, Culture, and Heritage Portfolio Leader	29/02/24	No	No		N/A

Item	Contact Officer / Cabinet Member	Date of Cabinet	Key Decision	Confidential Item	Reasons for Confidentiality	Representations Received
Revenues and Benefits Collection Report - Quarter 3 2023/24	Deputy Chief Executive-Resources / Resources & Transformation Portfolio Leader	29/02/24	No	Yes (Appendices only)	Information relating to any individual. Information which is likely to reveal the identity of an individual. Information relating to the financial or business affairs of any particular person (including the Council).	
Former Tenant Arrears Debt Recommended for Write-off	Head of Housing and Corporate Assets / Housing Portfolio Leader	29/02/24	No	Yes	Information relating to any individual. Information which is likely to reveal the identity of an individual.	
<b>March 2024</b>						
Review of Housing Allocations Policy	Head of Housing & Corporate Assets / Housing Portfolio Leader	28/03/24	No	No		N/A

## Outturn 2022/23

<b>Committee:</b>	Cabinet
<b>Date of Meeting:</b>	1 February 2024
<b>Report of:</b>	Deputy Chief Executive-Resources
<b>Portfolio</b>	Leader of the Council

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### **1 Purpose of Report**

- 1.1 To present to the Cabinet the outturn position for 2022/23.

### **2 Recommendations**

- 2.1 That the outturn position for the year ending 31 March 2023 be noted.
- 2.2 That the financing of the capital programme as outlined in the report be approved.

#### **Reasons for Recommendations**

- 2.3 The Budget report set out an indicative capital programme and financing, this report now sets out the actual capital spend and therefore financing to be approved.

### **3 Key Issues**

- 3.1 The Budget for 2022/23 was revised as part of the Budget report to Cabinet on the 26 January 2023 which set out a forecast transfer from balances of £1.3 million pounds.
- 3.2 The revised budget included provision for use of reserves to balance the budget of £1.3 million, of this amount only £0.361 million was used. In addition to the reduced use of reserves required a contribution to working balances of £0.521 million was made.
- 3.3 The Portfolio outturn for 2022/23 shows a favourable variance of £0.450 million consisting of a number of variations.
- 3.4 Investment income in year has increased by £0.352 million as compared to the Revised Budget reflecting the increase in interest rates available. Technical items show a variance of £0.196 million including a contribution to reserves for climate change of £0.115 million.
- 3.5 Income from the Business Rates Retention Scheme was some £0.523 million higher than anticipated.

### **4 Relationship to Corporate Priorities**

- 4.1 The outturn for 2022/23 covers all of the Council's priorities.

## 5 Report Detail

5.1 This report provides an analysis of the outturn position for 2022/23. It covers the following accounts:

- General Fund Revenue account – which bears the net cost of providing day-to-day services.
- Business Rates Retention
- Capital expenditure and how it is financed.
- Collection Fund.

5.2 The accounts are provisional at this stage and are still subject to Audit. No changes to the accounts that impact upon Council Taxpayers are however envisaged due to the technical nature of the audit process.

### **General Fund Revenue Outturn**

5.3 The table overleaf summarises the outturn position of the General Fund Revenue Account for the year compared with the budget position.

5.4 The Council's Net Expenditure (Portfolio Budgets) in relation to the Revenue Budget for 2022/23 financial year was set by the Council in February 2022 at a net expenditure of **£13.237 million**. In determining the 2023/24 Budget in February 2023 Council approved the Forecast Outturn for 2022/23 of **£13.788 million**, an increase of £0.551 million as compared to the Original Budget.

5.5 The Revised Budget reflected the downturn in income, inflationary increases in costs and known changes in the forecast outturn.



## Cannock Chase Preliminary Outturn 2022/23

		Revised Budget £'000	Actual £'000	Variance to Revised £'000
<b><u>Portfolios</u></b>				
1	Community Engagement	605	566	39
2	Community safety	451	443	8
3	District Development	1,223	1,472	-249
4	Environment & Climate change	3,622	3,441	181
5	Housing, Heritage & Leisure	4,909	4,679	230
6	Innovation & Resources	4,090	3,962	128
7	Leader	1,279	1,166	113
8	Total Portfolios	<b>16,179</b>	<b>15,729</b>	<b>450</b>
9	Investment Income	-718	-1,070	352
10	Interest Payable	2	20	-18
11	Technical Items	103	299	-196
12	Net Expenditure	<b>15,566</b>	<b>14,978</b>	<b>588</b>
13	Use of Government Grants	-1,778	-2,127	349
14	<b>Net Revenue Budget</b>	<b>13,788</b>	<b>12,851</b>	<b>937</b>
<b>Financed by:</b>				
Business Rates				
15	Core funding	-3,046	-3,046	0
16	Growth	-1,750	-2,119	369
17	Business Rates Pool	-915	-1,069	154
18	Transfer from balances	-1,300	-361	-939
19	Council Tax	-6,777	-6,777	0
20	Total Financing	<b>-13,788</b>	<b>-13,372</b>	<b>-416</b>
21	<b>Trf to/(from) working balances</b>	<b>0</b>	<b>521</b>	<b>-521</b>
22	<b>Net Revenue Budget</b>	<b>13,788</b>	<b>12,851</b>	<b>937</b>

- 5.6 The table above shows that net expenditure including Investment Income, Technical financing adjustments and use of government grants was **£12.851 million, £937,000** (6.8%) less than the budget.
- 5.7 The actual expenditure on portfolio budgets was £0.450 million (2.8%) lower than anticipated with Investment Income being £0.352 million higher than expected due to the increased interest rates. Technical items show a variance of £0.196 million including a contribution to reserves for climate change of £0.115 million.
- 5.8 Business rates incomes shows additional receipts of £0.523 million with the overall position, actual net expenditure and financing, resulting in a transfer to working balances of £0.521 million. This was as compared to the budgeted figure which envisaged us using reserve balances of £1.3 million, at year end only £0.361 million of this amount was used.

## Net Portfolio expenditure

5.9 Net portfolio expenditure was £0.450 million lower than the budget. The principal cost variations, on each portfolio are as follows ((-) is an unfavourable variance (+) is a favourable variance):

### Community Engagement, Health and Wellbeing

- Food safety - staff variations £76,000 (+).
- Management and administration - staff variations £24,000 (-).
- Licensing - reduced income £52,000 (-), partly offset by staff variations £39,000 (+).
- Covid reserve funding £30,000 (-).
- Reduced car allowances £8,000 (+).
- Grants - one off reduction in contributions £13,000 (+).

### Community Safety & Partnerships

- Supplies and services underspends £7,000 (+).

### District and High Street Development

- Economic Development - additional Levelling up revenue costs £243,000 (-), staffing variations £9,000 (-) and supplies £11,000 (-).
- Management and Support - staff variations £43,000 (+) and reduced car allowances £8,000 (+).
- Development Control – staffing variations £259,000 (-), use of reserves towards staffing £110,000 (+), external contributions to staffing costs £33,000 (+), other variations £8,000 (+).
- Industrial sites - reduced public buildings £6,000 (+) and one-off additional income £28,000 (+).
- Town Centre management - reduced public buildings £14,000 (+) and additional income £10,000 (+).

### Environment and Climate Change

- Regulatory services - staff variations £61,000 (+), additional income £39,000 (+), reduced car allowances £9,000 (+) and other variations £10,000 (+).
- Cleansing - reduced supplies costs £8,000 (+).
- Countryside management - staff variations including reserve funding £68,000 (+), additional rent income £10,000 (+) and supplies and services £11,000 (+).
- Public clocks - repairs to Cannock town centre pillar clock £5,000 (-).
- Off street parking - additional energy costs £22,000 (-), partly offset by public buildings £7,000 (+) and other variations £6,000 (+).
- Bus Shelters - reduced income £10,000 (-), energy £3,000 (-) and additional works to Cannock bus station £6,000 (-).

### **Housing (Housing General Fund), Heritage and Leisure**

- Grounds maintenance – staffing variations £127,000 (+); Underspend on services etc £22,000 (+), additional income from agency services £57,000 (+), less transfer Trading reserve £79,000 (-) and earmarked reserve contributions £45,000 (-).
- Parks and Open spaces - staffing variations £41,000 (+), underspend on services etc £75,000 (+), utility costs £17,000 (+), less transfer Trading reserve £46,000 (-).
- Cemeteries - rates bill for new cemetery higher than budgeted £28,000 (-), cost for opening and closing gates £22,000 (-), less reduced public buildings spend £22,000 (+).
- Contract monitoring - staffing variation £46,000 (+).
- Housing services - additional housing benefit recovered £70,000 (+), underspend on services etc £24,000 (+), partly offset by additional staff costs £22,000 (-).
- Leisure management - payment to SCC for digital engagement officer £15,000 (-) and additional utility costs £5,000 (-).
- Leisure, planning and marketing - reduced income £19,000 (-), partly offset by staff vacancies £9,000 (+).

### **Innovation and Resources**

- Technology - additional cost of telephone calls and laptops £62,000 (-).
- Customer services - one off lower costs of new CRM system changeover £35,000 (+) and reduced supplies costs £16,000 (+).
- Corporate Services - additional postage costs £28,000 (-), partly offset by staffing variations £4,000 (+) and reduced supplies costs £16,000 (+).
- Policy and Performance - staffing variations £38,000 (+) and reduced supplies £9,000 (+).
- Land Charges - one off lower SCC search fee processing costs £31,000 (+), partly offset by reduced income £10,000 (-).
- Risk - reduced insurance premiums £14,000 (+).
- Caretakers and Cleaners - staffing variations £18,000 (+) and reduced supplies etc £7,000 (+)
- Public Buildings - additional income £57,000 (+), reduced public buildings £16,000 (+), reduced supplies £11,000 (+), staffing variations £10,000 (+), partly offset by additional utility costs £18,000 (-).
- Civic ballroom - reduced income £13,000 (-).
- Hawks Green depot - reduced supplies £6,000 (+).
- Markets - reduced public buildings £52,000 (+), underspend supplies £16,000 (+), partly offset by additional rates on vacant properties £16,000 (-) and staffing variations £12,000 (-).
- Finance - staffing variations £38,000 (-) and additional e-payments system implementation costs £10,000 (-).

- Corporate management - additional grant from government for audit fees £21,000 (+).
- Non distributed costs - reduced pension payments £7,000 (+).
- Excluded items - reduced bad debts provision £9,000 (+) and additional income £9,000 (+).
- Benefits payments - additional cost reflecting subsidy return £73,000 (-).

### Leader of the Council

- Democratic Services - staffing variations £6,000 (+), reduced members allowances £31,000 (+) and underspend supplies etc £20,000 (+).
- Executive management and support - staffing variations £52,000 (+).

5.10 A summary of performance of the main streams of income against budget is set out in the following table:

### Main Streams of Income

	Revised	Actual	Variance
	£'000	£'000	£'000
Waste & Recycling	(1,257)	(1,224)	(34)
Off Street Parking	(737)	(740)	3
Markets	(59)	(59)	(0)
Building Control	(399)	(333)	(66)
Local Taxation	(339)	(367)	28
Development Control	(248)	(288)	40
Licensing	(274)	(218)	(56)
Public Buildings	(258)	(321)	63
Cemeteries	(228)	(228)	0
Town Centre Management	(153)	(180)	27
Grounds Maintenance	(106)	(157)	51
Industrial Sites	(115)	(141)	26
Land Charges	(75)	(65)	10
Bus Shelters	(37)	(27)	10
Leisure Management Contract	(186)	(181)	5
<b>Total Main Sources</b>	<b>(4,471)</b>	<b>(4,529)</b>	<b>108</b>

5.11 Overall income levels were £0.108 million higher than the revised budget. The major variations related to reduced Building Control and Licensing income.

5.12 More detailed explanations for all expenditure and income variances greater than £10,000 and 10% are attached for each portfolio at **APPENDIX 1**.

### Business Rates Retention

5.13 The Business Rates Retention Scheme forms part of the current 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.

- 5.14 The scheme came into operation with effect from April 2013; therefore 2022/23 is the tenth year of operation. Income being shared between central government, the Council, Staffordshire County Council, Staffordshire Commissioner Fire and Rescue Service and the Stoke on Trent and Staffordshire Business Rates Pool.
- 5.15 The business rates growth figure was £0.369 million higher than anticipated, of this amount £0.097 million related to growth with the balance being attributable to additional business rates grants.
- 5.16 The business rates pool balance was also £0.154 million higher than anticipated due partly to one off balances £0.055 million, increase in the business rates growth and also higher volatility allowance from the pool than envisaged at budget setting time.

### Working Balances

- 5.17 The outturn shows a contribution to working balances to the General Fund of £0.521 million with a resultant £1.941 million balance as at the 31 March 2023. As the Council policy is to retain a working balance of £1.0 million the £0.941 million transfer will be able to support future budgets.

### Capital Outturn

- 5.18 The Council approves the Capital Programme for the financial year as part of the budget process and the amount that can be spent is limited by the amount of capital resources available to the Council. The 2022/23 capital programme was approved in February 2022 and updated as part of the revised budget set as part of the 23/24 budget cycle.
- 5.19 Many of the schemes within the Capital Programme take some time to develop and implement so the detailed programme can experience many changes. Considerable variation will therefore arise over the 18-month period from the time the Capital Programme for the financial year is initially considered, right through to the end of March of the relevant year.
- 5.20 The Council spent £2.696 million on General Fund capital projects in 2022/23 which was £2.731 million less than the budget of £5.427 million. This is primarily as a result of timing delays in bringing projects to fruition. Of this underspend £1.1 million relates to delays in the Levelling up fund project.

### Capital Outturn Position

	<b>Budget</b>	<b>Actual</b>	<b>Variance from Budget</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Leader of the Council	70	-	70
Environment & Climate Change	105	91	14
Innovation & Resources	9	1	8
Housing, Heritage & Leisure	3,054	1,781	1,273
District Development	2,189	823	1,366
<b>Total</b>	<b>5,427</b>	<b>2,696</b>	<b>2,731</b>

The major items of capital spend in the year were:

- **£1.512 million** on Disabled Facilities Grants.
- **£0.791 million** on Levelling Up Fund
- **£0.123 million** on Stadium Development Phase 2
- **£0.091 million** on Wheeled bins

The detailed Capital Programme outturn for 2022/23 is attached at **APPENDIX 2** along with explanations for major variations.

5.21 The capital programme of £2.696 million was financed in the following way:

<b>Capital Financing</b>	<b>£'000</b>
Capital grants and contributions	2,531
Capital receipts	141
Direct Revenue Financing	24
<b>Total</b>	<b>2,696</b>

### **Collection Fund**

5.22 Cannock Chase is the billing authority and as such has a statutory requirement to establish and maintain a separate fund covering the collection and distribution of amounts due in respect of council tax and national non-domestic rates (NNDR). Net Business Rates attributable to the Council are accounted for as part of the General Fund under the new Business Rates regime.

### **Council Tax**

5.23 The net position on the Collection Fund for the year was a deficit of £1.898 million for Council Tax after taking into account distribution of previous year surplus in year. The overall position for Council tax leaves a net deficit on the fund of £1.400 million at 31 March 2023 (of which £0.182 million relates to this Council).

### **National Non-Domestic Rates**

5.24 A deficit of £1.154 million exists in relation to Business Rates as at 31 March 2023. The deficit is however notional and represents a timing difference between estimated Business Rates returns and actual returns. This Council's actual retained Business Income is in line with the Income and Expenditure account after taking into account the timing deficit required as part of the Collection Fund Statutory requirements.

## **6 Implications**

### **6.1 Financial**

The financial implications have been referred to throughout the report.

### **6.2 Legal**

The legal implications have been referred to throughout the report.

**6.3 Human Resources**

There are no human resource implications arising from this report.

**6.4 Risk Management**

Nil

**6.5 Equalities and Diversity**

Nil

**6.6 Health**

Nil

**6.7 Climate Change**

Nil

**7 Appendices**

Appendix 1: Detailed Revenue Outturn 2022/23

Appendix 2 - Capital Outturn 2022/23

**8 Previous Consideration**

None

**9 Background Papers**

Available in Financial Services

<b>Contact Officer:</b>	Chris Forrester
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<b>Ward Interest:</b>	N/A
<b>Report Track:</b>	Cabinet: 01/02/24
<b>Key Decision:</b>	No

## COMMUNITY ENGAGEMENT HEALTH WELL BEING PORTFOLIO

## ANNEX 1

## Final Accounts 2022-2023

	Annual Budget	Total Spend	Variance from Annual Budget		Comments (variances > 10% and £5,000)
	£	£	£	%	
<b>Food Safety</b>					
Expenditure	432,560	476,822	(44,262)	(10.2%)	Staffing variations (£55k), partly offset by general underspends
Income	(5,500)	(136,049)	130,549	(2373.6%)	Reserve funding for agency staff
<b>Net</b>	<b>427,060</b>	<b>340,773</b>	<b>86,287</b>		
<b>Management &amp; Administration</b>					
Expenditure	80,590	118,818	(38,228)	(47.4%)	Staffing variations (£39k)
Income	-	(15,117)	15,117	n/a	Reserve funding for agency staff
<b>Net</b>	<b>80,590</b>	<b>103,701</b>	<b>(23,111)</b>		
<b>Mortuary</b>					
Expenditure	78,090	120,834	(42,744)	(54.7%)	Payment of fridge reserve to SCC following mortuary closure (£31.5k) and additional costs of operation
Income	(77,710)	(122,221)	44,511	(57.3%)	Drawdown of reserve funding to pay to SCC £31.5k and additional contribution from SCC for increased costs
<b>Net</b>	<b>380</b>	<b>(1,387)</b>	<b>1,767</b>		
<b>Licensing</b>					
Expenditure	219,610	176,254	43,356	19.7%	Staffing variations £32k and general underspends
Income	(274,140)	(221,499)	(52,641)	19.2%	Reduced income from licences
<b>Net</b>	<b>(54,530)</b>	<b>(45,244)</b>	<b>(9,286)</b>		
<b>COVID 19</b>					
Expenditure	-	32,030	(32,030)	n/a	Additional covid support contributions to reserve
Income	-	(2,000)	2,000	n/a	
<b>Net</b>	<b>-</b>	<b>30,030</b>	<b>(30,030)</b>		



## COMMUNITY ENGAGEMENT HEALTH WELL BEING PORTFOLIO

## Final Accounts 2022-2023

	Annual Budget	Total Spend	Variance from Annual Budget		Comments (variances > 10% and £5,000)
	£	£	£	%	
<b>Grants &amp; Contributions</b>					
Expenditure	151,630	138,310	13,320	8.8%	
<b>Net</b>	<b>151,630</b>	<b>138,310</b>	<b>13,320</b>		
<b>Portfolio Total</b>	<b>605,130</b>	<b>566,183</b>	<b>38,947</b>	<b>6.4%</b>	

## COMMUNITY SAFETY AND PARTNERSHIPS PORTFOLIO

## Final Accounts 2022-2023

## ANNEX 1

	Annual Budget	Total Spend	Variance from Annual Budget		Comments (variances > 10% and £5,000)
	£	£	£	%	
<b>Partnerships</b>					
Expenditure	318,100	308,194	9,906	3.1%	
Income	(81,600)	(81,600)	-	0.0%	
<b>Net</b>	<b>236,500</b>	<b>226,594</b>	<b>9,906</b>		
<b>CCTV</b>					
Expenditure	268,200	274,363	(6,163)	(2.3%)	
Income	(54,030)	(58,106)	4,076	(7.5%)	
<b>Net</b>	<b>214,170</b>	<b>216,257</b>	<b>(2,087)</b>		
<b>Portfolio Total</b>	<b>450,670</b>	<b>442,851</b>	<b>7,819</b>	<b>1.7%</b>	

## DISTRICT AND HIGH STREET DEVELOPMENT PORTFOLIO

## Final Accounts 2022-2023

## ANNEX 1

	Annual Budget	Total Spend	Variance from Annual Budget		Comments (variances > 10% and £5,000)
	£	£	£	%	
<b>Economic Development</b>					
Expenditure	611,660	961,303	(349,643)	(57.2%)	Additional levelling up revenue costs (£243k), contribution to reserves capacity funding (£80k) and unspent grants (£39k)
Income	(213,690)	(300,216)	86,526	(40.5%)	Levelling up fund capacity grant £80k
<b>Net</b>	<b>397,970</b>	<b>661,087</b>	<b>(263,117)</b>		
<b>Management &amp; Support</b>					
Expenditure	590,250	525,178	65,072	11.0%	Staffing variations £43k, reduced supplies and services £14k and minor variations
Income	(51,820)	(39,662)	(12,158)	23.5%	Reserve funding for agency costs
<b>Net</b>	<b>538,430</b>	<b>485,516</b>	<b>52,914</b>		
<b>Development Control</b>					
Expenditure	443,950	717,768	(273,818)	(61.7%)	Staffing variations (£259k) and additional professional fees (£16k)
Income	(313,470)	(479,136)	165,666	(52.8%)	Reserve funding for agency costs £110k, biodiversity grant £15.4k and miscellaneous income £40k
<b>Net</b>	<b>130,480</b>	<b>238,631</b>	<b>(108,151)</b>		
<b>Building Control</b>					
Expenditure	719,410	653,870	65,540	9.1%	Staffing variations £54k and general underspends
Income	(568,420)	(502,880)	(65,540)	11.5%	Reduced income from activity
<b>Net</b>	<b>150,990</b>	<b>150,990</b>	<b>-</b>		

## DISTRICT AND HIGH STREET DEVELOPMENT PORTFOLIO

## Final Accounts 2022-2023

## ANNEX 1

	Annual Budget	Total Spend	Variance from Annual Budget		Comments (variances > 10% and £5,000)
	£	£	£	%	
<b>Industrial Sites</b>					
Expenditure	14,530	7,021	7,509	51.7%	Reduced maintenance costs £5.8k and minor variations
Income	(115,000)	(143,079)	28,079	(24.4%)	One off additional rental income
<b>Net</b>	<b>(100,470)</b>	<b>(136,058)</b>	<b>35,588</b>		
<b>Town Centre Management</b>					
Expenditure	258,920	251,851	7,069	2.7%	
Income	(153,100)	(179,624)	26,524	(17.3%)	Additional rental income
<b>Net</b>	<b>105,820</b>	<b>72,227</b>	<b>33,593</b>		
<b>Portfolio Total</b>	<b>1,223,220</b>	<b>1,472,393</b>	<b>(249,173)</b>	<b>(20.4%)</b>	

## ENVIRONMENT AND CLIMATE CHANGE PORTFOLIO

## ANNEX 1

## Final Accounts 2022-2023

	Annual Budget	Total Spend	Variance from Annual Budget		Comments (variances > 10% and £5,000)
	£	£	£	%	
<b>Waste &amp; Recycling</b>					
Expenditure	3,714,140	3,687,218	26,922	0.7%	
Income	(1,310,310)	(1,283,208)	(27,102)	2.1%	
<b>Net</b>	<b>2,403,830</b>	<b>2,404,010</b>	<b>(180)</b>		
<b>Regulatory Services</b>					
Expenditure	553,690	492,600	61,090	11.0%	Staffing variations £61k
Income	(22,180)	(79,913)	57,733	(260.3%)	Additional one off environmental protection income £43k, pest control income £11k and minor variations
<b>Net</b>	<b>531,510</b>	<b>412,687</b>	<b>118,823</b>		
<b>Cleansing Services</b>					
Expenditure	456,060	447,915	8,145	1.8%	
Income	-	-	-	n/a	
<b>Net</b>	<b>456,060</b>	<b>447,915</b>	<b>8,145</b>		
<b>Drainage Services</b>					
Expenditure	8,700	12,484	(3,784)	(43.5%)	
Income	-	(3,323)	3,323	n/a	
<b>Net</b>	<b>8,700</b>	<b>9,161</b>	<b>(461)</b>		
<b>Street Cleansing</b>					
Expenditure	765,990	787,038	(21,048)	(2.7%)	
Income	(719,700)	(734,363)	14,663	(2.0%)	
<b>Net</b>	<b>46,290</b>	<b>52,675</b>	<b>(6,385)</b>		

## ENVIRONMENT AND CLIMATE CHANGE PORTFOLIO

## Final Accounts 2022-2023

## ANNEX 1

	Annual Budget	Total Spend	Variance from Annual Budget		Comments (variances > 10% and £5,000)
	£	£	£	%	
<b>Countryside Management</b>					
Expenditure	230,160	227,435	2,725	1.2%	
Income	(13,660)	(103,539)	89,879	(658.0%)	Reserve funding for staffing £30k and additional income contributed to reserves
<b>Net</b>	<b>216,500</b>	<b>123,896</b>	<b>92,604</b>		
<b>Public Clocks</b>					
Expenditure	11,120	15,932	(4,812)	(43.3%)	
Income	(5,610)	(5,610)	-	0.0%	
<b>Net</b>	<b>5,510</b>	<b>10,322</b>	<b>(4,812)</b>		
<b>Off Street Parking</b>					
Expenditure	514,130	519,784	(5,654)	(1.1%)	
Income	(743,280)	(739,864)	(3,416)	0.5%	
<b>Net</b>	<b>(229,150)</b>	<b>(220,079)</b>	<b>(9,071)</b>		
<b>Bus Shelters</b>					
Expenditure	35,000	43,442	(8,442)	(24.1%)	Additional works to Cannock bus station (£6k) and energy (£4k)
Income	(36,840)	(26,775)	(10,065)	27.3%	Reduced income departure charges
<b>Net</b>	<b>(1,840)</b>	<b>16,667</b>	<b>(18,507)</b>		
<b>Conservation Areas</b>					
Expenditure	185,050	183,659	1,391	0.8%	
<b>Net</b>	<b>185,050</b>	<b>183,659</b>	<b>1,391</b>		
<b>Portfolio Total</b>	<b>3,622,460</b>	<b>3,440,913</b>	<b>181,547</b>	<b>5.0%</b>	

## HOUSING HERITAGE AND LEISURE PORTFOLIO

## ANNEX 1

## Final Accounts 2022-2023

	Annual Budget	Total Spend	Variance from Annual Budget		Comments (variances > 10% and £5,000)
	£	£	£	%	
<b>Grounds Maintenance</b>					
Expenditure	1,040,630	1,019,669	20,961	2.0%	
Income	(1,003,340)	(1,061,219)	57,879	(5.8%)	
<b>Net</b>	<b>37,290</b>	<b>(41,550)</b>	<b>78,840</b>		
<b>Parks &amp; Open Spaces</b>					
Expenditure	1,427,280	1,341,018	86,262	6.0%	
Income	(148,950)	(149,551)	601	(0.4%)	
<b>Net</b>	<b>1,278,330</b>	<b>1,191,467</b>	<b>86,863</b>		
<b>Private Sector Housing</b>					
Expenditure	341,170	389,440	(48,270)	(14.1%)	Staffing variations (£48k)
Income	(105,350)	(151,510)	46,160	(43.8%)	Recharge to capital for disabled facilities grants reflecting spend £43k and minor variations
<b>Net</b>	<b>235,820</b>	<b>237,931</b>	<b>(2,111)</b>		
<b>Stadium</b>					
Expenditure	73,680	71,279	2,401	3.3%	
Income	-	-	-	n/a	
<b>Net</b>	<b>73,680</b>	<b>71,279</b>	<b>2,401</b>		
<b>Circular 8/95</b>					
Expenditure	35,520	42,805	(7,285)	(20.5%)	Additional recharge from HRA
<b>Net</b>	<b>35,520</b>	<b>42,805</b>	<b>(7,285)</b>		
<b>Cemeteries</b>					
Expenditure	271,180	301,116	(29,936)	(11.0%)	Rates bill for new cemetery higher than budgeted (£28k)
Income	(227,900)	(228,188)	288	(0.1%)	
<b>Net</b>	<b>43,280</b>	<b>72,928</b>	<b>(29,648)</b>		

## HOUSING HERITAGE AND LEISURE PORTFOLIO

## Final Accounts 2022-2023

## ANNEX 1

	Annual Budget	Total Spend	Variance from Annual Budget		Comments (variances > 10% and £5,000)
	£	£	£	%	
<b>Housing Act Advances</b>					
Expenditure	-	9	(9)	n/a	
<b>Net</b>	<b>-</b>	<b>9</b>	<b>(9)</b>		
<b>Contract Monitoring</b>					
Expenditure	237,690	194,919	42,771	18.0%	Staffing variations £46k and minor variations
Income	(52,750)	(57,058)	4,308	(8.2%)	
<b>Net</b>	<b>184,940</b>	<b>137,861</b>	<b>47,079</b>		
<b>Housing Services</b>					
Expenditure	708,260	1,053,738	(345,478)	(48.8%)	Staffing variations (£23k), reserve contribution additional grants (£310K) and minor variations
Income	(257,670)	(686,193)	428,523	(166.3%)	
<b>Net</b>	<b>450,590</b>	<b>367,545</b>	<b>83,045</b>		Grant funding £388k, additional housing benefit £70k, partly offset by reduced use of reserve funding (£38k) and minor variations
<b>Leisure Management Contract</b>					
Expenditure	2,554,280	2,569,700	(15,420)	(0.6%)	
Income	(186,050)	(181,153)	(4,897)	2.6%	
<b>Net</b>	<b>2,368,230</b>	<b>2,388,548</b>	<b>(20,318)</b>		
<b>Leisure, Planning &amp; Marketing</b>					
Expenditure	337,950	295,791	42,159	12.5%	Staffing variations £61k, partly offset by additional supplies and services costs
Income	(135,510)	(80,551)	(54,960)	40.6%	
<b>Net</b>	<b>202,440</b>	<b>215,240</b>	<b>(12,800)</b>		Reserve funding for staffing not required (£51k) and minor variations



## HOUSING HERITAGE AND LEISURE PORTFOLIO

## Final Accounts 2022-2023

## ANNEX 1

	Annual Budget	Total Spend	Variance from Annual Budget		Comments (variances > 10% and £5,000)
	£	£	£	%	
<b>Allotments</b>					
Expenditure	3,140	846	2,294	73.1%	
Income	(4,640)	(6,054)	1,414	(30.5%)	
<b>Net</b>	<b>(1,500)</b>	<b>(5,208)</b>	<b>3,708</b>		
<b>Portfolio Total</b>	<b>4,908,620</b>	<b>4,678,855</b>	<b>229,765</b>	<b>4.7%</b>	

## INNOVATION AND RESOURCES PORTFOLIO

## Final Accounts 2022-2023

## ANNEX 1

	Annual Budget	Total Spend	Variance from Annual Budget		Comments (variances > 10% and £5,000)
	£	£	£	%	
<b>Legal Services</b>					
Expenditure	283,970	283,970	-	0.0%	
Income	(191,370)	(191,370)	-	0.0%	
<b>Net</b>	<b>92,600</b>	<b>92,600</b>	<b>-</b>		
<b>Technology</b>					
Expenditure	958,430	1,022,707	(64,277)	(6.7%)	
Income	(220,320)	(223,199)	2,879	(1.3%)	
<b>Net</b>	<b>738,110</b>	<b>799,508</b>	<b>(61,398)</b>		
<b>Governance</b>					
Expenditure	148,390	158,593	(10,203)	(6.9%)	
Income	(30,860)	(30,860)	-	0.0%	
<b>Net</b>	<b>117,530</b>	<b>127,733</b>	<b>(10,203)</b>		
<b>Human Resources</b>					
Expenditure	277,940	281,921	(3,981)	(1.4%)	
Income	(162,460)	(162,460)	-	0.0%	
<b>Net</b>	<b>115,480</b>	<b>119,461</b>	<b>(3,981)</b>		
<b>Customer Services</b>					
Expenditure	394,760	400,103	(5,343)	(1.4%)	
Income	(117,200)	(175,049)	57,849	(49.4%)	Reserve funding for GOSS implementation costs £58k
<b>Net</b>	<b>277,560</b>	<b>225,053</b>	<b>52,507</b>		
<b>Corporate Services</b>					
Expenditure	243,980	251,967	(7,987)	(3.3%)	
Income	(37,280)	(37,218)	(62)	0.2%	
<b>Net</b>	<b>206,700</b>	<b>214,749</b>	<b>(8,049)</b>		

## INNOVATION AND RESOURCES PORTFOLIO

## Final Accounts 2022-2023

## ANNEX 1

	Annual Budget	Total Spend	Variance from Annual Budget		Comments (variances > 10% and £5,000)
	£	£	£	%	
<b>Communications</b>					
Expenditure	326,110	328,228	(2,118)	(0.6%)	
Income	(26,810)	(26,810)	-	0.0%	
<b>Net</b>	<b>299,300</b>	<b>301,418</b>	<b>(2,118)</b>		
<b>Policy &amp; Performance</b>					
Expenditure	135,730	88,796	46,934	34.6%	Staffing variations £38k and reduced supplies
Income	(500)	(500)	-	0.0%	
<b>Net</b>	<b>135,230</b>	<b>88,296</b>	<b>46,934</b>		
<b>Land Charges</b>					
Expenditure	76,960	47,509	29,451	38.3%	One off lower SCC search processing fees £31k
Income	(74,940)	(65,197)	(9,743)	13.0%	Reduced income from activity
<b>Net</b>	<b>2,020</b>	<b>(17,688)</b>	<b>19,708</b>		
<b>Audit</b>					
Expenditure	280,090	334,091	(54,001)	(19.3%)	Professional fees (£47k) and contribution to reserves
Income	(124,440)	(178,441)	54,001	(43.4%)	Reserve funding for professional fees £47k and additional income
<b>Net</b>	<b>155,650</b>	<b>155,650</b>	<b>-</b>		
<b>Risk</b>					
Expenditure	876,830	808,470	68,360	7.8%	
Income	(745,190)	(691,196)	(53,994)	7.2%	
<b>Net</b>	<b>131,640</b>	<b>117,274</b>	<b>14,366</b>		

## INNOVATION AND RESOURCES PORTFOLIO

## Final Accounts 2022-2023

## ANNEX 1

	Annual Budget	Total Spend	Variance from Annual Budget		Comments (variances > 10% and £5,000)
	£	£	£	%	
<b>Resilience</b>					
Expenditure	76,010	70,010	6,000	7.9%	
Income	(55,410)	(49,410)	(6,000)	10.8%	Reserve funding not actioned
<b>Net</b>	<b>20,600</b>	<b>20,600</b>	<b>-</b>		
<b>Customer Serv Mgmt (incl Social Alarms)</b>					
Expenditure	129,240	128,852	388	0.3%	
Income	(28,900)	(28,900)	-	0.0%	
<b>Net</b>	<b>100,340</b>	<b>99,952</b>	<b>388</b>		
<b>Caretakers and Cleaners</b>					
Expenditure	308,510	283,491	25,019	8.1%	
Income	-	-	-	n/a	
<b>Net</b>	<b>308,510</b>	<b>283,491</b>	<b>25,019</b>		
<b>Public Buildings</b>					
Expenditure	973,240	962,313	10,927	1.1%	
Income	(440,750)	(504,067)	63,317	(14.4%)	Additional rent and service charge income £57k and minor variations
<b>Net</b>	<b>532,490</b>	<b>458,247</b>	<b>74,243</b>		
<b>Civic Ballroom</b>					
Expenditure	640	-	640	100.0%	
Income	(29,980)	(16,591)	(13,389)	44.7%	Reduced rent income
<b>Net</b>	<b>(29,340)</b>	<b>(16,591)</b>	<b>(12,749)</b>		
<b>Hawks Green Depot</b>					
Expenditure	128,570	119,530	9,040	7.0%	
Income	(161,780)	(161,610)	(170)	0.1%	
<b>Net</b>	<b>(33,210)</b>	<b>(42,080)</b>	<b>8,870</b>		

## INNOVATION AND RESOURCES PORTFOLIO

## Final Accounts 2022-2023

## ANNEX 1

	Annual Budget	Total Spend	Variance from Annual Budget		Comments (variances > 10% and £5,000)
	£	£	£	%	
<b>Vehicles</b>					
Expenditure	241,290	244,067	(2,777)	(1.2%)	
Income	(262,550)	(268,249)	5,699	(2.2%)	
<b>Net</b>	<b>(21,260)</b>	<b>(24,181)</b>	<b>2,921</b>		
<b>Markets</b>					
Expenditure	364,280	322,931	41,349	11.4%	Reduced public buildings £52k, partly offset by staffing variations (£12k)
Income	(58,530)	(58,519)	(11)	0.0%	
<b>Net</b>	<b>305,750</b>	<b>264,412</b>	<b>41,338</b>		
<b>Miscellaneous Properties</b>					
Expenditure	7,170	5,171	1,999	27.9%	
Income	(14,190)	(12,855)	(1,335)	9.4%	
<b>Net</b>	<b>(7,020)</b>	<b>(7,684)</b>	<b>664</b>		
<b>Taxation</b>					
Expenditure	3,354,790	3,722,418	(367,628)	(11.0%)	Staffing variations (£108k), energy grant contributed to reserves (£108k), increased bad debts provision court costs (£88k) and shared service balance to reserves
Income	(2,440,540)	(2,821,140)	380,600	(15.6%)	Additional grants £208k, use of reserve funding £156k and minor variations
<b>Net</b>	<b>914,250</b>	<b>901,278</b>	<b>12,972</b>		
<b>Finance</b>					
Expenditure	1,365,720	1,456,935	(91,215)	(6.7%)	
Income	(1,028,500)	(1,071,352)	42,852	(4.2%)	
<b>Net</b>	<b>337,220</b>	<b>385,583</b>	<b>(48,363)</b>		

## INNOVATION AND RESOURCES PORTFOLIO

## ANNEX 1

## Final Accounts 2022-2023

	Annual Budget	Total Spend	Variance from Annual Budget		Comments (variances > 10% and £5,000)
	£	£	£	%	
<b>Corporate Management</b>					
Expenditure	195,190	201,495	(6,305)	(3.2%)	
Income	(44,520)	(72,595)	28,075	(63.1%)	Government grant for audit fees £21k and minor variations
<b>Net</b>	<b>150,670</b>	<b>128,900</b>	<b>21,770</b>		
<b>Non Distributed Costs</b>					
Expenditure	296,000	288,705	7,296	2.5%	
Income	(41,620)	(41,620)	-	0.0%	
<b>Net</b>	<b>254,380</b>	<b>247,085</b>	<b>7,296</b>		
<b>Excluded Itms</b>					
Expenditure	55,230	45,996	9,234	16.7%	Reduced bad debts provision
Income	(839,600)	(848,314)	8,714	(1.0%)	
<b>Net</b>	<b>(784,370)</b>	<b>(802,318)</b>	<b>17,948</b>		
<b>Benefit Payments</b>					
Expenditure	14,881,220	15,111,464	(230,244)	(1.5%)	
Income	(15,112,540)	(15,269,794)	157,254	(1.0%)	
<b>Net</b>	<b>(231,320)</b>	<b>(158,330)</b>	<b>(72,990)</b>		
<b>Portfolio Total</b>	<b>4,089,510</b>	<b>3,962,417</b>	<b>127,093</b>	<b>3.1%</b>	

## LEADER OF THE COUNCIL PORTFOLIO

## Final Accounts 2022-2023

## ANNEX 1

	Annual Budget	Total Spend	Variance from Annual Budget		Comments (variances > 10% and £5,000)
	£	£	£	%	
<b>Democratic Services</b>					
Expenditure	613,010	555,346	57,664	9.4%	
Income	-	-	-	n/a	
<b>Net</b>	<b>613,010</b>	<b>555,346</b>	<b>57,664</b>		
<b>Elections</b>					
Expenditure	311,810	332,943	(21,133)	(6.8%)	
Income	(1,210)	(23,419)	22,209	(1835.5%)	Parish by election £6k, voter access grant £17k and minor variations
<b>Net</b>	<b>310,600</b>	<b>309,524</b>	<b>1,076</b>		
<b>Executive Management &amp; Support</b>					
Expenditure	355,670	337,752	17,918	5.0%	
Income	-	(36,653)	36,653	n/a	Reserve funding costed action plan and SCC sustainability officer
<b>Net</b>	<b>355,670</b>	<b>301,099</b>	<b>54,571</b>		
<b>Portfolio Total</b>	<b>1,279,280</b>	<b>1,165,969</b>	<b>113,311</b>	<b>8.9%</b>	

## DISTRICT DEVELOPMENT CAPITAL PORTFOLIO

## Final Accounts 2022-2023

	Annual Budget	Total Spend	Variance from Annual Budget		Comments (variances > 10% and £5,000)
	£	£	£	%	
<b>Let`s Grow Grants</b>					
Expenditure	23,000	3,385	19,615	85.3%	Reflects activity, slipped balance to 2023/24
<b>Net</b>	<b>23,000</b>	<b>3,385</b>	<b>19,615</b>		
<b>Cycle Storage and CCTV</b>					
Expenditure	5,880	5,880	-	0.0%	Project completed and on budget
<b>Net</b>	<b>5,880</b>	<b>5,880</b>	<b>-</b>		
<b>Bridges and Broadwalk</b>					
Expenditure	110,000	-	110,000	100.0%	Slipped to 2023/24, under review if project to continue
<b>Net</b>	<b>110,000</b>	<b>-</b>	<b>110,000</b>		
<b>UK Shared Prosperity Fund</b>					
Expenditure	40,000	23,365	16,635	41.6%	Slipped balance to 2023/24
<b>Net</b>	<b>40,000</b>	<b>23,365</b>	<b>16,635</b>		
<b>Elmore Park Toilets</b>					
Expenditure	110,000	-	110,000	100.0%	Successful tender bill completed in June 23, project slipped to 2023/24
<b>Net</b>	<b>110,000</b>	<b>-</b>	<b>110,000</b>		
<b>Levelling Up Fund Capital</b>					
Expenditure	1,900,000	790,632	1,109,368	58.4%	Slipped balance to 2023/24
<b>Net</b>	<b>1,900,000</b>	<b>790,632</b>	<b>1,109,368</b>		
<b>Portfolio Total</b>	<b>2,188,880</b>	<b>823,262</b>	<b>1,365,618</b>	<b>62.4%</b>	



## ENVIRONMENT CLIMATE CHANGE CAPITAL PORTFOLIO

## Final Accounts 2022-2023

	Annual Budget	Total Spend	Variance from Annual Budget		Comments (variances > 10% and £5,000)
	£	£	£	%	
<b>Wheelie Bins</b>					
Expenditure	105,090	90,620	14,470	13.8%	Slipped balance to 2023/24
<b>Net</b>	<b>105,090</b>	<b>90,620</b>	<b>14,470</b>		
<b>Portfolio Total</b>	<b>105,090</b>	<b>90,620</b>	<b>14,470</b>	<b>13.8%</b>	

## HOUSING HERITAGE LEISURE CAPITAL PORTFOLIO

## ANNEX 2

## Final Accounts 2022-2023

	Annual Budget	Total Spend	Variance from Annual Budget		Comments (variances > 10% and £5,000)
	£	£	£	%	
<b>Additional Cemetery Provision</b>					
Expenditure	30,000	11,653	18,347	61.2%	Main project works complete, slipped small balance to 2023/24 for any other small works outstanding
<b>Net</b>	<b>30,000</b>	<b>11,653</b>	<b>18,347</b>		
<b>DFG Private Grants</b>					
Expenditure	1,880,780	1,511,664	369,116	19.6%	2022/23 overspent and applied previous DFG unapplied balances
<b>Net</b>	<b>1,880,780</b>	<b>1,511,664</b>	<b>369,116</b>		
<b>Home Security Grants</b>					
Expenditure	20,370	-	20,370	100.0%	Slipped balance to 2023/24
<b>Net</b>	<b>20,370</b>	<b>-</b>	<b>20,370</b>		
<b>Fortescue Lane Play Area</b>					
Expenditure	-	3,086	(3,086)	n/a	Final works completed in 2022/23
<b>Net</b>	<b>-</b>	<b>3,086</b>	<b>(3,086)</b>		
<b>Penny Cress Green Play Area</b>					
Expenditure	36,270	21,811	14,459	39.9%	Works started in 2022/23, balance to slip to 2023/24
<b>Net</b>	<b>36,270</b>	<b>21,811</b>	<b>14,459</b>		
<b>Stadium Development Phase 2</b>					
Expenditure	125,000	123,320	1,680	1.3%	Project profiled over number of years, small balance from 2022/23 to slip to 2023/24
<b>Net</b>	<b>125,000</b>	<b>123,320</b>	<b>1,680</b>		

## HOUSING HERITAGE LEISURE CAPITAL PORTFOLIO

## ANNEX 2

## Final Accounts 2022-2023

	Annual Budget	Total Spend	Variance from Annual Budget		Comments (variances > 10% and £5,000)
	£	£	£	%	
<b>Rugeley ATP</b>					
Expenditure	132,500	34,632	97,868	73.9%	Main project works completed and underspent, slipped £32k to 2023/24 for potential small works outstanding
<b>Net</b>	<b>132,500</b>	<b>34,632</b>	<b>97,868</b>		
<b>Rugeley Swimming Pool</b>					
Expenditure	9,170	9,069	101	1.1%	Project complete, small underspend
<b>Net</b>	<b>9,170</b>	<b>9,069</b>	<b>101</b>		
<b>Rugeley LC Boiler</b>					
Expenditure	6,190	-	6,190	100.0%	Project complete, small underspend
<b>Net</b>	<b>6,190</b>	<b>-</b>	<b>6,190</b>		
<b>Commonwealth Games Legacy</b>					
Expenditure	50,000	-	50,000	100.0%	£10k expenditure in 2022/23 agreed revenue in nature and financed via revenue, £40k to Slip to 2023/24 for Capital trail improvements
<b>Net</b>	<b>50,000</b>	<b>-</b>	<b>50,000</b>		
<b>Play Area Development and Refurbishment</b>					
Expenditure	58,530	-	58,530	100.0%	£7.5k 2022/23 expenditure agreed revenue in nature, leaving £51.5k capital to slip to 2023/24
<b>Net</b>	<b>58,530</b>	<b>-</b>	<b>58,530</b>		
<b>Homelessness and Rough Sleeping Pathway</b>					
Expenditure	-	(164)	164	n/a	2021/22 COMAC accrual not materialised, reversed in 2022/23
<b>Net</b>	<b>-</b>	<b>(164)</b>	<b>164</b>		

## HOUSING HERITAGE LEISURE CAPITAL PORTFOLIO

## Final Accounts 2022-2023

	Annual Budget	Total Spend	Variance from Annual Budget		Comments (variances > 10% and £5,000)
	£	£	£	%	
<b>Parks and Open Spaces Vehicles</b>					
Expenditure	151,000	43,801	107,199	71.0%	1 x Tractor and 1 x Mower purchased in 2022/23, remainder vehicles budget slipped to 2023/24
<b>Net</b>	<b>151,000</b>	<b>43,801</b>	<b>107,199</b>		
<b>Wellington Drive Park and Open Space</b>					
Expenditure	118,000	22,302	95,698	81.1%	Works started in 2022/23, slipped balance to 2023/24
<b>Net</b>	<b>118,000</b>	<b>22,302</b>	<b>95,698</b>		
<b>Laburnum Avenue Phase 1</b>					
Expenditure	385,000	-	385,000	100.0%	Slipped project to 2023/24
<b>Net</b>	<b>385,000</b>	<b>-</b>	<b>385,000</b>		
<b>Infrastructure Fencing Parks and Open Sp</b>					
Expenditure	51,000	-	51,000	100.0%	Slipped project to 2023/24
<b>Net</b>	<b>51,000</b>	<b>-</b>	<b>51,000</b>		
<b>Portfolio Total</b>	<b>3,053,810</b>	<b>1,781,174</b>	<b>1,272,636</b>	<b>41.7%</b>	

## INNOVATION HIGH STREETS CAPITAL PORTFOLIO

## ANNEX 2

## Final Accounts 2022-2023

	Annual Budget	Total Spend	Variance from Annual Budget		Comments (variances > 10% and £5,000)
	£	£	£	%	
<b>Hawks Green Rationalisation</b>					
Expenditure	8,820	1,331	7,489	84.9%	Project completed, small balance to slip to 2023/24 for outstanding car park works
<b>Net</b>	<b>8,820</b>	<b>1,331</b>	<b>7,489</b>		
<b>Portfolio Total</b>	<b>8,820</b>	<b>1,331</b>	<b>7,489</b>	<b>84.9%</b>	

## LEADER CAPITAL PORTFOLIO

## Final Accounts 2022-2023

	Annual Budget	Total Spend	Variance from Annual Budget		Comments (variances > 10% and £5,000)
	£	£	£	%	
<b>New Council Website</b>					
Expenditure	70,000	-	70,000	100.0%	£20.5k was confirmed capital, remainder revenue maintenance. £20.5k capital to slip to 2023/24
<b>Net</b>	<b>70,000</b>	<b>-</b>	<b>70,000</b>		
<b>Portfolio Total</b>	<b>70,000</b>	<b>-</b>	<b>70,000</b>	<b>100.0%</b>	

## Housing Revenue Account - Final Accounts 2022/23

<b>Committee:</b>	Cabinet
<b>Date of Meeting:</b>	1 February 2024
<b>Joint Report of:</b>	Deputy Chief Executive-Resources Head of Housing & Corporate Assets
<b>Portfolio:</b>	Housing

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### **1 Purpose of Report**

- 1.1 To present to the Cabinet the final accounts position for the Housing Revenue Account (HRA) 2022/23.

### **2 Recommendations**

- 2.1 That the final accounts position of the HRA for the year ending 31 March 2023 be noted.
- 2.2 That the financing of the capital programme as outlined in the report be approved.

#### **Reasons for Recommendations**

- 2.3 The final accounts position needs to be reported to members and the financing of the capital programme is required to be approved.

### **3 Key Issues**

- 3.1 The overall revenue account position shows net expenditure increasing by £0.022 million when compared with the budget agreed by Council.
- 3.2 Income at 31 March 2023 was £20.658 million, broadly in line with the revised budget position of £20.628 million reported to Cabinet in February 2023.
- 3.3 Expenditure at 31 March 2023 was £19.826 million compared to the revised budget position of £20.050 million reported to Cabinet in February 2023. The £0.224 million decrease in expenditure relates primarily to savings in supervision and management offset by an additional RCCO contribution.

### **4 Relationship to Corporate Priorities**

- 4.1 The implementation of the 2022/23 HRA budget contributed to several housing related projects and actions contained within the Health & Wellbeing and The Community Priority Delivery Plans for 2022/23.

### **5 Report Detail**

- 5.1 This report provides an analysis of the final accounts position for 2022/23. It covers the following accounts:

- Housing Revenue Account – which bears the revenue cost of providing day-to-day services to housing tenants.
- Housing Revenue Account Capital expenditure and how it is financed.

### Housing Revenue Account Outturn

5.2 The table below summarises the provisional outturn position of the Housing Revenue Account for the year compared with the budget position.

#### Housing Revenue Account Outturn 2022/23

	Revised Budget	Actual Outturn	Variance
	2022/23	2022/23	2022/23
	£'000	£'000	£'000
<b>Income</b>			
Dwelling Rent	(20,230)	(20,244)	14
Non-Dwelling Rent	(350)	(355)	5
Interest	-	-	-
Other	(12)	(16)	4
General Fund Contribution	(36)	(43)	7
<b>Total Income</b>	<b>(20,628)</b>	<b>(20,658)</b>	<b>30</b>
<b>Expenditure</b>			
Repairs and Maintenance	6,652	6,706	(54)
Bad debt provision	100	102	(2)
Supervision & Management			
General	4,448	4,112	336
Special	974	788	186
Total Management	5,422	4,900	522
Capital Financing	7,876	8,118	(242)
RCCO	405	681	(276)
<b>Total Expenditure</b>	<b>20,455</b>	<b>20,507</b>	<b>(52)</b>
<b>Working Balance Transfer</b>	<b>173</b>	<b>151</b>	<b>22</b>

- 5.3 The Housing Revenue Account Net Expenditure for the 2022/23 financial year was set by the Cabinet in February 2022 with a transfer to Working Balances of £0.088 million. In determining the 2022/23 Budget in February 2023 Council approved the Revised Budget transfer to working balances for 2022/23 of £0.173 million.
- 5.4 The table shows that the net position was a surplus of £0.151 million, £0.022 million less than anticipated.
- 5.5 The principal variations (greater than £10,000) are as follows ((-) is an unfavourable variance (+) is a favourable variance):

#### Repairs and Maintenance

- Gas Maintenance increased costs £91,000 (-).
- Fire risk assessments & actions £33,000 (-).
- Voids Grounds Maintenance and Void works £236,000 (+).



- Legionella assessments £25,000 (+).
- Asbestos surveys & removals £19,000 (+).
- Reduced recharges to capital property services, reflecting capital spend £57,000 (-).
- Additional responsive repairs costs reflecting demand £158,000 (-).

#### **Supervision and Management General**

- Staff variations £198,000 (+).
- Rephased computer upgrade spend £111,000 (+).
- Minor variations £27,000 (+).

#### **Supervision and Management Special**

- Lower vulnerable decorations spend £100,000 (+).
- Lower minor works and Contract Cleaning spend on sheltered schemes £40,000 (+).
- Staffing variations £62,000 (+).
- Minor variations £16,000 (-).

#### **Capital Financing**

- Depreciation £260,000 (-).

#### **RCCO**

- Increased transfer to reserves £276,000 (-) following calculation of minimum working balance.

5.6 As a result of the changes in income and expenditure outlined above, the net surplus which was estimated in respect of the 2022/23 HRA, has reduced by £0.022 million.

5.7 This has resulted in a change to working balances, which at 31 March 2023 are now £1.983 million compared to the £2.005 million reported to Council in February 2023.

#### **Capital Outturn**

5.8 The 2022/23 HRA Capital Programme was determined by Council in February 2022 and was reviewed as part of the 2023/24 Budget in February 2023.

5.9 Details of the outturn expenditure in relation to the 2022/23 HRA capital programme is outlined in Appendix 1. This shows that total spend was £3.725 million in 2022/23 which was £2.435 million less than the revised budget set in February 2023 of £6.161 million.

5.10 The main items of capital underspend and slippage are;

- £0.861 million Kitchen Replacement slippage
- £0.598 million Hawks Green Residential underspend (budget released)
- £0.334 million DFG Public Grants underspend

- £0.178 million Aelfgar Site slippage
- £0.109 million Bathroom Replacement slippage
- £0.070 million Central Heating slippage

5.11 Details of the achievements against the targets in respect of dwelling improvements which resulted from the implementation of the 2022/23 HRA capital programme are detailed below.

<b>Improvements</b>	<b>Target Outputs 2022/23</b>	<b>Actual Outputs 2022/23</b>	<b>Variance</b>
Kitchen Improvements	223	41	-182
Bathroom Improvements	276	150	-126
Central Heating Improvements	233	267	34

5.12 The capital programme of £3.725 million was financed in the following way.

<b>Capital Financing</b>	<b>£'000</b>
Major Repairs Reserve	3,195
Capital receipts	530
<b>Total</b>	<b>3,725</b>

5.13 After financing the HRA capital programme, the HRA has £25.122 million of capital resources as at 31 March, 2023 to finance the programme up to 2025/26.

5.14 The uncommitted resources as at 31 March 2026 are now estimated to be £12.925 million, a £3.070 million increase on the forecast as included in the Approved Budget. This is primarily due to additional affordable housing, unexpected retained pooling payment, 1-4-1 receipts and RCCO together with resources released as part of the 2022/23 outturn.

## **6 Implications**

### **6.1 Financial**

The financial implications have been referred to throughout the report.

### **6.2 Legal**

The legal implications are set out throughout the report.

### **6.3 Human Resources**

None.

### **6.4 Risk Management**

There are a number of risks associated with the management of the Housing Revenue Account.

These risks are managed through a prudent approach to budgeting and regular monitoring of actual and forecast income and expenditure.

An adequate level of working balances is also maintained which comprises 10% of net operating expenditure.

**6.5 Equalities and Diversity**

This report presents the outturn position in respect of the 2022/23 Housing Revenue Account budget and as such does not require an Equality Impact Assessment as this was undertaken when the agreed budget was determined.

**6.6 Health**

None

**6.7 Climate Change**

None

**7 Appendices**

Appendix 1: Housing Revenue Account Capital Programme 2022/23 Outturn

**8 Previous Consideration**

Housing Revenue Account Budgets 2021/22 to 2024/25 (Cabinet 2/2/2022)

Housing Revenue Account Budgets 2022/23 to 2025/26 (Cabinet 26/1/2023)

**9 Background Papers**

None

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<b>Telephone Number:</b>	01543 464 251
<b>Ward Interest:</b>	N/A
<b>Report Track:</b>	Cabinet: 01/02/24
<b>Key Decision:</b>	No

## Housing Revenue Account Capital Programme 2022/23 Outturn

Scheme	Revised Budget	Outturn	Variance	Explanation
	£000	£000	£000	
DFG Public Grants	985	651	334	Reflects activity
Right to Compensation	5	-	5	No spend required in 2022/23
Kitchen Replacement	1,187	326	861	Scheme delayed, slip balance to 2023/24
External Envelope Works	245	224	21	Slip balance to 2023/24
Upgrading of Electrical Systems	847	844	3	Underspend, not required in 2023/24
Central Heating Upgrades	605	535	70	Slip balance to 2023/24
Resurfacing of Driveways	32	-	32	Delays in works, budget to slip to 2023/24
Demolition of Garages	16	-	16	Budget not required in 22/23, budget to slip to 23/24
Bathroom Replacement	1,066	957	109	Delays in works, budget to slip to 2023/24
Replacement of Fire Alarms Sheltered	17	-	17	Scheme delayed, slip balance to 2023/24
New Alarms HRA Stock	2	-	2	Larger project reprofiled to 2023/24
Former Garage Sites Development	-	3	(3)	Residual cost of scheme
Sheltered Scheme	144	102	42	Delays in works, budget to slip to 2023/24
Sheltered Lift Replacement	21	15	6	Slip balance to 2023/24
Hawks Green Residential	699	45	653	Project underspent by £598k, slip £55k to 2023/24 for some potential final works to site
Aelfgar Site	200	22	178	Project profiled over 3 years, slip balance to 2023/24
Communal Block Door Entry System	40	-	40	Delays in works, budget to slip to 2023/24
Communal Block Fire Risk Actions	50	-	50	Agreed revenue in nature, capital budget no longer required, budget released
	<b>6,161</b>	<b>3,725</b>	<b>2,435</b>	

## General Fund Revenue Budget and Capital Programme 2024-2027

<b>Committee:</b>	Cabinet
<b>Date of Meeting:</b>	1 February 2024
<b>Report of:</b>	Deputy Chief Executive-Resources
<b>Portfolio:</b>	Leader of the Council

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### 1 Purpose of Report

- 1.1 To propose to the Council the General Fund Revenue Budget for 2024-25, the updated Capital Programme 2024-27 and indicative budgets for 2025-26 to 2026-27.

### 2 Recommendations

- 2.1 That the following be recommended to the Council:
- (a) The Budget Requirement for the General Fund Revenue Budget for 2024-25 be set at £15.703 million.
  - (b) The indicative General Fund Revenue Budgets be set at £16.334 million for 2025-26 and £16.793 million for 2026-27.
  - (c) The General Fund working balance be set at a minimum of £1 million.
  - (d) The detailed capital programme as set out in **APPENDIX 2 and APPENDIX 3** be approved along with the Community Infrastructure Levy allocations in **APPENDIX 4**.
  - (e) That the Council Tax for 2024-25 be increased by 2.99% to £244.00.
  - (f) The Council's Tax Base be set at 30,014.76 (as determined by the Deputy Chief Executive (S151) reducing the tax base of 34,356.69 to reflect the collection rate).
  - (g) Note that the inflation parameter for fees and charges for 2024-25 was generally set at 6%.
  - (h) That the detailed portfolio budgets as set out in **APPENDIX 1** be approved.

#### Reasons for Recommendations

- 2.2 As part of the council's annual budget setting process, it is required to determine its budget requirement and seek approval from full council to approve it. The above recommendations allow the council to set the budget it needs to carry out its functions.

### **3 Key Issues**

- 3.1 This report sets out the current position on the General Fund Revenue Budget for 2023-24 and indicative budgets for 2024-25 to 2026-27. It takes into account the Local Government Finance Settlement 2024-25, New Homes Bonus Grant allocation, the position on the Council's Collection Fund, the Council's Tax Base for 2024-25 and the consequential Council Tax for 2024-25.
- 3.2 The budget for 2024-25 is based on the estimated outturn position for 2023-24, which has been updated to reflect known changes and estimates for 2024-25.
- 3.3 Indicative budgets have been set out for 2025-26 and 2026-27 which include the key issues which it is anticipated will have a potential impact on the Council's finances. However, it should be noted that there are substantial uncertainties regarding the central Government policy for local government finance. There is a significant risk to the council's financial position in 2026-27 should the business rates reset take place. It cannot be assumed that support will be provided to manage this reduction in resources by central government at this time. The council is still operating with a one-year financial settlement.

### **4 Relationship to Corporate Priorities**

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

### **5 Report Detail**

- 5.1 The respective portfolio budgets will be submitted to responsible council scrutiny committee on the 23 January with it returning to Cabinet on the 1 February 2024 with any feedback as part of the budget consultation process.

#### **Budget Issues and Adjustments 2024-25**

##### **Inflation**

- 5.2 The budgets for 2024-25 reflect the £1,925 pay award for 2023-24. A provision of 4% has been included for 2024-25; then 3% for 2025-26 and 2% for 2026-27.
- 5.3 Individual calculations have been carried out in respect of the budgets most affected by inflation. Inflation as measured by the Consumer Prices Index (November 2023) is 3.9% and for the Retail Prices Index it is 5.3%. Some contracts, most significantly for Inspiring Healthy Lifestyles (IHL) and the Biffa waste contract, have been individually calculated to reflect high inflation figures. IHL has been particularly affected by a combination of changes in residents' usage of leisure facilities, increased running costs and inflationary pressures.

##### **Spending pressures/Loss of income**

- 5.4 The detailed budgets have been refreshed to reflect the forecast for 2023-24. Additional provision has been made within Portfolio budgets for inflation and other general items, including for a pay award and increments.

5.5 The pressures on the 2024-25 Portfolio budgets (recurring in future years) are itemised below:

- Increased investment in the finance team to meet the needs of the authority. It has been highlighted that as the council is embarking on an ambitious work programme, town centre regeneration and a need to provide better support to budget managers and members there needs to be greater support provided by finance. As such an amount of £141k has been included in the base budget to increase staffing and support investment in the team. This has been highlighted by the external auditors as a key area requiring investment.
- The creation of a budget for transformation has been included at £100k. This will enable the council to review its processes and procedures to ensure it is delivering best practice in its service provision.
- The pay award for 2023/24 came in significantly higher than had been estimated. This has a knock-on effect for future years and has been reflected in the base budget.
- Planning is currently forecasting a reduction in income of £143k on an ongoing basis. This is because of reduced applications being anticipated. There is a consequential reducing in building control net income of £46k. This does not take into account the increase in fees from the recent government announcement. It detailed an increase in planning application fees of 35% for major developments and 25% for all other applications. It also specified a reduction in turnaround times for standard applications from 26 to 16 weeks, which will be a challenge for the department to achieve. Should it not achieve this turnaround time the fees will be repayable. These monies are anticipated to be used for investment in the service.

### **Budget savings proposals**

5.6 In 2023/24 the council undertook a review of all the savings which had been approved in previous budgets. This allowed the council to determine which had been achieved, which needed to be updated/revised and which were no longer achievable. Going forwards regular monitoring of the savings programme will take place and be reported on. Of the originally approved savings for 2023/24 of £902k, £585k were achieved in year. The budgeted savings for 2024/25 were £2,099k and have been reprofiled/amended as below. The main change for 24/25 has been the slipping of the shared service saving of £400k into future years, the removal of the saving attached the moving of the museum, and a reduction in the anticipated saving from the estate rationalisation of Rugeley indoor market.

**Table 1: Proposed budget savings**

<b>Description</b>	<b>2023-24 £</b>	<b>2024-25 £</b>
Increased use of smartphones	0	8,000
Garden waste charges	100,000	600,000
Digital waste calendar	16,000	16,000
Hednesford station car park charging		21,000
Rugeley station car park charging		17,000
Efficiencies pest control service	8,000	8,000
Efficiencies parks and open spaces service	43,500	43,500
Tennis court hire income	0	38,000
Efficiencies Street Cleansing	24,700	126,100
Inspiring Healthy Lifestyles concessions review	0	70,000
Environmental Protection efficiencies	109,000	109,000
Private sector housing capitalisation of post	46,000	46,000
Efficiencies Caretaking and Cleaning	8,230	8,230
Policy and Performance efficiencies	40,170	40,170
Revenues and benefits efficiencies	12,500	12,500
Shared Services savings	44,000	144,000
Food and safety efficiencies	21,000	21,000
Estate rationalisation	30,000	30,000
CCTV conversion to IP connectivity	9,000	9,000
Citizen Advice grant aid support	27,850	57,850
Reductions in consistently-underspending overhead budgets	45,000	45,000
<b>Total</b>	<b>584,950</b>	<b>1,470,350</b>

### **Business Rates Income**

- 5.7 The Council's exposure to volatility in Business Rates is a key risk with a reduction in income from business rates due to the failure or temporary closure of a key industry and successful appeals against Rateable Values and backdated refunds. To mitigate this risk as much as possible, provision is made in both the budget and final accounts for a reduction in income due to appeals.
- 5.8 There have been several challenges for Cannock's business rate income. The relocation of the Amazon distribution centre is likely to reduce business rates income at least in the short term. The delay in phase 2 of West Midlands Designer Village and the redevelopment of Rugeley power station site are also having an impact on anticipated business rates income. It is hoped that these will be completed in the near future but there is uncertainty around the timings.

### **2023-24 Forecast Outturn**

- 5.9 The Budget for 2023-24 is monitored against the profiled budget. The latest portfolio position reflects the inflationary increases in costs and known changes in the forecast and the impact of the savings achieved. The estimated outturn is a £838k deficit.



- 5.10 The £838k deficit is primarily driven by:
- Planning - £480k due to increased use of agency resource and forecast reduced income.
  - Pay award - £217k reflecting the pay award coming in higher than anticipated.
  - Budget savings which were not achieved of £317k as per table 1.
- 5.11 The overall council position reflects a strong performance on investment income in year. This was driven by higher interest rates. It must be noted that the benefits are effectively windfalls as they cannot be guaranteed on an ongoing basis. At present the council is forecasting a £1.1m surplus over the budgeted for position for investment income. This results in an overall forecast outturn for 2023/24 of £778k deficit. This deficit will be funded from a combination of general fund budget support reserve of £400k and £378k from general working balances. This will leave a minimum working balance of greater than £1m at the close of 2023-24.

### **Local Government Finance Settlement 2024-25 and Autumn Statement**

- 5.12 The Local Government Finance Settlement for 2024-25 was received by the Council in December 2023.
- 5.13 In particular the Settlement determines both the core funding to the Council and basis of incentive funding for Business Rates. A Baseline Funding Level was determined at the commencement of the current scheme in 2013-14 with a Tariff paid to central government representing the difference between income collected and the Baseline. The Baseline Funding now represents the sole form of core funding following the demise of Revenue Support Grant.
- 5.14 The settlement confirmed the continuation of the Council Tax referendum rules for lower tier councils from last year. It is still possible to increase Council Tax by the higher of 2.99% or £5 (rather than the higher of 1.99% or £5) without holding a referendum. The Statement also made various updates to policy regarding Business Rates reliefs, New Homes Bonus for one year (2024-25), but did not include statements on New Homes Bonus for the medium term, the Fair Funding Review or a Business Rates reset.
- 5.15 The 2024-25 Settlement included £1.420m for funding guarantee grant. This is a one-off grant designed to maintain a minimum level of core spending power. It is important to note that this spending power guarantee was calculated on the basis that council tax was increased by the maximum 2.99%. If the council were to not increase this by the maximum, it would have a detrimental impact on future years budgets. This detrimental impact would be driven by the grants in future years being less than the "lost" potential income from not increasing council tax.
- 5.16 It is also worth noting that investment income is not taken into account when calculating the base funding position of the council as it cannot be seen as a guaranteed income stream to fund service delivery.

### **Business Rates Pooling and Retention**

- 5.17 There is an assumption that any reset of Business Rates growth achieved to date will be deferred until at least 2026-27.

- 5.18 The Budget assumes that the Staffordshire and Stoke-on-Trent Business Rates Pool will remain in place. It is also likely that even if there is a 50% reset in business rates growth with effect from 1 April 2026, then transitional relief and/or the use of the Council's reserves set aside for smoothing Business Rates fluctuations may well nullify any losses that would otherwise have been incurred in 2026-27.
- 5.19 Business Rates increase each year in line with the prevailing CPI of the preceding September. The freezing of the NNDR multiplier has only been applied to small businesses. This will result in a loss of income to the Council, offset by compensation for this loss via the NNDR Multiplier Section 31 grant. Section 31 Grant will cover the whole loss.
- 5.20 An analysis of the revised Retained Business Rates income for the Council is set out in **APPENDIX 5**.

#### **New Homes Bonus**

- 5.21 Allocations for the New Homes Bonus (NHB) scheme for 2024-25 will be £201k. It is assumed that the NHB scheme will continue in some form in future years and as such an amount has been allocated in 2025-26 and 2026-27 of £200k.

#### **Core spending power grant**

- 5.22 The core spending power grant of £19k has been allocated for 2024-25. It is assumed that this is a one-off payment and is therefore not reflected in budgets post 2024-25.

#### **Revenue Budget Summary 2024-25**

- 5.23 The Portfolio Budget position set out below reflects the forecast outturn position for 2023-24, the proposed budget for 2024-25, and indicative budgets for 2025-26 and 2026-27.

**Table 2: Revenue Budget Recommended to Council**

	<b>Forecast outturn 2023-24 £000</b>	<b>Budget 2024-25 £000</b>	<b>Indicative Budget 2025-26 £000</b>	<b>Indicative Budget 2026-27 £000</b>
<b>Net Expenditure</b>				
Portfolio budgets	17,289	17,200	17,203	17,762
Investment income and technical financing adjustments	-1,621	-1,137	-510	-610
<b>Net spending</b>	<b>15,668</b>	<b>16,063</b>	<b>16,693</b>	<b>17,152</b>
<b>Less: Government Grants</b>				
NNDR multiplier	-159	-159	-159	-159
New Homes Bonus	-619	-201	-200	-200
<b>Budget Requirement</b>	<b>14,890</b>	<b>15,703</b>	<b>16,334</b>	<b>16,793</b>
<b>Financing</b>				
Business Rates	-5,964	-6,371	-6,499	-5,914
Council Tax Income	-7,072	-7,324	-7,599	-7,885
Funding guarantee grant*	-830	-1,420	-	-
Core spending power grant	-123	-19	-	-
Revenue Support Grant	-123	-131	-	-
<b>Total Financing</b>	<b>-14,112</b>	<b>-15,265</b>	<b>-14,098</b>	<b>-13,799</b>
<b>Transfer from/to (-) balances</b>	<b>778</b>	<b>438</b>	<b>2,236</b>	<b>2,994</b>
<b>Funding guarantee estimate*</b>			<b>-940</b>	<b>-440</b>
<b>Revised transfer from/to (-) balances</b>	<b>778</b>	<b>438</b>	<b>1,296</b>	<b>2,554</b>

- 5.24 The intention is to fund the forecast deficit in 23-24 as per paragraph 5.11 and the deficit in 24-25 from working balances leaving working balances of £1.124m as at the end of 24-25.
- 5.25 The above budgets are in general based upon the maintenance of existing service provision and delivery of the priorities set out in the Corporate Plan. During 2023/24 a zero based budgeting exercise was undertaken. During this exercise budgets were reviewed line by line by the finance team with the budget holders. The results of this exercise have been reflected in the budgets in table 2.
- 5.26 As indicated above details are only currently available for the 2024-25 financial year. Limited amendments have been made to assumptions in relation to the new funding regime for 2025-26 and onwards. The Business Rates Scheme in particular carries the greatest uncertainty, along with any outcome from the Fair Funding Review. In light of the uncertainty as reflected in various sections of this report, it is difficult to project the true overall position over the medium term.

5.27 The major changes in the indicative Budget for 2024-25 when compared to the currently proposed 2024-25 budget are as set out in Table 3.

5.28 Table 3: Changes in 2024-25 budget assumptions

Description	Change £000
Portfolio budgets higher than anticipated	1,765
Investment income and technical changes higher than anticipated	-653
New Homes Bonus higher than anticipated	-1
Business Rates	-241
Council Tax higher than anticipated	-42
Funding guarantee grant (one year only)	-1,420
Revenue Support Grant	-131
Core Spending Power Grant (one year only)	-19
<b>Total</b>	<b>-742</b>

5.29 The primary changes in the table above are the new grants paid to the council as a one off (Funding guarantee grant £1.420m).

5.30 Table 2 identifies a deficit in 2024-25, taking into account the savings detailed in table 1. To date the council has not budgeted for the one-off grants from central government in its budget setting process due to material uncertainty about the amounts. Additional lines have been added to table 2 this year to reflect what the grant amounts in future years may be. They are based on a prudent estimate driven by the amounts awarded for 2024-25. As per the table if they are considered then the deficit reduces to £1.296m in 2025-26 and £2.554m in 2026-27. The deficit in 2026-27 is driven in part by accounting for the business rates reset in year and a consequential reduction in business rates with no compensating funding being assumed. As referred to above, there is still significant uncertainty in relation to the whole of local government funding.

5.31 A Business Rates reset will have a negative impact on the District, as the amount currently received is based on a low baseline - above which the District retains Business Rates income. A Business Rates review is likely to reset this baseline to a higher level for Cannock, which will leave less scope to generate the same level of income as in the past. There is no certainty that this change will happen in 2026-27, but an assumption needed to be made, because the Government has signalled in the past that such a review will be forthcoming. The Council has long anticipated the change and holds a reserve to provide a buffer for significant fluctuations, and this will enable losses of the magnitude set out above, at least in the short term, to have no impact on the revenue budget. It is also likely that such a major change would be accompanied by transitional relief, which will soften the losses resulting from the policy change, albeit for a limited period.

### Reserves and Balances

5.32 Reserves and balances comprise general reserves, the Working Balance, and Earmarked Reserves. They help the Council to cope with unpredictable financial pressures and plan for future spending commitments. They are an essential part of good financial management and assist the Section 151 Officer in providing reassurance to Council on the robustness of the estimates and the adequacy of reserves. **(See APPENDIX 7)**

5.33 The Council holds a number of earmarked reserves for specific purposes. Earmarked reserves are itemised in **APPENDIX 6**. Projected reserves at 1/4/24 have increased to £17,910k when compared to the projected level at 1/4/24 of £14,383k when the 2023-24 Budget was set. The major changes (rounded) are:

- As set out in the outturn report for 22/23, there was a planned draw down from reserves of £1.3m and of this amount only £0.361m was used.
- A contribution to working balance of £0.521m was made.
- Grants reserves have increase by £0.443m
- Trading accounts have increased by £0.187m
- S106 have increased by £0.246m
- Capital resources have increased by £0.188m

5.34 The Working Balance - the current policy has for a number of years been to maintain the level of the General Fund balance at a minimum of £1 million. This is maintained over the planning period.

#### **Capital Programme 2023-24 to 2026-27**

5.35 The Capital Programme is attached as **APPENDIX 2 and APPENDIX 3**.

5.36 There are very limited unallocated general fund capital resources of £0.329m at the end of the capital programme. This includes a capital receipt of £75k which has not been received yet.

5.37 Unallocated S106 resources are currently £1.361m.

#### **Council Tax Base and Collection Fund**

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

5.39 The Council's Tax Base is now estimated to be 30,014.76 representing an increase of 163.73 on 2023-24. The increase reflects the net increase in new properties built, offset by the cost of the Local Council Tax Reduction scheme.

5.40 The Tax Base has been calculated as below (with further detail broken down in **APPENDIX 8**):

Council Tax base for budget setting purposes	34,356.69
Less: impact of Local Council Tax Reduction Scheme	<u>-4,341.93</u>
	<b>30,014.76</b>

5.41 The Council's Collection Fund has been reviewed as part of the budget process.

#### **Council Tax 2024-25**

5.42 In determining the level of Council Tax for 2024-25 Cabinet will need to take into account the medium-term financial position and the Council Tax Referendum Thresholds.

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

- 5.44 The proposed level of Cannock District Council's Council Tax for 2024-25 is £244.00 for a Band D property with the overall level of Council Tax subject to final determination by Council. The figures set out in this report may require minor amendment if any further information emerges before then.
- 5.45 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.

### **Financial Planning**

- 5.46 The Government has intended to introduce a new financial regime for local government for a number of years. There was an original delay, then Covid, then the Ukraine war, cost of living crisis and change in Prime Minister and Cabinet. The changes to the local government financial regime potentially include Business Rates Retention and the reset of Business Rates, a replacement for New Homes Bonus and a Fair Funding Review. This uncertainty from central government is making it increasingly difficult for local government to plan in the medium term and can lead to decisions being taken which are more responsive in nature rather than based on strategic planning.
- 5.47 Each of these issues have been discussed in previous years' budget reports, with the conclusion that it was impossible to determine how both Core and Incentive based funding will change under the new regime. Material variances exist between the best/worst case future scenarios, and it is essential that a prudent approach is adopted until further details become available.
- 5.48 The Council has at the present date minimal general fund uncommitted capital resources. Its future programme will be financed by the generation of capital receipts and prudential borrowing subject to its financing being prudent, sustainable, and affordable. Although with the advent of higher interest rates, it is becoming harder to justify borrowing to fund capital spending, especially as there is also an opportunity cost to borrowing, of foregoing an investment return.
- 5.49 The major potential adverse impact over the medium term is regarding Government policy, a Business Rates reset being the most significant. However, any reset is likely to be accompanied by a reasonable lead-in, with transitional relief. The Council also holds a reserve to soften the impact of Business Rates fluctuations, which could support the 2024-25 Budget if needed.

### **Horizon scanning**

- 5.50 There are several areas of uncertainty for the council going forwards and at present no budgetary provision has been made as costings are unclear. Primary amongst these is the introduction of food waste collection. This a new service that central government are legislating for the council to undertake. We are unsure of the arrangements for this or if funding will be provided by central government but if it is not, then this will be a cost pressure for the council.
- 5.51 As inflation is starting to converge with the Bank of England target of 2% it is unlikely that interest rates will remain at their current levels for the entirety of the next financial year. This will mean investment income starting to reduce. As interest rates decrease the amount of contribution to the investment reserve will reduce to compensate to avoid creating a budget deficit.

- 5.52 Central government funding remains a challenge to forecast. With only one-year settlements being provided and the driver for the amounts being awarded subject to change budgeting for them is very difficult. This year we have modelled up what it would look like if they were to be awarded again next year.
- 5.53 As set out above, the council finds itself in a very challenging financial position. There is a planned review of all reserves mid-way through the year to determine if any can be released to support the general fund and invest to save projects. Should savings targets not be achieved or cost pressures increase additional savings will be required to bridge this gap. The council recognises that it has a significant budget gap over the life of the MTFS and that some difficult decisions will be necessary to close this gap. Regular monitoring and reporting will take place going forwards, on both budgets and the savings programme, to help budget managers ensure the council uses its resources as effectively as possible. This will be a key area for the council and as such a robust process will be put in place to monitor savings, develop new ones, and deliver those which are agreed.

## **6 Implications**

### **6.1 Financial**

Contained in the report.

### **6.2 Legal**

Nil

### **6.3 Human Resources**

Nil

### **6.4 Risk Management**

Set out in Appendix 9.

Setting the budget is recognised as a significant risk to the council and included in the strategic risk register. The risks noted are both the setting of the budget within the timescales and the risks around setting a balanced budget. These are referenced throughout the report and the mitigations that have been put in place. For example, the business rates reserve to offset the potential business rates reset.

### **6.5 Equalities and Diversity**

Nil

### **6.6 Health**

Nil

### **6.7 Climate Change**

Nil

## 7 Appendices

- Appendix 1: Detailed Portfolio Budgets and Variation Statements
- Appendix 2: Capital Programme 2023-24 to 2026-27
- Appendix 3: General Fund and S106 Capital Budgets 2023-24 to 2026-27
- Appendix 4: Community Infrastructure Levy (CIL) Allocations Process and Recommendations
- Appendix 5: Business Rates Retention - Retained Income
- Appendix 6: Other General Fund Earmarked Reserves
- Appendix 7: Report of the Chief Financial Officer on the Robustness of the Budget Estimates and the Adequacy of the Council's Reserves
- Appendix 8: Council Tax Base 2023-24
- Appendix 9: Working Balance - Financial Risks Facing the Authority

## 8 Previous Consideration

None

## 9 Background Papers

Files are available in Financial Services.

**Contact Officer:** Chris Forrester

**Telephone Number:** 01543 464 334

**Report Track:** Cabinet: 17/01/24  
Responsible Council Scrutiny Committee: 23/01/24  
Cabinet: 01/02/24  
Council: 21/02/24

**Key Decision:** No



Community Wellbeing

## Appendix 1

	Outturn 2023-2024 £	Budget 2024-2025 £	Budget 2025-2026 £	Budget 2026-2027 £
<b>1 CCTV</b>				
Employee Expenses	171,600	178,920	184,680	188,850
Premises Related Expenditure	12,020	12,740	13,500	14,310
Supplies & Services	76,220	77,490	78,240	79,020
<b>Total Expenditure</b>	<b>259,840</b>	<b>269,150</b>	<b>276,420</b>	<b>282,180</b>
Income	(61,530)	(63,880)	(65,230)	(65,970)
<b>Total Income</b>	<b>(61,530)</b>	<b>(63,880)</b>	<b>(65,230)</b>	<b>(65,970)</b>
<b>CCTV Net Expenditure</b>	<b>198,310</b>	<b>205,270</b>	<b>211,190</b>	<b>216,210</b>
<b>2 Grants &amp; Contributions</b>				
Supplies & Services	141,280	114,260	115,380	116,530
<b>Total Expenditure</b>	<b>141,280</b>	<b>114,260</b>	<b>115,380</b>	<b>116,530</b>
<b>Grants &amp; Contributions Net Expenditure</b>	<b>141,280</b>	<b>114,260</b>	<b>115,380</b>	<b>116,530</b>
<b>3 Housing Services</b>				
Employee Expenses	514,480	421,480	434,980	444,460
Premises Related Expenditure	6,630	6,120	6,250	6,390
Transport Related Expenditure	1,530	50	70	70
Supplies & Services	369,350	147,220	118,220	119,230
Third Party Payments	310	320	330	340
<b>Total Expenditure</b>	<b>892,300</b>	<b>575,190</b>	<b>559,850</b>	<b>570,490</b>
Income	(536,790)	(237,240)	(211,540)	(215,080)
<b>Total Income</b>	<b>(536,790)</b>	<b>(237,240)</b>	<b>(211,540)</b>	<b>(215,080)</b>
<b>Housing Services Net Expenditure</b>	<b>355,510</b>	<b>337,950</b>	<b>348,310</b>	<b>355,410</b>
<b>4 Leisure Contract Sports and Management</b>				
Premises Related Expenditure	194,680	198,290	202,390	206,580
Supplies & Services	2,327,160	1,848,260	1,531,120	1,561,720
<b>Total Expenditure</b>	<b>2,521,840</b>	<b>2,046,550</b>	<b>1,733,510</b>	<b>1,768,300</b>
Income	(416,060)	(191,890)	(195,710)	(199,610)
<b>Total Income</b>	<b>(416,060)</b>	<b>(191,890)</b>	<b>(195,710)</b>	<b>(199,610)</b>
<b>Leisure Contract Sports and Management Net Expenditure</b>	<b>2,105,780</b>	<b>1,854,660</b>	<b>1,537,800</b>	<b>1,568,690</b>
<b>5 Partnerships</b>				
Employee Expenses	220,430	229,820	236,970	242,140
Premises Related Expenditure	17,830	17,100	17,520	17,950
Transport Related Expenditure	2,480	1,250	1,280	1,290
Supplies & Services	8,520	7,720	7,810	7,890
<b>Total Expenditure</b>	<b>249,260</b>	<b>255,890</b>	<b>263,580</b>	<b>269,270</b>
<b>Partnerships Net Expenditure</b>	<b>249,260</b>	<b>255,890</b>	<b>263,580</b>	<b>269,270</b>

Community Wellbeing

	Outturn 2023-2024	Budget 2024-2025	Budget 2025-2026	Budget 2026-2027
	£	£	£	£
<b>6 Stadium</b>				
Employee Expenses	7,300	9,380	11,020	12,120
Premises Related Expenditure	56,870	53,830	54,380	54,960
Supplies & Services	20,730	20,730	20,730	20,730
<b>Total Expenditure</b>	<b>84,900</b>	<b>83,940</b>	<b>86,130</b>	<b>87,810</b>
<b>Stadium Net Expenditure</b>	<b>84,900</b>	<b>83,940</b>	<b>86,130</b>	<b>87,810</b>
<b>7 DFG Delivery</b>				
Employee Expenses	44,990	46,820	48,270	49,250
Transport Related Expenditure	1,860	3,600	3,620	3,660
Supplies & Services	5,460	5,520	5,580	5,640
<b>Total Expenditure</b>	<b>52,310</b>	<b>55,940</b>	<b>57,470</b>	<b>58,550</b>
Income	(51,830)	(55,940)	(57,470)	(58,550)
<b>Total Income</b>	<b>(51,830)</b>	<b>(55,940)</b>	<b>(57,470)</b>	<b>(58,550)</b>
<b>DFG Delivery Net Expenditure</b>	<b>480</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>8 Leisure, Planning and Marketing</b>				
Employee Expenses	77,670	80,070	82,440	84,220
Transport Related Expenditure	2,140	1,530	1,550	1,570
Supplies & Services	16,420	13,600	13,660	13,690
<b>Total Expenditure</b>	<b>96,230</b>	<b>95,200</b>	<b>97,650</b>	<b>99,480</b>
Income	(10,550)	(29,470)	(29,690)	(29,910)
<b>Total Income</b>	<b>(10,550)</b>	<b>(29,470)</b>	<b>(29,690)</b>	<b>(29,910)</b>
<b>Leisure, Planning and Marketing Net Expenditure</b>	<b>85,680</b>	<b>65,730</b>	<b>67,960</b>	<b>69,570</b>
<b>Community Wellbeing Net Expenditure</b>	<b>3,221,200</b>	<b>2,917,700</b>	<b>2,630,350</b>	<b>2,683,490</b>

Community Wellbeing PortfolioVariation Statement 2024/2025 to 2026/2027

	2024/2025 Indicative	Real Terms / Efficiency Variations	2024/2025 Budget	2025/2026 Indicative	Real Terms / Efficiency Variations	2025/2026 Budget	Inflation	Real Terms / Efficiency Variations	2026/2027 Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Employee Costs	1,187	- 220	967	1,217	- 219	998	19	4	1,021
Premises Related Costs	301	- 13	288	305	- 11	294	7	- 1	300
Transport Related Costs	9	- 3	6	10	- 3	7	-	-	7
Supplies and Services	1,742	493	2,235	1,794	97	1,891	34	- 1	1,924
Third Party	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>3,239</b>	<b>257</b>	<b>3,496</b>	<b>3,326</b>	<b>- 136</b>	<b>3,190</b>	<b>60</b>	<b>2</b>	<b>3,252</b>
Income	- 633	55	- 578	- 646	86	- 560	- 9	-	- 569
<b>Net Expenditure</b>	<b>2,606</b>	<b>312</b>	<b>2,918</b>	<b>2,680</b>	<b>- 50</b>	<b>2,630</b>	<b>51</b>	<b>2</b>	<b>2,683</b>
Portfolio transferred	2084			2147					
Original Net Expenditure	522			533					

**Community Wellbeing Portfolio****Proposed Real Terms / Efficiency Variations****2024/25 Change**

	£'000	£'000
<b><u>Real Term Variations</u></b>		
Pay award		32
Leadership team posts transferred to Leader portfolio		-206
Increased hra recharge reflecting pay		-5
Utilities		-12
Reduced car allowances		-3
Reduced audit fees		-4
Leisure management contract sports and management		516
Zero based budget review		-5
Budget savings reinstated		
CCTV conversion to IP connectivity	2	
Citizen Advice grant aid support	2	4
minor variations		-5
		<b><u>312</u></b>

**2025/26 Change**

	£'000	£'000
<b><u>Real Term Variations</u></b>		
Pay award		36
Leadership team posts transferred to Leader portfolio		-206
Increased hra recharge reflecting pay		-5
Utilities		-12
Reduced car allowances		-3
Reduced audit fees		-5
Leisure management contract sports and management		151
Zero based budget review		-5
Budget savings reinstated		
CCTV conversion to IP connectivity	2	
Citizen Advice grant aid support	2	4
minor variations		-5
		<b><u>- 50</u></b>

**2025/26 to 2026/27 Change**

	£'000	£'000
<b><u>Real Term Variations</u></b>		
Increase in pension costs		3
minor variations		-1
		<b><u>2</u></b>

Environment and Climate Change

## Appendix 1

	Outturn 2023-2024 £	Budget 2024-2025 £	Budget 2025-2026 £	Budget 2026-2027 £
<b>1 Waste &amp; Recycling</b>				
Employee Expenses	293,070	366,700	377,440	384,650
Premises Related Expenditure	2,960	3,080	3,110	3,140
Transport Related Expenditure	6,080	6,950	7,040	7,150
Supplies & Services	160,280	56,370	57,050	57,620
Third Party Payments	3,836,490	4,102,690	4,281,790	4,383,260
<b>Total Expenditure</b>	<b>4,298,880</b>	<b>4,535,790</b>	<b>4,726,430</b>	<b>4,835,820</b>
Income	(1,321,850)	(1,534,760)	(1,548,870)	(1,571,110)
<b>Total Income</b>	<b>(1,321,850)</b>	<b>(1,534,760)</b>	<b>(1,548,870)</b>	<b>(1,571,110)</b>
<b>Waste &amp; Recycling Net Expenditure</b>	<b>2,977,030</b>	<b>3,001,030</b>	<b>3,177,560</b>	<b>3,264,710</b>
<b>2 Regulatory Services</b>				
Employee Expenses	368,740	424,490	440,910	451,460
Transport Related Expenditure	8,240	10,700	10,830	10,940
Supplies & Services	34,420	32,390	32,800	33,130
Third Party Payments	45,750	47,580	48,530	49,500
<b>Total Expenditure</b>	<b>457,150</b>	<b>515,160</b>	<b>533,070</b>	<b>545,030</b>
Income	(20,310)	(31,090)	(31,720)	(32,360)
<b>Total Income</b>	<b>(20,310)</b>	<b>(31,090)</b>	<b>(31,720)</b>	<b>(32,360)</b>
<b>Regulatory Services Net Expenditure</b>	<b>436,840</b>	<b>484,070</b>	<b>501,350</b>	<b>512,670</b>
<b>3 Cleansing Services</b>				
Premises Related Expenditure	5,990	6,050	6,110	6,170
Supplies & Services	5,630	5,580	5,640	5,690
Third Party Payments	486,560	438,430	452,870	463,840
<b>Total Expenditure</b>	<b>498,180</b>	<b>450,060</b>	<b>464,620</b>	<b>475,700</b>
<b>Cleansing Services Net Expenditure</b>	<b>498,180</b>	<b>450,060</b>	<b>464,620</b>	<b>475,700</b>
<b>4 Drainage Services</b>				
Premises Related Expenditure	8,790	8,880	9,060	9,240
<b>Total Expenditure</b>	<b>8,790</b>	<b>8,880</b>	<b>9,060</b>	<b>9,240</b>
<b>Drainage Services Net Expenditure</b>	<b>8,790</b>	<b>8,880</b>	<b>9,060</b>	<b>9,240</b>
<b>5 Countryside Management</b>				
Employee Expenses	207,880	260,460	268,910	274,920
Premises Related Expenditure	11,340	10,640	11,100	11,560
Transport Related Expenditure	13,290	13,440	13,710	13,990
Supplies & Services	29,690	29,930	30,230	30,520
<b>Total Expenditure</b>	<b>262,200</b>	<b>314,470</b>	<b>323,950</b>	<b>330,990</b>
Income	(82,660)	(84,610)	(84,870)	(85,330)
<b>Total Income</b>	<b>(82,660)</b>	<b>(84,610)</b>	<b>(84,870)</b>	<b>(85,330)</b>
<b>Countryside Management Net Expenditure</b>	<b>179,540</b>	<b>229,860</b>	<b>239,080</b>	<b>245,660</b>

Environment and Climate Change

	Outturn 2023-2024 £	Budget 2024-2025 £	Budget 2025-2026 £	Budget 2026-2027 £
<b>6 Public Clocks</b>				
Premises Related Expenditure	6,150	6,840	7,100	7,310
<b>Total Expenditure</b>	<b>6,150</b>	<b>6,840</b>	<b>7,100</b>	<b>7,310</b>
<b>Public Clocks Net Expenditure</b>	<b>6,150</b>	<b>6,840</b>	<b>7,100</b>	<b>7,310</b>
<b>7 Off Street Parking</b>				
Premises Related Expenditure	338,190	349,900	359,310	368,750
Transport Related Expenditure	10	210	210	210
Supplies & Services	153,740	171,600	161,900	163,520
Third Party Payments	33,690	30,350	31,350	32,110
<b>Total Expenditure</b>	<b>525,630</b>	<b>552,060</b>	<b>552,770</b>	<b>564,590</b>
Income	(724,930)	(727,760)	(727,770)	(722,980)
<b>Total Income</b>	<b>(724,930)</b>	<b>(727,760)</b>	<b>(727,770)</b>	<b>(722,980)</b>
<b>Off Street Parking Net Expenditure</b>	<b>(199,300)</b>	<b>(175,700)</b>	<b>(175,000)</b>	<b>(158,390)</b>
<b>8 Bus Shelters</b>				
Premises Related Expenditure	38,360	38,990	40,200	41,450
<b>Total Expenditure</b>	<b>38,360</b>	<b>38,990</b>	<b>40,200</b>	<b>41,450</b>
Income	(25,000)	(25,750)	(26,520)	(27,320)
<b>Total Income</b>	<b>(25,000)</b>	<b>(25,750)</b>	<b>(26,520)</b>	<b>(27,320)</b>
<b>Bus Shelters Net Expenditure</b>	<b>13,360</b>	<b>13,240</b>	<b>13,680</b>	<b>14,130</b>
<b>9 Conservation Areas</b>				
Employee Expenses	179,580	195,270	201,300	205,650
Transport Related Expenditure	3,960	3,000	3,050	3,080
Supplies & Services	2,010	2,620	2,640	2,660
<b>Total Expenditure</b>	<b>185,550</b>	<b>200,890</b>	<b>206,990</b>	<b>211,390</b>
<b>Conservation Areas Net Expenditure</b>	<b>185,550</b>	<b>200,890</b>	<b>206,990</b>	<b>211,390</b>
<b>10 Food Safety</b>				
Employee Expenses	374,560	332,770	343,680	351,650
Transport Related Expenditure	8,340	8,200	8,280	8,360
Supplies & Services	46,740	52,460	52,770	53,140
<b>Total Expenditure</b>	<b>429,640</b>	<b>393,430</b>	<b>404,730</b>	<b>413,150</b>
Income	(60,830)	(5,610)	(5,720)	(5,830)
<b>Total Income</b>	<b>(60,830)</b>	<b>(5,610)</b>	<b>(5,720)</b>	<b>(5,830)</b>
<b>Food Safety Net Expenditure</b>	<b>368,810</b>	<b>387,820</b>	<b>399,010</b>	<b>407,320</b>
<b>11 Management &amp; Administration</b>				
Employee Expenses	106,460	82,050	84,980	87,080
Transport Related Expenditure	130	130	130	130
Supplies & Services	670	530	540	550
<b>Total Expenditure</b>	<b>107,260</b>	<b>82,710</b>	<b>85,650</b>	<b>87,760</b>
<b>Management &amp; Administration Net Expenditure</b>	<b>107,260</b>	<b>82,710</b>	<b>85,650</b>	<b>87,760</b>

Environment and Climate Change

	Outturn 2023-2024 £	Budget 2024-2025 £	Budget 2025-2026 £	Budget 2026-2027 £
<b>12 Mortuary</b>				
Employee Expenses	5,100	5,320	5,460	5,600
Premises Related Expenditure	19,730	20,180	20,810	21,470
Supplies & Services	26,500	1,390	1,400	1,410
<b>Total Expenditure</b>	<b>51,330</b>	<b>26,890</b>	<b>27,670</b>	<b>28,480</b>
Income	(25,000)			-
<b>Total Income</b>	<b>(25,000)</b>			-
<b>Mortuary Net Expenditure</b>	<b>26,330</b>	<b>26,890</b>	<b>27,670</b>	<b>28,480</b>
<b>13 Licensing</b>				
Employee Expenses	171,120	200,370	206,870	211,500
Transport Related Expenditure	2,280	2,330	2,350	2,370
Supplies & Services	29,440	29,910	30,230	30,530
<b>Total Expenditure</b>	<b>202,840</b>	<b>232,610</b>	<b>239,450</b>	<b>244,400</b>
Income	(288,190)	(254,300)	(260,090)	(265,180)
<b>Total Income</b>	<b>(288,190)</b>	<b>(254,300)</b>	<b>(260,090)</b>	<b>(265,180)</b>
<b>Licensing Net Expenditure</b>	<b>(85,350)</b>	<b>(21,690)</b>	<b>(20,640)</b>	<b>(20,780)</b>
<b>14 Resilience</b>				
Employee Expenses	18,210	16,420	16,830	17,200
Premises Related Expenditure	140			-
Supplies & Services	64,630	63,170	63,830	64,480
<b>Total Expenditure</b>	<b>82,980</b>	<b>79,590</b>	<b>80,660</b>	<b>81,680</b>
Income	(56,690)	(56,170)	(57,340)	(58,210)
<b>Total Income</b>	<b>(56,690)</b>	<b>(56,170)</b>	<b>(57,340)</b>	<b>(58,210)</b>
<b>Resilience Net Expenditure</b>	<b>26,290</b>	<b>23,420</b>	<b>23,320</b>	<b>23,470</b>
<b>15 Hawks Green Depot</b>				
Employee Expenses	6,680	5,400	5,540	5,650
Premises Related Expenditure	129,570	142,230	147,370	152,730
Supplies & Services	16,800	14,680	14,910	15,090
<b>Total Expenditure</b>	<b>153,050</b>	<b>162,310</b>	<b>167,820</b>	<b>173,470</b>
Income	(173,960)	(182,520)	(186,180)	(189,910)
<b>Total Income</b>	<b>(173,960)</b>	<b>(182,520)</b>	<b>(186,180)</b>	<b>(189,910)</b>
<b>Hawks Green Depot Net Expenditure</b>	<b>(20,910)</b>	<b>(20,210)</b>	<b>(18,360)</b>	<b>(16,440)</b>
<b>Environment and Climate Change Net Expenditure</b>	<b>4,528,570</b>	<b>4,698,110</b>	<b>4,941,090</b>	<b>5,092,230</b>

**Environment & Climate Change Portfolio****Variation Statement 2024/2025 to 2026/2027**

	2024/2025 Indicative	Real Terms / Efficiency Variations	2024/2025 Budget	2025/2026 Indicative	Real Terms / Efficiency Variations	2025/2026 Budget	Inflation	Real Terms / Efficiency Variations	2026/2027 Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Employee Costs	1,844	45	1,889	1,888	64	1,952	37	6	1,995
Premises Related Costs	560	27	587	574	30	604	18	-	622
Transport Related Costs	48	- 3	45	49	- 3	46	-	-	46
Supplies and Services	459	4	463	452	2	454	4	-	458
Third Party Payments	4,646	- 27	4,619	4,736	78	4,814	96	19	4,929
<b>Total Expenditure</b>	<b>7,557</b>	<b>46</b>	<b>7,603</b>	<b>7,699</b>	<b>171</b>	<b>7,870</b>	<b>155</b>	<b>25</b>	<b>8,050</b>
Income	- 2,989	84	- 2,905	- 3,019	90	- 2,929	- 32	3	- 2,958
<b>Net Expenditure</b>	<b>4,568</b>	<b>130</b>	<b>4,698</b>	<b>4,680</b>	<b>261</b>	<b>4,941</b>	<b>123</b>	<b>28</b>	<b>5,092</b>
portfolios transferred	545			556					
<b>Original Net Expenditure</b>	<b>4,023</b>			<b>4,124</b>					



**Environment & Climate Change Portfolio**  
**Proposed Real Terms / Efficiency Variations**

**2024/25 Change**

	£'000	£'000
<b><u>Real Term Variations</u></b>		
Pay award		47
HRA recharges reflecting pay		-5
Increased utility costs		35
Reduced rates		-3
Reduced car allowances		-4
Zero based budget review		
Expenditure	-20	
Income	30	10
Waste contract		
Reduced gate fees dry recycling	-40	
Increased gate fees green waste	5	
Additional contract cost contract inflation and properties	76	
Reduced recycling credits	36	
Reduced income from recycling	10	87
Bus Shelters reduced income		13
Reduced parking income		9
Increased bank charges		9
Streetcleansing recharge		-68
Grounds recharge		1
minor variations		-1
		<b><u>130</u></b>

2025/26 Change

	£'000	£'000
<b><u>Real Term Variations</u></b>		
Pay award		65
HRA recharges reflecting pay		-5
Increased utility costs		38
Reduced rates		-3
Reduced car allowances		-4
Zero based budget review		
Expenditure	-20	
Income	30	10
Waste contract		
Reduced gate fees dry recycling	-32	
Increased gate fees green waste	8	
Additional contract cost contract inflation and properties	166	
Reduced recycling credits	39	
Reduced income from recycling	10	191
Bus Shelters reduced income		13
Reduced parking income		9
Increased bank charges		9
Streetcleansing recharge		-63
Grounds recharge		1
		<b>261</b>

2025/26 to 2026/27 Change

	£'000	£'000
<b><u>Real Term Variations</u></b>		
Pay and pension changes		6
Waste dual stream and dry recycling contract		
Additional contract cost	16	
Recycling credits	-2	14
Streetcleansing recharge		2
Reduced parking income		5
minor variations		1
		<b>28</b>

Housing

## Appendix 1

	Outturn 2023-2024 £	Budget 2024-2025 £	Budget 2025-2026 £	Budget 2026-2027 £
<b>1 Caretakers and Cleaners</b>				
Employee Expenses	305,100	337,790	349,160	357,290
Premises Related Expenditure	13,150	13,280	13,410	13,540
Transport Related Expenditure	2,310	2,270	2,320	2,370
Supplies & Services	3,640	2,100	2,140	2,160
<b>Total Expenditure</b>	<b>324,200</b>	<b>355,440</b>	<b>367,030</b>	<b>375,360</b>
<b>Caretakers and Cleaners Net Expenditure</b>	<b>324,200</b>	<b>355,440</b>	<b>367,030</b>	<b>375,360</b>
<b>2 Circular 8/95</b>				
Supplies & Services	35,520	35,520	35,520	35,520
<b>Total Expenditure</b>	<b>35,520</b>	<b>35,520</b>	<b>35,520</b>	<b>35,520</b>
<b>Circular 8/95 Net Expenditure</b>	<b>35,520</b>	<b>35,520</b>	<b>35,520</b>	<b>35,520</b>
<b>3 Civic Ballroom</b>				
Premises Related Expenditure	650	660	670	680
<b>Total Expenditure</b>	<b>650</b>	<b>660</b>	<b>670</b>	<b>680</b>
Income	(24,540)	(24,540)	(24,600)	(25,090)
<b>Total Income</b>	<b>(24,540)</b>	<b>(24,540)</b>	<b>(24,600)</b>	<b>(25,090)</b>
<b>Civic Ballroom Net Expenditure</b>	<b>(23,890)</b>	<b>(23,880)</b>	<b>(23,930)</b>	<b>(24,410)</b>
<b>4 Housing Act Advances</b>				
Supplies & Services	.	20	20	20
<b>Total Expenditure</b>	.	<b>20</b>	<b>20</b>	<b>20</b>
<b>Housing Act Advances Net Expenditure</b>	<b>-</b>	<b>20</b>	<b>20</b>	<b>20</b>
<b>5 Miscellaneous Properties</b>				
Premises Related Expenditure	7,720	6,720	6,940	7,120
<b>Total Expenditure</b>	<b>7,720</b>	<b>6,720</b>	<b>6,940</b>	<b>7,120</b>
Income	(9,610)	(17,030)	(17,060)	(17,410)
<b>Total Income</b>	<b>(9,610)</b>	<b>(17,030)</b>	<b>(17,060)</b>	<b>(17,410)</b>
<b>Miscellaneous Properties Net Expenditure</b>	<b>(1,890)</b>	<b>(10,310)</b>	<b>(10,120)</b>	<b>(10,290)</b>
<b>6 Private Sector Housing</b>				
Employee Expenses	283,860	297,290	306,730	313,080
Transport Related Expenditure	9,860	5,000	5,100	5,150
Supplies & Services	3,570	2,780	2,820	2,860
<b>Total Expenditure</b>	<b>297,290</b>	<b>305,070</b>	<b>314,650</b>	<b>321,090</b>
Income	(46,000)	(46,000)	(46,920)	(47,860)
<b>Total Income</b>	<b>(46,000)</b>	<b>(46,000)</b>	<b>(46,920)</b>	<b>(47,860)</b>
<b>Private Sector Housing Net Expenditure</b>	<b>251,290</b>	<b>259,070</b>	<b>267,730</b>	<b>273,230</b>

Housing

	<b>Outturn 2023-2024</b>	<b>Budget 2024-2025</b>	<b>Budget 2025-2026</b>	<b>Budget 2026-2027</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>7 Public Buildings</b>				
Employee Expenses	283,450	295,180	304,460	311,050
Premises Related Expenditure	734,620	721,360	746,040	771,620
Transport Related Expenditure	3,490	4,400	4,440	4,480
Supplies & Services	52,740	44,890	45,380	45,790
<b>Total Expenditure</b>	<b>1,074,300</b>	<b>1,065,830</b>	<b>1,100,320</b>	<b>1,132,940</b>
Income	(459,920)	(398,910)	(401,650)	(409,470)
<b>Total Income</b>	<b>(459,920)</b>	<b>(398,910)</b>	<b>(401,650)</b>	<b>(409,470)</b>
<b>Public Buildings Net Expenditure</b>	<b>614,380</b>	<b>666,920</b>	<b>698,670</b>	<b>723,470</b>
<b>Housing Net Expenditure</b>	<b>1,199,610</b>	<b>1,282,780</b>	<b>1,334,920</b>	<b>1,372,900</b>

Housing PortfolioVariation Statement 2024/2025 to 2026/2027

	2024/2025 Indicative	Real Terms / Efficiency Variations	2024/2025 Budget	2025/2026 Indicative	Real Terms / Efficiency Variations	2025/2026 Budget	Inflation	Real Terms / Efficiency Variations	2026/2027 Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Employee Costs	888	42	930	908	52	960	19	3	982
Premises Related Costs	698	44	742	721	46	767	26	-	793
Transport Related Costs	16	- 4	12	15	- 3	12	-	-	12
Supplies and Services	96	- 11	85	98	- 12	86	-	-	86
<b>Total Expenditure</b>	<b>1,698</b>	<b>71</b>	<b>1,769</b>	<b>1,742</b>	<b>83</b>	<b>1,825</b>	<b>45</b>	<b>3</b>	<b>1,873</b>
Income	- 480	- 6	- 486	- 484	- 6	- 490	- 9	- 1	- 500
<b>Net Expenditure</b>	<b>1,218</b>	<b>65</b>	<b>1,283</b>	<b>1,258</b>	<b>77</b>	<b>1,335</b>	<b>36</b>	<b>2</b>	<b>1,373</b>
portfolios transferred	- 3,079			- 3,152					
<b>Original Net Expenditure</b>	<b>4,297</b>			<b>4,410</b>					

**Housing Portfolio****Proposed Real Terms / Efficiency Variations****2024/25 Change**

	£'000	£'000
<b><u>Real Term Variations</u></b>		
Pay award		40
Increased hra recharge reflecting pay		-4
Increased Utilities		31
Increased Rates		11
Reduced car allowances		-4
Zero based budget review		
Expenditure	-9	
Income	-1	-10
minor variations		1
		<b><u>65</u></b>

**2025/26 Change**

	£'000	£'000
<b><u>Real Term Variations</u></b>		
Pay award		50
Increased hra recharge reflecting pay		-4
Increased Utilities		35
Increased Rates		12
Reduced car allowances		-4
Zero based budget review		
Expenditure	-9	
Income	-1	-10
minor variations		-2
		<b><u>77</u></b>

**2025/26 to 2026/27 Change**

	£'000	£'000
<b><u>Real Term Variations</u></b>		
Increase in pension costs		2
		<b><u>2</u></b>

Leader

	Outturn 2023-2024 £	Budget 2024-2025 £	Budget 2025-2026 £	Budget 2026-2027 £
<b>1 Members</b>				
Employee Expenses	30,800	28,290	28,920	29,560
Transport Related Expenditure	2,250	400	420	420
Supplies & Services	359,680	360,730	367,840	375,080
<b>Total Expenditure</b>	<b>392,730</b>	<b>389,420</b>	<b>397,180</b>	<b>405,060</b>
<b>Members Net Expenditure</b>	<b>392,730</b>	<b>389,420</b>	<b>397,180</b>	<b>405,060</b>
<b>2 Executive Management &amp; Support</b>				
Employee Expenses	463,320	617,550	638,640	655,240
Transport Related Expenditure			30	30
Supplies & Services	79,790	90,760	91,650	92,540
Third Party Payments	262,320	275,150	285,890	291,650
<b>Total Expenditure</b>	<b>805,430</b>	<b>983,460</b>	<b>1,016,210</b>	<b>1,039,460</b>
<b>Executive Management &amp; Support Net Expenditure</b>	<b>805,430</b>	<b>983,460</b>	<b>1,016,210</b>	<b>1,039,460</b>
<b>Leader Net Expenditure</b>	<b>1,198,160</b>	<b>1,372,880</b>	<b>1,413,390</b>	<b>1,444,520</b>

Leader of the Council PortfolioVariation Statement 2024/2025 to 2026/2027

	2024/2025 Indicative	Real Terms / Efficiency Variations	2024/2025 Budget	2025/2026 Indicative	Real Terms / Efficiency Variations	2025/2026 Budget	Inflation	Real Terms / Efficiency Variations	2026/2027 Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Employee Costs	319	327	646	326	342	668	11	6	685
Premises Related Costs	- 1	1	-	-	-	-	-	-	-
Transport Related Costs	5	- 5	-	5	- 5	-	-	-	-
Supplies and Services	459	- 7	452	467	- 8	459	8	1	468
Third Party Payments	-	275	275	-	286	286	6	-	292
<b>Total Expenditure</b>	<b>782</b>	<b>591</b>	<b>1,373</b>	<b>798</b>	<b>615</b>	<b>1,413</b>	<b>25</b>	<b>7</b>	<b>1,445</b>
Income	-	-	-	-	-	-	-	-	-
<b>Net Expenditure</b>	<b>782</b>	<b>591</b>	<b>1,373</b>	<b>798</b>	<b>615</b>	<b>1,413</b>	<b>25</b>	<b>7</b>	<b>1,445</b>
portfolios transferred	- 503			- 512					
<b>Original Net Expenditure</b>	<b>1,285</b>			<b>1,310</b>					



**Leader of the Council Portfolio****Proposed Real Terms / Efficiency Variations****2024/25 Change**

	£'000	£'000
<b><u>Real Term Variations</u></b>		
Joint leadership team		
Employees (partly transfer from other portfolios)	231	
Transport	-5	
Third Party (payment to Stafford borough council)	<u>275</u>	501
Budget Pressure - Transformation		100
Members allowances		-9
minor variations		-1
		<u><u>591</u></u>

**2025/26 Change**

	£'000	£'000
<b><u>Real Term Variations</u></b>		
Joint leadership team		
Employees (partly transfer from other portfolios)	246	
Transport	-5	
Third Party (payment to Stafford borough council)	<u>286</u>	527
Budget Pressure - Transformation		100
Members allowances		-9
minor variations		-3
		<u><u>615</u></u>

**2025/26 to 2026/27 Change**

	£'000	£'000
<b><u>Real Term Variations</u></b>		
Pay and pension charges		6
minor variations		1
		<u><u>7</u></u>

Parks, Culture & Heritage

## Appendix 1

	Outturn 2023-2024 £	Budget 2024-2025 £	Budget 2025-2026 £	Budget 2026-2027 £
<b>1 Grounds Maintenance</b>				
Employee Expenses	849,570	885,470	914,420	935,620
Premises Related Expenditure	34,050	36,790	37,670	38,570
Transport Related Expenditure	66,130	73,530	74,840	76,290
Supplies & Services	162,220	159,100	160,740	162,350
<b>Total Expenditure</b>	<b>1,111,970</b>	<b>1,154,890</b>	<b>1,187,670</b>	<b>1,212,830</b>
Income	(1,090,210)	(1,154,890)	(1,187,670)	(1,212,830)
<b>Total Income</b>	<b>(1,090,210)</b>	<b>(1,154,890)</b>	<b>(1,187,670)</b>	<b>(1,212,830)</b>
<b>Grounds Maintenance Net Expenditure</b>	<b>21,760</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2 Parks &amp; Open Spaces</b>				
Employee Expenses	568,860	589,020	607,220	620,180
Premises Related Expenditure	557,900	609,140	635,270	654,450
Transport Related Expenditure	19,140	21,400	21,740	22,080
Supplies & Services	136,060	151,630	152,940	154,230
Third Party Payments	210,140	189,350	195,620	200,360
<b>Total Expenditure</b>	<b>1,492,100</b>	<b>1,560,540</b>	<b>1,612,790</b>	<b>1,651,300</b>
Income	(84,060)	(129,370)	(130,940)	(132,660)
<b>Total Income</b>	<b>(84,060)</b>	<b>(129,370)</b>	<b>(130,940)</b>	<b>(132,660)</b>
<b>Parks &amp; Open Spaces Net Expenditure</b>	<b>1,408,040</b>	<b>1,431,170</b>	<b>1,481,850</b>	<b>1,518,640</b>
<b>3 Cemeteries</b>				
Employee Expenses	168,460	175,510	181,090	185,100
Premises Related Expenditure	107,270	105,260	108,480	111,340
Transport Related Expenditure	10,420	9,190	9,390	9,580
Supplies & Services	28,920	48,480	49,050	49,530
<b>Total Expenditure</b>	<b>315,070</b>	<b>338,440</b>	<b>348,010</b>	<b>355,550</b>
Income	(226,360)	(227,970)	(234,810)	(239,510)
<b>Total Income</b>	<b>(226,360)</b>	<b>(227,970)</b>	<b>(234,810)</b>	<b>(239,510)</b>
<b>Cemeteries Net Expenditure</b>	<b>88,710</b>	<b>110,470</b>	<b>113,200</b>	<b>116,040</b>
<b>4 Allotments</b>				
Premises Related Expenditure	5,760	5,880	5,990	6,120
<b>Total Expenditure</b>	<b>5,760</b>	<b>5,880</b>	<b>5,990</b>	<b>6,120</b>
Income	(4,640)	(4,640)	(4,640)	(4,640)
<b>Total Income</b>	<b>(4,640)</b>	<b>(4,640)</b>	<b>(4,640)</b>	<b>(4,640)</b>
<b>Allotments Net Expenditure</b>	<b>1,120</b>	<b>1,240</b>	<b>1,350</b>	<b>1,480</b>

Parks, Culture & Heritage

## Appendix 1

	Outturn 2023-2024 £	Budget 2024-2025 £	Budget 2025-2026 £	Budget 2026-2027 £
<b>5 Street Cleansing</b>				
Employee Expenses	585,290	540,340	560,940	575,950
Premises Related Expenditure	3,140	3,140	3,200	3,260
Transport Related Expenditure	162,190	133,910	135,930	137,990
Supplies & Services	32,370	32,640	32,910	33,190
<b>Total Expenditure</b>	<b>782,990</b>	<b>710,030</b>	<b>732,980</b>	<b>750,390</b>
Income	(786,400)	(710,030)	(732,980)	(750,390)
<b>Total Income</b>	<b>(786,400)</b>	<b>(710,030)</b>	<b>(732,980)</b>	<b>(750,390)</b>
<b>Street Cleansing Net Expenditure</b>	<b>(3,410)</b>	-	-	-
<b>6 Vehicles</b>				
Employee Expenses	181,800	188,280	193,640	197,610
Premises Related Expenditure	1,100	1,100	1,120	1,140
Transport Related Expenditure	56,260	58,220	59,350	60,530
Supplies & Services	10,430	9,580	9,680	9,780
<b>Total Expenditure</b>	<b>249,590</b>	<b>257,180</b>	<b>263,790</b>	<b>269,060</b>
Income	(252,760)	(274,240)	(278,850)	(283,560)
<b>Total Income</b>	<b>(252,760)</b>	<b>(274,240)</b>	<b>(278,850)</b>	<b>(283,560)</b>
<b>Vehicles Net Expenditure</b>	<b>(3,170)</b>	<b>(17,060)</b>	<b>(15,060)</b>	<b>(14,500)</b>
<b>7 Leisure Contract Heritage and Arts</b>				
Premises Related Expenditure	1,640	1,670	1,700	1,730
Supplies & Services	431,690	309,230	321,600	328,030
<b>Total Expenditure</b>	<b>433,330</b>	<b>310,900</b>	<b>323,300</b>	<b>329,760</b>
Income	(1,600)	(1,630)	(1,660)	(1,690)
<b>Total Income</b>	<b>(1,600)</b>	<b>(1,630)</b>	<b>(1,660)</b>	<b>(1,690)</b>
<b>Leisure Contract Heritage and Arts Net Expenditure</b>	<b>431,730</b>	<b>309,270</b>	<b>321,640</b>	<b>328,070</b>
<b>8 Tourism</b>				
Supplies & Services	9,630	5,990	6,050	6,110
<b>Total Expenditure</b>	<b>9,630</b>	<b>5,990</b>	<b>6,050</b>	<b>6,110</b>
<b>Tourism Net Expenditure</b>	<b>9,630</b>	<b>5,990</b>	<b>6,050</b>	<b>6,110</b>
<b>9 Contract Monitoring</b>				
Employee Expenses	196,830	238,210	245,650	250,990
Premises Related Expenditure	11,240	16,350	16,460	16,630
Transport Related Expenditure	10,430	7,620	7,790	7,940
Supplies & Services	2,870	1,290	1,310	1,320
<b>Total Expenditure</b>	<b>221,370</b>	<b>263,470</b>	<b>271,210</b>	<b>276,880</b>
Income	(56,740)	(59,620)	(60,810)	(62,030)
<b>Total Income</b>	<b>(56,740)</b>	<b>(59,620)</b>	<b>(60,810)</b>	<b>(62,030)</b>
<b>Contract Monitoring Net Expenditure</b>	<b>164,630</b>	<b>203,850</b>	<b>210,400</b>	<b>214,850</b>
<b>Parks, Culture &amp; Heritage Net Expenditure</b>	<b>2,119,040</b>	<b>2,044,930</b>	<b>2,119,430</b>	<b>2,170,690</b>

**Parks, Culture and Heritage Portfolio****Variation Statement 2024/2025 to 2026/2027**

	2024/2025 Indicative	Real Terms / Efficiency Variations	2024/2025 Budget	2025/2026 Indicative	Real Terms / Efficiency Variations	2025/2026 Budget	Inflation	Real Terms / Efficiency Variations	2026/2027 Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<b>Employee Costs</b>	2,480	137	2,617	2,538	165	2,703	55	7	2,765
<b>Premises Related Costs</b>	737	42	779	758	52	810	19	4	833
<b>Transport Related Costs</b>	300	4	304	305	4	309	5	1	315
<b>Supplies and Services</b>	736	- 18	718	745	- 11	734	10	1	745
<b>Third Party</b>	215	- 26	189	219	- 24	195	4	1	200
<b>Total Expenditure</b>	4,468	139	4,607	4,565	186	4,751	93	14	4,858
<b>Income</b>	- 2,639	77	- 2,562	- 2,691	59	- 2,632	- 48	- 7	- 2,687
<b>Net Expenditure</b>	1,829	<b>216</b>	2,045	1,874	<b>245</b>	2,119	45	<b>7</b>	2,171
<b>portfolios transferred</b>	1,375			1,410					
<b>Original Net Expenditure Neighbourhood Safety</b>	454			464					

**Parks, Culture & Heritage Portfolio****Proposed Real Terms / Efficiency Variations****2024/25 Change**

	£'000	£'000
<b><u>Real Term Variations</u></b>		
Pay award		124
HRA recharges reflecting pay		-11
Increased utility costs		12
Reduced cemeteries income		38
Leisure management contract arts		-139
Zero based budget review		-10
Streetcleansing recharge		68
Grounds recharge		-2
Tennis courts sinking fund and additional maintenance		18
Budget savings reinstated		
Efficiencies parks and open spaces service	20	
Inspiring Healthy Lifestyles museum location	100	120
minor variations		-2
		<b><u>216</u></b>

**2025/26 Change**

	£'000	£'000
<b><u>Real Term Variations</u></b>		
Pay award		152
HRA recharges reflecting pay		-11
Increased utility costs		13
Reduced cemeteries income		36
Leisure management contract arts		-134
Zero based budget review		-10
Streetcleansing recharge		63
Grounds recharge		-2
Tennis courts sinking fund and additional maintenance		18
Budget savings reinstated		
Efficiencies parks and open spaces service	20	
Inspiring Healthy Lifestyles museum location	100	120
		<b><u>245</u></b>

**2025/26 to 2026/27 Change**

	£'000	£'000
<b><u>Real Term Variations</u></b>		
Pay and pension changes		7
Streetcleansing recharge		-2
Grounds recharge		2
		<b><u>7</u></b>

Regeneration and High Streets

	Outturn 2023-2024 £	Budget 2024-2025 £	Budget 2025-2026 £	Budget 2026-2027 £
<b>1 Building Control</b>				
Employee Expenses	600,460	688,980	710,450	725,920
Transport Related Expenditure	15,280	15,280	15,510	15,670
Supplies & Services	53,270	53,280	53,950	54,470
<b>Total Expenditure</b>	<b>669,010</b>	<b>757,540</b>	<b>779,910</b>	<b>796,060</b>
Income	(504,590)	(570,720)	(582,170)	(590,470)
<b>Total Income</b>	<b>(504,590)</b>	<b>(570,720)</b>	<b>(582,170)</b>	<b>(590,470)</b>
<b>Building Control Net Expenditure</b>	<b>164,420</b>	<b>186,820</b>	<b>197,740</b>	<b>205,590</b>
<b>2 Development Control</b>				
Employee Expenses	664,740	395,720	408,560	417,690
Transport Related Expenditure	6,070	6,000	6,060	6,120
Supplies & Services	90,710	91,700	92,070	92,450
<b>Total Expenditure</b>	<b>761,520</b>	<b>493,420</b>	<b>506,690</b>	<b>516,260</b>
Income	(235,170)	(235,820)	(236,530)	(236,560)
<b>Total Income</b>	<b>(235,170)</b>	<b>(235,820)</b>	<b>(236,530)</b>	<b>(236,560)</b>
<b>Development Control Net Expenditure</b>	<b>526,350</b>	<b>257,600</b>	<b>270,160</b>	<b>279,700</b>
<b>3 Economic Development</b>				
Employee Expenses	206,830	215,290	222,070	226,920
Transport Related Expenditure	2,800	1,100	1,130	1,140
Supplies & Services	145,880	11,070	11,140	11,220
<b>Total Expenditure</b>	<b>355,510</b>	<b>227,460</b>	<b>234,340</b>	<b>239,280</b>
<b>Economic Development Net Expenditure</b>	<b>355,510</b>	<b>227,460</b>	<b>234,340</b>	<b>239,280</b>
<b>4 Industrial Sites</b>				
Premises Related Expenditure	11,930	10,820	11,160	11,410
Capital Financing Costs	1,610	1,610	1,610	1,610
<b>Total Expenditure</b>	<b>13,540</b>	<b>12,430</b>	<b>12,770</b>	<b>13,020</b>
Income	(115,000)	(130,000)	(130,000)	(132,600)
<b>Total Income</b>	<b>(115,000)</b>	<b>(130,000)</b>	<b>(130,000)</b>	<b>(132,600)</b>
<b>Industrial Sites Net Expenditure</b>	<b>(101,460)</b>	<b>(117,570)</b>	<b>(117,230)</b>	<b>(119,580)</b>
<b>5 Land Charges</b>				
Employee Expenses	38,450	38,320	39,540	40,390
Supplies & Services	49,280	40,750	41,190	41,610
<b>Total Expenditure</b>	<b>87,730</b>	<b>79,070</b>	<b>80,730</b>	<b>82,000</b>
Income	(86,380)	(77,450)	(79,000)	(80,580)
<b>Total Income</b>	<b>(86,380)</b>	<b>(77,450)</b>	<b>(79,000)</b>	<b>(80,580)</b>
<b>Land Charges Net Expenditure</b>	<b>1,350</b>	<b>1,620</b>	<b>1,730</b>	<b>1,420</b>

Regeneration and High Streets

	Outturn 2023-2024 £	Budget 2024-2025 £	Budget 2025-2026 £	Budget 2026-2027 £
<b>6 Management &amp; Support</b>				
Employee Expenses	414,520	432,490	445,770	455,390
Transport Related Expenditure	1,590	1,610	1,640	1,660
Supplies & Services	77,510	76,730	77,490	78,240
<b>Total Expenditure</b>	<b>493,620</b>	<b>510,830</b>	<b>524,900</b>	<b>535,290</b>
Income	(44,510)	(45,430)	(46,370)	(46,370)
<b>Total Income</b>	<b>(44,510)</b>	<b>(45,430)</b>	<b>(46,370)</b>	<b>(46,370)</b>
<b>Management &amp; Support Net Expenditure</b>	<b>449,110</b>	<b>465,400</b>	<b>478,530</b>	<b>488,920</b>
<b>7 Town Centre Management</b>				
Premises Related Expenditure	260,370	253,460	254,130	254,940
Supplies & Services	210	210	210	210
<b>Total Expenditure</b>	<b>260,580</b>	<b>253,670</b>	<b>254,340</b>	<b>255,150</b>
Income	(142,420)	(142,440)	(142,460)	(145,310)
<b>Total Income</b>	<b>(142,420)</b>	<b>(142,440)</b>	<b>(142,460)</b>	<b>(145,310)</b>
<b>Town Centre Management Net Expenditure</b>	<b>118,160</b>	<b>111,230</b>	<b>111,880</b>	<b>109,840</b>
<b>8 Markets</b>				
Employee Expenses	82,300	85,670	88,680	89,690
Premises Related Expenditure	211,660	213,950	211,880	221,220
Transport Related Expenditure	1,900	1,300	1,320	1,330
Supplies & Services	23,950	29,620	8,420	8,740
<b>Total Expenditure</b>	<b>319,810</b>	<b>330,540</b>	<b>310,300</b>	<b>320,980</b>
Income	(39,230)	(39,070)	(39,080)	(39,860)
<b>Total Income</b>	<b>(39,230)</b>	<b>(39,070)</b>	<b>(39,080)</b>	<b>(39,860)</b>
<b>Markets Net Expenditure</b>	<b>280,580</b>	<b>291,470</b>	<b>271,220</b>	<b>281,120</b>
<b>Regeneration and High Streets Net Expenditure</b>	<b>1,794,020</b>	<b>1,424,030</b>	<b>1,448,370</b>	<b>1,486,290</b>

**Regeneration and High Streets Portfolio****Variation Statement 2024/2025 to 2026/2027**

	2024/2025 Indicative	Real Terms / Efficiency Variations	2024/2025 Budget	2025/2026 Indicative	Real Terms / Efficiency Variations	2025/2026 Budget	Inflation	Real Terms / Efficiency Variations	2026/2027 Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Employee Costs	1,868	- 11	1,857	1,910	5	1,915	36	5	1,956
Premises Related Costs	469	9	478	476	1	477	9	1	487
Transport Related Costs	36	- 11	25	37	- 11	26	-	-	26
Supplies and Services	258	45	303	260	24	284	3	-	287
Capital Financing Costs	2	-	2	2	-	2	-	-	2
<b>Total Expenditure</b>	<b>2,633</b>	<b>32</b>	<b>2,665</b>	<b>2,685</b>	<b>19</b>	<b>2,704</b>	<b>48</b>	<b>6</b>	<b>2,758</b>
Income	- 1,413	172	- 1,241	- 1,429	173	- 1,256	- 20	4	- 1,272
<b>Net Expenditure</b>	<b>1,220</b>	<b>204</b>	<b>1,424</b>	<b>1,256</b>	<b>192</b>	<b>1,448</b>	<b>28</b>	<b>10</b>	<b>1,486</b>
portfolios transferred	199			206					
<b>Original Net Expenditure</b>	<b>1,021</b>			<b>1,050</b>					



**Regeneration and High Streets Portfolio****Proposed Real Terms / Efficiency Variations****2024/25 Change**

	£'000	£'000
<b><u>Real Term Variations</u></b>		
Pay award		48
Leadership team posts transferred to Leader portfolio		-103
Reduced utilities		-4
Increased rates		13
Reduced car allowances		-4
Cannock market shops		30
Reduced planning fee income		143
Shared service income		-47
Zero based budget review		
Expenditure	46	
Income	-15	31
Building Control budget review		
Expenditure	-30	
Income	76	46
Budget savings reinstated		
New Planning fees	15	
Rugeley indoor market hall (part)	35	50
minor variations		1
		<b><u>204</u></b>

**2025/26 Change**

	£'000	£'000
<b><u>Real Term Variations</u></b>		
Pay award		64
Leadership team posts transferred to Leader portfolio		-103
Reduced utilities		-4
Increased rates		12
Reduced car allowances		-4
Reduced planning fee income		143
Shared service income		-55
Zero based budget review		
Expenditure	46	
Income	-15	31
Building Control budget review		
Expenditure	-30	
Income	84	54
Budget savings reinstated		
New Planning fees	15	
Rugeley indoor market hall (part)	35	50
minor variations		4
		<b><u>192</u></b>

2025/26 to 2026/27 Change

	£'000	£'000
<b><u>Real Term Variations</u></b>		
Increase in pension costs		6
Increased rates		2
Shared service income		-3
minor variations		5
		<b><u>10</u></b>

Resources and Transformation

## Appendix 1

	Outturn 2023-2024 £	Budget 2024-2025 £	Budget 2025-2026 £	Budget 2026-2027 £
<b>1 Legal Services</b>				
Third Party Payments	297,820	299,290	308,790	315,890
<b>Total Expenditure</b>	<b>297,820</b>	<b>299,290</b>	<b>308,790</b>	<b>315,890</b>
Income	(205,800)	(216,230)	(220,580)	(224,980)
<b>Total Income</b>	<b>(205,800)</b>	<b>(216,230)</b>	<b>(220,580)</b>	<b>(224,980)</b>
<b>Legal Services Net Expenditure</b>	<b>92,020</b>	<b>83,060</b>	<b>88,210</b>	<b>90,910</b>
<b>2 Technology</b>				
Supplies & Services	180,240	186,330	188,090	190,190
Third Party Payments	837,880	842,220	862,730	876,920
<b>Total Expenditure</b>	<b>1,018,120</b>	<b>1,028,550</b>	<b>1,050,820</b>	<b>1,067,110</b>
Income	(236,950)	(251,350)	(256,360)	(261,440)
<b>Total Income</b>	<b>(236,950)</b>	<b>(251,350)</b>	<b>(256,360)</b>	<b>(261,440)</b>
<b>Technology Net Expenditure</b>	<b>781,170</b>	<b>777,200</b>	<b>794,460</b>	<b>805,670</b>
<b>3 Governance</b>				
Employee Expenses	16,300	15,260	15,690	16,100
Transport Related Expenditure			10	10
Supplies & Services	31,020	30,130	30,440	30,740
<b>Total Expenditure</b>	<b>47,320</b>	<b>45,390</b>	<b>46,140</b>	<b>46,850</b>
Income	(22,350)	(18,860)	(19,310)	(19,640)
<b>Total Income</b>	<b>(22,350)</b>	<b>(18,860)</b>	<b>(19,310)</b>	<b>(19,640)</b>
<b>Governance Net Expenditure</b>	<b>24,970</b>	<b>26,530</b>	<b>26,830</b>	<b>27,210</b>
<b>4 Human Resources</b>				
Third Party Payments	277,280	274,480	284,760	291,930
<b>Total Expenditure</b>	<b>277,280</b>	<b>274,480</b>	<b>284,760</b>	<b>291,930</b>
Income	(174,720)	(183,580)	(187,250)	(190,990)
<b>Total Income</b>	<b>(174,720)</b>	<b>(183,580)</b>	<b>(187,250)</b>	<b>(190,990)</b>
<b>Human Resources Net Expenditure</b>	<b>102,560</b>	<b>90,900</b>	<b>97,510</b>	<b>100,940</b>
<b>5 Customer Services</b>				
Employee Expenses	335,330	319,540	329,950	332,480
Supplies & Services	106,960	104,570	105,650	106,070
Third Party Payments	7,280	7,570	7,570	7,720
<b>Total Expenditure</b>	<b>449,570</b>	<b>431,680</b>	<b>443,170</b>	<b>446,270</b>
Income	(122,270)	(128,140)	(130,700)	(133,310)
<b>Total Income</b>	<b>(122,270)</b>	<b>(128,140)</b>	<b>(130,700)</b>	<b>(133,310)</b>
<b>Customer Services Net Expenditure</b>	<b>327,300</b>	<b>303,540</b>	<b>312,470</b>	<b>312,960</b>

Resources and Transformation

## Appendix 1

	Outturn 2023-2024 £	Budget 2024-2025 £	Budget 2025-2026 £	Budget 2026-2027 £
<b>6 Corporate Services</b>				
Employee Expenses	156,190	162,160	167,430	171,180
Supplies & Services	100,310	94,410	95,420	96,370
<b>Total Expenditure</b>	<b>256,500</b>	<b>256,570</b>	<b>262,850</b>	<b>267,550</b>
Income	(39,830)	(41,760)	(42,610)	(43,460)
<b>Total Income</b>	<b>(39,830)</b>	<b>(41,760)</b>	<b>(42,610)</b>	<b>(43,460)</b>
<b>Corporate Services Net Expenditure</b>	<b>216,670</b>	<b>214,810</b>	<b>220,240</b>	<b>224,090</b>
<b>7 Communications</b>				
Employee Expenses	300,630	312,560	322,680	329,860
Transport Related Expenditure	3,200	1,990	2,020	2,040
Supplies & Services	32,870	29,140	29,510	29,850
<b>Total Expenditure</b>	<b>336,700</b>	<b>343,690</b>	<b>354,210</b>	<b>361,750</b>
Income	(25,560)	(26,220)	(26,750)	(27,280)
<b>Total Income</b>	<b>(25,560)</b>	<b>(26,220)</b>	<b>(26,750)</b>	<b>(27,280)</b>
<b>Communications Net Expenditure</b>	<b>311,140</b>	<b>317,470</b>	<b>327,460</b>	<b>334,470</b>
<b>8 Policy &amp; Performance</b>				
Employee Expenses	85,910	90,050	94,150	97,260
Transport Related Expenditure	320			
Supplies & Services	11,240	7,270	7,380	7,450
<b>Total Expenditure</b>	<b>97,470</b>	<b>97,320</b>	<b>101,530</b>	<b>104,710</b>
<b>Policy &amp; Performance Net Expenditure</b>	<b>97,470</b>	<b>97,320</b>	<b>101,530</b>	<b>104,710</b>
<b>9 Audit</b>				
Employee Expenses	248,300	256,600	264,560	270,340
Transport Related Expenditure	1,390	50	60	60
Supplies & Services	38,340	35,640	36,020	36,370
<b>Total Expenditure</b>	<b>288,030</b>	<b>292,290</b>	<b>300,640</b>	<b>306,770</b>
Income	(128,510)	(128,270)	(131,190)	(133,470)
<b>Total Income</b>	<b>(128,510)</b>	<b>(128,270)</b>	<b>(131,190)</b>	<b>(133,470)</b>
<b>Audit Net Expenditure</b>	<b>159,520</b>	<b>164,020</b>	<b>169,450</b>	<b>173,300</b>
<b>10 Risk</b>				
Employee Expenses	182,460	188,790	194,510	198,630
Transport Related Expenditure	4,290	2,010	2,050	2,070
Supplies & Services	704,760	702,800	709,380	715,930
<b>Total Expenditure</b>	<b>891,510</b>	<b>893,600</b>	<b>905,940</b>	<b>916,630</b>
Income	(786,490)	(814,140)	(830,140)	(845,880)
<b>Total Income</b>	<b>(786,490)</b>	<b>(814,140)</b>	<b>(830,140)</b>	<b>(845,880)</b>
<b>Risk Net Expenditure</b>	<b>105,020</b>	<b>79,460</b>	<b>75,800</b>	<b>70,750</b>

Resources and Transformation

## Appendix 1

	Outturn 2023-2024 £	Budget 2024-2025 £	Budget 2025-2026 £	Budget 2026-2027 £
<b>11 Customer Serv Mgmt (incl Social Alarms)</b>				
Employee Expenses	103,370	107,110	110,260	112,740
Transport Related Expenditure	1,090	970	980	990
Supplies & Services	8,320	10,070	10,160	10,270
Third Party Payments	15,400	16,020	16,340	16,670
<b>Total Expenditure</b>	<b>128,180</b>	<b>134,170</b>	<b>137,740</b>	<b>140,670</b>
Income	(29,300)	(30,360)	(30,970)	(31,590)
<b>Total Income</b>	<b>(29,300)</b>	<b>(30,360)</b>	<b>(30,970)</b>	<b>(31,590)</b>
<b>Customer Serv Mgmt (incl Social Alarms) Net Expenditure</b>	<b>98,880</b>	<b>103,810</b>	<b>106,770</b>	<b>109,080</b>
<b>12 Taxation</b>				
Employee Expenses	2,965,730	2,987,870	3,084,980	3,164,970
Transport Related Expenditure	23,640	10,160	10,400	10,500
Supplies & Services	484,320	517,760	525,990	534,140
Third Party Payments	14,570	15,150	15,600	15,910
<b>Total Expenditure</b>	<b>3,488,260</b>	<b>3,530,940</b>	<b>3,636,970</b>	<b>3,725,520</b>
Income	(2,524,060)	(2,485,860)	(2,535,140)	(2,583,280)
<b>Total Income</b>	<b>(2,524,060)</b>	<b>(2,485,860)</b>	<b>(2,535,140)</b>	<b>(2,583,280)</b>
<b>Taxation Net Expenditure</b>	<b>964,200</b>	<b>1,045,080</b>	<b>1,101,830</b>	<b>1,142,240</b>
<b>13 Finance</b>				
Employee Expenses	1,108,500	1,451,480	1,489,000	1,516,600
Transport Related Expenditure	3,680	2,000	2,040	2,060
Supplies & Services	159,980	146,960	148,720	150,180
<b>Total Expenditure</b>	<b>1,272,160</b>	<b>1,600,440</b>	<b>1,639,760</b>	<b>1,668,840</b>
Income	(967,330)	(1,157,640)	(1,184,790)	(1,206,650)
<b>Total Income</b>	<b>(967,330)</b>	<b>(1,157,640)</b>	<b>(1,184,790)</b>	<b>(1,206,650)</b>
<b>Finance Net Expenditure</b>	<b>304,830</b>	<b>442,800</b>	<b>454,970</b>	<b>462,190</b>
<b>14 Corporate Management</b>				
Supplies & Services	273,840	281,410	289,690	297,470
<b>Total Expenditure</b>	<b>273,840</b>	<b>281,410</b>	<b>289,690</b>	<b>297,470</b>
Income	(47,870)	(50,310)	(51,310)	(52,340)
<b>Total Income</b>	<b>(47,870)</b>	<b>(50,310)</b>	<b>(51,310)</b>	<b>(52,340)</b>
<b>Corporate Management Net Expenditure</b>	<b>225,970</b>	<b>231,100</b>	<b>238,380</b>	<b>245,130</b>
<b>15 Non Distributed Costs</b>				
Employee Expenses	307,840	320,150	326,550	333,080
<b>Total Expenditure</b>	<b>307,840</b>	<b>320,150</b>	<b>326,550</b>	<b>333,080</b>
Income	(42,450)	(43,300)	(44,170)	(45,050)
<b>Total Income</b>	<b>(42,450)</b>	<b>(43,300)</b>	<b>(44,170)</b>	<b>(45,050)</b>
<b>Non Distributed Costs Net Expenditure</b>	<b>265,390</b>	<b>276,850</b>	<b>282,380</b>	<b>288,030</b>

Resources and Transformation

## Appendix 1

	Outturn 2023-2024 £	Budget 2024-2025 £	Budget 2025-2026 £	Budget 2026-2027 £
<b>16 Excluded Items</b>				
Employee Expenses	(24,740)	(23,830)	(22,910)	(21,970)
Supplies & Services	(250,000)	(150,000)	(271,000)	(271,000)
<b>Total Expenditure</b>	<b>(274,740)</b>	<b>(173,830)</b>	<b>(293,910)</b>	<b>(292,970)</b>
Income	(902,990)	(948,680)	(967,660)	(987,010)
<b>Total Income</b>	<b>(902,990)</b>	<b>(948,680)</b>	<b>(967,660)</b>	<b>(987,010)</b>
<b>Excluded Items Net Expenditure</b>	<b>(1,177,730)</b>	<b>(1,122,510)</b>	<b>(1,261,570)</b>	<b>(1,279,980)</b>
<b>17 Democratic Services</b>				
Employee Expenses	189,140	195,640	201,860	206,300
Transport Related Expenditure	1,720	1,400	1,420	1,430
Supplies & Services	2,980	1,090	1,110	1,120
<b>Total Expenditure</b>	<b>193,840</b>	<b>198,130</b>	<b>204,390</b>	<b>208,850</b>
<b>Democratic Services Net Expenditure</b>	<b>193,840</b>	<b>198,130</b>	<b>204,390</b>	<b>208,850</b>
<b>18 Elections</b>				
Employee Expenses	204,660	203,090	150,270	211,980
Premises Related Expenditure	9,490	4,410		4,590
Transport Related Expenditure	250	250	150	250
Supplies & Services	140,750	105,150	56,410	107,000
<b>Total Expenditure</b>	<b>355,150</b>	<b>312,900</b>	<b>206,830</b>	<b>323,820</b>
Income	(38,230)	(1,260)	(1,290)	(1,320)
<b>Total Income</b>	<b>(38,230)</b>	<b>(1,260)</b>	<b>(1,290)</b>	<b>(1,320)</b>
<b>Elections Net Expenditure</b>	<b>316,920</b>	<b>311,640</b>	<b>205,540</b>	<b>322,500</b>
<b>19 Benefit Payments</b>				
Transfer Payments	14,335,450	13,403,780	12,286,460	11,260,760
<b>Total Expenditure</b>	<b>14,335,450</b>	<b>13,403,780</b>	<b>12,286,460</b>	<b>11,260,760</b>
Income	(14,516,770)	(13,585,100)	(12,517,780)	(11,492,080)
<b>Total Income</b>	<b>(14,516,770)</b>	<b>(13,585,100)</b>	<b>(12,517,780)</b>	<b>(11,492,080)</b>
<b>Benefit Payments Net Expenditure</b>	<b>(181,320)</b>	<b>(181,320)</b>	<b>(231,320)</b>	<b>(231,320)</b>
<b>Resources and Transformation Net Expenditure</b>	<b>3,228,820</b>	<b>3,459,890</b>	<b>3,315,330</b>	<b>3,511,730</b>

**Resources and Transformation Portfolio****Variation Statement 2024/2025 to 2026/2027**

	2024/2025 Indicative	Real Terms / Efficiency Variations	2024/2025 Budget	2025/2026 Indicative	Real Terms / Efficiency Variations	2025/2026 Budget	Inflation	Real Terms / Efficiency Variations	2026/2027 Budget
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<b>Employee Costs</b>	6,323	263	6,586	6,467	262	6,729	124	87	6,940
<b>Premises Related Costs</b>	4	-	4	3	- 3	-	-	5	5
<b>Transport Related Costs</b>	41	- 22	19	41	- 22	19	-	-	19
<b>Supplies and Services</b>	1,919	184	2,103	1,944	19	1,963	23	56	2,042
<b>Third Party Payments</b>	1,459	- 4	1,455	1,487	9	1,496	30	- 1	1,525
<b>Transfer Payments</b>	12,755	649	13,404	11,691	595	12,286	-	- 1,025	11,261
<b>Total Expenditure</b>	22,501	1,070	23,571	21,633	860	22,493	177	- 878	21,792
<b>Income</b>	- 19,289	- 822	- 20,111	- 18,336	- 842	- 19,178	- 123	1,021	- 18,280
<b>Net Expenditure</b>	3,212	<b>248</b>	3,460	3,297	<b>18</b>	3,315	54	<b>143</b>	3,512
<b>portfolios transferred</b>	- 621			- 655					
<b>Original Net Expenditure</b>	3,833			3,952					

**Resources and Transformation Portfolio****Proposed Real Terms / Efficiency Variations****2024/25 Change**

	£'000	£'000
<b><u>Real Term Variations</u></b>		
Pay award		197
Leadership team posts transferred to Leader portfolio		-238
Increased HRA recharge reflecting pay		-78
Shared service leadership team transferred to Leader portfolio		44
Reduced car allowances		-22
Reduced audit fees		-27
Housing benefits review of spend		
Expenditure	728	
Income	-678	50
Rent rebates - review of spend		
Expenditure	-80	
Income	80	-
Shared services		
Expenditure	-23	
Income	15	-8
Budget balances transfer to Leisure management contract		-279
Zero based review		
Expenditure	-47	
Income	-2	-49
Bank charges		27
Telephone costs		37
Budget savings reinstated		
Reduction in printers/colour printing	19	
Revenues and benefits efficiencies	35	
Shared Services savings	400	454
Budget pressures Finance		
Expenditure	300	
Stafford borough contribution	-159	141
minor variations		-1
		<b><u>248</u></b>



2025/26 Change

	£'000	£'000
<b><u>Real Term Variations</u></b>		
Pay award		253
Leadership team posts transferred to Leader portfolio		-238
Increased HRA recharge reflecting pay		-80
Shared service leadership team transferred to Leader portfolio		44
Reduced car allowances		-22
Reduced audit fees		-22
Housing benefits review of spend		
Expenditure	668	
Income	-668	-
Rent rebates - review of spend		
Expenditure	-73	
Income	73	-
Shared services		
Expenditure	-10	
Income	-6	-16
Zero based review		
Expenditure	-47	
Income	-2	-49
Bank charges		28
Telephone costs		37
Budget savings reinstated		
Reduction in printers/colour printing	19	
Revenues and benefits efficiencies	35	54
Budget pressures Finance		
Expenditure	300	
Stafford borough contribution	-159	141
District Election (non election year)		-113
minor variations		1
		<b>18</b>

2025/26 to 2026/27 Change

	£'000	£'000
<b><u>Real Term Variations</u></b>		
Pay and pension charges		27
Housing benefits review of spend		
Expenditure	-554	
Income	554	-
Rent rebates - review of spend		
Expenditure	-471	
Income	471	-
Shared services		
Expenditure	-1	
Income	-4	-5
Audit fees		6
District Election reinstated		115
		<b>143</b>

## Appendix 2

## Capital Programme 2023-24 to 2026-27

	Total Programme Revised £000	General Fund £000	Section 106 £000
<b>RESOURCES &amp; TRANSFORMATION</b>			
New Council Website	21	21	-
<b>Total Resources &amp; Transformation</b>	<b>21</b>	<b>21</b>	<b>-</b>
<b>ENVIRONMENT &amp; CLIMATE CHANGE</b>			
Wheelie Bin Replacement	334	334	-
Hawks Green Rationalisation	4	4	-
<b>Total Environment &amp; Climate Change</b>	<b>338</b>	<b>338</b>	<b>-</b>
<b>COMMUNITY WELLBEING</b>			
Disabled Facilities Grants	5,696	5,696	-
CCTV	67	67	-
CCTV Safer Streets 5	160	160	-
Streetlighting Safer Streets 5	35	35	-
<b>Total Community Wellbeing</b>	<b>5,958</b>	<b>5,958</b>	<b>-</b>
<b>HOUSING</b>			
Home Security Grants	30	30	-
<b>Total Housing</b>	<b>30</b>	<b>30</b>	<b>-</b>
<b>PARKS, CULTURE &amp; HERITAGE</b>			
Additional Cemetery Provision	18	18	-
Hednesford Park Improvements (part s106 funding)	174	155	19
Stadium Development (Phase 2)	266	-	266
Relocation Arthur Street Play Area (s106)	3	-	3
Laburnum Avenue MUGA Phase 1	582	-	582
Heath Hayes Park/Pitch Refurbishment	115	-	115
Penny Cress Green Play Area	14	2	12
Rugeley ATP	32	27	5
Cannock East (CIL)	122	-	122
Commonwealth Games Legacy	40	40	-
Play Areas Developments & Refurbishments	102	102	-
Barnard Way Play Area	97	9	88
Infrastructure Fencing Parks and Open Spaces	51	51	-
Replacement Vehicles Parks and Open Spaces	107	107	-
Wellington Drive Park and Open Space	96	-	96
Elmore Park Toilets	110	110	-
Cannock Park Path Works	25	-	25
Stile Cop Cemetery Modular build	60	60	-
Ravenhill Tennis Courts	19	-	19
Cannock Park Tennis Courts	112	112	-
Hednesford Park Tennis Courts	19	19	-
Heath Hayes Park Tennis Courts	76	76	-
Cannock Park Streetlighting Safer Streets 5	160	160	-
Cannock Park Phase 1	465	15	450
<b>Total Parks, Culture &amp; Heritage</b>	<b>2,865</b>	<b>1,063</b>	<b>1,802</b>
<b>REGENERATION &amp; HIGH STREETS</b>			
Levelling Up Fund	43,874	43,874	-
UK Shared Prosperity Fund	775	775	-
Lets Grow Grants	35	35	-
Anglesey Bridge & Rawnsley Woods Bridge	106	26	80
Chadsmoor Infant & Nursery Modular build (CIL)	162	-	162
Five Ways Primary Modular build (CIL)	160	-	160
Etching Hill CE Primary Modular build (CIL)	393	-	393
John Bamford Primary Modular build (CIL)	173	-	173
Rugeley Train Station Access (CIL)	162	-	162
<b>Total Regeneration &amp; High Streets</b>	<b>45,840</b>	<b>44,710</b>	<b>1,130</b>
<b>TOTAL CAPITAL PROGRAMME</b>	<b>55,052</b>	<b>52,120</b>	<b>2,932</b>

## Appendix 3

## General Fund and Section 106 Capital Budgets 2023-24 to 2026-27

	2023/24 Revised £000	2024/25 £000	2025/26 £000	2026/27 £000	Approved £000
<b>RESOURCES &amp; TRANSFORMATION</b>					
New Council Website	21	-	-	-	-
<b>Total Resources &amp; Transformation</b>	<b>21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ENVIRONMENT &amp; CLIMATE CHANGE</b>					
Wheelie Bin Replacement	90	84	80	80	-
Hawks Green Rationalisation	4	-	-	-	-
<b>Total Environment &amp; Climate Change</b>	<b>94</b>	<b>84</b>	<b>80</b>	<b>80</b>	<b>-</b>
<b>COMMUNITY WELLBEING</b>					
Disabled Facilities Grants	2,543	1,051	1,051	1,051	-
CCTV	45	-	-	-	22
CCTV Safer Streets 5	20	140	-	-	-
Streetlighting Safer Streets 5	35	-	-	-	-
<b>Total Community Wellbeing</b>	<b>2,643</b>	<b>1,191</b>	<b>1,051</b>	<b>1,051</b>	<b>22</b>
<b>HOUSING</b>					
Home Security Grants	10	20	-	-	-
<b>Total Housing</b>	<b>10</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PARKS, CULTURE &amp; HERITAGE</b>					
Additional Cemetery Provision	18	-	-	-	-
Hednesford Park Improvements (part s106 funding)	-	-	-	-	174
Stadium Development (Phase 2)	266	-	-	-	-
Relocation Arthur Street Play Area (s106)	-	-	-	-	3
Laburnum Avenue MUGA Phase 1	582	-	-	-	-
Heath Hayes Park/Pitch Refurbishment	-	-	-	-	115
Penny Cress Green Play Area	14	-	-	-	-
Rugeley ATP	32	-	-	-	-
Cannock East (CIL)	-	-	-	-	122
Commonwealth Games Legacy	40	-	-	-	-
Play Areas Developments & Refurbishments	50	52	-	-	-
Barnard Way Play Area	97	-	-	-	-
Infrastructure Fencing Parks and Open Spaces	51	-	-	-	-
Replacement Vehicles Parks and Open Spaces	45	62	-	-	-
Wellington Drive Park and Open Space	96	-	-	-	-
Elmore Park Toilets	110	-	-	-	-
Cannock Park Path Works	25	-	-	-	-
Stile Cop Cemetery Modular build	-	60	-	-	-
Ravenhill Tennis Courts	19	-	-	-	-
Cannock Park Tennis Courts	112	-	-	-	-
Hednesford Park Tennis Courts	19	-	-	-	-
Heath Hayes Park Tennis Courts	76	-	-	-	-
Cannock Park Streetlighting Safer Streets 5	160	-	-	-	-
Cannock Park Phase 1	-	465	-	-	-
<b>Total Parks, Culture &amp; Heritage</b>	<b>1,812</b>	<b>639</b>	<b>-</b>	<b>-</b>	<b>414</b>
<b>REGENERATION &amp; HIGH STREETS</b>					
Levelling Up Fund	1,109	-	-	-	42,765
UK Shared Prosperity Fund	375	400	-	-	-
Lets Grow Grants	15	20	-	-	-
Anglesey Bridge & Rawnsley Woods Bridge	106	-	-	-	-
Chadsmoor Infant & Nursery Modular build (CIL)	-	-	-	-	162
Five Ways Primary Modular build (CIL)	-	-	-	-	160
Etching Hill CE Primary Modular build (CIL)	-	-	-	-	393
John Bamford Primary Modular build (CIL)	-	-	-	-	173
Rugeley Train Station Access (CIL)	-	-	-	-	162
<b>Total Regeneration &amp; High Streets</b>	<b>1,605</b>	<b>420</b>	<b>-</b>	<b>-</b>	<b>43,815</b>
<b>TOTAL CAPITAL PROGRAMME</b>	<b>6,185</b>	<b>2,354</b>	<b>1,131</b>	<b>1,131</b>	<b>44,251</b>

# Community Infrastructure Levy (CIL) Allocations Process and Recommendations



2023/24

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## 1. Introduction

- 1.1 The Council approved the Community Infrastructure Levy (CIL) Charging Schedule and Regulation 123 List (now CIL Infrastructure List – see Cabinet Report 17/10/19) of infrastructure projects eligible to receive funding at its meeting on 15/04/15.
- 1.2 CIL is intended to provide a funding stream for infrastructure needed to support the policies and proposals in the adopted Local Plan. It will partly replace funding previously obtained via Planning Obligations (Section 106 agreements and Unilateral Undertakings). CIL and Section 106 agreements can be used to fund the same piece of infrastructure, following amendments made to the CIL Regulations in September 2019.
- 1.3 The total amount of CIL receipts retained and available for expenditure at the end of 2022/23 were £1,068,138.34.
- 1.4 The protocol for the allocation of CIL funds, approved by Cabinet (23/07/15), sets out the system which the allocations process must follow. Table 1 shows the approved processes and approximate timescales.

**Table 1**

<b>Date</b>	<b>Action</b>
By 30 <sup>th</sup> June	Invite bids from stakeholders for inclusion in the three-year CIL Infrastructure Capital Programme
By 1 <sup>st</sup> September	Deadline for bids for projects submitted
September	Initial assessment of submissions by officers and Cabinet Member
By 30 <sup>th</sup> September	Consultation event to share and review aspirations/priorities with stakeholders who have submitted bids.
By 31 <sup>st</sup> October	Prepare draft programme of projects
By 30 <sup>th</sup> November	Feedback to stakeholders
By 31 <sup>st</sup> December	Prepare recommendations
February	Report to Cabinet/Council

## 2. Invitations to Bid

- 2.1 'Invitation to Bid' letters were emailed to stakeholders who had projects identified in the CIL Infrastructure List (formerly Regulation 123 List) outlining an 8-week consultation period with the deadline for submissions being 18 August 2023. Stakeholders were also invited to make comments on the Councils existing CIL Infrastructure List for any minor amendments i.e., project costs, any alternative funding identified. No new projects were to be included as part of this year's update. Accompanying the letter was an 'Expression of Interest' form on which the bids were to be submitted. This letter was emailed to the following stakeholders:

- Staffordshire County Council (Planning, Education & Transport)
- Cannock Chase District Council (Parks & Open Spaces)
- West Midlands Trains
- Environment Agency
- Cannock Chase District Council Waste and Engineering Services

- 2.2 A 'Community Infrastructure Levy (CIL) Allocations Process Guidance Document' was emailed to stakeholders which is based on the protocol set out in Cabinet Report 23/07/2015 and updated 26<sup>th</sup> March 2020. This update provided clarification on retrospective bids and reflected legislative changes.

### 3. Bids Received

#### 3.1

<b>Applicant:</b>	Parks & Open Spaces - Cannock Chase DC
<b>Summary:</b>	<p><b>Cannock Park</b></p> <p>This project, to redevelopment Cannock Park includes the following elements of work: (All via public consultation and in partnership with other third party organisations) The works will entail the following items:</p> <ul style="list-style-type: none"> <li>• New junior and Toddler play areas</li> <li>• Learn to ride zone</li> <li>• New teenage play area</li> <li>• Skate plaza</li> <li>• Multi sports ball area.</li> <li>• Improvements and refit to existing site buildings. Including changing rooms, and community room (Café and Stores)</li> <li>• Improvements to pathways (New surfacing /Lighting / CCTV / Tree avenues)</li> <li>• Dedicated walking and cycling routes from Cannock through to Shoal Hill Common and further afield.</li> <li>• Boundary security improvements ( New fencing, Access barriers , and landscaping to protect the site and its adjacent premises) To park and leisure centre.</li> <li>• Improvements to the football and sports pitches.</li> <li>• Car park realignment</li> <li>• Eco / Arts trails</li> </ul> <p>Redevelopment of Cannock Park will be carried out in Partnership with the voluntary and community sectors through joint work practices and creating / defining new groups.</p> <p>Works will be carried out in multiple phases with the initial phase focuses around site security, reducing ASB issues and implementing a new junior and toddler play area.</p> <p>The remainder of the works will be carried out in a later phase</p>
<b>CIL funds requested:</b>	£200,000
<b>Delivery by:</b>	Up to 5 years
<b>Third parties:</b>	Home Office, Football Foundation, Forest of Mercia, Flood Alleviation funding
<b>Declaration of interest:</b>	None

## 3.2

<b>Applicant:</b>	Parks & Open Spaces - Cannock Chase DC
<b>Summary:</b>	<p><b>Former Cannock Stadium - Phase 2B works</b></p> <p>Phase 2B of the Cannock Stadium development will see the culmination of the original masterplan (Approved by Cannock Chase Cabinet in 2014 ) With Phase 1 being completed in Spring 2022, Phase 2 commenced in Summer 2022. Due to funding requirements and sourcing Phase 2 has been split into 2 parts. Part A - being the design and construction of a wheeled sports street plaza and learn to ride cycle arena. With Phase 2B - being the design and construction of a toilet block and community room.</p> <p>Phase 2B will see the completion of Phase 2 works. With the construction of a much needed toilet block and community room. At present the biggest stumbling block preventing site users from making full use of the site and staying for longer periods is the lack of toilet provision. Lack of toilets generally means site users can only stay within the site for a couple of hours. With the addition of a toilet block site users will be able to spend a much longer portion of their day on site.</p> <p>Lack of toilet provision is also hindering the Friends of Cannock Stadium Site from hosting community participation events. While some events go ahead many of them have to be scaled back and limited in duration. To allow attendees to go home and use their own toilet instead of being able to access a public one on site.</p>
<b>CIL funds requested:</b>	£270,000
<b>Delivery by:</b>	Immediately
<b>Third parties:</b>	Forest of Mercia, Staffordshire CEP
<b>Declaration of interest:</b>	None

## 3.3

<b>Applicant:</b>	Staffordshire County Council
<b>Summary:</b>	<p><b>Additional Primary School Places</b></p> <p>This project will support the provision of additional primary school places at Norton Canes Primary school. There is a currently a shortfall in primary school places in the Norton Canes area and this project will provide additional places and improve the school's physical environment for the delivery of the curriculum offer. This will also result in the provision of high-quality primary school places for the growing number of local children residing within Norton Canes. It may be necessary to deliver the project in phases in line with available funding and if successful with this application for CIL funding, this would deliver phase 1 of the project.</p>
<b>CIL funds requested:</b>	£1,068,138.34
<b>Delivery by:</b>	Up to 5 years
<b>Third parties:</b>	Reach2 Academy Trust, Entrust Support Services
<b>Declaration of interest:</b>	None



## 3.4

<b>Applicant:</b>	Staffordshire County Council
<b>Summary:</b>	<p><b>Improved Bus Information and Infrastructure</b></p> <p>Historically, and due to lack of funding and physical resource, current ownership of bus stop infrastructure, bus stations and interchanges have been the responsibility of the District/Borough Councils and the Parish Councils within Staffordshire.</p> <p>The current infrastructure position in Staffordshire is as follows, accurate as of April 2023:  4,900 bus stops within Staffordshire  1088 shelters in Staffordshire  Only 206 shelters are maintained by Staffordshire County Council  6 Bus Stations in Staffordshire currently all maintained by Districts and Borough Councils</p> <p>4 Bus Interchanges in Staffordshire currently all maintained by Districts and Borough Councils  168 RTPI displays (at 152 locations) managed and maintained by Staffordshire CC  180 bus stops have roadside information provided by Staffordshire County Council</p> <p>The current situation has led to a total lack of consistency and mix of different shelters matching the corporate branding of each area, different types of publicity and inconsistent information.</p> <p>All are now in desperate need of either a refresh, refurbishment or replacement in order to maximise attraction and utilise the use of emerging digital technology.</p> <p>Working collaboratively with District/Borough Councils and operator partners, the investment in the refurbishment, upgrading will further demonstrate to Staffordshire's residents that the bus network provides good value and clean (low/zero emission) transport options, with improved infrastructure providing reassurance as to the reliability of bus services</p> <p>The provision of improved safe, clean and attractive waiting facilities provides visual evidence of the stakeholders' belief in bus services as a viable alternative to the private car for many journeys.</p>
<b>CIL funds requested:</b>	£470,590
<b>Delivery by:</b>	Immediately / up to 5 years
<b>Third parties:</b>	JMW Systems Ltd., OmniBUS, EON
<b>Declaration of interest:</b>	None

## 3.5 - Withdrawn bid

<b>Applicant:</b>	Staffordshire County Council
<b>Summary:</b>	<p><b>Rugeley and Hednesford town train stations</b></p> <p>This scheme is included in Staffordshire's Local Cycling and Walking Infrastructure Plan (LCWIP). A plan of the scheme is attached.</p> <p>Hednesford rail station and the town centre are on either side of the proposed junction improvement and provide important destinations for pedestrians and cyclists. Cannock Chase is just 500 metres from the scheme which is a significant destination for walking/cycling leisure trips, with the Cannock Chase Heritage Trail signed through the junction. Bus services that run through the junction will be maintained as part of the scheme.</p> <p>As shown on the drawing, the scheme embraces the Department for Transport Cycle Infrastructure design guidance and includes:</p> <ul style="list-style-type: none"> <li>• On-road segregated cycle track</li> <li>• Zebra pedestrian crossing and parallel cycle crossing on new raised junction</li> <li>• Vehicle turning movement restrictions,</li> <li>• Re-allocation of road space and filtered permeability</li> <li>• 20mph zone and prohibition of goods vehicles</li> <li>• Significant tightening of junction radii to slow vehicles and give space back to pedestrians and cyclists</li> <li>• Cycle parking and wayfinding to create a coherent, comfortable, safe and attractive route.</li> </ul>
<b>CIL funds requested:</b>	£665,000
<b>Delivery by:</b>	Immediately
<b>Third parties:</b>	Amey, Sustrans
<b>Declaration of interest:</b>	None

## 4. Assessment of Bids

4.1 The approved protocol sets out that a group of both officers and members will assess bids received and conclude whether they recommend that CIL funds are allocated to the project or not based on the following criteria:

- The connection to relevant Local Plan (Part 1) policies will be considered together with an overall assessment of the economic, social, and environmental benefits of the project.
- The amount of CIL requested and its relationship to other sources of funding will be considered, including potential leverage of match funding and use of Section 106 funds.
- Evidence of deliverability and arrangements for ongoing maintenance/management
- Priority will be given to Capital schemes, although revenue funding via maintenance of associated assets will also be eligible.

- 4.2 The membership of the CIL Joint Member/Officer Working Group consisted of the following:
- Head of Economic Development and Planning – Chair
  - S151 Officer and Deputy Chief Executive (Resources)
  - Cabinet Member – Regeneration and High Streets Portfolio Leader
  - Planning Services Manager and/or Planning Policy Manager
- 4.3 Initial assessments of the bids received were carried out on 25 September 2023. This was an opportunity for the group to highlight any questions they may have for stakeholders or matters they think require further clarification.
- 4.4 The issues raised for further clarification for each bid were emailed to the relevant stakeholder to give them the opportunity to provide additional information to inform the final assessment of bids.
- 4.5 Responses from stakeholders were presented to the CIL Joint Member/Officer Working Group at the final assessment of bids arranged on 13 November 2023, along with any further evidence/information stakeholders had provided.

## 5. Recommendations

- 5.1 The outcome and recommendations to Council are set in Table 4. The total amount of CIL monies recommended to be allocated to each project is outlined in Table 3 below:

**Table 3**

Cannock Park	Up to £200,000
Cannock Stadium	Up to £270,000
<b>TOTAL</b>	<b>Up to £470,000</b>

**Table 4**

Bid	Recommendation	Conditions	Reasons for Recommendations
<p>Redevelopment of Cannock Park -</p> <ul style="list-style-type: none"> <li>• New junior and Toddler play areas</li> <li>• Learn to ride zone</li> <li>• New teenage play area</li> <li>• Skate plaza</li> <li>• Multi sports ball area.</li> <li>• Improvements and refit to existing site buildings. Including changing rooms, and community room (Café and Stores)</li> <li>• Improvements to pathways (New surfacing /Lighting / CCTV / Tree avenues)</li> <li>• Dedicated walking and cycling routes from Cannock through to Shoal Hill Common and further afield.</li> <li>• Boundary security improvements (New fencing, Access barriers, and landscaping to protect the site and its adjacent premises) To park and leisure centre.</li> <li>• Improvements to the football and sports pitches.</li> <li>• Car park realignment</li> <li>• Eco / Arts trails</li> </ul>	<p>Up to £200,000 of CIL funds are allocated to this project.</p>	<ul style="list-style-type: none"> <li>- There will be no additional revenue costs implications on Cannock Chase District Council as a result of this project.</li> <li>- The project shall be completed within three years from the date a recommendation was made to approve funding for the project.</li> </ul>	<ul style="list-style-type: none"> <li>- Moderate links to Local Plan Policies demonstrated</li> <li>- Part of the Green Space Network</li> <li>- Policies CP5 and CP12</li> <li>- Strong economic, social and environmental benefits demonstrated - use of local contractors from Staffordshire County Council procurement frameworks will see inward investment opportunities for local companies, whilst at the same time increased visitor numbers and longer stays will aid with the viability of the local shops and businesses.</li> <li>- Able to support larger events with a wider catchment and increased number of local visitors. The friends of Cannock Park play a vital role in the community and increase health and wellbeing of the local residents through free activities for families held throughout the year.</li> <li>- Public conveniences located centrally within the park will aid in social inclusion and the dedicated Changing place located within Cannock Chase Leisure Centre would become a key part of the site. Increased footfall and visitors numbers will help to reduce the ASB issues currently experienced through natural surveillance and increased reporting of incidents when they do occur. The refurbishment of the play area will be carried out following a full and detailed public consultation. Local residents would get an input into the scheme at the early stages making them feel part of the process and empowered encouraging social cohesion and decision making at a local level.</li> <li>- By retaining play provision for the children of the district and quality outdoor spaces. The council is providing opportunities for residents and members of the public to lead healthy and active lifestyles in an enjoyable manner via sports and recreation, cycling and walking in an area with an identified need. Councils have a major role in the provision of good quality parks, play areas and public open spaces, that are both sustainable and meet the needs of the community.</li> <li>- More community activities and better facilities will encourage more people to visit the site and to the local leisure centre.</li> <li>- Provides 50% leverage of match funding - Home Office, Forest of Mercia and Cannock Chase District Council Section 106 funds, although evidence is required regarding this.</li> <li>- All identified constraints can be readily overcome.</li> <li>- Subject to planning and Cabinet approval.</li> <li>- All identified risks can be readily overcome.</li> <li>- Project partners required by clear role/commitment demonstrated.</li> </ul>

Bid	Recommendation	Conditions	Reasons for Recommendations
Cannock Stadium - Providing changing room, toilet and community room	Up to £270,000 of CIL funds are allocated to this project.	<ul style="list-style-type: none"> <li>- There will be no additional revenue costs implications on Cannock Chase District Council as a result of this project.</li> <li>- The project shall be completed within three years from the date a recommendation was made to approve funding for the project.</li> </ul>	<p style="text-align: right;"><b>Item No. 8.57</b></p> <ul style="list-style-type: none"> <li>- Some links to Local Plan Policies - CP5 and CP12</li> <li>- Moderate economic, social and environmental benefits demonstrated - use of local contractors from Staffordshire County Council procurement frameworks will see inward investment opportunities for local companies, whilst at the same time increased visitor numbers and longer stays will aid with the viability of the local shops and businesses. Will be able to support larger events with a wider catchment and increased number of local visitors. The friends of Cannock Stadium play a vital role in the community and increase health and wellbeing of the local residents through free activities for families held throughout the year. Public conveniences located centrally within the park will aid in social inclusion and a dedicated changing place would become a key part of the site. The new building will be constructed to a A /A+ Energy performance standard. Made utilising energy savings methods. Rain and surface water will be harvested for watering of plants and shrubs around the site.</li> <li>- Provides no match funding. Another source of funding needs to be secured.</li> <li>- Other sources of funding unlikely to be found within next 5 years if CIL funding not provided.</li> <li>- All identified constraints can be readily overcome.</li> <li>- Cabinet approval is being sought (November 2023), planning consent has already been given.</li> <li>- Identified risks can be readily overcome.</li> <li>- No project partners.</li> </ul>
Funding to provide additional Primary School places in Norton Canes	CIL funds are not allocated to this project as this time	N/A	<ul style="list-style-type: none"> <li>- CIL funding rejected as it is too big a project and more information is needed regarding the preferred option of a rebuild or major refurbishment,</li> <li>- Refurbishment of accommodation could be submitted as a bid next year (costs need to be clarified).</li> </ul>
Improved Bus Information and Infrastructure in desperate need of a refresh and upgrade within the District of Cannock Chase.	CIL funds are not allocated to this project as this time	N/A	<ul style="list-style-type: none"> <li>- More detailed information on project required.</li> <li>- Match funding details required.</li> </ul>
Rugeley & Hednesford Town Train Stations	Bid was withdrawn	N/A	<ul style="list-style-type: none"> <li>- Not enough certainty on delivery timescales.</li> <li>- Future funding opportunities to be explored.</li> </ul>

- 5.2. Letters were emailed on 19 December 2023, informing bidders of the outcome of their application. Successful applicants were informed that this was only support in principle and would be subject to Council approval and the conditions outlined in Table 3.
- 5.3. Payment of funding will be in arrears therefore evidence of the projects delivery will need to be provided before funds are released.

## **6. Non-parished Neighbourhood Funds**

- 6.1 In parished areas, 15% of CIL funds (25% when a neighbourhood plan has been made) are transferred to Parish Councils in respect of that area. In areas that are unparished, it was agreed by Council (see Cabinet report 23/7/15) that these funds would be retained by Cannock Chase District Council and spent in consultation with ward members.
- 6.2 CIL neighbourhood funds can be spent on projects on the CIL Infrastructure List, projects in which bids have been received or local projects that fall within the following definition:  
'The Local Council have a duty to spend CIL income on providing, improving, replacing, operating or maintaining infrastructure that supports the development of the Local Council area or anything else concerned with addressing the demands that development places on the area.'
- 6.3 All Members for the relevant Ward must agree on the spend of the CIL funding from their area. A project proposal must then be submitted by the relevant infrastructure provider and approved for spend by Cabinet.

## Business Rates Retention – Retained Income

		2024/25	2025/26	2026/27
		50% Scheme	50% Scheme	50% Scheme
		£	£	£
<b>A.Business Rates Collection Fund</b>				
<b>Gross Rates</b>		<b>50,867,114</b>	<b>51,884,460</b>	<b>53,394,492</b>
Less	<b>Reliefs, Exemptions and Provisions</b>			
	Mandatory relief	(6,075,602)	(6,197,110)	(6,321,050)
	Discretionary relief Council funded	(12,190)	(12,430)	(12,680)
	Discretionary relief Government funded	(2,844,405)	(2,901,290)	(2,959,320)
	Exemptions	(2,219,041)	(2,263,420)	(2,308,690)
	Cost Of Collection	(137,938)	(140,670)	(143,460)
	Losses on collection	(1,636,918)	(1,669,660)	(1,703,050)
<b>Non Domestic Rating Income</b>		<b>37,941,020</b>	<b>38,699,880</b>	<b>39,946,242</b>
Less	amount due to			
	Government	(18,970,510)	(19,349,940)	(19,349,940)
	County	(3,414,690)	(3,482,990)	(3,482,990)
	Fire	(379,410)	(387,000)	(387,000)
<b>Net Business attributable to CCDC</b>		<b>15,176,410</b>	<b>15,479,950</b>	<b>16,726,312</b>
<b>General Fund determination of retained Business Rates</b>				
Net Business Rates attributable to CCDC		15,176,410	15,479,940	15,789,540
Less	Tariff	(10,283,275)	(10,488,940)	(10,698,720)
	Reset	-	-	(1,021,045)
Core Funding		(3,291,053)	(3,356,870)	(3,424,010)
<b>Growth</b>		<b>1,602,082</b>	<b>1,634,130</b>	<b>645,765</b>
Plus	Small Business Rates relief & other Government reliefs	2,402,017	2,450,060	2,499,060
<b>Amount subject to Pool Levy</b>		<b>4,004,099</b>	<b>4,084,190</b>	<b>3,144,825</b>
	Pool Levy	(2,002,050)	(2,042,100)	(1,572,410)
<b>Business Rates Growth</b>		<b>2,002,049</b>	<b>2,042,090</b>	<b>1,572,415</b>
<b>Business Rates Pool Distribution</b>		<b>800,820</b>	<b>816,840</b>	<b>628,970</b>
<b>Retained Business Rates</b>				
	Baseline Core Funding	3,291,053	3,356,870	3,424,010
	Growth	2,002,050	2,042,090	1,572,415
	Business Rates Pool Distribution	800,820	816,840	628,970
	Business Rates Pool Agreement	277,353	282,900	288,558
		<b>6,371,276</b>	<b>6,498,700</b>	<b>5,913,953</b>

## Other General Fund Earmarked Reserves

	31/03/2024	31/03/2025	31/03/2026	31/03/2027
<b>Revenue</b>	£'000	£'000	£'000	£'000
Building Maintenance Reserve	658	658	658	658
Bond	319	329	340	350
Budget Support	1,643	1,643	1,643	1,643
Contingency	1,529	1,529	1,529	1,529
Corporate	674	509	344	179
Partner	81	81	81	81
Ring fenced	141	141	141	141
Service Grant	92	92	92	92
Rollovers	152	152	152	152
Shared Services	580	580	580	580
Other	2,919	2,900	2,883	2,837
Donations	6	6	6	6
Grants	2,276	2,233	2,188	2,054
Trading	331	269	269	231
Section 106	2,263	2,199	2,182	2,165
<b>Sub Total</b>	<b>13,664</b>	<b>13,321</b>	<b>13,088</b>	<b>12,698</b>
<b>Capital</b>				
Capital	857	766	766	715
CIL	2,235	2,035	2,035	863
RCCO	15	15	15	15
Earmarked	1,139	1,151	1,135	1,182
<b>Sub Total</b>	<b>4,246</b>	<b>3,967</b>	<b>3,951</b>	<b>2,775</b>
<b>Grand Total</b>	<b>17,910</b>	<b>17,288</b>	<b>17,039</b>	<b>15,473</b>



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

### **Introduction**

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

### **Robustness of Budget Estimates**

The Council's budget estimates for 2024-25, including the forecast outturn for 2023-24, have been prepared by appropriately qualified and experienced staff in consultation with service managers. Budgets have been discussed and fully managed by the Leadership Team.

The budget for 2024-25 has been constructed based upon the maintenance of existing level of service, adjusted for known changes in 2024-25. It is considered to accurately reflect likely expenditure in 2024-25, being based on historic information, experience of expenditure in previous years and latest projections where appropriate.

The indicative budgets for 2025-26 and 2026-27 are similarly based upon the best information available at this moment in time.

The full risk assessment of the Council's Budget 2024-25 has been carried out and is included in APPENDIX 9.

Allowance has also been made for staff incremental progression. Sufficient provision has been built in for current employer pension contributions, in line with the 2023 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 as well as specific reviews of particularly high value contracts such as the Inspiring Healthy Lifestyles contract. Any differential inflationary uplift as required by contracts has been reflected. No other inflation has been provided for other expenditure budgets.

Some fees and charges will increase from April 2024. 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. 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 £1.6m (net of the item 8 determination) has been included within 2024-25 budgets. This has been based on current projections of bank interest rate. 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 2024-25 as it is considered that the Council's overall revenue balances are sufficient to act as an overall contingency (see below). However, robust budget monitoring arrangements, including Business Rates monitoring, are in place and will continue throughout the year. In addition to budget monitoring by officers, all Cabinet members will receive a monthly update and there will be quarterly reports to the Cabinet and Scrutiny Committees via "Performance Reports".

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

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

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

Adequacy of the Council's Reserves

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

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

The Council is projected to hold total General Fund reserves of £17.910 million as at 31 March 2024 and £17.288 million at 31 March 2025 (excluding working balance). These reserve balances are predicated on the achievement of the savings programme. It must also be noted that they can only be spent once, so were they to be used to manage the budget deficit in the medium term it would leave the council in an unsustainable position. It would limit investment in council services and projects and increase the risk profile of approved projects as there would be less contingency available.

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 successful Levelling Up Fund bid is currently included in the approved capital programme. There are significant challenges around its delivery which are being monitored and reported on by officers. As the scheme progresses the programme will be updated, subject to approval by members. The quantum of the Levelling Up bid, its financial risks, coupled with the ongoing additional costs of (in particular) inflation represent burdens on the Financial Plan.

When combined with the uncertainty of a fundamental Government review of local government finance, the medium term outlook is very challenging. There is no scope over the Financial Plan period for further discretionary projects or expenditure that could have a negative effect on reserves.

The Council has set a policy of a minimum level of general reserves of £1 million. The Budget for 2024-25 has been constructed on the basis that there will be a level of general reserves in excess of £1 million.

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

**Chris Forrester Deputy Chief Executive and S151 Officer**

**Council Tax Base 2024-25**

<b>Parish</b>	<b>Band D Equivalents</b>
Brereton and Ravenhill	1,986.94
Bridgtown	645.94
Brindley Heath	252.98
Cannock Wood	409.04
Heath Hayes and Wimblebury	4,056.73
Hednesford	5,963.16
Norton Canes	2,724.36
Rugeley	5,329.36
Unparished	8,646.25
<b>Total</b>	<b>30,014.76</b>

## Working Balance - Financial Risks facing the Authority

Risk	Level of risk	Explanation of risk / justification for cover
Inflation	High	Inflation has been included in the Financial Plan in accordance with Government policy.
Investment interest	High	The amount earned depends on the prevailing interest rates and the level of cash balances held. The budget is dependent on significant investment returns being made in year, prudent assumptions have been made but a significant reduction in returns would lead to savings being required to balance the reduction.
<b>Major income sources:</b>		
• Planning fees	Medium	Dependent on economic conditions.
• Land charges fees	Low	Dependent on the housing market / basis of determining recoverable expenses/ proposed transfer to Land Registry.
• Car parking	Medium	Certain amount of volatility based on demand.
• Markets	High	Dependent on occupancy levels.
• Environmental services	Low	Licensing income dependent on renewals.
• Bereavement services	Medium	Some risk as it is a major source of income.
<b>Spending pressures:</b>		
• Waste and recycling targets	Medium	The Council will need to reach recycling targets in order to maximise income from recycling credits and avoid penalties. Recycling Credit regime operated by County Council. The introduction of food waste collection has a significant potential impact on council budgets which is unclear at present.  Estimated costs for dual streaming and the contract extension increase uncertainty.
• Leisure management	High	Difficulties for the service provider due to increased energy costs, changing habits of residents in the area and the need of the council to reduce costs will increase pressure on leisure services.

Risk	Level of risk	Explanation of risk / justification for cover
<ul style="list-style-type: none"> <li>Levelling Up</li> </ul>	High	<p>The Levelling Up programme is a major investment programme over a number of years with substantial Council contributions. It includes obligations to Government, requires engagement of partners and carries high expectations locally. It therefore represents a major financial risk.</p>
<b>Funding Sources:</b>		
<ul style="list-style-type: none"> <li>New Homes Bonus</li> </ul>	High	<p>Although allocations for 2024-25 can be predicted accurately, the future level of funding is now not only dependent upon completions of new properties but what incentive scheme will exist instead of New Homes Bonus.</p>
<ul style="list-style-type: none"> <li>Business Rates Scheme and Resets</li> </ul>	High	<p>A reset of growth achieved under the current system is likely to take place around the end of the current medium term financial plan. How the reset is implemented could have material implications. A reserve has been created to mitigate the risk.</p>
<ul style="list-style-type: none"> <li>Volatility in Business Rates</li> </ul>	High	<p>The Council will be exposed to volatility or reduction in its business rates due to the failure or temporary closure of a key businesses and successful backdated appeals against Rateable Values. Greater control of Business Rates gives councils greater freedoms and removes dependency on central funding, but it passes on a greater risk to core funding if Business Rates income falls.</p>
<ul style="list-style-type: none"> <li>Funding settlements from central government</li> </ul>	High	<p>With central government only awarding one year settlements it makes ongoing funding uncertain for the council. Reserves have been created where appropriate and possible to mitigate potential reductions in central government funding.</p>

## Rent and Income Collection Policy

<b>Committee:</b>	Cabinet
<b>Date of Meeting:</b>	1 February 2024
<b>Report of:</b>	Head of Housing and Corporate Assets
<b>Portfolio:</b>	Housing

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### 1 Purpose of Report

- 1.1 To review the Council's Housing Rent Setting Policy following the publication of Government's Policy Statement on Rents for Social Housing.

### 2 Recommendations

- 2.1 That the Housing Rent Setting Policy as set out in Appendix 1 is agreed and implemented with effect from 1 April 2024 (this is unchanged from the report of the 26 January 2023).

#### Reasons for Recommendations

- 2.2 The Rent Standard forms part of the regulatory framework for social housing and from April 2020 the Council's rent setting has been subject to the regulatory framework.

### 3 Key Issues

- 3.1 It is proposed that this report seeks to confirm that the Council will follow the social rent policy set by the Government.

### 4 Relationship to Corporate Priorities

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

- (i) **The Community** - setting affordable rent that promotes independent living, recognizing the importance of budgeting and offering help to tenants who may struggle with paying their rent.
- (ii) **Responsible Council** - by ensuring we are financially resilient and improving the Council's social housing stock.

### 5 Report Detail

- 5.1 Rental income from Council properties is essential in supporting a wide range of housing services. It pays for the management, maintenance, and improvement of Council houses. Maximising rental income is key to continuing to provide high quality housing and related Services.
- 5.2 In September each year the annual Consumer Price Index (CPI) figure is used to establish the limit on annual rent increases. Council tenants rent is set based on resultant "formula rents" that Government prescribes and for 2024/25 it will

increase by CPI September 2023 rate (6.7%) plus 1%. A revised formula rent has therefore been calculated for each of the Council's 5041 properties (as at the report date) and has then been compared with the Council's current rents to assess the required increases in accordance with the Rent Standard.

- 5.3 The Regulator for Social Housing (RSH) regulates rents charged by social housing. All stock-owning local authorities are required to submit stock and rent information through the Local Authority Data Return (LADR) for the purposes of rent regulation.
- 5.4 Last year the government response to high levels of inflation was to limit annual rents increases to a 7% ceiling for 2023/24. The government has indicated its committed to undertake a consultation on the rent settlement from 2025/26 onwards and inferred there will be a 10-year rent plan.
- 5.5 The Council's rent setting policy (unchanged from 26 January 2023 report) is attached as Appendix 1. This proposes that:
- I. The Council's existing stock is let at social housing rents.
  - II. New build and newly acquired properties are let at affordable housing rents which are equivalent to social housing rents. (As agreed by Cabinet on 17 April 2014).
  - III. Market rents are not charged for tenants with high income.
  - IV. Rents are reviewed annually with any resultant increase not exceeding the government defined cap.
  - V. The rents of vacant properties are increased (where necessary) to formula capped rents on re-letting.
- 5.6 The Council is seeking approval for a 7.7% rent increase in 2024-25. This increase in rent will allow continued investment in the existing HRA stock, services and new build properties to increase the stock held by the HRA. The increase will also help to ensure the maintenance of a minimum level of working balances and to deliver the refreshed Capital programme, proposed elsewhere on this agenda.
- 5.7 It should be noted that the Council's average rent lower than most social landlords operating in the Cannock area and throughout Staffordshire (Appendix 3). If we do not increase the rent in 2024/25, in line with Rent Setting Policy, the HRA will not have sufficient funds to invest in its stock holdings.
- 5.8 A 5-week consultation process on the pending rent increases has been carried out with tenants before the annual report to Cabinet. This is good practice used by other social landlords who have been subject to previous rent regulatory scrutiny. It is also an ideal opportunity to encourage tenants' engagement before the start of the financial year. This has now closed and there was no responses to the consultation.

## **6 Implications**

### **6.1 Financial**

The income which will be generated from the rents has been included within the budgets for Housing Revenue Account for the period 2024-25 to 2026-27. The budget for 24/25 has been based on a 7.7% increase in 2024-25 for HRA



properties. This will generate an increase on 23/24 dwelling rent income levels of approximately £2.074m.

## **6.2 Legal**

Section 24 Housing Act 1985 gives the power for Local Housing Authorities to review its rents and to make such reasonable charges as it determines for the tenancy or occupation of its properties, provided due regard is given to any relevant standards set for them under s.193 Housing & Regeneration Act 2008. The Rent Standard applies to low-cost rental accommodation as defined by s.69 of the 2008 Act. The lawfulness or otherwise of a Local Housing Authority's policy on rents may be challenged by way of Judicial Review.

Registered Providers must set rents from 01/04/20 in accordance with the Government's Policy Statement on Rents for Social Housing.

## **6.3 Human Resources**

The income from the rent increase will be used to support additional staffing resources to support improved service delivery to tenants.

## **6.4 Risk Management**

Self-financing increases the risks associated with the management of the HRA and a summary high level risk analysis is included as an appendix to the HRA revenue budget report. 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 and its minimum level of revenue working balances. The risk has however been reduced because change to social housing rent will provide a degree of certainty regarding potential level of rent income for 2024-25.

## **6.5 Equalities and Diversity**

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

## **6.6 Health**

None.

## **6.7 Climate Change**

Where possible climate change will be taken into account when making capital investments.

## **7 Appendices**

Appendix 1: Rent Setting Policy

Appendix 2: Table of rent increase from 2001

Appendix 3: Social rent comparison with local landlords

## **8 Previous Consideration**

Rent Setting Policy

Cabinet 26 January 2023

## 9 Background Papers

Policy Statement on Rents for Social Housing 2022

The Direction on the Rent Standard- 2023

Rent Standard - April 2020

Limit on annual rent increases 2023-24

Autumn Statement 2023

**Contact Officer:** Howard Campbell

**Telephone Number:** 01543 464 499

**Ward Interest:** Housing

**Report Track:** Cabinet 01/02/24

**Key Decision:** Yes

## **Rent Setting Policy 2024**

### **Link to other Cannock Policies:**

Allocation Policy

Income Collection Policy

Void Operational Policy

### **Information for tenants:**

Offer letters.

Tenancy agreements

Welcome pack.

Annual rent increase letter

Council's website

### **External Information:**

Policy Statement on Rents for Social Housing 2022

The Direction on the Rent Standard- 2023

Rent Standard - April 2020

Limit on annual rent increases 2023-24

Autumn Statement 2023

### **Introduction**

This policy outlines out how Cannock Chase Council sets its rents as defined by the Rent Standard Guidance. It will include details of the initial rent calculation and how this will be reviewed annually.

The rents charge covers the costs of managing and maintaining homes together with certain categories of repairs that are carried out in a cyclical programme (e.g., gas servicing) and major improvements carried out through long-term programmes to improve its homes.

This policy meets the requirements of the Regulator, set out in the Rent Standard and Rent Standard Guidance that applies from April 2020, for 2024/25 all rent charges will be capped to 7.7%.

### **Policy statement**

Cannock Chase Council charges rents in accordance with the Government's direction to the Regulator, the Rent Standard Guidance.

### **Social Housing Rents**

The Council's existing stock will be let at Social Housing Rents calculated in accordance with the nationally prescribed formula as set out in "Policy statement on rents for social housing".

The basis for formula rents for Cannock Chase Council is:

- Average rent at April 2000 £54.62
- Average earnings in Staffordshire £296.10
- National average earnings £316.40
- Bedroom weight- based on size of property
- National average property value in January 1999 £49,750

Rents are then calculated by:

- 30% of a property's rent is based on relative property values-
- 70% of a property's rent is based on relative local earnings.
- a bedroom factor is applied so that, other things being equal, smaller properties have lower rents.

### **Affordable Rents**

New build and newly acquired properties will be let at affordable housing rents which are equivalent to Social Housing Rents.

### **Rents for Social Tenants with High Incomes**

Market rents will not be charged for any tenants.

### **Rent Reviews**

Rents will be reviewed annually as part of the Housing Revenue Account Budget process. Any resultant rent increase will not exceed the Government Consumer Price Index plus percentage increase and all rent charge will be subject to Rent Standard Guidance.

### **Rent Year**

Rents is usually charged over a 52-week rent year, but in 2024/25 it will be charged over 53 weeks. This is because every 5 to 6 years, the first Monday in April is earlier, so there is an extra week that falls in the financial year from April to March. As 1st April 2024 is a Monday, 2024/25 will result in an extra weeks' rent charged.

### **Vacant Properties**

Where the actual rent of a vacant property is below the formula rent, the rent will be increased to the formula rent level when the property is relet.

### **Property Revaluations**

The property value of the rent formula may be reviewed in respect of properties where major improvement works have significantly increased the value.

### **Equality Impact Assessment**

We will ensure that the service is delivered in a fair and accessible way to all our customers regardless of; gender, race, ethnic, religion or sexual orientation, and due regard will be given to the Council's Public Sector Equality Duty. For monitoring purposes, the Council includes Income Management within its performance report and monitor the household and rent charge in conduct through the housing management system.

Table 1: Formula rent inflation.

Year	Inflation	Additional	Total
2001-02	3.3%	1.0%	4.3%
2002-03	1.7%	0.5%	2.2%
2003-04	1.7%	0.5%	2.2%
2004-05	2.8%	0.5%	3.3%
2005-06	3.1%	0.5%	3.6%
2006-07	2.7%	0.5%	3.2%
2007-08	3.6%	0.5%	4.1%
2008-09	3.9%	0.5%	4.4%
2009-10	5.0%	0.5%	5.5%
2010-11	-1.4%	0.5%	-0.9%
2011-12	4.6%	0.5%	5.1%
2012-13	5.6%	0.5%	6.1%
2013-14	2.6%	0.5%	3.1%
2014-15	3.2%	0.5%	3.7%
2015-16	1.2%	1.0%	2.2%
2016-17	N/A	N/A	-1.0%
2017-18	N/A	N/A	-1.0%
2018-19	N/A	N/A	-1.0%
2019-20	N/A	N/A	-1.0%
2020-21	1.7%	1.0%	2.7%
2021-22	0.5%	1.0%	1.5%
2022-23	3.1%	1.0%	4.1%
2023-24	10.1%	1.0%	11.1%

## Other Cannock Chase Social Housing Landlord rents

Average Rent Comparison 2022-2023	General Needs							
	One Bed		Two Bed		Three Bed		Four+ Bed	
	SR	AR	SR	AR	SR	AR	SR	AR
Cannock Chase Council (2022-23)	£70.74	£76.66	£80.23	£91.32	£84.64	£101.66	£91.82	£112.45
Aspire	£82.00	£103.62	£100.84	£115.30	£114.54	£124.91	£126.51	£134.52
Bromford	£78.00	-	£94.17	£120.46	£107.61	£146.37	£119.16	-
GreenSquareAccord	£81.20	-	£93.21	£138.91	£107.82	£145.72	-	-
Midland Heart	£80.40	-	£94.86	£106.06	£101.24	£113.67	£117.66	-
Platform (Waterloo)	£74.90	-	£94.94	£117.12	£107.45	£132.46	£119.78	£127.47
Sanctuary	£79.10	-	£92.52	£107.74	£104.44	£107.13	£119.66	-
SSHA (Homes Plus)	-	-	£87.65	£108.61	£103.08	£127.88	£119.01	£138.91
Walsall Housing Group	£76.80	£99.46	£99.05	£127.26	£111.41	£150.58	£127.40	£172.28
Wrekin Housing Trust	£74.70	-	£94.53	£128.21	£109.63	£144.11	£121.71	£168.09
Local Housing Allowance (as at 01.4.23)	£97.81		£126.58		£149.59		£195.62	
Private Rent	£121.75		£161.50		£198.50		£284.75	

Key:

SR = Social Rent

AR = Affordable Rent

## Housing Revenue Account Budgets 2023/24 to 2026/27

<b>Committee:</b>	Cabinet
<b>Date of Meeting:</b>	1 February 2024
<b>Joint Report of:</b>	Deputy Chief Executive-Resources (S151) Head of Housing & Corporate Assets
<b>Portfolio:</b>	Housing

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### 1 Purpose of Report

- 1.1 To review the 2023-24 Housing Revenue Account (HRA) Budget.
- 1.2 To propose an HRA Budget for 2024-25 and Indicative Budgets for 2025-26 and 2026-27.
- 1.3 To determine the proposed three-year Housing Revenue Account Budget for consideration by Council on 21 February 2024.

### 2 Recommendations

- 2.1 That the revised position with regard to estimated income and expenditure for the 2023-24 HRA and budgets for the period 2024-25 to 2026-27 as summarised in **APPENDIX 1** be noted.
- 2.2 That Council on 21 February 2024 be recommended to:-
  - (i) Determine a minimum level of working balances of £2.923 million for 31 March 2025 and indicative working balances of £3.057 million and £3.214 million for 31 March 2026 and 2027 respectively.
  - (ii) Approve the HRA Revenue Budgets for 2024-25, 2025-26 and 2026-27 (and note the forecast outturn for 2023-24) as summarised in **APPENDIX 1** of the report.

#### Reasons for Recommendations

- 2.3 Cabinet is required to propose a budget in relation to the HRA for submission to Council on the 21 February 2024.

### 3 Key Issues

- 3.1 This report considers the proposed three-year HRA budgets for 2024-25 to 2026-27.
- 3.2 Projected levels of income and expenditure for 2024-27 are summarised below:

**Table 1: HRA Summary Budget 2024-25 to 2026-27**

	<b>2024-25</b> <b>£000's</b>	<b>2025-26</b> <b>£000's</b>	<b>2026-27</b> <b>£000's</b>
Income	(24,565)	(25,069)	(25,750)
Expenditure	23,095	22,628	23,192
Revenue Contribution to Capital Outlay	971	2,307	2,401
Working Balances Change	499	134	157

- 3.3 A separate report will be included on the 1 February Cabinet agenda in relation to the rent increase for 2024-25, with the budget assuming a rent increase of 7.7% in line with the proposed rent cap for 2024/25 due to high inflation. This was announced as part of the Autumn Statement.
- 3.4 When reviewing the HRA Revenue position, consideration needs to be given to the HRA Capital Programme and the level of Working Balances, including the Revenue Contribution to Capital Outlay (RCCO) and Depreciation Charge. Any change in the latter being compensated by an increase or decrease in RCCO. In accordance with the Approved Historic Business Plan, the RCCO also represents the net surplus on the Revenue Account after determining the level of Working Balances. The RCCO does not include the impact of the item 8 credit determination, as this would cause a feedback loop between the General Fund and the HRA which would not be possible to close.
- 3.5 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 will contribute to the delivery of new social housing and the maintenance of housing standards, as reflected in the Council's Corporate Plan.

## **5 Report Detail**

- 5.1 2023-24 has been a challenging year for the HRA. It has been identified that significant work is needed to improve the systems, processes, governance and planning for the maintenance of the stock. This can be seen in the forecast underspend in the capital programme and in the report to tenants where it was highlighted that significantly less capital works than planned took place.
- 5.2 During the year a report was taken to address health and safety needs around fire safety in the HRA stock. This report identified that the stock needed investment in areas such as new fire doors or fire safety compartmentalisation upgrades to meet fire safety standards. These works are currently underway, with a large number having been completed. However, an external audit took place which looked at this area of work which identified that there were weaknesses around record keeping and governance. This report highlighted that whilst the works may well be taking place, the current systems and processes made it difficult to run off a complete record of works for any one specific asset. This in turn made it very



difficult to evidence what works had taken place at each property and to identify what other works may need to be done in the future. Instead, the information was held across several different systems. The risk from this being that a property could be missed from planning for works.

- 5.3 The external audit report also identified that it is essential that a new 30-year HRA Business Plan is implemented as soon as possible in line with statutory requirements. At present the council has been operating on historic information. To remedy this it is proposed that a full stock condition survey is commissioned to inform this business plan.
- 5.4 To enable the stock condition survey to take place and the review of the systems, processes and governance significant funds have been included in the budget for both 2023-24 and 2024-25. This will enable HRA managers to bring in expertise as needed to complete reviews and then action the recommendations. These recommendations may take the form of software investment, changes in reporting or other actions and as such an estimated amount has been included. The level of resources needed will be monitored and reported on as the works are undertaken and commissioned to ensure that they are in line with HRA resource availability and to ensure transparency.
- 5.5 Finally, the report identified that a review of policies in place was needed to ensure that they were up to date and appropriate.
- 5.6 The proposed revenue budgets are therefore in accordance with the prevailing HRA Business Plan but reflect the ongoing effects of the anticipated outturn in respect of 2023-24 (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 2024-25**

- 5.7 A review of the 2024-25 Budget is included in **APPENDIX 1**.
- 5.8 The key overarching assumptions on which the revenue budgets are based are set out below:

	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
Pay award	4%	3%	2%
Dwelling rent increase	7.7%	5%	3%
Anticipated RTBs (previously 26 per annum)	10	10	15

- 5.9 The forecast reflects the latest stock numbers and average rents for both social and affordable properties with changes made to Dwellings Rent, Garage Rents and Repairs Budgets.
- 5.10 The forecast figures include the settlement of the 2023-24 pay award which has been settled at £1,925 increase for each spinal column point.
- 5.11 Estimated expenditure for 2024-25 is now forecast to be £24.066 million (including RCCO contribution) and Income £24.565 million with a forecast transfer to working balances of £0.499 million.

### Housing Revenue Account Budgets 2024-25 to 2025-26

- 5.12 The budgets reflect a continuation of current policies and the maintenance of existing service provision throughout the budget period. The historic approved 30-year HRA Business Plan has therefore been used as the basis for preparing the HRA budgets for the period 2024-25 to 2026-27 which are attached as **APPENDIX 1**.
- 5.13 Expenditure budgets reflect anticipated pay awards for 2024-25 to 2026-27.
- 5.14 The budget has been refreshed to reflect the latest stock numbers with changes made to Dwellings Rent, Garage Rents and Repairs Budgets.
- 5.15 Capital Financing Charges have been amended to reflect the revised Depreciation requirement. However, this has no change in relation to the overall level of resources with a compensating adjustment made to the Revenue Contribution to Capital Outlay.
- 5.16 Major changes in the budgets are as below for the period 2023/24 to 2025/26:

	2023/24	2024/25	2025/26
	£000	£000	£000
Opening working balance transfer (26 Jan report)	-73	-56	-58
Pay changes	-34	370	437
Asbestos survey and removal	165	110	110
Stock condition survey	90	475	
Consultant support	43	69	
Housing repairs gas	97	155	170
Fire risk actions (transferred from capital)	450	400	20
Dwelling rent income over amount previously assumed in approved budget (26 Jan report)	-169	-861	-1,112
Revenue Contribution to Capital Outlay (RCCO)	-799	-962	525
Technical financing changes	-130	-368	-131
Other	-82	169	-95
Closing working balance	-442	-499	-134

- 5.17 The proposed budget for 2026/27 is a continuation of the 2025/26 budget with the key changes in relation to:
- Inflation
  - Pay changes
  - Dwelling rents
  - RCCO
  - Technical financing changes
- 5.18 Proposed Housing Revenue Account Budgets for the period 2024-25 to 2026-27 are attached in **APPENDIX 1**.

## **Effect on Working Balances**

- 5.19 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 been assumed throughout the three-year budget period excluding the item 8 credit.

## **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 Risk Management**

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.

A number of actions are undertaken to 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.
- (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.

The implementation of an annual Internal Audit Plan and scrutiny from the External Auditor. A risk register for HRA is attached at **APPENDIX 2**.

### **6.5 Equalities and Diversity**

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

### **6.6 Health**

None

### **6.7 Climate Change**

None

## **7 Appendices**

Appendix 1: HRA Budgets 2023-24 to 2026-27

Appendix 2: HRA working balance risk register

## **8 Previous Consideration**

None

## **9 Background Papers**

None

**Contact Officer:** Chris Forrester / Nirmal Samrai

**Telephone Number:** 01543 464 334 / 464 210

**Report Track:** Cabinet: 17/01/24  
Responsible Council Scrutiny Committee: 23/01/24  
Cabinet: 01/02/24  
Council: 21/02/24

**Key Decision:** No

## HRA Budgets 2023-24 to 2026-27

	<b>Original Budget 2023-24</b>	<b>Revised Budget 2023-24</b>	<b>Variance 2023-24</b>	<b>Budget 2024-25</b>	<b>Budget 2025-26</b>	<b>Budget 2026-27</b>
<b>Income</b>	£	£	£	£	£	£
Dwelling Rent	(21,542,000)	(21,711,000)	(169,000)	(23,785,000)	(24,456,000)	(25,212,000)
Non Dwelling Rent	(359,000)	(365,000)	(6,000)	(377,000)	(382,000)	(386,000)
Interest	-	(259,540)	(259,540)	(354,000)	(181,060)	(100,670)
Other	(12,370)	(12,370)	-	(12,490)	(12,610)	(12,730)
General Fund Contribution	(35,520)	(35,520)	-	(36,590)	(37,690)	(38,440)
<b>Total Income</b>	<b>(21,948,890)</b>	<b>(22,383,430)</b>	<b>(434,540)</b>	<b>(24,565,080)</b>	<b>(25,069,360)</b>	<b>(25,749,840)</b>
<b>Expenditure</b>						
Repairs and Maintenance	6,725,570	7,475,470	749,900	8,196,650	7,296,420	7,488,860
Provision for bad debts	100,000	100,000	-	100,000	100,000	100,000
Supervision and Management						
General	4,695,530	4,642,010	(53,520)	5,061,070	5,109,320	5,203,850
Special	1,042,610	1,082,400	39,790	1,132,940	1,165,540	1,194,280
Total Management	5,738,140	5,724,410	(13,730)	6,194,010	6,274,860	6,398,130
Capital Financing	8,220,510	8,349,770	129,260	8,604,990	8,956,480	9,204,760
RCCO	1,091,270	291,920	(799,350)	970,830	2,307,330	2,401,020
<b>Total Expenditure</b>	<b>21,875,490</b>	<b>21,941,570</b>	<b>66,080</b>	<b>24,066,480</b>	<b>24,935,090</b>	<b>25,592,770</b>
<b>Working Balance transfer</b>	<b>73,400</b>	<b>441,860</b>	<b>368,460</b>	<b>498,600</b>	<b>134,270</b>	<b>157,070</b>
<b>Working Balance</b>						
B/fwd	(2,005,020)	(1,982,650)	22,370	(2,424,510)	(2,923,110)	(3,057,380)
In year	(73,400)	(441,860)	(368,460)	(498,600)	(134,270)	(157,070)
C/fwd	(2,078,420)	(2,424,510)	(346,090)	(2,923,110)	(3,057,380)	(3,214,450)
Minimum	2,078,420	2,424,510		2,923,110	3,057,380	3,214,450

## Working Balance - Financial Risks facing the HRA

Risk	Level of risk	Explanation of risk
• Inflation	High	Inflation has been included in the Financial Plan in accordance with Government policy.
• Interest income	Medium	The amount earned depends on the prevailing interest rates and the level of cash balances held. Prudent assumptions have been made.
<b>Major income sources:</b>		
• Rents	Medium	Dependent on successful collection of rents and keeping void levels/turnaround times of changes in tenants low.
• Non dwelling rents	Low	Dependent on maintaining low vacancy rate of garages and shop units as well as maintaining the standard of the assets.
• 1-4-1 receipts	Medium	The sale of council houses results in the council receiving a portion of the sale proceeds to invest in future additions to the stock held.
• <b>Spending pressures:</b>		
• Investment in HRA	High	The HRA has had a number of issues identified around systems, processes and governance which require significant investment to understand and then correct.
• Stock condition survey	High	The HRA does not have an up to date stock condition survey. A full survey is planned to be carried out in 2024/25. This will require significant funds which has been estimated in the budget. The outcome of the survey may also require investment in the stock should any issues be found with the stock.
• 1-4-1 receipts	Medium	Whilst this is an income stream (above) the requirements around these receipts are that only a proportion of any new stock added to the HRA can be funded from them. The balance must be met from the HRA's own resources. Should the monies not be spent by the deadline set out in the guidance then the receipts become repayable in full with a penalty interest amount as well.

## Housing Revenue Account Capital Programmes 2023/24 to 2026/27

<b>Committee:</b>	Cabinet
<b>Date of Meeting:</b>	1 February 2024
<b>Joint Report of:</b>	Deputy Chief Executive-Resources (S151) Head of Housing & Corporate Assets
<b>Portfolio:</b>	Housing

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### **1 Purpose of Report**

- 1.1 To review the 2023-24 HRA Capital Programme.
- 1.2 To refresh the Housing Revenue Account Capital Programme budgets for the period 2024-25 to 2026-27.
- 1.3 To present an updated four-year Housing Revenue Account Capital Programme for consideration by Council on 21 February 2024.

### **2 Recommendations**

- 2.1 That the estimated availability of Housing Revenue Account capital resources for the period 2023-24 to 2026-27 (as set out in Appendix 1) be noted.
- 2.2 That Council on 21 February 2024 is recommended to approve the Housing Revenue Account Capital Programme for the period 2023-24 to 2026-27 (as set out in Appendix 2).

#### **Reasons for Recommendations**

- 2.3 Cabinet is required to propose a budget in relation to the HRA for submission to Council on the 21 February 2024.

### **3 Key Issues**

- 3.1 This report considers the refreshed HRA Capital Programme for the period 2024-25 to 2026-27, together with the forecast outturn for 2023-24, compiled within the financial framework provided by the Approved Historic HRA Business Plan.
- 3.2 Details of the estimated availability of HRA capital resources during the four-year period are set out in Appendix 1, whilst the HRA Capital Programme is set out in Appendix 2.

### **4 Relationship to Corporate Priorities**

- 4.1 The proposed HRA budgets will contribute to the delivery of new social housing, the maintenance of housing standards, as reflected in the Council's Corporate Plan.

## **5 Report Detail**

- 5.1 The current capital programme is based upon the previously approved 30-year Business Plan, with a new 30-year Business Plan being developed to be informed by a new stock condition survey.
- 5.2 The delay in the commissioning of a stock condition survey has had an impact on the proposed programme with the programme reflecting the current requirements from the existing plan. These documents are key elements to the production of a new 30-year HRA Business Plan.
- 5.3 The current Capital Programme therefore reflects the existing 30-year Business Plan requirements pending an evaluation of the outcome of the Stock Condition Survey and recommendations for the potential to improve aspects of the 4 Sheltered Housing Schemes.

### **HRA Capital Programme 2023-24 to 2026-27**

- 5.4 A proposed HRA Capital Programme for 2024-25 to 2026-27, together with the forecast outturn for 2023-24 is set out in Appendix 2.
- 5.5 The programme reflects the spend on the Aelfgar site which is now programmed to be completed by 2025/26.
- 5.6 The Capital programme includes the following new Schemes:
- Digitalisation of social alarms.

### **Estimated Availability of HRA Capital Resources**

- 5.7 Details of the estimated availability of HRA capital resources for the period 2023-24 to 2026-27 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 2023-24 HRA Capital Programme;
  - (ii) Amendments to the net revenue contribution to capital outlay following the detailed budget formulation work in respect of the Housing Revenue Account.
- 5.8 Unallocated resources at the end of capital programme amount to £10.051m. These funds will be utilised to invest in the stock as appropriate.

## **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 Risk Management**

There are a number of potential risks associated with the 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.

#### **6.5 Equalities and Diversity**

None

#### **6.6 Health**

None.

#### **6.7 Climate Change**

A strategy is currently being developed to reflect the Council's New Build aspiration to increase social housing based upon the housing needs of the district and land availability whilst addressing the impact this will have on climate change.

### **7 Appendices**

Appendix 1: Estimated Housing Revenue Capital Resources 2023-24 to 2026-27

Appendix 2: Housing Revenue Account Capital Programme 2023-24 to 2026-27

### **8 Previous Consideration**

None.

### **9 Background Papers**

None.

**Contact Officer:** Chris Forrester / Nirmal Samrai

**Telephone Number:** 01543 464 334 / 464 210

**Report Track:** Cabinet: 17/01/24  
Responsible Council Scrutiny Committee: 23/01/24  
Cabinet: 01/02/24  
Council: 21/02/24

**Key Decision:** No

## Appendix 1

**Estimated Availability of Housing Revenue Account Capital Resources  
2023-24 to 2026-27**

	2023-24	2024-25	2025-26	2026-27	Unallocated
<b>Resource</b>	£000	£000	£000	£000	£000
<b>Brought forward</b>	<b>25,122</b>	<b>23,471</b>	<b>19,150</b>	<b>17,095</b>	<b>16,329</b>
Right to Buy receipts	150	150	150	225	
Homes England Housing Grant	0	0	567	283	
Other capital receipts	24	19	19	29	
Revenue Contributions to Capital	292	971	2,307	2,401	
Major Repairs Allowance	5,101	5,426	5,841	6,189	
Affordable housing receipts	32	32	32	48	
<b>Total new resources</b>	<b>5,599</b>	<b>6,598</b>	<b>8,916</b>	<b>9,175</b>	<b>0</b>
Total Capital resources (b/f + new)	30,721	30,069	28,066	26,270	16,329
Proposed capital expenditure	-7,250	-10,919	-10,971	-9,941	-6,278
<b>Carried forward</b>	<b>23,471</b>	<b>19,150</b>	<b>17,095</b>	<b>16,329</b>	<b>10,051</b>

## Housing Revenue Account Capital Programme 2023-24 to 2026-27

	2023-24	2024-25	2025-26	2026-27	Unallocated
Description	£000	£000	£000	£000	£000
Demolition of Garages		16			
Disabled Facilities Works	588	618	1,117	1,080	
Right to Compensation	-	25	25	25	
Replacement of Kitchens	1,636	2,175	3,120	3,124	
Replacement of Bathrooms	2,156	2,064	2,188	2,137	
Replacement of Central Heating	626	896	897	1,307	
External and Environmental Works	600	146	146	146	
Replacement of Social Alarms	13	141			
Upgrading of Electrical Systems	687	557	608	669	
Electrical Inspection Condition Report	224	229	229	94	
Hardstandings	-	-	500	1,232	
Replacement of Vehicles		421			
Contingency for unforeseen works		125	127	127	
Sheltered Scheme Works	390	-			
Replacement of Fire Alarms Sheltered	17				
Sheltered Lift Replacements	20	166			
Hawks Green	5				
Aelfgar site *	78	3,300	2,014		
Stock condition contingency					2,500
New Build *					3,778
Communal Block Door Entry System	210	-			
Sheltered Scheme Door Entry		40			
<b>Totals</b>	<b>7,250</b>	<b>10,919</b>	<b>10,971</b>	<b>9,941</b>	<b>6,278</b>

## **Treasury Management Strategy, Minimum Revenue Provision Policy, Annual Investment Strategy 2024/25**

<b>Committee:</b>	Cabinet
<b>Date of Meeting:</b>	1 February 2024
<b>Report of:</b>	S151 Officer and Deputy Chief Executive
<b>Portfolio:</b>	Leader of the Council

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### **1 Purpose of Report**

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

- 1.1. Prudential and Treasury Indicators - setting of indicators to ensure that the capital investment plans of the Council are affordable, prudent, and sustainable.
- 1.2. The Minimum Revenue Provision (MRP) Policy.
- 1.3. Treasury Management Strategy Statement for 2024/25 - to set treasury limits for 2024/25 to 2025/26 and to provide a background to the latest economic forecasts of interest rates, and
- 1.4. Annual Investment Strategy 2024/25 - to set out the strategy of investment of surplus funds.

### **2 Recommendations**

- 2.1 To note the following to be approved by Council:-
  - (a) The Prudential and Treasury Indicators;
  - (b) The MRP Policy Statement;
  - (c) The Treasury Management Policy;
  - (d) The Annual Investment Strategy for 2024/25.

#### **Reasons for Recommendations**

- 2.2 To note that indicators may change in accordance with the final recommendations from Cabinet to Council in relation to both the General Fund Revenue Budget and the Capital Programme.
- 2.3 The Council is required to approve its treasury management, investment and capital strategies to ensure that cash flow is adequately planned and that surplus monies are invested appropriately.

### **3 Key Issues**

- 3.1 The Treasury Management Function essentially consists of:
- In the short-term ensuring that the cash flow of a Balanced Revenue Budget is adequately planned with surplus monies invested in accordance with the risk appetite of the Council.
  - In the long-term funding the capital plans of the authority and in particular managing the debt of the Council and any new borrowing requirement.
- 3.2 The Governance arrangements are detailed in the various policies and strategies as detailed in the report together with the setting of Indicators in accordance with the Capital Financing Prudential Code. The Council is required to approve its treasury management, investment and capital strategies to ensure that cash flow is adequately planned and that surplus monies are invested appropriately.

### **4 Relationship to Corporate Priorities**

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

### **5 Report Detail**

#### **Background**

- 5.1 The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Accordingly, a significant function of Treasury Management is ensuring that cash flows are adequately planned and controlled to meet this objective. Any surplus monies are invested with low-risk counterparties, and managed appropriately so that sufficient levels of liquid cash are available to meet any payment obligations as well as offer headroom for unexpected circumstances. Such considerations underpin the day-to-day operations of Treasury Management when determining investment-related outcomes rather than the sole factor of yield that aims to generate higher return on investments with little or no regards to financial risks.
- 5.2 The second main function of the Treasury Management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer-term cash may involve arranging long or short-term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 5.3 The contribution the treasury management function makes to the Authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

5.4 CIPFA defines treasury management as:

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

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

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

## **Reporting Requirements**

### **Capital Strategy**

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

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

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

5.8 The capital strategy is in the process of being updated and will come to the next cabinet and council meeting.

### **Treasury Management reporting**

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

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

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

- 5.11 **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending Prudential Indicators as necessary, and whether any policies require revision.
- 5.12 **An annual treasury report** - This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.
- 5.13 **Scrutiny** - The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by Cabinet and the Audit and Governance Committee.
- 5.14 The Council has adopted the following reporting arrangements in accordance with the requirements of the CIPFA Code of Practice:-

<b>Area of Responsibility</b>	<b>Council/Committee</b>	<b>Frequency</b>
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 January/ February before the start of the year

### **Treasury Management Strategy for 2024/25**

- 5.15 The Strategy for 2024/25 covers two main areas:-

#### **Capital issues**

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

#### **Treasury management issues**

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;

- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.

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

### **Training**

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

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

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

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

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

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



- 5.18 Training has been undertaken by members of the Audit and Governance Committee in January 2020 but there has been a gap in training due to the Covid pandemic and lockdown restrictions since. Discussions have been undertaken with our external treasury advisors who will deliver training at an upcoming audit committee once the dates have been finalised.

### Treasury Management Consultants

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

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

### The Capital Prudential Indicators 2024/24 - 2026/27

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

### Capital Expenditure

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

Capital expenditure	2022/23	2023/24	2024/25	2025/26	2026/27	Earmarked
	Actual	Estimate	Estimate	Estimate	Estimate	
	£'000	£'000	£'000	£'000	£'000	
Resources & Transformation	-	21	-	-	-	-
Environment & Climate Change	92	94	84	80	80	-
Community Wellbeing	1,517	2,643	1,191	1,051	1,051	22
Housing	-	10	20	-	-	-
Parks, Culture & Heritage	270	1,812	639	-	-	414
Regeneration & High Streets	817	1,605	420	-	-	43,815
<b>Non -HRA</b>	<b>2,696</b>	<b>6,185</b>	<b>2,354</b>	<b>1,131</b>	<b>1,131</b>	<b>44,251</b>
<b>HRA</b>	<b>3,726</b>	<b>7,250</b>	<b>10,919</b>	<b>10,971</b>	<b>9,941</b>	<b>6,278</b>
<b>Total</b>	<b>6,422</b>	<b>13,435</b>	<b>13,273</b>	<b>12,102</b>	<b>11,072</b>	<b>50,529</b>

- 5.23 Any change to the forecast and any new growth bids will be separately identified in future Budget Reports and reflected in this indicator as reported to full Council.
- 5.24 In addition to the above Capital Programme, the expenditure and borrowing of the Council may increase as a result of changes such as match-funding requirements for bids in relation to such initiatives related to Regeneration & High Streets. Such capital schemes and business cases will be subject to reports to Cabinet and Council and their respective approvals. If a borrowing requirement emerges, the Council shall consider the use of the Public Works Loan Board (PWLB) discount rate as well other sources of funding as prescribed under paragraph 5.66. An appraisal will be undertaken to determine and ensure that, amongst other things, any new borrowings are affordable and work within the Prudential Indicators limits before entering into such borrowing facilities.
- 5.25 **Other long-term liabilities.** The financing need excludes other long-term liabilities, such leasing arrangements which already include borrowing instruments.
- 5.26 The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Capital expenditure	2022/23	2023/24	2024/25	2025/26	2026/27	Unallocated
	Actual	Estimate	Estimate	Estimate	Estimate	
	£'000	£'000	£'000	£'000	£'000	
<b>Total Spend</b>	6,422	13,435	13,273	12,102	11,072	50,529
<b>Financed by:</b>						
Capital Receipts	673	696	908	563	305	10,236
Capital grants/ contributions	2,530	5,166	1,828	1,901	1,051	25,037
Major Repairs	3,195	6,862	10,223	7,845	6,189	0
Revenue	24	711	314	1,793	3,527	7,656
<b>Total Financing</b>	<b>6,422</b>	<b>13,435</b>	<b>13,273</b>	<b>12,102</b>	<b>11,072</b>	<b>42,929</b>
<b>Net financing need for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(7,600)</b>

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

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

- 5.28 The second Prudential Indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so it's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.
- 5.29 The CFR does not increase indefinitely, as the Minimum Revenue Provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each assets life and so charges the economic consumption of capital assets as they are used.
- 5.30 The CFR includes any other long-term liabilities (e.g. finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types

of schemes include a borrowing facility by the lease provider and so the Council is not required to separately borrow for these schemes. The Council currently a nil balance on finance leases within the CFR.

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

	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
<b>Capital Financing Requirement:</b>					
CFR – non housing	8,100	7,833	7,576	7,330	7,093
CFR - housing	82,475	82,475	82,475	82,475	82,475
<b>Total CFR</b>	<b>90,575</b>	<b>90,308</b>	<b>90,051</b>	<b>89,805</b>	<b>89,568</b>
<b>Movement in CFR</b>	<b>(502)</b>	<b>(267)</b>	<b>(257)</b>	<b>(246)</b>	<b>(237)</b>
<b>Movement in CFR represented by:</b>					
Net financing need for the year	0	0	0	0	0
Less MRP and other financing movements	(502)	(267)	(257)	(246)	(237)
<b>Movement in CFR</b>	<b>(502)</b>	<b>(267)</b>	<b>(257)</b>	<b>(246)</b>	<b>(237)</b>

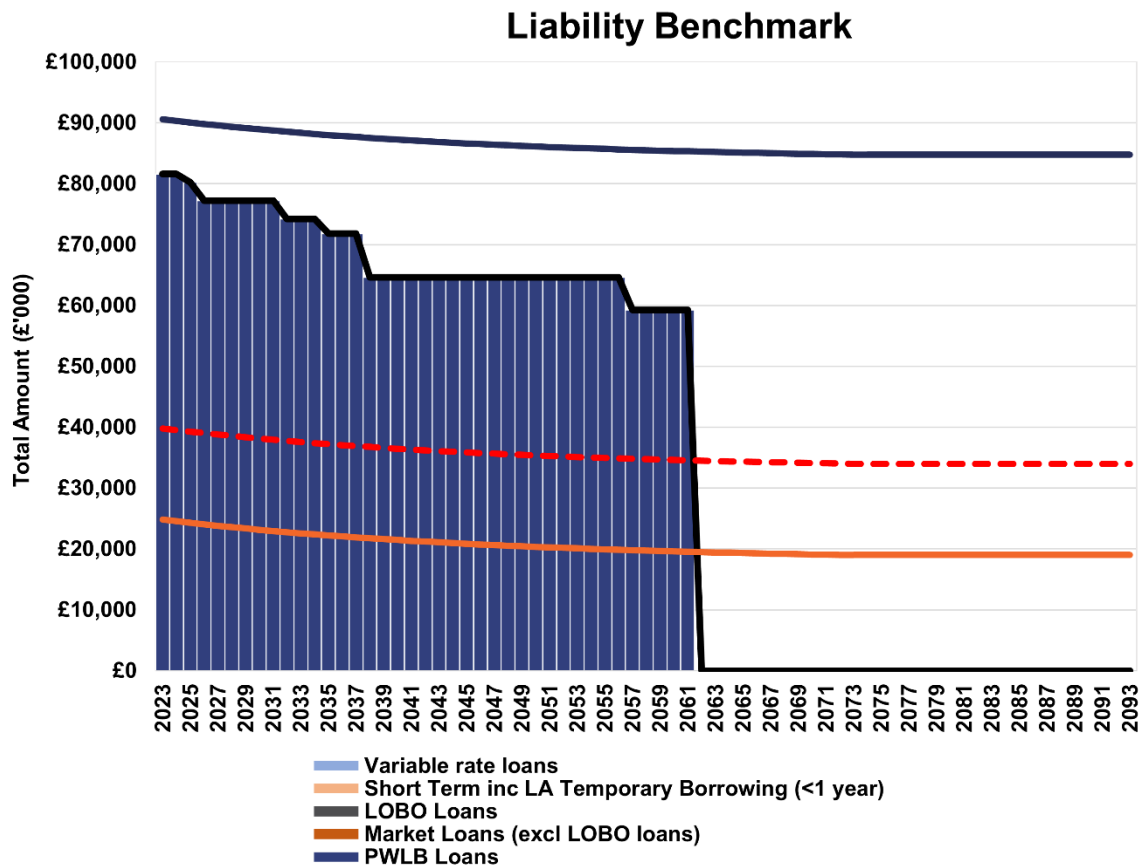
### Liability Benchmark

- 5.32 A third and new Prudential Indicator for 2024/25 is the Liability Benchmark (LB). The Council is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.

There are four components to the LB:

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

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



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

### Core funds and expected investment balances

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

Year End Resources	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
<b>Earmarked Fund Balances / Reserves:</b>					
General Fund (GF)	18,541	17,910	17,288	17,039	15,473
General Fund's working balance	1,941	1,562	1,124	1,124	1,124
Housing Revenue Account (HRA)	13,191	13,438	14,500	15,105	14,070
HRA's working balance	1,983	2,425	2,923	3,057	3,214
<b>Sub Total</b>	<b>35,656</b>	<b>35,335</b>	<b>35,835</b>	<b>36,325</b>	<b>33,881</b>
<b>Capital receipts:</b>					
GF	6,286	6,739	6,602	6,522	6,442
HRA	5,370	5,058	4,563	4,281	4,358
<b>Sub Total</b>	<b>11,656</b>	<b>11,797</b>	<b>11,165</b>	<b>10,803</b>	<b>10,800</b>
<b>Provisions</b>	2,368	2,368	2,368	199	199
<b>Major Repairs Reserve</b>	8,606	6,801	2,004	0	0
<b>Capital Grants Unapplied GF</b>	3,606	868	854	854	854
<b>Other - Grants Receipts in Advance</b>	2,392	2,011	1,615	1,615	1,615
<b>Total core funds</b>	<b>64,284</b>	<b>59,180</b>	<b>53,841</b>	<b>49,796</b>	<b>47,349</b>
Working Cashflow requirement	(1,486)	5,000	5,000	5,000	5,000
Under/over borrowing	8,970	8,703	9,846	12,600	12,363
<b>Expected investments</b>	<b>56,800</b>	<b>45,447</b>	<b>38,995</b>	<b>32,196</b>	<b>29,986</b>

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

The cash balances shown are exclusive of the unallocated capital spend as set out in paragraph 5.23 (with the exception of reserves which are assumed to be used in 2026/27). These show projected spend of £50.529 million financed by receipts if £42.929 million. This leaves a net £7.6m financing which is currently anticipated to come from borrowing post 2026/27.

### Minimum revenue provision (MRP) Policy Statement

- 5.34 Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Authority has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge (the Minimum Revenue Provision - MRP).
- 5.35 The Council is required to calculate a prudent provision of MRP which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. The

MRP Guidance (2018) gives four ready-made options for calculating MRP, but the Authority can use any other reasonable basis that it can justify as prudent. The MRP Policy Statement requires Full Council approval in advance of each financial year.

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

Under powers delegated to the Section 151 Officer, the Council's Annual MRP provision for expenditure incurred after 1 April 2008 which forms part of supported capital expenditure will be based on the uniform rate of 4% of the Capital Financing Requirement (CFR).

The Council's Annual MRP provision for all unsupported capital expenditure incurred on or after 1 April 2008 will be determined by charging the expenditure over the expected useful life of the relevant asset in equal instalments or as the principal repayment on an annuity with an annual interest rate 4%, starting in the year after the asset becomes operational.

5.37 Capital expenditure incurred during 2024/25 will not be subject to an MRP charge until 2025/26, or in the year after the asset becomes operational.

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

5.39 There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made.

5.40 Repayments included in finance leases are applied as MRP.

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

5.42 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.

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

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

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

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

The Council has previously not made any VRP overpayments.

### Affordability Prudential Indicators

- 5.45 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

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

%	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Non HRA	-4.9%	-11.0%	-7.7%	-3.9%	-4.1%
HRA	15.96%	13.77%	11.88%	12.00%	11.56%

#### HRA ratios

	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
<b>HRA debt £'000</b>	81,605	81,605	80,205	77,205	77,205
<b>HRA revenues £'000</b>	20,244	21,711	23,785	24,456	25,212
<b>Ratio of debt to revenues</b>	4.0	3.8	3.4	3.2	3.1
<b>Number of HRA dwellings (estimate closing)</b>	5,046	5,036	5,026	5,016	5,030
<b>Debt per dwelling £</b>	16.17	16.20	15.96	15.39	15.35

#### Borrowing

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

#### Current portfolio position

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

	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
<b>External Debt</b>					
PWLB debt at 1 April	81,605	81,605	81,605	80,205	77,205
Expected change in Debt			(1,400)	(3,000)	
Other long-term liabilities (OLTL)	223	0	0	0	0
Expected change in OLTL	(223)				
<b>Actual gross debt at 31 March</b>	<b>81,605</b>	<b>81,605</b>	<b>80,205</b>	<b>77,205</b>	<b>77,205</b>
<b>The Capital Financing Requirement</b>	<b>90,575</b>	<b>90,308</b>	<b>90,051</b>	<b>89,805</b>	<b>89,568</b>
<b>Under / (Over) borrowing</b>	<b>8,970</b>	<b>8,703</b>	<b>9,846</b>	<b>12,600</b>	<b>12,363</b>

5.49 Within the range of Prudential Indicators there are several key indicators to ensure that the Authority operates its activities within well-defined limits. One of these is that the Authority needs to ensure that its gross debt does not, except in the short-term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2024/25 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

5.50 The Director of Finance reports that the Authority complied with this Prudential Indicator in the current year and does not envisage difficulties for the future. This view considers current commitments, existing plans, and the proposals contained in the General Fund and HRA Budgets.

#### **Treasury Indicators: limits to borrowing activity**

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

Operational boundary	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Debt	90,575	90,860	90,612	90,375	90,147
Other long-term	-		5,000	5,000	5,000
<b>Total</b>	<b>90,575</b>	<b>90,860</b>	<b>95,612</b>	<b>95,375</b>	<b>95,147</b>

5.52 **The Authorised Limit for External Debt.**

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

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



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

Authorised limit	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Debt	102,075	102,360	102,112	101,875	101,647
Other long-term	-	0	5,000	5,000	5,000
<b>Total</b>	<b>102,075</b>	<b>102,360</b>	<b>107,112</b>	<b>106,875</b>	<b>106,647</b>

### Prospects for interest rates

- 5.53 The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. Link provided the following forecasts on 7<sup>th</sup> November 2023. These are forecasts for Bank Rate, average earnings and PWLB certainty rates, gilt yields plus 80 bps.

Link Group Interest Rate View	07.11.23												
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
<b>BANK RATE</b>	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.25	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.30	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.40	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.50	3.30	3.30	3.30	3.30	3.30
5 yr PWLB	5.00	4.90	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.60	3.50	3.50	3.50
10 yr PWLB	5.10	5.00	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.70	3.60	3.60	3.50
25 yr PWLB	5.50	5.30	5.10	4.90	4.70	4.50	4.30	4.20	4.10	4.10	4.00	4.00	4.00
50 yr PWLB	5.30	5.10	4.90	4.70	4.50	4.30	4.10	4.00	3.90	3.90	3.80	3.80	3.80

- 5.54 Link's central forecast for interest rates was previously updated on 25 September and reflected a view that the MPC would be keen to further demonstrate its anti-inflation credentials by keeping Bank Rate at 5.25% until at least Q2 2024. We expect rate cuts to start when both the CPI inflation and wage/employment data are supportive of such a move, and that there is a likelihood of the overall economy enduring at least a mild recession over the coming months, although most recent GDP releases have surprised with their on-going robustness.

Naturally, timing on this matter will remain one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.

In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but also international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.

On the positive side, consumers are still anticipated to be sitting on some excess savings left over from the pandemic, which could cushion some of the impact of the above challenges and may be the reason why the economy is performing somewhat better at this stage of the economic cycle than may have been expected. However, as noted previously, most of those excess savings are held by more affluent households whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

- 5.55 **PWLB rates.** Gilt yield curve movements have broadened since Link's review. The short part of the curve has not moved far but the longer-end continues to

reflect inflation concerns. At the time of writing, there is 60 basis points difference between the 5 and 50 year parts of the curve.

**The balance of risks to the UK economy:**

- The overall balance of risks to economic growth in the UK is to the downside.

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

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, could keep gilt yields high for longer).
- **The Bank of England** has increased Bank Rate too fast and too far over recent months, and subsequently brings about a deeper and longer UK recession than we currently anticipate.
- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- **Geopolitical risks**, for example in Ukraine/Russia, the Middle East, China/Taiwan/US, Iran and North Korea, which could lead to increasing safe-haven flows.

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

- Despite the recent tightening to 5.25%, the **Bank of England proves too timid** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to remain elevated for a longer period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project.
- **The pound weakens** because of a lack of confidence in the UK Government's pre-election fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Longer-term **US treasury yields** rise strongly if inflation remains more stubborn there than the market currently anticipates, consequently pulling gilt yields up higher. (We saw some movements of this type through October although generally reversed in the last week or so.)
- Projected **gilt issuance, inclusive of natural maturities and QT**, could be too much for the markets to comfortably digest without higher yields compensating.

**LINK GROUP FORECASTS**

Link now expect the MPC will keep Bank Rate at 5.25% for the remainder of 2023 and the first half of 2024 to combat on-going inflationary and wage pressures. They do not think that the MPC will increase Bank Rate above 5.25%, but it is possible.

### Gilt yields and PWLB rates

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, as inflation starts to fall through the remainder of 2023 and into 2024.

Our target borrowing rates are set **two years forward** (as we expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below: -

PWLB debt	Current borrowing rate as at 06.11.23 p.m.	Target borrowing rate now (end of Q3 2025)	Target borrowing rate previous (end of Q3 2025)
5 years	5.02%	3.80%	3.90%
10 years	5.15%	3.80%	3.80%
25 years	5.61%	4.20%	4.10%
50 years	5.38%	4.00%	3.90%

- 5.56 **Borrowing advice:** Link's Our long-term (beyond 10 years) forecast for Bank Rate has increased from 2.75% to 3% and reflects Capital Economics' research that suggests AI and general improvements in productivity will be supportive of a higher neutral interest rate. As all PWLB certainty rates are currently significantly above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can generally be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates will remain elevated for some time to come but may prove the best option whilst the market continues to wait for inflation, and therein gilt yields, to drop back later in 2024.

Link's suggested budgeted earnings rates for investments up to about three months' duration in each financial year are rounded to the nearest 10bps and set out below. You will note that investment earnings have been revised somewhat higher for all years from 2025/26 as Bank Rate remains higher for longer.

Average earnings in each year	Now	Previously
2023/24 (residual)	5.30%	5.30%
2024/25	4.70%	4.70%
2025/26	3.20%	3.00%
2026/27	3.00%	2.80%
2027/28	3.25%	3.05%
Years 6 to 10	3.25%	3.05%
Years 10+	3.25%	3.05%

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

Link's interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts

within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

### **Borrowing Strategy**

- 5.58 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate remains elevated through to the second half of 2024.
- 5.59 Against this background and the risks within the economic forecast, caution will be adopted with the 2024/25 treasury operations. The Deputy Chief Executive Resources will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:
- *if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.*
  - *if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.*
- 5.60 Any decisions will be reported to Members appropriately at the next available opportunity.

### **Treasury management limits on activity**

- 5.61 **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.
- 5.62 The Council is asked to approve the following treasury indicators and limits:-

Maturity structure of fixed interest rate borrowing 2024/25

	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 2024/25**

	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**

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

**Rescheduling**

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

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

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

- 5.66 Currently, the PWLB Certainty Rate is set at gilts + 80 basis points. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:
- Local authorities (primarily shorter dated maturities out to 3 years or so – generally still cheaper than the Certainty Rate).
  - Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years).
  - UK Municipal Bonds Agency
  - UK Infrastructure Bank - where the project meets its investment principles (namely, economic regeneration and tackling climate change), the Infrastructure Bank offers loans at the relevant Gilts rate + 60 basis points (20 basis points lower than the PWLB Certainty rate) and can match the length of the loan and repayment profile to needs of the project.

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

## Annual Investment Strategy

### Investment policy – management of risk

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

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

- DLUHC’s Guidance on Local Government Investments (“the Guidance”)
  - CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 (“the Code”)
  - CIPFA Treasury Management Guidance Notes 2021
- 5.68 The Council’s investment priorities will be security first, portfolio liquidity second and then yield (return). The Authority will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council’s risk appetite. Consistent with the spirit of the Code’s treasury management practices (namely, TMP1 on credit and counterparty risk management), the Council shall be mindful of environmental, social and governance (ESG) considerations in its decision-making outcomes. To that end, the Council will not knowingly invest directly with financial participants whose activities and practices pose a risk of serious damage or whose activities are inconsistent with the Council’s mission and values. In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider “laddering” investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated, as well as wider range fund options.

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

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short-term and long-term ratings.
2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Authority will engage with its advisors to maintain a monitor on market pricing such as “**credit default swaps**” and overlay that information on top of the credit ratings.

3. **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- 5.70 This Council has defined the list of types of investment instruments that the Treasury Management Team are authorised to use, as per **APPENDIX 2**. There are two lists in Appendix 5.4 under the categories of 'specified' and 'non-specified' investments.
- **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity, if originally they were classified as being non-specified investments solely due to the maturity period exceeding one year.
  - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by Members and officers before being authorised for use.
- 5.71 **Non-specified investments limit.** The Council has determined that it will limit the maximum total exposure to non-specified investments as being 50% of the total investment portfolio.
- 5.72 **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in the **APPENDIX 2**.
- 5.73 **Transaction limits** are set for each type of investment in **APPENDIX 2**.
- 5.74 The Council will set a limit for the amount of its investments which are invested for longer than 365 days.
- 5.75 Investments will only be placed with counterparties from countries with a specified minimum sovereign rating.
- 5.76 The Council has engaged external consultants, to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
- 5.77 All investments will be denominated in sterling.
- 5.78 As a result of the change in accounting standards for 2023/24 under IFRS 9, this Council will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23. More recently, a further extension to the over-ride to 31.3.25 has been agreed by Government.
- 5.79 However, this Authority will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks

for investment performance. Regular monitoring of investment performance will be carried out during the financial year.

### **Creditworthiness policy**

- 5.80 The Council applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:-
- credit watches and credit outlooks from credit rating agencies;
  - Credit Default Swaps (CDS) spreads to give early warning of likely changes in credit ratings;
  - sovereign ratings to select counterparties from only the most creditworthy countries.
- 5.81 This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:-
- Yellow 5 years \*
  - Dark pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.25
  - Light pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.5
  - Purple 2 years
  - Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
  - Orange 1 year
  - Red 6 months
  - Green 100 days
  - No colour not to be used
- 5.82 The Link creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.
- 5.83 Typically, the minimum credit ratings criteria the Council uses will be a short-term rating (Fitch or equivalent) of F1 and a long-term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.
- 5.84 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.
- 5.85 Sole reliance will not be placed on the use of this external service. In addition the Council will also use market data and market information, information on any external support for banks to help support its decision making process.
- 5.86 The Council has determined that it will only use approved counterparties from the UK and countries with a minimum sovereign credit rating of AA- from Fitch or equivalent. The list of countries that qualify using this credit criteria as at the date of this report are shown in **APPENDIX 3**. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

### **Creditworthiness**

- 5.87 Significant levels of downgrades to Short and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. Nonetheless, when setting minimum sovereign debt ratings, this Authority will not set a minimum rating for the UK.

### **CDS Prices**

- 5.88 Although bank CDS prices, (these are market indicators of credit risk), spiked upwards during the days of the Truss/Kwarteng government in the autumn of 2022, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Authority has access to this information via its Link-provided Passport portal.

### **Investment Strategy**

- 5.89 Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that is the case at present, but there is the prospect of Bank Rate having peaked in the second half of 2023 and possibly reducing as early as the second half of 2024 so an agile investment strategy would be appropriate to optimise returns.
- 5.90 Accordingly, while most cash balances are required in order to manage the peaks and troughs of cash flows, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer-term investments will be carefully assessed.
- 5.91 **Investment returns expectations.** It should be observed that there is a relationship with inflation and interest rates. Rise in inflation will invariably lead to a rise in interests. The same wisdom holds turn from the opposite situation. Holding true to this relationship, the persistent rise of inflation as seen at the time

of writing this report, has correspondingly increased the Bank Rate. The Bank of England (BoE) has opted to increase Bank Rate on 14 successive occasions, starting around mid-December 2021. At the beginning of April 2022, Bank Rate was set at 0.75% and moved up in stepped increases of either 0.25% or 0.5% thereafter, reaching 4.25% by the end of 2022/23 and to the current 5.25% in October 2023. Based on current modelling, Bank Rate has peaked. Amongst other things, the Bank of England's short-term fiscal strategy and tight monetary mechanisms to control the rampant rise of inflation has had its desired effects. Inflationary pressures are cooling, moving downwards from 40-year highs of around 11% in October 2022 through to 4.6% in November 2023. As with the current trajectory of inflation, it is projected that Bank Rate will gradually decline during 2024/25.

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

Average earnings in each year	
2023/24 (residual)	5.30%
2024/25	4.70%
2025/26	3.20%
2026/27	3.00%
2027/28	3.25%
Years 6 to 10	3.25%
Years 10+	3.25%

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

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

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

**Maximum principal sums invested > 365 days**

	2024/25	2025/26	2026/27
Principal sums invested > 365 days	£10m	£10m	£10m

- 5.94 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 182 days) in order to benefit from the compounding of interest whilst preserving the security of invested funds and liquidity.

### **Investment risk benchmarking**

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

### **End of year investment report**

- 5.96 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 this report.

### **6.2 Legal**

None

### **6.3 Human Resources**

None

### **6.4 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.

### **6.5 Equalities 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.

### **6.6 Health**

None

### **6.7 Climate Change**

The Council's Investment Policy now includes a criterion that the Council will take into consideration the impact on the environment when making investments to try to align investments with the councils values on climate change where possible.

## **7 Appendices**

Appendix 1: Economic Update (provided by Link Asset Services as of November 2023)

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

Appendix 3: Approved Countries for Investment

Appendix 4: Treasury Management Scheme of Delegation

Appendix 5: The Treasury Management Role of The Section 151 Officer

## **8 Previous Consideration**

None

## **9 Background Papers**

Available in Financial Services

<b>Contact Officer:</b>	Chris Forrester
<b>Telephone Number:</b>	01543 464 334
<b>Report Track:</b>	1 February 2024 Cabinet 21 February 2024 Council
<b>Key Decision:</b>	No

**ECONOMIC UPDATE  
(PROVIDED BY LINK ASSET SERVICES AS OF NOVEMBER 2023)**

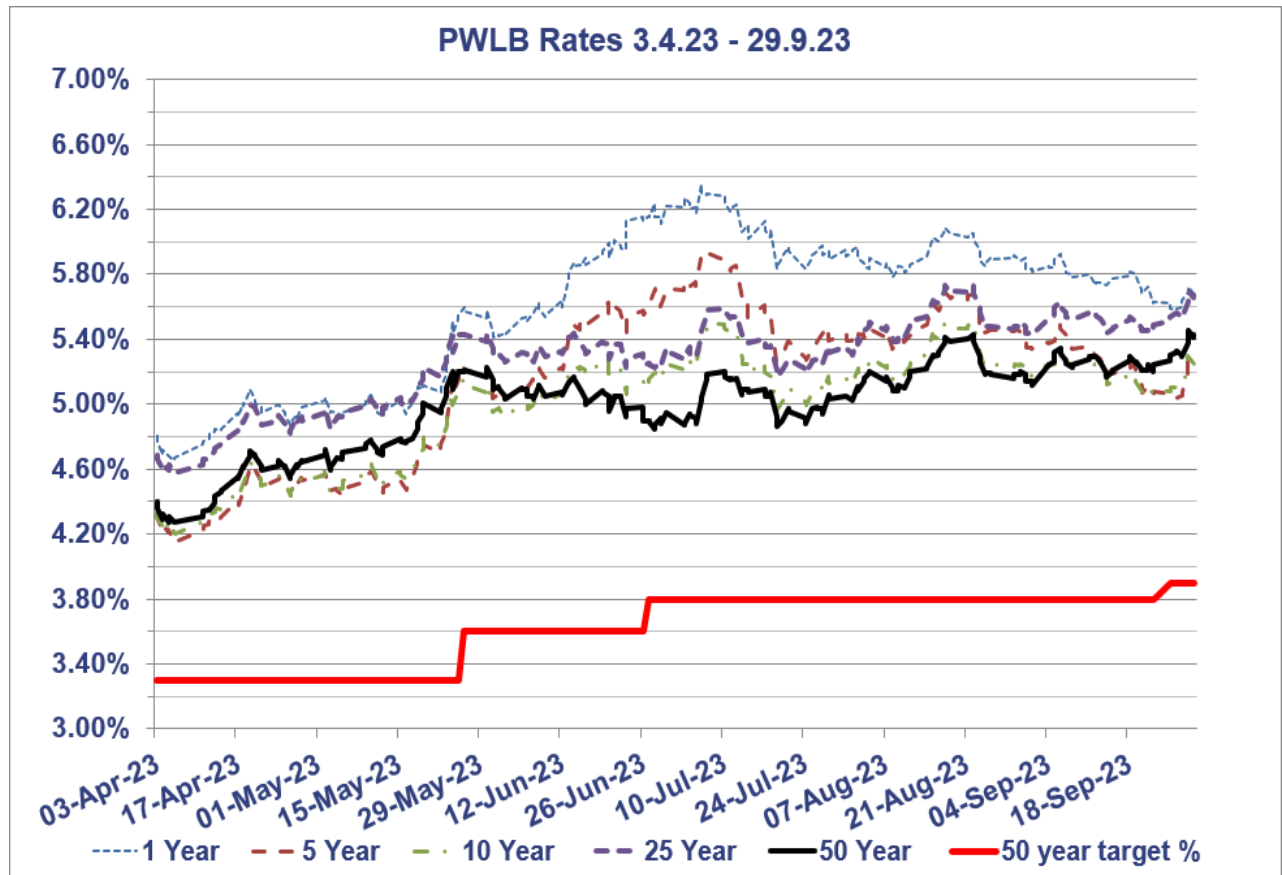
- The first half of 2023/24 saw:
  - Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle.
  - Short, medium and long-dated gilts remain elevated as inflation continually surprised to the upside.
  - CPI inflation falling from 8.7% in April to 6.7% in September, its lowest rate since February 2022, but still the highest in the G7.
  - Core CPI inflation declining to 6.1% in September from 7.1% in April and May, a then 31 years high.
  - A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth (as the 3myy growth of average earnings rose by 7.8% for the period June to August, excluding bonuses).
- The registering of 0% GDP for Q3 suggests that underlying growth has lost momentum since earlier in the year. Some of the weakness in July was due to there being almost twice as many working days lost to strikes in July (281,000) than in June (160,000). But with output falling in 10 out of the 17 sectors, there is an air of underlying weakness.
- The fall in the composite Purchasing Managers Index from 48.6 in August to 46.7 in September left it at its lowest level since COVID-19 lockdowns reduced activity in January 2021. At face value, it is consistent with the 0% q/q rise in real GDP in the period July to September, being followed by a contraction in the next couple of quarters.
- The 0.4% m/m rebound in retail sales volumes in August is not as good as it looks as it partly reflected a pickup in sales after the unusually wet weather in July. Sales volumes in August were 0.2% below their level in May, suggesting much of the resilience in retail activity in the first half of the year has faded.
- As the growing drag from higher interest rates intensifies over the next six months, we think the economy will continue to lose momentum and soon fall into a mild recession. Strong labour demand, fast wage growth and government handouts have all supported household incomes over the past year. And with CPI inflation past its peak and expected to decline further, the economy has got through the cost-of-living crisis without recession. But even though the worst of the falls in real household disposable incomes are behind us, the phasing out of financial support packages provided by the government during the energy crisis means real incomes are unlikely to grow strongly. Higher interest rates will soon bite harder too. We expect the Bank of England to keep interest rates at the probable peak of 5.25% until the second half of 2024. Mortgage rates are likely to stay above 5.0% for around a year.
- The tightness of the labour market continued to ease, with employment in the three months to July falling by 207,000. The further decline in the number of job vacancies from 1.017m in July to 0.989m in August suggests that the labour market has

loosened a bit further since July. That is the first time it has fallen below 1m since July 2021. At 3.0% in July, and likely to have fallen to 2.9% in August, the job vacancy rate is getting closer to 2.5%, which would be consistent with slower wage growth. Meanwhile, the 48,000 decline in the supply of workers in the three months to July offset some of the loosening in the tightness of the labour market. That was due to a 63,000 increase in inactivity in the three months to July as more people left the labour market due to long term sickness or to enter education. The supply of labour is still 0.3% below its pre-pandemic February 2020 level.

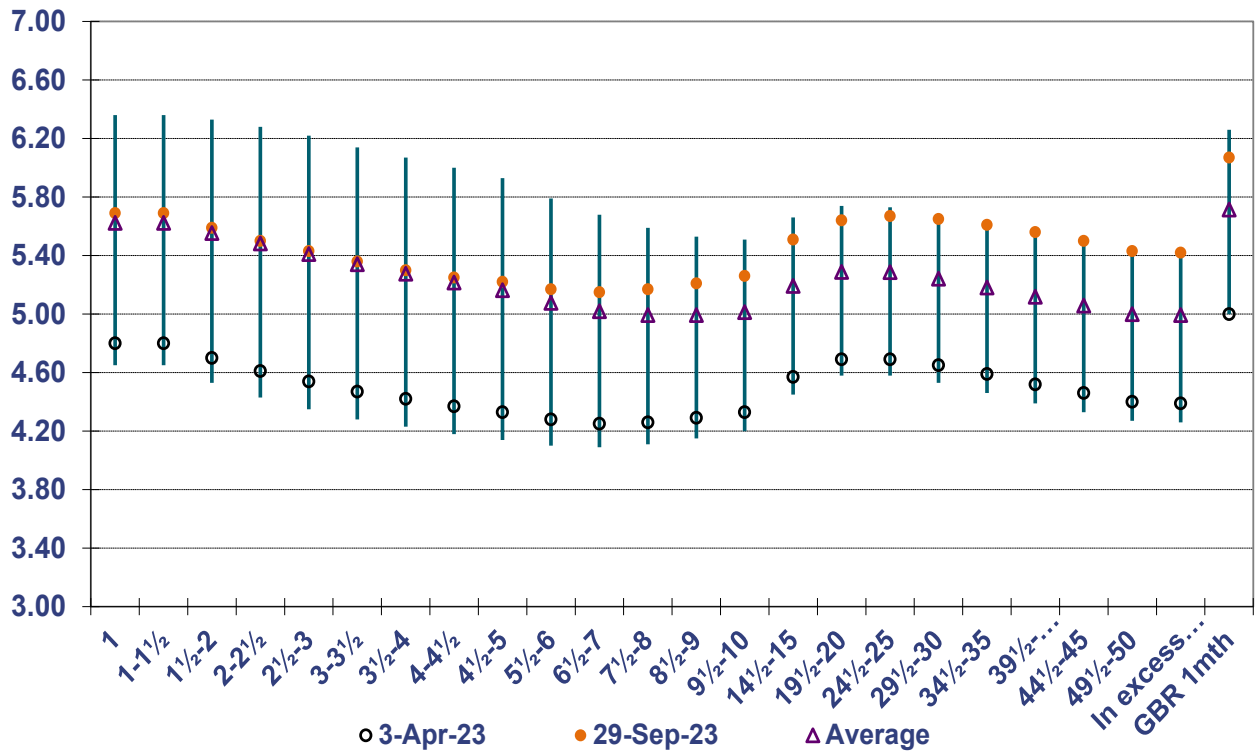
- But the cooling in labour market conditions still has not fed through to an easing in wage growth. The headline 3myy rate rose 7.8% for the period June to August, which meant UK wage growth remains much faster than in the US and in the Euro-zone. Moreover, while the Bank of England's closely watched measure of regular annual average total pay growth for the private sector was 7.1% in June to August 2023, for the public sector this was 12.5% and is the highest total pay annual growth rate since comparable records began in 2001. However, this is affected by the NHS and civil service one-off non-consolidated payments made in June, July and August 2023. The Bank of England's prediction was for private sector wage growth to fall to 6.9% in September.
- CPI inflation declined from 6.8% in July to 6.7% in August and September, the lowest rate since February 2022. The biggest positive surprise was the drop in core CPI inflation, which declined from 6.9% to 6.1%. That reverses all the rise since March.
- In its latest monetary policy meeting on 06 November, the Bank of England left interest rates unchanged at 5.25%. The vote to keep rates on hold was a split vote, 6-3. It is clear that some members of the MPC are still concerned about the stickiness of inflation.
- Like the US Fed, the Bank of England wants the markets to believe in the higher for longer narrative. In terms of messaging, the Bank once again said that "further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures", citing the rise in global bond yields and the upside risks to inflation from "energy prices given events in the Middle East". So, like the Fed, the Bank is keeping the door open to the possibility of further rate hikes. However, it also repeated the phrase that policy will be "sufficiently restrictive for sufficiently long" and that the "MPC's projections indicate that monetary policy is likely to need to be restrictive for an extended period of time". Indeed, Governor Bailey was at pains in his press conference to drum home to markets that the Bank means business in squeezing inflation out of the economy.
- This narrative makes sense as the Bank of England does not want the markets to decide that a peak in rates will be soon followed by rate cuts, which would loosen financial conditions and undermine its attempts to quash inflation. The language also gives the Bank of England the flexibility to respond to new developments. A rebound in services inflation, another surge in wage growth and/or a further leap in oil prices could conceivably force it to raise rates in the future.

In the table below, the rise in gilt yields across the curve as a whole in 2023/24, and therein PWLB rates, is clear to see.

PWLB RATES 01.04.23 - 29.09.23



### PWLB Certainty Rate Variations 3.4.23 to 29.9.23



**HIGH / LOW / AVERAGE PWLB RATES FOR 01.04.23 – 29.09.23**

	1 Year	5 Year	10 Year	25 Year	50 Year
<b>Low</b>	4.65%	4.14%	4.20%	4.58%	4.27%
<b>Date</b>	06/04/2023	06/04/2023	06/04/2023	06/04/2023	05/04/2023
<b>High</b>	6.36%	5.93%	5.51%	5.73%	5.45%
<b>Date</b>	06/07/2023	07/07/2023	22/08/2023	17/08/2023	28/09/2023
<b>Average</b>	5.62%	5.16%	5.01%	5.29%	5.00%
<b>Spread</b>	1.71%	1.79%	1.31%	1.15%	1.18%

The peak in medium to longer dated rates has generally arisen in August and September and has been primarily driven by continuing high UK inflation, concerns that gilt issuance may be too much for the market to absorb comfortably, and unfavourable movements in US Treasuries.

The S&P 500 and FTSE 100 have struggled to make much ground through 2023.

**CENTRAL BANK CONCERNS**

Currently, the Fed has pushed up US rates to a range of 5.25% to 5.5%, whilst the MPC followed by raising Bank Rate to 5.25%. EZ rates have also increased to 4% with further tightening a possibility.

Ultimately, however, from a UK perspective it will not only be inflation data but also employment data that will mostly impact the decision-making process, although any softening in the interest rate outlook in the US may also have an effect (just as, conversely, greater tightening may also).



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

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

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

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

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

	Minimum credit criteria / colour band	Max % of total investments/ £ limit per institution	Max. maturity period
DMADF – UK Government	Yellow	100%	6 months (max. is set by the DMO*)
UK Government gilts	UK sovereign rating	£6 million	5 years
UK Government Treasury bills	UK sovereign rating	£6 million	12 months
Bonds issued by multilateral development banks	AAA	£6 million	5 years
Money Market Funds CNAV	AAA	£9 million	Liquid
Money Market Funds LNAV	AAA	£9 million	Liquid
Money Market Funds VNAV	AAA	£9 million	Liquid
Ultra-Short Dated Bond Funds with a credit score of 1.25	AAA	£6 million	Liquid

	Minimum credit criteria / colour band	Max % of total investments/ £ limit per institution	Max. maturity period
Ultra-Short Dated Bond Funds with a credit score of 1.5	AAA	£6 million	Liquid
Local authorities	N/A	£3 million	12 months
Call Accounts	N/A	£6 million	Liquid
Term deposits with housing associations	Blue Orange Red Green No Colour	£3 million	12 months 12 months 6 months 100 days Not for use
Term deposits with banks and building societies	Blue Orange Red Green No Colour	£6 million	12 months 12 months 6 months 100 days Not for use
CDs or corporate bonds with banks and building societies	Blue Orange Red Green No Colour	£6 million	12 months 12 months 6 months 100 days Not for use
Gilt funds	UK sovereign rating	£6 million	12 months

\* DMO – is the Debt Management Office of HM Treasury

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

**Approved Countries For Investments**

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

***Based on lowest available rating*****AAA**

Australia  
Denmark  
Germany  
Netherlands  
Norway  
Singapore  
Sweden  
Switzerland

**AA+**

Canada  
Finland  
U.S.A.

**AA**

Abu Dhabi (UAE)

**AA-**

Belgium  
France  
U.K.

## TREASURY MANAGEMENT SCHEME OF DELEGATION

### Full Council

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

### Committees/Council

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

### Body/person(s) with responsibility for scrutiny

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

## THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

The s151 (responsible) officer:

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

## Council Tax Charges in Respect of Unoccupied Dwellings

<b>Committee:</b>	Cabinet & Council
<b>Date of Meeting:</b>	01 February 2024
<b>Report of:</b>	Deputy Chief Executive (Resources)
<b>Portfolio:</b>	Resources & Transformation

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### 1 Purpose of Report

- 1.1 To inform members of new powers that have been given to them in respect of Council Tax charges on certain unoccupied dwellings.
- 1.2 To recommend that Council, at its meeting on 6 March 2024 introduces charges in line with those new powers and the removes the 12 month exemption currently given to some uninhabitable dwellings.

### 2 Recommendations

- 2.1 That the report be noted.
  - 2.1.1 That Council resolves to remove the current 12-month exemption given to properties which are unoccupied, substantially unfurnished, uninhabitable and in need of or undergoing major repair or structural alteration with effect from 1 April 2024.
  - 2.1.2 That Council resolves to introduce a 100% Premium to the Council Tax liability in respect of properties which have been unoccupied and substantially unfurnished for 12 months with effect from 1 April 2024.
  - 2.1.3 That Council resolves to introduce a 100% Premium to the Council Tax liability in respect of properties which are not occupied as any person's sole or main residence, and are substantially furnished (often referred to as second homes) with effect from 1 April 2025.

#### Reasons for Recommendations

- 2.2 There is no evidence that the exemption for uninhabitable property encourages the renovation of such premises or expedites their bringing into use. Administration of the exemption is very burdensome, due to it being often misconstrued by owners of properties undertaking remedial repairs or cosmetic improvements to dwellings. Options exist for the Valuation Office Agency to remove dwellings which are derelict from the Valuation List in the most severe cases.
- 2.3 It is expected that the introduction of an empty property levy after 12 months rather than 24 months will encourage earlier engagement from owners and in many cases expedite the occupation of their properties.

- 2.4 Similarly the imposition of a Second Home Premium will encourage some homes to be put to better use and will afford owners of the properties a choice as to whether to pay the premium or bring the dwelling into use. This premium will be introduced from 2025, giving owners time to deal with their properties.
- 2.5 Safeguards will exist by way of Government's intention to provide statutory exceptions to the Premiums for some categories of dwelling.

### **3 Key Issues**

- 3.1 There is significant strong demand for housing from both buyers and renters in Cannock Chase, this is despite high mortgage rates and challenges resulting from a high cost of living. The Housing Options team are facing significant levels of demand for suitable accommodation for those approaching the service. As such empty or poorly utilised properties are a wasted resource that could be used to house families in the District.
- 3.2 Compared to regional and national levels of long-term empty homes, Cannock Chase is relatively fortunate in having fewer such properties. That said, every empty home is a wasted resource that could be used for residents in the district who are struggling to access the housing market, to either rent or own a home.
- 3.3 The use of "second homes" varies considerably and the Council routinely receives complaints from neighbours regarding unkempt properties that are recorded as second homes due to the fact they are furnished, but in reality are as problematic as if recorded as empty.
- 3.4 Any agreed changes will be supported with action by both council tax and housing staff to help affected owners make informed choices about the future use of their asset, whether that is to pay any additional premium or market for sale or rent.

### **4 Relationship to Corporate Priorities**

- 4.1 The proposals contained in this report will encourage property owners to bring empty dwellings back into use thereby improving the local environment and providing additional housing capacity and choice.

### **5 Report Detail**

- 5.1 New legislation permitting Premium charges to be applied to Second Homes and property that has been empty for 12 months received Royal Assent on 26 October 2023.
- 5.2 It is an accepted fact that empty and poorly utilised homes are a wasted resource that we would very much like to bring into use, to increase the supply of affordable accommodation in the area.
- 5.3 The Council's ability to charge our existing Premium Council Tax charges was given in 2013.
- 5.4 Whilst giving local authorities the power to charge, Government has indicated that they wish to restrict the level of charges for some categories of dwelling. The most recent legislation that allow increases, contain a condition that the Government

may make regulations to restrict or inhibit the charges. Regulations are expected, but not yet made, regarding exceptions to the new Premiums for certain properties. Details are given at paragraph 5.10.

- 5.5 The following is a summary of the revenue that could be raised if we remove the exemption for uninhabitable property and increase the other charges to the new permitted levels. An element of caution is needed regarding the income figures. The figures quoted assume that all of the property owners will pay the additional charges. In reality some will claim exemptions, change categories or become re-occupied and so avoid the additional charges. Re-occupation is of course a very positive result both in terms of housing supply and New Homes Bonus.

Category of Dwelling	Recommendation	Number and Maximum Value
Property, which is unoccupied, substantially unfurnished uninhabitable and in need of or undergoing major repair or structural alteration	Remove 100% discount	21 £35,000
Property which is unoccupied and substantially unfurnished <b>12 - 24 months</b>	Increase from 100% to 200% charge	128 £211,000
Property which is unoccupied and substantially furnished (referred to as second homes)	Increase from 100% to up to 200% charge	129 £219,000

Cannock Chase DC would retain around 12% of any revenue raised.

- 5.6 If the government were to confirm all of the restrictions included in the consultation document, the actual revenue could be reduced significantly. The revenue from dwellings empty from 1-2 years could be halved and the revenue received from second homes deferred for an additional 6 months, or more if all dwellings would satisfy one of the exception criteria.

### 5.7 Uninhabitable Property

- 5.7.1 We currently offer a full reduction for up to 12 months to property, which is unoccupied, substantially unfurnished, uninhabitable and in need of or undergoing major repair work or structural alterations which are necessary to make the dwelling habitable.
- 5.7.2 This reduction is often misunderstood and whilst it is intended to cover property in the poorest of states, often results in claims from people who have bought or inherited property in poor states of cleanliness and decoration, or property which requires replacement of electrical installations and plumbing. These works are not sufficient to attract the reduction.
- 5.7.3 A considerable amount of time is spent by the Revenues Team administering this exemption which could be saved and used more productively, if it were to be removed. There is no particular evidence to suggest that applying the exemption



has incentivised owners to renovate property and it may well be that removing it may expedite the repair works and re-use of the dwellings.

## 5.8 Property Empty for 1 - 2 Years

5.8.1 We currently apply the premium charge when the dwelling is empty for 2 years as previously allowed by legislation. There is a common view that bringing the premium forward to the 1 year mark will encourage earlier engagement with the owner and in a number of cases lead to earlier occupation of the dwellings.

## 5.9 Second Homes

5.9.1 We currently charge the statutory maximum 100% charge on Second Homes. The new legislation would allow that to increase to 200% but requires at least 1 year to pass from the time of the resolution until the date that new charges apply. If this report is adopted, the Premium would apply to Second Homes from 1 April 2025.

5.9.2 The expression “Second Home” can be a little misleading. The term is used to describe a dwelling which is nobody’s main home but is substantially furnished and so covers a multitude of scenarios. Some second homes are abandoned premises which happen to be furnished, whereas others will be well maintained and in regular use, albeit not as a main home. Any charges that we apply to second homes will apply equally to all, with the exception of those exempted by statute.

5.9.3 We cannot be certain why properties are maintained as second homes and so the impact of introducing the new premiums on each individual property owner cannot be predicted precisely. Officers have done some work to analyse information that has been provided to the Council Tax section previously. The results of that work are as follows. Some of the information will be quite old and circumstances may have changed. This is the best evidence currently available.

5.9.4

Analysis of CCDDC Second Homes as at 3 November 2023	Number	Comment
No-one’s main residence but furnished	29	Could be awaiting sale or let or could be used as work-related accommodation. We would wish to encourage occupation where possible
Appear to be 2 <sup>nd</sup> homes in the truest sense as the owner has a main residence <b>outside of the area.</b>	33	Owners will be encouraged to make their properties available in order to avoid the Premium

Analysis of CCDC Second Homes as at 3 November 2023	Number	Comment
2 <sup>nd</sup> homes where owner has a main residence <b>in the area</b> – examples of these could include <ul style="list-style-type: none"> <li>• someone has moved in with a partner and has left their property unoccupied but furnished</li> <li>• someone has purchased another property and has left their prop furnished while for sale</li> <li>• Owner has purchased neighbouring properties.</li> </ul>	26	We would wish to encourage occupation where possible
Properties that have been inherited and have been left furnished	12	We would wish to encourage occupation where possible
Properties that are part of a deceased persons estate. Probably left furnished awaiting probate or to aid sale	11	Potentially exempt for 12 months
Already re-occupied	10	No action needed
Re-possession pending	1	Exempt
Converted to business use	1	Will be removed from Council Tax list and added to Business Rates
No information held	5	We would wish to engage with owners and encourage occupation where possible
<b>Total</b>	<b>128</b>	

## 5.10 Exceptions to the Premium Charges

5.10.1 The Government has indicated that regulations may be made to restrict the Premium charges in some circumstances. The Council will be bound by any exceptions which are so prescribed. The Government have consulted upon the following exceptions but not yet prescribed any of them.

### 5.10.2 Potential Exceptions to both Empty Homes and Second Homes Premiums

- Properties undergoing probate (12 month deferral)
- Properties being actively marketed for sale or let (6 month deferral)

### 5.10.3 Potential Exceptions to Empty Homes Premiums

- Properties undergoing major repairs (6 month deferral)

#### 5.10.4 Potential Exceptions to Second Homes Premiums

- Annexes forming a part of, or being treated as part of, the main dwelling
- Job-related dwellings
- Occupied caravan pitches and boat moorings
- Seasonal homes where year-round or permanent occupation is prohibited or has been specified for use as holiday accommodation or prevents occupation as a person's sole or main residence.

5.10.5 The Council has the option to specify other categories of dwelling for which the Premium will not be charged. The Council will honour the remaining term of any 100% discounts granted to uninhabitable property prior to 1 April 2025. No other categories have been specified.

5.10.6 The Council's officers will consider requests to waive Premiums on the grounds of hardship or exceptional circumstances, based on the merits of the individual application.

### 5.11 Proposed Actions

5.11.1 Whilst a significant amount of revenue may be generated by the imposition of the new charge levels for empty and second homes, another and more important intention of the changes is to increase the supply of affordable housing that is available in the area. To that end the Council's Revenues and Housing officers will work closely together to support owners of affected properties, who wish to bring their property into use.

5.11.2 These actions will include:

- Making contact with property owners as soon as is practicable to notify them of the changes to our charging policy and how it will affect them.
- Entering into payment agreements with property owners who will find it difficult to pay the premiums, pending disposal of their properties.

## 6 Implications

### 6.1 Financial

There can be no loss of revenue resulting from the proposals. Each of the proposals will increase the amount of Council Tax collected and shared with our preceptors. The exact amounts cannot be established until the policy is implemented, property owners have engaged with our officers and bills are issued and paid.

Given the late approval of legislation and uncertainty of the circumstances of all of the affected properties, no provision has been made for these changes in the 2024-25 budget of Council Taxbase.

If every property owner paid the Premiums, over £465,00 would be raised, from 2025-26 onwards, of which we would retain around £56K. It is not a realistic to expect all of that revenue and indeed not the purpose of the policy.

Homes brought into use bring both financial and non-financial benefits to the Council and local resident.

**6.2 Legal**

The power to implement the proposed charges is given by the Levelling-up and Regeneration Act 2023, which amends Local Government Finance act 1992.

**6.3 Human Resources**

None

**6.4 Risk Management**

None

**6.5 Equalities and Diversity**

None

**6.6 Health**

None

**6.7 Climate Change**

None

**7 Appendices**

**Appendix 1** - Empty and Second Homse. Current and Proposed Charge and Discount Rates

**8 Previous Consideration**

Council Tax charges for empty dwellings were last reviewed on 8 January 2020.

**9 Background Papers**

None

**Contact Officer:** Rob Wolfe - Local Taxation and Benefits Manager

**Telephone Number:** 01543 46 4397

**Report Track:** Cabinet: 01/02/24

Council: 06/03/24

**Key Decision:** No

## Appendix 1

**Empty and Second Homes. Current and Proposed Charge and Discount Rates**

Based on our caseload at 3 November 2023 the following shows the number of dwellings in each category of unoccupied charge and an estimate of the value of the discounts given. For this purpose a standard unparished charge has been assumed.

The table also shows the changes that are proposed in this report.

<b>Category of Dwelling</b>	<b>Charge and Discount</b>	<b>Number and Value</b>	<b>Proposed Charge and Discount WEF 1.4.24 unless stated</b>
Property which is unoccupied and substantially furnished (referred to as second homes)	0% discount 100% charge	128 £211,000	100% Premium 200% charge <b>WEF 1.4.25</b>
Property, which is unoccupied, substantially unfurnished uninhabitable and in need of or undergoing major repair or structural alteration	100% discount for up to 12 months	21 £0.00 (35k discount given)	0% Discount 100% charge
Property which is unoccupied and substantially unfurnished <b>0- 28 days</b>	100% discount 0% charge	68 £0.00 (£7,800 discount given)	100% discount <b>0% charge</b>
Property which is unoccupied and substantially unfurnished <b>28 days - 12 months</b>	0% discount 100% charge	325 £463,000	0% discount 100% charge
Property which is unoccupied and substantially unfurnished <b>12 - 24 months</b>	0% discount 100% charge	148 £239,000	100% Premium 200% charge
Property which is unoccupied, substantially unfurnished and has been so for between <b>2 - 5 years</b>	100% Premium 200% Charge	85 £247,000	100% Premium <b>200% Charge</b>
Property which is unoccupied, substantially unfurnished and has been so for between <b>5 years and 10 years</b>	200% Premium 300% Charge	11 £48,000	200% Premium 300% Charge
Property which is unoccupied, substantially unfurnished and has been so for <b>over 10 years</b>	300% Premium 400% Charge	11 70,000	300% Premium 400% Charge

## Permission to Spend - Hotel Costs

<b>Committee:</b>	Cabinet
<b>Date of Meeting:</b>	01 February 2024
<b>Report of:</b>	Head of Wellbeing
<b>Portfolio:</b>	Community Wellbeing

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### 1 Purpose of Report

- 1.1 This report is requesting permission to spend the funding allocation from the Home Office in relation to the costs associated with the operating of the hotel and dispersed accommodation housing those seeking asylum in Cannock Chase.

### 2 Recommendations

- 2.1 That Cabinet gives permission to spend the £175,500 funding that was allocated to Cannock Chase District Council in relation to the costs associated with the operation of the hotel. The exact allocation of funding will be determined as the level of demand on housing options become clearer and permission is requested to delegate the final breakdown of funding to the Head of Wellbeing in consultation with the Cabinet Member.

#### Reasons for Recommendations

- 2.2 Funding has been allocated by the Home Office to Cannock Chase Council to cover costs associated with the operation of the hotel in Cannock used to house asylum seekers while their asylum claims are being processed. This report is seeking permission to spend that funding where costs have been incurred.

### 3 Key Issues

- 3.1 The Home Office have allocated funding to Cannock Chase District Council to cover the costs associated with the operation of a hotel housing asylum seekers. Costs have been incurred across several areas of the Council and this funding will be used to reimburse those areas.
- 3.2 Funding has been allocated based on the number of residents in the hotel at the end of March 2023. It should be noted that the number fluctuates on a weekly basis and as people get decisions, their bedspaces are backfilled, so the number of people going through the hotel is more than 234.

### 4 Relationship to Corporate Priorities

- 4.1 This supports the delivery of Corporate Priorities 2 and 3, “To encourage and help support residents to live healthy and independent lives” and “To ensure Cannock Chase is a place where residents are proud to call home”.

## **5 Report Detail**

- 5.1 A hotel in Cannock Chase was opened in November 2021 to house those seeking asylum in the United Kingdom. On 31 March 2023 there were 234 people living at the hotel. This is the date the Home Office use to calculate payments to local authorities for costs incurred due to the hotel operating for this purpose in their area. Based on 234 people in the hotel, Cannock Chase District Council have received an allocation of £175,500.
- 5.2 Expenditure has been incurred across several areas of the council because of the hotel operating in the area. The community safety and partnerships team have worked closely with Serco who manage the hotel to ensure the safety of those staying there. There has been a cross service approach to working with the voluntary sector to set up diversionary activities and, when asylum seekers get a positive asylum decision the local authority has a statutory duty to provide housing advice, support and in some cases temporary accommodation for the refugees. The housing options team have worked with the hotel to provide that support and guidance.
- 5.3 This funding from the Home Office will be used to reimburse the costs across the areas outlined in paragraph 5.2.
- 5.4 The Home Office have increased the speed of decision making for asylum applications, so the Council are seeing more people in need of housing advice and assistance as they move on from the hotel. To date this hasn't translated into a requirement for temporary accommodation, but each case has to be assessed on its individual merits. If more people start to trigger this duty, then costs incurred by the council will increase. Providing housing advice and guidance and taking statutory homeless applications can be a lengthy process and work is currently underway to understand whether further resource is required in the housing options team to cover this additional work. If it is needed, this funding will be used to cover the cost. It is suggested that initially a relatively small percentage of the funding will be allocated to cover community safety and partnerships activity and most of the funding should be set aside to cover pressures on the housing options service.

## **6 Implications**

### **6.1 Financial**

The grant detailed above has been paid to the council in the amount of £175,500. The monies will be spent in line with the funding instruction for local authorities: Asylum Dispersal Grant scheme.

At the end of the period for which the support is being paid final checks will be carried out to ensure that the payments are reflective of the amounts to which the recipient is entitled. Regular monitoring will be undertaken to ensure that spend meets the appropriate criteria and that spend does not exceed the allocation. Should it be the case that costs are greater than forecast a subsequent report will be presented.

**6.2 Legal**

None.

**6.3 Human Resources**

None.

**6.4 Risk Management**

There are ongoing costs associated with the operation of the hotel in Cannock Chase. As individuals get their asylum decisions they move out of the hotel, with their place being backfilled by another person. The Council must fulfil their statutory homelessness duty, which results in a significant financial risk to the Council. It is intended that the majority of funding will be set aside to cover these costs, so the risk to the Council is minimised.

**6.5 Equalities and Diversity**

The Council are working with Serco who manage the hotel to ensure the safety and security of all residents. They are providing housing advice and guidance that meet the specific needs of each resident taking into account any protected characteristics.

**6.6 Health**

The health and wellbeing of all residents is important. The Council have worked closely with statutory health partners as well as the voluntary sector to ensure both statutory healthcare is provided and, diversionary activities are provided to support the wellbeing of residents.

**6.7 Climate Change**

None

**7 Appendices**

None

**8 Previous Consideration**

None

**9 Background Papers**

None

**Contact Officer:** Anna Nevin  
**Telephone Number:** 01785 619 176  
**Report Track:** Cabinet: 01/02/24  
**Key Decision:** No



## Permission to Spend - Health Inequalities Projects Funding

<b>Committee:</b>	Cabinet
<b>Date of Meeting:</b>	01 February 2024
<b>Report of:</b>	Head of Wellbeing
<b>Portfolio:</b>	Community Wellbeing

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### 1 Purpose of Report

- 1.1 This report requests permission to spend funding allocated through the Staffordshire Health Inequalities Directors' Group (HIDG). There is funding available from the Staffordshire Contain Outbreak Management Fund (COMF) and the HIDG invited authorities to submit bids both to strengthen existing work in health inequalities and to carry out new projects related specifically to health and housing in "hot spot" areas. The Council submitted three project bids totalling £325,000, all of which have been approved.

### 2 Recommendations

- 2.1 That Cabinet:

- 2.1.1 Delegates authority to spend the £325,000 funding to the Head of Wellbeing in consultation with the portfolio holder for Community Wellbeing to deliver the three projects. The first project is focussed on identifying damp and mould within privately rented and owned homes (£55,000). The second project looks to address mental health issues affecting tenants of multi-occupied homes in the District (£55,000). The third project is to extend the successful work of Cannock Chase Can (£215,000). In relation to the third project, £8,000 of the funding will be retained by the Council for an officer to work with Inspiring Healthy Lifestyles (IHL) on a part time basis to deliver this scheme. The remaining £207,000 will be in the form of grant funding that will be passported to IHL who are leading on delivery of Cannock Chase Can.
- 2.1.2 Delegates authority to the Head of Wellbeing in consultation with the Portfolio Holder for Wellbeing to enter into any necessary legal agreements with grant recipients that are required to facilitate the delivery of the projects.

#### Reasons for Recommendations

- 2.2 Funding has been allocated by HIDG, to ensure that local public health priorities are met. The projects proposed will demonstrate a measurable impact on reducing health inequalities in line with HIDG priorities and in defined hot spot areas. Projects focussed on housing issues within the district's most disadvantaged wards were an area of focus, hence two of the projects chosen. This aligns with the wider work of the HIDG and will enable the Council to effectively target resources to areas of greatest need within the district. The third project is an extension of an existing initiative which has been shown to improve population health. All funding must be spent by September 2024, which has informed the choice of projects, unspent funding must be returned.

### **3 Key Issues**

- 3.1 The County Council, working with Districts through the Health Inequalities Directors Group (HIDG), has identified key priorities and actions in terms of improving health and wellbeing. The availability of funding via the Contain Outbreak Management Fund (COMF) allows the County to allocate funding specifically to address Districts' areas of greatest need, whilst allowing Districts to determine how best to use this funding.
- 3.2 The County Council have identified these areas using a formula based on population size, Indices of Multiple Deprivation (IMD) and a range of indicators (life expectancy, living with disability, suffering fuel poverty etc.). Four wards have been identified as having 'high' level of need, accounting for 25,900 residents or 26% of the District population. These wards are: Cannock North, Cannock East, Rawnsley and Western Springs. It is these wards that the housing projects will be focussed on, with the Cannock Chase Can project focussing on these, but not to the exclusion of other areas.

### **4 Relationship to Corporate Priorities**

- 4.1 This supports the delivery of Corporate Priority 2, "To encourage and help support residents to live healthy and independent lives".

### **5 Report Detail**

- 5.1 Addressing health inequalities across Staffordshire is a key priority for all Districts and Boroughs. The availability of additional funding will allow greater focus on local issues and an opportunity to gain valuable insight to inform future work.
- 5.2 The funding allocated will be used to deliver three projects, each of which have a clear focus on identifying and addressing health inequalities.
- 5.3 Two projects have a housing focus. The first project is focussed on addressing damp and mould in private properties. Currently the Environmental Health and Public Protection team respond to and resolve complaints about damp and mould in the private sector. This project will enable them to take a proactive approach, working with partners to identify those residents likely to be living with damp and mould and work with their landlords to address the problems.
- 5.4 There is extensive published research demonstrating that health outcomes among tenants / residents of houses in multiple occupation (HMO) are among the poorest in society. The second project aims to engage with tenants in HMOs. The team will address any physical hazards in the property and importantly seek to support tenants who may be experiencing or may be likely to experience mental health conditions, in finding and accessing support services.
- 5.5 Analytical data has already been used by the County to identify the hot spot wards, and it is envisaged that this can be further refined for the housing projects with additional information and insight from within the Council's own key services, for example quantitative data relating to council tax or benefits.
- 5.6 Employee resource to deliver the projects will be drawn from within existing teams, enhancing both organisational and individual learning. An officer will be seconded

into these projects, thereby maximising opportunities for strengthening links, and collaborating with partner agencies. The funding will then backfill the existing posts for the fixed period the project is running.

- 5.7 Insight gained from these projects can be used to inform the wider service's future interventions and to build knowledge and capacity within the wider team to deliver ongoing additional impact. The intelligence gained from this proactive work will inform potential for redesign of services going forward, so that needs of vulnerable occupiers can be more proactively identified and addressed.
- 5.8 The third project that has been successful in receiving funding is an extension of the successful Cannock Chase Can. The money will be used by Inspiring Healthy Lifestyles to develop with communities, further projects linked to each of the themes on the wellness wheel. The evaluation framework will be developed, and the app's functionality will be enhanced and upgraded. There will also be work on developing a wellness wheel outside the app aimed at different target audiences.

## 6 Implications

### 6.1 Financial

Staffordshire County Council has awarded the Council a total grant of £325k for a number of projects to tackle health inequalities - the breakdown of which is detailed below:

	<b>Project</b>	<b>£000</b>
A	Cannock Chase CAN	215
B	Damp and Mould	55
C	HMO's and Mental Health	55
	<b>Total</b>	<b>325</b>

All allocated monies must be spent by September 2024 and regular monitoring will be undertaken to ensure that spend meets the appropriate criteria and does not exceed the allocation.

As referred to in para 5.6 some of the grant funding will be used to backfill the existing posts for the fixed period the project is running to cover the seconded Officer for the length of the projects.

No further Financial Implications have been identified at this time,

### 6.2 Legal

None

### 6.3 Human Resources

None

### 6.4 Risk Management

The projects must be delivered and funding allocated spent by September 2024. There will therefore need to be clear focus and adherence to project plans and

sufficient employee resource allocated. It is intended to use existing employees to deliver the project work and to back fill their roles.

**6.5 Equalities and Diversity**

This project work is focussed on the most disadvantaged households within the District and will assist in addressing health inequalities in vulnerable groups.

**6.6 Health**

The health and wellbeing of all residents is important. These projects will enable greater targeting and focus on the health and wellbeing of some of our most vulnerable residents.

**6.7 Climate Change**

It is possible that some remedial measures may be identified and implemented in respect of home energy efficiency, which may then assist in reducing emissions within the District.

**7 Appendices**

None

**8 Previous Consideration**

None

**9 Background Papers**

None

<b>Contact Officer:</b>	Anna Nevin
<b>Telephone Number:</b>	01785 619 176
<b>Ward Interest:</b>	All
<b>Report Track:</b>	Cabinet: 01/02/24
<b>Key Decision:</b>	No

## GBSLEP Future Impact Fund

**Committee:** Cabinet (For information only)

**Date of Meeting:** 1 February 2024

**Report of:** Leader of the Council

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### **1 Purpose of Report**

- 1.1 To update Cabinet on a recent decision taken by the Leader of the Council.

### **2 Recommendations**

- 2.1 That Cabinet notes the urgent decision taken by the Leader of the Council to approve the receipt of funding from the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) Future Impact Fund to fund a skills project to be delivered by South Staffordshire College.

#### **Reasons for Recommendations**

- 2.2 To ensure transparency and probity in the use of public funding by publicising the decision by the Leader of the Council to agree to the Council receiving funding from GBSLEP and funding a skills project led by South Staffordshire College.

### **3 Key Issues**

- 3.1 The Council has been allocated £73,243 from the GBSLEP Future Impact Fund. The Council has identified that the best use of this funding is to fund a project to be delivered by South Staffordshire College that will complement its UKSPF Construction Excellence project.

### **4 Relationship to Corporate Priorities**

- 4.1 The project will support delivery of the Economic Prosperity Corporate Priority which is contained within the Council's Corporate Plan 2022-26.

### **5 Report Detail**

- 5.1 In August 2023, the Council was invited by the Chair of GBSLEP to apply for grant funding that had become available due to surplus funds being held by the LEP. These funds needed to be distributed to local authority members before the LEP formally closes in March 2024, with the funds to be transferred to the LEP's Accountable Body Birmingham City Council (BCC).
- 5.2 The Council was notified that a sum of £73,243 had been provisionally allocated to Cannock Chase from the GBSLEP Future Impact Fund, subject to the submission and approval of a grant application. Projects are required to deliver against GBSLEP's strategic priorities in relation to workforce development and employability, inclusive economic growth, and sustainable economic growth, including green jobs. The funding needs to be spent by 31 March 2024; therefore,

the Council was required to consider projects that could deliver quickly and ideally were aligned with other public sector funded programmes or initiatives.

- 5.3 Officers reviewed potential opportunities and identified that South Staffordshire College would be a suitable recipient of the funding, on the basis that the College were delivering an existing UK Shared Prosperity Fund Construction Excellence project, and the GBSLEP funding could complement the existing project.
- 5.4 South Staffordshire College confirmed that it would be able to utilise the GBSLEP funding and submitted the application in October 2023. The funding would be used by the College to fund the construction of a dedicated concrete pad and cover facility at the Cannock College campus. The Construction Excellence facility offers practical training in construction-related disciplines, equipping young apprentice learners with in-demand skills.
- 5.5 The Council received notification on 22nd November that the funding application had been approved by the GBSLEP Board. Due to the timing of the award and the spend deadline (31 March 2024), officers did not have sufficient time to prepare a report to Cabinet in December to secure the necessary authority to proceed with the project. The Council's Monitoring Officer advised that the Leader of the Council could approve an urgent decision to enable the Council to receive the grant from the LEP and passport the funding through to South Staffordshire College to enable the project to move forward. A copy of the signed Urgent Decision template is attached at Appendix 1.
- 5.6 The Council has entered into a grant deed with Birmingham City Council in its capacity as Accountable body for GBSLEP and agreed to passport the funding through to the College so that the project can be delivered. The Council has entered into a separate funding agreement with the College, which will ensure that the College will deliver the project deliverables and outputs as per the terms and conditions outlined in the grant deed.

## **6 Implications**

### **6.1 Financial**

The Council is receiving the funding of £73,243 on behalf of South Staffordshire College and will be passporting the funding to them. As set out in paragraph 5.6 there are grant conditions based on spend and performance monitoring requirements for this funding and therefore the Council has been required to enter into an agreement with Birmingham City Council. The Council will enter into a separate funding agreement with the College, which will ensure that the College will deliver the project deliverables and outputs as per the terms and conditions outlined in the grant deed.

### **6.2 Legal**

The terms of the grant to the Council allow for onward payment to South Staffordshire College on condition that the College enter into an identical grant deed with the Council. Failure to use the grant for the approved purposes can result in a requirement to repay all or part of the grant.

### **6.3 Human Resources**

The project will be managed by South Staffordshire College. The Economic Development team will oversee the College's delivery of the funding outputs and outcomes as set out in the funding agreement.

### **6.4 Risk Management**

The key risks for the project relate to the College not being able to deliver against the agreed deliverables and outputs. The risks are being mitigated by the College assigning a dedicated project lead and putting in place project management and budget monitoring controls. The College have agreed to indemnify the Council from any potential clawback of funds, should outputs not be delivered or partially delivered.

### **6.5 Equalities and Diversity**

South Staffordshire College have confirmed that they have undertaken an impact assessment for the new facility. The new construction brick pad facility will provide an inclusive learning environment by welcoming individuals from diverse backgrounds. Through targeted programmes and community engagement initiatives, the College will actively seek to engage under-represented groups, providing tailored support and opportunities to learn.

### **6.6 Health**

The project will make a positive contribution to inclusive economic growth by engaging with the community and creating opportunities for new apprentices, increasing their skills, improving their employment prospects and this should positively impact upon their health and wellbeing.

### **6.7 Climate Change**

The project will incorporate green construction practices and training in sustainable methods.

## **7 Appendices**

Appendix 1 - Urgent decision template signed by the Leader of the Council 24 November 2023

## **8 Previous Consideration**

None

## **9 Background Papers**

CCDC Economic Prosperity Strategy 2022-2032

<b>Contact Officer:</b>	Dean Piper
<b>Telephone Number:</b>	01543 464223
<b>Ward Interest:</b>	All
<b>Report Track:</b>	Cabinet 1 February 2024
<b>Key Decision:</b>	No

**CANNOCK CHASE DISTRICT COUNCIL**

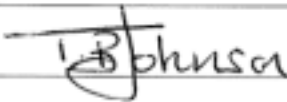
**EXPENDITURE INCURRED UNDER URGENT DECISIONS FUNCTION**

<b>Service Area: Economic Development</b>			
<b>Brief description of the Decision: Approve the receipt of funding from GBSLEP and passport funding to South Staffordshire College</b>			
<p><b>Nature of Urgency:</b></p> <p>Earlier this year, the Council received notification from GBSLEP that Cannock Chase had been provisionally allocated approximately £74k of legacy funding (via the Future Impact Fund) and the Council was asked to identify potential projects that could deliver quickly and help to achieve GBSLEP strategic priorities.</p> <p>The Council identified that South Staffordshire College would be a good fit for this funding as it would complement the UK Shared Prosperity Fund Constructing Excellence project.</p> <p>The College submitted an application form in October, and the Council received notification on 22nd November that the funding had been secured by the GBSLEP Board. The Council now needs to enter into a funding agreement with GBSLEP and passport the funding through to the College.</p> <p>The £74k of funding will be used to fund the construction of a dedicated concrete pad and cover facility at the Cannock campus. The Construction Excellence facility offers practical training in construction-related disciplines, equipping young apprentice learners with in demand skills.</p> <p>Due to the timing of the award, officers will not have time to prepare a report to Cabinet in December to secure the necessary authority to proceed.</p>			
<b>Options considered</b>			
<ol style="list-style-type: none"> <li>1) Seek approval for funding from Cabinet at its meeting on 1<sup>st</sup> February. This is not possible as the funding needs to be spent by 31<sup>st</sup> March 2024 and the College has indicated that it needs to make an immediate start on the project.</li> <li>2) Officers to make decision on whether to proceed. The Monitoring Officer has advised that officers do not have delegated authority to proceed via the Council's Scheme of Delegations.</li> </ol>			
<b>Rationale of Decision</b>			
<b>Decision Making Body in accordance with Constitution Function</b>			
<b>Delegation</b>	<b>Key Decision</b>	<b>General</b>	<b>Confidential n</b>
Council			



Cabinet	N/A	Yes	
<b>Estimated value of additional incurred: £74k</b>			
<b>Period of time decisions refers to: November 2023 - March 2024</b>			
<b>Consultees</b>	<b>Signature</b>		<b>Date</b>
Head of Service			22.11.2023
Monitoring Officer:	N/a		
Section 151 Officer:			
Cabinet Member*:			

<b>Proposed date of meeting to report decision</b>	
<b>Body</b>	<b>Date</b>
Cabinet	1 February 2024

<b>Approved by</b>	<b>Signature</b>	<b>Date</b>
Chief Executive		24.11.23
Leader of the Council		
Scrutiny Chair		